



Financial Report for the First Quarter of 2025

Comments to operations
(Millions of pesos unless otherwise stated)

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Results for the First Quarter of 2025

Total Sales

CYDSA's Consolidated Net Sales for the first quarter of 2025 reached 3,958 million pesos, an increase of 828 million or 26.5% from 3,130 million in the same quarter of the prior year.

In dollar terms, Consolidated Sales of the first quarter of 2025, totaled an equivalent of US\$193.9 million, an increase of 5.2% from US\$184.4 million in the same period of the prior year. The difference between the variation of Sales in pesos and the equivalent in dollars is due to the depreciation of 20.3%, when comparing the average exchange rate of 20.42 pesos per dollar in the first quarter of 2025, to 16.97 pesos in the same quarter of the previous year.

Domestic Sales

Sales to the domestic market from January to March of 2025, totaled 3,444 million pesos, an increase of 22.5% compared to the same period of 2024.

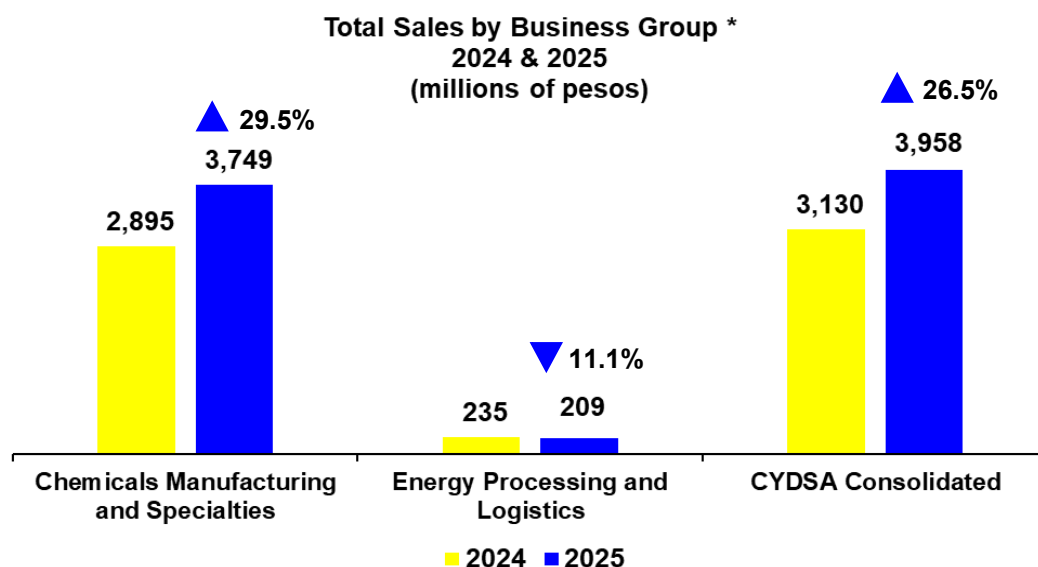
This rise reflected higher sales of salt and refrigerant gases, as well as the additional volumes from the new chlorine and caustic soda plant with membrane technology, located in Coatzacoalcos, Veracruz.

Export Sales

Export Sales in the first quarter of 2025 totaled US\$25.2 million, an increase of 34.8% compared with the US\$18.7 million reported in the same period of the prior year. The improvement derives from sales of chlorine and edible salt to international customers.

Sales by Business Group

The following chart depicts Total Sales by Business Group for the first quarter of 2024 and 2025:



Millions of US Dollars	170.6	183.7	13.8	10.2	184.4	193.9
Change 2025 vs. 2024		Δ 7.7%		▽ 26.1%		Δ 5.2%
	Average Exchange Rate: 16.97 20.42					

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

Sales in the first quarter of 2025, for 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 3,749 million pesos or 94.7% of CYDSA's Total Sales, an increase of 29.5% from the same period of 2024. The increase derives of additional sales from the new plant of chlorine and caustic soda with membrane technology located in Coatzacoalcos, Veracruz, as well as higher demand for edible salt and refrigerant gases mainly in the local market.

