

EARNINGS REPORT FOURTH QUARTER 2024

GRUPO BAFAR 40 AÑOS

EARNINGS REPORT FOURTH QUARTER 2024

Fourth Quarter 2024 Results

Chihuahua, Chihuahua, February 18, 2025 Grupo Bafar, S.A.B. de C.V. (BAFAR), a leading Mexican company in the meat products industry, announces today its results for the Fourth 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:

"For Grupo Bafar, this year represented a period of achievements and strategic consolidation, with significant growth in our different business units. Efforts in modernization and digitalization began to bear fruit, driving solid growth, where the Group's revenues amounted to $28,491 million pesos, a growth of 11% compared to the previous year. Likewise, operating profit reached $4,354 million, with an increase of 17%, while EBITDA grew by 18%, standing at $5,207 million. These results demonstrate the profitability and improvement in the company's operating efficiency, closing the year with a net income of $2,050 million.

We continue our commitment to innovation. Bafar Alimentos made progress with the implementation of smart stores, the integration of the Salesforce CRM system and the start of operations of the Smart Plant, key projects that optimize processes and improve the customer experience, taking the customer back as the center of our operations. The Center for Research and Technological Development incorporated PLM software, streamlining the design and development of new products, allowing us to expand our portfolio of value-added products, standing out for their high competitiveness and higher margins.

In the real estate field, the Fibra Nova division maintained an outstanding performance, concluding new contracts under triple net (NNN) and Build to Suit (BTS) schemes with companies with a global presence, in addition to maintaining the renewal and occupancy rate at 100%. In terms of sustainability, progress was made in the EDGE certification processes for key properties, achieving the certification of 16 industrial buildings.

The achievements obtained in the year reflect Grupo Bafar's commitment to economic development through innovation, consolidating our ability to transform challenges into opportunities. With solid foundations and a clear vision, we prepare ourselves to face future challenges, always grateful for the trust and joint effort of our employees, partners and customers, who are the engine of our growth. This year has been a testament that, through teamwork and determination, it is possible to continue to exceed our goals."

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Relevant Figures for the Fourth Quarter 2024

- 3.6% increase in sales volume.
- 14.0% increase in net sales.
- Increase of 18.4% in operating income.
- 15.5% increase in EBITDA.

Operating Results

	4Q23	%	4Q24	%	Growth
Net Sales	6,924,968	100.0%	**7,892,084**	100.0%	**14.0%**
Operating Income	1,082,520	15.6%	**1,281,173**	16.2%	**18.4%**
EBITDA*	1,319,244	19.1%	**1,523,431**	19.3%	**15.5%**
Net Income	1,219,873	17.6%	**958,801**	12.1%	**-21.4%**

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 Ps. 7,892.1 million, representing a growth of 14% compared to the fourth quarter of 2023. This increase is mainly attributed to a 4% increase in Bafar Alimentos' sales volume, driven by the expansion of the retail sector with its own stores and a greater market share of our products in the self-consumption sector. For its part, Fibra Nova recorded a 26.5% increase in its revenues compared to the same period last year.

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The cost of sales reached $5,581.2 million pesos. As a proportion of sales, it increased by 1.8%, due to the increase in import raw material costs and manufacturing expenses.

Consequently, gross profit grew by 7.5% compared to the fourth quarter of 2023, reaching $2,311.0 million pesos. This translates to a gross margin of 29.3%, compared to 31.0% recorded in 2023.

- **Operating Expenses and Income from Operations:** Operating expenses amounted to $1,029.9 million pesos, which represents a reduction of 3.4% compared to the $1,066.6 million reported in the same period of the previous year. During this period, a benefit was recorded for the revaluation of properties within the real estate division in the amount of $543.1 million pesos.

  Operating income increased 18.4% quarter-on-quarter to Ps. 1,281.2 million at the end of the quarter, resulting in an operating margin of 16.2%. In addition, EBITDA experienced a growth of 15.5%, totaling $1,523.4 million pesos in this quarter, compared to the $1,319.2 million recorded in the same period of the previous year. The EBITDA margin stood at 19.3%, reflecting the benefits of the diversification and profitability maximization strategy for the Group.

