

# INNOVATION

IN CHALLENGING TIMES

2024 INTEGRATED ANNUAL REPORT





# CONTENTS

3	Letter to our Stockholders	45	Appendix 1: ESG Approach
5	About Grupo Lamosa	88	Appendix 2: Board of Directors Committee Reports
12	Financial Highlights	90	Appendix 3: Consolidated Financial Statements
17	Corporate Governance		
25	Supply Chain Relations		
34	Talent Development		
40	Environmental Management		
43	About this Report		



# LETTER TO OUR STOCKHOLDERS

GRI 2-22

2024 was a challenging year for Grupo Lamosa, marked by a complex environment of economic slowdown and low growth, which impacted the construction industry in most of the countries where the company operates.

This unfavorable landscape, combined with a shift in consumer spending patterns—where home remodeling took a backseat due to the normalization of post-pandemic consumption—resulted in lower demand levels, affecting the company's performance.

In 2024, Grupo Lamosa posted consolidated net sales of \$33,945 million pesos. Operating income and EBITDA were \$4,522 million pesos and \$6,208 million pesos, respectively, representing margins of 13% and 18% of sales.

One of the most significant achievements of the year was the successful integration of Baldocer's operations in Spain. With a business model focused on high-end ceramic products and a strong export orientation to other regions such as Europe, Asia, and North America, this

acquisition enabled the company to leverage synergies and optimize operations in Spain, following the 2021 acquisition of Roca.

Throughout the year, Grupo Lamosa continued executing its capital expenditure plan across the various regions where it operates, investing in cutting-edge technology in order to remain at the forefront of more sustainable manufacturing processes. The company also developed innovative, high-value-added products, such as large-format ceramic tiles with thinner profiles, which reduce weight, save energy, and lower transportation costs.

**“ One of Grupo Lamosa’s most significant achievements of the year was the successful integration of Baldocer’s operations in Spain. ”**



**Federico Toussaint Elosúa**  
Chairman of the Board  
and Chief Executive Officer



## Grupo Lamosa reaffirms its commitment to the principles of the United Nations Global Compact.

Another major achievement in 2024 was the full implementation of a digital platform designed for internal talent management. This system, focused on talent identification, training and development processes within the organization, will ensure the company has the right human resources to support its growth strategy.

Despite increasing competition and the various challenges faced throughout the year, Grupo Lamosa successfully navigated the adverse environment thanks to its diversification and effective synergy utilization. Once again, the company demonstrated that its experience, strengths and strategic rescaling have positioned it advantageously to continue capitalizing on opportunities for the benefit of its stockholders.

Grupo Lamosa reaffirms its commitment to the principles of the United Nations Global Compact. The company will continue implementing initiatives to strengthen social responsibility, combat corruption, and uphold human and labor rights. Additionally, it will promote sustainable practices that contribute to environmental protection and the well-being of the communities where it operates.

Grupo Lamosa expresses its gratitude for the trust of its stockholders, the dedication of its employees, and the ongoing support of its distributors, suppliers, customers, and friends.

**Federico Toussaint Elosúa**

*Chairman of the Board  
and Chief Executive Officer*

# ABOUT GRUPO LAMOSA

GRI 2-1, 2-6



Grupo Lamosa, a Mexican company with a track record spanning over 130 years, leads the market in tiles, adhesives and, more recently, the insulation and lightweight materials segments. Its solid growth and expansion strategy has enabled it to expand its operations to nine countries across the Americas and Europe, establishing itself as a key player in the global industry.

With a strong focus on innovation, Grupo Lamosa continuously invests in research and development to enhance its products and optimize the production processes. The company also collaborates closely with architects, designers and builders to develop high-value solutions that align with market demands.

Grupo Lamosa has been listed on the Mexican Stock Exchange since 1951 and operates in compliance with domestic market regulations and the recommendations of the Code of Best Corporate Practices issued by the Mexican Business Coordinating Council.

## MISSION

To maintain the leadership position in the construction industry by offering products that protect our customers' assets and uphold the reputation of construction professionals and installers. We strive to generate growing and sustainable value for our distributors, people and stockholders while remaining committed to the community and the environment.

## VISION

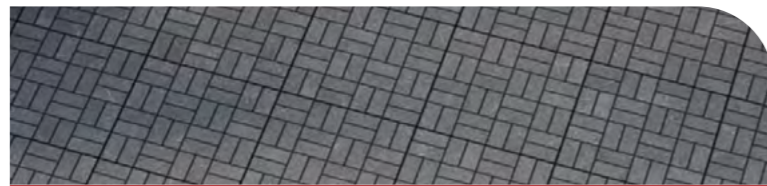
To be the global leader in the tiles and adhesives markets, recognized for excellence in products and services, a strong commitment to sustainability, and continuous innovation to meet customer needs.

## VALUES

Responsibility • Honesty • Service Mindset  
• Teamwork • Continuous Improvement.

**These principles not only form the foundation of our organizational culture but also reinforce our commitment to being a leading, sustainable and value-generating company.**

# PRESENCE AND BUSINESSES



## Tiles

Ceramic and porcelain enamel floor and wall tiles, as well as other tiles.

### Brands

Azulejos Benadresa, Baldocer, Cerámica San Lorenzo, Cerámica Scop, Eurocerámica, Cordillera, ETILE, Firenze, Gala, Incepa, Lamosa, Porcelanite, Roca, USCT

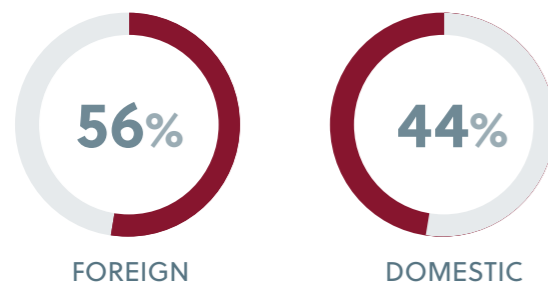
### Innovation and Sustainability

Some of the company's porcelain products boast Porcelain Tile Certification Agency (PTCA) certification, recognizing those that require much less water consumption in their manufacturing process.

### Infrastructure

21 tile production plants (9 in Mexico, 3 in Peru, 2 in Colombia, 3 in Brazil, 2 in Argentina and 2 in Spain)

### Sales



## Adhesives

Adhesives for the installation of wall and floor coverings (stuccos, grouts, waterproofing materials and specialized products).

### Brands

Crest, Niasa, Perdura

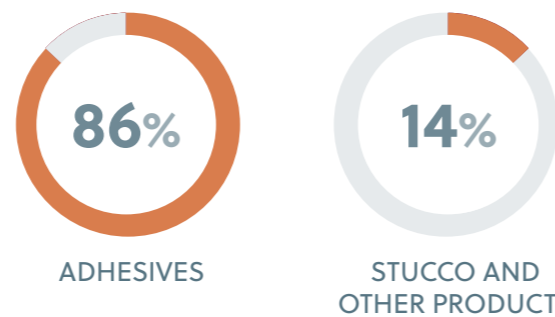
### Innovation and Sustainability

Some products have UL GREENGUARD certification, recognizing materials, additives and finishes with low emissions.

### Infrastructure

14 adhesives production plants (12 in Mexico, 1 in Guatemala and 1 in Chile)

### Sales



## Insulation and Lightweight Materials

Expanded polystyrene (EPS) products offering thermal insulation and lightweight structural solutions.

### Brands

Fanosa

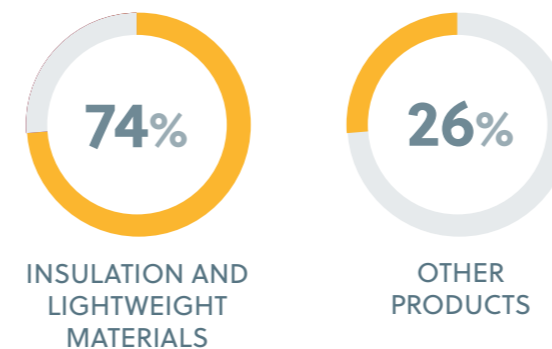
### Innovation and Sustainability

Products developed with a high percentage of recycled materials. Additionally, EPS is an insulating material that enhances the energy efficiency of construction projects.

### Infrastructure

15 EPS production plants and 18 distribution centers in Mexico

### Sales



## GLOBAL PRESENCE



# GRUPO LAMOSA MILESTONES

## 1890

Compañía Manufacturera de Ladrillos Monterrey is founded.



## 1929

Bernardo Elosúa Farías and Viviano L. Valdés acquire the company and rename it Ladrillera Monterrey, S.A.



## 1933

The company begins manufacturing wall and floor tiles and clay blocks.



## 1963

The Bathroom Fixtures Business starts operations through the subsidiary Sanitarios Azteca.



## 1957

The Adhesives Business is launched with the Crest brand.



## 1951

Company shares begin trading on the Mexican Stock Exchange.



## 1995

The company is renamed Grupo Lamosa, S.A. de C.V.



## 1998

The Perdura brand is added to the portfolio following the acquisition of Adhesivos de Jalisco.



## 2001

The Niasa brand joins the company's product offering after the acquisition of Industrias Niasa.



## 2004

The Benito Juárez, N.L. tile plant begins operations, expanding operations into the luxury segment.



## 2004

In line with its vision of innovation and growth, Grupo Lamosa redefines its corporate identity.



## 2007

Grupo Lamosa sells its real estate business, including the Galerías Valle Oriente and Plaza Cumbres malls, and strengthens its Tile Business with the acquisition of Porcelanite.



## 2015

The company focuses on Tiles and Adhesives, selling its Bathroom Fixtures Business.



## 2021

Grupo Roca, a Spanish company with operations in Spain, Brazil and the U.S., joins the Tile Business.



## 2020

### euro CEGÁMICA

The company strengthens its presence in Colombia with the acquisition of Eurocerámica.



## 2016

Grupo Lamosa enters the South American market by acquiring Cerámica San Lorenzo, expanding operations to Argentina, Chile, Colombia and Peru.

## 2022

Grupo Lamosa expands into the Insulation and Lightweight Materials segment with the acquisition of FANOSA, a leading Mexican company in Expanded Polystyrene (EPS) products for the construction and packaging industries.



## 2023

The Spanish company Baldocer is integrated into the Tile Business, enhancing its high value-added product portfolio.



## 2024

Grupo Lamosa unveils its new corporate image, reinforcing its position as an institutional, global, diversified and sustainable brand, and reflecting its essence as a dynamic and innovative company in constant evolution.



# STRATEGIC PRIORITIES



## PROFITABILITY

Grupo Lamosa has prudently managed its finances and debt in recent years, resulting in consistent growth in its financial performance. Consequently, the company has maintained positive ratings from major financial institutions such as Fitch Ratings and HR Ratings. Moreover, in the second half of the year, it received for the first time a long-term local credit rating of "AA+.mx" from Moody's Local Mexico, reaffirming its financial stability and robustness.

Grupo Lamosa's strong financial performance has been driven by several factors, including its focus on operational efficiency, cost reduction and revenue growth. The company has implemented measures to optimize its production and distribution processes, leading to improved resource management.

Additionally, the ongoing diversification of its portfolio and the successful integration of synergies from recent acquisitions have enabled Grupo Lamosa to enhance its capabilities, strengthen its presence in key markets and optimize operations.



## GEOGRAPHIC COMPLEMENTARITY

In recent years, Grupo Lamosa has expanded its presence through strategic acquisitions, including that of Cerámica San Lorenzo in 2016, Eurocerámica in 2020, Roca Tiles in 2021, Fanosa in 2022, and Baldocer at the end of 2023. These acquisitions have strengthened its position in established markets and driven its expansion into new regions such as Colombia, Peru, Argentina, Chile, Brazil and Spain, solidifying its status as a global player in the construction industry.

This geographic expansion has also contributed to the diversification of the company's product portfolio, enabling it to adapt to the specific characteristics and demands of each particular market. As a result, the company continues to offer high-quality, innovative solutions to its customers. This strategy has been a fundamental pillar of Grupo Lamosa's success and will remain a key driver in strengthening its market position.

## SUSTAINABILITY

The company has implemented significant sustainability initiatives. In 2022, Grupo Lamosa conducted its first materiality analysis in order to identify the most relevant environmental, social and governance (ESG) topics for the company. The process has enabled the implementation of a reporting model aligned with international sustainability standards and focused on the management of non-financial information.

Grupo Lamosa's commitment to ESG integration has been evident, especially in recent years. Its efforts can be seen in reduced workplace accident rates, enhanced employee training and development, and the adoption of a circularity strategy in the production processes to optimize material usage and minimize waste.



Another key focus area is the management of greenhouse gas emissions. The company has prioritized energy efficiency strategies, ensuring the proper maintenance of its production equipment and gradually upgrading it. Additionally, Grupo Lamosa has explored opportunities in renewable energy through cogeneration and self-generation, including the installation of photovoltaic panels.

In 2024, Grupo Lamosa established a series of social and environmental objectives, identifying critical issues relevant to both business goals and stakeholder expectations.

For more information, please refer to [Appendix 1.3 ESG Strategy](#).

# FINANCIAL HIGHLIGHTS

GRI 3-3



## GRUPO LAMOSA S.A.B. DE C.V. AND SUBSIDIARIES

(Figures expressed in millions of current pesos)

	2020	2021	2022	2023	2024	VAR%
<b>RESULTS<sup>1</sup></b>						
Net Sales	19,473	27,187	35,412	31,572	33,945	8
Foreign Sales <sup>2</sup>	5,735	10,363	14,868	11,919	14,392	21
Foreign Sales / Net Sales	29%	38%	42%	38%	42%	
Operating Income	3,549	6,436	6,767	4,932	4,522	(8)
Operating Income / Net Sales	18%	24%	19%	16%	13%	
Comprehensive Financing Cost	932	719	639	(20)	3,821	
Consolidated Net Income	1,663	3,429	4,201	3,251	131	(96)
<b>FINANCIAL POSITION</b>						
Total Assets	24,633	32,360	36,051	43,816	47,145	8
Total Liabilities	13,161	19,002	20,177	27,692	28,990	5
Stockholders' Equity	11,472	13,358	15,873	16,125	18,156	13
Book Value per Share <sup>3</sup>	29.7	34.6	41.1	41.8	47.1	13
<b>CASH FLOW</b>						
EBITDA <sup>4</sup>	4,277	7,334	8,101	6,206	6,208	0
Capital Expenditures <sup>5</sup>	343	5,601	4,008	8,950	1,282	(86)
<b>PERSONNEL</b>						
Total Employees	7,325	9,737	11,299	11,543	10,829	(6)

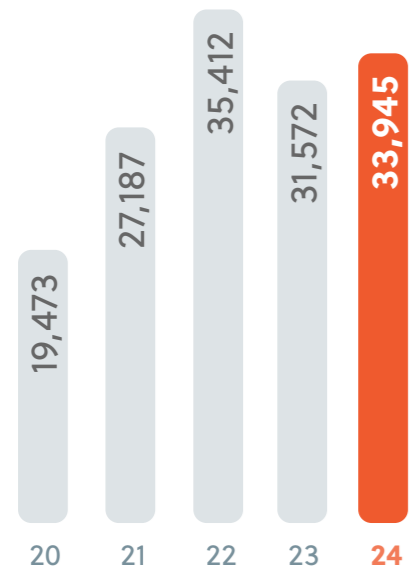
(1) In accordance with applicable International Financial Reporting Standards.

(2) Includes sales of subsidiaries in foreign markets and export sales from Mexico.

(3) On a total of 385.8 million shares.

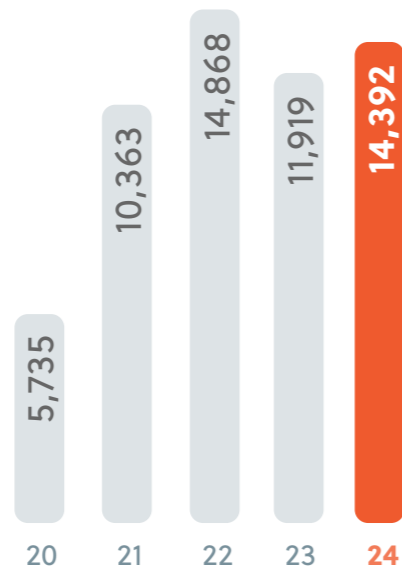
(4) Operating income plus asset depreciation, amortization and deterioration.

(5) Includes investments in property, plant and equipment, intangibles and the acquisition of subsidiaries.



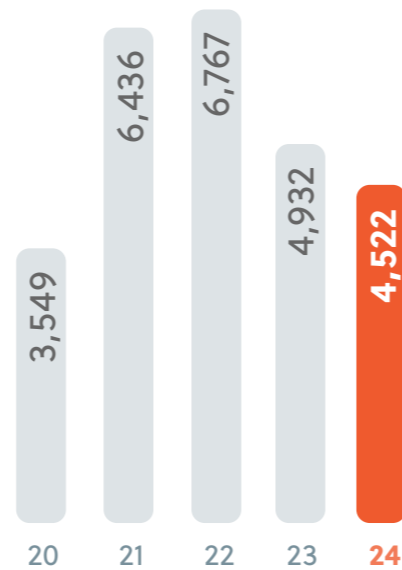
**+15%** compound annual growth '20 - '24

**NET SALES**  
MILLIONS OF PESOS



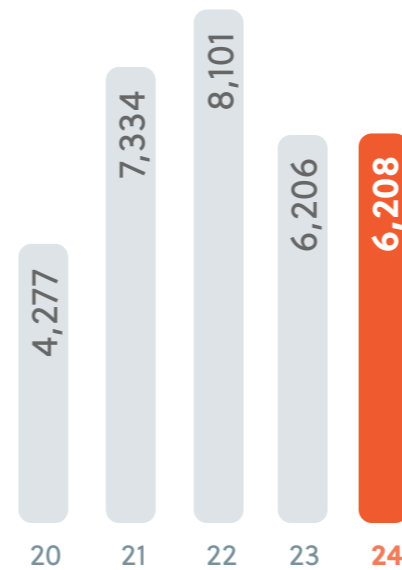
**+26%** compound annual growth '20 - '24

**FOREIGN SALES**  
MILLIONS OF PESOS



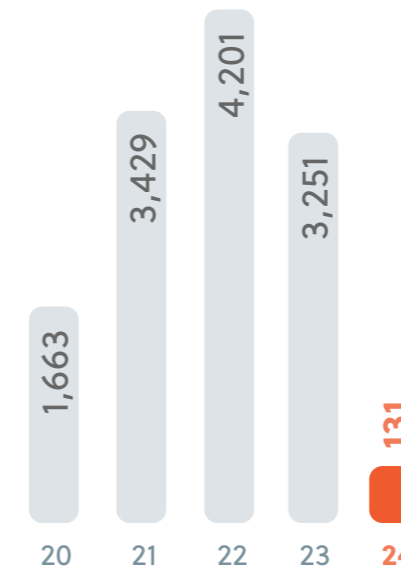
**+6%** compound annual growth '20 - '24

**OPERATING INCOME**  
MILLIONS OF PESOS



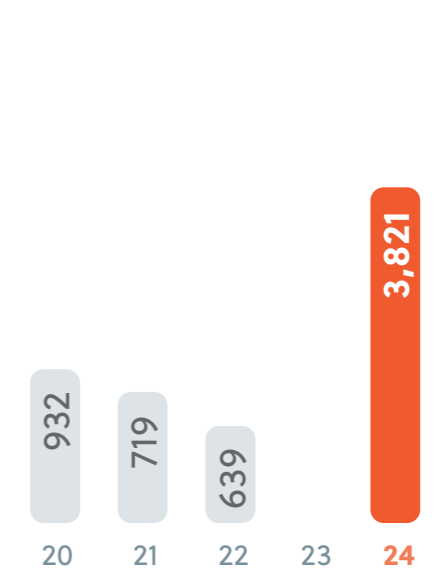
**+10%** compound annual growth '20 - '24

**EBITDA**  
MILLIONS OF PESOS



**-47%** compound annual growth '20 - '24

**CONSOLIDATED NET INCOME**  
MILLIONS OF PESOS



**COMPREHENSIVE FINANCING COST**  
MILLIONS OF PESOS

# OPERATING SUMMARY

## TILE BUSINESS

2024 was a challenging year for the Tile Business due to its resizing and geographic expansion, combined with an environment with normalized demand. Additionally, a slowdown in the construction industry and an influx of Asian products were key factors affecting most of the markets in which the business operates.

Tile Business sales in 2024 totaled \$24,115 million pesos, reflecting an annual growth of 9%. One of the key challenges successfully addressed during the year was the seamless integration of the Spanish company Baldocer, acquired at the end of 2023, with Baldocer celebrating its 30th anniversary during the year. Throughout 2024, action plans were implemented across the different areas of Baldocer and Roca Spain, in order to capitalize on operational and commercial synergies, enabling a more effective approach to markets managed from Spain, including Europe and Asia.

During the year, the Tile Business continued investing in cutting-edge technology to maintain its competitive edge and differentiation, developing innovative ceramic products for applications beyond traditional uses. Examples include ceramic applications for dining tables, kitchen countertops and bathroom fixtures.

One notable capital expenditure of 2024 was the expansion of production capacity in Argentina, with the incorporation of state-of-the-art technology. This investment will enable the production of high-end products with superior designs and finishes, and the largest formats available in the market, while also enhancing export capacity to other South American countries.

Throughout 2024, the Tile Business participated in various trade fairs and exhibitions in Mexico and internationally, showcasing its diverse product lines aligned with market trends and demands. These included "Expo Obra Blanca" in Mexico, "Coverings" in the United States, "Revestir" in Brazil, "Cevisama" in Spain and "Cersaie" in Italy. Additionally, in 2024, the business held the eighth edition of the "Premio Firenze Entremuros," a competition recognizing the work of leading architects and interior designers in Mexico while promoting the use of sophisticated and innovative ceramic products to transform spaces and create unique environments.

Once again, the Tile Business demonstrated its ability to navigate complex environments, integrate new acquisitions in and outside Mexico, leverage synergies and, most importantly, reinvent itself to continue offering cutting-edge, high-value-added products in the various markets where it operates.



NET SALES  
MILLIONS OF PESOS

+9% annual growth '23 - '24

+13% compound annual growth '20 - '24



### ADHESIVES BUSINESS

Grupo Lamosa's Adhesives Business closed the year with a performance surpassing that of the domestic market, strengthening its leadership position, expanding operations in Guatemala and Chile, and posting results above expectations.

Despite a challenging construction environment with a significant decline in new project volumes, the Adhesives Business posted sales of \$9,831 million pesos, reflecting an annual growth of 5%.

In 2024, the segment focused on optimizing input usage and implementing strategies to increase market share in specific regions and with key customers.

A significant achievement during the year was the full implementation of the Industrial Safety Model across all the plants of the business, including Fanosa, which was integrated in 2022. This model, directly involving senior management, enables the timely identification, classification and correction of unsafe conditions and actions, positively impacting business performance indicators.

Among the most notable investments in 2024, the Adhesives Business inaugurated a new Fanosa plant in Rosarito, Baja California. This facility will expand production capacity to serve both the local market and the southwestern part of the United States.

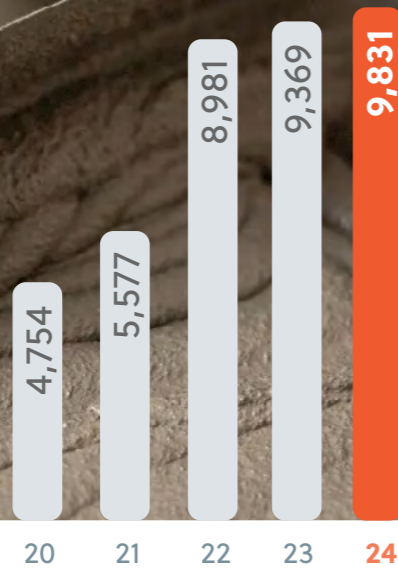
To continue providing high-value technical solutions, the business launched new specialized products during the year. Notable releases

included "Crestuco Aplana," a wall coating that corrects misalignments and levels surfaces in a single application, and "Crest Blue Fence," an acrylic waterproofing membrane designed for damp areas and as a system for ceramic tile installations.

Throughout the year, the Adhesives Business actively participated in trade fairs and exhibitions, such as "Obra Blanca" in Mexico City. Additionally, national campaigns such as Nobody Installs Floors Like Crest and events such as Installer Day were carried out to promote products and reinforce loyalty among professional installers.

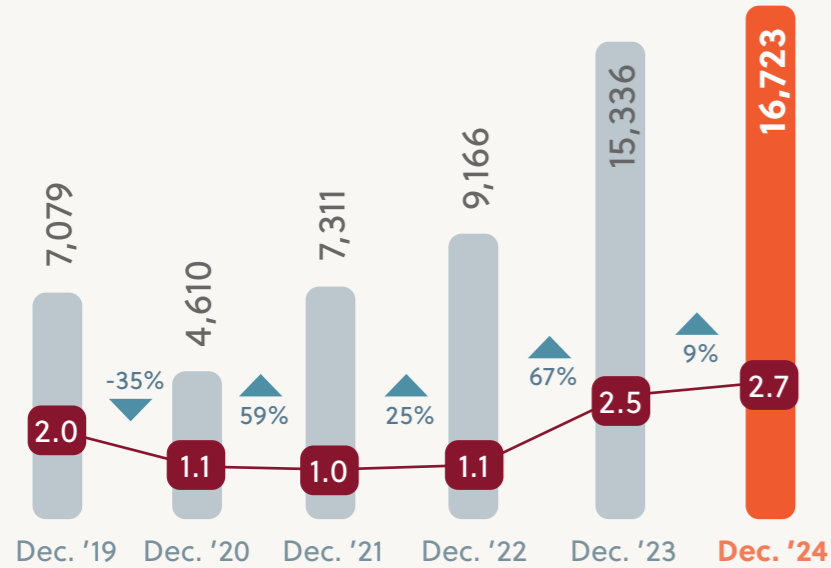
The business will continue implementing strategies to capitalize on market opportunities and expand operations both within and outside Mexico.

NET SALES  
MILLIONS OF PESOS

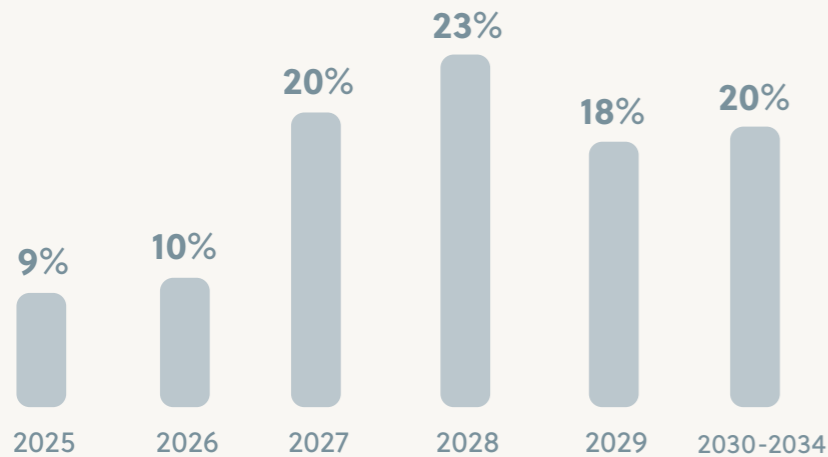


**+5%** annual growth '23 - '24

**+20%** compound annual growth '20 - '24



**NET DEBT**  
MILLIONS OF PESOS



**DEBT PROFILE**  
DEC. 2024

## FINANCIAL PERFORMANCE

In a period of economic slowdown and low growth, reflected in a weaker overall market performance, Grupo Lamosa maintained its solid financial structure with appropriate debt levels. As of year-end, consolidated net debt was \$16,723 million pesos, with a net debt-to-EBITDA ratio of 2.7x.

Prudent financial management and strong relationships with the company's different financing sources enabled it to close the year with a well-structured debt profile, with gradual and manageable maturities that will facilitate continued investment in business growth and market positioning.

During the first quarter of 2024, Grupo Lamosa's annual General Stockholders' Assembly approved, among other matters, a cash dividend of \$1.80 pesos per share, an increase of 24% compared to the dividend declared in 2023.

In 2024, Grupo Lamosa continued executing its capital expenditure plan to support business growth and enhance production processes with the market's most advanced technology. Additionally, resources were allocated for new information technologies to optimize business processes and better support the company's expansion. The year's total capital expenditures amounted to \$1,282 million pesos.

A significant event during the year was Grupo Lamosa's first-ever corporate credit rating assessment by Moody's, which assigned a favorable long-term rating of AA+.mx on the local scale, consistent with HR Ratings' 2024 revised rating. This assessment reflects the company's strong fundamentals, including its competitive position, profitability and cash-flow generating capacity.

Responsible financial management has consistently supported the company's growth and expansion strategy, including acquisitions such as Baldocer in 2024. These acquisitions have allowed Grupo Lamosa to capitalize on synergies and enhance operating efficiency.

AA+.mx  
**MOODY'S**

# CORPORATE GOVERNANCE

GRI 2-9, 2-10, 2-11, 2-15, 2-16, 2-19, 2-20

Grupo Lamosa’s corporate governance structure is based on policies, processes and practices designed to ensure the achievement of strategic objectives. The framework directly contributes to solid and sustainable performance, creating value for stockholders and other stakeholders.

The General Stockholders’ Assembly is the company’s highest governing body, responsible for approving the annual performance reports presented by both the CEO and the Board of Directors. It is also tasked with appointing new, and ratifying existing, Board members, as well as the members of the Audit Committee and the Corporate Practices Committee. According to the company’s bylaws, stockholders with at least 10% of the capital stock have the right to appoint one related board member.

The Board of Directors of Grupo Lamosa is responsible for defining and overseeing business strategy, managing operational risks, allocating budgets and evaluating senior management performance, among other duties. The Board is composed of 12 members, 50% of whom are independent directors. Most members have extensive experience in the industrial sector and hold executive positions in prestigious Mexican companies.

Board members serve one-year terms with unlimited re-election possibilities. Elections are conducted in accordance with Grupo Lamosa’s corporate bylaws. Independent board members must meet the requirements outlined in Article 26 of Mexican Stock Market Law to avoid any conflicts of interest. All independent directors submit a declaration of independence to the Board Chairman, affirming that they are not influenced by any personal, financial or economic interests.

The Board holds an ordinary meeting at least once every quarter, with members receiving fixed remuneration approved by the General Stockholders’ Assembly of March 13, 2024. Five regular meetings were held during the year, with an average attendance rate of 90%. A majority attendance is required for meetings to be legally recognized. To ensure informed decision making, agenda topics are communicated in advance, and resolutions are passed through a formal voting process.

In recent years, Grupo Lamosa’s Board has undergone a gradual transition, incorporating three new members. The latest addition occurred in 2023, when Mr. Eduardo Garza T. Junco joined as an independent director.

Except for the Chairman of the Board, who also serves as CEO, none of the companies where board members are employed has any business relationship with Grupo Lamosa.

## 50% of the Members of the Board of Directors are independent.

Regarding Board members’ stockholdings, approximately 52% of Grupo Lamosa’s capital stock is controlled by the Elosúa and Valdés families, primarily through a trust. No individual board member holds a direct ownership stake exceeding 1.0% of the capital stock. The remaining 48% is publicly traded.\*

The composition of Grupo Lamosa’s Board of Directors as of 2024 is presented below.

## The average number of years of service of the current board members is 20 years.

\*No government organization is known to hold any ownership stake in Grupo Lamosa.

BOARD OF DIRECTORS	Position (Related or Independent Director)	Years of Service	Industry Experience	Audit Committee	Corporate Practices Committee
<b>Federico Toussaint Elosúa</b> Chairman and CEO of Grupo Lamosa	Related	36	Industrial		
<b>Bernardo Elosúa Robles</b> Independent Consultant	Related	32	Industrial/ Financial		
<b>Guillermo Barragán Elosúa</b> CEO of Hidrobart	Related	32	Industrial		
<b>Armando Garza Sada</b> Former Chairman of the Board of ALFA	Independent	28	Industrial		Chairman
<b>José Manuel Valverde Valdés</b> Independent Consultant	Related	27	Industrial/ Financial		
<b>Javier Saavedra Valdés</b> Professional Painter	Related	27	Art		
<b>Miguel Eduardo Padilla Silva</b> Former CEO of FEMSA	Independent	21	Industrial		
<b>Maximino José Michel González</b> Chairman and CEO of 3H Capital	Independent	16	Industrial/ Commercial		
<b>Antonio Elosúa González</b> Co-Chairman of the Board of Grupo U-calli	Related	7	Industrial/ Real Estate		
<b>Eugenio Clariond Rangel</b> Executive Chairman of Grupo Cuprum	Independent	4	Industrial	Chairman	
<b>Rodrigo Fernández Martínez</b> CEO of Sigma Alimentos	Independent	3	Industrial		
<b>Eduardo Garza T. Junco</b> Chairman of Grupo Frisa Industrias	Independent	2	Industrial		

**The Board of Directors uses a Finance Committee, composed mainly of independent directors, for advisory purposes.**

The Board operates with two principal committees, primarily composed of independent members, ensuring compliance with legal regulations and Grupo Lamosa's corporate bylaws.

**AUDIT COMMITTEE:**

This committee is responsible for overseeing the internal control and audit system of the company and its subsidiaries. It also evaluates and advises on the company's financial information, legal compliance, potential risks and applicable accounting policies, acts as a liaison between the Board of Directors and both internal and external auditors, and reports any critical company issues to the Board.

**CORPORATE PRACTICES COMMITTEE:**

This committee is responsible for appointing and evaluating executive team members and determining their fixed and variable compensation, with the latter tied to corporate objectives and individual performance. It also monitors potential conflicts of interest involving any Board member.

# EXECUTIVE LEADERSHIP TEAM

Grupo Lamosa's executive leadership team comprises highly experienced professionals from the construction sector.

The CEO and other senior executives are appointed by the Board of Directors, with their variable compensation directly linked to performance. Short-term compensation is based on operational and financial indicators, while long-term incentives are tied to stockholder returns, considering capital and debt metrics.



**Federico Toussaint Elosúa**  
Chairman of the Board and Chief Executive Officer  
*33 years with the company*

- Industrial and Systems Engineer from ITESM, with an MBA from IPADE
- CEO of Grupo Lamosa since 1992 and Chairman of the Board since 1998
- Former President of COPARMEX Nuevo León and CAINTRA; currently a National Board Member of COPARMEX
- Serves on the boards of Grupo ALFA, Grupo XIGNUX, Grupo ICONN, Universidad de Monterrey, Banco de México, Banorte, Scotiabank and the Mexican Business Council

**Jorge Antonio Touché Zambrano**  
Chief Financial and Administrative Officer  
*13 years with the company*

- Chemical Engineer from ITESM, with an MBA from the University of Texas and a Master's in International Management from Thunderbird
- CFO of Grupo Lamosa since 2018
- Formerly led business planning, development and finance for the company's Tile Business from 2005 to 2012
- Previously served as CFO of Grupo Alen

**Rolando Lozano Lozano**  
Tile Business Vice-President  
*11 years with the company*

- Industrial and Systems Engineer from ITESM, with an MBA from Harvard Business School
- Appointed VP of Grupo Lamosa's Tile Business in 2024
- Formerly served as Director of Porcelanite, Commercial Director for Mexico, and Country Manager for Mexico and Central America

**Jorge Manuel Aldape Luengas**  
Adhesives Vice-President  
*40 years with the company*

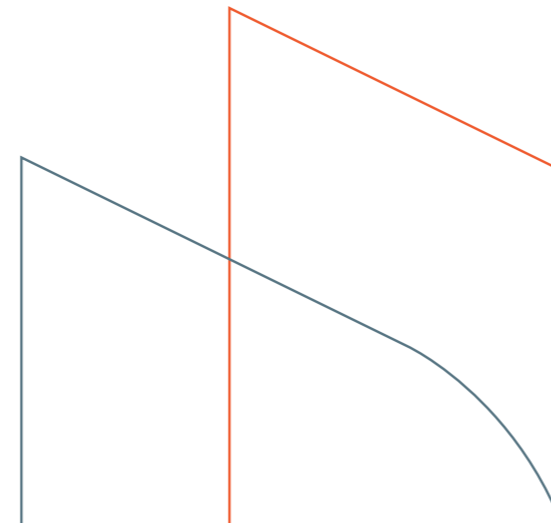
- Industrial and Systems Engineer from ITESM, with Master's degrees in Administration and Finance from ITESM and Executive Management from IPADE
- VP of Grupo Lamosa's Adhesives Business since 1993
- Previously held roles as General Manager of Crest, General Manager of the company General de Minerales, and Finance Manager of the Chemicals-Mining Division

**Germán Alvarado Paredes**  
Human Resources Vice-President  
*3 years with the company*

- Chemical Engineer from ITESM, with an MBA specializing in Finance from the University of Texas and EGADE
- VP of Human Resources at Grupo Lamosa since April 2021
- Previously held executive positions in HR at CEMEX

# CULTURE OF COMPLIANCE

GRI 2-23, 2-24, 2-25, 2-26, 2-27, 205-2



To ensure adherence to internal policies and local regulations while maintaining a culture of integrity and respect across all locations where it operates, Grupo Lamosa fosters ethical values among its board members, executives, employees and business partners.

