



EARNINGS REPORT

THIRD QUARTER

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Third Quarter 2024 Results

Chihuahua, Chihuahua, October 28, 2024 Grupo Bafar, S.A.B. de C.V. (BAFAR), a leading Mexican company in the meat products industry, today announces its results for the Third Quarter of 2024. Such information is presented in accordance with International Financial Reporting Standards (IFRS) and in nominal terms.

Message from the CEO

On the results achieved by the company, Eugenio Baeza Fares, Chairman of the Board of Directors and CEO of Grupo Bafar, commented:

"We are in a complex macroeconomic environment, marked by inflationary pressures, exchange rate fluctuations and political uncertainty in Mexico. However, we are ready to move forward, ready to take advantage of current opportunities and demonstrate the resilience of our business model through a strong strategy of constant growth.

For this third quarter, we have achieved consolidated sales totaling \$7,115.6 million pesos, which brings our cumulative revenues to \$20,598.8 million, reflecting growth of 14.8% and 10.3% respectively, thanks to our expansion focus in the United States. On the other hand, accumulated operating income reached \$3,073.14 million, with an operating margin of 14.9%, which implies an increase of 16.4% compared to the accumulated of the previous year. In addition, we are pleased to report that in this quarter we have achieved a cumulative EBITDA of \$3,683.8 million, with a margin of 17.9% on sales, which represents a growth of 19.5% compared to the previous year.

I take this opportunity to thank our customers, suppliers and shareholders for their trust and continued support. I want to express my sincere thanks and recognition to the members of our team, since you are the ones who make our success and consolidation as one of the most important companies in Mexico possible.

Let's continue together to feed Mexico's progress."

Relevant Figures for the Third Quarter 2024

- 5.9% increase in sales volume.
- 14.8% increase in net sales.
- 18.4% increase in operating income.
- 24.5% increase in EBITDA.

Operating Results

	3Q23	%	3Q24	%	Growth
Net Sales	6,197,593	100.0%	7,115,643	100.0%	14.8%
Operating Income	718,458	11.6%	850,794	12.0%	18.4%
EBITDA*	859,208	13.9%	1,069,703	15.0%	24.5%
Net Income	134,726	2.2%	249,870	3.5%	85.5%

Numbers are in thousands of pesos.

EBITDA is defined as the operating income before depreciation and amortization.

- **Consolidated Sales:** Consolidated net sales for the quarter reached \$7,115.6 million pesos, representing a growth of 14.8% compared to the third quarter of 2023. This increase is mainly attributed to a 6.9% increase in sales volume at Bafar Alimentos, as well as growth in value-added products and in the U.S market. On the other hand, Fibra Nova reported a 26.8% increase in revenues and a 27.7% growth in EBITDA compared to the same period of the previous year.

The cost of sale was recorded at \$4,959.4 million pesos, which implies an increase of 16.4% compared to the same period of the previous year. However, as a percentage of sales, this increase is one percentage point. This behavior is due to the rise in raw material prices due to exchange rate effects and its impact on our production costs. Despite this situation, we maintain a stable level in our operations.

As a result, gross profit shows an increase of 11.3% compared to the third quarter of 2023, reaching \$2,156.3 million pesos. This translates to a gross margin of 30.3%.

- **Operating Expenses and Income from Operations:** Operating expenses stood at Ps. 1,305.5 million, compared to Ps. 1,219.1 million in the prior year, an increase of 1.3% relative to the quarter's revenue ratio. During this period, a benefit was recorded for the revaluation of properties in the real estate division of \$73.0 million pesos.

Operating income increased 18.4% to Ps. 850.8 million, with an operating margin of 12.0%. Likewise, EBITDA experienced a growth of 24.5%, reaching \$1,069.7 million pesos, compared to \$859.2 million in the same period of the previous year. The EBITDA margin stood at 15%.

- **Financial Expenses:** Net interest expense amounted to \$156.4 million pesos, mainly composed of interest accrued on bank loans. This represents 2.2% of base revenue, compared to 1.8% in the same period last year. This increase is attributed to the growth in net debt, which was used to finance our expansion.

In the quarter we presented an exchange loss of \$370.4 million pesos derived from the strengthening of the dollar during the quarter.

