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OFFERING MEMORANDUM

US$1,100,000,000

Orbia Advance Corporation, S.A.B. de C.V.

US$650,000,000 6.800% Senior Notes due 2030
US$450,000,000 7.500% Senior Notes due 2035

We are offering US$650,000,000 aggregate principal amount of our Senior Notes due 2030 (the "2030 Notes") and US$450,000,000 aggregate principal amount of our Senior Notes due 2035 (the "2035 Notes" and, together with the 2030 Notes, the "Notes"). The 2030 Notes will bear interest at a rate of 6.800% per year. The 2035 Notes will bear interest at a rate of 7.500% per year. We will pay interest on the Notes semiannually in arrears on May 13 and November 13 of each year, beginning on November 13, 2025. The 2030 Notes will mature on May 13, 2030, and the 2035 Notes will mature on May 13, 2035.

The Notes will be unconditionally guaranteed by certain of our subsidiaries. The Notes and the subsidiary guarantees will be our and our subsidiary guarantors' senior unsecured obligations (subject to certain obligations that are preferred by statute). The Notes and the subsidiary guarantees will rank equally with each other and with all of our and our subsidiary guarantors' respective existing and future senior unsecured indebtedness.

We will have the right at our option to redeem (i) the 2030 Notes, in whole at any time or in part from time to time prior to April 13, 2030 (the date that is one month prior to the maturity date of the 2030 Notes, the "2030 Notes Par Call Date"), and (ii) the 2035 Notes, in whole at any time or in part from time to time prior to February 13, 2035 (the date that is three months prior to the maturity date of the 2035 Notes, the "2035 Notes Par Call Date" and, together with the 2030 Notes Par Call Date, a "Par Call Date"), in each case, at a redemption price equal to the greater of 100.0% of their principal amount and a "make-whole amount" described in this offering memorandum, in each case *plus* accrued and unpaid interest and any Additional Interest thereon to, but excluding, the redemption date. In addition, we will have the right at our option to redeem the Notes, in whole at any time or in part from time to time, on and after the relevant Par Call Date at 100.0% of their principal amount *plus* accrued and unpaid interest and any Additional Interest thereon to, but excluding, the redemption date. See "Description of Notes—Redemption—Optional Redemption." If a change of control triggering event as described in this offering memorandum under the heading "Description of Notes—Redemption upon change of control" occurs, we may be required to offer to purchase the Notes from the holders. In addition, we may redeem the Notes, in whole, but not in part, at a price equal to 100% of their outstanding principal amount, *plus* any Additional Interest then payable, and accrued and unpaid interest, in the event of certain changes in tax laws of any Relevant Jurisdiction applicable to the Notes.

Application has been made to list the Notes on the Official List of the Luxembourg Stock Exchange (the "LuxSE") and to admit the Notes for trading on the Euro MTF Market of the LuxSE. This offering memorandum constitutes a prospectus for the purpose of Part IV of the Luxembourg law on prospectuses for securities dated July 16, 2019. The Notes will be issued only in registered form in minimum denominations of US$200,000 and integral multiples of US$1,000 in excess thereof.

An investment in the Notes involves risks. See "Risk Factors" beginning on page 23 for a discussion of certain risks you should consider in connection with an investment in the Notes.

2030 Notes Offering Price: 99.933% plus accrued interest, if any, from May 13, 2025
2035 Notes Offering Price: 99.329% plus accrued interest, if any, from May 13, 2025

THE INFORMATION CONTAINED IN THIS OFFERING MEMORANDUM IS EXCLUSIVELY OUR RESPONSIBILITY AND HAS NOT BEEN REVIEWED OR AUTHORIZED BY THE MEXICAN NATIONAL BANKING AND SECURITIES COMMISSION (*COMISIÓN NACIONAL BANCARIA Y DE VALORES*, OR THE CNBV). THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED WITH THE MEXICAN NATIONAL SECURITIES REGISTRY (*REGISTRO NACIONAL DE VALORES*) MAINTAINED BY THE CNBV AND, THEREFORE, THE NOTES MAY NOT BE PUBLICLY OFFERED OR SOLD IN MEXICO OR OTHERWISE BE THE SUBJECT OF BROKERAGE ACTIVITIES IN MEXICO, AS REQUIRED UNDER THE MEXICAN SECURITIES MARKET LAW (*LEY DEL MERCADO DE VALORES*), EXCEPT THAT THE NOTES MAY BE OFFERED AND SOLD TO INVESTORS IN MEXICO THAT QUALIFY AS INSTITUTIONAL OR ACCREDITED INVESTORS, ON A PRIVATE PLACEMEN BASIS, PURSUANT TO ARTICLE 8 OF THE MEXICAN SECURITIES MARKET LAW (*LEY DEL MERCADO DE VALORES*). AFTER THE ISSUANCE OF THE NOTES, WE WILL NOTIFY THE CNBV OF THE OFFERING OF THE NOTES OUTSIDE OF MEXICO. SUCH NOTICE WILL BE SUBMITTED FOR INFORMATIONAL AND STATISTICAL PURPOSES TO THE CNBV TO COMPLY WITH ARTICLE 7 SECOND PARAGRAPH, OF THE MEXICAN SECURITIES MARKET LAW AND REGULATIONS THEREUNDER. THE DELIVERY OF SUCH NOTICE TO, AND THE RECEIPT OF SUCH NOTICE BY, THE CNBV, DOES NOT CONSTITUTE OR IMPLY ANY CERTIFICATION AS TO THE INVESTMENT QUALITY OF THE NOTES, OUR SOLVENCY, LIQUIDITY OR CREDIT QUALITY OR THE ACCURACY OR COMPLETENESS OF THE INFORMATION SET FORTH HEREIN. THIS OFFERING MEMORANDUM MAY NOT BE PUBLICLY DISTRIBUTED IN MEXICO. IN MAKING AN INVESTMENT DECISION, ALL INVESTORS, INCLUDING ANY MEXICAN INVESTOR, WHO MAY ACQUIRE NOTES MUST RELY ON THEIR OWN EXAMINATION OF US AND THE GUARANTORS.

The Notes are being offered pursuant to an exemption from the requirement to publish a prospectus under Regulation (EU) 2017/1129 (as amended and supplemented from time to time, or the "Prospectus Regulation") in the EEA, and under any implementing measure in any member state of the EEA and this offering memorandum has not been approved by a competent authority within the meaning of the Prospectus Regulation. The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area.

The Notes have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended ("Securities Act"), any state securities laws, or the securities laws of any other jurisdiction and may not be offered or sold in the United States or to U.S. persons (as defined in Regulation S under the Securities Act ("Regulation S")), except in transactions exempt from, or not subject to, the registration requirements of the Securities Act. Accordingly, the Notes are being offered and sold in the United States only to qualified institutional buyers in compliance with Rule 144A under the Securities Act ("Rule 144A") and to persons other than U.S. persons outside the United States in compliance with Regulation S. Prospective purchasers that are qualified institutional buyers are hereby notified that the seller of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. For a description of eligible offerees and certain restrictions on the transfer of the Notes, see "Transfer Restrictions."

Delivery of each series of the Notes was made to investors in book-entry form through the facilities of The Depository Trust Company ("DTC") and its participants, including Euroclear Bank SA/NV ("Euroclear"), as operator of the Euroclear System, and Clearstream Banking SA ("Clearstream") on May 13, 2025.

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Active Joint Bookrunners

J.P. Morgan **Mizuho** **Morgan Stanley**

Passive Joint Bookrunners

Barclays **BofA Securities** **Citigroup**

The date of these listing particulars is June 26, 2025.

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NOTICE TO INVESTORS

In making your investment decision, you should rely only on the information contained in this offering memorandum. We have not, and the initial purchasers have not, authorized any other person to provide you with different information. If any person provides you with different or inconsistent information, you should not rely on it. You should assume that the information appearing in this offering memorandum is accurate as of the date on the front cover of this offering memorandum only. Our business, properties, prospects, results of operations or financial condition may have changed since that date. Neither the delivery of this offering memorandum nor any sale made hereunder will under any circumstances imply that the information herein is correct as of any date subsequent to the date on the front cover of this offering memorandum. This document may only be used where it is legal to sell the Notes. Neither we nor the initial purchasers are making an offer of the Notes in any jurisdiction where the offer is not permitted.

This offering memorandum has been prepared by us solely for use in connection with the proposed offering of the Notes described in this offering memorandum. This offering memorandum is personal to each offeree and does not constitute an offer to any other person or the public generally to subscribe for or otherwise acquire the Notes.

Neither we nor the initial purchasers are making an offer to sell the Notes in any jurisdiction except where such an offer or sale is permitted. You must comply with all applicable laws and regulations in force in your jurisdiction and you must obtain any consent, approval or permission required by you for the purchase, offer or sale of the Notes under the laws and regulations in force in your jurisdiction to which you are subject or in which you make such purchase, offer or sale, and neither we nor the initial purchasers will have any responsibility therefor.

We are relying upon an exemption from registration under the Securities Act for an offer and sale of securities that do not involve a public offering. We have submitted this offering memorandum solely to a limited number of qualified institutional buyers in the United States and to investors outside of the United States so they can consider a purchase of the Notes. This offering memorandum may only be used for the purposes for which it has been published. By accepting delivery of this offering memorandum and by purchasing Notes, you will be deemed to have made certain acknowledgments, representations and agreements as set forth under "Transfer restrictions" in this offering memorandum. The Notes are subject to restrictions on transfer and resale and may not be transferred or resold except as permitted under the Securities Act and applicable state securities laws pursuant to registration or exemption therefrom. As a prospective purchaser of the Notes, you should be aware that you will be required to bear the financial risks of this investment for an indefinite period of time. See "Risk Factors" for a description of specified factors relating to investment in the Notes.

None of the initial purchasers or any of their respective agents or affiliates makes any representation or warranty, express or implied, as to the accuracy or completeness of the information contained in this offering memorandum. Nothing contained in this offering memorandum is, or shall be relied upon as, a promise or representation by the initial purchasers as to the past or future.

None of the CNBV, the U.S. Securities and Exchange Commission, or the SEC, any state securities commission or any other regulatory authority has approved or disapproved of the Notes nor have any of the foregoing authorities passed upon or endorsed the merits of this offering or the accuracy or adequacy of this offering memorandum. Any representation to the contrary is a criminal offense.

In making an investment decision, prospective investors must rely on their own examination of our company and the terms of the offering, including the merits and risks involved. Prospective investors should not construe anything in this offering memorandum as legal, business or tax advice. Each prospective investor should consult its own advisors as needed to make its investment decision and to determine whether it is legally permitted to purchase the Notes under applicable legal, investment or similar laws or regulations.

NOTICE TO ELIGIBLE HOLDERS IN MEXICO

This offering memorandum may be distributed in Mexico only to, and may only be directed at, investors domiciled in Mexico that qualify as institutional or accredited investors, under the Mexican Securities Market Law and its regulations, pursuant to the private placement exemption set forth in Article 8, section I of the Mexican Securities Market Law. The Notes have not been and will not be registered with the RNV maintained by the CNBV, and may not be offered or sold publicly in Mexico. This offering memorandum has not been and will not be reviewed or approved by the CNBV. This offering does not constitute a public offering in Mexico and this offering memorandum may not be publicly distributed in Mexico. The CNBV will be notified of the terms and conditions of this offering for informational and statistical purposes only, and such notice does not constitute or imply a certification as to the investment quality of the Notes, our solvency, liquidity or credit quality or the accuracy or completeness of the information included in this offering memorandum.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold, or otherwise made available to any retail investor in the European Economic Area (the "EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended or superseded, the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling packaged retail and insurance-based investment products or otherwise making them available to retail investors in the EEA has been prepared, and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation. This offering memorandum has been prepared on the basis that any offer of Notes in any member state of the EEA will be made pursuant to an exemption under Regulation (EU) 2017/1129 (as amended or superseded, the "Prospectus Regulation"), and any implementing measures in any Member State of the EEA, from the requirement to publish a prospectus for offers of securities. This offering memorandum is not a prospectus for the purposes of the Prospectus Regulation.

In the EEA, this offering memorandum is only for distribution to, and it is only directed at, nonretail investors and any investment or investment activity to which this offering memorandum relates is available only to, and will be engaged in only with, nonretail investors. Any person in the EEA who is a "retail investor" should not act or rely on this offering memorandum or its contents. Each person in the EEA who purchases any of the Notes will be deemed to have represented and warranted that they are a nonretail investor.

PROHIBITION OF SALES TO UK RETAIL INVESTORS

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of assimilated law by virtue of the European Union (Withdrawal) Act 2018 (as amended, and together with any statutory instruments made in exercise of the powers conferred by such Act, the "EUWA"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (as amended, the "FSMA") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of assimilated law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of assimilated law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling packaged retail and insurance based investment products or otherwise making them available to retail investors in the UK has been prepared, and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation. This offering memorandum has been prepared on the basis that any offer of Notes in the UK will be made pursuant to an exemption from the requirement to publish a prospectus for offers of securities. This offering memorandum is not a prospectus for the purposes of the UK law.

In the UK, this offering memorandum is for distribution only to nonretail investors (being persons who are not retail investors as defined in this section titled "Notice to Prospective Investors in the United Kingdom") who are also: (i) persons having professional experience in matters relating to investments who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Financial Promotion Order"); (ii) high net worth bodies corporate, unincorporated associations and partnerships and trustees of high value trusts as described in Article 49(2)(a) to (c) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order; or (iii) persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This offering memorandum is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this offering memorandum relates is available only to relevant persons and will be engaged in only with relevant persons. Each person in the UK who purchases any of the Notes will be deemed to have represented and warranted that they are a relevant person.

SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES

We are a publicly held variable capital stock corporation (*sociedad anónima bursátil de capital variable*), organized and existing under the laws of Mexico, with corporate offices and corporate domicile (*domicilio social*) in Mexico City, Mexico. Many of our directors, officers and controlling persons, as well as certain experts named in this offering memorandum, reside outside the United States, and all or a substantial portion of their assets and our assets are located outside of the United States. As a result, it may be difficult for investors to effect service of process within the United States upon these persons or to enforce against them, either inside or outside the United States, judgments obtained against them in the U.S. courts, or to enforce in U.S. courts judgments obtained against them in courts in jurisdictions outside the United States, in each case, including in any action predicated upon civil liabilities under the U.S. federal securities laws. We have appointed CT Corporation System, as an agent to receive service of process with respect to any action brought against us in any federal or state court in the State of New York arising from this offering. There is doubt as to the enforceability, in original actions in Mexican courts or in original actions or actions for enforcement of judgments obtained in courts of jurisdictions outside of Mexico, of civil liabilities under the laws of any jurisdiction outside of Mexico, including any judgment predicated solely upon the federal and state securities laws of the United States. We have been advised by our special Mexican counsel that no treaty is currently in effect between the United States and Mexico that covers the reciprocal enforcement of foreign judgments. In the past, Mexican courts have enforced judgments rendered in the United States by virtue of the legal principles of reciprocity and comity, consisting of the review in Mexico of the United States judgment in order to ascertain, among other matters, whether Mexican legal principles of due process and public policy (*orden público*) have been complied with, without reviewing the merits of the subject matter of the case. See "Risk Factors—Risk Factors Related to our Notes and this Offering."

ADDITIONAL INFORMATION

While any Notes remain outstanding, we will make available, upon request, to any holder and any prospective purchaser of Notes, the information required pursuant to Rule 144(A)(d)(4)(i) under the Securities Act, during any period in which we are not subject to Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, or the Exchange Act.

CERTAIN DEFINITIONS

In this offering memorandum, except where otherwise indicated or where the context otherwise requires, references to:

- "Acid-grade concentrate" or "acid-grade fluorspar" means Fluorite ore (calcium fluoride) from which impurities are removed through a grinding / selective flotation process, to achieve a chemical specification of at least 97% calcium fluoride, maximum 1.1% silica (SiO_2), and maximum 1.2% calcium carbonate ($CaCO_3$), as well as a physical specification on particle size. Acid-grade concentrate is used to produce hydrofluoric (HF) acid (the base material for the production of refrigerants), aluminum trifluoride, ceramics, propellants, and *anti-adhesive agents*, among others;

- "Aluminum fluoride" or "ALF3" also known as aluminum trifluoride, an inorganic compound used in the production of aluminum by electrolysis to lower its melting point, and as welding flux;

- "AMEA" is an acronym for Africa, Middle East, and Asia;

- "ANIQ" means the Mexican National Chemical Industry Association (*Asociación Nacional de la Industria Química*);

- "ASTM" means the American Society for Testing Materials;

- "Banco de México" means the Central Bank of Mexico;

- "BMV" means Bolsa Mexicana de Valores, S.A.B. de C.V., the Mexican Stock Exchange;

- "Brine" means a saturated aqueous solution of sodium chloride or common table salt;

- "Camesa" means Grupo Industrial Camesa, S.A. de C.V.;

- "Caustic soda" means the commercial name of sodium hydroxide (NaOH), which is widely used in the alumina, soap, and detergent manufacturing sectors and in the chemical industry in general;

- "Cebur" or "Cebures" means *certificados bursátiles*, Mexican publicly negotiable credit instruments that represent the individual share of their holders in a collective credit receivable from legal entities or in assets placed in a trust;

- "CFE" means the Mexican Federal Electricity Commission (*Comisión Federal de Electricidad*);

- "Chlorine" means a pale-green, gaseous chemical element that belongs to the halogen family of elements. Chlorine is primarily used to manufacture PVC (polyvinyl *chloride*), paints, insecticides, paper, and colorants, as well as to kill bacteria in water;

- "Clearstream" means Clearstream Banking Société Anonyme;

- "Clinker" means an intermediate product of the cement manufacturing process, produced by sintering limestone, clay, and iron oxide in a kiln at approximately 1,450 degrees Celsius. One metric ton of clinker is used to make approximately 1.1 metric tons of gray Portland cement;

- "CNA" means the National Water Commission (*Comisión Nacional del Agua*);

- "CNBV" means the Mexican National Banking and Securities Commission (*Comisión Nacional Bancaria y de Valores*);

- “Compounds” means physical mixtures made of various simpler substances mixed together to obtain a combination of properties impossible to obtain individually in such substances. In the case of Orbia, at least one of the components is a polymer matrix, mainly PVC, but polyolefins, styrenes, and engineering plastics may also be used;

- “Cracker” means a system or unit in which the different petrochemical products are separated through the use of steam at very high temperatures;

- “CUE” means the *Disposiciones de Carácter General Aplicables a las Emisoras de Valores y a Otros Participantes del Mercado de Valores* published in the Official Federal Gazette of Mexico on March 19, 2003, as amended from time to time;

- “DTC” means the Depository Trust Company;

- “ECU” means an electrochemical unit consisting of one unit of Chlorine and 1.1 units of Caustic Soda;

- “EDC” means ethylene dichloride;

- “EPE” means *Empresa Pública del Estado*, any state-owned public company as defined by Mexican law;

- “Ethylene” means a colorless, flammable gaseous hydrocarbon, widely used in the petrochemical industry as raw material to produce polyethylene and PVC resins, as well as ethylene oxide;

- “Euro” or “€” means the lawful currency of the European Union;

- “Euroclear” means the Euroclear Bank S.A./N.V.;

- “European Union” refers to the group of countries comprised of Austria, Belgium, Bulgaria, Croatia, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain and Sweden;

- “Eurostat” means the Eurostat Economist Intelligence Unit, the statistical office of the European Union located in Luxembourg. Its task is to provide the European Union with statistics at the European level that enable comparisons between countries and regions;

- “FDM” means Fluorita de México, S.A. de C.V.;

- “Federal Labor Law” means the Mexican Federal Labor Law (*Ley Federal del Trabajo*);

- “Fluorite” means the commercial name of the mineral form of calcium fluoride. Also known as fluorspar when sold as bulk material or in its processed form;

- “Fluorocarbons” means chemical compounds that contain carbon-fluorine bonds;

- “FSMA” means United Kingdom Financial Services and Markets Act of 2000;

- “GAAP” means General Accepted Accounting Principles;

- “GDP” means gross domestic product;

- “Geosynthetics” means materials basically composed of polymers, such as polypropylene, polyester, polyamide, and polyethylene. Through a transformation process, these materials are converted into various shapes, such as sheets, blankets (mats) or three-dimensional structures, which in turn are used on soils and other geotechnical materials for different applications in the construction of engineering works, such as roads, hydraulic works, erosion control systems, and environmental protection works, among others. The most common types of geosynthetics used in the engineering field include geotextiles, geogrids, geomeshes, geomembranes, geonets, geocomposites, and geomats for erosion control;

- "GRI" means Global Reporting Initiative, a leading organization in the sustainability field that promotes the use of sustainability reports as a way for organizations to be more sustainable and to contribute to sustainable development;

- "HCl" means hydrochloric acid, the aqueous solution of hydrogen chloride. It is the most used acid in industrial processes after sulfuric acid. It is used for pickling of metals and as neutralizer, reducer, and intermediary in organic and inorganic syntheses in the chemical industry, as well as in the manufacture of cleaning products;

- "HDPE" means high-density polyethylene;

- "HF" means hydrofluoric acid, a chemical compound resulting from the reaction of sulfuric acid with calcium fluoride (fluorite). It is used primarily in the production of refrigerant gases and fluoropolymers;

- "HIS-PVC" means high impact suspension PVC resin;

- "Homopolymer" means product resulting from the bonding or polymerization of several molecules of a single type, or monomer, which may have different properties according to their chemical nature. In the case of PVC resins, the monomer used for polymerization is vinyl chloride monomer (VCM), whose molecules, when linked together, generate what is called a homopolymer (many molecules of a monomer of the same nature chemically bonded);

- "IASB" means the International Accounting Standards Board;

- "IFRS Accounting Standards" means International Financial Reporting Standards of Accounting as issued by the IASB;

- "IHS" means the abbreviated name of the company IHS, Inc., provider of information and analyses for the chemical and petrochemical sectors, among others. Its IHS Chemical World Analysis combines the world-class expertise of the former CMAI World Analysis, SRI Consulting, World Petrochemicals, and Harriman Chemsult;

- "IHS Chemical World Analysis – Vinyls" means an annual study that covers historical trends and forecasts for supply and demand fundamentals of vinyls and major by-products over a 16-year period, in ten geographic regions, with ten-year market forecasts;

- "Ingleside" means Ingleside Ethylene LLC;

- "IRS" means the Internal Revenue Service;

- "ISO" means the International Organization of Standardization;

- "ISO 9001" means standard developed by the ISO that applies to quality management systems (QMS). It is based on a number of quality management principles that a company should follow to have in place an effective system that will allow managing and improving the quality of its products and services;

- "ISO 14001" means standard developed by the ISO, which specifies the requirements for an environmental management system (EMS) that will allow an organization to formulate its policy and objectives, taking into account the legal requirements and information related to significant environmental impacts. It applies

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to those environmental aspects that the organization is able to control and over which it can expect to have an influence. It does not state specific environmental performance criteria;

- "ISRS" means the International Safety Rating System;

- "Kaluz" means Kaluz, S.A. de C.V.;

- "Metallurgical-grade fluorspar" means fluorspar of selected quality for its content of calcium fluoride and subjected to a certain size and grade reduction, as defined by the customer's requirements. It is used to manufacture steel and cement;

- "Mexico" means the United Mexican States;

- "mtpy" means metric tons per year (one metric ton is equal to 1,000 kilograms or approximately 2,204.6 pounds);

- "OECD" means the Organization for Economic Co-operation and Development;

- "OPEC" means the Organization of the Petroleum Exporting Countries;

- "Orbia," "we," "our" and the "Company" each refer to Orbia Advance Corporation, S.A.B. de C.V. and its subsidiaries;

- "OxyChem" means Occidental Chemical Corporation;

- "Pemex" means Petróleos Mexicanos;

- "peso" or "Ps." means the lawful currency of Mexico;

- "Phosphates" means salts or esters of phosphoric acid. Phosphates are used in various industries, such as in the manufacture of soaps, soft drinks and foods, and in water treatment processes;

- "Phthalic anhydride" means a chemical product used as raw material for the production of plasticizers for plastics, primarily PVC. It is also used in the production of polyester resins, alkyd resins, polyols, and pigments. Orbia produces phthalic anhydride at the petrochemical complex of Altamira in Mexico;

- "PMV" means Petroquímica Mexicana de Vinilo, S.A. de C.V., a joint venture with Pemex;

- "PROFEPA" means the Mexican Environmental Protection Agency (Procuraduría Federal de Protección al Ambiente);

- "PVC" means polyvinyl chloride a thermoplastic resin produced by the polymerization of vinyl chloride. Vinyl chloride is polymerized by one of four different processes: suspension, emulsion, mass / bulk, or solution polymerization. PVC resins are mainly used in the construction industry, for cable and wire insulation, door frames and windows, pipes and pipelines for water and sewage, floorings, tiles, etc. It is also used to manufacture, among other things, dolls, balls and inflatable toys. In the automotive industry, PVC is used in door panels, dashboards, seat upholstery, body moldings, electric cables, air and oil filters, sealants, and wiring harnesses. In the textile industry, PVC is used for manufacturing synthetic leather and canvas. In the packaging industry, PVC is used to manufacture carboys and bottles for purified water, as well as cleaning products, wrapping film for foods, and pharmaceutical packaging sheets. In the medical sector, PVC is the primary material used to manufacture intravenous fluid and blood bags, as well as other accessories for patient care;

- "PVC resins" or "vinyl resins" means plastic resins produced by polymerization of vinyl chloride monomer (VCM);

- "Quimir" means Quimir, S.A. de C.V., a producer of industrial and food phosphates;

- "reais," "real" or "R$" means the lawful currency of Brazil;

- "Regulation S" means Regulation S under the Securities Act;

- "Refrigerants" means gases used for refrigeration and air conditioning, consisting of compounds or mixtures of organic chemical compounds that primarily contain hydrogen, carbon, fluorine, and Chlorine;

- "Roskill" means Roskill Consulting Group, Ltd., an international metals and minerals research company;

- "Rule 144A" means Rule 144A under the Securities Act;

- "SEC" means the U.S. Securities and Exchange Commission, the federal agency responsible for supervising financial markets;

- "Securities Act" means the U.S. Securities Act of 1933, as amended;

- "SEMARNAT" means the Ministry of Environment and Natural Resources (*Secretaría de Medio Ambiente y Recursos Naturales*);

- "SFA" means the Securities and Futures Act, Chapter 289 of Singapore;

- "Sodium hypochlorite" means a clear, slightly yellow (amber) solution, with a characteristic penetrating and irritating odor that contains sodium hydroxide and sodium carbonate. It is widely used in cleaning products;

- "SOFR" means the secured overnight financing rate as administered by the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate);

- "SRI" means SRI Consulting;

- "Strategic" means Strategic Value Partners LLC;

- "TIIE" means the *Tasa de Interés Interbancaria de Equilibrio*, or the equilibrium interbank interest rate, a rate that represents interbank credit transactions in Mexico;

- "TIIE de Fondeo" means the *Tasa de Interés Interbancaria de Equilibrio de Fondeo a un Día*, or the funding TIIE for a banking business day;

- "tons" means metric tons (one metric ton is equal to 1,000 kilograms or 2,204.6 pounds);

- "Trustee" means Citibank, N.A.;

- "Turkish lira" or "₺" means the lawful currency of Turkey;

- "U.S. GAAP" means generally accepted accounting principles in the United States;

- "U.S. dollar," "dollars," "US$" or "$" means the lawful currency of the United States;

- "USGS" means the U.S. Geological Survey;

- "VCM" means vinyl chloride monomer;

- “Wavin” means Wavin N.V., a manufacturer of PVC pipes and resin headquartered in the Netherlands, an Orbia subsidiary; and
- “WVA” means the IHS World Vinyls Analysis.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Financial information

This offering memorandum includes: our audited consolidated financial statements as of and for each of the years ended December 31, 2024, 2023 and 2022 (our "audited consolidated financial statements" or our "consolidated financial statements") and our unaudited condensed consolidated interim financial statements as of and for the three months ended March 31, 2025 and 2024. Our audited consolidated financial statements have been prepared in accordance with IFRS Accounting Standards issued by the IASB.