- **Financial Expenses:** Net interest expense amounted to Ps. 179.0 million, mainly composed of interest accrued on bank loans. This expense represents 2.3% of base revenues, compared to 1.7% recorded in the same period last year. As part of our growth strategy, we have increased debt for investments in strategic projects that drive long-term development, which has led to an increase in interest expense.

  During the quarter, a foreign exchange loss of $434.2 million pesos was recorded, as a result of the strengthening of the dollar in the period.

- **Net Income and Taxes:** En el cuarto trimestre registramos una provisión de impuestos diferidos por $302.6 millones de pesos y $11.9 millones de impuestos causados, de este modo, y con el efecto de la pérdida cambiaria, concluimos el trimestre con una utilidad neta de $958.8 millones de pesos.

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Relevant Figures for 2024

- 11.3% increase in cumulative sales.
- 17.0% increase in operating income.
- 18.3% increase in EBITDA.

Cumulative Operating Results

	2023	%	2024	%	Growth
Net Sales	25,598,793	100.0%	**28,490,864**	100.0%	**11.3%**
Operating Income	3,722,384	14.5%	**4,354,313**	15.3%	**17.0%**
EBITDA*	4,401,244	17.2%	**5,207,257**	18.3%	**18.3%**
Net Income	3,806,246	14.9%	**2,050,694**	7.2%	**-46.1%**

Numbers are in thousands of pesos.
EBITDA is defined as the operating income before depreciation and amortization.

Consolidated Sales: Net sales for the year amounted to $28,490.9 million pesos, which represents an increase of 11.3% compared to $25,598.8 million in 2023. This growth is mainly due to the increase in sales in the food division. This performance was favored by greater activity in the retail sector, with an increase in the number of customers and own stores, as well as by a greater market share of our products in the self-consumption sector, both in Mexico and in the United States.

The cost of sales reached $19,571.3 million pesos. Cost optimization during the year reflected an improvement in the ratio of costs to sales, standing at 68.7%, compared to 69.9% the previous year. As a result, gross profit experienced an increase of 15.7% compared to 2023, reaching $8,919.6 million pesos, which raised the gross margin to 31.3%, one percentage point higher than that recorded in 2023.

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- **Operating Expenses and Income from Operations**: Accumulated expenses reached $4,565.3 million pesos, which represents an increase of 14.6% compared to the same period in 2023. At the end of the year, the revaluation of properties accumulated $1,190.4 million pesos.

  Operating income increased by 17% to Ps. 4,354.3 million, with an operating margin of 15.3%. Likewise, EBITDA experienced an increase of 18.3%, totaling $5,207.3 million pesos, compared to $4,401.2 million pesos in 2023. The EBITDA margin stood at 18.3% in 2024.

- **Financial Expenses:** Net interest expense amounted to $611.8 million pesos, composed mostly of interest accrued on bank loans. This figure reflects an increase of 38.3% compared to the previous year, due to the increase in financing for Grupo Bafar's expansion strategy.

  An exchange loss of $1,758.5 million pesos was recorded, as a result of the strengthening of the dollar against the peso.

- **Net Income and Taxes:** Income taxes presented a profit of $66.7 million pesos, which resulted in an accumulated net income of $2,050.7 million pesos and a net margin of 7.2%.

Financial Position

- **Cash and equivalents:** Cash and cash equivalents as of December 31, 2024 stood at $915.1 million pesos, decreasing 28.9% compared to $1,286.4 million pesos in 2023.
- **Working Capital:** Accounts receivable from customers in the year stood at Ps. 1,938.0 million and the operating portfolio days reached an average of 24 days.

  Accounts receivable related to loan operations in the financial division (credit portfolio) amounted to Ps. 360.3 million. Other accounts receivable were placed at $1,497.9 million pesos, of which $1,438.9 million correspond to taxes for recovering, mainly VAT.

