



Financial Report for the Fourth Quarter of 2024 and Accumulated January - December of 2024

**Comments to operations
(Millions of pesos unless otherwise indicated)**

**CYDSA, S.A.B. de C.V. (MSE: CYDSASA)
EQUUS 335 Parque Corporativo
Avenida Ricardo Margain Zozaya No. 335 Torre 2 Piso 6
Colonia Valle del Campestre
San Pedro Garza Garcia, Nuevo Leon, Mexico C.P. 66265
www.cydsa.com**

Contacts in Investor Relations:

<u>Name</u>	<u>E-mail</u>	<u>Telephone</u>
Oscar Casas Kirchner	oscar.casas@cydsa.com	(+52) 81 8152 4604
Laura de Haro Delgado	laura.deharo@cydsa.com	(+52) 81 8152 4609
Alberto Balderas Calderon	alberto.balderas@cydsa.com	(+52) 81 8152 4608

Results for the Fourth Quarter of 2024

Total Sales

CYDSA's Consolidated Net Sales for the fourth quarter of 2024 reached 4,151 million pesos, an increase of 9.6% from 3,787 million in the same quarter of the prior year.

The fourth quarter sales growth was due to increased demand for edible salt in the domestic and export markets. Additionally, sales from the new chlorine and caustic soda plant with membrane technology located in Coatzacoalcos, Veracruz, hence the effect of the decrease in international commodity chlorine-alkaline chemical prices was offset.

In terms of dollars, Consolidated Sales for the fourth quarter of 2024 amounted to the equivalent of 206.8 million, 4.4% lower than the 216.3 million dollars reported in the same period of 2023. The difference between the variation in Sales in pesos and the equivalent in dollars is due to the 14.5% depreciation in the average exchange rate, increasing from 17.54 pesos per dollar in the fourth quarter of 2023 to 20.08 pesos in the same period of 2024.

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

Operating Income (EBIT) for the fourth quarter of 2024 represented 13.6% of Sales, amounting to 563 million pesos, a reduction of 242 million pesos compared to the 805 million pesos of the same period of the previous year, when it represented 21.3% of Sales. The decrease in Operating Income is explained by higher maintenance expenses and the increase in depreciation expenses, derived from the start of operations of the new chlorine and caustic soda plant with membrane technology. Moreover, towards the end of the fourth quarter of 2024, an unforeseen event beyond the control of the Cogeneration Business forced it to reduce its production capacity significantly, this event was not resolved at the end of the year, therefore the electricity not produced was acquired from the Federal Electricity Commission (CFE), whose price is higher than the operating cost of the Cogeneration Business.

Operating Cash Flow (EBITDA) for the fourth quarter of 2024 totaled 1,151 million pesos, equivalent to 27.7% on Sales, increasing 2.0% over the 1,129 million in the same period of 2023, when it represented 29.8% on Sales. In dollar terms, EBITDA for the fourth quarter of 2024 reached an equivalent of US\$57.4 million, 11.0% less than the US\$64.5 million from the same quarter of the previous year.

Consolidated Net Income

In the fourth quarter of 2024, the results show a **Net Loss of 124 million pesos**, showing a negative variation of 627 million pesos compared to the Income of 503 million in the same period of 2023.

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

The negative variation in Net Results is mainly explained by the reduction of 242 million pesos in Operating Income as well as an increase of 432 million pesos in Income Taxes, essentially due to the deferred effect on taxes in connection with the depreciation of the exchange rate.

January-December of 2024 Results

Total Sales

CYDSA's Net 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.