We recognize the effect of inflation for our entities that operate in highly inflationary economies. An economy is deemed to be hyperinflationary when cumulative inflation over the preceding three years exceeds 100%. We adjust our consolidated financial statements for the impact of inflation in these economies in accordance with IAS 29 *Financial Reporting in Hyperinflationary Economies*, using a general price index. We have recognized the effects of inflation on our operations in Venezuela, Argentina, and Turkey.

Rounding

Certain figures included in this offering memorandum and in our consolidated financial statements have been rounded for ease of presentation. Percentage figures included in this offering memorandum have not in all cases been calculated on the basis of such rounded figures but on the basis of such amounts prior to rounding. For this reason, percentage amounts in this offering memorandum may vary from those obtained by performing the same calculations using the figures in our consolidated financial statements. Certain numerical figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that preceded them due to rounding.

Operational groups

We report our results of operations for our five operating business groups (which are also our financial segments), which are as follows:

- Our Polymer Solutions business group focuses on general purpose and specialty PVC resins (polyvinyl chloride), PVC and zero-halogen specialty compounds with a wide variety of applications, from pipes and cables to household appliances and medical devices. This business group supplies Orbia's downstream businesses and a global customer base.

- Our Building and Infrastructure business group operates in the pipes and fittings industry, with a focus on water management and distribution as well as indoor climate systems. We specialize in the development of durable, high-performance solutions designed to reduce installation time and labor costs. The business group benefits from integration with the Polymer Solutions business group, which supports supply chain efficiency. It serves a customer base across three continents and invests in technologies aimed at sustainable and resilient water and indoor climate management.

- Our Connectivity Solutions business group operates under the commercial brand Dura-Line and is a leading manufacturer and distributor of high-density polyethylene (HDPE) conduit, accessories, data-driven design of complex fiber-optic networks and other connectivity solutions for the telecommunications, data center, transportation, and electrical markets.

- Our Precision Agriculture business group provides agricultural, civil engineering, and project-based solutions focused on the management, distribution, and control of water for use in agricultural, farming, and aquacultural applications. Its broad portfolio includes drippers, dripping lines, components for strategic systems (such as filters, valves, and air valves), as well as intelligent solutions and advanced digital technologies for agriculture. These offerings include irrigation and fertilization systems, cloud-based platforms and smart monitoring devices, data analysis and crop management solutions. Additionally, the business group delivers integral solutions for high output water supply and provides feasibility, design and implementation studies, as well as post sale technical support.

- Our Fluor and Energy Materials business group is one of the largest producers of fluorspar globally and holds leading positions in the production of hydrofluoric acid and aluminum trifluoride. The business group produces intermediates, refrigerant gases and propellants used in automotive, infrastructure, semiconductor, health, medicine, climate control, food cold chain, energy storage, computing and telecommunications applications.

In addition, our consolidated operating and financial information (including our net sales figures) set forth in this offering memorandum reflects our performance after the elimination of all inter and intra business group transactions. In contrast, the operating and financial information (including our net sales figures) provided for each of our business groups in this offering memorandum only gives effect to the elimination of intra-business group (but not inter-business group) transactions.

Non-IFRS Financial Measures

This offering memorandum contains financial measures that are not in accordance with IFRS Accounting Standards, or non-IFRS measures, primarily Orbia EBITDA, Net Debt and Free Cash Flow.

Orbia EBITDA

This offering memorandum includes our Orbia EBITDA, which we calculate as net profit, plus Income tax (benefit) expense, other income/expense (includes royalties), share of gain of subsidiaries and associates, impairments, finance cost (foreign exchange (gain)/loss, interest expense and interest income, fair value of non-controlling interest, and monetary position (gain) loss), depreciation and amortization. Orbia EBITDA is not a measure recognized under IFRS Accounting Standards, does not have a standardized meaning and may not be comparable to similarly titled measures provided by other companies either in Mexico or in other jurisdictions. In addition, we have not calculated Orbia EBITDA in accordance with the guidelines adopted by the SEC on presentation of non-GAAP financial measures. We disclose Orbia EBITDA because we use it as a measure of our consolidated operating performance. Orbia EBITDA should not be considered in isolation or as a substitute for net profit or loss or as an indicator of operating performance or cash flow or as a measure of liquidity or our ability to service debt obligations. See "Summary Consolidated Financial Data and Other Information" for a reconciliation of consolidated net profit (loss) to Orbia EBITDA for our consolidated operations and for our five business groups.

Adjusted EBITDA

Adjusted EBITDA represents Orbia EBITDA excluding items that have a limited number of occurrences, are clearly identifiable and not reflective of ongoing business performance, such as restructuring cost and legal provisions and settlements. Adjusted EBITDA is not a measure recognized under IFRS Accounting Standards, does not have a standardized meaning and may not be comparable to similarly titled measures provided by other companies either in Mexico or in other jurisdictions. In addition, we have not calculated Adjusted EBITDA in accordance with the guidelines adopted by the SEC on presentation of non-GAAP financial measures. We disclose Adjusted EBITDA because we use it as a measure of our consolidated operating performance. Adjusted EBITDA should not be considered in isolation or as a substitute for net profit or loss or as an indicator of operating performance or cash flow or as a measure of liquidity or our ability to service debt obligations. See "Summary Consolidated Financial Data and Other Information" for a reconciliation of net profit (loss) to Adjusted EBITDA for our consolidated operations and our five business groups.

Net Debt

Net Debt represents our bank loans and long-term debt with cost (including the current portion) minus cash and cash equivalents. Net Debt measures may not be comparable to similarly titled measures used by other companies. Net Debt is a non-IFRS measure, and we do not intend Net Debt to represent debt as defined by IFRS Accounting Standards. You should not consider Net Debt to be an alternative to debt or any other items calculated in accordance with IFRS Accounting Standards. Debt levels and, therefore, the impact of interest rates on earnings vary in significance between companies. Thus, for comparison purposes, our management believes that Net Debt can be useful to investors as an objective and comparable measure of our debt obligations and liquidity, because it recognizes the net cash position of our current operations.

Free Cash Flow

Free Cash Flow represents our cash generation *minus* capital expenditures and leasing payments. Free Cash Flow measures may not be comparable to similarly titled measures used by other companies. Free Cash Flow is a non-IFRS measure, and we do not intend Free Cash Flow to represent its component financial measures as defined by IFRS Accounting Standards. You should not consider Free Cash Flow to be an alternative to any items calculated in accordance with IFRS Accounting Standards. We disclose Free Cash Flow because we use it as a measure of our cash generation performance in the ordinary course of business. See "Summary Consolidated Financial Data and Other Information" for a reconciliation of consolidated net profit (loss) to Free Cash Flow for our consolidated operations.

Currency information

Unless otherwise specified, references in this offering memorandum to "U.S. dollars," "$" or "US$" are to United States dollars, references to "pesos" or "Ps." are to Mexican pesos, references to "reais," "real" or "R$," are to Brazilian Reais and reference to "Euros" or "€" are to European Euros.

Industry and market data

Unless otherwise noted, market data and other statistical information used throughout this offering memorandum are generally based on our estimates, which are derived from our review of internal surveys and independent industry publications, government publications, and reports by market research firms or other published independent sources. Although we believe these sources, including our estimates, are reliable, we have not independently verified the information and cannot guarantee its accuracy or completeness.

In addition, in many cases, we have based certain statements contained in this offering memorandum regarding our industry and our position in the industry on certain assumptions concerning our customers and competitors. These assumptions are based on our experience in the industry and our own investigation of market conditions. We cannot assure you as to the accuracy of any such assumptions, and such assumptions may not be indicative of our position in our industry.

Intellectual property

This offering memorandum includes some of our trademarks, trade names and service marks, including our logos. Each trademark, trade name or service mark of any company appearing in this offering memorandum belongs to its respective holder.

SUMMARY

This summary highlights selected information contained elsewhere in this offering memorandum. This offering memorandum includes a description of the terms of the Notes that we are offering, as well as a description of our business and detailed financial information. Unless otherwise expressly indicated or the context otherwise requires, the terms "we," "our," "us," the "Company" and "Orbia" each refer to Orbia Advance Corporation, S.A.B. de C.V., and its subsidiaries.

This summary is not complete and does not contain all of the information that you should consider before investing in the Notes. You should read the entire offering memorandum carefully, especially the risks of investing in our Notes discussed under "Risk Factors" and our consolidated financial statements and the related notes included elsewhere in this offering memorandum.

Orbia

We are a leading provider of products and solutions in multiple sectors, including construction, infrastructure, agriculture and irrigation, health, transportation, telecommunications, and energy and petrochemicals, among others. We are one of the world's largest producers of plastic pipes, fittings, irrigation drippers and fluorite, and one of the largest chemical and petrochemical companies in Latin America.

For the year ended December 31, 2024, we generated US$7,506 million in net sales. We employ more than 23,000 people in more than 50 countries, where we operate 122 production sites, concessions for the exploitation of two fluorite mines in Mexico, 7 formation academies, 21 research and development laboratories and have global headquarters in Mexico City, Boston, Amsterdam and Tel Aviv.

Our business strategy emphasizes the importance of having a portfolio of leading businesses in each of their respective sectors that focuses on basic and advanced materials, infrastructure and services. In order to further our commitment with innovation, in 2020 we launched a multi-year venture capital fund, Orbia Ventures, to capitalize early stage start-ups with strategic connections to our core business and corporate purpose. Additionally, we benefit from being a vertically integrated company, which allows us to mitigate volatility in our primary raw materials' prices and ensure their supply even under market scarcity conditions. Our commercial focus is on higher-value-added products and services that offer higher profitability.

We have more than 50 years of experience and have been listed on the Mexican Stock Exchange for over 40 years. In 2024, we celebrated our sixth anniversary as a member of the Dow Jones Sustainability Index and have been included for the fourth time in the S&P Sustainability Yearbook. We have also been included in the FTSE4Good index since 2015 and we received the EcoVadis silver medal, which places us among the top companies regarding sustainable sourcing efforts globally.

We are strategically focused on organic growth to improve our product portfolio and geographic diversification. In recent years, we have increased our positioning in the North American and European markets. Currently, both regions account for approximately 67% of sales by geographical area of destination. We are continuously strengthening our platform to offer comprehensive solutions for our customers while creating long-term relationships.

In 2024, our Orbia EBITDA was US$1,097 million, representing an annual decrease of 25% with respect to 2023, when our Orbia EBITDA was US$1,460 million.

We report our results of operations for our five business groups as follows:

- Polymer Solutions – operating under the commercial brands Vestolit and Alphagary.

- Building and Infrastructure – operating under the commercial brand Wavin.
- Connectivity Solutions – operating under the commercial brand Dura-Line.
- Precision Agriculture – operating under the commercial brand Netafim.
- Fluor and Energy Materials – operating under the commercial brand Koura.

Our operations by value chain are the following:

- Polymer Solutions. Our Polymer Solutions business group is focused on general purpose and specialty PVC resins (polyvinyl chloride), PVC and zero-halogen specialty compounds with various applications, including pipes and cables, household appliances and medical devices. In our Polymer Solutions business group, we manufacture (i) basic chemicals, including ethylene, chlorine, caustic soda and their derivatives, as well as VCM, EDC and specialty chemicals, (ii) phosphates, used in food and beverages, soaps and detergents, fertilizers and food supplements, (iii) general vinyl resins used for pipes and fittings, cables, flexible and rigid films, bottles, medical devices, among others, (iv) specialty resins used for flooring, wallpaper, coatings, among others; (v) plasticizers, including phthalic anhydride and a wide variety of plasticizers used in the processing of plastic resins, and (vi) specialty polymer compounds and additives, such as stabilizers, plasticizers, and colorants, produced through the compound process and used in the manufacturing of medical products, industrial and consumer goods, construction materials, and other applications.

For the years ended December 31, 2024, 2023 and 2022, our Polymer Solutions business group recorded sales of US$2,529 million, US$2,699 million and US$3,696 million, respectively, which represented approximately 33%, 32% and 38% of our net sales for each of those years, respectively.

- Building and Infrastructure. Our Building and Infrastructure business group operates in the pipes and fittings industry, with a focus on water management and distribution as well as indoor climate systems. We specialize in the development of durable, high-performance solutions designed to reduce installation time and labor costs. The business group benefits from integration with the Polymer Solutions business group, which supports supply chain efficiency. It serves a customer base across three continents and invests in technologies aimed at sustainable and resilient water and indoor climate management.

For the years ended December 31, 2024, 2023 and 2022, our Building and Infrastructure business group recorded sales of US$2,497 million, US$2,678 million and US$2,926 million, respectively, which represented approximately 32%, 32% and 30% of our net sales for each of those years, respectively.

- Connectivity Solutions. Our Connectivity Solutions business group, commercially known as Dura-Line, is a leading manufacturer and distributor of high-density polyethylene (HDPE) conduit and accessories, offering data-driven design solutions for complex fiber-optic networks and other connectivity solutions across the telecommunications, data center, transportation, and electrical markets. With over 50 years of industry experience, the business has established a strong reputation for delivering safe, efficient, and durable infrastructure solutions, producing more than 1.6 billion feet (approximately 500 million meters) of conduit annually.

For the years ended December 31, 2024, 2023 and 2022, our Connectivity Solutions business group recorded sales of US$839 million, US$1,125 million and US$1,370 million, respectively, which represented approximately 11%, 13% and 14% of our net sales for each of those years, respectively.

- Precision Agriculture. Our Precision Agriculture business group provides agricultural, civil engineering, and project-based solutions focused on the management, distribution, and control of water for use in agricultural, farming, and aquacultural applications. Its broad portfolio includes drippers, dripping lines, components for strategic systems (such as filters, valves, and air valves), as well as intelligent solutions and advanced digital technologies for agriculture. These offerings include irrigation and fertilization systems, cloud-based platforms and smart monitoring devices, data analysis and crop management solutions. Additionally, the business group delivers integral solutions for high output water supply and provides feasibility, design and implementation studies, as well as post sale technical support.

For the years ended December 31, 2024, 2023 and 2022, our Precision Agriculture business group recorded sales of US$1,038 million, US$1,063 million and US$1,085 million, respectively, which represented approximately 13%, 12% and 11% of our net sales for each of those years, respectively.

- Fluor and Energy Materials. Our Fluor and Energy Materials business group, commercially known as Koura, is one of the largest producers of fluorspar globally and holds leading positions in the production of hydrofluoric acid and aluminum trifluoride. The business group manufactures intermediates, refrigerant gases, and propellants used across a wide range of industries, including automotive, infrastructure, semiconductor, healthcare, medicine, climate control, food cold chain, energy storage, computing, and telecommunications.

For the years ended December 31, 2024, 2023 and 2022, our Fluor and Energy Materials business group recorded sales of US$862 million, US$918 million and US$852 million, respectively, which represented approximately 11%, 11% and 8% of our net sales for each of those years, respectively.

The following table shows a breakdown of our net sales and net profit (loss) by business group and corresponding Orbia EBITDA for the years ended December 31, 2024, 2023 and 2022, excluding net sales of the holding company and eliminations:

	For the Year Ended December 31,								
	2024	2023	2022	2024	2023	2022	2024	2023	2022
	Net profit (loss)			Orbia EBITDA (in millions of U.S. dollars)			Net sales		
Business Group									
Polymer Solutions	21	55	363	356	382	804	2,529	2,699	3,696
Building and Infrastructure	(13)	223	191	274	284	321	2,497	2,678	2,926
Connectivity Solutions	10	130	216	108	327	357	839	1,125	1,370
Precision Agriculture	(42)	(41)	(163)	125	118	119	1,038	1,063	1,085
Fluor and Energy Materials	84	234	209	234	354	304	862	918	852
Controlling Company	163	(157)	694	—	(72)	(11)	112	162	121
Eliminations	—	(288)	(845)	—	67	15	(371)	(441)	(402)
Total	**223**	**156**	**665**	**1,097**	**1,460**	**1,909**	**7,506**	**8,204**	**9,648**

Competitive Strengths

We focus on creating value for our shareholders, customers and suppliers by continuously developing and improving our products and services, adding value from our basic raw materials through vertical integration into the higher value-added products market to achieve superior results. Our principal competitive strengths include the following:

Vertically integrated operations with direct access to raw materials that provide economies of scale and reduce operating expenses.

We have vertically integrated operations with direct access to raw materials that generate economies of scale and reduce operating expenses. Over the past 21 years, we have acquired companies or formed joint ventures to achieve vertical integration in our operations and increase access to the raw materials needed for our operations.

As a leader in the markets where we participate, we are characterized by our focus on low-cost production by investing in our own state-of-the-art technology; integrating our basic raw materials on our two main production chains; driving synergies from logistics, purchasing, systems, treasury, human resources and other functions; and developing and implementing cost-efficiency projects.

Our Polymer Solutions business group is partially integrated (approximately 70%) to our main raw material, ethylene, and thus the production chain is integrated from the extraction of salt to the production of plastic compounds. The business group facilitates the production of salt for industrial consumption, ethylene, chlorine, soda, VCM chlorine derivatives, PVC and specialty resins, as well as compounds, in addition to being integrated to one of the main raw materials for the manufacture of plasticizers: phthalic anhydride.

Our Fluor and Energy Materials business group has its own concessions for the exploitation of fluorite mines, including the world's largest one, making it the only fully integrated global producer of its own raw material. This integration gives the business group an unparalleled competitive advantage, not only in Mexico but also worldwide as it is the only business in the world with a vertically integrated value chain, from the extraction of fluorite, through HF, to the production and sale of refrigerant gases and medical propellants in the Americas, Europe and Asia.

Leading position in European, North American and South American markets, with strong growth prospects and indisputable global leadership.

Our net sales to third parties in 2024, by geographical area of destination, were 31% in Europe, 36% in North America, of which 24% were in the United States, 10% in Mexico and 2% in Canada, 20% in South America and Central America, of which 9% were in Brazil, and 13% in Asia, Africa among others. Over the past nine years, we have expanded our operations throughout the Western Hemisphere, the Middle East and Africa, and we currently have production facilities in 10 Latin American countries, as well as facilities in the United States, Canada, Japan, China, the United Kingdom, Oman, South Africa and Israel. There are attractive growth projections in infrastructure and construction in the emerging markets where we sell our main Polymer Solutions and Building and Infrastructure products due to a significant housing deficit, insufficient infrastructure, lack of access to water and sanitation and electricity.

We have a strong presence in the American, European and Asian markets due to the position of our Fluor and Energy Materials business group as a vertically integrated fluorspar business in these regions. Furthermore, we have the concession rights for the exploitation and extraction in Mexico of one of the world's largest fluorite mines and have modern plants for the production of HF and refrigerant gases, which permit us to forge solid relationships with strategic market participants. In addition, our geographical proximity to the end fluorochemicals market in the United States gives us a competitive advantage. We frequently enter into long-term U.S. dollar-denominated contracts with reputable international customers for the sale of the fluorite and HF we produce. Our global positioning will permit us to explore opportunities in order to supply more value-added products.

This business strategy has enabled us to become one of the world's top producers of chemical products, the sixth largest global producer of PVC resins and the largest global producer of specialty PVC resins, as well as one of the global leaders in manufacturing plastic pipes and fittings of PVC and PE, among others. In addition, we are one of the fully vertically integrated fluorochemical companies in the world.

Strong track record of integrating and operating acquired companies which have contributed to the significant growth of our net sales and Orbia EBITDA, making us a leader in the industries in which we operate.

We have demonstrated long-term success and stability in integrating and operating acquired businesses as an integral part of our global operations. Over the past two decades, we have completed and successfully consolidated more than 30 acquisitions across the Americas, Europe, the Middle East, Asia and Africa, building a resilient platform for sustained growth. Our disciplined approach to integration, combined with a strong operational foundation, has allowed us to preserve the value of acquired businesses while enhancing their performance within our portfolio. This consistent track record reflects our ability to execute complex transactions and operate acquired companies in alignment with our strategic objectives across diverse markets and regulatory environments.

In February 2022, we acquired a 67% stake in Vectus, a manufacturer of plumbing and drainage pipes and the market leader in water storage tanks in India. The transaction includes a call and put option that can be executed for Orbia to purchase the remaining shares on the fifth anniversary of the transaction. In August 2022, we acquired Bow Plumbing Group, a leading Montreal-based manufacturer of plastic pipes and fittings with manufacturing in Quebec, Canada, with strategically located warehouses and commercial reach across the North American residential and commercial construction industry. In September 2022, we acquired Biarri Networks, a leading Denver-based technology provider that specializes in fiber optic network design solutions for the global telecommunications industry. Biarri Networks has offices in Australia, and the U.S.

In November 2023, we entered into a joint venture agreement with Syensqo (formerly Solvay) to establish what is expected to be the largest polyvinylidene fluoride (PVDF) production facility for battery materials in North America. Production is currently expected to begin in 2028.

In February 2024, we entered into a purchase and sale agreement with VPPL to sell the TBH business in India, including its manufacturing sites, in exchange for a 100% ownership of Vectus' Pipes and Fittings business. The transaction was completed on June 30, 2024.

On March 11, 2025, we announced the signing of a non-binding Memorandum of Understanding ("MoU") with Supreme Industries Ltd. ("Supreme"). Under the terms of the MoU, Supreme will acquire our Pipes and Fittings business in India and will obtain a license to use our proprietary water management technologies developed within our Business and Infrastructure business group. The transaction is expected to close in June 2025, subject to the satisfaction of customary closing conditions, including completion of due diligence and receipt of applicable regulatory approvals.

A continuous focus on specialty and value-added products

We will continue to use our competitive advantage to develop new and advanced production processes in our 21 research and development centers. These centers also develop new products focused on customer needs, making products available to customers through an extensive distribution network in the markets in which they participate. We will also continue to develop and implement our own technologies and processes that will generate significant benefits for us and for the entire industry in general. For example, we have our own technology to produce PVC resins, PVC pipes, compounds, plasticizers and HF purification. These technologies allow us to produce unique tubes that meet the requirements of most infrastructure projects and other competitive advantages. In addition, we have developed solutions based on fluorite compounds for the cement industry that allow for the optimization of Clinker production. We have also advanced urban climate resilience solutions, expanded our circularity-focused product portfolio, and strengthened our offering of low-GWP refrigerants and propellants. These innovations not only generate economic value but also contribute to reducing our environmental impact by lowering our carbon footprint.

Experienced management team with extensive industry experience

Our key executives have held leadership positions at top-tier global companies and have more than 25 years of professional experience. Our executive team has a proven track-record of operating successfully in the industry, strengthening our operations and integrating new acquisitions in order to grow our businesses.

Strong relationships with major suppliers and long-term contracts

We operate under long-term product supply contracts with our main domestic and foreign customers and suppliers, which allows for sustainable development. Based on growth potential and size, we have defined the market segments we wish to participate in and, under this contract scheme, have positioned ourselves alongside strategic clients in markets with high growth potential. This lends us a competitive advantage that is difficult for our competitors to replicate.

Significant economies of scale with strategically located facilities that results in low-cost operations

We benefit from an economy of scale in the global fluorspar market because: (1) we hold concession rights to the world's largest fluorite mine, according to estimates made by experts certified by the Mining and Metallurgical Society of America, and, through the acquisition of FDM, we increased our potential reserves of the highest purity fluorite, (2) we have one of the world's largest HF production capacities, according to the latest survey conducted by Roskill Consulting, (3) we have strong relationships with strategic market participants, (4) we are a world leader in the chemical fluorspar market, especially in the production of refrigerant gases and (5) our raw materials and productions facilities are strategically located with access to the U.S. fluorocarbon market.

Koura, our Fluor and Energy Materials business group operates under long-term U.S. dollar-denominated contracts with international customers for the supply of acid grade fluorspar. We believe that, given Koura's global scale, it can explore opportunities within the fluorochemicals industry with a greater number of value-added products.

The concessions for the exploitation of the fluorite mine and HF production facilities are near the border with the United States and the coast of the Gulf of Mexico. This location gives us easier access to the market in the United States, which has the highest fluorspar demand in the world. The Orbia EBITDA margin (Orbia EBITDA divided by net sales) of our Fluor and Energy Materials business group for the year ended December 31, 2024 was 27%.

In our Polymer Solutions business, Vestolit begins its processes by extracting salt from its own mines to produce PVC resin, which is one of the main raw materials used in the manufacturing of plastic pipes in Wavin and Netafim. In October 2013, Vestolit entered into a joint venture with OxyChem for the construction of an ethylene cracker in Ingleside, Texas. The ethylene cracker began commercial operations during the second quarter of 2017, which has allowed us to benefit from vertical integration in the value chain from ethane to PVC. This reduces the cost of our PVC production and allows us to directly manage the production and supply of our main raw material, ethylene.

Raw materials and production facilities are located in advantageous geographic areas, which permits us to reduce operating costs. We also own (through a joint venture) a port terminal in Altamira in Mexico, which not only reduces costs but also provides us with better access to export markets.

We are reducing manufacturing costs through a number of targeted actions. These include optimizing assets in the Americas and Europe across several businesses, pursuing supply chain and logistics efficiencies, and introducing innovations that enable lower raw material costs. We are also simplifying our portfolio through SKU rationalization and improving plant efficiency. In addition, We are decreasing SG&A costs across businesses and functions. This includes collapsing regional substructures to reduce costs and improve efficiencies, exploring the development of global capability centers in low-cost regions for IT and other functions, and simplifying corporate and administrative structures.

Innovation through research, development and patented production processes

We have a product research and development department with human resources and facilities that foster processes and products innovation that are tailored to our customers' needs. We have our own technology for our production processes which places us at the forefront of technology since we have developed our different production chains, unique designs that give us advantages over our global competitors. Our 21 research and technology centers are located in the United States, Mexico, the United Kingdom, Colombia, Germany, India, the Netherlands, Poland and Israel. Our research and development strategy is focused on improving the rate of return on projects and aligning product development with regional customer needs. This regional approach has enhanced our ability to address the specific technological requirements of our customer base across different markets. In total, we have more than 3,500 patents, including both granted patents and those pending registration.

A global growth model driven by purpose

In 2024, we continued to propose innovative solutions for three global challenges that affect communities and cities throughout the world:

- Food and water security;
- Connectivity and access to information; and
- Decarbonization and energy transition.

These trends present challenges for our clients that we seek to identify and mitigate by taking their needs into consideration. We have decided to place the customer at the center of our strategy in order to develop solutions focused on our clients that are increasingly specialized, technological and innovative.

