



Annual Report 2025



SUSTAINABLE PROFITABILITY



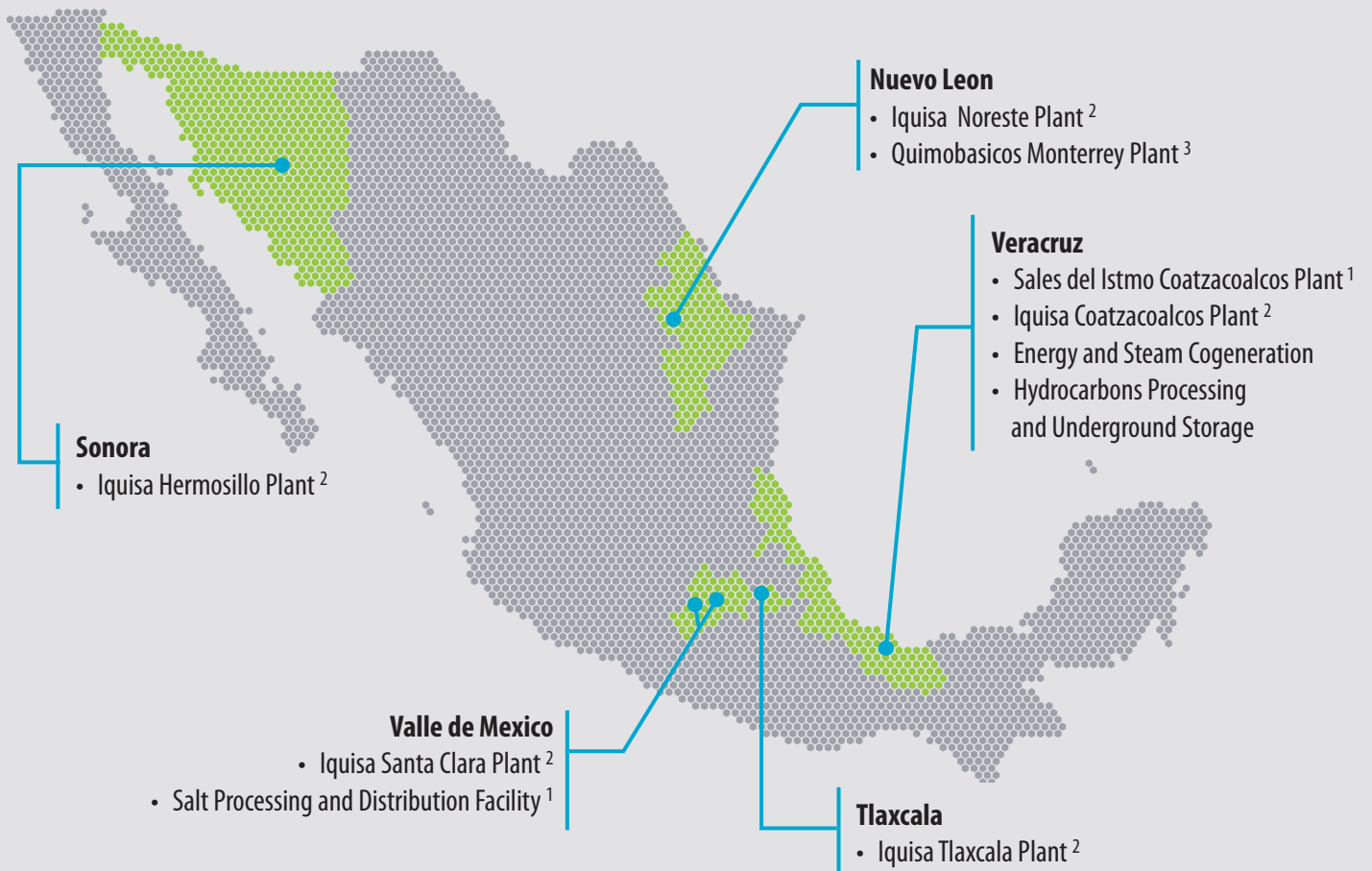
CONTENTS:

Our Company	1
Financial Highlights	2
Letter to Our Shareholders	4
Economic Environment	19
Chemicals Manufacturing and Specialties Division	24
Energy Processing and Logistics Division	44
Board of Directors	54

FINANCIAL INFORMATION:

Management's Discussion and Analysis of Results of Operations and Financial Conditions	61
Independent Auditors' Report	66
Consolidated Statements of Financial Position	71
Consolidated Statements of Income	72
Consolidated Statements of Other Comprehensive Income	73
Consolidated Statements of Changes in Shareholders' Equity	74
Consolidated Statements of Cash Flows	76
Notes to Consolidated Financial Statements	77

GEOGRAPHIC DISTRIBUTION OF PRODUCTION FACILITIES



1. Salt for Household Consumption and Industrial Applications.
2. Chlorine, Caustic Soda and Related Specialties.
3. Refrigerant Gases Manufacturing and Comercialization.

OUR COMPANY

CYDSA's five business areas include: **Salt for Household Consumption and Industrial Applications; Chlorine, Caustic Soda and Related Specialties; Refrigerant Gases Manufacturing and Commercialization; Electricity and Steam Cogeneration; and Hydrocarbons Processing and Underground Storage.** Headquartered in Monterrey, Mexico, the Company incorporates more than 20 subsidiaries located in 9 cities and serves customers in more than 15 countries.

FINANCIAL HIGHLIGHTS¹:

Results

(Millions of Mexican Pesos)

	2025	2024
Consolidated Sales	16,299	15,039
<i>Consolidated Sales (millions of dollars)</i>	850	821
<i>Export Sales (millions of dollars)</i>	111	76
Export Sales / Consolidated Sales	13%	9%
Operating Income	2,386	2,571
Net Income	577	504
Net Income of Controlling Interest	530	535

Financial Position

(Millions of Mexican Pesos)

Total Assets	32,159	34,335
Bank and Notes Debt	13,699	14,800
Bank and Notes Debt Net of Cash ²	11,179	12,056
Shareholders' Equity	12,755	14,439
Book Value per Share ³ (pesos)	23.12	26.20

Cash Flow

(Millions of Mexican Pesos)

Operating Cash Flow (EBITDA) ⁴	4,035	4,121
<i>Operating Cash Flow (EBITDA)⁴ (millions of dollars)</i>	210	226

Indicators

Operating Income / Sales	14.6%	17.1%
Net Income / Sales	3.5%	3.4%
Operating Cash Flow (EBITDA) ⁴ / Sales	24.8%	27.4%
Bank and Notes Debt / Shareholders' Equity (ratio)	1.07	1.03
Total Liabilities / Shareholders' Equity (ratio)	1.52	1.38
Net Working Capital ⁵ / Sales	18.1%	15.3%

Total Personnel

Exchange Rate (Pesos per US Dollar):

Annual average	19.22	18.32
End of year	18.00	20.79

¹ In accordance with 2012 Mexican Stock Exchange regulations, all investor financial reporting must follow International Financial Reporting Standards (IFRS).

² Bank Debt Net of Cash equals Bank Debt minus Cash and Cash Equivalents.

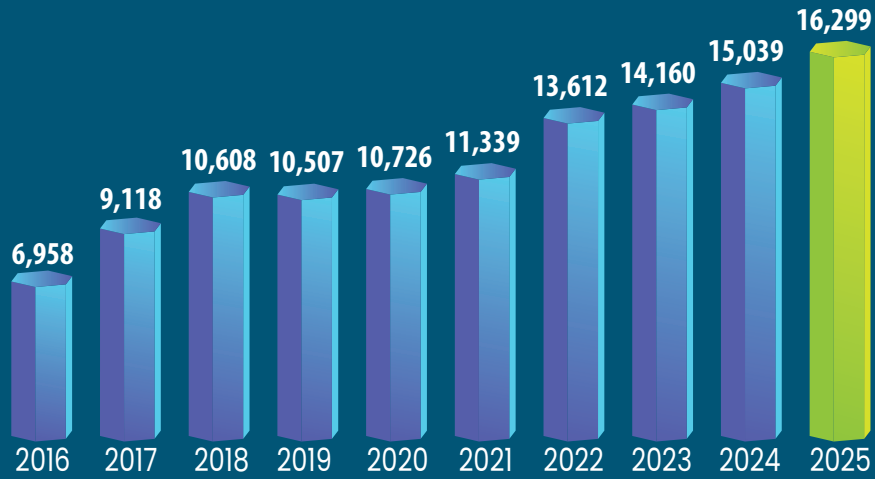
³ Based on 529,409,841 shares outstanding at the close of 2025 and 531,372,793 at the close of 2024.

⁴ Operating Cash Flow or EBITDA is equivalent to Operating Profit plus non-cash items.

⁵ Due to the seasonal characteristic of several of CYDSA's markets, all measures related to Working Capital performance are computed with a methodology based on the last sales required to complete the balance of Trade Receivables, Inventories and Trade Payables.

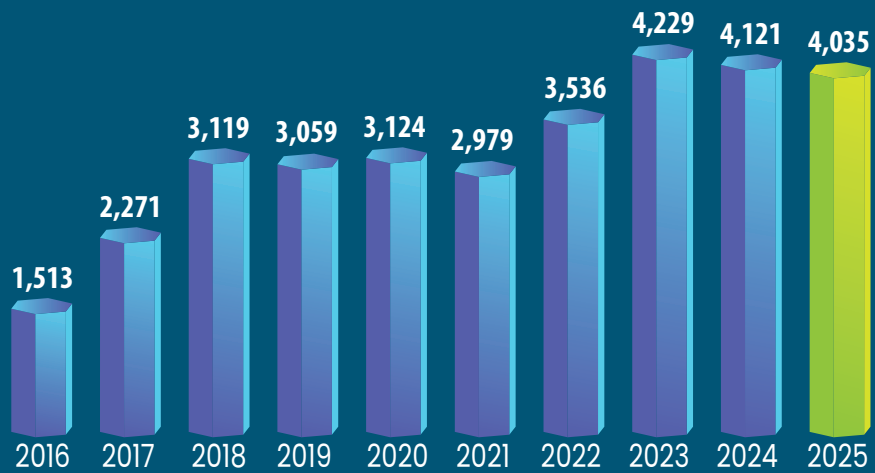
Consolidated Sales

(Millions of Pesos)



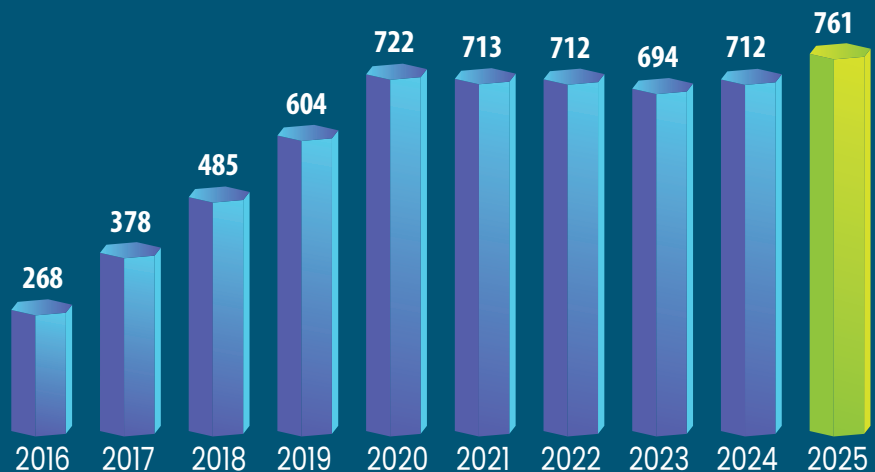
Operating Cash Flow (EBITDA)⁴

(Millions of Pesos)



Bank and Notes Debt

(Millions of Dollars at December 31st)



Notes: Figures are expressed in current pesos.
 Figures in foreign currency refer to US dollars.
 To provide comparability, figures exclude Divestitures and Discontinued Operations.

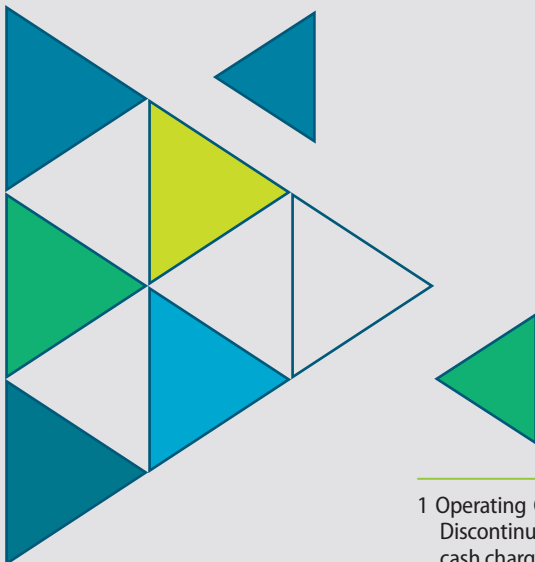


Tomas Gonzalez Sada
Chairman of the Board

TO OUR SHAREHOLDERS:

In 2025, CYDSA made progress in its Competitiveness and Growth Strategy, strengthening the Business Portfolio to ensure medium- and long-term Sustainable Profitability, allowing continued improvement in operational and financial areas, as well as in reducing the effects of unfavorable circumstances from the domestic and international business environment. With these advances and the ongoing application of best practices in all areas, the Company achieved record sales and generated its third highest operating cash flow (EBITDA) since 2010, the year CYDSA initiated the process of reconfiguring and solidifying its business portfolio.

The three main achievements in 2025, detailed below, materially impacted the Group's development:



¹ Operating Cash Flow, or EBITDA, refers to Earnings before Comprehensive Financing Result, Income Taxes, Discontinued Operations, and Depreciation and Amortization. EBITDA is equal to Operating Income plus non-cash charges.

- **Optimization of production and distribution processes at the Salt for Household Consumption and Industrial Applications Business.**

During 2025, this Business completed two essential projects to assure the optimal operation of its manufacturing processes.

In the production starting stage, the Business effectively applied technical and operational methods to recover brine leaching capacity in salt caverns, a significantly unfavorable situation caused by geological failures that reduced the supply volume of the main activity of extracting the essential raw material in obtaining evaporated natural salt. Additionally, the Business concluded studies to locate the construction of new caverns capable of supplying brine for several years.

This Business also completed the third and final phase of the project to produce the degradable plastic canisters and lids needed to package the various products and presentations produced and marketed by Sales del Istmo. Consequently, the Salt for Household Consumption and Industrial Applications Business has the capacity to manufacture

30 million cylindrical packages per year, enhancing customer service and CYDSA's commitment to sustainability.

- **Recovery of Production Capacity of the Electricity and Steam Cogeneration Business.**

As mentioned in the 2024 Annual Report, various events mainly out of the Group's control forced the suspension of a significant amount of total electricity and steam cogeneration capacity. In fact, the complexity of one incident that occurred in the last two months of 2024 delayed the restart of operations at the affected plant until mid-October of 2025, at which point both plants once again achieved continuous, effective and efficient cogeneration of electricity and steam.

As a result, the Electricity and Steam Cogeneration Business now has the capability to maximize the various initiatives implemented to resolve problems related to flaws in the plants' design and supply of natural gas used to fire the turbines. These initiatives, combined with an innovative project to use cooling systems, will increase total generation capacity to 128 MW, surpassing the original design of 114 MW by 12%.



Edmundo Rodarte Valdes
Chief Executive Officer

- **Transactions to Decrease Financial Costs and Improve the Debt Maturity Profile.**

In 2025, CYDSA continued its progress on key financial objectives, undertaking various transactions that optimized its Bank and Notes Debt structure. As explained in a later section of this report related to Financing Sources, this process included three new obligations totaling 2,185 million pesos contracted for 7- to 10-year terms. With these resources, and considering opportunities in the currency exchange rate market, the Group reduced two debt facilities denominated in US dollars and two denominated in Mexican pesos.

At year-end 2024, CYDSA's debt totaled an equivalent of 14,792 million pesos, with 57% in pesos and 43% in US dollars. Through this optimization strategy, the debt balance at the end of 2025 declined 7.4% to 13,703 million pesos, with 64% in peso-denominated instruments and 36% in dollars.

These transactions fully eliminated financial exposure to unfavorable exchange rate fluctuations, and the Group consequently canceled all currency hedging contracts, further lowering financial cost and improving its maturity profile.

The combination of these three achievements continued to strengthen CYDSA's Business Portfolio and further optimized its financial position.

The Group will implement new strategies based on the above initiatives, improving the competitive position of the Portfolio, both the traditional businesses of the Chemicals Manufacturing and Specialties Division, as well as the Businesses of the Energy Processing and Logistics Division.

CYDSA's Management believes the Organization possesses the necessary capabilities to address any future challenges. The Group will continue to focus on medium- and long-term Sustainable Profitability, offering better perspectives of value creation for its shareholders.

The following sections discuss the results and progress made in 2025²:

- **Sales and Income**
- **Operating Cash Flow (EBITDA)**
- **Financing Sources**
- **Cash Flow**
- **Outlook**

Sales and Income³

In 2025, CYDSA's sales benefited mainly from the increased production efficiency of the Chlorine, Caustic Soda and Derived Specialties Business, and the performance of some product lines in the Salt for Household Consumption and Industrial Applications Business.

As a result, domestic sales rose to 14,166 million pesos in 2025, 3.8% higher than the 13,649 million reported in 2024. In international markets, the increase in shipments of chlorine and refrigerant gases positively impacted Export Sales, totaling US\$111 million in 2025, 46.2% above the US\$76 million reported the prior year.

In total, **CYDSA's 2025 Consolidated sales rose 8.4% to 16,299 million pesos**, up from 15,039 million pesos in 2024, as shown in the following graph. However, the Economic Environment section of this Report (page 22) also states that the average exchange rate of 19.22 pesos per dollar in 2025 depreciated 4.9% from the comparable figure of 18.32 pesos in the prior period. Thus, **CYDSA's Consolidated Sales totaled an equivalent of US\$850 million in 2025, 3.5% higher** than the US\$821 million reported in 2024.

2. Unless stated otherwise, numbers are presented in current pesos, while numbers stated in foreign currency are in US dollars.

3. In order to comply with the guidelines of the Mexican Stock Exchange (Bolsa Mexicana de Valores - BMV), as of 2012, financial reports released to the investing public must follow the rules established by International Financial Reporting Standards (IFRS).

Total Consolidated Sales

Millions of Pesos



Cost of Sales plus Sales and Administrative Expenses totaled 13,853 million pesos, a 13.6% increase over the comparable 12,196 million reported in 2024. This growth arose from increased usage of energy, raw materials and freight, additional expenditures for salaries and maintenance, and new depreciation charges. The increase in these costs and expenses primarily reflected higher production capacity utilization in the new chlorine and caustic soda Plant in Coatzacoalcos, Veracruz, and therefore, additional distribution of these products in domestic and international markets. Furthermore, Other Operating Expenses in 2025 totaled a negative 60 million pesos, due mainly to the adjusted value of fixed assets, compared to the 272 million charged the previous year.

The rise in sales could not offset this increase in costs and expenses, primarily due to the impact of various internal and external circumstances that increased the usage of higher cost inputs in some of the Group's Businesses. Due to these circumstances, **Operating Income⁴ in 2025**

fell 7.2% to 2,386 million pesos, equivalent to 14.6% of Sales, compared to the 2,571 million in 2024, representing 17.1% of Sales.

The Net Financial Expense of 1,861 million pesos in 2025 increased by 797 million pesos, from 1,064 million in 2024. This figure primarily reflects the Net Exchange Rate Effect caused by the appreciation of the Mexican peso compared to the exchange rate of the previous year.

The final entries on the 2025 Income Statement show a positive 2 million pesos for Share in Results of Associated Companies; a negative 2 million in Net Discontinued Operations; and a positive figure of 52 million pesos in Income Taxes. As a result, **Net Profit totaled 577 million pesos, or 3.5% of 2025 Sales**, compares favorably to Net Profit of 504 million, or 3.4% of Sales in 2024.

Management's Discussion and Analysis of the Financial Statements of this Report (page 61) explain the composition of the different items and other key aspects of the Income Statement.

4. Operating Income (EBIT) is obtained by subtracting Sales Costs and Expenses, Administrative Expenses, and Other Revenues and Expenses from Net Sales.

Operating Cash Flow (EBITDA)

CYDSA's 2025 Operating Cash Flow of 4,035 million pesos decreased by 2.1%, or 86 million pesos, from the 4,121 million reported in 2024. EBITDA in dollar terms, equivalent to US\$210 million, decreased US\$16 million, or 6.9% from the US\$226 million reported in the prior year. The following graph depicts these results, as well as the EBITDA Margin on Sales of 24.8% in 2025, as compared to the 27.4% reported in the previous period.

The 86 million peso reduction in EBITDA to 4,035 million in 2025 primarily reflects one favorable and two negative factors:

- **Favorable factor: 517 million peso increase in EBITDA due to improved sales margins of some product lines in the Chemicals Manufacturing and Specialties Division.**

Previous reports mentioned the implementation of the strategy to improve the competitiveness of the Chlorine, Caustic Soda and Related Specialties Business. Initiated in 2020, the strategy aimed to increase installed capacity by constructing a new plant

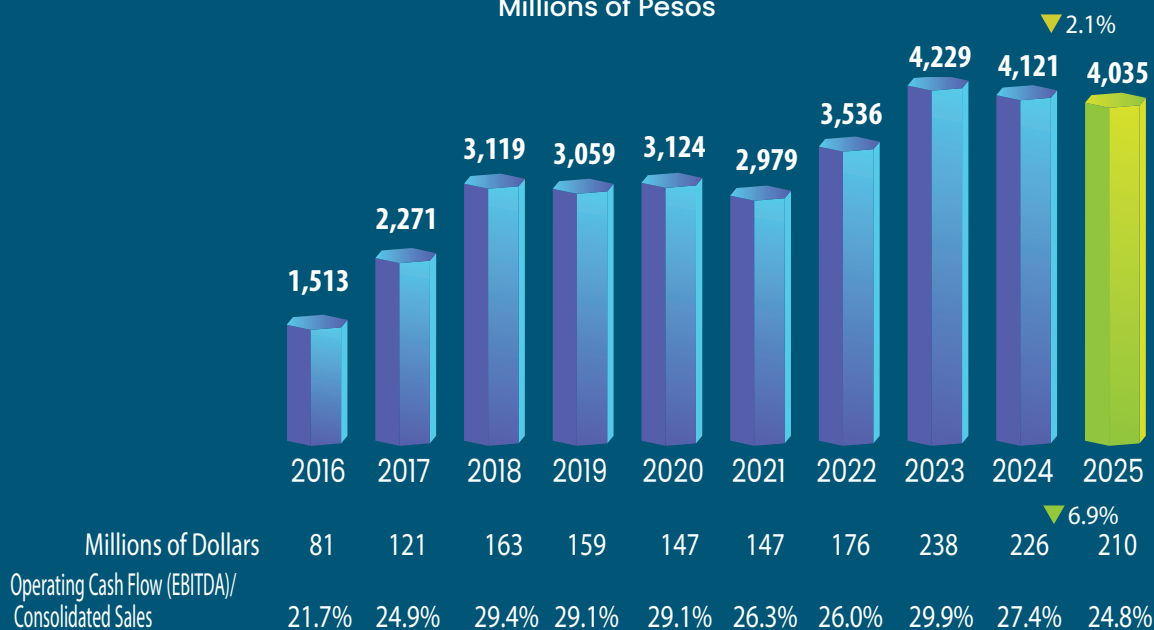
in Coatzacoalcos, Veracruz, using the most advanced technology for efficient energy consumption and minimal environmental impact, substantially increasing annual production capacity, which rose from 192,000 ECUs in 2023 in three plants, to 322,000 in 2024 in four plants. In 2025, the Business applied several initiatives aimed at improving operational efficiency, attaining significant growth in production and sales of physical units, more than compensating for several conditions, mainly from external origin, that in 2024 and part of 2025 interrupted the continuity of the Business processes.

Additionally, the Salt for Household Consumption and Industrial Applications Business sells edible natural salt and complementary products in various types of packages and markets. In 2025, this Business focused its sales strategies on increasing presence in higher value market segments, in both domestic and international markets, thereby improving its profit margins.

In summary, improved sales margins, largely in these two Businesses, generated a total EBITDA increase of 517 million pesos, equivalent to US\$27 million. The following two unfavorable factors offset these gains.

Operating Cash Flow (EBITDA)

Millions of Pesos



- **First unfavorable factor: 370 million peso increase in energy costs, related to the suspension of a significant portion of electricity and steam cogeneration capacity.**

Under normal circumstances, the Electricity and Steam Cogeneration Business's plants satisfy the electricity and steam needs of the Group's Industrial Center in Coatzacoalcos, Veracruz, and even provide energy required by production plants at other CYDSA facilities, through the transfer of electricity to the Federal Energy Commission (CFE)'s energy grid.

Previous annual reports mentioned several projects that addressed, and even improved, flaws of the original design, achieving continuous, effective and efficient operation of the two plants. However, in the last two months of 2024, an event out of the Group's control suspended a significant amount of total cogeneration capacity, with the situation finally resolved in October 2025.

This unfavorable circumstance required the procurement of electricity from the CFE at prices substantially higher than production costs, as well as additional natural gas to fuel the production of steam in boilers. Furthermore, the Business required additional maintenance activities and technical studies, leading to higher fixed costs.

In total, the extraordinary costs of electricity acquired from the CFE, the natural gas needed to produce steam, and the additional fixed costs, resulted in an increase in energy costs that reduced CYDSA's EBITDA by 370 million pesos or US\$24 million.

- **Negative impact of 233 million pesos in Fixed Costs due to external or non-recurring circumstances.**

A key aspect in improving the Group's competitive position came from the implementation of strategies focused on reducing fixed cash costs in the Businesses and the

Corporate Support Areas by improving the efficiency of production processes and enhancing the productivity of administrative functions.

Even with consistent implementation of this strategy, 2025 presented three unfavorable situations, both external and internal.

1. A relatively high 3.7% annual inflation rate that put upward pressure on the prices of various products and services.
2. The salary levels and benefits of CYDSA personnel have always complied with or exceeded the provisions established by Labor Legislation. However, some recent changes in these regulations, aimed at improving workers' conditions, have required adjustments to certain compensation components and consequently increased remuneration costs. As mentioned in the Economic Environment section of this Report (page 21), these circumstances have adversely affected the competitiveness of Mexican companies, in some cases forcing the permanent closure of their operations.
3. Finally, in 2025, some accounting for non-recurring transactions generated additional fixed cost charges.

Thus, the inflationary rate, the changes in Labor Laws, and additional non-recurring expenses, increased Fixed Costs and reduced CYDSA's EBITDA by 225 million pesos or US\$18 million.

In conclusion, the unfavorable 603 million pesos due to increased energy and fixed costs exceeded the 517 million generated by improving sales margins, causing CYDSA's 2024 EBITDA of 4,121 million pesos to decrease by 86 million to 4,035 million pesos in 2025. As mentioned, in dollar terms, the equivalent EBITDA of US\$226 million in 2024 decreased by US\$16 million to US\$210 million generated in 2025.

Nevertheless, this result primarily reflects adverse circumstances caused by external factors, thus allowing for short-term re-establishment of favorable trends provided by the Group's Competitiveness and Growth Projects.

Financing Sources

The Investment Projects Program, initiated at the end of 2010 and approved by the Board of Directors to implement CYDSA's Competitiveness and Growth Strategic Plan, required investments exceeding US\$1,000 million, including pre-operating expenses related to conceptualization and design, as well as construction, machinery, and other fixed assets. The Group financed these projects using its own funds during the early years of implementation, and later by contracting various financial instruments.

