

## KUO ANNOUNCES 2Q23 RESULTS

Mexico City, July 18th, 2023

Note: Management considers that for better understanding of KUO's performance, this report's information, as well as explanations on variations, is presented on the basis of Proforma Combined Financial Statements, which are the result of the consolidation of financial information of all subsidiaries, including the proportional consolidation of 50% stake on Herdez Del Fuerte and Synthetic Rubber joint ventures, which is different from IFRS 11, since it does not consider proportional consolidation.

Figures in this document are unaudited and expressed in millions of pesos, unless otherwise specified, and may vary due to rounding.

KUO S.A.B. de C.V. (BMV: KUO) (KUO), announces unaudited 2Q23 results with \$13,820 million in Revenue and \$1,137 million in EBITDA.

“During the quarter we recorded a decrease in Revenue and EBITDA largely explained by lower performance in Chemical sector businesses, derived from a negative inventories’ devaluation effect per the downward trend in raw material prices, mainly butadiene and styrene. High corn and soy paste prices in Pork Meat business, combined with a negative exchange rate impact due to the peso appreciation against US dollar during the period, which affected all portfolio businesses. On the other hand, Herdez Del Fuerte and Aftermarket businesses showed strong dynamism.” Alejandro de la Barrera, KUO’s CEO mentioned.

### 2Q23 HIGHLIGHTS COMPARED WITH 2Q22

- **Revenue** of \$13,820 million, a 17% decline, explained by:
  - Negative impact due to peso appreciation against US dollar during the quarter.
  - **Synthetic Rubber & Polymers:** lower selling prices and volume in applications, per downward price curve in the industry.
  - **Transmissions:** transmissions and components’ volume at the same level as the previous year, affected by the negative exchange rate impact of the peso against the dollar.
- This was partially offset by:

  - **Herdez Del Fuerte:** increased selling prices mainly in tomato puree, mole, and salsas categories in domestic market, in addition to guacamole and salsas in the United States.
  - **Pork Meat:** increased selling prices.
  - **Aftermarket:** higher sales in all business lines.
- **Exports:** 54% of total sales, mainly driven by Transmissions & Pork Meat businesses.
- **EBITDA** of \$1,137 million, a 40% decline, explained by:
  - Negative impact due to peso appreciation against US dollar during the quarter.
  - **Synthetic Rubber & Polymers:** lower selling prices and volume in applications, coupled with a negative inventories’ devaluation effect of \$91 million, which compares with an inventories’ revaluation effect of \$253 million registered in the same period last year, representing a \$344 million variation.
  - **Pork Meat:** High prices of raw materials, coupled with a less favorable sales mix.
  - **Transmissions:** less favorable sales mix resulted in less absorption.

This was partially offset by:

- **Herdez Del Fuerte:** higher prices in main categories, coupled with decreased costs, underscoring lower avocado price, as well as operating improvements.
- **Aftermarket:** increased sales of brakes, engine, and power train parts, combined with greater absorption.

**KUO AND SUBSIDIARIES**

## Proforma Combined Unaudited Results

<b>KUO</b>	<b>Second Quarter</b>			<b>Accumulated</b>		
	<b>2023</b>	<b>2022</b>	<b>Variation</b>	<b>2023</b>	<b>2022</b>	<b>Variation</b>
(Figures in millions of Mexican pesos)						
<b>Revenue</b>	<b>13,820</b>	<b>16,714</b>	<b>-17.3%</b>	<b>28,220</b>	<b>31,630</b>	<b>-10.8%</b>
Exports	7,397	9,320	-20.6%	14,892	17,680	-15.8%
<b>Operating Profit</b>	<b>390</b>	<b>1,204</b>	<b>-67.6%</b>	<b>644</b>	<b>1,956</b>	<b>-67.1%</b>
<i>Operating Margin</i>	<i>2.8%</i>	<i>7.2%</i>	<i>-4.4 pp</i>	<i>2.3%</i>	<i>6.2%</i>	<i>-3.9 pp</i>
<b>EBITDA</b>	<b>1,137</b>	<b>1,885</b>	<b>-39.7%</b>	<b>2,034</b>	<b>3,314</b>	<b>-38.6%</b>
<i>EBITDA Margin</i>	<i>8.2%</i>	<i>11.3%</i>	<i>-3.1 pp</i>	<i>7.2%</i>	<i>10.5%</i>	<i>-3.3 pp</i>
<b>Net Majority Income</b>	<b>411</b>	<b>783</b>	<b>-47.6%</b>	<b>649</b>	<b>1,361</b>	<b>-52.3%</b>