Our vertical integration strategy has reduced our exposure to any price volatility of our main raw materials: Koura is 100% integrated from the exploitation of fluorite to the production of refrigerant gases. Since February 2017, the Vestolit is approximately 70% integrated and has thus achieved significant integration from salt extraction to PVC production, which has allowed us to improve profitability through better cost management. In addition, we focus on improving top line growth with strong profitability and asset turnover aiming to improve the return on invested capital in order to achieve and maintain us above our weighted average cost of capital, through the assets and operations we currently have.

Commitment to safety and social and environmental responsibility

We continue to position ourselves as a strong player in sustainability, corporate social responsibility and corporate governance. In 2024, the following milestones were achieved:

- Sustainability: In 2024, we continued to advance our climate action initiatives, reinforcing our commitment to validated science-based targets. Our goals include reducing Scope 1 and 2 greenhouse gas (GHG) emissions by 47% by 2030, using a 2019 baseline, and lowering Scope 3 GHG emissions (specifically categories 11 and 12) by 30% within the same timeframe.

To date, we have achieved a 26% reduction in Scope 1 and 2 emissions and a 33% reduction in Scope 3 emissions relative to our 2019 baseline, demonstrating consistent progress toward our 2030 targets. The reduction in Scope 3 emissions—already exceeding our 2030 goal—reflects the positive impact of our low-global warming potential (GWP) propellants and refrigerants portfolio. Our aim is to achieve net zero carbon emissions (Scope 1 and 2) by 2050. We acknowledge, however, that external market conditions also contributed to this outcome. We remain committed to driving continued performance improvements to ensure long-term, sustained progress.

We have also made significant strides toward our 2025 Zero Waste to Landfill goal, achieving this milestone in 89% of our facilities as of 2024. In addition, we have reduced sulfur dioxide emissions by 81% compared to our 2018 baseline, surpassing our 2025 target of a 60% reduction.

Currently, 58% of our sites are certified under an environmental management system, with a goal to reach 100% certification. At Orbia, we recognize the interdependence of climate, water, and biodiversity, and understand that effective water stewardship can contribute to climate mitigation and ecosystem resilience. We are working toward achieving a net-positive water impact by conducting water risk assessments, developing site-specific water stewardship plans and targets, and participating in collective action initiatives within priority water basins.

The health and safety of our people and stakeholders remains our highest priority. Since 2016, we have reduced our total recordable incident rate (TRIR) by approximately 75%. In 2024, the dedication of our employees and contractors enabled us to meet our TRIR target of 0.49. Looking ahead, our programs for 2025 and beyond are designed to advance Orbia toward industry-leading safety performance and achieve our medium-term TRIR goal of 0.2.

Our 2024 Impact Report provides further detail on these achievements and outlines progress across a broad range of sustainability metrics.

- Corporate social responsibility: Aligned with our business activities, we focus on our areas of expertise and prioritize initiatives that enhance water access and management, strengthen food security, promote social empowerment through circularity and expand access to science, technology, engineering and mathematics (STEM) education. In 2024, our total community investment was US$3.9 million.

- Corporate governance: Since 2021, our CEO and senior executives have participated in a variable short-term incentive (STI) program, with 75% of the performance metrics tied to shared financial objectives and Purpose and Values metrics aligned with our strategic sustainability targets. As of 2024, our board of directors comprised 11 members representing four countries. Of these, 64% are independent directors—above the 25% minimum required by the Mexican Securities Market Law and our corporate bylaws. Additionally, three of our board members are women, representing 27% of the board's composition.

We have continued our efforts that we have been making in recent years, which are summarized below:

- In 2018, we joined the United Nations Global Compact, reporting on our commitment and actions with respect to the ten principles of the compact in our annual impact report since that year.

- In 2019, we joined the United Nations Global Compact Water Mandate, committing ourselves to six areas of water management. Today, we are one of a group of 175 companies worldwide that have joined this pact. To further our commitment, in 2023 we joined the Business Leaders' Open Call for Accelerating Action on Water, a unified corporate initiative aimed at enhancing global water resilience.

- We are a participant in the UN-sponsored Forward Faster initiative—a global call to action designed to accelerate private sector contributions across five critical areas where businesses can drive meaningful and rapid progress toward achieving the 17 Sustainable Development Goals (SDGs) by 2030. As part of this commitment, we have prioritized the water resilience target.

- We provide leadership, support and funding to the Latin America Conservation Council (LACC), a coalition of global leaders dedicated to advancing nature-based solutions and initiatives aligned with the Sustainable Development Goals (SDGs) to protect, restore, and promote biodiversity across the region.

Our sustainability disclosures are grounded in a double materiality assessment and are aligned with leading international frameworks, including the Global Reporting Initiative (GRI) Standards, the 2018 Sustainability Accounting Standards Board (SASB) Chemicals Standards, and the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). We are also preparing to comply with the International Financial Reporting Standards (IFRS) Foundation's Sustainability Disclosure Standards (S1 and S2), which are mandatory for listed companies in Mexico, as well as with the European Union's Corporate Sustainability Reporting Directive (CSRD).

Maintaining an agile and solid financial structure

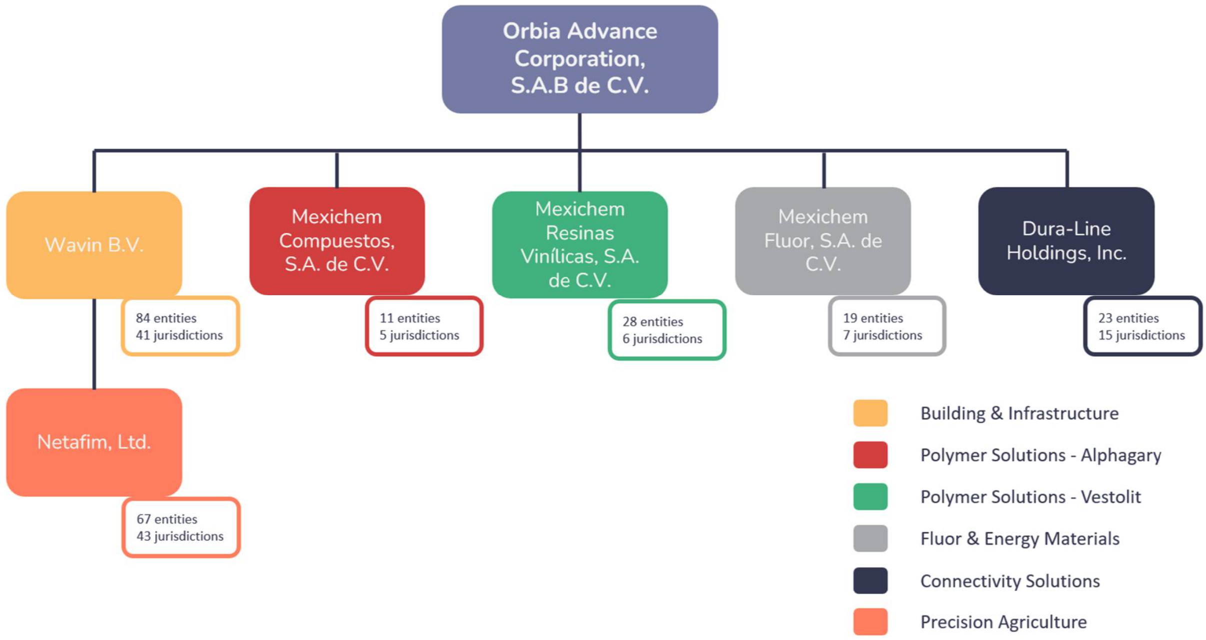
We seek to maintain a solid and flexible financial base that will allow us to support our growth objectives. We seek to maintain a Net Debt/ Orbia EBITDA ratio of no more than 2.5 in the long-term. We continue to implement our financial strategies, including a conservative debt profile, a conservative hedging structure and strategies to hedge exposure to foreign exchange rates and thus be able to continue executing our growth strategy.

Implementing a business culture

Our current operations are the result of over 30 business acquisitions that have positioned us as a leader in different countries, regions and markets, through the integration of diverse companies and work cultures. In this sense, we consider that a consolidated business culture is important for meeting our objectives for ourselves and the market. We are proud to establish and spread among our companies our mission, vision, unique values and strict adherence to our Code of Ethics as part of our organizational culture so that our employees are not only aware of it, but also apply it to their daily lives.

Organizational structure

Orbia is part of a business group comprising 238 subsidiaries as of December 31, 2024. The following chart shows our corporate structure:



As part of our ongoing strategic initiatives, we regularly evaluate opportunities to optimize the structure and focus of our business groups. These evaluations may result in the pursuit of divestitures, joint ventures, or other strategic transactions. In addition, certain business groups may undergo corporate reorganizations, internal restructurings or entity realignments in the future as we seek to align our operations with evolving strategic priorities and market conditions. Any such actions are considered on a case-by-case basis, taking into account factors such as alignment with our long-term objectives and anticipated operational efficiencies and synergies. There can be no assurance, however, that any such divestitures, joint ventures, or other strategic transactions, including reorganizations, restructurings or realignments, will be pursued or completed, or that, if undertaken, they will achieve the intended results.

Recent Developments

Issuance of Cebures under our Cebures Program

On April 11, 2025, we issued our third and fourth series of Cebures under our revolving debt program of Mexican debt securities registered with the Mexican National Registry of Securities (the "Cebures Program").

The third series consisted of Ps.3,190,875,000 aggregate principal amount of Cerbures, bearing interest at a variable rate equal to the Interbank Equilibrium Interest Rate (TIIE) de Fondeo plus 95 basis points and maturing on April 7, 2028. The fourth series consisted of Ps.3,034,125,000 aggregate principal amount of Cebures, bearing interest at a fixed annual rate of 11.73% and maturing on March 30, 2035. We used the net proceeds from these issuances to repay Ps.4,440,000,000 aggregate principal amount of Cebures maturing on December 4, 2025, and for general corporate purposes.

Tender Offer for the 2026 Notes

On April 25, 2025, we launched a cash tender offer (the "Tender Offer") to purchase any and all of the outstanding 1.875% Senior Notes due 2026 issued by Orbia (the "2026 Notes"). The terms and conditions of the Tender Offer are contained in the offer to purchase dated April 25, 2025 (as amended on April 29, 2025, the "Offer to Purchase"). Our obligation to accept for purchase and to pay for the notes in the Tender Offer is subject to the satisfaction or, as applicable, waiver by us of certain conditions set forth in the Offer to Purchase, including the successful completion of one or more debt financing transactions, such as this offering, on terms reasonably satisfactory to Orbia, in its sole discretion, and in an amount sufficient to effect the repurchase of the notes validly tendered and accepted for purchase pursuant to each Tender Offer (the "Financing Condition"). We reserve the right to amend, extend, withdraw or terminate the Tender Offer in our sole discretion, subject to applicable law. We cannot assure you that the Tender Offer will be consummated in accordance with the terms described in the Offer to Purchase, if at all, that a significant principal amount of the notes that are the subject of the Tender Offer will be tendered or that the Financing Condition will be satisfied. This offering is not conditioned on the consummation of the Tender Offer. This offering memorandum does not constitute an offer to purchase or a solicitation to sell any notes subject to the Tender Offer. The representatives of the initial purchasers or their affiliates are acting as dealer managers in the Tender Offer.

Recent Developments Relating to Our Unaudited First Quarter 2025 Financial Results

On April 24, 2025, we released our financial results for the three months ended March 31, 2025. The tables and discussion below include selected unaudited financial information as of March 31, 2025 and 2024 and for the three months then ended, prepared in accordance with IAS 34, as issued by the IASB.

The preliminary financial data as of and for the three months ended March 31, 2025 and 2024 presented below has been prepared by, and is the responsibility of, our management. Galaz, Yamazaki, Ruíz Urquiza, S.C. has not audited, reviewed, compiled, or applied agreed-upon procedures with respect to this preliminary financial data. Accordingly, Galaz, Yamazaki, Ruíz Urquiza, S.C. does not express an opinion or any other form of assurance with respect thereto.

	Three months ended March 31,		
	2025	2024	% Variation
	(in millions of U.S. dollars, except percentages)		
Net sales	1,811	1,863	(3)%
Orbia EBITDA	198	253	(21)%
Free Cash Flow(1)	(155)	(201)	23%
CapEX	105	132	20%

(1) See "Presentation of Financial and Other Information—Non-IFRS Financial Measures" for additional information.

Our net sales decreased 3%, to US$1,811 million for the three months ended March 31, 2025, from US$1,863 million for the three months ended March 31, 2024. This decrease was mainly driven by a decrease in net sales in our Polymer Solutions business group, due to one-off impacts from operational disruptions at one of our key suppliers, and by a decrease in net sales in our Building & Infrastructure business group, due to lower economic activity in Mexico and parts of Europe. This decrease was partially offset by higher economic activity in Brazil and the United Kingdom and by the contribution from our new manufacturing facility in Indonesia.

Our consolidated Orbia EBITDA was US$198 million for the three months ended March 31, 2025. This represented a decrease of 21% compared to the same period in 2024. For the three months ended March 31, 2024, our consolidated Orbia EBITDA was US$253 million. The decrease year over year was primarily driven by legal and restructuring costs, and the impact of a raw materials supply disruption of US$62 million and lower revenues in our Polymer Solutions and Building & Infrastructure business groups. This was partially offset by cost savings initiatives and operational efficiencies.

Our Free Cash Flow was negative US$155 million for the three months ended March 31, 2025. This represented an increase of 23% compared to the same period in 2024. For the three months ended March 31, 2024, our Free Cash Flow was negative US$201 million.

Our CapEX was US$105 million for the three months ended March 31, 2025. This represented a decrease of 20% compared to the same period in 2024. For the three months ended March 31, 2024, our CapEX was US$132 million.

As of March 31, 2025, we and the Subsidiary Guarantors had US$4,290 million of total indebtedness, none of which is secured, and US$396 million of which is unsecured debt of our non-guarantor Subsidiaries, all of which is structurally senior to the Notes.

THE OFFERING

The summary below describes the principal terms of the Notes. Certain of the terms and conditions described below are subject to important limitations and exceptions. The "Description of Notes" section of this offering memorandum contains a more detailed description of the terms and conditions of the Notes.

Issuer	Orbia Advance Corporation, S.A.B. de C.V.
Notes Offered	US$650,000,000 aggregate principal amount of 6.800% Senior Notes due 2030 US$450,000,000 aggregate principal amount of 7.500% Senior Notes due 2035
Offering Price	99.933%, plus accrued interest, if any, from May 13, 2025 for the 2030 Notes 99.329%, plus accrued interest, if any, from May 13, 2025 for the 2035 Notes
Maturity Date	May 13, 2030 for the 2030 Notes May 13, 2035 for the 2035 Notes
Interest Rate	6.800% per year for the 2030 Notes 7.500% per year for the 2035 Notes
Interest Payment Dates	May 13 and November 13 of each year, beginning on November 13, 2025
Subsidiary Guarantors	The Notes will be guaranteed by certain of our subsidiaries identified in "Description of Notes—General." As of and for the year ended December 31, 2024, the subsidiary guarantors (in addition to Orbia, on a stand-alone basis) accounted for 24% of our total assets and 27% of our Orbia EBITDA on a consolidated basis.
Guarantees	The payment of principal, premium, if any, interest and Additional Interest on the Notes will be fully and unconditionally guaranteed on a senior unsecured basis by our subsidiary guarantors.
Ranking	The Notes and subsidiary guarantees will be our and our subsidiary guarantors' respective senior unsecured obligations and they will rank: • equally with all of our and the subsidiary guarantors' respective existing and future senior unsecured indebtedness (subject to certain obligations that are preferred by statute, such as tax and labor obligations); and • senior to all of our and our subsidiary guarantors'

respective existing and future subordinated indebtedness.

The Notes and the subsidiary guarantees will effectively rank junior to all of our and the subsidiary guarantors' respective existing and future secured indebtedness, to the extent of the value of the assets securing such indebtedness. The Notes and the subsidiary guarantees will be structurally subordinated to all indebtedness, and trade payables, of our non-guarantor subsidiaries.

As of December 31, 2024, after giving pro forma effect to the issuance and sale of the Notes and the application of the net proceeds from this offering as described under "Use of Proceeds," we and our subsidiaries would have had consolidated total indebtedness of US$4,626 million. Of this amount, no amount would have been secured by collateral.

Optional Redemption

Make-whole Redemption. We will have the right at our option to redeem

(i) the 2030 Notes, in whole at any time or in part from time to time prior to April 13, 2030 (the date that is one month prior to the maturity date of the 2030 Notes, the "2030 Notes Par Call Date"), and

(ii) the 2035 Notes, in whole at any time or in part from time to time prior to February 13, 2035 (the date that is three months prior to the maturity date of the 2035 Notes, the "2035 Notes Par Call Date," and together with the 2030 Notes Par Call Date, each a "Par Call Date"),

in each case, at a redemption price equal to the greater of 100.0% of their principal amount and a "make-whole amount" described in this offering memorandum, *plus* accrued and unpaid interest and any Additional Interest thereon to, but excluding, the redemption date.

Par Redemption. We will have the right at our option to redeem the Notes, in whole at any time or in part from time to time, on and after the relevant Par Call Date at 100.0% of their principal amount *plus* accrued and unpaid interest and any Additional Interest thereon to, but excluding, the redemption date.

See "Description of Notes—Redemption—Optional Redemption."

Tax Redemption

We may redeem either series of the Notes, in whole but not in part, upon the giving of a notice of redemption to the holders, at 100% of their principal amount plus accrued interest and Additional Interest, if any, upon the occurrence of specified events relating to the tax laws of any Relevant Jurisdiction that result in higher withholding taxes that affect payment of interest and amounts deemed to be interest under such Notes. See "Description of Notes—Redemption—Tax redemption."

Change of Control	Upon the occurrence of a Change of Control Triggering Event (as defined in "Description of Notes"), we will be required to make an offer to purchase the Notes at a purchase price equal to 101% of the principal amount thereof, plus any accrued and unpaid interest and Additional Interest through the purchase date. See "Description of Notes—Redemption upon change of control."
Additional Interest	Payments of interest on the Notes to investors that are non-residents of Mexico for tax purposes will generally be subject to Mexican withholding taxes at a current rate of 4.9%. Subject to certain specified exceptions, we and the subsidiary guarantors will, jointly and severally, pay such additional interest as may be required so that the net amount received by the holders of the Notes in respect of principal, interest or other payments on the Notes, after any such withholding or deduction, will not be less than the amount each holder of Notes would have received if such withholding or deduction had not applied. See "Description of Notes—Additional Interest."
Certain Covenants	The indenture governing the Notes contains covenants that, among others, limit the creation of liens by us and our subsidiaries, and permit us and our subsidiaries to consolidate or merge with, or transfer all or substantially all of our assets to, another person only if any such transaction complies with certain requirements. However, these covenants are subject to a number of important exceptions and qualifications. See "Description of Notes—Covenants."
Events of Default	The indenture sets forth the events of default applicable to the Notes.
Further Issuances	We may from time to time without notice to or consent of the holders of the Notes create and issue an unlimited principal amount of additional Notes of the same series as the Notes initially issued in this offering, provided that any additional Notes shall be issued under a separate CUSIP number, ISIN and Common Code unless the additional Notes are issued pursuant to a "qualified reopening" of the original series, are otherwise treated as part of the same "issue" of Notes as the original series, or are issued with less than a *de minimis* amount of original discount, in each case for U.S. federal income tax purposes.
Use of Proceeds	We expect to use approximately US$600 million of the net proceeds from this offering to pay the tender price of the 2026 Notes tendered in connection with the Tender Offer. Any remaining funds are expected to be used by us for general corporate purposes and the refinancing or repayment of our indebtedness, including the possible repayment of a portion or all of our outstanding 4.000% Senior Notes due 2027 (the "2027 Notes"). See "Use of Proceeds."

Taxation	For a summary of certain Mexican federal income tax consequences and U.S. federal income tax consequences of an investment in the Notes, see “Taxation.”
Book Entry; Form and Denominations	Each series of Notes will be issued in the form of global notes in fully registered form without interest coupons. The global Notes will be exchangeable or transferable, as the case may be, for definitive certificated Notes in fully registered form without interest coupons only in limited circumstances. Each series of Notes will be issued in registered form in denominations of US$200,000 and integral multiples of US$1,000 in excess thereof. See “Description of Notes—Form, denomination and title.”
Substitution of the Company	The Company may, without the consent of any holder of the Notes, be replaced and substituted by any direct or indirect Subsidiary as principal debtor in respect of the Notes. See “Description of the Notes—Substitution of the Company” and “Taxation—Certain U.S. Federal Income Tax Considerations—Substitution of the Company.”
Settlement	Each series of Notes has been delivered in book-entry form through the facilities of DTC for the accounts of its participants, including Euroclear and Clearstream.
Transfer Restrictions	We have not registered the Notes under the Securities Act or the securities laws of any other jurisdiction. Each series of Notes are subject to restrictions on transfer and may only be offered in transactions exempt from or not subject to the registration requirements of the Securities Act. See “Transfer restrictions.” As required under the Mexican Securities Market Law, we will notify the CNBV, for informative and statistical purposes only, of the offering of the Notes outside of Mexico. The Notes have not and will not be registered with the Mexican National Registry of Securities (*Registro Nacional de Valores*) and may not be offered or sold publicly or otherwise be subject to brokerage activities in Mexico, except to Mexican institutional and accredited investors pursuant to private placement exemption set forth in Article 8, Section I of the Mexican Securities Market Law.
Listing of the Notes	Application has been made to list the Notes on the Official List of the Luxembourg Stock Exchange (the “LuxSE”) and to have them admitted to trading on the Euro MTF Market of the LuxSE.
Governing Law	The indenture, the Notes and the subsidiary guarantees will be governed by, and construed in accordance with, the laws of the State of New York.
Trustee, Registrar, Transfer Agent and Paying Agent	Citibank, N.A.

Securities Codes	The 2030 Notes will be assigned the following securities codes: Rule 144A: CUSIP: 68560EAC2 ISIN: US68560EAC21 Common Code: 307540053 Regulation S: CUSIP: P7S81YBJ3 ISIN: USP7S81YBJ38 Common Code: 307538946 The 2035 Notes will be assigned the following securities codes: Rule 144A: CUSIP: 68560EAD0 ISIN: US68560EAD04 Common Code: 307539756 Regulation S: CUSIP: P7S81YBK0 ISIN: USP7S81YBK01 Common Code: 307221861

Risk Factors

An investment in the Notes involves risks. See "Risk Factors" beginning on page 23 for a discussion of certain risks that you should consider in connection with an investment in the Notes.

Additional Information

Our executive offices are located at Paseo de la Reforma Número 483, Piso 47, Colonia Cuauhtémoc, 06500, Ciudad de México, México. Our telephone number at that address is 52 (55) 5366 4000.

SUMMARY CONSOLIDATED FINANCIAL DATA AND OTHER INFORMATION

The following table presents our summary consolidated financial data in U.S. dollars.

The summary consolidated financial data as of and for the years ended December 31, 2024, 2023 and 2022 is derived from our audited consolidated financial statements and the accompanying notes appearing elsewhere in this offering memorandum. Our audited consolidated financial statements have been prepared in accordance with IFRS Accounting Standards issued by the IASB.

	Year ended December 31,		
	2024	2023	2022
	(in millions of U.S. dollars)		
Statement of Comprehensive Income Data			
Net sales	7,506	8,204	9,648
Cost of sales	5,758	6,032	7,079
Gross profit	1,748	2,172	2,569
Selling and development expenses	603	622	582
Administrative expenses	642	681	661
Other (income) expenses, net	67	20	(2)
Foreign exchange loss, net	15	65	13
Interest expense	396	389	285
Interest income	(72)	(93)	(30)
Change in measurement of redeemable non-controlling interests	(10)	(6)	(119)
Monetary position loss	11	11	11
Share of profit in associates	—	(2)	(3)
Impairment of goodwill	—	—	136
Profit (loss) before income taxes	96	485	1,035
Income tax (benefit) expense	(127)	329	369
Profit (loss) from continuing operations	223	156	666
Net loss from discontinued operations	—	—	(1)
Consolidated profit (loss) for the year	223	156	665
Other comprehensive income (loss):			
Items that will not be reclassified subsequently to profit or loss:			
Actuarial (losses) gains recognized during the year	(1)	3	53
Income tax expense	—	(1)	(14)
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation	(104)	59	(83)
Unrealized gain (loss) on valuation of financial instruments	(53)	9	41
Income tax benefit (expense)	13	—	(21)
	(144)	68	(63)
Total other comprehensive (loss) income	(145)	70	(24)
Consolidated comprehensive income for the year	78	226	641
Consolidated profit (loss) attributable to:			
Equity holders of the parent	145	65	567
Non-controlling interests	78	91	98
Total comprehensive income (loss) attributable to:			
Owners of the company	(5)	143	540
Non-controlling interests	83	83	101
Basic and diluted earnings per share:			
From continuing operations	0.08	0.03	0.30
From discontinued operations	—	—	—
Basic earnings per share	0.08	0.03	0.30

	As of December 31,		
	2024	2023	2022
	(in millions of U.S. dollars)		
Statement of Financial Position Data			
Assets:			
Current assets:			
Cash and cash equivalents	1,009	1,456	1,546
Accounts receivable, net	1,448	1,461	1,659
Due from related parties	—	2	2
Inventories, net	1,098	1,200	1,320
Prepaid and other assets	54	50	56
Derivative financial instruments	1	1	1
Total current assets	3,610	4,170	4,584
Non-current assets			
Property, plant and equipment, net	3,271	3,370	3,170
Right-of-use assets, net	431	469	358
Equity investment in associates	76	75	58
Other assets	104	106	124
Deferred taxes	499	174	197
Employee benefits assets	38	39	28
Intangible assets, net	1,597	1,702	1,627
Goodwill	1,431	1,447	1,478
Total non-current assets	7,447	7,382	7,040
Total assets	11,057	11,552	11,624
Liabilities:			
Current liabilities:			
Bank loans and current portion of long-term debt	548	466	760
Suppliers	821	847	812
Letters of credit	395	381	467
Due to related parties	—	1	1
Other accounts payable and accrued liabilities	529	508	651
Provisions	59	34	33
Employee benefits	165	194	234
Lease liabilities	111	106	84
Derivative financial instruments	—	—	3
Total current liabilities	2,628	2,537	3,045
Non-current liabilities			
Bank loans and long-term debt	4,078	4,420	3,936
Employee benefits	130	139	137
Provisions	22	31	22
Other long-term liabilities	37	66	75
Redeemable non-controlling interests	308	367	375
Derivative financial instruments	155	13	1
Deferred tax liabilities	344	359	373
Lease liabilities	346	383	285
Income tax payable	29	19	52
Total non-current liabilities	5,449	5,797	5,256
Total liabilities	8,077	8,334	8,301
Stockholders' equity:			
Paid-in capital			

	As of December 31,		
	2024	2023	2022
	(in millions of U.S. dollars)		
Statement of Financial Position Data			
Share capital	256	256	256
Additional paid-in capital	1,475	1,475	1,475
Cumulative inflation adjustment	24	24	24
Earned capital:			
Retained earnings	438	604	881
Redeemable non-controlling interests	(241)	(436)	(436)
Share buyback reserve	1,179	1,239	1,090
Other comprehensive loss	(698)	(548)	(622)
Controlling interest	2,433	2,614	2,668
Non-controlling interest	547	604	655
Total stockholders' equity	2,980	3,218	3,323
Total liabilities and stockholders' equity	11,057	11,552	11,624

Other Financial Data

Results by business group

The following table contains a breakdown of our consolidated results of operations by business group and others based upon the financial information reported by each division. All amounts below and elsewhere in this offering memorandum reflect our current business group structure.