- **Net Income and Taxes:** In the third quarter we recorded a provision for deferred taxes of 65.7 million pesos and 8.4 million pesos of taxes caused, thus, and with the effect of the foreign exchange loss, we concluded the quarter with a net profit of 249.9 million pesos.

Relevant Figures for 2024

- 10.3% increase in cumulative sales.
- 16.4% increase in operating income.
- 19.5% increase in EBITDA.

Cumulative Operating Results

	2023	%	2024	%	Growth
Net Sales	18,673,825	100.0%	20,598,780	100.0%	10.3%
Operating Income	2,639,864	14.1%	3,073,140	14.9%	16.4%
EBITDA*	3,082,000	16.5%	3,683,826	17.9%	19.5%
Net Income	2,586,373	13.9%	1,091,893	5.3%	-57.8%

Numbers are in thousands of pesos.

*EBITDA is defined as the operating income before depreciation and amortization.

- **Consolidated Sales:** Accumulated net sales to the third quarter of 2024 stood at \$20,598.8 million pesos with an increase of 10.3% compared to \$18,673.8 million in the previous year. This growth is primarily due to increased international sales and increased market share of our higher-value lines in both Mexico and the United States.

Cost of sale amounted to \$13,990.2 million pesos, showing an increase of 6.7% compared to the same period of the previous year. However, as a percentage of sales, an improvement is observed, standing at 67.9%. Consequently, gross profit presents an increase of 18.9% compared to 2023, reaching a total of \$6,608.6 million pesos and raising gross margin to 32.1%.

- **Operating Expenses and Income from Operations:** For its part, accumulated expenses stood at \$3,535.4 million pesos, increasing by 21.2% compared to the previous period 2023. At the end of the period, the revaluation of properties accumulated \$647.3 million pesos.

Operating income increased 16.4% to Ps. 3,073.1 million with an operating margin of 14.9%. Likewise, EBITDA presents an increase of 19.5% to reach \$3,683.8 million pesos, compared to \$3,082.0 million pesos in 2023. The EBITDA margin was 17.9% in 2024.

- **Financial Expenses:** Net interest expense amounted to \$432.9 million pesos, mainly composed of interest accrued on bank loans. This figure shows an increase of 34.2% compared to the previous year. This increase is due to the increase in financing for the Group's growth strategy.

We presented an exchange loss of \$1,324.4 million pesos generated mainly by the strengthening of the dollar against the peso.

- **Net Income and Taxes:** Income taxes amount to \$224.0 million pesos, thus obtaining an accumulated net profit of \$1,091.9 million pesos and a net margin of 5.3%.

Financial Position

■ **Cash and equivalents:** Cash and cash equivalents as of September 30, 2024 stood at \$1,593.5 million pesos compared to \$776.4 million last year.

■ **Working Capital:** Accounts receivable from customers in 2024 stood at \$3,166.7 million pesos and the operating portfolio days reached an average of 23 days.

Accounts receivable related to loan operations of the financial division (credit portfolio) amounted to Ps. 1,701.2 million. Other accounts receivable were placed at \$1,395.2 million pesos, of which \$1,351.6 million correspond to taxes for recovering mainly VAT.

On the other hand, inventories amounted to \$2,128.1 million pesos, which show an increase in relation to the \$1,838.6 million of the previous year. The inventory days were placed at 41 days.

