

## KUO ANNOUNCES 2Q24 RESULTS

Mexico City, July 16<sup>th</sup>, 2024

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 2Q24 results with \$13,021 million in Revenue and \$1,142 million in EBITDA.

“During the quarter, we noted a 21% EBITDA growth, mainly driven by Pork Meat business, which continued to show a sound performance, recording lower cost in corn and soy paste, in addition to greater dynamism in Chemical businesses. Meanwhile, Revenue recorded 3% growth, explained by higher volume in Pork Meat and Chemical businesses.

It is worth highlighting the announcement of the agreement to sell our Aftermarket business, with this transaction we seek to strengthen our financial structure, focusing on businesses with high growth potential.” Alejandro de la Barreda, KUO's CEO mentioned.

## 2Q24 HIGHLIGHTS COMPARED WITH 2Q23

As of 2Q24, accounting treatment for Aftermarket business, in accordance with the provisions of IFRS 5 “*Non-Current Assets held for Sale and Discontinued Operations*”, assets and liabilities are recorded in the Statement of Financial Position as “Assets available for sale and Liabilities associated with available assets”, while the Income Statement records Net Income of Aftermarket business as “Discontinued Operation”, for 2Q24 and 2Q23 correspondingly.

- **Revenue** of \$13,021 million, a 3% increase, explained by:
  - **Synthetic Rubber & Polymers:** higher volume of applications in both businesses.
  - **Pork Meat:** increased sales volume

This was partially offset by:

- **Herdez Del Fuerte:** lower volume of export sales.
- **Transmissions:** lower volume in several applications.

- **Exports:** 55% of total sales.

- **EBITDA** of \$1,142 million, a 21% increase, explained by:
  - **Pork Meat:** lower raw material prices, corn and soy paste.
  - **Synthetic Rubber:** increased volume coupled with a positive inventory valuation effect.
  - **Transmissions:** lower operating expenses.

This was partially offset by:

- **Herdez Del Fuerte:** increased raw material costs, underscoring avocado price, coupled with a less favorable sales mix.
- **Polymers:** lower margin in applications.

## KUO AND SUBSIDIARIES

### Proforma Combined Unaudited Results

In order to achieve a clearer valuation of the portfolio businesses, as of 2Q24, financial information of Pork Meat and Herdez Del Fuerte businesses will continue to be grouped into the “Consumer Sector”, whereas financial information of Synthetic Rubber, Polymers, and Transmissions businesses will be grouped into the “Industrial Sector”.

KUO (Figures in millions of Mexican pesos)	Second Quarter			Accumulated		
	2024	2023	Variation	2024	2023	Variation
<b>Revenue</b>	<b>13,021</b>	<b>12,625</b>	<b>3.1%</b>	<b>25,160</b>	<b>25,846</b>	<b>-2.7%</b>
Exports	7,195	7,305	-1.5%	13,917	14,703	-5.3%
<b>Operating Profit</b>	<b>534</b>	<b>219</b>	<b>144.0%</b>	<b>831</b>	<b>306</b>	<b>172.1%</b>
<i>Operating Margin</i>	<i>4.1%</i>	<i>1.7%</i>	<i>2.4 pp</i>	<i>3.3%</i>	<i>1.2%</i>	<i>2.1 pp</i>
<b>EBITDA</b>	<b>1,142</b>	<b>945</b>	<b>20.8%</b>	<b>2,037</b>	<b>1,655</b>	<b>23.1%</b>
<i>EBITDA Margin</i>	<i>8.8%</i>	<i>7.5%</i>	<i>1.3 pp</i>	<i>8.1%</i>	<i>6.4%</i>	<i>1.7 pp</i>
<b>Net Majority Income</b>	<b>-179</b>	<b>411</b>	<b>N/A</b>	<b>8</b>	<b>649</b>	<b>-98.8%</b>