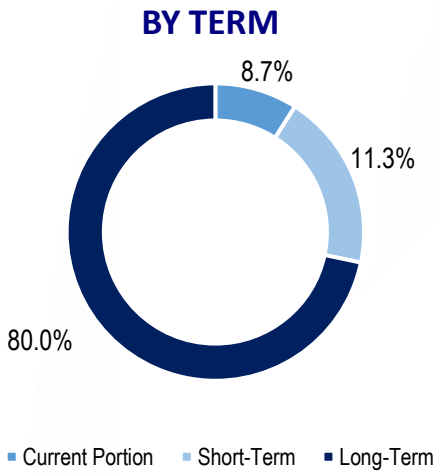
  On the other hand, inventories amounted to $2,381.9 million pesos, which show an increase of 31.2% in relation to the $1,815.8 million of the previous year. The inventory days were placed at 44 days.

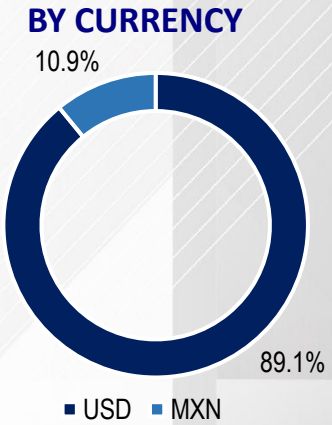
  Accounts payable to suppliers were placed at $1,943.2 million pesos and 34 supplier days. Thus, the cash conversion cycle stood at 34 days at the end of the quarter. This increase is attributed to an inventory increase of 31.2% compared to the fourth quarter of 2023, as a result of strategic purchases of raw materials made during the period.
- **Investments:** At the end of the year, we accumulated capital investments of $4,811.1 million pesos, mainly allocated by the real estate division to industrial properties under development in the Ciudad Juárez Industrial Park, in the Bafar Norte Chihuahua Industrial Park, and in the Bafar 3 Technology Park.

  The food division maintains sustained growth. During the quarter, we continued with investments aimed at the opening of new CarneMart and La Pastora stores, as well as the remodeling of distribution centers. In addition, new distribution routes have been implemented for the traditional channel and the transport fleet has been renewed. Bafar Alimentos continues to make progress in its digitalization process, allocating resources to the modernization of stores and plants with the aim of optimising and streamlining processes. These initiatives are aimed at strengthening the division's ability to explore new markets and support the organic growth of the retail division.

- **Bank Debt:** Bank debt amounted to $17,627.0 million pesos. As of this date, bank liabilities denominated in foreign currency represent 89.1% 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 has two sustainability-related loans, which are based on KPIs related to the discharge and treatment of water used in production processes. These loans offer interest rate benefits, subject to compliance with these KPIs. Likewise, the real estate division has a sustainable credit linked to indicators of eco-operational efficiency of industrial warehouses.

- **Buyback Fund:** As of December 31, 312,147,490 Series B shares were 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 30,000 children at risk and social disadvantage in 4 states of the Mexican Republic have benefited after a decade of this alliance between the two Foundations. At the end of 2024, the Grupo Bafar Foundation had 39 active projects in 4 states of the Mexican Republic, with a main focus on the state of Chihuahua.

The Social Sports Schools in Mexico benefit users through the promotion of healthy eating habits, training in personal hygiene, mental and psychological health, recreational training activities, academic reinforcement and sports practice, following the methodology of the Real Madrid Foundation.





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- Through alliances with various organizations such as the Dr. Simi Foundation, CIMA Foundation, FECHAC, Devylin Foundation among others, we continue to benefit more than 16 thousand Mexican families 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



2024 2023





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4Q24 Earnings Conference Call

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

Directed by:
Luis Eduardo Ramírez Herrera, Director of Finance
Luis Carlos Piñon Reza, Corporate Controller

Date: February 19, 2025
Time: 11:00 am (Mexico City Time)

About 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.

