

## KUO ANNOUNCES 3Q23 RESULTS

Mexico City, October 17<sup>th</sup>, 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 3Q23 results with \$13,348 million in Revenue and \$1,034 million in EBITDA.

"During the quarter, we noticed a contraction in EBITDA largely explained by the performance of Chemical sector businesses, derived from a negative inventories devaluation effect per the downward trend in main raw materials prices, butadiene (-60%) and styrene (-34%), the peso appreciation against US dollar, in addition to a global oversupply of Asian products. This was partially offset by the high dynamism of Herdez Del Fuerte, Megamex, and Aftermarket businesses. Also, maintaining our vision of value creation, the recent acquisition of Electric GT, will enable Transmissions to enter the electrification market." Alejandro de la Barreda, KUO's CEO mentioned.

### 3Q23 HIGHLIGHTS COMPARED WITH 3Q22

- **Revenue** of \$13,348 million, a 22% 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, coupled with a global oversupply of Asian products.
  - **Pork Meat:** lower volume and prices.
  - **Transmissions:** transmissions and components' volume at the same level as the previous year, affected by the negative exchange rate impact of the peso against US dollar.

This was partially offset by:

- **Herdez Del Fuerte:** increased selling prices and volume mainly in tomato puree, mole, vegetables, and salsas categories in domestic market, in addition to guacamole and salsas in Megamex.
  - **Aftermarket:** higher sales in all business lines.
- **Exports:** 51% of total sales.
  - **EBITDA** of \$1,034 million, a 33% 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 \$114 million, which compares with an inventories' revaluation effect of \$28 million registered in the same period last year, representing a \$142 million variation.
    - **Transmissions:** negative exchange rate impact of the peso against US dollar.

This was partially offset by:

    - **Herdez Del Fuerte:** improved sales mix and operating efficiencies, coupled with lower avocado price.
    - **Pork Meat:** decreased raw material prices, combined with operating efficiencies.
    - **Aftermarket:** increased sales of brakes, engine, and power train parts, combined with greater absorption.
  - During the quarter, the acquisition of Electric GT took place, a supplier of comprehensive electrical systems' for high performance vehicles.

## KUO AND SUBSIDIARIES

### Proforma Combined Unaudited Results

KUO (Figures in millions of Mexican pesos)	Third Quarter			Accumulated		
	2023	2022	Variation	2023	2022	Variation
<b>Revenue</b>	<b>13,348</b>	<b>17,087</b>	<b>-21.9%</b>	<b>41,568</b>	<b>48,717</b>	<b>-14.7%</b>
Exports	6,827	9,221	-26.0%	21,719	26,900	-19.3%
<b>Operating Profit</b>	<b>432</b>	<b>870</b>	<b>-50.4%</b>	<b>1,076</b>	<b>2,826</b>	<b>-61.9%</b>
<i>Operating Margin</i>	<i>3.2%</i>	<i>5.1%</i>	<i>-1.9 pp</i>	<i>2.6%</i>	<i>5.8%</i>	<i>-3.2 pp</i>
<b>EBITDA</b>	<b>1,034</b>	<b>1,552</b>	<b>-33.3%</b>	<b>3,068</b>	<b>4,865</b>	<b>-36.9%</b>
<i>EBITDA Margin</i>	<i>7.7%</i>	<i>9.1%</i>	<i>-1.4 pp</i>	<i>7.4%</i>	<i>10.0%</i>	<i>-2.6 pp</i>
<b>Net Majority Result</b>	<b>-156</b>	<b>341</b>	<b>N/A</b>	<b>493</b>	<b>1,702</b>	<b>-71.0%</b>

REVENUE (Figures in millions of Mexican pesos)	Third Quarter			Accumulated		
	2023	2022	Variation	2023	2022	Variation
<b>Consumer</b>	<b>6,766</b>	<b>7,686</b>	<b>-12.0%</b>	<b>20,721</b>	<b>20,313</b>	<b>2.0%</b>
<b>Chemical</b>	<b>2,687</b>	<b>5,182</b>	<b>-48.1%</b>	<b>9,158</b>	<b>16,167</b>	<b>-43.3%</b>
<b>Automotive</b>	<b>3,807</b>	<b>4,160</b>	<b>-8.5%</b>	<b>11,474</b>	<b>12,059</b>	<b>-4.9%</b>
<b>Total</b>	<b>13,348</b>	<b>17,087</b>	<b>-21.9%</b>	<b>41,568</b>	<b>48,717</b>	<b>-14.7%</b>