REVENUE (Figures in millions of Mexican pesos)	Second Quarter			Accumulated		
	2024	2023	Variation	2024	2023	Variation
<b>Consumer</b>	<b>6,964</b>	<b>6,798</b>	<b>2.5%</b>	<b>13,639</b>	<b>13,955</b>	<b>-2.3%</b>
<b>Industrial</b>	<b>5,987</b>	<b>5,767</b>	<b>3.8%</b>	<b>11,375</b>	<b>11,764</b>	<b>-3.3%</b>
<b>Total</b>	<b>13,021</b>	<b>12,625</b>	<b>3.1%</b>	<b>25,160</b>	<b>25,846</b>	<b>-2.7%</b>

EBITDA (Figures in millions of Mexican pesos)	Second Quarter			Accumulated		
	2024	2023	Variation	2024	2023	Variation
<b>Consumer</b>	<b>650</b>	<b>292</b>	<b>122.6%</b>	<b>1,176</b>	<b>664</b>	<b>77.2%</b>
<b>Industrial</b>	<b>474</b>	<b>522</b>	<b>-9.1%</b>	<b>849</b>	<b>900</b>	<b>-5.6%</b>
<b>Total</b>	<b>1,142</b>	<b>945</b>	<b>20.8%</b>	<b>2,037</b>	<b>1,655</b>	<b>23.1%</b>

## PROFORMA COMBINED REVENUE AND EXPORTS

During 2Q24, Revenue reached \$13,021 million, a 3% growth when compared to 2Q23, mainly explained by increased volume in Pork Meat, in addition to higher volume in applications for asphalts and adhesives segments in Synthetic Rubber, food packaging, construction, pharmaceutical, and higher chemical distribution in Polymers. This offset lower sales in Megamex and Transmissions.

The percentage of exports in total Revenue for the quarter reached 55%.

## PROFORMA COMBINED OPERATING RESULT AND EBITDA

During 2Q24, Operating Result and EBITDA experienced a significant growth of 144% and 21%, reaching \$534 million and \$1,142 million, correspondingly. This growth is largely explained by the performance of Pork Meat business, which recorded lower costs. This, in addition to a positive inventory valuation effect in Chemical businesses, as well as lower operating expenses in Transmissions.

This offset increased raw material costs, underscoring avocado price, coupled with a less favorable sales mix in Herdez Del Fuerte, as well as lower margin in Polymers.

Operating and EBITDA margins were 4.1% and 8.8%, correspondingly.

## PROFORMA COMBINED FINANCIAL EXPENSES

During 2Q24 KUO recorded Net Financial Expenses of \$852 million, largely explained by an exchange loss of \$566 million due to the peso depreciation against the US dollar during the quarter, which compares with an exchange gain of (\$383) recorded in 2Q23.

## PROFORMA COMBINED INCOME TAXES

Tax provision of \$25 million comprised by \$65 million in current taxes and deferred taxes of (\$40) million.

## NET MAJORITY LOSS (CONTROLLING INTEREST)

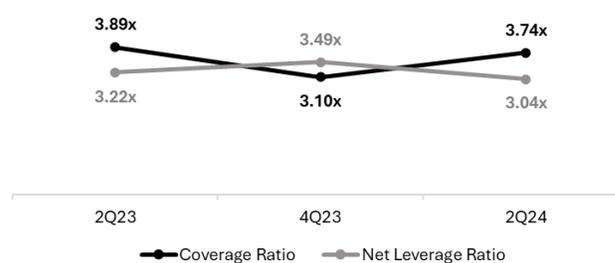
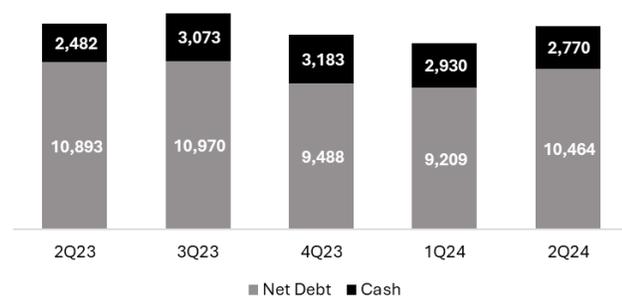
Net Majority Loss (Controlling Interest) of \$179 million, a figure which compares unfavorably with the \$411 million Net Majority Income recorded in 2Q23, mainly explained by the exchange rate loss recorded during the quarter.