<b>REVENUE</b>	<b>Second Quarter</b>			<b>Accumulated</b>		
	<b>2023</b>	<b>2022</b>	<b>Variation</b>	<b>2023</b>	<b>2022</b>	<b>Variation</b>
(Figures in millions of Mexican pesos)						
<b>Consumer</b>	<b>6,798</b>	<b>6,579</b>	<b>3.3%</b>	<b>13,955</b>	<b>12,627</b>	<b>10.5%</b>
<b>Chemical</b>	<b>3,019</b>	<b>6,003</b>	<b>-49.7%</b>	<b>6,471</b>	<b>10,985</b>	<b>-41.1%</b>
<b>Automotive</b>	<b>3,943</b>	<b>4,076</b>	<b>-3.3%</b>	<b>7,667</b>	<b>7,899</b>	<b>-2.9%</b>
<b>Total</b>	<b>13,820</b>	<b>16,714</b>	<b>-17.3%</b>	<b>28,220</b>	<b>31,630</b>	<b>-10.8%</b>

<b>EBITDA</b>	<b>Second Quarter</b>			<b>Accumulated</b>		
	<b>2023</b>	<b>2022</b>	<b>Variation</b>	<b>2023</b>	<b>2022</b>	<b>Variation</b>
(Figures in millions of Mexican pesos)						
<b>Consumer</b>	<b>292</b>	<b>476</b>	<b>-38.6%</b>	<b>664</b>	<b>849</b>	<b>-21.9%</b>
<b>Chemical</b>	<b>342</b>	<b>976</b>	<b>-64.9%</b>	<b>544</b>	<b>1,643</b>	<b>-66.9%</b>
<b>Automotive</b>	<b>371</b>	<b>421</b>	<b>-11.8%</b>	<b>734</b>	<b>835</b>	<b>-12.0%</b>
<b>Total</b>	<b>1,137</b>	<b>1,885</b>	<b>-39.7%</b>	<b>2,034</b>	<b>3,314</b>	<b>-38.6%</b>

**PROFORMA COMBINED REVENUE AND EXPORTS**

During 2Q23, Revenue reached \$13,820 million, a 17% decrease when compared to 2Q22, mainly explained by lower dynamism in Chemical sector businesses, which recorded lower prices and volume in applications, due to the downward price curve in the industry, as well as lower sales in Transmissions in pesos, per the peso appreciation against US dollar during the quarter, which had a negative impact in all portfolio Revenue.

This was partially offset by higher selling prices in Pork Meat, higher selling prices in Herdez Del Fuerte, mainly in tomato puree, mole, and salsas in domestic market, and guacamole and salsas in the United States, in addition to increased demand in brakes, engines and power train parts in Aftermarket.

The percentage of exports in total Revenue for the quarter reached 54%, mainly driven by Transmissions & Pork Meat businesses.

### PROFORMA COMBINED OPERATING RESULT AND EBITDA

During 2Q23, Operating Result and EBITDA decreased 68% and 40%, reaching \$390 million and \$1,137 million, correspondingly. This contraction is largely explained by lower sales in Chemical businesses, joined with a negative inventories' devaluation effect, in addition to a sharp increase in corn and soy paste in Pork Meat. This, coupled with a negative exchange rate impact due to the peso appreciation against US dollar during the quarter.

This was partially offset by better performance of Herdez Del Fuerte and Aftermarket businesses.

Operating and EBITDA margins were 2.8% and 8.2%, correspondingly.

### PROFORMA COMBINED FINANCIAL INCOME

During 2Q23 KUO recorded Net Financial Income of \$14 million, largely explained by an exchange rate gain due to the peso appreciation against US dollar.

### PROFORMA COMBINED INCOME TAXES

Tax provision of (\$7) million comprised by \$356 million in current taxes and deferred taxes of (\$363) million.

### NET MAJORITY INCOME (CONTROLLING INTEREST)

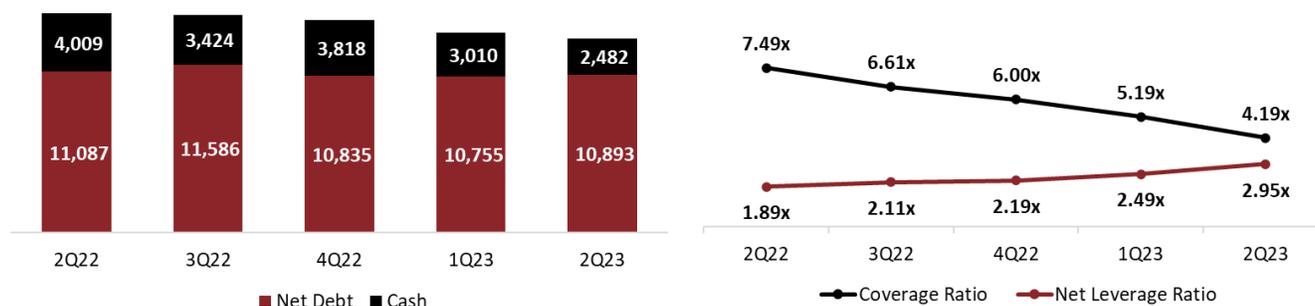
Net Majority Income (Controlling Interest) of \$411 million, a lower figure when compared to the \$783 million recorded in 2Q22, mainly explained by the results of portfolio businesses.

### PROFORMA COMBINED INVESTMENT IN PRODUCTIVE ASSETS

Investment in productive assets throughout 2Q23 totaled \$215 million, this amount was mainly allocated in Synthetic Rubber, Herdez Del Fuerte, and Pork Meat businesses.