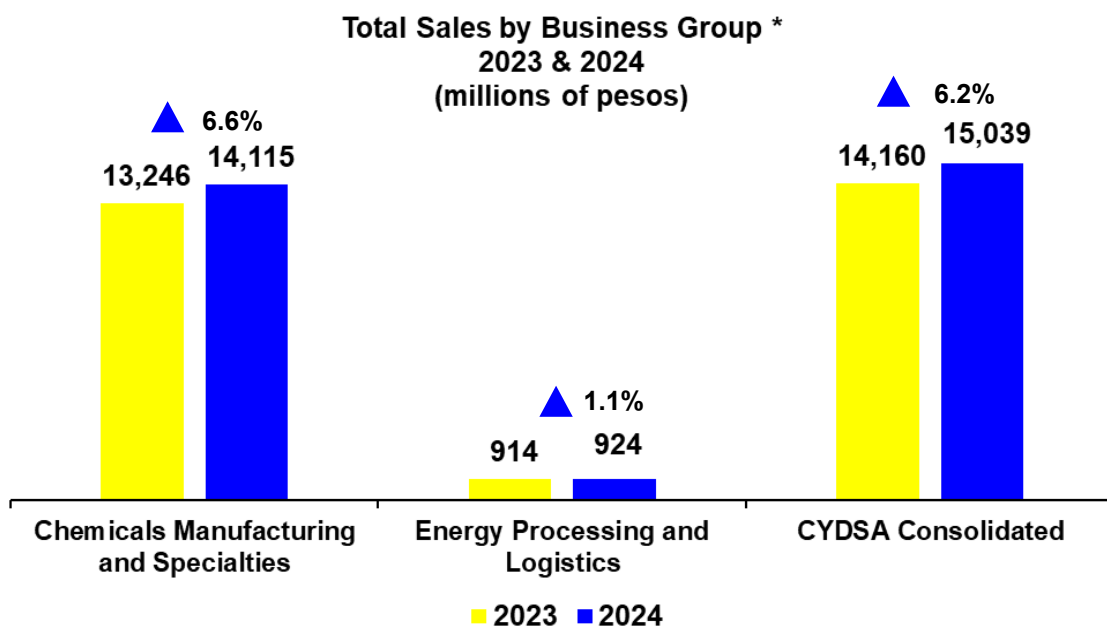
This increase reflected additional sales from the new chlorine and caustic soda plant with membrane technology located in Coatzacoalcos, Veracruz, as well as higher sales of salt. These positive effects offset the decrease of international chlor-alkali commodity prices that significantly trended downward in the second half of 2023; in 2024 the average caustic soda price showed a 32% reduction compared to the prior year.

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 for 2023 and 2024:



Millions of US Dollars	747.7	770.7	51.6	50.4	799.3	821.1
Change 2024 vs. 2023	Δ 3.1%		▽ 2.2%		Δ 2.7%	

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

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 1.1% 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 compared to 3,166 million the prior year, when it represented 22.4% of Sales.

This EBIT result derives from the decrease in international prices of commodity chemical products, higher depreciation resulting from the start of operations of the new investments, the value of non-operational fixed assets, and higher maintenance expenses. 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, 5.3% 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	Variation
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**.

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 ²	2,417
Change 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.

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

Integration of Bank and Notes Debt

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

Figures in Million Dollars (equivalent)

	December 31, 2024	December 31, 2023	Change
Senior Notes	172.7	252.0	(79.3)
Santander-SACE Credit Facility	103.4	124.1	(20.7)
Bancomext (3,453.2 million pesos)	166.1	123.7	42.4
CEBURES (850 million pesos)	40.9	50.2	(9.3)
New Medium-Term Bank Loans (2,014.2 million pesos)	96.9		96.9
New Short-Term Bank Loans (142.8 million pesos)	6.9		6.9
LP Gas 18-year term Loan (1,121 million pesos and 70.8 million dollar)	124.7	144.2	(19.5)
Total Bank and Notes Debt	711.6	694.2	17.4
Exchange Rate (pesos per dollar)	20.79	16.92	

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

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

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

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

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

In addition to the transactions, aimed at reinforcing the strategic cash reserve of the group, CYDSA acquired Medium and Short-Term Bank Loans between March and October 2024, for a total of \$2,157 million pesos to strengthen the Group's cash position.

Thereafter, in **December 2024, a syndicated medium-term loan was executed with Scotiabank and BBVA for 2,014 million pesos (equivalent to 96.9 million dollars as of the end of December 2024), with a maturity of three years and one month, and favorable conditions for CYDSA**, including: multicurrency drawdowns; interest rates based on financial leverage; and flexibility for early repayments. The funds from this financing were used to consolidate and settle 2,014 million pesos of Short-Term loans, leaving a remaining balance of 143 million pesos.

Bank and Notes Debt net of Cash

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

Figures in Million Pesos

	December 31, 2024	December 31, 2023	Change
Bank and Notes Debt	14,792	11,746	3,046
Cash	(2,740)	(1,731)	(1,009)
Bank and Notes Debt, net of Cash	12,052	10,015	2,037

Figures in Million Dollars

	December 31, 2024	December 31, 2023	Change
Bank and Notes Debt	711.6	694.2	17.4
Cash	(131.8)	(102.3)	(29.5)
Bank and Notes Debt, net of Cash	579.8	591.9	(12.1)

As shown in the previous tables, as of December 31, 2024, the **Bank and Notes Debt net of Cash of 12,052 million pesos**, increased from 10,015 million pesos at the close of December 2023. **In dollar terms, Bank and Notes Debt net of Cash totaled an equivalent to US\$579.8 million at the close of December 2024**, comparing favorably to US\$591.9 million at the end of 2023 with a reduction of US\$12.1 million.

