Cydsa

2024 ANNUAL REPORT

SUSTAINABLE PROFITABILITY

CONTENTS:

FINANCIAL INFORMATION:

GEOGRAPHIC DISTRIBUTION OF PRODUCTION FACILITIES

1. Salt for Household Consumption and Industrial Applications.
2. Chlorine, Caustic Soda and Related Specialties.
3. Refrigerant Gases Manufacturing and Comercialization.

OUR COMPANY

CYDSA's five business areas include: **Salt for Household Consumption and Industrial Applications; Chlorine, Caustic Soda and Related Specialties; Refrigerant Gases Manufacturing and Commercialization; Electricity and Steam Cogeneration; and Hydrocarbons Processing and Underground Storage.** Headquartered in Monterrey, Mexico, the Company incorporates more than 20 subsidiaries located in 9 cities and serves customers in more than 15 countries.

FINANCIAL HIGHLIGHTS[1]:

Results	2024	2023
(Millions of Mexican Pesos)		
Consolidated Sales	**15,039**	14,160
Consolidated Sales (millions of dollars)	***821***	*799*
Export Sales (millions of dollars)	***76***	*73*
Export Sales / Consolidated Sales	**9%**	9%
Operating Income	**2,571**	3,166
Net Income	**504**	2,125
Net Income of Controlling Interest	**535**	2,070
Financial Position		
(Millions of Mexican Pesos)		
Total Assets	**34,335**	28,520
Bank and Notes Debt (millions of dollars)	***712***	*694*
Bank and Notes Debt Net of Cash[2] (millions of dollars)	***580***	*592*
Shareholders' Equity	**14,439**	11,864
Book Value per Share[3] (pesos)	**27.17**	21.08
Cash Flow		
(Millions of Mexican Pesos)		
Operating Cash Flow (EBITDA)[4]	**4,121**	4,229
Operating Cash Flow (EBITDA)[4] (millions of dollars)	***226***	*238*
Indicators		
Operating Income / Sales	**17.1%**	22.4%
Net Income / Sales	**3.4%**	15.0%
Operating Cash Flow (EBITDA)[4] / Sales	**27.4%**	29.9%
Bank and Notes Debt / Shareholders' Equity (ratio)	**1.03**	0.99
Total Liabilities / Shareholders' Equity (ratio)	**1.38**	1.40
Net Working Capital[5] / Sales	**15.3%**	11.5%
Total Personnel	**2,128**	2,083
Exchange Rate (Pesos per US Dollar):		
Annual average	**18.32**	17.74
End of year	**20.79**	16.92

1 In accordance with 2012 Mexican Stock Exchange regulations, all investor financial reporting must follow International Financial Reporting Standards (IFRS).
2 Bank Debt Net of Cash equals Bank Debt minus Cash and Cash Equivalents.
3 Based on 531,372,793 shares outstanding at the close of 2024 and 540,971,553 at the close of 2023.
4 Operating Cash Flow or EBITDA is equivalent to Operating Profit plus non-cash items.
5 Due to the seasonal characteristic of several of CYDSA's markets, all measures related to Working Capital performance are computed with a methodology based on the last sales required to complete the balance of trade receivables, inventories and trade payables.

Consolidated Sales
(Millions of Pesos)

Operating Cash Flow (EBITDA)[4]
(Millions of Pesos)

Bank and Notes Debt
(Millions of Dollars at December 31st)

Notas: Figures are expressed in current pesos.
Figures in foreign currency refer to US dollars.
To provide comparability, figures exclude Divestitures and Discontinued Operations.

Tomas Gonzalez Sada
Chairman of the Board
and Chief Executive Officer

TO OUR SHAREHOLDERS

In 2024, CYDSA made progress in its Competitiveness and Growth Strategy, strengthening a Business Portfolio that assures medium- and long-term Sustainable Profitability, allowing continued improvement in operational and financial areas, and reducing the effects of unfavorable and mainly externally driven circumstances, expected to be temporary. In 2024, the Group deployed best practices in all areas of the Organization to attain record sales and generate its second highest operating cash flow (EBITDA) since 2010, the year CYDSA initiated its process to reconfigure and solidify its business portfolio.

The three main achievements in 2024, listed below, materially impacted the Group's development:

1 Operating Cash Flow, or EBITDA, refers to Earnings before the All-In Results of Financing, Income Taxes, Discontinued Operations, and Depreciation and Amortization. EBITDA is equal to Operating Income plus charges that do not impact cash outlays.

Consolidated Sales of

15,039

million pesos

▲6.2%

- **Significant Increase of Production Capacity at the Chlorine, Caustic Soda, and Related Specialties Business.**

Previous reports outlined progress in the stages initiated in January 2020 to construct a new plant for the production of chlorine and caustic soda in Coatzacoalcos, Veracruz, using the best available technology in terms of energy efficiency and environmental impact.

CYDSA contracted this plant as a turnkey project, hiring a Chinese company that provided the technology and built a significant proportion of the facilities. At the end of 2024, the project demonstrated that annual production capacity of IQUISA Coatzacoalcos should successfully increase from 90,000 to 220,000 ECUs[2].

The increased capacity implies potential annual production of 220,000 tons of chlorine, and 248,000 tons of caustic soda, allowing significant progress in the consolidation of the Chlorine, Caustic Soda, and Related Specialties Business. In total, including the Santa Clara and Noreste plants, the Group effectively raised its annual production capacity by almost 70% from 192,000 to 322,000 ECUs, strengthening its role as a fundamental base for CYDSA's growth.

- **Projects to Optimize Capacity of the Electricity and Steam Cogeneration Business.**

As previously mentioned, the Electricity and Steam Cogeneration Business developed four initiatives to resolve various problems related to flaws in the plants' design and supply of natural gas used to fire the turbines.

The advanced technology used in two of these initiatives received international recognition and had patents awarded; this included an important project completed in 2024. This innovative project uses cooling systems to increase total generation capacity to 128 MW, surpassing the original design of 114 MW by 12%.

As for the supply of natural gas, the Business installed a technology designed to ensure stable pressure of this hydrocarbon used to fire the turbines.

2 Electrochemical Units = 1 Ton of Chlorine + 1.128 Tons of Caustic Soda.

- ## Transactions to Decrease Financial Costs and Improve the Debt Maturity Profile.

In 2024, CYDSA continued its progress on key financial objectives, undertaking various transactions that optimized its Bank and Notes Debt structure and improved its maturity profile.

Through this initiative, the debt balance at the end of 2023 moved from US$694 million, comprising 65% dollar-denominated instruments and 35% in Mexican pesos, to US$712 million at year end 2024, with 49% in dollars and 51% in pesos.

Implementing this strategy required six transactions, conducted in four stages. As explained in a later section of this report related to Financing Sources, this process included US$79 million in Senior Notes acquired; a new loan of 1,359 million pesos; and three new short-term obligations totaling 2,157 million pesos, subsequently refinanced almost completely through medium-term credit facilities.

As such, the debt balance at year end 2024 reflected more favorable conditions with regard to terms, cost and flexibility compared to the same characteristics in 2023.

The combination of these three achievements continued to strengthen CYDSA's Business Portfolio and further optimized its financial position.

The Group will implement new strategies based on the above initiatives, improving the competitive position of the Portfolio, both the traditional Chemicals Manufacturing and Specialties Businesses, as well as the more recent Energy Processing and Logistics Businesses.

CYDSA's Management believes the Organization possesses the necessary capabilities to address any future challenges. The Group will continue to focus on medium- and long-term Sustainable Profitability, creating value for its shareholders.

The following sections discuss the results and progress made in 2024[3]:

- **Sales and Income**
- **Operating Cash Flow (EBITDA)**
- **Financing Sources**
- **Cash Flow**
- **Outlook**

3 Unless stated otherwise, numbers are presented in current pesos, while numbers stated in foreign currency are in US dollars.

Sales and Income[4]

In 2024, CYDSA's sales benefitted from the increased production capacity of its new chlorine and caustic soda plant in Coatzacoalcos, Veracruz. Furthermore, the Group expanded the presence of some product lines in domestic markets, primarily in the Salt for Household Consumption and Industrial Applications Business.

As a result, domestic sales rose to 13,649 million pesos in 2024, 6.2% higher than the 12,855 million reported in 2023. In international markets, the increase in shipments of chlorine positively impacted Export Sales, totaling US$76 million in 2024, 4.4% higher than the US$73 million reported in the prior year.

In total, **CYDSA's 2024 Consolidated sales rose 6.2% to 15,039 million pesos,** up from 14,160 million pesos in 2023, as shown in the following graph. The Economic Environment section of this Report (page 25) also states that the average exchange rate of 18.32 pesos per dollar in 2024 depreciated 3.3% from the comparable number of 17.74 pesos in the prior period. Thus, **CYDSA's Consolidated Sales totaled an equivalent of US$821 million in 2024, 2.7% higher** than the US$799 million reported in 2023.

Cost of Sales plus Sales and Administrative Expenses totaled 12,196 million pesos, a 12.1% rise over the comparable 10,884 million reported in 2023. This increase arose from higher usage of energy, raw materials and freight, additional expenditures for salaries and maintenance, and new depreciation charges. The increase in these costs and expenses primarily reflected higher production capacity in the new Plant in Coatzacoalcos, Veracruz, and therefore, additional distribution of chlorine and caustic soda in domestic and international markets. Furthermore, Other Operating Expenses in 2024 registered a negative 272 million pesos, due mainly to the value of fixed assets written off from the operation, compared to the 110 million pesos charged the previous year.

4 In order to comply with the guidelines of the Mexican Stock Exchange (Bolsa Mexicana de Valores - BMV), as of 2012, financial reports released to the investing public must follow the rules established by International Financial Reporting Standards (IFRS).

The rise in sales could not offset this increase in costs and expenses, primarily due to the impact of lower international prices for chlor-alkaline chemicals and various internal and external circumstances that temporarily suspended operational continuity and reduced efficiency in some of the Group's Businesses. Due to these circumstances, **Operating Income[5] in 2024 fell 18.8% to 2,571 million pesos, equivalent to 17.1% of Sales,** compared to the 3,166 million in 2023, representing 22.4% of Sales.

The Net Financial Expense of 1,064 million pesos in 2024 increased by 561 million pesos, from 503 million in 2023. This figure reflects both higher Interest Expenses and lower capitalization of Financial Expenses upon the commencement of operations of certain investments previously in progress, financed through Bank Debt.

The final entries on the 2024 Income Statement show a negative 10 million pesos for Share in Results of Associated Companies and Net Discontinued Operations, as well as 993 million pesos in Income Taxes. As a result, **Net Profit totaled 504 million pesos, or 3.4% of 2024 Sales,** compared to Net Profit of 2,125 million, or 15.0% of Sales in 2023.

Management's Discussion and Analysis of the Financial Statements of this Report (page 63) explain the composition of the different items and other key aspects of the Income Statement.

Operating Cash Flow (EBITDA)

CYDSA's 2024 Operating Cash Flow of 4,121 million pesos decreased by 2.6%, or 108 million pesos, from the 4,229 million reported in 2023. EBITDA **in dollar terms, equivalent to US$226 million,** decreased US$12 million, or 5.0% from the US$238 million reported in the prior year. The following graph depicts these results, as well as the **EBITDA Margin on Sales of 27.4% in 2024,** as compared to the 29.9% reported in the previous period.

The US$12 million reduction in EBITDA to US$226 million in 2024 reflects two favorable and two negative factors:

- **First favorable factor: US$18 million increase due to improved commercialization of some product lines in the Salt for Household Consumption and Industrial Applications, and the operation in the LP Gas Underground Storage Business.**

  The Salt for Household Consumption and Industrial Applications Business sells edible natural salt and complementary products in various types of packages and markets. In 2024, the Business focused its sales strategies on increasing presence in higher value market segments, in both domestic and international markets, thereby improving its profit margins.

5 Operating Income (EBIT) is obtained by subtracting Sales Costs and Expenses, Administrative Expenses, and Other Revenues and Expenses from Net Sales

Operating Cash Flow (EBITDA)
(Millions of Pesos)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Millions of Dollars	75	81	121	163	159	147	147	176	238	226 (▼5.0%)
Operating Cash Flow (EBITDA)/ Consolidated Sales	21.4%	21.7%	24.9%	29.4%	29.1%	29.1%	26.3%	26.0%	29.9%	27.4%

Additionally, the operation of the Hydrocarbons Underground Storage Business partially eased the unfavorable effect of lower sales of refrigerant gases. Consequently, the combination of these factors led to a US$18 million increase in CYDSA's EBITDA.

- **Second favorable factor: Increase of US$10 million, arising from increased production capacity in the Chlorine, Caustic Soda and Related Specialties Business, excluding energy costs.**

This report previously mentioned the implementation of the strategy to improve the competitiveness of the Chlorine, Caustic Soda and Related Specialties Business. Initiated in 2020, the strategy aimed to increase installed capacity by constructing a new plant in Coatzacoalcos, Veracruz, using the most advanced technology for efficient energy consumption and minimal environmental impact. In 2024, the final stages of the strategy reached near completion and substantially increased annual production capacity, rising from 192,000 ECUs in 2022 to 322,000 in 2024. This added chlorine and caustic soda manufacturing capacity drove higher production volume and product sales, although internal and external conditions resulted in operational interruptions of various processes across the year.

The additional manufacturing more than compensated for the decrease in international prices of chlor-alkali products used as a reference for Mexican prices. The higher capacity led to an increased contribution margin, excluding energy costs, and added US$10 million to CYDSA's EBITDA.

In summary, improved sales margins, when excluding energy costs, generated a total EBITDA increase of US$28 million, partially offset by the following two unfavorable factors.

- **First unfavorable factor: US$22 million increase in energy costs.**

  Under normal circumstances, the Electricity and Steam Cogeneration Business's plants satisfy the electricity and steam needs of the Group's Industrial Center in Coatzacoalcos, Veracruz, and also provide energy required by some production plants at other CYDSA facilities through the transfer of electricity to the Federal Energy Commission (CFE)'s energy grid.

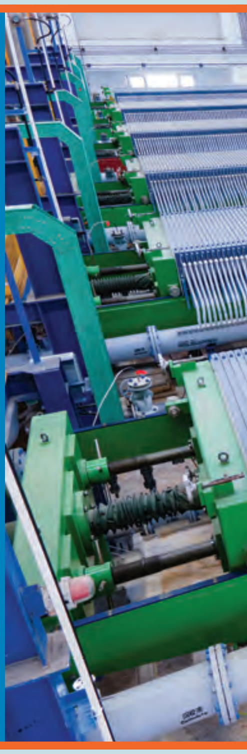
  Previous annual reports mentioned several projects that addressed, and even improved, flaws of the original design, achieving continuous, effective and efficient operation of the two plants. In 2024, various events out of the Group's control suspended a significant amount of total cogeneration capacity; one such incident occurred in the final months of the year and remained unresolved at year end.

  These unfavorable circumstances required the procurement of energy from external sources, with an increase of electricity acquired from the CFE at prices substantially higher than production costs, as well as the production of steam in boilers, fueled by additional natural gas. Furthermore, in conducting the Group's maintenance programs, one turbine required uninstallation for refurbishment by the manufacturer, leading to higher fixed costs. In total, the extraordinary costs of electricity acquired from the CFE, the consumption of natural gas needed to produce steam, and the major maintenance of a turbine, resulted in an increase in energy costs that reduced CYDSA's EBITDA by US$22 million.

- **Negative impact of US$18 million in Fixed Costs due to four unfavorable or non-recurring circumstances.**

  A key aspect in improving the Group's competitive position came from the implementation of strategies focused on reducing fixed cash costs in the Businesses and the Corporate Support Areas by improving the efficiency of production processes and enhancing the productivity of administrative functions.

Increased the installed capacity of chlorine and caustic soda by constructing a new plant in Coatzacoalcos, Veracruz, using the most advanced technology for efficient energy consumption and minimal environmental impact



Even with consistent implementation of this strategy, 2024 presented four unfavorable situations, both external and internal.

1. A relatively high 4.2% annual inflation rate that put upward pressure on the prices of various products and services.

2. Some changes in Labor Laws aimed at improving workers' conditions including, among others, an increase in vacation days and the reduction of work shifts, required increasing some components of salaries and consequently, labor costs.

3. As usually happens in large and complex projects, initiatives to optimize the production capacity of chlorine and caustic soda, as well as electricity and steam cogeneration, presented various external and internal situations that disrupted the continuity of operations and limited production levels. Despite the implementation of appropriate requirements to manufacture at new capacities, including personnel and other support elements, sales did not meet target, and could not compensate for these related costs.

4. Finally, in 2024, accounting of new companies and non-recurring transactions generated additional fixed cost charges.

Thus, the inflationary rate, the changes in Labor Laws, the delay in continuous operation of significant projects, and the consolidation of additional and non-recurring expenses, increased Fixed Costs and reduced CYDSA's EBITDA by US$19 million.

In conclusion, the US$28 million generated by the two positive effects declined US$40 million, mainly due to increased energy and fixed costs, and caused CYDSA's 2023 EBITDA of US$238 million to decrease by US$12 million in 2024, to reach US$226 million in EBITDA generated in 2024.

Nevertheless, the Group sees the adverse circumstances in 2024 as transitory, and primarily reflecting external factors, as cause for the disruption of the positive EBITDA trend of previous periods, thus allowing for future reestablishment of favorable results provided by the Group's Competitiveness and Growth Projects.

Financing Sources

The Investment Projects Program, initiated at the end of 2010 and approved by the Board of Directors to implement CYDSA's Competitiveness and Growth Strategic Plan, required an outlay exceeding US$1,000 million, including pre-operating expenses related to conceptualization and design, as well as construction, machinery, and other fixed assets. The Group financed these projects using its own funds during the early years of implementation, and later by contracting various financial instruments.

In 2024 the Group continued to execute a strategy started the year before, based on taking advantage of volatility in the currency exchange market and interest rate trends to improve its debt structure, and decrease its level and cost of bank and notes debt.

Considering these objectives, CYDSA obtained a 1,360 million-peso bank loan, leveraging the favorable currency exchange situation. The US$80 million acquired with these resources subsequently supported the repurchase of some outstanding US dollar-denominated Senior Notes issued in the international market.

Finally, in December 2024, the Group refinanced 2,014 million pesos of short-term loans through a three-year-one-month line of credit.

As a result of these transactions, **CYDSA's Bank and Notes Debt as of December 31, 2024, totaled an equivalent of US$712 million. This figure included US$347 million, or 49% denominated in dollars, and the remaining 51%, of 7,581 million in peso obligations, equivalent to US$365 million.** In summary, the total debt at year end 2024 contained the following seven individual or combined instruments:

From the total Debt in pesos, four financing instruments totaling 6,460 million pesos, equivalent to US$311 million, described chronologically below:

1. **Peso notes, or CEBURES, of 850 million pesos, equivalent to US$40.9 million.**

   To participate in the Mexican corporate debt market, in 2023 CYDSA's Board of Directors and the National Banking and Securities Commission authorized a CEBURES Issuance Program for up to 5,500 million pesos. As part of this Program, at the beginning of December of that year, the Group initially issued 850 million pesos of notes, maturing in November 2026, **equivalent to US$40.9 million at the end of 2024.**

2. **Two Long-Term Bank Loans from Bancomext of 3,453 million pesos, equivalent to US$166.1 million.**

   To improve the maturity profile of the Group's debt, in December of 2023, Bancomext awarded a loan of 2,094 million pesos, maturing in 2033, used to liquidate another short-term loan.

   In April 2024, with the objective to once again leverage the favorable exchange market, the Group secured from Bancomext a **new 1,359 million peso long-term loan, maintaining the same contractual conditions as the loan obtained in December 2023.** This resulted in a 10-year loan with a one-year grace period and increasing principal payments, in this case with **maturity in 2034.**

   In May and July, the Group used these resources to **buy US dollars, utilized subsequently to repurchase some of its**

dollar-denominated Senior Notes issued in the international market. The balance of the new loan and the one obtained at the end of 2023 **totaled 3,453 million pesos, equivalent to US$166.1 million.**

3. **New Medium-Term Bank Loan from Scotiabank and BBVA of 2,014 million pesos, equivalent to US$96.9 million.**

   To reinforce the Group's strategic cash reserve and in preparation for possible financial instability derived from presidential elections in both Mexico and the US, the Group obtained three short-term loans, totaling 2,157 million pesos, between March and October of 2024.

   Then, **in December 2024, CYDSA contracted a 2,014-million-peso loan from Scotiabank and BBVA, with a 37-month maturity and very favorable terms,** including choice of currency, interest rate aligned with the Company's performance, and early payment options. With this financing, CYDSA liquidated 2,014 million pesos of the short-term credits mentioned in the previous paragraph, with 143 million remaining in short term debt. The 2,014 million peso loan carried a **balance equivalent to US$96.9 million** in December 2024.

4. **A total of 143 million pesos from HSBC and Banco del Bajio in short-term credit, equivalent to US$6.9 million.**

   The last component of the Bank Debt in pesos includes two short-term loans from HSBC and Banco del Bajio totaling 143 million pesos, equivalent to US$6.9 million at the end of 2024.

In addition to the four peso-denominated financial instruments mentioned, CYDSA's debt includes **two dollar-denominated obligations totaling US$276.1 million:**

1. **Long-Term Senior Notes of US$172.7 million issued in the international markets.**

   In 2017 and 2019, CYDSA issued long-term senior notes in the international markets maturing in 2027, for a total of US$450 million.

   In 2022 and 2023, the Group acquired Senior Notes in the international financial markets **representing US$118.3 million and US$79.7 million at face value respectively.** These repurchases totaled US$198.0 million and reduced the outstanding notes balance to US$252.0 million in December 2023.

Continuing the strategy aimed at adjusting the denomination and maturities of CYDSA's Bank and Notes Debt, **the Group also acquired Senior Notes in 2024.** As previously mentioned, a long-term peso loan financed these transactions, **for a total nominal repurchase value of US$79.3 million. Consequently, in December 2024, outstanding Notes totaled US$172.7 million.**

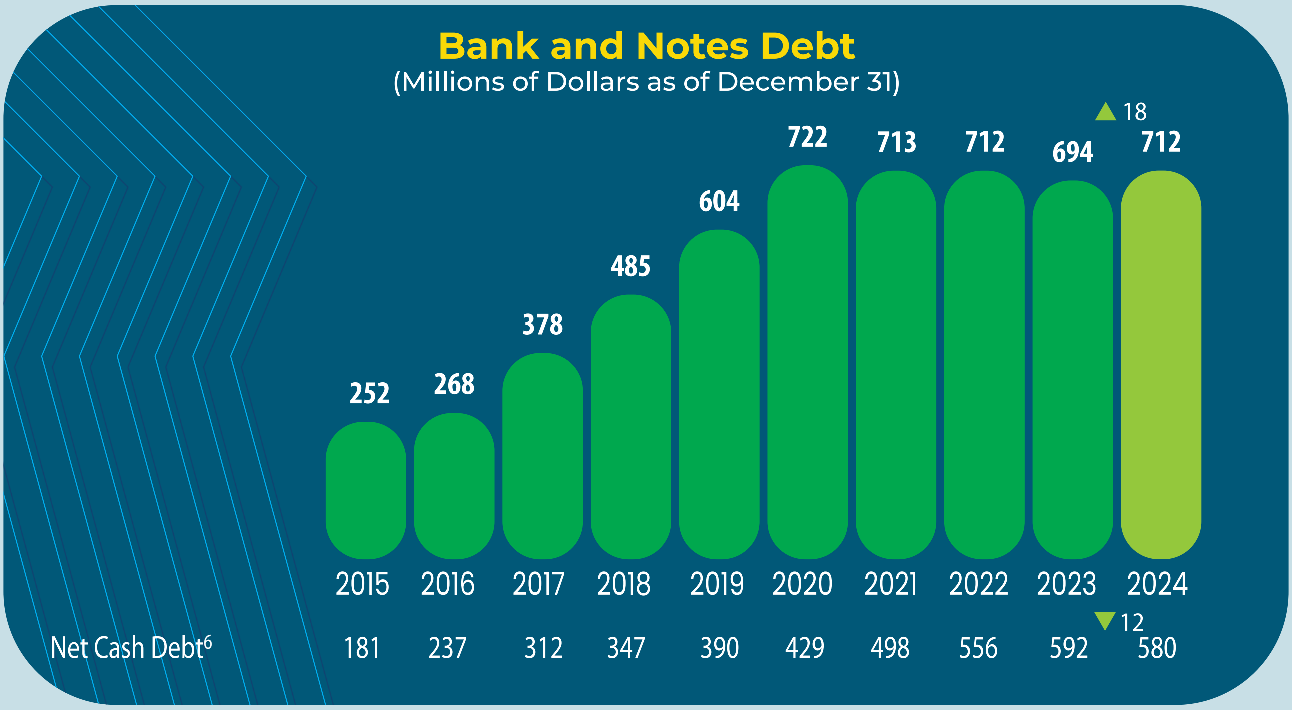
2. **Santander Bank loan of US$103.4 million, guaranteed by SACE, contracted in 2022.**

   At the beginning of 2022, CYDSA received financing guaranteed almost entirely by the Italian Export Credit Agency (Servizi Assicurativi del Commercio Estero Depositi y Prestiti – "SACE"). The terms of this loan included a preferential interest rate, a two-year grace period, and maturity in 2029. After making the 2023 and 2024 contractual payments, **the balance of this obligation at the end of 2024 declined to US$103.4 million.**

Finally, in addition to the six abovementioned transactions—in all cases involving the holding company Cydsa, S.A.B. de C.V.—total debt includes an additional **Syndicated Loan for the LP Gas Underground Storage and Processing System, secured in 2018** and comprised of both pesos and US dollars, both **reaching final maturity in October 2036.** After the contractual principal payments and the exchange rate impact on the peso-denominated portion, at the end of 2024, the balance of this loan, **contracted in accreditation and guarantee with the entities comprising the LP Gas Underground Storage and Processing System, totaled** 1,121 million pesos and US$ 70.8 million, **an amount equivalent to US$124.7 million.**

In summary, **on December 31, 2024, CYDSA's total Bank and Notes Debt totaled an equivalent of US$712 million.** As shown in the following graph, this figure increased by US$18 million compared to the US$694 million reported in the previous year, while reflecting an improved debt maturity profile and lower financial costs for the Group.