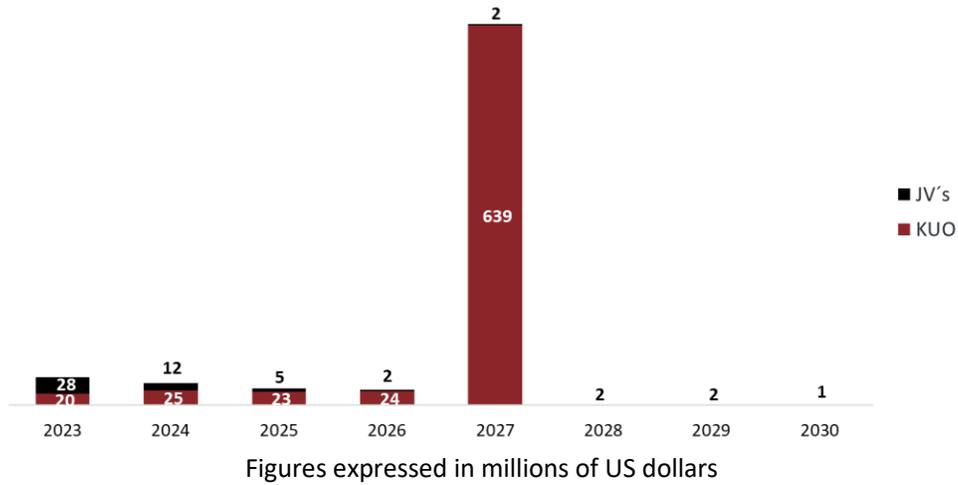
### PROFORMA COMBINED NET DEBT

At the end of 2Q23, net leverage ratio reached  $2.95x^1$ , coverage ratio  $4.19x^1$ , and capitalization ratio  $0.48x^1$ . Average cost of debt at the end of the quarter was 6.5%.



<sup>1</sup> Calculated in US dollars.

Following is the debt profile at the end of June:



**BUY-BACK PROGRAM**

During 2Q23, buy- back program purchased 209,382 series B shares, and 1,200 series A shares, closing the quarter with a total of 18,319,196 series B shares, and 414,079 series A shares.

## PROFORMA COMBINED RESULTS BY SECTOR

CONSUMER (Figures in millions of Mexican pesos)	Second Quarter			Accumulated		
	2023	2022	Variation	2023	2022	Variation
<b>Revenue</b>	<b>6,798</b>	<b>6,579</b>	<b>3.3%</b>	<b>13,955</b>	<b>12,627</b>	<b>10.5%</b>
<b>Operating Profit</b>	<b>63</b>	<b>266</b>	<b>-76.4%</b>	<b>199</b>	<b>434</b>	<b>-54.1%</b>
Operating Margin	0.9%	4.0%	-3.1 pp	1.4%	3.4%	-2 pp
<b>EBITDA</b>	<b>292</b>	<b>476</b>	<b>-38.6%</b>	<b>664</b>	<b>849</b>	<b>-21.9%</b>
EBITDA Margin	4.3%	7.2%	-2.9 pp	4.8%	6.7%	-1.9 pp

Note: Figures comprise the results of Pork Meat and Herdez Del Fuerte businesses

Consumer sector recorded 3% Revenue growth during the quarter, explained by higher demand in both businesses. Pork Meat recorded increased selling prices, while Herdez Del Fuerte registered higher prices, underscoring tomato puree, mole, and salsas categories in domestic market, along with salsas and guacamole in the United States

EBITDA recorded a 39% decline, mainly explained by high raw material prices such as corn and soy paste, a less favorable sales mix, in addition to a negative exchange rate effect due to the peso appreciation against US dollar in Pork Meat business. On the other hand, Herdez Del Fuerte achieved operating efficiencies, in addition to decreased costs, underscoring lower avocado prices.

Operating and EBITDA margins were 0.9% and 4.3% correspondingly.

CHEMICAL (Figures in millions of Mexican pesos)	Second Quarter			Accumulated		
	2023	2022	Variation	2023	2022	Variation
<b>Revenue</b>	<b>3,019</b>	<b>6,003</b>	<b>-49.7%</b>	<b>6,471</b>	<b>10,985</b>	<b>-41.1%</b>
<b>Operating Profit</b>	<b>225</b>	<b>840</b>	<b>-73.3%</b>	<b>304</b>	<b>1,368</b>	<b>-77.8%</b>
Operating Margin	7.4%	14.0%	-6.6 pp	4.7%	12.5%	-7.8 pp
<b>EBITDA</b>	<b>342</b>	<b>976</b>	<b>-64.9%</b>	<b>544</b>	<b>1,643</b>	<b>-66.9%</b>
EBITDA Margin	11.3%	16.3%	-5 pp	8.4%	15.0%	-6.6 pp

Note: Figures comprise the results of Synthetic Rubber and Polymers businesses

Chemical sector recorded 50% Revenue decline during the quarter, explained by lower selling prices and volume in applications in both businesses, because of the downward price curve in the industry, joined with a negative exchange rate effect due to the peso appreciation against US dollar during the period.