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Balance Sheet

As of December 31st, 2023 and 2024.
In thousand of pesos

	4Q23	%	4Q24	%
Cash and Temporary Investments	1,286,428	4.1%	915,082	2.2%
Accounts Receivable	3,319,377	10.5%	3,435,876	8.3%
Performing Loan Portfolio - net	322,231	1.0%	360,299	0.9%
Inventories	1,815,792	5.8%	2,381,902	5.7%
Other Current Assets	103,893	0.3%	105,420	0.3%
Current Assets	**6,847,721**	**21.7%**	**7,198,579**	**17.3%**
Performing Loan Portfolio - net	706,163	2.2%	1,380,660	3.3%
Properties, Plants, and Equipment - net	11,536,348	36.6%	14,285,198	34.3%
Investment Properties	10,289,086	32.7%	16,376,361	39.4%
Other Assets, primarily Trademark Use Rights	2,116,806	6.7%	2,355,111	5.7%
Non-Current Assets	**24,648,403**	**78.3%**	**34,397,330**	**82.7%**
Total Assets	**31,496,124**	**100.0%**	**41,595,909**	**100.0%**
LIABILITIES				
Short-Term Debt	3,487,202	19.6%	3,525,170	15.1%
Accounts Payable	1,441,207	8.1%	1,943,162	8.3%
Other Liabilities	524,403	2.9%	341,405	1.5%
Taxes Payable	1,034,409	5.8%	909,080	3.9%
Current Liabilities	**6,487,221**	**36.4%**	**6,718,817**	**28.9%**
Long-Term Debt	8,838,366	49.6%	14,101,841	60.6%
Other Non-Current Liabilities	2,483,759	13.9%	2,463,236	10.6%
Non-Current Liabilities	**11,322,125**	**63.6%**	**16,565,077**	**71.1%**
Total Liabilities	**17,809,346**	**100.0%**	**23,283,894**	**100.0%**
EQUITY				
Share Capital	82,205	0.6%	82,704	0.5%
Share Premium	235,819	1.7%	405,555	2.2%
Retained Earnings	8,906,255	65.1%	11,769,335	64.3%
Exercise Gain (Loss)	3,163,081	23.1%	1,650,913	9.0%
Other Comprehensive Income	(1,496,591)	-10.9%	300,669	1.6%
Attributable to Controlling Interest	**10,890,769**	**79.6%**	**14,209,176**	**77.6%**
Attributable to Non-Controlling Interest	2,796,009	20.4%	4,102,839	22.4%
Total Equity	**13,686,778**	**100.0%**	**18,312,015**	**100.0%**
LIABILITIES AND EQUITY	**31,496,124**	**100.0%**	**41,595,909**	**100.0%**

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Consolidated Income Statements and Other Comprehensive Incomes

From October 01 to December 31, 2023 and 2024.
In thousands of pesos.

	2023	%	2024	%
Net Sales	**6,924,968**	**100.0%**	**7,892,084**	**100.0%**
Cost of Sales	4,775,867	69.0%	5,581,061	70.7%
Gross Profit	**2,149,101**	**31.0%**	**2,311,023**	**29.3%**
Selling, Administrative, and General Expens	1,066,581	15.4%	1,029,850	13.0%
Operating Income	**1,082,520**	**15.6%**	**1,281,173**	**16.2%**
Interest Expense - net	119,610	1.7%	178,963	2.3%
Foreign Exchange Loss - net	(172,814)	-2.5%	434,155	5.5%
Income Before Taxes	**1,135,724**	**16.4%**	**668,055**	**8.5%**
Income Taxes	(84,149)	-1.2%	(290,746)	-3.7%
Net Income	**1,219,873**	**17.6%**	**958,801**	**12.1%**
Non-Controlling Interest	92,155	1.3%	133,783	1.7%
Net Comprehensive Income	**1,127,718**	**16.3%**	**825,018**	**10.5%**
EBITDA	**1,319,244**	**19.1%**	**1,523,431**	**19.3%**

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Consolidated Income Statements and Other Comprehensive Incomes

From January 1 to December 31, 2023 and 2024.
In thousands of pesos.