## PROFORMA COMBINED INVESTMENT IN PRODUCTIVE ASSETS

Investment in productive assets throughout 2Q24 totaled \$310 million. This amount was mainly allocated to Synthetic Rubber and Pork Meat businesses.

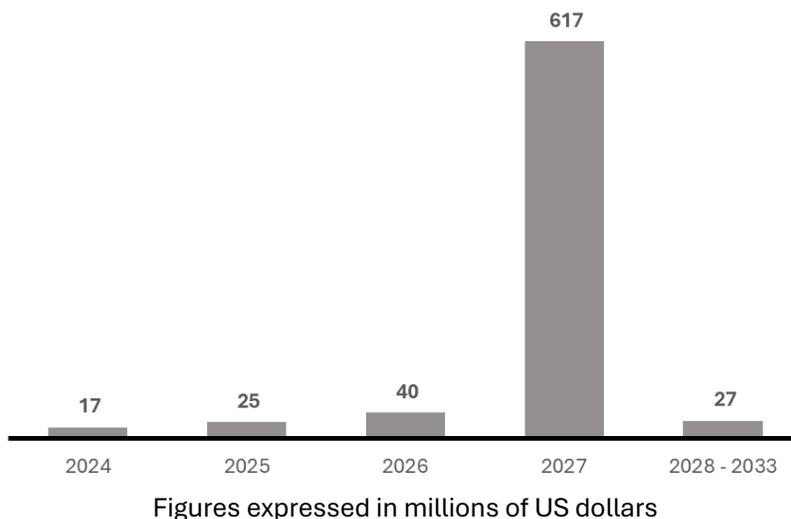
## PROFORMA COMBINED NET DEBT

At the end of 2Q24, net leverage ratio reached 3.04x<sup>1</sup>, coverage ratio 3.74x<sup>1</sup>, and capitalization ratio 0.47x<sup>1</sup>. Average cost of debt at the end of the quarter was 6.3%.



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

Following is the debt profile at the end of June:



**BUY-BACK PROGRAM**

During 2Q24, buy-back program purchased 14,082 series B shares, closing the quarter with a total of 18,594,503 series B shares, and 414,411 series A shares.

## PROFORMA COMBINED RESULTS BY SECTOR

<b>CONSUMER</b> (Figures in millions of Mexican pesos)	<b>Second Quarter</b>			<b>Accumulated</b>		
	<b>2024</b>	<b>2023</b>	<b>Variation</b>	<b>2024</b>	<b>2023</b>	<b>Variation</b>
<b>Revenue</b>	<b>6,964</b>	<b>6,798</b>	<b>2.5%</b>	<b>13,639</b>	<b>13,955</b>	<b>-2.3%</b>
<b>Operating Profit</b>	<b>410</b>	<b>63</b>	<b>552.2%</b>	<b>692</b>	<b>199</b>	<b>247.5%</b>
Operating Margin	5.9%	0.9%	5 pp	5.1%	1.4%	3.7 pp
<b>EBITDA</b>	<b>650</b>	<b>292</b>	<b>122.6%</b>	<b>1,176</b>	<b>664</b>	<b>77.2%</b>
EBITDA Margin	9.3%	4.3%	5 pp	8.6%	4.8%	3.8 pp

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

Consumer sector recorded 2% Revenue increase, mainly explained by higher volume in Pork Meat business.

Herdez Del Fuerte recorded increased volume in tomato puree, vegetables, and mole categories in domestic market, which partially offset lower dynamism in Megamex.

EBITDA recorded a strong 123% growth explained by the sound performance of Pork Meat business, with lower prices in raw materials such as corn and soy paste. This offset increased raw material costs, underscoring avocado price, coupled with a less favorable sales mix in Herdez Del Fuerte.

Operating and EBITDA margins during 2Q24 were 5.9% and 9.3% correspondingly.