EBTIDA recorded a 65% decrease derived from lower sales, coupled with a negative inventories' devaluation effect in both businesses, per the downtrend price curve of main raw materials, butadiene and styrene of \$91 million, which compares with an inventories revaluation effect of \$254 million recorded in 2Q22, which represents an EBITDA variation of \$344 million.

Operating and EBITDA margins were 7.4% and 11.3% correspondingly.

AUTOMOTIVE (Figures in millions of Mexican pesos)	Second Quarter			Accumulated		
	2023	2022	Variation	2023	2022	Variation
<b>Revenue</b>	<b>3,943</b>	<b>4,076</b>	<b>-3.3%</b>	<b>7,667</b>	<b>7,899</b>	<b>-2.9%</b>
<b>Operating Profit</b>	<b>76</b>	<b>105</b>	<b>-27.1%</b>	<b>167</b>	<b>206</b>	<b>-18.8%</b>
Operating Margin	1.9%	2.6%	-0.7 pp	2.2%	2.6%	-0.4 pp
<b>EBITDA</b>	<b>371</b>	<b>421</b>	<b>-11.8%</b>	<b>734</b>	<b>835</b>	<b>-12.0%</b>
EBITDA Margin	9.4%	10.3%	-0.9 pp	9.6%	10.6%	-1 pp

Note: Figures comprise the results of Transmissions and Aftermarket businesses

Automotive sector recorded 3% Revenue decrease during the quarter, explained by lower sales in Transmissions business in pesos, per the negative exchange rate effect due to the peso appreciation against US dollar during the period. This was partially offset by higher demand of brakes, engine, and power train parts in Aftermarket business.

EBITDA decreased 12% when compared to 2Q22, largely explained by a less favorable sales mix and lower absorption in Transmissions business, which was partially offset by higher volume and better absorption in Aftermarket business.

Operating and EBITDA margins were 1.9% and 9.4% correspondingly.

## ANALYST COVERAGE

In accordance with the provisions of article 4.033.01 subsection VIII of the BMV's rules of procedure on maintenance requirements, we report that the Broker/Credit Institutions which provide coverage analysis of our securities are Grupo Bursátil Mexicano S.A. de C.V. "GBM" (Alejandro Azar) and NAU Securities (Pedro Baptista).

## ABOUT KUO

KUO is a leading industrial conglomerate in Mexico, with annual sales amounting approximately \$64,000 million as of December 31st, 2022, exports to around 70 countries across every continent and approximately 24,000 employees. Its current business portfolio includes three sectors: Consumer, Chemical and Automotive.

This press release contains forward-looking statements that reflect the current opinions of KUO's management regarding future events. The words or phrases "predict", "believe", "estimate", "expect", "have the intention of", "may", "plan" and "should" and similar expressions generally indicate comments about expectations. These comments are subject to risks, uncertainties and changing circumstances. Final results may be materially different from current expectations because of various factors, which include but are not limited to global and local changes in politics, the economy, business, competition and market and regulatory factors, cyclical trends consumer, chemical and automotive sectors. KUO has no obligation whatsoever to update these comments on expectations. Any comment on expectation is valid only on the date on which it is made.

## contact

**Antonia Gutiérrez**  
+52 (55) 5261 8309  
antonia.gutierrez@desc.com

**Ana Claudia Joaquín**  
+52 (55) 5267 8157  
ana.joachin@desc.com

ir@kuo.com.mx

Note: Management considers that for better understanding of KUO's performance, this report's information, as well as explanations on variations, is presented on the basis of Proforma Combined Financial Statements, which are the result of the consolidation of financial information of all subsidiaries, including the proportional consolidation of 50% stake on Herdez Del Fuerte and Synthetic Rubber joint ventures, which is different from IFRS 11, since it does not consider proportional consolidation.

### KUO S.A.B. DE C.V. AND SUBSIDIARIES

Proforma Combined Statement of Financial Position (Unaudited)

International Financial Reporting Standard (With exception of IFRS 11)

As of June 30<sup>th</sup>, 2023, and 2022

(Figures in millions of Mexican pesos)