Grupo Lamosa's Code of Ethics reflects the company's guiding principles and establishes clear guidelines to ensure that all operations, transactions and stakeholder relationships are conducted responsibly and transparently. This document is reinforced by various policies that form the company's regulatory framework, including:

- > Anti-Corruption and Anti-Money Laundering Policy
- > Confidentiality Policy
- > Conflict of Interest Policy
- > Diversity Policy

All new employees receive training on the Code of Ethics during their onboarding process and must sign a commitment letter agreeing to abide by its provisions. Additionally, they are required to submit a conflict-of-interest declaration, which must be renewed at least every two years. The Code of Ethics is publicly available on the company's website for consultation.

Grupo Lamosa provides employees with a Transparency Hotline, a secure and confidential channel for reporting any misconduct, violation of company policies or breach of applicable regulations.

- > Telephone: **800 7LAMOSA** (800 7526072)
- > [Website](#)
- > Email: [lineatransparencia@lamosa.com](mailto:lineatransparencia@lamosa.com)

Grupo Lamosa conducts a survey every two years to assess the hotline's effectiveness, with the latest evaluation carried out in 2023, and the results are made public.

[View the latest Hotline and Transparency Evaluation results here.](#)

Oversight of ethical and regulatory compliance, as well as the promotion of an ethical culture, is the responsibility of the Ethics Committee, which comprises the CEO, Human Resources VP, Chief Financial and Administrative Officer, and the Chief Internal Auditor. This committee reports to the Audit Committee, which, in turn, informs the Board of Directors. The Ethics Committee's key responsibilities include:

- > Analyze, investigate and resolve all reports received through the Transparency Hotline.
- > Periodically review the **Code of Ethics**.
- > Conduct **Code of Ethics** training sessions and apply perception surveys on the Transparency Hotline.

As part of its ethical commitment, Grupo Lamosa never gives financial contributions to political parties or government entities. Additionally, as a result of its compliance efforts, no significant regulatory violations were reported during the period covered in this report.

Cases identified through the reporting channel in 2024 are detailed in [Appendix 1.6 Key ESG Indicators](#).

# RISK MANAGEMENT

To ensure organizational stability and achieve its objectives, Grupo Lamosa proactively identifies and manages potential risks that could impact its operations. This approach is reflected in its Comprehensive Risk Management Policy, which defines guidelines and methodologies for assessing operational and strategic risks.

Each business unit has a Risk Committee, composed of senior executives from key areas, ensuring a holistic risk management strategy. These committees collaborate with the Internal Audit team to identify and assess significant risks and develop specific mitigation plans.

As part of its operational risk prevention efforts, Grupo Lamosa launched the Timely Operational Risk Detection System (CORO for its initials in Spanish) in 2024. During internal audits, key personnel involved in the company's processes are identified and interviewed in order to develop a comprehensive inventory of potential risks and other areas requiring attention.

The table below outlines the main risks associated with Grupo Lamosa's operations and the actions implemented for their management:



### MAIN RISKS – GRUPO LAMOSA

RISK	DESCRIPTION	MANAGEMENT DETAILS
<b>FINANCIAL</b>		
<b>Fluctuations in exchange rate</b>	There is a potential risk due to Grupo Lamosa having a commercial presence in different countries and obtaining revenue streams in the local currency of each of them. Given that the financial results are reported in Mexico, the company's income and financial performance could be affected by the strength of the peso against other currencies.	The Finance Advisory Committee, which supports the Board of Directors, is the main body managing financial risks.  Ultimately, financial derivative schemes are contracted to link debt repayments to the local currencies where revenue is generated.
<b>Business liquidity and debt control</b>	There is a potential risk related to the company's capacity to ensure the liquidity necessary to cover operating expenses and to settle the debt acquired by each of its subsidiaries.	Periodically, the company seeks to mitigate its businesses' liquidity risk and control credit debt through its debt reprofiling strategy. This strategy consists of renegotiating debt conditions to obtain better terms and interest rates, thereby freeing up cash flow and contributing to growth.
<b>Increase in input prices</b>	There is a potential risk related to input price increases, reflecting possible rises in the cost of natural gas and electricity, the company's main energy sources, the cost of local primary inputs (inflation) and diverse other costs related to the production processes.	Ultimately, with the support of the Finance Committee, the need to hedge natural gas consumption through financial instruments and thereby provide certainty in the cost of supply is evaluated.
<b>STRATEGIC</b>		
<b>Customer satisfaction and brand value</b>	There is a potential risk related to the company's ability to anticipate possible changes in tile trends, which would mainly affect the Tile Business. However, Grupo Lamosa encourages the development of new products that provide a differentiating value. It also focuses on product quality and safety, especially for the Adhesives Business, avoiding any potential negative impact on the health and safety of the end customer.	Specific innovation committees identify new market trends; co-creation initiatives with distributors are implemented in order to improve product quality and attributes; the company is introducing digital sales channels; and brand perception studies are carried out annually.
<b>Local and international competition</b>	There are companies in Mexico and in countries such as the United States, Spain and Brazil whose products could compete with Grupo Lamosa's in terms of quality and price, which could decrease customer preference and thus the company's market share.	Grupo Lamosa's good financial performance has enabled it to grow geographically, with the acquisition of well-known companies such as Fanosa and Baldocer. This has enhanced its competitiveness in the different countries where it operates.
<b>Intellectual property</b>	The company's property rights may be affected by potential imitations and replicas of its products and/or manufacturing designs and/or processes. Any of these possibilities could have an adverse effect on the business's operating and financial results.	Grupo Lamosa has a legal team specialized in the protection of intellectual property, tasked with registering patents and trademarks. It also has confidentiality policies which are communicated to Grupo Lamosa's different commercial partners and to company personnel.
<b>OPERATING</b>		
<b>Attraction and retention of specialized technical talent</b>	The lack of specialized personnel in the sector could significantly affect production processes and result in a potential loss of the company's existing talent.	Specific training and career development models are in place, as well as an attractive compensation scheme for all employees.
<b>Collective labor contracts</b>	In order to avoid any type of interruption in the production processes, it is important to guarantee robust, fair and transparent relations with all employees who have a collective labor contract.	The company complies with, and respects, the right of employees to form part of a labor organization, as indicated by Mexican Federal Labor Law and the applicable legislation in the countries where it operates. A legal team is responsible for preparing and transparently communicating the terms and conditions of collective contracts.
<b>Shortage of raw materials</b>	There is a potential risk from interruptions in the supply chain, reflecting a lack of qualified local suppliers to guarantee a continuous and efficient supply both in Mexico and in the other countries where the company operates.	Grupo Lamosa operates with commercial strategies that enable the diversification of its portfolio of suppliers, as well as effective input planning and inventory management. In parallel, efforts are continuously made to train and strengthen local suppliers.

### MAIN RISKS – GRUPO LAMOSA

RISK	DESCRIPTION	MANAGEMENT DETAILS
REGULATORY		
<p><b>Political and economic context</b></p>	<p>There is a potential risk that events, such as new trade agreements between countries or economic regulations, could affect or limit the company’s commercial activities, and that social or political instabilities may arise in the different markets where Grupo Lamosa operates.</p>	<p>The company is present in nine countries, which reduces the impact that social, political and economic aspects in a given country could have on its business activities, and constantly monitors the situation in the different countries.</p>
<p><b>Legal, environmental, health and safety noncompliance</b></p>	<p>Grupo Lamosa operates with policies and procedures related to the health and safety of its employees and regulatory compliance. However, risks related to the health and safety of employees may arise, as well as related to possible impacts on the environment, especially related to water management and use, and waste generation.</p>	<p>Grupo Lamosa strictly adheres to the regulatory and legal framework in force in the countries where it operates.</p> <p>Through the Grupo Lamosa Code of Ethics, company employees are trained to avoid possibly undesirable practices in the organization that could lead to legal incompliance. The Code also applies to the company’s business partners.</p> <p>Audit processes are carried out to identify possible internal risks.</p> <p>Regarding environmental issues, the company has implemented a sustainability strategy, which addresses environmental management aspects over and above compliance with the law, for the benefit of society.</p> <p>In terms of health and safety, Grupo Lamosa has a management system based on international Occupational Safety and Health Administration (OSHA) 18001 certification.</p> <p>To ensure compliance with occupational safety and environmental regulations, in 2023 a digital platform was launched presenting the main regulations, standards and permits, making it easier to comply with them and anticipate potential changes.</p>

Grupo Lamosa has identified three possible emerging risks that have become increasingly important in recent years, both at the sectorial level and in other related industries, and for which measures are being implemented for the short and medium term to mitigate their impact and guarantee effective management.

**CLIMATE CHANGE:** Climate change effects range from physical risks, such as floods or natural events that may affect production centers and compromise the availability of raw materials due to permanent damage to local biodiversity, to transition risks that progressively limit the use of traditional energies and fuels, while at the same time hindering access to renewable energies. This is particularly marked in certain countries.

**CYBERSECURITY:** The protection of the personal data of distributors, suppliers, business partners and customers, as well as the company’s documents, processes and information, is of vital importance.

**TECHNOLOGY FOR PRODUCTION PROCESSES:** The company must keep abreast of technological changes and innovations in the sector that could require the acquisition of new techniques, materials and/or tools, thereby assuring that it remains at the forefront of the market and adapts to the changing trends.

# CYBERSECURITY

GRI 3-3

To safeguard corporate information privacy and security, Grupo Lamosa has developed a cybersecurity strategy based on ISO 27000 standards. This preventive strategy is structured around three key pillars: people, technology and processes.

Grupo Lamosa's Information Security Committee leads this strategy, establishing and implementing a governance framework and control environment focused on information protection. Additionally, the company has a Corporate Information Security, Risk Management and Confidentiality Policy, which defines the guidelines necessary to ensure the proper use and protection of all managed data and assets.

In response to increasing digitalization, Grupo Lamosa has adopted the NIST Cybersecurity Framework, which provides structured guidance for managing and reducing cyber risks.

The Information Security Program, a core element of this strategy, includes robust controls for corporate devices, such as authentication processes, antivirus protection, reporting channels for security incidents, employee training on information security policies and cybersecurity measures.

Moreover, all security systems undergo an annual vulnerability assessment through independent penetration testing (Pentest), evaluating three fundamental areas: technology, processes and people.

In 2024, Grupo Lamosa reported no data breach claims or compromised information incidents. The company has further strengthened its security controls by implementing multi-factor authentication, enhancing remote access security, migrating to a new antivirus system and deploying a technology mapping strategy to prevent data leaks.

**91% of company personnel were given information security training in 2024.**



# SUPPLY CHAIN RELATIONS

GRI 3-3, 2-6

Grupo Lamosa recognizes that close collaboration with suppliers who are also committed to continuous improvement and sustainability is essential for operational continuity and customer satisfaction. Therefore, across its supply chain, the company maintains solid partnerships, built on trust and compliance with the highest industry quality standards.

Among its key suppliers are clay and glaze providers, which are crucial for ensuring the productivity and quality of the Tile Business. These suppliers account for approximately 70% of the total supply chain expenditure for this business unit.

Grupo Lamosa selects suppliers on the basis of critical criteria, including product quality, technical capability, service level and compliance with local regulations. Additionally, all suppliers must commit to the company's Code of Ethics, ensuring that business relationships are conducted with integrity and responsibility.

To enhance quality standards throughout its supply chain, Grupo Lamosa is extending its Operational Excellence Model to its key suppliers. To this end, in collaboration with strategic areas such as Procurement and Marketing, the company has established evaluation criteria, which have been communicated to critical suppliers in Mexico, who are currently undergoing assessment.

This evaluation focuses on technical aspects, ensuring compliance with required specifications in product delivery and production performance. Supplier certifications supporting their commitment to quality are also considered.

Additionally, aligned with its sustainability vision, Grupo Lamosa is exploring the integration of environmental, social and governance (ESG) criteria into its supplier evaluation process.

**100% of company suppliers have committed to abiding by the Grupo Lamosa Code of Ethics.**

## LOCAL SUPPLIER DEVELOPMENT

Grupo Lamosa actively supports local economic development by prioritizing suppliers located near its production centers and in the countries where it operates, in accordance with its Local Procurement Policy. The company also promotes supplier development programs to strengthen local businesses.

Through its participation in business chambers, such as the Mexican Center for Competitiveness (CCMX) and the Nuevo León Chamber of the Industry (CAINTRA), Grupo Lamosa engages in events designed to strengthen supply chains. These events bring together small and medium-sized enterprises (SMEs), including those within its supply network, offering training and fostering new business relationships.



TAYDE RIVERA

Procurement Mexico



**Throughout the year, the company's procurement sector faced significant challenges. However, by diversifying our supplier base and maintaining flexibility in our processes despite market volatility, we successfully ensured operational continuity.**

**Grupo Lamosa remains committed to its competitive strategy through careful planning and strategic alliances with key suppliers to support long-term growth and logistical efficiency.**

# INNOVATION AND QUALITY

GRI 3-3

Innovation is a cornerstone of Grupo Lamosa's business strategy, driving continuous improvement in its processes and products. To uphold the highest quality standards and enhance environmental performance, the company is working on process standardization across all facilities and integrating digital and sustainable solutions.

## OPERATIONAL EXCELLENCE MODEL

Grupo Lamosa has established the Operational Excellence Model (OEM), led by the Operational Excellence Department, to drive continuous process improvements, ensuring greater efficiency and a superior customer experience.

The model comprises eight core pillars and 23 specific techniques designed to optimize performance across all areas of the company.



100% of Grupo Lamosa's tile production in Mexico is ISO 9001 quality certified.

Through this initiative, internal certifications are granted to production plants based on an evaluation of key performance indicators and production behaviors. This process ensures that operations align with the company's safety and quality standards.

Currently, 20 Tile and Adhesives Business plants are certified under the Operational Excellence Model, while 28 plants across all three business units are undergoing the certification process.

## 2024 Kaizen Award WINNERS







**77% of adhesives production is ISO 9001 certified.**

As part of its business model, Grupo Lamosa has implemented Customer Journey Map methodology to enhance customer experience. This tool helps identify key interaction points between customers, distributors and the brand, enabling the detection of improvement opportunities in the purchasing process.







On the basis of these analyses, action plans are developed to optimize the customer experience and align operations with their expectations, reinforcing the commitment of the Tile and Adhesives Businesses to innovation and continuous improvement.

To foster this culture of innovation, every year Grupo Lamosa recognizes outstanding internal projects through the Kaizen Awards, acknowledging innovative solutions that contribute to operational optimization and continuous improvement.

**8% of the production of insulators and lightweight materials is ISO 9001 certified.**

BUSINESS UNIT	1 <sup>ST</sup> PLACE	2 <sup>ND</sup> PLACE	3 <sup>RD</sup> PLACE
Tiles (Plants)	<b>Querétaro</b> 	<b>Guarne</b> 	<b>Porcel 3</b> 
Adhesives / Insulating and Lightweight Materials (Plants)	<b>Fanosa Culiacán and Veracruz</b> 	<b>Crest Gómez Palacio</b> 	<b>Niasa Navojoa, Sonora</b> 

## 2024 INNOVATION CUP

DISTINCTION	WINNER	RECOGNITION	RECOGNITION
WINNER		RECOGNITION	
WINNER		RECOGNITION	
WINNER		RECOGNITION	



## DIGITAL TRANSFORMATION

GRI 3-3

Grupo Lamosa has developed a strategy centered on technology integration across its operations to enhance efficiency at all levels of the organization. This strategy focuses on two key areas: customer service and operational efficiency.

The strategy of customer service aims to improve the experience for distributors, industry professionals and end customers by providing agile and efficient solutions to their needs, such as a digital product visualizer available on the company's tile brand websites.

For operational efficiency, Grupo Lamosa has implemented an artificial intelligence tool that provides real-time recommendations to production site operators, thereby optimizing productivity, quality, waste reduction and energy

consumption. Additionally, technologies have been integrated to enhance information traceability and overall operational efficiency.

As part of its strategy to generate value through data management, the company promotes training programs on advanced analytics and data storytelling. Multiple projects incorporating analytical tools have been developed to support decision making in key areas such as Marketing, Commercial, Operations, Logistics, Administration, Collections, Human Resources and Auditing.

Finally, to further embed a digital culture across its operations, Grupo Lamosa offers continuous training on digital tools and methodologies, equipping employees with the knowledge necessary to improve productivity and effectively adapt to new technologies.

# NEXT

by LAMOSA

Grupo Lamosa drives innovation in key areas such as sustainability through Next by Lamosa, a corporate venture unit dedicated to identifying opportunities and forming strategic partnerships with startups that share the company's vision of developing innovative solutions.

The unit has launched projects leveraging digital tools to optimize operations, such as an AI-powered virtual assistant that provides employees with easy access to policies, procedures and official documents. This project is being expanded to areas such as Commercial, Marketing, Logistics, Auditing and Legal to further drive digital transformation.

As part of its innovation strategy, Grupo Lamosa invests in venture capital, supporting startups with groundbreaking ideas. The company has also established Lamosa Ventures (LAMOVE) to foster internal entrepreneurship and the development of new projects, promoting creative solutions and business opportunities.



At Grupo Lamosa, open innovation is a key pillar of our growth and leadership in the industry. We constantly challenge ourselves to think out of the box, exploring new ideas and business models that transcend our sector. We believe in the power of intrapreneurship, empowering our internal talent to develop disruptive solutions.



ALEXIS PÉREZ  
Venture Capital

Additionally, we draw inspiration from other industries and global trends to stay at the forefront. This vision enhances our adaptability and enables us to generate sustainable value for our customers, partners and employees.



One of the company's LAMOVE initiatives is *Guardameta*, a social-impact project developed with the sponsorship of the CREST brand and distributor backing, to promote family savings by providing support to access a total package of flooring, materials and installation services, improving their quality of life.

# INSTALIZY

Another notable project is *Instalizy*, based in Jalisco, which offers certified floor and wall installation services through the Perdura brand. This initiative integrates material sales with installation services, providing customers with a comprehensive solution.

Grupo Lamosa is also working on two key sustainability projects. The first, scheduled for implementation in 2025, aims to recover water vapor from the chimneys of one of the company's tile plants through a partnership with a firm specialized in such projects. The second is a long-term initiative exploring the use of clean fuels as an alternative to natural gas in order to reduce the company's environmental footprint.



### SUSTAINABLE PORTFOLIO SASB CG-BF-410A.1

Grupo Lamosa is committed to sustainability and is actively developing products that contribute to environmental conservation without compromising the quality, durability or aesthetics of its products.

The Tile Business's efforts include reducing ceramic tile thickness, which lowers material and resource consumption during production and fuel usage during transportation. Additionally, the company is evaluating the replacement of pigments that are soluble in traditional organic solvents with water-based ones.



The Monterrey and San Luis Potosí plants hold GREEN SQUARED certification from the Tile Council of North America (TCNA), affirming that their ceramic product manufacturing processes meet strict environmental and quality standards.

Sustainability efforts in the Adhesives Business have focused on the development of eco-friendly stuccos, which help reduce water consumption and minimize emissions.



This business unit offers a range of products that comply with energy-efficiency regulations. In particular, its waterproofing products and stuccos align with Mexican standards that ensure effective thermal control, reduced environmental impact and lower dust emissions during application.

Although the Insulation and Lightweight Materials Business does not yet hold environmental certifications, its product



characteristics support customers in obtaining international sustainability certifications in the construction sector because expanded polystyrene (EPS) has insulating properties that significantly reduce energy consumption by maintaining stable indoor temperatures.

Additionally, the production of certain products incorporates biodegradable perlite (EPS) and recycled polystyrene, or reuses materials.

# CUSTOMER-CENTRIC APPROACH

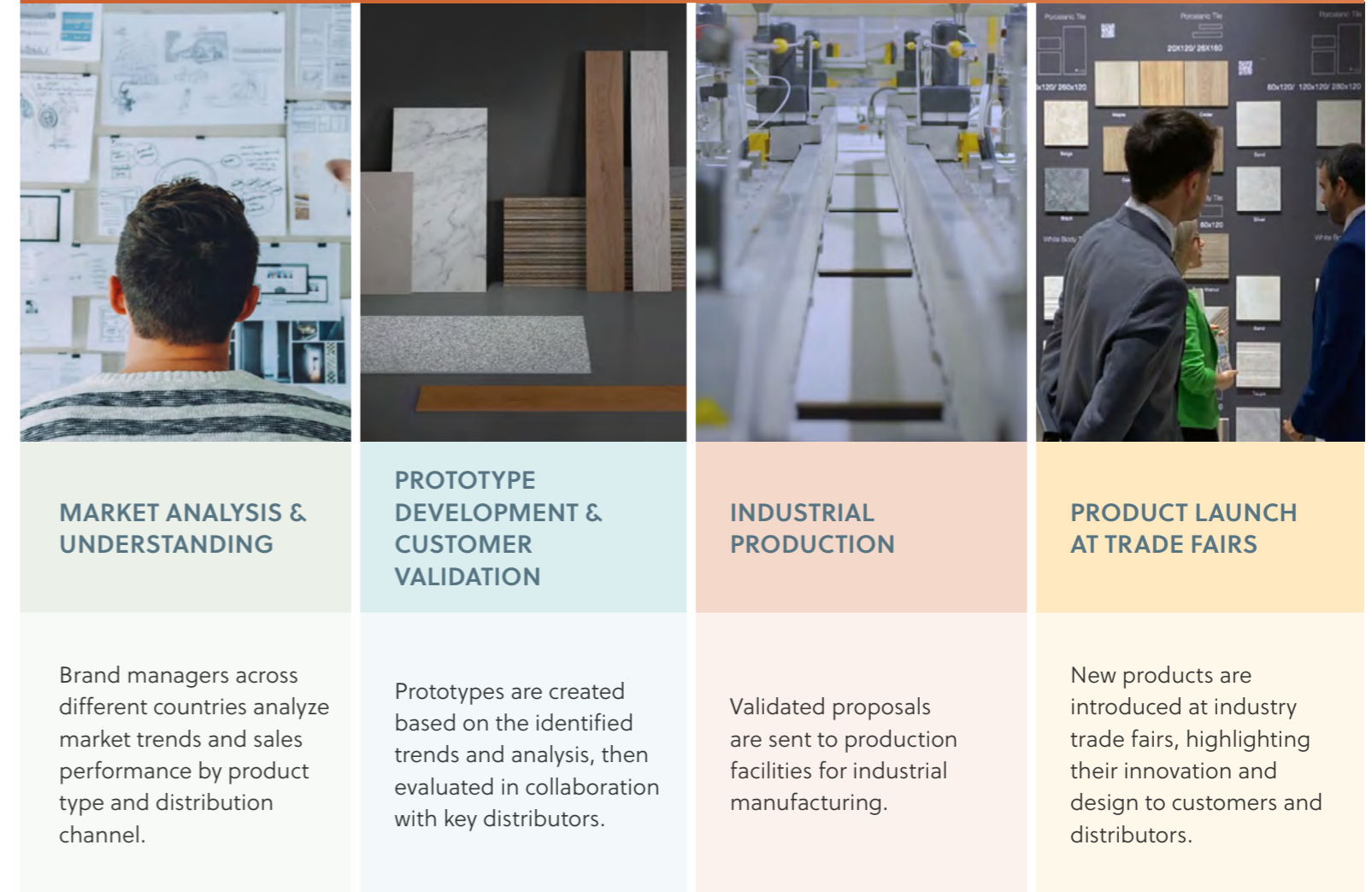
GRI 3-3, 2-6



Grupo Lamosa prioritizes a customer-centric approach in all its operations, emphasizing two key aspects. Firstly, continuous portfolio improvement ensures that products meet the highest quality standards while aligning with current design trends in color, size and texture. Secondly, the company maintains close and transparent relationships with customers, fostering long-term partnerships built on trust.

Product development is supported by various departments, including the Marketing, Commercial, Product Development and Industrial areas of each business segment, along with strategic product committees.

## PRODUCT DEVELOPMENT STAGES - TILE BUSINESS >>



Through its different brands, Grupo Lamosa actively participates in leading ceramic-industry trade fairs in its different markets. These events serve as key platforms for showcasing products, innovations and trends, while strengthening commercial relationships with customers and distributors.

*For more information on Grupo Lamosa's participation in trade fairs, refer to [Appendix 1.4 Associations, Initiatives, Certifications and Awards](#).*



## DISTRIBUTOR SATISFACTION AND DEVELOPMENT

GRI 3-3

The relationship with distributors is of vital importance for Grupo Lamosa, as they serve as the primary link to end customers. The distributor network ensures broad product availability across different regions, as well as providing valuable insights into market needs and expectations, enabling the company to respond effectively to market demands.

To strengthen this relationship, Grupo Lamosa conducts a biannual satisfaction survey among distributors of the Porcelanite, Lamosa and Firenze brands. The survey assesses such aspects as product availability, lead times, display quality, commercial support, sales assistance, customer service and training programs, providing insights to drive continuous service improvements.

Similar processes are implemented across the Tile and Adhesives Businesses.

In 2013, Grupo Lamosa launched the Executive Competency Development Program in collaboration with top business schools, to enhance the management skills of its distributors, particularly those with family-owned enterprises. This initiative covers critical topics such as supplier relations, business management, commercial strategies, leadership, decision making, innovation and corporate resilience.

**Relationships with distributors are of vital importance for Grupo Lamosa.**



### CUSTOMER EXPERIENCE & SAFETY

GRI 3-3, 416-1; SASB CG-BF-250A.1

Grupo Lamosa fosters open communication with customers to ensure that they are well informed about its product offerings. The company utilizes multiple channels and strategies to maintain an ongoing dialogue, facilitating access to key product information.

The websites of Grupo Lamosa’s different brands provide details on available products and the location of authorized distributors. Additionally, the company engages with customers through social media, addressing inquiries, suggestions and feedback to enhance service accessibility and responsiveness.

Most of the Lamosa tile brands have integrated virtual tools into their websites, allowing customers to upload images of their spaces and visualize different product combinations in a realistic manner.

The Tile Business conducts annual brand perception studies through digital and physical surveys targeting consumers who have

purchased ceramic products in the last year, or plan to do so. This research identifies key purchasing decision factors such as quality, variety, accessibility and price-to-value ratio, enabling the company to refine its marketing strategies and strengthen its market position.

The Adhesives Business is aware that professionals such as architects, engineers and construction companies play a crucial role in product selection, especially for large projects. Therefore, brands such as Crest, Perdura and Niasa have developed platforms and initiatives—including conferences, expos, seminars and partnerships with architecture and engineering students—to position these professionals as brand ambassadors.

Installers are also key decision makers in this segment, influencing customer choices. To build stronger relationships with them, the company offers loyalty programs, training sessions, competitions, sponsorships and other engagement initiatives.

The Insulation and Lightweight Materials Business focuses on providing direct service to construction companies and developers, offering personalized attention to those managing multiple projects, as well as independent contractors and builders.

Regarding safety, Grupo Lamosa ensures product quality through rigorous material selection and production. Moreover, detailed technical sheets accompany each product, specifying its characteristics and usage instructions to facilitate proper application.

Certain adhesives products, especially those designed for tile applications, boast UL GREENGUARD certification, recognizing materials, additives, and finishes produced with low emissions and optimal levels of volatile organic compounds (VOCs). While not all products are certified, they are all manufactured following GREENGUARD\* recommendations, ensuring their safety.\*

**Certain products of the Adhesives Business boast UL GREENGUARD certification.**



\* SASB RT-CH410b.1 and RT-CH410b.2: 100% of new products are evaluated to ensure that they are produced with non-hazardous raw materials and to minimize the environmental impact. As of year-end 2024, none of Grupo Lamosa’s products contain, or are produced with, hazardous or concerning substances. Moreover, over the past year, the Adhesives Business has focused on optimizing formulations to reduce dust emissions.

# TALENT DEVELOPMENT

GRI 3-3

## HUMAN CAPITAL MANAGEMENT

Grupo Lamosa recognizes that human talent is a key driver of business success. Thus, the company is committed to fostering a positive and safe work environment that promotes collaboration, personal development and employee well-being. Additionally, it implements initiatives to attract highly skilled talent and enhance retention and engagement.

Beyond complying with labor regulations in all operating countries, Grupo Lamosa offers additional benefits to improve employees' quality of life.

To reinforce the corporate culture and a sense of belonging, the company implements initiatives that promote integration, commitment and an inclusive work environment where all employees feel valued.

**Grupo Lamosa has 10,829 employees.**

**55% of the company's employees have a collective labor contract.**

As part of its commitment to labor rights, the company employs union personnel in its operations. With support from the Human Resources Department, collective agreements are periodically reviewed in accordance with the legislation of each particular country, to ensure fair compensation and benefits aligned with local labor-market conditions. This ongoing dialogue strengthens relationships based on mutual respect and collaboration.



## TRAINING AND DEVELOPMENT

GRI 3-3, 404-2

To support professional growth, Grupo Lamosa offers training programs designed to enhance employees' skills and competencies across their various roles and functions, focusing on developing the capabilities needed to address workplace challenges and contribute to the company's success.

### TRAINING PROGRAMS FOR OPERATIONS PERSONNEL

#### > **Advanced Technical School**

Designed for plant managers and technical staff in the Tile Business, focusing on key areas such as chemical processes and defect analysis.

#### > **Technical School in Mexico**

Provides in-house training for employees looking to improve technical skills related to the production processes.

#### > **Equipment-Specific Training Programs**

Focused on equipment operation and facility management, particularly in plants developing new products.

In addition to formal training programs, Grupo Lamosa offers an internal digital platform with access to an extensive library of courses covering specialized topics such as leadership, information technology and sales. This resource promotes continuous learning.

Employees undergo annual performance evaluations, and career development plans incorporate competency assessments every two years to identify growth opportunities.

**An average of nine hours of training per employee in 2024.**

### PROGRAMS FOR ADMINISTRATIVE STAFF

#### > **Leadership Model**

This program aims to enhance executive-level soft skills by providing management and personnel development tools.

**Over 40** executives across the company's various locations received training in 2024.

#### > **Mentorship Program**

Through six one-hour individual sessions, employees are guided by senior executives. Before beginning, both mentors and mentees attend a four-hour training session.

**More than 30** mentor-mentee pairs participated in 2024.

#### > **Rookies Program**

Designed for newly graduated professionals, this program offers rotational assignments across different departments for approximately two years, helping to identify and develop their strengths. This initiative identifies high-potential employees for key positions.

In 2024, the program was launched in Brazil.

#### > **Coaching**

Employees receive support in developing managerial skills through collaboration with external specialized consultants.

#### > **High-Potential Leaders in Development**

The objective of this program is to develop leaders who embody the company's corporate values and, through development plans, give them the necessary competencies and experience to fill key and executive roles, both current and future, that contribute to corporate objectives.

In 2024, three of the six modules of the "Effective Leader" program were held for high-potential corporate employees. The remaining three modules will be delivered in 2025.





## WORK ENVIRONMENT AND WELL-BEING

GRI 3-3

To assess and improve the workplace environment, Grupo Lamosa conducts an annual organizational climate survey across its three business units. The survey evaluates key aspects, such as working conditions, motivation, satisfaction, recognition, training and organizational structure, providing valuable insights to identify opportunities for improvement and strengthen employee engagement.

The results are analyzed, and the Human Resources department designs action plans to address areas of opportunity. Monthly follow-ups ensure the effectiveness of these initiatives. To comply with Mexico's NOM-035 regulations and equivalent requirements in other countries, the survey includes specific questions to identify potential psychosocial risks. The company also provides a specialized psychology service through an external provider to support employees with personal issues, contributing to their overall well-being.

**83% job satisfaction**  
in 2024.

To further support employees, Grupo Lamosa has implemented a program offering a wide range of professional services and assistance in human resources, physical and mental health, and legal matters. Currently available at two plants in Mexico, this program benefits both employees and their immediate families, and the company plans to expand it to other production sites and corporate offices.

Grupo Lamosa values employee loyalty and commitment. Therefore, employees with over 10 years of service receive a special recognition at an event attended by the executive team and the CEO.

## The goal for 2035 is to increase the percentage of women in the workforce by 20%.\*

### DIVERSITY AND INCLUSION GRI 3-3

Diversity is a fundamental value for Grupo Lamosa, as it is considered to be a key driver of innovation, growth and an inclusive work environment. The company is committed to promoting women's participation both within the organization and in the industry through initiatives and opportunities that foster gender equity and strengthen female talent at all levels.

Talent management processes—from recruitment to internal promotions—are conducted with equal opportunities, based on employees' competencies and performance, without any distinctions due to gender or personal characteristics.

To ensure that all workplace activities and interactions remain free from discrimination, Grupo Lamosa has established a Code of Ethics and a Diversity Policy, which define clear behavioral guidelines. Accessible and secure reporting mechanisms are also in place for any actions that violate the principles of diversity, equity and inclusion.

The following programs were launched in 2024:

#### WOMEN READY PROGRAM

Aimed at women in managerial and supervisory roles, this initiative spans over 40 hours and is designed to promote their professional development and strengthen their presence in leadership roles.

In total, 13 women in management and supervisory positions participated in this program in 2024.

#### WOMEN LEADERS IN DEVELOPMENT

This training program seeks to accelerate the careers of high-potential female employees by providing them with tools to improve interpersonal relationships and, consequently, their work performance. The program consists of 10 training sessions.

In 2024, 36 high-potential women began participating in this initiative.



To promote female leadership and development within the organization, specialized training programs have been implemented, equipping female employees with the necessary skills in leadership, management

and decision making. These training sessions support professional growth by providing the knowledge and confidence required to take on higher-responsibility roles.

\* This initiative is part of one of the five commitment goals set by Grupo Lamosa in 2024. For more information, refer to [Appendix 1.3 ESG Strategy](#). As of the end of 2024, women accounted for 18% of the total workforce.

**OCCUPATIONAL HEALTH AND SAFETY**  
 GRI 3-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8\*; SASB RT-CH-320A.2

Ensuring employee safety and well-being is a number one priority for Grupo Lamosa, so it has implemented its own prevention-focused safety model based on the recommendations of the international Occupational Safety and Health Administration (OSHA)\*. The model strengthens the safety culture across all operations, minimizing risks and protecting employees.

The methodology of the model involves a four-stage adoption process, where each worksite is assigned a level based on the extent of the model's implementation. Committees at the plant, business and corporate levels are responsible for its adoption and implementation.

\* Grupo Lamosa's occupational health scheme covers 100% of its employees.

**STAGES OF GRUPO LAMOSA'S SAFETY MODEL**

**Stage 0**

Safety Model Implementation

Adopting and recognizing the Safety Model vision.

**Stage 1**

Safety Model Establishment and Development

Laying the groundwork for the model, defining roles and responsibilities, and promoting a safety culture throughout the organization.

**Stage 2**

Safety Model Implementation and Continuous Improvement

Defining specific programs for each area, identifying and complying with legal requirements, and implementing training programs, measurement systems and internal communication.

**Stage 3**

Safety Model Institutionalization and Optimization

Creating and operating crisis committees, establishing indicator and personnel-certification systems, and implementing prevention and risk-management programs.

**Grupo Lamosa has set the goal of reducing its Total Recordable Incident Rate (TRIR) by 50% to 0.59 in 2035\*\*.**

Additionally, on-site medical personnel provide healthcare services and support annual safety campaigns, events and informational sessions.

In 2024, Grupo Lamosa enhanced daily safety practices by introducing an organization-wide alert system to prevent incident recurrence at its plants. When incidents occur at plants within the same business unit, dedicated team discussions are held to analyze and reinforce preventive measures. For plants in different business units, information is shared without direct intervention, to ensure the widespread adoption of best practices.

\*\* This is one of the five commitment goals that Grupo Lamosa established in 2024. For more information, refer to [Appendix 1.3 ESG Strategy](#). The TRIF calculates the incident rate by considering minor accidents as disabling. The established baseline is as of 2023, with a rate of 1.17.

A global approach to incident management has also been adopted: in the event of an accident, the highest-ranking site authority reports it directly to the CEO. This measure has positively influenced the organization, strengthening awareness and commitment to safety at all levels.