Financial Analysis Coverage

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

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

Financial Information Follows

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

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

	December 2024	December 2023	Variation %
ASSETS			
Cash and Cash Equivalents	\$ 2,420	\$ 1,597	+ 52%
Restricted Cash	185	80	+ 131%
Trade Receivables, net	3,172	2,654	+ 20%
Other Receivables, net	1,788	1,553	+ 15%
Inventories	1,706	1,380	+ 24%
Current Assets of Discontinued Operations	14	17	- 18%
Current Assets	9,285	7,281	+ 28%
Restricted Cash	135	53	+ 155%
Property, Plant and Equipment, net	20,297	17,046	+ 19%
Long Term Finance Lease	3,464	2,870	+ 21%
Other non-Current Assets	1,087	1,203	- 10%
Non-Current Assets of Discontinued Operations	67	67	
Non-Current Assets	25,050	21,239	+ 18%
Total Assets	\$ 34,335	\$ 28,520	+ 20%
LIABILITIES			
Bank Debt	\$ 752	\$ 474	+ 59%
Trade Payables	1,995	1,866	+ 7%
Other Current Liabilities	2,099	2,030	+ 3%
Income Tax	0	421	n.a.
Current Liabilities	4,846	4,791	+ 1%
Bank Debt	13,767	10,940	+ 26%
Other non-Current Liabilities	672	392	+ 71%
Employee Benefits	597	520	+ 15%
Non-Current Liabilities from Discontinued Operations	14	13	+ 8%
Total non-Current Liabilities	15,050	11,865	+ 27%
Total Liabilities	19,896	16,656	+ 20%
SHAREHOLDERS' EQUITY			
Capital Stock	2,825	2,825	
Additional paid-in Capital	1,176	1,176	
Repurchase of Own Shares	(1,316)	(1,143)	+ 15%
Retained Earnings	9,581	9,346	+ 3%
Accumulated other Comprehensive Income, net of Tax	1,655	(803)	n.a.
Shareholders' Equity of Controlling Interest	13,921	11,401	+ 22%
Non-controlling Interest	518	463	+ 12%
Shareholders' Equity	14,439	11,864	+ 22%
Liabilities and Shareholders' Equity	\$ 34,335	\$ 28,520	+ 20%

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

for the fourth quarter of 2024 and 2023 (October 1st to December 31st)
(Millions of pesos)

	<u>4Q24</u>	<u>4Q23</u>	Variation %
Net Sales	\$ 4,151	\$ 3,787	+ 10%
Cost of Sales	<u>(2,377)</u>	<u>(2,041)</u>	+ 17%
Gross Profit	1,774	1,746	+ 2%
Operating Expenses	(999)	(885)	+ 13%
Other Operating Income (Expenses), net	<u>(212)</u>	<u>(56)</u>	+ 4x
Operating Income	563	805	- 30%
Net Financial Expenses:			
Debt Financial Expenses	(388)	(248)	+ 56%
Other Financial Expenses	(24)	(24)	
Result from Derivative Financial Instruments	(16)	(75)	- 79%
Interest Income	38	53	- 28%
Foreign Exchange Effect, net	<u>117</u>	<u>(32)</u>	n.a.
Net Financial Expenses	<u>(273)</u>	<u>(326)</u>	- 16%
Share in Results of Associates	<u>(7)</u>	<u>(1)</u>	- 7x
Income Before Income Tax	283	478	- 41%
Income Tax	<u>(406)</u>	<u>26</u>	n.a.
Income of Continuing Operations	(123)	504	- 124%
Discontinued Operations, net of Income Taxes	<u>(1)</u>	<u>(1)</u>	
Net Income	<u>\$ (124)</u>	<u>\$ 503</u>	n.a.
 Controlling Interest Share in Net Income	 \$ (98)	 \$ 482	
Non-Controlling Interest Share in Net Income	(26)	21	