EBITDA (Figures in millions of Mexican pesos)	Third Quarter			Accumulated		
	2023	2022	Variation	2023	2022	Variation
<b>Consumer</b>	<b>491</b>	<b>444</b>	<b>10.5%</b>	<b>1,155</b>	<b>1,294</b>	<b>-10.7%</b>
<b>Chemical</b>	<b>-21</b>	<b>641</b>	<b>N/A</b>	<b>523</b>	<b>2,285</b>	<b>-77.1%</b>
<b>Automotive</b>	<b>557</b>	<b>459</b>	<b>21.3%</b>	<b>1,291</b>	<b>1,293</b>	<b>-0.2%</b>
<b>Total</b>	<b>1,034</b>	<b>1,552</b>	<b>-33.3%</b>	<b>3,068</b>	<b>4,865</b>	<b>-36.9%</b>

## PROFORMA COMBINED REVENUE AND EXPORTS

During 3Q23, Revenue reached \$13,348 million, a 22% decrease when compared to 3Q22, 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. Lower volume and price in Pork Meat, 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 the portfolio Revenue.

This was partially offset by higher selling prices and volume in Herdez Del Fuerte, mainly in tomato puree, vegetables, 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 to total Revenue for the quarter reached 51%.

## PROFORMA COMBINED OPERATING RESULT AND EBITDA

During 3Q23, Operating Result and EBITDA decreased 50% and 33%, reaching \$432 million and \$1,034 million, correspondingly. This contraction is largely explained by lower sales in Chemical businesses, joined with a negative inventories' devaluation effect, in addition to a negative exchange rate impact due to the peso appreciation against US dollar during the quarter.

This was partially offset by the improved performance of Herdez Del Fuerte, Megamex, Pork Meat and Aftermarket businesses.

Operating and EBITDA margins were 3.2% and 7.7%, correspondingly.

## PROFORMA COMBINED FINANCIAL EXPENSES

Throughout 3Q23 KUO recorded Net Financial Expenses of \$498 million, largely explained by an exchange rate loss due to the peso depreciation against US dollar during the quarter, in addition to higher interests paid.

## PROFORMA COMBINED INCOME TAXES

Tax provision of \$90 million comprised by \$160 million in current taxes and deferred taxes of (\$70) million.

## NET MAJORITY LOSS (CONTROLLING INTEREST)

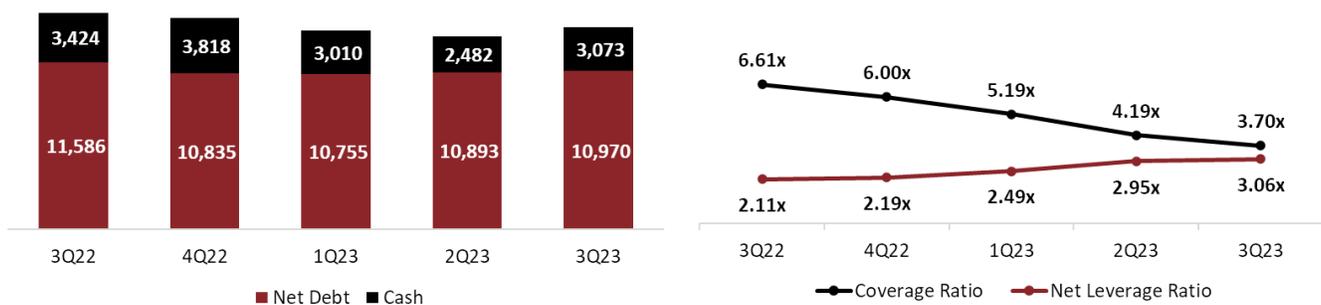
Net Majority Loss (Controlling Interest) of \$156 million, a figure that compares negatively with the \$341 million income recorded in 3Q22, mainly explained by the results of portfolio businesses.