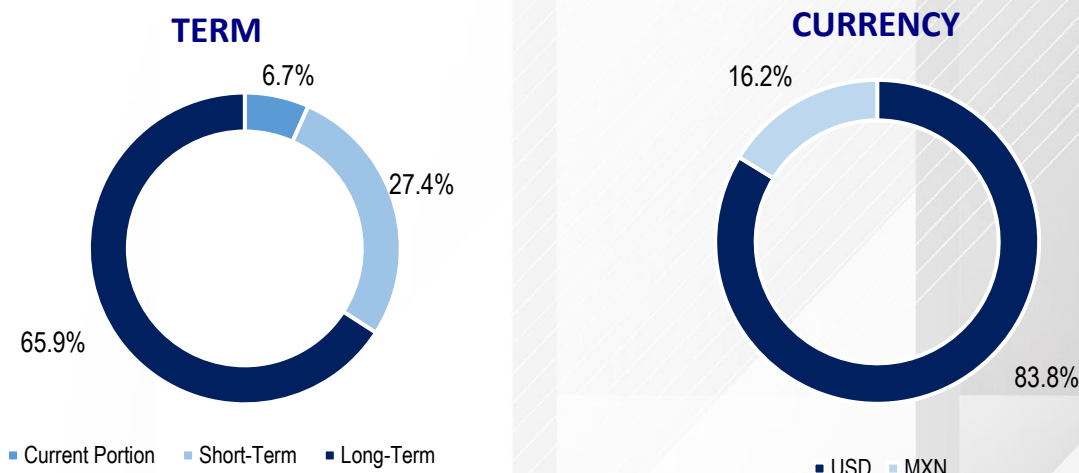
Accounts payable to suppliers were placed at \$1,276.5 million pesos and 23 supplier days. Thus, the cash conversion cycle stood at 41 days at the end of the quarter. This increase is attributed to an inventory increase of 15.7% compared to the third quarter of 2023, as a result of strategic purchases of raw materials made during the period.

■ **Investments:** As of the third quarter, we accumulated capital investments of \$3,100.7 million pesos, mainly allocated by the real estate division to industrial properties under development in the Ciudad Juárez industrial park, in Parque Norte Chihuahua and in the Bafar 3 Technology Park.

The food division maintained steady growth and, during the quarter, refurbishments were carried out in the distribution centres. Investments in this division are mainly focused on the opening of new points of sale, the establishment of new distribution routes for the traditional channel and the renewal of fleets. Likewise, Bafar Alimentos continues with its digitalization projects, which seek to promote the development and modernization of processes. With these investments, we seek to expand the capabilities of the food division to serve new markets and support the organic growth of the retail division.

- **Bank Debt:** Bank debt amounted to \$16,850.3 million pesos. As of this date, bank liabilities denominated in foreign currency represent 83.8% of the total. It is worth mentioning that we have a natural hedge for our income in dollars, mainly from exports in the food division, the rents collected by the real estate division, as well as the sale of walnuts in the agro-industrial division, which mitigates exchange risk and allows us to hedge our cash flow.

■ Bank Debt Ratio



The food division finalized the signing of two loans related to sustainability, adopting KPI's related to the discharge and treatment of water used in production processes, which provide a benefit in the interest rates of the same.

In the real estate division, a sustainable loan was signed for the development of new industrial buildings, where the indicators guarantee their eco-operational efficiency.

It is important to highlight that during the quarter we refinanced \$43 million dollars of short-term liabilities to long-term, and during the first days of October we refinanced an additional \$88 million dollars of short-term debt, which provides us with greater flexibility and liquidity to advance in our medium and long-term strategies.

- **Buyback Fund:** As of September 30, there were 312,147,501 Series B shares outstanding.

Social Responsibility

Fundación Grupo Bafar continues to support the development of the community in general through its social programs. Among the most outstanding projects are:

- The Socio-Sports Schools program in partnership with the Real Madrid Foundation, which allows us to support thousands of children from marginalized areas. This program contributes to the formation of values and healthy eating through sports, artistic and cultural activities.

More than 27,000 children at risk and socially disadvantaged in 66 institutions in 4 states of the Mexican Republic have benefited after a decade of this alliance between the two Foundations.

We signed a new collaboration agreement between the Bafar Group Foundation, the Real Madrid Foundation, and the Dr. Simi Foundation. With the signing of the new agreement, the expansion of the Social Sports Schools in Mexico will be promoted, benefiting more than 300 people with: healthy eating, training in personal hygiene and eating habits, mental and psychological health, recreational training activities, academic reinforcement, and sports practice with the methodology of the Real Madrid Foundation.



- Through alliances with various organizations such as Dr. Simi's Foundation, CIMA Foundation, FECHAC, Devylin Foundation among others, we continue to benefit thousands of Mexican families by ensuring quality food and health, through the facilitation of pantries, medicines, nutritional assessments, medical care to mention some of the activities.
- The Grupo Bafar Foundation Collection Center contributes permanently to the healthy nutrition of children, women, people with disabilities, the elderly and people in extreme poverty who live in priority areas.