	2023	%	2024	%
Net Sales	**25,598,793**	**100.0%**	**28,490,864**	**100.0%**
Cost of Sales	17,891,662	69.9%	19,571,256	68.7%
Gross Profit	**7,707,131**	**30.1%**	**8,919,608**	**31.3%**
Selling, Administrative, and General Expens	3,984,747	15.6%	4,565,295	16.0%
Operating Income	**3,722,384**	**14.5%**	**4,354,313**	**15.3%**
Interest Expense - net	442,269	1.7%	611,847	2.1%
Foreign Exchange Loss - net	(654,833)	-2.6%	1,758,525	6.2%
Income Before Taxes	**3,934,948**	**15.4%**	**1,983,941**	**7.0%**
Income Taxes	128,702	0.5%	(66,753)	-0.2%
Net Income	**3,806,246**	**14.9%**	**2,050,694**	**7.2%**
Non-Controlling Interest	643,165	2.5%	400,443	1.4%
Net Comprehensive Income	**3,163,081**	**12.4%**	**1,650,251**	**5.8%**
EBITDA	**4,401,244**	**17.2%**	**5,207,257**	**18.3%**

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Financial Information Selected by Business

	Quarterly Var			Cumulative		
	4Q23	4Q24	24-23	2023	2024	24-23
Revenue						
Food Division	6,641,934	7,544,463	13.6%	24,663,962	27,268,020	10.6%
FNOVA*	273,299	345,752	26.5%	1,050,013	1,288,373	22.7%
Agroindustrial*	29,176	20,378	-30.2%	71,471	58,274	-18.5%
Financial Division*	172,314	230,060	33.5%	777,253	956,222	23.0%
Real Estate*	126,454	121,661	-3.8%	415,119	519,055	25.0%
EBITDA						
Food Division	728,419	827,429	13.6%	2,728,288	3,290,480	20.6%
FNOVA***	238,163	311,797	30.9%	959,688	1,203,449	25.4%
Agroindustrial***	(78,912)	(60,951)	-22.8%	(124,532)	(264,837)	112.7%
Financial Division*	51,798	53,051	2.4%	210,911	232,986	10.5%
Real Estate*	106,489	113,306	6.4%	372,962	492,238	32.0%
Capex						
Food Division	329,334	803,184	143.9%	1,674,446	2,115,159	26.3%
FNOVA	1,333,542	755,247	-43.4%	2,791,057	2,229,714	-20.1%
Agroindustrial	114,819	62,015	-46.0%	186,607	330,661	77.2%
Financial Division	5,268	252	-95.2%	11,728	3,104	-73.5%
Real Estate	47,709	89,781	88.2%	154,671	132,496	-14.3%
Net Debt						
Food Division	3,739,848	5,859,461	56.7%			
Net Debt / EBITDA Ratio	*1.37*	*1.78*				
FNOVA	4,923,577	4,750,565	-3.5%			
LTV	*32%*	22%				
Agroindustrial	305,351	315,182	3.2%			
Financial Division	216,583	1,305,933	503.0%			
Real Estate	1,906,714	2,186,552	14.7%			

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

*Includes operations from related parties.

*Does not consider revaluation of properties.

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BAFAR ALIMENTOS

Highlights of the fourth quarter 2024:

- As part of our digital transformation, Grupo Bafar formalized a strategic alliance with Google Cloud and Salesforce, strengthening our capacity for innovation and adaptation to the current environment.
- In the retail segment of Bafar Alimentos, we have successfully implemented the smart store model in the majority of our stores as part of our automation and digitalization efforts.
- We also began the digitalization of our plant with a pilot test on the breading line, achieving a 12% improvement in line availability.
- We closed the year with a 33% share in the Serrano ham market, with an increase of two percentage points, consolidating ourselves among the competitors of brand parcels with a national presence and coverage in all chains. The Parma brand launched two products in the premium segment: Acorn-fed ham sliced with a knife and the Iberian Selection.
- The Sabori brand, within its segment of competitors in extra-fine products, capitalized on a +3% growth in market share in self-service (Nielsen Base, week 52).
- We consolidated our position in the frozen market, with a growth of 27% in breading, driven by 36% in self-service and 24% in the traditional channel.
- We also achieved a 51% growth in the hamburger market, with a 37% increase in self-service stores and 55% in the traditional market.