Additionally, including all funds invested in liquid instruments, the ending balance of Bank and Notes Debt Net of Cash[6] in 2024 totaled an equivalent to US$580 million, US$12 million lower than the comparable balance of US$592 million in the prior year.



6 Bank and Notes Debt Net of Cash is obtained by subtracting the balance of Cash and Cash Equivalents from Bank Debt.

Cash Flow

The table on page 16 outlines the components of **Net Cash Flow**[7] in 2024, with the first item showing Operating Cash Flow (EBITDA) of US$226 million.

Allocation of these funds included US$31 million to cover Net Working Capital requirements, mainly in Accounts Receivable from Clients, to finance higher sales and increases in the payment cycles of some customers. Additionally, the Group allocated US$34 million to Investments in Fixed Assets to maintain production processes in normal operating conditions, and to update some of the Group's assets. Normal Operating Taxes required US$59 million, and disbursements to Other Operating Items related to accounting adjustments and non-recurring expenses totaled US$10 million. Following these payouts, **Net Cash Flow from Operations resulted in a positive US$92 million.**

The first three items related to financial aspects include US$67 million for Net Interest and Financial Expenses, including interest paid and earned, as well as debt issuance fees and exchange and interest rate hedging costs. The Group paid US$18 million in dividends to CYDSA's shareholders. Additionally, to provide stockholders with liquidity, CYDSA capitalized on opportunities in the market during the year to purchase 9,598,760 of its own shares, at a value of approximately US$10 million.

Finally, descriptions of two items of the Bank and Notes Debt follow:

1. The favorable US$18 million decrease in Net Debt presented in the previous section in Financing Sources.
2. The positive US$38 million effect of Exchange Discrepancies on the debt, related to the following considerations:

    - Accounting rules establish that the dollar equivalents of transactions for debt denominated in pesos should be registered using the exchange rate on the date of each operation. However, the dollar equivalents of debt balances as of a specific date should be calculated using the exchange rate from that day.

    - The Economic Environment section of this report (page 25) mentions that **the exchange rate increased from 16.92 pesos per US dollar on December 31, 2023, to 20.79 pesos at year-end 2024.** Meanwhile, in a highly volatile currency market, **the exchange rate averaged 18.32 pesos per US dollar in 2024.**

    - Therefore, because all bank loans received in 2024 are peso-denominated, and during periods of time with exchange rates lower than that registered at the end of the year, the sum of the different debt records exceeded the balance calculated to December 31, resulting in **a positive US$38 million Foreign Exchange Discrepancy Effect on Debt.**

After these financial items, **Cash Flow before Investment Projects totaled a positive US$53 million.**

7 Cash Flow numbers are reported in current pesos. However, because around half of CYDSA's debt is denominated in foreign currency, comparisons are made with their equivalent in US dollars.

Investment Projects

In 2024, Investments for Competitiveness and Growth totaled US$24 million. This amount mainly comprises the expenditures for some of the final stages of building the new chlorine and caustic soda plant in Coatzacoalcos, Veracruz. As mentioned at the beginning of this Report, the Chlorine, Caustic Soda and Related Specialties Business will reach an annual nominal capacity of 322,000 tons of chlorine, and 362,000 tons of caustic soda.

Additionally, these investments include the recovery of a brine well in the Salt for Household Consumption and Industrial Applications Business, the Projects in the Electricity and Steam Cogeneration Business aimed at ensuring stability of the operation, and the investments allocated to several smaller projects.

Therefore, after US$24 million in investments for Competitiveness and Growth, **Net Cash Flow in 2024 reflected a positive US$29 million balance, with US$132 million in cash at the end of the year.**

Contents of the 2024 Annual Report

The **sections devoted to CYDSA's Strategic Business Units detail the main accomplishments in 2024, and the corresponding information on their products and markets** (page 26).

The **Economic Environment** section summarizes the significant events of the year affecting the markets CYDSA serves (page 21). **Management's Discussion and Analysis of 2024 Results** (page 63) precedes the **Audited Financial Statements and Notes** (page 68).

Net Cash Flow 2024

(Millions of Dollars)

Cash Flow:		
Operating Cash Flow (EBITDA)	226	
Net Working Capital	(31)	
Capital Expenditures for Maintenance & Replacement	(34)	
Taxes for Normal Operations	(59)	
Other Operating Items	(10)	
Net Cash Flow from Operations		92
Net Interest and Financial Expenses	(67)	
Dividend Payments for CYDSA Shareholders	(18)	
Share Repurchase Outlays	(10)	
Increase in Net Bank and Notes Debt at Years End	18	
Foreign Exchange Discrepancy Effect on Debt	38	
Cash Flow before Investment Projects		53
Capital Expenditures for Competitiveness and Growth	(24)	
Net Cash Flow		29
Cash Balance as of December 31, 2024		*132*

Outlook

Dear Shareholders: CYDSA is pleased to inform you that the strategy for Competitiveness and Growth approved by the Board of Directors, and initiated at the end of 2010, continued progressing in 2024. Even as adverse conditions, principally out of the Group's control, disrupted the positive trend of recent years, the projects undertaken proved that CYDSA will sustain progress, and eventually overcome unfavorable circumstances in the business environment.

The unforeseen events faced by the Group during 2024 slowed down improvement in some operations and financial indicators, but did not affect the competitive capacity of the Group's Businesses, which continue evolving and implementing initiatives directed towards ensuring Sustainable Profitability. These initiatives, many already in process of evaluation and summarized below, will be implemented through specific projects in the medium term:

- **Main initiatives of the three strategic businesses of Chemicals Manufacturing and Specialties.**

  The **Salt for Household Consumption and Industrial Applications Business** implemented strategies to improve production, storage, and distribution processes for more optimal operation of Sales del Istmo, the largest evaporated natural salt production plant in the Americas, located in Coatzacoalcos, Veracruz. This Business also incorporated advanced technologies in its finished product distribution center and now produces the degradable plastic canisters and lids needed to package the various presentations of edible salt, and complementary products. This Business dominates techniques that ensure the continuous supply of extracted brine leached from salt caverns, an essential raw material in its manufacturing process. This Unit plans to continue its progress by increasing annual production capacity to one million tons in two or three stages.

  The **Chlorine, Caustic Soda, and Related Specialties Business** manufactures chlorine and caustic soda at three of its five plants, using the most energy-efficient and environmentally friendly processes available. As mentioned previously in this Report, this Business implemented various projects to increase the annual installed capacity using state-of-the-art technology to produce 322,000 tons of chlorine, and 362,000 tons of caustic soda. The Business also operates facilities manufacturing related specialties, including sodium hypochlorite and hydrochloric acid. Using this base, the Business started to evaluate some potential opportunities, including a new production plant of chlorine and caustic soda, and a factory dedicated to chlor-alkali chemicals.

  The **Refrigerant Gases Manufacturing and Commercialization Business** provides excellent service to its distribution networks in Mexico and Latin America, increasing the commercialization of new latest-generation refrigerant gases, blowing agents, and propellants with no impact to the ozone layer, as well as close-to-zero effect on climate change. Therefore, on top of identifying new alternatives to destroy Ozone-Depleting Substances (ODS) with argon plasma arc technology, unique in Latin America and complying with the rules established by the United Nations Industrial Development Organization, the Business continues to evaluate opportunities to expand its product line by manufacturing gases capable of improving environmental conservation.

The Electricity and Steam Cogeneration Business operates twin plants utilizing natural gas-fired turbine-based systems, considered the most environmentally friendly hydrocarbon energy source

- **Main Initiatives of the two strategic Energy Processing and Logistics Businesses.**

  The **Electricity and Steam Cogeneration Business** operates twin plants utilizing natural gas-fired turbine-based systems, considered the most environmentally friendly hydrocarbon energy source. The Business implemented various improvement projects, including some patented internationally, to increase the cogeneration capacity and ensure continuous, efficient and effective production, eliminating flaws from the original design that failed to consider air quality conditions in the region of Coatzacoalcos, Veracruz. This infrastructure allows the Business to supply the energy necessary to meet the demand of the Group's plants in the Coatzacoalcos Industrial Center; produce additional electricity for provision to other Group facilities; and evaluate the potential benefit of installing cogeneration plants in other locations.

  The **Hydrocarbons Processing and Underground Storage Business** started operations in November 2017, storing Liquefied Petroleum Gas (LPG) in a salt cavern and fully complying with the design characteristics and requirements of Petróleos Mexicanos (Pemex). The Business now possesses the technical and operating capabilities necessary to eventually develop new storage projects in accordance with energy regulation to create new opportunities for the storage of natural gas or liquid hydrocarbons in the three caverns already available, as well as potential new ones.

Although oriented to consolidate the competitiveness of the Business Portfolio, activities undertaken for strategic projects in 2024 also continued to reinforce CYDSA's focus on Sustainability in order to ensure that the Group's operations, as well as the products and services offered, contribute to building a healthy and sustainable world for future generations. In particular, this year CYDSA's Administration and the operational and corporate areas increased the promotion of its organizational culture committed to reinforcing the values of ethical responsibility.

An important advance in this commitment includes the strengthening of the Sustainability Strategy, consolidating priority objectives to guide the Group's development in Environmental, Social, and Governance (ESG) activities.

Different operational and corporate areas participated in this process, resulting in the definition of seven strategic objectives grouped in three lines of action: Environment, Personnel, and Value to the Community. Its implementation required the creation of online platforms to guarantee project tracking and control, ensure the achievement of established goals, promote continuous improvement, and identify the impact of each Business on the Organization's overall results.

Several efforts in the Environment line of action represent initiatives already completed or in the process of implementation within the operation of the Businesses. Highlights from these projects include the creation of degradable plastic packages used for the commercialization of their products; the energy-efficient and environmentally friendly technology to produce chlorine and caustic soda; the exploration of new technologies to reduce emissions; as well as the development of projects for both the treatment of wastewater and achieving zero discharge of water from production processes.

It is important to note that all eligible production and trading facilities renewed or updated domestic and international certifications to guarantee Sustainable Profitability growth. Likewise, the Group retained or received recognitions awarded by the Secretary of the Environment and Natural Resources (SEMARNAT), the Secretary of Labor and Social Welfare, the Mexican Philanthropy Center, and the US Chlorine Institute.

Regarding the Personnel line of action, CYDSA strengthened and published its code of ethics, and consolidated the reporting line aimed at promoting workplace ethics. Additionally, during 2024, the Group defined a key objective related to gender equity, then implemented specific actions to increase women's participation in the Organization. Furthermore, the Group strengthened operational safety protocols across all plants and implemented health campaigns to ensure the well-being of all workers.

Finally, in respect to the Value to the Community line of action, in 2024, CYDSA implemented a plan to involve itself with the communities near its plants, in order to align efforts of social responsibility to the needs of each region. Also, the Group consolidated the commitment to ensuring zero operational incidents having local impact outside its facilities, ensuring a safe environment for the neighboring communities. These initiatives supplement the conservation of flora and fauna efforts started several years ago.

CYDSA's 2024 Sustainability Report[8] details the objectives, metrics and projects that advance the ethical compliance of the Group and its Businesses towards the natural environment, social responsibility, and institutional governance.

Lastly, Sustainability efforts in 2025 will prioritize two types of activities:

- The allocation and implementation of systems that comply with International Financial Reporting Standards (IFRS S1 and S2), for obligatory audits starting in 2026. These standards serve to reveal information about risks and opportunities related to Sustainability, including financial impact, mitigation measures, and governance decision-making.

- Raising awareness among employees in Sustainability matters through online webinars, specific modular courses, and the incorporation of Sustainability topics in periodic operations meetings.

CYDSA's results and progress in 2024 reflect actions and initiatives suitably built in response to opportunities and challenges arising from national and international situations. Short-term outlook again foresees a business environment with potential risks that must be addressed through opportunistic, timely, and in-depth analysis. Therefore, the staff in operational and corporate areas, always a key pillar in CYDSA's development capability, must make greater effort to ensure continuous improvement, based as always on competitive advantages.

CYDSA believes that in 2025, the Organization's experience, professionalism, and support from its customers, suppliers, investors, and financial institutions will continue pushing the new development stage towards Sustainable Profitability. With this support, investments from the Competitiveness and Growth Strategy should form the foundation for CYDSA's transformation towards Sustainable Profitability, thereby increasing value for Customers, Employees, Shareholders and the Community in general.

Sincerely,

Tomas Gonzalez Sada
Chairman of the Board and
Chief Executive Officer

8 CYDSA's 2024 Sustainability Report details these rules and recognitions, as well as the activities and achievements related to ESG. The Report is prepared based on the most up-to-date standards and guidelines and published on the Group's web page.

ECONOMIC ENVIRONMENT

Hiromi Yokoyama
Advisor for Asia - Pacific

The Economy and International Markets

In 2024, the global economy showed the effects of restrictive monetary policies implemented by principal central banks since 2022 aimed at reducing exceptionally high inflation rates. Despite interest rates starting to come down in 2024 in North America, Europe and other countries, inflation declined importantly without negative impact on economic growth, previously seen as a global risk. In summary, the global weighted average inflation rate of 5.6% in 2023 fell to 3.9% in 2024. Meanwhile, **the global economy grew by an estimated 2.6% in 2024,** compared to 2.7% the previous year.

Regionally, the US Federal Reserve, in light of declining inflation, started to lower the reference interest rate in September 2024, adjusting it in several phases from 5.5% to 4.5% by year end. Average inflation decreased to 2.9% in 2024, compared to 4.1% in 2023, and growth of personal and government consumption resulted in **Gross Domestic Product (GDP) in the US rising by 2.8% in 2024,** similar to the 2.9% increase in the prior year.

In Europe, restrictive monetary measures applied in 2022 and 2023 also led to an overall decrease in inflation. Lower interest rates created favorable industrial and commercial conditions. **GDP in Western Europe ended the year with a 0.8% increase,** up from 0.4% growth in the previous period. However, **GDP in Japan decreased 0.2% in 2024,** compared to 1.5% growth in 2023, mainly due to the higher interest rate implemented by the central bank aimed at reducing inflationary pressure. Lastly, the Chinese government's stimulus packages, focused primarily on private investment and consumption, combined with higher external demand, drove **China's GDP growth of 4.9% in 2024,** still lower compared to the 5.2% recorded the previous year.

In international oil markets, the sociopolitical situation in Europe and the Middle East generated upward price momentum in the first half of the year. In the second half, demand and prices decreased, and consequently, based on statistics released by the US Department of Energy, **the global price of crude oil dropped 2% to an average of US$82.38 per barrel in 2024, compared with US$83.71 in 2023.**

The reference price for natural gas markets in the US remained steady for most of 2024, at lower levels than those observed the previous year. The average price of US$2.19 per million BTUs reflected a 13% decrease from the US$2.53 registered in 2023. Natural gas prices in Mexico, established on the basis of prices in the state of Texas, include additional transport-related costs and fees. Consequently, **the price of natural gas for industrial users in southern Mexico averaged US$3.75 per million BTUs in 2024, a 6% drop** compared to US$3.99 recorded in 2023. Notably, the US$3.75 price in southern Mexico exceeded **the reference cost of US$2.19 in the US by 71%.**

Industrial electricity rates in Mexico, subject to the public policies of the Mexican federal government, moved in the opposite direction of the 6% decrease in natural gas prices. **Instead, the electricity rate increased by 1% in 2024, averaging US 11.66 cents per kWh,** compared to 11.53 cents in 2023. **While industrial users in Texas paid an average annual electricity rate of 6.17 cents in 2024, Mexican industrial users paid 11.66 cents, 89% higher, affecting the competitiveness of Mexican companies in international markets.**

Because energy comprises a significant component in the manufacturing prices of several of CYDSA's businesses, the positive effect of lower natural gas prices, combined with the negative impact of higher electricity rates, led to changes in the cost structure of some of the Group's businesses, as detailed in the Letter from the Chairman of the Board (page 10).

Business Environment in Mexico

In 2024, despite the positive performance in general of the world economy, and in the US in particular, Mexico observed an important deceleration in production and commercial activities. These conditions reflected the continuation of government policies having unfavorable effects on private investment, as well as the Mexican Central Bank's easing of restrictive monetary measures with lower reference interest rates starting in the first quarter of the year. This led to a slight reduction of 0.5% in the inflation rate, while the peso weakened by more than 20% in the foreign exchange market in the second half of 2024.

In foreign trade, export sales of non-petroleum goods from Mexico, usually driven by manufacturers that supply demand to various US markets, overcame slower industrial production in that country and instead relied on demand from private consumption in the US, as well as greater competitiveness arising from the weakness of the Mexican peso. **In 2024, non-petroleum exports reached a historic high of US$589 billion, increasing 5%** over the US$560 billion in the previous year.

Conversely, the lower volume of crude oil exports due to stagnant production compounded the change in prices of the Mexican export mix that averaged US$70.64 per barrel, 1% lower than the comparable figure of US$71.16 the previous year. Consequently, **exports of oil**

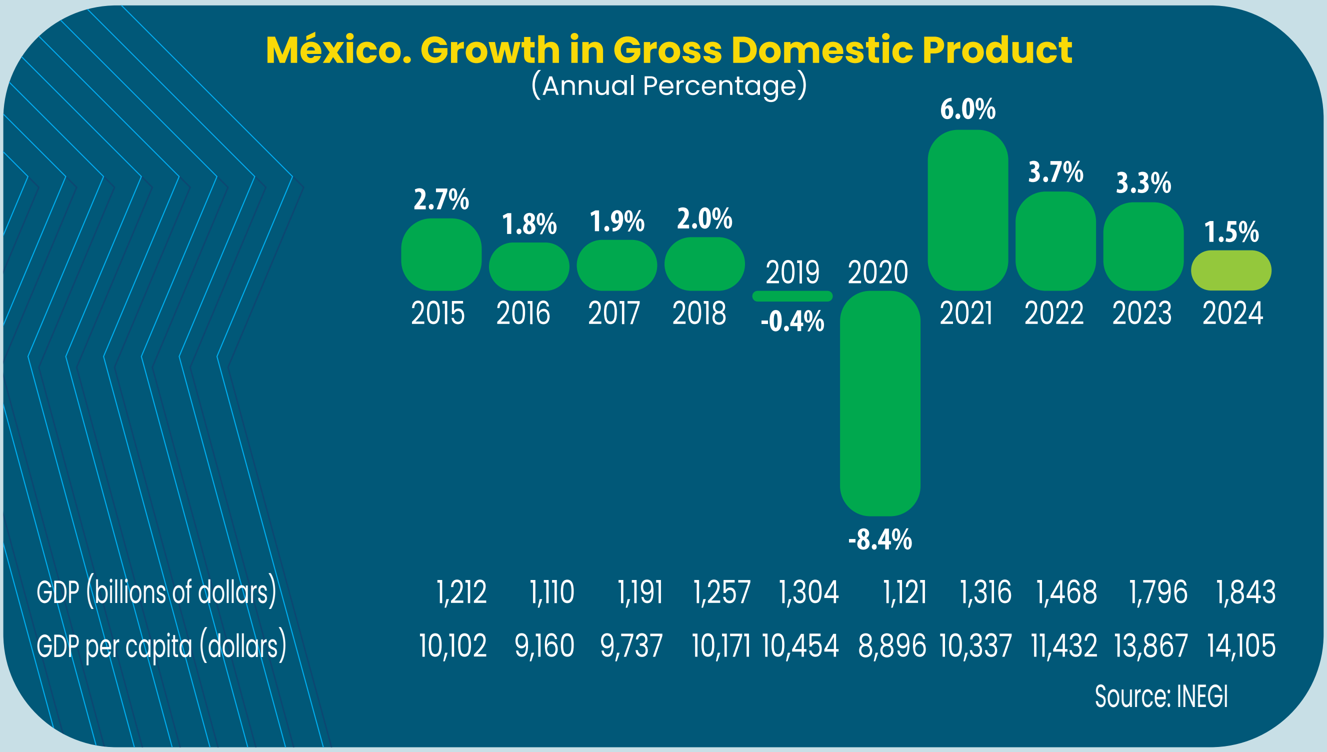
dropped 14% to US$28 billion in 2024, compared to US$33 billion the previous year. Overall, **exports totaled a record US$617 billion, 4% above** the US$593 billion recorded in 2023.

In terms of imports, purchases of foreign products to meet demand for consumer goods, especially of raw materials and machinery used to manufacture products for domestic and export markets, grew in 2024 in comparison to the prior year. **Imported merchandise totaling US$625 billion in 2024 increased 4%** from the US$598 billion purchased in the previous year. As a result, **the trade balance in 2024 registered a deficit of US$8 billion** (equivalent to 0.5% of GDP), compared to the US$5 billion in 2023.

In production-related activities - discussed by sector below - the agricultural and cattle sectors continued to not receive public stimulus packages, and Mexico again experienced adverse climate conditions as in 2023, along with drought. **GDP in the Agricultural and Livestock Sector fell 2.5% in 2024,** compared to the 1.4% decrease in the previous year, and represented 3% of total GDP.

Industrial output declined with a drop in mining, oil, and production by several manufacturers. However, growth in the automotive industry and, more significantly with civil engineering construction projects, mainly government undertakings, offset these negative indicators. **GDP for Mexico's Industrial Sector,** providing 34% of total GDP, **increased 0.3% in 2024,** lower than the 3.4% growth reported in the prior year.

Demand for commercial and personal services in 2024 favorably reflected an increase in the minimum wage, greater government aid and subsidies to various population groups ahead of the elections, and high remittances sent from the US by Mexicans who emigrated due to a lack of labor opportunities in their home country. During the year, **GDP in the Services Sector increased 2.4%,** lower than the 3.4% in 2023. The Services Sector remains the largest economic category, contributing 63% to total GDP.

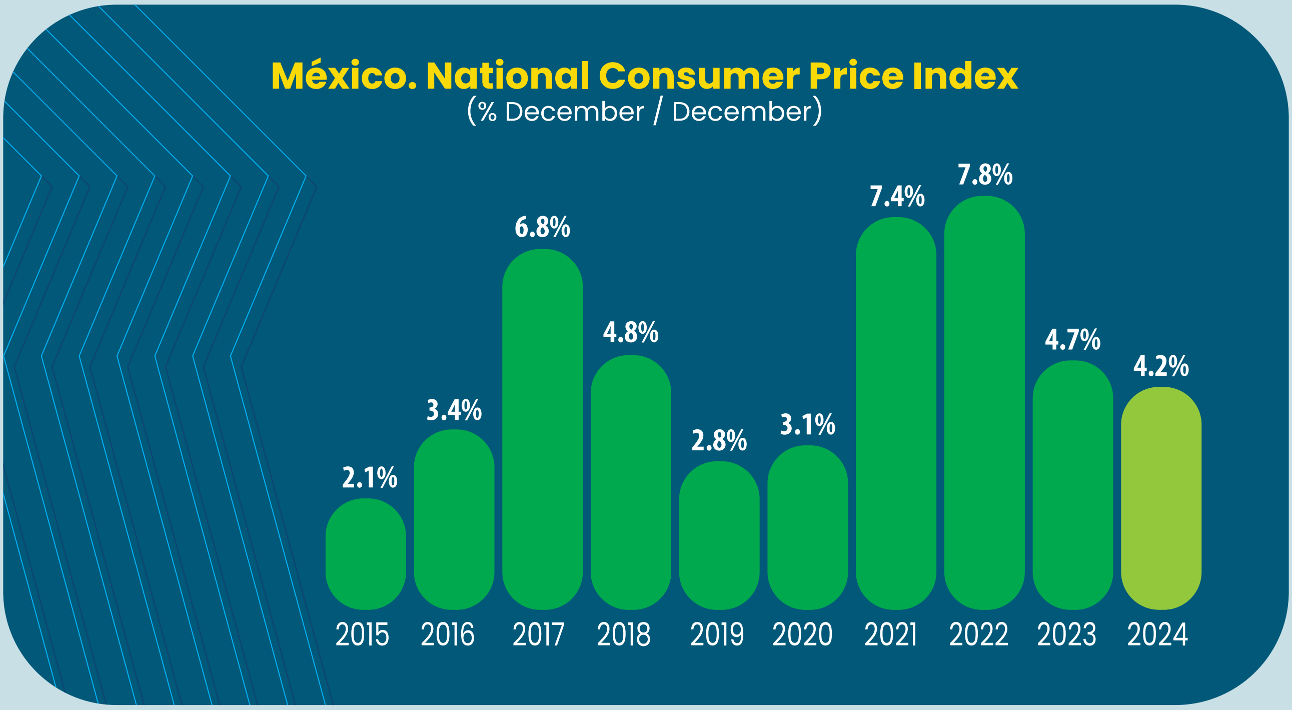


Combining the results from the different sectors, **Mexico's Gross Domestic Product improved 1.5% in 2024,** lower than the 3.3% increase in 2023, as shown in the previous page graph. Finally, aided by the dollar-peso exchange rate, **Mexico's GDP in 2024 equaled US$1,843 billion,** 2.6% above 2023, and equivalent to an estimated US$14,105 per capita.

The downward inflationary trend, supported by the Central Bank of Mexico's restrictive monetary policy implemented in 2023, reversed slightly in 2024, with annualized increases of up to 5% in several periods. In the final months of 2024, the economic deceleration resulted in an inflationary decrease. However, the prices of some agricultural and energy products, and various services, observed some relatively high increases. Cumulative inflation in Mexico, measured by the **National Consumer Price Index, totaled 4.2% in December 2024,** lower than the 4.7% reported in 2023.

In Mexico's financial markets, the Central Bank of Mexico made monetary policy decisions that followed similar trends as international markets in 2024. Even as inflation showed no evidence of a downward trend, the Central Bank of Mexico reduced the reference interest rate at its meetings in March and on four further occasions in the second half of the year, going from 11.25% to 10.0%. Therefore, the 28-day CETES (Federal Treasury Certificates) averaged a nominal annual yield of 10.7% in 2024, lower than the 11.1% average in the previous year, maintaining the important differential in yield with respect to investment alternatives in foreign markets.