	Year ended December 31,		
	2024	2023	2022
	(in millions of U.S. dollars)		
Polymer Solution (1)			
Net sales	2,529	2,699	3,696
Net profit (loss)	21	55	363
Orbia EBITDA (2)	356	382	804
Fluor and Energy Materials (1)			
Net sales	862	918	852
Net profit (loss)	84	234	209
Orbia EBITDA (2)	234	354	304
Building and Infrastructure (1)			
Net sales	2,497	2,678	2,926
Net profit (loss)	(13)	223	191
Orbia EBITDA (2)	274	284	321
Connectivity Solutions (1)			
Net sales	839	1,125	1,370
Net profit (loss)	10	130	216
Orbia EBITDA (2)	108	327	357
Precision Agriculture (1)			
Net sales	1,038	1,063	1,085
Net profit (loss)	(42)	(41)	(163)
Orbia EBITDA (2)	125	118	119
Controlling Company			
Net sales	112	162	121

	Year ended December 31,		
	2024	2023	2022
	(in millions of U.S. dollars)		
Net profit (loss)	163	(157)	694
Orbia EBITDA [(2)]	—	(72)	(11)
Eliminations			
Net sales	(371)	(441)	(402)
Net profit (loss)	—	(288)	(845)
Orbia EBITDA [(2)]	—	67	15

(1) Amounts set forth have only been adjusted to eliminate intra-business group (but not inter-business group) transactions.
(2) Orbia EBITDA is a measure we use to monitor our consolidated operating performance and consists of net profit, plus income tax (benefit) expense, other income/expense (includes royalties), share of gain of subsidiaries and associates, impairments, finance cost (foreign exchange (gain)/loss, interest expense and interest income, fair value of non-controlling interest, and monetary position (gain) loss), depreciation and amortization. Orbia EBITDA is not a measure recognized under IFRS Accounting Standards, does not have a standardized meaning and may not be comparable to similarly titled measures provided by other companies either in Mexico or in other jurisdictions. In addition, we have not calculated Orbia EBITDA in accordance with the guidelines adopted by the SEC on presentation of non-GAAP financial measures.

The following tables set forth, for the periods indicated, a reconciliation of to Orbia EBITDA for our consolidated operations and for our five business groups.

	Three months ended March 31,		Year ended December 31,		
	2025	2024	2024	2023	2022
	(in millions of U.S. dollars)				
Consolidated Operations					
Consolidated net profit (loss)	(29)	(47)	223	156	665
Plus: Income tax (benefit) expense	(5)	15	(127)	329	369
Plus: Other income / expense[(1)]	(1)	(1)	2	(2)	133
Plus: Finance Cost[(2)]	76	139	340	366	160
Plus: Depreciation & Amortization	157	148	659	610	581
Orbia EBITDA	**198**	**253**	**1,097**	**1,460**	**1,909**
Plus: Restructuring & legal settlements[3]	**62**	—	**92**	—	**42**
Adjusted EBITDA	**260**	**253**	**1,189**	**1,460**	**1,951**

(1) Includes royalties, share of gain of subsidiaries and associates and impairment of goodwill.
(2) Includes foreign exchange (gain)/loss, interest expense and interest income, monetary position (gain) loss and changes in fair value of non-controlling interest.
(3) Items that have a limited number of occurrences, are clearly identifiable and not reflective of ongoing business performance such as restructuring and legal settlements.

	Year ended December 31,		
	2024	2023	2022
	(in millions of U.S. dollars)		
Polymer Solution [(1)]			
Net profit (loss)	21	55	363
Plus: Income tax (benefit) expense	(45)	7	104
Plus: Other income / expense[(1)]	47	39	20
Plus: Finance Cost[(2)]	67	27	61
Plus: Depreciation & Amortization	266	254	256
Orbia EBITDA	**356**	**382**	**804**
Plus: Restructuring & legal settlements	22	—	—
Adjusted EBITDA	**378**	**382**	**804**
Fluor and Energy Materials [(1)]			
Net profit (loss)	84	234	209
Plus: Income tax (benefit) expense	70	68	52
Plus: Other income / expense[(1)]	12	8	3
Plus: Finance Cost[(2)]	(6)	(13)	(17)

	Year ended December 31,		
	2024	2023	2022
	(in millions of U.S. dollars)		
Plus: Depreciation & Amortization	74	57	57
Orbia EBITDA	**234**	**354**	**304**
Plus: Restructuring & legal settlements	36	—	—
Adjusted EBITDA	**270**	**354**	**304**
Building and Infrastructure [(1)]			
Net profit (loss)	(13)	223	191
Plus: Income tax (benefit) expense	71	54	59
Plus: Other income / expense[(1)]	16	(53)	6
Plus: Finance Cost[(2)]	55	(82)	(63)
Plus: Depreciation & Amortization	145	142	128
Orbia EBITDA	**274**	**284**	**321**
Plus: Restructuring & legal settlements	17	—	9
Adjusted EBITDA	**291**	**284**	**330**
Connectivity Solutions [(1)]			
Net profit (loss)	10	130	216
Plus: Income tax (benefit) expense	13	67	65
Plus: Other income / expense[(1)]	28	71	17
Plus: Finance Cost[(2)]	11	11	23
Plus: Depreciation & Amortization	46	48	36
Orbia EBITDA	**108**	**327**	**357**
Plus: Restructuring & legal settlements	9	—	10
Adjusted EBITDA	**117**	**327**	**367**
Precision Agriculture [(1)]			
Net profit (loss)	(42)	(41)	(163)
Plus: Income tax (benefit) expense	(17)	4	(4)
Plus: Other income / expense[(1)]	—	—	141
Plus: Finance Cost[(2)]	66	50	45
Plus: Depreciation & Amortization	118	105	100
Orbia EBITDA	**125**	**118**	**119**
Plus: Restructuring & legal settlements	8	—	25
Adjusted EBITDA	**133**	**118**	**144**
Holding Company			
Net profit (loss)	163	(157)	694
Plus: Income tax (benefit) expense	(219)	127	89
Plus: Other income / expense[(1)]	(101)	(420)	(910)
Plus: Finance Cost[(2)]	147	373	111
Plus: Depreciation & Amortization	10	5	5
Orbia EBITDA	**—**	**(72)**	**(11)**
Plus: Restructuring & legal settlements	—	—	(2)
Adjusted EBITDA	—	**(72)**	**(13)**
Eliminations			
Net profit (loss)	—	(288)	(845)
Plus: Income tax (benefit) expense	—	2	4
Plus: Other income / expense[(1)]	—	353	856
Plus: Finance Cost[(2)]	—	—	—
Plus: Depreciation & Amortization	—	—	—
Orbia EBITDA	**—**	**67**	**15**

(1) Includes royalties, share of gain of subsidiaries and associates and impairment of goodwill.
(2) Includes foreign exchange (gain)/loss, interest expense and interest income, monetary position (gain) loss and changes in the fair value of non-controlling interests.

Other Financial Data

Free Cash Flow

The following tables set forth, for the periods indicated, a reconciliation of consolidated net profit (loss) to Free Cash Flow for our consolidated operations.

	As of December 31,		
	2024	2023	2022
	(in millions of U.S. dollars, except percentages)		
Consolidated net profit (loss)	223	156	665
Plus: Income tax (benefit) expense	(127)	329	369
Plus: Other income / expense (1)	2	(2)	133
Plus: Finance Cost (2)	340	366	160
Plus: Depreciation & Amortization	659	610	581
Orbia EBITDA	1,097	1,460	1,909
Taxes paid, net	(135)	(409)	(504)
Net interest / Bank commissions	(290)	(296)	(205)
Change in trade working capital	105	138	(33)
Others (Other assets – provisions, Net)	(125)	(71)	(38)
CTA and FX	(133)	110	(21)
Cash generation (3)	**519**	**931**	**1,107**
CapEX	(477)	(658)	(549)
Leasing payments	(106)	(98)	(92)
Free Cash Flow (4)	**(64)**	**176**	**466**
FCF conversion (%)	(5.8)%	12.1%	24.4%

(1) Includes royalties, share of gain of subsidiaries and associates and impairment of goodwill.
(2) Includes foreign exchange (gain)/loss, interest expense and interest income, monetary position (gain) loss and changes in the fair value of non-controlling interests.
(3) We calculate cash generation as Orbia EBITDA *less* taxed paid, net, net interest / bank commissions, change in trade working capital, others (other assets minus provisions, net), CTA and FX.
(4) See "Presentation of Financial and Other Information—Non-IFRS Financial Measures" for additional information.

Net Debt to Orbia EBITDA Ratio

	As of December 31,		
	2024	2023	2022
	(in millions of U.S. dollars, except ratios)		
Bank loans and current and long-term debt	4,626	4,886	4,696
Cash and cash equivalents	1,009	1,456	1,546
Net Debt	3,617	3,430	3,149
Orbia EBITDA (1)	1,097	1,460	1,909
Net Debt to Orbia EBITDA ratio:	**3.30x**	**2.35x**	**1.65x**

(1) Orbia EBITDA is a measure we use to monitor our consolidated operating performance and consists of net profit, plus income tax (benefit) expense, other income/expense (includes royalties), share of gain of subsidiaries and associates, impairments, finance cost (foreign exchange (gain)/loss, interest expense and interest income, fair value of non-controlling interest, and monetary position (gain) loss), depreciation and amortization. Orbia EBITDA is not a measure recognized under IFRS Accounting Standards, does not have a standardized meaning and may not be comparable to similarly titled measures provided by other companies either in Mexico or in other jurisdictions. In addition, we have not calculated Orbia EBITDA in accordance with the guidelines adopted by the SEC on presentation of non-GAAP financial measures.

RISK FACTORS

You should review and consider carefully the following risk factors, as well as all the other information presented in this offering memorandum, before purchasing our Notes. The risks and uncertainties described below are not the only ones that we face. Additional risks and uncertainties that we are not aware of or that we currently think are immaterial may also impair our business operations. Any of the following risks, if they were to occur, could materially and adversely affect our business, results of operations, prospects and financial condition. In that event, the market price of our Notes could decline and you could lose all or part of your investment.

Risk Factors Summary

The following summarizes certain material risk factors that may make an investment in our Company speculative or risky. You should carefully consider the full risk factor disclosure outlined in this offering memorandum, in addition to the other information herein, including the section titled "Management's discussion and analysis of financial condition and results of operations" of this offering memorandum, as part of your evaluation of an investment in our securities.

Risk Factors Related to Our Business and Industry

- The cyclical nature of the chemicals industry increases the volatility of our business and may reduce our net sales and gross margins.
- Our net sales and earnings could be adversely affected by economic conditions and outlook in countries in which we operate.
- Fluctuation in the price of our key raw materials, natural gas, plastic resins, ethane and ethylene, among others, may adversely affect our business and operating results.
- Any interruption in the supply of raw materials could disrupt our manufacturing operations.
- Maintenance of, increases in, and improvements related to our production capacity generally require significant investments, but there can be no assurance that we will be able to realize the expected return on these investments.
- Our contracts executed with OxyChem and with ethane, ethylene and VCM suppliers may be insufficient to meet all of our operational and commercial needs, which may affect our production costs due to increases in the price of our raw materials or lack of production capacity.
- Failure to develop new products and production technologies, to respond to changes in customer demand, regulatory requirements and technological developments or to implement productivity and cost-reduction initiatives successfully, may adversely affect our competitive position.
- We are a holding company and have no significant assets other than shares of our subsidiaries; as a result, we may not be able to comply with our obligations.
- We are subject to certain restrictive performance and non-performance obligations by virtue of the execution of our credit agreements, which could limit our future commercial activities.
- We may become obligated to offer additional compensation to employees for inventions and innovations.
- We are subject to legal and administrative proceedings in certain countries in which we operate, the results of which could adversely affect our business.

- Our contract model for HDPE products implies certain risks related to customer retention, and any failure to retain our customers or maintain sales volume could have a material adverse effect on our business and financial condition.

- The operations of our Connectivity Solutions, Precision Agriculture and Building and Infrastructure business groups largely depend on the telecommunications, agriculture and construction industries, respectively.

- Changes in investment levels in the data and voice telecommunications industry could affect the production and sales of our Connectivity Solutions business group.

- The sales of our Precision Agriculture business group are highly dependent on the dynamism of the agricultural industry, including government support to this sector.

Risk Factors Related to Mexico and the Principal Countries Where We Operate

- Changes in governmental policies in Mexico and in other main countries in which we operate could adversely affect our business, results of operations, financial condition and prospects.

- U.S. Designation of Mexican Cartels as Foreign Terrorist Organizations and Specially Designated Global Terrorists could materially adversely affect our operations.

- Armed conflicts and or terrorist attacks may adversely impact our businesses.

- Political, geopolitical, and economic events around the world, especially in the countries where we operate, or to which we export our products and services, could adversely affect our business plans, financial position, and operating results.

- We may feel an impact from the new U.S. presidential administration.

- The Mexican Congress and the authorities of the countries where we are present could pass legislation resulting in increased tax obligations.

Risk Factors Related to Our Notes and this Offering

- We have a significant amount of indebtedness and we may be able to incur more debt which could further exacerbate the risks associated with our indebtedness.

- The debt agreements and securities, including the Notes, contain cross-default clauses that may cause all debt issued under such agreements and securities to become due in advance and immediately payable as a result of a noncompliance event resulting under another unrelated debt instrument.

- The subsidiary guarantees may not be enforceable.

- Payments on the Notes and the subsidiary guarantees will be junior to our secured debt obligations and effectively junior to debt obligations of our non-guarantor subsidiaries.

- We cannot assure investors that an active trading market for the Notes will develop.

Risk Factors Related to Our Business and Industry

The cyclical nature of the chemicals industry increases the volatility of our business and may reduce our net sales and gross margins.

Due to cyclicality in the global chemical industry, historically, the international chemicals market has experienced alternating periods of limited supply and oversupply. In the periods of limited supply, prices and profit margins increase, followed by an expansion of production capacity. The expansion in production capacity then results in oversupply and reduced prices and profit margins. The timing of these cycles is unpredictable, and we may not be able to manage their effects. Our decisions to, for example, expand the production capacity of our existing plants or construct new plants may be based on estimates of future demand that may never materialize or may materialize at levels lower than we initially estimated.

We generally establish the prices for the products that we sell with reference to international market prices. The European and Latin American chemical industries have become increasingly integrated with the global chemical industry for a number of reasons, including increased demand for, and consumption of, chemical products in Europe and Latin America and the ongoing integration of regional and world markets for commodities. Our net sales and gross margins are increasingly linked to global industry conditions that we cannot control, which may lead to significant changes in our quarterly operating results or in our annual results and limit our ability to forecast our future long-term performance.

Our net sales and earnings could be adversely affected by economic conditions and outlook in countries in which we operate.

Adverse economic conditions and outlook in countries in which we conduct business can impact demand for our products and, ultimately, our net sales and earnings. These conditions include, but are not limited to, recessionary conditions; slow or negative economic growth rates; the impact of decisions made by the U.S. federal reserve with respect to interest rate increases and , austerity measures. In certain countries in which we operate, such as, Israel, Brazil, Colombia, Mexico, Ecuador, India and China reductions in governmental subsidies and financial incentives for the agriculture industry may inhibit demand for our products and growth in the sector we serve. In the past, some of these factors have caused distributors, dealers, and end-user customers to reduce spending and delay or forego purchases of our products, which could generate an adverse effect on our net sales and results.

This sensitivity may increase the volatility of our results and reduce our net sales and gross margins, in particular:

- downturns in general business and economic activity may cause demand for our products to decline, particularly in the residential, commercial, refrigeration, aluminum, or industrial construction industries, which are strongly tied to prevailing conditions of stability or instability;
- when demand falls, we may face competitive pressures to lower our prices;
- low barriers to entry in certain markets may result in increased production capacity and supply in the relevant market, which is likely to affect the prices we charge; and
- the recently imposed tariffs by the United States and potential retaliatory measures taken by other countries may cause increased manufacturing costs, economic slowdown, limitations on our ability to sell our products domestically or abroad, higher prices and a lack of competitiveness for our products.

We are particularly sensitive to economic cycles affecting the construction, infrastructure, agriculture and automotive industries.

Historically, demand for our products has been vulnerable in circumstances of economic uncertainty or downturn. This vulnerability may lead to significant changes in our quarterly operating results or in our annual results, thus limiting our ability to forecast our future long-term performance.

Our business is subject to the risks generally associated with international business operations spread across the globe.

We market our products in more than 100 countries. We participate in manufacturing and other commercial activities on five continents. Adverse economic conditions, conflicts, unrest and other unfavorable political, social and regulatory conditions in the countries where we conduct business may impact the demand for our products and services, our ability to successfully conduct business and ultimately, our sales and earnings in these countries. The global nature of our various businesses exposes us to risks related to the following, among other factors:

- governmental regulations applicable to manufacturing and foreign investment activities in each jurisdiction in which we operate;
- unpredictable changes to commercial or customs and tariff policies that impact our ability to efficiently and reliably import and export products and raw materials;
- vulnerabilities to disruptions and delays in the complex global supply and distribution chains;
- international conflicts and disputes;
- restrictions on currency conversion and volatility in the currency exchange markets;
- restrictions related to the international sale of products, including trademarks, in relation with ownership rights of intellectual property of third parties;
- the complexities of complying with multiple legal systems and bodies of national and international law and regulations;
- complex and evolving international environmental regulations;
- force majeure events;
- disruptions in local infrastructure, energy supplies and other public services;
- limitations on the supply of qualified workforce and changes in local labor conditions;
- the difficulties of being subject to multiple complex and evolving tax laws and regulations;
- global and national recessionary conditions or negative or slow economic growth rates;
- changes in local or international interest rates; and
- austerity measures and reduction or loss of subsidies and incentives in the industries in which we operate.

Certain of our facilities and operations are located in countries experiencing varying degrees of social and political instability, which could interfere with our ability to operate or result in damages to our properties and assets. Sales of our products could be adversely affected by such instability and the factors listed above.

Fluctuation in the price of our key raw materials, natural gas, plastic resins, ethane and ethylene, among others, may adversely affect our business and operating results.

Prices for natural gas, plastic resins, ethane and ethylene that we use in our manufacturing processes for our products are strongly influenced by conditions and expectations of international supply and demand. These prices have historically experienced significant volatility in the regional and international markets, which have affected our production costs. In addition, variations in the prices of oil and its by-products affect the selling price of certain products made with plastic resins, such as PVC, polyethylene and polypropylene in some regions of the world.

Future fluctuations in the prices of such products could result in a cost increase in the inputs used in our operations, or in a reduction in sale prices, a situation that could have an adverse effect on our results of operations. Although we generally transfer any price increase in raw materials to our customers, we are not always able to do so. In such cases, increases in raw material prices may have an adverse negative effect on our results of operations.

Any interruption in the supply of raw materials could disrupt our manufacturing operations.

Our capability to achieve our strategic objectives continues to depend largely on a successful, timely, and profitable acquisition of electric power and raw materials such as natural gas, ethane, VCM, PVC, polyethylene and other raw materials. We currently depend on a limited number of suppliers for the production and delivery of such materials. We cannot ensure stability in gas supply, the availability of inputs at reasonable prices, or that suppliers will continue providing them. Therefore, any interruption, stoppage, or any other alteration in the supply of electric power and raw materials, or a substantial increase in their costs, could negatively affect our financial position and operating results. Likewise, a reduction in the supply of certain raw materials, or in the number of their suppliers, could lead to an increase in the prices paid for such raw materials, in which case our results of operations and financial condition could also be negatively affected.

Maintenance of, increases in, and improvements related to our production capacity generally require significant investments, but there can be no assurance that we will be able to realize the expected return on these investments.

We continuously make significant capital investments aimed at maintaining our production capacities, protecting the environment, ensuring safety for both workers and facilities, improving efficiency, and modernizing our plants. Additionally, we have made several bolt-on acquisitions in recent years to support the growth of our businesses.

We may be unable to realize the expected return on our investments if adverse developments arise in the markets for our products, including if our decisions relating to the timing or the manner of such investments are based on projections regarding future market demands or other developments that prove to be inaccurate, or if we cannot secure sufficient resources to make any necessary capital expenditures. In addition, we may be unable to complete our current projects in a timely manner, or at all, due to factors such as our inability to obtain financing, regulatory changes, noncompliance, logistical problems or the unavailability of contractors and subcontractors. This could have a material adverse effect on our results of operations, including as a result of asset impairment charges.

Our mining concessions could be subject to nullification, cancellation, suspension or annulment according to applicable legal provisions, or we could not be able to renew our existing concessions, which could have a significant adverse effect on our operations and financial condition.

Our mining operations are located in Mexico and are governed by the regulations and under the supervision of the corresponding Mexican government agencies. Under the laws of Mexico, mineral resources belong to Mexico and government concessions are required to explore and exploit mineral potential. We hold the rights to several renewable mining concessions granted by the Mexican Ministry of Economy (*Secretaría de Economía*), pursuant to the Mexican Mining Law (*Ley de Minería*) and regulations thereunder. Within our Fluor and Energy Materials business group, there are several mining concessions that will expire in 2029 and others that will expire in 2061, all of which are renewable in accordance with article 15 of Mexican Mining Law (*Ley de Minería*). The Fluor and Energy Materials business group intends to undertake the necessary procedures, in accordance with the times established by the Mexican Mining Law (*Ley de Minería*), to ensure the renewal of the concessions that will expire in the near future. However, we cannot assure that such renewals will be granted. Our mining concessions are also subject to changes in local mining law and regulations, which may affect their terms. Additionally, and in accordance with Mexican legislation, the Fluor and Energy Materials business group has the duty to evidence the exploration and exploitation investments within these concessions, which to this date have been undertaken in due time and form. In respect to PMV, it has a mining concession for the salt dome in Veracruz that expires in 2043.

Mexican law stipulates that the Federal Government has the right to declare the nullification, cancellation, suspension, or annulment of rights of the concessions granted. Likewise, concessions may be subject to cancellation and renewal denial for the reasons set forth in Article 42 of the Mexican Mining Law (*Ley de Minería*), which include, among others, termination of the term of the concession, the concession holder failing to carry out the work covered by the concession within a period of two consecutive years or judicial resolution. Accordingly, the concessions we hold in Mexico may be revoked without right to compensation in case we are unable to meet the applicable terms and conditions established for said concessions.

Additionally, mining concessions may be expropriated by the Mexican government for public interest causes (*causas de utlidad pública*). In the event of such expropriation, the government is required to make an indemnification payment to the former concession holder. In the event our mining concessions are expropriated, we cannot assure you that the indemnification payment will be made in a timely manner or that the amount of the payment would be sufficient to compensate us for our costs or our losses, including losses resulting from future expected revenues.

The lands covered by the mining concessions could be expropriated for reasons of public interest, with right to compensation. Such compensation could be limited to less than the market value of the assets. In case of dispute over the compensation amount, we may ask a competent court to determine such amount. The compensation amount will be paid in Mexican pesos, notwithstanding an agreement for payment in kind. However, the Mexican Mining Law (*Ley de Minería*) and its regulations do not stipulate, as opposed in the case of a taking or expropriation, that, if a concession is cancelled in virtue of a decision of a competent court, the Mexican government has to pay any compensation to the holder of the concession.

Likewise, Mexican legislation provides that the mining concessions will have a duration of 30 years, counted from the date of registration in the Public Registry of Mining (*Registro Público de Minería*) and can be renewed for a term of 25 years, if the renewal is requested within two years (and no later than one year) prior to the expiration date of the original concession and all the requirements set forth in the concession agreement and in the governing laws are met. Although we plan to request such renewals and will meet all necessary conditions to obtain the concession renewals, we cannot ensure that the concessions will be renewed since the government has discretionary powers regarding the renewal of concessions. Our inability to renew any of our concessions could have a significant adverse impact on our operations, results of operations and financial condition.

According to the terms and conditions of the concessions, we are bound to meet certain obligations set forth in the Mexican Mining Law (*Ley de Minería*). We are also obligated, among other things, to explore or exploit the relevant concessions, to pay any relevant fees, to comply with all environmental and safety standards and to provide information to, and allow inspections by, among others, the Mexican Ministry of Economy (*Secretaría de Economía*), Mexican Environmental Protection Ministry (*Procuraduría Federal de Protección al Ambiente*), the Mexican Ministry of Labor and Social Protection (*Secretaría del Trabajo y Previsión Social*), and the Mexican National Water Commission (*Comisión Nacional del Agua*). Failure to comply would result, among others, in administrative sanctions imposed by the Mexican Ministry of Economy (*Secretaría de Economía*) or, if applicable, the cancellation of the concessions. This could result in an important adverse effect on our results of operations and financial condition and would hinder our capability to conduct our business as we do as of this date of this offering memorandum.

Additionally, in certain situations, the consent of indigenous communities must be obtained in the event a concession request could cause significant impacts to their rights or territories, and failure to obtain such consent may affect our existing concessions and/or the granting of new concessions in Mexico. Furthermore, to exploit many of our concessions, we require easements, temporary occupations, expropriation or purchase of real properties. The failure to possess or occupy such necessary real properties where our mining concessions are located, or our inability to perform our obligations under any of our concessions, may result in the termination or cancellation of the relevant concessions, without any compensation.

Thus, termination by the Mexican government of any one or more of our mining concessions (either by nullification, cancellation, suspension or annulment of rights), or in the case of an expropriation of the assets used to exploit the mining concessions, or our impossibility to renew our existing concessions, in which case a timely or adequate compensation may not be received, our results of operations and financial condition may be adversely affected.

Furthermore, for the implementation and development of new projects, we may require new mining concessions or the renewal of existing concessions. The Mexican government grants or renews mining concessions in a discretionary manner, and as of the date of this offering memorandum, the current Mexican government has not granted any new mining concessions and has announced its intent to limit and not grant additional concessions. The inability to renew or obtain new mining concessions, or other concessions, from the Mexican government may affect the implementation of our expansion and development projects, which may have a material adverse effect on our business, results of operations and financial condition.

We are exposed to the risk of potential expropriation, nationalization of our assets in some of the countries where we operate.

We are exposed to the risk of potential expropriation or nationalization of our assets that are located in the various countries in which we operate. We are also exposed to the risk of domain extinction (*extinción de dominio*), which is a remedy available to the Mexican government pursuant to which the government can take on and/or extinguish property or assets derived from, a product of or, directly or indirectly, related to the commission of crimes, without payment or consideration. Certain of the countries in which we operate have been subject to volatile political conditions in the recent past, and there can be no assurance that local governments will not impose changes retroactively that could affect our business, or that would force us to renegotiate our current agreements on unfavorable terms with such governments. The occurrence of such events could materially affect our financial condition and results of operations.

In the course of our business, we enter into strategic partnerships with third parties that may limit our flexibility to pursue our objectives.