Furthermore, new standardized safety and health indicators are being introduced across operations. In the safety domain, disparities in accident criteria across countries were identified, leading to the implementation of a unified corporate standard with new categories. In the health domain, professional illnesses specific to each operation and ergonomic factors applicable to all business units were analyzed.

## COMMUNITY CONTRIBUTIONS

SASB RT-CH-210A.1

Grupo Lamosa maintains close relationships with its local communities, ensuring operational legitimacy based on mutual respect, while contributing to social and economic development.

Key initiatives in favor of the community include the continuous monitoring of potential impacts on surrounding areas to prevent and immediately mitigate any negative effects. Additionally, an ongoing dialogue with

local representatives supports various community engagement initiatives across all operating regions.

Initiatives implemented in 2024 included the distribution of school supply kits benefiting 155 children—35 in Bogotá and 120 in Guarne—in rural schools.

The Guarne Entrepreneurship Program, launched in 2017, continued to support local

drivers in formalizing transportation businesses. As a result, eight transport companies now move materials from mines to plants, generating employment and strengthening local economies.

In Chile, collaboration with *Fundación ALAS* led to the construction of accommodation for children requiring surgery and hospitalization at the Institute of Neurosurgery, providing a safe recovery space for patients and their families.

In Mexico, the company led a food donation initiative for the San Judas Tadeo Nursing Home in Tlaxcala. With the participation of nearly 200 employees, food supplies were provided for 74 elderly residents, improving their well-being and quality of life.



# ENVIRONMENTAL MANAGEMENT

SASB RT-CH530A.1

Acknowledging the possible environmental impacts resulting from its operations, Grupo Lamosa has adopted a proactive approach to addressing these challenges, constantly seeking innovation and continuous improvement.

This year, the company defined five strategic sustainability goals, three of which are directly related to environmental performance and further detailed throughout this chapter. In this context, an action plan\* has been developed with the expectation of reaching the defined targets by 2035\*\*.

Grupo Lamosa operates in strict compliance with environmental regulations in all countries where it is present, meeting the requirements set by the different authorities on matters including greenhouse gas emissions, waste management, water use and air pollutant emissions, among others. The company has the internal capabilities to monitor applicable regulations, standards and laws, allowing it to anticipate potential changes or requirements.



As of the end of 2024, one of the Tile Business's production plants had obtained Clean Industry Certification awarded by the Mexican Federal Office for Environmental Protection (PROFEPA), and another plant is currently in the process of certification, implementing the associated action plan.

*\* This action plan includes the participation of the Tiles, Adhesives, and Insulation and Lightweight Materials Businesses.*

*\*\* For further information on the established sustainability goals, see [Appendix 1.3 ESG Strategy](#).*



JUAN RAMBLA

Quality and Environment  
BALDOCER



Obtaining ISO 50001 certification represents a significant milestone for BALDOCER, underscoring our commitment to energy efficiency and sustainability.

This certification validates our efforts to implement effective energy management systems, optimize resource use and reduce our environmental footprint.

Holding this certification strengthens our position as a responsible company that is mindful of its surroundings, aligning our operations with international best practices and reinforcing our competitiveness in the market.

This achievement marks a key step toward a more sustainable and efficient future. ”

## CLIMATE ACTION

GRI 3-3; SASB RT-CH-110A.1, EM-CM-110A.2

The company has developed an action plan to decrease its CO<sub>2</sub> emissions, primarily in the Tile Business. The goal is to reduce Scope 1 and 2\* emissions by 25%, using the year 2023 as a baseline. To achieve this, four main action lines have been established:

### ACTION LINES DEFINED TO REDUCE SCOPES 1 AND 2 GHG EMISSIONS

No.	Line of Action	Action Focus
1	Energy management system	Implement best energy efficiency practices, using as a reference successful cases such as Baldocer, whose two production plants in Spain are ISO 50001 certified.
2	Energy self-generation	Increase the number of plants with photovoltaic panels for electricity self-generation. Currently, Grupo Lamosa self-generates electricity thanks to efforts in the Insulation and Lightweight Materials Business, as well as at Baldocer's production plants in Spain. The goal is to scale this initiative in other locations.
3	Changes in production processes	Reduce Scope 1 emissions in the production of ceramic and porcelain tiles. Grupo Lamosa continues reducing the thickness of its products in line with market trends. As a result, fuel consumption will decrease.
4	Use of clean/renewable energy sources	Grupo Lamosa is exploring the use of hydrogen as an alternative to natural gas. The goal is to assess its feasibility.

\* Scope 1 emissions are those generated from fuel consumption at Grupo Lamosa's facilities. Scope 2 emissions refer to those resulting from the use of purchased electricity.

For further information on the established sustainability goals, see [Appendix 1.3 ESG Strategy](#).



The company has a greenhouse gas emissions inventory aligned with the international GHG Protocol. This means that Grupo Lamosa ensures the traceability and reliability of fuel and electricity consumption across all its production plants.

For more information on energy consumption and emissions generated, refer to the environmental section in [Appendix 1.7 Key ESG Indicators](#).

**Grupo Lamosa has set the objective of reducing its Scope 1 and 2 emissions\*\* by 25% by the year 2035.**

\*\* Emissions for the base year 2023 were 31.9 tons of CO<sub>2</sub>e/thousand pesos. The goal is to reduce this figure to 23.9 tons of CO<sub>2</sub>e/thousand pesos by 2035.

## CIRCULARITY

2023: GRI 3-3, 303-1, 303-2, 306-1, 306-2; SASB RT-CH-140A.3, CG-BF-410A.1, CG-MR-410A.3

Grupo Lamosa's approach to promoting circularity focuses on two fundamental pillars: waste management and efficient water use.

## WASTE

GRI 306-1, 306-2; SASB CG-BF-410A.1

Most of the waste generated corresponds to the Tile Business, due to the raw and fired paste waste produced in some phases of the production process, which is reused by reintegrating it as a raw material.

Hazardous waste is disposed of through a specialized third party, thus avoiding any type of negative environmental impact.

For more information on the amount of waste generated, refer to the environmental section in [Appendix 1.7 Key ESG Indicators](#).

## WATER

GRI 303-1, 303-2; SASB RT-CH-140A.3

Grupo Lamosa recognizes that water is a vital natural resource for its operations. Its businesses source water from various supplies such as natural wells, water trucks and municipal networks, among others.

The main water-related impacts occur in the Tile Business. To reduce the volume extracted, a percentage of consumed water is reused in the grinding process. Additionally, the company aims to transition to dry production processes, both for red and porcelain ceramic pastes. Furthermore, Grupo Lamosa is exploring technologies to capture evaporated water.

**Grupo Lamosa has set the goal of maintaining the volume of waste reused in its production processes at 95% to the year 2035\*.**

*\* Target applicable to the Tiles, Adhesives, and Insulation and Lightweight Materials Businesses.*

Lastly, the possibility of implementing rainwater harvesting systems in certain locations is being evaluated, considering variables such as rainfall probability, water cost and areas of water stress, among others.

It is important to note that the water used in the company's operations is treated under high-quality standards to ensure it is returned to the environment in the same condition in which it was extracted. During 2024, no water-related fines or sanctions were incurred.

For more information on the volume of water extracted, consumed and discharged, refer to the environmental section in [Appendix 1.7 Key ESG Indicators](#).

**The target for 2035 is to reduce the amount of water extracted by 50%\*\*.**

*\*\* The water withdrawal intensity for the base year 2023 is 63.6 liters/thousand pesos. The aim is to reduce it to 31.8 liters/thousand pesos by 2035.*

## MATERIALS

The Insulation and Lightweight Materials Business seeks to incorporate a percentage of recycled materials in its production of expanded polystyrene (EPS).

**The Insulation and Lightweight Materials Business boasts SEMARNAT (Mexican environmental agency) certification, recognizing its efforts to collect and recycle different materials.**

It is important to note that EPS products have a positive indirect impact on reducing greenhouse gas emissions since they possess insulating properties, which significantly reduce energy consumption in the buildings and facilities where they are used.

For more information on FANOSA's contribution to promoting sustainable materials in the construction sector, see [Appendix 1.4 Associations, Initiatives, Certifications and Awards](#).



# ABOUT THIS REPORT

GRI 2-2, 2-3, 2-14



Grupo Lamosa presents this, its third Integrated Report, in which the company discloses its main financial results, as well as the progress made through its sustainability strategy with regard to the environment, social issues and governance.

The financial and non-financial information in the report corresponds to the period from January 1 to December 31, 2024, and includes the activities carried out by Grupo Lamosa, S.A.B. de C.V. in the nine countries where it operates through its various subsidiaries.

All content has been validated by the areas involved in managing the main material topics and has been reviewed by senior management.

To prepare this report, the topics identified in the company's most recent double materiality assessment were considered. In addition, international standards such as those of the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB) were used, with their specifications detailed below.



The company's financial statements are reported under International Financial Reporting Standards (IFRS).



The latest updated versions of the GRI Universal Standards 1, 2, and 3 (2021) were used, as well as relevant topic-specific standards, responding to socio-environmental materiality.



SASB standards were used to address financial materiality and meet information requirements especially requested by investors. The following standards were used:

- Building materials
- Construction products and furnishings
- Chemicals



Grupo Lamosa also communicates its contribution to the Sustainable Development Goals (SDGs) most relevant to its operations:

- SDG 3: Good health and well-being
- SDG 4: Quality education
- SDG 5: Gender equality
- SDG 7: Affordable and clean energy
- SDG 8: Decent work and economic growth
- SDG 9: Industry, innovation and infrastructure
- SDG 10: Reduced inequalities
- SDG 12: Responsible consumption and production
- SDG 13: Climate action
- SDG 16: Peace, justice and strong institutions

For more information, refer to [Appendix 1.5 Commitment to the SDGs](#).



The report also reaffirms Grupo Lamosa's commitment to the Ten Principles of the United Nations Global Compact, one of the world's pioneering sustainability initiatives.

For more information, refer to [Appendix 1.6 Commitment to the United Nations Global Compact](#).

## How to Identify the Contents

**Throughout the chapters**, the information presented is mainly qualitative and related to GRI standards, as well as parameters established by SASB standards, as indicated at the beginning of each chapter or section.

**Appendix 1** presents a detailed breakdown of the company's quantitative progress in environmental, social and governance topics. Specific appendices describe the process of defining Grupo Lamosa's sustainability strategy and its contributions to international initiatives. Lastly, the reporting indices of the sustainability standards used are presented.

**Appendix 2** presents the reports of the Audit and Corporate Practices Committees.

**Appendix 3** presents the independent auditors' reports, as well as Grupo Lamosa's consolidated financial statements.



# APPENDIX 1: ESG APPROACH

- 46**  
Appendix 1.1 Stakeholders
- 48**  
Appendix 1.2 Materiality Analysis
- 50**  
Appendix 1.3 ESG Strategy
- 54**  
Appendix 1.4 Associations, Initiatives, Certifications and Awards
- 57**  
Appendix 1.5 Commitment to the SDGs
- 59**  
Appendix 1.6 Commitment to the United Nations Global Compact
- 61**  
Appendix 1.7 Main ESG Indicators
- 75**  
Appendix 1.8 Reporting Standards



## APPENDIX 1

## 1.1 STAKEHOLDERS

GRI 2-29

Grupo Lamosa maintains a continuous and close dialogue with its stakeholders to identify and address their needs and expectations. This proactive approach fosters the creation of strong and trusting relationships, as well as the generation of shared value.

The table below details the value proposition and main channels for each stakeholder group:

Stakeholders	Value Proposition	Channels
Investors, stockholders and other capital providers	Generate economic value by ensuring the company's long-term financial sustainability, progressing in accordance with the approved strategic plan. Identify and address risks and opportunities. Be transparent about results, including ESG performance.	<ul style="list-style-type: none"> <li>• Stockholders' Assemblies</li> <li>• Investor relations area</li> <li>• Transparency Hotline</li> <li>• Meetings with analysts</li> <li>• Earnings reports</li> </ul>
Distributors	Work jointly to facilitate product reach to the end consumer, with coordinated inventory management, innovative products and brand support.	<ul style="list-style-type: none"> <li>• Distribution agreements</li> <li>• Visits from area or product managers</li> </ul>
Customers	Contribute to improved living and working spaces with quality materials that meet diverse needs. Innovatively address lifestyle changes.	<ul style="list-style-type: none"> <li>• Third-party stores</li> <li>• Visits from sales advisors</li> <li>• Grupo Lamosa brand websites and commercial apps</li> <li>• Transparency Hotline</li> <li>• Focus groups and other consultations</li> </ul>



Stakeholders	Value Proposition	Channels
Employees	Provide job and professional development opportunities, ensuring health and safety. Build teams that consider employee well-being and promote engagement.	<ul style="list-style-type: none"> <li>Workplace climate assessments</li> <li>Intranet</li> <li>Transparency Hotline</li> </ul>
Suppliers	Partner to deliver quality products with aligned principles and values. Develop efficient relationships that ensure Grupo Lamosa’s production continuity and the corresponding financial return for suppliers.	<ul style="list-style-type: none"> <li>Transparency Hotline</li> <li>Contracts and purchase orders</li> <li>Local and SME supplier development</li> </ul>
Government	Operate legally and ethically.	<ul style="list-style-type: none"> <li>Participation in thematic meetings and consultation forums</li> <li>Response to requirements</li> </ul>
Academia	Provide opportunities to materialize innovation in materials, technology and products, while creating jobs for different kinds of professionals.	<ul style="list-style-type: none"> <li>Agreements for research projects or internships</li> <li>Participation in job fairs</li> <li>Presence at thematic events</li> </ul>
Media	Respect their interest in operations and stakeholder relations. Report the company’s performance in ways that increase stakeholder reach.	<ul style="list-style-type: none"> <li>Press conferences</li> <li>Press releases</li> <li>Participation in reports and interviews</li> </ul>
Communities	Be a good neighbor, creating job and development opportunities, without harming living conditions and protecting the environment.	<ul style="list-style-type: none"> <li>Transparency Hotline</li> <li>Donation programs</li> <li>Dialogue with neighbors</li> <li>Volunteer projects</li> </ul>

## 1.2 MATERIALITY ANALYSIS

GRI 3-1, 3-2

In order to improve its sustainability performance, Grupo Lamosa conducted its first materiality analysis in 2022. This exercise enabled the company to identify ESG priorities that are key to its business strategy.

The analysis methodology applied the concept of double materiality, which evaluates: the most significant impacts the company generates externally, on the environment, society and other stakeholders (environmental and social materiality); and also the ESG aspects most likely to influence the company's operational and financial performance, responding to market and investor expectations (financial materiality).

The identification of material impact topics was carried out following the methodology of the Global Reporting Initiative (GRI). To properly understand the sector's sustainability expectations, a global analysis of ESG trends was conducted by reviewing international documentation and references.

Once the potentially material topics had been identified, stakeholders were consulted through interviews, focus groups and surveys. These methods were applied to various groups, such as senior management, employees, customers, distributors and suppliers, with the objective of prioritizing the selected topics and ensuring they reflected the expectations and priorities of company's key actors.

This consultation process produced a list of 16 material topics, which senior management validated internally.

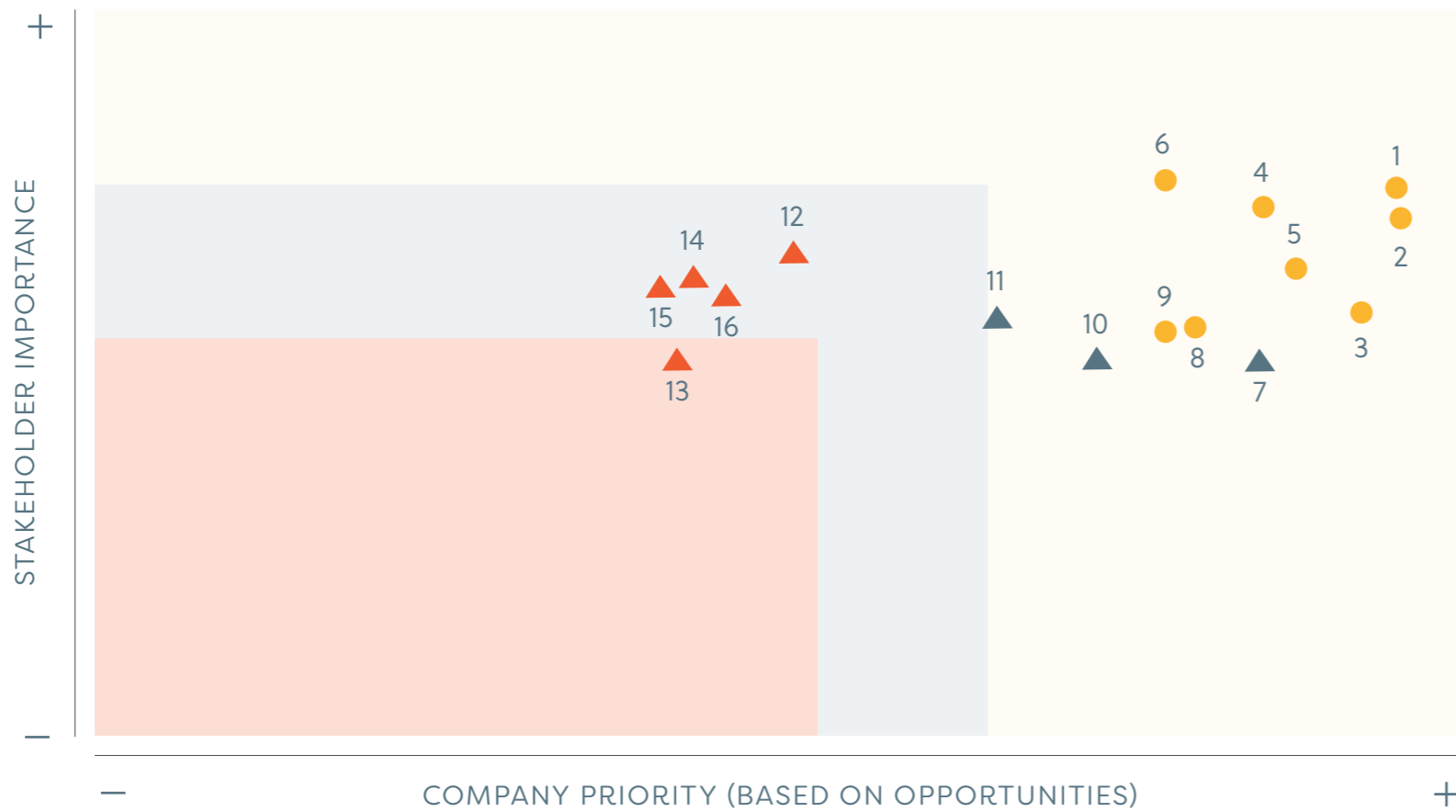
Additionally, the financial materiality recommended by the Sustainability Accounting Standards Board (SASB) of the IFRS Foundation was incorporated. This organization provides a series of industry-specific standards defined through an international analysis and consultation process. Specifically, the recommended standards for the sectors in which Grupo Lamosa operates were applied, being:

- Construction Materials
- Building Products and Furnishings
- Chemicals

To identify additional indicators not covered by the aforementioned standards, key operational aspects were also reviewed, such as main sources of income and inputs for value creation, as well as the operating environment, which includes economic, regulatory, operational and business factors.



Finally, both processes were consolidated to develop the integrated materiality matrix, including environmental, social and financial impact topics, which is presented below:



- Material topics with socio-environmental impact
- ▲ Financially material topics
- ▲ Doubly-impacting material topics

Materiality		Material topics
Socio-environmental	1	Customer Service
Socio-environmental	2	Product Innovation
Socio-environmental	3	Digital Transformation
Socio-environmental	4	Employee Health and Safety
Socio-environmental	5	Economic Performance
Socio-environmental	6	Quality Products (Customer Health)
Doubly impacting	7	Talent Attraction and Retention
Socio-environmental	8	Omnichannel and Distributor Relations
Socio-environmental	9	Automation and Operational Process Efficiency
Doubly impacting	10	Supply Chain Management
Doubly impacting	11	Energy Consumption Management
Financial	12	Data Protection
Financial	13	Product Lifecycle
Financial	14	Work Environment
Financial	15	Management of Chemicals in Products
Financial	16	Diversity and Equal Opportunity in the Workforce

## 1.3 ESG STRATEGY

Grupo Lamosa has identified the most important Environmental, Social and Governance (ESG) aspects for its operations. These priorities were outlined through a previously-conducted materiality analysis, allowing the company to establish a strategic sustainability model composed of five pillars, each with different lines of action.

### SUSTAINABLE DEVELOPMENT GOALS (SDGs) RELATED TO THE STRATEGY

SDGs			ACTION LINES
			1.1 Corporate Governance 1.2 Compliance Culture 1.3 Supply Chain Management
			2.1 Sustainable Living 2.2 Customer Experience
			3.1 Safety and Health 3.2 Employee Development 3.3 Work Environment 3.4 Community Contribution
			4.1 Materials and Technology
			5.1 Climate Action: Energy and Emissions 5.2 Circular Economy: Water and Waste

Grupo Lamosa's strategic sustainability model is shown below:





Focus Area	Purpose	Relationship to Material Topics
<b>1. Business Integrity and Soundness</b>	Ensure the medium- and long-term sustainability of the company by making decisions that deliver holistic value to all stakeholders, promoting ethical practices and a culture of compliance at all levels of the organization, including the supply chain.	<ul style="list-style-type: none"> <li>• Economic performance</li> <li>• Supply chain</li> </ul>
<b>2. Customer Focus</b>	Improve customers' quality of life by offering products suited to their needs that also contribute to creating more sustainable homes/workplaces (e.g., using fewer energy resources).	<ul style="list-style-type: none"> <li>• Customer service</li> <li>• Omnichannel distribution and distributor relations</li> <li>• Data protection</li> </ul>
<b>3. Talent Development</b>	Ensure the safety, health and well-being of employees while fostering their professional and personal development. Create teams in a positive work environment based on trust. Involve employees in community development as part of being a good neighbor.	<ul style="list-style-type: none"> <li>• Employee health and safety</li> <li>• Talent attraction and retention</li> <li>• Work climate</li> <li>• Workforce diversity and inclusion</li> </ul>
<b>4. Innovation and Product Quality and Safety</b>	Offer products aligned with the highest quality standards, ensuring customer safety and durability. Leverage technology to increase process efficiency and innovate the product portfolio.	<ul style="list-style-type: none"> <li>• Digital transformation</li> <li>• Product innovation</li> <li>• Quality products</li> <li>• Operational efficiency and automation</li> <li>• Management of product chemicals</li> </ul>
<b>5. Environmental Management: Circularity and Climate Action</b>	Optimize energy use and reduce greenhouse gas (GHG) emissions for a lower environmental impact. Operate under circularity principles in process, product and service design to minimize waste generation.	<ul style="list-style-type: none"> <li>• Energy consumption management</li> <li>• Product life cycle</li> </ul>






## 2035 ESG GOALS

During 2024, Grupo Lamosa worked on defining five strategic sustainability goals focused on issues critical to both its business strategy and stakeholder expectations. The establishment of these goals is the result of an internal awareness and maturity initiative that was implemented in recent years.

The process began in 2022 with the company's first materiality analysis, which identified the most important issues for the company. In 2023, quantitative indicators related to previously identified material topics were determined. This exercise helped foster a culture of non-financial information management and reporting across the different departments and production sites. In March of that same year, Grupo Lamosa published its first Integrated Annual Report.

During the second half of 2023, a digital platform was developed to facilitate the capture of quantitative and qualitative data. Finally, in the same year, the Sustainability Committee was institutionalized.

The goals established, as reviewed and approved by the members of the Sustainability Committee, are shown in the figure on the right:

Goal	2023 Baseline	2035 Target	Key Performance Indicator KPI
 <b>Reduce</b> CO <sub>2</sub> emissions (Scope 1 and 2) by 25%	31.9	23.9	Tons of CO <sub>2</sub> e / million pesos
 <b>Maintain</b> waste reused in the production process at 95% <sup>1</sup>	95%	95%	% of materials reused in the production process
 <b>Decrease</b> the volume of water extracted by 50%	63.6	31.8	Liters / thousand pesos
 <b>Reduce</b> the occupational accident rate	1.17	0.59	TRIR <sup>2</sup>
 <b>Increase</b> the proportion of women in the workforce by 20%	18%	21%	% of women in the workforce

1 Applicable to the Wall and Floor Tile and Insulation and Lightweight Materials operations.

2 TRIR considers all incidents, with and without lost time, and is applicable to the operations of the Wall and Floor Tile, and Insulation and Lightweight Materials Businesses.

# ESG COMMITTEE

GRI 2-12, 2-13, 2-22

In 2023, Grupo Lamosa formalized its Sustainability Committee, whose primary objective is to monitor risks, opportunities and impacts related to the company's most material topics. Additionally, the committee is the highest authority responsible for overseeing the process of reaching the established sustainability goals.

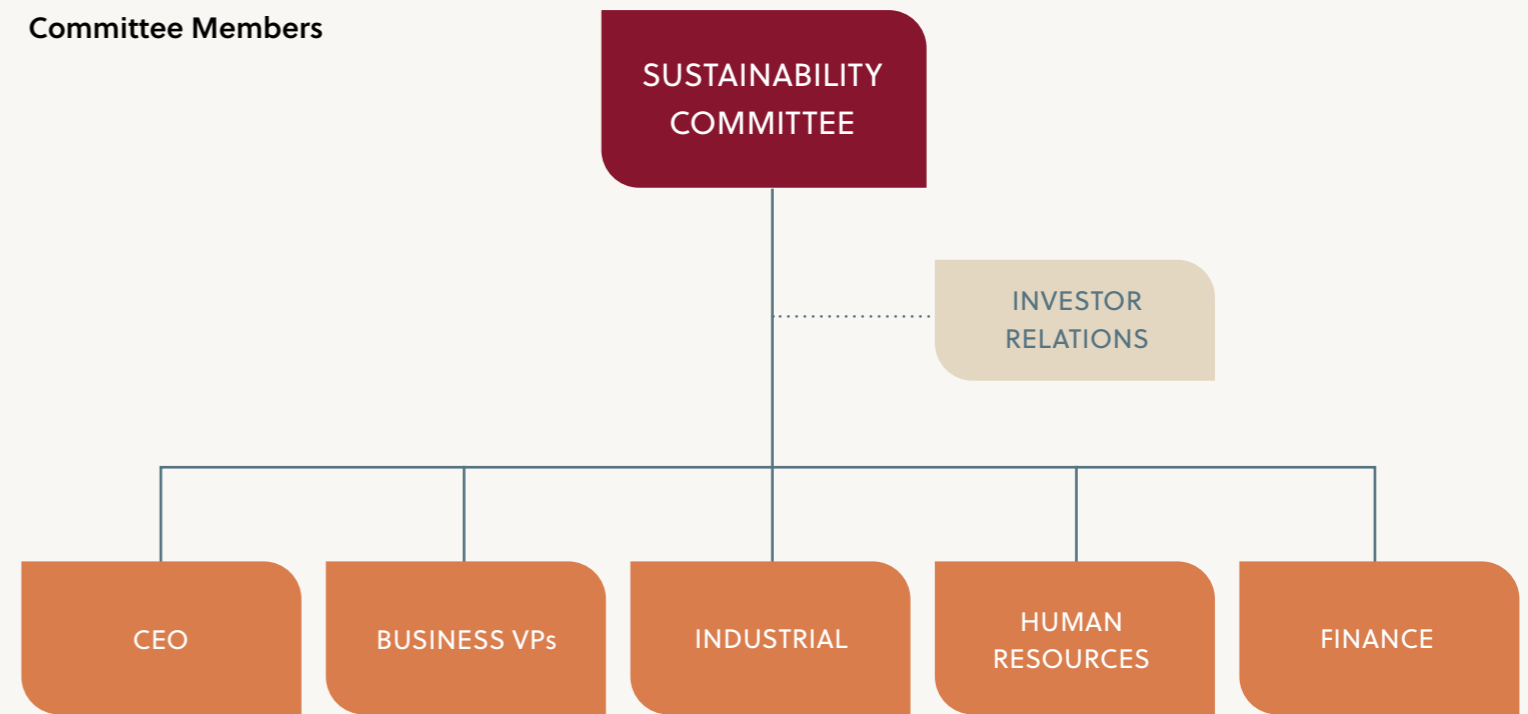
The committee is composed of the CEO, the Chief Financial Officer and the VPs of Human Resources, Tiles and Adhesives, along with their respective Industrial and HR Directors. These members partner with the company's Strategic Planning and Development department to facilitate the process.

In 2024, the committee held two sessions in which it tracked the traceability of social and environmental indicators to be reported in Grupo Lamosa's Integrated Annual Report. One of the committee's key achievements was the approval of the company's 2035 sustainability goals. The committee also addressed issues related to new sustainability-related regulations.

The Sustainability Committee reports its progress and resolutions to the Audit Committee, which in turn reports to the Board of Directors.

## GRUPO LAMOSA SUSTAINABILITY COMMITTEE

### Committee Members



2 Sustainability Committee sessions per year

## 1.4

## APPENDIX 1.4 ASSOCIATIONS, INITIATIVES, CERTIFICATIONS AND AWARDS

GRI 2-28

## Participation in Business Chambers

Grupo Lamosa acknowledges the importance of collaborating with other organizations in its sector to maximize the impact of its efforts and create positive change in the regions where it operates. Through strategic alliances, it seeks to amplify its actions and contribute to collective solutions that foster sustainable development.

Name	Country
Tile Council of North America (TCNA)	United States / Mexico
Mexican Chamber of Industry (Cámara de la Industria y Transformación, CAINTRA)	Mexico
Mexican Employers' Confederation (Confederación Patronal de la República Mexicana, COPARMEX)	Mexico
Mexican Chamber of Commerce, Services and Tourism (Cámara de Comercio, Servicios y Turismo, CANACO)	Mexico

## Initiatives

**Business Alliance for Technical Education:** Promoted by CAINTRA, this initiative brings together the most important companies in the state of Nuevo León to foster the development of qualified technical personnel. Through its intervention model, it supports students of the National College of Technical Professional Education (CONALEP), helping them to complete their studies and acquire solid training for successful labor-market integration. The alliance also promotes gender equity in the workplace through a special track aimed at increasing technical training for women.



Grupo Lamosa contributes to this initiative through employee volunteer time dedicated to training students on professional and socio-emotional topics and financial donations covering tuition and school supplies.

**Empresa Contigo:** This initiative aims to motivate companies in Nuevo León and Mexico to implement actions that improve their employees' working conditions in four areas: Fair wages; Health; Diversity, equity and inclusion; and Education.

Grupo Lamosa actively participates in *Empresa Contigo*, promoted by COPARMEX in collaboration with other companies, organizations and business chambers, including CAINTRA and CANACO.

The initiative promotes practices that improve employees' quality of life and well-being, thereby enhancing business results and contributing to Mexico's development.

**Currently, more than 300 companies have adopted best practices in these four areas.**



### Firenze Awards:

Since 2015, Grupo Lamosa, through its porcelain tile brand Firenze, has collaborated with Entremuros, a publication specializing in architecture and interior design, to organize an award that recognizes Mexico’s best architectural and interior design projects in the following categories:

- Corporate Buildings
- Public Architecture
- Residential Buildings
- Commercial Interior Design
- Residential Interior Design
- Sustainable Architecture

Thanks to its support for new generations of architects, designers and interior decorators—as well as its promotion of best practices and emerging trends in the construction industry—the Firenze Awards have become a key platform for fostering the sector’s continuous development.

### Government partnerships for sustainability

In addition to its collaboration with business chambers, Grupo Lamosa has made a great effort to promote thermal insulation as a key strategy for energy efficiency in buildings, through its Insulation and Lightweight Materials Business, in partnership with local Mexican governments.

In partnership with the Mexican Ministry of Energy, the company contributed to the creation of the “Design Recommendations for Buildings in Sonoran Climates” manual and provided training sessions for construction professionals in Hermosillo and Caborca on NOM-020 and the appropriate selection of materials.

At the municipal level, it worked with the Hermosillo Municipal Energy and Climate Change Agency on the “Escudo Solar” program, where three pilot thermally-insulated homes were built. Additionally, together with the CEELA project<sup>1</sup>, Grupo Lamosa supported the proposal of incentives for sustainable construction aimed at reducing costs and expediting permitting procedures.

The company also participated in the IMPLAN<sup>2</sup> Citizen Consultation, where it proposed verification mechanisms for compliance with insulation regulations in construction permits. Finally, at the World Solar Energy Forum, it gave presentations and workshops on energy efficiency, highlighting thermal insulation as a key sustainability factor.

### Trade show participation

The following table outlines the main trade shows in which the Tile Business participated during the year. These events were essential for promoting its innovative products and solutions, establishing strategic partnerships and strengthening the company’s position in the industry.

#### INTERNATIONAL TRADE SHOWS

Trade Show	Country	Participating Brands
Coverings	United States	Lamosa USA, Roca
Revestir	Brazil	Roca, Incepa
CEVISAMA	Spain	Roca, Baldocer
CERSAIE	Italy	Roca, Baldocer

#### LOCAL TRADE SHOWS

Trade Show	Country	Participating Brands
OBRA BLANCA EXPO	Mexico	Porcelanite, Lamosa, Firenze
Expo Camacol   Expoconstrucción	Colombia	San Lorenzo
Edifica	Chile	San Lorenzo, Cordillera
Expodeco	Peru	San Lorenzo

- <sup>1</sup> The Strengthening Capacities for Energy Efficiency in Buildings in Latin America (CEELA) project aims to train and advise sector professionals to promote energy-efficient buildings with adaptive comfort and low or zero CO<sub>2</sub> emissions.
- <sup>2</sup> IMPLAN is a decentralized public agency that seeks to provide the urban planning framework to guide the short-, medium- and long-term development of the Municipality of León.

## Certifications and awards

As a result of its continued efforts to improve production processes and adopt responsible practices, Grupo Lamosa has received various certifications and awards that reflect its commitment to sustainable development and the creation of shared value.

Certification / Award	Issuing Institution	Purpose / Focus
<b>Green Squared</b>	Tile Council of North America (TCNA)	Certain Grupo Lamosa tile products are certified under this standard, affirming that they comply with the highest sustainability standards.
<b>PTCA Certification</b>	Porcelain Tile Certification Agency (PTCA)	This certification verifies that Grupo Lamosa's tile products have a water absorption rate below 0.5%.
<b>Greenguard</b>	UL Environment	Some adhesive products are thus certified as low-emission and free from volatile organic compounds (VOCs).

Certification / Award	Issuing Institution	Purpose / Focus
<b>"Company Promoting Decent Work" Award</b>	Government of Tlaxcala	The Gres, Pavillion, Keramika and Porcel Plants were recognized for promoting training, gender equality, fair wages and youth labor protection.
<b>Nuevo León Competitiveness Award</b>	Government of Nuevo León, CCM and CAINTRA	CREST was hereby honored for operational excellence and its commitment to quality and innovation.
<b>Innovation and Sustainability Award</b>	TecnAwards	Grupo Lamosa received this award for 2023–2024 technological investments that promote innovation in products, processes and environmental care.
<b>Best in Show Award</b>	Coverings	ROCA/Lamosa USA were recognized for the innovation and creativity of their booth design.
<b>"Top Compliance Company" Recognition</b>	Infonavit	FANOSA was recognized in 2024 for full compliance with labor obligations.
<b>Best Global Implementation Strategy</b>	Cornerstone	Grupo Lamosa's HR team was recognized for successfully implementing a management system across nine countries.

## 1.5 COMMITMENT TO THE SDGs

In line with its commitment to sustainability, Grupo Lamosa actively contributes to the 2030 Agenda through the implementation of actions and initiatives that support the Sustainable Development Goals (SDGs).