Concept	Jun-23	Jun-22	%
Cash and Cash Equivalents	2,482	4,009	-38.1%
Accounts and Documents Receivable, net	8,692	10,497	-17.2%
Inventories, net	11,395	12,906	-11.7%
Other Current Assets	2,175	2,451	-11.3%
<b>Current Assets</b>	<b>24,744</b>	<b>29,863</b>	<b>-17.1%</b>
Property, Plant and Equipment, net	16,304	17,709	-7.9%
Right of use Assets	1,549	1,867	-17.0%
Goodwill, Patents and Trademarks	2,573	2,389	7.7%
Projects and Capitalized development	3,164	4,280	-26.1%
Investments in Shares	15	-1	N/A
Other Non-Current Assets	3,618	2,707	33.7%
<b>Total non - current Assets</b>	<b>27,223</b>	<b>28,951</b>	<b>-6.0%</b>
<b>Total Assets</b>	<b>51,967</b>	<b>58,814</b>	<b>-11.6%</b>
Bank Loans and Current Portion of long-Term Debt	1,198	694	72.6%
Accounts and Notes Payable Suppliers	12,677	16,373	-22.6%
Accrued Liabilities and Other accounts payable	5,965	7,120	-16.2%
<b>Current Liabilities</b>	<b>19,840</b>	<b>24,187</b>	<b>-18.0%</b>
Long-Term Debt	12,177	14,402	-15.4%
Other Non-Current Liabilities	3,608	3,445	4.7%
<b>Total non - current Liabilities</b>	<b>15,785</b>	<b>17,847</b>	<b>-11.6%</b>
<b>Total Liabilities</b>	<b>35,625</b>	<b>42,034</b>	<b>-15.2%</b>
Capital Stock	2,728	2,728	0.0%
Retained Earnings	12,551	11,089	13.2%
Profit for the year	649	1,361	-52.3%
Others	409	1,598	-74.4%
Controlling Interest	16,337	16,776	-2.6%
Non- Controlling Interest	5	4	25.0%
<b>Stockholders' Equity</b>	<b>16,342</b>	<b>16,780</b>	<b>-2.6%</b>
<b>Liabilities and Stockholders' Equity</b>	<b>51,967</b>	<b>58,814</b>	<b>-11.6%</b>

**KUO S.A.B. DE C.V. AND SUBSIDIARIES**

Proforma Combined Statements of Income and Comprehensive Income (Unaudited)  
International Financial Reporting Standard (With exception of IFRS 11)  
Second Quarter of 2023 and 2022  
(Figures in millions of Mexican pesos)

Concept	2Q23	%	2Q22	%	Var.
Net Revenue	13,820	100.0%	16,714	100.0%	-17.3%
Cost of Sales	11,503	83.2%	13,904	83.2%	-17.3%
<b>Gross Profit</b>	<b>2,317</b>	<b>16.8%</b>	<b>2,810</b>	<b>16.8%</b>	<b>-17.5%</b>
Selling and Distribution Expenses	1,320	9.6%	1,291	7.7%	2.2%
Administrative Expenses	637	4.6%	665	4.0%	-4.2%
<b>General Expenses</b>	<b>1,957</b>	<b>14.2%</b>	<b>1,956</b>	<b>11.7%</b>	<b>0.1%</b>
Other Income	-30	-0.2%	-350	-2.1%	-91.4%
<b>Operating Profit</b>	<b>390</b>	<b>2.8%</b>	<b>1,204</b>	<b>7.2%</b>	<b>-67.6%</b>
<b>EBITDA</b>	<b>1,137</b>	<b>8.2%</b>	<b>1,885</b>	<b>11.3%</b>	<b>-39.7%</b>
Interest expense - net	279	2.0%	248	1.5%	12.5%
Exchange profit - net	-406	-2.9%	-17	-0.1%	N/A
Other financial expenses - net	113	0.8%	20	0.1%	N/A
<b>Financial (Income) Expenses - net</b>	<b>-14</b>	<b>-0.1%</b>	<b>251</b>	<b>1.5%</b>	<b>N/A</b>
<b>Profit before Income Taxes</b>	<b>404</b>	<b>2.9%</b>	<b>953</b>	<b>5.7%</b>	<b>-57.6%</b>
Current tax	356	2.6%	370	2.2%	-3.8%
Benefits deferred tax	-363	-2.6%	-200	-1.2%	81.5%
<b>Consolidated - net Profit</b>	<b>411</b>	<b>3.0%</b>	<b>783</b>	<b>4.7%</b>	<b>-47.5%</b>
Profit Attributable - Controlling Interests	411	3.0%	783	4.7%	-47.5%
<b>Other comprehensive loss, net of income tax</b>					
Cumulative translation adjustment	-420	-3.0%	-78	-0.5%	N/A
Derivative financial instruments	-77	-0.6%	1	0.0%	N/A
<b>Items that will be reclassified to profit or loss</b>	<b>-497</b>	<b>-3.6%</b>	<b>-77</b>	<b>-0.5%</b>	<b>N/A</b>
<b>Consolidated comprehensive (loss) income</b>	<b>-86</b>	<b>-0.6%</b>	<b>706</b>	<b>4.2%</b>	<b>N/A</b>

**KUO S.A.B. DE C.V. AND SUBSIDIARIES**

Proforma Combined Statements of Income and Comprehensive Income (Unaudited)

International Financial Reporting Standard (With exception of IFRS 11)

As of June 30<sup>th</sup>, 2023 and 2022

(Figures in millions of Mexican pesos)