In the domestic exchange market, the strengthening of the peso continued, reaching values under 17 pesos per dollar in the second quarter of 2024. Since June, primarily due to election results and institutional changes planned by the winning parties expected to impact the



judicial and governmental structures of Mexico, a significant depreciation trend started and accelerated further in the final months due to elections in the US. The average exchange rate of 18.32 pesos per dollar in 2024 depreciated 3.3%, above the 17.74 pesos per dollar in 2023. However, the year-end exchange rate differed, with 20.79 pesos per dollar at the end of 2024 depreciating 22.9% from the 16.92 pesos per dollar at the end of the previous year.

Lastly, the deficit in government finances substantially increased both in absolute terms as well as relative to GDP. The significant increase in government outlays directed at the Federal Government's main projects and social programs compounded the decrease in oil-related export revenues. In summary, the estimated economic deficit of the Public Sector totaled US$98 billion, or 5.3% of GDP in 2024, exceeding the negative balance of US$59 billion, or 3.3% of GDP, in the previous year.

CYDSA's Markets

In 2024, domestic and international economic activities made no substantial impact on the sale of CYDSA's products.

Domestic sales in some markets for salt, chlorine, caustic soda, and chloralkaline specialties increased in the Chemicals Manufacturing and Specialties Business Group, while sales decreased for refrigerant gases. In the Energy Processing and Logistics Business Group, electricity and steam generation decreased, due to external circumstances that impacted operations. In total, excluding the Processing and Underground Storage of the Liquefied Petroleum Gas (LPG) Business, a business not comparable to the production of goods and services, domestic sales at CYDSA's physical units reported a weighted increase of 2.5% in 2024.

The group generated higher international sales in salt products and importantly, chlorine shipments. Including the reduced sales of refrigerant gases, the Group's weighted annual exports in physical units grew 7.3%.

In summary, **CYDSA's total sales of physical units in 2024 reflected a weighted increase of 3.2%.** This number also excludes the Processing and Underground Storage of Liquefied Petroleum Gas (LPG) Business, as it is not a manufacturing activity.

CHEMICALS MANUFACTURING AND SPECIALTIES

Salt for Household Consumption and Industrial Applications

In 2024, CYDSA's three Chemicals Manufacturing and Specialties Business Units focused on advancing strategic projects while ensuring maximum efficiency in manufacturing and marketing processes, aiming to maintain an optimal supply of products for domestic and international customers.

The proper management of manufacturing and sales activities in 2024 required maintaining the hygiene, safety and efficiency procedures that continued to exceed the recommendations of federal, state and local authorities.

The Salt for Household Consumption and Industrial Applications Business reaffirmed its commitment to efficiency and sustainability through the manufacturing of biodegradable plastic canisters and lids used for packaging

Chlorine, Caustic Soda and Related Specialties

Refrigerant Gases Manufacturing and Commercialization

different presentations of salt and complementary products. The Business also prioritized assuring outstanding service and reliable supply of evaporated natural salt.

The Chlorine, Caustic Soda and Related Specialties Unit focused on assuring high efficiency standards and environmental protection in the operations of the new facilities with production systems based on membrane technologies. The increased production from the new chlorine and caustic soda plant in Coatzacoalcos, Veracruz allowed the Group to maintain its leadership in the domestic market and expand its presence in the North American market. Additionally, the Group increased its level of participation in various chlorine and caustic soda derivatives markets.

The Refrigerant Gases Manufacturing and Commercialization Business Unit continued to improve customer service by expanding distribution of the latest generation gases that have no effect on the ozone layer, along with its portfolio of products in the refrigeration market, as well as by serving new export markets. In relation to the commitment to safety, care for the environment, and sustainability, the Group updated or renewed all relevant national and international certifications.

The following sections describe the key activities in 2024 of the three Chemicals Manufacturing and Specialties Business Units.

Chemicals Manufacturing and Specialties

SALT FOR HOUSEHOLD CONSUMPTION AND INDUSTRIAL APPLICATIONS

PRODUCTS
Salt for human consumption and salt for industrial applications.
Edible salt specialties: Light Salt; Salt Substitute; Kosher and Halal Grade Salt; Salt with Chili and Lime; Coarse Sea Salt.
Salt pellets for swimming pool conditioning and water softening.

MARKETS
Domestic and export, primarily to USA and Central America.

USES
Household and commercial human consumption, food industry and industrial processes.

TRADEMARKS
La Fina, Cisne, Marfil, Gallo, Palomitos, Bakara, Elefante, Klara, Carmen, Brisa de Occidente, Fine.

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Sales del Istmo, S.A. de C.V. (SISA)

1999 Shingo Prize for Excellence in Manufacturing, ISO-9001:2015, ISO-14001:2015 and FSSC-22000:2013 Certified.

In 2024 the Salt for Household Consumption and Industrial Applications Business focused its actions on ensuring the supply of evaporated natural salt to meet the nutritional needs of the population, as well as to the processed foods manufacturing supply chain, all while maintaining the highest level of service.

In addition, the Business focused on implementing a project to manufacture biodegradable plastic canisters used in packaging different kinds and presentations of natural salt and complementary products. The Business completed two of the three stages, with the final one scheduled for 2025. Efforts to maximize available production capacity and improve efficiency of energy consumption continued, in order to strengthen the competitive position of the Sales del Istmo plant, the largest evaporated natural salt producer in the Americas.

Major initiatives also included enhancing brand image, optimizing outbound logistics, reinforcing distribution networks, and reducing costs. Programs emphasized operational excellence, compliance with environmental regulations, and being a responsible corporate citizen to the communities where the Company operates.

Markets

- Continued the institutional advertising campaign in Mexico called **"La Fina, Sabor de Familia",** aimed at maintaining leadership in the edible salt market, using regional and national electronic, print, and digital media to communicate and reinforce the qualities and benefits of salt consumption for humans.
- Maintained the **presence of La Fina brand** by participating in **regional cultural events, in national industry fairs and conventions,** as well as product placements **in reality TV show competitions and sporting events,** taking advantage of all available virtual communication options.
- Increased the **brand image in all important social media channels,** differentiating the approach according to the target population.
- Promoted demand for **La Fina Chile y Limón, Sal Light La Fina and Sal La Fina packaged in "Saco" and "Supersaco."**
- Improved sales of specialty products through **differentiated products and presentations of coarse sea salt marketed under the La Fina, Elefante and Brisa de Occidente brands.**
- Grew export sales of **salt to the US Hispanic and Caribbean food industry markets, through new distribution channels and presentations of Sal La Fina and other salt products, focusing on new customer segments.**

Increased the brand image in all important social media channels

Promoted demand for La Fina Chile y Limón, Sal Light La Fina and Sal La Fina packaged in “Saco” and “Supersaco”

Innovation and Customer Service

- **The first two stages of a three-part project concluded and started operations, manufacturing oxo-degradable plastic canisters and lids** used for packaging different natural salt and complementary products. This facility continues to provide suitable service to customers and simultaneously ensures competitiveness at the Industrial Center located in Coatzacoalcos, State of Veracruz.

- **These canisters and lids, in addition to the biodegradable plastic bags for edible salt packages already in use for several years, contribute to reducing the unfavorable impact on the environment.** Furthermore, modifications to the formulation of these plastic bags will make them more environmentally friendly.

- Increased commercialization of **products of the Fine brand salt pellets,** oriented mainly to US markets for conditioning swimming pools and water softening, with **certification from the NSF International standards** (US National Sanitation Foundation).

- Continued to **assess opportunities for developing new brine caverns,** a key raw material in the production of natural evaporated salt, some capable of future utilization in **Hydrocarbon Processing and Underground Storage Projects.**

- To determine optimal locations of salt domes for brine extraction, the Business conducts **magnetotelluric studies to analyze the subsoil structure.** This technology **allows for the identification of Saline Deposits, improves Water Management, and enhances the evaluation of Geotechnical Conditions** in the Installations. Furthermore, this methodology **strengthens the exploration of new raw material sources,** ensuring operational continuity and promoting Sustainable Development.

- Accelerated the **development of logistics and packaging processes and methodologies to adequately meet new needs of customers and markets** requiring more types of products, presentations, and shipping systems.

Manufacturing oxo-degradable plastic canisters and lids used for packaging different natural salt and complementary products

For compliance with Food Safety, the Business maintained certification of the FSSC-22000:2013 safety standard

Total Quality and Environmental Protection

- For compliance with **Food Safety, the Business maintained certification of the FSSC-22000:2013 safety standard** required for food manufacturers utilizing salt in their products, for the Sales del Istmo Plant and the metropolitan Mexico City distribution facilities; and recertified its salt with **Kosher and Halal Quality Food Standards.**

- For strengthening **Ethical Practices, the Business renewed compliance with Sedex and Walmart International standards,** certifying it as a world-class supplier utilizing responsible and ethical business practices; and similarly, **updated audits** from global clients **regarding Social and Environmental Responsibility.**

- For fauna conservation, the Business restarted **supplying equipment and instruments to the communities and organizations dedicated to safeguarding the nesting and preservation of the Kemp's Ridley Turtle,** in the State of Veracruz.

- For strengthening relations with the areas neighboring the facilities, the Business provided **courses and materials to promote aspects of civil protection to teachers and students in a public school** located in a community of Nanchital, Veracruz. The initiative included a plan and drills for earthquakes and other emergencies, as well as education in first aid and firefighting.

- For assuring a **Sustainable Operation, the Business renewed ISO-9001:2015 and ISO-14001:2015 certifications** in all production and distribution facilities, and renewed the **Clean Industry Certification** granted by the Mexican Ministry for Environment and Natural Resources (SEMARNAT).

Chemicals Manufacturing and Specialties

CHLORINE, CAUSTIC SODA AND RELATED SPECIALTIES

PRODUCTS
Chlorine, liquid and gas; membrane-grade liquid caustic soda and rayon-grade liquid caustic soda, solid caustic soda; chlorine in cylinders; sodium hypochlorite; caustic potash; synthetic hydrochloric acid; and muriatic acid.

MARKETS
Domestic and export, primarily to USA and Central America.

USES
Chemical and petrochemical industries, water treatment, oil, cellulose, paper, bottlers, pesticides, bleach, detergents and soaps, mining and extraction of metals, plastics, pigments and paints.

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Industria Quimica del Istmo, S.A. de C.V. (IQUISA)
Iquisa Santa Clara, S.A. de C.V.
Iquisa Noreste, S.A. de C.V.

1998 Mexican National Quality Award; 1998 Shingo Prize for Excellence in Manufacturing (Coatzacoalcos Plant) and 2002 (Tlaxcala Plant); Environmental Excellence Award (Tlaxcala Plant); ISO-9001:2015 (Coatzacoalcos, Santa Clara, Noreste, Tlaxcala and Hermosillo Plants) and ISO-14001:2015 Certified (Coatzacoalcos, Santa Clara, Noreste, Tlaxcala and Hermosillo Plants).

The Chlorine, Caustic Soda and Related Specialties Business Unit maintained the highest efficiency levels across its five production plants. Throughout 2024, construction phases for the new plant employing membrane technology, recognized as the most advanced and efficient for Chlorine and Caustic Soda production, reached completion in Coatzacoalcos, Veracruz.

The high international price levels of Caustic Soda recorded in 2022 declined substantially during the second half of 2023, and further decreased in 2024, with average prices lower than in the previous year. Consequently, the Business placed strong emphasis on cash flow management through initiatives focused on reducing fixed costs, ensuring efficient working capital administration, and optimizing investments.

Programs aimed at strengthening market presence and service, as well as expanding the offering of differentiated products, continued to be implemented. In addition, the Business maintained priority focus on operational safety and efficiency, reducing energy consumption, complying with environmental regulations, and engaging with communities near the production plants.

The 2024 results are outlined below.

Iquisa Santa Clara operated
97%
Production efficiency

Markets and Operational Excellence

- **The first phase of the new plant for Chlorine and Caustic Soda production in Coatzacoalcos, Veracruz, began operations in September of 2023, incorporating membrane technology, the most energy-efficient process available and with the least environmental impact.** The Business implemented this turnkey project through a Chinese company that provided the technology and built a significant portion of the facilities. This plant, with **annual production capacity of 170,000 ECUs, that is, 170,000 tons of chlorine and 190,000 tons of caustic soda,** began operations in three phases.

- To satisfy growing demand in Mexico's northeastern region, **Iquisa Noreste,** the world-class manufacturing facility for chlorine, caustic soda and related specialties located in Garcia, Nuevo Leon, **achieved 93% efficiency, operating levels equivalent to design capacity.**

- The Santa Clara plant located in the State of Mexico operated at **97% production efficiency, achieving record indicators in efficiency and operational safety, for 20 years of having no disabling accidents.**

- **The Chlorine, Caustic Soda, and Related Specialties Business increased its share of several chlorine and caustic soda specialties markets,** with strategies to enhance market presence and customer service for users of sodium hypochlorite, cylinder-packaged chlorine, hydrochloric acid, solid caustic soda, and rayon and membrane grade caustic soda.

The Chlorine, Caustic Soda, and Related Specialties Business increased its share of several chlorine and caustic soda specialties markets

Total Quality and Environmental Protection

- The **Santa Clara** plant continued adjusting the project to install a **water treatment system for use in production processes,** reducing costs and freeing up almost 450,000 cubic meters per year of potable water for the community. The project is scheduled for completion in the second half of 2025.

- The five manufacturing plants of the Business, located in Coatzacoalcos, Santa Clara, Noreste, Hermosillo and Tlaxcala, received the **US Chlorine Institute Chairman's Process and Personnel Safety Excellence Awards.**

- The five plants of the Business Unit renewed their **certifications for ISO-9001:2015 and ISO-14001:2015** and received recertifications from **NSF International (US National Sanitation Foundation),** as well as **ANIQ's Comprehensive Responsibility** granted by the Mexican National Chemical Industry Association. The Coatzacoalcos plant also **renewed the Kosher Quality Food certification.**

- The five plants renewed the **Clean Industry Certification** granted by the Mexican Ministry for Environment and Natural Resources (SEMARNAT). The Tlaxcala plant retained the **Environmental Excellence Award** also granted by SEMARNAT.

- The Business's five production facilities **maintained the Socially Responsible Company Certification,** granted by the Mexican Philanthropy Center.

- The Mexican Ministry of Labor **recertified the Santa Clara plant as a Safe Company in the Work Safety and Occupational Health Self-Management Program.**

The Mexican Ministry of Labor recertified the Santa Clara plant as a Safe Company in the Work Safety and Occupational Health Self-Management Program

The five manufacturing plants of the Business received the US Chlorine Institute Chairman's Process and Personnel Safety Excellence Awards

Chemicals Manufacturing and Specialties

REFRIGERANT GASES MANUFACTURING AND COMMERCIALIZATION

PRODUCTS
Refrigerant, propellant and blowing gases. Gases for fluoropolymers and anesthetic medical products.

SERVICES
Destruction of Ozone Depleting Substances (ODS), utilizing an Argon Plasm Arch technology.

MARKETS
Domestic and export, primarily Latin America and USA.

USES
Industrial, commercial and domestic refrigeration, home appliances, automotive and pharmaceutical industry.

TRADEMARKS
Genetron, Aquion, Eco Flush.

MEXICO CITY OFFICE
Ave. Insurgentes Sur #800, Piso 20
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MONTERREY PLANT
Ave. Ruiz Cortines 2333 Pte.
Col. Pedro Lozano
Monterrey, Nuevo Leon 64400
Tel. +52 (81) 8305-4600

www.quimobasicos.com.mx
e-mail: quimobasicos@cydsa.com

Quimobasicos, S.A. de C.V.
Joint-venture 51%/49% with Honeywell (USA)

Environmental Excellence Award 2004 and 2015, ISO-9001:2015 and ISO-14001:2015 Certified.

In 2024 the Refrigerant Gases Manufacturing and Commercialization Business Unit continued to focus on assuring comprehensive service, offering the latest generation of refrigerant, propellant and blowing gases, as well as refrigerant grade hydrocarbons, through its distribution network.

The actions implemented during the year aimed to strengthen the Business by addressing the following objectives: improving customer service, increasing domestic and export market presence, optimizing costs and pricing, achieving operational excellence, and managing working capital. The Business Unit also strengthened safety and environmental standards, and relationships with neighboring communities.

The key achievements of the Business in the year follow.

Markets and Products

- Maintained domestic market presence by offering the **full line of latest generation refrigerants, blowing agents, and propellant products (HFO-1234yf, HFO-1233zd y HFO-1234ze),** and continuing the sale of the HCFC-22, HFC-134a, HFC-410A and HCF-404A refrigerant gases.

- **Increased supply to the Mexican automotive market** of both the HFC-134a refrigerant gas, and **HFO-1234yf refrigerant gas,** a product with zero ozone environmental impact.

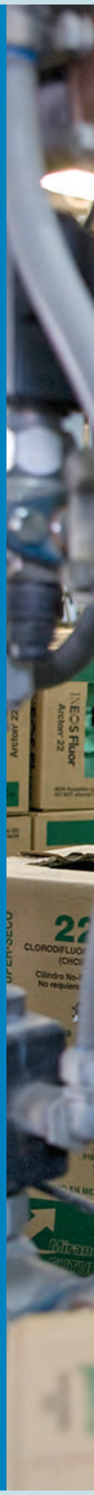
- **Reinforced the presence in the blowing agents segments with the introduction of new products, like HFO-1233ze** as a blowing agent with zero impact on the ozone layer and global warming, substituting traditional HFC-based blowing agents.

- **Within the Residential, Commercial, and Industrial Air Conditioning manufacturing segment, the Business initiated the commercialization of new substances with a lower Global Warming Potential (GWP), such as HFC-32 and HFC-454B, along with HFC-513A and HFO-1234ze,** utilized in the production of refrigerants for industrial applications.

- **Continued supplying volumes to traditional Latin American export markets** through the network of distributors in 16 countries. Maintained participation in the **US market for HCFC-22 gas as a raw material for producing anesthetic products and fluoropolymers** for several industrial applications such as food, textile, automotive, and medical materials.

- **Strengthened commercialization of natural hydrocarbon refrigerants R-600a and R-290,** utilized in domestic and commercial devices, both with zero effects on the ozone layer and global warming. These products complement the strategy aimed at **offering a comprehensive product line for the refrigeration market segments.**

- **Through social networks and a dedicated blog, improved the Genetron, Aquion, and Quimobasicos brand images,** maximizing domestic market presence, reinforcing the concept of a modern and technologically advanced company, and communicating its readiness to serve all current and future requirements.



The HFO-1234yf refrigerant gas increased supply to the Mexican automotive market

Mantained participation in the US market for HCFC-22 gas as a raw material for producing anesthetic products and fluoropolymers

Quimobasicos received the level 2 Clean Industry Recertification for the tenth consecutive year. This Business became a recipient of the annual Environmental Excellence Award

Obtained recertification from ANIQ's Comprehensive Responsibility

Total Quality and Environmental Protection

- Continued to promote the **"Eco Flush 1233zd,"** an ecological cleaning solution with zero ozone impact and almost no global warming impact, as well as canned presentations of the latest generation automotive refrigerant gas **HFO-1234yf,** and of the **HFC R-410A,** a zero-ozone impact gas. These developments, in conjunction with the Business's service to the refrigerant destruction and repurposing industry, highlight the image of Quimobasicos as an environmentally responsible company.

- Operated with a **100% service index, both as an Original Equipment Manufacturer** (OEM) and in **serving the automotive industry.**

- Obtained **recertification for ISO-9001:2015 and ISO-14001:2015 standards,** and recertified **ANIQ's Comprehensive Responsibility granted by the Mexican National Chemical Industry Association,** originally obtained in 2013.

- Quimobasicos received **the level 2 Clean Industry Recertification** for the tenth consecutive year. This Business became a recipient of the annual **Environmental Excellence Award** by the Mexican Ministry for Environment and Natural Resources (SEMARNAT), both in 2004 and 2015.

- The Mexican Ministry of Labor recertified Quimobasicos as a **Safe Company in the Work Safety and Occupational Health Self-Management Program.**

- For the second consecutive year, **the Responsible Work Distinction (TRe), granted by the Ministry of Labor of the State of Nuevo Leon, remained valid** as recognition of compliance with standards in responsible work practices across human resources, labor relations, industrial safety, and health.

- The Business maintained the capability to operate the only **Latin American facility for destroying Ozone Depleting Substances (ODS),** utilizing an Argon Plasma Arch technology and complying with international rules established by the United Nations.

The Business maintained the capability to operate the only Latin American facility for destroying Ozone Depleting Substances (ODS)

ENERGY PROCESSING AND LOGISTICS

Electricity and Steam Cogeneration

Hydrocarbons Processing and Underground Storage

During 2024, CYDSA's two Energy Processing and Logistics Business Units continued their efforts of improving the operational efficiency of investments directed at generating cost competitive energy sources and identifying new alternatives for offering services to the market. This effort related to the processing and logistics of the Businesses required maintaining the procedures and protocols focused on hygiene, safety and efficiency, while exceeding the recommendations of federal, state and municipal authorities.

In the Electricity and Steam Cogeneration Business, 2024 marked the completion of projects aimed at optimizing operations by increasing total power generation capacity, ensuring gas pressure stability, and enhancing steam production efficiency. With the conclusion of these initiatives, the Business plans to operate power and steam cogeneration at optimal levels, meeting the energy demand requirements of all CYDSA plants.

The Hydrocarbons Processing and Underground Storage Business Unit focused on compliance with all of Pemex's requirements to operate the pioneer system in Mexico and Latin America devoted to the underground storage of Liquefied Petroleum Gas (LPG) in a salt cavern.

Throughout 2024, initiatives focused on safety, environmental care, and sustainability took place, as detailed in the following sections.

Energy Processing and Logistics

ELECTRICITY AND STEAM COGENERATION

ELECTRICITY AND STEAM COGENERATION PLANTS I AND II

Centro Industrial Pajaritos
Coatzacoalcos, Veracruz 96400
Tel. +52 (921) 211-3400

The two cogeneration plants of the Business Unit, located in Coatzacoalcos, State of Veracruz, simultaneously produce electricity and steam using natural gas combustion turbines, making this hydrocarbon essential in the cost structure of this Business.

In 2024, natural gas prices in the US Texas market decreased 13% to US$2.19 per million BTUs. As a result, the natural gas rates based on this international reference for industrial users in the southern region of Mexico, decreased 6% to an average of US$3.75 per million BTUs, compared to US$3.99 in 2023.

In response, efforts centered on implementing strategies to reduce operating costs to optimize the Business's competitive structure. Additionally, the Company focused on advancing the final stages of its modifications to equipment and processes required to maximize energy cogeneration.

The key aspects of the Business Unit follow.

Cogeneration Plant I

The **first Electricity and Steam Cogeneration Plant initiated operations in March 2014** with a maximum capacity of 57 megawatts of electricity and 62 tons of steam per hour in optimal conditions, using a natural gas combustion turbine.

Cogeneration Plant II

The establishment of the second Electricity and Steam Cogeneration Plant aimed to supply the remainder of the energy requirements of the Group's facilities not covered by Plant I. **Plant II,** located on the same site and with the identical technical characteristics and production capacity as the first facility, **started operations in March 2016.**

The main accomplishments of 2024 follow:

- The Electricity and Steam Cogeneration Business **continued to provide for most of the energy requirements for CYDSA's facilities in Coatzacoalcos, Veracruz.** Also, via the Federal Electricity Commission's (CFE) distribution network, it supplied the power required by the Group's chlorine, caustic soda, and chemical specialties facilities **in Ecatepec, State of Mexico, and in Garcia, Nuevo Leon. It also sold excess produced electricity to commercial users** located in other regions of Mexico.

- The original design of the twin Electricity and Steam Cogeneration plants failed to consider the unfavorable air quality conditions of their location, preventing continuous and optimal energy production.

  In recent years, together with a team of international technical specialists, the Business's personnel developed and applied solutions based on creative approaches, recognized as innovative by global companies, with patents obtained for some of the processes implemented. These advances produced significant improvements in operational availability and production stability.

  In 2024, the Business concluded projects focused on optimizing operations. Among these initiatives a highlight is **the increase in generation capacity to 128 megawatts** per plant with the development of cooling systems, thereby surpassing the original design of 114 mega-

watts by 12%. Progress also included an installation to ensure consistency in the pressure of the natural gas used in the combustion of the turbines, as well as the design of replacement boiler piping to optimize steam production.

- With the completion of these projects, **this Business plans to optimally operate the cogeneration of electricity and steam with the capacity required by the new levels of energy demanded by the Group's plants,** both in the Coatzacoalcos Industrial Center and in operations in other locations. However, in 2024, various events out of the Group's control suspended a significant amount of total cogeneration capacity; one such incident occurred in the final months of the year and remained unresolved at year end.

- The two plants of the Electricity and Steam Cogeneration Business Unit maintained the **"Efficient Cogeneration Investment" certification** granted by the Mexican Energy Regulatory Commission (CRE), allowing for more flexible utilization of the electricity produced. The Business also maintained the **Clean Industry Certification** granted by the Mexican Ministry for Environment and Natural Resources (SEMARNAT).

Energy Processing and Logistics

HYDROCARBONS PROCESSING AND UNDERGROUND STORAGE

HYDROCARBON PROCESSING AND UNDERGROUND STORAGE

Complejo Industrial Pajaritos
Coatzacoalcos, Veracruz 96400
Tel. +52 (921) 211-3400

In 2024, the Hydrocarbons Processing and Underground Storage Business Unit continued to focus on assuring the optimal operation of the **first system in Mexico and Latin America dedicated to the processing and underground storage of LPG in a salt cavern,** located in the southern region of Coatzacoalcos, State of Veracruz.

- This project originated in 2012, when CYDSA, following several years of analysis and assessment, began to develop a new zone of brine extraction wells in the State of Veracruz. The initiative included the efficient drilling of brine wells with technical characteristics to create caverns capable of underground storage of hydrocarbons in gas or liquid form.

- **In November 2014,** the Group formalized an **agreement with Petroleos Mexicanos (Pemex)** to develop a **system for the processing and underground storage of LPG.** The system encompassed a specially designed salt cavern with a **maximum operating capacity to store 1.8 million barrels** of LPG and the construction of surface infrastructure capable of processing, injecting, extracting, and transporting up to 120,000 barrels per day.