In 2025 the Group continued implementing a strategy started in 2023, based on taking advantage of volatility in the currency exchange market and interest rate trends to improve its debt structure and decrease its level and cost of bank debt and notes.

Considering these objectives, in July, the Group obtained an 840 million peso long-term bank loan, leveraging the favorable currency exchange situation.

Later, in August, CYDSA issued an additional 700 million pesos of Certificados Bursátiles notes, or CEBURES, in the Mexican corporate debt market, contracted at 7-year term; and obtained a new 645 million peso bank loan, contracted at 10-year terms.

The proceeds from these financings supported the repurchase of some outstanding US dollar denominated Senior Notes issued in the international market, and reduced a dollar denominated obligation. Additionally, the Group paid off a bank loan and reduced the balance of a loan, both denominated in pesos and with less favorable conditions.

As a result of these transactions, **CYDSA's Bank and Notes Debt as of December 31, 2025 totaled an equivalent of 13,703 million pesos, or US\$761 million** in dollar terms. This includes eight instruments comprised of **8,798 million in peso-denominated obligations, equivalent to US\$489 million or 64% of total debt, and US\$272 million, or 36% of financial instruments, denominated in dollars.**

The following four instruments comprise the debt fully denominated in pesos and totaling 7,745 million, equivalent to US\$430.2 million:

1. **Three Long-Term Loans with Bancomext totaling 4,076 million pesos.**

To improve the maturity profile of the Group's debt, three loans awarded by Bancomext since 2023 include a competitive interest rate, a 10-year maturity with a one-year grace period, and increasing principal payments.

The first loan in 2023 of 2,094 million pesos expanded with 1,359 million pesos of a second credit received in 2024, maturing in 2033 and 2034 respectively.

In August 2025, leveraging the favorable situation in the currency market, the Group secured from Bancomext **an additional 645 million pesos in a long-term loan**, maintaining the same contractual conditions as those obtained in 2023 and 2024, **with maturity for this tranche in 2035. The Group used these resources to partially repurchase its dollar-denominated Senior Notes and to reduce peso-denominated obligations with less favorable conditions.**

In summary, after the contractual amortizations related to the two initial loans, the **net balance of Bancomext financing at the end of 2025 totaled 4,076 million pesos, equivalent to US\$226.4 million.**



2. CEBURES Notes of 1,550 million pesos.

To participate in the Mexican corporate debt market, in 2023 CYDSA established a CEBURES Issuance Program for up to 5,500 million pesos. As part of this Program, **in December of 2023, the Group first issued 850 million pesos of notes, maturing in November 2026. In August 2025, a second issuance totaled 700 million pesos in notes, maturing in 2032. As a result, the CEBURES notes totaled 1,550 million pesos at year-end 2025, equivalent to US\$86.1 million.**

3. Medium-Term Bank Loan of 1,279 million pesos with Scotiabank and BBVA.

To reinforce the Group's strategic cash reserve **in December 2024, CYDSA contracted a 2,014-million-peso loan from Scotiabank and BBVA, with a 37-month maturity and favorable terms, including the type of currency, the applicable interest rates, and early payment options. Amortizations of this loan during 2025, to take advantage of long-term financing, resulted in a remaining balance of this loan of 1,279 million pesos at year-end 2025, equivalent to US\$71.0 million.**

4. Long-Term 840 million peso loan with Banco Sabadell.

The last component of the Bank Debt in pesos corresponds to a **840 million peso long-term credit with Banco Sabadell** contracted to mature in 2032. The proceeds primarily liquidated a short-term loan and reduced financing with less favorable conditions. This loan totaled an equivalent US\$46.7 million at the end of 2025.

In addition to the four peso-denominated financial instruments mentioned, CYDSA's debt includes the **balance of the following three dollar-denominated obligations totaling US\$206.0 million at December 2025, equivalent to 3,078 million pesos:**

1. Long-Term Senior Notes of US\$113.0 million issued in the international markets.

In 2017 and 2019, CYDSA issued long-term senior notes in the international markets maturing in 2027, for a total of US\$450 million.

In 2022, 2023 and 2024, the Group acquired Senior Notes in the international financial markets that at face value represented **US\$118.3 million, US\$79.7 million, and US\$79.3 million, respectively**. These repurchases totaled US\$277.3 million and reduced the outstanding notes balance to US\$172.7 million in December 2024.

Continuing the strategy aimed at adjusting the denomination and maturities of CYDSA's Bank and Notes Debt, **the Group also acquired Senior Notes in 2025**. As previously mentioned, a long-term peso loan financed these transactions, **for a total nominal repurchase value of US\$59.7 million**. Consequently, **in December 2025, outstanding Notes totaled US\$113.0 million**.

2. Bank loan of US\$82.7 million contracted in 2022 with Santander and SACE guarantees.

At the beginning of 2022, CYDSA received financing guaranteed almost entirely by the Italian Export Credit Agency (Servizi Assicurativi del Commercio Estero Depositi y Prestiti – "SACE"). The terms of this loan included a preferential interest rate, a two-year grace period, and maturity in 2029. After making the 2023, 2024 and 2025 contractual payments, **the balance of this obligation at the end of 2025 declined to US\$82.7 million**, equivalent to 1,489 million pesos.

3. Bank credit with BBVA-Scotiabank totaling US\$10.3 million.

The December 2025 amortization of the Santander-SACE loan in the amount of US\$10.3 million reflected full financing from **a drawdown of US\$10.3 million**, equivalent to 185 million pesos, **from a line of credit with BBVA-Scotiabank**.

Finally, in addition to the seven abovementioned transactions—in all cases contracted by the holding company Cydsa, S.A.B. de C.V.—total debt includes an eighth obligation with no recourse to the holding company, a **Syndicated Loan for the LP Gas Underground Storage and Processing System**, secured in 2018 and comprised of one tranche in pesos and another in US dollars, both reaching final maturity in October 2036. After the contractual principal payments and the exchange rate impact on the peso-denominated portion, at the end of 2025, **the balance of this loan, contracted in accreditation and guarantee with the entities comprising the LP Gas Underground Storage and Processing System, totaled 1,053 million pesos and US\$66.5 million**. Consequently, the **LP Gas Underground Storage and Processing System holds total debt equivalent to 2,250 million pesos in December 2025**, or equivalent to US\$125.0 million.

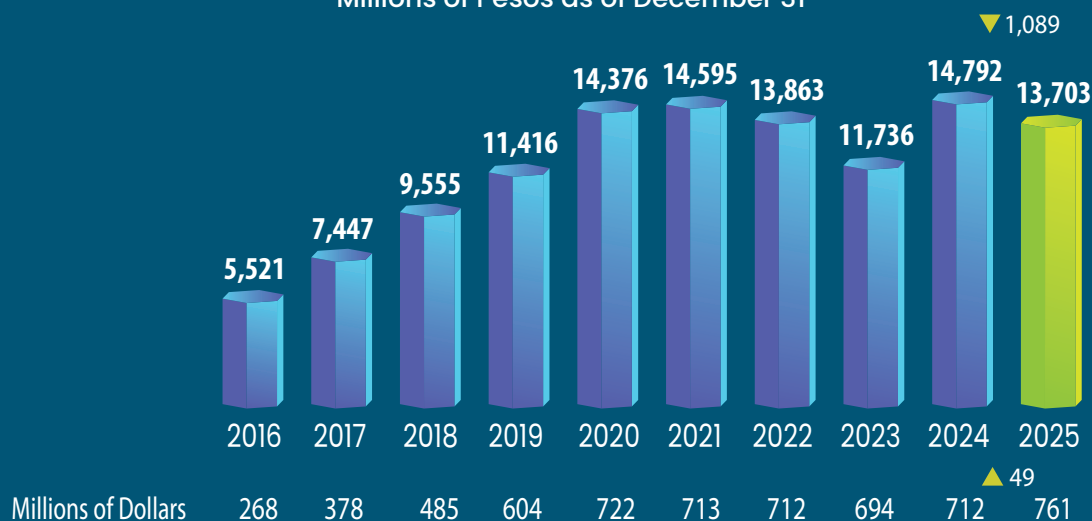
In summary, **on December 31, 2025, CYDSA's total Bank and Notes Debt totaled an equivalent of 13,703 million pesos, decreasing 1,089 million from the comparable 14,792 million in 2024**. The balance calculated in dollar terms totaled US\$761 million in 2025, increasing US\$49 million compared to US\$712 million the previous year. Even though the total debt balance showed different trends depending on the currency used for the calculation, the 2025 transactions improved the debt profile and financial costs for the Group.

Finally, considering all funds invested in liquid instruments, **the ending balance of Bank and Notes Debt Net of Cash⁵ in 2025 totaled an equivalent of 11,178 million pesos, 871 lower than the comparable 12,049 million in 2024**. The Debt Net of Cash in dollar terms totaled US\$621 million at the end of 2025, US\$41 million higher than the comparable balance of US\$580 million in the prior year.

5. Bank and Notes Debt Net of Cash is obtained by subtracting the balance of Cash and Cash Equivalents from Bank Debt.

Bank and Notes Debt

Millions of Pesos as of December 31



Cash Flow

The table in page 14 shows the components of **Net Cash Flow** in 2025, with the first line showing Operating Cash Flow (EBITDA) of 4,035 million pesos.

Allocation of these funds included 338 million pesos to cover Net Working Capital requirements, mainly in Accounts Receivable from Clients, to finance higher sales and increases in the payment cycles of some customers. Additionally, the Group allocated 662 million to Investments in Fixed Assets for Maintenance & Replacement (equivalent to US\$35 million), to maintain production processes in normal operating conditions, and to update some of the Group's assets. Normal Operating Taxes required 424 million pesos, and disbursements to Other Operating Items related to accounting adjustments and non-recurring expenses totaled 87 million. Following these payouts, **Net Cash Flow from Operations resulted in a positive 2,524 million pesos** (equivalent to US\$133 million).

The first three items related to financial aspects include 1,202 million pesos for Net Interest and Financial Expenses (equivalent to US\$35 million), including interest paid and earned, as well as debt issuance fees and exchange and interest rate hedging costs. The Group paid 349 million pesos in dividends to CYDSA's

shareholders. Additionally, outlays to purchase 1,962,952 of its own shares during the year totaled approximately 32 million pesos.

Finally, financial aspects include two additional items. First, the cash flow registered a 191 million peso decrease in Net Bank and Notes Debt at Year End, a figure differing from the amount presented in the previous section in Financing Sources. Additionally, an item corresponding to the Foreign Exchange Discrepancies Effect on Financial Items totaling a negative 247 million pesos in 2025 reflected the following considerations:

- Accounting rules establish that the dollar equivalents of transactions for debt denominated in pesos should be registered using the exchange rate on the date of each operation. However, the dollar equivalents of debt balances as of a specific date should be calculated using the exchange rate from that day.
- The Economic Environment section of this report (page 22) mentions that **the exchange rate decreased from 20.79 pesos per US dollar on December 31, 2024, to 18.00 pesos at year-end 2025**. Meanwhile, in a highly volatile currency market, **the exchange rate averaged 19.22 pesos per US dollar in 2025**.

- Therefore, because all financing contracts and amortizations, as well as interest payments in 2025 occurred with exchange rates higher than the 18.00 pesos registered at the end of the year, the sum of the different financial items recorded exceeded the balances calculated at December 31.

Consequently, in the cash flow presented in pesos, these differences resulted in a **negative 247 million peso Foreign Exchange Discrepancies Effect on Financial Items**.

After these financial items, **Cash Flow before Investment Projects totaled a positive 503 million pesos** (equivalent to US\$46 million).

Investment Projects

In 2025, Investments for Competitiveness and Growth totaled 720 million pesos (equivalent to US\$38 million). This amount mainly comprises the expenditures for some of the

final stages of building and adjusting logistics facilities in the new chlorine and caustic soda plant in Coatzacoalcos, Veracruz.

Additionally, this amount includes investments in brine caverns to assure future supply in the Salt for Household Consumption and Industrial Applications Business; the requirements in the Electricity and Steam Cogeneration Business aimed at ensuring stability of the operation; and the outlays allocated to several smaller projects.

Therefore, after 720 million pesos in Investments for Competitiveness and Growth, **Net Cash Flow in 2025 reflected a negative 217 million pesos. However, due to the exchange rate effect, the Net Cash Flow in dollar terms totaled a positive US\$8 million.**

After these results, **cash at the end of the year registered a 2,523 million peso balance, equivalent to US\$140 million.**

Net Cash Flow 2025

Millions of Pesos

Cash Flow:

Operating Cash Flow (EBITDA)	4,035	
Net Working Capital	(338)	
Capital Expenditures for Maintenance & Replacement	(662)	
Taxes for Normal Operations	(424)	
Other Operating Items	(87)	
Net Cash Flow from Operations		2,524
Net Interest and Financial Expenses	(1,202)	
Dividend Payments for CYDSA Shareholders	(349)	
Share Repurchase Outlays	(32)	
Net Bank and Notes Debt at Year End	(191)	
Foreign Exchange Discrepancies Effect on Financial Items	(247)	
Cash Flow before Investment Projects		503
Capital Expenditures for Competitiveness and Growth	(720)	
Net Cash Flow		(217)
Cash Balance as of December 31, 2025		2,523
Cash Balance as of December 31, 2025 in Millions of Dollars		140



Contents of the 2025 Annual Report

The **sections devoted to CYDSA's Strategic Business Units** detail the **main accomplishments in 2025**, and the **corresponding information on their products and markets** (page 24).

The **Economic Environment** section summarizes the significant events of the year affecting the markets CYDSA serves (page 19). **Management's Discussion and Analysis of 2025 Results** (page 61) precedes the **Audited Financial Statements and Notes** (page 66).

Outlook

Dear Shareholders: CYDSA is pleased to inform you that in 2025, the projects implemented to comply with the strategy for Competitiveness and Growth initiated at the end of 2010 helped lessen the effects of several adverse conditions, principally out of the Group's control. For this reason, management remains confident in rapidly regaining the positive trend of recent years, as the projects undertaken proved that CYDSA will sustain progress and eventually overcome unfavorable circumstances in the business environment.

This foundation supports the development of CYDSA's Business Portfolio and the improvement in operational and financial indicators, becoming the basis of the competitive capacities of the Group's Businesses to continue evolving and implementing initiatives directed towards ensuring Sustainable Profitability. The following summarize these capacities, practically all already in daily operation:

- **Main Competitive Capacities for the progress of the three Strategic Businesses of Chemicals Manufacturing and Specialties Division.**

The **Salt for Household Consumption and Industrial Applications Business** possesses the capabilities required for more optimal operation of Sales del Istmo, the largest evaporated natural salt production plant in the Americas, located in Coatzacoalcos, Veracruz. In the production process, this Business dominates techniques that ensure the continuous supply of extracted brine leached from salt caverns, an essential raw material in its manufacturing process. Additionally, it developed strategies to produce evaporated natural salt, minimizing energy consumption by adjusting its usage to the mineral characteristics of inputs. The

Business also incorporates advanced technologies in its finished product distribution center and produces the degradable plastic canisters and lids needed to package the various presentations of edible salt, and complementary products. In summary, this business is prepared to increase annual production capacity to one million tons when market conditions allow, and thus continue its progress.

The **Chlorine, Caustic Soda, and Related Specialties Business** manufactures chlorine and caustic soda at four of its six plants, using the most energy-efficient and environmentally friendly processes available, implementing various projects to increase the annual installed capacity to produce 322,000 tons of chlorine, and 362,000 tons of caustic soda. With this foundation, the Business has the capability to continue making a significant contribution to CYDSA's results. Additionally, it started to evaluate some potential opportunities, including a new production plant of chlorine and caustic soda, and a factory dedicated to chlor-alkali chemicals.

The **Refrigerant Gases Manufacturing and Commercialization Business** provides excellent service to its distribution networks in Mexico and Latin America, increasing sales of new latest-generation refrigerant gases, blowing agents, and propellants with

no impact to the ozone layer, as well as close-to-zero effect on climate change. Therefore, the Business continues to evaluate the manufacture of gases capable of improved environmental protection, as well as significantly increasing the utilization of its argon plasma arc technology, unique in Latin America and complying with the rules established by the United Nations Industrial Development Organization, by identifying new alternatives for destroying Ozone-Depleting Substances (ODS).

- **Main Competitive Capacities for the evolution of the two Strategic Businesses of the Energy Processing and Logistics Division.**

The **Electricity and Steam Cogeneration Business** operates twin plants utilizing natural gas-fired turbine-based systems, considered the most efficient hydrocarbon in terms of environmental impact. The Business implemented various improvement projects, including some patented internationally, to increase the cogeneration capacity and ensure continuous, efficient and effective electricity and steam production, eliminating flaws from the original design that failed to consider air quality conditions in the region of Coatzacoalcos, Veracruz. With this infrastructure, after resolving the situation that forced a suspension of a significant proportion of operations, the Business



gained the capacity to increase the supply of energy necessary to meet the demand of the Group's plants in the Coatzacoalcos Industrial Center; and to produce additional electricity for provision to other Group facilities. Additionally, the Business continues to evaluate the potential benefit of installing cogeneration plants in other locations.

The **Hydrocarbons Processing and Underground Storage Business** started operations in November 2017, storing Liquefied Petroleum Gas in a salt cavern and fully complying with the design characteristics and requirements of Petroleos Mexicanos (Pemex). The Business has the technical and operating capabilities necessary to eventually develop new storage projects in accordance with energy regulations to create new opportunities for the storage of natural gas or liquid hydrocarbons in the three caverns already available, as well as potential new ones, when market conditions support them.

Although oriented to consolidate the competitiveness of the Business Portfolio, activities in 2025 also continued to reinforce CYDSA's focus on Sustainability in order to ensure that the Group's operations, as well as the products and services offered, contribute to building a healthy and sustainable world for future generations.

In particular, this year CYDSA's Administration and the operational and corporate areas continued the promotion of its organizational culture committed to reinforcing the values of ethical responsibility, prioritizing Sustainability efforts in two groups of activities:

- The allocation and implementation of systems that comply with International Financial Reporting Standards (IFRS S1 and S2), for obligatory audits starting in 2026. This standard serves to disclose information about risks and opportunities related to Sustainability, including financial impact, mitigation measures, and governance decision-making. With this objective, the Group prepared for the disclosure of four risks deemed material to the different Businesses and production facilities.

- Raising awareness among employees in Sustainability matters through online webinars, specific modular courses, and the incorporation of Sustainability topics in periodic operations meetings. Specifically, the Group designed training programs for all personnel related to environmental responsibility, ethics and social development, included in courses for Introduction to Sustainability and Climate Change Management.

Also, the Group strengthened its Sustainability Strategy, consolidating priority objectives to guide the Group's development in Environmental, Social, and Governance (ESG) activities. The organization of this process includes three lines of action: Environment, Personnel, and Value to the Community.

Several programs in the Environment line of action represent initiatives already within the operation of the Businesses. Highlights from these projects include the use of degradable plastic packages for the commercialization of their products; the energy-efficient and environmentally friendly technology to produce chlorine and caustic soda; the exploration of new technologies to reduce emissions; as well as the development of projects for both the treatment of wastewater and achieving zero discharge of water from production processes.

It is important to note that all eligible production and trading facilities renewed, updated or included domestic and international certifications to guarantee growth in Sustainable Profitability. Likewise, the Group retained or received recognitions awarded by the Secretary of the Environment and Natural Resources (SEMARNAT), the Secretary of Labor and Social Welfare, the Mexican Philanthropy Center, and the US Chlorine Institute.

Regarding the Personnel line of action, CYDSA strengthened and published its code of ethics, and consolidated the report line aimed at promoting workplace ethics. The Group reaffirmed its commitment to health and well-being, incorporating awareness campaigns, medical examinations and personal attention for prevention and comprehensive care. Furthermore,

the Group strengthened and updated operational protocols across all plants to ensure the safety and well-being of all workers, and implemented health campaigns.

In respect to the third line of action, Value to the Community, in 2025 CYDSA continued its involvement with the communities near its plants, aligning efforts of social responsibility to the needs of each region and ensuring a safe environment for the neighboring communities. These initiatives supplement the conservation of flora and fauna efforts started several years ago.

CYDSA's Sustainability Report⁶ details the objectives, metrics and projects that advance the ethical compliance of the Group and its Businesses towards the natural environment, social responsibility, and institutional governance.

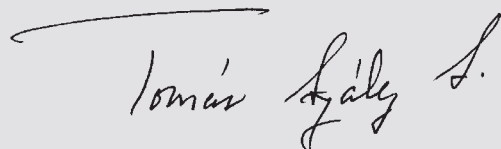
Lastly, Sustainability efforts in 2026 will focus on strengthening the advances in outlining Corporate Strategies related to Environment, Personnel, and Value to the Community; complying with Domestic and International Norms; and also improving Sustainability awareness and the means of disseminating information to personnel.

In 2025, efficient and timely participation of the staff in operational and corporate areas represented a key pillar in CYDSA's ability to appropriately meet the opportunities and challenges arising from national and international situations. Short-term outlook again suggests

a business environment with potential risks that must be addressed through opportunistic and in-depth analysis to ensure continuous improvement, based as always on more and better competitive advantages.

CYDSA believes that in 2026, the Organization's experience, professionalism, and support from its customers, suppliers, investors, and financial institutions will continue backing the new development stage towards Sustainable Profitability. With this support, investments from the Competitiveness and Growth Strategy should form the foundation for Value Creation for Customers, Employees, Shareholders and the Community in general.

Sincerely,



Tomas Gonzalez Sada
Chairman of the Board



Edmundo Rodarte Valdes
Chief Executive Officer

6. CYDSA's 2025 Sustainability Report details these rules and recognitions, as well as the activities and achievements related to ESG. The Report is prepared based on the most up-to-date standards and guidelines and published on the Group's web page.

ECONOMIC ENVIRONMENT



Hiromi Yokoyama
Advisor for Asia - Pacific

The Economy and International Markets

In 2025, the global economy remained characterized by continued uncertainty arising from developments related to evolving US trade policy. Additionally, perceptions about the negative impact of tariffs on inflation, and therefore on central bank monetary policies, led to periods of instability in financial markets. Finally, despite some exceptions, inflation continued to decline and consequently benchmark interest rates fell, generally contributing to relative stability in economic activity. In this context, the global weighted average inflation rate of 4.4% in 2024 fell to 3.2% in 2025. Meanwhile, **the global economy grew by an estimated 2.8% in 2025**, similar to the previous year.

To summarize the circumstances in the world's major economies, the US Federal Reserve, due to uncertainty in inflation trends, temporarily suspended cuts to the benchmark interest rate. Subsequently, after observing declines in industrial production and private investment, as well as an increase in the unemployment rate,

the Federal Reserve lowered the interest rate in October and December 2025, ending the year at 3.75%, 0.75% lower than the 4.5% rate at the end of 2024. Finally, average inflation fell slightly to 2.7% in 2025, compared to 2.9% in 2024. Meanwhile, the unfavorable effect of trade and fiscal policies on personal and government consumption constrained the growth of **Gross Domestic Product (GDP) in the US, ending the year at 2.2% growth**, lower than the 3.0% increase in the prior year.

In Europe, even with the easing of restrictive monetary measures, a slight decrease in inflation occurred in 2025. Nevertheless, the lower interest rates allowed various economies to overcome unfavorable conditions for production activities caused by the increase in tariffs set by the US. As a result, **GDP in Western Europe ended the year with a 1.3% increase**, up from 0.9% growth in the previous period. **In Japan, GDP increased 1.2% in 2025**, compared to a 0.2% decrease in 2024, driven by services

and industrial production, even though the central bank raised the interest rate to reduce inflation pressure. Lastly, the increase in Chinese exports and consequently the improved trade balance compensated for weaker domestic demand and investment, resulting in **China's GDP growth of 4.9% in 2025**, similar to the 5.0% recorded the previous year.

In international oil markets, demand and prices decreased over most of 2025, affected by pressure related to potential risks in growth, stemming from the tariff measures initiated by the US. Prices consequently decreased, and based on statistics released by the US Department of Energy, **the global price of crude oil dropped 14% to an average of US\$71.17 per barrel in 2025, compared to US\$82.33 in 2024.**

The benchmark price for natural gas markets in the US remained steady for most of 2025, at higher levels than those observed the previous year. The average price of US\$3.51 per million BTUs reflected a 60% increase from the US\$2.19 registered in 2024. Natural gas prices in Mexico, established on the basis of prices in the state of Texas, include additional transport-related costs and fees. Consequently, **the price of natural gas for industrial users in southern Mexico averaged US\$5.02 per million BTUs in 2025, a 35% increase** compared to US\$3.72 recorded in 2024. Notably, the US\$5.02 price in southern Mexico exceeded **the benchmark cost of US\$3.51 in the US by 43%.**

Industrial electricity rates in Mexico, subject to the public policies of the Mexican federal government, **remained steady, only 1% lower in 2025, averaging US 11.49 cents per kWh**, compared to 11.66 cents in 2024. **While industrial users in Texas paid an average annual electricity rate of 6.50 cents in 2025, Mexican industrial users paid 11.49 cents, 77% higher, affecting the competitiveness of Mexican companies in international markets.**

Because energy comprises a significant component in the manufacturing prices of several of CYDSA's businesses, the negative effects of higher natural gas prices, and unfavorable electricity rates, led to repercussions in the costs of some of the Group's businesses, as detailed in the Letter of the Board to Shareholders (page 9).

Business Environment in Mexico

In 2025, despite the positive performance of the world economy, particularly in the US, Mexico observed an important deceleration in production and commercial activities. These circumstances arose from unfavorable impacts on private investment, caused essentially by the continuation of restrictive government policies, and, to a lesser extent, the possible effects of changing tariff measures in the US. In the financial environment, the Central Bank of Mexico continued lowering benchmark interest rates, the peso strengthened considerably in the foreign exchange market, and the inflation rate registered a slight reduction, as explained below.

Since late 2024, an important discussion arose between the federal government's projections for Mexico's economic growth in 2025 and the lower projections released by most private institutions. Ultimately, the diverse performance of different production and commercial activities resulted in **growth of 0.6% in Mexico's Gross Domestic Product in 2025**, lower than the 1.4% increase in 2024, as shown in the following graph. In addition, due to the weakness of this increase, **Mexico's GDP in 2025 reached an estimated equivalent of US\$1,834 billion**, an increase of 0.3% from US\$1,829 in 2024, corresponding to US\$13,902 per capita, 0.5% lower than the US\$13,979 the prior year.

It is worth noting that the economic growth for the period shown in the graph reflects an average annual rate of 1.1%. In most of those years, the government mandated extraordinary wage increases far above inflation, as well as enacted modifications to labor regulations to increase the mandatory benefits granted to workers. As evidenced, these increases in compensation have imposed significant additional costs on companies that are unrelated to productivity improvements. Therefore, based on the relevant government statistics, these policy decisions have led to a decrease in the number of employees in the formal economy and also to the closure of companies, mainly small and medium-sized enterprises.

Specifically for Mexico, in relation to the development of different economic sectors, the agricultural and livestock sectors continued to not receive public stimulus packages, but Mexico experienced favorable climate conditions in 2025. As a result, **the Agricultural and Livestock Sector GDP rose 4.2% in 2025**, compared to the 0.4% increase in the previous year, and represented 4% of total GDP.