Kilograms



Food Pantries



Complete Meals



Benefited Families



3Q24

2023



3Q24 Earnings Conference Call

- Grupo Bafar extends the invitation to participate in its quarterly conference to comment on the results of the third quarter of 2024.

Directed by:

Luis Eduardo Ramírez Herrera, Director of Finance

Luis Carlos Piñon Reza, Corporate Controller

Date: October 29, 2024

Time: 11:00 am (Mexico City Time)

About de Grupo Bafar

Grupo Bafar is a 100% Mexican company listed on the Institutional Stock Exchange and its Food Division is one of the main producers and distributors in the country of meat and dairy products, it also participates in the real estate sector with Fibra Nova, as well as in the financial services sector and in the agro-industrial sector of walnut production mainly. With 40 years in the market, it has a presence throughout the Mexican Republic and the southern United States.

Declarations

The information contained in this report may include certain statements regarding Grupo Bafar's expected financial and operating performance, which are based on financial information, operating levels and market conditions in effect as of the date, as well as estimates by the company's management regarding possible future events. The financial information presented has not been audited.

Balance Sheet

As of September 30, 2023 and 2024.
In thousands of pesos.

	3Q23	%	3Q24	%
Cash and Temporary Investments	776,386	2.7%	1,593,524	4.1%
Accounts Receivable	2,934,005	10.2%	3,166,702	8.2%
Performing Loan Portfolio - net	452,002	1.6%	479,339	1.2%
Inventories	1,838,589	6.4%	2,128,125	5.5%
Other Current Assets	90,569	0.3%	108,049	0.3%
Current Assets	6,091,551	21.1%	7,475,739	19.3%
Performing Loan Portfolio - net	593,461	2.1%	1,221,860	3.2%
Properties, Plants, and Equipment - net	10,813,017	37.4%	12,664,571	32.7%
Investment Properties	9,353,161	32.4%	15,175,819	39.1%
Other Assets, primarily Trademark Use Rights	2,050,192	7.1%	2,235,646	5.8%
Non-Current Assets	22,809,831	78.9%	31,297,896	80.7%
Total Assets	28,901,382	100.0%	38,773,635	100.0%
LIABILITIES				
Short-Term Debt	1,615,273	9.8%	5,744,537	26.0%
Accounts Payable	1,570,811	9.5%	1,276,488	5.8%
Other Liabilities	482,020	2.9%	330,506	1.5%
Taxes Payable	778,857	4.7%	924,574	4.2%
Current Liabilities	4,446,961	26.9%	8,276,105	37.5%
Long-Term Debt	9,465,152	57.2%	11,105,788	50.3%
Other Non-Current Liabilities	2,622,627	15.9%	2,713,527	12.3%
Non-Current Liabilities	12,087,779	73.1%	13,819,315	62.5%
Total Liabilities	16,534,740	100.0%	22,095,420	100.0%
EQUITY				
Share Capital	82,205	0.7%	82,657	0.5%
Share Premium	28,398	0.2%	396,958	2.4%
Retained Earnings	8,806,476	71.2%	11,769,335	70.6%
Exercise Gain (Loss)	2,035,363	16.5%	825,233	4.9%
Other Comprehensive Income	(1,232,305)	-10.0%	(284,502)	-1.7%
Attributable to Controlling Interest	9,720,137	78.6%	12,789,681	76.7%
Attributable to Non-Controlling Interest	2,646,505	21.4%	3,888,534	23.3%
Total Equity	12,366,642	100.0%	16,678,215	100.0%
LIABILITIES AND EQUITY	28,901,382	100.0%	38,773,635	100.0%

Consolidated Income Statements and Other Comprehensive Incomes

From July 01 to September 30, 2023 and 2024.
In thousands of pesos.