7 years

of Operations fully complying with design specifications and Pemex requirements

- **In April 2015,** the Group received the permit to implement the Storage System from the Mexican Energy Regulatory Commission (CRE), allowing for **construction work to begin on the surface facilities.**

- Finally, the **commercial operations of LPG processing and storage service to Pemex started on November 16, 2017.**

Since starting operations, the Business proved its response capability with the substantial increase in the frequency and volume of LPG injection and extraction operations. In 2024, the LPG Processing and Underground Storage System **completed its seventh year of operation, fully complying with design specifications and Pemex requirements.** Throughout the year, injection and extraction operations recorded significant volume processed through the storage system, handling a total of 16 million barrels of LP Gas. This resulted in storage service availability exceeding 99%, surpassing international industry standards. Additionally, at the end of 2024, the Business completed a total of 2,603 days–more than seven years–of having no disabling accidents.

Nine years of compaigns
to reforest

35.6
hectares
in own land

The Group developed this Business complying with procedures requiring no impact on the region's flora and faunae. This approach to sustainability includes a **proprietary nursery capable of cultivating 30,000 plants per year** of species native to the region, and nine years of **campaigns to reforest 35.6 hectares of the Business's own land.**

The operation of this Business confirms CYDSA's strategy aimed at developing sustainable industrial parks for managing hydrocarbons and providing storage in salt caverns, contributing to the clean, efficient, and safe use of energy resources in Mexico. Also, the LPG Processing and Underground Storage System represents the commencement of a Business Area providing significant potential for the Group's medium- and long-term growth, utilizing either the three caverns already available or newly developed ones.

BOARD OF DIRECTORS

Tomas Gonzalez Sada, Chairman *
Chairman of the Board and Chief Executive Officer of CYDSA. Member of the Board of Directors of Vitro. Vice President of the Mexican Institute for Competitiveness; Honorary Consul Emeritus of Japan at Monterrey, Mexico; Member of the Regional Council of Banco de Mexico, Mexican Business Roundtable (CMN) and Nuevo Leon's Council of Entrepreneurs. Member of the Board and Treasurer of the Fundacion Martinez Sada, an organization granting academic scholarships; and Member of the Board of Trustees of Caritas de Monterrey.

Herminio Blanco Mendoza
Former Mexican Secretary of Trade and Industry, Undersecretary of Foreign Trade and former Chief Negotiator for the North American Free Trade Agreement (NAFTA). President of IQOM Inteligencia Comercial. Chairman of the Board of ArcelorMittal Mexico. Member of the Board of Directors of Banco Latinoamericano de Comercio Exterior (Bladex) and Fibra Uno. Member of the Trilateral Commission.

Alvaro Fernandez Garza**
Chairman of the Board and Chief Executive Officer of ALFA. Member of the Board of Directors of ALFA and Vitro. President of the Board of Universidad de Monterrey (UDEM).

Eugenio Garza Herrera**
Chairman of the Board of Xignux and Pak2Go. Member of the Board of Directors of Corporacion EG, Nemak, Mexico Evalua and the Regional Council of Banco de Mexico. Member of the Consultative Committee of UDEM's Roberto Garza Sada Center for Architecture and Design. Member of the Board of Instituto Tecnologico y de Estudios Superiores de Monterrey.

Francisco Garza Zambrano**
Member of the Board of Directors of Autlan, Fomento Empresarial Inmobiliario, Grupo Acosta Verde, Grupo Aeroportuario del Sureste, BX+, Internacional de Inversiones, Velatia Group, Xignux, Banco de Mexico and Nacional Financiera (NAFIN). Member of the Nuevo Leon State Citizen Council. Member of the General Board of Trustees of Universidad de Monterrey; Consultative Committee of UDEM's Roberto Garza Sada Center for Architecture and Design; and FIDECULTURAL Technical Committee. Chairman of the Board of Universidad de la Arquidiocesis de Monterrey

Gabriela Gonzalez Casas*
Member of the Board of Directors of Liceo Anglo Frances School and Tec Group (Honda and BYD). Member of the Board of ArteFest San Pedro. Honorary Founder and Member of the Board of Directors of Ya Puedo Escucharte, A.C.

Laura Gonzalez Casas*
Delegate of the Board and Co-Principal of Liceo Anglo Frances School. Member of the Board of Directors of Liceo Anglo Frances School, Universidad de Monterrey and Tec Group (Honda and BYD).

Veronica Gonzalez Casas*
President of the Board of Las Artes Monterrey. Member of the Board of Museo de Arte Contemporáneo (MARCO) de Monterrey. Member of Patronato de los Tres Museos: Museo de Historia Mexicana, Museo del Noreste (MUNE) and Museo del Palacio en Monterrey; Patronato de los Museos de San Pedro Garza García, NL.; and Patronato del Festival Internacional de Santa Lucía. Member of the Board of Directors of Colegio Liceo Anglo Frances and Tec Group (Honda and BYD). Former Vice President of the International Zona Maco Fair in Mexico City.

Tomas Gonzalez Casas*
Chief Operating Officer of Tec Group (Honda and BYD). Member of the Board of Directors of Tec Group, CIBanco Noreste and Parque Ecologico Chipinque.

Mario Laborin Gomez**
President of the Board of ABC Holding. Former Chief Executive Officer of Nacional Financiera and Banco Nacional de Comercio Exterior. Member of the Board of Directors of Xignux, Megacable, Vitro, AXA, Fly Across and Banco de Mexico.

Humberto F. Lozano Vargas
Chief Financial Officer of CYDSA. Member of CYDSA's Executive Committee. Former Corporate Financing Managing Director of CEMEX.

Abelardo Morales Puron
Former Chief Executive Officer of Grupo Financiero Serfin, Banca Serfin, and Operadora de Bolsa. Former Chairman of the Board of PROSA. President and Founder of CONFICOR, S.C. (Corporate Financial Consulting). Chairman of the Board of Mayazul and M&M Real Estate. Active in real estate and tourism developments on the Mayan Riviera. Member of the Regional Board of NAFINSA and Bancomext. Chairman of the Regional Board of CIBanco. Member of the Consultative Committee of UDEM's Roberto Garza Sada Center for Architecture and Design. International Member of the Board of the Real Theater of Madrid, Spain.

Roberto B. Rubio Barnes
Chief of Corporate Development and Real Estate Businesses of CYDSA. Member of CYDSA's Executive Committee. Member of the Board of Directors of Glassia, S.A. de C.V. Member of the Board of COPARMEX, American Chamber of Commerce of Nuevo Leon and Digital Hub of Monterrey.

Adrian G. Sada Gonzalez
Honorary Chairman of the Board of Vitro.

Carlos Salazar Lomelin**
Former Chairman of the Board of Mexico's Business Coordinating Council. Former Chief Executive Officer of FEMSA, Cerveceria Cuauhtemoc-Moctezuma and Coca-Cola FEMSA. Ex-President of the Century XXI Commission of the city of Monterrey and Developer of Centro de Exposiciones y Convenciones in Monterrey (CINTERMEX). Entrepreneur of several projects related to the manufacturing and selling of cookies and cereal, as well as real state. President of the Business School and member of the Academic Board of Instituto Tecnologico y de Estudios Superiores de Monterrey.

Alejandro von Rossum Garza
Chief Operating Officer of CYDSA's Chemical Division. Member of CYDSA's Executive Committee. Chairman of the Board of Quimobasicos. Member of the Board of Shingo Prize for Excellence in Manufacturing of North America.

* Patrimonial
** Independent

COMMITTEES OF THE BOARD OF DIRECTORS

CORPORATE GOVERNANCE PRACTICES AND AUDIT COMMITTEE

Mario Laborin Gomez, President
Herminio Blanco Mendoza
Alvaro Fernandez Garza
Eugenio Garza Herrera
Francisco Garza Zambrano
Carlos Salazar Lomelin

COMPENSATION POLICIES COMMITTEE

Adrian G. Sada Gonzalez, President
Herminio Blanco Mendoza
Mario Laborin Gomez
Roberto B. Rubio Barnes

PLANNING AND FINANCE COMMITTEE

Abelardo Morales Puron, President
Tomas Gonzalez Sada
Gabriela Gonzalez Casas
Laura Gonzalez Casas
Veronica Gonzalez Casas
Tomas Gonzalez Casas
Humberto F. Lozano Vargas
Roberto B. Rubio Barnes
Adrian G. Sada Gonzalez
Alejandro von Rossum Garza

FINANCIAL INFORMATION

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL RESULTS

The figures presented herein should be analyzed in conjunction with the audited financial statements and notes (pages 68-132), prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). Unless otherwise indicated, the numbers in this report are stated in millions of pesos. Any references to foreign currency are expressed in US dollars.

The following sections comprise Management's Discussion and Analysis of Results and Financial Condition:

1. **Results**
2. **Financial Condition**

1. Results

Sales

CYDSA's Consolidated Sales in 2024 reached 15,039 million pesos, an increase of 879 million pesos or 6.2% higher than the 14,160 million in the prior year.

In dollar terms, Sales in 2024 totaled an equivalent of US$821.1 million, an increase of 2.7% from the US$799.3 million in 2023. The difference in performance between Sales in peso terms and in dollar terms derives from the 3.3% depreciation of the peso when comparing the average exchange rate in 2024 of 18.32 pesos per dollar against the 17.74 pesos per dollar in the previous year.

Domestic Sales

Sales to the domestic market in 2024 totaled 13,649 million pesos, rising 6.2% compared to 2023.

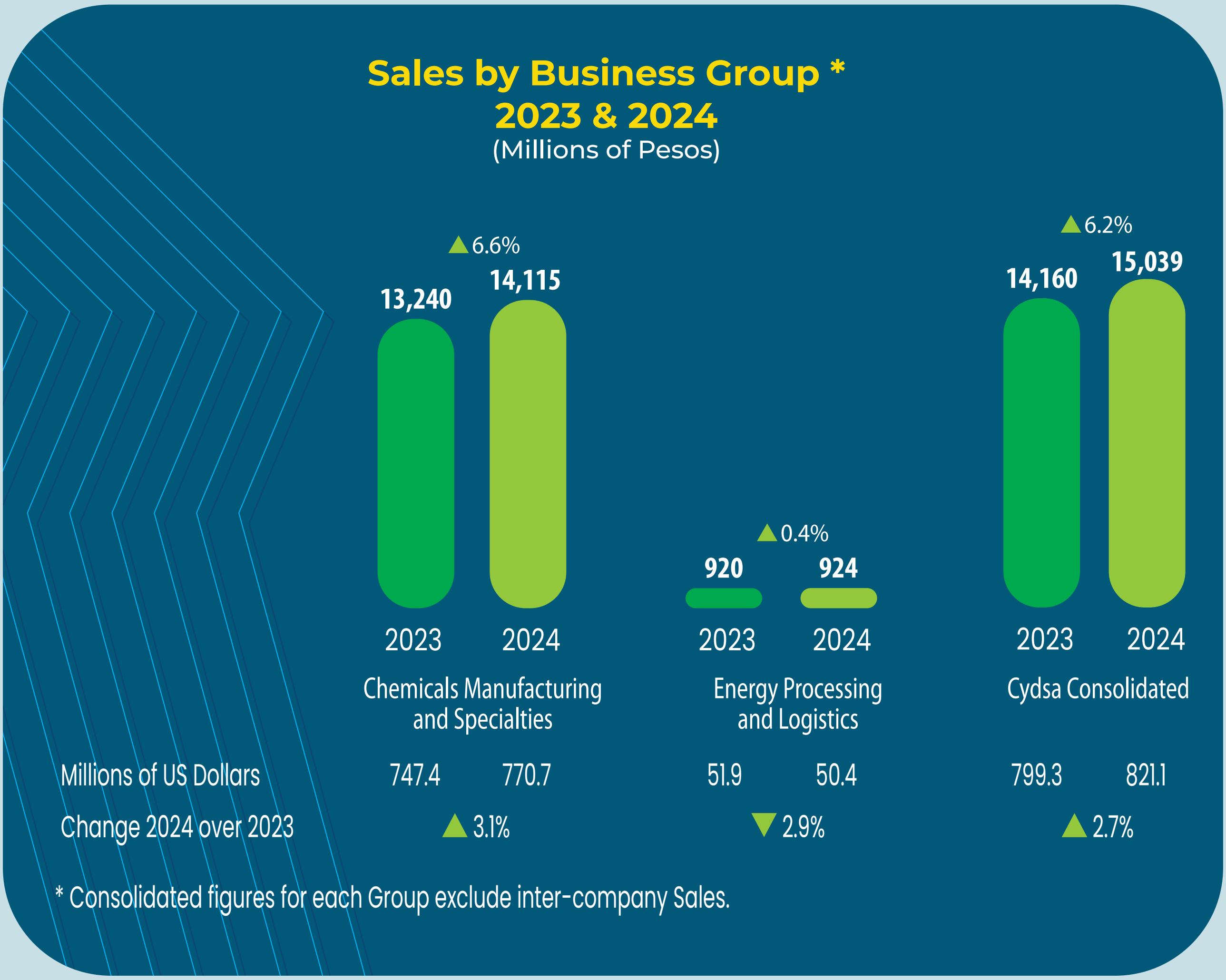
This increase reflected additional sales from the new chlorine and caustic soda plant with membrane technology located in Coatzacoalcos, Veracruz, as well as higher sales of salt. These positive effects offset the decrease of international chlor-alkali commodity prices that significantly trended downward in the second half of 2023.

Export Sales

Export Sales in 2024 totaled US$76.1 million, an increase of 4.4% compared with the US$72.9 million reported in the prior year. The improvement arose 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 December of 2023 and 2024:



In 2024, Sales of 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 14,115 million pesos or 93.9% of CYDSA's Total Sales, an increase of 6.6% from 2023. The increase reflected sales of chlor-alkali products from the new plant in Coatzacoalcos, and higher demand for edible salt mainly in the local market. These positive effects offset the decrease in international prices of commodity chlor-alkali products.

The two Businesses of the Energy Processing and Logistics Group registered Sales of 924 million pesos or 6.1% of CYDSA's Total Sales, a 0.4% increase from 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) in 2024 totaled 2,571 million pesos, equivalent to 17.1% of Sales, a decrease of 595 million or 18.8%, when compared to 3,166 million the prior year, when it represented 22.4% of Sales.

This EBIT result derives mainly from the next four factors: the decrease in international prices of commodity chemical products; higher depreciation resulting from the start of operations of the new investments; higher maintenance expenses and the value of fixed assets written off from the operations. However, 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 in the Salt Business for Household Consumption and Industrial Applications, partially mitigated these negative factors.

Operating Cash Flow (EBITDA)

Operating Cash Flow (EBITDA) in 2024 totaled 4,121 million pesos or 27.4% of Sales, a decrease of 2.6% compared to 4,229 million or 29.9% of Sales in 2023. In dollar terms, 2024 EBITDA totaled US$225.6 million, 5.0% less than the US$238.2 million in the previous year.

Net Financial Expenses

Net Financial Expenses totaled 1,064 million pesos in 2024, compared to the 503 million expenses registered in the prior year, as shown in the following chart:

	2024	2023	Change
Debt Financial Expenses	**(1,366)**	(789)	(577)
Other Financial Expenses	**(96)**	(97)	1
Result from Derivative Financial Instruments	**(76)**	(183)	107
Interest Income	**137**	171	(34)
Net Foreign Exchange Effect	**337**	395	(58)
Net Financial Expenses	**(1,064)**	(503)	(561)

The increase of 577 million pesos in Debt Financial Expenses comes mainly from the next two items:

1. Peso denominated credit facilities used to repay dollar denominated debt and new peso denominated loans, rising Financial Expenses 343 million pesos; and

2. A decrease in capitalization of interest of 234 million, associated with the loans for construction of the new membrane technology Chlorine and Caustic Soda Plant, due to its near completion in the final months of 2023.

Additionally, Net Foreign Exchange Effect decreased 58 million pesos due to a depreciation of the peso exchange rate in 2024 of 3.87 pesos per dollar; the peso rose from 16.92 pesos at the end of 2023 to 20.79 pesos at the close of 2024, generating a positive exchange rate fluctuation for accounting purposes of 337 million pesos. This exchange gain is lower than the 395 million pesos of the same reported effect in the prior year, caused by an exchange appreciation of 2.55 pesos per dollar in that period.

Net Consolidated Income

CYDSA's Net Consolidated Income in 2024 totaled 504 million pesos, equivalent to 3.4% of Sales. This figure represents a decrease of 1,621 million pesos from the Net Income of 2,125 million, or 15.0% of Sales, reported in the previous year. This decline reflects the reduction in **EBIT** as well as the increase in **Net Financial Expenses and Income Taxes.**

2. Financial Condition

Changes to the Balance Sheet

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

	December 2024	December 2023	Change
Current Assets	**9,285**	7,281	2,004
Non-Current Assets	**25,050**	21,239	3,811
Total Assets	**34,335**	28,520	5,815
Current Liabilities	**4,846**	4,791	55
Non-Current Liabilities	**15,050**	11,865	3,185
Total Liabilities	**19,896**	16,656	3,240
Shareholders' Equity	**14,439**	11,864	2,575

As shown in the previous table, Total Assets increased 5,815 million from 28,520 million on December 31, 2023, to 34,335 million at the close of December 2024. The increase in Total Assets mainly arose from three factors: 1) The revaluation of Fixed Assets denominated in dollars, derived from the 22.9% depreciation of the exchange rate, when comparing 16.92 pesos per dollar as of December 2023 versus 20.79 pesos per dollar as of December 2024; 2) The increase in cash reserves; and 3) Greater investment in accounts receivables, both from greater demand for chlorine and caustic soda associated with the plant with membrane technology in Coatzacoalcos, Veracruz, and for higher sales in the Salt Business for Household Consumption and Industrial Applications.

CYDSA's Total Liabilities of 19,896 million pesos at the end of December 2024 increased 3,240 million pesos, reflecting both the new Bank Debt and the higher balance in peso terms of dollar denominated debt, in connection with exchange rate depreciation.

Finally, Shareholders' Equity totaled 14,439 million pesos as of December 31, 2024, an increase of 2,575 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 of 2024	504
Dividend to Shareholders of Cydsa, S.A.B. de C.V.	(300)
Repurchase of Own Shares	(173)
Mark to Market of Derivative Financial Instruments	127
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[1]	2,417
Increase in Shareholders' Equity	**2,575**

The Book Value per share of 27.17 pesos on December 31, 2024 compares with 21.08 pesos per share reported on December 31, 2023.

1 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.

INDEPENDENT AUDITORS' REPORT

Deloitte.

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to the Board of Directors and Shareholders of Cydsa, S.A.B. de C.V.

Opinion

We have audited the consolidated financial statements of Cydsa, S.A.B. de C.V. and its subsidiaries (the Group and/o The Company), which comprise the consolidated statements of financial position as of December 31, 2024, 2023 and 2022, and the consolidated statements of income, the consolidated statements of other comprehensive income, the consolidated statements of changes in shareholders' equity and the consolidated statements of cash flows for the years then ended, as well as the explanatory notes to the consolidated financial statements that include a summary of the material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2024, 2023 and 2022 and its consolidated financial performance and consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audits in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the Code of Ethics issued by the Mexican Institute of Public Accountants (IMCP Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and with the IMCP Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other matter

The accompanying financial statements have been translated into English for the convenience of readers.

Deloitte.

Key Audit Matters

Key audit matters are those matters that, according to our professional judgment, were the most significant in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on those matters. We have determined that the matters described below are the key audit matters that should be communicated in our report.

Investments in Process Related to the Underground Hydrocarbon Storage Business

The Company has made investments in the Underground Hydrocarbon Storage business as of December 31, 2024, 2023 and 2022 for $$4,105, $3,361 and $3,656 (in millions of Mexican pesos), respectively, which are presented as part of investment in process in the statement of financial position consolidated, under the heading of Property, Plant and Equipment, see Note 11.

The valuation procedures were significant due to the relevance of the figures mentioned above, and considering that a high degree of judgment is required by management, derived from changes in regulations or other conditions, which could have an impact on identifying signs of impairment, and where appropriate recognize the necessary provisions.

Our audit procedures included, among others, obtaining an understanding of management's plans for these investments, reviewing the valuation model by our specialist and the understanding of the regulations on the storage of hydrocarbons in the country, the above in order to identify possible indicators of impairment.

Deferred Income Taxes

As mentioned in Note 21 to the accompanying consolidated financial statements, the Company recognizes deferred income taxes on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable income, which includes tax loss carryforwards.

As of December 31, 2024, the amount of tax loss carryforwards amounts to $3,353 million, which represents a deferred income tax benefit of $1,006 million, which use is subject to the Company's ability to generate sufficient future taxable income, before the expiration date of tax loss carryforwards.

The related IFRS requires the carrying amount of a deferred tax asset to be reviewed and reduced to the extent that it is probable that there will be no sufficient taxable income to allow all or a portion of the asset to be recovered, therefore as of December 31, 2024, the Company has recognized a deferred tax asset, according to an analysis on projections of prospective cash flows and has determined that it would generate sufficient taxable base to recover the assets tax losses, on the asset recorded. The test of the estimate was significant for our audit because the evaluation process is complex and is based on assumptions that are affected by the future expectations of the results of the operation and specifications of the tax regulation.

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Due to the relevance of the aforementioned figures, a change in the assumptions and conditions on the recovery of tax loss carryforwards may have a material effect on the amount of deferred taxes recorded by the Company in its consolidated financial statements.

Our audit procedures included, among others: i) analyzing by entity the trend of its tax results from previous years; ii) reviewing tax projections to determine whether future taxable income will allow tax loss carryforwards to be realized before maturity; and iii) using tax experts to help us evaluate the assumptions and methodologies used by the Company.

Information other than the consolidated financial statements and the report of the independent auditors

The Company's management is responsible for the information that will be incorporated into the Annual Report that the Company is obligated to prepare under Article 33 Fraction I, clause b) of Title Four, First Chapter of the General Provisions Applicable to the Issuers and other Participants of the Securities Market in Mexico and to the Instruction accompanying those provisions (the Provisions). The Annual Report is expected to be available for reading after the date of this audit report.

Our opinion of the consolidated financial statements does not cover the other information and we do not express any such opinion.

In relation to our audit of the consolidated financial statements, our responsibility will be to read the Annual Report, when it is available, and when we do, consider whether the other information contained therein is materially inconsistent with the consolidated financial statements or our knowledge obtained during the audit, or that it seems to contain a material error. When we read the Annual Report, we will issue the legend on the reading of the Annual Report required in Article 33 Fraction I, subsection b) numeral 1.2 of the provisions.

Responsibilities of the Administration and those Responsible for the Governance of the Company in Relation to the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the accompanying consolidated financial statements in accordance with IFRS and the internal control that management deems necessary to enable the consolidated financial statements to be prepared free of material misstatement due to fraud or error.

In preparing the consolidated financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as appropriate, issues related to the Company in operation and using the accounting principle of the Company in Unless the Administration intends to liquidate the Company or stop its operations, or there is no other realistic alternative.

Those responsible for the Company's governance are responsible for overseeing the Company's financial reporting process.

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Auditors' Responsibilities in Relation to the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISA's, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and asses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the officers of the Company with a statement that we have complied with applicable ethics requirements regarding independence and communicated with them about all relationships and other matters reasonably expected to affect our Independence and, where appropriate, the corresponding safeguards.

Among the issues that have been subject of communications with those responsible for the Company's governance, we determine that they have been of the greatest significance in the audit of the consolidated financial statements of the current period and are therefore the key audit issues. We describe these issues in this audit report unless legal or regulatory provisions prohibit disclosure of the matter or, in extremely rare circumstances, we determine that an issue should not be reported in our report because it can reasonably be expected that the adverse consequences thereof would exceed the benefits of public interest of the same.

Galaz, Yamazaki, Ruiz Urquiza, S.C.
Affiliate of a member firm of Deloitte Touche Tohmatsu Limited

C. P. C. A. Alejandra Villagómez G.
February 26, 2025

CYDSA, S.A.B. DE C.V. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS OF DECEMBER 31, 2024, 2023 AND 2022
(In millions of Mexican pesos)

	Notes	2024	2023	2022
ASSETS				
Current assets:				
Cash and cash equivalents	5	**$ 2,420**	$ 1,597	$ 2,769
Restricted cash	5	**185**	80	151
Trade receivables, net	6	**3,172**	2,654	2,010
Other current assets	7	**1,802**	1,570	1,329
Inventories	8	**1,706**	1,380	1,441
Total current assets		**9,285**	7,281	7,700
Non-current assets:				
Restricted cash	5	**135**	53	111
Derivative financial instruments	4	**138**	37	194
Investment in associates and joint venture	10	**187**	194	222
Property, plant and equipment, net	11	**20,297**	17,046	17,897
Right-of-use asset	12	**452**	283	257
Non-current finance lease receivable	9	**3,464**	2,870	3,352
Intangible assets	14	**310**	276	254
Deferred taxes	21	**-**	413	91
Discontinued operations	2 f)	**67**	67	67
Total non-current assets		**25,050**	21,239	22,445
Total assets		**$ 34,335**	$ 28,520	$ 30,145
LIABILITIES				
Current liabilities:				
Current financial debt	15	**$ 143**	$ -	$ -
Current portion of non-current financial debt	16	**609**	474	310
Trade payables		**1,995**	1,866	1,718
Derivative financial instruments	4	**32**	101	152
Lease liabilities	13	**170**	119	83
Income tax payable		**-**	421	577
Other current liabilities	17	**1,897**	1,810	1,642
Total current liabilities		**4,846**	4,791	4,482
Non-current liabilities:				
Financial debt	16	**13,767**	10,940	13,119
Derivative financial instruments	4	**-**	-	93
Lease liabilities	13	**328**	177	182
Employee benefits	18	**597**	520	569
Income Tax payable	21	**130**	166	432
Deferred income tax	21	**161**	-	-
Provisions	19	**53**	49	51
Non-current liability for discontinued operations	2 f)	**14**	13	15
Total non-current liabilities		**15,050**	11,865	14,461
Total liabilities		**19,896**	16,656	18,943
Commitments and contingencies	19			
SHAREHOLDERS' EQUITY	20			
Capital stock		**2,825**	2,825	2,825
Additional paid-in capital		**1,176**	1,176	1,176
Repurchase of own shares		**(1,316)**	(1,143)	(1,114)
Retained earnings		**9,581**	9,346	7,526
Accumulated other comprehensive income		**1,655**	(803)	355
Equity attributable to shareholders of Cydsa, S.A.B. de C.V.		**13,921**	11,401	10,768
Non-controlling interest		**518**	463	434
Total shareholders' equity		**14,439**	11,864	11,202
Total liabilities and shareholders' equity		**$ 34,335**	$ 28,520	$ 30,145

The accompanying notes are part of these consolidated financial statements

Tomás González S.