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	4Q23	4Q24	Var % 24-23
Sales Volume	**94,709**	**98,119**	**3.6%**
Mexico	93,260	92,245	-1.1%
United States	1,449	5,874	305.3%
Sales	**6,641,934**	**7,544,463**	**13.6%**
Mexico	6,493,377	6,892,526	6.1%
United States	148,557	651,936	338.8%
EBITDA	728,419	827,429	13.6%
Capex	329,334	803,184	143.9%
Net Debt	3,739,848	5,859,461	56.7%
Net Debt / EBITDA Ratio	1.37	1.78	30.0%

- **Consolidated Sales:** Consolidated sales reached Ps. 7,544.5 million in the quarter and Ps. 27,268.0 million annually, representing an increase of 13.6% and 10.6%, respectively, compared to the same period of the previous year. This growth is mainly attributed to a 3.6% increase in sales volume.
- **Operating Income:**Operating income reached $803.2 million pesos in the fourth quarter, closing the year at $2,289.2 million pesos, representing a growth of 5.0% in the quarter and 15.7% year-on-year. On the other hand, EBITDA for the quarter stood at $827.4 million pesos, with an increase of 13.6% compared to the $728.4 million of the previous year and a margin on sales of 11.0%. At the end of 2024, annual EBITDA was $3,290.5 million, showing a growth of 20.6% and a sales margin of 12.1%
- **Investments:** During the quarter, we made capital investments of $803.2 million pesos, aimed at projects that seek to increase the capacity of Bafar Alimentos. A part of these resources was allocated to the automation of plants, stores and the digitalization of operations. In the retail sector, a solid focus on the expansion of owned stores is maintained, with the largest proportion of investments being directed towards new CarneMart store openings and refurbishments of existing stores.
- **Bank Debt:** Net bank cash debt amounted to Ps. 5,859.5 million and a debt-to-EBITDA ratio of 1.78 times compared to 1.37 times the previous year.

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FIBRA NOVA

Highlights of the fourth quarter of 2024:

- Fibra Nova's real estate portfolio as of December 31 was made up of 123 properties.
- At the end of 4Q24, there was a total of 662,206 square meters of Gross Leasable Area (GLA) and 2,118 hectares of the agro-industrial portfolio.
- Total revenue for the quarter amounted to $345.8 million pesos ($17.1 million). In cumulative terms, total revenues stood at $1,288.4 million with an increase of 22.7% compared to $1,050 million last year.
- During the year we made investments of $2,229.7 million pesos and the value of the investment properties was $22,748.8 million pesos.
- The Technical Committee of Fibra Nova approved, with prior authorization of the majority of its independent members, a capital reimbursement in the amount of $303,688,000 pesos with a factor of $0.5116331976652660 pesos per CBFI in circulation. This distribution was paid in cash by Fibra Nova on November 13, 2024.
- Fibra Nova signed a new 10-year triple net lease agreement with Emerson, initiating construction of a 300,000-square-foot industrial warehouse at the Bafar Norte Industrial Complex, located in Chihuahua City. This project, developed under the Build to Suit model, is executed in accordance with the highest international standards of safety and sustainability, including solar panels capable of generating one million kilowatts of electricity annually and high-efficiency HVAC systems. Construction is expected to be completed in December 2025.
- During 2024, the EDGE certification of 16 buildings was achieved, representing more than 163,600 m2. 69% of certified properties achieved the EDGE advanced level. This certification is the second level of EDGE, because it requires higher levels of energy savings. EDGE is an innovation of the International Finance Corporation (IFC), a member of the World Bank Group. IFC created EDGE to respond to the need for a measurable and credible solution that would demonstrate the commercial viability of green building and facilitate financial investment.

EARNINGS REPORT
FOURTH QUARTER

2024

	4Q23	4Q24	Var % 24-23
GLA Fibra Nova (m^2)	**555,900**	**662,206**	**19.1%**
Industrial	423,870	529,585	24.9%
Educative	43,082	43,082	0.0%
Retail	24,592	25,184	2.4%
Logistics	39,432	39,432	0.0%
Engineering centers	24,924	24,924	0.0%
Agroindustrial	2,118 ha	2,118 ha	
Fibra Nova Results			
Total Revenue	273,299	345,752	26.5%
EBITDA	238,163	311,797	30.9%
CAPEX	1,333,542	755,247	-43.4%
Net Debt	4,923,577	4,750,565	-3.5%
LTV	32%	22%	-30.1%

- **Total Revenue::** During the fourth quarter, total revenues were generated in the amount of $345.8 million, of which 97.5% correspond to rental income. Compared to the same period of the previous year, an increase of 26.5% is observed. This increase is due to the start of rental contracts for different properties, including Visteon and Regal, along with the second agro-industrial property. Additionally, the exchange rate closed at $20.51, being higher compared to the same period last year, which had a positive impact on our results.