<b>INDUSTRIAL</b> (Figures in millions of Mexican pesos)	<b>Second Quarter</b>			<b>Accumulated</b>		
	<b>2024</b>	<b>2023</b>	<b>Variation</b>	<b>2024</b>	<b>2023</b>	<b>Variation</b>
<b>Revenue</b>	<b>5,987</b>	<b>5,767</b>	<b>3.8%</b>	<b>11,375</b>	<b>11,764</b>	<b>-3.3%</b>
<b>Operating Profit</b>	<b>126</b>	<b>130</b>	<b>-3.2%</b>	<b>166</b>	<b>134</b>	<b>24.1%</b>
Operating Margin	2.1%	2.3%	-0.2 pp	1.5%	1.1%	0.4 pp
<b>EBITDA</b>	<b>474</b>	<b>522</b>	<b>-9.1%</b>	<b>849</b>	<b>900</b>	<b>-5.6%</b>
EBITDA Margin	7.9%	9.0%	-1.1 pp	7.5%	7.6%	-0.1 pp

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

In order to achieve a clearer valuation of the portfolio businesses, as of 2Q24, financial information of Synthetic Rubber, Polymers, and Transmissions businesses will be grouped into the "Industrial Sector".

Industrial sector recorded a 4% growth during the quarter, explained by increased volume in applications for asphalts and adhesives in Synthetic Rubber, food packaging, construction, and pharmaceutical, in addition to higher chemical distribution in Polymers, which offset lower demand in Transmissions.

EBITDA recorded a 9% decrease derived from lower margin in Polymers business, which was partially offset by a positive inventory valuation effect in both chemical businesses, increased volume in Synthetic Rubber, in addition to lower operating expenses in Transmissions business.

Operating and EBITDA margins during 2Q24 were 2.1% and 7.9% correspondingly.

## ABOUT KUO

KUO is a leading industrial conglomerate in Mexico, with annual sales amounting approximately \$55,000 million as of December 31st, 2023, exports to around 70 countries across every continent and approximately 25,000 employees. Its business portfolio includes two sectors: Consumer and Industrial.

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.

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>, 2024, and 2023  
(Figures in millions of Mexican pesos)

Concept	Jun-24	Jun-23	%
Cash and Cash Equivalents	2,770	2,482	11.6%
Accounts and Documents Receivable, net	8,603	8,692	-1.0%
Inventories, net	8,653	11,395	-24.1%
Assets classified as held for sale	3,747	0	N/A
Other Current Assets	2,268	2,175	4.3%
<b>Current Assets</b>	<b>26,041</b>	<b>24,744</b>	<b>5.2%</b>
Property, Plant and Equipment, net	16,208	16,304	-0.6%
Right of use Assets	1,333	1,549	-13.9%
Goodwill, Patents and Trademarks	2,583	2,573	0.4%
Projects and Capitalized development	3,045	3,164	-3.8%
Investments in Shares	6	15	-60.0%
Other Non-Current Assets	3,637	3,618	0.5%
<b>Total non - current Assets</b>	<b>26,812</b>	<b>27,223</b>	<b>-1.5%</b>
<b>Total Assets</b>	<b>52,853</b>	<b>51,967</b>	<b>1.7%</b>
Bank Loans and Current Portion of long-Term Debt	530	1,198	-55.8%
Accounts and Notes Payable Suppliers	11,947	12,677	-5.8%
Liabilities directly associated with assets classified as held for sale	1,668	0	N/A
Accrued Liabilities and Other accounts payable	5,980	5,965	0.3%
<b>Current Liabilities</b>	<b>20,125</b>	<b>19,840</b>	<b>1.4%</b>
Long-Term Debt	12,704	12,177	4.3%
Other Non-Current Liabilities	3,172	3,608	-12.1%
<b>Total non - current Liabilities</b>	<b>15,876</b>	<b>15,785</b>	<b>0.6%</b>
<b>Total Liabilities</b>	<b>36,001</b>	<b>35,625</b>	<b>1.1%</b>
Capital Stock	2,728	2,728	0.0%
Retained Earnings	13,255	12,551	5.6%
Profit for the year	8	649	-98.8%
Others	856	409	109.3%
Controlling Interest	16,847	16,337	3.1%
Non- Controlling Interest	5	5	0.0%
<b>Stockholders' Equity</b>	<b>16,852</b>	<b>16,342</b>	<b>3.1%</b>
<b>Liabilities and Stockholders' Equity</b>	<b>52,853</b>	<b>51,967</b>	<b>1.7%</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 2024 and 2023

(Figures in millions of Mexican pesos)