As part of the materiality assessment conducted in 2022, the company identified the most important topics for its business operations, as well as the SDGs where it has a significant impact. The main contributions made by the company are shown below:

SDG	3 GOOD HEALTH AND WELL-BEING 	4 QUALITY EDUCATION 	5 GENDER EQUALITY 	7 AFFORDABLE AND CLEAN ENERGY 
Contribution	Implementation of an in-house occupational health and safety management system based on OSHAS 18001 guidelines and focused on accident prevention.	<p>Training focused on skill development for effective job performance:</p> <ul style="list-style-type: none"> <li>• Leadership Model: executive-level soft skills training.</li> <li>• Advanced Technical School: technical and leadership training for plant managers.</li> <li>• Operational Technical School: workforce training and development.</li> </ul>	Female empowerment and gender equality are core pillars for the company. Various initiatives promote inclusion and ensure equal opportunities. Grupo Lamosa has set the goal of increasing women's participation in its workforce by 20%.	The company uses renewable energy, primarily self-generated through solar panels, in the Insulation and Lightweight Materials Business. In the Tile Business, energy consumption is optimized through cogeneration processes that reuse excess heat from firing in the spray-drying process. Grupo Lamosa continuously invests in equipment maintenance and renewal to improve energy efficiency.
Indicators	<p>Total Recordable Incident Rate (TRIR):</p> <p><b>Tiles: 1.12</b></p> <p><b>Adhesives: 0.43</b></p> <p><b>Insulation and Lightweight Materials: 0.78</b></p>	<p>Average training hours:</p> <p><b>Women: 10.06</b></p> <p><b>Men: 8.51</b></p>	<b>18%</b> of the workforce is <b>female</b> .	<p><b>15%</b> of the energy used in the Tile Business is from cogeneration.</p> <p><b>10%</b> of the energy used in the Insulation and Lightweight Materials Business is self-generated via solar panels.</p>

SDG	<b>8</b> DECENT WORK AND ECONOMIC GROWTH 	<b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE 	<b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION 	<b>13</b> CLIMATE ACTION 	<b>16</b> PEACE, JUSTICE AND STRONG INSTITUTIONS 
<b>Contribution</b>	<p>Employment opportunities are created through the company's national and international presence. The company conducts surveys to monitor employee satisfaction across its business units.</p>	<p>Grupo Lamosa offers sustainable products in the Tile and Adhesives Businesses, many of which are certified by agencies such as the Porcelain Tile Certification Agency (PTCA) and UL GREENGUARD.</p>	<p>A comprehensive waste management process is in place to reduce waste and maximize material reuse and recycling. Efficient water use is prioritized through reuse and treatment processes.</p>	<p>Grupo Lamosa's primary energy source is natural gas, which has a lower environmental impact than other fuels. Recent efforts in the Tile Business have focused on reducing tile thickness (without compromising quality), thereby lowering emissions by reducing the fuel required during firing.</p>	<p>The company has a strong compliance culture aligned with its corporate values, Code of Ethics and internal policies. Suppliers and distributors are required to formally commit to adhering to its Code of Ethics.</p>
<b>Indicators</b>	<p><b>10,829 employees</b> in nine countries</p> <p><b>83%</b> employee satisfaction rate in 2024</p>	<p>Grupo Lamosa is currently identifying revenue generated from certified products.</p>	<p><b>WASTE</b></p> <p><b>Tiles:</b></p> <ul style="list-style-type: none"> <li><b>95%</b> of non-hazardous waste is recovered</li> <li><b>17%</b> of hazardous waste is recycled</li> <li><b>83%</b> of hazardous waste is managed by a specialized third party</li> </ul> <p><b>Adhesives:</b></p> <ul style="list-style-type: none"> <li><b>16%</b> of non-hazardous waste is recovered</li> <li><b>100%</b> of hazardous waste is managed by a third party</li> </ul> <p><b>Insulation and Lightweight Materials:</b></p> <ul style="list-style-type: none"> <li><b>80%</b> of non-hazardous waste is recovered</li> <li><b>100%</b> of hazardous waste is managed by a third party</li> </ul> <p><b>Water Management:</b></p> <ul style="list-style-type: none"> <li><b>34%</b> of water is reused in the Tile Business</li> <li><b>5%</b> of water is reused in the Insulation and Lightweight Materials Business.</li> </ul>	<p>Emission Intensity (A1+A2):</p> <ul style="list-style-type: none"> <li><b>Tiles:</b> 0.0045 (tCO<sub>2</sub>e / m<sup>2</sup>)</li> <li><b>Adhesives:</b> 0.0035 (tCO<sub>2</sub>e / Ton)</li> <li><b>Insulation and Lightweight Materials:</b> 1.0370 (tCO<sub>2</sub>e / Ton de EPS)</li> </ul>	<p><b>100%</b> of employees have received ethics training.</p> <p><b>372</b> reports were addressed via the Transparency Hotline in 2024.</p>

## 1.6 COMMITMENT TO THE UNITED NATIONS GLOBAL COMPACT

### HUMAN RIGHTS

Principle	Commitment	Actions
<p><b>Principle 1.</b> Businesses should support and respect the protection of internationally proclaimed human rights within their sphere of influence.</p>	<p>Grupo Lamosa is committed to respecting and upholding the Universal Declaration of Human Rights issued by the United Nations General Assembly across all its operations and jurisdictions.</p>	<ul style="list-style-type: none"> <li>The company's Code of Ethics outlines its commitment to human rights.</li> </ul> <p>To view the document, <a href="#">click here</a>.</p>
<p><b>Principle 2.</b> Businesses should make sure that they are not complicit in human rights abuses.</p>	<p>Grupo Lamosa is committed to ensuring that a growing number of its business partners—such as suppliers and distributors—adhere to its Code of Ethics.</p>	<ul style="list-style-type: none"> <li>The company's Code of Ethics outlines its commitment to human rights.</li> </ul> <p>To view the document, <a href="#">click here</a>.</p>

### LABOR STANDARDS

Principle	Commitment	Actions
<p><b>Principle 3.</b> Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.</p>	<p>Grupo Lamosa is committed to respecting the legal right to collective labor association in all countries where it operates.</p>	<ul style="list-style-type: none"> <li>As of year-end 2024, 55% of the workforce belonged to a union.</li> <li>The company respects each employee's decision regarding union affiliation.</li> </ul>
<p><b>Principle 4.</b> Businesses should eliminate all forms of forced and compulsory labor.</p>	<p>Grupo Lamosa strictly prohibits forced labor in any of its workplaces under any circumstances.</p>	
<p><b>Principle 5.</b> Businesses should support the effective abolition of child labor.</p>	<p>Grupo Lamosa does not permit child labor under any circumstances.</p>	
<p><b>Principle 6.</b> Businesses should eliminate discrimination in employment and occupation.</p>	<p>The company is committed to addressing cases of discrimination through due process and to implementing preventive measures.</p>	<ul style="list-style-type: none"> <li>The Transparency Hotline is available for employees and stakeholders to report suspected cases of corruption or other violations, which may lead to corrective action procedures.</li> <li>For more information, please refer to the <a href="#">Transparency Hotline</a>.</li> </ul>

## ENVIRONMENT

Principle	Commitment	Actions
<b>Principle 7.</b> Businesses should support a precautionary approach to environmental challenges.	Grupo Lamosa is committed to always operating in accordance with environmental regulations to avoid any negative impact.	<ul style="list-style-type: none"> <li>The company ensures that its production processes result in no adverse environmental effects.</li> </ul>
<b>Principle 8.</b> Businesses should take steps to promote environmental responsibility.	Grupo Lamosa promotes environmental awareness among its employees.	<ul style="list-style-type: none"> <li>The company's Operational Excellence Model encourages innovation and process efficiency. Employees are encouraged to suggest new, lower-impact ways of working.</li> </ul>
<b>Principle 9.</b> Businesses should encourage the development and use of environmentally friendly technologies.	Grupo Lamosa remains committed to advancing practices that reduce the environmental impact of its operations.	<ul style="list-style-type: none"> <li>Products designed with sustainability criteria.</li> <li>Cogeneration and self-generation of energy in production.</li> <li>Innovation projects to explore alternative, more sustainable fuels.</li> <li>Production process improvements to reduce fuel consumption.</li> </ul>

## ANTI-CORRUPTION

Principle	Commitment	Actions
<b>Principle 10.</b> Businesses should oppose corruption in all its forms, including extortion and bribery.	Grupo Lamosa is committed to continually promoting its corporate values among employees and business partners, while strengthening its prevention and compliance mechanisms.	<ul style="list-style-type: none"> <li>The Transparency Hotline is available for employees and stakeholders to report suspected cases of corruption, supported by corrective action protocols.</li> <li>The Ethics Committee oversees the investigation and resolution of reported violations.</li> <li>For more information, please refer to the <a href="#">Transparency Hotline</a>.</li> </ul>

## 1.7 MAIN ESG INDICATORS

### 1. Environmental dimension<sup>1</sup>

The environmental data presented covers 100% of the scope of the operations of Grupo Lamosa and its subsidiaries.

### ENERGY

GRI 2-4<sup>1</sup>, 302-1, 302-3, 302-4; SASB CG-BF-130A.1; EM-CM-130A.1, RT-CH-130A.1

#### FUEL CONSUMPTION 2024

	Tiles			Adhesives			Insulators and Lightweight Materials		
	Total (m <sup>3</sup> )	Total (Gj)	Total (kWh)	Total (m <sup>3</sup> )	Total (Gj)	Total (kWh)	Total (m <sup>3</sup> )	Total (Gj)	Total (kWh)
	395,145,030	13,744,701	3,817,972,392	665	17,716	4,921,196	7,241,326	271,675	75,465,394
Gasoline	65	2,246	623,812	3	111	30,695	94	3,305	918,119
Diesel	1,921	71,928	19,979,981	26	937	260,343	542	20,675	5,743,030
Natural Gas	395,135,168	13,468,055	3,741,126,392	-	-	-	7,240,505	242,868	67,463,410
LP Gas	7,877	202,472	56,242,207	636	16,669	4,630,158	185	4,827	1,340,835

<sup>1</sup> Data Update: The 2023 information on energy consumption by fuel type and electricity, as well as Scope 1 and 2 emissions, was modified due to an internal change in the methodology used for their calculation. Similarly, 2023 data on water and waste management were revised.

Note: Cubic meters of fuel used were changed to Megajoules and the equivalents in Gigajoules and Kilowatts, on the basis of their corresponding calorific values. Calorific values of the different fuels were obtained using the guidelines of the Intergovernmental Panel on Climate Change (IPCC) and using domestic data.

### YEAR-OVER-YEAR BREAKDOWN OF FUEL CONSUMPTION BY BUSINESS UNIT (2022–2024)

	2022	2023	2024	Change %
<b>Tiles - Total (kWh)</b>	426,411,817	403,591,048	395,145,030	-2%
Gasoline (m <sup>3</sup> )	28	46	65	41%
Diesel (m <sup>3</sup> )	2,308	2,194	1,921	-12%
Natural Gas (m <sup>3</sup> )	426,405,059	403,578,094	395,135,168	-2%
LP Gas (m <sup>3</sup> )	4,421	10,714	7,877	-26%
<b>Adhesives</b>	30	664	665	0%
Gasoline (m <sup>3</sup> )	0	5	3	-36%
Diesel (m <sup>3</sup> )	30	49	26	-47%
Natural Gas (m <sup>3</sup> )	-	-	-	
LP Gas (m <sup>3</sup> )	-	611	636	4%
<b>Insulators and Lightweight Materials</b>	7,113,421	7,040,591	7,241,326	3%
Gasoline (m <sup>3</sup> )	-	89	94	6%
Diesel (m <sup>3</sup> )	-	442	542	23%
Natural Gas (m <sup>3</sup> )	7,113,421	7,039,975	7,240,505	3%
LP Gas (m <sup>3</sup> )	-	85	185	117%

### YEAR-OVER-YEAR BREAKDOWN OF FUEL ENERGY CONSUMPTION BY BUSINESS UNIT (2022–2024)

	2022	2023	2024	Change %
<b>Tiles</b>				
kWh	4,046,598,033	3,858,801,332	4,064,789,969	5%
GJ	14,567,753	13,891,685	14,633,244	5%
<b>Adhesives</b>				
kWh	4,804,698	4,848,755	4,980,553	3%
GJ	17,297	17,456	17,930	3%
<b>Insulators and Lightweight Materials</b>				
kWh	66,279,298	67,026,997	101,625,887	52%
GJ	238,605	241,297	365,853	52%

### YEAR-OVER-YEAR BREAKDOWN OF ELECTRICITY CONSUMPTION BY BUSINESS UNIT (2022–2024)

	2022	2023	2024	Change %
<b>Tiles - Total (kWh)</b>	558,983,329	535,964,305	532,122,499	-1%
Cogeneration (%)	12%	17%	15%	-2%
Self-generation (solar) (%)	-	0	2%	2%
Public utility (%)	45%	52%	10%	-42%
Other providers (%)	42%	31%	74%	43%
<b>Adhesives - Total (kWh)</b>	9,033,294	9,072,203	8,922,092	-2%
Cogeneration (%)	-	-	-	-
Self-generation (solar) (%)	-	-	-	-
Public utility (%)	100%	100%	100%	-
Other providers (%)	-	-	-	-
<b>Insulation and Lightweight Materials - Total (kWh)</b>	13,639,744	12,952,654	12,693,471	-2%
Cogeneration (%)	-	-	-	-
Self-generation (solar) (%)	12%	10%	10%	0%
Public utility (%)	71%	60%	82%	22%
Other providers (%)	17%	30%	8%	-22%

### YEAR-OVER-YEAR COMPARISON OF ELECTRICAL ENERGY CONSUMPTION BY BUSINESS UNIT (2022–2024)

	2022	2023	2024	Change %
<b>Tiles</b>				
kWh	558,983,329	535,964,305	532,122,499	-1%
GJ	2,012,340	1,929,471	1,915,641	-1%
<b>Adhesives</b>				
kWh	9,033,294	9,072,203	8,922,092	-2%
GJ	32,520	32,660	32,120	-2%
<b>Insulators and Lightweight Materials</b>				
kWh	13,639,744	12,952,654	12,693,471	-2%
GJ	49,103	46,630	45,696	-2%

### YEAR-OVER-YEAR COMPARISON OF TOTAL ENERGY CONSUMPTION (2022–2024)

	2022	2023	2024	Change %
Total fuel energy consumption (kwh)	4,117,693,429	4,171,396,409	4,054,349,210	-3%
Total electricity consumption (kwh)	581,656,367	557,989,162	553,738,062	-1%
Total energy consumption (kwh)	4,699,349,797	4,729,385,571	4,608,087,272	-3%

Note: Includes energy consumption from fuel and electricity across all three business units.

### YEAR-OVER-YEAR PERCENTAGE COMPARISON OF TOTAL ENERGY CONSUMPTION BY BUSINESS UNIT 2022–2024 (kWh)

	2022	2023	2024
Tiles	98.0%	97.1%	97.2%
Adhesives	0.3%	0.3%	0.3%
Insulators and Lightweight Materials	1.7%	2.6%	2.5%

Note: Includes energy consumption from fuel and electricity across all three business units.

### YEAR-OVER-YEAR COMPARISON OF FUEL ENERGY INTENSITY BY BUSINESS UNIT 2022-2024 (kWh)

	2022	2023	2024	Change %
Tiles (kWh/m <sup>2</sup> )	19.0	20.9	20.2	-3%
Adhesives (kWh/Ton)	3.4	3.6	3.4	-6%
Insulators and Lightweight Materials (kWh/Ton)	2,360.6	3,522.8	3,808.5	8%

### YEAR-OVER-YEAR COMPARISON OF ELECTRICAL ENERGY INTENSITY BY BUSINESS UNIT (kWh)

	2022	2023	2024	Change %
Tiles (kWh/m <sup>2</sup> )	2.6	2.75	2.73	-1%
Adhesives (kWh/Ton)	6.4	6.61	6.18	-6%
Insulators and Lightweight Materials (kWh/Ton)	485.8	449.0	453.3	1%

### GHG EMISSIONS

Scopes 1 and 2

GRI 305-1, 305-2, 305-4, 305-5; SASB EM-CM-110A.2, RT-CH-110A.1, RT-CH-110A.2

Greenhouse Gas (GHG) emission data is presented in CO<sub>2</sub>e units, which include the following gases: carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>) and nitrous oxide (N<sub>2</sub>O). Emission factors and global warming potentials by type of fuel were considered for Scope 1 emissions. Electricity emission factors by country were taken into account for Scope 2 emissions.

### TOTAL SCOPE 1 AND 2 EMISSIONS GRUPO LAMOSA 2024

	Scope 1	Scope 2	Total (A1 +A2)
Total (tCO <sub>2</sub> e)	847,495	55,236	902,731
Tiles (%)	97.0%	84.3%	96.2%
Adhesives (%)	0.1%	6.9%	0.6%
Insulators and Lightweight Materials (%)	2.9%	8.8%	3.2%

### YEAR-OVER-YEAR COMPARISON OF tCO<sub>2</sub>e EMISSIONS BY BUSINESS UNIT 2022–2024

	2022	2023	2024	Change %
<b>Tiles (tCO<sub>2</sub>e)</b>	1,073,448	999,131	868,697	-13%
Scope 1	916,453	849,963	822,158	-3%
Scope 2	156,996	149,168	46,539	-69%
<b>Adhesives (tCO<sub>2</sub>e)</b>	5,009	5,148	4,996	-3%
Scope 1	1,134	1,181	1,159	-2%
Scope 2	3,875	3,967	3,837	-3%
<b>Insulation and Lightweight Materials (tCO<sub>2</sub>e)</b>	20,166	28,551	29,038	2%
Scope 1	15,069	23,496	24,178	3%
Scope 2	5,097	5,055	4,861	-4%
<b>TOTAL (tCO<sub>2</sub>e)</b>	1,098,623	1,032,829	902,731	-13%

### YEAR-OVER-YEAR COMPARISON OF PERCENTAGE SCOPE 1 AND 2 EMISSIONS FOR THE DIFFERENT BUSINESS UNITS 2022–2024

	2022	2023	2024
Tiles	97.7%	97.6%	96.5%
Adhesives	0.5%	0.5%	0.5%
Insulators and Lightweight Materials	1.8%	2.0%	3.0%

### SCOPE 1 AND 2 EMISSIONS BY BUSINESS UNIT 2024

	Scope 1	Scope 2	Total (A1 +A2)
Tiles (tCO <sub>2</sub> e/m <sup>2</sup> )	0.0042	0.0002	0.0045
Adhesives (tCO <sub>2</sub> e/Ton)	0.0008	0.0027	0.0035
Insulators and Lightweight Materials (tCO <sub>2</sub> e /Ton of EPS)	0.8634	0.1736	1.0370

### YEAR-OVER-YEAR COMPARISON OF TOTAL SCOPE 1 AND 2 EMISSION INTENSITY BY BUSINESS UNIT 2022–2024

	2022	2023	2024	Change %
Tiles (tCO <sub>2</sub> e/m <sup>2</sup> )	0.0050	0.0051	0.0045	-13%
Adhesives (tCO <sub>2</sub> e/Ton)	0.0036	0.0037	0.0035	-8%
Insulators and Lightweight Materials (tCO <sub>2</sub> e/Ton)	0.7182	0.9897	1.0370	5%

### YEAR-OVER-YEAR COMPARISON OF CO<sub>2</sub>e TONS REGULATED BY ANY TYPE OF MANDATE 2022–2024

Tons of CO <sub>2</sub> e	49,634.2
Percentage of Grupo Lamosa's total emissions	5.5%

Note: Corresponds to the production plants of Roca and Baldocer in Spain.

### MATERIALS

GRI 301-2; SASB CG-BF-410A.2

### YEAR-OVER-YEAR COMPARISON OF RECYCLED MATERIALS USED IN PRODUCT MANUFACTURING BY BUSINESS UNIT

	2022	2023	2024
Insulators and Lightweight Materials	15.8%	14.9%	13.6%

## WASTE

GRI 306-1, 306-2, 306-3, 306-4, 306-5; SASB EM-CM-150A.1, RT-CH-150A.1

### YEAR-OVER-YEAR BREAKDOWN OF NON-HAZARDOUS WASTE PRODUCTION BY BUSINESS UNIT 2022–2024

	2022	2023	2024	Change %
<b>Tiles</b>				
Valorized Waste (Tons)	94,144	188,856	253,362	34%
Reused (%)	92%	96%	98%	-
Recycled (%)	8%	4%	2%	-
Disposed Waste (Tons)	5,635	6,137	13,416	119%
Landfill Disposal (%)	99%	100%	100%	-
Incineration without Energy Recovery (%)	1%	0%	0%	-
<b>Adhesives</b>				
Valorized Waste (Tons)	518	427	471	10%
Reused (%)	0%	0%	0%	-
Recycled (%)	100%	100%	100%	-
Disposed Waste (Tons)	3,208	1,874	2,498	33%
Landfill Disposal (%)	100%	100%	100%	-
Incineration without Energy Recovery (%)	0%	0%	0%	-
<b>Insulation and Lightweight Materials</b>				
Valorized Waste (Tons)	3,071	3,217	3,091	-4%
Reused (%)	75%	75%	76%	-
Recycled (%)	25%	25%	24%	-
Disposed Waste (Tons)	638	667	790	18%
Landfill Disposal (%)	100%	100%	100%	-
Incineration without Energy Recovery (%)	0%	0%	0%	-

Note: Recycled waste includes wood, cardboard and scrap metal. Reused waste includes waste generated from production processes that is reused as a raw material. As of 2023, data include 100% of production facilities.

### YEAR-OVER-YEAR BREAKDOWN OF HAZARDOUS WASTE PRODUCTION BY BUSINESS UNIT 2022–2024

	2022	2023	2024	Change %
<b>Tiles</b>				
Valorized Waste (Tons)	38	121	74	-39%
Reused (%)	0%	5%	31%	-
Recycled (%)	100%	95%	69%	-
Disposed Waste (Tons)	509	399	369	-7%
Disposal by Specialized Third Party (%)	100%	100%	100%	-
Incineration without Energy Recovery (%)	-	-	-	-
<b>Adhesives</b>				
Valorized Waste (Tons)	0	0	0	-
Reused (%)	-	-	-	-
Recycled (%)	-	-	-	-
Disposed Waste (Tons)	4	32	3	-91%
Disposal by Specialized Third Party (%)	100%	100%	100%	-
Incineration without Energy Recovery (%)	-	-	-	-
<b>Insulation and Lightweight Materials</b>				
Valorized Waste (Tons)	0	0	0	-
Reused (%)	-	-	-	-
Recycled (%)	-	-	-	-
Disposed Waste (Tons)	35	45	43	-4%
Disposal by Specialized Third Party (%)	100%	100%	100%	-
Incineration without Energy Recovery (%)	-	-	-	-

Note: Hazardous waste includes used lubricating oils, hydraulic oils and contaminated solids, among others.

## WATER

GRI 303-3, 303-4, 303-5; SASB RT-CH-140A.1, RT-CH-140A.3, EM-CM-140A.1

### YEAR-OVER-YEAR BREAKDOWN OF WATER WITHDRAWAL BY SOURCE TYPE 2022–2024

	2022	2023	2024	Change %
<b>Tiles</b>				
Total (m <sup>3</sup> )	2,218,749	2,086,840	1,888,272	-10%
Municipal Supply (%)	7%	9%	9%	-
Well (%)	90%	86%	88%	-
Tanker Truck (%)	3%	5%	2%	-
<b>Adhesives</b>				
Total (m <sup>3</sup> )	18,017	12,260	14,370	17%
Municipal Supply (%)	89%	77%	78%	-
Well (%)	0%	0%	0%	-
Tanker Truck (%)	11%	23%	22%	-
<b>Insulation and Lightweight Materials</b>				
Total (m <sup>3</sup> )	141,239	152,747	153,711	1%
Municipal Supply (%)	50%	45%	41%	-
Well (%)	50%	51%	54%	-
Tanker Truck (%)	0%	1%	2%	-

### YEAR-OVER-YEAR BREAKDOWN OF WATER DISCHARGE BY BUSINESS UNIT AND DESTINATION 2022–2024

	2022	2023	2024	Change %
<b>Tiles</b>				
Total (m <sup>3</sup> )	92,875	96,946	93,463	-4%
Surface Water (%)	43%	39%	31%	-
Groundwater (%)	33%	40%	26%	-
Third Parties (%)	24%	21%	43%	-
<b>Adhesives</b>				
Total (m <sup>3</sup> )	16,441	10,716	12,496	17%
Surface Water (%)	0%	0%	0%	-
Groundwater (%)	2%	4%	2%	-
Third Parties (%)	98%	96%	98%	-
<b>Insulation and Lightweight Materials</b>				
Total (m <sup>3</sup> )	29,306	44,979	42,529	-5%
Surface Water (%)	0%	0%	0%	-
Groundwater (%)	10%	7%	8%	-
Third Parties (%)	90%	93%	92%	-

Note: Grupo Lamosa carries out water treatment processes directly at production facilities using specialized systems.

**YEAR-OVER-YEAR BREAKDOWN  
OF WATER CONSUMPTION AND REUSE BY BUSINESS UNIT AND SOURCE TYPE 2022–2024**

	2022	2023	2024	Change %
<b>Tiles</b>				
Total Water Consumption (m <sup>3</sup> )	2,125,873	1,989,895	1,794,809	-10%
Total Water Reused (%)	32%	41%	34%	-
<b>Adhesives</b>				
Total Water Consumption (m <sup>3</sup> )	1,576	1,545	1,874	21%
Total Water Reused (%)	0%	0%	0%	-
<b>Insulation and Lightweight Materials</b>				
Total Water Consumption (m <sup>3</sup> )	111,933	107,767	111,182	3%
Total Water Reused (%)	0%	5%	5%	-

**YEAR-OVER-YEAR BREAKDOWN OF WATER WITHDRAWAL INTENSITY 2022–2024**

	2022	2023	2024	Change %
Tiles (m <sup>3</sup> /m <sup>2</sup> )	0.010	0.011	0.010	-10%
Adhesives (m <sup>3</sup> /Ton)	0.013	0.009	0.010	12%
Insulation and Lightweight Materials (m <sup>3</sup> /Ton of EPS)	5.0	5.3	5.5	4%



## 2. Social dimension

### WORKFORCE DEMOGRAPHICS

GRI 2-7, 2-30, 401-1, 405-1

The information presented on the workforce includes the various subsidiaries of Grupo Lamosa, S.A.B. de C.V.

### WORKFORCE COMPOSITION DETAILS 2024

#### WORKFORCE DEMOGRAPHICS BY WORK CENTER: GENDER, AGE GROUP AND POSITION 2024

	Under 30 years		30-50 years		Over 50 years	
	Women	Men	Women	Men	Women	Men
<b>Corporate</b>	<b>9</b>	<b>16</b>	<b>22</b>	<b>55</b>	<b>6</b>	<b>29</b>
Executives			1	10		14
Employees	9	16	21	45	6	15
Operators						
<b>Tiles</b>	<b>305</b>	<b>1,312</b>	<b>869</b>	<b>3,937</b>	<b>173</b>	<b>1,137</b>
Executives			16	59	8	36
Staff	117	364	473	1,694	88	438
Operators	188	948	380	2,184	77	663
<b>Adhesives</b>	<b>35</b>	<b>346</b>	<b>150</b>	<b>786</b>	<b>26</b>	<b>142</b>
Executives			0	11		16
Staff	29	124	143	410	21	90
Operators	6	222	7	365	5	36
<b>Insulation and Lightweight Materials</b>	<b>112</b>	<b>283</b>	<b>228</b>	<b>617</b>	<b>35</b>	<b>199</b>
Executives		1	8	36		17
Staff	80	54	161	209	18	43
Operators	32	228	59	372	17	139
<b>TOTAL</b>	<b>461</b>	<b>1,957</b>	<b>1,269</b>	<b>5,395</b>	<b>240</b>	<b>1,507</b>

Total number of Grupo Lamosa employees in 2024: 10,829

## WORKFORCE COMPOSITION AND YEAR-OVER-YEAR COMPARISONS 2022–2024

### BREAKDOWN OF EMPLOYEES BY CONTRACT TYPE AND GENDER 2022–2024

	2022	2023	2024	% Change
<b>Corporate</b>	<b>148</b>	<b>163</b>	<b>137</b>	<b>-16%</b>
Permanent contracts	148	163	137	-16%
Women	34	39	37	-5%
Men	114	124	100	-19%
Temporary contracts	-	-	-	-
Women	-	-	-	-
Men	-	-	-	-
<b>Tiles</b>	<b>8,398</b>	<b>8,515</b>	<b>7,733</b>	<b>-9%</b>
Permanent contracts	8,025	7,625	6,982	-8%
Women	1,293	1,264	1,202	-5%
Men	6,732	6,361	5,780	-9%
Temporary contracts	373	890	751	-16%
Women	80	153	145	-5%
Men	293	737	606	-18%
<b>Adhesives</b>	<b>1,334</b>	<b>1,333</b>	<b>1,485</b>	<b>11%</b>
Permanent contracts	1,297	1,285	1,458	13%
Women	186	190	210	11%
Men	1,111	1,095	1,248	14%
Temporary contracts	37	48	27	-44%
Women	1	2	1	-50%
Men	36	46	26	-43%
<b>Insulation and Lightweight Materials</b>	<b>1,419</b>	<b>1,532</b>	<b>1,581</b>	<b>-4%</b>
Permanent contracts	1,290	1,415	1,474	4%
Women	360	382	375	-2%
Men	930	1,033	1,099	6%
Temporary contracts	129	117	107	-9%
Women	17	27	21	-22%
Men	112	90	86	-4%

### YEAR-OVER-YEAR COMPARISON OF UNION WORKFORCE

	2022	2023	2024
% union personnel	55%	57%	55%

Note: Across the different countries where it operates, 5,928 people work for Grupo Lamosa under a collective labor contract.

### YEAR-OVER-YEAR BREAKDOWN OF GENDER DEMOGRAPHICS BY WORK CENTER 2022–2024

	2022	2023	2024	% Change
<b>Corporate</b>	<b>148</b>	<b>163</b>	<b>137</b>	<b>-16%</b>
Women	34	39	37	-5%
Men	114	124	100	-19%
% Women	23%	24%	27%	3%
<b>Tiles</b>	<b>8,398</b>	<b>8,515</b>	<b>7,733</b>	<b>-9%</b>
Women	1,373	1,417	1,347	-5%
Men	7,025	7,098	6,386	-10%
% Women	16%	17%	17%	1%
<b>Adhesives</b>	<b>1,334</b>	<b>1,333</b>	<b>1,485</b>	<b>11%</b>
Women	187	192	211	10%
Men	1,147	1,141	1,274	12%
% Women	14%	14%	14%	0%
<b>Insulation and Lightweight Materials</b>	<b>1,419</b>	<b>1,532</b>	<b>1,474</b>	<b>-4%</b>
Women	377	409	375	-8%
Men	1,042	1,123	1,099	-2%
% Women	27%	27%	25%	-2%
<b>TOTAL</b>	<b>11,299</b>	<b>11,543</b>	<b>10,829</b>	<b>-6%</b>
% Women	17%	18%	18%	0%

### YEAR-OVER-YEAR BREAKDOWN OF NEW HIRES BY AGE GROUP AND GENDER 2022–2024

	2022	2023	2024	% Change
<b>Under 30 years</b>	<b>1,150</b>	<b>1,610</b>	<b>1,077</b>	<b>-33%</b>
Women	189	283	194	-31%
Men	961	1,327	883	-33%
<b>30-50 years</b>	<b>914</b>	<b>1,471</b>	<b>1,009</b>	<b>-31%</b>
Women	210	265	195	-26%
Men	704	1,206	814	-33%
<b>Over 50 years</b>	<b>60</b>	<b>118</b>	<b>91</b>	<b>-23%</b>
Women	14	18	15	-17%
Men	46	100	76	-24%

### YEAR-OVER-YEAR BREAKDOWN OF TURNOVER RATE BY AGE GROUP AND GENDER 2022–2024

	2022	2023	2024
<b>Under 30 years</b>			
Women	41%	37%	39%
Men	33%	49%	55%
<b>30-50 years</b>			
Women	13%	23%	23%
Men	12%	24%	24%
<b>Over 50 years</b>			
Women	5%	16%	14%
Men	11%	15%	14%

### YEAR-OVER-YEAR COMPARISON OF OVERALL TURNOVER RATE 2022–2024

	2022	2023	2024
Total turnover %	23%	28%	29%

### TRAINING AND CAREER DEVELOPMENT

GRI 2-4, 404-1<sup>1</sup>

#### TRAINING HOURS BY JOB CATEGORY AND GENDER 2024

	2024
<b>Executives</b>	<b>4,269</b>
Women	866
Men	3,403
<b>Employees</b>	<b>50,659</b>
Women	15,059
Men	35,600
<b>Operators</b>	<b>40,290</b>
Women	3,895
Men	36,395
<b>TOTAL</b>	<b>95,219</b>

#### AVERAGE TRAINING HOURS BY GENDER AND TOTAL 2024

	2024
Women	10.06
Men	8.51
<b>TOTAL</b>	<b>8.79</b>

<sup>1</sup> Due to the implementation of a new digital human capital management platform, data are only presented for 2024.



## WORKPLACE CLIMATE

### YEAR OVER YEAR COMPARISON OF OVERALL JOB SATISFACTION 2022–2024

	2022	2023	2024
% job satisfaction	84%	84%	83%

## EMPLOYEE HEALTH AND SAFETY

GRI 2-4<sup>2</sup>, 403-9, 403-10; SASB EM-CM-320A.1, RT-CH-320A.1

### OCCUPATIONAL HEALTH AND SAFETY 2022–2024

	2022	2023	2024	% Change
<b>Tiles</b>				
Employee Fatalities (number)	0	0	0	-
Total Recordable Incident Rate (TRIR)*	1.81	1.25	1.12	-10%
<b>Adhesives</b>				
Employee Fatalities (number)	0	0	0	-
TRIR	1.59	0.32	0.43	34%
<b>Insulation &amp; Lightweight Materials</b>				
Employee Fatalities (number)	0	0	0	-
TRIR	7.74	1.62	0.78	-52%

\* Formula for TRIR: (Total number of recordable incidents x 200,000) / Total hours worked – in accordance with OSHA methodology. As part of its sustainability goal-setting, Grupo Lamosa has adopted the Total Recordable Incident Rate (TRIR) as its main safety metric, replacing the previously reported Partial Frequency Index (PFI) used through 2022.

### 3. Governance

#### BOARD OF DIRECTORS

GRI 2-9

##### BOARD COMPOSITION

	2022	2023	2024	% Change
Total number of board members	12	12	12	-
Total number of independent directors	6	6	6	-
Meeting attendance rate (%)	88%	93%	90%	-
Average seniority (years)	18	19	20	5.2%

#### INTEGRITY

GRI 205-3, 406-1

##### YEAR-OVER-YEAR BREAKDOWN OF TRANSPARENCY HOTLINE REPORTS

	2022	2023	2024	% Change
Number of reports handled through the Transparency Hotline	269	345	372	8%
Policy violations (%)	38%	41%	42%	-
Inappropriate conduct (%)	35%	36%	36%	-
Conflicts of interest (%)	13%	13%	10%	-
Theft / Misuse of information (%)	8%	8%	10%	-
Other	6%	2%	2%	-

Grupo Lamosa is committed to fostering a culture of ethics and integrity, grounded in the company's core values. Nonetheless, the company closely monitors and follows up on any incidents reported.

Upon receiving a report, a thorough investigation is conducted to determine the validity of the claims and take appropriate action where necessary which, depending on the nature of the case, may be disciplinary action against employees, suppliers or other involved parties. The company also takes corrective action to prevent future non-compliance.

Special attention is given to cases involving corruption and discrimination. These are handled with appropriate measures based on their severity and are reported under the category of "Inappropriate conduct."

##### CODE OF ETHICS TRAINING

	2022	2023	2024
% of employees trained in the Code of Ethics	100%	100%	100%

Note: Grupo Lamosa's clients and suppliers commit to the company's Code of Ethics through contractual clauses included in commercial agreements.

#### 4. Operational data

### ECONOMIC VALUE GENERATED AND DISTRIBUTED

GRI 201-1

#### YEAR-OVER-YEAR BREAKDOWN OF ECONOMIC VALUE GENERATED AND DISTRIBUTED (MILLIONS OF MEXICAN PESOS)

	2022	2023	2024	% Change
Direct economic value generated	35,704	32,044	34,115	6%
Total income	35,412	31,572	33,945	8%
Financial income	221	472	170	-64%
Other income	71	0	0	-
Economic value distributed	31,831	29,825	32,092	8%
Cost of sales	20,423	18,251	19,908	9%
Operating expenses (includes wages, salaries and benefits)	8,293	8,260	9,146	11%
Income taxes	1,927	1,701	570	-66%
Dividends	411	509	621	22%
Financial expenses	777	976	1479	52%
Other expenses	0	128	368	188%
Economic value retained	3,873	2,219	2,023	-9%

Economic value retained is calculated as direct economic value generated minus total economic value distributed.



## 1.8 REPORTING STANDARDS

### GRI DISCLOSURES INDEX

#### UNIVERSAL STANDARDS

##### GRI 1: FOUNDATION 2021

Guides the application of the GRI Standards throughout the report.