We hold a 50% equity interest in Ingleside Ethylene, LLC, located in Ingleside, Texas, U.S.A., which is jointly controlled with OxyChem and was formed to oversee the production of ethylene. Additionally, we own 80% of the capital stock of Netafim, as part of our Precision Agriculture business group and 55% of Shakun Polymers Private Limited ("Shakun") as part of our Polymer Solutions business group.

Due to the limited control over certain of these joint ventures, we generally have less flexibility to pursue our own objectives through joint ventures or to access available cash of the joint ventures than we would with our wholly-owned subsidiaries. There is no assurance that our joint venture partners will continue their relationships with us in the future or that we will be able to achieve our financial or strategic objectives relating to the joint ventures and the markets in which they operate. In addition, our joint venture partners may have business objectives that are inconsistent with ours, experience financial and other difficulties (including under relevant sanctions and anti-bribery and corruption laws) that may affect the success of the joint venture or be unable or unwilling to fulfill their obligations under the joint ventures, which may affect our financial condition and results of operations.

Our contracts executed with OxyChem and with ethane, ethylene and VCM suppliers may be insufficient to meet all of our operational and commercial needs, which may affect our production costs due to increases in the price of our raw materials or lack of production capacity.

The supply contracts we enter into with OxyChem, ethane or ethylene suppliers or other VCM suppliers may not be sufficient to meet all of our operational and commercial needs, which could have an effect on our production costs due to an increase in the price of raw materials or the services we require, or due to a lack of production capacity at our plants that prevents us from absorbing costs efficiently, as well as the loss of opportunities to sell our products due to lack of access to the raw material used to manufacture them. Ethane is a raw material used to produce ethylene, which in turn is used in the production of VCM, the raw material necessary for the manufacture of PVC. Also, variations in PVC, caustic soda and/or ethane prices in the future could affect our operating results and hinder or delay the recovery of our investment in Ingleside.

The volume and quality of the fluorite reserves amount that we recover and our rate of production may be different than anticipated.

Our fluorite reserve amounts and quality are determined in accordance with established mining industry practices and standards, using geological and engineering data to measure the estimated quantities and qualities of the fluorite deposits that can be recovered economically and processed through its extraction.

We have prepared reserve estimates by applying the usual methods of evaluation and the assumptions generally used throughout the mining industry. Although we believe that the results of such surveys are reasonable, they are subject to a number of uncertainties that are beyond our control and which could negatively affect our future fluorite production levels. Fluorite bodies may not conform to standard geological expectations, and estimates may change as new data becomes available. Because fluorite bodies do not contain uniform grades and types of minerals, our metal recovery rates will vary from time to time.

We cannot assure you that the estimates of our fluorite reserve amounts and qualities will not materially differ from the amounts that are ultimately recovered. In addition, fluctuations of market prices and of operating and capital costs may prevent some of our fluorite reserves from being economically recoverable. If this were to occur, we may be unable to obtain sufficient raw materials to meet our production targets and other commitments, which would have a materially adverse impact on our business and results of operations.

Our customer base has some degree of concentration and the loss of all or part of our business with certain important customers may adversely affect our operating results.

As of December 31, 2024, ten of our major customers together represented 7.8% of total net sales. Our largest individual customer represented 1.5% of our total net sales in the same period. Since our profitability depends on maintaining a high capacity utilization rate, the loss of all or a substantial part of the volume of sales to an important customer or end user, could have a negative effect on our sales or operating results. If any of our key customers faces financial difficulties, it could affect our operating results, by reducing our sales, or result in our inability to collect accounts receivable and recover the investment made in our production facilities. Additionally, a further consolidation of our customers could reduce our net sales and profitability, particularly if one of our most important customers was acquired by a company related to any of our competitors.

We face intense international competition in the markets in which we operate.

The global markets for the products and services we sell are highly competitive. We generally have no or limited control over the prevailing pricing on international markets of the products we sell. While the competitiveness of our products and services is generally driven by their price, performance, quality and customer service, it is difficult to protect our market position for many of our products and services. This competitiveness may prevent us from being able to pass on cost increases for products and services to our customers.

Our ability to adjust our product mix based on market conditions is limited due to the limitations inherent in many of the production processes involved. Our competitors include larger companies that may be better established within the international markets we serve, or companies with more competitive advantages due to factors such as access to greater financial resources, benefits from integration and economies of scale, availability of raw materials at lower costs or diversification and risk management. Our main competitors have received considerable capital investments, which has allowed them to keep a significant market share in the markets where we compete. These factors, as well as any increase in competition, may have an adverse effect on our profitability.

We have done, and may make in the future, significant acquisitions which, if not successfully integrated with our company, could adversely affect our operating results.

In addition to building our businesses organically, we have historically driven significant growth through the acquisition of other businesses. However, the integration of new businesses and their operations is a complex and demanding process. Before each acquisition, the acquired businesses operated independently, with their own business plans, corporate cultures, locations, employees and systems. Any integration of other businesses to our business model could involve difficulties, costs and delays, including:

- distraction of management from daily operations;
- loss of the services of key executives;
- a potential incompatibility of corporate cultures;
- inability to achieve expected savings arising from synergies;
- inability of the acquired business to achieve expected results;
- costs and delays in the integration of operations, technologies, and control systems;
- possible inability to hire or retain key personnel of the acquired operations;
- possible inability to achieve the expected economies of scale;
- unforeseen liabilities; and
- unforeseen economic competition and regulatory considerations.

We may face difficulties in integrating the operations and accounting systems of some of the companies acquired. In case we are not able to integrate or manage successfully the operations acquired, we may not achieve the expected cost savings, income increase and levels of integration. This could result in reduced profitability or losses in the operations arising from asset impairment tests. Additionally, we expect to incur significant expenses associated with the integration of the accounts and systems of the companies acquired. Such costs and impacts may have a negative effect on our results of operations and financial condition.

Our inability to manage our growth effectively could adversely affect our business and operating results.

We believe that we will require additional growth to expand the scope of our operations and the size of our customer base in the future. Our success will depend partly on the ability of our key executives to manage this growth efficiently.

To manage our business and growth effectively, we have to continue improving our operational, financial and administrative processes, controls, systems and procedures, as well as our reporting systems and procedures. Additionally, the hiring of new personnel may increase costs. In the event that we are unable to manage our growth efficiently, our expenses will increase more than expected, our revenues may decrease or increase at a slower rate than anticipated, and we may not be able to implement our business strategy, which could affect our operations, financial condition, and results.

Failure to develop new products and production technologies, to respond to changes in customer demand, regulatory requirements and technological developments or to implement productivity and cost-reduction initiatives successfully, may adversely affect our competitive position.

The markets for many of our products and technologies require innovation and continuous improvements in quality and performance. Our ability to adapt quickly and to develop new products and technologies at reasonable prices will determine our competitiveness within the markets in which we operate. However, our competitors may develop competing products or technologies that are superior to ours, discover more efficient or effective methods for providing related products and services, or adapt more quickly than we do to changing market conditions or customer demands. To continue to be competitive, we need to develop and distribute products that address the market's needs in a timely manner. Our business, financial position and operating results could be adversely and significantly affected if we are unable to quickly respond to changes in customer needs, develop and obtain access to new technologies, or efficiently use our research and development resources to develop a pipeline of profitable products for the highly competitive markets we serve.

Impacts related to climate change could result in disruptions to our operations and business activities, additional legal or regulatory requirements, increased costs and require significant investments to manage.

We operate a large number of manufacturing plants and other facilities throughout the world, many of which are located in countries experiencing impacts from climate change. The climate change effects identified within the different zones where we operate are desertification and drought, increase in the sea level, changes in the pluvial patterns, diminishment in water availability, deforestation and illnesses, which could affect our results of operations and financial condition, among other things, due to the need to undertake investments from the operation's adaptation, to the increase in price of the inputs and energetics, the closing of affected operations and relocation of suppliers, protection measures as a result of natural phenomena (for example, dike construction at maritime facilities, protection against flooding or fire), relocation of facilities to locations with more favorable conditions and greater environmental regulatory requirements.

Under the Mexican General Law on Climate Change (*Ley General de Cambio Climático*) and its implementing regulations, we are subject to various environmental obligations that may impact our financial performance. Additionally, Mexico has enacted legislation permitting class action lawsuits related to environmental liabilities. As a result, we may face class action claims that could adversely affect our financial condition or have a material impact on our operations and properties.

Furthermore, efforts to address climate change through federal, state, regional, and international regulations requiring reductions in greenhouse gas (GHG) emissions could create economic risks and uncertainty for our business. Compliance with these regulations may result in increased costs, including expenses related to permit processing, additional taxes, and the installation of equipment to meet new GHG limits or technology standards. Given the evolving nature of current and future legal and regulatory requirements, it is difficult to predict the precise impact on our operations or financial position, or to reasonably estimate potential compliance costs.

The Mexican Attorney General for Environmental Protection (*Procuraduría Federal de Protección al Ambiente*) has the authority to initiate administrative and criminal proceedings, impose corrective measures and economic sanctions, and temporarily or permanently shut down non-compliant facilities. The Mexican Ministry of Environmental Protection and Natural Resources (*Secretaría del Medio Ambiente y Recursos Naturales*, or "SEMARNAT") and other regulatory bodies have established compliance standards for water discharge and supply, air emissions, noise pollution, hazardous substance transportation and handling, and solid and hazardous waste management. Mexico has also implemented environmental protection programs regulating pollution and waste management across water, land, air, and noise emissions. Additionally, we are subject to environmental laws and international agreements governing the discharge of hazardous materials, pollutants, and waste.

Moreover, we cannot assure you that our insurance coverage will be sufficient to cover potential damages or that such coverage will always be available. Furthermore, insurance policies typically exclude fines and penalties imposed for noncompliance with environmental regulations.

In addition to the regulatory risks described above, emerging global sustainability disclosure frameworks are increasing the scope and complexity of reporting obligations. We currently prepare our sustainability disclosures in accordance with the International Sustainability Standards Board (ISSB) framework, including the 2018 SASB Chemical Standard, and we are actively adapting our processes to align with the European Union's Corporate Sustainability Reporting Directive (CSRD) and European Sustainability Reporting Standards (ESRS). While these reporting frameworks aim to enhance transparency, they may also require significant resources and investments in data systems, governance, internal controls, and third-party assurance. As climate-related reporting requirements continue to evolve and expand, we may face increased compliance costs and operational burdens, as well as heightened scrutiny from regulators, investors and other stakeholders.

We are exposed to risks related to extreme meteorological events, extreme weather conditions, natural disasters, regional or global health pandemics, fires, accidents, and other events that could adversely affect our operations.

Extreme meteorological events may also have significant impacts on our operations and ability to carry out the complex logistics underlying our business. Our production facilities could become isolated and unable to receive raw materials or ship products by land or sea. Severe weather events in areas we do not have operations but which are strategic for the transportation of merchandise (for example, closed ports in the United States due to hurricanes or inaccessible borders in connection with flooding in Europe) could interrupt our supply chains and product deliveries. The Intergovernmental Panel on Climate Change, or IPCC, estimates that extreme meteorological events will grow in number and intensity. Consequently, our facilities are exposed to hurricanes, cyclones and tropical storms derived from climate change and if they are affected by said phenomena, our results of operations and financial condition could be affected.

Natural disasters, such as storms, droughts, floods, hurricanes and earthquakes, could disrupt operations, damage infrastructure or adversely affect our production plants. Additionally, we are subject to acts of vandalism or riots that could affect the infrastructure and/or our distribution network. Any of these events could increase our expenses or required investments and/or result in *force majeure* events under certain of our contracts and consequently affect our results of operations and financial condition.

Our operations are subjected to dangers such as fires, explosions and other accidents related with the manufacturing, storage and transportation of chemical products. These dangers may cause injuries to individuals to loss of lives, material damages and/or asset and equipment destruction, as well as environmental damages. A relevant incident in one of our plants or storage facilities could force the temporary suspension of operations, and it could result in incurring significant compensatory costs and loss of income from net sales.

We have insured the plants against damages caused from accidents or other similar occurrences as well as resulting consequential damages, such as business interruption. However, if losses are generated from these events, they may exceed the limits of the insurance policies or if they do not exceed them, they may not be completely recovered. Damages that significantly exceed insurance policy limits, damages that are not able to be recovered for any cause, even if they are within the limits of the insurance policies, or that were not foreseeable or covered by the same, could have an important negative effect in our operations, operating results, financial situation and prospects. Additionally, even if we receive payment from the insurance policies as a result of an event, the facilities could suffer production interruptions while the repairs are made, which could materially and adversely affect our results of operations, financial conditions and prospects.

Extreme weather conditions could negatively affect our business and results of operations. For example, frequent or unusually heavy rainstorms or other extreme weather conditions over a prolonged period could reduce our sales and profitability. Our business is also susceptible to unseasonable weather conditions. Extended periods of unseasonably warm temperatures during the winter season or cool weather during the summer season could reduce demand for a portion of our inventory and thereby reduce our sales and profitability. In addition, extreme weather conditions could result in disruption or delay of production and delivery of materials and products in our supply chain.

Additionally, our business and results of operations could also be negatively affected if a regional or global health pandemic were to occur, depending upon its location, duration and severity. A regional or global health pandemic might also result in disruption or delay of production and delivery of materials and products in our supply chain.

The costs of noncompliance with environmental protection, health, and safety laws, and of any contingency arising in relation to such laws may increase, adversely affecting our operations, operating results, cash flows, or financial position.

We produce, distribute and transport hazardous materials as part of our operations, which involve risks of leaks and spills that could potentially impact both ordinary persons and the environment. We also produce, distribute and sell products, which are hazardous or have certain levels of global warming potential that could become restricted in the future. As a result, we are subject to various environmental protection, health and safety laws and regulations governing, among other things, the generation, storage, handling, use, remediation, disposal, transportation, emission and discharge of hazardous materials into the ground, air or water, and the health and safety of our employees. In addition, chemical producers are sometimes subject to unfavorable market perceptions as a result of the environmental impact of their business, which can have an adverse effect on their results of operations. In addition, we could be subject to the imposition of sanctions, third-party actions and investigations by the regulatory authority if we are unable to comply with current or future approved environmental legislation.

We are also required to obtain permits from governmental authorities for certain operations. We cannot assure you that we have been or will be at all times in complete compliance with such laws, regulations and permits. If we violate or fail to comply with these laws, regulations or permits, we could be fined or otherwise sanctioned by regulators. We could also be held liable for any and all consequences arising out of human exposure to hazardous substances or other environmental damage.

Environmental laws are complex, change frequently and have tended to become more stringent over time. As in other industrialized countries, environmental laws in Mexico have become increasingly stringent over the last decade, imposing stricter standards and enforcement, increasing fines and penalties for noncompliance, requiring more stringent environmental assessments of proposed projects and imposing a heightened degree or responsibility for companies and their officers, directors and employees. Under such laws, the Mexican government has implemented a program to protect the environment by promulgating rules and regulations concerning water, land, air and noise pollution, and hazardous substances. This trend is likely to continue and may be influenced by the environmental agreements entered into by Mexico or as a result of pressure from other governments.

While we have budgeted for future capital and operating expenditures to maintain compliance with environmental laws, we cannot assure you that environmental laws will not change or become more stringent in the future, or that regulations applied in certain countries or regions will be equally applied and/or adjusted in other countries or regions as part of international treaties adoptions. Subsequent changes in or additions to existing laws or regulations, or stricter enforcement or application of such laws or regulations could force us to make significant additional capital expenditures, which could affect our profitability or financial condition in the future. Therefore, we cannot assure you that our costs of complying with current and future environmental and health and safety laws, or arising from stricter or different interpretations of such laws, and our liabilities arising from past or future releases of, or exposure to, hazardous substances will not adversely affect our business, results of operations, cash flow or financial condition. See "Business—Environmental matters."

Labor disputes could affect our operating results.

As of December 31, 2024, approximately 52% of our employees were subject to collective bargaining agreements executed with unions. During the last three years, we have not had any important labor conflicts at our plants and have been able to maintain a positive relationship with the unions. However, we may be subject to labor stoppages or strikes in connection with the negotiation of collective bargaining agreements in the ordinary course of business, as a result of political or economic conditions, or for any other reason. Any work slowdown, strike or other labor interruption could have a material adverse effect on our activities, results of operation or financial condition.

We are exposed to product risks that could cause damages to third parties.

We could be exposed to third-party liability risks or damages resulting from the use of our products; as well as for the resulting litigation, regardless of whether such products are used contrary to their indication. Also, we could be exposed to damages related to the use of our products in medical grade applications and for the food and beverage industry.

We believe we have procured appropriate market-standard insurance coverage with respect to these types of risk. However, we cannot ensure that the safety measures taken to prevent product risk are sufficient or that our insurance coverage will be sufficient to fully cover the liabilities that we could incur, in which case, our operating results or our financial condition could be adversely affected.

We are a holding company and have no significant assets other than shares of our subsidiaries; as a result, we may not be able to comply with our obligations.

We are a holding company with no independent operations or substantial assets other than the equity of our operating companies. Accordingly, we depend on the results of the operations of our subsidiary companies. Our ability to service our debt and other obligations, including the Notes, depends on the generation of cash flow by our subsidiaries and their ability to make such cash available to us in the form of interest payments, debt repayment, as dividends or otherwise. Each of our subsidiaries is a distinct legal entity and, under certain circumstances, legal and contractual restrictions may limit our ability to obtain cash from our subsidiaries. Furthermore, under Mexican law, our Mexican subsidiaries may only pay dividends out of retained earnings and after a legal reserve has been created and all losses from prior fiscal years have been absorbed. In addition, the distribution of dividends may be taxable, unless they are made from a profits account. In the event that we do not receive distributions from our subsidiaries, we may be unable to make required principal and interest payments on our indebtedness, including the Notes, or honor our other obligations. Any adverse change in the financial condition or results of operations of our subsidiaries could affect our financial condition.

The inability to obtain enough capital to finance organic or inorganic growth projects could delay or impede the implementation of our commercial strategy.

We expect that the expansion and continued development of our operations will require significant amounts of capital. For example, we are planning to expand into new markets, such as North Africa. We may not be able to obtain in whole, or at least under acceptable terms, the capital necessary to finance investments and operating expenses, including working capital needs.

Additionally, our operations may not generate sufficient cash flow to meet cash requirements, or capital requirements may vary significantly with respect to planned capital spending. In such cases, additional financing may be required sooner than planned, or else some of the new development and expansion plans would have to be delayed, or market opportunities could be wasted. It is probable that future credit instruments, such as lines of credit, will contain restrictive clauses and may require us to pledge assets to guarantee disbursements from said lines of credit. The inability to obtain additional capital under satisfactory terms may delay or impede our expansion and negatively affect our results of operations.

We are subject to certain restrictive performance and non-performance obligations by virtue of the execution of our credit agreements, which could limit our future commercial activities.

As of December 31, 2024, we had total debt of US$4,626 million (which includes long term debt of US$4,078 million), less debt issuance costs. In accordance with some of the agreements that govern our long-term debt, we are obliged to comply with certain obligations that limit our operations and financial decisions. These obligations could affect our capacity to obtain additional financing, finance our expansion or refinance existing debt. Compliance with our obligations in accordance with the credit agreements could limit our capacity to undertake future acquisitions including future financing or the refinancing of our debts, which could have a negative impact in our operations, operating results and prospects.

Our capacity to sell additional shares to obtain capital for the expansion of our business will depend, in part, of the market price of our shares, and not complying with the market's expectations in respect to our business could have a negative effect in the market price of the shares and limit our capacity to sell shares.

Our capacity to finance ourselves through equity depends, in part, on the market price of our shares, which in turn, depends on several market conditions and other factors that could change from time to time, including:

- investor interest;
- our credit ratings and overall financial condition;
- analysts reports with respect to us and the economic, political and social climate in Mexico, or the countries where we operate;
- general conditions of the capital and debt markets, which depend greatly, on the cash flows of our operations, which in turn, depend on the increase of income derived from occurrences, acquisitions or rents;
- other factors such as, changes in governmental regulations or fiscal policies;
- judicial or administrative procedures in any jurisdiction where we operate, which could have an adverse effect on our financial situation or results; and
- our inability to finance ourselves with capital, due to any of the mentioned circumstances or any other circumstance, could affect our plans and future projections, and could negatively affect our financial position results.

Our inability to finance ourselves through capital, due to any of the circumstances mentioned above or any other circumstance could affect our future plans and projects and could negatively affect our financial position results.

We have opted to hedge a portion of the risk associated with fluctuations in interest rates and/or foreign exchange rates using certain derivative products.

We are exposed to interest rate risk (because we have debt at a variable interest rate) as well as foreign exchange risk (because we have debt and investments in currencies other than the U.S. dollar). Our vulnerability to interest rates is primarily concentrated in the Interbank Equilibrium Interest Rate (TIIE) and SOFR, which are used for financial liabilities when exchange rate exposure is primarily due to debt and investments in currencies other than the U.S. dollar. A stress test is conducted to determine our exposure to fluctuations in interest rates, based on total financial debt linked to floating rates that are not hedged, and exchange rates, based on the amounts of principal debt and investments in assets made in currencies other than the U.S. dollar, resulting in quarterly reports on exposure to interest rate and exchange rate risks that are submitted to our Board of Directors and the corporate governance bodies delegated by the latter. Corporate Finance and Corporate Treasury monitor and manage financial risks related to different operations through internal risk reports, through which risk exposure is analyzed by degree and magnitude. These risks include market risks (currency, exchange rate, interest rate and market value risks), credit risk, liquidity risk and cash flow interest rates.

We cannot assure you that the stress tests we perform or the hedging strategies we engage in will be sufficient to cover possible contingencies derived from the stress scenarios considered, or from significant fluctuations in interest rates and exchange rates, which would adversely affect our financial position and operating results. In addition, transactions with financial derivatives involve certain risks other than currency and interest rate risks, such as counterparty risk (collection risk), risks posed by unusual transactions in underlying or benchmark assets, and risks arising from the need to increase the collateral provided, among others. In the event that any such risks arise, we may suffer a material adverse effect to our results and financial position. Market practices and documentation of derivative financial instruments in Mexico may differ from those in other countries. The execution and enforcement of these types of operations depends on our ability to develop adequate management and control systems and to hire and retain qualified personnel. These factors could further increase the risks associated with such operations and, as a result, could have a material adverse effect on our operating results and financial position.

The adoption of new accounting standards, as well as changes in existing accounting standards, could have a material adverse effect on our operating results and financial position.

From time to time, the IASB reviews and updates its accounting standards, issues interpretations of existing standards and issues new ones. We report our results and financial position pursuant to IFRS Accounting Standards. Changes in the IFRS Accounting Standards, its interpretations and the issuance of new standards may cause our future reported results and financial position to differ from current expectations, or our historical results to differ from those previously reported due to the adoption of such changes, interpretations or new accounting standards.

We regularly monitor possible accounting changes, interpretations and the issuance of new standards and when these are concluded by the IASB, we determine the possible impact and disclose significant future changes in our consolidated financial statements.

As a result of the foregoing, our consolidated financial statements may not be comparable against prior periods if we do not adopt a retrospective method of presentation that takes these new standards into consideration. We are currently evaluating the effect that the adoption of these accounting standards may have on our operations and cannot guarantee that the initial application of these new accounting standards will not have a material adverse effect on our operating results and financial position.

We may be unable to protect our intellectual property rights.

We may be unable to prevent third parties from utilizing our patents and trademarks without our authorization or from violating our intellectual property rights in any other way. Intellectual property laws of several jurisdictions where we operate and the enforcement of such laws by authorities in such jurisdictions may not be efficient, which may impair our ability to protect our rights over the intellectual property we own. We cannot assure you that we will be successful if we attempt to enforce our intellectual property rights. Because we believe our patents and our trademarks are one of our competitive advantages, to the extent we are unable to enforce these intellectual property rights, our business could be materially and adversely affected. Furthermore, any legal proceedings to enforce our intellectual property rights may be costly, and could adversely affect our results of operations.

We use and develop technologies that may infringe certain third-party intellectual property rights.

We cannot ensure that our processes and products do not infringe on, or will not infringe on at any time, intellectual property rights of third parties, or that third parties will not file claims or take legal action in this regard in the future. We cannot ensure that third parties will not take any legal action for possible infringement by us of their intellectual property rights, or that such third parties will not win any of such legal actions.

Any legal action or proceeding by a third party could:

- be time-consuming;
- result in a lawsuit or arbitral proceeding, distraction of attention on the part of the administrative and technical personnel of our main business, and diversion of financial resources of our operating businesses to use them to protect us against such actions;
- require the development of products and services that do not infringe third-party intellectual property rights, or that seek to fit into royalty schemes or license agreements; and
- require suspending the use of any product or process that infringes third-party rights.

Thus, if any or all of these cases arise, our results of operations and financial condition could be adversely affected.

We may become obligated to offer additional compensation to employees for inventions and innovations.

In some of the countries in which we operate, inventions conceived by any employee during his or her employment by a company will be considered an "invention service" and will belong to the employer, as is the case, for example, with the Israeli Patent Law 5727-1967. Thus, employees who develop an "invention service" may be entitled to receive royalties derived from the profits generated by the employer as a result of the commercialization of said "invention service," unless such employee waives his or her right to receive royalties. Although our employees generally agree to waive such claims, we may face claims for royalties or other compensation relating to "invention service" from employees who do not waive their right. As a result of such claims, we would be required to pay royalties or additional compensation to employees, or be forced to litigate such claims, which could adversely affect our business and operating results.

We are subject to legal and administrative proceedings in certain countries in which we operate, the results of which could adversely affect our business.

We currently have operations in more than 50 countries around the world and distribute in more than 100 countries. From time to time, we may be involved in judicial, arbitral or administrative proceedings or investigations in many of these jurisdictions. While we accrue reserves for contingent liabilities in accordance with applicable accounting rules and policies, as of the date of this offering memorandum, we are unable to estimate the amount of such potential liabilities or likelihood. We are unable to predict the results of said proceedings and whether any of them could result in the incurrence of additional liabilities, which could materially adversely affect our financial results and condition.

We are subject to significant compliance risks in the jurisdictions in which we operate.

Our global operations and commercial activities make us subject to complex legal and regulatory frameworks, the enforcement of which is becoming increasingly strict. Our corporate governance practices and the processes we use to ensure compliance with the legal provisions to which we are subject may be insufficient to prevent violations of applicable laws, regulations and accounting or corporate governance standards. We may be affected by violations of our code of ethics, anti-corruption policies and business conduct protocols, as well as instances of fraudulent conduct and corrupt or dishonest practices by our employees, contractors or other representatives. Failure to comply with applicable laws and regulatory measures could damage our reputation, lead us to incur significant fines or penalties and adversely affect our operations, our ability to use the financial markets and, therefore, our financial position.

Changes in information technology could negatively affect our operation.

Our business growth should go hand in hand with the evolution and constant progress in information technology (IT), including artificial intelligence (AI), and the various hardware and software updates released. If our information systems become unstable or obsolete, it could affect our business, by reducing the flexibility of our customer value propositions or by increasing the operative complexity. Any such consequences could have a material adverse effect on our business and results of operations.

The use of social networks could adversely affect and impact our reputation.

The use of social networking platforms, blogs, and other online communication channels that provide individuals with broad audience access has grown at a rapid rate worldwide. These platforms significantly influence public perception and opinion. However, inappropriate or unauthorized use of social media may lead to trademark infringement, information leaks with legal implications, or the improper disclosure of personal data.