In the first three months of 2025, the two Businesses of the Energy Processing and Logistics Group registered Sales of 209 million pesos or 5.3% of CYDSA's Total Sales. This figure encompasses sales of the Hydrocarbons Processing and Underground Storage Business, and substantially lower income from third parties in the Electricity and Steam Cogeneration Business.

Operating Income

Operating Income (EBIT) for the first quarter of 2025 totaled 638 million, or 16.1% on Sales. This EBIT increased 2 million pesos, when compared to 636 million from the same period of the previous year when it represented 20.3% of Sales.

Operating Cash Flow (EBITDA)

Operating Cash Flow (EBITDA) from January to March of 2025 totaled 1,066 million pesos or 26.9% of Sales. This figure increased 11.9%, when compared to 953 million or 30.4% of Sales in the same quarter of 2024. This positive result is mainly due to the 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 of the Salt Business for Household Consumption and Industrial Applications.

These positive circumstances compensated the following two adverse aspects: 1. The Increase of natural gas costs; and 2. The purchase of electricity from CFE at prices substantially higher than the production cost at the cogeneration plant of CYDSA. These negative conditions resulted from the temporary suspension of the operation of one of the two plants of the Electricity and Steam Cogeneration Business, because of an event that occurred in the last two months of 2024. This capacity is expected to be recovered by the fourth quarter of 2025, at the latest.

In dollar terms, EBITDA in the first quarter of 2025 totaled US\$52.3 million, 6.9% less than the US\$56.2 million for the same period of the previous year, contrary to the positive variation in pesos, due to the 20.3% depreciation of the peso exchange rate.

Net Financial Expenses

Net Financial Expenses totaled 456 million pesos during the first quarter of 2025, compared to the 315 million expense registered in the same period of the prior year, as shown in the following chart:

	Jan-Mar 2025	Jan-Mar 2024	Variation
Debt Financial Expenses	(356)	(252)	(104)
Other Financial Expenses	(41)	(32)	(9)
Result from Derivative Financial Instruments	(16)	(80)	64
Interest Income	37	27	10
Net Foreign Exchange Effect	(80)	22	(102)
Net Financial Expenses	(456)	(315)	(141)

As shown in the previous table, Financial Expenses grew by 104 million pesos, due to the following two factors:

1. An increase of 68 million pesos in Financial Expenses related to the new peso denominated credit facilities, used to repay dollar denominated debt and to strengthen the cash position; and

2. Due to the start of operations of the new Chlorine and Caustic Soda Plant with membrane technology, the capitalization of interest on the credit facilities related to this Project decreased 36 million pesos

Additionally, the Foreign Exchange Effect decreased by 102 million pesos, due to the appreciation of the exchange rate in the first quarter of 2025 of 0.35 pesos per dollar, going from 20.79 pesos at the end of 2024 to 20.44 pesos at the close of March 2025, which produced a negative exchange rate fluctuation of 80 million pesos. The previous year, the Foreign Exchange Effect recorded a positive 22 million pesos.

Net Consolidated Income

As a result of the above, **CYDSA's Net Consolidated Income totaled 130 million pesos, equivalent to 3.3% of Sales in the first quarter of 2025.** This income represents a decrease of 85 million pesos from the Net Income of 215 million reported in the same period of the previous year, when it represented 6.9% of Sales. The decrease derives from the 141 million increases in Net Financial Expenses partially benefited from the decrease of 51 million in Income Taxes.

Financial Condition

A summary of the relevant Balance Sheet items as of March 2025 and December 2024 follows:

	March 2025	December 2024	Change
Current Assets	8,991	9,285	(294)
Non-Current Assets	24,550	25,050	(500)
Total Assets	33,541	34,335	(794)
Current Liabilities	4,608	4,846	(238)
Non-Current Liabilities	15,015	15,050	(35)
Total Liabilities	19,623	19,896	(273)
Shareholders' Equity	13,918	14,439	(521)

As shown in the previous table, Total Assets decreased 794 million from 34,335 million on December 31, 2024, to 33,541 million at the close of March 2025. The decrease in Total Assets resulted mainly from two factors: 1. The decrease in value of Fixed Assets denominated in dollars, derived from the appreciation of 1.7% of the exchange rate going from 20.79 pesos per dollar as of December 2024 to 20.44 pesos as of March 2025; and 2. The decrease in inventories.