##### GRI 2: GENERAL DISCLOSURES 2021

Section	GRI Content	GRI Disclosure	Reason for Omission	Page/s
<b>Organizational Profile and Reporting Practices</b>	2-1	Organizational details		5
	2-2	Entities included in the organization's sustainability reporting		43
	2-3	Reporting period, frequency and point of contact		43
	2-4	Restatements of information		61, 72
	2-5	External assurance	Not applicable. Third-party assurance is not provided for the company's non-financial information.	
<b>Activities and Workers</b>	2-6	Activities, value chain and other business relationships		5
	2-7	Employees		69
	2-8	Workers who are not employees	Information not available	
<b>Governance</b>	2-9	Governance structure and composition		73
	2-10	Nomination and selection of the highest governance body		17
	2-11	Chair of the highest governance body		17
	2-12	Role of the highest governance body in overseeing impact management		53
	2-13	Delegation of responsibility for impact management		53
	2-14	Role of the highest governance body in sustainability reporting		43
	2-15	Conflicts of interest		17



Section	GRI Content	GRI Disclosure	Reason for Omission	Page/s
Governance	2-16	Communication of critical concerns		17
	2-17	Collective knowledge of the highest governance body	Information not available	
	2-18	Evaluation of the highest governance body's performance	Information not available	
	2-19	Remuneration policies		17
	2-20	Process to determine remuneration		17
	2-21	Annual total compensation ratio	Confidential information	
	Strategy, Policies and Practices	2-22	Statement on sustainable development strategy	
2-23		Commitments and policies		20
2-24		Embedding commitments and policies		20
2-25		Processes to remediate negative impacts		20
2-26		Advice and concerns mechanisms		20
2-27		Compliance with laws and regulations		20
2-28		Memberships in associations		54
Stakeholder Engagement	2-29	Approach to stakeholder engagement		46
	2-30	Collective bargaining agreements		69
<b>GRI 3: MATERIAL TOPICS 2021</b>				
	3-1	Process to determine material topics		48
	3-2	List of material topics		48
	3-3	Management of material topics	See the table of GRI content by material topic	



## GRI CONTENT BY MATERIAL TOPIC – TOPIC-SPECIFIC STANDARDS

Topic	GRI Standard	GRI Disclosure	Reason for Omission	Page/s
Economic Performance	GRI 3 Material topics 2021	GRI 3-3: Management of material topics		12
	GRI 201 Economic performance 2016	201-1: Direct economic value generated and distributed		74
Supply Chain	GRI 3 Material topics 2021	GRI 3-3: Management of material topics		25
	GRI 204 Procurement practices 2016	204-1 : Proportion of spending on local suppliers	Information not available	
	GRI 308 Supplier environmental assessment 2016	308-1: New suppliers screened using environmental criteria	Information not available	
	GRI 308 Supplier environmental assessment 2016	308-2: Negative environmental impacts in the supply chain and actions taken	Information not available	
	GRI 414 Supplier social assessment 2016	414-1: New suppliers screened using social criteria	Information not available	
	GRI 414 Supplier social assessment 2016	414-2: Negative social impacts in the supply chain and actions taken	Information not available	
Customer Service	GRI 3: Material topics 2021	GRI 3-3: Management of material topics		31
Digital Transformation	GRI 3: Material topics 2021	GRI 3-3: Management of material topics		28
Omnichannel Strategy and Distributor Relations	GRI 3: Material topics 2021	GRI 3-3: Management of material topics		32
Data Protection	GRI 3: Material topics 2021	GRI 3-3: Management of material topics		24
	GRI 418 Customer privacy 2016	418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data	No third-party complaints were reported in 2024; internal incidents are disclosed on page 73.	73



Topic	GRI Standard	GRI Disclosure	Reason for Omission	Page/s
Occupational Health and Safety	GRI 3: Material topics 2021	GRI 3-3: Management of material topics		38
	GRI 403: Occupational health and safety 2018	403-1: Occupational health and safety management		38
	GRI 403: Occupational health and safety 2018	403-2: Hazard identification, risk evaluation and incident investigation		38
	GRI 403: Occupational health and safety 2018	403-3: Health services in the workplace		38
	GRI 403: Occupational health and safety 2018	403-4: Worker participation, consultation and communications on health and safety in the workplace		38
	GRI 403: Occupational health and safety 2018	403-5: Worker training on health and safety in the workplace		38
	GRI 403: Occupational health and safety 2018	403-6: Promotion of worker health		38
	GRI 403: Occupational health and safety 2018	403-7: Prevention and mitigation of worker health and safety impacts directly linked to the working relationship		38
	GRI 403: Occupational health and safety 2018	403-8: Coverage of health and safety management system in the workplace		38
	GRI 403: Occupational health and safety 2018	403-9: Work-related injuries		72
	GRI 403: Occupational health and safety 2018	403-10: Work-related ill health	Information not available	
Talent Attraction and Retention	GRI 3:Material topics 2021	GRI 3-3: Management of material topics		34
	GRI 401 Employment 2016	401-1: New employee hires and turnover		69
	GRI 401 Employment 2016	401-2: Benefits for full-time employees not provided for temporary/ part-time employees	Information not available	
	GRI 401 Employment 2016	401-3: Parental leave	Information not available	



Topic	GRI Standard	GRI Disclosure	Reason for Omission	Page/s
Talent Attraction and Retention	GRI 404 Training and education 2016	404-1: Average training hours per employee		71
	GRI 404 Training and education 2016	404-2: Programs for skills management and lifelong learning		35
	GRI 404 Training and education 2016	404-3: Percentage of employees receiving regular performance reviews	Information not available	
Workplace Climate	GRI 3: Material topics 2021	GRI 3-3: Management of material topics		36
Diversity and Inclusion in the Workforce	GRI 3: Material topics 2021	GRI 3-3: Management of material topics		36
	GRI 405 Diversity and Inclusion in the workforce 2016	405-1: Diversity of governance bodies and employees		69
	GRI 405 Diversity and Inclusion in the workforce 2016	405-2: Ratio of basic salary and remuneration of women to men	Information not available	
Chemical Management in Products	GRI 3: Material topics 2021	GRI 3-3: Management of material topics		33
Product Innovation	GRI 3: Material topics 2021	GRI 3-3: Management of material topics		26
Product Quality (Customer Health and Safety)	GRI 3: Material topics 2021	GRI 3-3: Management of material topics		33
	GRI 416 Customer health and safety 2016	416-1: Assessment of health and safety impacts of product and service categories		33
	GRI 416 Customer health and safety 2016	416-2: Incidents of non-compliance concerning the health and safety impacts of products and services	No violations or third-party claims were reported in 2024.	
Automation and Process Efficiency	GRI 3: Material topics 2021	GRI 3-3: Management of material topics		26, 28
Talent Attraction and Retention	GRI 3: Material topics 2021	GRI 3-3: Management of material topics		41
	GRI 302: Energy 2016	302-1: Energy consumption within the organization		61
	GRI 302: Energy 2016	302-2: Energy consumption outside the organization	Information not available	



Topic	GRI Standard	GRI Disclosure	Reason for Omission	Page/s
Energy Consumption Management	GRI 302: Energy 2016	302-3: Energy intensity		61
	GRI 302: Energy 2016	302-4: Reduction in energy consumption		61
	GRI 302: Energy 2016	302-5: Reduction in the energy requirements of products and services	Information not available	
	GRI 305: Emissions 2016	305-1: Direct GHG emissions (Scope 1)		64
	GRI 305: Emissions 2016	305-2: Indirect GHG emissions from energy generation (Scope 2)		64
	GRI 305: Emissions 2016	305-3: Other indirect GHG emissions	Information not available	
	GRI 305: Emissions 2016	305-4: Intensity of GHG emissions		64
	GRI 305: Emissions 2016	305-5: Reduction in GHG emissions		64
	GRI 305: Emissions 2016	305-6: Emissions of ozone-depleting substances	Information not available	
	GRI 305: Emissions 2016	305-7: Emissions of nitrogen oxides (NOx), sulfur oxides (SOx) and other significant air emissions	Information not available	
Product Lifecycle	GRI 3: Material topics 2021	GRI 3-3: Management of material topics		41, 42
	GRI 301: Materials	301-2 301-2: Recycled input materials used		65
	GRI 303 Water and effluents 2018	303-1: Interaction with water as a shared resource		42
	GRI 303 Water and effluents 2018	303-2: Management of water-related impacts		42
	GRI 303 Water and effluents 2018	303-3: Water withdrawal		67
	GRI 303 Water and effluents 2018	303-4: Water discharge		67
	GRI 303 Water and effluents 2018	303-5: Water consumption		67
	GRI 306: Waste 2020	306-1: Waste generation and significant related impacts		42
	GRI 306: Waste 2020	306-2: Management of significant waste-related impacts		42
	GRI 306: Waste 2020	306-3: Waste generated		66



Topic	GRI Standard	GRI Disclosure	Reason for Omission	Page/s
Product Lifecycle	GRI 306: Waste 2020	306-4: Waste diverted from disposal		66
	GRI 306: Waste 2020	306-5: Waste directed to disposal		66
<b>OTHER GRI STANDARDS</b>				
	GRI 205 Anti-corruption 2016	205-1: Operations assessed for risks related to corruption	Information not available	
	GRI 205 Anti-corruption 2016	205-2: Communication and training about anti-corruption policies and procedures		20
	GRI 205 Anti-corruption 2016	205-3: Confirmed incidents of corruption and actions taken		74
	GRI 406 Non-discrimination 2016	406-1: Incidents of discrimination and corrective actions taken		74
	GRI 413 Local communities 2016	413-1: Operations with local community engagement, impact assessments and development programs	Information not available. Grupo Lamosa is actively working to measure the impact of its external social initiatives.	
	GRI 413 Local communities 2016	413-2: Operations with significant negative impacts, real or potential, on local communities	Information not available. Grupo Lamosa is actively working to measure the impact of its external social initiatives.	

## SASB METRICS INDEX

BUILDING PRODUCTS AND FURNISHINGS STANDARD – VERSION 2023					
SASB Topic	Code	Description	Unit of Measure	Reason for Omission	Page/s
<b>ACTIVITY METRICS</b>					
Activity Metric	CG-BF-000.A	Annual production	Unit of measure used by the entity	Information not available	
Activity Metric	CG-BF-000.B	Area of manufacturing facilities	Square meters (m <sup>2</sup> )	Information not available	
<b>ACCOUNTING METRICS</b>					
Energy Management in Manufacturing	CG-BF-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Gigajoules (GJ), percentage (%)		61
Management of Chemicals in Products	CG-BF-250a.1	Discussion of processes to assess and manage risks or hazards associated with chemicals in products	N/A		33
	CG-BF-250a.2	Percentage of eligible products meeting volatile organic compound (VOC) emissions and content standards	Percentage (%) by revenue	While only a percentage of Adhesives products are UL GREENGUARD certified, 100% of our portfolio complies with VOC limit standards.	33
Environmental Impacts of Product Lifecycle	CG-BF-410a.1	Description of efforts to manage product lifecycle impacts and meet demand for sustainable products	N/A		41
	CG-BF-410a.2	(1) Weight of end-of-life material recovered, (2) percentage of recovered materials recycled	Metric tons (t), percentage (%) by weight	1) Information not available	2) 65
Wood Supply Chain Management	CG-BF-430a.1	(1) Total weight of wood fiber materials purchased, (2) percentage from third-party certified forests, (3) percentage by standard, (4) percentage certified to other wood fiber standards, (5) percentage by standard	Metric tons (t), percentage (%) by weight	Not applicable. Grupo Lamosa does not use wood as a raw material.	

## SASB METRICS INDEX

BUILDING PRODUCTS AND FURNISHINGS STANDARD – VERSION 2023						
SASB Topic	Code	Description	Unit of Measure	Reason for Omission	Page/s	
<b>ACTIVITY METRICS</b>						
Activity Metric	EM-CM-000.A	Production by main product line	Metric tons (t)	Not available		
<b>ACCOUNTING METRICS</b>						
Greenhouse Gas Emissions	EM-CM-110a.1	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	Metric tons (t) CO <sub>2</sub> e, percentage (%)		65	
	EM-CM-110a.2	Discussion of long- and short-term strategies or plans to manage Scope 1 emissions, emission reduction targets and analysis of performance against those targets	N/A		41, 64	
Air Quality	EM-CM-120a.1	Air emissions of the following pollutants: (1) NO <sub>x</sub> (excluding N <sub>2</sub> O), (2) SO <sub>x</sub> , (3) particulate matter (PM10), (4) dioxins/furans, (5) volatile organic compounds (VOCs), (6) polycyclic aromatic hydrocarbons (PAHs) and (7) heavy metals	Metric tons (t)	Information not available		
Energy Management	EM-CM-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage alternate energy, (4) percentage renewable	Gigajoules (GJ), percentage (%)		61	
Water Management	EM-CM-140a.1	(1) Total fresh water withdrawn, (2) percentage recycled, (3) percentage in regions with high or extremely high baseline water stress	Thousand cubic meters (m <sup>3</sup> ), percentage (%)	(1) Total water withdrawn by source is presented, (2) percentage of water reused for the three businesses is presented, (3) information not available.	67	
Waste Management	EM-CM-150a.1	Amount of waste generated, percentage hazardous, percentage recycled	Metric tons (t), percentage (%)		66	



SASB Topic	Code	Description	Unit of Measure	Reason for Omission	Page/s
Biodiversity Impacts	EM-CM-160a.1	Discussion of environmental management policies and practices for active facilities	N/A	Not applicable	
	EM-CM-160a.2	Land area altered, percentage of affected area recovered	Acres (ac), percentage (%)	Not applicable	
Occupational Health and Safety	EM-CM-320a.1	(1) Total recordable incident rate (TRIR) and (2) incident frequency rate (IFR) for (a) full-time employees and (b) contract employees	Rate	(1) Information not available  Grupo Lamosa reports indicators similar to standardized ones, such as the Partial Frequency Index (PFI) which is the rate of accidents with working days lost.	72
	EM-CM-320a.2	Number of reported cases of silicosis	Number	Information not available	
	EM-CM-410a.1	Percentage of products meeting the requirements for sustainable building design and construction certification credits	Percentage (%) by annual sales revenue	Information not available	
Product Innovation	EM-CM-410a.2	Total addressable market and market share of products that reduce energy, water and material impacts during use and production	Reporting currency, percentage (%)	Information not available	
	EM-CM-520a.1	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	Reporting currency	Grupo Lamosa did not incur monetary losses for this reason.	



## SASB METRICS INDEX

### CHEMICAL SUBSTANCES STANDARD – VERSION 2023

SASB Topic	Code	Description	Unit of Measure	Reason for Omission	Page/s
<b>ACTIVITY METRICS</b>					
Activity Metric	RT-CH-000.A	Production by segment	Cubic meters (m <sup>3</sup> ) or metric tons (t)	Information not available	
<b>ACCOUNTING METRICS</b>					
Greenhouse Gas Emissions	RT-CH-110a.1	Gross global Scope 1 emissions, percentage covered by emission-limiting regulations	Metric tons (t) CO <sub>2</sub> e, percentage (%)		65
	RT-CH-110a.2	Analysis of long- and short-term strategies or plans for managing Scope 1 emissions, emission reduction targets and performance against those targets	N/A		41
Air Quality	RT-CH-120a.1	Atmospheric emissions of the following pollutants: (1) NO <sub>x</sub> (excluding N <sub>2</sub> O), (2) SO <sub>x</sub> , (3) volatile organic compounds (VOCs) and (4) hazardous air pollutants (HAPs)	Metric tons (t)	Information not available	
Energy Management	RT-CH-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable, (4) total self-generated energy	Gigajoules (GJ), percentage (%)		61



SASB Topic	Code	Description	Unit of Measure	Reason for Omission	Page/s
Water Management	RT-CH-140a.1	(1) Total water withdrawn, (2) total water consumed, (3) percentage of each in regions with high or extremely high baseline water stress	Thousand cubic meters (m <sup>3</sup> ), percentage (%)	(1) Total water withdrawn is presented by source type, (2) water reuse percentage is presented for all three business units, (3) Not available.	67
	RT-CH-140a.2	Number of non-compliance incidents related to water quality permits, standards and regulations		Grupo Lamosa reported no violations related to water use or management.	
	RT-CH-140a.3	Description of water-related risks and analysis of strategies and practices for their mitigation	N/A		43
Hazardous Waste Management	RT-CH-150a.1	Quantity of hazardous waste generated, percentage recycled	Metric tons (t), percentage (%)		63
Community Relations	RT-CH-210a.1	Analysis of stakeholder engagement processes used to manage risks and opportunities associated with community interests	N/A		39
Workforce Health and Safety	RT-CH-320a.1	(1) Total recordable incident rate (TRIR) and (2) fatality rate for a) direct employees and b) contracted workers	Rate	(1) The Lost-Time Injury Frequency Rate (LTIFR) is reported by business unit, (2) zero fatalities were reported.	72
	RT-CH-320a.2	Description of initiatives undertaken to assess, monitor and reduce the exposure of employees and contractors to long-term (chronic) health risks	N/A		38
Product Design for Use-Phase Efficiency	RT-CH-410a.1	Revenue from products designed for resource efficiency during the use phase	Reporting currency	Information not available	



SASB Topic	Code	Description	Unit of Measure	Reason for Omission	Page/s
Chemical Management for Health and Environmental Safety	RT-CH-410b.1	1) Percentage of products containing hazardous chemicals affecting human health or the environment, classified as Categories 1 and 2 under the Globally Harmonized System (GHS), 2) percentage of such products assessed for risk		100% of new products are evaluated to ensure they are made from non-hazardous raw materials and that the properties of the finished products have minimal environmental impact. As of the end of 2024, no Grupo Lamosa products contained hazardous or concerning substances. During the past year, the Adhesives Business has focused on optimizing formulations to reduce dust emissions.	
	RT-CH-410b.2	Analysis of the strategy for 1) managing chemicals of concern and 2) developing alternative substances with reduced impact on human health or the environment	N/A		
Genetically Modified Organisms (GMOs)	RT-CH-410c.1	Percentage of products, by revenue, that contain genetically modified organisms	Percentage (%) of revenue	Not applicable. Grupo Lamosa does not manage products, materials or inputs with these characteristics.	
Legal and Regulatory Environment Management	RT-CH-530a.1	Analysis of corporate positioning on government regulations or proposed policies addressing environmental and social factors affecting the industry.	N/A		40
Operational Safety, Emergency Preparedness and Response	RT-CH-540a.1	Process Safety Incidents Count (PSIC), Total Process Safety Incident Rate (PSTIR), and Process Safety Incident Severity Rate (PSISR)	Number, Rate	Grupo Lamosa reports indicators similar to standard metrics, such as the Partial Frequency Index (PFI), which represents the incident rate resulting in lost workdays.	72
	RT-CH-540a.2	Number of transportation-related incidents	Number	Information not available	

# APPENDIX 2: BOARD OF DIRECTORS COMMITTEE REPORTS

## Audit Committee Report

February 19, 2025

To the Board of Directors of Grupo Lamosa, S.A.B. de C.V. (the "Company")

As Chairman of the Audit Committee, I hereby present the report on the activities carried out by the Committee corresponding to the financial year ended December 31, 2024 pursuant to the Company's bylaws and applicable legal provisions:

1. The reports of the external auditor were reviewed in accordance with the Single Circular for External Auditors, as well as the report on the results of the internal audit for the 2024 fiscal year.
2. As of this date, this Committee is not aware of any significant instances of non-compliance with the guidelines and policies related to the operations and accounting records of the Company and its Subsidiaries.
3. The Committee met with the representative of the external audit firm, evaluating the performance of both the firm and the lead auditor, who are responsible for expressing an opinion on the fairness of the Company's financial statements and their compliance with International Financial Reporting Standards, considering it satisfactory to date.
4. The appointment of the External Auditor was approved, as well as the corresponding audit service fees and those for additional services, ensuring that the auditor's independence is uncompromised.
5. Throughout the year, the Committee reviewed various topics, including the Company's strategic risks, the internal control of Baldocer, cybersecurity and the Company's progress with implementing its ESG strategy.
6. The performance of Grupo Lamosa's Transparency Hotline was reviewed, ensuring that all reported cases were handled in accordance with the principles of the Company's Code of Ethics.
7. During the year, there were no significant observations related to the accounting, internal controls, or internal and external audits, nor were there any reports of irregularities committed by Management.
8. The Board of Directors was issued a favorable opinion regarding the CEO's Annual Report and the report on operations and activities undertaken by the Board during the 2024 financial year.
9. Based on the opinion of the external auditors, this Committee considers that the accounting and information policies and criteria followed by the Company are appropriate, sufficient and consistently applied in the information presented by both the CEO and the Board of Directors, accurately reflecting the Company's financial position and results.

Eugenio Clariond Rangel  
Chairman

## Corporate Practices Committee Report

February 19, 2025

### To the Board of Directors of Grupo Lamosa, S.A.B. de C.V. (the "Company")

As Chairman of the Corporate Practices Committee, I hereby present the report on this Committee's activities in relation to the financial year ended December 31, 2024, pursuant to the Company's bylaws and applicable legal provisions.



1. We reviewed the previously established goals, individual and Company performance during the year, and any observations regarding the performance of the Company Officers.
2. We evaluated the conditions and structure used to determine the total compensation packages of the Chief Executive Officer and the Company Officers on the basis of market trends.
3. We reviewed the short-term variable compensation scheme.
4. There were no transactions with related parties during the year.
5. This Committee did not authorize any Board Member, Company Officer or person in a position of command to appropriate business opportunities, either for themselves or for third parties, that belong to the Company or its Subsidiaries, and is not aware that the Board of Directors or any Committee has done so.
6. The Corporate Practices Committee remains committed to ensuring compliance with all applicable legal and statutory obligations.

**Armando Garza Sada**  
Chairman



# APPENDIX 3: CONSOLIDATED FINANCIAL STATEMENTS



**91**

Independent Auditors' Report

**96**

Consolidated Statements of Financial Position

**98**

Consolidated Statements of Income

**99**

Consolidated Statements of Other Comprehensive Income

**100**

Consolidated Statements of Changes in Stockholders' Equity

**101**

Consolidated Statements of Cash Flows

**103**

Notes to the Consolidated Financial Statements

# INDEPENDENT AUDITORS' REPORT

## To the Board of Directors and Stockholders' of Grupo Lamosa, S. A. B. de C.V and Subsidiaries

### Opinion

We have audited the consolidated financial statements of Grupo Lamosa, S. A. B. de C. V. and Subsidiaries (the "Company"), which comprise the consolidated statements of financial position as of December 31, 2024 and 2023, and the consolidated statements of income, consolidated statements of other comprehensive income, consolidated statements of changes in stockholders' equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, that include information on material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all the material respects, the consolidated financial position of Grupo Lamosa, S. A. B. de C. V. and Subsidiaries as of December 31, 2024, and 2023, and their consolidated financial performance and their 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) and with the Ethics Code 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 IMCP Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, have been of the greatest significance in our audit of the consolidated financial statements for the current period. These matters have been addressed in the context of our audit of the consolidated financial statements as a whole and in the formation of our opinion thereon, and we do not express a separate opinion on those matters. We have determined that the issues described below are the key audit issues that should be reported in our report.

### Evaluation of impairment tests applied to brands with an undefined useful life and goodwill

As described in Notes 4f., 4g. and 13 to the consolidated financial statements, the Company applies annual impairment tests to its intangible assets with an indefinite useful life and goodwill. The Company utilizes the "Discounted cash flows" ("DCF") valuation method with a revenue approach, which requires the Company's Management to utilize significant estimates and assumptions involving the selection of discount rates, future revenue forecasts, financial projections, cash flows, operating margins and profits to estimate the recovery value of cash generating units ("CGUs"). Changes to these assumptions could have a significant effect on their value and the amount of any impairment charge, or both. As of December 31, 2024, the balance presented in the Company's consolidated financial statements is composed by brands with an indefinite useful life of \$6,258,957 thousand Mexican pesos and goodwill of \$4,795,691 thousand Mexican pesos.

We have identified brands with an indefinite useful life and goodwill as a key audit matter, mainly because impairment testing requires the Management use of judgments and significant estimates to estimate the recovery value of the CGUs, which required the auditor to utilize a high level of judgment, together with an increased audit effort, including the need to involve our fair value expert specialists.

We applied the following audit procedures based on the significant assumptions considered by the Company in estimating future projections to evaluate the recoverable value of brands with an indefinite useful life and goodwill, as follows:

- We evaluated the design and implementation of internal controls to determine the value-in-use of CGUs.
- We verified that the models applied to determine the recovery value of assets consisted of methods that are utilized and recognized for the valuation of assets with similar characteristics.
- We evaluated the factors and variables utilized to identify CGUs, including: the analysis of operating cash flows and indebtedness policies, the analysis of its legal structure, production allocation and an understanding of the operation of the commercial and sales area.
- We reviewed and compared financial projections against performance and historical trends of the business and determined whether these projections were consistent with the budgets approved by the Board of Directors.
- We analyzed the projection methodology and assumptions utilized in the impairment model, specifically including projections of cash flows, operating margins, earnings before interest, taxes, depreciation and amortization ("EBITDA") and long-term growth. We tested for mathematical accuracy, completeness and precision of the impairment model. Fair value specialists performed a sensitivity analysis for all CGUs and an independent recovery value calculations to ascertain whether the assumptions utilized should be modified and the probability of these modifications arising.
- Specialist performed an independent evaluation of the discount rates utilized which were compared against the discount rates used by management.
- We tested and discussed the sensitivity calculations performed for the relevant assumptions utilized in all the CGUs with management.
- We compared the book values of the CGUs on which goodwill testing was based to observe completeness of long-lived assets included.

The results of our procedures were satisfactory, and we agree with the determination of the recovery value of the CGUs and the appropriateness of the assumptions.

- **Business combination - Acquisition and allocation of the purchase price of "Baldocer"**

As mentioned in Note 2a., to the consolidated financial statements, the Company finalized the acquisition of all the shares representing the common stock and equity of Baldocer S. A. U., Azulejos Benadresa S. A. U., and Dilmun Empresarial, S. L. U., held by Mavdi Inversiones y Desarrollos, S. L. (together, "Baldocer") whose main business activity is ceramic and porcelain coatings for floors and walls in Spain through the design, manufacture, distribution, marketing and/or sale of ceramic and porcelain wall tiles. The total consideration, free of debt and net of the cash acquired, amounted to \$8,147,866 thousand (€426 million). The acquisition of Baldocer was covered by two payments, the first for \$6,767,244 thousand (equivalent to €355 million euros) at the time of closing of the transaction, and the second payment in 2025 for an amount of no less than \$1,353,396 thousand (equivalent to €71 million euros), an amount that could vary depending on Baldocer's results in that period.

The fair values of the assets acquired, and liabilities assumed determined and recognized at the date of acquisition amounted to Ps. 6,920,536 thousand and Ps. 1,739,571 thousand, respectively. In addition, a goodwill of Ps. 2,811,995 thousand was recognized.

Due to the significant judgments employed by management in the valuation models for determining the fair values of assets acquired and liabilities assumed, we engaged our valuation specialists to evaluate the assumptions and criteria used by management and its independent expert and performed the following procedures:

- We reviewed the transaction's contractual agreements to identify the date of acquisition of control, the consideration transferred, the acquired entity and the acquiring entity, contingent considerations, among other agreements.
- We evaluated the design and implementation of internal controls over business acquisition.
- We evaluated the capacity and independence of the independent expert.
- We analyzed the methodology and projection assumptions used in determining fair values to ensure they were consistent with those used to value assets of similar characteristics in the industry.
- We challenged management's financial projections and compared them to the Company's historical business performance and trends.
- We reviewed the most relevant valuation assumptions (discount rate, assumptions for the valuation of intangibles, as well as the determination of the useful life of property, plant and equipment), and compared them with independent market sources.
- We reviewed compliance with the presentation and disclosure requirements established by IFRS 3.

The results of our procedures were satisfactory.

### **Information other than the Consolidated Financial Statements and Independent Auditors' Report there on**

The Company's Management is responsible for the other information. The other information will include the information that will be incorporated in the Annual Report that the Company must prepare pursuant to Article 33, Section I, Subsection b) of the Fourth Title, First Chapter of the General Provisions Applicable to Issuers and other Participants in the Mexican Stock Exchange and the Instructions attached to these provisions (the Provisions). The Annual Report will be available for our reading after the date of this audit report.

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

In relation with our audit of the consolidated financial statements, our responsibility will be to read the Annual Report, when available, and when we do so, to consider whether the other information contained therein is materially inconsistent with the consolidated financial statements or with our knowledge obtained during the audit, or it appears to contain a material error. When we read the Annual Report, we will issue the legend on the reading of the annual report required by Article 33, Section I, Subsection b), number 1.2 of the Provisions.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the accompanying consolidated financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as management determines it is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether 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 applicable, matters, related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### **Auditors' Responsibilities for 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 that users make based on the consolidated financial statements.

As part of an audit in accordance with ISAs, 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 and not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of the accounting policies used and the reasonableness of the 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, conclude on 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 express a modified 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 consolidated financial statements represent the underlying transactions and events, quantitatively and qualitatively, in a manner that achieves fair presentation.
- We plan and perform the group audit to obtain sufficient audit evidence related to the financial information of the entities or the business units within the Group to express an opinion on the Company's financial statements. We are responsible for the direction, supervision and review of the work carried out for the purposes of the Group's 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 the audit.

We also provide those charged with governance with a statement that we have complied with applicable ethical requirements regarding independence and have communicated with them about all relationships and other matters that may reasonably be expected to affect our independence and, where applicable, the related safeguards.

Among the matters that have been the subject of communications with those charged with governance of the Company, we determined that they have been of the greatest significance to the audit of the consolidated financial statements for the current period and are, therefore, key audit matters. We describe those matters in this audit report, unless the law or regulation prohibits public disclosure of the matter or, in extremely rare circumstances, we determine that a matter should not be communicated in our report because it can reasonably be expected that the adverse consequences of doing so would outweigh the public interest benefits of the matter.

**Galaz, Yamazaki, Ruiz Urquiza, S. C.**

Affiliated of a Member Firm of Deloitte Touche Tohmatsu Limited



C. P. C. Simón Fraige Salazar

January 31, 2025



GRUPO LAMOSA, S. A. B. DE C. V. AND SUBSIDIARIES

# CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS OF DECEMBER 31, 2024 AND 2023  
(IN THOUSANDS OF MEXICAN PESOS)

	Notes	2024	2023
<b>Assets</b>			
<b>Current assets:</b>			
Cash and cash equivalents	7	\$ 694,574	\$ 1,280,236
Accounts receivable, net	8	5,478,372	5,144,678
Inventories	9	5,906,926	5,103,887
Supplier advances and sundry creditors		284,889	583,096
Other current assets	10	1,362,509	554,384
Current assets		13,727,270	12,666,281
Real estate inventories	11	92,915	85,317
Property, plant and equipment, net	12	18,335,673	17,309,145
Right-of-use assets, net	17	1,005,648	749,302
Intangible assets, net	13	12,422,747	11,341,573
Deferred income taxes	23	1,080,994	976,921
Derivative financial instruments	6	148,577	29,797
Other non-current assets	14	331,452	658,122
Total assets		\$ 47,145,276	\$ 43,816,458



GRUPO LAMOSA, S. A. B. DE C. V. AND SUBSIDIARIES

# CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS OF DECEMBER 31, 2024 AND 2023  
(IN THOUSANDS OF MEXICAN PESOS)

	Notes	2024	2023
<b>Liabilities and stockholders' equity</b>			
<b>Current liabilities:</b>			
Current portion of long-term debt	16	\$ 1,414,368	\$ 1,449,863
Current portion of lease liability	17	178,356	156,159
Trade accounts payable		3,030,163	2,961,410
Sundry creditors		1,321,359	988,961
Income taxes	23	-	36,835
Other current liabilities	15	2,254,020	2,430,302
Contingent consideration	2	1,396,298	-
Current liabilities		9,594,564	8,023,530
Long-term debt	16	14,920,043	14,345,923
Finance leases	17	905,420	663,939
Employee benefits	18	771,573	734,968
Provisions	25	210,260	131,569
Deferred income taxes	23	2,493,722	2,468,961
Derivative financial instruments	6	94,092	-
Contingent consideration	2	-	1,322,819
Total liabilities		28,989,674	27,691,709
<b>Stockholders' equity:</b>			
Capital stock	19	203,053	203,053
Repurchase of treasury stocks	19	(2,715,760)	(2,376,985)
Additional paid-in-capital	19	139,386	139,386
Retained earnings		21,069,728	21,559,612
Other comprehensive loss items	6 and 18	(540,805)	(3,400,317)
Stockholders' equity		18,155,602	16,124,749
Total liabilities and stockholders' equity		\$ 47,145,276	\$ 43,816,458

See accompanying notes to these consolidated financial statements.

**Federico Toussaint Elosúa**  
Chief Executive Officer

**Jorge Antonio Touché Zambrano**  
Chief Financial Officer



GRUPO LAMOSA, S. A. B. DE C. V. AND SUBSIDIARIES

# CONSOLIDATED STATEMENTS OF INCOME

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023  
(IN THOUSANDS OF MEXICAN PESOS, EXCEPT FOR THE EARNING PER SHARE, WHICH IS IN MEXICAN PESOS)

	Notes	2024	2023
Net sales 26		\$ 33,945,445	\$ 31,571,854
Cost and expenses:			
Cost of sales	21	19,908,343	18,251,440
Operating expenses	20 and 21	9,146,409	8,260,417
Other operating expenses, net		368,352	128,253
		29,423,104	26,640,110
Operating income		4,522,341	4,931,744
Interest expense		1,478,648	975,934
Interest income		(169,780)	(471,796)
Hyperinflation effects on net monetary position		174,942	150,505
Exchange loss (gain), net		2,402,803	(702,755)
(Gain) loss on valuation of derivative financial instruments	6	(65,491)	27,929
		3,821,122	(20,183)
Income before income taxes		701,219	4,951,927
Income taxes	23	569,889	1,701,353
Net income of the year		\$ 131,330	\$ 3,250,574
Earnings per basic and diluted share	4.o	\$ 0.38	\$ 9.33

See accompanying notes to these consolidated financial statements



GRUPO LAMOSA, S. A. B. DE C. V. AND SUBSIDIARIES

# CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023  
(IN THOUSANDS OF MEXICAN PESOS)

	Notes	2024	2023
Net income of the year		\$ 131,330	\$ 3,250,574
Other comprehensive income items:			
<i>Items that can be potentially reclassified to net income of the year:</i>			
Valuation of derivative financial instruments, net of taxes	23	(9,248)	(100,944)
Cumulative translation adjustments	19.h	2,881,971	(1,577,214)
		2,872,723	(1,678,158)
<i>Item that cannot be reclassified to net income of the year:</i>			
Actuarial remeasurements of defined benefits obligation	18 and 23	(13,211)	(24,086)
		(13,211)	(24,086)
Total other comprehensive items		2,859,512	(1,702,244)
Total comprehensive income of the year		\$ 2,990,842	\$ 1,548,330

See accompanying notes to these consolidated financial statements.

GRUPO LAMOSA, S. A. B. DE C. V. AND SUBSIDIARIES

# CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023.  
(IN THOUSANDS OF MEXICAN PESOS)

	Notes	Capital stock	Repurchase of treasury stock	Additional paid-In capital	Retained earnings	Items of other comprehensive income			Total stockholders' equity
						Valuation of derivative financial instruments	Remeasurement of defined benefits obligations	Cumulative translation adjustment	
Balances as of January 1, 2023		\$ 203,053	\$ (1,588,547)	\$ 139,386	\$ 18,817,531	\$ 243,113	\$ (176,146)	\$ (1,765,040)	\$ 15,873,350
Dividends declared	19.d	-	-	-	(508,493)	-	-	-	(508,493)
Repurchase of treasury stocks	19.b	-	(788,438)	-	-	-	-	-	(788,438)
Comprehensive income	19.h	-	-	-	3,250,574	(100,944)	(24,086)	(1,577,214)	1,548,330
Balances as of December 31, 2023		203,053	(2,376,985)	139,386	21,559,612	142,169	(200,232)	(3,342,254)	16,124,749
Dividends declared	19.c	-	-	-	(621,214)	-	-	-	(621,214)
Repurchase of treasury stocks	19.b	-	(338,775)	-	-	-	-	-	(338,775)
Comprehensive income	19.h	-	-	-	131,330	(9,248)	(13,211)	2,881,971	2,990,842
<b>Balances as of December 31, 2024</b>		<b>\$ 203,053</b>	<b>\$ (2,715,760)</b>	<b>\$ 139,386</b>	<b>\$ 21,069,728</b>	<b>\$ 132,921</b>	<b>\$ (213,443)</b>	<b>\$ (460,283)</b>	<b>\$ 18,155,602</b>

See accompanying notes to these consolidated financial statements.