Concept	2Q24	%	2Q23	%	Var.
Net Revenue	13,021	100.0%	12,625	100.0%	3.1%
Cost of Sales	10,648	81.8%	10,645	84.3%	0.0%
<b>Gross Profit</b>	<b>2,373</b>	<b>18.2%</b>	<b>1,980</b>	<b>15.7%</b>	<b>19.8%</b>
Selling and Distribution Expenses	1,281	9.8%	1,264	10.0%	1.3%
Administrative Expenses	603	4.6%	527	4.2%	14.4%
<b>General Expenses</b>	<b>1,884</b>	<b>14.5%</b>	<b>1,791</b>	<b>14.2%</b>	<b>5.2%</b>
Other Income	-45	-0.3%	-30	-0.2%	50.0%
<b>Operating Profit</b>	<b>534</b>	<b>4.1%</b>	<b>219</b>	<b>1.7%</b>	<b>143.8%</b>
<b>EBITDA</b>	<b>1,142</b>	<b>8.8%</b>	<b>945</b>	<b>7.5%</b>	<b>20.8%</b>
Interest expense - net	241	1.9%	273	2.2%	-11.7%
Exchange loss (profit) - net	566	4.3%	-383	-3.0%	N/A
Other financial expenses - net	45	0.3%	93	0.7%	-51.6%
<b>Financial Expenses (Income) - net</b>	<b>852</b>	<b>6.5%</b>	<b>-17</b>	<b>-0.1%</b>	<b>N/A</b>
<b>(Loss) Profit before Income Taxes</b>	<b>-318</b>	<b>-2.4%</b>	<b>236</b>	<b>1.9%</b>	<b>N/A</b>
Current tax	65	0.5%	317	2.5%	-79.5%
Benefits deferred tax	-40	-0.3%	-352	-2.8%	-88.6%
<b>(Loss) Profit from Continuing Operations</b>	<b>-343</b>	<b>-2.6%</b>	<b>271</b>	<b>2.1%</b>	<b>N/A</b>
Profit from Discontinued Operations - net	163	1.3%	140	1.1%	16.4%
<b>Consolidated - net (Loss) Profit</b>	<b>-180</b>	<b>-1.4%</b>	<b>411</b>	<b>3.3%</b>	<b>N/A</b>
Loss Attributable to Non - Controlling Interests	-1	0.0%	0	0.0%	N/A
(Loss) Profit Attributable - Controlling Interests	-179	-1.4%	411	3.3%	N/A
<b>Other comprehensive loss, net of income tax</b>					
Cumulative translation adjustment	527	4.0%	-420	-3.3%	N/A
Derivative financial instruments	-2	0.0%	-77	-0.6%	-97.4%
<b>Items that will be reclassified to profit or loss</b>	<b>525</b>	<b>4.0%</b>	<b>-497</b>	<b>-3.9%</b>	<b>N/A</b>
<b>Consolidated comprehensive income (loss)</b>	<b>345</b>	<b>2.6%</b>	<b>-86</b>	<b>-0.7%</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>, 2024 and 2023

(Figures in millions of Mexican pesos)