## PROFORMA COMBINED INVESTMENT IN PRODUCTIVE ASSETS

Investment in productive assets throughout 3Q23 totaled \$407 million, this amount was mainly allocated in Synthetic Rubber, Herdez Del Fuerte, and Pork Meat businesses.

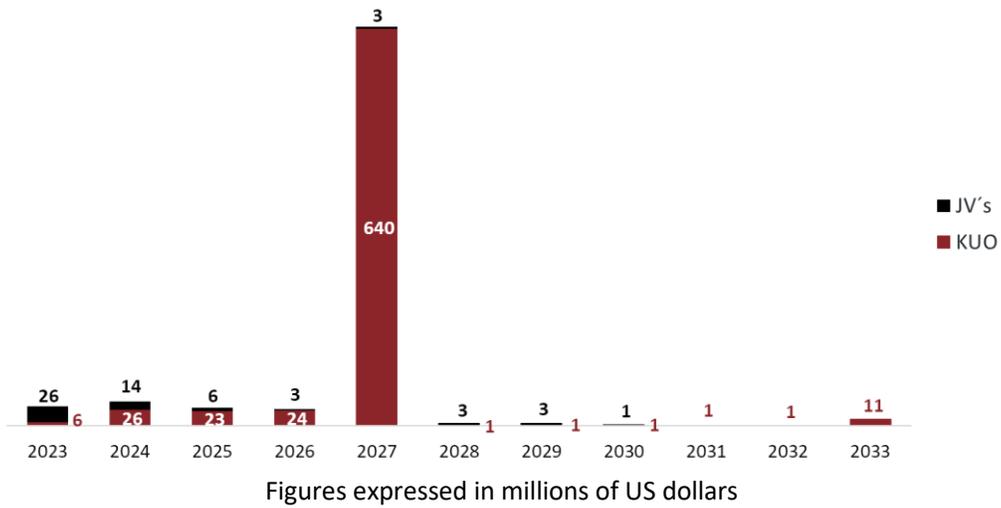
## PROFORMA COMBINED NET DEBT

At the end of 3Q23, net leverage ratio reached 3.06x<sup>1</sup>, coverage ratio 3.70x<sup>1</sup>, and capitalization ratio 0.49x<sup>1</sup>. Average cost of debt at the end of the quarter was 6.7%.



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

Following is the debt profile at the end of September:



**BUY-BACK PROGRAM**

During 3Q23, buy-back program purchased 8,971 series B shares, closing the quarter with a total of 18,328,167 series B shares, and 414,079 series A shares.

## PROFORMA COMBINED RESULTS BY SECTOR

CONSUMER	Third Quarter			Accumulated			
	(Figures in millions of Mexican pesos)	2023	2022	Variation	2023	2022	Variation
Revenue		6,766	7,686	-12.0%	20,721	20,313	2.0%
Operating Profit		260	233	11.7%	459	667	-31.1%
Operating Margin		3.8%	3.0%	0.8 pp	2.2%	3.3%	-1.1 pp
EBITDA		491	444	10.5%	1,155	1,294	-10.7%
EBITDA Margin		7.3%	5.8%	1.5 pp	5.6%	6.4%	-0.8 pp

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

Consumer sector recorded 12% Revenue decrease during the quarter, explained by lower volume and prices in Pork Meat, which was partially offset by higher prices and volume in Herdez Del Fuerte underscoring tomato puree, vegetables, mole, and salsas categories in domestic market, along with salsas and guacamole in Megamex.

EBITDA recorded 11% growth, underscoring lower raw material prices such as yellow corn and soy paste, joined with operating efficiencies in Pork Meat, along with an improved sales mix, operating efficiencies, and lower raw material prices, mainly avocado, in Herdez Del Fuerte.

Operating and EBITDA margins were 3.8% and 7.3% correspondingly.