  In cumulative terms, total revenues stood at $1,288.4 million with an increase of 22.7% compared to $1,050 million last year.

- **Operating Income:**During the quarter, operating income reached $311.6 million and NOI $337 million, representing an increase of 30.9% and 27.5%, respectively, compared to the same period last year. In cumulative terms, operating income was $1,202.7 million and NOI was $1,255.4 million, reflecting growth of 25.4% and 23.3%, respectively, compared to last year.

- **EBITDA:**EBITDA reached $311.8 million pesos, exhibiting an EBITDA margin of 90.2% in relation to total revenues. An increase of 30.9% is observed compared to the $238.2 million in the corresponding period of the previous year. As for the accumulated EBITDA, it reached the figure of $1,203.5 million pesos, being an increase of 25.4% compared to the $959.7 million pesos of last year.

- **CAPEX and Debt:** During the year, investments reached $2,229.7 million pesos, destined to the development of industrial properties in the Ciudad Juárez Industrial Park and in the Bafar Norte Industrial Park. On the other hand, net debt reached $4,750.6 million, resulting in an LTV indicator of 22%.

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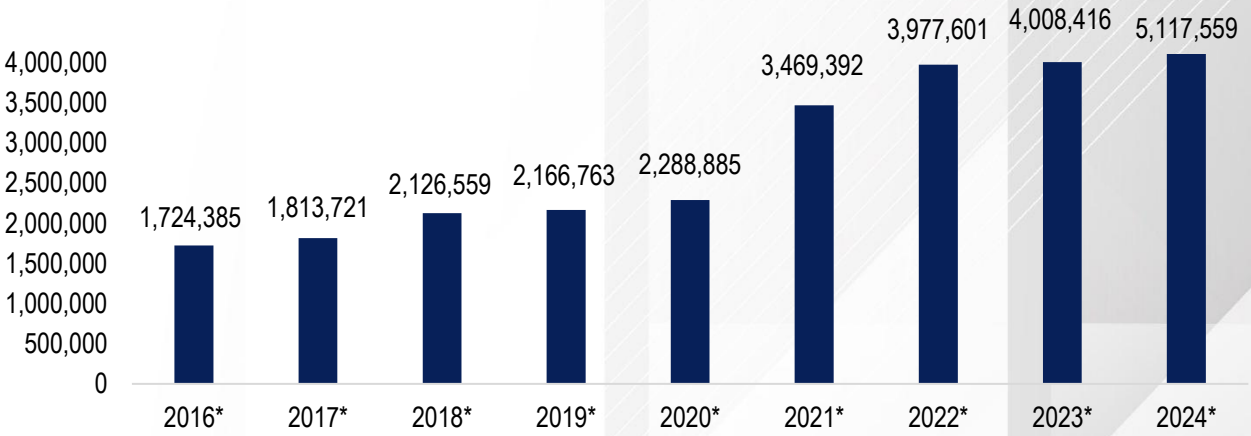
GRUPO BAFAR 40 AÑOS

FINANCIAL DIVISION

The fourth quarter of 2024 marked the end of the best year for Grupo Bafar's Financial Division.

We maintained the positive trend observed in previous quarters, with solid growth in placement and portfolio, outstanding performance in revenues, and levels of non-performing loans and non-performing loans below our historical and industry average.

At the end of the year, the portfolio reached a placement of $5,117.6 million, reflecting a growth of 27.7% compared to the previous year. Quarterly revenues grew 33% compared to the same period in 2023, reaching $230.1 million, while annual cumulative revenues totaled $956.2 million, an increase of 23%.



We managed to improve the NPL ratio at the end of the quarter, reaching 1.25%. 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%.