Concept	Accum 24	%	Accum 23	%	Var.
Net Revenue	25,160	100.0%	25,846	100.0%	-2.7%
Cost of Sales	20,651	82.1%	21,896	84.7%	-5.7%
<b>Gross Profit</b>	<b>4,509</b>	<b>17.9%</b>	<b>3,950</b>	<b>15.3%</b>	<b>14.2%</b>
Selling and Distribution Expenses	2,526	10.0%	2,546	9.9%	-0.8%
Administrative Expenses	1,195	4.7%	1,128	4.4%	5.9%
<b>General Expenses</b>	<b>3,721</b>	<b>14.8%</b>	<b>3,674</b>	<b>14.2%</b>	<b>1.3%</b>
Other Income	-43	-0.2%	-30	-0.1%	43.3%
<b>Operating Profit</b>	<b>831</b>	<b>3.3%</b>	<b>306</b>	<b>1.2%</b>	<b>171.6%</b>
<b>EBITDA</b>	<b>2,037</b>	<b>8.1%</b>	<b>1,655</b>	<b>6.4%</b>	<b>23.1%</b>
Interest expense - net	467	1.9%	561	2.2%	-16.8%
Exchange loss (profit) - net	620	2.5%	-836	-3.2%	N/A
Other financial expenses - net	97	0.4%	159	0.6%	-39.0%
<b>Financial Expenses (Income) - net</b>	<b>1,184</b>	<b>4.7%</b>	<b>-116</b>	<b>-0.4%</b>	<b>N/A</b>
<b>(Loss) Profit before Income Taxes</b>	<b>-353</b>	<b>-1.4%</b>	<b>422</b>	<b>1.6%</b>	<b>N/A</b>
Current tax	182	0.7%	642	2.5%	-71.7%
Benefits deferred tax	-222	-0.9%	-611	-2.4%	-63.7%
<b>(Loss) Profit from Continuing Operations</b>	<b>-313</b>	<b>-1.2%</b>	<b>391</b>	<b>1.5%</b>	<b>N/A</b>
Profit from Discontinued Operations - net	320	1.3%	258	1.0%	24.0%
<b>Consolidated - net Profit</b>	<b>7</b>	<b>0.0%</b>	<b>649</b>	<b>2.5%</b>	<b>-98.9%</b>
Loss Attributable to Non - Controlling Interests	-1	0.0%	0	0.0%	N/A
Profit Attributable - Controlling Interests	8	0.0%	649	2.5%	-98.8%
<b>Other comprehensive loss, net of income tax</b>					
Cumulative translation adjustment	334	1.3%	-945	-3.7%	N/A
Derivative financial instruments	2	0.0%	-83	-0.3%	N/A
<b>Items that will be reclassified to profit or loss</b>	<b>336</b>	<b>1.3%</b>	<b>-1,028</b>	<b>-4.0%</b>	<b>N/A</b>
<b>Consolidated comprehensive income (loss)</b>	<b>343</b>	<b>1.4%</b>	<b>-379</b>	<b>-1.5%</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>, 2024 and 2023

(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 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>	<b>\$ 2,728</b>	<b>\$ 12,551</b>	<b>\$ 649</b>	<b>\$ 409</b>	<b>\$ 16,337</b>	<b>\$ 5</b>	<b>\$ 16,342</b>	
<b>Balances at beginning of 2024</b>	<b>\$ 2,728</b>	<b>\$ 12,546</b>	<b>\$ 736</b>	<b>\$ 484</b>	<b>\$ 16,494</b>	<b>\$ 5</b>	<b>\$ 16,499</b>	
Transfer Consolidated net Income	-	736	(736)	-	-	-	-	
Repurchase of ordinary shares	-	10	-	-	10	-	10	
Transfer to retained earnings	-	(37)	-	37	-	-	-	
Consolidated comprehensive income	-	-	8	335	343	-	343	
<b>Balance ending June, 2024</b>	<b>\$ 2,728</b>	<b>\$ 13,255</b>	<b>\$ 8</b>	<b>\$ 856</b>	<b>\$ 16,847</b>	<b>\$ 5</b>	<b>\$ 16,852</b>	

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>, 2024, and 2023

(Figures in millions of Mexican pesos)