Ing. Tomás González Sada
Chairman of the Board and
Chief Executive Officer

C.P. Humberto F. Lozano Vargas
Chief Financial Officer

CYDSA, S.A.B. DE C.V. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022

(In millions of Mexican pesos)

	Notes	2024	2023	2022
Net sales	25 b)	**$ 15,039**	14,160	$ 13,612
Cost of sales		**(8,579)**	(7,681)	(8,157)
Selling expenses		**(2,228)**	(2,033)	(1,877)
Administrative expenses		**(1,389)**	(1,170)	(1,053)
Other operating (expenses) income	24	**(272)**	(110)	(43)
Operating income		**2,571**	3,166	2,482
Debt interest expenses		**(1,366)**	(789)	(643)
Interest expenses		**(96)**	(97)	(118)
Interest income		**137**	171	95
Derivative financial instruments results		**(76)**	(183)	(142)
Exchange rate effects		**337**	395	214
Financial expenses, net		**(1,064)**	(503)	(594)
Share in results of associates and joint venture	10	**(7)**	(2)	(12)
Income before income taxes and discontinued operations		**1,500**	2,661	1,876
Income taxes	21	**(993)**	(533)	(576)
Income before discontinued operations		**507**	2,128	1,300
Discontinued operations, net of income taxes	2 f)	**(3)**	(3)	(4)
Net consolidated income		**$ 504**	$ 2,125	$ 1,296
Net consolidated income attributable to:				
Shareholders of Cydsa, S.A.B. de C.V.		**$ 535**	$ 2,070	$ 1,218
Non-controlling interest		**(31)**	55	78
Basic earnings per share for the shareholders of Cydsa, S.A.B. de C.V. (1)		**$ 1.00**	$ 3.83	$ 2.23

The accompanying notes are part of these consolidated financial statements.

(1) In Mexican pesos, determined based on weighted average shares outstanding: 536,329,788 in 2024, 541,675,849 in 2023 and 546,164,695 in 2022.

CYDSA, S.A.B. DE C.V. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022
(In millions of Mexican pesos)

	2024	2023	2022
Net consolidated income	**$ 504**	$ 2,125	$ 1,296
Other comprehensive (loss) income net of taxes Items that will be reclassified to consolidated net income:			
Cumulative translation adjustment	**2,372**	(1,092)	(312)
Valuation of the effective portion of derivative financial instruments	**127**	(9)	205
Items that will not be reclassified to consolidated net income, net of tax:			
Re-measurements of defined benefit plan, net	**45**	(75)	2
Total other comprehensive (loss) income	**2,544**	(1,176)	(105)
Consolidated comprehensive income	**$ 3,048**	$ 949	$ 1,191
Consolidated comprehensive income attributable to:			
Shareholders of Cydsa, S.A.B. de C.V.	**$ 2,993**	$ 912	$ 1,100
Non-controlling interest	**55**	37	91

The accompanying notes are part of these consolidated financial statements.

CYDSA, S.A.B. DE C.V. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022
(In millions of Mexican pesos)

	Capital stock	Paid-in capital	Repurchase of own shares	Retained earnings
Balances as of December 31, 2021	$ 2,825	$ 1,176	$ (992)	$ 6,508
Dividends declared				(200)
Repurchase of own shares			(122)	
	2,825	1,176	(1,114)	6,308
Net consolidated income				1,218
Other comprehensive income				
Consolidated comprehensive income	-	-	-	1,218
Balances as of December 31, 2022	$ 2,825	$ 1,176	$ (1,114)	$ 7,526
Dividends declared				(250)
Repurchase of own shares			(29)	
	2,825	1,176	(1,143)	7,276
Net consolidated income				2,070
Other comprehensive income				
Consolidated comprehensive income	-	-	-	2,070
Balances as of December 31, 2023	$ 2,825	$ 1,176	$ (1,143)	$ 9,346
Dividends declared				**(300)**
Repurchase of own shares			**(173)**	
	2,825	**1,176**	**(1,316)**	**9,046**
Net consolidated income				**535**
Other comprehensive income				
Consolidated comprehensive income	**-**	**-**	**-**	**535**
Balances as of December 31, 2024	**$ 2,825**	**$ 1,176**	**$ (1,316)**	**$ 9,581**

The accompanying notes are part of these consolidated financial statements.

Cumulative translation adjustments	Valuation of the effective portion of derivative financial instruments	Re-measurement of the net defined benefit liability	Equity attributable to shareholders of Cydsa, S.A.B. de C.V.	Non-controlling interest	Total shareholders' equity
$ 673	$ (241)	$ 41	$ 9,990	$ 385	$ 10,375
			(200)	(42)	(242)
			(122)		(122)
673	(241)	41	9,668	343	10,011
			1,218	78	1,296
(325)	205	2	(118)	13	(105)
(325)	205	2	1,100	91	1,191
$ 348	$ (36)	$ 43	$ 10,768	$ 434	$ 11,202
			(250)	(8)	(258)
			(29)		(29)
348	(36)	43	10,489	426	10,915
			2,070	55	2,125
(1,074)	(9)	(75)	(1,158)	(18)	(1,176)
(1,074)	(9)	(75)	912	37	949
$ (726)	$ (45)	$ (32)	$ 11,401	$ 463	$ 11,864
			(300)		**(300)**
			(173)		**(173)**
(726)	**(45)**	**(32)**	**10,928**	**463**	**11,391**
			535	**(31)**	**504**
2,286	**127**	**45**	**2,458**	**86**	**2,544**
2,286	**127**	**45**	**2,993**	**55**	**3,048**
$ 1,560	**$ 82**	**$ 13**	**$ 13,921**	**$ 518**	**$ 14,439**

CYDSA, S.A.B. DE C.V. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022
(In millions of Mexican Pesos)

	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:			
Income before income taxes	**$ 1,500**	$ 2,661	$ 1,876
Adjustments for:			
Depreciation	**1,176**	870	991
Depreciation for right-of-use assets	**118**	120	74
Amortization	**29**	21	30
Share in results of associates and joint venture	**7**	2	12
Impairment and loss in sale of fixed assets	**229**	48	10
Exchange rate effects	**(337)**	(395)	(214)
Financial income	**(137)**	(171)	(95)
Derivative financial instruments	**76**	183	142
Financial expenses	**1,462**	886	761
	4,123	4,225	3,587
Changes in working capital:			
Trade receivables	**(290)**	(739)	(174)
Inventories	**(186)**	20	(531)
Trade payables	**(48)**	273	395
Changes in other assets and liabilities:			
Other assets and liabilities	**(183)**	(16)	44
Employee benefit	**(18)**	(13)	(24)
Income taxes paid	**(1,055)**	(1,263)	(704)
Net cash generated by operating activities	**2,343**	2,487	2,593
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchases of property, plant and equipment	**(1,502)**	(1,613)	(2,443)
Restricted cash	**(187)**	129	(17)
Net investment in associates	**-**	(43)	4
Interest income	**190**	222	93
Net cash used in investing activities	**(1,499)**	(1,305)	(2,363)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from banking loans	**6,876**	5,944	4,919
Payment of banking loans	**(5,238)**	(6,518)	(4,819)
Derivative financial instruments	**(115)**	(175)	(74)
Dividends paid to the shareholders of Cydsa, S.A.B. de C.V.	**(300)**	(250)	(200)
Dividends paid to minority shareholders	**-**	(8)	(42)
Payments of right-of-use leased assets	**(106)**	(93)	(74)
Interest expense paid	**(1,323)**	(1,135)	(1,104)
Repurchase of own shares	**(173)**	(29)	(122)
Net cash used in financing activities	**(379)**	(2,264)	(1,516)
Net increase (decrease) in cash and cash equivalents	**465**	(1,082)	(1,286)
Adjustment to cash flows due to exchange rate fluctuations	**358**	(90)	(100)
Cash and cash equivalents at beginning of year	**1,597**	2,769	4,155
Cash and cash equivalents at end of year	**$ 2,420**	$ 1,597	$ 2,769

The accompanying notes are part of these consolidated financial statements.

1. GENERAL INFORMATION (ACTIVITIES)

CYDSA, S.A.B. de C.V. (CYDSA, or the "Company") is a holding company whose core businesses consists in investing in the stock ownership of subsidiary companies, in order to control their operating and financing activities. The principal activities of its subsidiaries include the production and commercialization of salt, chlorine, caustic soda, refrigerant gases, electricity and steam cogeneration, underground storage of hydrocarbons.

CYDSA is located at Ricardo Margain Zozaya Avenue # 335, Tower 2 Floor 6, Colonia Valle del Campestre, Zip Code 66265, San Pedro Garza Garcia, Nuevo León, Mexico.

2. MATERIAL ACCOUNTING POLICIES

Below are the material accounting policies followed by the Company, which have been applied consistently in the preparation of their Consolidated Financial Statements over the years presented, unless otherwise indicated:

a. Basis of preparation.

The accompanying consolidated financial statements have been translated from Spanish into English for use outside of Mexico. The Consolidated Financial Statements of the Company have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

The Consolidated Financial Statements have been prepared on the historical cost basis. The historical cost is generally based on the fair value of the consideration granted in exchange for the related assets.

The preparation of the Consolidated Financial Statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. Additionally, it requires Management to exercise judgment in the process of applying the Company's accounting policies.

The financial statements have been translated into English for the convenience of readers.

b. Going concern.

The Consolidated Financial Statements have been prepared by Management assuming that the Company will continue to operate as a going concern.

It is important to mention that no adverse effects were identified that impact continuity as a going concern.

c. **Basis for consolidation of financial statements.**

Subsidiaries

The subsidiaries are all the entities over which the Company has control. The Company controls an entity when it is exposed, or has the right to variable returns from its interest in the entity and it is capable of affecting the returns through its power over the entity. When the Company's interest in subsidiaries is less than 100%, the interest attributed to external stockholders is recorded as non-controlling interest. Subsidiaries are consolidated in full from the date on which control is transferred to The Company and up to the date, it loses such control.

With regards to Quimobásicos, S.A. de C.V. (refrigerant gases), which is included on the list of significant subsidiaries, in which CYDSA holds a 51% ownership interest, although by-laws provide equal rights to the 49% shareholder, CYDSA's management has concluded it controls the subsidiary given that it has the power over the relevant activities that most significantly affect its returns.

The interest not attributable to CYDSA's shareholders is shown as a component of shareholders' equity in the Consolidated Statements of Financial Position; and the interest in net income is shown in the Consolidated Statements of Income and the Consolidated Statements of Other Comprehensive Income.

All intercompany balances and transactions have been eliminated.

As of December 31, 2024, 2023 and 2022 the main subsidiaries of CYDSA are the following:

Subsidiary	%	Activities	Functional currency*
Sales del Istmo, S.A. de C.V.	100%	Production and commercialization of salt	Peso
Industria Química del Istmo, S.A. de C.V. (IQUISA)	100%	Production and commercialization of chlorine and caustic soda	Dollar
Iquisa Santa Clara, S.A. de C.V.	100%	Production and commercialization of chlorine and caustic soda	Dollar
Iquisa Noreste, S.A. de C.V.	100%	Production and commercialization of chlorine and caustic soda	Dollar
Sistemas Energéticos SISA, S.A. de C.V.	100%	Electricity and steam cogeneration	Dollar
Almacenamientos Subterráneos de México, S.A. de C.V.	100%	Holding company of shares in the Underground Storage of Hydrocarbons businesses	Dollar
Tenedora Almacenamiento LP 206, S.A. de C.V.	95%	Holding of Almacenamientos Subterráneos del Sureste, S.A. de C.V.	Dollar
Almacenamientos Subterráneos del Sureste, S.A. de C.V.	95%	Underground storage of hydrocarbons	Dollar
Quimobásicos, S.A. de C.V.	51%	Production and commercialization of refrigerant gases	Dollar

* Dollar of the United States of America (USA).

Business combination

The accounting method used by the Company for business combinations is the acquisition method. The Company defines a business combination as a transaction in which it gains control of a business, and through which it is able to direct and manage the relevant activities of the set of assets and liabilities of such business with the purpose of providing a return in the form of dividends, smaller costs or other economic benefits directly to stockholders.

The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Company. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable acquired assets and liabilities and contingent liabilities assumed in a business combination are initially measured at their fair values at the acquisition date. The Company recognizes any non-controlling interest in the acquiree based on the share of the non-controlling interest in the net identifiable assets of the acquired entity.

The Company accounts for business combinations using the predecessor method in a jointly controlled entity. The predecessor method involves the incorporation of the carrying amounts of the acquired entity, which includes the goodwill recognized at the consolidated level with respect to the acquiree. Any difference between the transferred consideration and the carrying amount of the net assets acquired at the level of the subsidiary are recognized in equity.

The acquisition-related costs are recognized as expenses when incurred.

Goodwill is initially measured as excess of the sum of the consideration transferred and the fair value of the non-controlling interest over the net identifiable assets and liabilities assured. If the consideration transferred is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognized directly in the consolidated statement of income.

If the business combination is achieved in stages, the book value at the acquisition date of the interest previously held by the Company in the acquired entity is remeasured at its fair value at the acquisition date. Any loss or gain resulting from such remeasurement is recorded in profit or loss of the year.

d. Changes in CYDSA's participation in existing subsidiaries.

Changes in investments in subsidiaries of the Company that do not result in a loss of control are recognized as equity transactions. The carrying value of investments and non-controlling interests of the Company is adjusted to reflect changes in the related investments in subsidiaries. Any difference between the amount by which the non-controlling interest adjusted and the fair value of the consideration paid or received, is recognized directly in equity and attributed to owners of the Company.

When the Company loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between: 1) The sum of the fair value of the consideration received and the fair value of any retained interest; and 2) the value in previous books of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling participation. The amounts recognized in other comprehensive income items relating to the subsidiary are recorded (i.e. are reclassified to income or transferred directly to retained earnings) in the same established manner for the event of the disposal of the assets or relevant liabilities. The fair value of any investment retained in the former subsidiary at the date when control is lost, is regarded as the fair value for initial recognition on subsequent accounting treatment, according to the International Financial Reporting Standards ("IFRS 9"), Financial Instruments: Recognition and Valuation, or where applicable, the cost on initial recognition of an investment in an associate or entity under joint control.

e. Operating segments.

The operating segments reflect the structure of the Administration and how it is regularly reviewed by the CEO for decision making. The segments to be reported are detailed in Note 25.

f. **Discontinued operations.**

Derivados Acrílicos, S.A. de C.V., dedicated to the production and marketing of acrylic yarns, during April 2016 ceased operations, due to the gradual decline of its operations in recent years, as well as to the growing competition for textiles and clothing products, originating primarily from the Asia-Pacific region, and often introduced by unfair means. For this reason, operations are presented as discontinued operations and are valued at realizable value in the Consolidated Statement of Financial Position and in the Consolidated Statement of Income.

g. **Adoption of new and amended International Financial Reporting Standards ("IFRS" or "IAS") that are mandatory for the current year.**

In the current year, the Company has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2024. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to IAS 1 – Classification of Liabilities as Current or Non-Current and classification of Non-current Liabilities with Covenants

In January 2020 and November 2022, the IASB issued amendments to IAS 1 to specify the requirements for classifying liabilities as current or non-current and the classification of debt with covenants.

The amendments affect the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of assets, liabilities, income or expenses, or disclosures in those accounts.

This amendment seeks to clarify that liabilities are classified as current or non-current based on the rights that exist at the closing date of the reporting period, that the classification is not affected by the entity's expectations to defer the settlement of a liability, explains that the rights exist if the covenants comply at the end of the reporting period, and introduces a definition of "settlement" to clarify that it refers to the transfer of cash, equity instruments, or other assets or services to the counterparty.

The amendments also specify that only covenants that an entity has to comply with on or after the end of the reporting period affect the entity's right to defer the settlement of a liability for at least twelve months after the reporting date (and must be considered in the assessment of the classification of the liability as current or non-current). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed after the reporting date.

IFRS standards issued that are not yet effective

As of the date of authorization of these financial statements, the Company has not applied the following new and revised IFRS that have been issued, but are not yet effective.

Amendments to IAS 21	*Lack of interchangeability*
IFRS 18	*Presentation and Disclosures in Financial Statements*

Management does not expect the adoption of the aforementioned standards to have a material impact on the Company's consolidated financial statements in future periods, except as indicated below:

IFRS 18 Disclosure of Financial Statements

IFRS 18 replaces IAS 1, keeping many of the requirements of IAS 1 unchanged and supplementing them with new requirements. In addition, some paragraphs of IAS 1 have been moved to IAS 8 and IFRS 7. In addition, the IASB has made minor modifications to IAS 7 and IAS 33 Earnings per Share.

IFRS 18 introduces new requirements for:

- Present specific categories and subtotals defined in the profit and loss statement
- Provide information on management-defined performance measures (MPMs) in the notes to the financial statements.
- Improve aggregation and disaggregation.

An entity is required to apply IFRS 18 for annual reporting years beginning on or after January 1, 2027, with early application permitted. Amendments to IAS 7 and IAS 33, as well as amendments to revised IAS 8 and IFRS 7, come into force when an entity applies IFRS 18. IFRS 18 requires retroactive application with specific transitional provisions.

The Entity's management is performing an analysis to determine the applicable modifications to the presentation of the consolidated income statements and the consolidated statement of cash flows, and to identify the MPMs that will be disclosed within its consolidated financial statements.

h. Investment in associates and joint ventures.

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results, assets and liabilities of associates or joint ventures where the Company holds the 50% of the stock capital or less, are incorporated in these Consolidated Financial Statements using the equity method of accounting.

i. Translation of financial statements of subsidiaries considered as foreign operations.

To consolidate the financial statements of its domestic subsidiaries considered to be foreign operations, the Company translates their financial statements from the recording (Mexican peso) to the functional currency (US dollar), using the following exchange rates: 1) For monetary assets and liabilities, the closing exchange rate in effect at the balance sheet date; 2) for non-monetary assets and liabilities, and shareholders' equity, the historical exchange rates; and 3) for revenues, costs and expenses, the date they were incurred, except those arising from non-monetary items that are translated using the historical exchange rate for the related non-monetary item. Such translation effects are recorded in the Consolidated Statements of Other Comprehensive Income. Subsequently, to translate the financial statements from the functional currency to the reporting currency (Mexican peso), the following exchange rates are used: 1) The closing exchange rate in effect at the Statements of Financial Position date for assets and liabilities; and 2) historical for stockholders' equity; and 3) for the income, costs and expenses of the date on which they accrued. The translation effects, net of taxes, are recorded in other comprehensive income items, within shareholders' equity.

j. Revenues.

Revenues comprises the fair value of the consideration received or receivable for the sale of goods and services during the normal course of operations and are presented in the Consolidated Statement of Income net of the amount of variable considerations, which comprises the estimated amount of product returns from customers, rebates and similar discounts and payments made to customers with the objective of displaying its goods in attractive spaces and advantageous in its facilities.

For the revenue from contracts with customer's recognition, an integrated model for the accounting of revenue is used, which it's based on a 5-step approach comprising the following: 1) Identify the contract with a customer; 2) Identify the performance obligations in the contract; 3) Determine the transaction price; 4) Allocate the transaction price to the performance obligations in the contract; and 5) Recognize revenue when (or as) the entity satisfies a performance obligation.

Contracts with customers are given by purchase orders, whose costs are composed by the promise to produce, distribute and deliver goods based on the established contractual terms and conditions, which do not represent a significant judgement to be determined. When there are payments related with the obtaining a contracts, they are capitalized and are amortized over the term of the contract.

Performance obligations are not separable, and cannot be satisfied partially, because the operations are derived from the sale of goods and are satisfied at a point in time. In the other hand, the identified payment terms in the majority of the sources of income are short-term, with variable considerations mainly focused on discounts and goods rebates given to customers, without financing components or significant guarantees. These discounts and incentives to customers are recognized as a reduction to income or a sales expenses, according to its nature. These programs include discounts to customers by sales of goods based on: i) sales volume (usually recognized as a reduction of revenue) and ii) goods promotions at points of sale (normally recognized as expenses of sale), mainly. Therefore, the price allocation is direct on the performance obligation of production, distribution and delivery, including the effects of variable considerations.

The Company recognizes at a point in time when the control of goods has been transferred to the customer, which is given by the moment of the delivery of the goods promised to the customer according to the negotiated terms. An account receivable is recognized when the performance obligations, recognizing the corresponding income; on the other hand, the considerations received before completing the performance obligations of production, distribution and delivery are recognized as customer advances.

Interest revenues are recognized when it's probable that the economic benefits flow to the Company and the revenue amount can be valued reliably, applying the effective interest method.

k. Operating income.

Operating income is the result of subtracting cost of sales, selling and administrative expenses and other income (expenses) from net sales. IAS 1, Presentation of Financial Statements, does not require inclusion of this line item in the Consolidated Statements of Income, it has been included for a better understanding of the Company's economic and financial performance.

l. Financial instruments.

Financial assets

The Company classifies and measures its financial assets based on the Company's business model to manage its financial assets, as well as the characteristics of the contractual cash flows of those assets. In this way, financial assets can be classified at amortized cost, at fair value through other comprehensive income and at fair value through profit or loss. Management determines the classification of its financial assets at the time of initial recognition. Purchases and sales of financial assets are recognized on the settlement date.

The financial assets are fully canceled when the right to receive the related cash flows expires or is transferred and the Company has also transferred substantially all the risks and rewards derived from its ownership, as well as the control of the financial asset.

i. Financial assets at amortized cost

Financial assets at amortized cost are those that: i) are retained within a business model whose objective is to maintain those assets to obtain contractual cash flows and ii) the contractual conditions of the financial asset give rise, on specified dates, to cash flows that are only principal payments and interest on the principal amount outstanding.

ii. Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are those whose business model is based on obtaining contractual cash flows and selling financial assets, in addition to their contractual conditions giving rise, on specified dates, to cash flows which are only principal payments and interest on the principal amount outstanding. As of December 31, 2024, 2023 and 2022, the Company does not hold financial assets to be measured at fair value through other comprehensive income.

iii. Financial assets at fair value through income statement profit or loss

Financial assets at fair value through profit or loss, in addition to those described in point i of this section, are those that do not meet the characteristics to be measured at amortized cost or at fair value through other comprehensive income, and that: i) they have a business model different from those that seek to obtain contractual cash flows, or obtain contractual cash flows and sell financial assets, or, ii) the cash flows they generate are not only payments of the principal and interest on the principal amount outstanding.

Despite the above classifications, the Company may make the following irrevocable choices in the initial recognition of a financial asset:

- Present subsequent changes in the fair value of a capital instrument in other comprehensive income, provided that such investment (in which no significant influence, joint control or control is maintained) is not maintained for trading purposes, that is, contingent consideration recognized as a result of a business combination.

- Designate a debt instrument to be measured at fair value through profit or loss, if doing so eliminates or significantly reduces an accounting asymmetry that would arise from the measurement of assets or liabilities or the recognition of gains and losses on them on different bases.

As of December 31, 2024, 2023 and 2022, the Company has not made any of the irrevocable designations described above.

Impairment of financial assets

The Company uses a new impairment model based on expected credit losses, rather than losses incurred, applicable to financial assets subject to such evaluation (financial assets measured at amortized cost and at fair value through other comprehensive income), as well as accounts receivable for leases, contract assets, certain written loan commitments and financial guarantee contracts. The expected credit losses on these financial assets are estimated from the origin of the asset on each reporting date, taking as reference the historical experience of credit losses of the Company, adjusted for factors that are specific to the debtors or groups of debtors, the general economic conditions and an evaluation of both the current management and the forecast of future conditions.

i. Trade accounts receivable

The Company adopted a simplified model for calculating expected losses, through which it recognizes the expected credit losses during the lifetime of the account receivable.

The Company analyzes its portfolio of accounts receivable from customers, in order to determine if there are significant clients for which it requires an individual evaluation; on the other hand, customers with similar characteristics that share credit risks (participation in the portfolio of accounts receivable, type of market, sector, geographic area, etc.) are grouped together to be evaluated collectively.

In its assessment of impairment, the Company may include indications that debtors or a group of debtors are experiencing significant financial difficulties, as well as observable data indicating that there is a considerable decrease in the estimated cash flows to be received, including arrears. For the purposes of the previous estimate, the Company considers that the following constitutes an event of default, since historical experience indicates that financial assets are not recoverable when they meet any of the following criteria:

- The debtor breaches the financial agreements; or,

- The information developed internally or obtained from external sources indicates that it is unlikely that the debtor pays its creditors, including the Company, in its entirety (without considering any guarantee the Company has).

The Company defined as the default threshold, the period after which the recovery of the account receivable subject to analysis is marginal, considering internal risk management.

ii. Other financial instruments

The Company recognizes the expected credit losses during the lifetime of the assets of all financial instruments for which there have been significant increases in credit risk since their initial recognition (assessed on a collective or individual basis), considering all reasonable information and sustainable, including the one that refers to the future. If, as of the date of presentation, the credit risk of a financial instrument has not increased significantly since the initial recognition, the Company calculates the reserve for losses for that financial instrument as the amount of the expected credit losses in the next 12 months.

When measuring expected credit losses, the Company does not necessarily identify all possible scenarios. However, it considers the risk or likelihood of a credit loss occurring, reflecting the possibility that payment default will occur and not occur, even if such a possibility is very low. Additionally, the Company determines the period for which the breach occurs, as well as the recoverability rate after the breach.

Management evaluates the deterioration model and the inputs used in it at least once a year, in order to ensure that they remain in force based on the current portfolio situation.