CHEMICAL	Third Quarter			Accumulated			
	(Figures in millions of Mexican pesos)	2023	2022	Variation	2023	2022	Variation
Revenue		2,687	5,182	-48.1%	9,158	16,167	-43.3%
Operating Result		-128	508	N/A	176	1,876	-90.6%
Operating Margin		-4.8%	9.8%	-14.6 pp	1.9%	11.6%	-9.7 pp
EBITDA		-21	641	N/A	523	2,285	-77.1%
EBITDA Margin		-0.8%	12.4%	-13.2 pp	5.7%	14.1%	-8.4 pp

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

Chemical sector recorded 48% Revenue decline during the quarter, explained by lower selling prices and volume in applications in both businesses, per the downward price curve in the industry, a global oversupply of Asian products, joined with a negative exchange rate effect due to the peso appreciation against US dollar during the period.

EBITDA recorded a significant 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 (-60%) and styrene (-34%) of \$114 million, which compares with an inventories revaluation effect of \$28 million recorded in 3Q22, which represents an EBITDA variation of \$142 million.

Operating and EBITDA margins were -4.8% and -0.8% correspondingly.

AUTOMOTIVE	Third Quarter			Accumulated			
	(Figures in millions of Mexican pesos)	2023	2022	Variation	2023	2022	Variation
<b>Revenue</b>		<b>3,807</b>	<b>4,160</b>	<b>-8.5%</b>	<b>11,474</b>	<b>12,059</b>	<b>-4.9%</b>
<b>Operating Profit</b>		<b>302</b>	<b>141</b>	<b>113.9%</b>	<b>470</b>	<b>348</b>	<b>35.1%</b>
Operating Margin		7.9%	3.4%	4.5 pp	4.1%	2.9%	1.2 pp
<b>EBITDA</b>		<b>557</b>	<b>459</b>	<b>21.3%</b>	<b>1,291</b>	<b>1,293</b>	<b>-0.2%</b>
EBITDA Margin		14.6%	11.0%	3.6 pp	11.3%	10.7%	0.6 pp

Note: Figures comprise the results of Transmissions and Aftermarket businesses

Automotive sector recorded 8% 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 recorded 21% growth when compared to 3Q22, largely explained by increased volume and better performance in Aftermarket business, along with lower raw material prices such as aluminum and improved absorption, which offset the negative exchange rate effect.

Operating and EBITDA margins were 7.9% and 14.6% correspondingly.

During the quarter, the acquisition of Electric GT took place, a supplier of conversion systems designed to transform Internal Combustion Engine Vehicles (ICE) into Battery Electric Vehicles (BEV). Electric GT's proven reconversion systems will enable Transmissions to enter the electrification market.

## 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.

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### 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 September 30<sup>th</sup>, 2023, and 2022

(Figures in millions of Mexican pesos)

Concept	Sep-23	Sep-22	%
Cash and Cash Equivalents	3,073	3,424	-10.3%
Accounts and Documents Receivable, net	8,785	9,749	-9.9%
Inventories, net	10,799	12,585	-14.2%
Other Current Assets	2,063	2,473	-16.6%
<b>Current Assets</b>	<b>24,720</b>	<b>28,231</b>	<b>-12.4%</b>
Property, Plant and Equipment, net	16,639	17,669	-5.8%
Right of use Assets	1,544	1,790	-13.7%
Goodwill, Patents and Trademarks	2,677	2,380	12.5%
Projects and Capitalized development	3,232	4,194	-22.9%
Investments in Shares	14	30	-53.3%
Other Non-Current Assets	3,615	3,075	17.6%
<b>Total non - current Assets</b>	<b>27,721</b>	<b>29,138</b>	<b>-4.9%</b>
<b>Total Assets</b>	<b>52,441</b>	<b>57,369</b>	<b>-8.6%</b>
Bank Loans and Current Portion of long-Term Debt	1,155	615	87.8%
Accounts and Notes Payable Suppliers	12,248	14,885	-17.7%
Accrued Liabilities and Other accounts payable	6,296	6,810	-7.5%
<b>Current Liabilities</b>	<b>19,699</b>	<b>22,310</b>	<b>-11.7%</b>
Long-Term Debt	12,888	14,395	-10.5%
Other Non-Current Liabilities	3,490	3,633	-3.9%
<b>Total non - current Liabilities</b>	<b>16,378</b>	<b>18,028</b>	<b>-9.2%</b>
<b>Total Liabilities</b>	<b>36,077</b>	<b>40,338</b>	<b>-10.6%</b>
Capital Stock	2,728	2,728	0.0%
Retained Earnings	12,551	11,098	13.1%
Profit for the year	493	1,702	-71.0%
Others	587	1,499	-60.8%
Controlling Interest	16,359	17,027	-3.9%
Non- Controlling Interest	5	4	25.0%
<b>Stockholders' Equity</b>	<b>16,364</b>	<b>17,031</b>	<b>-3.9%</b>
<b>Liabilities and Stockholders' Equity</b>	<b>52,441</b>	<b>57,369</b>	<b>-8.6%</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)