Concept	Jun-24	Jun-23	%
Cash and Cash Equivalents	1,510	1,469	2.8%
Accounts and Documents Receivable, net	3,993	4,212	-5.2%
Inventories, net	5,395	7,814	-31.0%
Assets classified as held for sale	3,747	0	N/A
Other Current Assets	2,180	2,123	2.7%
<b>Current Assets</b>	<b>16,825</b>	<b>15,618</b>	<b>7.7%</b>
Property, Plant and Equipment, net	10,425	11,180	-6.8%
Right of use Assets	930	1,293	-28.1%
Goodwill, Patents and Trademarks	336	355	-5.4%
Projects and Capitalized development	2,851	3,104	-8.2%
Investments in Shares	10,380	10,318	0.6%
Other Non-Current Assets	3,287	3,264	0.7%
<b>Total non - current Assets</b>	<b>28,209</b>	<b>29,514</b>	<b>-4.4%</b>
<b>Total Assets</b>	<b>45,034</b>	<b>45,132</b>	<b>-0.2%</b>
Bank Loans and Current Portion of long-Term Debt	132	541	-75.6%
Accounts and Notes Payable Suppliers	7,285	8,324	-12.5%
Liabilities directly associated with assets classified as held for sale	1,668	0	N/A
Accrued Liabilities and Other accounts payable	4,600	4,821	-4.6%
<b>Current Liabilities</b>	<b>13,685</b>	<b>13,686</b>	<b>0.0%</b>
Long-Term Debt	11,914	11,927	-0.1%
Other Non-Current Liabilities	2,588	3,182	-18.7%
<b>Total non - current Liabilities</b>	<b>14,502</b>	<b>15,109</b>	<b>-4.0%</b>
<b>Total Liabilities</b>	<b>28,187</b>	<b>28,795</b>	<b>-2.1%</b>
Capital Stock	2,728	2,728	0.0%
Retained Earnings	13,255	12,551	5.6%
Profit for the year	8	649	-98.8%
Others	856	409	109.3%
Controlling Interest	16,847	16,337	3.1%
Non- Controlling Interest	0	0	N/A
<b>Stockholders' Equity</b>	<b>16,847</b>	<b>16,337</b>	<b>3.1%</b>
<b>Liabilities and Stockholders' Equity</b>	<b>45,034</b>	<b>45,132</b>	<b>-0.2%</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 2024 and 2023

(Figures in millions of Mexican pesos)

Concept	2Q24	%	2Q23	%	Var.
Net Revenue	8,916	100.0%	8,593	100.0%	3.8%
Cost of Sales	7,602	85.3%	7,694	89.5%	-1.2%
<b>Gross Profit</b>	<b>1,314</b>	<b>14.7%</b>	<b>899</b>	<b>10.5%</b>	<b>46.2%</b>
Selling and Distribution Expenses	691	7.8%	661	7.7%	4.5%
Administrative Expenses	383	4.3%	303	3.5%	26.4%
<b>General Expenses</b>	<b>1,074</b>	<b>12.0%</b>	<b>964</b>	<b>11.2%</b>	<b>11.4%</b>
Participation in Joint Ventures	-120	-1.3%	-200	-2.3%	-40.0%
Other Income	-53	-0.6%	-15	-0.2%	N/A
<b>Operating Profit</b>	<b>413</b>	<b>4.6%</b>	<b>150</b>	<b>1.7%</b>	<b>175.3%</b>
<b>EBITDA</b>	<b>1,142</b>	<b>12.8%</b>	<b>945</b>	<b>11.0%</b>	<b>20.8%</b>
Interest expense - net	210	2.4%	249	2.9%	-15.7%
Exchange loss (profit) - net	567	6.4%	-379	-4.4%	N/A
Other financial expenses - net	87	1.0%	122	1.4%	-28.7%
<b>Financial Expenses (Income) - net</b>	<b>864</b>	<b>9.7%</b>	<b>-8</b>	<b>-0.1%</b>	<b>N/A</b>
<b>(Loss) Profit before Income Taxes</b>	<b>-451</b>	<b>-5.1%</b>	<b>158</b>	<b>1.8%</b>	<b>N/A</b>
Current tax	5	0.1%	212	2.5%	-97.6%
Benefits deferred tax	-114	-1.3%	-325	-3.8%	-64.9%
<b>(Loss) Profit from Continuing Operations</b>	<b>-342</b>	<b>-3.8%</b>	<b>271</b>	<b>3.2%</b>	<b>N/A</b>
Profit from Discontinued Operations - net	163	1.8%	140	1.6%	16.4%
<b>Consolidated - net (Loss) Profit</b>	<b>-179</b>	<b>-2.0%</b>	<b>411</b>	<b>4.8%</b>	<b>N/A</b>
(Loss) Profit Attributable - Controlling Interests	-179	-2.0%	411	4.8%	N/A
<b>Other comprehensive loss, net of income tax</b>					
Cumulative translation adjustment	-32	-0.4%	-8	-0.1%	N/A
Derivative financial instruments	-2	0.0%	-77	-0.9%	-97.4%
Equity in other comprehensive income of joint ventures	559	6.3%	-412	-4.8%	N/A
<b>Items that will be reclassified to profit or loss</b>	<b>525</b>	<b>5.9%</b>	<b>-497</b>	<b>-5.8%</b>	<b>N/A</b>
<b>Consolidated comprehensive income (loss)</b>	<b>346</b>	<b>3.9%</b>	<b>-86</b>	<b>-1.0%</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>, 2024 and 2023