Financial liabilities

Financial liabilities that are not derivatives are initially recognized at fair value and subsequently valued at amortized cost using the effective interest method. Liabilities in this category are classified as current liabilities when they must be settled within the following 12 months; otherwise, they are classified as non-circulating.

Trade payables are obligations to pay for goods or services that have been purchased or received from suppliers in the ordinary course of business. Loans are initially recognized at fair value, net of transaction costs incurred. Loans are subsequently recognized at amortized cost; any difference between the resources received (net of transaction costs) and the settlement value is recognized in the consolidated statement of income during the loan's term using the effective interest method.

Derecognition of financial liabilities

The Company derecognizes financial liabilities if, and only if, the obligations of the Company are fulfilled, cancelled or have expired. The difference between the carrying amount of the derecognized financial liability and the consideration paid and payable is recognized in profit or loss.

Additionally, when the Company carries out a refinancing transaction and the previous liability qualifies to be derecognized, the costs incurred in the refinancing are recognized immediately in profit or loss at the date of termination of the previous financial liability.

Offsetting financial assets and liabilities

Financial assets and liabilities are offset and the net amount is presented in the Consolidated Statement of Financial Position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

m. Derivative financial instruments and hedging activities.

All derivative financial instruments contracted and identified, classified as fair value hedges or cash flow hedges, for trading or the hedging of market risks, are recognized in the consolidated statement of financial position as assets and/or liabilities at fair value and similarly measured subsequently at fair value.

The fair value is determined based on recognized market prices and when they are not traded in a market, it is determined using valuation techniques accepted in the financial sector.

The fair value of hedging derivatives is classified as a non-current asset or liability if the remaining maturity of the hedged item is more than 12 months and as a current asset or liability if the remaining maturity of the hedged item is less than 12 months.

Derivative financial instruments classified as hedges are contracted for risk hedging purposes and meet all hedging requirements; their designation at the beginning of the hedging operation is documented, describing the objective, primary position, risks to be hedged and the effectiveness of the hedging relationship, characteristics, accounting recognition and how the effectiveness is to be measured, applicable to that operation.

Fair value hedges

Changes in the fair value of derivative financial instruments are recorded in the Consolidated Statement of Income. The change in fair value hedges and the change in the primary position attributable to the hedged risk are recorded in the Consolidated Statement of Income in the same line item as the hedged position. As of December 31, 2024, 2023 and 2022, the Company has no derivative financial instruments classified as fair value hedges.

Cash flow hedges

The changes in the fair value of derivative instruments associated to cash flow hedges are recorded in stockholders' equity. The effective portion is temporarily recorded in comprehensive income, within stockholders' equity and is reclassified to profit or loss when the hedged position affects these. The ineffective portion is immediately recorded as profit or loss.

Suspension of hedge accounting

The Company suspends hedge accounting when the derivative financial instrument or the non-derivative financial instrument has expired, is cancelled or exercised, when the derivative or non-derivative financial instrument is not highly effective to offset the changes in the fair value or cash flows of the hedged item. The replacement or successive renewal of a hedging instrument for another one is not an expiration or resolution if such replacement or renewal is part of the Company's documented risk management objective and it is consistent.

On suspending hedge accounting, in the case of fair value hedges, the adjustment to the carrying amount of a hedged amount for which the effective interest rate method is used, is amortized to income over the period to maturity. In the case of cash flow hedges, the amounts accumulated in equity as a part of comprehensive income remain in equity until the time when the effects of the forecasted transaction affect income. In the event the forecasted transaction is not likely to occur, the income or loss accumulated in comprehensive income are immediately recognized in income. When the hedge of a forecasted transaction appears satisfactory and subsequently does not meet the effectiveness test, the cumulative effects in comprehensive income in stockholders' equity are transferred proportionally to income, to the extent the forecasted transaction impacts it.

The fair value of derivative financial instruments reflected in the Consolidated Financial Statements of the Company, is a mathematical approximation of their fair value. It is computed using proprietary models of independent third parties using assumptions based on past and present market conditions and future expectations at the closing date.

n. Inventories and cost of sales.

Inventories are stated at the lower of cost and net realizable value. The net realizable value represents the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale.

The Company uses absorption costing for its inventory. Inventory cost includes both the direct and indirect production fixed and variable costs, based on the average cost method.

The Company reviews the carrying value of inventories, when any indicator of impairment suggests that their carrying amount may not be recoverable by estimating its net realizable value. The determination is based on the most reliable evidence available at the time the estimated amount is expected to be realized. Impairment is recorded if the net realizable value is less than the carrying value. The impairment indicators considered for these purposes are, among others, obsolescence, a decrease in market prices, damage and firm sales commitments.

o. Property, plant and equipment.

Property, plant and equipment used in the production process or for administrative purposes are recorded at cost less the accumulated depreciation and / or accumulated impairment losses, if any. Assets are classified into the corresponding category of property, plant and equipment when completed. Depreciation of these assets commences when the asset is ready for its intended use.

Costs for loans associated to financing of property, plant and equipment whose acquisition or construction requires a substantial period, are capitalized as part of the cost of acquiring those assets, until so far as they are suitable for their intended use.

During the years ended December 31, 2024, 2023 and 2022, costs of loans attributable to the construction of machinery and equipment for $51, $285 and $291, respectively, were capitalized. All other costs of loans are recognized in profit or loss for the year as incurred.

The investment in process item includes investments in the Underground Hydrocarbon Storage business as of December 31, 2024, 2023 and 2022 for $4,105, $3,361 and $3,656, respectively.

Land is not depreciated.

Depreciation is calculated under the straight-line method over the estimated useful lives and residual values of assets. The estimation of the useful lives and residual values are reviewed at the end of each reporting period, the effects of any changes are recognized prospectively as a change in estimate.

The ranges of estimated useful lives of the main assets of the Company are as follows:

	Years
Buildings and constructions	10 to 30
Machinery and equipment	1 to 20
Office furniture and equipment	1 to 10
Vehicles	1 to 5
Computer equipment	2 to 4

p. Leases.

The Company as lessee

The Company evaluates whether a contract is or contains a lease agreement at inception of a contract. A lease is defined as an agreement or part of an agreement that conveys the right to control the use of an identified asset for a period of time in exchange for a consideration. The Company recognizes an asset for right-of-use and the corresponding lease liability, for all lease agreements in which it acts as lessee, except in the following cases: short-term leases (defined as leases with a lease term of 12 months or less); leases of low-value assets (defined as leases of assets with an individual market value of less than US$5,000 (five thousand dollars); and, lease agreements whose payments are variable (without any contractually defined fixed payment). For these agreements, which exempt the recognition of an asset for right-of-use and a lease liability, the Company recognizes the rent payments as an operating expense in a straight-line method over the lease period.

The right-of-use asset comprises all lease payments discounted at present value; the direct costs to obtain a lease; the advance lease payments; and the obligations of dismantling or removal of assets. The Company depreciates the right-of-use asset over the shorter of the lease term or the useful life of the underlying asset; therefore, when the lessee will exercise a purchase option, the lessee shall depreciate the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Depreciation begins on the lease commencement date.

The lease liability is initially measured at the present value of the future minimum lease payments that have not been paid at that date, using a discount rate that reflects the cost of obtaining funds for an amount similar to the value of the lease payments, for the acquisition of the underlying asset, in the same currency and for a similar period to the corresponding contract (incremental borrowing rate). When lease payments contain non-lease components (services), the Company has chosen, for some class of assets, not to separate them and measure all payments as a single lease component; however, for the rest of the class of assets, the Company measures the lease liability only considering lease payments, while all of the services implicit in the payments, are recognized directly in the consolidated statement of income as operating expenses.

To determine the lease term, the Company considers the non-cancellable period, including the probability to exercise any right to extend and/or terminate the lease term.

Subsequently, the lease liability is measured increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and reducing the carrying amount to reflect the lease payments made.

When there is a modification in future lease payments resulting from changes in an index or a rate used to determine those payments, the Company remeasures the lease liability when the adjustment to the lease payments takes effect, without reassessing the discount rate. However, if the modifications are related to the lease term or exercising a purchase option, the Company reassesses the discount rate during the liability's remeasurement. Any increase or decrease in the value of the lease liability subsequent to this remeasurement is recognized as an adjustment to the right-of-use asset to the same extent.

Finally, the lease liability is derecognized when the Company fulfills all lease payments. When the Company determines that it is probable that it will exercise an early termination of the contract that leads to a cash disbursement, such disbursement is accounted as part of the liability's remeasurement mentioned in the previous paragraph; however, in cases in which the early termination does not involve a cash disbursement, the Company cancels the lease liability and the corresponding right-of-use asset, recognizing the difference immediately in the Consolidated Statement of Income.

The Company as lessor

Leases for which the Company serves as a lessor are classified as financial or operational. Provided that the terms of the lease substantially transfer all risks and benefits from the property to the tenant, the lease is classified as a financial lease. Other leases are classified as operating leases.

Operating lease income is recognized in a straight line during the term of the corresponding lease. The initial direct costs incurred in the negotiation and organization of an operating lease are added to the book value of the leased asset and recognized in a straight line during the lease term. The amounts for financial leases are recognized as Accounts receivable being the amount of the Company's net investment in leases.

The subsidiary Almacenamientos Subterráneos del Sureste, S.A. de C.V. (ASS) signed a contract for underground storage services of liquefied petroleum gas through a warehouse plant with Pemex-Gas y Petroquímica Básica (PEMEX) for a 20-year term. The amount of the investment was approximately 180 million of US dollar. In accordance with IFRS, an implicit lease was identified within the above contract since the components forming the stipulated rate consider a fixed portion allocated and approved to recover the amount of the initial investment. Additionally, ASS will grant PEMEX the right to use the facilities for a period of 20 years, which is representative of the useful life of the assets. It is important to mention that for legal purposes the assets remain owned by ASS.

q. Intangible assets.

Intangible assets represent payments whose benefits will be received in the future. The Company classifies its intangible assets as definite life assets and indefinite-lived assets, according to the period in which the Company expects to receive benefits.

Intangible assets with definite lives are amortized over their useful lives. Intangible assets with indefinite lives are not amortized and are subject to an annual evaluation of impairment.

The Company's main intangible asset of definite life is the customer listing, which is related to a business acquisition. This list is valued at fair value, using the method of surplus operating income, which is to discount to present value the projected flows attributable to the customer list. It is amortized based on the straight-line method over 10 years.

Additionally, the Company has recognized goodwill attributable to business acquisitions, and in 2018 an investment in SAP technology was initiated.

r. Impairment of intangible and tangible assets.

At the end of each reporting period, the Company reviews the carrying amounts of its intangible and tangible assets to determine whether there is any indication that those assets have suffered an impairment loss.

If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized in income if the carrying amount of the asset exceeds the recoverable amount.

The recoverable amount of an asset is the higher of fair value less costs to sell and value in use. The value in use is determined by discounting estimated future cash flows to their present value using a pre-tax discount rate that reflects the value of money considering current market and specific risks of the assets.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its book value, the book value of the asset (or cash-generating unit) is reduced to its recoverable amount and the amount of loss is recognized in profit or loss.

s. Provisions.

Provisions are recognized for current obligations that result from a past event, that are probable to result in the future use of economic resources, and that can be reasonably estimated; long-term provisions are determined at the present value of future cash flows.

When trials are in process, estimates are made based on information and facts at the date of the Consolidated Statements of Financial Position.

t. Employee benefits.

- Employee defined benefits

The cost of benefits is determined using the projected unit credit method, with actuarial valuations carried out at the end of each reporting period, using economic assumptions of conditions of the country and the Company.

Actuarial remeasurements are recognized directly in other comprehensive income.

Vested benefit obligation recognized in the Consolidated Statements of Financial Position represents the present value of the defined benefit obligation at the end of each reporting period, adjusted for actuarial gains and losses, less the fair value of plan assets. Any asset arising from this calculation is limited to unrecognized actuarial losses, plus the present value of reimbursements and reductions of future contributions to the plan.

- Benefits for termination

They are recognized as an expense when the Company is committed to provide benefits for termination of the labor relationship.

- Short-term benefits

Direct employee benefits are calculated based on the services rendered by employees, considering their actual salaries. The related liability is recognized as it accrues. These benefits primarily include statutory employee profit sharing (PTU) payable, Christmas bonuses, vacation premiums and incentives. PTU is recorded in the profit or loss of the year in which it is incurred and included in the accounts of cost of sales, selling expenses, and administrative expenses in the Consolidated Statements of Income. PTU is determined based on the taxable income under Section I of Article 9 of the Income Tax Law.

u. Income taxes.

Income tax expenses represent the sum of the current income tax and deferred taxes.

- Current income tax

Current income tax ("ISR") is recognized in the profit or loss of the year incurred.

- Deferred income taxes

Deferred income taxes are generally recognized for all taxable temporary differences between the carrying amounts of assets and liabilities in the Consolidated Financial Statements and the corresponding tax bases used in the computation of taxable profit, corresponding rates to these differences, and in case, tax losses and tax credits benefits.

Assets or liabilities for deferred taxes are generally recognized for all deductible temporary differences, if and only if, it becomes probable that the taxable income could eventually cover the deductible temporary differences. A deferred tax asset will be recognized for all deductible temporary differences, insofar that it is probable that the Company has future taxable profits against which those deductible temporary differences may apply. These assets and liabilities are not recognized if temporary differences arise from goodwill or initial recognition (other than the business combination) of other assets and liabilities in an operation that does not affect the fiscal or accounting result.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, except when the Company is able to control the reversal of the temporary difference and when it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from temporary differences associated with such investments are only recognized to the extent that it is probable that there will be sufficient future taxable profits against those utilized temporary differences and they are expected to be reversed in the near future.

The carrying value of a deferred tax asset should be reviewed at the end of each reporting period and should be reduced to the extent that it is considered that there will not be sufficient taxable income allowing the asset to be recovered.

Deferred taxes assets and liabilities are measured using enacted tax rates expected to be applied in the period in which the liability is settled or the asset is realized, based on tax rates (and tax laws) that have been enacted or substantially approved at the end of the reporting period.

The valuation of deferred taxes assets and liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the book value of its assets and liabilities.

- Current and deferred income tax

Income taxes incurred or deferred are recognized as income or expenses in the Consolidated Statements of Income, except when it relates to items that are recognized outside the Consolidated Statements of Income, either in other comprehensive income or in equity. In case of a business combination, the tax effect is included in the recognition of the business combination.

v. Earnings per share.

Basic earnings per common share are calculated by dividing income corresponding to the equity attributable to shareholders of CYDSA by the weighted average number of common shares outstanding during the year. Diluted earnings per share is determined by adjusting common shares outstanding to include equivalent common shares under the assumption that the Company's commitments to issue its own shares will be realized. The basic and diluted earnings is the same for all periods presented.

3. KEY ACCOUNTING JUDGMENTS AND ESTIMATES

In applying the Company's accounting policies, as described in Note 2, the Company's Management makes judgments, estimates and assumptions about certain amounts of assets and liabilities in the Consolidated Financial Statements. The estimates and associated assumptions are based on experience and other factors considered relevant. Actual results could differ from those estimates.

Estimates and associated assumptions are constantly reviewed. Changes to accounting estimates are recognized in the period in which the estimate is changed if the change affects only that period, and are recognized in the current period and future periods if the change affects both the current and future periods.

a. Key judgments in applying accounting policies

i) Control over subsidiaries

Judgment applied for purposes of determination of control over the subsidiary Quimobásicos, S.A. de C.V., is described in Note 2 c).

ii) Functional currency.

To determine the functional currency of the Company, Management evaluates the economic environment in which it primarily generates and disburses cash. For this, factors related to sales, costs, financing sources and cash flows generated by the operation are considered. The management of the Company has determined the functional currency of Cydsa, S.A. B. de C.V. and its subsidiaries based on what is disclosed in note 2c.

b. Key accounting estimates

The accounting judgments and key sources of uncertainty in applying the estimates made at the date of the Consolidated Financial Statements, which have a significant risk and may result in an adjustment to the book value of assets and liabilities during future financial periods, are as follows:

i) Useful lives and residual values of property, plant and equipment.

Useful lives and residual values of property, plant and equipment are used to determine depreciation expense of such assets and are determined with the assistance of internal and external specialists as deemed necessary. Useful lives and residual values are reviewed periodically at least once a year, based on the current conditions of the assets and the estimate of the period during which they will continue to generate economic benefits to the Company. If there are changes in the related estimate, measurement of the net carrying amount of assets and the corresponding depreciation expense are affected prospectively.

ii) Assessments to determine the recoverability of deferred tax assets.

On an annual basis, the Company prepares projections to determine if it will generate sufficient taxable income to utilize its deferred tax assets associated with deductible temporary differences, including tax loss carryforwards and other tax credits.

iii) Impairment of tangible and intangible long-lived assets.

The carrying amount of long-lived assets is reviewed for impairment in case that situations or changes in the circumstances indicate that it is not recoverable. If there are impairment indicators, a review is carried out to determine whether the carrying amount exceeds its recoverability value and whether it is impaired. In the impairment evaluation, assets are grouped in the cash generating unit to which they belong. The recoverable amount of the cash generating unit is calculated as the present value of future cash flows that the assets are expected to produce. There will be impairment if the recoverable value is less than the carrying amount.

The Company defines the cash generating units and estimates the periodicity and cash flows that it should generate. Subsequent changes in grouping cash generating units, or changes in the assumptions underlying the estimate of cash flows or the discount rate, could affect the carrying amounts of the respective assets.

The value-in-use calculations require the Company to determine future cash flows generated by cash generating units and an appropriate discount rate to calculate the present value thereof. The Company uses income cash flows projections using market condition estimates, future pricing determination of its products and volumes of production and sales. In addition, for the purposes of the discount and perpetuity growth rate, the Company uses market risk premium indicators and long-term growth expectations in the market it operates.

The Company estimates a discount rate before taxes for the purposes of the goodwill impairment test, which reflects current evaluations of the time value of money and the specific risks to the asset for which estimates of future cash flows have not been adjusted. The discount rate estimated by the Company is based on the weighted average cost of capital of similar entities. In addition, the discount rate estimated by the Company reflects the return that investors would require if they had to take an investment decision on an equivalent asset in generation of cash flows, time and risk profile.

The Company annually reviews the circumstances that give rise to an impairment loss to determine whether such circumstances have changed or have generated reversal conditions. If affirmative, the recoverable value is calculated and, if applicable, the reversal of the impairment previously recognized. In case an impairment loss from goodwill arises, no reversal procedures are applied.

iv) Assumptions used in employee retirement and termination benefit plans.

The Company utilizes assumptions to determine the best estimate for its employee retirement benefits. Assumptions and estimates are established in conjunction with independent actuaries. These assumptions include demographic hypothesis, discount rates and expected increases in remunerations and future permanence, among others. Although the assumptions are deemed appropriate, a change in such assumptions could affect the value of the employee benefit liability and the results of the period in which it occurs.

v) Assumptions used for land remediation provision.

The Company's management determines its best estimate of the expenditure to be incurred for the remediation of lands, based on the amount it would disburse to settle its obligation at the end of the reporting period. This estimate is presented within the item long-term provisions.

vi) Estimation of the discount rate to calculate the present value of future minimum income payments.

The Company estimates the discount rate to be used in determining the lease liability, based on the incremental borrowing rate ("IBR").

The Company uses a three-tier model, with which it determines the three elements that make up the discount rate: (i) reference rate, (ii) credit risk component and (iii) adjustment for characteristics of the underlying asset. In this model, management also considers its policies and practices to obtain financing, distinguishing between that obtained at the corporate level (that is, by the holder), or at the level of each subsidiary.

Finally, for the leases of real estate, or, in which there is significant and observable evidence of its residual value, the Company estimates and evaluates an adjustment for the characteristics of the underlying asset, taking into account the possibility that said asset be granted as collateral or guarantee against the risk of default.

vii) Estimate of the lease term.

The Company defines the term of the leases as the period for which there is a contractual payment commitment, considering the non-cancelable period of the contract, as well as the renewal and early termination options that are likely to be exercised. The Company participates in lease contracts that do not have a definite forced term, a defined renewal period (if it contains a renewal clause), or automatic annual renewals, so, to measure the lease liability, it estimates the term of the contracts considering their contractual rights and limitations, their business plan, as well as the administration's intentions for the use of the underlying asset.

Additionally, the Company considers the early termination clauses of its contracts and the probability of exercising them, as part of its estimate of the lease term.

The Company is subject to contingent transactions or events on which it uses professional judgment in the development of estimates of probability of occurrence, the factors considered in these estimates are the legal status at the date of the estimate, and the opinion of the legal advisors.

4. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT OBJECTIVES

a. Financial instruments by category.

As of December 31, 2024, 2023 and 2022, the financial assets and liabilities are as follows:

	2024	2023	2022
Total financial assets	**$ 11,383**	$ 8,928	$ 10,074
Total financial liabilities	**19,735**	16,656	18,943

Financial assets correspond to total assets excluding: inventories, investment in associates, property, plant and equipment, right of use leased assets and intangible assets.

Financial liabilities correspond to total liabilities except for deferred income tax.

b. Fair value of financial instruments.

The amounts of cash, cash equivalents, accounts receivable and accounts payable, approximate fair value because they have short-term maturities and accrue interest at rates linked to market indicators, as appropriate. In order to determine the fair value for international bonds (Senior Notes), the market prices at the end of each period were used. Bank loans accrue a variable interest rate plus a spread, considering the risks of the company and the country, linked to market indicators, therefore their book value is close to their fair value. The fair value measurement of the bank loans is considered Level 2, and the Senior Notes are considered Level 1 of the hierarchy, as described below:

<u>Fair Value Hierarchy</u>

The analysis of the financial instruments measured according to their fair value hierarchy is presented below. Presented below are the three different levels used:

- Level 1: Quoted prices for identical instruments in active markets.

- Level 2: Other valuations included quoted prices for similar instruments in active markets that are directly or indirectly observable.

- Level 3: Valuations made through techniques in which one or more of their significant data inputs are not observable.

c. Financial risk management.

The activities carried out by the Company expose it to a variety of financial risks that include: Liquidity risk, credit risk and market risks, mainly determined by interest rate risk and currency risk, which arise from obtaining debts in currency foreign, variable rate debts and flows to be received in foreign currency.

The financial risks management is governed by the Company's Policies approved by the Corporate Practices and Audit Committee, and is carried out by Corporate Treasury. The Corporate Treasury reports its activities periodically to the Planning and Finance Committee, an organ of the Board of Directors that monitors the risks and policies implemented to mitigate risk exposures.

d. Company exposure to market risks.

Interest rate risk.

As part of the strategy to improve the capital structure, the Company has financed part of the capital investments made with credit lines of financial institutions. The Company estimates to continue applying said strategy in the future.

The credit lines contracted contemplate the payment of interest at a variable rate, which exposes the Company to its risk. The exposure to risk lies mainly in the variations that could occur in the reference interest rate used as a base in Mexico and in the United States of America (Interbank Equity Interest Rate or "TIIE" at 91 days and the "Secure Overnight Financing Rate or "SOFR" at 3 months, respectively).

The Company constantly monitors the evolution of these interest rates. Historically, the trend of the TIIE at 91 days and the 3M SOFR has been on the rise, however over the last two years volatility on such rates has been observed. The TIIE at 91 days as of December 31, 2024 closed at 10.6327%, while the 3M SOFR closed at 4.30510%. Therefore, the Company has contracted hedging instruments to cover the risk of an increase in said interest rates.

As of December 31, 2024, the Company recorded a short and long-term debt balance of $14,792 (excluding unpaid accrued interest, commissions and discounts), of which $1,121 causes interest at a 91-day TIIE rate plus 2.5 percentage points, $1,471 (US$ 70.7 million) causes interest at a 3M SOFR rate plus adjustment of .26161 plus 2.9 percentage points and $3,590 (US$172.7 million) causes semi-annual interest at a fixed rate of 6.25% $2,149 (US103.3 million) causes interest at a 6M SOFR rate plus 1.6 percentage, $850 causes interest at a 28-day TIIE plus 1.0 percentage, $1,360 causes interest at a 28-day TIIE rate plus 1.5 percentage points, $143 causes interest at a 28-day TIIE rate plus 1.4%, $2,014 causes interest at a 28-day TIIE plus 1.50 percentage and $2,094 causes interest at a 91-day TIIE plus 1.50 percentage. Interest from the bank debt for 2024, 2023 and 2022 was $1,366, $789 and $643, respectively.

Exchange rate risk.

The Company's main risk involves changes in the value of the Mexican peso against the US dollar, as well as the international prices of some of the inputs and outputs. During 2024, 2023 and 2022, the Company's consolidated revenues of 70%, 72% and 75%, respectively, arise from subsidiaries with the US dollar as its functional currency. Substantially all other revenues are denominated in Mexican pesos.

For companies whose functional currency is the peso, the balance of cash and equivalents in pesos represent 29% of the total item. It also maintains balances of suppliers and financial debt in foreign currency for 279 million dollars respectively. The Company carried out an exchange rate sensitivity analysis that indicates that in the event of a 10% depreciation of the peso against the dollar, the effects on net income would reflect a loss effect of $94.

Objective of financial market risk management.

The Company and its subsidiaries, as of December 31, 2024, are exposed to financial risks due to the course of their business. The financial risks that it has are exchange rates and interest rates. Those risks arise from obtaining debts in foreign currency, debts at a variable rate and flows to be received in foreign currency.

The hedging instruments contracted related to hedging are the following:

Derivative	Hedge	Hedge ratio
Call Spread	Debt Revaluation in Foreign Currency	18%
IRS SOFR	Variable Rate Debt (SOFR)	100%
IRS TIIE	Variable Rate Debt (TIIE)	100%
Forward USD/MXN	Cash Flow to Receive in Foreign Currency	100%

The objective of these derivative financial instruments is to carry out a hedging strategy for different hedged items. For the hedging relationship of the Call Spreads, the objective is to cover the exchange rate fluctuation of the liability they have in foreign currency (USD). For the IRS, it seeks to reduce the variability of the interest payment of a variable rate debt by 75% of the term of the debt. For USD / MXN forwards, the aim is to reduce the variability of the exchange rate of flows that they will receive in the future in foreign currency.