Concept	Accum 23	%	Accum 22	%	Var.
Net Revenue	28,220	100.0%	31,630	100.0%	-10.8%
Cost of Sales	23,601	83.6%	26,466	83.7%	-10.8%
<b>Gross Profit</b>	<b>4,619</b>	<b>16.4%</b>	<b>5,164</b>	<b>16.3%</b>	<b>-10.6%</b>
Selling and Distribution Expenses	2,656	9.4%	2,510	7.9%	5.8%
Administrative Expenses	1,351	4.8%	1,376	4.4%	-1.8%
<b>General Expenses</b>	<b>4,007</b>	<b>14.2%</b>	<b>3,886</b>	<b>12.3%</b>	<b>3.1%</b>
Other Income	-32	-0.1%	-678	-2.1%	-95.3%
<b>Operating Profit</b>	<b>644</b>	<b>2.3%</b>	<b>1,956</b>	<b>6.2%</b>	<b>-67.1%</b>
<b>EBITDA</b>	<b>2,034</b>	<b>7.2%</b>	<b>3,314</b>	<b>10.5%</b>	<b>-38.6%</b>
Interest expense - net	573	2.0%	498	1.6%	15.1%
Exchange profit - net	-874	-3.1%	-193	-0.6%	N/A
Other financial expenses - net	203	0.7%	59	0.2%	N/A
<b>Financial (Income) Expenses - net</b>	<b>-98</b>	<b>-0.3%</b>	<b>364</b>	<b>1.2%</b>	<b>N/A</b>
<b>Profit before Income Taxes</b>	<b>742</b>	<b>2.6%</b>	<b>1,592</b>	<b>5.0%</b>	<b>-53.4%</b>
Current tax	710	2.5%	644	2.0%	10.2%
Benefits deferred tax	-617	-2.2%	-412	-1.3%	49.8%
<b>Consolidated - net Profit</b>	<b>649</b>	<b>2.3%</b>	<b>1,360</b>	<b>4.3%</b>	<b>-52.3%</b>
Loss Attributable to Non - Controlling Interests	0	0.0%	-1	0.0%	N/A
Profit Attributable - Controlling Interests	649	2.3%	1,361	4.3%	-52.3%
<b>Other comprehensive loss, net of income tax</b>					
Cumulative translation adjustment	-945	-3.3%	-337	-1.1%	180.4%
Derivative financial instruments	-83	-0.3%	2	0.0%	N/A
<b>Items that will be reclassified to profit or loss</b>	<b>-1,028</b>	<b>-3.6%</b>	<b>-335</b>	<b>-1.1%</b>	<b>N/A</b>
<b>Consolidated comprehensive (loss) income</b>	<b>-379</b>	<b>-1.3%</b>	<b>1,025</b>	<b>3.2%</b>	<b>N/A</b>

**KUO S.A.B. DE C.V. AND SUBSIDIARIES**

Proforma Combined Statement of Changes in Stockholders' Equity - IFRS (Unaudited)

International Financial Reporting Standards (with exception of IFRS 11)

For the periods ended June 30<sup>th</sup>, 2023 and 2022

(Figures in millions of Mexican pesos, except shares information)

Concept	Contributed Capital		Earned Capital		Controlling interest	Non - Controlling interest	Total Stockholders' Equity
	Capital stock	Retained earnings	Consolidated net Income	Other comprehensive income			
<b>Balances at beginning of 2022</b>	\$ 2,728	\$ 8,860	\$ 2,710	\$ 1,933	\$ 16,231	\$ 2	\$ 16,233
Transfer Consolidated net Income	-	2,710	(2,710)	-	-	-	-
Dividends declared	-	(457)	-	-	(457)	-	(457)
Repurchase of ordinary shares	-	(24)	-	-	(24)	-	(24)
Increase (Decrease) non-controlling interests	-	-	-	-	-	3	3
Consolidated comprehensive income	-	-	1,361	(335)	1,026	(1)	1,025
<b>Balance ending June, 2022</b>	\$ 2,728	\$ 11,089	\$ 1,361	\$ 1,598	\$ 16,776	\$ 4	\$ 16,780
<b>Balances at beginning of 2023</b>	\$ 2,728	\$ 11,104	\$ 1,872	\$ 1,437	\$ 17,141	\$ 5	\$ 17,146
Transfer Consolidated net Income	-	1,872	(1,872)	-	-	-	-
Dividends declared	-	(415)	-	-	(415)	-	(415)
Repurchase of ordinary shares	-	(10)	-	-	(10)	-	(10)
Consolidated comprehensive income	-	-	649	(1,028)	(379)	-	(379)
<b>Balance ending June, 2023</b>	\$ 2,728	\$ 12,551	\$ 649	\$ 409	\$ 16,337	\$ 5	\$ 16,342

Number of shares 456,366,148

**KUO S.A.B. DE C.V. AND SUBSIDIARIES**

Consolidated Statement of Financial Position - IFRS (Unaudited)  
 International Financial Reporting Standard  
 As of June 30<sup>th</sup>, 2023, and 2022  
 (Figures in millions of Mexican pesos)