Additionally, negative or inaccurate content about us shared on social networks could harm our reputation, brand image, and goodwill. Consumers increasingly rely on readily available online information about retailers, manufacturers, and their offerings, often acting on it without verification. Social media and mobile devices enable the rapid dissemination of information—accurate or not—without filtering or review, making the spread of false or misleading content virtually unlimited.

Information related to our business that could impact us significantly may be shared on these platforms at any time. If inaccurate, it could cause immediate harm, and we may have little or no opportunity to correct it. Furthermore, these platforms could be used to disclose trade secrets or compromise valuable assets, potentially affecting our business, results of operations, and financial position.

Our operations could be affected by a failure, interruption, or breakdown of our IT system.

The efficient development of our operations is based on the implementation of IT-related processes and systems, which are used to manage effectively the data, communications, network connectivity, and other operating and business processes. Although we are constantly improving our IT systems and protecting our data with advanced security measures, system errors, interruptions, or security failures can occur, such as computer viruses or theft of information or data. These failures, interruptions, or breakdowns could have a material adverse effect on our results of operations or financial condition.

Security breaches of our information and technological systems and processes could materially affect our subsidiaries, affiliates, suppliers, and customers, as well as restrict or adversely affect access to our operating systems and networks, or expose us to significant legal, financial, operating, and even reputation-related consequences.

The development of our businesses requires the use and storage of personally identifiable information (PII) of customers, employees and business partners. This information can include, among other data, names, addresses, telephone numbers, e-mail addresses, contact preferences, tax identification numbers, and payment account information. Due to our profile and to the amount of PII that we handle in our business, and the amount of strategic information of industrial and technological nature stored in our different internal systems, we are vulnerable to cyber-attacks and data breaches.

We require usernames and passwords to access our IT systems. We also use authentication and encryption technology designed to secure data transmission and storage and restrict access to our data or accounts. These security measures are exposed to third-party breaches or to human errors, alterations, incorrect password management, or other irregularities. For example, third parties can attempt to fraudulently induce employees or customers to reveal usernames, passwords, or other sensitive information that could be used to gain access to our IT systems, directly affect our Treasury Department, and extract confidential or sensitive information for illegal transactions. E-mails with executable attachments containing malware that, due to their complexity, are difficult to block and change the send pattern, can cause data breaches.

We dedicate significant effort and resources to protect our IT network and take various other security measures to protect our systems and data, but these security measures cannot be expected to provide absolute protection against ever-evolving and increasingly aggressive cyber threats. If we suffer a breach of our IT systems, and are unable to carry out our normal operations or protect sensitive or strategic data, such breach could cause a material adverse change in our business and operating results, damage our relationships with our business partners and customers and harm our reputation.

Cyber attacks or other disruptions to our network or information systems could have an adverse effect on our business.

We rely on computers and telecommunication systems to analyze and store financial and operational data, as well as to communicate internally, with external business partners, and across international borders. These systems are vulnerable to technical failures, power outages, and various cybersecurity threats, including viruses, malware, phishing, ransomware, unauthorized access, data privacy breaches (whether intentional or inadvertent), hacktivism, electronic or physical break-ins, supply chain attacks, and other security risks. Additionally, natural disasters, fires, or acts of terrorism and surveillance could compromise our systems. While we implement preventive measures to mitigate cybersecurity risks and protect our network and information systems, these efforts may not be sufficient to prevent a large-scale cyberattack in the future. Furthermore, we cannot guarantee that our systems have the necessary redundancies to withstand such incidents. A cyberattack could lead to significant costs, including expenses related to strengthening cybersecurity defenses, service disruptions, potential legal claims, and reputational damage.

Such events could have adverse effects and cause significant disruptions to our operations, systems, or those of our business partners. They may also compromise the security, integrity, availability, and confidentiality of customer and employee information, strategic projects, product formulas, trade secrets, and other sensitive business or personal data, including confidential third-party information in our possession. Such failures, even when they occur over a short period of time, could cause significant losses or declines in the market price of our securities. In addition, potential losses related to cybersecurity incidents and disruptions to our network could exceed our insurance coverage. Furthermore, cyber-attacks may lead to the distribution, without our consent, of valuable financial information and confidential data of our customers and business, resulting in failures to protect the privacy of our customers and business, which could have adverse effects on our results of operations, reputation or financial position.

Our contract model for HDPE products implies certain risks related to customer retention, and any failure to retain our customers or maintain sales volume could have a material adverse effect on our business and financial condition.

We sell a substantial portion of our HDPE products under short-term contracts. We also have long-term agreements, particularly for voice and data telecommunication products, in the United States, Europe and India, among others. Most of our agreements contain price-related terms and conditions, including provisions for any type of resin cost transfer and, in general, our customers are not required to purchase a minimum volume, and contracts can usually be terminated without cause or notice. As a result, customers have the option to discontinue or substantially reduce the volume of our products that they purchase at any time. The loss of customers representing a significant volume of sales, as well as a significant reduction in customer orders for any reason whatsoever, changes in manufacturing practices, transfer of part of the business to competitors, a recession of the economy, or the impossibility of adapting services to our customers' needs, may have a material adverse effect on our business and financial condition.

The operations of our Connectivity Solutions, Precision Agriculture and Building and Infrastructure business groups largely depend on the telecommunications, agriculture and construction industries, respectively.

Our Connectivity Solutions, Precision Agriculture and Building and Infrastructure business groups are significantly dependent on the health and growth of the telecommunications, agriculture and construction industries. Reduced growth in the construction, agriculture and energy industries, adverse changes in the economic and demographic factors influencing said industries, could have a material adverse effect on our results of operations, cash flows and financial condition.

Changes in investment levels in the data and voice telecommunications industry could affect the production and sales of our Connectivity Solutions business group.

The different investments required by telecommunications industry participants to implement fiber optic and broadband communication systems extensively influence this industry, including those markets where we compete. Investment in this industry depends on a variety of factors, including:

- Federal and local laws and regulations on foreign investment in telecommunications, which, in certain jurisdictions, limit foreign investment.

- Consumer demand for fiber optic, broadband and wireless networks for products and services.

- Regulatory decisions limiting the installation of new networks and the improvement of existing networks.

- Minimum quality or technical requirements for networks and infrastructure.
- Rights of way and state and local government access permits required for the construction of new networks.
- Evolution and acceptance of new industry standards.
- Pressures related to competition within the sector, including prices.
- Annual budget cycles.
- Impact on industry consolidation.
- Access to financing and general economic conditions of the market.

The lack of investment in data and voice telecommunications for any of the above reasons could have a material adverse effect on our sales, results of operations and financial condition.

The sales of our Precision Agriculture business group are highly dependent on the dynamism of the agricultural industry, including government support to this sector.

In addition to normal seasonal fluctuations in the demand for the products of our Precision Agriculture business group, the sales of our Precision Agriculture business group are cyclical and depend largely on the need for agricultural production of irrigated crops which, in turn, depends on many factors, including total global crop production, profitability of agricultural production (including return on investment for the end users of our products), agricultural product prices, farm incomes, availability of financing for farmers, government subsidies for farmers, government policies and support for agricultural infrastructure, water supply and transport, regular rainfall and regional climate change. The state and trend of government support for farms, financial aid and policies regarding the ability to use water for agricultural irrigation can affect the demand for our irrigation products and irrigation system solutions. As farm incomes decline, producers can postpone investments, including the purchase of our products, or look for less expensive irrigation alternatives.

In addition, uncertainty or changes in government subsidies, policies and government support for agriculture may adversely affect our business, financial position or operating results.

A decrease in prices or agricultural activity caused by weather or other conditions, crop diseases and natural disasters could lead to a decrease in demand for our products and adversely affect our business, financial condition or operating results.

Farmers require access to capital to buy the products sold by our Precision Agriculture business group. Crop prices are a factor in boosting sales of these products. Several factors influence crop prices and profitability, including climate, financial markets and water, as well as other supplies. Weather conditions, especially before the planting season, can significantly affect the purchasing decisions of consumers of irrigation equipment, projects and services in the particular locations in which we operate. Natural disasters, such as regional floods, hurricanes or other storms, and droughts, along with crop diseases, can have significant effects on the demand for seasonal irrigation. Drought conditions, which generally positively affect the demand for long-term irrigation equipment, can adversely affect demand if water sources are not available, governments impose water restriction policies, or if farms reduce land for cultivation. Extreme weather conditions over an extended period of time or consecutive seasons, could reduce the availability of funds for farmers to purchase our technology and adversely affect our business, financial position or operating results.

Our operations could be disrupted or affected as a result of the key management team's duty to perform military service.

Some of the employees in the countries in which we operate are required to report for military service, depending on age and rank within the armed forces. In addition, in emergency circumstances, they may be called to the active reserve service at any time for extended periods of time. For example, the operations of our Precision Agriculture business group could be interrupted by the absence of, for a significant period, one or more of its key employees as a result of military service. Thus, any duty of our management team or key personnel to perform military service or to report for active reserve service at any time could cause disruptions in the operation of our business and adversely affect our operating results or financial position.

Risk Factors Related to Mexico and the Principal Countries Where We Operate

Our financial condition and results of operations are exposed to the general economic conditions of the countries in which we operate. We have a presence in different markets such as the construction, refrigerant gas, industrial, automotive, retail, and rural, telecommunications (voice and data), energy, urban and rural infrastructure markets. We actively contribute to Mexican development and to the development of the countries in which we have industrial and commercial presence through our subsidiaries, by serving each of our strategic sectors and channeling products to intermediate and end users. We have assets and manufacturing and distribution operations in several countries in the Americas, such as: Mexico, Argentina, Brazil, Canada, Colombia, Costa Rica, Ecuador, El Salvador, the United States, Guatemala, Honduras, Nicaragua, Panama, Peru and Venezuela. We also have operations in Europe, Africa, Middle East and Asia . In total, we have 122 plants distributed in 50 countries with commercial activity in over 100 countries. As a result, our activities, financial situation and operating results are subject to fluctuations in these regional economies and to changes in the purchasing power of the local population.

Changes in governmental policies in Mexico and in other main countries in which we operate could adversely affect our business, results of operations, financial condition and prospects.

Mexico's federal government, as well as the governments of other main countries where we operate, including the United States, Brazil, Germany, United Kingdom, Colombia, India, and other European countries, have had, and continue having, significant influence on the economy of their respective countries or on their political communities.

In 2024, of our net sales to third parties per geographical area of destination, Europe generated 31%, United States generated 24%, Mexico generated 10%, and Brazil generated 9%, among others.

In recent years, some of the governments in the countries where we operate, such as the U.S. and Mexico, have implemented and may continue to implement significant changes in laws, public policy or regulations that could affect the political, economic and social conditions in the U.S. and Mexico, in the other countries where we operate, as well as in other countries. Any such changes may have a material adverse effect on our business, financial condition, liquidity and results of operations.

A change in federal government and the political party in control of the legislature in any of these countries could result in sharp changes to the countries' economic, political or social conditions, and in changes to laws, regulations and public policies, which may contribute to economic uncertainty and could also materially impact our business, financial condition, liquidity and results of operations.

In Mexico, 2024 was marked by presidential, state, and local elections, representing the largest election in the country's history in terms of the number of contested offices. These elections resulted in the election of President Claudia Sheinbaum from the ruling party, which also secured a majority of seats in both the Senate and the House of Representatives. The coalition holds a qualified majority in the Mexican House of Representatives and in the Senate. This political dominance grants the National Regeneration Movement (Morena) and its coalition significant authority to enact changes to the Mexican Constitution, laws, policies, and regulations.

On November 23, 2024, Moody's maintained Mexico's credit rating at Baa2 but changed its outlook from stable to negative, citing a weakening in the policymaking and institutional settings that risks undermining fiscal and economic outcomes. On December 13, 2024, S&P reaffirmed Mexico's credit rating at BBB with a stable outlook, which was last modified on March 27, 2020 when S&P downgraded Mexico's rating from BBB+ to BBB. On April 16, 2025, Fitch reaffirmed Mexico's credit rating at BBB- with a stable outlook, which was last modified on April 16, 2020 when Fitch downgraded Mexico's rating from BBB to BBB-.

Mexico's current ratings and the rating outlooks currently assigned to it depend, in part, on economic conditions and other factors that affect credit risk and are outside the control of Mexico, as well as assessments of the creditworthiness of its productive state-owned enterprises. Certain ratings agencies have recently downgraded Pemex's credit ratings and their assessment of Pemex's creditworthiness may affect Mexico's credit ratings. There can be no assurances that Mexico's or Pemex's credit ratings will be maintained or that they will not be downgraded, suspended or cancelled.

In the past, Mexico has experienced several periods of slow or negative economic growth, high inflation, high interest rates, currency devaluation and other economic problems. These problems may worsen or reemerge, as applicable, in the future and could adversely affect our business and ability to service our debt. A deterioration in international financial or economic conditions, such as a slowdown in growth or recessionary conditions in Mexico's trading partners, including the United States, or the emergence of a new financial crisis, could have adverse effects on the Mexican economy, our financial condition and our ability to service our debt.

The market value of securities of Mexican companies is affected by economic and market conditions in developed and other emerging market countries. Although economic conditions in those countries may differ significantly from economic conditions in Mexico, adverse economic conditions may expand regionally or investors' reactions to developments in any of these other countries may have an adverse effect on the market value of securities of Mexican issuers. In recent years, for example, prices of both Mexican debt and equity securities have sometimes suffered substantial drops as a result of developments in other countries and markets.

In addition, in recent years, economic conditions in Mexico have been linked increasingly to economic conditions in the United States and Europe as a result of the free trade agreements signed by Mexico with the United States and the European Union. Mexican economic conditions have also been linked to increased economic activity among these countries. The Mexican economy is still strongly influenced by U.S. and European economies. Therefore, the termination of free trade agreements and other related events, further deterioration in economic conditions or delays in the recovery of the U.S. or European economies could affect the economic recovery in Mexico and Latin America. These events could have a material adverse effect on our results operations, which could affect our liquidity, financial condition and the market price of the Notes.

We cannot assure that political or social developments in the countries where we operate or elsewhere, such as the election of new administrations, changes in laws, public policy or regulations, political disagreements, civil disturbances and the rise in violence and perception of violence, are not expected to have a material adverse effect on global financial markets, or on our business, financial condition, liquidity and results of operations.

Further geopolitical challenges, such as U.S.-China conflict, have the potential to impact the global economy and the countries in which we operate. The confrontation between the U.S. and China began in 2018, after the U.S. imposed tariffs on Chinese goods, and China retaliated against U.S. imports. These tensions among the world's two largest economies have resurged in 2025 with the start of U.S. President Trump's new term and may continue to escalate and affect different economic sectors, including trade, defense, technology, media and diplomacy, among others. The uncertainty around the U.S.-China conflict could cause important disruptions in global economic, financial and trade dynamics which could impact the markets in which we operate and adversely affect our business, reputation, liquidity and results of operations.

Consequently, the actions and policies of the governments of the abovementioned countries, relative to the economy in general, and to the sectors where we operate in particular, could have a significant impact on us and, in a broader sense, on the conditions, prices and yield of our securities that are traded today in local and international markets.

We cannot assure that the changes in policies of the Mexican government, will not adversely affect our operations, operating results, financial situation and prospects.

The Mexican federal government occasionally implements significant changes in policies and regulations and may do so again in the future. The current administration has approved wide-ranging constitutional reforms, including: (i) significant modifications to the Mexican judicial system, such as the election of all judges, federal magistrates, and Supreme Court justices by popular vote in 2025 and 2027, and (ii) the elimination of autonomous governmental bodies, including the National Hydrocarbons Commission (*Comisión Nacional de Hidrocarburos*), the Energy Regulatory Commission (*Comisión Reguladora de Energía*), the National Institute of Transparency, Access to Information and Protection of Private Data (*Instituto Nacional de Transparencia, Acceso a la Información y Protección de Datos Personales*, or "INAI"), the Federal Telecommunications Institute (*Instituto Federal de Telecomunicaciones*), the National Council for Evaluation of Social Development Policy (*Consejo Nacional de Evaluación de la Política de Desarrollo Social*), and the Federal Antitrust Commission (*Comisión Federal de Competencia Económica*).

These constitutional changes may undermine legal certainty and the protection of rights in Mexico. Consequently, they could materially and adversely affect our ability to defend ourselves or assert our rights in a court of law.

We cannot predict the nature or extent of any future legal or constitutional reforms or whether they will be enacted. However, further measures that challenge the autonomy of governmental institutions or the independence of the judicial system could negatively impact the Mexican economy, undermine investor confidence, and disrupt our business operations and financial results in Mexico. We cannot assure you that any changes to laws, policies, or regulations will not adversely affect our business, financial condition, or results of operations in Mexico.

U.S. Designation of Mexican Cartels as Foreign Terrorist Organizations and Specially Designated Global Terrorists could materially adversely affect our operations.

As a Mexican company operating across multiple sectors, we face significant risks related to the U.S. government's designation of certain Mexican cartels as Foreign Terrorist Organizations ("FTOs") and Specially Designated Global Terrorists ("SDGTs"). These designations trigger stringent U.S. anti-terrorism regulations that prohibit providing material support or resources—including financial transactions, raw materials, or logistical services—to such organizations.

Given that some of our operations are located in regions where cartels are known to exert influence, such as Tamaulipas, there is an elevated risk that our supply chain, vendor relationships, or customer transactions could inadvertently involve entities affiliated with these groups. Even unintentional involvement may expose us to severe legal, financial, and reputational consequences. Our business depends on complex supply chains for inputs and raw materials, many of which are sourced from or transported through cartel-affected areas. In such regions, suppliers, subcontractors, or logistics providers may have direct or indirect links to designated cartels. For instance, payments for raw materials, transportation services, or security arrangements could later be interpreted as indirect support for an FTO or SDGT—potentially violating U.S. laws such as the International Emergency Economic Powers Act or the Immigration and Nationality Act. Due to the extraterritorial scope of these laws, we could be subject to substantial fines, sanctions, or criminal investigations by U.S. authorities.

Although we maintain due diligence procedures to screen suppliers, customers, and intermediaries, the opaque nature of cartel affiliations complicates compliance efforts. Any perceived connection to cartel activities—such as allegations of sourcing materials from cartel-controlled quarries or paying protection fees—could damage our brand and erode trust among customers and business partners. In addition, financial institutions may impose stricter compliance reviews or limit our access to credit to mitigate their own regulatory exposure, thereby restricting liquidity for capital-intensive initiatives. There is also the potential for civil litigation under U.S. statutes such as the Anti-Terrorism Act, whereby victims of cartel violence could allege that our operations indirectly supported designated entities. Even baseless claims could lead to significant legal costs and adverse publicity.

Given the widespread influence of cartels and the complexity of applicable U.S. regulations, there can be no assurance that our mitigation efforts will be entirely effective. The FTO and SDGT designations could materially and adversely impact our operations, financial condition, and competitive position.

Armed conflicts and or terrorist attacks may adversely impact our businesses.

Armed conflicts and terrorist attacks could adversely impact our business operations. We operate globally, with manufacturing and commercial operations across various regions. Conflicts or terrorist attacks, such as those in Israel and Ukraine, could harm our employees, damage facilities and assets, disrupt supply chains, and create broader geopolitical instability, negatively affecting our profitability.

Our Precision Agriculture business has manufacturing operations in Israel, so the ongoing conflict between Israel and Hamas in Gaza could disrupt our ability to produce and supply certain Precision Agriculture products. Although we do not have manufacturing operations in Russia or Ukraine, Russia's invasion of Ukraine is negatively impacting economic conditions in Europe. This could reduce demand for our products in the EMEA region, disrupt our operations and those of our customers in Europe, harm our suppliers, and increase operating costs. Other regions where we operate may also experience armed conflict or terrorist attacks, posing similar risks.

We are subject to foreign exchange controls in some countries where we operate.

We are currently subject to exchange controls in some of the countries where we operate, such as Venezuela, Brazil, Argentina, India, South Africa, and China, among others. These controls restrict access to foreign currencies and limit the ability to transfer funds outside such countries, including funds for interest or principal payment on outstanding debt. Additionally, these controls affect the ability to receive dividends and other distributions from subsidiaries in those countries.

If we are unable to transfer funds outside the countries mentioned above, or if we are subject to similar restrictions in other countries where we operate, our operating results and financial position could be adversely affected.

The Mexican government does not currently restrict the ability of Mexican companies or individuals to convert Mexican pesos into U.S. dollars or other currencies, and Mexico has not had foreign exchange controls policy since 1982. However, in the future, the Mexican government could impose a restrictive exchange control policy or devaluate the Mexican peso, as it has done in the past. We cannot provide assurances that the Mexican government will maintain its current policies with regard to the Mexican peso or that the Mexican peso's value will not fluctuate significantly in the future.

Political, geopolitical, and economic events around the world, especially in the countries where we operate, or to which we export our products and services, could adversely affect our business plans, financial position, and operating results.

Our financial performance may be significantly affected by the economic, political and social conditions in the markets in which we operate. In the past, many countries such as Mexico, Brazil, Colombia, India, and now the United Kingdom, have suffered major economic, political and social crises. We cannot predict whether changes in government will result in reforms of government policies and, if so, whether such reforms will affect our operations. In particular, our operations may be affected by conditions in Mexico, the United States, Germany, the United Kingdom, Colombia, Brazil and India, which represent our largest markets. Recently, conflicts, unrest and terrorist threats in the Middle East, Europe and Africa have resulted in volatility in oil and other markets. The United States and China have recently been involved in controversy over trade barriers in China that triggered a trade war between the countries resulting in the implementation of tariffs on certain imported products. Sustained tension between the United States and China over trade policies could significantly undermine the stability of the global economy and financial markets. The ongoing military conflict between the Russian Federation and Ukraine that started in 2022 is contributing to further increases in the prices of energy, oil and other commodities and to volatility in financial markets globally, as well as a new landscape in relation to international sanctions, especially affecting the European continent. The global economy was also adversely affected by the ongoing conflict in the Middle East, which started in the second half of 2023. The war is causing a humanitarian crisis in the Gaza Strip and could lead to an escalation of the conflict in the region, rise in oil and gas prices, more inflationary pressures and market volatility. In tandem with the appreciation of the U.S. dollar, these increases could cause greater inflationary pressures and may hinder growth of the Mexican and other Latin American economies. The conflict could also influence and change the export policies in the countries where we operate, which could adversely impact the local economy and, consequently, the capital market and diplomatic relationships between countries other than those directly involved. Furthermore, we identified increased geopolitical risks in 2024, including escalated tensions in the Red Sea impacting global shipping and increased uncertainty surrounding AI technologies and regulation. It is unclear whether these challenges and uncertainties will be contained or resolved, and what effects they may have on the global political and economic conditions in the long term.

Therefore, on balance and given our geographical presence in more than 50 countries, any political, geopolitical, or economic event in the world, and especially in those countries where we operate, or to which we export our products and services, may adversely affect our business plans, results of operation and financial condition.

Considering that we use raw materials in our products whose prices have not decreased at the same pace as oil prices, and that we sell our products in markets where the prices of the end products have decreased at the same pace as oil prices, the operating margins have been affected and, with them, our financial condition. Consequently, any political, geopolitical, or economic condition, or any other event that affects the raw materials that substitute those used by us, leading to changes in the market prices of our end products, could affect our operating margins and financial condition.

Epidemics in the countries where we carry out production and commercial operations or global pandemics could interrupt operations by suspending activities, breaking supply chains or blocking product distribution chains.

Our global operations expose us to risks associated with public health crises and outbreaks of epidemics, pandemics, or contagious diseases. Future global health crises could materially affect our ability to adequately staff and maintain our operations, including government imposed mandatory closures, work-from-home orders and social distancing protocols or other restrictions to mitigate the further spread of disease. A global health crisis could also disrupt our supply chains and materially and adversely impact our ability to secure supplies for our facilities and to provide personal protective equipment for employees, which could materially and adversely affect our operations.

We may feel an impact from the new U.S. presidential administration.

Following the change in the U.S. administration for the four-year period from 2025 to 2028, there is uncertainty regarding future U.S. policies with respect to matters of importance to Mexico and its economy, particularly trade and migration. U.S. President Donald Trump has expressed a strong desire to impose new or increase existing tariffs on selected goods imported into the United States. Accordingly, on February 1, 2025, President Trump issued three executive orders directing the United States to impose new hefty tariffs on imports from Canada, Mexico and China. Subsequently, on April 2, 2025, President Trump signed an executive order imposing reciprocal tariffs on all imports and additional country-specific tariffs targeting nations globally, including a tariff on Chinese imports. Shortly thereafter, the administration announced a temporary 90-day pause, during which tariffs on most countries—excluding China—would revert to a baseline rate of 10% while further negotiations and policy reviews were conducted. The scope of these tariffs has significantly escalated trade tensions and prompted retaliatory actions from affected nations. These developments have intensified global trade tensions, contributing to market volatility and economic uncertainty, and could disrupt international supply chains, impact input costs, and create headwinds for export-driven businesses.

We are currently evaluating the potential impact of the imposition of potential tariffs on our business and financial condition. The ultimate impact of any announced or future tariffs will depend on various factors, including whether such tariffs are ultimately implemented, the timing of implementation and the amount, scope and nature of such tariffs and potential exclusions from the application of those tariffs. Additionally, potential tariffs or other U.S.

trade policy measures could trigger retaliatory actions by other countries, including by countries that are significant markets for our products, resulting in a "trade war." A trade war could cause increased manufacturing costs, economic slowdown, foreign governments imposing tariffs on products that we export outside of the U.S., or limitations on our ability to sell our products domestically or abroad, any of which would negatively affect our business, operations and financial condition.

In addition, illegal immigration from Mexico to the United States has caused friction between the two countries and could reduce economic activity between them. While the Mexican and U.S. governments have been able to reach an understanding, we cannot assure you that the U.S. government will not have future plans to impose tariffs on Mexico and that we will not be adversely affected by such plans or tariffs in the future. Moreover, in the event of certain changes in U.S. policy implemented by the current U.S. administration, the Mexican government could implement retaliatory actions, such as the imposition of restrictions on Mexican imports of products from the United States or imports and exports of products to the United States or remittances from the United States to Mexico. If the United States were to impose tariffs on Mexican products, this could result in higher prices and a lack of competitiveness for our products, which would adversely affect our business and results of operations.

Inflation and government measures to curb inflation may adversely affect the economies in the countries where we operate, our business and operations, and the market prices of our Notes.

In the past, Mexico and certain countries in which we operate, including Argentina, Colombia and Brazil, have experienced high rates of inflation. Although inflation rates in many of these countries have been low in the recent past, no assurances can be given that this trend will continue. The measures taken by the governments of these countries to control inflation have often included maintaining a tight monetary policy with high interest rates, thereby restricting availability of credit and reducing economic growth. Inflation, actions to combat inflation and public speculation about possible additional actions have also contributed materially to economic uncertainty in many of these countries and to heightened volatility in their securities markets.

These countries may experience high levels of inflation in future periods. Periods of higher inflation may slow the rate of growth of their economies, which could lead to reduced demand for our products and decreased sales. Inflation is also likely to increase some of our costs and expenses, which we may not be able to pass on to our customers and, as a result, may reduce our profit margins and net profit. In addition, high inflation generally leads to higher domestic interest rates, and, as a result, the costs of servicing any floating-rate debt may increase, resulting in lower net profit. Furthermore, inflation and its effect on domestic interest rates can lead to reduced liquidity in the domestic capital and lending markets, which could affect our ability to refinance our indebtedness in those markets. Any decline in our net sales or net profit and any deterioration in our financial performance could affect our liquidity and financial situation.