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

Fourth Quarter of 2024 and 2023

	<u>4Q24</u>	<u>4Q23</u>	<u>Variation %</u>
<u>Income Statement data</u>			
(Millions of pesos)			
Net Sales	4,151	3,787	+ 10%
<i>Net Sales</i> <i>(Equivalent in millions of dollars)</i>	206.8	216.3	- 4%
<i>Export Sales (Millions of dollars)</i>	17.3	18.9	- 8%
Operating Income	563	805	- 30%
Net Income	(124)	503	n.a.
<u>Cash Flow data</u>			
(Millions of pesos)			
Operating Cash Flow (Income after general expenses plus depreciation and other non-cash items), EBITDA	1,151	1,129	+ 2%
<i>Operating Cash Flow</i> <i>(Equivalent in millions of US dollars)</i>	57.4	64.5	- 11%
<u>Operating Ratios</u>			
(Percentage)			
Operating income (EBIT) / Sales	13.6%	21.3%	
Operating Cash Flow (EBITDA) / Sales	27.7%	29.8%	

CYDSA, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENTS
from January 1st to December, 31st of 2024 and 2023
(Millions of pesos)

	<u>Accum.</u> <u>Jan-Dec 24</u>	<u>Accum.</u> <u>Jan-Dec 23</u>	<u>Variation</u> <u>%</u>
Net Sales	\$ 15,039	\$ 14,160	+ 6%
Cost of Sales	<u>(8,579)</u>	<u>(7,681)</u>	+ 12%
Gross Profit	6,460	6,479	- 0.3%
Operating Expenses	<u>(3,617)</u>	<u>(3,203)</u>	+ 13%
Other (Expenses) Income, net	<u>(272)</u>	<u>(110)</u>	+ 147%
Operating Income	2,571	3,166	- 19%
Net Financial Expenses:			
Debt Financial Expenses	<u>(1,366)</u>	<u>(789)</u>	+ 73%
Other Financial Expenses	<u>(96)</u>	<u>(97)</u>	- 1%
Result from Derivative Financial Instruments	<u>(76)</u>	<u>(183)</u>	- 59%
Interest Income	<u>137</u>	<u>171</u>	- 20%
Foreign Exchange Effect, net	<u>337</u>	<u>395</u>	- 15%
Net Financial Expenses	<u>(1,064)</u>	<u>(503)</u>	+ 112%
Share in results of associates and joint venture	<u>(7)</u>	<u>(2)</u>	
Income Before Income Tax	1,500	2,661	- 44%
Income Tax	<u>(993)</u>	<u>(533)</u>	+ 86%
Income of Continuing Operations	507	2,128	- 76%
Discontinued Operations, net of Income Taxes	<u>(3)</u>	<u>(3)</u>	
Net Income	\$ 504	\$ 2,125	- 76%
 Controlling Interest Share in Net Income	 \$ 535	 \$ 2,070	
Non-Controlling Interest Share in Net Income	<u>(31)</u>	55	

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

Accumulated December, 2024 and 2023

	<u>Accum. Jan-Dec 24</u>	<u>Accum. Jan-Dec 23</u>	<u>Variation %</u>
<u>Income Statement data</u>			
(Millions of pesos)			
Net Sales	15,039	14,160	+ 6%
<i>Net Sales</i> <i>(Equivalent in millions of dollars)</i>	821.1	799.3	+ 3%
<i>Export Sales (Millions of dollars)</i>	76.1	72.8	+ 5%
Operating Income	2,571	3,166	- 19%
Net Income	504	2,125	- 76%
<u>Cash Flow data</u>			
(Millions of pesos)			
Operating Cash Flow (Income after general expenses plus depreciation and other non-cash items), EBITDA	4,121	4,229	- 3%
<i>Operating Cash Flow</i> <i>(Equivalent in millions of US dollars)</i>	225.6	238.2	- 5%
<u>Operating Ratios</u>			
(Percentage)			
Operating Income (EBIT) / Sales	17.1%	22.4%	
Operating Cash Flow (EBITDA) / Sales	27.4%	29.9%	

As of the close of December 2024 and December 2023

	<u>December 2024</u>	<u>December 2023</u>
<u>Financial Ratios</u>		
(times)		
Bank Debt / Shareholders' Equity	1.03	0.99
Current Assets / Current Liabilities	1.92	1.52
Book Value per share (pesos) ⁽¹⁾	27.17	21.08

(1) Based on 531,372,793 shares outstanding at the close of December 2024 and 540,971,553 shares outstanding at the close of December 2023.