On the other hand, CYDSA's Total Liabilities of 19,623 million pesos at the end of March 2025, represented a reduction of 273 million pesos comparing to the end of December 2024, mainly derived for the decrease of the balance in pesos of dollar denominated debt in connection with exchange rate appreciation.

Finally, Shareholders' Equity as of March 31, 2025 recorded a reduction of 521 million compared with the end of December 2024, due to the following causes:

Net Income for the First Quarter of 2025	130
Dividend to Shareholders of Cydsa, S.A.B. de C.V.	(350)
Mark to Market of Derivative Financial Instruments	(75)
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 LP Gas ¹	(226)
Increase in Shareholders' Equity	(521)

The Book Value per share of 25.24 pesos on March 31, 2025 compares with 26.20 pesos per share reported on December 31, 2024.

¹ In accordance with IFRS rules, the US dollar constitutes the functional currency for these Businesses, because this currency constitutes the reference for their main assets, income and/or operating costs.

Integration of Bank and Notes Debt

The following table presents the breakdown of the Group's Bank and Notes Debt at the end of March 2025 and December 2024:

Figures in Million Dollars (equivalent)

	March 31, 2025	December 31, 2024	Change
Senior Notes (dollar denominated)	172.7	172.7	
Santander-SACE (dollar denominated)	103.4	103.4	
Bancomext (Ps\$3,449.0 million)	168.8	166.1	2.7
CEBURES (Ps\$850 million)	41.6	40.9	0.7
New Medium-Term Bank Loans (Ps\$2,014.2 million)	98.6	96.9	1.7
New Short-Term Bank Loans (Ps\$142.8 million pesos)	6.9	6.9	
18-year financing of the LP Gas Underground Storage Business (Ps\$1,105 million pesos and US\$69.8 million dollars)	123.8	124.7	(0.9)
Total Bank and Notes Debt	715.8	711.6	4.2
Exchange Rate (pesos per dollar)	20.44	20.79	

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 March 2025 and December 2024:

Figures in Million Pesos

	March 31, 2025	December 31, 2024	Change
Bank and Notes Debt	14,631	14,792	(161)
Cash	(2,296)	(2,740)	444
Bank and Notes Debt, net of Cash	12,335	12,052	283

Figures in Million Dollars

	March 31, 2025	December 31, 2024	Change
Bank and Notes Debt	715.8	711.6	4.2
Cash	(112.3)	(131.8)	19.5
Bank and Notes Debt, net of Cash	603.5	579.8	23.7

As shown in the previous tables, as of March 31, 2025, **the Bank and Notes Debt net of Cash of 12,335 million pesos**, increased from 12,052 million pesos at the close of December 2024. **In dollar terms, Bank and Notes Debt net of Cash totaled an equivalent to US\$603.5 million at the close of March 2025**, comparing to US\$579.8 million at the end of 2024 with an increase of US\$23.7 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 March 31, 2025 and December 31, 2024
(Millions of pesos)