Third Quarter of 2023 and 2022

(Figures in millions of Mexican pesos)

Concept	3Q23	%	3Q22	%	Var.
Net Revenue	13,348	100.0%	17,087	100.0%	-21.9%
Cost of Sales	10,984	82.3%	14,261	83.5%	-23.0%
<b>Gross Profit</b>	<b>2,364</b>	<b>17.7%</b>	<b>2,826</b>	<b>16.5%</b>	<b>-16.3%</b>
Selling and Distribution Expenses	1,285	9.6%	1,328	7.8%	-3.2%
Administrative Expenses	662	5.0%	659	3.9%	0.5%
<b>General Expenses</b>	<b>1,947</b>	<b>14.6%</b>	<b>1,987</b>	<b>11.6%</b>	<b>-2.0%</b>
Other Income	-15	-0.1%	-31	-0.2%	-51.6%
<b>Operating Profit</b>	<b>432</b>	<b>3.2%</b>	<b>870</b>	<b>5.1%</b>	<b>-50.3%</b>
<b>EBITDA</b>	<b>1,034</b>	<b>7.7%</b>	<b>1,552</b>	<b>9.1%</b>	<b>-33.4%</b>
Interest expense - net	291	2.2%	278	1.6%	4.7%
Exchange loss - net	121	0.9%	46	0.3%	163.0%
Other financial expenses - net	86	0.6%	90	0.5%	-4.4%
<b>Financial Expenses - net</b>	<b>498</b>	<b>3.7%</b>	<b>414</b>	<b>2.4%</b>	<b>20.3%</b>
<b>(Loss) Profit before Income Taxes</b>	<b>-66</b>	<b>-0.5%</b>	<b>456</b>	<b>2.7%</b>	<b>N/A</b>
Current tax	160	1.2%	218	1.3%	-26.6%
Benefits deferred tax	-70	-0.5%	-103	-0.6%	-32.0%
<b>Consolidated - net (Loss) Profit</b>	<b>-156</b>	<b>-1.2%</b>	<b>341</b>	<b>2.0%</b>	<b>N/A</b>
(Loss) Profit Attributable - Controlling Interests	-156	-1.2%	341	2.0%	N/A
<b>Other comprehensive loss, net of income tax</b>					
Cumulative translation adjustment	196	1.5%	-99	-0.6%	N/A
Derivative financial instruments	-18	-0.1%	-1	0.0%	N/A
<b>Items that will be reclassified to profit or loss</b>	<b>178</b>	<b>1.3%</b>	<b>-100</b>	<b>-0.6%</b>	<b>N/A</b>
<b>Consolidated comprehensive income</b>	<b>22</b>	<b>0.2%</b>	<b>241</b>	<b>1.4%</b>	<b>-90.9%</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 September 30<sup>th</sup>, 2023 and 2022

(Figures in millions of Mexican pesos)