The Company has designated those Accounting Hedge instruments under the cash flow hedging scheme in terms of what is allowed by international accounting regulations and has formally documented each hedge relationship, establishing the objectives, the management strategy to cover the risk, the identification of the hedging instrument, the hedged item, the nature of the risk to be covered and the methodology of the evaluation of effectiveness.

As of December 31, 2024, the results of the effectiveness of the hedge of the forwards confirm that the hedging relationship is highly effective, given that changes in the fair value and cash flows of the hedged item are offset in the range of effectiveness established by the Company (80%-125%).

The method used is the compensation of flows using a hypothetical derivative, this method consists in comparing the changes in the fair value of the hedging instrument with the changes in the fair value of the hypothetical derivative that would result in a perfect coverage of the hedged item.

For the coverage ratio of interest rate swaps and call spreads it is documented that these hedges are highly effective given that the characteristics of the derivative and credit are perfectly aligned and, therefore, it is confirmed that there is an economic relationship. In addition, both the credit profile of the Company and the counterparty are good and are not expected to change in the medium term; therefore, the credit risk component is not considered to dominate the hedging relationship. The method used to evaluate effectiveness is through a qualitative evaluation comparing the critical terms between the hedging instruments and the instruments covered.

According to the calendar of the cash flows of the hedging instruments and of the hedged item, there could only be a slight lag in time in the case of forwards since the hedged item is a budget of the flows to be received while the derivatives have quarterly maturity. Under this structure, the average coverage ratio of the relationship is obtained and the issue of some possible coverage is ruled out.

In these hedging relationships, the possible sources of ineffectiveness may be some movement in the credit profile of the counterparties or that the amount of the hedged item is less than the notional amount of the hedging instrument.

The detail of the hedging instruments and hedged instruments (in thousands of pesos unless otherwise indicated):

December 2024 (In millions)

	Call Spreads	**Forwards**	**IRS USD**	**IRS MXN**
Reference amount	70	11	71	1,120
Currency	USD	USD	USD	MXN
Underlying	USD/MXN	USD/MXN	SOFR 3M	TIIE 91D
Fair Value	(7)	13	59	53
Average Strike in pesos	22 - 31	18.34	3.38%	8.54%
Expiration	30-Sep-27	17-Jan-25	19-Apr-32	19-Apr-32
Change in Fair Value to measure Ineffectiveness	$(7)	$13	$59	$53
Recognized Effect in OCI	9	13	59	53
Recognized Ineffectiveness in P&L	-	-	-	-
Reclassification of OCI to P&L	(16)	-	-	-
Change in the Fair Value of the Covered Item	$7	$(13)	$(59)	$(53)
Prospective Test	100%	99.77%	100%	100%
Exposure	Senior Notes USD	Income	Variable rate	Variable rate
Book Value of the Covered Item	276	N/A	67	997
Covered Item Budget	N/A	11	N/A	N/A
Coverage Ratio	25%	100%	100%	100%

December 2023 (In millions)

	Call Spreads	Forwards	IRS USD	IRS MXN
Reference amount	285	11	74	1,179
Currency	USD	USD	USD	MXN
Underlying	USD/MXN	USD/MXN	SOFR 3M	TIIE 91D
Fair Value	(88)	(8)	24	8
Average Strike in pesos	22 - 31	18.34	3.38%	8.54%
Expiration	30-Sep-27	17-Jan-25	19-Apr-32	19-Apr-32
Change in Fair Value to measure Ineffectiveness	$(88)	$(8)	$24	$8
Recognized Effect in OCI	(44)	(8)	24	8
Recognized Ineffectiveness in P&L	-	-	-	-
Reclassification of OCI to P&L	(45)	-	-	-
Change in the Fair Value of the Covered Item	$88	$8	$(24)	$(8)
Prospective Test	100%	99.47%	100%	100%
Exposure	Senior Notes USD	Income	Variable rate	Variable rate
Book Value of the Covered Item	376	N/A	70	1,075
Covered Item Budget	N/A	11	N/A	N/A
Coverage Ratio	76%	100%	100%	100%

December 2022 (In millions)

	Call Spreads	Forwards	IRS USD	IRS MXN
Reference amount	285	10	78	1,227
Currency	USD	USD	USD	MXN
Underlying	USD/MXN	USD/MXN	Libor 3M	TIIE 91D
Fair Value	(107)	(7)	44	19
Average Strike in pesos	22 - 31	20.64	3.38%	8.54%
Expiration	30-Sep-27	17-Oct-23	19-Apr-32	19-Apr-32
Change in Fair Value to measure Ineffectiveness	$(107)	$(7)	$44	$19
Recognized Effect in OCI	(71)	(7)	44	19
Recognized Ineffectiveness in P&L	-	-	-	-
Reclassification of OCI to P&L	(36)	-	-	-
Change in the Fair Value of the Covered Item	$107	$7	$(44)	$(19)
Prospective Test	100%	99.77%	100%	100%
Exposure	Senior Notes USD	Income	Variable rate	Variable rate
Book Value of the Covered Item	332	N/A	73	1,136
Covered Item Budget	N/A	10	N/A	N/A
Coverage Ratio	86%	100%	100%	100%

e. Price risk.

The Company depends on its suppliers for the providing of raw materials. Gas and electricity are raw materials used in the production of chlorine and caustic soda, as well as salt, and in the last years, the price of these inputs have presented volatility. The reference market price for natural gas “Henry Hub is the New York Mercantile Exchange” (NYMEX); the average price per MBTU, during 2024, 2023 and 2022 were US$3.4, US$2.58 and US$3.52, respectively. The CFE is a decentralized public company in charge of producing and distributing electricity in Mexico. Electricity rates have been influenced also by the volatility of natural gas, which is used to generate electricity.

Others consolidated costs and expenses of the Company are denominated in pesos (except for the fees for technical services, to the extent they are paid based on a fixed minimum annual payment).

f. Credit risk.

Credit risk represents the potential loss due to non-compliance with the counterparties of their payment obligations. Credit risk is generated by cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposure to clients, including accounts receivable and compromised transactions.

The Company designates, from a business and credit risk profile point of view, the significant clients with which it maintains an account receivable, distinguishing those that require an individual credit risk assessment.

Each subsidiary is responsible for managing and analyzing the credit risk for each of its new customers before setting the payment terms and conditions. If wholesale customers are independently qualified, these are the qualifications used. If there is no independent rating, the Company’s risk control evaluates the credit quality of the client, taking into account its financial position, previous experience and other factors. The maximum exposure to credit risk is given by the balances of these items, as presented in the Consolidated Statement of Financial Position.

Additionally, the Company conducts a qualitative evaluation of economic projections, in order to determine the possible impact on probabilities of default and the recovery rate assigned to its customers.

During the year ended December 31, 2024, there have been no changes in estimation techniques or assumptions.

The Company recognizes a profit or loss due to impairment in profit or loss for the period with an adjustment corresponding to its carrying amount through a loss provision account.

The Hydrocarbons Underground Storage business segment presents a credit risk concentration of 100% of its operation with a single client.

g. Liquidity risk.

Diverse economic or industry factors, such as financial crises, could affect the cash flow of the Company. These factors are not controllable by the Company. However, the Company manages liquidity risk through analysis and continuous monitoring of actual and projected cash flows to anticipate and handle any eventuality in order to meet all obligations. The Company has established a framework for risk management by maintaining special purpose funds, and to establish an appropriate diversification of its debt in both term and funding sources.

The following table details the Company's expected maturity for its derivative and non-derivative financial liabilities. The table has been designed based on the undiscounted contractual maturities of financial liabilities. Inclusion of information on derivative and non-derivative financial liabilities is necessary to understand the Company's liquidity risk management.

	2025	2026 and 2027	2028 and after
As of December 31, 2024			
Trade and other payables	$ 3,892	$ 291	$ 664
Derivative financial instruments	32	-	-
Short and long-term debt (excluding debt issuance costs)	752	5,916	7,851
Right of use liabilities	170	67	261

	2024	2025 and 2026	2027 and after
As of December 31, 2023			
Trade and other payables	$ 4,097	$ 292	$ 456
Derivative financial instruments	101	-	-
Short and long-term debt (excluding debt issuance costs)	474	1,934	9,006
Right of use liabilities	119	94	83

	2023	2024 and 2025	2026 and after
As of December 31, 2022			
Trade and other payables	$ 3,937	$ 273	$ 794
Derivative financial instruments	152	93	-
Short and long-term debt (excluding debt issuance costs)	310	1,597	11,522
Right of use liabilities	83	127	55

h. Capital Risk Management.

The Company's objectives when managing capital is to preserve its ability to continue as a going concern, so that it can continue to provide returns to stockholders and benefits to other stakeholders, as well as maintaining an optimal capital structure to reduce the cost of capital.

The Company's Management monthly monitors the capital structure, which can be adjusted or maintained through: Payment of dividends to shareholders, reduction of contributed capital, issuance of new shares or sale of assets to reduce debt.

The Company follows up on the financial leverage indicator (total liabilities between stockholders' equity). This indicator was 1.38 as of December 31, 2024, 1.40 as of December 31, 2023 and 1.69 as of December 31, 2022.

Additionally, it periodically monitors external impacts that might affect stockholders' equity, mainly exchange rate risk exposure.

5. CASH AND CASH EQUIVALENTS

	2024	2023	2022
Funds for general uses:			
Cash	**$ 396**	$ 431	$ 829
Daily investments of cash surpluses	**2,024**	1,166	1,940
	$ 2,420	$ 1,597	$ 2,769

Daily investments of cash surpluses are mainly deposited on investment funds and money market funds.

As of December 31, 2024, 2023 and 2022 the Company holds restricted cash derived from a contracted banking syndicate loan in October 2018, as described below:

	2024	2023	2022
Restricted cash:			
Short term	**$ 185**	$ 80	$ 151
Long term	**135**	53	111
	$ 320	$ 133	$ 262

6. TRADE RECEIVABLES, NET

The trade receivables are valued at amortized cost and include amounts that are past due at the end of the reporting period, but for which the Company has not recognized any allowance for doubtful accounts as there has been no significant change in the credit quality and the amounts are still considered recoverable. The Company has insurance that covers the accounts receivable of various subsidiaries.

	2024	2023	2022
Clients	**$ 3,224**	$ 2,702	$ 2,059
Allowance for doubtful accounts	**(52)**	(48)	(49)
	$ 3,172	$ 2,654	$ 2,010

Aging of accounts receivable overdue but not uncollectible:

	2024	2023	2022
60 to 90 days	**$ 231**	$ 56	$ 24
More than 90 days	**120**	26	49
	$ 351	$ 82	$ 73

Changes in the allowance for doubtful accounts:

	2024	2023	2022
Beginning balance	**$ 48**	$ 49	$ 51
Decrease (increase)	4	(1)	(2)
Ending balance	**$ 52**	$ 48	$ 49

7. OTHER CURRENT ASSETS

	2024	2023	2022
Recoverable taxes	**$ 1,437**	$ 1,273	$ 1,084
Advances to vendors	**24**	52	33
Insurance and payment bonds	**64**	35	52
Guarantee deposits	**5**	4	7
Claim to insurer	**4**	4	4
Finance lease	**63**	42	39
Discontinued operations	**14**	17	17
Others	**191**	143	93
	$ 1,802	$ 1,570	$ 1,329

8. INVENTORIES

	2024	2023	2022
Finished goods	**$ 991**	$ 717	$ 871
Raw materials and components	**367**	262	174
Spare parts and accessories	**276**	341	307
Other inventories	**72**	60	89
	$ 1,706	$ 1,380	$ 1,441

The cost of consumption of raw material inventories recognized in cost of sales was $2,604 in 2024, $1,747 in 2023 and $1,941 in 2022.

9. FINANCE LEASE

The integration of the account receivable from the financial lease as of December 31, 2024, 2023 and 2022:

	Net investment of the financial lease		
	2024	2023	2022
Less than 1 year	**$ 63**	$ 42	$ 39
Between 1 and 5 years	**285**	190	179
More than 5 years	**3,179**	2,680	3,173
	$ 3,527	$ 2,912	$ 3,391
(-) Short term	**63**	42	39
Long term	**$ 3,464**	$ 2,870	$ 3,352

10. INVESTMENT IN ASSOCIATES AND JOINT VENTURES

The financial information related to the Company's share in associates and joint venture engaged in non-strategic activities for the Company are as follows:

	% of Participation	**2024**	2023	2022
Servicio Superior Ejecutivo, S.A. de C.V.	50.00%	**$ 123**	$ 130	$ 122
Aero Ventas, S.A. de C.V.	16.66%	**34**	35	34
Aero Ventas de México, S.A. de C.V.	20.00%	**19**	18	22
Aero Salmón, S.A. de C.V.		**-**	-	33
Others		**11**	11	11
		$ 187	$ 194	$ 222

Below is the condensed financial information of the associated entities and joint venture.

	2024	2023	2022
Total assets	**$ 574**	$ 580	$ 646
Total liabilities	**$ 17**	$ 25	$ 30
Total equity	**$ 557**	$ 555	$ 616
Participation in the net assets of associates and joint venture	**$ 187**	$ 194	$ 222
Total revenues	**$ 115**	$ 125	$ 176
Net loss of the year	**$ (24)**	$ (14)	$ (51)
Participation in the results of associates and joint venture	**$ (7)**	$ (2)	$ (12)

11. PROPERTY, PLANT AND EQUIPMENT, NET

	Land	Buindings and constructions	Machinery and equipment
INVESTMENT			
Balances as of January 1, 2022	$ 2,217	$ 3,658	$ 17,352
Additions	-	1	7
Disposals	(6)	(1)	(15)
Transfers	2	114	429
Translation effects	(59)	(38)	(439)
Balances as of December 31, 2022	2,154	3,734	17,334
Additions	-	1	273
Disposals	(1)	-	(179)
Transfers	-	177	2,825
Translation effects	(143)	(262)	(1,840)
Balances as of December 31, 2023	2,010	3,650	18,413
Additions	**-**	**1**	**811**
Disposals	**-**	**(1)**	**(743)**
Transfers	**-**	**541**	**2,105**
Translation effects	**210**	**316**	**3,174**
Balances as of December 31, 2024	**2,220**	**4,507**	**23,760**
ACCUMULATED DEPRECIATION			
Balances as of January 1, 2022	-	(1,551)	(9,930)
Depreciation for the year	-	(123)	(820)
Transfers	-	-	-
Translation effects	-	19	149
Balances as of December 31, 2022	-	(1,655)	(10,601)
Depreciation for the year	-	(119)	(697)
Transfers	-	-	-
Translation effects	-	131	1,125
Balances as of December 31, 2023	-	(1,643)	(10,173)
Depreciation for the year	-	**(149)**	**(979)**
Transfers	-	**-**	**-**
Translation effects	-	**(217)**	**(1,618)**
Balances as of December 31, 2024	**-**	**(2,009)**	**(12,770)**
Property, plant and equipment, net as of December 31, 2024	**$ 2,220**	**$ 2,498**	**$ 10,990**

Office furniture and equipment	Vehicles	Computer equipment	Projects in process	Total
$ 102	$ 111	$ 252	$ 5,239	$ 28,931
-	3	8	2,451	2,470
-	(3)	(1)	-	(26)
5	4	37	(591)	-
(1)	(1)	(2)	(328)	(868)
106	114	294	6,771	30,507
1	6	7	1,525	1,813
(3)	(10)	(7)	-	(200)
2	7	18	(3,029)	-
(6)	(1)	(14)	(602)	(2,868)
100	116	298	4,665	29,252
4	**501**	**9**	**936**	**2,262**
(7)	**(4)**	**(4)**	**(1)**	**(760)**
2	**4**	**31**	**(2,683)**	**-**
8	**43**	**26**	**1,001**	**4,778**
107	**660**	**360**	**3,918**	**35,532**
(72)	(72)	(170)	-	(11,795)
(8)	(11)	(29)	-	(991)
-	-	-	-	-
3	3	2	-	176
(77)	(80)	(197)	-	(12,610)
(6)	(14)	(34)	-	(870)
-	-	-	-	-
4	4	10	-	1,274
(79)	(90)	(221)	-	(12,206)
(5)	**(10)**	**(33)**	**-**	**(1,176)**
-	**-**	**-**	**-**	**-**
(6)	**(2)**	**(10)**	**-**	**(1,853)**
(90)	**(102)**	**(264)**	**-**	**(15,235)**
$ 17	**$ 558**	**$ 96**	**$ 3,918**	**$ 20,297**

12. RIGHT-OF-USE ASSETS

The Company leases several fixed assets, including buildings, machinery, vehicles and computer equipment. The average lease term is 4 years.

The right of use recognized in the consolidated statement of financial position as of December 31, 2024, is integrated as follows:

	Land	Buildings and constructions	Machinery and equipment	Vehicles	Total
Balance as of January 1, 2023	$ 1	$ 22	$ 197	$ 37	$ 257
Additions	2	6	121	17	146
Depreciation for the year	(1)	(14)	(78)	(27)	(120)
Balance as of December 31, 2023	2	14	240	27	283
Additions	**19**	**124**	**136**	**8**	**287**
Depreciation for the year	**(4)**	**(35)**	**(57)**	**(22)**	**(118)**
Balances as of December 31, 2024	**$ 17**	**$ 103**	**$ 319**	**$ 13**	**$ 452**

Depreciation recognized in statements of income is presented in cost of sales, selling and administrative expenses.

The Company has not signed lease agreements that as of the date of these consolidated financial statements have not been initiated. In addition, there are no signed low-value or short-term lease contracts.

During the year, the Company did not make significant extensions to the terms of its lease agreements.

13. LEASE LIABILITIES

The analysis of the liability for leased assets according to their maturity, as of December 31, 2024, 2023, and 2022 is integrated as follows:

	2024	2023	2022
Less than 1 year	**$ 170**	$ 119	$ 83
Between 1 and 3 years	**220**	28	82
Between 3 and 5 years	**43**	64	44
More than 5 years	**65**	85	56
Total long term	**328**	177	182
	$ 498	$ 296	$ 265

The Company does not face a liquidity risk with respect to its lease liabilities. Lease liabilities are monitored through the Company's Treasury.

14. INTANGIBLE ASSETS

Balances as of December 31, 2024, 2023 and 2022 are $310, $276 and $254, respectively. Concepts capitalized as intangible include: business acquisitions (customer list and good-will) and investment in SAP technology.

15. CURRENT FINANCIAL DEBT

During the third and fourth quarters of 2024, two short-term loans were made available with HSBC for an amount of $103 million and with Banco del Bajío for $40 million, both at a rate of TIIE + 1.40%. The proceeds from this financing were used for general corporate purposes.

16. FINANCIAL DEBT

	2024	2023	2022
Issuance of "Senior Notes" in dollars without guarantee (see a)	**$ 3,590**	$ 4,264	$ 6,458
Secured bank loans in US dollars (see b)	**1,471**	1,260	1,510
Secured bank loans in Mexican pesos (see b)	**1,121**	1,179	1,228
Secured bank loans in US dollars (see c)	**2,149**	2,099	2,617
Secured bank loans in US dollars (see d)	**-**	-	2,044
Secured bank loans in Mexican pesos (see f)	**850**	850	-
Secured bank loans in Mexican pesos (see g)	**2,094**	2,094	-
Secured bank loans in Mexican pesos (see h)	**1,360**	-	-
Secured bank loans in Mexican pesos (see i)	**2,014**	-	-
	14,649	11,746	13,857
Current portion of non-current financial debt	**609**	474	310
	14,040	11,272	13,547
Discounts and premium on issuance of Notes and issuance expenses	**(273)**	(332)	(428)
Non-current financial debt	**$ 13,767**	$ 10,940	$ 13,119

a) Issuance of "Senior Notes"

On September 19, 2017, CYDSA's General Shareholders' Meeting approved, the signing of Long Term Loans for up to US$450 million dollars.

On October 4, 2017, the Issuance of 10-year Debt Instruments in the form of "Senior Notes" in international markets, for US$330 million at a rate of 6.25% per annum.

On December 12, 2019, the reopening of "Senior Notes" issued on October 4, 2017 for an amount of US$120 million was made in the international market. The additional notes establish, except for the date of issue, the same terms and conditions of those originally issued.

The Notes issued by Cydsa, S.A.B. de C.V. were placed on the international market in accordance with Rule 144 A and Regulation S of the Securities Act of 1933 of the United States of America and will not be registered under the Securities Act of 1933.

- Partial Purchases of "Senior Notes"

During 2022, CYDSA made partial purchases of its "Senior Notes", with a nominal value of 118.3 million dollars, paying an average price of 940 dollars per thousand, that is, an amount of 111.2 million dollars, therefore, the " Senior Notes" issued by CYDSA of 450 million dollars at face value, were reduced to 331.7 million dollars. The required resources were obtained from the financing of $105 million dollars described in section d).

On September 7, 2023, CYDSA made another partial Purchase Offer abroad for its "Senior Notes". As a result of this transaction, in a first stage, Cydsa acquired "Senior Notes" on September 22 with a face value of 76.6 million dollars, obtaining a discount of 3.4 million, since the price of the Senior Notes was 955 dollars per every 1,000 of nominal value, implying a disbursement of 73.2 million dollars.

Additionally, on October 6, CYDSA executed a purchase with a nominal value of 3.1 million dollars, obtaining a discount of 0.2 million dollars, implying a disbursement of 2.9 million dollars. After this transaction, the face value of the "Senior Notes" in circulation was reduced from 331.7 million dollars to 252.0 million dollars or its equivalent in pesos of $4,264.

During 2024, additional repurchases of its "Senior Notes" were carried out, with a nominal value of 79.3 million dollars, paying an average price of 990 dollars per thousand, that is, an amount of 78.5 million dollars, for which the "Senior Notes" issued by CYDSA were reduced to 172.7 million dollars.

The fair value of the Senior Notes as of December 31, 2024, 2023 and 2022 amounts to $3,561, $4,115 and $6,132, respectively.

b) On October 18, 2018, the Company through its subsidiary Tenedora Almacenamientos LP 206, S.A. de C.V. made a disposal of US$156.5, corresponding to a long term bank loan.

The Credit was contracted in two tranches, one of US$85.6 million (at a 3M SOFR rate plus and adjustment of .26161 plus 2.9 percentage points) and another of $1,356 (at a 91-day TIIEE rate plus 2.5 percentage points) both at a term of 18 years, with increasing repayments and quarterly payments of principal and interest. The Credit was structured as a "Non Recourse" financing for CYDSA, this means that it is backed exclusively by the assets and contracts related to the legal entities that constitute the LP Gas Underground Processing and Storage System, so it does not impact the contractual financial restrictions ("covenants") of the Company.

This loan was granted by a banking syndicate conformed by Banco Nacional de Obras y Servicios Públicos, S.N.C. (Banobras), Banco Nacional de Comercio Exterior, S.N.C. (Bancomext) and Banco Mercantil del Norte, S.A. (Grupo Financiero Banorte).

c) Contracting of Financing for 134.4 million dollars

On December 22, 2021, CYDSA contracted a new financing of US$134.4 million, for a term of eight years, including a two-year grace period, with final maturity on December 22, 2029; and at an interest rate of SOFR + 1.60%. The lender for this new financing is Banco Santander and it is guaranteed by the Italian Export Credit Agency or SACE (Servizi Assicurativi del Commercio Estero Depositi e Prestiti).

d) Contracting of Syndicated Credit for 105 million dollars

Between April and October 2022, CYDSA contracted and arranged a New Credit Facility of US$105.0 million granted by a syndicate of banks formed by Scotiabank, Bancomext and Banco Sabadell, for a term of four years including a two-year grace period, maturing on April 28, 2026; and at an interest rate equivalent to SOFR + 1.60%.

Using mainly the proceeds of this financing, Cydsa during 2022 made partial purchases of its Senior Notes.

On October 11, 2023, the entirety of this loan was settled early with the resources of the Santander short-term loan contracted on September 1st, 2023.

e) On September 1st, 2023, CYDSA arranged a Short-Term Credit granted by Banco Santander for 3,000 million pesos, for a term of one year, maturing on August 31, 2024, at an interest rate of TIIE 28-day +1.50%. The entire proceeds of this loan were used to prepay the bank loan with Scotiabank for $105 million dollars in advance and to repurchase $79.7 million dollars of Senior Note Contracting of Syndicated Credit for the LP Gas Processing and Underground Storage Business.

f) Issuance of Stock Certificates for $850 million.

On November 29, 2023, CYDSA issued Stock Certificates for a total of $850 million, for a term of three years, expiring on November 27, 2026; and at an interest rate of TIIE 28 + 1.00%. The resources from this issue were used for the partial payment of the short-term loan with Santander contracted on September 1, 2023 (see section e).

g) Long-Term Financing with Bancomext

On December 13, 2023, CYDSA contracted new financing for an amount of $2,094 million with Bancomext, for a term of 10 years, maturing on December 19, 2033; and at an interest rate of TIIE 91 + 1.50%. The use of the resources from this loan was the advance payment of the short-term loan with Santander contracted on September 1st, 2023 (see section e).

h) On April 23, 2024, CYDSA contracted a loan for an amount of $1,360 million with Bancomext, for a term of 10 years, maturing on April 23, 2034; and at an interest rate of TIIE 91 + 1.50%. The proceeds of this issuance were allocated for additional repurchases of "Senior Notes" (see subsection a).

i) On December 18, 2024, CYDSA contracted a loan with Scotiabank and BBVA for an amount of $2,014 million, at a rate of TIIE + 1.50% (based on the applicable margin depending on the level of exit leverage). The destination of these resources was used to consolidate different short-term financings.

j) As of December 31, 2024, 2023 and 2022, there are assets (contracts and shares related to the LP Gas Processing and Underground Storage Business) granted in guarantee for an equivalent amount of $2,344, $2,482 and $2,712 million, respectively.

k) Maturities of long-term debt are as follows:

Year		**Amount**
2026	$	1,553
2027		4,363
2028		2,828
2029		845
2030 and thereafter		4,451
	$	**14,040**

17. OTHER CURRENT LIABILITIES

		2024		2023		2022
Current maturities of land remediation obligation	**$**	**39**	$	18	$	16
Other taxes		**1,018**		1,056		928
Fixed assets suppliers		**326**		243		118
Wages and salaries		**9**		17		8
Freights and services		**6**		42		72
Interest payable		**166**		121		231
Provisions and other accumulated expenses payable		**198**		177		148
Others		**135**		136		121
	$	**1,897**	$	1,810	$	1,642

18. EMPLOYEE BENEFITS

a) The Company has a retirement plan under the defined benefit scheme that covers an amount equal to 3 months and 20 days per year worked for those who reach 65 years of age.