	2023	%	2024	%
Net Sales	6,197,593	100.0%	7,115,643	100.0%
Cost of Sales	4,260,065	68.7%	4,959,382	69.7%
Gross Profit	1,937,528	31.3%	2,156,261	30.3%
Selling, Administrative, and General Expenses	1,219,070	19.7%	1,305,467	18.3%
Operating Income	718,458	11.6%	850,794	12.0%
Interest Expense - net	109,247	1.8%	156,442	2.2%
Foreign Exchange Loss - net	382,308	6.2%	370,402	5.2%
Income Before Taxes	226,903	3.7%	323,950	4.6%
Income Taxes	92,177	1.5%	74,080	1.0%
Net Income	134,726	2.2%	249,870	3.5%
Non-Controlling Interest	139,019	2.2%	96,670	1.4%
Net Comprehensive Income	(4,293)	-0.1%	153,200	2.2%
EBITDA	859,208	13.9%	1,069,703	15.0%

Consolidated Income Statements and Other Comprehensive Incomes

From January 01 to September 30, 2023 and 2024.
In thousands of pesos.

	2023	%	2024	%
Net Sales	18,673,825	100.0%	20,598,780	100.0%
Cost of Sales	13,115,795	70.2%	13,990,195	67.9%
Gross Profit	5,558,030	29.8%	6,608,585	32.1%
Selling, Administrative, and General Expens	2,918,166	15.6%	3,535,445	17.2%
Operating Income	2,639,864	14.1%	3,073,140	14.9%
Interest Expense - net	322,659	1.7%	432,884	2.1%
Foreign Exchange Loss - net	(482,019)	-2.6%	1,324,370	6.4%
Income Before Taxes	2,799,224	15.0%	1,315,886	6.4%
Income Taxes	212,851	1.1%	223,993	1.1%
Net Income	2,586,373	13.9%	1,091,893	5.3%
Non-Controlling Interest	551,010	3.0%	266,660	1.3%
Net Comprehensive Income	2,035,363	10.9%	825,233	4.0%
EBITDA	3,082,000	16.5%	3,683,826	17.9%

Selected Financial Information Selected by Business

			Quarterly Var
	3Q23	3Q24	24-23
Revenue			
Food Division	5,977,793	6,810,015	13.9%
FNOVA*	261,433	331,487	26.8%
Agroindustrial*	1,696	3,005	77.1%
Financial Division*	246,172	314,149	27.6%
Real Estate*	107,840	133,336	23.6%
EBITDA			
Food Division	657,988	809,968	23.1%
FNOVA***	235,597	300,814	27.7%
Agroindustrial***	(35,190)	(95,175)	170.5%
Financial Division*	61,132	67,925	11.1%
Real Estate*	100,044	125,396	25.3%
Capex			
Food Division	372,528	857,472	130.2%
FNOVA	372,027	620,186	66.7%
Agroindustrial	15,250	80,468	427.7%
Financial Division	1,726	240	-86.1%
Real Estate	62,997	4,918	-92.2%
Net Debt			
Food Division	3,423,003	5,756,626	68.2%
Net Debt / EBITDA Ratio	1.30	1.80	
FNOVA	4,038,288	3,925,685	-2.8%
LTV	30%	23%	
Agroindustrial	135,659	316,602	133.4%
Financial Division	233,731	1,036,239	343.3%
Real Estate	1,689,164	2,167,841	28.3%

Net Debt and LTV of FNOVA include operations from related parties.

*Includes operations from related parties.

*Does not consider revaluation of properties.

		Cumulative
2023	2024	24-23
18,022,029	19,723,557	9.4%
776,714	942,621	21.4%
42,295	37,896	-10.4%
604,939	726,162	20.0%
288,666	397,394	37.7%
1,999,869	2,463,052	23.2%
721,525	891,652	23.6%
(45,620)	(203,886)	346.9%
159,113	179,936	13.1%
266,473	378,932	42.2%
1,345,112	1,311,975	-2.5%
1,457,515	1,474,467	1.2%
71,788	268,646	274.2%
6,460	2,852	-55.9%
106,961	42,715	-60.1%

BAFAR ALIMENTOS

Highlights of the third quarter 2024:

- A new commercial agreement was established with Costco Mexico in the chicken products category, which allows us to continue increasing our presence with high value-added products. Additionally, we have an agreement with Seven Eleven stores to sell hot dog sausage in their stores in Mexico.
- Additionally, in the third quarter, we had a significant increase in export revenues in the United States from the sale of higher value-added products and some commodities.
- In line with the strategic transformation of the Bafar Alimentos division, the modernization of processes continues. The R&D technology center has started operating with PLM, the product lifecycle management software. This allows for increased efficiency in new product development, redesigns, and raw material evaluation, ranging from ideation to market release.
- Bafar Alimentos, in its strategy of diversification and proposal of value-added products, presents new innovative and highly competitive products, among which the following stand out:
 - Pressed pork rinds of 454 grams, which only requires heating to be served.
 - Boneless Flamming Dynamite flavor, the only one that joins the trend of indulgent flavors.
 - Griller's Dino-Nuggets, made with 100% ground chicken breast.
 - 268-gram Vienna sausage, jumbo hot dog sausage and bacon roasting sausage.
 - Sabori's artisanal reserve breast, which responds to the demand for healthy products in the market, with 18% protein, fat-free and with lower sodium levels compared to its competitors.
- In the accumulated of this year, our share in the Serrano ham market has increased by 1%, reaching 34%. This growth is under the Parma brand, which has four products within the top 8 compared to the same period last year.

	3Q23	3Q24	Var % 24-23
Sales Volume	87,588	92,773	5.9%
Mexico	85,923	86,984	1.2%
United States	1,665	5,788	247.7%
Sales	5,977,793	6,810,015	13.9%
Mexico	5,815,429	5,960,575	2.5%
United States	162,364	849,440	423.2%
EBITDA	657,988	809,968	23.1%
Capex	372,528	857,472	130.2%
Net Debt	3,423,003	5,756,626	68.2%
Net Debt / EBITDA Ratio	1.30	1.80	38.8%

- **Consolidated Sales:** Net sales for the third quarter reached \$6,810.0 million pesos, which represents an increase of 13.9% compared to the \$5,977.8 million in the same period of the previous year. This growth is due to a 5.9% increase in sales volume, resulting from a higher market share in higher value-added products and growth in the United States.
- **Operating Income:** Operating income reached \$555.1 million pesos compared to the \$471.1 million pesos obtained in 2023. EBITDA stood at 810.0 million pesos, an increase of 23.1% compared to the previous year's \$658.0 million pesos and a sales margin of 12.0%.
- **Investments:** During the quarter, we made capital investments of \$857.5 million pesos, mostly for projects that increase the capacity of our production lines. A portion of these investments went toward the remodeling and opening of new outlets, with a focus on our CarneMart stores. New distribution routes were also established for the traditional channel and the renewal of fleets was carried out. All this is part of Bafar Alimentos' digitalisation strategy, which promotes the modernisation of our processes.
- **Bank Debt:** Net bank cash debt amounted to Ps. 5,756.6 million and a debt-to-EBITDA ratio of 1.80 times compared to 1.30 times the previous year.

FIBRA NOVA

Highlights of the third quarter of 2024:

- Fibra Nova's real estate portfolio as of September 30 was made up of 120 properties.
- At the end of 3Q24, there is a total of 608,586 square meters of Gross Leasable Area (GLA) and 2,118 hectares of the agro-industrial portfolio.
- Revenues increased 11.9% in U.S. dollars to \$17.3 million, while total sales amounted to P\$331.5 million, an increase of 26.8% compared to the same period last year.
- During the year we made investments of \$1,474.5 million pesos and the value of the investment properties was \$20,523.3 million pesos.
- On July 19, Fibra Nova successfully concluded the second and final part of the preferential subscription of CBFIs, reaching 86% of the announced amount with a total collection of \$3,451.7 million. FIBRA Nova will use the resources to continue with the growth of industrial spaces.
- The Technical Committee of Fibra Nova approved, with the prior authorization of the majority of its independent members, a capital reimbursement in the amount of \$256,825,000 pesos with a factor of \$0.55737445171130 pesos per CBFI in circulation. This distribution was paid in cash by Fibra Nova on July 25, 2024.