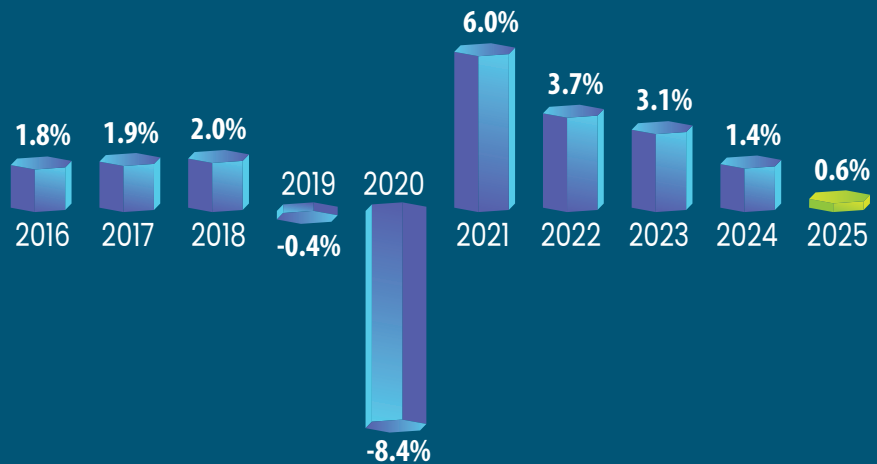
Industrial output declined over the year with a drop in mining, oil, and construction investment, as well as lower electricity production

and several manufacturing activities. These negative indicators resulted in **GDP for Mexico's Industrial Sector** to comprise 32% of total GDP, **decreasing 1.3% in 2025**, following the 0.4% decrease reported in the prior year.

Lastly, demand for commercial and personal services, again partially influenced by an extraordinary increase in the minimum wage, supported a **1.3% increase of the GDP in the Services Sector in 2025**, lower than the 2.3% in 2024, when it benefited considerably from an increase in government aid and subsidies to various population groups, primarily before the elections. The Services Sector remains the largest economic category, contributing 64% to total GDP.

In foreign trade, export sales of non-petroleum goods from Mexico are usually driven by manufacturers that supply demand to various US markets. In that country, improved industrial production and extraordinary inventory purchases to prevent increases in tariffs overcame weaker private consumption, as well as higher prices in some products generated from the strengthening of the Mexican peso. **In 2025, non-petroleum exports reached a historic high of US\$643 billion, increasing 9%** over the US\$589 billion in the previous year.

Mexico. Growth in Gross Domestic Product Annual Percentage



GDP (billions of dollars)	1,110	1,191	1,257	1,304	1,121	1,316	1,468	1,796	1,829	1,834
GDP per capita (dollars)	9,160	9,737	10,171	10,454	8,896	10,337	11,418	13,846	13,979	13,902

Source: INEGI

Conversely, the stagnation in the production of crude oil once again caused lower volumes of crude oil exports, registering the lowest figure in three decades. This result combined with the reduction in prices of the Mexican export mix that averaged US\$61.55 per barrel, 13% lower than the comparable figure of US\$70.64 in the previous year. Consequently, **exports of oil dropped 28% to US\$21 billion in 2025**, compared to US\$29 billion the previous year. Despite this, **exports totaled a record US\$664 billion, 8% above** the US\$618 billion recorded in 2024.

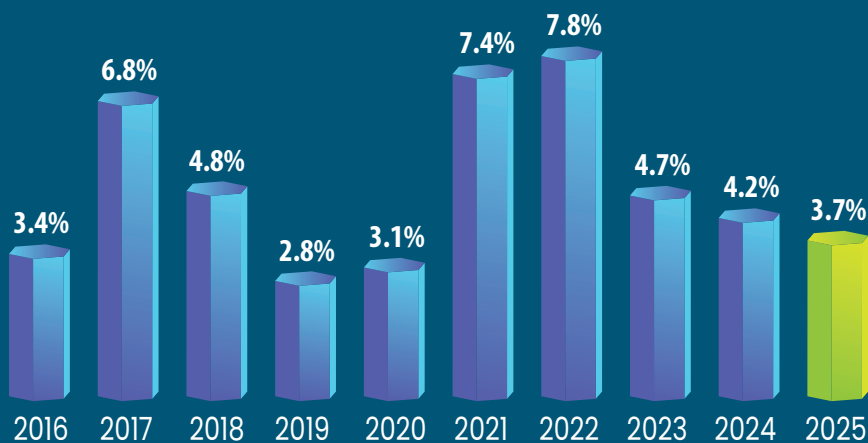
In terms of imports, supported by exchange rate advantages, purchases of foreign products in 2025 to meet demand for consumer goods as well as raw materials used to manufacture products for export markets, reported increases over 2024. In this manner, **imported merchandise totaled US\$666 billion in 2025, a 5% increase** from the US\$636 billion recorded the previous year. As a result, **the trade balance in 2025 registered a deficit of US\$2 billion**, equivalent to 0.1% of GDP, significantly lower than the US\$18 billion in 2024.

In the domestic exchange market, it is important to consider various financial conditions in the US, including the uncertainty related to the potential impact of changing trade tariffs, rising government debt, and the decisions of

the Federal Reserve aimed at decreasing the benchmark interest rate. In this context, during 2025, the US dollar depreciated an average of 10% against the world's major currencies, with the Mexican peso no exception, showing a stronger exchange rate trend against the US dollar since the second quarter of the year. In conclusion, the 2025 year-end exchange rate of 18.00 pesos per dollar appreciated 13.4%, compared with the 20.79 pesos per dollar at the end of 2024. Conversely, the average exchange rate of 19.22 pesos per dollar in 2025 depreciated 4.9% from the comparable 18.32 pesos the previous year, due to the differences in exchange market volatility during the last two years.

Regarding the inflation rate, the upward trend observed during the first half of 2025, partially influenced by easing of the restrictive monetary policy implemented by the Central Bank of Mexico, shifted to slower growth in prices in the third quarter. Subsequently, the economic slowdown prevented further inflationary decreases, resulting in relatively high price increases for food and beverages, various services, and government-managed tariffs. Finally, annual inflation in Mexico, measured by the **National Consumer Price Index, totaled 3.7% in December 2025**, lower than both the 4.2% reported in 2024 and the 4% upper target range established by the Central Bank.

Mexico. National Consumer Price Index % December / December



In Mexico's financial markets, given the lack of a clear reduction in inflation in 2025, as well as growing signals of weaker economic growth, the Central Bank of Mexico made monetary policy decisions based on similar trends observed internationally. As a result, the Central Bank reduced the benchmark interest rate at eight meetings in 2025, reaching 7.0% from 10.0% in December of the previous year. Therefore, the 28-day CETES (Federal Treasury Certificates) yielded a nominal rate of 7.2% in December of 2025 and averaged a nominal annual yield of 8.2% during the year, lower than the 10.7% average in 2024, maintaining a significant yield differential over investment alternatives in foreign markets.

Lastly, the deficit in government finances remained relatively high both in absolute terms as well as relative to GDP, due to the expenses of the Federal Government's main projects and the increase in social programs, combined with the decrease in oil-related export revenues. As a result, although the government's negative financial balance decreased in 2025, compared to the amount recorded the previous year, the estimated economic deficit of the Public Sector totaled a still high US\$74 billion, or 4.1% of GDP in 2025, despite being lower than the negative balance of US\$91 billion, or 5.0% of GDP, in 2024.

CYDSA's Markets

In 2025, economic activity partially affected the sale of CYDSA's products, primarily due to the effects of lower growth of domestic manufacturing activities.

In the Businesses of Chemicals Manufacturing and Specialties Division, domestic sales increased for some markets of natural salt, chlorine, caustic soda, and chlor-alkali specialties, while demand decreased for salt for industrial uses, and refrigerant gases. Combined, physical units of domestic sales of this division declined by a weighted average of 2.1%.

Regarding international markets, the group generated higher sales in refrigerant gases, chlorine, and to a lesser extent, some salt products. Thus, the Group's weighted annual exports in physical units, including only the Chemicals Manufacturing and Specialties Businesses, grew 16.8%.

In the Energy Processing and Logistics Division, production in the Electricity and Steam Cogeneration Business decreased significantly due to the external circumstances impacting operational continuity at the end of 2024, unresolved until the fourth quarter of 2025. Additionally, the Processing and Underground Storage of the Liquefied Petroleum Gas (LPG) Business's activity is not comparable to the production of goods and services. Therefore, sales of CYDSA's physical units do not accurately represent the performance of these two businesses in 2025.

In summary, **the average physical sales of all Chemicals Manufacturing and Specialties Division increased 0.2% in 2025.**



CHEMICALS MANUFACTURING AND SPECIALTIES DIVISION

In 2025, CYDSA's three Chemicals Manufacturing and Specialties Division Business Units focused on monitoring strategic projects while ensuring maximum efficiency in manufacturing and merchandizing, aimed at maintaining an optimal supply of products for domestic and international customers.

Additionally, the management of manufacturing and sales activities, including distribution and logistics, strengthened the focus on Sustainability to ensure that the Business's operations, as well as the products and services offered, contribute to building a healthy and sustainable world for future generations. With this objective, the Division prioritized the allocation and implementation of systems that comply with International Financial Reporting Standards related to Sustainability (IFRS S1 and S2).

The Salt for Household Consumption and Industrial Applications Business reaffirmed its commitment to efficiency and sustainability through the manufacturing of biodegradable plastic canisters and lids used for packaging different presentations of salt and complementary products. The Business also prioritized ensuring procurement of key raw material for producing natural salt, and providing the outstanding level of service expected by customers.

The Chlorine, Caustic Soda and Related Specialties Unit focused on ensuring high efficiency standards and environmental protection in the operations of all facilities. The increased physical production and sales derived from improving the operational efficiency in the new chlorine and caustic soda plant with production systems based on membrane technologies



Salt for Household Consumption and Industrial Applications

in Coatzacoalcos, Veracruz, allowed the Group to maintain its leadership in the domestic market and expand its presence in the US market. Additionally, the Business increased its participation in various chlorine and caustic soda derivatives markets.

The Refrigerant Gases Manufacturing and Commercialization Business Unit continued to improve customer service by expanding distribution of the latest generation gases that have no effect on the ozone layer. The Business continued to enhance its portfolio of products in the refrigeration market, as well as to increase participation in export markets. In relation to its commitment to safety, care for the environment, and sustainability, the Business updated or renewed all relevant national and international certifications.

The following sections describe the key activities in 2025 of the three Business Units of the Chemicals Manufacturing and Specialties Division.



Chlorine, Caustic Soda and Related Specialties



Refrigerant Gases Manufacturing and Commercialization



Sales del Istmo, S.A. de C.V. (SISA)

1999 Shingo Prize for Excellence in Manufacturing, ISO-9001:2015, ISO-14001:2015 and FSSC-22000:2013 Certified.

SALT FOR HOUSEHOLD CONSUMPTION AND INDUSTRIAL APPLICATIONS

In 2025 the Salt for Household Consumption and Industrial Applications Business focused its actions on ensuring the supply of evaporated natural salt to meet the nutritional needs of the population, as well as to the processed foods manufacturing supply chain, all while maintaining the highest level of service.

In addition, the Business completed a project to manufacture biodegradable plastic canisters and lids used in packaging different kinds and presentations of natural salt and complementary products. Efforts to maximize available production capacity and improve efficiency of

energy consumption continued, with the aim of strengthening the competitive position of the Sales del Istmo plant, the largest evaporated natural salt producer in the Americas.

Major initiatives also included enhancing brand image, optimizing outbound logistics, reinforcing distribution networks, and reducing costs. Programs emphasized operational excellence, compliance with environmental regulations, and being a responsible corporate citizen to the communities where the Company operates.

PRODUCTS

Salt for human consumption and salt for industrial applications.
Edible salt specialties: Light Salt; Salt Substitute; Kosher and Halal Grade Salt; Salt with Chili and Lime; Coarse Sea Salt.
Salt pellets for swimming pool conditioning and water softening.

MARKETS

Domestic and export, primarily to USA and Central America.

USES

Household and commercial human consumption, food industry and industrial processes.

TRADEMARKS

La Fina, Cisne, Marfil, Gallo, Palomitos, Bakara, Elefante, Klara, Carmen, Brisa de Occidente, Fine.

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e-mail: sisa@cydsa.com



Markets

- Continued the institutional advertising campaign in Mexico called “**La Fina, Sabor de Familia**”, adding the phrase “**La Verdadera Sal Natural**”, aimed at maintaining leadership in the edible salt market, emphasizing the purity of the Business’s products. Promotion strategy included regional and national media, and using electronic, print, and digital media to communicate and reinforce the qualities and benefits of salt consumption for humans.
- Increased the **brand image in all important social media channels**, differentiating the approach according to the target population.



Increased the La Fina brand image in all important social media channels



- Maintained the **presence of La Fina brand** by participating in **regional cultural events, in national industry fairs and conventions**, as well as product placements **in reality TV show competitions and sporting events**, taking advantage of all available virtual communication options.
- Promoted demand for **La Fina Chile y Limón, Sal Light La Fina and Sal La Fina packaged in “Saco” and “Supersaco.”**
- Improved sales of specialty products through **differentiated products and presentations of coarse sea salt marketed under the La Fina, Elefante, Cisne and Brisa de Occidente brands.**
- Consolidated **export sales of salt to US Hispanic consumers as well as to US and Caribbean food industry markets**, through new distribution channels and presentations of **Sal La Fina and other salt products, focusing on new customer segments.**



Improved sales of specialty products through differentiated products and presentations of coarse sea salt

Innovation and Customer Service

- **Completed the project to start manufacturing degradable plastic canisters and lids** used for packaging different natural salt and complementary products. This facility continues to provide suitable service to customers and simultaneously ensures competitiveness at the Industrial Center located in Coatzacoalcos, State of Veracruz.

These canisters and lids, in addition to the biodegradable plastic bags for edible salt packages already in use for several years, contribute to reducing the unfavorable impact on the environment. Furthermore, modifications to the formulation of these plastic bags will make them more environmentally friendly.

- Increased commercialization of **“Fine” brand salt pellet products**, oriented mainly to US markets for conditioning swimming pools and water softening, with **certification from the NSF International standards** (US National Sanitation Foundation).
- Continued **developing new brine caverns**, a key raw material in the production of natural evaporated salt, some capable of future utilization in **Hydrocarbon Processing and Underground Storage Projects**.
- To determine optimal locations of salt domes for brine extraction, the Business conducted **magnetotelluric studies to analyze the subsoil structure**. This technology **allows for the identification of saline deposits, improves water management, and enhances the evaluation of geotechnical conditions** in the installations. Furthermore, this methodology **strengthens the exploration of new raw material sources**, ensuring operational continuity and promoting Sustainable Development.
- Accelerated the **development of logistics and packaging processes and methodologies to adequately meet new needs of customers and markets** requiring more types of products, presentations, and shipping systems.



Completed the project to start manufacturing degradable plastic canisters and lids



Total Quality and Environmental Protection

- For compliance with **Food Safety, the Business maintained certification of the FSSC-22000:2013 safety standard** required for food manufacturers utilizing salt in their products, for the Sales del Istmo Plant and the metropolitan Mexico City distribution facilities; and re-certified its salt with **Kosher and Halal Quality Food Standards**.
- For strengthening **Ethical Practices, the Business renewed compliance with Sedex and Walmart International standards**, certifying it as a world-class supplier utilizing responsible and ethical best business practices; and similarly, updated audits from global clients **regarding Social and Environmental Responsibility**.
- For fauna conservation, the Business restarted **supplying equipment and tools to the communities and organizations dedicated to safeguarding the nesting and preservation of the Kemp's Ridley Turtle**, in the State of Veracruz.
- For strengthening relations with the areas neighboring the facilities, the Business continued providing **courses and materials to promote aspects of civil protection to teachers and students in a public school** located in the municipality of Nanchital, Veracruz. The initiative included a plan and drills for earthquakes and other emergencies, as well as education in first aid and firefighting.
- For assuring a **Sustainable Operation, the Business renewed ISO-9001:2015 and ISO-14001:2015 certifications** in all production and distribution facilities.



Industria Química del Istmo, S.A. de C.V. (IQUISA)
Iquisa Santa Clara, S.A. de C.V.
Iquisa Noreste, S.A. de C.V.

1998 Mexican National Quality Award; 1998 Shingo Prize for Excellence in Manufacturing (Coatzacoalcos Plant) and 2002 (Tlaxcala Plant); Environmental Excellence Award 2015 (Tlaxcala Plant); ISO-9001:2015 (Coatzacoalcos, Santa Clara, Noreste, Tlaxcala and Hermosillo Plants) and ISO-14001:2015 Certified (All manufacturing plants: Coatzacoalcos, Santa Clara, Noreste, Tlaxcala and Hermosillo Plants).

CHLORINE, CAUSTIC SODA AND RELATED SPECIALTIES

Throughout 2025, the Chlorine, Caustic Soda and Related Specialties Business Unit maintained the highest efficiency levels across its six production plants, facing a complicated market environment characterized by volatile selling prices and lower North American demand.

The prices of some chlor-alkaline chemicals in North America showed volatile behavior with a downward trend from 2024 levels. Specifically, the international chlorine price decreased due to lower activity in Mexican and US construc-

PRODUCTS

Chlorine, liquid and gas; membrane-grade liquid caustic soda and rayon-grade liquid caustic soda, solid caustic soda; chlorine in cylinders; sodium hypochlorite; caustic potash; synthetic hydrochloric acid; and muriatic acid.

MARKETS

Domestic and export, primarily to USA and Central America.

USES

Chemical and petrochemical industries, water treatment, oil, cellulose, paper, bottling, pesticides, bleach, detergents and soaps, mining and extraction of metals, plastics, pigments and paints.

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HERMOSILLO PLANT

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Hermosillo, Sonora 83299
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tion sectors. Consequently, the Business placed strong emphasis on cash flow management through initiatives focused on reducing fixed costs, ensuring efficient working capital administration, and optimizing investments.

Programs aimed at strengthening market presence and service, as well as expanding the offering of differentiated products, continued to be implemented. In addition, the Business maintained priority focus on operational safety and efficiency, reducing energy consumption, complying with environmental regulations, and engaging with communities near the production plants.

The 2025 results are outlined below:



Maintained priority focus on operational safety and efficiency

Iquisa Santa Clara,
operated at a production
efficiency of
95%



Markets and Operational Excellence

- **In its second operational year, the plant for Chlorine and Caustic Soda production in Coatzacoalcos, Veracruz, based on membrane technology, implemented actions to improve its production efficiency, significantly increasing the manufacturing levels of all products.**
- **Iquisa Noreste**, located in Garcia, Nuevo Leon, **achieved 91% efficiency**, operating at near design capacity levels.
- **Iquisa Santa Clara**, located in the State of Mexico, **operated at 95% production efficiency**, achieving remarkable indicators in efficiency and operational safety, **and 21 years without disabling accidents.**
- **The Chlorine, Caustic Soda, and Related Specialties Business increased its share of several chlorine and caustic soda specialties markets**, with strategies to enhance market presence and customer service for users of sodium hypochlorite, cylinder-packaged chlorine, hydrochloric acid, solid caustic soda, and rayon and membrane grade caustic soda.



The Noreste Plant completed the “cero descargas” system to fully eliminate water discharge by utilizing all the liquid in the production process



Total Quality and Environmental Protection

- The **Noreste Plant** completed the “cero descargas” system to fully eliminate water discharge by **utilizing all the liquid in the production process.**
- The **Santa Clara Plant** concluded the installation of a **water treatment system for use in production processes**, and now awaits the required government permits. The main objective of this initiative aims to reduce costs and free up almost 450,000 cubic meters per year of potable water for the community.
- **The six manufacturing plants of the Business**, located in Coatzacoalcos, Veracruz; Garcia, Nuevo Leon; Ecatepec, Estado de Mexico; Tlaxcala, Tlaxcala; and Hermosillo, Sonora, **again received the highest US Chlorine Institute Chairman’s Process and Personnel Safety Excellence Awards.**
- All plants of the Business Unit renewed their **certifications for ISO-9001:2015 and ISO-14001:2015** and received recertifications from **NSF International (US National Sanitation Foundation)**, as well as **ANIQ’s Comprehensive Responsibility** granted by the Mexican National Chemical Industry Association. The **Coatzacoalcos Plant also renewed the Kosher Quality Food certification.** The **Noreste Plant obtained the TRe Recognition (Responsible Labor)**, granted by the State of Nuevo Leon Ministry of Labor, for its compliance with standards in responsible work practices across human resources, labor relations, industrial safety, and health.



- All plants renewed the **Clean Industry Certification** granted by the Mexican Ministry for Environment and Natural Resources (SEMARNAT). The Tlaxcala Plant retained the **Environmental Excellence Award** also granted by SEMARNAT.
- All the Business's production facilities maintained the **Socially Responsible Company Certification**, granted by the Mexican Philanthropy Center.
- The Mexican Ministry of Labor **recertified the Noreste and Santa Clara plants as a Safe Company in the Workplace Safety and Occupational Health Self-Management Program**.
- **The Santa Clara Plant received the "Cero Accidentes de Trabajo" recognition** (Zero disabling accidents) granted by The Mexican Institute for Social Services (IMSS-ELSSA) program for Safety and Health Labor Environment.





Quimobasicos, S.A. de C.V.
Joint-Venture 51%/49% with Solstice USA
(formerly Honeywell)

Environmental Excellence Award 2004 and 2015, ISO-9001:2015 and ISO-14001:2015 Certified.

REFRIGERANT GASES MANUFACTURING AND COMMERCIALIZATION

In 2025 the Refrigerant Gases Manufacturing and Commercialization Business Unit continued to focus on ensuring comprehensive service, offering the latest generation of refrigerant, propellant and blowing gases, as well as refrigerant grade hydrocarbons, through its distribution network. The Business also offered services for recovering, reconditioning and destroying ozone depleting and high global warming potential substances.

With the objective of maximizing the efficiency of resources, the actions implemented during the year aimed to strengthen the Business by

addressing the following objectives: improving customer service, increasing domestic and export market presence, optimizing costs and pricing, achieving operational excellence, and managing working capital. The Business Unit also strengthened safety and environmental standards, and relationships with neighboring communities.

The key achievements of the Business in the year follow.

PRODUCTS

Refrigerant, propellant and blowing gases. Gases for fluoropolymers and anesthetic medical products.

SERVICES

Destruction of Ozone Depleting Substances (ODS), utilizing an Argon Plasma Arc technology.

Recovery and Reconditioning of HCFC and HFC products that harm the ozone layer and affect Global Warming.

MARKETS

Domestic and export, primarily Latin America, Middle East and USA.

USES

Industrial, commercial and domestic refrigeration, home appliances, automotive and pharmaceutical industry.

TRADEMARKS

Genetron, Aquion, Eco Flush, Solstice.

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Markets and Products

- Maintained domestic market presence by **offering the full line of latest generation refrigerants, blowing agents, and propellant products (HFO1234yf, HFO1233zd and HFO1234ze)**, and continuing the sale of the HCFC-22, HFC-134a, HFC-410A and HFC-404A refrigerant gases.
- **Marginally increased supply to the Mexican automotive market of HFO1234yf refrigerant gas**, a product with zero ozone environmental impact.
- **Reinforced presence in the blowing agents segments with the introduction of new products, like HFO1233ze** as a blowing agent with zero impact on the ozone layer and global warming, substituting traditional HFC-based blowing agents.



The HFO1234yf refrigerant gas supplied to the automotive market, produces zero ozone environmental impact



- Within the Residential, Commercial, and Industrial Air Conditioning manufacturing segment, the Business initiated the commercialization of new substances with a lower Global Warming Potential (GWP), such as HFC-32, HFC-454B and HFC-454C, as well as HFC-513A, HFC-515B and HFO1234ze, utilized in the production of refrigerants for industrial applications.
- Continued to supply volumes to traditional Latin American export markets through the network of distributors in 16 countries. Maintained participation in the US market for HCFC-22 gas as a raw material for producing anesthetic products.



Maintained participation in the US market for HCFC-22 gas to produce anesthetic products

The use of social media strengthened the Genetron, Aquion, Solstice and Quimobasicos brand images



- **Strengthened commercialization of natural hydrocarbon refrigerants R-600a and R-290**, utilized in domestic and commercial devices, both with zero effects on the ozone layer and global warming. These products complement the strategy aimed at offering a comprehensive product line for the refrigeration market segments.
- **The use of social media strengthened the Genetron, Aquion, Solstice and Quimobasicos brand images**, to maximize domestic market presence, reinforce the concept of a modern and technologically advanced company, and communicate its readiness to serve all current and future requirements.



Total Quality and Environmental Protection

- **Continued to promote the “Eco Flush 1233zd,”** an ecological cleaning solution with zero ozone impact and almost no global warming impact, **as well as canned presentations of the latest generation automotive refrigerant gas HFO1234yf,** a zero-ozone impact gas. These developments, in conjunction with the Business’s service to the refrigerant destruction and repurposing industry, highlight the image of Quimobasicos as an environmentally responsible company.
- **Operated at a 100% service index, both as an Original Equipment Manufacturer (OEM) and in serving the automotive industry.**
- **Obtained recertification for ISO-9001:2015 and ISO-14001:2015 standards, and recertified ANIQ’s Comprehensive Responsibility granted by the Mexican National Chemical Industry Association,** originally obtained in 2013.
- Quimobasicos **maintained the level 2 Clean Industry Recertification for the eleventh consecutive year.** This Business became a recipient of the annual **Environmental Excellence Award** by the Mexican Ministry for Environment and Natural Resources (SEMARNAT), both in 2004 and 2015.
- **The Mexican Ministry of Labor recertified Quimobasicos as a Safe Company in the Workplace Safety and Occupational Health Self-Management Program.**
- **For the third consecutive year, the Responsible Work Distinction (TRe), granted by the Ministry of Labor of the State of Nuevo León, remained in effect** as recognition of compliance with standards in responsible workplace practices across human resources, labor relations, industrial safety, and health.
- **The Business maintained the capability to operate the only Latin American facility for destroying Ozone Depleting Substances (ODS),** utilizing an Argon Plasma Arc technology and complying with international rules established by the United Nations.





ENERGY PROCESSING AND LOGISTICS DIVISION

During 2025, CYDSA's two Energy Processing and Logistics Business Units continued their efforts to improve the operational efficiency of investments directed at generating cost competitive energy sources and identifying new alternatives for offering services to the market. This effort related to the processes and logistics of the Businesses required maintaining the procedures and protocols focused on safety and efficiency, while exceeding the recommendations of federal, state and municipal authorities.

In the Electricity and Steam Cogeneration Business, 2025 marked the completion of projects aimed at optimizing operations by increasing total power generation capacity, ensuring gas pressure stability, and enhancing steam production efficiency. With the conclusion of these initiatives, the Business plans to operate power and steam cogeneration at optimal levels, meeting the new energy demand requirements of all CYDSA plants.



Electricity and Steam Cogeneration

The Hydrocarbons Processing and Underground Storage Business Unit focused on compliance with all of Pemex's requirements to operate the pioneer system in Mexico and Latin America devoted to the underground storage of Liquefied Petroleum Gas (LPG) in a salt cavern, supporting Pemex to supply LP Gas to 80% of Mexican households.

Throughout 2025, initiatives focused on safety, environmental care, and sustainability took place, as detailed in the following sections.



Hydrocarbons Processing and Underground Storage



ELECTRICITY AND STEAM COGENERATION

The two cogeneration plants of the Business Unit, located in Coatzacoalcos, State of Veracruz, simultaneously produce electricity and steam using natural gas combustion turbines, making this hydrocarbon essential in the cost structure of this business.