Concept	Accum 23	%	Accum 22	%	Var.
Net Revenue	41,568	100.0%	48,717	100.0%	-14.7%
Cost of Sales	34,584	83.2%	40,727	83.6%	-15.1%
<b>Gross Profit</b>	<b>6,984</b>	<b>16.8%</b>	<b>7,990</b>	<b>16.4%</b>	<b>-12.6%</b>
Selling and Distribution Expenses	3,940	9.5%	3,839	7.9%	2.6%
Administrative Expenses	2,013	4.8%	2,035	4.2%	-1.1%
<b>General Expenses</b>	<b>5,953</b>	<b>14.3%</b>	<b>5,874</b>	<b>12.1%</b>	<b>1.3%</b>
Other Income	-45	-0.1%	-710	-1.5%	-93.7%
<b>Operating Profit</b>	<b>1,076</b>	<b>2.6%</b>	<b>2,826</b>	<b>5.8%</b>	<b>-61.9%</b>
<b>EBITDA</b>	<b>3,068</b>	<b>7.4%</b>	<b>4,865</b>	<b>10.0%</b>	<b>-36.9%</b>
Interest expense - net	864	2.1%	776	1.6%	11.3%
Exchange profit - net	-754	-1.8%	-147	-0.3%	N/A
Other financial expenses - net	290	0.7%	150	0.3%	93.3%
<b>Financial Expenses - net</b>	<b>400</b>	<b>1.0%</b>	<b>779</b>	<b>1.6%</b>	<b>-48.7%</b>
<b>Profit before Income Taxes</b>	<b>676</b>	<b>1.6%</b>	<b>2,047</b>	<b>4.2%</b>	<b>-67.0%</b>
Current tax	870	2.1%	861	1.8%	1.0%
Benefits deferred tax	-686	-1.7%	-515	-1.1%	33.2%
<b>Consolidated - net Profit</b>	<b>492</b>	<b>1.2%</b>	<b>1,701</b>	<b>3.5%</b>	<b>-71.1%</b>
Loss Attributable to Non - Controlling Interests	-1	0.0%	-1	0.0%	0.0%
Profit Attributable - Controlling Interests	493	1.2%	1,702	3.5%	-71.0%
<b>Other comprehensive loss, net of income tax</b>					
Cumulative translation adjustment	-748	-1.8%	-436	-0.9%	71.6%
Derivative financial instruments	-101	-0.2%	1	0.0%	N/A
<b>Items that will be reclassified to profit or loss</b>	<b>-849</b>	<b>-2.0%</b>	<b>-435</b>	<b>-0.9%</b>	<b>95.2%</b>
<b>Consolidated comprehensive (loss) income</b>	<b>-357</b>	<b>-0.9%</b>	<b>1,266</b>	<b>2.6%</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 September 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	-	(456)	-	-	(456)	-	(456)
Repurchase of ordinary shares	-	(15)	-	-	(15)	-	(15)
Increase (Decrease) non-controlling interests	-	-	-	-	-	3	3
Consolidated comprehensive income	-	-	1,702	(435)	1,267	(1)	1,266
<b>Balance ending September, 2022</b>	\$ 2,728	\$ 11,099	\$ 1,702	\$ 1,498	\$ 17,027	\$ 4	\$ 17,031
<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	-	-	493	(850)	(357)	-	(357)
<b>Balance ending September, 2023</b>	\$ 2,728	\$ 12,551	\$ 493	\$ 587	\$ 16,359	\$ 5	\$ 16,364

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 September 30<sup>th</sup>, 2023, and 2022  
 (Figures in millions of Mexican pesos)