	3Q23	3Q24	Var % 24-23
GLA Fibra Nova (m²)	550,183	608,586	10.6%
Industrial	419,314	475,965	13.5%
Educative	43,082	43,082	0.0%
Retail	23,431	25,184	7.5%
Logistics	39,432	39,432	0.0%
Engineering centers	24,924	24,924	0.0%
Agroindustrial	1,653 ha	2,118 ha	
Fibra Nova Results			
Total Revenue	261,433	331,487	26.8%
EBITDA	235,597	300,814	27.7%
CAPEX	372,027	620,186	66.7%
Net Debt	4,038,288	3,925,685	-2.8%
LTV	30%	23%	-22.6%

- **Total Revenue:** During the third quarter, total revenues were generated in the amount of \$331.5 million, of which \$323.0 million correspond to rental income. Compared to the same period of the previous year, an increase of 26.8% is observed, exceeding the \$261.4 million reported in the third quarter of 2023. This increase is attributed to the start of new lease contracts, including the Visteon, Regal and ZF warehouses, as well as the start of rents from the second agro-industrial property. In addition, during this quarter the exchange rate recovered, which had a positive impact on our results.

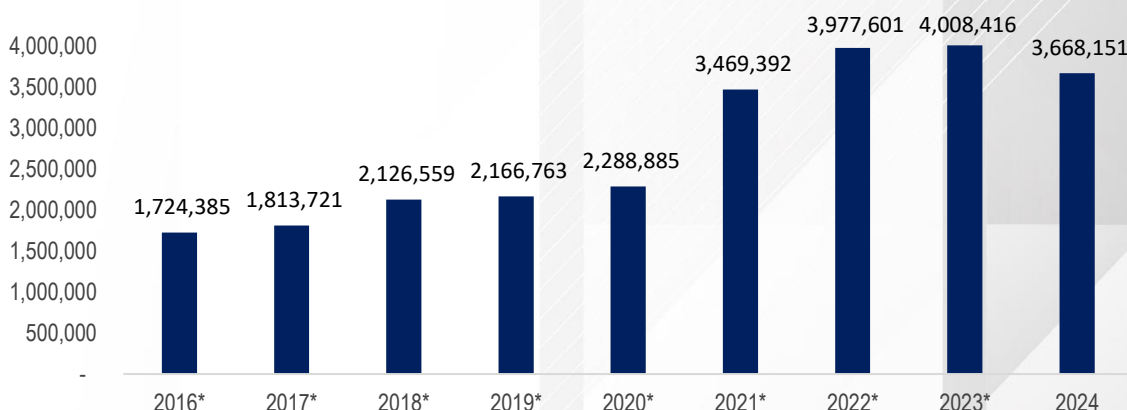
In cumulative terms, total revenues stood at \$942.6 million with an increase of 21.4% compared to \$776.0 million last year.

- **Operating Income:** Operating income stands at \$300.6 million pesos with an operating margin of 90.7%, while NOI stood at \$322.9 million pesos, reflecting an increase of 27.4% compared to the third quarter of 2023.
- **EBITDA:** EBITDA stood at Ps. 300.8 million with a margin of 90.7% and a growth of 27.7% compared to the same period of the previous year. An additional \$647.3 million pesos were recognized in property revaluation.
- **CAPEX and Debt:** Investments in the quarter amounted to \$620.2 million pesos, mainly for the development of properties for the industrial sector, and net cash debt stood at \$3,925.7 million, which presents a decrease in relation to previous quarters since part of the debt was prepaid with the resources of the issuance, with which the LTV indicator stood at 23%.

FINANCIAL DIVISION

During the quarter, we reached a record backlog figure, closing the period at \$3,668 million. This achievement is mainly due to the commercial strategy implemented at the beginning of the year, which focuses on offering liquidity solutions for SMEs and companies providing various products and services to the industry. An important part of this growth has been recorded in credit, financing and factoring to suppliers of the different companies of the Bafar Group.

On the revenue side, we recorded a total of \$314.1 million in the quarter and \$726.2 million for the year to date, representing a growth of 28% compared to the third quarter of 2023 and 19% compared to September 2023. In terms of operating income, we achieved growth of 11% compared to the third quarter of 2023, reaching \$67.9 million, and a growth of 13% compared to the accumulated of the previous year, ending at \$179.9 million.



Despite the accelerated growth, we managed to improve the NPL ratio at the end of the quarter, reaching 1.4%. This result is the result of the implementation of new processes in credit analysis, which allow us to understand, know and evaluate each prospect more effectively, as well as the timely and constant monitoring of our clients, including their revenues, cash flows and maturities.