In 2025, natural gas prices in the US Texas market increased 60% to US\$3.51 per million BTUs from US\$2.19 the previous year. As a result, the natural gas rates for industrial users in the southern region of Mexico, based on this international reference, increased 35% to an average of US\$5.02 per million BTUs, compared to US\$3.72 in 2024.

In response, efforts centered on implementing strategies to reduce operating costs to optimize the Business's competitive structure. Additionally, the Company focused on advancing the final stages of its modifications to equipment and processes required to maximize energy cogeneration.

The key aspects of the Business Unit follow.



ELECTRICITY AND STEAM COGENERATION PLANTS I AND II

Centro Industrial Pajaritos
Coatzacoalcos, Veracruz 96400
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Cogeneration Plant I

The **first Electricity and Steam Cogeneration Plant initiated operations in March 2014** with a maximum capacity of 57 megawatts of electricity and 62 tons of steam per hour under optimal conditions, using a natural gas combustion turbine.

Cogeneration Plant II

The establishment of the second Electricity and Steam Cogeneration Plant aimed to supply the remainder of the energy requirements of the Group's facilities not covered by Plant I. **Plant II**, located on the same site and with the identical technical characteristics and production capacity as the first facility, **started up operations in March 2016**.

The main accomplishments of 2025 follow:

- **The Electricity and Steam Cogeneration Business continued to provide for most of the energy requirements for CYDSA's facilities in Coatzacoalcos, Veracruz.** Also, via the Federal Electricity Commission's (CFE) distribution network, it supplied the power required by the Group's chlorine, caustic soda, and chemical specialties facilities **in Ecatepec, State of Mexico, and in Garcia, Nuevo Leon.** It also **sold excess produced electricity to commercial users** located in other regions of Mexico.
- The original design of the twin Electricity and Steam Cogeneration plants failed to consider the unfavorable local air quality conditions, preventing continuous and optimal energy production.

In recent years, together with a team of international technical specialists, **the Business's personnel developed and applied solutions based on creative approaches, recognized as innovative by global companies, with patents obtained for some of the processes implemented.** These advances produced significant improvements in operational availability and production stability.





In 2025, the Business concluded projects focused on optimizing operations. Among these initiatives, one highlight is **the increase in generation capacity to 128 megawatts** per plant with the development of cooling systems, thereby surpassing the original design of 114 megawatts by 12%. Progress also included an installation to ensure consistency in the pressure of the natural gas used in the combustion of the turbines.

With the completion of these projects, **this Business plans to optimally operate the cogeneration of electricity and steam with the capacity required by the new levels of energy demanded in the Coatzacoalcos Industrial Center.** In the final two months of 2024, an event out of the Group's control suspended a significant amount of total cogeneration capacity, a situation resolved in October 2025.

- The two plants of the Electricity and Steam Cogeneration Business Unit **maintained the "Efficient Cogeneration Investment" certification** granted by the Mexican Energy Regulatory Commission (CRE), allowing for more flexible utilization of the electricity produced. The Business also **maintained the Clean Industry Certification** granted by the Mexican Ministry for Environment and Natural Resources (SEMARNAT).





HYDROCARBONS PROCESSING AND UNDERGROUND STORAGE

In 2025, the Hydrocarbons Processing and Underground Storage Business Unit continued to focus on assuring the optimal operation of the **first system in Mexico and Latin America dedicated to the processing and underground storage of LPG in a salt cavern**, located in the southern region of Coatzacoalcos, State of Veracruz.

- **This project originated in 2012, when CYDSA**, following several years of analysis and assessment, **began to develop a new zone of brine extraction wells in the State of Veracruz**. The initiative included the efficient drilling of brine wells with technical characteristics to create caverns capable of underground storage of hydrocarbons in gas or liquid form.



HYDROCARBON PROCESSING AND UNDERGROUND STORAGE

Complejo Industrial Pajaritos
Coatzacoalcos, Veracruz 96400
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- **In November 2014, the Group formalized an agreement with Petroleos Mexicanos (Pemex) to develop a system for the processing and underground storage of LPG.** The system encompassed a specially designed **salt cavern with a maximum operating storage capacity of 1.8 million barrels of LPG** and the construction of surface infrastructure capable of processing, injecting, extracting, and transporting up to 120,000 barrels per day.
- **In April 2015,** the Group received the permit to implement the Storage System from the Mexican Energy Regulatory Commission (CRE), when **construction work began on the surface facilities.**
- Finally, **the commercial operations of LPG processing and storage service to Pemex started up in November 2017.**

Since starting operations, the Business proved its response capability with the substantial increase in the frequency and volume of LPG injection and extraction operations. In 2025, the LPG Processing and Underground Storage System completed its eighth year of operation, fully complying with design specifications and Pemex requirements.

Over the year, Pemex required injection and extraction operations for 359 days, generating a record volume processed through the storage system - more than 20.4 million barrels of LP Gas, a volume equivalent to 68 days of national consumption. This resulted in storage service availability exceeding 99%, surpassing international industry standards.

In 2025, Pemex required injection and extraction operations for 359 days





The Group developed this Business complying with procedures requiring no impact on the region's flora and fauna. This approach to sustainability includes a **proprietary nursery capable of cultivating 30,000 plants per year** of species native to the region, and ten years of **campaigns to reforest 40.2 hectares of the Business's own land.**

The operation of this Business confirms CYDSA's strategy aimed at developing sustainable industrial parks for managing hydrocarbons and providing storage in salt caverns, contributing to the clean, efficient, and safe use of energy resources in Mexico. Also, the LPG Processing and Underground Storage System represents the commencement of a Business Area providing significant potential for the Group's medium- and long-term growth, utilizing either the three caverns already available or newly developed ones.

BOARD OF DIRECTORS



Tomas Gonzalez Sada, Chairman *

Chairman of the Board and Executive President of CYDSA. Member of the Board of Directors of Vitro. Vice President of the Mexican Institute for Competitiveness; Honorary Consul Emeritus of Japan at Monterrey, Mexico; Member of the Regional Council of Banco de Mexico, Mexican Business Roundtable (CMN) and Nuevo Leon's Council of Entrepreneurs. Member of the Board and Treasurer of the Fundacion Martinez Sada, an organization granting academic scholarships; and Member of the Board of Trustees of Caritas de Monterrey.



Laura Gonzalez Casas*

Vice-President of CYDSA. Delegate of the Board and Co-Principal of Liceo Anglo Frances School. Member of the Board of Directors of Liceo Anglo Frances School, Universidad de Monterrey and Tec Group (Honda and BYD).



Tomas Gonzalez Casas*

Vice-President of CYDSA. Chief Operating Officer of Tec Group (Honda and BYD). Member of the Board of Directors of Tec Group and Parque Ecologico Chipinque.



Edmundo Rodarte Valdes

Chief Executive Officer of CYDSA. Formerly assumed executive responsibilities in Marketing, Logistics, Commercial Operations and Corporate Affairs at Cervecía Cuauhtemoc and FEMSA. Former President of the Asociación Nacional de Industria Química (ANIQ); the National Energy Commission of COPARMEX; and the Citizens' Council for Public Services and the Environment of the municipality of San Pedro Garza Garcia, Nuevo Leon. Served as a member of the Boards of CAINTRA in the State of Nuevo Leon; the National Chamber of the Beer and Malt Industry: Latin American Beer Association; and CINTERMEX Nuevo Leon.



Herminio Blanco Mendoza**

Former Mexican Secretary of Trade and Industry, Undersecretary of Foreign Trade Negotiations and former Chief Negotiator for the North American Free Trade Agreement (NAFTA). Former Senior Advisor of Consejo Coordinador Empresarial. President of IQOM Inteligencia Comercial. Chairman of the Board of ArcelorMittal Mexico. Treasurer of the Board of Directors of Banco Latinoamericano de Comercio Exterior (Bladex). Member of the Board of Directors of Fibra NEXT. Member of the Trilateral Commission.



Alvaro Fernandez Garza**

Chairman of the Board and Chief Executive Officer of ALFA. Member of the Board of Directors of ALFA, Vitro and the Mexican Business Roundtable (CMN). President of the Board of Universidad de Monterrey (UEM).



Eugenio Garza Herrera**

Chairman of the Board of Xignux, Maixico and Pak2Go. Member of the Board of Directors of Corporación EG, Nematik, Bancrea, Mexico Evalua and the Regional Council of Banco de Mexico. Member of the Consultative Committee of UDEM's Roberto Garza Sada Center for Architecture and Design. Member of the Board of Instituto Tecnológico y de Estudios Superiores de Monterrey.



Francisco Garza Zambrano**

Member of the Board of Directors of Autlan, Grupo Acosta Verde, RLH Properties, Grupo Aeroportuario del Sureste, Velatia Group, Xignux and Banco de Mexico. Member of the Nuevo Leon State Citizen Council. Member of the General Board of Trustees of Universidad de Monterrey; Consultative Committee of UDEM's Roberto Garza Sada Center for Architecture and Design; and FIDECULTURAL Technical Committee. Chairman of the Board of Universidad de la Arquidiócesis de Monterrey.



Gabriela Gonzalez Casas*

Member of the Board of Directors of Liceo Anglo Frances School, Monterrey Arena, and Tec Group (Honda and BYD). Honorary Founder of Ya Puedo Es-cucharte, A.C.



Veronica González Casas*

President of the Board of Las Artes Monterrey. Member of the Board of Museo de Arte Contemporáneo (MARCO) de Monterrey. Member of Patronato de los Tres Museos: Museo de Historia Mexicana, Museo del Noreste (MUNE) and Museo del Palacio en Monterrey; and La Milarca museum in the municipality of San Pedro Garza Garcia, Nuevo Leon. Member of the Board of Directors of Colegio Liceo Anglo Frances and Tec Group (Honda and BYD).



Mario Laborin Gomez**

President of the Board of ABC Holding. Former Chief Executive Officer of Nacional Financiera and Banco Nacional de Comercio Exterior. Member of the Board of Directors of Xignux, Megacable, Vitro, AXA, Fly Across and Banco de Mexico.



Humberto F. Lozano Vargas

Chief Financial Officer of CYDSA. Former Corporate Financing Managing Director of CEMEX.



Abelardo Morales Puron

Former Chief Executive Officer of Grupo Financiero Serfin, Banca Serfin, and Operadora de Bolsa. Former Chairman of the Board of PROSA. President and Founder of CONFICOR, S.C. (Corporate Financial Consulting). Chairman of the Board of Mayazul and M&M Real Estate. Active in real estate and tourism developments on the Mayan Riviera. Member of the Consultative Committee of UDEM's Roberto Garza Sada Center for Architecture and Design. International Member of the Board of the Real Theater of Madrid, Spain.



Roberto B. Rubio Barnes

Chief of Corporate Development and Real Estate Businesses of CYDSA. Member of the Board of Directors of Glassia, S.A. de C.V. Member of the Board of COPARMEX, American Chamber of Commerce of Nuevo Leon and Digital Hub of Monterrey.



Adrian G. Sada Gonzalez

Honorary Chairman of the Board of Vitro.



Carlos Salazar Lomelin**

Former Chairman of the Board of Mexico's Business Coordinating Council. Former Chief Executive Officer of FEMSA, Cerveceria Cuauhtemoc-Moctezuma and Coca-Cola FEMSA. Ex-President of the Consular Corps in the municipality of Monterrey, Nuevo Leon. Developer of Centro de Exposiciones y Convenciones in Monterrey (CINTERMEX). Entrepreneur of several projects related to the manufacturing and selling of cookies and cereal, as well as real state. President of the Business School and member of the Academic Board of Instituto Tecnológico y de Estudios Superiores de Monterrey.



Alejandro von Rossum Garza

Advisor to the Executive President and the Chief Executive Officer of CYDSA. Former Chairman of the Board of Quimobasicos. Member of the Board of Shingo Prize for Excellence in Manufacturing of North America.

* Patrimonial

** Independent

COMMITTEES OF THE BOARD OF DIRECTORS

CORPORATE GOVERNANCE PRACTICES AND AUDIT COMMITTEE

Mario Laborin Gomez, President
Herminio Blanco Mendoza
Alvaro Fernandez Garza
Eugenio Garza Herrera
Francisco Garza Zambrano
Carlos Salazar Lomelin

COMPENSATION POLICIES COMMITTEE

Adrian G. Sada Gonzalez, President
Herminio Blanco Mendoza
Mario Laborin Gomez
Roberto B. Rubio Barnes

PLANNING AND FINANCE COMMITTEE

Abelardo Morales Puron, President
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Laura Gonzalez Casas
Tomas Gonzalez Casas
Edmundo Rodarte Valdes
Gabriela Gonzalez Casas
Veronica Gonzalez Casas
Humberto F. Lozano Vargas
Roberto B. Rubio Barnes
Adrian G. Sada Gonzalez
Alejandro von Rossum Garza



FINANCIAL INFORMATION

Management's Discussion and Analysis of Financial Results	61
Independent Auditor's Report	66
Consolidated Statements of Financial Position	71
Consolidated Statements of Income	72
Consolidated Statements of Other Comprehensive Income	73
Consolidated Statements of Changes in Shareholders' Equity	74
Consolidated Statements of Cash Flows	76
Notes to Consolidated Financial Statements	77

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL RESULTS

The figures presented herein should be analyzed in conjunction with the audited financial statements and notes (pages 70-130), prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). Unless otherwise indicated, the numbers in this report are stated in millions of pesos. Any references to foreign currency are expressed in millions of US dollars.

The following sections comprise Management's Discussion and Analysis of Results and Financial Condition:

- 1. Results**
- 2. Financial Condition**

1. Results

Total Sales

CYDSA's Net Sales in 2025 reached 16,299 million pesos, an increase of 1,260 million pesos or 8.4% from 15,039 million in the prior year.

In dollar terms, Sales in 2025 totaled an equivalent of US\$849.8 million, an increase of 3.5% from US\$821.1 million in 2024. The difference between the variation in Sales in pesos and the equivalent in dollars results from the 4.9% depreciation in the average exchange rate for the period, rising from 18.32 pesos per dollar in 2024 to 19.22 pesos in 2025.

Domestic Sales

Sales to the domestic market in 2025 totaled 14,166 million pesos, an increase of 3.8% from 2024.

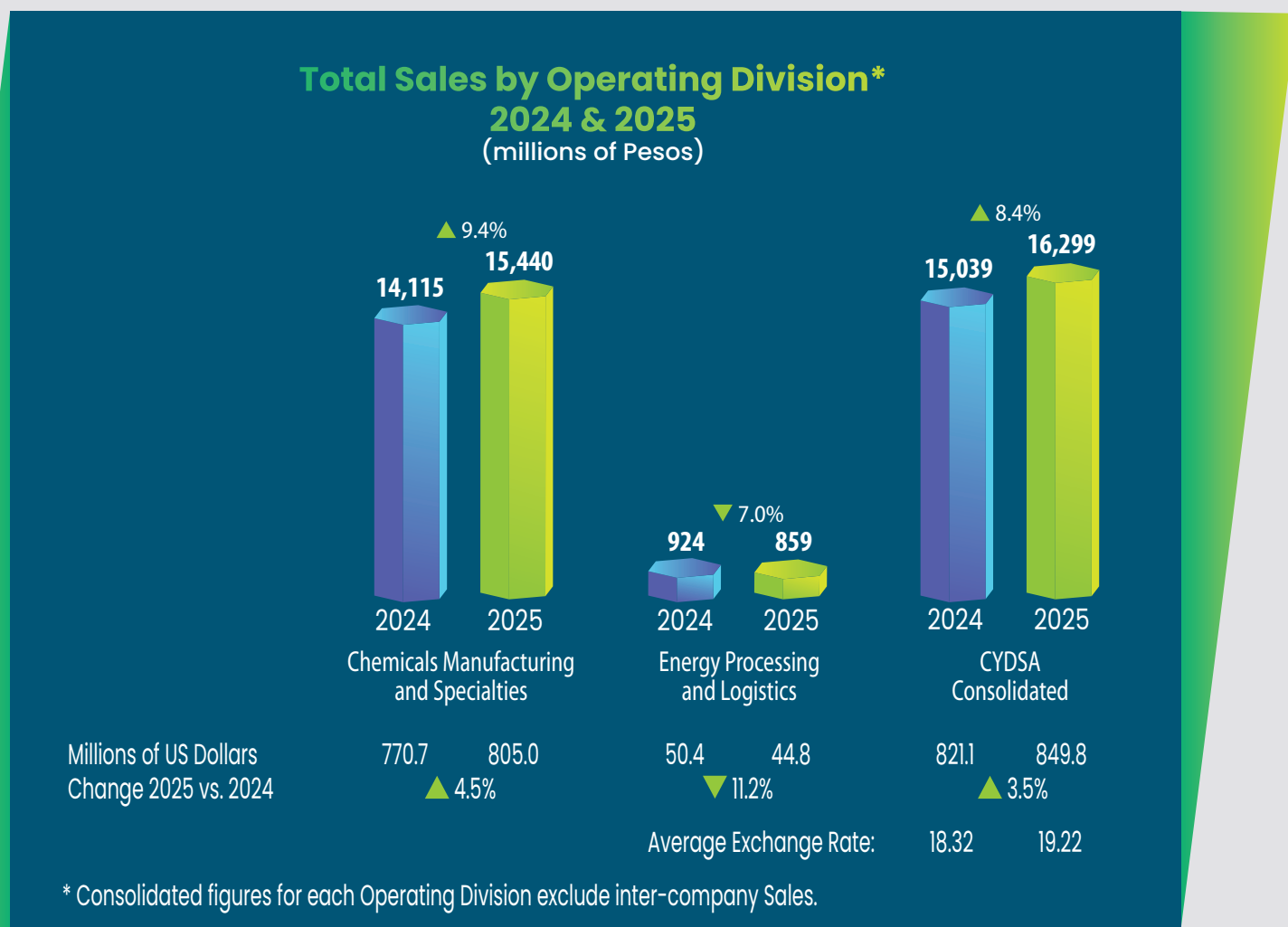
Domestic Sales in the Edible Salt business showed positive performance. Additionally, sales of chlorine and caustic soda increased, driven by higher production at the new membrane plant located in Coatzacoalcos, Veracruz. Furthermore, the period recorded increases in the average international prices of some chlor-alkali chemical products.

Export Sales

Export Sales in 2025 totaled US\$111.3 million, an increase of 46.2% compared with the US\$76.1 million reported in the prior year. The improvement resulted from growth in the sales of salt, chlorine, and refrigerant gases to international customers.

Sales by Operating Division

The following chart depicts Total Sales by Operating Division in 2024 and 2025:



Sales in 2025 from the Division 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 15,440 million pesos or 94.7% of CYDSA's Total Sales, an increase of 9.4% from 2024. The increase derives mainly from higher demand for edible salt in the domestic market, as well as sales of chlor-alkali products from the new plant in Coatzacoalcos.

The Division of Energy Processing and Logistics registered Sales of 859 million pesos or 5.3% of CYDSA's Total Sales. This figure encompasses sales of the Hydrocarbons Processing and Underground Storage Business, and lower income from third parties in the Electricity and Steam Cogeneration Business, as one of the two plants shut down until mid-October 2025.

Operating Income

Operating Income (EBIT) in 2025 totaled 2,386 million pesos, equivalent to 14.6% of Sales, a decrease of 185 million from the 2,571 million in the prior year, when the Sales margin represented 17.1%.

This EBIT result is associated with both positive and negative aspects. Favorable circumstances arose from higher sales volume in connection with the new chlorine and caustic soda plant with membrane technology, the increase in the prices of chlor-alkali products, and better outcomes of the Salt Business for Household Consumption and Industrial Applications.

These positive circumstances could not mitigate the following three adverse factors: 1. The increase in natural gas costs; 2. The need to purchase electricity from the Comision Federal de Electricidad (CFE) at prices higher than the cost of production, as a result of the suspension of the operation of one of CYDSA's two Cogeneration plants from the last two months of 2024 until mid-October of 2025; and 3. Higher depreciation expense, resulting both from the startup of operations at the new chlorine and caustic soda plant and from the effect of a higher exchange rate.

Operating Cash Flow (EBITDA)

Operating Cash Flow (EBITDA) in 2025 totaled 4,035 million pesos or 24.8% of Sales. This EBITDA decreased 2.1% or 86 million pesos, compared to 4,121 million or 27.4% of Sales in 2024. In dollar terms, EBITDA in 2025 totaled US\$210.1 million, 6.9% less than the US\$225.6 million in the previous year.

Net Financial Expenses

Net Financial Expenses totaled 1,861 million pesos in 2025, compared to the 1,064 million in expenses registered the prior year, as shown in the following chart:

	<u>2025</u>	<u>2024</u>	<u>Variation</u>
Financial Expenses related to Debt	(1,310)	(1,366)	56
Other Financial Expenses	(125)	(96)	(29)
Result from Derivative Financial Instruments	(41)	(76)	35
Interest Income	112	137	(25)
Net Foreign Exchange Effect	(497)	337	(834)
Net Financial Expenses	<u>(1,861)</u>	<u>(1,064)</u>	<u>(797)</u>

As shown in the previous table, the main reason for the increase in Net Financial Expenses is the negative variation of 834 million pesos in Net Foreign Exchange Effect. The appreciation of the exchange rate of 2.79 pesos per dollar or 13.4%, moving from 20.79 pesos at the end of 2024 to 18.00 pesos at the close of 2025, resulted in a negative foreign exchange effect, for accounting purposes, of 497 million pesos. This exchange loss compares to a 337 million gain reported in the prior year.

Net Consolidated Income

CYDSA's Net Consolidated Income in 2025 totaled 577 million pesos, equivalent to 3.5% of Sales. This figure represents an increase of 73 million pesos from the Net Income of 504 million or 3.4% of Sales, reported in the previous year.

The 185 million reduction in Operating Income and the 797 million increase in Net Financial Expenses, as previously explained, represent two key factors that negatively impacted the period's results. It is important to note that a 1,045 million decrease in deferred Income Tax expense resulting from the appreciation of the exchange rate, exceeded these adverse effects.

2. Financial Condition

Changes to the Balance Sheet

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

	December 2025	December 2024	Change
Current Assets	9,015	9,285	(270)
Non-Current Assets	23,144	25,050	(1,906)
Total Assets	32,159	34,335	(2,176)
Current Liabilities	5,874	4,846	1,028
Non-Current Liabilities	13,530	15,050	(1,520)
Total Liabilities	19,404	19,896	(492)
Shareholders' Equity	12,755	14,439	(1,684)

As shown in the previous table, Total Assets decreased 2,176 million from 34,335 million on December 31, 2024, to 32,159 million at the close of December 2025. The decrease in Total Assets mainly reflects the lower valuation of Fixed Assets denominated in dollars, resulting from the 13.4% appreciation of the exchange rate, as mentioned in the Net Financial Expenses section.

Conversely, CYDSA's Total Liabilities of 19,404 million pesos at the end of December 2025, represented a decline of 492 million pesos compared with the close of December 2024, derived mainly from the decrease of the balance in pesos of dollar denominated debt in connection with exchange rate appreciation.

Finally, Shareholders' Equity as of December 31, 2025, registered a decrease of 1,684 million pesos when compared to the close of December 31, 2024, due to the following:

2025 Net Income	577
Dividend to Shareholders of Cydsa, S.A.B. de C.V.	(350)
Mark to Market of Derivative Financial Instruments	(94)
Repurchase of Own Shares	(32)
Foreign Exchange Conversion Effect on four CYDSA Businesses ¹	(1,785)
Variation in Shareholders' Equity	(1,684)

The Book Value per share of 23.12 pesos on December 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 the Chlorine, Caustic Soda and Related Specialties; Cogeneration of Electricity and Steam; Manufacture and Commercialization of Refrigerant Gases; as well as Processing and Underground Storage of Hydrocarbons Businesses, because this currency constitutes the reference for their main assets, income and/or operating costs.

INDEPENDENT AUDITORS' REPORT

Deloitte.

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to the Board of Directors and Shareholders of Cydsa, S.A.B. de C.V.

Opinion

We have audited the consolidated financial statements of Cydsa, S.A.B. de C.V. and its subsidiaries (the Group and/or The Company), which comprise the consolidated statements of financial position as of December 31, 2025, 2024 and 2023, and the consolidated statements of income, the consolidated statements of other comprehensive income, the consolidated statements of changes in shareholders' equity and the consolidated statements of cash flows for the years then ended, as well as the explanatory notes to the consolidated financial statements that include a summary of the material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2025, 2024 and 2023 and its consolidated financial performance and consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audits in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the Code of Ethics issued by the Mexican Institute of Public Accountants (IMCP Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and with the IMCP Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other matter

The accompanying financial statements have been translated into English for the convenience of readers.

Key Audit Matters

Key audit matters are those matters that, according to our professional judgment, were the most significant in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on those matters. We have determined that the matters described below are the key audit matters that should be communicated in our report.

Investments in Process Related to the Underground Hydrocarbon Storage Business

The Company has made investments in the Underground Hydrocarbon Storage business as of December 31, 2025, 2024 and 2023 for \$3,546, \$4,105 and \$3,361 (in millions of Mexican pesos), respectively, which are presented as part of investment in process in the consolidated statement of financial position, under the heading of Property, Plant and Equipment, see Note 11.

The valuation procedures were significant due to the relevance of the figures mentioned above, and considering that a high degree of judgment is required by management, derived from changes in regulations or other conditions, which could have an impact on identifying signs of impairment, and where appropriate recognize the necessary provisions.

Our audit procedures included, among others, obtaining an understanding of management's plans for these investments, reviewing the valuation model by our specialist and the understanding of the regulations on the storage of hydrocarbons in the country, the above in order to identify possible indicators of impairment.

Deferred Income Taxes

As mentioned in Note 21 to the accompanying consolidated financial statements, the Company recognizes deferred income taxes on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable income, which includes tax loss carryforwards.

As of December 31, 2025, the amount of tax loss carryforwards amounts to \$3,056 million, which represents a deferred income tax benefit of \$917 million, which use is subject to the Company's ability to generate sufficient future taxable income, before the expiration date of tax loss carryforwards.

IFRS requires the carrying amount of a deferred tax asset to be reviewed and reduced to the extent that it is probable that there will be no sufficient taxable income to allow all or a portion of the asset to be recovered, therefore as of December 31, 2025, the Company has recognized a deferred tax asset, according to an analysis on projections of prospective cash flows and has determined that it would generate sufficient taxable base to recover the assets tax losses, on the asset record-

ed. The test of the estimate was significant for our audit because the evaluation process is complex and is based on assumptions that are affected by the future expectations of the results of the operation and specifications of the tax regulation.

Due to the relevance of the aforementioned figures, a change in the assumptions and conditions on the recovery of tax loss carryforwards may have a material effect on the amount of deferred taxes recorded by the Company in its consolidated financial statements.

Our audit procedures included, among others: i) analyzing by entity the trend of its tax results from previous years; ii) reviewing tax projections to determine whether future taxable income will allow tax loss carryforwards to be realized before maturity; and iii) using tax experts to help us evaluate the assumptions and methodologies used by the Company.

Information other than the consolidated financial statements and the report of the independent auditors

The Company's management is responsible for the information that will be incorporated into the Annual Report that the Company is obligated to prepare under Article 33 Fraction I, clause b) of Title Four, First Chapter of the General Provisions Applicable to the Issuers and other Participants of the Securities Market in Mexico and to the Instruction accompanying those provisions (the Provisions). The Annual Report is expected to be available for reading after the date of this audit report.