GRUPO LAMOSA, S. A. B. DE C. V. AND SUBSIDIARIES

# CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023  
(IN THOUSANDS OF MEXICAN PESOS)

	Notes	2024	2023
Cash flows from operating activities:			
Income before income taxes		\$ 701,219	\$ 4,951,927
Adjustment for:			
Depreciation and amortization		1,559,835	1,149,933
Other expenses	26	455,122	422,710
Interest income		(169,780)	(471,796)
Interest expense		1,478,648	975,934
Derivative financial instruments		(65,491)	27,929
Hyperinflation effects on net monetary position		174,942	150,505
Exchange loss (gain), net		2,402,803	(702,755)
Impairment of property, plant and equipment	12	126,233	124,096
Inflationary effect		3,505	(291,483)
		6,667,036	6,337,000
Changes in working capital:			
(Increase) decrease in accounts receivable		(127,294)	539,520
(Increase) decrease in inventories		(626,715)	195,829
(Decrease) in trade accounts payable		(59,024)	(475,114)
(Decrease) in other current liabilities		(158,245)	(314,035)
Income taxes paid		(1,160,696)	(2,279,678)
Net cash flows generated by operating activities		4,535,062	4,003,522



GRUPO LAMOSA, S. A. B. DE C. V. AND SUBSIDIARIES

# CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023  
(IN THOUSANDS OF MEXICAN PESOS)

	Notes	2024	2023
Cash flows from investing activities:			
Acquisition of property, plant and equipment	26	(1,222,307)	(2,147,139)
Interest income		169,780	471,796
Acquisition of intangible assets	26	(59,481)	(35,733)
Net cash flows used in acquisition of subsidiaries		-	(6,767,244)
Net cash flows used in investing activities		(1,112,008)	(8,478,320)
Cash flows from financing activities:			
Bank loans		3,400,278	7,289,823
Payments for bank liabilities and finance lease liability		(4,814,219)	(1,444,665)
Interest paid		(1,621,346)	(868,960)
Purchase of treasury stock		(338,775)	(788,438)
Dividends paid		(585,914)	(479,950)
Net cash flows (used in) obtained from financing activities		(3,959,976)	3,707,810
Net decrease in cash and cash equivalents		(536,922)	(766,988)
Cash and cash equivalents at beginning of year		1,280,236	2,037,110
Effects from changes in cash value		(48,740)	10,114
Cash and cash equivalents at end of the year		\$ 694,574	\$ 1,280,236

See accompanying notes to consolidated financial statements.

GRUPO LAMOSA, S. A. B. DE C. V. AND SUBSIDIARIES

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023  
(IN THOUSANDS OF MEXICAN PESOS)

## 1. Activities

Grupo Lamosa, S.A.B. de C.V. and its subsidiaries (the "Company") are engaged in the manufacture and commercialization of ceramic and porcelain products for floor and wall coverings, and adhesive for ceramic tiles and manufacture expanded polystyrene. The Company's address is Avenida Pedro Ramírez Vázquez No. 200-1 Col. Valle Oriente C.P. 66269 San Pedro Garza García, Nuevo León, Mexico.

In the following notes to the consolidated financial statements, reference to Mexican pesos or "\$", refers to thousands of Mexican pesos. Similarly, reference to "US\$" refers to thousands of U.S. dollars and reference to "EUR", "€" or euros, refers to thousands of euros.

## 2. Relevant events

### 2024

- a. **Acquisition of "Baldocer"** – On October 31, 2023, the Company finalized the acquisition of all the shares representing the common stock and equity of Baldocer S.A.U., Azulejos Benadresa S.A.U., and Dilmun Empresarial, S.L.U., held by Mavdi Inversiones y Desarrollos, S.L. (together, "Baldocer"). These companies have operations based in Spain and are mainly engaged in the design, manufacturing, distribution, marketing and/or sale of ceramic and porcelain tiles. The Company carried out this acquisition to continue strengthening its presence and leadership outside of Mexico, including the European continent.

This acquisition classifies as a business combination according to the requirements of International Financial Reporting Standard (IFRS) 3, *Business combinations*, therefore, the acquisition method was applied to measure the acquired assets and the assumed liabilities in the transaction. The consideration of the acquisition, debt free and net of cash acquired, was paid in Euros for \$8,147,866 thousand Mexican pesos (equal to €426 million). The acquisition of Baldocer was covered in two payments, the first for \$6,767,244 thousand Mexican pesos (equal to €355 million) when the transaction was closed, and the second payment in 2025, for an amount not lower than \$1,353,396 thousand Mexican pesos (equal to €71 million), which may vary based on the results of Baldocer during such term. Under the requirements of IFRS 3, the second payment was considered to be a contingent consideration; therefore, the valuation requirements established in IFRS 3 were applied, recognizing at fair value at the date of acquisition.

The transaction did not imply the issuance of new common stock share certificates of Lamosa or any amendments to the current certificates or the Company's bylaws.

The purchase price allocation was completed in 2024; therefore, the preliminary figures that were recognized in 2023 have been adjusted to reflect the fair values of the assets acquired and the liabilities assumed. In the purchase price allocation process, goodwill was adjusted by \$401,253, resulting in final goodwill of \$2,811,995.

Below are the preliminary values of the assets acquired and the liabilities assumed, condensed as of December 31, 2024:

	Preliminary figures	Adjustments	Final figures
Consideration transferred, net of cash received	\$ 8,147,866	\$ (154,906)	\$ 7,992,960
Identifiable acquired assets and assumed liabilities:			
Current assets <sup>(1)</sup>	\$ 2,907,511	\$ 8,475	\$ 2,915,986
Non-current assets	2,704,281	-	2,704,281
Intangible assets <sup>(2)</sup>	969,465	330,804	1,300,269
<b>Total assets</b>	<b>\$ 6,581,257</b>	<b>\$ 339,279</b>	<b>\$ 6,920,536</b>
Current liabilities <sup>(3)</sup>	\$ 843,555	\$ 10,230	\$ 853,785
Non-current liabilities <sup>(4)</sup>	803,084	82,702	885,786
<b>Total liabilities</b>	<b>\$ 1,646,639</b>	<b>\$ 92,932</b>	<b>\$ 1,739,571</b>
Net of identifiable assets and liabilities	\$ 4,934,618	\$ 246,347	\$ 5,180,965
<b>Goodwill</b>	<b>\$ 3,213,248</b>	<b>\$ (401,253)</b>	<b>\$ 2,811,995</b>

(1) The adjustment to current assets is composed of \$8,475 under other accounts receivable.

(2) The adjustment to intangible assets is composed of \$(248,581) of trademarks and \$579,385 of customer relations.

(3) The adjustment to current liabilities is composed of \$10,230 in other accounts payable.

(4) The adjustment to non-current liabilities is composed of \$82,702 of income taxes.

The main adjustments to the consolidated statement of financial position as of December 31, 2023, due to the purchase price allocation were as follows:

	Preliminary figures	Adjustments	Final figures
Intangible assets, net	\$ 11,258,871	\$ 82,702	\$ 11,341,573
Deferred income taxes	1,059,623	(82,702)	976,921

The adjustments to the consolidated statement of income for the year ended December 31, 2023, were not significant.

Sales and net profit for the period from November 1, 2023 to December 31, 2023, contributed by the acquired business, were \$556,378 and \$77,467, respectively.

Had the acquisition of Baldocer been finalized on January 1, 2023, revenues would have increased by \$2,921,792 (unaudited) and profit by \$33,125 (unaudited).

The results of the operations acquired have been included in the accompanying consolidated financial statements from the acquisition date; therefore, the consolidated financial statements as of and for the year ended December 31, 2024 and 2023, are not comparable. The consolidated cash flow statement for the year ended December 31, 2024 and 2023, presents the disbursement for the acquisition of Baldocer under one item within investing activities, net of cash acquired.

### 3. Basis of presentation and consolidation

- a. **Statement of compliance** – The consolidated financial statements have been prepared in conformity with the International Financial Reporting Standards (“IFRS”) and their amendments as issued by the International Accounting Standards Board (“IASB”).
- b. **Explanation for translation into English** – The accompanying consolidated financial statements have been translated from Spanish into English for use outside of Mexico. Certain accounting practices applied by the Company that conform with IFRS may not conform with accounting principles generally accepted in the country of use.
- c. **Application of new or revised IFRS which are mandatory for the present or prior years and/or are not yet effective.**

- i. New IFRS and changes adopted

In the current year, the Company has applied a number of amendments to IFRS issued by the IASB that are mandatorily effective for an accounting period that begins on or after January 1, 2024. The conclusions related to their adoption are described as follows:

#### Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback Transaction

In September 2022, the IASB issued amendments to IFRS 16, adding subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements of IFRS 15, *Revenues from contracts with customers*, to be accounted for as a sale. The amendments require that the seller-lessee to determine “lease payments” or “expected lease payments” such that the seller-lessee does not recognize a gain or loss that relates to the right of use retained by the seller-lessee after the commencement date.

The amendments do not affect the gain or loss recognized by the seller-lessee relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognized a gain on the right of use it retains solely because of a remeasurement of the lease liability applying the general requirements in IFRS 16. This could have been the case for leaseback sales which include variable lease payments that do not depend on an index or rate.

As part of the amendments, the IASB amended an Illustrative Example in IFRS 16, and added a new example to illustrate the subsequent measurement of a right-of-use asset and a lease liability in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate. The illustrative examples also clarify that a liability arising from a sale and leaseback transaction that qualifies as a sale under IFRS 15 is a lease liability.

The seller-lessee that retroactively applies the amendments, in accordance with IAS 8, to a sale and leaseback transaction that took effect after the initial adoption date, which is defined as the beginning of the annual reporting period in which the Company first applied IFRS 16.

The Company evaluated the amendments to IFRS 16 and determined that the implementation of these amendments had no effects on its financial information, as it does not engage in sale and leaseback transactions.

### **Amendments to IAS 7 and IFRS 7 – Supplier Finance Agreements**

In May 2023, the IASB issued amendments to IAS 7 and IFRS 7 to clarify the characteristics of supplier financing agreements and require additional disclosures about such agreements.

The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier financing agreements that enables users of financial statement to assess the effects of those agreements on the entity's liabilities and cash flows. In addition, IFRS 7 was amended to add supplier financing agreements as an example within the requirements to disclose information about an entity's exposure to liquidity risk concentration.

The amendments contain specific transition provisions for the first annual reporting period in which they are adopted.

The Company applied these amendments to disclose the impact on its liabilities and cash flows, specifically addressing liquidity risk and associated risk management in Note 6 to its consolidated financial statements.

### **Amendments to IAS 1 – Classification of Liabilities as Current and Non-current**

In January 2020, the IASB issued amendments to IAS 1 to specify the requirements to classify liabilities and current or non-current.

The amendments affect only the presentation of liabilities as current or non-current in the statement of financial position, and not the amount or timing of recognition of any asset, liability, revenue or expense or the financial information disclosed on such items.

The amendments clarify that the classification of liabilities as current or non-current is based on the rights that exist at the end of the reporting period, specify that the classification is not affected by expectations about whether an entity will exercise its right to defer the settlement of a liability, explain that rights exist if the financial covenants (obligations to do or not to do) are met at the end of the reporting period, and introduce a definition of "settlement" to clarify that the settlement refers to the transfer to the counterparty of cash, equity instruments, other assets, or services.

The Company assessed the amendments to IAS 1 and reviewed the classification of its liabilities as necessary to reclassify between current and non-current and did not identify any effect of these amendments to IAS 1 on its current accounting policies applicable to its financial information, as it already classifies its liabilities according to contractual terms, without considering future refinancing plans defined in its liquidity risk management strategy.

### **Amendments to IAS 1 – Classification of debt with covenants**

In November 2022, the IASB issued amendments to IAS 1 to specify the classification of debt with covenants.

The amendments specify that only the financial covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer the settlement of a liability for at least twelve months after the reporting date (and should therefore be considered when assessing the classification of the liability as current or non-current). Such financial covenants affect if the rights exist at the end of the reporting period, even if compliance with the financial covenant is assessed only after the reporting date (e.g., a financial covenant based of an entity's financial position at the reporting date in which compliance is assessed on a date subsequent to the reporting date).

The IASB also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity is only required to comply with a financial covenant after the reporting period. However, if an entity's right to defer settlement of a liability is subject to the entity meeting financial covenants within twelve months after the reporting period, the entity will disclose information that enables financial statement users to understand the risk that the liabilities will be repayable within the twelve months following the reporting period. This would include information about the financial covenants (including the nature thereof and when the entity is required to meet them), the carrying amount of the related liabilities and the facts and circumstances, if any, that indicate that the entity may encounter difficulties in complying with the financial covenants.

The Company assessed the amendments to IAS 1 and determined that they had no impact as it already classifies liabilities as current or non-current based on what is expected to occur at the end of the period and discloses information about its covenants in Note 15 to its consolidated financial statements.

#### ii. New and amended IFRS issued but not yet effective

As of the date of these consolidated financial statements, the Company has not applied the following amendments to the IFRS that have been issued, but are not yet effective, and the adoption of these amendments, except for IFRS 18, is not expected to have a material impact on the consolidated financial statements in future periods, considering that they are not of significant applicability. The amendments to the IFRS are included below:

- Amendments to IAS 21 – Lack of Exchangeability <sup>(1)</sup>
- Amendments to IFRS 7 and IFRS 9 – Classification and Measurement of Financial Instruments <sup>(2)</sup>
- Amendments to IFRS 7 and IFRS 9 – Nature-dependent Electricity Contracts <sup>(2)</sup>
- IFRS 19 – Subsidiaries without Public Accountability: Disclosures <sup>(3)</sup>

<sup>(1)</sup> Effective for annual periods beginning on or after January 1, 2025.

<sup>(2)</sup> Effective for annual periods beginning on or after January 1, 2026.

<sup>(3)</sup> Effective for annual periods beginning on or after January 1, 2027.

#### IFRS 18 – Presentation and Disclosures in Financial Statements

IFRS 18 will replace IAS 1, *Presentation of Financial Statements*. Notwithstanding, many of the requirements established in IAS 1 remain unchanged and are supplemented by new requirements. In addition, certain paragraphs of IAS 1 have been moved to IAS 8 and IFRS 7, and minor amendments have been made to IAS 7 and IAS 33.

IFRS 18 introduces new changes and requirements to:

- Present specified categories and defined subtotals in the statement of income
- Provide disclosures on management-defined performance measures (“MPMs”) in the notes to the financial statements
- Expanded requirements for aggregation and disaggregation of information

The Company must apply IFRS 18 for annual periods beginning on or after January 1, 2027, although early adoption is permitted. This standard requires retrospective application with specific transition provisions. The application of IFRS 18 and the associated amendments will have a significant impact on the Company’s consolidated financial statements.

The Company is assessing the amendments necessary to comply with regulatory requirements to disclose its financial information accurately and in accordance with its results and financial position.

- d. **Basis of preparation** – The consolidated financial statements were prepared based on the historical cost, except for the net assets and the results of the operations of the Company in Argentina, an economy that is considered hyperinflationary, which are expressed in terms of the unit of current measurement to date of the end of the reporting period. In general, the historical cost is based on the fair value of the consideration given in exchange for the assets.
- e. **Local, functional and reporting currency** – The individual financial statements of each subsidiary of the Company are prepared in the currency of the primary economic environment in which the Company operates (its functional currency). Transactions in foreign currency are recorded at the exchange rate in effect on the date of their execution. Monetary assets and liabilities in foreign currency are valued in national currency at the exchange rate in effect on the date of the consolidated financial statements. Exchange fluctuations of monetary assets and liabilities are recorded in the results of the year, except in the case of financing for the construction of fixed assets, for which the cost of loans is capitalized during their construction; for differences in exchange rates arising from transactions related to exchange rate risk hedging.

The following table shows the functional currencies of the main foreign operations of the Company, which are the same as their local currency:

Country	Currency
Argentina	Argentinian Peso (ARS)
Chile	Chilean Peso (CLP)
Colombia	Colombian Peso (COP)
United States	U.S Dollar (USD)
Peru	Peruvian Sol (PEN)
Guatemala	Quetzal (GTQ)
Brazil	Brazilian Real (BRL)
Spain	Euro (EUR)

The main closing exchange rates as of December 31, 2024, and 2023, for the accounts of the consolidated statement of financial position and the approximate average rates in 2024 and 2023 of the accounts of the consolidated statement of income, were as follows:

Currency	December 31, 2024	
	Closing	Average
U.S. dollar	20.2683	18.2994
Colombian peso	0.0046	0.0045
Peruvian sol	5.3891	4.8744
Argentinian peso	0.0196	0.0199
Chilean peso	0.0204	0.0194
Quetzal	2.6301	2.3590
Euro	21.0558	19.7971
Brazilian real	3.2731	3.3953

Currency	December 31, 2023	
	Closing	Average
U.S. dollar	16.8935	17.7667
Colombian peso	0.0044	0.0041
Peruvian sol	4.5571	4.7447
Argentinian peso	0.0208	0.0680
Chilean peso	0.0190	0.0212
Quetzal	2.1584	2.2680
Euro	18.6668	19.2068
Brazilian real	3.4894	3.5555

For purposes of these consolidated financial statements, the results and financial position of each entity are stated in Mexican pesos, which is the presentation currency of the consolidated financial statements. The subsidiaries that operate abroad whose functional currency is different from the presentation currency of the consolidated financial statements, translate their financial statements using the following exchange rates: 1) closing for assets and liabilities, 2) historical for stockholders' equity, and 3) average monthly rate in effect during the period, unless they vary significantly during the period, in which case they use the exchange rates at the date on which the transactions are performed.

Similarly, if the functional currency in which the foreign subsidiary operates corresponds to a hyperinflationary economy, its financial statements are first restated by applying the requirements of IAS 29, *Financial Report in Hyperinflationary Economies*, using the price index of the country of origin of the functional currency (Note 3f), and subsequently converted using the closing exchange rate for all items for consolidation purposes.

The conversion effects arising from the consolidation of the Company's subsidiaries are recorded in stockholders' equity within other comprehensive income items.

- f. Inflationary effect recognition** – The functional currency of the Company's subsidiaries corresponds to a non-hyperinflationary economy, except for the Argentina operation where, as of July 1, 2018, the cumulative inflation rate of the last three years approaches or exceeds 100%, qualifying as a hyperinflationary economy and in accordance with IAS 29, the financial information of that subsidiary is expressed in purchasing power as of that date and at the end of the fiscal year in the consolidated financial statements.

For the years ended December 31, 2024 and 2023, inflation in Argentina was 117.8% and 211.4%, respectively.

The Company restates its financial statements as follows:

- The amounts of non-monetary items in each statement of financial position which are not measured at fair value or net realizable value at the date of the statement of financial position, as applicable, are restated by applying to their historical cost the variance of a general price index from the acquisition date or the date of the last fair value measurement to the date of the statement of financial position;
- The amounts corresponding to monetary items in the statement of financial position are not restated;
- Equity items of each statement of financial position are restated:
  - i. at the beginning of the first application period of IAS 29, except for retained earnings, applying the variance of a general price index, from the origination date of the items up to the restatement date. Restated retained earnings are derived from the rest of the balances in the statement of financial position.
  - ii. at the end of the first application period and in subsequent periods, all equity items are restated by applying a general price index from the beginning of the period or the contribution date if it is later.
- Revenues and expenses are restated by applying the general price index variance from the date on which the revenues and expenses were recognized to the reporting date.
- Gains or losses derived from the net monetary position are recognized in the consolidated statement of comprehensive income.

The effects of restates in the financial statements of the subsidiary located in Argentina are presented within the "Financial result, net" for the years ending December 31, 2024 and 2023.

- g. Classification of costs and expenses** – The costs and expenses presented in the consolidated statements of income were classified based on their function, as that is the common practice of the industry the Company participates in. Thus, cost of sales was separated from the remaining costs and expenses.
- h. Basis of consolidation** – In order to prepare the consolidated financial statements of Grupo Lamosa, S.A.B. de C.V. (“GLASA”) and those of the controlled companies were considered. Control is obtained when the Company has the power over the investee, when it is exposed or has the rights to obtain variable returns from its participation and has the capacity to govern the financial and operating policies of the investee to obtain benefits from its activities. Glasa owns 100% of the capital stock of its subsidiaries. For consolidation purposes, all the significant balances and transactions between affiliated companies have been eliminated.

The subsidiaries and associates grouped by business segment, which form part of the continuous operations of GLASA, are the following:

#### Ceramic Business

Azulejos Benadresa, S.A.U. <sup>(3)</sup>  
 Baldocer, S.A.U. <sup>(3)</sup>  
 Cerámica Belcaire, S.A. <sup>(4)</sup>  
 Cerámicas Cordillera, S. A.  
 Cerámica San Lorenzo Colombia, S. A. S.  
 Cerámica San Lorenzo, I. C. S. A.  
 Cerámica San Lorenzo Industrial de Colombia, S. A.  
 Cerámica San Lorenzo, S. A. C.  
 Dilmun Empresarial, S.L.U. <sup>(3)</sup>  
 Estudio Cerámico México, S. A. de C. V. <sup>(1)(8)</sup>  
 Eurocerámica, S.A.S.  
 Incepa Revestimientos Cerámicos, Ltda.  
 Italaise, S. A. de C. V.  
 Ladrillera Monterrey, S. A. de C. V.  
 Lamosa Revestimientos, S. A. de C. V.  
 PLG Ceramics, Inc. <sup>(7)</sup>  
 Porcelanite Lamosa, S. A. de C. V.  
 Lamosa Energía de Monterrey, S. A. de C. V.  
 Roca Tiles Inc. <sup>(6)</sup>  
 Roca Tiles Spain, S.L. <sup>(4)</sup>  
 Servigesa, S. A. de C. V. <sup>(1)(8)</sup>  
 Tiles Investments and Holding, S.L.  
 United States Ceramic Tile, Inc. <sup>(6)(7)</sup>

## Adhesives Business/Insulating Business

---

Adhesivos Perdura, S. A. de C. V.  
Crest Norteamérica, S. A. de C. V.  
Edificios y Naves del Noreste, S. A. de C. V. <sup>(2)</sup>  
Empresas Fanosa, S.A. de C.V. (antes Empresas Ruibal, S. A. de C. V.) <sup>(2)</sup>  
Fanosa, S.A. de C.V. <sup>(2)</sup>  
Naves y Edificios, S. A. de C. V. <sup>(2)</sup>  
Comercializadora Fanosa, S. A de C. V. <sup>(5)</sup>  
Niasa México, S. A. de C. V.  
Solutek Chile, S.p.A.  
Tecnocreto, S. A.

## Corporate and others

---

Grupo Inmobiliario Viber, S. A. de C. V.  
Inmobiliaria Revolución, S. A. de C. V.  
Lamosa Servicios Administrativos, S. A. de C. V.  
Servicios de Administración el Diente, S. A. de C. V.  
Lamove, S. A. de C. V. <sup>(5)</sup>

*(1) Associated companies in which the Company holds 49% equity.*

*(2) On January 1, 2023, these companies merged, with Fanosa, S. A. de C. V. as the absorbing company.*

*(3) Companies acquired on October 31, 2023.*

*(4) On January 1, 2023, these companies merged, with Roca Tiles Spain, S.L. as the absorbing company.*

*(5) Companies created in 2024.*

*(6) On December 31, 2023, these companies merged, with Roca Tiles Spain, S.L. as the absorbing company.*

*(7) On January 4, 2024, PLG Ceramics, Inc. changed its name to United States Ceramic Tile, Inc.*

*(8) On January 12, 2024, equity in these entities was sold.*

#### 4. Material accounting policies

- a. **Cash and cash equivalents** – Cash and cash equivalents include cash on hand, sight bank deposits, and short-term investments that are readily convertible to cash, not subject to significant risk of changes in their value. Cash and cash equivalents are measured at nominal value and yields are recognized in profit or loss as they are accrued.
- b. **Financial assets** – The Company classifies and subsequently measures its financial assets based on the Company's business model to manage financial assets, and on the characteristics of the contractual cash flows of such assets. 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 upon initial recognition. Purchases and sales of financial assets are recognized at settlement date.

Financial assets are entirely written off when the right to receive the related cash flows expires or is transferred, and the Company has also substantially transferred all the risks and rewards of its ownership, as well as the control of the financial asset.

##### Classes of financial assets of the Company

###### i. Financial assets at amortized cost

Financial assets at amortized cost are those that i) are held within a business model whose objective is to hold said assets in order to collect contractual cash flows; and ii) the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

###### ii. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss, are financial assets that do not meet the characteristics to be measured at amortized cost or fair value through other comprehensive income, since i) they have a business model different to those that seek to collect contractual cash flows, or collect contractual cash flows and sell the financial assets, or otherwise ii) the generated cash flows are not solely payments of principal and interest on the amount of outstanding principal.

##### Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period, recognized in comprehensive income.

##### Impairment of financial assets

The Company recognizes lifetime expected credit loss (ECL) for trade receivables with clients and contract assets. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience for a range of clients with the objective of determining a percentage of default risk, adjusted for factors that are specific to the debtors, such as possible guarantees, insurance policies, general economic conditions and an evaluation of both the current direction and the forecast conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

### Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Company's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organizations, as well as consideration of various external sources of actual and forecast economic information that relate to the Company's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- An actual or expected significant impairment in the financial instrument's external (if available) or internal credit rating;
- Significant impairment in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortized cost;
- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- An actual or expected significant impairment in the operating results of the debtor;
- Significant increases in credit risk on other financial instruments of the same debtor;
- An actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Despite the outcome of the above assessment, the Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 180 days for national customers, and 90 days for foreign customers.

Despite the foregoing, the Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- (1) The financial instrument has a low risk of default,
- (2) The debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and
- (3) Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfill its contractual cash flow obligations.

The Company considers that a financial asset has low credit risk when the asset has an “investment grade” external credit rating, according to the globally accepted definition, or if an external rating is not available, that the asset has an internal “achievable” rating. Achievable means that the counterparty has a strong financial position, and there are no outstanding past amounts.

For financial guarantee contracts, the date on which the Company becomes part of the irrevocable commitment is considered to be the date of initial recognition for the purpose of assessing the impairment of the financial instrument. In assessing whether there has been a significant increase in credit risk since the initial recognition of financial guarantee contracts, the Company considers changes in the risk that the specified debtor will default the contract.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

#### **Definition of default**

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- When there is a breach of financial covenants by the debtor; or
- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full.

Despite the above analysis, the Company considers that default has occurred when a financial asset is more than 180 days past due for national customers and 90 days for foreign customers.

### Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events: significant financial difficulty of the issuer or the borrower; a breach of contract, such as a default or past due event; the lenders of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lenders would not otherwise consider; it is becoming probable that the borrower will enter bankruptcy or other financial reorganization.

### Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risk and rewards of ownership of the asset to another company or where there is information indicating that the debtor is in serious financial difficulty and there is no realistic prospect of recovery, when the debtor has been placed in liquidation or has entered a bankruptcy process, or in the case of receivables, when legal procedures that allow their recovery are exhausted, whichever comes first.

Financial assets written off may still be subject to compliance activities under the Company's recovery procedures, considering legal advice where appropriate. When a financial asset measured at amortized cost is written off, the difference between the carrying amount of the asset and the sum of the consideration received, and receivable is recognized in income.

### Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company and all the cash flows that the Company expects to receive, discounted at the original effective interest rate in case the value of money in time is a factor to consider.

- c. **Inventories** – Inventories are stated at the lower of cost and net realizable value. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs of inventories are determined on a weighted average cost method basis and include the acquisition or production cost, which is incurred when purchasing or producing a product and other costs incurred in bringing inventories to their current location and condition. For inventories of finished goods and inventories in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

**d. Property, plant and equipment** – Property, plant and equipment are initially recorded at their cost of acquisition net of accumulated depreciation and/or accumulated impairment losses, if any. The borrowing costs related to the acquisition of qualifying asset are capitalized as part of the cost of that asset, according to the policy of the Company. The improvements that have the effect of increasing the value of the asset, either because they increase the service capacity, improve efficiency, or extend the useful life of the asset, are capitalized. Lower maintenance costs are recognized directly in costs in the period they are made. Depreciation of assets begins when the asset is ready for use.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Except for the depreciation of machinery and equipment, which is depreciated based on units produced with the total estimated asset during its service life, the depreciation of other fixed assets is calculated under the straight-line method based on the estimated useful lives, as follows:

	Years
Buildings and improvements	35 to 40
Transportation equipment	4 to 5
Computer equipment	4
Furniture and equipment	10

Gain or loss on the sale or retirement of property, plant and equipment is calculated as the difference between the net revenue from the sale and the carrying amount of the asset and is recorded in other income (expenses) of the operations, when all significant risks and rewards of ownership of the asset are transferred to the buyer, which normally occurs when ownership of the property is transferred.

**e. Leases**

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Lease liabilities are initially measured at the present value of lease payments that are not paid at the commencement date, discounted by the rate implicit in the lease. If this rate cannot be readily determined, the Company uses incremental rates.

Lease payments included in the measurement of the lease liability consist of:

- Fixed lease payments (including fixed in-substance payments), less any lease incentives received;
- Variable annuity payments that are dependent on an index or rate, initially measured using the index or rate at the commencement date;
- The expected amount to be paid by the lessee under residual value guarantees;

- The exercise price of purchase options if the lessee is reasonably certain to exercise the options; and
- Penalty payments resulting from lease termination if the lease term reflects the exercise of a lease termination option.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest accrued on the lease liability (using the effective interest method) and reducing the carrying amount to reflect lease payments made.

The Company revalues the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term is changed or there is a significant event or change in the circumstances of the lease resulting in a change in the assessment of the exercise of the purchase option, in which case the lease liability is measured by discounting the discounted lease payments using an updated discount rate.
- Lease payments are changed as a result of index or rate changes or a change in the expected payment under a guaranteed residual value, in which case the lease liability is revalued by discounting the updated lease payments using the same discount rate (unless the change in lease payments is due to a change in a variable interest rate, in which case an updated discount rate is used).
- A lease is amended, and the lease amendment is not accounted for as a separate lease, in which case the lease liability is revalued based on the lease term of the amended lease, discounting the updated lease payments using a discount rate updated to the effective date of the amendment.

Right-of-use assets consist of the initial measurement of the related lease liability, lease payments made on or before the commencement date, less any lease incentives received and any initial direct costs. The subsequent valuation is the cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter of the lease term and the useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company plans to exercise a purchase option, the right-of-use asset is depreciated over its useful life. Depreciation begins at the commencement date of the lease.

- f. Intangible assets** – Intangible assets represent payments whose benefits will be received in future years. The Company classifies its intangible assets into definite and indefinite-lived assets according to the period in which the Company expects to receive benefits.

Intangible assets with finite lives are amortized over their estimated useful lives. Intangible assets with indefinite lives are not amortized and are subject to an annual evaluation to determine if there is impairment of assets.

The Company's main intangible assets are trademarks, goodwill, mining concessions, customer relations and investments in software.

The estimated useful life of intangible assets is as follows:

	Years
Trademarks	13
Mining concessions	130
Customer relations	16
Investments in software	10

**g. Goodwill** – Goodwill arising from a business combination and recognized as an asset at the date that control is acquired (the acquisition date).

Goodwill is not amortized but assessed for impairment at least annually. For the purposes of impairment testing, goodwill is allocated to each of the Company’s cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of a cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. An impairment loss recognized for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

**h. Impairment of tangible and intangible assets other than goodwill** – At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible 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 (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss. When an impairment loss is subsequently reversed, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimated value at its recoverable amount, such that the increased carrying amount does not exceed the carrying amount that would have been determined if an impairment loss had not been recognized for that asset (or cash-generating unit) in prior years. The reversal of an impairment loss is immediately recognized in profit or loss.

- i. **Financial liabilities** – Financial liabilities are classified as either financial liabilities at fair value through profit or loss (“FVTPL”) or “debt or other financial liabilities measured at amortized cost”.

#### **Financial liabilities at FVTPL**

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability and is included in the “other gains and losses” line item in the consolidated statements of income.

#### **Debt and other financial liabilities measured at amortized cost**

This classification includes loans with banking institutions, and other financial liabilities, which are initially recognized at fair value net of the transaction costs and are subsequently measured at amortized cost using the effective interest rate method, recognizing the interest expenses on an effective yield basis.

Financial liabilities are classified as short-term and long-term according to their maturity.

#### **Amortized cost and effective interest method**

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period.

The effective interest rate method is a method of calculating the amortized cost of a financial liability and allocating the financial expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability (or, where appropriate, a shorter period) to the net carrying amount on initial recognition.

#### **Derecognition**

The Company derecognizes financial liabilities only when the Company’s obligations are fulfilled, cancelled, or have expired. When the Company exchanges with the existing lender one debt instrument in another with substantially different terms, this exchange is accounted for as an extinguishment of the original financial liability and recognition of a new financial liability. Similarly, the Company considers the substantial modification of the terms of an existing liability or part of it as an extinction of the original financial liability and recognition of a new liability. It is assumed that the terms are substantially different if the present discounted value of the cash flows under the new terms, including any net paid rate of any rate received and discounted, using the original effective rate, is at least 10% different from the remaining cash flows of the original financial liability. The costs incurred in the refinancing are recognized immediately in results at the date of termination of the previous financial liability.

Meanwhile, if the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after the modification must be recognized in profit or loss as a result of changes in other gains and losses.

- j. Derivative financial instruments** – The Company values and recognizes all operations with derivative financial instruments in the consolidated statements of financial position as either an asset or liability at fair value, regardless of the purpose of holding them.

The fair value of these instruments is determined based on the present value of cash flows. This method involves estimating future cash flows of derivatives according to the fixed rate of the derivative and the forward curve at that date to determine the variable cash flows, using the appropriate discount rate to estimate the present value. All derivatives of the Company are classified in Level 2 of the fair value hierarchy. Fair value measurements in Level 2 are those derived from different information than quoted prices included within Level 1 (fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities) that can be seen for the asset or liability, either directly (e.g., as prices) or indirectly (e.g., derived from prices).

At the inception of the hedge relationship of a derivative financial instrument, the Company ensures that all hedge accounting requirements are complied with and documents its designation at the inception of the hedge, describing the objective, characteristics, accounting treatment and the way the measurement of effectiveness will be performed, applicable to that operation.

Derivatives designated as hedges for accounting purposes are accounted for based on the type of hedge: (1) for fair value hedges, changes in both the derivative and the hedged item are recognized at fair value and are recognized in profit or loss, (2) when cash flows hedges, the effective portion is temporarily recognized in other comprehensive income and in profit or loss when the hedged item affects it; the ineffective portion is recognized immediately in profit or loss.

The Company applies hedge accounting to foreign exchange risk arising from its investments in foreign operations due to changes in exchange rates originating between the functional currency of such operation and the functional currency parent company, regardless of whether the investment is maintained directly or through a sub-holder. The change in exchange rates is recognized in the other comprehensive income as a part of the foreign translation effect when the foreign operation is consolidated.

Therefore, the Company designates as a hedging instrument the debt denominated in a foreign currency, so the foreign exchange effects arising from such debt are recognized in the other comprehensive income, in the translation effects, to the extent that the hedging is effective. When the hedge accounting is not effective, exchange rate differences are recognized in results.

Hedge accounting is discontinued when the Company revokes the hedging relationship, when the hedging instrument expires or is sold, terminated, or exercised, when it no longer qualifies for hedge accounting or effectiveness is not sufficient to compensate changes in fair value or cash flows of the hedged item.

When discontinuing cash flow hedge accounting, any gain or loss recognized in other comprehensive income and accumulated in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in profit or loss. When it is no longer expected to occur, the gain or loss accumulated in equity is recognized immediately in profit or loss. Where a hedge for a forecasted transaction is proved satisfactory and subsequently does not meet the effectiveness test, the cumulative effects in other comprehensive income in equity are recognized in proportion to profit or loss, to the extent that the forecasted asset or liability affects it.

Certain derivative financial instruments contracted for hedging from an economic perspective that do not meet all the requirements under the standard, are designated for accounting purposes as FVTPL. The fluctuation in the fair value of these derivative instruments are recognized in the consolidated statements of income.

The Company primarily uses currency forwards, currency swaps, call spreads and interest rate swaps to manage its exposure to foreign currency and interest rate fluctuations, respectively.

## k. Employee benefits

### Short-term employee benefits

Are calculated based on the services provided, considering their current salaries and the liability is recognized as it accrues. It mainly includes workers' profit sharing ("PTU", for its acronym in Spanish) payable, vacations and vacation premiums, and incentives.