Exchange rate fluctuations of the currencies of the countries where we operate, with respect to the U.S. dollar, and a significant change in variable interest rates, could negatively affect us.

Starting in 2013, the functional currency applicable to certain of our subsidiaries became the U.S. dollar. Consequently, we are exposed to the foreign-exchange risk with respect to the U.S. dollar in those subsidiaries with operations in which the reporting and functional currency is other than the U.S. dollar. The currencies to which we are exposed are the Mexican peso, the Brazilian Reais, the Colombian peso, the Euro, the British pound, the Czech koruna (crown), the South African rand, the Turkish lira, the Indian rupee, and the Polish zloty, among others.

As of December 31, 2024, approximately 77% of outstanding loans and substantially most of our capital investments are denominated in U.S. dollars; however, if we account for hedges in place, 92% of our outstanding credits are stated in U.S. dollars, 7% in Mexican pesos and 1% in other currencies (including the Turkish lira, Indian rupees and British pounds). Loans in U.S. dollars generate interest based on fixed and variable interest rates. Our loans in U.S. dollars that have a fixed interest rate represent 73% of our total loans and 97% of our loans in U.S. dollars.

On the other hand, 23% of our loans are denominated in Mexican pesos (and, if we account for hedges in place, 7%), of which 71% (or 16% of our total loans) generate interest at a fixed rate, while 29% (or 7% of our total loans) generate interest at a variable rate (linked to the TIIE and the TIIE de Fondeo). Any devaluation, with respect to the U.S. dollar, of the different currencies of the countries where we operate and which have a functional currency other than the U.S. dollar, particularly the Mexican peso, or any increase of interest rates in the countries whose currency is the base currency of any of our variable rate loans, would have an adverse impact on our net profits, results of operation and financial condition.

Antitrust laws in Mexico and in other countries where we operate may limit our ability to expand operations.

In Mexico and in other countries where we operate, antitrust laws and related regulations could adversely affect our ability to acquire, sell, and execute joint venture agreements. Significant acquisitions, transfer and sale of securities, and joint venture agreements require the approval of Mexico's Antitrust Agency (currently the *Comisión Federal de Competencia Económica,* or *Cofece*, soon to become the *Agencia Nacional para la Competencia y el Bienestar Económico* or *Comisión Nacional Anitmonopolio*) and of the competent authorities of each country. Failure to obtain authorizations from antitrust authorities could result in penalties in the form of fines, mandatory disinvestment of assets, termination of relevant acquisition agreements, or inability to continue business acquisitions or to complete acquisitions already agreed. We continue expanding our operations and, therefore, it is possible that we may face stricter inspections by competent antitrust authorities in the different countries where we operate or in those countries where we intend to operate. As our operations and market position increase, the effect that future acquisitions may have given the antitrust regulations could also increase, and this situation could have a substantial adverse effect on our results of operation and financial condition.

If we fail to comply with, or become subject to, more onerous government regulations, our business could be adversely affected.

We are subject to various federal, state and municipal laws and regulations in the countries in which we operate, including those relating to mining, manufacturing, hazardous materials, environmental protection, workplace safety, consumer protection, among others. We are required to obtain, maintain and renew, on a regular basis, concessions, permits, licenses and authorizations from various governmental authorities to carry out our projects. We seek to maintain compliance with these laws and regulations. If we are unable to maintain or achieve compliance with these laws and regulations, we could be subject to fines, plant shutdowns, cancellation of licenses, revocation or expropriation of authorizations or concessions, imposition of fees greater than those originally set forth in our concessions and authorizations or other restrictions on our ability to operate, which could have an adverse impact on our financial condition.

Regulations governing the chemical industry have tended to become more restrictive over time. We cannot assure you that new and stricter standards will not be adopted or become applicable to us, or that stricter interpretation of existing laws and regulations will not apply. Any such event may require us to spend additional funds to achieve compliance with such new rules, if possible, and therefore may increase our cost of operations.

The Mexican Congress and the authorities of the countries where we are present could pass legislation resulting in increased tax obligations.

In recent years, the Mexican government and the governments of some of the other countries where we operate have implemented different reforms to tax legislation applicable to companies, including us. If the Mexican government, or any of the governments of the countries where we operate, were to carry out tax reforms resulting in significant increases in tax obligations, we would be required to pay more money in accordance with such changes, which could have a significant negative impact on our results of operations.

Our business, financial condition and results of operations could be adversely affected by the changes mentioned above and as a result of the increase in payroll taxes and the cost increase due to additional measures to be met, including an increase in taxes and contributions on mining activities.

Other governments may make significant changes to their tax policies as a response to their weakened economies. Also, adverse or unanticipated fiscal consequences regarding our business can have a substantial adverse impact on our results of operation and financial condition.

Additionally, taxation in several of the jurisdictions where we operate or do business is frequently complex and subject to different interpretations. The fiscal position of the authorities could differ from our current or historical fiscal position. This could imply the payment of greater contributions in cases in which we did not pay tax before, as well as to conduct audits on past fiscal years and contributions and to the imposition of additional taxes. Some of these actions and assessments may be exhaustive and result in material sanctions, fines, or restatements. We require an analysis focused on each one of the jurisdictions where we operate to assess the various fiscal positions of current authorities and be able to undertake the corresponding actions. Diverse unfavorable rulings from the authorities, the payment of additional taxes, the imposition of penalties, the payment of fines, sanctions, costs, or adjustments resulting from changes and restatements in the fiscal position of the different authorities in any of the jurisdictions where we have businesses, could materially and unfavorably affect our results of operations, financial condition and cash flow.

IFRS Accounting Standards differ in several aspects from the financial information standards of the United States or of many of the countries where we operate or trade our securities.

Mexico, the United States, and other countries have enacted laws in matters of securities that promote a full and accurate disclosure of corporate information to investors. However, we are not bound to comply with most of the securities-related legislation in force in the United States or other countries and, therefore, the reported information may differ from, and presented in a different manner, the available information of companies that operate in the United States or in other countries and that must report their information or securities listing standards pursuant to such regulations. Our consolidated financial statements are prepared in accordance with IFRS Accounting Standards, which are different from U.S. GAAP for financial reporting in several aspects.

Risk Factors Related to Our Notes and this Offering

We have a significant amount of indebtedness and we may be able to incur more debt which could further exacerbate the risks associated with our indebtedness.

As of December 31, 2024, our total financial debt was US$5,083 million (including US$4,626 million outstanding consolidated debt and US$457 million in leases) and our stockholders' equity was approximately US$2,980 million. Our level of debt may have important consequences to you. Among other things, it may:

- make it more difficult for us to generate sufficient cash flow to satisfy our obligations to make payment on the Notes, particularly if an event of default arises under our existing debt instruments;
- limit our ability to use our cash flow, or obtain additional financing, for future working capital, capital expenditures, acquisitions or other general corporate purposes;
- restrict our ability to pay dividends;
- require a substantial portion of our cash flow from operations to make debt service payments;
- limit our flexibility to plan for, or react to, changes in our business and industry conditions;
- limit our ability to undertake additional acquisitions;
- place us at a competitive disadvantage compared to our competitors with lower levels of indebtedness; and
- increase our vulnerability to the impact of adverse economic and industry conditions and, to the extent of our outstanding debt under our floating rate debt facilities, the impact of increases in interest rates.

We cannot assure you that we will continue to generate sufficient cash flow in amounts sufficient to enable us to service our debt, meet our working capital and capital expenditure requirements or undertake our expansion plans. To the extent that we are unable to generate sufficient cash flows from operations, or if we are unable to borrow additional funds, we may be required to sell assets, reduce capital expenditures, refinance all or a portion of our existing debt, or obtain additional financing through equity or debt financings. We cannot assure you that we will be able to refinance our debt, sell assets, or obtain additional financing on terms acceptable to us, if at all. In addition, our ability to incur additional debt will be restricted under the covenants contained in our credit facilities. See "Management's discussion and analysis of financial condition and results of operations—Liquidity and capital resources." Moreover, we may incur additional debt in the future. The indenture governing each series of Notes permits, and the instruments governing our existing debt currently permit, us and our existing and future subsidiaries to incur additional debt. If we incur additional debt, the risks described above could be exacerbated.

The indenture governing the Notes, and the instruments governing our existing indebtedness, impose significant operating and financial restrictions, which may prevent us from capitalizing on business opportunities.

The indenture governing each series of Notes, and the instruments governing our existing indebtedness, contain covenants that limit future actions to be taken, or transactions to be entered into, by us and our subsidiaries. In addition, under some of our existing indebtedness, we are required to satisfy and maintain specified financial ratios and tests at all times. Events beyond our control may affect our ability to comply with those provisions and we may not be able to meet those ratios and tests.

The breach of any of these covenants would result in a default, which could, in turn, lead to all the outstanding amounts under those debt documents becoming immediately due and payable. The covenants in the indenture, and the instruments governing our existing indebtedness, could limit our ability to seize attractive growth opportunities for our business that are currently unforeseeable, particularly if we are unable to incur financing or make investments to take advantage of these opportunities.

The debt agreements and securities, including the Notes, contain cross-default clauses that may cause all debt issued under such agreements and securities to become due in advance and immediately payable as a result of a noncompliance event resulting under another unrelated debt instrument.

The indenture governing each series of Notes contains certain covenants and the instruments or securities that regulate other debt also set forth covenants and, in some cases, require that we and our subsidiaries comply with and demonstrate compliance with certain financial ratios. Any failure to comply with these covenants could lead to an event of default with respect to the corresponding agreement or security, which may, in turn, result in the related debt or other credits and loans under different instruments becoming due in advance and immediately payable. In such event, we would need to obtain financial resources from alternative sources, which may not be available to us on favorable terms, on a timely basis, or else be unable to obtain any funds at all. Alternatively, any such default could require us to sell our assets or otherwise curtail operations in order to satisfy our obligations to our creditors. The events mentioned above could affect our growth capability, results of operations or financial condition.

We may not have the ability to raise the funds necessary to finance the change of control offer required by the indenture governing the Notes.

Under the indenture governing each series of Notes, if a Change of Control Triggering Event (as defined in the indenture) occurs, we must offer to purchase each series of Notes for a price equal to 101% of the principal amount of each series of Notes, plus any accrued and unpaid interest to the date of purchase. In the event of a Change of Control Triggering Event, we may need to refinance large amounts of our debt, including the Notes and indebtedness under certain of our credit facilities or other debt instruments. We may not have sufficient funds available to us to make any required repurchases of each series of Notes upon a Change of Control Triggering Event. If we fail to repurchase the Notes in those circumstances, we will be in default under the indenture, which default may, in turn, trigger cross-default provisions in our other debt instruments. Any future debt that we incur may also contain restrictions on repurchasing the Notes upon a Change of Control Triggering Event.

The subsidiary guarantees may not be enforceable.

Each series of Notes are fully and unconditionally guaranteed, jointly and severally, by certain of our subsidiaries. The guarantees being given by the subsidiary guarantors provide a basis for a direct claim against the subsidiary guarantors. However, it is possible that such guarantees may not be enforceable.

Under Mexican law, in the event that a subsidiary guarantor is determined to be insolvent, bankrupt, in *concurso mercantil*, *quiebra* or became subject to a reorganization proceeding, its guarantee, including the Guarantees, may be deemed to have been a fraudulent transfer and declared void if such subsidiary guarantor failed to receive fair consideration or reasonably equivalent value in exchange for such guarantee. In addition, under applicable bankruptcy provisions, if we are judicially determined to be insolvent or bankrupt, our obligations under each series of Notes would (1) be converted into pesos and then from pesos into UDIs (a unit that is adjusted to the inflation rate officially recognized by Banco de México) and would not be adjusted to take into account any devaluation of the peso relative to the U.S. dollar occurring after such conversion; (2) be satisfied at the time claims of all our creditors are satisfied; (3) be subject to the outcome of, and priorities recognized in, the relevant proceedings; and (4) rank pari passu with other secured claims and will be subordinated to certain statutorily preferred creditors, such as those holding labor, tax and social security related claims, which will have preference over any other claims, including claims by any investor in respect of the Notes or such guarantees. Furthermore, the validity of each guarantee of the Notes is subject to the existence and validity of the primary obligation being guaranteed. As a consequence, thereof, its enforcement is not independent or irrespective of such primary obligation being guaranteed.

A bankruptcy or other court might make such rulings if it found, among other things, that when a subsidiary guarantor executed its guarantee or granted its lien (or, in some jurisdictions, when it became obligated to make payments under its guarantee):

- such subsidiary guarantor received less than reasonably equivalent value or fair consideration for the incurrence of its guarantee or granting of the lien; and
- such subsidiary guarantor:
  - was (or was rendered) insolvent by the incurrence of the guarantee;
  - was engaged or about to engage in a business or transaction for which its assets constituted unreasonably small capital to carry on its business;
  - intended to incur, or believed that it would incur, obligations beyond its ability to pay as those obligations matured; or
  - was a defendant in an action for money damages or had a judgment for money damages docketed against it and, in either case, after final judgment, the judgment was unsatisfied.

If the guarantees of the Notes were legally challenged, any guarantee could be subject to the finding of a court that, because the guarantee was incurred for our benefit, and only indirectly for the benefit of the guarantor, the obligations of the applicable guarantor were incurred for less than reasonably equivalent value or fair consideration. A court could thus void the obligations under the guarantees and related security agreements, subordinate them to the applicable guarantor's other debt or take other action detrimental to the holders of each series of Notes.

Although courts in different jurisdictions measure solvency differently, in general, an entity would be deemed insolvent if the sum of its debts, including contingent and unliquidated debts, exceeds the fair value of its assets, or if the present fair salable value of its assets is less than the amount that would be required to pay the expected liability on its debts, including contingent and unliquidated debts, as they become due.

If the guarantees become unenforceable under the conditions described above, each series of Notes would effectively be subordinated to all liabilities, including trade payables, of the subsidiary guarantors. A court could also enter a judgment against noteholders ordering them to return any amounts previously paid under such guarantee or enforcement proceeds from the collateral. If any guarantee or lien were avoided, noteholders would cease to have a direct claim against the applicable subsidiary guarantor, but they would retain their rights against us and any other subsidiary guarantors, although there is no assurance that our entities' respective assets would be sufficient to pay the Notes in full.

Provisions of Mexican law may make it difficult for holders of the Notes to convert payments that they receive in pesos into U.S. dollars or to recognize the full value of payments to them.

We are required to make payments in respect of each series of Notes in U.S. dollars. However, under the Mexican Monetary Law (*Ley Monetaria de los Estados Unidos Mexicanos*), obligations to make payments in Mexico in foreign currency, whether by agreement or upon enforcement of a judgment, may be discharged in pesos at the exchange rate for pesos prevailing at the time and place of payment or judgment. Accordingly, we will be legally entitled to make payment of amounts due on the Notes in pesos if payment of the Notes is sought in Mexico, whether by seeking payment directly or through the enforcement of a non-Mexican judgment. If we elect to make payments due on the Notes in pesos in accordance with the Mexican Monetary Law, we can make no assurance that the amounts paid may be converted by the payee into U.S. dollars or that, if converted, such amounts would be sufficient to purchase U.S. dollars equal to the amount of principal, interest or additional interest due on the Notes.

You may not be able to effect service of process on us or to enforce judgments against us in Mexican courts.

We and certain of our subsidiary guarantors are companies organized under the laws of Mexico. Many of our directors and executive officers, and the directors and executive officers of many of our subsidiary guarantors, are Mexican residents. A majority of our assets and the assets of certain of our subsidiary guarantors are located in Mexico, and a majority of our net sales and the net sales of certain of our subsidiary guarantors are derived from sources in Mexico. As a result, it may not be possible for investors to effect service of process outside Mexico on us or our directors or executive officers or on those subsidiary guarantors, or to enforce against such parties' judgments of courts located outside Mexico predicated on civil liabilities under the laws of jurisdictions other than Mexico, including judgments predicated on the civil liability provisions of the U.S. federal securities laws or other laws of the United States. See "Service of process and enforcement of civil liabilities."

The collection of interest on interest may not be enforceable in Mexico.

Mexican law does not permit the collection of interest on interest and, as a result, the accrual of default interest on past due ordinary interest accrued in respect of the Notes may be unenforceable in Mexico.

Payments on the Notes and the subsidiary guarantees will be junior to our secured debt obligations and effectively junior to debt obligations of our non-guarantor subsidiaries.

Each series of Notes will constitute our unsecured obligations and will rank equal in right of payment with each other and with all of our and our subsidiary guarantors' other existing and future unsecured indebtedness, including our existing unsecured senior notes. Although the holders of the Notes will have a direct but unsecured claim on our assets and property, payment by us in respect of the Notes will be subordinated to our secured debt to the extent of the assets and property securing such debt. Payment by us in respect of the Notes will also be structurally subordinated to the payment of secured and unsecured debt and other creditors of our non-guarantor subsidiaries. As of March 31, 2025, we and the Subsidiary Guarantors had US$4,290 million of total indebtedness, none of which is secured, and US$396 million of which is unsecured debt of our non-guarantor subsidiaries, all of which is structurally senior to the Notes. In addition, under Mexican law, our obligations under the Notes are subordinated to certain statutory preferences, including claims for salaries, wages, secured obligations (to the extent of the security provided), social security, employee housing fund contributions, taxes and court fees and expenses. Similar statutory preferences may be applicable in other jurisdictions where the subsidiary guarantors are incorporated. In the event of our liquidation, such statutory preferences will have a preference over any other claims, including claims by any holder of the Notes. In addition, our creditors may hold negotiable instruments or other instruments governed by local law that grant rights to attach our assets at the inception of judicial proceedings in the relevant jurisdiction, which attachment is likely to result in priorities benefitting those creditors when compared to the rights of holders of the Notes.

We face risks related to fluctuations in interest rates.

We are exposed to fluctuations in interest rates, which can affect the cost of our interest-bearing borrowings. If interest rates increase, our debt service obligations on such variable rate indebtedness would increase even though the amount borrowed would remain the same, and our net profit and cash available for servicing our indebtedness, including the Notes, would decrease. As a result, our financial condition, results of operations and liquidity could be materially adversely affected. Furthermore, our attempts to mitigate interest rate risk by financing long-term liabilities with fixed interest rates and our use of derivative financial instruments, such as floating-to-fixed interest rate swaps in connection with certain of our indebtedness, to manage our risk could result in our failure to realize savings if interest rates fall.

Our controlling shareholders may exercise their control in a manner that differs from your interests as a noteholder.

As of the date hereof, our main shareholder is Kaluz, who is controlled by the Del Valle Perochena family and which owns approximately 46% of our outstanding voting capital stock. These shareholders therefore have the ability to direct the outcome of substantially all matters submitted to a vote of our shareholders, including the election of the majority of directors and, as a result, any decisions taken by the board of directors (including those decisions affecting our future growth and strategy). See "Principal shareholders." These shareholders may exercise their control in a manner that differs from your interests as a noteholder. For example, they may have an interest in pursuing acquisitions, combinations, divestitures, financings or other transactions which in their judgment could enhance their equity interest, even though such transactions may involve risks to you as a noteholder.

A downgrade in our credit ratings could adversely affect our ability to access credit markets.

If any of our credit ratings are downgraded or if our existing ratings become subject to negative actions by the rating agencies, our ability to access credit markets could be adversely affected and our borrowing costs could be increased. Changes in ratings could also affect the price of the Notes.

There are restrictions on your ability to transfer the Notes.

The Notes have not been registered under the Securities Act or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Such exemptions include offers and sales that occur outside the United States in compliance with Regulation S under the Securities Act and in accordance with any applicable securities laws of any other jurisdiction and sales to qualified institutional buyers as defined under Rule 144A under the Securities Act. For a discussion of certain restrictions on resale and transfer, see "Transfer restrictions."

We cannot assure investors that an active trading market for the Notes will develop.

Each series of Notes constitutes a new issue of securities, for which there is no existing market. We have applied to have each series of Notes listed on the Official List of the LuxSE and admitted to trading on the Euro MTF Market of the LuxSE. Further, no assurance can be provided regarding the future development of a market for the Notes, the ability of holders of the Notes to sell their Notes, or the price at which such holders may be able to sell their Notes. If such a market were to develop, the Notes could trade at prices that may be higher or lower than the initial offering price depending on many factors, including prevailing interest rates, our results of operations and financial condition, prospects for other companies in our industry, political and economic developments in and affecting Mexico or in the countries in which our main subsidiaries operate, risk associated with Mexican issuers of such type of securities and the market for similar securities. The liquidity of the Notes may be negatively affected in case a secondary market does not develop and their holders may not be able to transfer them in the primary market. For this reason, holders must be prepared to keep the Notes until their maturity and assume all resulting risks. Neither we nor the initial purchasers are bound to create a secondary market for the Notes or to guarantee its development. Therefore, the holders must assume the risk of not finding buyers for said securities in the future. If an active market for the Notes does not develop or is interrupted, the market price and liquidity of the Notes may be adversely affected.

FORWARD-LOOKING STATEMENTS

This offering memorandum contains forward-looking statements within the meaning of the United States securities laws. These statements are subject to certain known and unknown risks, uncertainties and other circumstances out of our control that could cause actual results and expectations on such statements to differ materially from those included in the forward-looking statements. Forward-looking statements include statements preceded by, followed by or that include "consider," "believes," "expects," "foresee," "intends," "plans," "projects," "predict," "forecast," "estimates" or "anticipates" and similar expressions and appear in, among others, the sections in this offering memorandum captioned "Summary," "Risk factors," "Management's discussion and analysis of financial condition and results of operations," "Industry" and "Business." Specific forward-looking statements contained in this offering memorandum include, among others, statements regarding:

- risks and hazards associated with the mining business and all the businesses in which we participate;
- the availability of, and important price variations that may affect the cost of, raw material and electricity;
- the expected cost and timing of the planned expansion and upgrade of our plants and our current and projected estimated capital expenditures;
- our plans regarding new products and services and estimated increases in our sales, Orbia EBITDA and return on equity;
- growth trends and projected sales of competitors in our industry;
- general economic, political, social and business conditions in Mexico, Latin America, North America and Europe, including changes in currency exchange and interest rates;
- trends in the chemical industry, including changes in capacity, industry price movements and costs;
- trends in the construction industry, particularly in North America, Latin America and Europe;
- changes in market prices, customer preferences, competitive conditions and general level of demand for our products;
- the loss of key executives or personnel;
- trade barriers and tariffs;
- our ability to successfully undertake or complete potential acquisitions or joint ventures and to integrate acquisitions that we have entered into or completed recently;
- the need to spend more on capital investments than anticipated, including investments arising from compliance with environmental laws;
- global or national health concerns, including the outbreak of pandemics or contagious diseases, and government measures to contain their spread and their impact on the global and Mexican economy, including our operations;
- extraordinary events affecting our operations and facilities, including unexpected equipment failures, strikes, emergency safety measures, military or terrorist attacks, and natural disasters;
- our ability to manage, implement and monitor billing and operational support systems;

- the performance of financial markets and our ability to service our debt, fund our working capital requirements and comply with financial covenants in certain of our debt instruments and to refinance our financial obligations; and

- other factors as set forth in the offering memorandum, including factors under "Risk Factors."

Forward-looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions. We caution you that a number of important factors could cause actual results to differ materially from those contained in any forward-looking statement. Many of these factors are beyond our ability to control or predict. For additional information on factors that could cause our actual results to differ from expectations reflected in forward-looking statements, please see "Risk factors."

We caution you not to place reliance on forward-looking statements, which merely reflect our management's view as of the date of this offering memorandum.

USE OF PROCEEDS

We estimate that the net proceeds to us from the sale of the Notes in the offering (after fees and commissions to the initial purchasers but before other transaction fees and expenses payable by us) will be approximately US$1,093.2 million.

We expect to use approximately US$600 million of the net proceeds from this offering to pay the tender price of the 2026 Notes tendered in connection with the Tender Offer. For more information, see "Business and Other Updates—Recent Developments—Tender Offer for the 2026 Notes." Any remaining funds are expected to be used by us for general corporate purposes and the refinancing or repayment of our indebtedness, including the possible repayment of a portion or all of our outstanding 2027 Notes.

Certain of the initial purchasers or their affiliates may own, or manage accounts that own, the 2026 Notes and, accordingly, may receive a portion of the net proceeds from this offering.

CAPITALIZATION

The following table sets forth our capitalization (i) as of March 31, 2025, (ii) as adjusted to reflect the issuance on April 11, 2025, of Ps.6,225,000,000 in Cebures under our Cebures Program, and (iii) as further adjusted to give effect to the sale of the Notes after fees and commissions to the initial purchasers and other transaction fees and expenses payable by us. You should read this table together with the information under the sections entitled "Summary—Recent Developments," "Management's discussion and analysis of financial condition and results of operations" and our consolidated financial statements, and the notes thereto, included elsewhere in this offering memorandum.

	As of March 31, 2025		
	Actual	**As adjusted(1)**	**As further adjusted(2)**
	(in millions of U.S. dollars)		
Short-term debt [3]	592	286	286
Long-term debt [4]	4,094	4,400	4,392
Total debt	4,686	4,686	4,678
Total stockholders' equity	3,020	3,020	3,020
Total capitalization	**7,706**	**7,706**	**7,699**

(1) As adjusted to reflect the issuance on April 11, 2025, of Ps.6,225,000,000 in Cebures under our Cebures Program (at a foreign exchange rate of Ps.20.3182 per U.S. dollar), as well as the use of proceeds of such issuance to settle outstanding short-term debt.

(2) As further adjusted to give effect to the sale of the Notes after fees and commissions to the initial purchasers and other transaction fees and expenses payable by us, and to the use of proceeds for the payment of the tender price of the 2026 Notes tendered in connection with the Tender Offer, assuming that all proceeds of this offering are used to pay the tender price.

(3) Includes current portion of long-term debt.

(4) Represents bank loans and long-term debt.

Since March 31, 2025, there has not been any material change in our capitalization other than as described above.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

The following discussion is based on and should be read in conjunction with our consolidated financial statements and the notes thereto, and other financial information included elsewhere in this offering memorandum, all of which have been prepared in accordance with IFRS Accounting Standards. See "Presentation of financial and other information" and "Risk factors—Risk Factors Related to Mexico and the Principal Countries Where We Operate— IFRS Accounting Standards differ in several aspects from the financial information standards of the United States or of many of the countries where we operate or trade our securities." This discussion does not include all of the information included in our consolidated financial statements.

Overview

We are a leading provider of products and solutions in multiple sectors, including construction, infrastructure, agriculture and irrigation, health, transportation, telecommunications, and energy and petrochemicals, among others. We are one of the world's largest producers of plastic pipes, fittings, irrigation drippers and fluorite, and one of the largest chemical and petrochemical companies in Latin America.

For the year ended December 31, 2024, we generated US$7,506 million in net sales. We employ more than 23,000 people in more than 50 countries, where we operate 122 production sites, concessions for the exploitation of two fluorite mines in Mexico, 7 formation academies, 21 research and development laboratories and have global headquarters in Mexico City, Boston, Amsterdam and Tel Aviv.