Our opinion on the consolidated financial statements will not cover the additional information and we will not express any form of assurance about it.

In relation to our audit of the consolidated financial statements, our responsibility will be to read the Annual Report, when it is available, and when we do, consider whether the other information contained therein is materially inconsistent with the consolidated financial statements or our knowledge obtained during the audit, or that it seems to contain a material error. When we read the Annual Report, we will issue the legend on the reading of the Annual Report required in Article 33 Fraction I, subsection b) numeral 1.2 of the Provisions. If, based on our work, we conclude that the other information contains a material error, we are obligated to report this fact. We have nothing to report in this regard.

Responsibilities of management and those charged for the governance of the Company in relation to the consolidated financial statements

Management is responsible for the preparation and fair presentation of the accompanying consolidated financial statements in accordance with IFRS and for such internal control as management determinates is necessary to enable the preparation of the consolidated financial statements free of material, due to fraud or error.

In preparing the consolidated financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as appropriate, issues related to the Company in operation and using the accounting principle of the Company in unless management intends to liquidate the Company or stop its operations, or has no realistic alternative but to do so.

Those responsible with Company's governance are responsible for overseeing the Company's consolidated financial reporting process.

Auditors' responsibilities in relation to the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISA's, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

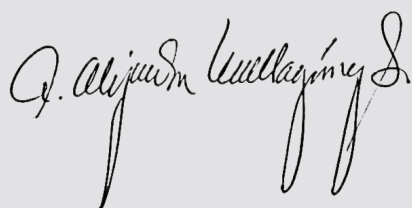
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the officers of the Company with a statement that we have complied with applicable ethics requirements regarding independence and communicated with them about all relationships and other matters reasonably expected to affect our Independence and, where appropriate, the corresponding safeguards.

Among the issues that have been subject of communications with those responsible for the Company's governance, we determine that they have been of the greatest significance in the audit of the consolidated financial statements of the current period and are therefore the key audit issues. We describe these issues in this audit report unless legal or regulatory provisions prohibit disclosure of the matter or, in extremely rare circumstances, we determine that an issue should not be reported in our report because it can reasonably be expected that the adverse consequences thereof would exceed the benefits of public interest of the same.

Galaz, Yamazaki, Ruiz Urquiza, S.C.
Affiliate of a member firm of Deloitte Touche Tohmatsu Limited



C. P. C. A. Alejandra Villagómez G.
February 25, 2026

CYDSA, S.A.B. DE C.V. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS OF DECEMBER 31, 2025, 2024 AND 2023

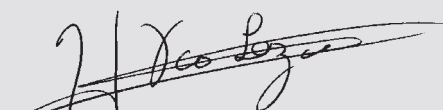
(In millions of Mexican pesos)

	Notes	2025	2024	2023
ASSETS				
Current assets:				
Cash and cash equivalents	5	\$ 2,257	\$ 2,420	\$ 1,597
Restricted cash	5	123	185	80
Trade receivables, net	6	2,930	3,172	2,654
Other current assets	7	1,723	1,802	1,570
Inventories	8	1,982	1,706	1,380
Total current assets		9,015	9,285	7,281
Non-current assets:				
Restricted cash	5	144	135	53
Derivative financial instruments	4	16	138	37
Investment in associates and joint venture	10	190	187	194
Property, plant and equipment, net	11	18,466	20,297	17,046
Right-of-use asset	12	758	452	283
Finance lease receivable	9	2,933	3,464	2,870
Intangible assets	14	278	310	276
Deferred taxes	21	292	-	413
Others		67	67	67
Total non-current assets		23,144	25,050	21,239
Total assets		\$ 32,159	\$ 34,335	\$ 28,520
LIABILITIES				
Current liabilities:				
Current financial debt	15	\$ -	\$ 143	\$ -
Current portion of non-current financial debt	16	1,483	609	474
Trade payables		1,874	1,995	1,866
Derivative financial instruments	4	8	32	101
Lease liabilities	13	143	170	119
Income tax payable		-	-	421
Other current liabilities	17	2,366	1,897	1,810
Total current liabilities		5,874	4,846	4,791
Non-current liabilities:				
Financial debt	16	11,995	13,767	10,940
Derivative financial instruments	4	25	-	-
Lease liabilities	13	672	328	177
Employee benefits	18	686	597	520
Income Tax payable	21	85	130	166
Deferred income tax	21	-	161	-
Provisions	19	53	53	49
Others		14	14	13
Total non-current liabilities		13,530	15,050	11,865
Total liabilities		19,404	19,896	16,656
Commitments and contingencies	19			
SHAREHOLDERS' EQUITY				
Capital stock		2,825	2,825	2,825
Additional paid-in capital		1,176	1,176	1,176
Repurchase of own shares		(1,348)	(1,316)	(1,143)
Retained earnings		9,761	9,581	9,346
Accumulated other comprehensive income		(176)	1,655	(803)
Equity attributable to shareholders of Cydsa, S.A.B. de C.V.		12,238	13,921	11,401
Non-controlling interest		517	518	463
Total shareholders' equity		12,755	14,439	11,864
Total liabilities and shareholders' equity		\$ 32,159	\$ 34,335	\$ 28,520

The accompanying notes are part of these consolidated financial statements



Lic. Edmundo Rodarte Valdés
Chief Executive Office



C.P. Humberto F. Lozano Vargas
Chief Financial Officer

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

FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023
(In millions of Mexican pesos)

	Notes	2025	2024	2023
Net sales	25 b)	\$ 16,299	\$ 15,039	14,160
Cost of sales		(9,492)	(8,579)	(7,681)
Selling expenses		(2,777)	(2,228)	(2,033)
Administrative expenses		(1,584)	(1,389)	(1,170)
Other expenses income	24	(60)	(272)	(110)
Operating income		2,386	2,571	3,166
Debt interest expenses		(1,310)	(1,366)	(789)
Other financial expenses		(125)	(96)	(97)
Interest income		112	137	171
Derivative financial instruments results		(41)	(76)	(183)
Exchange rate effects		(497)	337	395
Financial expenses, net		(1,861)	(1,064)	(503)
Share in results of associates and joint venture	10	2	(7)	(2)
Income before income taxes		527	1,500	2,661
Income taxes	21	52	(993)	(533)
Income before discontinued operations		579	507	2,128
Discontinued operations, net of income taxes		(2)	(3)	(3)
Net consolidated income		\$ 577	\$ 504	\$ 2,125
Net consolidated income attributable to:				
Shareholders of Cydsa, S.A.B. de C.V.		\$ 530	\$ 535	\$ 2,070
Non-controlling interest		47	(31)	55
Basic earnings per share for the shareholders of Cydsa, S.A.B. de C.V. ⁽¹⁾		\$ 1.00	\$ 1.00	\$ 3.83

The accompanying notes are part of these consolidated financial statements.

(1) In Mexican pesos, determined based on weighted average shares outstanding: 530,873,109 in 2025, 536,329,788 in 2024 and 541,675,849 in 2023.

CYDSA, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME
 FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023
 (In millions of Mexican pesos)

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Net consolidated income	\$ 577	\$ 504	\$ 2,125
Other comprehensive (loss) income net of taxes			
Items that will be reclassified to consolidated net income:			
Cumulative translation adjustment	(1,832)	2,372	(1,092)
Valuation of the effective portion of derivative financial instruments	(94)	127	(9)
Items that will not be reclassified to consolidated net income, net of tax:			
Re-measurements of defined benefit plan, net	47	45	(75)
Total other comprehensive (loss) income	(1,879)	2,544	(1,176)
Consolidated comprehensive income	\$ (1,302)	\$ 3,048	\$ 949
Consolidated comprehensive income attributable to:			
Shareholders of Cydsa, S.A.B. de C.V.	\$ (1,301)	\$ 2,993	\$ 912
Non-controlling interest	(1)	55	37

The accompanying notes are part of these consolidated financial statements.

CYDSA, S.A.B. DE C.V. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023

(In millions of Mexican pesos)

	Capital stock	Paid-in capital	Repurchase of own shares	Retained earnings
Balances as of December 31, 2022	\$ 2,825	\$ 1,176	\$ (1,114)	\$ 7,526
Dividends declared				(250)
Repurchase of own shares			(29)	
	2,825	1,176	(1,143)	7,276
Net consolidated income				2,070
Other comprehensive income				
Consolidated comprehensive income	-	-	-	2,070
Balances as of December 31, 2023	2,825	1,176	(1,143)	9,346
Dividends declared				(300)
Repurchase of own shares			(173)	
	2,825	1,176	(1,316)	9,046
Net consolidated income				535
Other comprehensive income				
Consolidated comprehensive income	-	-	-	535
Balances as of December 31, 2024	2,825	1,176	(1,316)	9,581
Dividends declared				(350)
Repurchase of own shares			(32)	
	2,825	1,176	(1,348)	9,231
Net consolidated income				530
Other comprehensive income				
Consolidated comprehensive income				530
Balances as of December 31, 2025	\$ 2,825	\$ 1,176	\$ (1,348)	\$ 9,761

The accompanying notes are part of these consolidated financial statements.

Other comprehensive (loss) income

Cumulative translation adjustments	Valuation of the effective portion of derivative financial instruments	Re-measurement of the net defined benefit liability	Equity attributable to shareholders of Cydsa, S.A.B. de C.V.	Non-controlling interest	Total shareholders' equity
\$ 348	\$ (36)	\$ 43	\$ 10,768	\$ 434	\$ 11,202
			(250)	(8)	(258)
			(29)		(29)
348	(36)	43	10,489	426	10,915
			2,070	55	2,125
(1,074)	(9)	(75)	(1,158)	(18)	(1,176)
(1,074)	(9)	(75)	912	37	949
(726)	(45)	(32)	11,401	463	11,864
			(300)		(300)
			(173)		(173)
(726)	(45)	(32)	10,928	463	11,391
			535	(31)	504
2,286	127	45	2,458	86	2,544
2,286	127	45	2,993	55	3,048
1,560	82	13	13,921	518	14,439
			(350)		(350)
			(32)		(32)
1,560	82	13	13,539	518	14,057
			530	47	577
(1,784)	(94)	47	(1,831)	(48)	(1,879)
(1,784)	(94)	47	(1,301)	(1)	(1,302)
\$ (224)	\$ (12)	\$ 60	\$ 12,238	\$ 517	\$ 12,755

CYDSA, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023
(In millions of Mexican Pesos)

	2025	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:			
Income before income taxes	\$ 527	\$ 1,500	\$ 2,661
Adjustments for:			
Depreciation of property, plant and equipment	1,414	1,176	870
Depreciation for right-of-use assets	186	118	120
Amortization of intangible assets	28	29	21
Share in results of associates and joint venture	(2)	7	2
Impairment and loss in sale of fixed assets	21	229	48
Exchange rate effects	497	(337)	(395)
Financial income	(112)	(137)	(171)
Derivative financial instruments	41	76	183
Financial expenses	1,435	1,462	886
	4,035	4,123	4,225
Changes in working capital:			
Trade receivables	84	(290)	(739)
Inventories	(418)	(186)	20
Trade payables	20	(48)	273
Changes in other assets and liabilities:			
Other assets and liabilities	430	(183)	(16)
Employee benefit	(9)	(18)	(13)
Income taxes paid	(434)	(1,055)	(1,263)
Net cash generated by operating activities	3,708	2,343	2,487
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchases of property, plant and equipment	(1,683)	(1,502)	(1,613)
Restricted cash	53	(187)	129
Net investment in associates	-	-	(43)
Interest income	129	190	222
Net cash used in investing activities	(1,501)	(1,499)	(1,305)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from banking loans	4,045	6,876	5,944
Payment of banking loans	(4,214)	(5,238)	(6,518)
Derivative financial instruments	(51)	(115)	(175)
Dividends paid to the shareholders of Cydsa, S.A.B. de C.V.	(350)	(300)	(250)
Dividends paid to minority shareholders	-	-	(8)
Payments of lease liabilities	(170)	(106)	(93)
Interest expense paid	(1,303)	(1,323)	(1,135)
Repurchase of own shares	(32)	(173)	(29)
Net cash used in financing activities	(2,075)	(379)	(2,264)
Net increase (decrease) in cash and cash equivalents	132	465	(1,082)
Adjustment to cash flows due to exchange rate fluctuations	(295)	358	(90)
Cash and cash equivalents at beginning of year	2,420	1,597	2,769
Cash and cash equivalents at end of year	\$ 2,257	\$ 2,420	\$ 1,597

The accompanying notes are part of these consolidated financial statements.

1. GENERAL INFORMATION (ACTIVITIES)

CYDSA, S.A.B. de C.V. (CYDSA, or the “Company”) is a holding company whose core business consists in investing in the stock ownership of subsidiary companies, in order to control their operating and financing activities. The principal activities of its subsidiaries include the production and commercialization of salt, chlorine, caustic soda, refrigerant gases, electricity and steam cogeneration, underground storage of hydrocarbons.

CYDSA is located at Ricardo Margain Zozaya Avenue # 335, Tower 2 Floor 6, Colonia Valle del Campestre, Zip Code 66265, San Pedro Garza Garcia, Nuevo León, Mexico.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

Below are the material accounting policies followed by the Company, which have been applied consistently in the preparation of their Consolidated Financial Statements over the years presented, unless otherwise specified:

a. Basis of preparation.

The accompanying consolidated financial statements have been translated from Spanish into English for use outside of Mexico. The consolidated financial statements of the Company have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

The consolidated financial statements have been prepared on the historical cost basis. The historical cost is generally based on the fair value of the consideration granted in exchange for the related assets.

The preparation of the consolidated financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. Additionally, it requires Management to exercise judgment in the process of applying the Company’s accounting policies.

The financial statements have been translated into English for the convenience of readers.

b. Going concern.

The consolidated financial statements have been prepared by Management assuming that the Company will continue to operate as a going concern.

It is important to mention that no adverse effects were identified that impact continuity as a going concern.

c. Basis for consolidation of financial statements.

Subsidiaries

The subsidiaries are all the entities over which the Company has control. The Company controls an entity when it is exposed or has the right to variable returns from its interest in the entity and it is capable of affecting the returns through its power over the entity. When the Company's interest in subsidiaries is less than 100%, the interest attributed to external stockholders is recorded as non-controlling interest. Subsidiaries are consolidated in full from the date on which control is transferred to The Company and up to the date, it loses such control.

With regards to Quimobásicos, S.A. de C.V. (refrigerant gases), which is included on the list of significant subsidiaries, in which CYDSA holds a 51% ownership interest, although by-laws provide equal rights to the (49%) shareholder, CYDSA's management has concluded it controls the subsidiary given that it has the power over the relevant activities that most significantly affect its returns.

The interest not attributable to CYDSA's shareholders is shown as a component of shareholders' equity in the Consolidated Statements of Financial Position; and the interest in net income is shown in the Consolidated Statements of Income and the Consolidated Statements of Other Comprehensive Income.

All intercompany balances and transactions have been eliminated.

As of December 31, 2025, 2024 and 2023 the main subsidiaries of CYDSA are the following:

Subsidiary	%	Activities	Functional currency*
Sales del Istmo, S.A. de C.V.	100%	Production and commercialization of salt	Peso
Industria Química del Istmo, S.A. de C.V. (IQUISA)	100%	Production and commercialization of chlorine and caustic soda	Dollar
Iquisa Santa Clara, S.A. de C.V.	100%	Production and commercialization of chlorine and caustic soda	Dollar
Iquisa Noreste, S.A. de C.V.	100%	Production and commercialization of chlorine and caustic soda	Dollar
Sistemas Energéticos SISA, S.A. de C.V.	100%	Electricity and steam cogeneration	Dollar
Almacенamientos Subterráneos de México, S.A. de C.V.	100%	Holding company of shares in the Underground Storage of Hydrocarbons businesses	Dollar
Tenedora Almacенamiento LP 206, S.A. de C.V.	95%	Holding of Almacенamientos Subterráneos del Sureste, S.A. de C.V.	Dollar
Almacенamientos Subterráneos del Sureste, S.A. de C.V.	95%	Underground storage of hydrocarbons	Dollar
Quimobásicos, S.A. de C.V.	51%	Production and commercialization of refrigerant gases	Dollar

* Dollar of the United States of America (USA).

Business combination

The accounting method used by the Company for business combinations is the acquisition method. The Company defines a business combination as a transaction in which it gains control of a business, and through which it is able to direct and manage the relevant activities of the set of assets and liabilities of such business with the purpose of providing a return in the form of dividends, smaller costs or other economic benefits directly to stockholders.

The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Company. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable acquired assets and liabilities and contingent liabilities assumed in a business combination are initially measured at their fair values at the acquisition date. The Company recognizes any non-controlling interest in the acquiree based on the share of the non-controlling interest in the net identifiable assets of the acquired entity.

The Company accounts for business combinations using the predecessor method in a jointly controlled entity. The predecessor method involves the incorporation of the carrying amounts of the acquired entity, which includes the goodwill recognized at the consolidated level with respect to the acquiree. Any difference between the transferred consideration and the carrying amount of the net assets acquired at the level of the subsidiary are recognized in equity.

The acquisition-related costs are recognized as expenses when incurred.

Goodwill is initially measured as excess of the sum of the consideration transferred and the fair value of the non-controlling interest over the net identifiable assets and liabilities assumed. If the consideration transferred is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognized directly in the consolidated statement of income.

If the business combination is achieved in stages, the book value at the acquisition date of the interest previously held by the Company in the acquired entity is remeasured at its fair value at the acquisition date. Any loss or gain resulting from such remeasurement is recorded in profit or loss of the year.

d. Changes in CYDSA's participation in existing subsidiaries.

Changes in investments in subsidiaries of the Company that do not result in a loss of control are recognized as equity transactions. The carrying value of investments and non-controlling interests of the Company is adjusted to reflect changes in the related investments in subsidiaries. Any difference between the amount by which the non-controlling interest adjusted and the fair value of the consideration paid or received, is recognized directly in equity and attributed to owners of the Company.

When the Company loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between: 1) The sum of the fair value of the consideration received and the fair value of any retained interest; and 2) the value in previous books of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling participation. The amounts recognized in other comprehensive income items relating to the subsidiary

are recorded (i.e. are reclassified to income or transferred directly to retained earnings) in the same established manner for the event of the disposal of the assets or relevant liabilities. The fair value of any investment retained in the former subsidiary at the date when control is lost, is regarded as the fair value for initial recognition on subsequent accounting treatment, according to the International Financial Reporting Standards ("IFRS 9"), Financial Instruments: Recognition and Valuation, or where applicable, the cost on initial recognition of an investment in an associate or entity under joint control.

e. Operating segments.

The operating segments reflect the structure of the Administration and how it is regularly reviewed by the CEO for decision making. The segments to be reported are detailed in Note 25.

f. Adoption of new and amended International Financial Reporting Standards ("IFRS" or "IAS") that are mandatory for the current year.

- i. New and modified IFRS[®] Accounting Standards ("IFRS" or "IAS") that are mandatory for the current year.

In the year, the Company has applied amendments to IFRS Accounting Standards issued by the International Financial Reporting Standards Board (IASB) these are mandatory for accounting periods beginning on or after January 1, 2025. The conclusions regarding their adoption are described below:

Amendments to IAS 21 Effects of Changes in Foreign Currency Rates, entitled Lack of Exchangeability.

The Group has applied, for the first time during the current year, the amendments to IAS 21.

The modifications specify how to evaluate whether a currency is convertible and how to determine the exchange rate when it is not convertible.

Their adoption has no impact on the amounts and disclosures reported in these consolidated financial statements.

Their adoption has no impact on the amounts and disclosures reported in these consolidated financial statements.

- ii. New and revised IFRS issued, but not yet in force

As of the date of these consolidated financial statements, the Company has not applied the following amendments to IFRS that have been issued, but are not yet in effect, of which with the exception of IFRS 18, it does not expect the adoption of these to have a material impact on the consolidated financial statements in future periods, considering that they are not of significant applicability.

The following are amendments to IFRS:

- Amendments to IFRS 7 and IFRS 9 – Classification and Measurement of Financial Instruments¹
- Amendments to IFRS 9 and IFRS 7 Nature-dependent Electricity Contracts¹
- Annual Improvements to IFRS Accounting Standards – Volume 11 – Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial Instruments: Disclosures and its Implementation Guidance, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements, and IAS 7 Statement of Cash Flows¹
- Amendments to IAS 21 – Translation to a Hyperinflationary Presentation Currency²
- IFRS 18 – Presentation and Disclosure in Financial Statements¹
- IFRS 19 – Subsidiaries without public responsibility: Disclosures²

Management does not expect the adoption of the aforementioned standards to have a significant impact on the consolidated financial statements in future periods, except as follows:

IFRS 18 – Presentation The information to be disclosed in the financial statements

IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33.

IFRS 18 introduces new requirements to:

- Present specified categories and defined subtotals in the statement of profit or loss
- Provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements
- Improve aggregation and disaggregation

The IFRS 18 is effective for annual periods beginning on or after 1 January 2027. Early adoption is permitted. The amendments to IAS 7, IAS 33, IAS 8 and IFRS 7 are effective when an entity first adopts IFRS 18. An entity is required to apply IFRS 18 retrospectively by applying the temporary specific terms.

The Company is conducting an analysis to determine the applicable amendments to the presentation of the consolidated income statement and the consolidated statement of cash flows, and to identify the MPMs to be disclosed within its consolidated financial statements.

¹ In force for annual periods beginning on 1 January 2026.

² In FORCE FOR ANNUAL PERIODS BEGINING FROM 1 JANUARY 2027.

IFRS 19 Subsidiaries without Public Liability: Information to be disclosed

IFRS 19 allows an eligible subsidiary (defined as a subsidiary that does not have public accountability and has an ultimate or intermediate parent that prepares consolidated financial statements available for public use and compliant with IFRS Accounting Standards) to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements.

Management does not expect IFRS 19 to be applicable for purposes of the Group's consolidated financial statements.

g. Investment in associates and joint ventures.

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results, assets and liabilities of associates or joint ventures where the Company holds the 50% of the stock capital or less, are incorporated in these Consolidated Financial Statements using the equity method of accounting.

h. Translation of financial statements of subsidiaries considered as foreign operations.

To consolidate the financial statements of its domestic subsidiaries considered to be foreign operations, the Company translates their financial statements from the recording (Mexican peso) to the functional currency (US dollar), using the following exchange rates: 1) For monetary assets and liabilities, the closing exchange rate in effect at the balance sheet date; 2) for non-monetary assets and liabilities, and shareholders' equity, the historical exchange rates; and 3) for revenues, costs and expenses, the date they were incurred, except those arising from non-monetary items that are translated using the historical exchange rate for the related non-monetary item. Such translation effects are recorded in the Consolidated Statements of Other Comprehensive Income. Subsequently, to translate the financial statements from the functional currency to the reporting currency (Mexican peso), the following exchange rates are used: 1) The closing exchange rate in effect at the Statements of Financial Position date for assets and liabilities; and 2) historical for stockholders' equity; and 3) for the income, costs and expenses of the date on which they accrued. The translation effects, net of taxes, are recorded in other comprehensive income items, within shareholders' equity.

i. Revenues.

Revenues comprises the fair value of the consideration received or receivable for the sale of goods and services during the normal course of operations and are presented in the Consolidated Statement of Income net of the amount of variable considerations, which comprises the estimated amount of product returns from customers, rebates and similar discounts and payments made to customers with the objective of displaying its goods in attractive spaces and advantageous in its facilities.

For the revenue from contracts with customer's recognition, an integrated model for the accounting of revenue is used, which it's based on a 5-step approach comprising the following: 1) Identify the contract with a customer; 2) Identify the performance obligations in the contract; 3) Determine the transaction price; 4) Allocate the transaction price to the performance obligations in the contract; and 5) Recognize revenue when (or as) the entity satisfies a performance obligation.

Contracts with customers are given by purchase orders, whose costs are composed by the promise to produce, distribute and deliver goods based on the established contractual terms and conditions, which do not represent a significant judgement to be determined. When there are payments related with the obtaining a contracts, they are capitalized and are amortized over the term of the contract.

Performance obligations are not separable, and cannot be satisfied partially, because the operations are derived from the sale of goods and are satisfied at a point in time. In the other hand, the identified payment terms in the majority of the sources of income are short-term, with variable considerations mainly focused on discounts and goods rebates given to customers, without financing components or significant guarantees. These discounts and incentives to customers are recognized as a reduction to income or a sales expenses, according to its nature. These programs include discounts to customers by sales of goods based on: i) sales volume (usually recognized as a reduction of revenue) and ii) goods promotions at points of sale (normally recognized as expenses of sale), mainly. Therefore, the price allocation is direct on the performance obligation of production, distribution and delivery, including the effects of variable considerations.

The Company recognizes at a point in time when the control of goods has been transferred to the customer, which is given by the moment of the delivery of the goods promised to the customer according to the negotiated terms. An account receivable is recognized when the performance obligations, recognizing the corresponding income; on the other hand, the considerations received before completing the performance obligations of production, distribution and delivery are recognized as customer advances.

Interest revenues are recognized when it's probable that the economic benefits flow to the Company and the revenue amount can be valued reliably, applying the effective interest method.

J. Operating income.

Operating income is the result of subtracting cost of sales, selling and administrative expenses and other income (expenses) from net sales. IAS 1, Presentation of Financial Statements, does not require inclusion of this line item in the Consolidated Statements of Income, it has been included for a better understanding of the Company's economic and financial performance.

k. Financial instruments.

Financial assets

The Company classifies and measures its financial assets based on the Company's business model to manage its financial assets, as well as the characteristics of the contractual cash flows of those assets. In this way, financial assets can be classified at amortized cost, at fair value through other comprehensive income and at fair value through profit or loss. Management determines the classification of its financial assets at the time of initial recognition. Purchases and sales of financial assets are recognized on the settlement date.

The financial assets are fully canceled when the right to receive the related cash flows expires or is transferred and the Company has also transferred substantially all the risks and rewards derived from its ownership, as well as the control of the financial asset.

i. Financial assets at amortized cost

Financial assets at amortized cost are those that: i) are retained within a business model whose objective is to maintain those assets to obtain contractual cash flows and ii) the contractual conditions of the financial asset give rise, on specified dates, to cash flows that are only principal payments and interest on the principal amount outstanding.

ii. Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are those whose business model is based on obtaining contractual cash flows and selling financial assets, in addition to their contractual conditions giving rise, on specified dates, to cash flows which are only principal payments and interest on the principal amount outstanding. As of December 31, 2025, 2024 and 2023, the Company does not hold financial assets to be measured at fair value through other comprehensive income.

iii. Financial assets at fair value through income statement profit or loss

Financial assets at fair value through profit or loss, in addition to those described in point i of this section, are those that do not meet the characteristics to be measured at amortized cost or at fair value through other comprehensive income, and that: i) they have a business model different from those that seek to obtain contractual cash flows, or obtain contractual cash flows and sell financial assets, or, ii) the cash flows they generate are not only payments of the principal and interest on the principal amount outstanding.

Despite the above classifications, the Company may make the following irrevocable choices in the initial recognition of a financial asset:

- Present subsequent changes in the fair value of a capital instrument in other comprehensive income, provided that such investment (in which no significant influence, joint control or control is maintained) is not maintained for trading purposes, that is, contingent consideration recognized as a result of a business combination.
- Designate a debt instrument to be measured at fair value through profit or loss, if doing so eliminates or significantly reduces an accounting asymmetry that would arise from the measurement of assets or liabilities or the recognition of gains and losses on them on different bases.