PTU is recorded in the period's profit or loss in which it is incurred and presented in cost of goods sold and operating expenses.

### Termination benefits

The Company provides benefits upon termination of employment under certain circumstances required. These benefits consist of a lump sum payment of three months' salary plus 20 days per year worked in the event of unjustified dismissal.

Termination benefits are recognized when the Company decides to terminate the employment relationship with an employee or when the employee accepts an offer of termination.

### Long-term employee benefits

The Company provides its employees long-term benefits that consist of defined contribution plans and defined benefit plans.

**Legal defined contribution plan** – The Company makes contributions equivalent to 2% of the salary of their workers to their plan defined contribution plan based on the retirement savings requirements established by law. The expense recognized for this item was \$81,813 and \$58,385 in 2024 and 2023, respectively.

**Defined contribution plan** – The Company has a pension plan with defined contribution benefits for certain employees, equivalent to a maximum of 6.25% of their annual taxed wage.

The Company has two types of retirement: normal retirement, which applies when turning 65 years of age, and early retirement, which applies when turning 55 years of age with at least 5 years of service.

In the case of leaving prior to retirement, the employee's entitlements on contributions will be adjusted to the years of service with the Company.

**Defined benefit plans** – For defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. All remeasurements of the Company's defined benefit obligations such as actuarial gains and losses are recognized directly in other comprehensive income ("OCI") and shall not be recycled to profit or loss at any time. The Company presents service costs within cost of sales and operating expenses and presents net interest cost within interest expense in the consolidated statements of income. The projected benefit obligation recognized in the consolidated statements of financial position represents the present value of the defined benefit obligation as of the end of each reporting period.

The defined benefit plans that the Company provides to its employees are:

- **Seniority premium** – In accordance with Mexican Labor Law, the Company provides seniority premium benefits to its employees under certain circumstances. These benefits consist of a one-time payment equivalent to 12 days wages for each year of service (at the employee's most recent salary, but not to exceed twice the legal minimum wage), payable to all employees with 15 or more years of service, as well as to certain employees terminated involuntarily prior to the vesting of their seniority premium benefit.
- **Pension plan** – The Company maintains for certain employees a pension plan with defined benefits that consists of a one-time payment, or a monthly payment determined based on their base pay according to age and years of service. The retirement ages are: normal. - Staff with 50 years of age and at least 5 years of service; advanced. - Staff with 45 years of age and at least 15 years of service, and early. – Staff with 40 years of age and a minimum of 10 years of service.

Additionally, for certain employees who are not subject to the pension plan, the Company recognizes, as specific benefits plan, an implicit obligation derived from the practices that are usually carried out, where it grants certain employees, when they have a retirement, an equivalent benefit to three months plus 20 days of salary for each year of service. This implicit obligation is related to the period of time in which an employee provided his services to the Company.

- l. Provisions** – Provisions are recognized when the Company has a present obligation (legal or assumed) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

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

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

- m. Revenue recognition** – Revenues comprise the fair value of the consideration received or to receive for the sale of goods and services in the ordinary course of the transactions, and are presented in the consolidated statement of income, net of the amount of variable considerations, which comprise the estimated amount of returns from customers, rebates and similar discounts.

To recognize revenues from contracts with customers, the comprehensive model for revenue recognition is used, which is based on a five-step approach consisting of the following: (1) identify the contract; (2) identify performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to each performance obligation in the contract; and (5) recognize revenue when the Company satisfies a performance obligation.

#### Revenue from the sale of goods and products

Contracts with customers are formalized by commercial agreements complemented by purchase orders, whose costs comprise the promises to produce, distribute and deliver goods based on the contractual terms and conditions set forth, which do not imply a significant judgment to be determined. When there are payments related to obtaining contracts, they are capitalized and amortized over the term of the contract.

Performance obligations held by the Company are not separable, and are not partially satisfied, since they are satisfied at a point in time when the customer accepts the products. Moreover, the payment terms identified in most sources of revenue are short-term, with variable considerations including discounts given to customers, without financing components or guarantees. These discounts are recognized as a reduction in revenue; therefore, the allocation of the price is directly on the performance obligations of production, distribution, and delivery, including the effects of variable consideration.

The Company recognizes revenue at a point in time, when control of sold goods has been transferred to the customer, which is given upon delivery of the goods promised to the customer according to the negotiated contractual terms. The Company recognizes an account receivable when the performance obligations have been met, recognizing the corresponding revenue; moreover, the considerations received before completing the performance obligations of production and distribution are recognized as customer advances.

Dividend income from investments is recognized once the rights of stockholders to receive this payment have been established (when it is probable that the economic benefits will flow to the Company and the revenue can be reliably determined).

**n. Income taxes** – Income tax expense represents the sum of the tax currently payable and deferred tax.

#### **Current tax**

Current tax corresponds to income tax (“ISR”) and is recorded in the income of the year when incurred. Taxable profit differs from profit as reported in the consolidated statements of income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

The Company’s liability for current tax is calculated using the tax rates that have been enacted or substantively enacted at the end of the reporting period.

#### **Deferred tax**

Deferred tax is recognized on the 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, including tax loss benefit. Deferred income tax asset is presented net of the reserve arising from the uncertainty of the realization of certain benefits.

On initial recognition, such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference, and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences, and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets 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 carrying amount of its assets and liabilities.

Deferred tax assets and deferred tax liabilities are offset when there is a legal right and when they relate to income taxes relating to the same taxation authority and the Company intends to liquidate its assets and liabilities on a net basis.

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

- o. **Earnings per share ("EPS")** – EPS is calculated by dividing the consolidated net income or loss by the weighted average number of shares outstanding during the period. Earnings per share are based on 344,197,160 and 348,325,030 weighted average shares outstanding during 2024 and 2023, respectively.

As of December 31, 2024 and 2023, the Company does not have potentially dilutive instruments.

#### **5. Critical accounting judgments and key uncertainty sources in estimates**

In the application of the accounting policies mentioned in Note 4, the Company's Management makes judgments, estimates and assumptions about certain amounts of assets and liabilities of the consolidated financial statements. The estimates and associated assumptions are based on experience and other factors that are considered relevant. Actual results could differ from such estimates.

The estimates and associated assumptions are continuously reviewed. Amendments to accounting estimates are recognized in the period in which the estimate is modified, future periods if the change affects both current and future periods.

#### **Discount rate estimation to calculate the present value of future minimum rent payments**

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

The Company uses a three-level 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 said model, Management also considers its policies and practices to obtain financing, distinguishing between that obtained at the corporate level (that is, by the holding company), or at the level of each subsidiary. Finally, for real estate leases, or in which there is significant and observable evidence of their residual value, the Company estimates and evaluates an adjustment for the characteristics of the underlying asset, taking into account the possibility that said asset may be granted as collateral or guarantee against the risk of default.

### **Estimation of default probabilities and recovery rate to apply the model of expected losses in the calculation of impairment of financial assets.**

The Company assigns to customers with whom it maintains an account receivable at each reporting date, either individually or as a group, an estimate of the probability of default on the payment of accounts receivable and the estimated recovery rate, with the purpose of reflecting the cash flows expected to be received from the outstanding balances on said date (see Note 8).

### **Useful lives of fixed and intangible assets**

Useful lives and residual values of fixed and intangible assets are used to determine depreciation expense and amortization of such assets, except for machinery and equipment which are depreciated on the basis of units produced estimating a total production and are defined in accordance with internal specialists. 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 or amortization expense are affected prospectively (see Note 4.d. and 4.f.)

### **Valuations to determine the recoverability of deferred tax assets**

As part of the tax analysis that the Company makes, on an annual basis it determines the projected taxable income based on the judgements and estimates of future operations, to conclude on the probability of recoverability of deferred tax assets, such as including tax losses and other tax credits (see Note 23).

### **Impairment of long-lived assets**

The carrying amount of long-lived assets is reviewed for impairment when situations or changes in circumstances indicate that it is not recoverable. If there are indicators of impairment, a review is carried out to determine whether the carrying amount exceeds its recoverable amount and whether it is impaired. The evaluation of impairment is estimated in accordance with what is mentioned in Note 4h.

The Company reviews on an annual basis the circumstances that provoked an impairment loss derived from the cash generating units to determine if such circumstances have been modified and if they have generated reversal conditions. In case of a positive conclusion, the next step is to calculate the recoverable amount and, if it is appropriate the reversal of impairment previously recognized. In case of having recognized an impairment loss of goodwill, no reversal procedure is applied (see Notes 12 and 13).

### **Assumptions made in defined benefit plan obligations**

The Company uses 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 (see Note 18).

Additionally, the Company's management makes certain critical judgements, which are explained below:

### Identification of a general Price index in Argentina

Beginning July 1, 2018, the Company reflects the effects of hyperinflation on the financial information of its subsidiary in Argentina using price indexes that are considered appropriate in accordance with Resolution 539/19 JG (the "Resolution") of the Argentine Federation of Professional Councils of Economic Sciences. This resolution establishes that a combination of price indexes should be used in the calculation of the effects of restatement of financial statements. Therefore, the Company has decided to use the Consumer Price Index ("CPI") to restate balances and transactions.

The price indexes used to restate the financial statements of the subsidiary in Argentina were as follows:

Year	Index
2024	7,694.0075
2023	3,533.1922
2022	1,134.5875

### Contingencies and commitments

The Company is subject to transactions or contingent 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 situation at the date of the estimate, and the opinion of legal advisors (see Note 22).

### 6. Objectives of risk management in financial instruments

The Company is exposed to different financial risks inherent in its operation, which are evaluated through a risk Management program and are listed as follows: a) market risk which included foreign exchange risk, interest and price rates mainly natural gas, b) liquidity risk, and c) credit risk, for which it seeks to manage the potential negative effects thereof in its financial performance. According to the valuation of these risks and internal guidelines, the Company carries out operations with derivative financial instruments, which are only for purposes of hedging and must be previously approved by the Finance Committee, comprised of independent and related party members of the Company's Board of Directors.

## 6.1 Categories and fair value of financial instruments

Below are the financial instruments and their fair value based on their category:

	December 31,	
	2024	2023
<b>Financial assets:</b>		
Cash and cash equivalents <sup>(1)</sup>	\$ 694,574	\$ 1,280,236
Accounts receivable <sup>(1)</sup>	5,478,372	5,144,678
Derivative financial instruments <sup>(2)</sup>	153,328	30,952
<b>Financial liabilities:</b>		
Amortized cost liabilities <sup>(1)</sup>	\$ 20,448,350	\$ 19,577,294
Derivative financial instruments <sup>(2)</sup>	94,092	51,896

<sup>(1)</sup> Measured at amortized cost. The book value of cash and equivalents, accounts receivable and short-term financial liabilities, approximates their fair value because they are short-maturity instruments.

<sup>(2)</sup> Instruments measured at fair value through profit or loss.

The book value and the estimated fair value of non-current financial liabilities valued at amortized cost are as follows:

	As of December 31, 2024	
	Book value	Fair value
<b>Financial liabilities:</b>		
Non-current debt before debt issuance and borrowing costs	\$ 16,428,812	\$ 16,026,596

The estimated fair value as of December 31, 2024, was determined based on discounted cash flows and reference to the closing value of the securities. The fair value measurement of non-current debt is considered within Levels 1 and 2 of the fair value hierarchy.

## 6.2 Market risk

### 6.2.1 Foreign exchange risk

The Company's exposure to the volatility of the exchange rate of its local currency against the U.S. dollar for the Company's financial instruments is shown as follows:

	2024		2023	
Financial asset	US\$	75,098	US\$	66,273
Financial liabilities		(356,957)		(530,797)
Liability position	US\$	(281,859)	US\$	(464,524)
Equivalent in Mexican pesos	\$	(5,712,806)	\$	(7,847,432)

The exchange rates in effect at the date of consolidated financial statements per U.S. dollar were as follows:

	As of December 31, <b>2024</b>	As of December 31, 2023
	\$ 20.2683	\$ 16.8935

As of January 31, 2025, the interbank exchange rate established by Banco de Mexico was 20.5677 Mexican pesos per U.S. dollar.

The Company's exposure to the volatility of the exchange rate of its local currency against the Euro for the Company's financial instruments is shown as follows:

	<b>2024</b>	2023
Financial asset	€ 22,126	€ 31,781
Financial liabilities	(40,757)	(57,663)
Liability position	€ (18,631)	€ (25,882)
Equivalent in Mexican pesos	\$ (392,288)	\$ (483,136)

The exchange rates in effect at the date of consolidated financial statements per Euros were as follows:

	As of December 31, <b>2024</b>	As of December 31, 2023
	\$ 21.0557	\$ 18.6668

As of January 31, 2025, the interbank exchange rate established by Banco de Mexico was \$21.3757 Mexican pesos per Euro.

### Sensitivity analysis of exchange risk

Because the Company has a borrowing position in foreign currency, mainly due to debt and finance leases in US dollars and Euros it is exposed to variations in exchange rates. In this position in foreign currency, if the exchange rate increases or decreases, the exchange effects would be against or in favor, respectively. Therefore, if as of December 31, 2024, the Mexican peso/U.S. dollar exchange rate increased by \$3.00 Mexican pesos, then the amount of the net monetary position in foreign currency would increase by \$845,578, whereas if as of December 31, 2024, the Mexican peso/euro exchange rate increased by \$3.0 Mexican pesos, then the net monetary position in foreign currency would increase by \$55,893, impacting income before taxes and the Company's stockholders' equity would have resulted in an exchange loss. If, on the contrary, such ratio decreased by \$3.00 Mexican pesos, then the effect would be the opposite. Both scenarios represent the amount that management considers reasonably possible to occur in a year given current market volatility.

## Derivative financial instruments to hedge the exposure to the exchange rate, interest rate and translation effect

As of December 31, 2023, the Company has four USD/MXN exchange rate Cross-Currency Swaps (“CCS”). As of December 31, 2024, such instruments were cancelled early since the foreign currency financing for which they were contracted was paid in advance and debt in local currency was contracted instead.

During 2023, the 3 CCS held in USD with various Latin-American currencies (USD/COP, USD/PEN and USD/CLP) matured early. The three CCS were designated as cash flow and net foreign investment hedges to mitigate risks related to interest rate, fluctuations in the financing scheme exchange rate and the translation effect of net investment in its subsidiaries in Colombia, Peru, and Chile. The accounting treatment for the discontinuation was applied in accordance with the requirements of IFRS 9.

In addition, during 2023, the transition of derivatives and debt to SOFR was performed due to the LIBOR reform; the remaining characteristics of the derivatives remained unchanged.

The characteristics of the CCS designated as accounting hedges of exchange rate and interest rate are as follows:

2023	Characteristics	CCS BBVA 50532830 (previously 175577)	CCS BBVA 50532798 (previously 175137)	CCS BBVA 50532780 (previously 177169)	CCS Scotiabank C87361/ C63495 (previously C63496/ C63495)
	Derivative financial instruments in statement of financial position				
Currency		USD	USD	USD	USD
Notional amount		\$18,960	\$18,960	\$17,617	\$18,960
Coupon received		Sofr Term 3M +0.26161%	Sofr Term 3M +0.26161%	Sofr Term 3M +0.26161%	Sofr Term 3M +0.26161%
Currency		MXN	MXN	MXN	MXN
Notional amount		\$401,838	\$407,545	\$369,957	\$399,866
Coupon paid		1.978%	2.00%	1.939%	1.925%
Maturity		oct-17-24	oct-17-24	oct-17-24	oct-17-24
Amortization MXN		\$106,803	\$108,335	\$98,343	\$106,294
Amortization USD		\$5,040	\$5,040	\$4,683	\$5,040
Book value		\$(9,854)	\$(11,471)	\$(8,107)	\$(8,993)
Effect recognized in profit or loss for reclassifications		\$(20,533)	\$(22,075)	\$(18,144)	\$(19,976)
Recognized in OCI net of reclassifications		\$7,476	\$7,422	\$7,026	\$7,688
Ineffectiveness recognized in profit or loss		-	-	-	-
Change in the fair value of the hedged item to measure ineffectiveness		\$9,814	\$11,451	\$8,079	\$9,107

As of December 31, 2023, the effectiveness results of the CCS hedges confirm that the hedging relationship is highly effective, as the changes in the fair value and cash flows of the hedged item are offset in the effectiveness range established by the Company. The prospective effectiveness test resulted in a 99.29% average in 2023. As of December 31, 2023, the effectiveness results of CCS hedges confirm that the hedging relationship is highly effective, as the changes in the fair value and cash flows of the hedged item are offset in the effectiveness range established by the Company. The average hedge ratio as of December 31, 2023 was 52.39% for the hedged financing scheme risk.

In these hedging relationships described above, the ineffectiveness source may be caused by the credit risk. For December 31, 2023, there was no ineffectiveness in results.

As of December 31, 2024, the Company has 6 USD/MXN exchange rate Call Spread strategies to mitigate the exchange rate risk for future repayments of financing in USD. As of December 31, 2023, the Company had 19 of these strategies.

The Company maintains different liabilities in U.S. dollars; therefore, during 2023, it contracted 19 Call Spread strategies to hedge the repayments in 2024, 2025, and 2026 of different liabilities in U.S. dollars; the characteristics of the derivative financial instruments and the considerations of their respective valuations as hedging instruments, are as follows:

### 2024

Characteristics	Call Spreads	Call Spreads
Number of strategies	4	2
Currency	USD/MXN	USD/MXN
Total notional USD	13,800,000	11,500,000
Maturities	March, June, September, and December 2025	September and December 2026
High strike	\$27.00	\$24.30
Low strike	\$25.00	\$21.30
Book value	\$1,517	\$12,207
Recognized in results	-	-
Recognized in other comprehensive income, net of taxes and reclassifications	\$1,844	\$(3,385)

### 2023

Characteristics	Call Spreads	Call Spreads	Call Spreads	Call Spreads	Call Spreads
Number of strategies	4	4	4	4	3
Currency	USD/MXN	USD/MXN	USD/MXN	USD/MXN	USD/MXN
Total notional USD	\$50,400,000	\$13,800,000	\$18,400,000	\$17,997,000	\$54,000,000
Maturities	January, April, July, and October, 2025	March, June, September, and December, 2025	March, June, September, and December, 2026	January, April, July, and October, 2024	January, April, and July, 2026
High strike	\$27	\$27	\$24.3	\$23.5	\$24.3
Low strike	\$25	\$25	\$21.3	\$20.5	\$21.3
Book value	\$3,147	\$955	\$7,246	\$1,155	\$18,449
Recognized in results	-	-	-	-	-
Recognized in other comprehensive income, net of taxes and reclassifications	\$6,420	\$2,238	\$2,878	\$3,790	\$8,399

For accounting purposes, the Company has designated the transactions described above as cash flow hedging relationships to hedge future repayments in 2024, 2025, and 2026 of two different liabilities; formally documenting such relationships, establishing the objectives, management’s strategy to hedge the risk, the identification of hedging instruments, the hedged items, the nature of the hedged risk, and the methodology to assess their effectiveness.

According to the characteristics of the hedged items and hedging instruments, the economic relationship is clear because the characteristics are perfectly aligned for the established hedging relationships. For this reason and in conformity with the standard, a qualitative method is applied based on the evaluation of critical terms. In the event of a substantial or critical change that could modify the economic relationship, a quantitative evaluation must be performed for the period for which doubt exists by using a cash flow offsetting method that includes a hypothetical derivative.

The results of the hedge effectiveness test are 100% for 2024 and 2023, and this confirms that the hedging relationship is highly effective. According to the described amount and the manner in which derivative cash flows are exchanged, for hedging strategies, the average hedge ratio is 75% and 89% as of December 31, 2024 and 2023, respectively. In these hedging relationships, ineffectiveness is essentially associated with the credit risk.

### EUR/MXN hedges

During 2024, the Company contracted four EUR/MXN currency swaps where only the interest coupon is paid and received (Coupon Only Swap or “COS”) and 44 EUR/MXN exchange rate Call Spreads. The objective of these hedges is to mitigate the exchange rate risk (EUR/MXN) with the Call Spreads and the interest rate risk (Euribor 3M) with the COS derived from payment of principal and interest, respectively, of its foreign currency financing scheme (Euros). The Company has formally designated this hedging relationship as a cash flow hedge.

#### 2024

Characteristics	Call Spreads BOFA	Call Spreads ING	Call Spreads BNP	Call Spreads Santander
Currency	EUR/MXN	EUR/MXN	EUR/MXN	EUR/MXN
Number of strategies	11	11	11	11
Total notional EUR (thousands)	\$46,280	\$45,500	\$45,500	\$44,720
Maturities	27-oct-27	27-oct-27	27-oct-27	27-oct-27
Book value	\$33,969	\$33,832	\$33,934	\$34,635
Recognized in results	\$(2,793)	\$(2,329)	\$(2,329)	\$(2,146)
Recognized in other comprehensive income, net of taxes and reclassifications	\$13,427	\$14,609	\$14,712	\$15,791
Change in fair value of the hedged item to measure ineffectiveness		\$(16,140)		

## 2024

Characteristics Derivative financial instruments line item in the balance sheet	CCS BNP Paribas MD33379833	CCS BOFA 952907794	CCS ING 411243841	CCS Santander 2353808
Currency	EUR	EUR	EUR	EUR
Notional (thousands)	\$43,750	\$44,500	\$43,750	\$43,000
Coupon receives	Euribor 3M	Euribor 3M	Euribor 3M	Euribor 3M
Currency	MXN	MXN	MXN	MXN
Notional	\$800,625	\$814,350	\$800,625	\$786,900
Coupon pays	4.05%	4.05%	4.05%	4.05%
Maturity	Oct 27, 27	Oct 27, 27	Oct 27, 27	Oct 27, 27
Book value	\$(23,301)	\$(24,085)	\$(23,618)	\$(23,088)
Effect recognized in results from reclassifications	\$(21,212)	\$(23,692)	\$(21,212)	\$(21,228)
Recognized in other comprehensive income, net of taxes and reclassifications	\$(1,462)	\$(275)	\$(1,684)	\$(1,302)
Ineffectiveness recognized in results	-	-	-	-
Change in fair value of the hedged item to measure ineffectiveness		\$19,712		

For accounting purposes, the Company has designated the intrinsic value of the Call Spreads and interest receivable on the currency swaps described above as a cash flow hedge, and the objective is to hedge the principal and interest payments on its Euro financing, formally documenting such relationship by establishing the objectives, the management strategy to hedge the risk, the identification of the hedging instruments, the hedged items, the nature of the risk to be hedged, and the effectiveness evaluation methodology. We found that the characteristics are perfectly aligned between the hedged item and the hedging instruments; however, a quantitative assessment was performed for the effectiveness measurement of such hedge using an offsetting method that includes a hypothetical derivative because this hedge is off-market, since the hedging instruments had an initial value upon designation.

In these hedging relationships, the ineffectiveness source is mainly due to credit risk and to the hedging relationships being off-market, as the hedging instruments are designated with a certain initial value.

As of December 31, 2024, the results of the hedging effectiveness tests of the Call Spreads were 100% and 98.65% for the swaps, which confirm that the hedging relationship is highly effective. Based on the described amount and how derivative flows are exchanged, for the hedging strategies, the average hedging ratio is 58% at the end of December 2024.

As of December 31, 2024 and 2023, the Company has currency forwards contracts for a nominal amount of its supplier invoice commitment, which all involve import hedges. The characteristics of these contracts are as follows:

Characteristics	<b>2024</b>	<b>2023</b>
Currency	USD/CLP	USD/CLP
Notional	US\$5,199	US\$5,218
Maturity	January, February, March, and April 2025	January, February, March, and April 2024
Average strike	\$970.53	\$904.63
Asset (liability) book value	\$3,234	\$(7,373)
Effect recognized in results	\$-	\$-
Recognized in other comprehensive income, net of taxes and reclassifications	\$2,361	\$5,382

As of December 31, 2023 the Company has future contracts for a nominal amount equal to the amount of supplier invoices denominated in foreign currency. The characteristics of these contracts are as follows:

Characteristics	<b>2023</b>
Currency	USD/ARS
Notional	US\$5,615
Maturity	January 2024
Average strike	\$665 - \$858
Asset (liability) book value	\$(6,098)
Effect recognized in results	\$3,964
Recognized in other comprehensive income, net of taxes and reclassifications	USD/ARS

### 6.2.2 Interest rate risk

As of December 31, 2024, approximately 77.6% of the bank debt has been contracted at a variable rate, which exposes the Company to the interest rate risk. This risk exposure is essentially related to possible fluctuations in the interest rate benchmark used in Mexico (Interbank Interest Rate or "TIIE"), in the US (Secured Overnight Financing Rate or "SOFR" of 3 months) and in Europe (Euro InterBank Offered Rate or "EURIBOR").

The Company monitors the trends of these interest rates, the value of which increased during 2024.

#### Sensitiveness analysis of the interest rate risk

If, as of December 31, 2024, the interest rates of the Company's debt instruments varied by 2 percentage points, which represents a percentage that management considers reasonably possible in a one-year period, the effect on the Company's profit before taxes and stockholders' equity would be \$245,504. A rate increase would adversely affect profit, while a rate decrease would generate a benefit.

### 6.2.3 Natural gas price risk

The Company is exposed to fluctuations in the price of natural gas. During the years ended December 31, 2024 and 2023, the Company consumed natural gas of approximately 13,436,118 and 16,706,540 million British Thermal Units ("MMBTUS"), respectively. Based on the guidelines established by the Finance Committee to hedge the risk of a natural gas price increase, during 2024, the Company contracted Gas Price Swap hedges of 4,378,787 million BTUs, corresponding to 50% of the monthly consumption in Mexico at an average price of US\$2.03 per million BTUs. Such hedges are not in effect as of December 31, 2024.

As of December 31, 2024 and 2023, and January 31, 2025, the issuance date of the consolidated financial statements, the market price of natural gas was US\$2.42, US\$2.51 and US\$3.01, U.S. dollars of MMBTUS respectively.

#### Sensitivity analysis of natural gas price risk

If as of the December 31, 2024, the gas price had increased by 10%, which represents the percentage that Management considers reasonably possible to occur in the coming year, the Company's income before taxes would have decreased by \$133,456, having an effect on stockholders' equity of \$93,419. If additionally, such ratio had decreased by 10%, then the effect would be the opposite.

### 6.3 Liquidity risk

The Company is exposed to different industry factors, as well as to economic factors which could affect the cash flow of its operations. Some of these factors are not controllable by the Company; however, the Company manages the liquidity risk through the monthly review of actual and projected cash flows to anticipate and react to potential future events.

A contractual payments' analysis of non-derivative financial liabilities is disclosed in Notes 16 and 17. This risk is managed by maintaining a proper cash balance for its operation and debt service, complemented by available lines of credit with various banks which as of December 31, 2024, are fully available.

#### Supplier finance arrangements

The Company operates the following supplier financing agreements:

- In order to ensure easy access to credit for its suppliers and facilitate early settlement, the Company has entered into supplier finance arrangements that permit the suppliers to obtain payment from the banks for the amounts billed up to 7 days before the invoice due date subject to a discount of up to 5% on average, assumed by the supplier. The arrangements permit the banks to settle invoices in advance, without setting a quantitative limit per month. The Company pays the banks the full invoice amount on the scheduled payment date as required by each invoice. As the agreements do not permit the Company to extend finance from the banks by paying them later than it would have paid its suppliers, the Company considers amounts payable to the banks should be presented under "Accounts payable to suppliers" and "Other current liabilities". As of December 31, 2024, 19% of "Accounts payable to suppliers" and "Other current liabilities" were amounts due under these arrangements.

Below are the details of supplier financing agreements and their presentation in the consolidated statement of financial position:

	December 31,	
	<b>2024</b>	2023
Presented under "Accounts payable to suppliers"	\$ 650,467	\$ 718,977
Presented under "Other current liabilities"	\$ 163,127	\$ 209,137
<b>Total</b>	<b>\$ 813,594</b>	<b>\$ 928,114</b>
Trade accounts payable for which suppliers have already received payment from the finance provider	\$ 813,594	

Below are the details of the payment date ranges for the supplier financing agreements as of December 31, 2024:

	Days
For liabilities presented under "Accounts payable to suppliers" and "Other current liabilities":	
Liabilities that are part of supplier finance arrangements:	50 - 65
Comparable accounts payable that are not part of supplier finance arrangements:	50 - 65

Changes in liabilities that are subject to supplier financing agreements are mainly attributable to additions resulting from purchases of goods and services and subsequent cash settlements. There were no material or monetary changes in these liabilities.

The Company does not face significant liquidity risk as a result of its supplier financing agreements given the limited amount of liabilities subject to such agreements and the Company's access to other financing sources under similar conditions.

#### 6.4 Credit risk

The maximum exposure to credit risk is represented by accounts receivable as shown in the consolidated statements of financial position. The client portfolio is comprised mostly of entities with experience in construction finishes and with a considerable track record in the distribution of the products of the Company's brands, which generally constitute an important source in their business lines. For its credit risk Management, the Company carries out a thorough review of customers interested in purchasing its products, as well as the annual evaluation of existing customers, considering both qualitative and quantitative variables and by establishing credit limits. The portfolio is based on the characteristics and conditions of customers, supported with promissory notes when necessary.

In addition, no customer individual or with affiliated companies represent more than 10% of sales or account receivables for the reported years in these consolidated financial statements.

#### 7. Cash and cash equivalents

	<b>2024</b>	<b>2023</b>
Cash and bank deposits	\$ 563,642	\$ 473,786
Cash equivalents - investments in money market fund	130,932	806,450
	<b>\$ 694,574</b>	<b>\$ 1,280,236</b>

#### 8. Accounts receivable, net

	<b>2024</b>	<b>2023</b>
Accounts receivable	\$ 5,616,045	\$ 5,263,905
Allowance for expected credit losses	(137,673)	(119,227)
	<b>\$ 5,478,372</b>	<b>\$ 5,144,678</b>

The following is the movement in the evolution due to the loss of customers on December 31, 2024 and 2023, with the model of losses expected by the Company:

### 2024

Customer groups	Accounts receivable <sup>(1)</sup>	Secured accounts receivable	Unsecured accounts receivable	Default probability range	Loss given default range	Opening balance-Impairment allowance	Increases	Cancellations	Ending balance-Impairment allowance
Ceramic	\$ 4,572,114	\$ 2,147,587	\$ 2,424,527	.02% - .05%	1.0	\$ (110,382)	\$ (62,391)	\$ 41,832	\$ (130,941)
Adhesives / Insulating	1,188,876	592,573	596,303	.03% - .05%	1.0	(8,845)	(4,155)	6,268	(6,732)
<b>Total</b>						<b>\$ (119,227)</b>	<b>\$ (66,546)</b>	<b>\$ 48,100</b>	<b>\$ (137,673)</b>

### 2023

Customer groups	Accounts receivable <sup>(1)</sup>	Secured accounts receivable	Unsecured accounts receivable	Default probability range	Loss given default range	Opening balance-Impairment allowance	Increases	Cancellations	Ending balance-Impairment allowance
Ceramic	\$ 4,758,983	\$ 1,094,723	\$ 3,664,260	.02% - .05%	1.0	\$ (109,868)	\$ (21,007)	\$ 20,493	\$ (110,382)
Adhesives / Insulating	781,013	241,663	539,350	.03% - .05%	1.0	(10,744)	(1,011)	2,910	(8,845)
<b>Total</b>						<b>\$ (120,612)</b>	<b>\$ (22,018)</b>	<b>\$ 23,403</b>	<b>\$ (119,227)</b>

(1) The total portfolio is presented on a gross basis as regards the allowance for volume discounts granted by the Company to its customers.

The increase in the allowance for doubtful accounts were derived by an application consisting of the probability of default on recurring sales to the Company's customers. Moreover, with respect to cancellations, these were made by recovering the amount previously considered uncollectible and, to a lesser extent, by considering some accounts receivable that are legally irrecoverable. The Company has guaranteed its portfolio for \$1,033,710 and \$1,082,362 as of December 31, 2024 and 2023, respectively.

### 9. Inventories

	2024	2023
Finished goods	\$ 3,591,097	\$ 3,146,657
Work in process	291,743	223,436
Raw materials	1,094,567	1,106,739
Accessories and spare parts	929,519	627,055
<b>Total</b>	<b>\$ 5,906,926</b>	<b>\$ 5,103,887</b>

The amount of the inventories consumed and recognized as part of cost of sales for the years ended December 31, 2024 and 2023, amounted to \$11,648,755 and \$9,070,493, respectively.

Inventories recognized as an expense for the years ended December 31, 2024 and 2023 include \$210,442 and \$33,711, respectively, for write-off of inventory to their net realizable value, the lowest.

### 10. Other current assets

	2024	2023
Recoverable income taxes	\$ 541,558	\$ 196,045
Recoverable tax	336,963	90,606
Derivative financial instruments	4,751	1,155
Sundry debtors	431,953	234,504
Other	47,284	32,074
	\$ 1,362,509	\$ 554,384

### 11. Real estate inventories

	2024	2023
Undeveloped land	\$ 92,915	\$ 85,317
	\$ 92,915	\$ 85,317

### 12. Property, plant and equipment, net

	2024	2023
Land	\$ 3,231,044	\$ 3,158,989
Building and constructions	7,760,851	7,225,664
Machinery and equipment	17,567,150	15,861,875
Furniture and equipment	323,471	231,431
Vehicles	180,393	179,413
Computers	357,994	329,437
Investment in process	1,356,702	1,129,175
	30,777,605	28,115,984
Accumulated depreciation	12,441,932	10,806,839
	\$ 18,335,673	\$ 17,309,145

	Balances as of December 31, 2023	Acquisition from business combination	Translation effect	Inflationary effect	Additions	Depreciation and impairment	Disposals	Capitalization	Balance as of December 31, 2024
<b>Investments:</b>									
Land	\$ 3,158,989	\$ -	\$ 69,948	\$ 2,302	\$ -	\$ -	\$ 195	\$ -	\$ 3,231,044
Buildings and constructions	7,225,664	-	190,108	26,864	10,295	-	16,945	324,865	7,760,851
Machinery and equipment	15,861,875	-	512,339	220,424	222,579	-	249,011	998,944	17,567,150
Furniture and equipment	231,431	-	76,748	8	2,156	-	3,065	16,193	323,471
Transport equipment	179,413	-	2,529	2,121	2,987	-	10,317	3,660	180,393
Computer equipment	329,437	-	16,390	1,905	5,666	-	9,664	14,260	357,994
Investments in process	1,129,175	-	331,044	319,640	978,624	-	43,859	(1,357,922)	1,356,702
<b>Total investments</b>	<b>28,115,984</b>	<b>-</b>	<b>1,199,106</b>	<b>573,264</b>	<b>1,222,307</b>	<b>-</b>	<b>333,056</b>	<b>-</b>	<b>30,777,605</b>
<b>Accumulated depreciation and impairment:</b>									
Buildings and constructions	2,336,698	-	79,899	9,114	-	226,903	16,081	-	2,636,533
Machinery and equipment	8,037,721	-	458,410	13,833	-	897,730	213,398	-	9,194,296
Furniture and equipment	145,034	-	26,659	1	-	66,638	2,928	-	235,404
Transport equipment	22,917	-	2,260	1,663	-	50,417	8,919	-	68,338
Computer equipment	264,469	-	16,337	1,437	-	34,593	9,475	-	307,361
<b>Total accumulated depreciation</b>	<b>10,806,839</b>	<b>-</b>	<b>583,565</b>	<b>26,048</b>	<b>-</b>	<b>1,276,281</b>	<b>250,801</b>	<b>-</b>	<b>12,441,932</b>
<b>Investments, net</b>	<b>\$ 17,309,145</b>	<b>\$ -</b>	<b>\$ 615,541</b>	<b>\$ 547,216</b>	<b>\$ 1,222,307</b>	<b>\$ (1,276,281)</b>	<b>\$ 82,255</b>	<b>\$ -</b>	<b>\$ 18,335,673</b>

	Balances as of December 31, 2022	Acquisition from business combination	Translation effect	Inflationary effect	Additions	Depreciation and impairment	Disposals	Capitalization	Balance as of December 31, 2023
Investments:									
Land	\$ 2,729,475	\$ 411,822	\$ 4,338	\$ 3,975	\$ 9,369	\$ -	\$ 21	\$ 31	\$ 3,158,989
Buildings and constructions	5,345,286	1,208,437	171,068	37,172	71,893	-	32,699	424,507	7,225,664
Machinery and equipment	12,619,035	1,030,550	(569,883)	160,956	220,755	-	263,212	2,663,674	15,861,875
Furniture and equipment	119,235	18,954	76,465	16	9,657	-	11,016	18,120	231,431
Transport equipment	149,856	30,648	(2,356)	2,208	8,829	-	12,250	2,478	179,413
Computer equipment	293,840	2,893	(16,172)	1,495	8,963	-	6,518	44,936	329,437
Investments in process	1,794,395	-	450,769	37,431	2,064,733	-	64,407	(3,153,746)	1,129,175
Total investments	23,051,122	2,703,304	114,229	243,253	2,394,199	-	390,123	-	28,115,984
Accumulated depreciation and impairment:									
Buildings and constructions	2,113,222	-	4,113	9,970	-	239,714	30,321	-	2,336,698
Machinery and equipment	6,715,156	-	906,298	57,586	-	635,428	276,747	-	8,037,721
Furniture and equipment	71,129	-	65,576	-	-	18,985	10,656	-	145,034
Transport equipment	21,374	-	(790)	453	-	10,258	8,378	-	22,917
Computer equipment	303,398	-	(11,326)	2,372	-	29,101	59,076	-	264,469
Total accumulated depreciation	9,224,279	-	963,871	70,381	-	933,486	385,178	-	10,806,839
Investments, net	\$ 13,826,843	\$ 2,703,304	\$ (849,642)	\$ 172,872	\$ 2,394,199	\$ (933,486)	\$ 4,945	\$ -	\$ 17,309,145

During the years ended December 31, 2024 and 2023, the Company had unused capacity of 17.8% and 9.83%, respectively. On the other hand, the interest costs related to qualifying fixed assets as of December 31, 2024 and 2023 were not significant.