(Figures in millions of Mexican pesos)

Concept	Accum 24	%	Accum 23	%	Var.
Net Revenue	17,116	100.0%	17,425	100.0%	-1.8%
Cost of Sales	14,738	86.1%	15,649	89.8%	-5.8%
<b>Gross Profit</b>	<b>2,378</b>	<b>13.9%</b>	<b>1,776</b>	<b>10.2%</b>	<b>33.9%</b>
Selling and Distribution Expenses	1,343	7.8%	1,356	7.8%	-1.0%
Administrative Expenses	779	4.6%	700	4.0%	11.3%
<b>General Expenses</b>	<b>2,122</b>	<b>12.4%</b>	<b>2,056</b>	<b>11.8%</b>	<b>3.2%</b>
Participation in Joint Ventures	-339	-2.0%	-459	-2.6%	-26.1%
Other Income	-58	-0.3%	-6	0.0%	N/A
<b>Operating Profit</b>	<b>653</b>	<b>3.8%</b>	<b>185</b>	<b>1.1%</b>	<b>N/A</b>
<b>EBITDA</b>	<b>2,037</b>	<b>11.9%</b>	<b>1,655</b>	<b>9.5%</b>	<b>23.1%</b>
Interest expense - net	409	2.4%	512	2.9%	-20.1%
Exchange loss (profit) - net	626	3.7%	-831	-4.8%	N/A
Other financial expenses - net	179	1.0%	224	1.3%	-20.1%
<b>Financial Expenses (Income) - net</b>	<b>1,214</b>	<b>7.1%</b>	<b>-95</b>	<b>-0.5%</b>	<b>N/A</b>
<b>(Loss) Profit before Income Taxes</b>	<b>-561</b>	<b>-3.3%</b>	<b>280</b>	<b>1.6%</b>	<b>N/A</b>
Current tax	34	0.2%	380	2.2%	-91.1%
Benefits deferred tax	-283	-1.7%	-491	-2.8%	-42.4%
<b>(Loss) Profit from Continuing Operations</b>	<b>-312</b>	<b>-1.8%</b>	<b>391</b>	<b>2.2%</b>	<b>N/A</b>
Profit from Discontinued Operations - net	320	1.9%	258	1.5%	24.0%
<b>Consolidated - net Profit</b>	<b>8</b>	<b>0.0%</b>	<b>649</b>	<b>3.7%</b>	<b>-98.8%</b>
Profit Attributable - Controlling Interests	8	0.0%	649	3.7%	-98.8%
<b>Other comprehensive loss, net of income tax</b>					
Cumulative translation adjustment	-39	-0.2%	-16	-0.1%	143.8%
Derivative financial instruments	2	0.0%	-83	-0.5%	N/A
Equity in other comprehensive income of joint ventures	372	2.2%	-929	-5.3%	N/A
<b>Items that will be reclassified to profit or loss</b>	<b>335</b>	<b>2.0%</b>	<b>-1,028</b>	<b>-5.9%</b>	<b>N/A</b>
<b>Consolidated comprehensive income (loss)</b>	<b>343</b>	<b>2.0%</b>	<b>-379</b>	<b>-2.2%</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>, 2024 and 2023

(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 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
<b>Balances at beginning of 2024</b>	\$ 2,728	\$ 12,546	\$ 736	\$ 484	\$ 16,494	\$ -	\$ 16,494
Transfer Consolidated net Income	-	736	(736)	-	-	-	-
Repurchase of ordinary shares	-	10	-	-	10	-	10
Transfer to retained earnings	-	(37)	-	37	-	-	-
Consolidated comprehensive income	-	-	8	335	343	-	343
<b>Balance ending June, 2024</b>	\$ 2,728	\$ 13,255	\$ 8	\$ 856	\$ 16,847	\$ -	\$ 16,847

Number of shares 456,366,148