Concept	Jun-23	Jun-22	%
Cash and Cash Equivalents	1,469	2,665	-44.9%
Accounts and Documents Receivable, net	4,212	5,564	-24.3%
Inventories, net	7,814	9,154	-14.6%
Other Current Assets	2,123	2,403	-11.7%
<b>Current Assets</b>	<b>15,618</b>	<b>19,786</b>	<b>-21.1%</b>
Property, Plant and Equipment, net	11,180	12,069	-7.4%
Right of use Assets	1,293	1,558	-17.0%
Goodwill, Patents and Trademarks	355	138	157.2%
Projects and Capitalized development	3,104	4,219	-26.4%
Investments in Shares	10,318	11,341	-9.0%
Other Non-Current Assets	3,264	2,446	33.4%
<b>Total non - current Assets</b>	<b>29,514</b>	<b>31,771</b>	<b>-7.1%</b>
<b>Total Assets</b>	<b>45,132</b>	<b>51,557</b>	<b>-12.5%</b>
Bank Loans and Current Portion of long-Term Debt	541	402	34.6%
Accounts and Notes Payable Suppliers	8,324	11,973	-30.5%
Accrued Liabilities and Other accounts payable	4,821	5,848	-17.6%
<b>Current Liabilities</b>	<b>13,686</b>	<b>18,223</b>	<b>-24.9%</b>
Long-Term Debt	11,927	13,756	-13.3%
Other Non-Current Liabilities	3,182	2,802	13.6%
<b>Total non - current Liabilities</b>	<b>15,109</b>	<b>16,558</b>	<b>-8.8%</b>
<b>Total Liabilities</b>	<b>28,795</b>	<b>34,781</b>	<b>-17.2%</b>
Capital Stock	2,728	2,728	0.0%
Retained Earnings	12,551	11,089	13.2%
Profit for the year	649	1,361	-52.3%
Others	409	1,598	-74.4%
Controlling Interest	16,337	16,776	-2.6%
Non- Controlling Interest	0	0	N/A
<b>Stockholders' Equity</b>	<b>16,337</b>	<b>16,776</b>	<b>-2.6%</b>
<b>Liabilities and Stockholders' Equity</b>	<b>45,132</b>	<b>51,557</b>	<b>-12.5%</b>

**KUO S.A.B. DE C.V. AND SUBSIDIARIES**

Consolidated Statement of Income and Comprehensive Income - IFRS (Unaudited)

International Financial Reporting Standard

Second Quarter of 2023 and 2022

(Figures in millions of Mexican pesos)

Concept	2Q23	%	2Q22	%	Var.
Net Revenue	9,788	100.0%	11,471	100.0%	-14.7%
Cost of Sales	8,553	87.4%	9,958	86.8%	-14.1%
<b>Gross Profit</b>	<b>1,235</b>	<b>12.6%</b>	<b>1,513</b>	<b>13.2%</b>	<b>-18.4%</b>
Selling and Distribution Expenses	717	7.3%	714	6.2%	0.4%
Administrative Expenses	413	4.2%	464	4.0%	-11.0%
<b>General Expenses</b>	<b>1,130</b>	<b>11.5%</b>	<b>1,178</b>	<b>10.3%</b>	<b>-4.1%</b>
Participation in Joint Ventures	-200	-2.0%	-409	-3.6%	-51.1%
Other Income	-16	-0.2%	-329	-2.9%	-95.1%
<b>Operating Profit</b>	<b>321</b>	<b>3.3%</b>	<b>1,073</b>	<b>9.4%</b>	<b>-70.1%</b>
<b>EBITDA</b>	<b>1,137</b>	<b>11.6%</b>	<b>1,885</b>	<b>16.4%</b>	<b>-39.7%</b>
Interest expense - net	255	2.6%	230	2.0%	10.9%
Exchange (profit) loss - net	-402	-4.1%	17	0.1%	N/A
Other financial expenses - net	142	1.5%	37	0.3%	N/A
<b>Financial (Income) Expenses - net</b>	<b>-5</b>	<b>-0.1%</b>	<b>284</b>	<b>2.5%</b>	<b>N/A</b>
<b>Profit before Income Taxes</b>	<b>326</b>	<b>3.3%</b>	<b>789</b>	<b>6.9%</b>	<b>-58.7%</b>
Current tax	251	2.6%	221	1.9%	13.6%
Benefits deferred tax	-336	-3.4%	-215	-1.9%	56.3%
<b>Consolidated - net Profit</b>	<b>411</b>	<b>4.2%</b>	<b>783</b>	<b>6.8%</b>	<b>-47.5%</b>
Profit Attributable - Controlling Interests	411	4.2%	783	6.8%	-47.5%
<b>Other comprehensive loss, net of income tax</b>					
Cumulative translation adjustment	-8	-0.1%	0	0.0%	N/A
Derivative financial instruments	-77	-0.8%	1	0.0%	N/A
Equity in other comprehensive income of joint ventures	-412	-4.2%	-78	-0.7%	N/A
<b>Items that will be reclassified to profit or loss</b>	<b>-497</b>	<b>-5.1%</b>	<b>-77</b>	<b>-0.7%</b>	<b>N/A</b>
<b>Consolidated comprehensive (loss) income</b>	<b>-86</b>	<b>-0.9%</b>	<b>706</b>	<b>6.2%</b>	<b>N/A</b>