	4Q23	1Q24	2Q24	3Q24	4Q24
Default Rate	0.66%	1.23%	3.20%	1.40%	**1.25%**
Capitalization	23.41%	18.68%	19.83%	18.36%	**14.35%**

In Grupo Bafar's Financial Division, we aim to fuel Mexico's progress by fostering financial inclusion by providing credit, liquidity and capital solutions to SMEs in our country. During 2025, we will continue to innovate, create products and reach more customers to advance in the fulfillment of our purpose.

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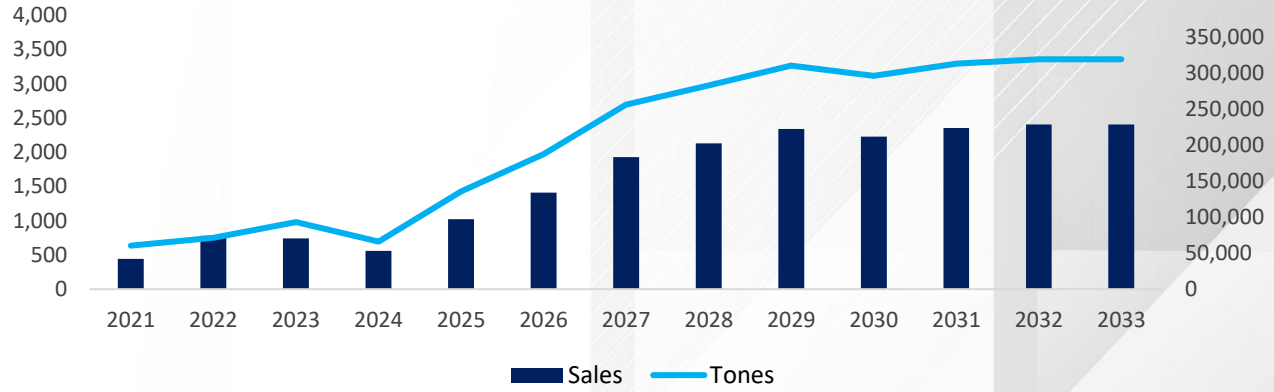
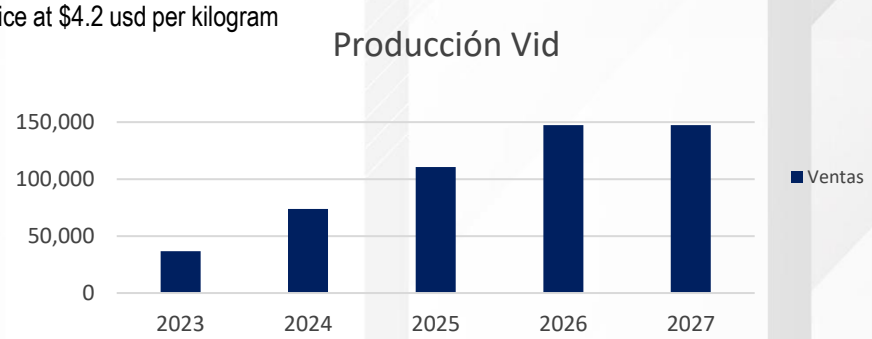
AGRO INDUSTRIAL

During the fourth quarter of the year, income from the sale of walnuts of $20.4 million was recorded. On a cumulative basis, revenue reached $58.3 million, representing an 18.5% decrease compared to year-ago revenue. This variation is due to the fact that, recently, the walnut sales scheme has changed. Previously, the entire production was sold at the end of the year in a single batch, now the sale is carried out in a staggered manner. As a result, the total production corresponding to the year 2024 will be sold in the first quarter of 2025, equivalent to one thousand tons.

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



*Production stabilizes in 2026
** Amounts in kilos

During this quarter, we processed our first harvest locally, moved on to the barrel aging process and, in January 2025, we started the installation of the bottling and labeling machine for entry-level wines.

In the first quarter of 2025, the first stage of construction of the Valle de los Encinos project will be concluded, which includes the winery, the restaurant, the event hall, the chapel and the first phase of the square. Likewise, work began on the preliminary project of the golf course and on the urbanization of the lots, covering everything related to roads, drinking water and electricity.



GRUPO BAFAR 40 AÑOS

EMISORA BIVA Bolsa Institucional de Valores BAFAR