As of December 31, 2025, 2024 and 2023, the Company has not made any of the irrevocable designations described above.

Impairment of financial assets

The Company uses a new impairment model based on expected credit losses, rather than losses incurred, applicable to financial assets subject to such evaluation (financial assets measured at amortized cost and at fair value through other comprehensive income), as well as accounts receivable for leases, contract assets, certain written loan commitments and financial guarantee contracts. The expected credit losses on these financial assets are estimated from the origin of the asset on each reporting date, taking as reference the historical experience of credit losses of the Company, adjusted for factors that are specific to the debtors or groups of debtors, the general economic conditions and an evaluation of both the current management and the forecast of future conditions.

i. Trade accounts receivable

The Company adopted a simplified model for calculating expected losses, through which it recognizes the expected credit losses during the lifetime of the account receivable.

The Company analyzes its portfolio of accounts receivable from customers, in order to determine if there are significant clients for which it requires an individual evaluation; on the other hand, customers with similar characteristics that share credit risks (participation in the portfolio of accounts receivable, type of market, sector, geographic area, etc.) are grouped together to be evaluated collectively.

In its assessment of impairment, the Company may include indications that debtors or a group of debtors are experiencing significant financial difficulties, as well as observable data indicating that there is a considerable decrease in the estimated cash flows to be received, including arrears. For the purposes of the previous estimate, the Company considers that the following constitutes an event of default, since historical experience indicates that financial assets are not recoverable when they meet any of the following criteria:

- The debtor breaches the financial agreements; or,
- The information developed internally or obtained from external sources indicates that it is unlikely that the debtor pays its creditors, including the Company, in its entirety (without considering any guarantee the Company has).

The Company defined as the default threshold, the period after which the recovery of the account receivable subject to analysis is marginal, considering internal risk management.

ii. Other financial instruments

The Company recognizes the expected credit losses during the lifetime of the assets of all financial instruments for which there have been significant increases in credit risk since their initial recognition (assessed on a collective or individual basis), considering all reasonable information and sustainable, including the one that refers to the future. If, as of the date of presentation, the credit risk of a financial instrument has not increased significantly since the initial recognition, the Company calculates the reserve for losses for that financial instrument as the amount of the expected credit losses in the next 12 months.

When measuring expected credit losses, the Company does not necessarily identify all possible scenarios. However, it considers the risk or likelihood of a credit loss occurring, reflecting the possibility that payment default will occur and not occur, even if such a possibility is very low. Additionally, the Company determines the period for which the breach occurs, as well as the recoverability rate after the breach.

Management evaluates the deterioration model and the inputs used in it at least once a year, in order to ensure that they remain in force based on the current portfolio situation.

Financial liabilities

Financial liabilities that are not derivatives are initially recognized at fair value and subsequently valued at amortized cost using the effective interest method. Liabilities in this category are classified as current liabilities when they must be settled within the following 12 months; otherwise, they are classified as non-circulating.

Trade payables are obligations to pay for goods or services that have been purchased or received from suppliers in the ordinary course of business. Loans are initially recognized at fair value, net of transaction costs incurred. Loans are subsequently recognized at amortized cost; any difference between the resources received (net of transaction costs) and the settlement value is recognized in the consolidated statement of income during the loan's term using the effective interest method.

Derecognition of financial liabilities

The Company derecognizes financial liabilities if, and only if, the obligations of the Company are fulfilled, cancelled or have expired. The difference between the carrying amount of the derecognized financial liability and the consideration paid and payable is recognized in profit or loss.

Additionally, when the Company carries out a refinancing transaction and the previous liability qualifies to be derecognized, the costs incurred in the refinancing are recognized immediately in profit or loss at the date of termination of the previous financial liability.

Offsetting financial assets and liabilities

Financial assets and liabilities are offset and the net amount is presented in the Consolidated Statement of Financial Position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

I. Derivative financial instruments and hedging activities.

All derivative financial instruments contracted and identified, classified as fair value hedges or cash flow hedges, for trading or the hedging of market risks, are recognized in the consolidated statement of financial position as assets and/or liabilities at fair value and similarly measured subsequently at fair value.

The fair value is determined based on recognized market prices and when they are not traded in a market, it is determined using valuation techniques accepted in the financial sector.

The fair value of hedging derivatives is classified as a non-current asset or liability if the remaining maturity of the hedged item is more than 12 months and as a current asset or liability if the remaining maturity of the hedged item is less than 12 months.

Derivative financial instruments classified as hedges are contracted for risk hedging purposes and meet all hedging requirements; their designation at the beginning of the hedging operation is documented, describing the objective, primary position, risks to be hedged and the effectiveness of the hedging relationship, characteristics, accounting recognition and how the effectiveness is to be measured, applicable to that operation.

Fair value hedges

Changes in the fair value of derivative financial instruments are recorded in the Consolidated Statement of Income. The change in fair value hedges and the change in the primary position attributable to the hedged risk are recorded in the Consolidated Statement of Income in the same line item as the hedged position. As of December 31, 2025, 2024 and 2023, the Company has no derivative financial instruments classified as fair value hedges.

Cash flow hedges

The changes in the fair value of derivative instruments associated to cash flow hedges are recorded in stockholders' equity. The effective portion is temporarily recorded in comprehensive income, within stockholders' equity and is reclassified to profit or loss when the hedged position affects these. The ineffective portion is immediately recorded as profit or loss.

Suspension of hedge accounting

The Company suspends hedge accounting when the derivative financial instrument or the non-derivative financial instrument has expired, is cancelled or exercised, when the derivative or non-derivative financial instrument is not highly effective to offset the changes in the fair value or cash flows of the hedged item. The replacement or successive renewal of a hedging instrument for another one is not an expiration or resolution if such replacement or renewal is part of the Company's documented risk management objective and it is consistent.

On suspending hedge accounting, in the case of fair value hedges, the adjustment to the carrying amount of a hedged amount for which the effective interest rate method is used, is amortized to income over the period to maturity. In the case of cash flow hedges, the amounts accumulated in equity as a part of comprehensive income remain in equity until the time when the effects of the forecasted transaction affect income. In the event the forecasted transaction is not likely to occur, the income or loss accumulated in comprehensive income are immediately recognized in income. When the hedge of a forecasted transaction appears satisfactory and subsequently does not meet the effectiveness test, the cumulative effects in comprehensive income in stockholders' equity are transferred proportionally to income, to the extent the forecasted transaction impacts it.

The fair value of derivative financial instruments reflected in the Consolidated Financial Statements of the Company, is a mathematical approximation of their fair value. It is computed using proprietary models of independent third parties using assumptions based on past and present market conditions and future expectations at the closing date.

m. Inventories and cost of sales.

Inventories are stated at the lower of cost and net realizable value. The net realizable value represents the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale.

The Company uses absorption costing for its inventory. Inventory cost includes both the direct and indirect production fixed and variable costs, based on the average cost method.

The Company reviews the carrying value of inventories, when any indicator of impairment suggests that their carrying amount may not be recoverable by estimating its net realizable value. The determination is based on the most reliable evidence available at the time the estimated amount is expected to be realized. Impairment is recorded if the net realizable value is less than the carrying value. The impairment indicators considered for these purposes are, among others, obsolescence, a decrease in market prices, damage and firm sales commitments.

n. Property, plant and equipment.

Property, plant and equipment used in the production process or for administrative purposes are recorded at cost less the accumulated depreciation and / or accumulated impairment losses, if any. Assets are classified into the corresponding category of property, plant and equipment when completed. Depreciation of these assets commences when the asset is ready for its intended use.

Costs for loans associated to financing of property, plant and equipment whose acquisition or construction requires a substantial period, are capitalized as part of the cost of acquiring those assets, until so far as they are suitable for their intended use.

During the years ended December 31, 2025, 2024 and 2023, costs of loans attributable to the construction of machinery and equipment for \$24, \$51 and \$285, respectively, were capitalized. All other costs of loans are recognized in profit or loss for the year as incurred.

The investment in process item includes investments in the Underground Hydrocarbon Storage business as of December 31, 2025, 2024 and 2023 for \$3,546, \$4,105 and \$3,361, respectively.

Land is not depreciated.

Depreciation is calculated under the straight-line method over the estimated useful lives and residual values of assets. The estimation of the useful lives and residual values are reviewed at the end of each reporting period, the effects of any changes are recognized prospectively as a change in estimate.

The ranges of estimated useful lives of the main assets of the Company are as follows:

	<u>Years</u>
Buildings and constructions	10 to 30
Machinery and equipment	1 to 20
Office furniture and equipment	1 to 10
Vehicles	1 to 5
Computer equipment	2 to 4

o . Leases.

The Company as lessee

The Company evaluates whether a contract is or contains a lease agreement at inception of a contract. A lease is defined as an agreement or part of an agreement that conveys the right to control the use of an identified asset for a period of time in exchange for a consideration. The Company recognizes an asset for right-of-use and the corresponding lease liability, for all lease agreements in which it acts as lessee, except in the following cases: short-term leases (defined as leases with a lease term of 12 months or less); leases of low-value assets (defined as leases of assets with an individual market value of less than US\$5,000 (five thousand dollars); and, lease agreements whose payments are variable (without any contractually defined fixed payment). For these agreements, which exempt the recognition of an asset for right-of-use and a lease liability, the Company recognizes the rent payments as an operating expense in a straight-line method over the lease period.

The right-of-use asset comprises all lease payments discounted at present value; the direct costs to obtain a lease; the advance lease payments; and the obligations of dismantling or removal of assets. The Company depreciates the right-of-use asset over the shorter of the lease term or the useful life of the underlying asset; therefore, when the lessee will exercise a purchase option, the lessee shall depreciate the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Depreciation begins on the lease commencement date.

The lease liability is initially measured at the present value of the future minimum lease payments that have not been paid at that date, using a discount rate that reflects the cost of obtaining funds for an amount similar to the value of the lease payments, for the acquisition of the underlying asset, in the same currency and for a similar period to the corresponding contract (incremental borrowing rate). When lease payments contain non-lease components (services), the Company has chosen, for some class of assets, not to separate them and measure all payments as a single lease component; however, for the rest of the class of assets, the Company measures the lease liability only considering lease payments, while all of the services implicit in the payments, are recognized directly in the consolidated statement of income as operating expenses.

To determine the lease term, the Company considers the non-cancellable period, including the probability to exercise any right to extend and/or terminate the lease term.

Subsequently, the lease liability is measured increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and reducing the carrying amount to reflect the lease payments made.

When there is a modification in future lease payments resulting from changes in an index or a rate used to determine those payments, the Company remeasures the lease liability when the adjustment to the lease payments takes effect, without reassessing the discount rate. However, if the modifications are related to the lease term or exercising a purchase option, the Company reassesses the discount rate during the liability's remeasurement. Any increase or decrease in the value of the lease liability subsequent to this remeasurement is recognized as an adjustment to the right-of-use asset to the same extent.

Finally, the lease liability is derecognized when the Company fulfills all lease payments. When the Company determines that it is probable that it will exercise an early termination of the contract that leads to a cash disbursement, such disbursement is accounted as part of the liability's remeasurement mentioned in the previous paragraph; however, in cases in which the early termination does not involve a cash disbursement, the Company cancels the lease liability and the corresponding right-of-use asset, recognizing the difference immediately in the Consolidated Statement of Income.

The Company as lessor

Leases for which the Company serves as a lessor are classified as financial or operational. Provided that the terms of the lease substantially transfer all risks and benefits from the property to the tenant, the lease is classified as a financial lease. Other leases are classified as operating leases.

Operating lease income is recognized in a straight line during the term of the corresponding lease. The initial direct costs incurred in the negotiation and organization of an operating lease are added to the book value of the leased asset and recognized in a straight line during the lease term. The amounts for financial leases are recognized as Accounts receivable being the amount of the Company's net investment in leases.

The subsidiary Almacенamientos Subterráneos del Sureste, S.A. de C.V. (ASS) signed a contract for underground storage services of liquefied petroleum gas through a warehouse plant with Pemex-Gas y Petroquímica Básica (PEMEX) for a 20-year term. The amount of the investment was approximately 180 million of US dollar. In accordance with IFRS, an implicit lease was identified within the above contract since the components forming the stipulated rate consider a fixed portion allocated and approved to recover the amount of the initial investment. Additionally, ASS will grant PEMEX the right to use the facilities for a period of 20 years, which is representative of the useful life of the assets. It is important to mention that for legal purposes the assets remain owned by ASS.

p. Intangible assets.

Intangible assets represent payments whose benefits will be received in the future. The Company classifies its intangible assets as definite life assets and indefinite-lived assets, according to the period in which the Company expects to receive benefits.

Intangible assets with definite lives are amortized over their useful lives. Intangible assets with indefinite lives are not amortized and are subject to an annual evaluation of impairment.

The Company's main intangible asset of definite life is the customer listing, which is related to a business acquisition. This list is valued at fair value, using the method of surplus operating income, which is to discount to present value the projected flows attributable to the customer list. It is amortized based on the straight-line method over 10 years.

Additionally, the Company has recognized goodwill attributable to business acquisitions, and in 2018 an investment in SAP technology was initiated.

q. Impairment of intangible and tangible assets.

At the end of each reporting period, the Company reviews the carrying amounts of its intangible and tangible assets to determine whether there is any indication that those assets have suffered an impairment loss.

If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized in income if the carrying amount of the asset exceeds the recoverable amount.

The recoverable amount of an asset is the higher of fair value less costs to sell and value in use. The value in use is determined by discounting estimated future cash flows to their present value using a pre-tax discount rate that reflects the value of money considering current market and specific risks of the assets.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its book value, the book value of the asset (or cash-generating unit) is reduced to its recoverable amount and the amount of loss is recognized in profit or loss.

r. Provisions.

Provisions are recognized for current obligations that result from a past event, that are probable to result in the future use of economic resources, and that can be reasonably estimated; long-term provisions are determined at the present value of future cash flows.

When trials are in process, estimates are made based on information and facts at the date of the Consolidated Statements of Financial Position.

s. Employee benefits.

- Employee defined benefits

The cost of benefits is determined using the projected unit credit method, with actuarial valuations carried out at the end of each reporting period, using economic assumptions of conditions of the country and the Company.

Actuarial remeasurements are recognized directly in other comprehensive income.

Vested benefit obligation recognized in the Consolidated Statements of Financial Position represents the present value of the defined benefit obligation at the end of each reporting period, adjusted for actuarial gains and losses, less the fair value of plan assets. Any asset arising from this calculation is limited to unrecognized actuarial losses, plus the present value of reimbursements and reductions of future contributions to the plan.

- Benefits for termination

They are recognized as an expense when the Company is committed to provide benefits for termination of the labor relationship.

- Short-term benefits

Direct employee benefits are calculated based on the services rendered by employees, considering their actual salaries. The related liability is recognized as it accrues. These benefits primarily include statutory employee profit sharing (PTU, for its acronym in Spanish) payable, Christmas bonuses, vacation premiums and incentives. PTU is recorded in the profit or loss of the year in which it is incurred and included in the accounts of cost of sales, selling expenses, and administrative expenses in the Consolidated Statements of Income. PTU is determined based on the taxable income under Section I of Article 9 of the Income Tax Law.

t. Income taxes.

Income tax expenses represent the sum of the current income tax and deferred taxes.

- Current income tax

Current income tax ("ISR", for its acronym in Spanish) is recognized in the profit or loss of the year incurred.

- Deferred income taxes

Deferred income taxes are generally recognized for all taxable temporary differences between the carrying amounts of assets and liabilities in the Consolidated Financial Statements and the corresponding tax bases used in the computation of taxable profit, corresponding rates to these differences, and in case, tax losses and tax credits benefits.

Assets or liabilities for deferred taxes are generally recognized for all deductible temporary differences, if and only if, it becomes probable that the taxable income could eventually cover the deductible temporary differences. A deferred tax asset will be recognized for all deductible temporary differences, insofar that it is probable that the Company has future taxable profits against which those deductible temporary differences may apply. These assets and liabilities are not recognized if temporary differences arise from goodwill or initial recognition (other than the business combination) of other assets and liabilities in an operation that does not affect the fiscal or accounting result.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, except when the Company is able to control the reversal of the temporary difference and when it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from temporary differences associated with such investments are only recognized to the extent that it is probable that there will be sufficient future taxable profits against those utilized temporary differences and they are expected to be reversed in the near future.

The carrying value of a deferred tax asset should be reviewed at the end of each reporting period and should be reduced to the extent that it is considered that there will not be sufficient taxable income allowing the asset to be recovered.

Deferred taxes assets and liabilities are measured using enacted tax rates expected to be applied in the period in which the liability is settled or the asset is realized, based on tax rates (and tax laws) that have been enacted or substantially approved at the end of the reporting period.

The valuation of deferred taxes assets and liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the book value of its assets and liabilities.

- Current and deferred income tax

Income taxes incurred or deferred are recognized as income or expenses in the Consolidated Statements of Income, except when it relates to items that are recognized outside the Consolidated Statements of Income, either in other comprehensive income or in equity. In case of a business combination, the tax effect is included in the recognition of the business combination.

u. Earnings per share.

Basic earnings per common share are calculated by dividing income corresponding to the equity attributable to shareholders of CYDSA by the weighted average number of common shares outstanding during the year. Diluted earnings per share is determined by adjusting common shares outstanding to include equivalent common shares under the assumption that the Company's commitments to issue its own shares will be realized. The basic and diluted earnings is the same for all periods presented.

3. KEY ACCOUNTING JUDGMENTS AND ESTIMATES

In applying the Company's accounting policies, as described in Note 2, the Company's Management makes judgments, estimates and assumptions about certain amounts of assets and liabilities in the Consolidated Financial Statements. The estimates and associated assumptions are based on experience and other factors considered relevant. Actual results could differ from those estimates.

Estimates and associated assumptions are constantly reviewed. Changes to accounting estimates are recognized in the period in which the estimate is changed if the change affects only that period, and are recognized in the current period and future periods if the change affects both the current and future periods.

a. Key judgments in applying accounting policies

- i) Control over subsidiaries

Judgment applied for purposes of determination of control over the subsidiary Quimobásicos, S.A. de C.V., is described in Note 2 c).

- ii) Functional currency.

To determine the functional currency of the Company, Management evaluates the economic environment in which it primarily generates and disburses cash. For this, factors related to sales, costs, financing sources and cash flows generated by the operation are considered. The management of the Company has determined the functional currency of Cydsa, S.A. B. de C.V. and its subsidiaries based on what is disclosed in note 2c.

b. Key accounting estimates

The accounting judgments and key sources of uncertainty in applying the estimates made at the date of the Consolidated Financial Statements, which have a significant risk and may result in an adjustment to the book value of assets and liabilities during future financial periods, are as follows:

- i) Useful lives and residual values of property, plant and equipment.

Useful lives and residual values of property, plant and equipment are used to determine depreciation expense of such assets and are determined with the assistance of internal and external specialists as deemed necessary. Useful lives and residual values are reviewed periodically at least once a year, based on the current conditions of the assets and the estimate of the period during which they will continue to generate economic benefits to the Company. If there are changes in the related estimate, measurement of the net carrying amount of assets and the corresponding depreciation expense are affected prospectively.

- ii) Assessments to determine the recoverability of deferred tax assets.

On an annual basis, the Company prepares projections to determine if it will generate sufficient taxable income to utilize its deferred tax assets associated with deductible temporary differences, including tax loss carryforwards and other tax credits.

- iii) Impairment of tangible and intangible long-lived assets.

The carrying amount of long-lived assets is reviewed for impairment in case that situations or changes in the circumstances indicate that it is not recoverable. If there are impairment indicators, a review is carried out to determine whether the carrying amount exceeds its recoverability value and whether it is impaired. In the impairment evaluation, assets are grouped in the cash generating unit to which they belong. The recoverable amount of the cash generating unit is calculated as the present value of future cash flows that the assets are expected to produce. There will be impairment if the recoverable value is less than the carrying amount.

The Company defines the cash generating units and estimates the periodicity and cash flows that it should generate. Subsequent changes in grouping cash generating units, or changes in the assumptions underlying the estimate of cash flows or the discount rate, could affect the carrying amounts of the respective assets.

The value-in-use calculations require the Company to determine future cash flows generated by cash generating units and an appropriate discount rate to calculate the present value thereof. The Company uses income cash flows projections using market condition estimates, future pricing determination of its products and volumes of production and sales. In addition, for the purposes of the discount and perpetuity growth rate, the Company uses market risk premium indicators and long-term growth expectations in the market it operates.

The Company estimates a discount rate before taxes for the purposes of the goodwill impairment test, which reflects current evaluations of the time value of money and the specific risks to the asset for which estimates of future cash flows have not been adjusted. The discount rate estimated by the Company is based on the weighted average cost of capital of similar entities. In addition, the discount rate estimated by the Company reflects the return that investors would require if they had to take an investment decision on an equivalent asset in generation of cash flows, time and risk profile.

The Company annually reviews the circumstances that give rise to an impairment loss to determine whether such circumstances have changed or have generated reversal conditions. If affirmative, the recoverable value is calculated and, if applicable, the reversal of the impairment previously recognized. In case an impairment loss from goodwill arises, no reversal procedures are applied.

- iv) Assumptions used in employee retirement and termination benefit plans.

The Company utilizes assumptions to determine the best estimate for its employee retirement benefits. Assumptions and estimates are established in conjunction with independent actuaries. These assumptions include demographic hypothesis, discount rates and expected increases in remunerations and future permanence, among others. Although the assumptions are deemed appropriate, a change in such assumptions could affect the value of the employee benefit liability and the results of the period in which it occurs.

- v) Assumptions used for land remediation provision.

The Company's management determines its best estimate of the expenditure to be incurred for the remediation of lands, based on the amount it would disburse to settle its obligation at the end of the reporting period. This estimate is presented within the item long-term provisions.

- vi) Estimation of the discount rate to calculate the present value of future minimum income payments.

The Company estimates the discount rate to be used in determining the lease liability, based on the incremental borrowing rate ("IBR").

The Company uses a three-tier model, with which it determines the three elements that make up the discount rate: (i) reference rate, (ii) credit risk component and (iii) adjustment for characteristics of the underlying asset. In this model, management also considers its policies and practices to obtain financing, distinguishing between that obtained at the corporate level (that is, by the holder), or at the level of each subsidiary.

Finally, for the leases of real estate, or, in which there is significant and observable evidence of its residual value, the Company estimates and evaluates an adjustment for the characteristics of the underlying asset, taking into account the possibility that said asset be granted as collateral or guarantee against the risk of default.

- vii) Estimate of the lease term.

The Company defines the term of the leases as the period for which there is a contractual payment commitment, considering the non-cancelable period of the contract, as well as the renewal and early termination options that are likely to be exercised. The Company participates in lease contracts that do not have a definite forced term, a defined renewal period (if it contains a renewal clause), or automatic annual renewals, so, to measure the lease liability, it estimates the term of the contracts considering their contractual rights and limitations, their business plan, as well as the administration's intentions for the use of the underlying asset.

Additionally, the Company considers the early termination clauses of its contracts and the probability of exercising them, as part of its estimate of the lease term.

The Company is subject to contingent transactions or events on which it uses professional judgment in the development of estimates of probability of occurrence, the factors considered in these estimates are the legal status at the date of the estimate, and the opinion of the legal advisors.

4. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT OBJECTIVES

a. Financial instruments by category.

As of December 31, 2025, 2024 and 2023, the financial assets and liabilities are as follows:

	2025	2024	2023
Total financial assets	\$ 10,193	\$ 11,383	\$ 8,928
Total financial liabilities	19,404	19,735	16,656

Financial assets correspond to total assets excluding: inventories, investment in associates, property, plant and equipment, right of use leased assets and intangible assets.

Financial liabilities correspond to total liabilities except for deferred income tax.

b Fair value of financial instruments.

The amounts of cash, cash equivalents, accounts receivable and accounts payable, approximate fair value because they have short-term maturities and accrue interest at rates linked to market indicators, as appropriate. In order to determine the fair value for international bonds (Senior Notes), the market prices at the end of each period were used. Bank loans accrue a variable interest rate plus a spread, considering the risks of the company and the country, linked to market indicators, therefore their book value is close to their fair value. The fair value measurement of the bank loans is considered Level 2, and the Senior Notes are considered Level 1 of the hierarchy, as described below:

Fair Value Hierarchy

The analysis of the financial instruments measured according to their fair value hierarchy is presented below. Presented below are the three different levels used:

- Level 1: Quoted prices for identical instruments in active markets.
- Level 2: Other valuations included quoted prices for similar instruments in active markets that are directly or indirectly observable.
- Level 3: Valuations made through techniques in which one or more of their significant data inputs are not observable.

c. Financial risk management.

The activities carried out by the Company expose it to a variety of financial risks that include: Liquidity risk, credit risk and market risks, mainly determined by interest rate risk and currency risk, which arise from obtaining debts in currency foreign, variable rate debts and flows to be received in foreign currency.

The financial risks management is governed by the Company's Policies approved by the Corporate Practices and Audit Committee, and is carried out by Corporate Treasury. The Corporate Treasury reports its activities periodically to the Planning and Finance Committee, an organ of the Board of Directors that monitors the risks and policies implemented to mitigate risk exposures.

d. Company exposure to market risks.

Interest rate risk.

As part of the strategy to improve the capital structure, the Company has financed part of the capital investments made with credit lines of financial institutions. The Company estimates to continue applying said strategy in the future.

The credit lines contracted contemplate the payment of interest at a variable rate, which exposes the Company to its risk. The exposure to risk lies mainly in the variations that could occur in the reference interest rate used as a base in Mexico and in the United States of America (Interbank Equity Interest Rate or "TIIE" at 91 days and the "Secure Overnight Financing Rate" or "SOFR" at 3 months, respectively).

The Company constantly monitors the evolution of these interest rates. Historically, the trend of the TIIE at 91 days and the 3M SOFR has been on the rise, however over the last two years volatility on such rates has been observed. The TIIE at 91 days as of December 31, 2025 closed at 7.3932%, while the 3M SOFR closed at 3.65166%. Therefore, the Company has contracted hedging instruments to cover the risk of an increase in said interest rates. The Company performed an interest rate sensitivity analysis which indicates that a 50-point increase (decrease) would result in a net profit loss of \$47.

As of December 31, 2025, the Company recorded a short and long-term debt balance of \$13,704 (excluding unpaid accrued interest, commissions and discounts), of which \$1,053 causes interest at TIIE rate plus 2.5%, \$1,197 (US\$ 66.4 million) causes interest at SOFR rate plus adjustment of .26161 plus 2.9% and \$2,034 (US\$112.9 million) causes semi-annual interest at a fixed rate of 6.25% \$1,489 (US\$82.7 million) causes interest at SOFR rate plus 1.6%, \$850 causes interest at TIIE plus 1.0%, \$3,432 causes interest at TIIE rate plus 1.5%, \$645 causes interest at TIEF rate plus 1.5%, \$2,077 causes interest at TIIE plus 1.50%, \$1,278 causes interest at TIIE plus 1.50%, \$186 causes interest at SOFR rate plus 2.15%, \$840 causes interest at TIEF rate plus 1.75% and \$700 causes interest at TIEF rate plus 1.75%. Interest from the bank debt for 2025, 2024 and 2023 was \$1,310, \$1,366 and \$789, respectively.

Exchange rate risk.

The Company's main risk involves changes in the value of the Mexican peso against the US dollar, as well as the international prices of some of the inputs and outputs. During 2025, 2024 and 2023, the Company's consolidated revenues of 71%, 70% and 72%, respectively, arise from subsidiaries with the US dollar as its functional currency. Substantially all other revenues are denominated in Mexican pesos.