Concept	Sep-23	Sep-22	%
Cash and Cash Equivalents	1,940	1,880	3.2%
Accounts and Documents Receivable, net	4,424	5,076	-12.8%
Inventories, net	7,726	8,789	-12.1%
Other Current Assets	2,013	2,431	-17.2%
<b>Current Assets</b>	<b>16,103</b>	<b>18,176</b>	<b>-11.4%</b>
Property, Plant and Equipment, net	11,334	12,079	-6.2%
Right of use Assets	1,262	1,525	-17.2%
Goodwill, Patents and Trademarks	434	138	N/A
Projects and Capitalized development	3,178	4,138	-23.2%
Investments in Shares	10,425	11,411	-8.6%
Other Non-Current Assets	3,201	2,825	13.3%
<b>Total non - current Assets</b>	<b>29,834</b>	<b>32,116</b>	<b>-7.1%</b>
<b>Total Assets</b>	<b>45,937</b>	<b>50,292</b>	<b>-8.7%</b>
Bank Loans and Current Portion of long-Term Debt	435	393	10.7%
Accounts and Notes Payable Suppliers	8,419	10,594	-20.5%
Accrued Liabilities and Other accounts payable	5,101	5,459	-6.6%
<b>Current Liabilities</b>	<b>13,955</b>	<b>16,446</b>	<b>-15.1%</b>
Long-Term Debt	12,589	13,793	-8.7%
Other Non-Current Liabilities	3,034	3,025	0.3%
<b>Total non - current Liabilities</b>	<b>15,623</b>	<b>16,818</b>	<b>-7.1%</b>
<b>Total Liabilities</b>	<b>29,578</b>	<b>33,264</b>	<b>-11.1%</b>
Capital Stock	2,728	2,728	0.0%
Retained Earnings	12,551	11,098	13.1%
Profit for the year	493	1,702	-71.0%
Others	587	1,499	-60.8%
Controlling Interest	16,359	17,027	-3.9%
Non- Controlling Interest	0	1	N/A
<b>Stockholders' Equity</b>	<b>16,359</b>	<b>17,028</b>	<b>-3.9%</b>
<b>Liabilities and Stockholders' Equity</b>	<b>45,937</b>	<b>50,292</b>	<b>-8.7%</b>

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

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

International Financial Reporting Standard

Third Quarter of 2023 and 2022

(Figures in millions of Mexican pesos)

Concept	3Q23	%	3Q22	%	Var.
Net Revenue	9,461	100.0%	12,116	100.0%	-21.9%
Cost of Sales	7,949	84.0%	10,439	86.2%	-23.9%
<b>Gross Profit</b>	<b>1,512</b>	<b>16.0%</b>	<b>1,677</b>	<b>13.8%</b>	<b>-9.8%</b>
Selling and Distribution Expenses	692	7.3%	776	6.4%	-10.8%
Administrative Expenses	453	4.8%	452	3.7%	0.2%
<b>General Expenses</b>	<b>1,145</b>	<b>12.1%</b>	<b>1,228</b>	<b>10.1%</b>	<b>-6.8%</b>
Participation in Joint Ventures	-30	-0.3%	-304	-2.5%	-90.1%
Other Income	-1	0.0%	-22	-0.2%	-95.5%
<b>Operating Profit</b>	<b>398</b>	<b>4.2%</b>	<b>775</b>	<b>6.4%</b>	<b>-48.6%</b>
<b>EBITDA</b>	<b>1,034</b>	<b>10.9%</b>	<b>1,552</b>	<b>12.8%</b>	<b>-33.4%</b>
Interest expense - net	267	2.8%	251	2.1%	6.4%
Exchange loss - net	164	1.7%	70	0.6%	134.3%
Other financial expenses - net	110	1.2%	119	1.0%	-7.6%
<b>Financial Expenses - net</b>	<b>541</b>	<b>5.7%</b>	<b>440</b>	<b>3.6%</b>	<b>23.0%</b>
<b>(Loss) Profit before Income Taxes</b>	<b>-143</b>	<b>-1.5%</b>	<b>335</b>	<b>2.8%</b>	<b>N/A</b>
Current tax	60	0.6%	90	0.7%	-33.3%
Benefits deferred tax	-47	-0.5%	-96	-0.8%	-51.0%
<b>Consolidated - net (Loss) Profit</b>	<b>-156</b>	<b>-1.6%</b>	<b>341</b>	<b>2.8%</b>	<b>N/A</b>
(Loss) Profit Attributable - Controlling Interests	-156	-1.6%	341	2.8%	N/A
<b>Other comprehensive loss, net of income tax</b>					
Cumulative translation adjustment	14	0.1%	0	0.0%	N/A
Derivative financial instruments	-18	-0.2%	-1	0.0%	N/A
Equity in other comprehensive income of joint ventures	182	1.9%	-98	-0.8%	N/A
<b>Items that will be reclassified to profit or loss</b>	<b>178</b>	<b>1.9%</b>	<b>-99</b>	<b>-0.8%</b>	<b>N/A</b>
<b>Consolidated comprehensive income</b>	<b>22</b>	<b>0.2%</b>	<b>242</b>	<b>2.0%</b>	<b>-90.9%</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 September 30<sup>th</sup>, 2023, and 2022