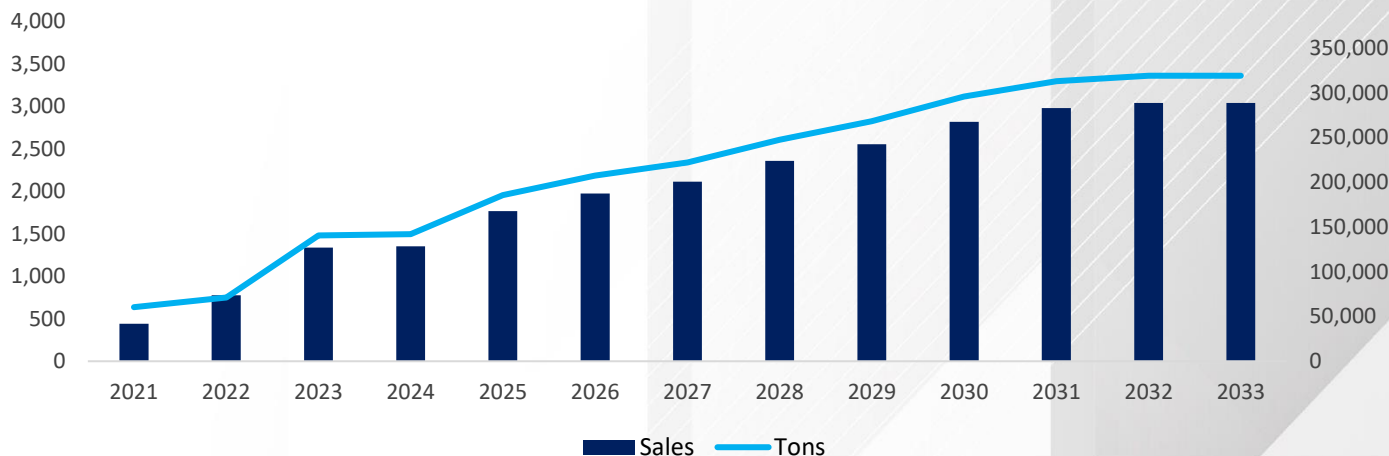
The capitalization ratio has remained at the minimum level required by the CNBV to banks of 10.5%.

	3Q23	4Q23	1Q24	2Q24	3Q24
Default Rate	2.29%	0.66%	1.23%	3.20%	1.40%
Capitalization	11.27%	23.41%	18.68%	19.83%	18.36%

During the quarter, we managed to stabilize the back-end systems of our new B Cash product and continued to update the app to optimize the customer experience. In addition, we expanded the pilot to five cities and maintain our plan to carry out a national launch in the first quarter of 2025.

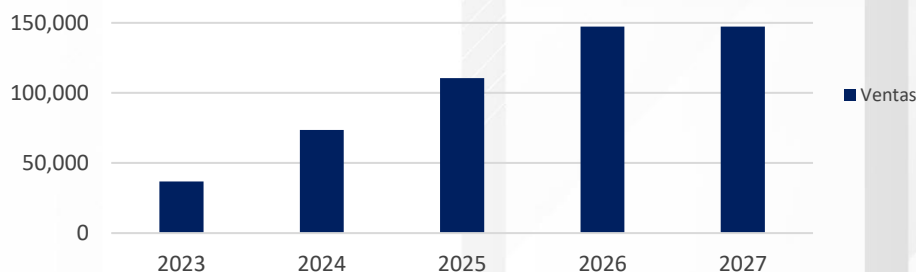
AGRO INDUSTRIAL

During the third quarter of the year, there was no income from the sale of walnuts since the harvest cycle begins in the last quarter of the year, however there was an income of \$3.0 million from the sale of grapes. During the next 5 years, pecan nut production is expected to reach just over 3 thousand tons, which would position us as one of the largest walnut producers in North America.



* Estimated walnut price at \$4.2 usd per kilogram

Wine Production



*Production stabilizes in 2026

** Amounts in kilos

During the third quarter, we completed the fourth grape harvest, achieving the sale of 90 tons to third parties and the internal processing of 45 tons, thus marking our first experience in the transformation of our own grapes.

Likewise, the first stage of construction of the Valle de los Encinos was completed, which includes both the winery and the restaurant.