	March 2025	December 2024	Change %
ASSETS			
Cash and Cash Equivalents	\$ 2,144	\$ 2,420	- 11%
Restricted cash	101	185	- 45%
Trade Receivables, net	3,363	3,172	+ 6%
Other Receivables, net	1,903	1,788	+ 6%
Inventories	1,465	1,706	- 14%
Discontinued Current Assets	15	14	+ 7%
Current Assets	8,991	9,285	- 3%
Restricted cash	51	135	- 62%
Property, Plant and Equipment, net	19,820	20,297	- 2%
Long Term Financial Lease Receivables	3,388	3,464	- 2%
Other non-Current Assets	1,224	1,087	+ 13%
Discontinued non-Current Assets	67	67	
Non-Current Assets	24,550	25,050	- 2%
Total Assets	\$ 33,541	\$ 34,335	- 2%
LIABILITIES			
Bank Debt	\$ 765	\$ 752	+ 2%
Trade Payables	1,459	1,995	- 27%
Other Current Liabilities	2,384	2,099	+ 14%
Current Liabilities	4,608	4,846	- 5%
Bank Debt	13,608	13,767	- 1%
Other non-Current Liabilities	803	672	+ 19%
Employee Benefits	590	597	- 1%
Discontinued non-Current Liabilities	14	14	
Total non-Current Liabilities	15,015	15,050	- 0.2%
Total Liabilities	19,623	19,896	- 1%
SHAREHOLDERS' EQUITY			
Capital Stock	2,825	2,825	
Additional paid-in Capital	1,176	1,176	
Repurchase of Own Shares	(1,316)	(1,316)	
Retained Earnings	9,357	9,581	- 2%
Accumulated other Comprehensive Income, net of Tax	1,369	1,655	- 17%
Shareholders' Equity of Controlling Interest	13,411	13,921	- 4%
Non-controlling Interest	507	518	- 2%
Shareholders' Equity	13,918	14,439	- 4%
Liabilities and Shareholders' Equity	\$ 33,541	\$ 34,335	- 2%

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

for the first quarter of 2025 and 2024 (January 1st. to March 31st.)
(Millions of pesos)

	1Q25	1Q24	Change %
Net Sales	\$ 3,958	\$ 3,130	+ 27%
Cost of Sales	(2,335)	(1,588)	+ 47%
Gross Profit	1,623	1,542	+ 5%
Operating Expenses	(973)	(887)	+ 10%
Other Operating Income (Expenses), net	(12)	(19)	- 37%
Operating Income	638	636	+ 0.3%
Net Financial Expenses:			
Debt Financial Expenses	(356)	(252)	+ 41%
Other Financial Expenses	(41)	(32)	+ 28%
Result from Derivative Financial Instruments	(16)	(80)	- 80%
Interest Income	37	27	+ 37%
Foreign Exchange Effect, net	(80)	22	n.a.
Net Financial Expenses	(456)	(315)	+ 45%
Share in Results of Associates	1	(2)	n.a.
Income Before Income Tax	183	319	- 43%
Income Tax	(52)	(103)	- 50%
Income of Continuing Operations	131	216	- 39%
Result of Discontinued Operations, net	(1)	(1)	
Net Income	\$ 130	\$ 215	- 40%
Controlling Interest Share in Net Income	\$ 126	\$ 212	
Non-Controlling Interest Share in Net Income	4	3	

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

First Quarter of 2025 and 2024

	<u>1Q25</u>	<u>1Q24</u>	<u>Change %</u>
<u>Income Statement data</u>			
(Millions of pesos)			
Net Sales	3,958	3,130	+ 27%
<i>Net Sales</i>			
<i>(Equivalent in millions of dollars)</i>	193.9	184.4	+ 5%
<i>Export Sales (Millions of dollars)</i>	25.2	18.7	+ 35%
Operating Income	638	636	+ 0.3%
Net Income	130	215	- 40%

Cash Flow data
(Millions of pesos)

Operating Cash Flow (Income after general expenses plus depreciation and other non-cash items), EBITDA	1,066	953	+ 12%
<i>Operating Cash Flow</i>			
<i>(Equivalent in millions of US dollars)</i>	52.3	56.2	- 7%

Operating Ratios
(Percentage)

Operating income (EBIT) / Sales	16.1%	20.3%
Operating Cash Flow (EBITDA) / Sales	26.9%	30.4%

As of March 31, 2025 and December 31, 2024

	<u>March 2025</u>	<u>December 2024</u>
<u>Financial Ratios</u>		
(times)		
Bank debt / shareholders' equity	1.05	1.02
Current assets / current liabilities	1.95	1.92
Book value per share (pesos) ⁽¹⁾	25.24	26.20

(1) Based on 531,372,793 shares outstanding at the close of March 2025 and at the close of December 2024.