For companies whose functional currency is the peso, the balance of cash and equivalents in pesos represent 26% of the total item. It also maintains balances of suppliers and financial debt in foreign currency for 207 million dollars respectively. The Company carried out an exchange rate sensitivity analysis that indicates that in the event of a 10% depreciation of the peso against the dollar, the effects on net income would reflect a loss effect of \$59.

Objective of financial market risk management.

The Company and its subsidiaries, as of December 31, 2025, are exposed to financial risks due to the course of their business. The financial risks that it has are exchange rates and interest rates. Those risks arise from obtaining debts in foreign currency, debts at a variable rate and flows to be received in foreign currency.

The hedging instruments contracted related to hedging are the following:

Derivative	Hedge	Hedge ratio
IRS SOFR	Variable Rate Debt (SOFR)	100%
IRS TIIE	Variable Rate Debt (TIIE)	100%
Forward USD/MXN	Cash Flow to Receive in Foreign Currency	100%

The objective of these derivative financial instruments is to carry out a hedging strategy for different hedged items. For the hedging relationship of the Call Spreads, the objective is to cover the exchange rate fluctuation of the liability they have in foreign currency (USD). For the IRS, it seeks to reduce the variability of the interest payment of a variable rate debt by 75% of the term of the debt. For USD / MXN forwards, the aim is to reduce the variability of the exchange rate of flows that they will receive in the future in foreign currency.

The Company has designated those Accounting Hedge instruments under the cash flow hedging scheme in terms of what is allowed by international accounting regulations and has formally documented each hedge relationship, establishing the objectives, the management strategy to cover the risk, the identification of the hedging instrument, the hedged item, the nature of the risk to be covered and the methodology of the evaluation of effectiveness.

As of December 31, 2025, the results of the effectiveness of the hedge of the forwards confirm that the hedging relationship is highly effective, given that changes in the fair value and cash flows of the hedged item are offset in the range of effectiveness established by the Company (80%-125%).

The method used is the compensation of flows using a hypothetical derivative, this method consists in comparing the changes in the fair value of the hedging instrument with the changes in the fair value of the hypothetical derivative that would result in a perfect coverage of the hedged item.

For the coverage ratio of interest rate swaps and call spreads it is documented that these hedges are highly effective given that the characteristics of the derivative and credit are perfectly aligned and, therefore, it is confirmed that there is an economic relationship. In addition, both the credit profile of the Company and the counterparty are good and are not expected to change in the medium term; therefore, the credit risk component is not considered to dominate the hedging relationship. The method used to evaluate effectiveness is through a qualitative evaluation comparing the critical terms between the hedging instruments and the instruments covered.

According to the calendar of the cash flows of the hedging instruments and of the hedged item, there could only be a slight lag in time in the case of forwards since the hedged item is a budget of the flows to be received while the derivatives have quarterly maturity. Under this structure, the average coverage ratio of the relationship is obtained and the issue of some possible coverage is ruled out.

In these hedging relationships, the possible sources of ineffectiveness may be some movement in the credit profile of the counterparties or that the amount of the hedged item is less than the notional amount of the hedging instrument.

The detail of the hedging instruments and hedged instruments (in thousands of pesos unless otherwise indicated):

December 2025 (In millions)

	Forwards	IRS USD	IRS MXN
Reference amount	9	67	1,050
Currency	USD	USD	MXN
Underlying	USD/MXN	SOFR 3M	TIIE 91D
Fair Value	(8)	16	(25)
Average Strike in pesos	19.2	3.38%	8.54%
Expiration	16-oct-26	19-apr-32	19-apr-32
Change in Fair Value to measure Ineffectiveness	(8)	16	(25)
Recognized Effect in OCI	(8)	16	(25)
Recognized Ineffectiveness in P&L	0	0	0
Reclassification of OCI to P&L	0	0	0
Change in the Fair Value of the Covered Item	8	(16)	25
Prospective Test	100%	100%	100%
Exposure	Income	Variable Rate Debt	Variable Rate Debt
Book Value of the Covered Item	N/A	63	901
Covered Item Budget	9	N/A	N/A
Coverage Ratio	100%	100%	100%

December 2024 (In millions)

	Call Spreads	Forwards	IRS USD	IRS MXN
Reference amount	70	11	71	1,120
Currency	USD	USD	USD	MXN
Underlying	USD/MXN	USD/MXN	SOFR 3M	TIE 91D
Fair Value	(7)	13	59	53
Average Strike in pesos	22 - 31	18.34	3.38%	8.54%
Expiration	30-sep-27	17-jan-25	19-apr-32	19-apr-32
Change in Fair Value to measure Ineffectiveness	\$(7)	\$13	\$59	\$53
Recognized Effect in OCI	9	13	59	53
Recognized Ineffectiveness in P&L	-	-	-	-
Reclassification of OCI to P&L	(16)	-	-	-
Change in the Fair Value of the Covered Item	\$7	\$(13)	\$(59)	\$(53)
Prospective Test	100%	99.77%	100%	100%
Exposure	Senior Notes USD	Income	Variable Rate Debt	Variable Rate Debt
Book Value of the Covered Item	276	N/A	67	997
Covered Item Budget	N/A	11	N/A	N/A
Coverage Ratio	25%	100%	100%	100%

December 2023 (In millions)

	Call Spreads	Forwards	IRS USD	IRS MXN
Reference amount	285	11	74	1,179
Currency	USD	USD	USD	MXN
Underlying	USD/MXN	USD/MXN	SOFR 3M	TIE 91D
Fair Value	(88)	(8)	24	8
Average Strike in pesos	22 - 31	18.34	3.38%	8.54%
Expiration	30-sep-27	17-jan-25	19-apr-32	19-apr-32
Change in Fair Value to measure Ineffectiveness	\$(88)	\$(8)	\$24	\$8
Recognized Effect in OCI	(44)	(8)	24	8
Recognized Ineffectiveness in P&L	-	-	-	-
Reclassification of OCI to P&L	(45)	-	-	-
Change in the Fair Value of the Covered Item	\$88	\$8	\$(24)	\$(8)
Prospective Test	100%	99.47%	100%	100%
Exposure	Senior Notes USD	Income	Variable Rate Debt	Variable Rate Debt
Book Value of the Covered Item	376	N/A	70	1,075
Covered Item Budget	N/A	11	N/A	N/A
Coverage Ratio	76%	100%	100%	100%

e. Price risk.

The Company depends on its suppliers for the providing of raw materials. Gas and electricity are raw materials used in the production of chlorine and caustic soda, as well as salt, and in the last years, the price of these inputs have presented volatility. The reference market price for natural gas "Henry Hub is the New York Mercantile Exchange" (NY-MEX); the average price per MBTU, during 2025, 2024 and 2023 were US\$4.0, US\$3.4 and US\$2.58, respectively. The CFE is a decentralized public company in charge of producing and distributing electricity in Mexico. Electricity rates have been influenced also by the volatility of natural gas, which is used to generate electricity.

Others consolidated costs and expenses of the Company are denominated in pesos (except for the fees for technical services, to the extent they are paid based on a fixed minimum annual payment).

f. Credit risk.

Credit risk represents the potential loss due to non-compliance with the counterparties of their payment obligations. Credit risk is generated by cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposure to clients, including accounts receivable and compromised transactions.

The Company designates, from a business and credit risk profile point of view, the significant clients with which it maintains an account receivable, distinguishing those that require an individual credit risk assessment.

Each subsidiary is responsible for managing and analyzing the credit risk for each of its new customers before setting the payment terms and conditions. If wholesale customers are independently qualified, these are the qualifications used. If there is no independent rating, the Company's risk control evaluates the credit quality of the client, taking into account its financial position, previous experience and other factors. The maximum exposure to credit risk is given by the balances of these items, as presented in the Consolidated Statement of Financial Position.

Additionally, the Company conducts a qualitative evaluation of economic projections, in order to determine the possible impact on probabilities of default and the recovery rate assigned to its customers.

During the year ended December 31, 2025, there have been no changes in estimation techniques or assumptions.

The Company recognizes a profit or loss due to impairment in profit or loss for the period with an adjustment corresponding to its carrying amount through a loss provision account.

The Hydrocarbons Underground Storage business segment presents a credit risk concentration of 100% of its operation with a single client.

g. Liquidity risk.

Diverse economic or industry factors, such as financial crises, could affect the cash flow of the Company. These factors are not controllable by the Company. However, the Company manages liquidity risk through analysis and continuous monitoring of actual and projected cash flows to anticipate and handle any eventuality in order to meet all obligations. The Company has established a framework for risk management by maintaining special purpose funds, and to establish an appropriate diversification of its debt in both term and funding sources.

The following table details the Company's expected maturity for its derivative and non-derivative financial liabilities. The table has been designed based on the undiscounted contractual maturities of financial liabilities. Inclusion of information on derivative and non-derivative financial liabilities is necessary to understand the Company's liquidity risk management.

	2026	2027 and 2028	2029 and after
As of December 31, 2025			
Trade and other payables	\$ 4,240	\$ 182	\$ 656
Derivative financial instruments	8	25	-
Short and long-term debt (excluding debt issuance costs)	1,483	4,207	7,788
Right of use liabilities	143	287	385
	2025	2026 and 2027	2028 and after
As of December 31, 2024			
Trade and other payables	\$ 3,892	\$ 291	\$ 664
Derivative financial instruments	32	-	-
Short and long-term debt (excluding debt issuance costs)	752	5,916	7,851
Right of use liabilities	170	67	261
	2024	2025 and 2026	2027 and after
As of December 31, 2023			
Trade and other payables	\$ 4,097	\$ 292	\$ 456
Derivative financial instruments	101	-	-
Short and long-term debt (excluding debt issuance costs)	474	1,934	9,006
Right of use liabilities	119	94	83

h. Capital Risk Management.

The Company's objectives when managing capital is to preserve its ability to continue as a going concern, so that it can continue to provide returns to stockholders and benefits to other stakeholders, as well as maintaining an optimal capital structure to reduce the cost of capital.

The Company's Management monthly monitors the capital structure, which can be adjusted or maintained through: Payment of dividends to shareholders, reduction of contributed capital, issuance of new shares or sale of assets to reduce debt.

The Company follows up on the financial leverage indicator (total liabilities between stockholders' equity). This indicator was 1.52 as of December 31, 2025, 1.38 as of December 31, 2024 and 1.40 as of December 31, 2023.

Additionally, it periodically monitors external impacts that might affect stockholders' equity, mainly exchange rate risk exposure.

5. CASH AND CASH EQUIVALENTS

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Funds for general uses:			
Cash	\$ 588	\$ 396	\$ 431
Daily investments of cash surpluses	1,669	2,024	1,166
	<u>\$ 2,257</u>	<u>\$ 2,420</u>	<u>\$ 1,597</u>

Daily investments of cash surpluses are mainly deposited on investment funds and money market funds.

As of December 31, 2025, 2024 and 2023 the Company holds restricted cash derived from a contracted banking syndicate loan in October 2018, as described below:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Restricted cash:			
Short term	\$ 123	\$ 185	\$ 80
Long term	144	135	53
	<u>\$ 267</u>	<u>\$ 320</u>	<u>\$ 133</u>

6. TRADE RECEIVABLES, NET

The trade receivables are valued at amortized cost and include amounts that are past due at the end of the reporting period, but for which the Company has not recognized any allowance for doubtful accounts as there has been no significant change in the credit quality and the amounts are still considered recoverable. The Company has insurance that covers the accounts receivable of various subsidiaries.

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Clients	\$ 2,980	\$ 3,224	\$ 2,702
Allowance for doubtful accounts	(50)	(52)	(48)
	<u>\$ 2,930</u>	<u>\$ 3,172</u>	<u>\$ 2,654</u>

Aging of accounts receivable overdue but not uncollectible:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
60 to 90 days	\$ 81	\$ 231	\$ 56
More than 90 days	225	120	26
	<u>\$ 306</u>	<u>\$ 351</u>	<u>\$ 82</u>

Changes in the allowance for doubtful accounts:

	2025	2024	2023
Beginning balance	\$ 52	\$ 48	\$ 49
Decrease (increase)	(2)	4	(1)
Ending balance	<u>\$ 50</u>	<u>52</u>	<u>\$ 48</u>

7. OTHER CURRENT ASSETS

	2025	2024	2023
Recoverable taxes	\$ 1,447	\$ 1,437	\$ 1,273
Advances to vendors	38	24	52
Insurance and payment bonds	46	64	35
Finance lease	66	63	42
Others	126	214	168
	<u>\$ 1,723</u>	<u>\$ 1,802</u>	<u>\$ 1,570</u>

8. INVENTORIES

	2025	2024	2023
Finished goods	\$ 1,272	\$ 991	\$ 717
Raw materials and components	302	367	262
Spare parts and accessories	310	276	341
Other inventories	98	72	60
	<u>\$ 1,982</u>	<u>\$ 1,706</u>	<u>\$ 1,380</u>

The cost of consumption of raw material inventories recognized in cost of sales was \$2,991 in 2025, \$2,604 in 2024 and \$1,747 in 2023.

9. FINANCE LEASE

The integration of the account receivable from the financial lease as of December 31, 2025, 2024 and 2023:

	Net investment of the financial lease		
	2025	2024	2023
Less than 1 year	\$ 66	\$ 63	\$ 42
Between 1 and 5 years	515	285	190
More than 5 years	2,418	3,179	2,680
	2,999	3,527	2,912
(-) Short term	66	63	42
Long term	<u>\$ 2,933</u>	<u>\$ 3,464</u>	<u>\$ 2,870</u>

10. INVESTMENT IN ASSOCIATES AND JOINT VENTURES

The financial information related to the Company's share in associates and joint venture engaged in non-strategic activities for the Company are as follows:

	% of Participation	2025	2024	2023
Servicio Superior Ejecutivo, S.A. de C.V.	50.00%	128	123	130
Aero Ventas, S.A. de C.V.	15.85%*	33	34	35
Aero Ventas de México, S.A. de C.V.	20.00%	18	19	18
Others		11	11	11
		190	187	194

* In 2024 the participation rate was 16.66% and in 2023 it was 15.64%.

Below is the condensed financial information of the associated entities and joint venture.

	2025	2024	2023
Total assets	\$ 636	\$ 574	\$ 580
Total liabilities	\$ 25	\$ 17	\$ 25
Total equity	\$ 611	\$ 557	\$ 555
Participation in the net assets of associates and joint venture	\$ 190	\$ 187	\$ 194
Total revenues	\$ 124	\$ 115	\$ 125
Net loss of the year	\$ (4)	\$ (24)	\$ (14)
Participation in the results of associates and joint venture	\$ 2	\$ (7)	\$ (2)

11. PROPERTY, PLANT AND EQUIPMENT, NET

	<u>Land</u>	<u>Buildings and constructions</u>	<u>Machinery and equipment</u>
INVESTMENT			
Balances as of January 1, 2023	\$ 2,154	\$ 3,734	\$ 17,334
Additions	-	1	273
Disposals	(1)	-	(179)
Transfers	-	177	2,825
Translation effects	(143)	(262)	(1,840)
Balances as of December 31, 2023	<u>2,010</u>	<u>3,650</u>	<u>18,413</u>
Additions	-	1	811
Disposals	-	(1)	(743)
Transfers	-	541	2,105
Translation effects	210	316	3,174
Balances as of December 31, 2024	<u>2,220</u>	<u>4,507</u>	<u>23,760</u>
Additions	-	30	37
Disposals	(1)	-	(258)
Transfers	-	96	1,435
Translation effects	(151)	(357)	(2,724)
Balances as of December 31, 2025	<u>2,068</u>	<u>4,276</u>	<u>22,250</u>
ACCUMULATED DEPRECIATION			
Balances as of January 1, 2023	-	(1,655)	(10,601)
Depreciation for the year	-	(119)	(697)
Transfers	-	-	-
Translation effects	-	131	1,125
Balances as of December 31, 2023	<u>-</u>	<u>(1,643)</u>	<u>(10,173)</u>
Depreciation for the year	-	(149)	(979)
Transfers	-	-	-
Translation effects	-	(217)	(1,618)
Balances as of December 31, 2024	<u>-</u>	<u>(2,009)</u>	<u>(12,770)</u>
Depreciation for the year	-	(160)	(1,172)
Transfers	-	-	-
Translation effects	-	171	1,651
Balances as of December 31, 2025	<u>-</u>	<u>(1,998)</u>	<u>(12,291)</u>
Property, plant and equipment, net as of December 31, 2025	<u>\$ 2,068</u>	<u>\$ 2,278</u>	<u>\$ 9,959</u>

Office furniture and equipment	Vehicles	Computer equipment	Projects in process	Total
\$ 106	\$ 114	\$ 294	\$ 6,771	\$ 30,507
1	6	7	1,525	1,813
(3)	(10)	(7)	-	(200)
2	7	18	(3,029)	-
(6)	(1)	(14)	(602)	(2,868)
100	116	298	4,665	29,252
4	501	9	936	2,262
(7)	(4)	(4)	(1)	(760)
2	4	31	(2,683)	-
8	43	26	1,001	4,778
107	660	360	3,918	35,532
-	10	16	1,873	1,966
(7)	(6)	(11)	-	(283)
3	3	49	(1,586)	-
(7)	(72)	(22)	(630)	(3,963)
96	595	392	3,575	33,252
(77)	(80)	(197)	-	(12,610)
(6)	(14)	(34)	-	(870)
-	-	-	-	-
4	4	10	-	1,274
(79)	(90)	(221)	-	(12,206)
(5)	(10)	(33)	-	(1,176)
-	-	-	-	-
(6)	(2)	(10)	-	(1,853)
(90)	(102)	(264)	-	(15,235)
(5)	(47)	(30)	-	(1,414)
-	-	-	-	-
12	7	22	-	1,863
(83)	(142)	(272)	-	(14,786)
\$ 13	\$ 453	\$ 120	\$ 3,575	\$ 18,466

12. RIGHT-OF-USE ASSETS

The Company leases several fixed assets, including buildings, machinery, vehicles and computer equipment. The average lease term is 10 years.

The right of use recognized in the consolidated statement of financial position as of December 31, 2025, is integrated as follows:

	<u>Land</u>	<u>Buildings and constructions</u>	<u>Machinery and equipment</u>	<u>Vehicles</u>	<u>Total</u>
Balance as of January 1, 2024	\$ 2	\$ 14	\$ 240	\$ 27	\$ 283
Additions	19	124	136	8	287
Depreciation for the year	(4)	(35)	(57)	(22)	(118)
Balance as of December 31, 2024	17	103	319	13	452
Additions	-	64	418	10	492
Depreciation for the year	(7)	(50)	(120)	(9)	(186)
Balances as of December 31, 2025	<u>\$ 10</u>	<u>\$ 117</u>	<u>\$ 617</u>	<u>\$ 14</u>	<u>\$ 758</u>

Depreciation recognized in statements of income is presented in cost of sales, selling and administrative expenses.

The Company has not signed lease agreements that as of the date of these consolidated financial statements have not been initiated. In addition, there are no signed low-value or short-term lease contracts.

During the year, the Company did not make significant extensions to the terms of its lease agreements.

13. LEASE LIABILITIES

The right of use recognized in the consolidated statement of financial position as of December 31,2025, is integrated as follows:

	Total
Balance as of January 1,2024	296
Additions	287
Translation effects	21
Cancelations	-
Payments	(106)
Balance as of December 31,2024	498
Additions	492
Translation effects	(5)
Cancelations	-
Payments	(170)
Balance as of December 31,2025	815

The analysis of the liability for leased assets according to their maturity, as of December 31, 2025, 2024, and 2023 is integrated as follows:

	2025	2024	2023
Less than 1 year	\$ 143	\$ 170	\$ 119
Between 1 and 3 years	287	220	28
Between 3 and 5 years	179	43	64
More than 5 years	206	65	85
Total long term	672	328	177
	\$ 815	\$ 498	\$ 296

The Company does not face a liquidity risk with respect to its lease liabilities. Lease liabilities are monitored through the Company's Treasury.

14. INTANGIBLE ASSETS

Balances as of December 31, 2025, 2024 and 2023 are \$278, \$310 and \$276, respectively. Concepts capitalized as intangible include: business acquisitions (customer list and goodwill) and investment in SAP technology.

15. CURRENT FINANCIAL DEBT

During 2025, short-term loans with HSBC for an amount of \$103 million and with Banco del Bajío for \$40 million were settled.

16. FINANCIAL DEBT

	2025	2024	2023
Issuance of "Senior Notes" in dollars without guarantee (see a)	\$ 2,034	\$ 3,590	\$ 4,264
Secured bank loans in US dollars (see b)	1,197	1,471	1,260
Secured bank loans in Mexican pesos (see b)	1,053	1,121	1,179
Secured bank loans in US dollars (see c)	1,489	2,149	2,099
Debt securities (see d)	850	850	850
Secured bank loans in Mexican pesos (see e)	4,077	3,454	2,094
Secured bank loans in Mexican pesos (see f)	1,278	2,014	-
Secured bank loans in US dollars (see f)	186	-	-
Secured bank loans in Mexican pesos (see g)	840	-	-
Debt securities (see h)	700	-	-
	13,704	14,649	11,746
Current portion of non-current financial debt	1,483	609	474
	12,221	14,040	11,272
Discounts and premium on issuance of Notes and issuance expenses	(226)	(273)	(332)
Non-current financial debt	\$ 11,995	\$ 13,767	\$ 10,940

a) "Senior Notes" in dollars.

On September 19, 2017, the CYDSA Ordinary General Meeting of Shareholders approved the hiring of Long-Term Credits for up to \$450 million.

On October 4, 2017, 10-year debt instruments, called "Senior Notes," were issued in international markets, placing \$330 billion at a rate of 6.25% per year.

On December 12, 2019, the "Senior Notes" issued on October 4, 2017, was reopened for \$120 million in the international market. The additional notes set out, except for the date of issue, the same terms and conditions as originally issued.

The Notes issued by Cydsa, S.A.B. de C.V. were placed on the international market in accordance with Rule 144 A and Regulation S of the Securities Act of 1933 of the United States of America and will not be registered under the Securities Act of 1933.

- Partial purchases of "Senior Notes"

During 2022 CYDSA made partial purchases of his "Senior Notes", with a nominal value of 118.3 million dollars, paying an average price of 940 dollars for each thousand, that is, an amount of 111.2 million dollars, so, the "Senior Notes" issued by CYDSA of \$450 million at face value were reduced to \$331.7 million.

During 2023, it made additional repurchases for \$79.7 million, making the Account Balance "Senior Notes" retail store at the end of this year \$252.0 million. The average price paid was \$955 per thousand.

During 2024, additional repurchases of their "Senior Notes", with a nominal value of \$79.3 million, were carried out, paying an average price of \$990 per thousand, that is, an amount of \$78.5 million, so, the "Senior Notes" issued by CYDSA were reduced to \$172.7 million.

During May and July 2025, additional repurchases of their "Senior Notes", with a nominal value of \$10.3 million, were carried out, paying an average price of \$985 for each thousand, that is, an amount of \$10.0 million, so, the "Senior Notes" issued by CYDSA were reduced to \$162.5 million.

In October 2025, Cydsa exercised the contractual right to repurchase at value for his "Senior Notes". The amount of this repurchase was 49.4 million, so the Account Balance "Senior Notes" retail trade was reduced to \$112.9 million, which at the end of December 2025 represented 2,034 million pesos.

The Fair Value Measurement Senior Notes mail service as of December 31, 2025, 2024 and 2023 amounts to \$2,029, \$3,561 and \$4,115, respectively.

b) Bank Credit in Tenor Storage LP 206.

CYDSA, through its subsidiary Tenedora Storedores LP 206, S.A. de C.V. obtained a Long-Term Banking Credit of an equivalent amount of \$156.6 million on October 18, 2018. the Account Balance remaining six-month period as of december 31, 2025 represented 1,197 million pesos for the dollar portion and 1,053 million pesos for the peso portion.

This credit was granted by a banking union made up of the National Bank for Works and Public Services, S.N.C. (Banobras), National Bank for Foreign Trade, S.N.C. (Bancomext) and Banco Mercantil del Norte, S.A. (Grupo Financiero Banorte).

The loan was contracted in two tranches, one in pesos and one in dollars, both over a 18-year term, with increasing amortizations and quarterly payments. It was structured as "no-recourse" financing for CYDSA, and is supported exclusively by assets and contracts related to the legal entities that constitute the Underground Gas LP Storage and Processing System, therefore, it does not impact the contractual financial restrictions ("covenants") of the rest of CYDSA's companies.

c) Bank credit in dollars with Santander.

On December 22, 2021, CYDSA contracted a new financing of \$134.4 million, for an eight-year term, including two grace years, with a final maturity on December 22, 2029, and at an interest rate of SOFR + 1.60%. The accreditation of this new financing is Banco Santander and is guaranteed by the Italian Export Credit Agency or SACE (Servizi Assicurativi of Commercio Estero Deberti e Prestiti). The Account Balance total amount of this financing at the end of December 2025 is \$82.7m.

d) CYDSASA Stock Exchange Certificate.

On November 29, 2023, CYDSA issued stock certificates totaling 850 million, over a three-year term, expiring on November 27, 2026; and at an interest rate of TIIE + 1.00%.

e) Long-term loans with Bancomext in national currency.

On December 13, 2023, CYDSA contracted a-year, 10-year, year-long financing with Bancomext, with a maturity of December 19, 2033, and a TIIE interest rate + 1.50%. At the end of December 2025, the Account Balance total amount of this financing was 2,077 million.

In April 23, 2024, CYDSA contracted a second loan of 1,360 million with Bancomext, for a 10-year term, due April 23, 2034, and at an interest rate of TIIE + 1.50%. At the end of December 2025, the Account Balance total amount of this financing was 1,355 million.

On August 1, 2025, CYDSA contracted a third loan with Bancomext for a total of 10 million, for a period of three years, due August 6, 2035; and at an interest rate of TIEF + 1.50%. The resources of this financing were intended to liquidate short-term bank loans and reduce the Account Balance price of the medium-term syndicated credit with Scotiabank and BBVA. At the end of December 2025, the Account Balance total amount of this financing was 645.0 million.

f) Medium-term syndicated credit in national currency.

On December 18, 2024, a syndicated loan of 2,014 million was contracted with Scotiabank and BBVA, at a rate of TIIE + 1.50%, depending on the level of consolidated leverage. The purpose of these resources was to pre-settle different short-term bank loans.

During the third quarter of 2025, pre-payments of 1,661 million were made. The resources used in this prepayment were obtained from the bank financing and the CEBURES issue made during 2025.

In October 4, 2025, 925 million were available at a TIIE rate + 1.50%. The purpose of these resources was to buy back to value for "Senior Notes".

On December 22, 2025, an equivalent amount of \$10.3 million was available at a SOFR rate + 2.15%. The resources were allocated to refinance the Amortization December 2025 common currency of the dollar bank credit with Santander.

At the end of December 2025, the Account Balance total amount of this financing was 1 million.

g) Long-term credit with Sabadell in national currency.

On July, 2025, CYDSA contracted a loan with Sabadell for an amount of 4 million, for a 7-year term with a 29-year grace period and at a TIEF + 1.75% interest rate. These resources were intended to reduce the Account Balance average price of the medium-term syndicated credit with Scotiabank and BBVA.

h) CYDSASA Stock Exchange Certificate.