   This plan also covers seniority premiums as described by the Federal Labor Law.

b) The Company also has a protection plan for death and total permanent disability compensation for its employees and / or beneficiaries as appropriate. The benefit of this protection is obtained by selecting the greater of the following options:

   - Integrated salary of 24 months.

   - The amount equivalent to 3 months and 20 days per year worked; this will be paid on an integrated salary basis.

   The fund constituted for this protection consist in dues of companies affiliated to this plan in Centro Social y Cultural, A.C.

   The related liability and annual cost of benefits to employees are calculated by an independent actuary on the basis set out in the plans using the projected unit credit method.

The main assumptions used for actuarial valuations purposes are:

	2024	2023	2022
Discount of projected benefit obligation at present value	**9.00%**	9.00%	8.00%
Expected rate of return on plan assets	**9.00%**	9.00%	8.00%
Salary increase	**4.75%**	4.75%	4.75%
Future pension increase	**4.00%**	4.00%	4.00%
Mortality rate	**0.60%**	0.37%	0.39%
Disability rate	**0.42%**	0.42%	0.43%
Normal retirement age	**65**	65	65
Employee turnover rate	**11.88%**	11.69%	11.50%

The methodology for determining the discount rate of labor obligations considers all flows for payment of expected benefits in future years. These future flows are discounted as of the date of the Consolidated Financial Statements, considering the rate of the M Bonds of the Federal Government of Mexico "Cero coupon" further to the corresponding year. Once this present value is determined, an equivalent average rate is calculated for the whole term and the result of such rate is called the discount rate of the actuarial valuations.

Based on these assumptions, the next table shows the amounts expected to be paid for the following years.

	Pension and Retirement Plan	**Seniority Premium Plan**	**Protection Plan**
2025	$ 97	$ 11	$ 26
2026	41	12	25
2027	49	13	25
2028	45	14	24
2029	58	15	23
2030 to 2033	304	82	99

c) Sensitivity analysis of significant actuarial assumptions.

The Company analyzed certain actuarial assumptions valued through the projected unit credit method that are subject to sensitivity analysis, like the discount rate and the incremental salary rate. The reason to select such assumptions are the following:

- Discount rate: This rate determines the obligations value through time.

- Incremental salary rate: This rate considers the salary increases, which implies an increase in benefit payments.

The following table shows the effect in absolute terms of using a variation of 1% in significant actuarial assumptions of net liabilities for defined benefit plans.

+ 1% variation

Discount rate to calculate the net liability (assets) for defined benefits and net interest	Cost of current services	Net interest in the liability (assets) for defined benefits
Pension and retirement plans	$ 14	$ 39
Seniority premiums	$ 6	$ 9
Total	$ 20	$ 48

Expected salary increase	Cost of current services	Net interest in the liability (assets) for defined benefits
Pension and retirement plans	$ 15	$ 39
Seniority premiums	$ 7	$ 9
Total	$ 22	$ 48

- 1% variation

Discount rate to calculate the net liability (assets) for defined benefits and net interest	Cost of current services	Net interest in the liability (assets) for defined benefits
Pension and retirement plans	$ 16	$ 35
Seniority premiums	$ 7	$ 8
Total	$ 23	$ 43

Expected salary increase	Cost of current services	Net interest in the liability (assets) for defined benefits
Pension and retirement plans	$ 12	$ 36
Seniority premiums	$ 6	$ 8
Total	$ 18	$ 44

d) Amounts included in the Consolidated Statements of Financial Position for the Company's obligations related to defined benefit plans are:

	2024	2023	2022
Present value of funded defined benefit obligation	**$ 701**	$ 618	$ 659
Fair value of plan assets	**(104)**	(98)	(90)
Present value of unfunded defined benefit obligation	**$ 597**	$ 520	$ 569

e) Amounts recognized in the Consolidated Statements of Income and the Consolidated Statements of Other Comprehensive Income:

	Cost of current service	Net interest of the liability for defined benefit	Net income	Actuarial remeasurement
As of December 31, 2024				
Pension and retirement plans	**$ 12**	**$ 33**	**$ 45**	**$ 18**
Seniority premiums	**3**	**12**	**15**	**8**
Protection	**7**	**10**	**17**	**19**
Total	**$ 22**	**$ 55**	**$ 77**	**$ 45**

	Cost of current service	Net interest of the liability for defined benefit	Net income	Actuarial remeasurement
As of December 31, 2023				
Pension and retirement plans	$ 13	$ 35	$ 48	$ (66)
Seniority premiums	4	6	10	(1)
Protection	7	1	8	(8)
Total	$ 24	$ 42	$ 66	$ (75)

	Cost of current service	Net interest of the liability for defined benefit	Net income	Actuarial remeasurement
As of December 31, 2022				
Pension and retirement plans	$ 18	$ 31	$ 49	$ 9
Seniority premiums	5	5	10	(4)
Protection	12	-	12	(3)
Total	$ 35	$ 36	$ 71	$ 2

For the years ended December 31, 2024, 2023 and 2022, the costs for services that have been included in the Consolidated Income Statements as part of selling and administrative expenses amounted to $22, $24 and $35, respectively.

Remeasurement of the defined benefit liability recognized in other comprehensive income includes the following:

- The return on plan assets, excluding amounts included in interest costs.
- Actuarial gains and losses from changes in demographic assumptions.
- Actuarial gains and losses from changes in financial assumptions.

The Company makes payments between 2% and 3% to the IMSS (Instituto Mexicano del Seguro Social, in Spanish) of its workers´ integrated wage (limited), to the defined contribution plan as the concept of retirement savings system as established by the law. Expenses for this concept amounted to $58 in 2024, $40 in 2023 and $30 in 2022.

f) Changes in the net defined benefit liability for pension and retirement plan and for seniority premium plan:

Pension and retirement	**2024**	2023	2022
Beginning balance	**$ 440**	$ 487	$ 484
Cost of current services	**12**	12	19
Financial cost	**33**	37	33
Actuarial gains and losses	**18**	(59)	1
Benefits paid	**(40)**	(37)	(50)
	$ 463	$ 440	$ 487

Seniority premium	**2024**	2023	2022
Beginning balance	**$ 80**	$ 76	$ 74
Cost of current services	**3**	5	5
Financial cost	**12**	5	5
Actuarial gains and losses	**8**	(1)	(4)
Benefits paid	**(6)**	(5)	(4)
	$ 97	$ 80	$ 76

Protection plan	**2024**	2023	2022
Beginning balance	**$ 105**	$ 96	$ 91
Cost of current services	**7**	7	12
Financial cost	**10**	7	6
Actuarial gains and losses	**19**	(4)	(13)
Benefits paid	**-**	(1)	-
	$ 141	$ 105	$ 96

g) Changes in the fair value of plan assets:

	2024	2023	2022
Plan assets fair value as of January 1, 2024	**$ 98**	$ 90	$ 84
Expected return	**7**	7	5
Actuarial generated gains and losses	**3**	3	(5)
Company contributions	**-**	-	6
Benefits paid	**(4)**	(2)	-
Plan assets fair value as of December 31, 2024	**$ 104**	$ 98	$ 90

Categories of plan assets:

	Performance			
	Expected long-term	**Real**		
		2024	2023	2022
Money-market	9.0%	10.19%	10.43%	7.3%

The overall expected rate of return is a weighted average of the expected returns of the plan assets.

19. PROVISIONS, COMMITMENTS AND CONTINGENCIES

The amount recognized as a provision is the best estimate of the expenditure required to settle the current obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is valued using the estimated cash flows to settle the current obligation, its carrying amount is the present value of those cash flows.

a) Studies over land located in Santa Clara Coatitla Ecatepec, State of Mexico and Pedro Lozano in Monterrey, Nuevo Leon, were performed for purposes of cleaning and remediating such land for pollution caused by the industrial plants. Derived from these studies, carried out by independent experts, a provision for the land remediation was recorded.

Yearly movements in the provisions are shown in the following table:

	2024	2023	2022
Beginning balance	**$ 67**	$ 65	$ 63
Increments (reductions) arising from payments or applications	**17**	(2)	(2)
Financial expense	**5**	4	4
Closing balance	**89**	67	65
Short-term	**39**	18	16
Long-term	**$ 50**	$ 49	$ 49

b) CYDSA, through its subsidiary IQUISA, is currently participating in a multidisciplinary team, composed of staff from the United Nations Environment Program (UNEP) and the United Nations Development Organization (UNIDO), the Secretariat for the Environment and Natural Resources (SEMARNAT), to develop with funds from "The Global Environment Facility (GEF)," the project identified as: "Eliminate mercury use and adequately manage mercury and mercury wares in the chloralkali sector in Mexico – GEF IF 10526". This project will allow CYDSA-IQUISA and the Government of Mexico to fulfill in advance their responsibilities set out in the Minamata Agreement for the Chlorine-Soda sector, which allows the continuity of their operations without setbacks indefinitely.

c) As of December 31, 2024, 2023 and 2022, there are bank liabilities for a total value of $14,792, $11,746 and $13,857, of which $2,592, $2,439 and $2,738, respectively, are secured with assets (contracts and shares related to the Underground Storage and Processing Business of Gas LP) for an equivalent amount of $2,342 million pesos in 2024, $2,482 in 2023 and $2,712 million pesos in 2022.

d) As of December 31, 2024, 2023 and 2022, there are deposits for $453, $306 and $572, respectively, principally to guarantee quality assurance and delivery of products to customers.

e) As of December 31, 2024, 2023 and 2022, there are no liabilities with long-term fixed asset suppliers..

20. SHAREHOLDERS' EQUITY

a) Pursuant to a resolution of General Ordinary Shareholders' meeting held on March 20, 2024, the shareholders approved the following: 1) Dividend distribution of $ 300 from the Net Tax Income Account ("CUFIN"); 2) $ 1,500 as the maximum amount for the repurchase of own shares; and 3) to increase the legal reserve by $104.

b) Pursuant to a resolution of General Ordinary Shareholders' meeting held on March 29, 2023, the shareholders approved the following: 1) Dividend distribution of $ 250 from the Net Tax Income Account ("CUFIN"); 2) $ 1,500 as the maximum amount for the repurchase of own shares; and 3) to increase the legal reserve by $61. Additionally, Tenedora Almacenamiento LP 206, S.A. de C.V., approved a dividend payment of $170 of which $8 corresponds to the non-controlling interest.

c) Pursuant to a resolution of General Ordinary Shareholders' meeting held on March 23, 2022, the shareholders approved the following: 1) Dividend distribution of $ 200 from the Net Tax Income Account ("CUFIN"); 2) $ 1,500 as the maximum amount for the repurchase of own shares; and 3) to increase the legal reserve by $28. Additionally, Tenedora Almacenamiento LP 206, S.A. de C.V., approved a dividend payment of $39 of which $2 corresponds to the non-controlling interest. Quimobasicos, S.A. de C.V., at the ordinary meeting of stockholders held on July 5, 2022, approved a dividend payment of $82, of which $40 corresponds to the non-controlling interest.

d) The subscribed and paid capital stock, represented by Series "A" shares with no par value, are as follows:

	As of December 31,		
	2024	2023	2022
Number of shares	**600,000,000**	600,000,000	600,000,000
Nominal capital stock	**$ 1,485**	$ 1,485	$ 1,485

e) Retained earnings include the statutory legal reserve. The General Corporate Law requires that at least 5% of net income of the year be transferred to the legal reserve until the reserve equals 20% of capital stock at par value (historical pesos). The legal reserve may be capitalized but may not be distributed unless the entity is dissolved. The legal reserve must be replenished if it is reduced for any reason. As of December 31, 2024, 2023 and 2022, the legal reserve, in historical pesos, amounted $27, $104 and $416, respectively.

f) As of December 31, 2024, the market value of Cydsa, S.A.B. de C.V.'s Series "A" shares was $17.20 (pesos).

g) The non-controlling interest is as follows:

	2024	2023	2022
Quimobásicos, S.A. de C.V.	**$ 433**	$ 405	$ 371
Tenedora Almacenamiento LP 206, S.A. de C.V.	**67**	43	49
Others	**18**	15	14
	$ 518	$ 463	$ 434

The condensed financial information of Quimobasicos, S.A. of C.V. is presented as follows:

	2024	2023	2022
Net sales	**$ 2,918**	$ 3,187	$ 3,346
Net (loss) income	**(68)**	92	139
Total assets	**1,896**	1,907	1,819
Total liabilities	**1,050**	1,087	1,068

h) In 2024, 2023 and 2022, 9,598,760, 1,597,550 and 9,180,595 shares of treasury stock were acquired (at a total cost of $173, $29 and $121), respectively. At the end of 2024, 2023 and 2022, CYDSA has 68,627,207, 59,028,447 and 57,430,897 of its own shares at a cost of $1,316, $1,143 and $1,114, respectively.

i) The shareholders' equity, except restated paid-in capital and retained tax earnings, will be subject to income tax payable by the Company at the rate in effect upon distribution. Any tax paid on such distribution, may be credited against annual and estimated income taxes of the year in which the tax on dividends is paid and during the following two fiscal years.

j) The balances of the shareholders' equity tax accounts as of December 31, are as follows:

	2024	2023	2022
Contributed capital account	**$ 4,197**	$ 4,123	$ 4,019
Net tax income account	**15,240**	14,072	13,668
Total	**$ 19,437**	$ 18,195	$ 17,687

k) In 2024, 2023 and 2022, the other comprehensive income items are represented by the cumulative translation adjustment, valuation of the effective portion of foreign operations, derivative financial instruments and remeasurement of the defined benefit plan.

Translation of foreign operations effect results of translating the Consolidated Financial Statements from the functional currency to the report currency.

Remeasurement of defined benefits plan considers variations in the actuarial assumptions and are presented net of income tax.

l) Movements in other comprehensive income for 2024, 2023 and 2022, are presented below:

	Cumulative translation adjustments	**Valuation of the effective portion of derivative financial instruments**	**Remeasurement of defined benefit plan**	**Non-controlling interest**	**Total**
Balances as of January 1, 2022	$ 673	$ (241)	$ 41	$ 56	$ 529
Other comprehensive income	(325)	205	2	13	(105)
Balances as of December 31, 2022	348	(36)	43	69	424
Other comprehensive income	(1,074)	(9)	(75)	(18)	(1,176)
Balances as of December 31, 2023	(726)	(45)	(32)	51	(752)
Other comprehensive income	2,286	127	45	86	2,544
Balances as of December 31, 2024	$ 1,560	$ 82	$ 13	$ 137	$ 1,792

21. INCOME TAXES

a) The Company is subject to ISR. According to the ISR Law, the rate for 2024, 2023, and 2022 is 30%, and will continue on being 30% for the next years. Due to the repeal of the Income Tax Law in force until December 31, 2013, the tax consolidation regime was eliminated, therefore, the Company and its subsidiaries have the obligation to pay the deferred tax determined on that date during the following five years from 2015, as shown below.

At the same time that the ISR Law repealed the tax consolidation regime, an option was established to calculate the ISR jointly in groups of companies (tax integration regime). The new regime allows for the case of integrated companies directly or indirectly owned in more than 80% by an integrating company, to have certain benefits in the payment of the tax (when within the Company there are entities with profits or losses in the same year), which may differ for three years and find out, in an updated form, on the date on which the declaration corresponding to the fiscal year following the one in which the aforementioned period is concluded must be submitted.

The Company and its subsidiaries opted to join the new scheme, so determined income tax for the year 2024, 2023 and 2022 together.

Pursuant to Transitory Article 9, section XV, subsection d) of the 2014 Law, given that as of December 31, 2013, the Company was considered to be a holding company and was subject to the payment scheme contained in Article 4, Section VI of the transitory provisions of the ISR law published in the Federal Official Gazette on December 7, 2009, or article 70-A of the ISR law of 2013, which was repealed, it must continue to pay the tax that it deferred under the tax consolidation scheme in 2007 and previous years based on the aforementioned provisions, until such payment is concluded.

Also, as of December 31, 2024, the ISR payable corresponding to the tax integration regime amounts to $283, of which $153 have a short term maturity.

b) The provisions for ISR consist of the following:

	2024	2023	2022
Current	**$ (498)**	$ (829)	$ (717)
Deferred	**(495)**	296	141
	$ (993)	$ (533)	$ (576)

c) The reconciliation of the statutory and effective ISR rates, expressed as a percentage of income before income taxes follows:

	2024	2023	2022
Effective income tax rate	**66%**	20%	31%
Less effects of permanent differences, mainly non-cumulative income, non-deductible expenses and effects of inflation	**(38.9)%**	7.6%	(3)%
Allowance for deferred tax asset previously not reserved	**-**	2%	-
Exchange rate effects	**.6%**	(1)%	-
Derivative financial instruments	**2.3%**	1.4%	2%
Statutory rate	**30%**	30%	30%

d) Amounts and concepts of other comprehensive items and deferred taxes effects are as follows:

	Amount after income taxes		
	2024	2023	2022
Valuation of the effective portion of derivative financial instruments	**$ 127**	$ (9)	$ 205
Remeasurement of the defined benefit liability	**45**	(75)	2
Deferred tax	**$ 172**	$ (84)	$ 207

e) The main items comprising the deferred income tax liability and asset are as follows:

	2024	2023	2022
Deferred ISR (liabilities) assets:			
Property, plant and equipment	**$ (1,334)**	$ (436)	$ (994)
Tax loss carryforwards	**1,006**	976	1,274
Employee benefits	**179**	156	171
Allowance for doubtful accounts	**15**	14	14
Right-of-use for leased assets	**(34)**	(78)	(17)
Derivative financial instruments	**(35)**	19	16
Land remediation	**26**	19	18
Others	**16**	(257)	(391)
Long-term ISR deferred asset (liability)	**$ (161)**	$ 413	$ 91

f) The benefits from restated tax loss carryforwards may be recovered subject to certain conditions. The years of maturity and restated amounts as of December 31, 2024 are:

Year of origin	Amount	Year of expiration
2015	$ **87**	2025
2016	**180**	2026
2017	**143**	2027
2018	**329**	2028
2019	**552**	2029
2020	**454**	2030
2021	**561**	2031
2022	**299**	2032
2023	**363**	2033
2024	**385**	2034
	$ **3,353**	

22. BALANCES AND TRANSACTIONS IN US DOLLARS

a) The Company's assets and liabilities include inventories, fixed assets of foreign origin and derivative financial instruments, as well as monetary items that will be collected or paid in foreign currencies. The aforementioned items, valued in millions of dollars, are integrated as follows:

	2024	2023	2022
Monetary assets	**334**	325	342
Non-bank monetary liabilities	**70**	79	64
Bank loans	**347**	451	649

b) The Company had the following transactions valued in dollars:

	2024	2023	2022
Export sales and other revenues	**149.6**	118.8	120.9
Import purchases	**(164.7)**	(168.5)	(164.9)
	(15.1)	(49.7)	(44.0)
Interest income	**5.4**	6.7	1.5
Interest expenses	**(30.1)**	(43.6)	(39.4)
	(24.7)	(36.9)	(37.9)
Balance of payments	**(39.8)**	(86.6)	(81.9)

c) The year-end exchange rates per US dollar were $20.7862 in 2024, $16.9190 in 2023 and $19.4715 in 2022. The exchange rate as of February 26, 2025, the issuance date of the Consolidated Financial Statements was $20.4683 per US dollar.

23. TRANSACTIONS WITH RELATED PARTIES

Employee benefits granted to the Company's executives were as follows:

	2024	2023	2022
Direct benefits	**$ 275**	$ 260	$ 228

As of December 31, 2024, 2023 and 2022, the Company has balances of operations with the Non-controlling interest that are integrated as shown in the following table:

	2024	2023	2022
Products purchased	**$ 1,772**	$ 2,048	$ 2,324
Miscellaneous sales	**160**	298	174
Brand use	**3**	2	3
Trade receivables	**12**	25	6
Trade payables	**649**	765	683

24. OTHER OPERATING (EXPENSES) INCOME

	2024	2023	2022
(Loss) gain on sale of assets	**$ (214)**	$ (48)	$ 14
Land remediation	**(19)**	-	-
Other expense	**(39)**	(62)	(57)
	$ (272)	$ (110)	$ (43)

25. OPERATING SEGMENTS

The segment information is presented in a manner consistent with the internal reports provided to the operational decision-maker who is the Chief Executive Officer, who is responsible for allocating resources and evaluating the performance of the operating segments and is the one who makes strategic decisions. The Chief Executive Officer considers, among others, performance measures such as profit, operating income and net income, which are consistent with those presented in the consolidated statement of comprehensive income.

a) According to IFRS 8, Operating Segments, the Company's business segments are as follows:
   - **Salt**
   - **Chlorine and caustic soda.**
   - **Refrigerant Gases.**
   - **Energy Processing and Logistics.**
   - **Cydsa and other.**

2024	Salt	Chlorine and Caustic Soda	Refrigerant Gases	Energy Processing and Logistics	Holding and Others	Eliminations	Consolidated
Consolidated Statement of Financial Position:							
Total assets	$ 7,273	$ 18,142	$ 1,939	$ 21,064	$ 19,179	$ (33,262)	$ 34,335
Investments in productive assets	(286)	(458)	(48)	(169)	(541)	-	(1,502)
Total liabilities	2,483	9,429	1,073	19,363	20,268	(32,720)	19,896
Consolidated Statement of Income:							
Net sales clients	4,155	7,001	2,947	924	12	-	15,039
Net sales related parties	1,735	494	1	3,146	2	(5,378)	-
Interest income	5	13	12	19	88	-	137
(Expense) income of derivative financial instruments	-	-	-	-	(76)	-	(76)
Interest expense	(15)	(47)	(5)	(254)	(1,141)	-	(1,462)
Foreign exchange (loss) gain	(10)	(771)	(36)	847	(819)	1,126	337
Depreciation and amortization	332	643	39	259	50	-	1,323
Share in results of associates and joint venture	-	-	-	-	(7)	-	(7)
Income taxes	(62)	(408)	(77)	(553)	(9)	116	(993)

The net income by business is composed as follows: Salt and Chlorine - Caustic Soda $477, Refrigerant Gases $(75) and Energy Processing and Logistics $1,043.

2023	Salt	Chlorine and Caustic Soda	Refrigerant Gases	Energy Processing and Logistics	Holding and Others	Eliminations	Consolidated
Consolidated Statement of Financial Position:							
Total assets	$ 6,558	$ 16,063	$ 1,940	$ 22,072	$ 17,193	(35,306)	$ 28,520
Investments in productive assets	(255)	(1,199)	(44)	(93)	(22)	-	(1,613)
Total liabilities	2,768	7,745	1,091	17,132	18,555	(30,635)	16,656
Consolidated Statement of Income:							
Net sales clients	3,884	6,125	3,226	920	5	-	14,160
Net sales related parties	1,468	463	3	1,731	2	(3,667)	-
Interest income	12	34	11	17	97	-	171
(Expense) income of derivative financial instruments	-	-	-	-	(183)	-	(183)
Interest expense	(21)	117	(4)	(182)	(796)	-	(886)
Foreign exchange (loss) gain	(1)	439	7	(703)	1,297	(644)	395
Depreciation and amortization	306	397	37	218	53	-	1,011
Share in results of associates and joint venture	-	-	-	-	(2)	-	(2)
Income taxes	(169)	(173)	(31)	(91)	65	(134)	(533)

The net income by business is composed as follows: Salt and Chlorine - Caustic Soda $1,681, Refrigerant Gases $95 and Energy Processing and Logistics $620.

2022	Salt	Chlorine and Caustic Soda	Refrigerant Gases	Energy Processing and Logistics	Holding and Others	Eliminations	Consolidated
Consolidated Statement of Financial Position:							
Total assets	$ 6,216	$ 15,310	$ 1,775	$ 18,189	$ 22,501	(33,846)	$ 30,145
Investments in productive assets	(215)	(1,609)	(32)	(556)	(31)	-	(2,443)
Total liabilities	2,892	7,496	1,055	18,141	21,394	(32,035)	18,943
Consolidated Statement of Income:							
Net sales clients	3,436	5,888	3,346	917	25	-	13,612
Net sales related parties	1,487	585	-	1,861	2	(3,935)	-
Interest income	11	19	7	20	1,076	(1,038)	95
(Expense) income of derivative financial instruments	-	-	-	-	(142)	-	(142)
Interest expense	(25)	75	(4)	(108)	(1,737)	1,038	(761)
Foreign exchange (loss) gain	(14)	162	7	(243)	558	(256)	214
Depreciation and amortization	287	510	52	210	36	-	1,095
Share in results of associates and joint venture	-	-	-	-	(12)	-	(12)
Income taxes	(83)	(243)	(61)	(93)	(98)	2	(576)

The net income by business is composed as follows: Salt and Chlorine - Caustic Soda $1,343, Refrigerant Gases $139 and Energy Processing and Logistics $567.

b) Segment general information by geographical area.

	2024	2023	2022
Revenues			
Mexico	**$ 13,277**	$ 12,853	$ 11,997
United States and Canada	**738**	675	904
Central and South America	**311**	320	431
Asia	**158**	113	174
Europe	**555**	199	106
Consolidated total	**$ 15,039**	$ 14,160	$ 13,612

26. CONSOLIDATED FINANCIAL STATEMENTS ISSUANCE AUTHORIZATION

On February 26, 2025, the issuance of the Consolidated Financial Statements was authorized by C.P. Humberto F. Lozano Vargas, Chief Financial Officer of the Company; consequently, they do not reflect events occurred after this date. Based on provisions set forth by the General Corporate Law, these Consolidated Financial Statements are subject to the approval or modifications of the Company's General Ordinary Shareholders' Meeting, further to provision in the General Mercantile Law.

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