**KUO S.A.B. DE C.V. AND SUBSIDIARIES**

Consolidated Statement of Income and Comprehensive Income - IFRS (Unaudited)

International Financial Reporting Standard

As of June 30<sup>th</sup>, 2023, and 2022

(Figures in millions of Mexican pesos)

Concept	Accum 23	%	Accum 22	%	Var.
Net Revenue	19,799	100.0%	21,775	100.0%	-9.1%
Cost of Sales	17,354	87.7%	19,072	87.6%	-9.0%
<b>Gross Profit</b>	<b>2,445</b>	<b>12.3%</b>	<b>2,703</b>	<b>12.4%</b>	<b>-9.5%</b>
Selling and Distribution Expenses	1,466	7.4%	1,407	6.5%	4.2%
Administrative Expenses	923	4.7%	991	4.6%	-6.9%
<b>General Expenses</b>	<b>2,389</b>	<b>12.1%</b>	<b>2,398</b>	<b>11.0%</b>	<b>-0.4%</b>
Participation in Joint Ventures	-459	-2.3%	-758	-3.5%	-39.4%
Other Income	-9	0.0%	-620	-2.8%	-98.5%
<b>Operating Profit</b>	<b>524</b>	<b>2.6%</b>	<b>1,683</b>	<b>7.7%</b>	<b>-68.9%</b>
<b>EBITDA</b>	<b>2,034</b>	<b>10.3%</b>	<b>3,314</b>	<b>15.2%</b>	<b>-38.6%</b>
Interest expense - net	525	2.7%	462	2.1%	13.6%
Exchange profit - net	-869	-4.4%	-173	-0.8%	N/A
Other financial expenses - net	268	1.4%	100	0.5%	168.0%
<b>Financial (Income) Expenses - net</b>	<b>-76</b>	<b>-0.4%</b>	<b>389</b>	<b>1.8%</b>	<b>N/A</b>
<b>Profit before Income Taxes</b>	<b>600</b>	<b>3.0%</b>	<b>1,294</b>	<b>5.9%</b>	<b>-53.6%</b>
Current tax	447	2.3%	322	1.5%	38.8%
Benefits deferred tax	-496	-2.5%	-389	-1.8%	27.5%
<b>Consolidated - net Profit</b>	<b>649</b>	<b>3.3%</b>	<b>1,361</b>	<b>6.3%</b>	<b>-52.3%</b>
Profit Attributable - Controlling Interests	649	3.3%	1,361	6.3%	-52.3%
<b>Other comprehensive loss, net of income tax</b>					
Cumulative translation adjustment	-16	-0.1%	0	0.0%	N/A
Derivative financial instruments	-83	-0.4%	2	0.0%	N/A
Equity in other comprehensive income of joint ventures	-929	-4.7%	-337	-1.5%	175.7%
<b>Items that will be reclassified to profit or loss</b>	<b>-1,028</b>	<b>-5.2%</b>	<b>-335</b>	<b>-1.5%</b>	<b>N/A</b>
<b>Consolidated comprehensive (loss) income</b>	<b>-379</b>	<b>-1.9%</b>	<b>1,026</b>	<b>4.7%</b>	<b>N/A</b>

**KUO S.A.B. DE C.V. AND SUBSIDIARIES**

Consolidated Statement of Changes in Stockholders' Equity - IFRS (Unaudited)

International Financial Reporting Standard (IFRS)

For the periods ended June 30<sup>th</sup>, 2023 and 2022

(Figures in millions of Mexican pesos, except shares information)

Concept	Contributed Capital		Earned Capital		Controlling interest	Non - Controlling interest	Total Stockholders' Equity
	Capital stock	Retained earnings	Consolidated net Income	Other comprehensive income			
<b>Balances at beginning of 2022</b>	\$ 2,728	\$ 8,860	\$ 2,710	\$ 1,933	\$ 16,231	\$ -	\$ 16,231
Transfer Consolidated net Income	-	2,710	(2,710)	-	-	-	-
Dividends declared	-	(457)	-	-	(457)	-	(457)
Repurchase of ordinary shares	-	(24)	-	-	(24)	-	(24)
Consolidated comprehensive income	-	-	1,361	(335)	1,026	-	1,026
<b>Balance ending June, 2022</b>	\$ 2,728	\$ 11,089	\$ 1,361	\$ 1,598	\$ 16,776	\$ -	\$ 16,776
<b>Balances at beginning of 2023</b>	\$ 2,728	\$ 11,104	\$ 1,872	\$ 1,437	\$ 17,141	\$ -	\$ 17,141
Transfer Consolidated net Income	-	1,872	(1,872)	-	-	-	-
Dividends declared	-	(415)	-	-	(415)	-	(415)
Repurchase of ordinary shares	-	(10)	-	-	(10)	-	(10)
Consolidated comprehensive income	-	-	649	(1,028)	(379)	-	(379)
<b>Balance ending June, 2023</b>	\$ 2,728	\$ 12,551	\$ 649	\$ 409	\$ 16,337	\$ -	\$ 16,337

Number of shares 456,366,148