On August 25, 2025, CYDSA issued stock market certificates for a total of 7 million, for a period of five years, with a maturity of August 16, 2032; and at an interest rate of TIEF + 1.80%. The resources were applied to the reduction of Account Balance the medium-term syndicated loan with Scotiabank and BBVA.

- i) As of December 31, 2025, 2024 and 2023 there are assets (contracts and shares related to the Underground Gas Processing and Storage Business LP) granted in collateral for an equivalent amount of 6,2,207, 6,2,344 and 6,2,482 million pesos, respectively.
- j) The maturities of long-term bank loans are:

<u>Year</u>	<u>Amount</u>
2027	\$ 2,742
2028	2,226
2029	803
2030	743
2031 and thereafter	5,707
	<u>\$ 12,221</u>

17. OTHER CURRENT LIABILITIES

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Current maturities of land remediation obligation	\$ 41	\$ 39	\$ 18
Other taxes	1,205	1,018	1,056
Fixed assets suppliers	548	326	243
Wages and salaries	19	9	17
Freights and services	9	6	42
Interest payable	134	166	121
Provisions and other accumulated expenses payable	328	198	177
Others	82	135	136
	<u>\$ 2,366</u>	<u>\$ 1,897</u>	<u>\$ 1,810</u>

18. EMPLOYEE BENEFITS

- a) The Company has a retirement plan under the defined benefit scheme that covers an amount equal to 3 months and 20 days per year worked for those who reach 65 years of age.

This plan also covers seniority premiums as described by the Federal Labor Law.

b) The Company also has a protection plan for death and total permanent disability compensation for its employees and / or beneficiaries as appropriate. The benefit of this protection is obtained by selecting the greater of the following options:

- Integrated salary of 24 months.
- The amount equivalent to 3 months and 20 days per year worked; this will be paid on an integrated salary basis.

The fund constituted for this protection consist in dues of companies affiliated to this plan in Centro Social y Cultural, A.C.

The related liability and annual cost of benefits to employees are calculated by an independent actuary on the basis set out in the plans using the projected unit credit method.

The main assumptions used for actuarial valuations purposes are:

	2025	2024	2023
Discount of projected benefit obligation at present value	8.50%	9.00%	9.00%
Expected rate of return on plan assets	8.50%	9.00%	9.00%
Salary increase	4.75%	4.75%	4.75%
Future pension increase	4.00%	4.00%	4.00%
Mortality rate	0.58%	0.60%	0.37%
Disability rate	0.42%	0.42%	0.42%
Normal retirement age	65	65	65
Employee turnover rate	11.80%	11.88%	11.69%

The methodology for determining the discount rate of labor obligations considers all flows for payment of expected benefits in future years. These future flows are discounted as of the date of the Consolidated Financial Statements, considering the rate of the M Bonds of the Federal Government of Mexico "Cero coupon" further to the corresponding year. Once this present value is determined, an equivalent average rate is calculated for the whole term and the result of such rate is called the discount rate of the actuarial valuations.

Based on these assumptions, the next table shows the amounts expected to be paid for the following years.

	Pension and Retirement Plan	Seniority Premium Plan	Protection Plan
2026	\$ 103	\$ 12	\$ 30
2027	52	13	29
2028	45	14	29
2029	55	16	28
2030	71	18	27
2031 to 2035	332	88	112

c) Sensitivity analysis of significant actuarial assumptions.

The Company analyzed certain actuarial assumptions valued through the projected unit credit method that are subject to sensitivity analysis, like the discount rate and the incremental salary rate. The reason to select such assumptions are the following:

- Discount rate: This rate determines the obligations value through time.
- Incremental salary rate: This rate considers the salary increases, which implies an increase in benefit payments.

The following table shows the effect in absolute terms of using a variation of 1% in significant actuarial assumptions of net liabilities for defined benefit plans.

+ 1% variation

Discount rate to calculate the net liability (assets) for defined benefits and net interest	Cost of current services	Net interest in the liability (assets) for defined benefits
Pension and retirement plans	\$ 17	\$ 42
Seniority premiums	\$ 7	\$ 10
Total	\$ 24	\$ 52

Expected salary increase	Cost of current services	Net interest in the liability (assets) for defined benefits
Pension and retirement plans	\$ 19	\$ 41
Seniority premiums	\$ 8	\$ 10
Total	\$ 27	\$ 51

- 1% variation

Discount rate to calculate the net liability (assets) for defined benefits and net interest	Cost of current services	Net interest in the liability (assets) for defined benefits
Pension and retirement plans	\$ 19	\$ 37
Seniority premiums	\$ 8	\$ 9
Total	\$ 27	\$ 46

Expected salary increase	Cost of current services	Net interest in the liability (assets) for defined benefits
Pension and retirement plans	\$ 17	\$ 37
Seniority premiums	\$ 7	\$ 9
Total	\$ 24	\$ 46

Amounts included in the Consolidated Statements of Financial Position for the Company's obligations related to defined benefit plans are:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Present value of funded defined benefit obligation	\$ 788	\$ 701	\$ 618
Fair value of plan assets	<u>(102)</u>	<u>(104)</u>	<u>(98)</u>
Present value of unfunded defined benefit obligation	<u>\$ 686</u>	<u>\$ 597</u>	<u>\$ 520</u>

Amounts recognized in the Consolidated Statements of Income and the Consolidated Statements of Other Comprehensive Income:

	Cost of current service	Net interest of the liability for defined benefit	Net income	Actuarial remeasurement
2025				
Pension and retirement plans	\$ 17	\$ 36	\$ 53	\$ 37
Seniority premiums	5	9	14	7
Protection	13	10	23	3
Total	<u>\$ 35</u>	<u>\$ 55</u>	<u>\$ 90</u>	<u>\$ 47</u>

	Cost of current service	Net interest of the liability for defined benefit	Net income	Actuarial remeasurement
2024				
Pension and retirement plans	\$ 12	\$ 33	\$ 45	\$ 18
Seniority premiums	3	12	15	8
Protection	7	10	17	19
Total	<u>\$ 22</u>	<u>\$ 55</u>	<u>\$ 77</u>	<u>\$ 45</u>

	Cost of current service	Net interest of the liability for defined benefit	Net income	Actuarial remeasurement
2023				
Pension and retirement plans	\$ 13	\$ 35	\$ 48	\$ (66)
Seniority premiums	4	6	10	(1)
Protection	7	1	8	(8)
Total	\$ 24	\$ 42	\$ 66	\$ (75)

For the years ended December 31, 2025, 2024 and 2023, the costs for services that have been included in the Consolidated Income Statements as part of selling and administrative expenses amounted to \$35, \$22 and \$24, respectively.

Remeasurement of the defined benefit liability recognized in other comprehensive income includes the following:

- The return on plan assets, excluding amounts included in interest costs.
- Actuarial gains and losses from changes in demographic assumptions.
- Actuarial gains and losses from changes in financial assumptions.

The Company makes payments between 2% and 3% to the IMSS (Instituto Mexicano del Seguro Social, in Spanish) of its workers' integrated wage (limited), to the defined contribution plan as the concept of retirement savings system as established by the law. Expenses for this concept amounted to \$68 in 2025, \$58 in 2024 and \$40 in 2023.

- e) Changes in the net defined benefit liability for pension and retirement plan and for seniority premium plan:

Pension and retirement	2025	2024	2023
Beginning balance	\$ 463	\$ 440	\$ 487
Cost of current services	17	12	12
Financial cost	36	33	37
Actuarial gains and losses	37	18	(59)
Benefits paid	(40)	(40)	(37)
	\$ 513	\$ 463	\$ 440

Seniority premium	2025	2024	2023
Beginning balance	\$ 97	\$ 80	\$ 76
Cost of current services	5	3	5
Financial cost	9	12	5
Actuarial gains and losses	7	8	(1)
Benefits paid	(8)	(6)	(5)
	<u>\$ 110</u>	<u>\$ 97</u>	<u>\$ 80</u>

Protection plan	2025	2024	2023
Beginning balance	\$ 141	\$ 105	\$ 96
Cost of current services	13	7	7
Financial cost	10	10	7
Actuarial gains and losses	3	19	(4)
Benefits paid	(2)	-	(1)
	<u>\$ 165</u>	<u>\$ 141</u>	<u>\$ 105</u>

f) Changes in the fair value of plan assets:

	2025	2024	2023
Plan assets fair value as of January 1, 2025	\$ 104	\$ 98	\$ 90
Expected return	8	7	7
Actuarial generated gains and losses	(3)	3	3
Company contributions	-	-	-
Benefits paid	(7)	(4)	(2)
Plan assets fair value as of December 31, 2025	<u>\$ 102</u>	<u>\$ 104</u>	<u>\$ 98</u>

Categories of plan assets:

	Expected long-term	Performance		
		2025	2024	2023
Money-market	8.5%	8.05%	10.19%	10.43%

The overall expected rate of return is a weighted average of the expected returns of the plan assets.

19. PROVISIONS, COMMITMENTS AND CONTINGENCIES

The amount recognized as a provision is the best estimate of the expenditure required to settle the current obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is valued using the estimated cash flows to settle the current obligation, its carrying amount is the present value of those cash flows.

- a) Studies over land located in Santa Clara Coatitla Ecatepec, State of Mexico and Pedro Lozano in Monterrey, Nuevo Leon, were performed for purposes of cleaning and remediating such land for pollution caused by the industrial plants. Derived from these studies, carried out by independent experts, a provision for the land remediation was recorded.
- b) Yearly movements in the provisions are shown in the following table:

	2025	2024	2023
Beginning balance	\$ 89	\$ 67	\$ 65
Increments (reductions) arising from payments or applications	(2)	17	(2)
Financial expense	6	5	4
Closing balance	93	89	67
Short-term	41	39	18
Long-term	\$ 52	\$ 50	\$ 49

- c) CYDSA, through its subsidiary IQUISA, is currently participating in a multidisciplinary team, composed of staff from the United Nations Environment Program (UNEP) and the United Nations Development Organization (UNIDO), the Secretariat for the Environment and Natural Resources (SEMARNAT), to develop with funds from "The Global Environment Facility (GEF)," the project identified as: "Eliminate mercury use and adequately manage mercury and mercury wares in the chloralkali sector in Mexico – GEF IF 10526". This project will allow CYDSA-IQUISA and the Government of Mexico to fulfill in advance their responsibilities set out in the Minamata Agreement for the Chlorine-Soda sector, which allows the continuity of their operations without setbacks indefinitely.
- d) As of December 31, 2025, 2024 and 2023, there are bank liabilities for a total value of \$13,704, \$14,792 and \$11,746, of which \$2,250, \$2,592 and \$2,439, respectively, are secured with assets (contracts and shares related to the Underground Storage and Processing Business of Gas LP) for an equivalent amount of \$2,207 million pesos in 2025, \$2,342 in 2024 and \$2,482 million pesos in 2023.
- e) As of December 31, 2025, 2024 and 2023, there are deposits for \$452 \$453 and \$306, respectively, principally to guarantee quality assurance and delivery of products to customers.
- f) As of December 31, 2025, 2024 and 2023, there are no liabilities with long-term fixed asset suppliers.

20. SHAREHOLDERS' EQUITY

- a) Pursuant to a resolution of General Ordinary Shareholders' meeting held on March 26, 2025, the shareholders approved the following: 1) Dividend distribution of \$ 350 from the Net Tax Income Account ("CUFIN"); 2) \$ 1,500 as the maximum amount for the repurchase of own shares; and 3) to increase the legal reserve by \$27.
- b) Pursuant to a resolution of General Ordinary Shareholders' meeting held on March 20, 2024, the shareholders approved the following: 1) Dividend distribution of \$ 300 from the Net Tax Income Account ("CUFIN"); 2) \$ 1,500 as the maximum amount for the repurchase of own shares; and 3) to increase the legal reserve by \$104.
- c) Pursuant to a resolution of General Ordinary Shareholders' meeting held on March 29, 2023, the shareholders approved the following: 1) Dividend distribution of \$ 250 from the Net Tax Income Account ("CUFIN"); 2) \$ 1,500 as the maximum amount for the repurchase of own shares; and 3) to increase the legal reserve by \$61. Additionally, Tenedora Almacenamiento LP 206, S.A. de C.V., approved a dividend payment of \$170 of which \$8 corresponds to the non-controlling interest.
- d) The subscribed and paid capital stock, represented by Series "A" shares with no par value, are as follows:

	As of December 31,		
	2025	2024	2023
Number of shares	600,000,000	600,000,000	600,000,000
Nominal capital stock	\$ 1,485	\$ 1,485	\$ 1,485

- e) Retained earnings include the statutory legal reserve. The General Corporate Law requires that at least 5% of net income of the year be transferred to the legal reserve until the reserve equals 20% of capital stock at par value (historical pesos). The legal reserve may be capitalized but may not be distributed unless the entity is dissolved. The legal reserve must be replenished if it is reduced for any reason. As of December 31, 2025, 2024 and 2023, the legal reserve, in historical pesos, amounted \$607, \$580 and \$477, respectively.
- f) As of December 31, 2025, the market value of Cydsa, S.A.B. de C.V.'s Series "A" shares was \$18.20 (pesos).
- g) The non-controlling interest is as follows:

	2025	2024	2023
Quimobásicos, SA de CV	\$ 414	\$ 433	\$ 405
Tenedora Almacenamiento LP 206, S.A. de C.V.	65	67	43
Others	38	18	15
	\$ 517	\$ 518	\$ 463

The condensed financial information of Quimobasicos, S.A. of C.V. is presented as follows:

	2025	2024	2023
Net sales	\$ 2,716	\$ 2,918	\$ 3,187
Net (loss) income	64	(68)	92
Total assets	1,876	1,896	1,907
Total liabilities	1,068	1,050	1,087

- h) In 2025, 2024 and 2023, 1,962,952, 9,598,760 and 1,597,550 shares of treasury stock were acquired (at a total cost of \$32, \$173 and \$29), respectively. At the end of 2025, 2024 and 2023, CYDSA has 70,590,159, 68,627,207 and 59,028,447 of its own shares at a cost of \$1,348, \$1,316 and \$1,143, respectively.
- i) The shareholders' equity, except restated paid-in capital and retained tax earnings, will be subject to income tax payable by the Company at the rate in effect upon distribution. Any tax paid on such distribution, may be credited against annual and estimated income taxes of the year in which the tax on dividends is paid and during the following two fiscal years.
- j) The balances of the shareholders' equity tax accounts as of December 31, are as follows:

	2025	2024	2023
Contributed capital account	\$ 4,333	\$ 4,197	\$ 4,123
Net tax income account	15,837	15,240	14,072
Total	\$ 20,170	\$ 19,437	\$ 18,195

- k) In 2025, 2024 and 2023, the other comprehensive income items are represented by the cumulative translation adjustment, valuation of the effective portion of foreign operations, derivative financial instruments and remeasurement of the defined benefit plan.

Translation of foreign operations effect results of translating the Consolidated Financial Statements from the functional currency to the report currency.

Remeasurement of defined benefits plan considers variations in the actuarial assumptions and are presented net of income tax.

l) Movements in other comprehensive income for 2025, 2024 and 2023, are presented below:

	Cumulative translation adjustments	Valuation of the effective portion of derivative financial instruments	Remeasure- ment of defined benefit plan	Non- controlling interest	Total
Balances as of January 1, 2023	\$ 348	\$ (36)	\$ 43	\$ 69	\$ 424
Other comprehensive income	(1,074)	(9)	(75)	(18)	(1,176)
Balances as of December 31, 2023	(726)	(45)	(32)	51	(752)
Other comprehensive income	2,286	127	45	86	2,544
Balances as of December 31, 2024	1,560	82	13	137	1,792
Other comprehensive income	(1,784)	(94)	47	(48)	(1,879)
Balances as of December 31, 2025	\$ (224)	\$ (12)	\$ 60	\$ 89	\$ (87)

21. INCOME TAXES

a) The Company is subject to ISR. According to the ISR Law, the rate for 2025, 2024, and 2023 is 30%, and will continue on being 30% for the next years. Due to the repeal of the Income Tax Law in force until December 31, 2013, the tax consolidation regime was eliminated, therefore, the Company and its subsidiaries have the obligation to pay the deferred tax determined on that date during the following five years from 2015, as shown below.

At the same time that the ISR Law repealed the tax consolidation regime, an option was established to calculate the ISR jointly in groups of companies (tax integration regime). The new regime allows for the case of integrated companies directly or indirectly owned in more than 80% by an integrating company, to have certain benefits in the payment of the tax (when within the Company there are entities with profits or losses in the same year), which may differ for three years and find out, in an updated form, on the date on which the declaration corresponding to the fiscal year following the one in which the aforementioned period is concluded must be submitted.

The Company and its subsidiaries opted to join the new scheme, so determined income tax for the year 2025, 2024 and 2023 together.

Pursuant to Transitory Article 9, section XV, subsection d) of the 2014 Law, given that as of December 31, 2013, the Company was considered to be a holding company and was subject to the payment scheme contained in Article 4, Section VI of the transitory provisions of the ISR law published in the Federal Official Gazette on December 7, 2009, or article 70-A of the ISR law of 2013, which was repealed, it must continue to pay the tax that it deferred under the tax consolidation scheme in 2007 and previous years based on the aforementioned provisions, until such payment is concluded.

Also, as of December 31, 2025, the ISR payable corresponding to the tax integration regime amounts to \$21, of which \$142 have a short term maturity.

b) The provisions for ISR consist of the following:

	2025	2024	2023
Current	\$ (379)	\$ (498)	\$ (829)
Deferred	431	(495)	296
	\$ 52	\$ (993)	\$ (533)

c) The reconciliation of the statutory and effective ISR rates, expressed as a percentage of income before income taxes follows:

	2025	2024	2023
Effective income tax rate	(10.0)%	66.0%	20.0%
Less effects of permanent differences, mainly non-cumulative income, non-deductible expenses and effects of inflation	59.2%	(38.9)%	7.6%
Allowance for deferred tax asset previously not reserved	-	-	2.0%
Exchange rate effects	(18.3)%	0.6%	(1.0)%
Derivative financial instruments	(0.9)%	2.3%	1.4%
Statutory rate	30%	30%	30%

d) Amounts and concepts of other comprehensive items and deferred taxes effects are as follows:

	Amount, net of income tax		
	2025	2024	2023
Valuation of the effective portion of derivative financial instruments	\$ (94)	\$ 127	\$ (9)
Remeasurement of the defined benefit liability	47	45	(75)
Deferred tax	\$ (47)	\$ 172	\$ (84)

e) The main items comprising the deferred income tax liability and asset are as follows:

	2025	2024	2023
Deferred ISR (liabilities) assets:			
Property, plant and equipment	(834)	(1,334)	(436)
Tax loss carryforwards	917	1,006	976
Employee benefits	193	179	156
Allowance for doubtful accounts	14	15	14
Right-of-use for leased assets	(223)	(34)	(78)
Derivative financial instruments	5	(35)	19
Land remediation	27	26	19
Others	193	16	(257)
Long-term ISR deferred asset (liability)	292	(161)	413

- f) The benefits from restated tax loss carryforwards may be recovered subject to certain conditions. The years of maturity and restated amounts as of December 31, 2025 are:

Year of origin	Amount	Year of expiration
2017	\$ 8	2027
2018	216	2028
2019	450	2029
2020	293	2030
2021	598	2031
2022	301	2032
2023	367	2033
2024	408	2034
2025	415	2035
	\$ 3,056	

22. BALANCES AND TRANSACTIONS IN US DOLLARS

- a) The Company's assets and liabilities include inventories, fixed assets of foreign origin and derivative financial instruments, as well as monetary items that will be collected or paid in foreign currencies. The aforementioned items, valued in millions of dollars, are integrated as follows:

	2025	2024	2023
Monetary assets	320	334	325
Non-bank monetary liabilities	147	70	79
Bank loans	273	347	451

- b) The Company had the following transactions valued in dollars:

	2025	2024	2023
Export sales and other revenues	183.1	149.6	118.8
Import purchases	(178.6)	(164.7)	(168.5)
	4.5	(15.1)	(49.7)
Interest income	3.7	5.4	6.7
Interest expenses	(21.8)	(30.1)	(43.6)
	(18.1)	(24.7)	(36.9)
Balance of payments	(13.6)	(39.8)	(86.6)

- c) The year-end exchange rates per US dollar were \$18.0012 in 2025, \$20.7862 in 2024 and \$16.9190 in 2023. The exchange rate as of February 25, 2026, the issuance date of the Consolidated Financial Statements was \$17.1700 per US dollar.

23. TRANSACTIONS WITH RELATED PARTIES

Employee benefits granted to the Company's executives were as follows:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Direct benefits	\$ 277	\$ 275	\$ 260

As of December 31, 2025, 2024 and 2023, the Company has balances of operations with the Non-controlling interest that are integrated as shown in the following table:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Products purchased	\$ 1,673	\$ 1,772	\$ 2,048
Miscellaneous sales	128	160	298
Brand use	2	3	2
Trade receivables	-	12	25
Trade payables	694	649	765

24. OTHER OPERATING EXPENSES, NET

	<u>2025</u>	<u>2024</u>	<u>2023</u>
(Loss) gain on sale of assets	\$ (2)	\$ (214)	\$ (48)
Land remediation	-	(19)	-
Other expense	(58)	(39)	(62)
	<u>\$ (60)</u>	<u>\$ (272)</u>	<u>\$ (110)</u>

25. OPERATING SEGMENTS

The segment information is presented in a manner consistent with the internal reports provided to the operational decision-maker who is the Chief Executive Officer, who is responsible for allocating resources and evaluating the performance of the operating segments and is the one who makes strategic decisions. The Chief Executive Officer considers, among others, performance measures such as profit, operating income and net income, which are consistent with those presented in the consolidated statement of comprehensive income.

- a) According to IFRS 8, Operating Segments, the Company's business segments are as follows:
- **Salt**
 - **Chlorine and caustic soda.**
 - **Refrigerant Gases.**
 - **Energy Processing and Logistics.**
 - **Cydsa and other.**

2025	Salt	Chlorine and Caustic Soda	Refrigerant Gases	Energy Processing and Logistics	Holding and Others	Eliminations	Consolidated
<u>Consolidated</u>							
<u>Statement of Financial</u>							
<u>Position:</u>							
Total assets	\$ 7,679	\$ 16,426	\$ 1,876	\$ 19,295	\$ 12,726	(25,843)	32,159
Investments in productive assets	(381)	(496)	(37)	(723)	(46)	-	(1,683)
Total liabilities	2,450	8,008	1,068	18,674	18,954	(29,750)	19,404
<u>Consolidated</u>							
<u>Statement of Income:</u>							
Net sales clients	4,380	8,278	2,714	859	68	-	16,299
Net sales related parties	1,261	404	2	2,361	220	(4,248)	-
Operating Income	1,102	1,299	58	522	(33)	(562)	2,386
Interest income	8	10	5	22	67	-	112
(Expense) income of derivative financial instruments	-	-	-	-	(41)	-	(41)
Interest expense	(18)	(72)	(5)	(231)	(1,109)	-	(1,435)
Foreign exchange (loss) gain	(24)	317	18	(659)	513	(662)	(497)
Depreciation and amortization	374	809	38	284	123	-	1,628
Share in results of associates and joint venture	-	-	-	-	2	-	2
Income taxes	(153)	52	(7)	29	(18)	149	52

The net income by business is composed as follows: Salt and Chlorine - Caustic Soda \$2,004, Refrigerant Gases \$64 and Energy Processing and Logistics \$155.

2024	Salt	Chlorine and Caustic Soda	Refrigerant Gases	Energy Processing and Logistics	Holding and Others	Eliminations	Consolidated
Consolidated Statement of Financial Position:							
Total assets	\$ 7,273	\$ 18,142	\$ 1,939	\$ 21,064	\$ 19,179	\$ (33,262)	\$ 34,335
Investments in productive assets	(286)	(458)	(48)	(169)	(541)	-	(1,502)
Total liabilities	2,483	9,429	1,073	19,363	20,268	(32,720)	19,896
Consolidated Statement of Income:							
Net sales clients	4,155	7,001	2,947	924	12	-	15,039
Net sales related parties	1,735	494	1	3,146	2	(5,378)	-
Operating Income	1,151	901	41	774	(17)	(279)	2,571
Interest income	5	13	12	19	88	-	137
(Expense) income of derivative financial instruments	-	-	-	-	(76)	-	(76)
Interest expense	(15)	(47)	(5)	(254)	(1,141)	-	(1,462)
Foreign exchange (loss) gain	(10)	(771)	(36)	847	(819)	1,126	337
Depreciation and amortization	332	643	39	259	50	-	1,323
Share in results of associates and joint venture	-	-	-	-	(7)	-	(7)
Income taxes	(62)	(408)	(77)	(553)	(9)	116	(993)

The net income by business is composed as follows: Salt and Chlorine - Caustic Soda \$477, Refrigerant Gases \$(75) and Energy Processing and Logistics \$1,043.

2023	Salt	Chlorine and Caustic Soda	Refrigerant Gases	Energy Processing and Logistics	Holding and Others	Eliminations	Consolidated
Consolidated Statement of Financial Position:							
Total assets	\$ 6,558	\$ 16,063	\$ 1,940	\$ 22,072	\$ 17,193	(35,306)	\$ 28,520
Investments in productive assets	(255)	(1,199)	(44)	(93)	(22)	-	(1,613)
Total liabilities	2,768	7,745	1,091	17,132	18,555	(30,635)	16,656
Consolidated Statement of Income:							
Net sales clients	3,884	6,125	3,226	920	5	-	14,160
Net sales related parties	1,468	463	3	1,731	2	(3,667)	-
Operating Income	829	1,318	109	1,039	-	(129)	3,166
Interest income	12	34	11	17	97	-	171
(Expense) income of derivative financial instruments	-	-	-	-	(183)	-	(183)
Interest expense	(21)	117	(4)	(182)	(796)	-	(886)
Foreign exchange (loss) gain	(1)	439	7	(703)	1,297	(644)	395
Depreciation and amortization	306	397	37	218	53	-	1,011
Share in results of associates and joint venture	-	-	-	-	(2)	-	(2)
Income taxes	(169)	(173)	(31)	(91)	65	(134)	(533)

The net income by business is composed as follows: Salt and Chlorine - Caustic Soda \$1,681, Refrigerant Gases \$95 and Energy Processing and Logistics \$620.

b) Segment general information by geographical area.

	2025	2024	2023
Revenues			
Mexico	\$ 14,166	\$ 13,277	\$ 12,853
United States and Canada	826	738	675
Central and South America	316	311	320
Asia	93	158	113
Europe	898	555	199
Consolidated total	\$ 16,299	\$ 15,039	\$ 14,160

26. CONSOLIDATED FINANCIAL STATEMENTS ISSUANCE AUTHORIZATION

On February 25, 2026, the issuance of the Consolidated Financial Statements was authorized by Lic. Edmundo Rodarte Valdés, Chief Executive Officer of the Company; consequently, they do not reflect events occurred after this date. Based on provisions set forth by the General Corporate Law, these Consolidated Financial Statements are subject to the approval or modifications of the Company's General Ordinary Shareholders' Meeting, further to provision in the General Mercantile Law.



- Industria Química del Istmo (1998)
Coatzacoalcos
- Sales del Istmo (1999)
- Industria Química del Istmo (2002)
Tlaxcala



EL PREMIO NACIONAL
DE CALIDAD

- Industria Química del Istmo (1998)
Coatzacoalcos



- Industria Química del Istmo
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 - Tlaxcala
 - Hermosillo
- IQISA Santa Clara
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