(Figures in millions of Mexican pesos)

Concept	Accum 23	%	Accum 22	%	Var.
Net Revenue	29,260	100.0%	33,891	100.0%	-13.7%
Cost of Sales	25,303	86.5%	29,511	87.1%	-14.3%
<b>Gross Profit</b>	<b>3,957</b>	<b>13.5%</b>	<b>4,380</b>	<b>12.9%</b>	<b>-9.7%</b>
Selling and Distribution Expenses	2,159	7.4%	2,183	6.4%	-1.1%
Administrative Expenses	1,376	4.7%	1,443	4.3%	-4.6%
<b>General Expenses</b>	<b>3,535</b>	<b>12.1%</b>	<b>3,626</b>	<b>10.7%</b>	<b>-2.5%</b>
Participation in Joint Ventures	-489	-1.7%	-1,063	-3.1%	-54.0%
Other Income	-10	0.0%	-641	-1.9%	-98.4%
<b>Operating Profit</b>	<b>921</b>	<b>3.1%</b>	<b>2,458</b>	<b>7.3%</b>	<b>-62.5%</b>
<b>EBITDA</b>	<b>3,068</b>	<b>10.5%</b>	<b>4,865</b>	<b>14.4%</b>	<b>-36.9%</b>
Interest expense - net	791	2.7%	713	2.1%	10.9%
Exchange profit - net	-705	-2.4%	-103	-0.3%	N/A
Other financial expenses - net	378	1.3%	218	0.6%	73.4%
<b>Financial Expenses - net</b>	<b>464</b>	<b>1.6%</b>	<b>828</b>	<b>2.4%</b>	<b>-44.0%</b>
<b>Profit before Income Taxes</b>	<b>457</b>	<b>1.6%</b>	<b>1,630</b>	<b>4.8%</b>	<b>-72.0%</b>
Current tax	507	1.7%	413	1.2%	22.8%
Benefits deferred tax	-543	-1.9%	-485	-1.4%	12.0%
<b>Consolidated - net Profit</b>	<b>493</b>	<b>1.7%</b>	<b>1,702</b>	<b>5.0%</b>	<b>-71.0%</b>
Profit Attributable - Controlling Interests	493	1.7%	1,702	5.0%	-71.0%
<b>Other comprehensive loss, net of income tax</b>					
Cumulative translation adjustment	-2	0.0%	0	0.0%	N/A
Derivative financial instruments	-101	-0.3%	1	0.0%	N/A
Equity in other comprehensive income of joint ventures	-747	-2.6%	-435	-1.3%	71.7%
<b>Items that will be reclassified to profit or loss</b>	<b>-850</b>	<b>-2.9%</b>	<b>-434</b>	<b>-1.3%</b>	<b>95.9%</b>
<b>Consolidated comprehensive (loss) income</b>	<b>-357</b>	<b>-1.2%</b>	<b>1,268</b>	<b>3.7%</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 September 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	-	(456)	-	-	(456)	-	(456)
Repurchase of ordinary shares	-	(15)	-	-	(15)	-	(15)
Consolidated comprehensive income	-	-	1,702	(435)	1,267	1	1,268
<b>Balance ending September, 2022</b>	\$ 2,728	\$ 11,099	\$ 1,702	\$ 1,498	\$ 17,027	\$ 1	\$ 17,028
<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	-	-	493	(850)	(357)	-	(357)
<b>Balance ending September, 2023</b>	\$ 2,728	\$ 12,551	\$ 493	\$ 587	\$ 16,359	\$ -	\$ 16,359

Number of shares 456,366,148