During the years ended December 31, 2024 and 2023, the Company recognized an impairment expense amounting to \$126,233 and \$124,096, respectively, mainly related to machinery and equipment.

### 13. Intangible assets, net

	<b>2024</b>	<b>2023</b>
Brands	\$ 6,452,780	\$ 5,992,581
Goodwill	4,795,691	4,050,546
Mining concessions	234,717	280,656
Customer relations	733,769	734,737
Amortized intangible assets	205,790	283,053
	<b>\$ 12,422,747</b>	<b>\$ 11,341,573</b>

Cost	Total Unamortized Intangibles			Mining concessions				Customer Relations		Other assets amortizable		Amortized Intangibles		Total
	Brands	Goodwill	Brands	Brands	Brands	Brands	Brands	Brands	Brands	Brands	Brands	Brands		
Balances as of December 31, 2022	\$ 5,238,175	\$ 1,411,599	\$ 6,649,774	\$ 247,680	\$ 296,444	\$ 165,709	\$ 337,350	\$ 1,047,183	\$ 7,696,957					
Acquisitions	969,465	3,213,248	4,182,713	-	-	-	35,733	35,733	4,218,446					
Adjustments	(248,581)	(248,102)	(496,683)	-	-	579,385	-	579,385	82,702					
Conversion effect	(140,770)	(326,199)	(466,969)	(61,111)	(12,132)	-	(820)	(74,063)	(541,032)					
Amortization	-	-	-	(12,277)	(3,656)	(10,357)	(89,210)	(115,500)	(115,500)					
Balances as of December 31, 2023	5,818,289	4,050,546	9,868,835	174,292	280,656	734,737	283,053	1,472,738	11,341,573					
Acquisitions	-	-	-	-	-	-	59,481	59,481	59,481					
Conversion effect	440,668	745,145	1,185,813	38,628	(42,849)	72,795	(73,287)	(4,713)	1,181,100					
Amortization	-	-	-	(19,097)	(3,090)	(73,763)	(63,457)	(159,407)	(159,407)					
Balances as of December 31, <b>2024</b>	<b>\$ 6,258,957</b>	<b>\$ 4,795,691</b>	<b>\$ 11,054,648</b>	<b>\$ 193,823</b>	<b>\$ 234,717</b>	<b>\$ 733,769</b>	<b>\$ 205,790</b>	<b>\$ 1,368,099</b>	<b>\$ 12,422,747</b>					

As of December 31, 2024 and 2023, intangible assets with finite useful lives mainly refer to expenses of the Company related to the implementation of an enterprise resource planning ("ERP") system, which began amortization in the corresponding exercise that was put into operation.

For purposes of impairment tests, the non-amortizable intangible asset of brands and goodwill was assigned to the Company's following cash generating units ("CGU"):

	<b>2024</b>	<b>2023</b>
North America Ceramic Tiles	\$ 4,174,094	\$ 4,174,094
South America Ceramic Tiles:		
Chile	512,702	452,622
Peru	59,336	50,177
Colombia	696,768	674,396
Argentina	273,127	124,369
Roca Ceramic Tiles	679,258	197,621
Baldocer Ceramic Tiles	4,028,389	3,490,873
Insulators	630,974	630,974
	<b>\$ 11,054,648</b>	<b>\$ 9,795,126</b>

The following factors are considered to assess the recoverable value of the CGU for impairment test purposes:

- Market share and expected price levels.
- Size of the market where the CGU operates for estimation of recoverable value purposes.
- Behavior of primary costs of raw materials and input, and the necessary expenses to maintain fixed assets in conditions to be used.
- Future cash flows discounted at present value based on 5-year financial projections and growth in perpetuity from the last year, considering estimations as of the valuation date based on the budget approved by the administration, including the latest known trends in the business and industry. The discount rate based on the weighted capital cost and the market participants' variables to be considered.
- Perpetuity growth rate estimated based on the inflation of the economy where the Company operates.

The discount and perpetuity growth rates used for the years ended December 31, 2024 and 2023 are as follows:

	2024	2023
<b>Discount rate</b>		
North America Ceramic Tiles	11.80%	10.10%
Insulators	12.10%	10.80%
<b>South America Ceramic Tiles:</b>		
Chile	10.00%	9.10%
Peru	9.90%	9.30%
Colombia	12.50%	11.80%
Argentina <sup>(1)</sup>	16.50%	17.80%
<b>Roca Ceramic Tiles:</b>		
United States	8.80%	6.80%
Spain <sup>(2)</sup>	-%	8.30%
Brazil	12.60%	11.40%
Baldocer Ceramic Tiles <sup>(2)</sup>	10.00%	-%
<b>Perpetuity growth rate</b>		
North America Ceramic Tiles	3.50%	4.06%
Insulators	3.50%	4.06%
<b>South America Ceramic Tiles:</b>		
Chile	2.40%	4.12%
Peru	2.30%	3.52%
Colombia	2.90%	5.62%
Argentina <sup>(1)</sup>	2.90%	2.30%
<b>Roca Ceramic Tiles:</b>		
United States	2.70%	2.68%
Spain <sup>(2)</sup>	-%	2.44%
Brazil	4.10%	4.10%
Baldocer Ceramic Tiles <sup>(2)</sup>	1.80%	-%

<sup>(1)</sup> The discount and perpetuity growth rates for the Argentina CGU are determined in real terms.

<sup>(2)</sup> During the year ended December 31, 2024, the Company made amendments to the grouping of its Roca and Baldocer CGUs, moving Roca España from the Roca CGU to the Baldocer CGU. The change was mainly due to:

- Unification of operating and commercial processes for purposes of achieving cost efficiency and strengthening the commercial strategy.
- Production shutdown at the Roca España plant, resulting in the consolidation of production at Baldocer plants and integration of product storage spaces.

For purposes of calculating the recoverable value of the cash generating units, pre-tax discount rates are used, which are applied to pre-tax cash flows. In addition, the perpetuity growth rate reflects a growth rate approximately equal to the estimated future annual inflation as of the sixth year of cash flows.

As a result of the tests performed, Management concluded that there were no impairment losses recognized during the year for intangible assets with indefinite lives.

## Sensitivity to changes in key assumptions

As of December 31, 2024, the Company performed an individual sensitivity analysis to each key assumption of the impairment calculation in the North America Ceramic tiles and Baldocer Ceramic tiles CGUs, considering a 1% change in the discount rate and the perpetuity growth rate, as follows:

CGU	Book value of CGU	Difference between book value and value in use with rate sensitivity <sup>(1)</sup>			
		Discount rate		Perpetuity growth rate	
		+ 1%	- 1%	+ 1%	- 1%
North America Ceramic Tiles	\$ 13,609,737	\$ 19,984,124	\$ 25,698,741	\$ 24,860,889	\$ 20,638,662
Baldocer Ceramic Tiles	\$ 7,147,756	\$ 7,772,435	\$ 9,942,317	\$ 9,618,524	\$ 8,025,674

(1) The sensitivity analysis of the key assumptions in the impairment assessment of the CGUs considers all the tangible and intangible assets assigned to each of these units.

### 14. Other non-current assets

	2024	2023
Recoverable taxes	\$ -	\$ 62,622
Investments in associates	63,034	38,123
Account receivable selling part (Cerámica San Lorenzo and Cordillera)	46,916	39,142
Long-term advances	-	234,581
Expenses to be amortized	112,831	139,763
Other assets	108,671	143,891
	\$ 331,452	\$ 658,122

### 15. Other current liabilities

	2024	2023
Contributions and taxes payable	\$ 217,846	\$ 409,049
Freights payable	755,635	571,424
Energy payable	334,413	249,435
Statutory employee profit sharing ("PTU")	284,830	329,561
Provisions	80,507	119,957
Dividends payable	192,011	156,538
Derivative financial instruments	-	51,896
Other accounts payable	388,778	542,442
	\$ 2,254,020	\$ 2,430,302

## 16. Bank deb

a. According to established credit contracts, the bank debt as of December 31, 2024 and 2023 is composed as follows:

	2024	2023
Syndicated bank loan (2019 "Club-Deal") denominated in US dollars and with a variable interest rate based on the 3-month LIBOR rate. The maximum surcharge paid was 1.60% in 2024, with principal maturities on different dates until 2026. <sup>(2) (3)</sup>	\$ -	\$ 2,402,256
Bank loan ("Club-Deal 2024"), denominated in Mexican pesos and with a variable interest rate based on the TIIE rate. The maximum surcharge paid in 2024 was 1.90%, with principal maturities at different dates until 2031. <sup>(2) (3)</sup>	2,000,000	-
Stock Certificates denominated in Mexican pesos and with a fixed interest rate of 9.12% based on the M-10 Bond rate and with principal maturity in 2029.	2,000,000	2,000,000
Bilateral bank loan contracted with BBVA, denominated in Mexican pesos and with a variable interest rate based on the 91-day TIIE rate. The maximum surcharge paid in 2024 was 1.85%, with principal maturities at different dates until 2031 <sup>(2)</sup>	400,000	496,500
Bank loan ("Club-Deal 2022") denominated in US dollars and with a variable interest rate based on the three-month SOFR rate. The maximum surcharge paid in 2024 was 1.85%, with principal maturities at different dates until 2029. <sup>(2) (3)</sup>	1,621,464	1,942,753
Private placement denominated in US dollars with a fixed interest rate of 5.24% and the annual maturity of principal from 2031 through 2034. <sup>(2)</sup>	1,662,001	1,385,267
Revolving bank loan denominated in Mexican pesos and with a variable interest rate based on the 91-day TIIE rate. The maximum surcharge paid in 2024 was 1.50%	100,000	-
Syndicated bank loan, denominated in Euros and with a variable interest rate based on the 3-month EURIBOR. The maximum surcharge paid was 2.00% for 2024, with principal maturities at different dates until 2028 <sup>(1) (2)</sup>	6,457,230	5,606,880
Unsecured loan, denominated in US dollars at a fixed 8.30% rate with maturities at different dates until 2024.	-	330,796
Revolving bank loan denominated in Argentinian pesos with a maximum 38% rate maturing at different dates in 2025.	24,238	-
Unsecured loan, denominated in US dollars at a variable interest rate based on six-month SOFR plus a 3.00% surcharge, with maturities at different dates until 2027.	655,836	170,698
Unsecured loan, denominated in Euros at a variable interest rate based on the 3-month EURIBOR plus a 0.60% maximum surcharge, with maturities at different dates until 2025	42,112	186,669
Unsecured loan denominated in US dollars and with a variable interest rate based on the SOFR rate plus a maximum surcharge of 2.50% for 2023 and 2.90% for 2024 with maturities on different dates until 2026.	1,062,776	953,166
Unsecured revolving loan denominated in euros with a variable interest rate based on the Euribor rate plus a surcharge of between 0.40% and 1.80% and with maturities on different dates until 2029.	403,155	429,449
<b>Total bank debt</b>	<b>16,428,812</b>	<b>15,904,434</b>
<b>Costs incurred to issue and obtain debt</b>	<b>(94,401)</b>	<b>(108,648)</b>
<b>Total bank debt, net</b>	<b>16,334,411</b>	<b>15,795,786</b>
<b>Current portion</b>	<b>(1,414,368)</b>	<b>(1,449,863)</b>
<b>Long term debt</b>	<b>\$ 14,920,043</b>	<b>\$ 14,345,923</b>

(1) In October 2023, the Company obtained a syndicated loan of EUR 300,000 with the involvement of ten banks, which was used in the acquisition of Baldocer.

(2) Unsecured loans guaranteed by a group of the Company's subsidiaries, which represent approximately 65% of total consolidated assets and "EBITDA" for the last twelve months of each fiscal quarter. EBITDA is defined as operating profit plus depreciation, amortization, and impairment of long-lived assets.

(3) In May 2024, the Company contracted financing for \$2,000,000 MXP to prepay the Club-Deal 2019 loan denominated in US dollars, for purposes of improving the maturity profile and convert part of the debt from US dollars to Mexican pesos.

(4) In December 2024, the Company made a US\$35,000 prepayment of principal.

As of December 31, 2024, the maturities of the non-current debt, net of the costs incurred to issue and obtain debt are as follows:

Years	Principal	Unaccrued interest <sup>(1)</sup>
2026	\$ 1,695,968	\$ 941,714
2027	3,220,232	845,147
2028	3,962,828	651,064
2029	2,745,732	494,884
2030	309,440	266,377
2031	1,741,743	150,852
2032	414,540	54,431
2033	414,540	32,658
2034	415,020	10,886
	\$ 14,920,043	\$ 3,448,013

(1) Interest is determined based on variable and fixed rates at the end of the period.

TIIE, SOFR and EURIBOR interest rates were as follow:

Year	TIIE %	SOFR %	EURIBOR %
2024	10.2440	4.3051	2.714
2023	11.5035	5.3301	3.909

Certain restrictions are included in some clauses of the long-term debt agreements of the Company as well as the obligation to maintain certain financial ratios. Such restrictions have been met as of December 31, 2024 and 2023.

## 17. Leases

### Right-of-use assets, net

The Company leases certain fixed assets, including buildings, machinery, transportation equipment, and computer equipment. As of December 31, the average term of the leases is 7 years.

a) The right-of-use recognized in the consolidated statement of financial position as of December 31, 2024 and 2023 is integrated as follows:

	Transport equipment	Buildings	Computer equipment	Machinery and equipment	Total
Initial balance as of December 31, 2022	\$ 51,202	\$ 666,894	\$ 1,018	\$ 129,232	\$ 848,346
New contracts	60,985	20,881	1,400	40,476	123,742
Depreciation of the year	(29,802)	(120,468)	(689)	(71,827)	(222,786)
Balance as of December 31, 2023	82,385	567,307	1,729	97,881	749,302
New contracts	35,555	468,588	1,532	1,051	506,726
Depreciation of the year	(37,714)	(148,552)	(852)	(63,262)	(250,380)
Final balance as of December 31, 2024	\$ 80,226	\$ 887,343	\$ 2,409	\$ 35,670	\$ 1,005,648

b) Amounts recognized in the condensed consolidated statement of income for the year ended December 31, 2024 and 2023:

	2024	2023
Low value lease rent expense	\$ 14,712	\$ 13,026
Short-term lease rent expense	\$ 35,248	\$ 33,386

## Lease liability

As of December 31, 2024 and 2023, the changes in the lease liability that derive from financing activities according to the cash flow are integrated as follows:

	<b>2024</b>	<b>2023</b>
Initial balance	\$ 820,098	\$ 891,216
Interest expense on lease liabilities	39,094	39,942
Lease payments	282,142	234,802
New contracts	506,726	123,742
Final balance	\$ 1,083,776	\$ 820,098

Total future minimum lease payments, which includes unearned interest, are analyzed as follows:

	December 31,	
	<b>2024</b>	<b>2023</b>
Less than 1 year	\$ 227,920	\$ 219,564
More than 1 year	976,911	658,678
Total	\$ 1,204,831	\$ 878,242

## 18. Employee benefits

a) The main assumptions used for actuarial calculations of defined benefit plans:

	<b>2024</b>	<b>2023</b>
Discount of projected benefit obligation at present value	10.50%	9.75%
Salary increase	6.75%	6.00%

The sensitivity analysis of the discount rate used to determine defined-benefit labor obligations, while considering that all other assumptions remain constant, is as follows:

	<b>2024</b>	<b>2023</b>
Discount rate - 0.50%	\$ 780,348	\$ 745,972
Discount rate + 0.50%	(724,445)	(701,308)

The determination of the discount rate applied to the Company's labor obligations utilizes estimated future annual cash flows as its basis, which are determined by using zero coupon rate government M bonds for a period of 20 years, while also considering workers' average working life.

b) The effects recognized in the consolidated statements of other comprehensive income (“OCI”) for 2024 and 2023 are as follows:

	Net income		OCI	
	Current service cost	Net interest	Actuarial remeasurements <sup>(1)</sup>	
<b>2024</b>				
Pension and retirement plans	\$ 46,321	\$ 29,144	\$ 38,079	
Seniority premium	4,677	31,223	(24,868)	
<b>Total</b>	<b>\$ 50,998</b>	<b>\$ 60,367</b>	<b>\$ 13,211</b>	
<b>2023</b>				
Pension and retirement plans	\$ 27,740	\$ 25,068	\$ 10,696	
Seniority premium	11,642	27,903	13,390	
<b>Total</b>	<b>\$ 39,382</b>	<b>\$ 52,971</b>	<b>\$ 24,086</b>	

(1) The actuarial re-measurements of the defined benefit liability are presented net of income tax.

For the years ended in December 31, 2024 and 2023, \$50,998 and \$39,382 of costs for services, respectively, have been included in the consolidated statements of income as part of cost of sales and operating expenses. The remeasurement of the liability for defined benefits recognized in other comprehensive income items is as follows:

	2024	2023
Amount accumulated in OCI at the beginning of the period, net of taxes	\$ 200,232	\$ 176,146
Actuarial remeasurements	18,873	34,409
Tax effect	(5,662)	(10,323)
<b>Amount accumulated in OCI at the end of the period, net of taxes</b>	<b>\$ 213,443</b>	<b>\$ 200,232</b>

c) Changes in the defined benefit obligation for pension and retirement plan and seniority premium plan:

Pension and retirement plan		2024	2023
Opening balance	\$	393,029	\$ 370,514
Service cost		46,321	27,740
Interest cost		29,144	25,068
Actuarial losses		54,399	15,281
Benefits paid		(64,754)	(45,574)
Ending balance	\$	458,139	\$ 393,029
Seniority Premium		2024	2023
Opening balance	\$	341,939	\$ 299,774
Service cost		4,677	11,642
Interest cost		31,223	27,903
Actuarial (gains) losses		(35,526)	19,128
Benefits paid		(28,879)	(16,508)
Ending balance	\$	313,434	\$ 341,939
Total liability for defined benefits	\$	771,573	\$ 734,968

The average of the benefit obligation at December 31, 2024 and 2023 is 6.63 and 6.29 years, respectively.

**19. Stockholders' equity**

- a. The minimum fixed capital stock, without the right to withdrawal, is composed by ordinary, nominative shares, without the expression of nominal value and the variable capital by ordinary, nominative shares, without the expression of nominal value. All shares are freely subscribed.

	2024	2023
		Number of shares
Minimum fixed capital stock	360,000,000	360,000,000
Variable capital	25,843,423	25,843,423
	385,843,423	385,843,423

- b. According to the current stock market regulations in effect and the Company's by-laws, each year the Annual Ordinary Stockholders' Meeting approves the maximum amount of resources that the Company can allocate to the acquisition of shares of its capital stock. The maximum amount of resources approved for 2024 and 2023 at the Annual Stockholders' Meetings held on March 13, 2024 and March 15, 2023 amounted to \$2,000 million Mexican pesos for 2024 and 2023. In relation to the years ended December 31, 2024 and 2023 the Company carried out operations with shares of its capital stock balance, corresponding to the Purchase of treasury stock of 42,933,234 and 40,208,433 representative shares of its capital stock, respectively.
- c. At the general stockholders' meetings held on March 13, 2024, dividends were declared for \$621,214 from the net tax income account (CUFIN), equivalent \$1.80 Mexican pesos per share.
- d. At the general stockholders' meetings held on March 15, 2023, dividends were declared for \$508,493, from the net tax income account (CUFIN), equivalent \$1.45 Mexican pesos per share.
- 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 Company is dissolved. The legal reserve must be replenished if it is reduced for any reason. At December 31, 2024 and 2023, the legal reserve, in historical pesos, was \$480.
- f. Stockholders' equity, except restated paid-in capital and tax-retained 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 tax payable of the year in which the tax on the dividend is paid and the two fiscal years following such payment against the tax of the year and the provisional payments.
- g. The balances of the stockholders' equity tax accounts are:

	<b>2024</b>	<b>2023</b>
Contributed capital account	\$ 508,603	\$ 488,056
Net tax income account (CUFIN)	45,146,841	27,286,943
<b>Total</b>	<b>\$ 45,655,444</b>	<b>\$ 27,774,999</b>

- h. Items of other comprehensive income consist of the following:

**Derivative financial instruments valuation**

The effective portion of the gains or losses arising from the measurement of financial instruments designated as cash-flows accounting hedges, net of income taxes, is recognized in other comprehensive income.

### Actuarial remeasurements of defined benefit obligations

Actuarial remeasurements are recognized as other components of comprehensive income. During the period, the actuarial remeasurements corresponded solely to variations in actuarial assumptions for both the labor liability and the plan assets and are presented net of income taxes.

### Effects of foreign currency translation

This reserve is generated by converting the financial statements from functional to reporting currency of the foreign subsidiaries. This effect is not subject to deferred taxes calculation since the Company controls the time of the temporary difference reversal and it is not probable that such temporary difference will be reversed in the foreseeable future. During the period, there were no other movements that affect the accumulated balance of this reserve.

- i. **Capital Management** -For capital Management purposes, the Company considers, in addition to stockholders' equity and the items thereof, all the financing sources both internal and external, including liabilities with costs resulting from contracting short-term and long-term debt. Similarly, investment in working capital is considered by including items such as customers, inventories and suppliers, as well as cash and cash equivalents.

The Company is subject to financial obligations as a result of having contracted certain loans. The main obligations contained in these contracts are described below<sup>(1)</sup>:

The Company must comply with certain financial ratios, which have the same parameters for the following loans:

- Loan ("Club-Deal") in 2022 in U.S. dollars.
- Bilateral loan in Mexican pesos with BBVA in 2022.
- Private issuance in U.S. dollars in 2022.
- Syndicated bank loan in euros in 2023.
- Loan ("Club-Deal") in 2024 in Mexican pesos.

Coverage Ratio of consolidated interest (EBITDA financial ratios<sup>(2)</sup> / Financial Expenses) Greater than or equal to 3.0 times.

Consolidated Leverage Ratio (Net Debt / EBITDA financial ratios<sup>(2)</sup>) Less than or equal to 3.5 times.

To calculate these ratios, the amounts are translated into U.S. dollars using the average exchange rate for the corresponding period.

<sup>(1)</sup> According to the contracts, financial covenants are determined using figures from the financial statements under IFRS.

<sup>(2)</sup> EBITDA is defined as the operating income added to depreciation and amortization and other items such as statutory employee profit sharing, doubtful accounts estimate, inventory write-downs, employee obligations, and impairment for long-lived assets.

During 2024 and 2023, the Company carried out the Management of its capital by observing those requirements, fully complying with all its financial commitments and showing ratios with better performance to those previously described.

The Company is not subject to financial obligations derived from the issuance of stock certificates ("CEBURES").

Below are some of the major items that are considered for the Management of the Company's capital as of December 31, 2024; a prior year comparison is presented below.

	<b>2024</b>	<b>2023</b>
Total debt	\$ 17,418,187	\$ 16,615,884
Cash and cash equivalents	694,574	1,280,236
Net debt	16,723,613	15,335,648
Stockholders' equity	18,155,602	16,124,749
Leverage measured as net debt to stockholders' equity	0.92	0.95
Total debt main items:		
Long-term debt	\$ 16,428,812	\$ 15,904,434
Lease liability	1,083,776	820,098
Debt issuance and borrowing costs	(94,401)	(108,648)
Total debt	\$ 17,418,187	\$ 16,615,884

The generation of operating cash flows helped the Company meet its debt maturities scheduled for the year.

## 20. Operating expenses

	<b>2024</b>	<b>2023</b>
Selling	\$ 6,761,534	\$ 5,823,975
Administrative	2,384,875	2,436,442
Total	\$ 9,146,409	\$ 8,260,417

**21. Expenses and costs based on their nature**

Cost of goods sold, and operating expenses classified by their nature are as follows:

	<b>2024</b>	<b>2023</b>
Raw materials and service costs	\$ 14,209,535	\$ 13,333,039
Salaries and benefits	3,346,411	2,440,257
Energy and fuel consumption	3,206,875	2,666,500
Freight expenses	3,143,717	2,896,662
Depreciation and amortization	1,559,835	1,149,933
Maintenance	1,312,727	1,363,552
Technical assistance, professional fees, and administrative services	444,106	318,995
Advertising, events, and business promotion expenses	427,997	404,629
Commissions	336,559	227,492
Lease expenses	155,680	234,802
Travel expenses	119,319	87,502
Other	791,991	1,388,494
<b>Total</b>	<b>\$ 29,054,752</b>	<b>\$ 26,511,857</b>

**22. Contingencies and commitments**

The Company's assets are not subject to any pending legal proceedings that could result in a contingency, except for certain regular or incidental legal actions filed against its business and for which it is either adequately insured or the amounts in question are immaterial.

**23. Income taxes**

- a. The Company is subject to income tax ("ISR") at a 30% in Mexico as of December 31, 2024 and 2023. The legal ISR rates applicable in the countries in which the Company's main subsidiaries are located as of December 31, 2024, and 2023, are as follows:

Country	Rate
Colombia	35.0%
Colombia – Duty free zone	15.0%
Peru	29.5%
Chile	27.0%
United States	21.0%
Brazil	34.0%
Spain	25.0%
Argentina	35.0%

- b. The Company incurred income taxes on a consolidated basis up to 2013 with its Mexican subsidiaries. As a result of the 2013 tax reform, the tax consolidation regime was eliminated, and the Company and its subsidiaries have the obligation to pay the deferred income tax determined as of that date during the subsequent five years beginning in 2014, as illustrated below, except for the income tax losses related to the sale of shares, which had a 10-year term period and was paid in 2023.

At the same time that the 2014 Mexican Law repealed the fiscal consolidation regime, an option was established to calculate the income tax jointly in groups of companies (tax integration regime). The new regime allows for the case of integrated companies owned directly or indirectly by more than 80% by an integrating company, to have certain benefits in the tax payments (when within the group of companies there are entities with profits or losses in the same year), which may be deferred for three years and be up-to-date, on the date on which the declaration corresponding to the fiscal year following the one in which the aforementioned period ends is to be filed.

The Company and its subsidiaries decided to adhere to this new regime, and therefore they have determined the income tax incurred in 2014 as described previously.

Reconciliation of income tax assets and liabilities balances as of December 31, 2024, and 2023, are as follows:

Item:	2024	Income tax liabilities	2023
Recognition of:			
Income tax	\$ -	\$	36,835

- c. Income taxes for 2024 and 2023 consist of the following:

	2024	2023
Current income tax	\$ 765,431	\$ 1,457,443
Deferred income tax	(195,542)	243,910
Total	\$ 569,889	\$ 1,701,353

- d. The reconciliation of the statutory and effective income tax rates, expressed as a percentage of income before income taxes in 2024 and 2023 is:

	2024	2023
		%
Effective rate	81.3	34.3
Effect of inflation	(26.5)	(3.5)
Non-deductibles	(7.9)	(0.7)
Others	(16.9)	(0.1)
Statutory rate	30.0	30.0

OCI amounts and items and deferred taxes affected during the period are:

	Amount before income taxes		Income taxes in OCI		Amount net of income taxes
Derivative financial instruments	\$ (13,211)		\$ 3,963		\$ (9,248)
Remeasurement of defined benefits obligation	(18,873)		5,662		(13,211)
Cumulative translation adjustment of foreign operations	2,881,971		-		2,881,971
	<b>\$ 2,849,887</b>		<b>\$ 9,625</b>		<b>\$ 2,859,512</b>

As of December 31, 2023:

Derivative financial instruments	\$ (144,204)		\$ 43,260		\$ (100,944)
Remeasurement of defined benefits obligation	(34,409)		10,323		(24,086)
Cumulative translation adjustment of foreign operations	(1,577,214)		-		(1,577,214)
	<b>\$ (1,755,827)</b>		<b>\$ 53,583</b>		<b>\$ (1,702,244)</b>

e. The main items that give rise to a deferred income tax balance, as of December 31, are:

	<b>2024</b>	<b>2023</b>
Allowance for doubtful accounts	\$ 12,561	\$ 14,298
Provisions	71,872	62,663
Employee benefits	35,239	35,335
Tax loss carryforwards	740,581	588,147
Interest to be deducted	333,873	183,220
Inventories	(180)	(169)
Property, plant and equipment	1,655	(44,738)
Intangible assets	(312)	(1,741)
Financial instruments	(54,318)	(56,924)
Cost of obtaining debt	(23,863)	(27,640)
Other	(36,114)	224,470
<b>Deferred tax asset, net</b>	<b>\$ 1,080,994</b>	<b>\$ 976,921</b>
Allowance for expected credit losses	\$ 13,845	\$ 14,260
Provisions	206,248	238,851
Employee benefits	82,722	86,282
Benefits from tax loss carryforwards	147,490	246,633
Property, plant, and equipment	(906,404)	(811,352)
Inventories	(30,726)	(38,516)
Intangible assets	(1,605,994)	(1,515,594)
Prepaid expenses	-	(282,892)
Others	(400,903)	(406,633)
<b>Deferred income tax liability, net</b>	<b>\$ (2,493,722)</b>	<b>\$ (2,468,961)</b>

The benefits of restated tax loss carryforwards for which the deferred income tax asset has been recognized can be recovered subject to certain conditions. Expiration dates and restated amounts as of December 31, 2024 are:

Year	Amount
2026	\$ 611,987
2027	94,826
2028	307,695
2029	793,307
2030	577,493
2031 and subsequent years	627,841
	\$ 3,013,149

#### 24. Related party balances and transactions

a. The transactions with related parties as of December 31, 2024 and 2023 were as follows:

	2024	2023
Sales of finished goods	\$ 17,985	\$ 22,274
Lease income	9,297	9,297
Other operating income, net	3,447	4,285

b. For the years ended December 31, 2024 and 2023, the direct short-term benefits granted to the key management personnel of the Company for \$172,362 and \$227,082, respectively.

## 25. Long-term provisions

Long-term provisions shown in the Company's financial position mainly represent legal affairs with third parties and authorities to the detriment of one of the subsidiaries in Argentina, which will probably give rise to outflow of economic resources, which are not expected to be realized in the following twelve months. Once these issues are entirely solved, the Company will be indemnified by the seller under the share purchase-sale agreement for the shares of Cerámica San Lorenzo and Cordillera.

## 26. Information by operating segments

Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance focuses on types of goods provided. These segments are managed separately; each requires its own system of production, technology, and marketing and distribution strategies. Each market serves to different customer bases.

Transactions between segments are determined based on comparable prices to those that would be used with or between independent parties in comparable transactions.

The accounting, administrative and operating policies are the same as those described by the Company, which evaluates the performance of its segments based on operating income. Sales and transfers between segments are recorded in each segment as if they were made to third parties, i.e. at market prices.

The Company's main products by segment are as follows:

Segment:	Main products:
Ceramic	Floor tiles, Wall tiles
Adhesive and insulating	Adhesives for floors and walls, and manufacture of EPS

Corporate division and others: include the remaining companies operating in services businesses and other segments that are not reportable because they do not fulfill the quantitative limits of the years presented and are therefore presented in an aggregate manner.

The Company's segments to be reported pursuant to IFRS 8, *Operating Segments*, are as follows:

As of and for the year ended December 31, 2024:	Ceramic	Adhesives and insulating	Corporate and other	Consolidated
Sales	\$ 27,622,402	\$ 10,233,801	\$ 2,241,153	\$ 40,097,356
Intercompany sales	(3,507,683)	(403,075)	(2,241,153)	(6,151,911)
Net sales to third parties	24,114,719	9,830,726	-	33,945,445
Operating income (loss)	2,477,748	2,112,768	(68,175)	4,522,341
Depreciation and amortization	1,369,341	223,927	92,800	1,686,068
EBITDA	3,847,089	2,336,695	24,625	6,208,409
Other miscellaneous expenses that do not generate cash flow	294,815	118,066	42,241	455,122
Acquisition of property, plant and equipment and intangible assets	919,329	295,462	66,997	1,281,788
Total assets	35,342,882	5,157,378	6,645,016	47,145,276
Total liabilities	11,889,678	2,197,356	14,902,640	28,989,674
As of and for the year ended December 31, 2023:	Ceramic	Adhesives and insulating	Corporate and other	Consolidated
Sales	\$ 24,680,662	\$ 9,757,481	\$ 2,288,659	\$ 36,726,802
Intercompany sales	(2,478,063)	(388,345)	(2,288,540)	(5,154,948)
Net sales to third parties	22,202,599	9,369,136	119	31,571,854
Operating income (loss)	2,938,120	2,116,418	(122,794)	4,931,744
Depreciation and amortization	963,462	212,324	98,243	1,274,029
EBITDA	3,901,582	2,328,742	(24,551)	6,205,773
Other miscellaneous expenses that do not generate cash flow	275,254	127,006	20,450	422,710
Acquisition of property, plant and equipment and intangible assets	1,952,179	156,110	74,583	2,182,872
Total assets	33,458,671	4,797,417	5,560,370	43,816,458
Total liabilities	11,563,939	2,068,986	14,058,784	27,691,709

## Information by geographic region

The information of the Company by geographic region is presented below. Income from external customers was classified based on its origin.

	Revenues from third party customers	As and for the year ended December 31, 2024		
		Property, plant, and equipment, net	Intangible assets, net	Non-current assets
North America	\$ 23,247,974	\$ 11,394,723	\$ 12,105,445	\$ 2,035,853
Central America	260,476	2,153	-	11,313
South America	6,398,678	5,789,630	279,359	442,775
Europe	4,038,317	1,149,167	37,943	169,645
	\$ 33,945,445	\$ 18,335,673	\$ 12,422,747	\$ 2,659,586

	Revenues from third party customers	As and for the year ended December 31, 2023		
		Property, plant, and equipment, net	Intangible assets, net	Non-current assets
North America	\$ 23,485,962	\$ 11,505,526	\$ 10,235,602	\$ 1,762,485
Central America	251,583	12,404	-	872
South America	6,768,204	4,646,238	264,547	695,840
Europe	1,066,105	1,144,977	841,424	40,262
	\$ 31,571,854	\$ 17,309,145	\$ 11,341,573	\$ 2,499,459

### 27. Subsequent events

In preparing the consolidated financial statements, the Company has evaluated events and transactions for their subsequent recognition or disclosure as of December 31, 2024 and until January 31, 2025 (date of issuance of the consolidated financial statements), no other significant subsequent events have been identified.

### 28. Authorization of financial statements

On January 31, 2025, the issuance of the consolidated financial statements was authorized by Federico Toussaint Elosúa, Chief Executive Officer, and Jorge Antonio Touché Zambrano, Chief Financial Officer. These consolidated financial statements are subject to the approval of the ordinary stockholders' meeting, where they may be modified, based on the provisions set forth by the General Corporate Law.



*Investor Relations*

**Moisés Benavides Gómez**

moises.benavides@lamosa.com

**Andrés de la Garza Bettinger**

andres.delagarza@lamosa.com

+52 (81) 8047 4200

San Pedro Garza García, N.L., Mexico

*Asset Management*

**Ana Martínez**

ana@asset-management.com.mx

+52 (55) 5446 7482

Mexico City, Mexico



**GRUPO LAMOSA, S.A.B. DE C.V.**

Av. Pedro Ramírez Vázquez 200-1

Col. Valle Oriente 66260

San Pedro Garza García, N.L. Mexico

+52 (81) 8047 4200

[www.grupolamosa.com](http://www.grupolamosa.com)