Our business strategy emphasizes the importance of having a portfolio of leading businesses in each of their respective sectors that focuses on basic and advanced materials, infrastructure and services. In order to further our commitment with innovation, in 2020 we launched a multi-year venture capital fund, Orbia Ventures, to capitalize early stage start-ups with strategic connections to our core business and corporate purpose. Additionally, we benefit from being a vertically integrated company, which allows us to mitigate volatility in our primary raw materials' prices and ensure their supply even under market scarcity conditions. Our commercial focus is on higher-value-added products and services that offer higher profitability.

We have more than 50 years of experience and have been listed on the Mexican Stock Exchange for over 40 years. In 2024, we celebrated our sixth anniversary as a member of the Dow Jones Sustainability Index and have been included for the fourth time in the S&P Sustainability Yearbook. We have also been included in the FTSE4Good index since 2015 and we received the EcoVadis silver medal, which places us among the top companies regarding sustainable sourcing efforts globally.

We are strategically focused on organic growth to improve our product portfolio and geographic diversification. In recent years, we have increased our positioning in the North American and European markets. Currently, both regions account for approximately 67% of sales by geographical area of destination. We are continuously strengthening our platform to offer comprehensive solutions for our customers while creating long-term relationships.

In 2024, our Orbia EBITDA was US$1,097 million, representing an annual decrease of 25% with respect to 2023, when our Orbia EBITDA was US$1,460 million.

Our operations by value chain are the following:

- Polymer Solutions. Our Polymer Solutions business group is focused on general purpose and specialty PVC resins (polyvinyl chloride), PVC and zero-halogen specialty compounds with various applications, including pipes and cables, household appliances and medical devices. In our Polymer Solutions business group, we manufacture (i) basic chemicals, including ethylene, chlorine, caustic soda and their derivatives, as well as VCM, EDC and specialty chemicals, (ii) phosphates, used in food and beverages, soaps and detergents, fertilizers and food supplements, (iii) general vinyl resins used for pipes and fittings, cables, flexible and rigid films, bottles, medical devices, among others, (iv) specialty resins used for flooring, wallpaper, coatings, among others; (v) plasticizers, including phthalic anhydride and a wide variety of plasticizers used in the processing of plastic resins, and (vi) specialty polymer compounds and additives, such as stabilizers, plasticizers, and colorants, produced through the compound process and used in the manufacturing of medical products, industrial and consumer goods, construction materials, and other applications.

- Building and Infrastructure. Our Building and Infrastructure business group operates in the pipes and fittings industry, with a focus on water management and distribution as well as indoor climate systems. We specialize in the development of durable, high-performance solutions designed to reduce installation time and labor costs. The business group benefits from integration with the Polymer Solutions business group, which supports supply chain efficiency. It serves a customer base across three continents and invests in technologies aimed at sustainable and resilient water and indoor climate management.

- Connectivity Solutions. Our Connectivity Solutions business group, commercially known as Dura-Line, is a leading manufacturer and distributor of high-density polyethylene (HDPE) conduit and accessories, offering data-driven design solutions for complex fiber-optic networks and other connectivity solutions across the telecommunications, data center, transportation, and electrical markets. With over 50 years of industry experience, the business has established a strong reputation for delivering safe, efficient, and durable infrastructure solutions, producing more than 1.6 billion feet (approximately 500 million meters) of conduit annually.

- Precision Agriculture. Our Precision Agriculture business group provides agricultural, civil engineering, and project-based solutions focused on the management, distribution, and control of water for use in agricultural, farming, and aquacultural applications. Its broad portfolio includes drippers, dripping lines, components for strategic systems (such as filters, valves, and air valves), as well as intelligent solutions and advanced digital technologies for agriculture. These offerings include irrigation and fertilization systems, cloud-based platforms and smart monitoring devices, data analysis and crop management solutions. Additionally, the business group delivers integral solutions for high output water supply and provides feasibility, design and implementation studies, as well as post sale technical support.

- Fluor and Energy Materials. Our Fluor and Energy Materials business group, commercially known as Koura, is one of the largest producers of fluorspar globally and holds leading positions in the production of hydrofluoric acid and aluminum trifluoride. The business group manufactures intermediates, refrigerant gases, and propellants used across a wide range of industries, including automotive, infrastructure, semiconductor, healthcare, medicine, climate control, food cold chain, energy storage, computing, and telecommunications.

Significant events

Formation and acquisition of new businesses

Since 2003, we have grown rapidly by consolidating over 30 acquisitions.

In February 2022, we acquired a 67% stake in Vectus, a manufacturer of plumbing and drainage pipes and the market leader in water storage tanks in India. The transaction includes a call and put option that can be executed for Orbia to purchase the remaining shares on the fifth anniversary of the transaction.

In August 2022, we acquired Bow Plumbing Group, a leading Montreal-based manufacturer of plastic pipes and fittings with manufacturing in Quebec, Canada, with strategically located warehouses and commercial reach across the North American residential and commercial construction industry.

In September 2022, we acquired Biarri Networks, a leading Denver-based technology provider that specializes in fiber optic network design solutions for the global telecommunications industry. Biarri Networks has offices in Australia, and the U.S.

In November 2023, we entered into a joint venture agreement with Syensqo (formerly Solvay) to establish what is expected to be the largest polyvinylidene fluoride (PVDF) production facility for battery materials in North America. Production is currently expected to begin in 2028.

In February 2024, we entered into a purchase and sale agreement with VPPL to sell the TBH business in India, including its manufacturing sites, in exchange for a 100% ownership of Vectus' Pipes and Fittings business. The transaction was completed on June 30, 2024.

On March 11, 2025, we announced the signing of a non-binding MoU with Supreme. Under the terms of the MoU, Supreme will acquire our Pipes and Fittings business in India and will obtain a license to use our proprietary water management technologies developed within our Business and Infrastructure business group. The closing of the transaction is subject to the satisfaction of customary closing conditions, including completion of due diligence and receipt of applicable regulatory approvals.

Other Factors affecting our results of operations

Global macroeconomic conditions

Our business is affected by several industries, including the construction, refrigeration, manufacturing, automotive, consumer goods and urban and rural infrastructure industries, among others. We have commercial activities in more than 100 countries and assets and manufacturing and distribution operations in 50 countries throughout North America, Europe, South America, Africa, Asia and Europe, including Argentina, Brazil, Canada, Chile, Colombia, Ecuador, Israel, Mexico, Peru, the United States, among others. As a result, our activities, financial condition and results of operations are largely dependent upon the general economic conditions and the purchasing power of the population in each of the countries in which we operate, regional relations and tariff agreements and treaties. In the past, the economies of these countries have been affected by a number of adverse factors, including:

- Global economic cycles generally and, particularly, in each country and in the chemical, residential and commercial construction, refrigeration and air conditioning, automotive and agricultural industries, among others.

- Inflation and high interest rates. Recently, high interest rates in the countries where we operate have had a significant effect on some of the major inputs of our cost of sales and operating expenses because of an increase in the price of non-commercial goods, such as the cost of electricity, natural gas and sulfur. In addition, price increases in petroleum and petroleum derivatives increase the costs associated with some of the primary inputs of our cost of sales (*i.e.*, direct and indirect commodities), but can sometimes favorably affect the price of certain of our products. See "Risk factors—Risk Factors Related to Our Business and Industry—Fluctuation in the price of our key raw materials, natural gas, plastic resins, ethane and ethylene, among others, may adversely affect our business and operating results."

- Uncertainty with respect to future political, social and economic conditions, particularly during the years immediately preceding presidential and legislative elections.

- The volatility of, and uncertainty with respect to, the global credit and capital markets.

- The potential devaluation of local currencies with respect to the U.S. dollar, and the potential imposition of foreign exchange restrictions. During 2024 the currency used in many of the countries in which we operate depreciated against the U.S. dollar, which had a negative impact on our consolidated financial statements in the form of lower revenues from export sales and in the translation effects associated with consolidating financial statements under local currencies into our financial statements, which are in U.S. dollars, as the dollar is our functional and reporting currency.

- Hedging of foreign-currency denominated obligations. Our business strategy is aimed at achieving diversification through our presence and participation in the global markets. Accordingly, we have significant levels of export activity around the world, which generate revenue in currencies other than the U.S. dollar, which is our functional currency. A benefit of these U.S. dollar-denominated revenue is that it serves as a natural hedge to service our foreign-currency denominated debt. See "Risk factors—Risk Factors Related to Our Business and Industry—We have a significant amount of indebtedness and we may be able to incur more debt which could further exacerbate the risks associated with our indebtedness" and "—Liquidity and capital resources."

An economic recession or significant increase in inflation and interest rates in the United States, Europe, Africa, Middle East and Asia, Mexico and Brazil could have a material adverse effect on our business activities, results of operations, financial condition and prospects since, among other things, the demand for the products that we manufacture and our operating margins could be reduced. See "Risk factors—Risk factors related to Mexico and the principal countries where we operate—Inflation and government measures to curb inflation may adversely affect the economies in the countries where we operate, our business and operations, and the market prices of our Notes."

Principal trends in our business

There is currently a market for our products in various industries, including infrastructure and housing, water management, heating and cooling, irrigation, datacom, and medicine, among others. Our business strategy emphasizes the importance of being a vertically integrated company, focused on specialty products for the purpose of reducing the volatility of our raw materials and, in this manner, focuses on the production and marketing of products with higher profitability and added value. We have grown through the acquisition of companies operating along our production chains, which has allowed us to be vertically integrated, consolidate our leadership and to maintain a geographical presence in countries where we sell our products. This business strategy has enabled us to become one of the world's top producers of chemical products, the sixth largest global producer of PVC resins and the largest global producer of specialty PVC resins, as well as one of the global leaders in manufacturing plastic pipes and fittings of PVC and PE, among others. In addition, we are one of the fully vertically integrated fluorochemical companies in the world.

There are also certain macroeconomic trends that we believe could impact our strategy and business operations:

Urbanization

By 2030, the UN projects that 4.9 billion people will be urban dwellers. By 2050, the world's urban population is expected to have increased by 72% from 3.6 billion in 2011 to 6.3 billion in 2050, and to make up two thirds of the world's population, according to UN Department of Economic and Social Affairs. Many of the world's largest cities already have GDPs larger than mid-size countries. With increased urbanization, cities are expected to be important agents for job creation, and will likely have increased construction and infrastructure needs.

Developing countries are expected to drive growth in demand, as investments in infrastructure and housing are needed to keep up with growing populations. The key markets for Orbia's PVC products are the United States, Mexico, much of Latin America, particularly Brazil and Colombia, Eastern Europe, and the Middle East.

PVC is one of the most widely used plastics in the world due to its versatility, durability and resilience. When plasticized, PVC offers a wide range of high performance, flexible applications such as membranes for water treatment, insulating films or durable electrical cables and wires. These and many other flexible PVC solutions effectively contribute to reduce energy consumption and enhance resource efficiency. The largest application for PVC is pipes and fittings, and profiles and tubes is the second largest category in the building and construction sector. Together, both account for 60% of global PVC demand.

Deficiencies in infrastructure create serious safety risks and affect long-term economic growth, but adapting to climate change raises the bar for an infrastructure push. Moreover, China may be looking to front-load transport infrastructure investment over the next few years as a way to support economic growth.

Technological breakthroughs

Automation, robotics and the internet of things are developing quickly, all of which is dramatically changing the nature and number of jobs available. Technology has the power to improve our lives, raising productivity, living standards and average life span, and free people to focus on personal fulfilment. But it also brings the threat of social unrest and political upheaval if economic advantages are not shared equitably; thus, we have micro conduit solutions under the Dura-Line brand. We have developed a line of micro conduit solutions, designed to be used inside and outside of buildings to improve the network requirements of companies. Our technology provides wide-ranging solutions to meet future growth requirements with affordable installation costs.

We also sell an extensive range of fittings and accessories for the voice and data telecommunications sector and for cable TV and equipment installation, such as connectors and woven fiber-optic fabric tapes, designed to improve and make the installation of pipe and conduit solutions more efficient. Investments required to enable new broad band networks, 5G connectivity and fiber optics around the world can greatly impact sales in our Data Communication (Dura-line) business group. Investment in this industry is influenced by government regulation, consumer demand for new services, development and implementation of technology and industry standards, competitive landscape in the telecommunications sector, price levels and access to capital.

Resource scarcity and climate change

Demand for energy and water is forecasted to increase by as much as 50% and 40%, respectively, by 2030. New types of jobs in alternative energy, new engineering processes, product design and waste management and re-use will need to be created to deal with these needs. Traditional energy industries, and the millions of people employed by them, will see a rapid restructuring. We have solutions in water management and irrigation in Europe, Latin America, Asia and Africa.

The agriculture industry is also an important growth industry for us in Latin America. For example, it is estimated that Mexico currently has five million hectares of operating farmland that require irrigation. As a result of this significant potential, our agricultural solutions manufacturing process focuses primarily on providing water-management solutions for major projects in the biofuels and food segments.

Cyclicality

The Chlor-Alkali (also known as Chlorine-Alkali) industry experiences cyclical behavior in light of global economic trends, such as periods of low profitability or growth, which are followed by periods of considerable margins. Demand for Chlorine depends on the construction industry, and the demand for Caustic Soda depends on the manufacturing center.

We are the largest producer of PVC in Latin America, the sixth largest PVC producer worldwide, and the largest producer of specialty resins worldwide. The PVC market is subject to significant fluctuations in both demand and price, which respond to growth or contraction in the global economy. Typically, as a result of the colder winter months, we experience a decrease in demand and sales during the first and fourth quarters of each year. However, recent climate conditions have resulted in milder winters, and demand has decreased less during the first and fourth quarter than in prior years. We cannot assure that future winters will continue to be mild, or that winter-time demand will not decrease as it has in prior years.

Our Precision Agriculture business group tends to experience seasonality based on weather conditions with the first and third quarters of each year being relatively weaker due to winter and raining conditions respectively. It also affects the crop season.

Demand for fluorspar from the Fluor and Energy Materials business line does not tend to be cyclical.

Market position

As a result of our organic growth in addition to our acquisitions of businesses that provide synergies and further our vertical integration, we have positioned ourselves as a leader in the markets and regions in which we operate. We are the largest producer of PVC in Latin America, the sixth largest PVC producer worldwide, and the largest producer of specialty resins worldwide. There is significant competition in the international market which has resulted in high levels of excess supply in some of our product categories and led to market consolidation by competitors through mergers and acquisitions. Our competitors in the Building and Infrastructure market have made significant investments, increasing the level of competition in Latin America.

Basis for the presentation of financial information

Our audited consolidated financial statements have been prepared in accordance with IFRS Accounting Standards issued by the IASB. The amounts in our consolidated financial statements, including the analysis by business groups contained therein, are not necessarily comparable.

Revenues

We derive revenues from the production and sale of goods and services through the following major business lines:

- ***Connectivity Solutions (Dura-Line):*** Our Connectivity Solutions business group, commercially known as Dura-Line, is a leading manufacturer and distributor of high-density polyethylene (HDPE) conduit and accessories, offering data-driven design solutions for complex fiber-optic networks and other connectivity solutions across the telecommunications, data center, transportation, and electrical markets. With over 50 years of industry experience, the business has established a strong reputation for delivering safe, efficient, and durable infrastructure solutions, producing more than 1.6 billion feet (approximately 500 million meters) of conduit annually;

- ***Fluor and Energy Materials (Koura):*** Our Fluor and Energy Materials business group, commercially known as Koura, is one of the largest producers of fluorspar globally and holds leading positions in the production of hydrofluoric acid and aluminum trifluoride. The business group manufactures intermediates, refrigerant gases, and propellants used across a wide range of industries, including automotive, infrastructure, semiconductor, healthcare, medicine, climate control, food cold chain, energy storage, computing, and telecommunications;

- ***Precision Agriculture (Netafim):*** Our Precision Agriculture business group provides agricultural, civil engineering, and project-based solutions focused on the management, distribution, and control of water for use in agricultural, farming, and aquacultural applications. Its broad portfolio includes drippers, dripping lines, components for strategic systems (such as filters, valves, and air valves), as well as intelligent solutions and advanced digital technologies for agriculture. These offerings include irrigation and fertilization systems, cloud-based platforms and smart monitoring devices, data analysis and crop management solutions. Additionally, the business group delivers integral solutions for high output water supply and provides feasibility, design and implementation studies, as well as post sale technical support;

- ***Polymer Solutions:*** Our Polymer Solutions business group is focused on general purpose and specialty PVC resins (polyvinyl chloride), PVC and zero-halogen specialty compounds with various applications, including pipes and cables, household appliances and medical devices. In our Polymer Solutions business group, we manufacture (i) basic chemicals, including ethylene, chlorine, caustic soda and their derivatives, as well as VCM, EDC and specialty chemicals, (ii) phosphates, used in food and beverages, soaps and detergents, fertilizers and food supplements, (iii) general vinyl resins used for pipes and fittings, cables, flexible and rigid films, bottles, medical devices, among others, (iv) specialty resins used for flooring, wallpaper, coatings, among others; (v) plasticizers, including phthalic anhydride and a wide variety of plasticizers used in the processing of plastic resins, and (vi) specialty polymer compounds and additives, such as stabilizers, plasticizers, and colorants, produced through the compound process and used in the manufacturing of medical products, industrial and consumer goods, construction materials, and other applications; and

- ***Building and Infrastructure***: Our Building and Infrastructure business group operates in the pipes and fittings industry, with a focus on water management and distribution as well as indoor climate systems. We specialize in the development of durable, high-performance solutions designed to reduce installation time and labor costs. The business group benefits from integration with the Polymer Solutions business group, which supports supply chain efficiency. It serves a customer base across three continents and invests in technologies aimed at sustainable and resilient water and indoor climate management.

The following table shows the percentage of our net sales contributed by each of our business groups, as well as our holding company, for the periods indicated (including the elimination for inter-business group transactions):

Business Group	**Year ended December 31,**		
	2024	**2023**	**2022**
Connectivity Solutions	11%	14%	14%
Fluor and Energy Materials	11%	11%	9%
Precision Agriculture	14%	13%	11%
Polymer Solutions	34%	33%	38%
Building and Infrastructure	33%	33%	30%
Controlling Company	1%	2%	1%
Eliminations	(5)%	(5)%	(4)%
Total	100%	100%	100%

Expenditures

Costs of sales

The principal components of our cost of sales are our raw materials, freight and the depreciation of our plants and industrial equipment. In 2024, our cost of sales, as a percentage of our sales, increased to 76.7% as compared with 73.5% in 2023 and 73.4% in 2022.

Operating expenses

Our principal operating expenses consist of:

- Selling and development expenses, including sales, marketing and advertising expenses, sales commissions and costs associated with our research and development center;
- Depreciation and amortization of assets other than plants and industrial equipment;
- Employee labor expenses, including wages, salaries, social security benefits and bonuses;
- General administrative expenses, including office and travel expenses, legal and auditing fees, advertising and other related expenses;
- Maintenance expenses associated with our production facilities; and
- Other operating expenses, which also include employee profit sharing expenses.

Taxes

Income Tax

Income tax is calculated based on our fiscal profit, which differs from our reported net profit in the consolidated statement of earnings and other consolidated results, as a result of book to tax differences in taxable net sales and expenses and items that are neither taxable or deductible. Our subsidiaries are also subject to income tax. Their tax liabilities are calculated using the statutory rates promulgated or substantially approved at the end of the reported period by the countries where the subsidiary is located.

The following table shows the income tax rates applicable for 2024 in each of the countries where we operate:

Country	%	Country	%
Argentina	35[1]	Mexico	30
Australia	30	Morocco	32
Austria	23	New Zealand	28
Belgium	25	Nicaragua	30
Brazil	34	Norway	22
Canada	27[2]	Oman	15
Chile	27	Panama	25
China	25	Peru	30
Colombia	35	Poland	19
Costa Rica	30	Republic of Serbia	15
Czech Republic	24	Romania	16
Denmark	22	Russia	20
Ecuador	25	Rwanda	30
El Salvador	30	Singapore	17
Estonia	20	Slovakia	21
Finland	20	South Africa	27
France	25	Spain	25
Germany	34[2]	Sweden	21
Greece	22	Switzerland	21[2]
Guatemala	25	Taiwan	20
Honduras	25	Thailand	20
Hungary	9	The Netherlands	26
India	25[1]	Turkey	25
Indonesia	22	Ukraine	18
Ireland	13	United Arab Emirates	9
Israel	23	United Kingdom	25
Italy	24	United States of America	21
Japan	31	Uzbekistan	15
Kenya	30	Venezuela	34
Lithuania	15	Vietnam	20

(1) Tax rate is based upon progressive rates. The actual effective rate can vary depending upon the amount of taxable income and the corresponding tax brackets that apply.
(2) Tax rate is a blended effective tax rate comprised of both a federal tax and a local tax. The actual blended rate can vary depending upon the municipality, province, or canton which each have differing tax rates within the particular country.

Results of operations

Year ended December 31, 2024 compared with the year ended December 31, 2023

The following table sets forth our results of operations for the years ended December 31, 2024 and 2023.

	Year ended December 31,		
	2024	2023	% Variation
	(in millions of U.S. dollars)		
Net sales	7,506	8,204	(8.5)%
Cost of sales	(5,758)	(6,032)	(4.5)%
Gross profit	1,748	2,172	(19.5)%
Operating expenses [1]	(1,312)	(1,323)	(0.8)%
Operating income	436	849	(48.6)%
Net financial expense and exchange rate variation [2]	(340)	(366)	(7.1)%
Equity in profits of associated companies	—	2	n.m.
Income taxes	127	(329)	n.m.

	Year ended December 31,		
	2024	2023	% Variation
	(in millions of U.S. dollars)		
Consolidated net profit	223	156	42.9%

(1) Operating expenses includes selling and development expenses, administrative expenses and other expenses (income).

(2) Net financial expense and exchange rate variation includes: (a) monetary position loss of US$11 million and US$11 million and (b) change in fair value of redeemable non-controlling interests by US$10 million and US$6 million for the years ended December 31, 2024 and 2023, respectively, in addition to interest expense and foreign exchange gain.

Net sales

Our net sales decreased 8.5%, to US$7,506 million in 2024, from US$8,204 million in 2023. This decrease was mainly the result of the following:

Net sales of our Polymer Solutions business group decreased 6%, to US$2,529 million in 2024, from US$2,699 million in 2023. This decrease was mainly the result of lower prices for PVC resins, as well as a decrease in derivatives volumes and prices, which was partially offset by an increase in sales volumes for PVC resins.

Net sales of our Fluor and Energy Materials business group decreased 6%, to US$862 million in 2024, from US$918 million in 2023. This decrease was mainly the result of lower sales volumes of refrigerants due to the quota phase-down of hydrofluorocarbon (HFC), which is a component of some of our refrigerants, in both the U.S. and Europe pursuant to international agreements.

Net sales of our Building and Infrastructure business group decreased 7%, to US$2,497 million in 2024, from US$2,678 million in 2023. This decrease was mainly the result of lower sales volumes in Europe, especially in Germany and France, and weaker demand in Latin America.

Net sales of our Connectivity Solutions business group decreased 25%, to US$839 million in 2024, from US$1,125 million in 2023. This decrease was mainly the result of lower prices and an unfavorable sales mix.

Net sales of our Precision Agriculture business group decreased 2%, to US$1,038 million in 2024, from US$1,063 million in 2023. This decrease was mainly the result of weaker demand in the United States and Turkey, partially offset by higher sales volumes in China, Israel, Brazil, Africa and the Middle East.

Cost of sales

Our cost of sales decreased 4.5%, to US$5,758 million in 2024, from US$6,032 million in 2023. This decrease was mainly the result of lower sales volumes, partially offset by the implementation of various initiatives related to manufacturing efficiencies, restructuring efforts and energy costs savings, among other things, to ensure cost containment throughout our organization.

Gross profit

As a result of the foregoing, our gross profit decreased 19.5%, to US$1,748 million in 2024, from US$2,172 million in 2023. Our gross margin, which is calculated by dividing gross profit by net sales, decreased to 23.3% in 2024, from 26.5% in 2023.

Operating expenses

Our operating expenses decreased 0.8%, to US$1,312 million in 2024, from US$1,323 million in 2023. Our operating expenses represented 17.5% of our net sales in 2024, up 1.4 percentage points from 16.1% in 2023.

Operating Income

Our operating income decreased 48.6%, to US$436 million in 2024, from US$849 million in 2023. This decrease was mainly the result of decreased sales across all business groups as well as a one-time costs related to restructuring and legal settlements totaling US$92 million.

Net financial expense and exchange rate variation

Our net financial expenses and exchange rate variation decreased 7.1%, to US$340 million in 2024 compared to US$366 million in 2023. This decrease was mainly due to the depreciation of the Mexican Peso against the U.S. Dollar and minimal growth in interest income.

Income tax

We recorded an income tax credit of US$127 million in 2024, from an income tax expense of US$329 million in 2023. This variation was mainly the result of a negative effective tax rate driven by the depreciation of the Mexican Peso against the U.S. Dollar, which was partially offset by the effects of high inflation in Mexico and by accounting entries of valuation allowances recorded against deferred tax attributes.

Consolidated net profit

As a result of the foregoing, our consolidated net profit increased 42.9%, to US$223 million in 2024, from US$156 million in 2023.

Year ended December 31, 2023 compared with the year ended December 31, 2022

The following table sets forth our results of operations for the years ended December 31, 2023 and 2022.

	Year ended December 31,		
	2023	**2022**	**% Variation**
	(in millions of U.S. dollars)		
Net sales	8,204	9,648	(15)%
Cost of sales	(6,032)	(7,079)	(14.8)%
Gross profit	2,172	2,569	(15.5)%
Operating expenses (1)	(1,323)	(1,241)	6.6%
Operating income	849	1,328	(36.1)%
Net financial expense and exchange rate variation (2)	(366)	(160)	128.8%
Share of profit in associates	2	3	(33.3)%
Impairment of goodwill	—	(136)	n.m.
Income taxes	(329)	(369)	(10.8)%
Profit from continuing operations	156	666	(76.6)%
Net loss from discontinued operations	—	(1)	n.m.
Consolidated net profit	156	665	(76.5)%

(1) Operating expenses includes selling and development expenses, administrative expenses and other expenses (income).
(2) Net financial expense and exchange rate variation includes: (a) monetary position loss of US$11 million and US$11 million and (b) change in fair value of redeemable non-controlling interests by US$6 million and US$119 million for the year ended December 31, 2023 and 2022, respectively, in addition to interest expense and foreign exchange gain.

Net sales

Our net sales decreased 15%, to US$8,204 million in 2023, from US$9,648 million in 2022. This decrease was mainly the result of the following:

Net sales of our Polymer Solutions business group decreased 27%, to US$2,699 million in 2023, from US$3,696 million in 2022. This decrease was mainly the result of lower volumes and prices due to weaker demand coupled with a raw material supply shortage in the Americas as a result of operational issues with one of our suppliers.

Net sales of our Fluor and Energy Materials business group increased 8%, to US$918 million in 2023, from US$852 million in 2022. This increase was mainly the result of higher prices across our product portfolio combined with higher sales volumes.

Net sales of our Building and Infrastructure business group decreased 8%, to US$2,678 million in 2023, from US$2,926 million in 2022. This decrease was mainly the result of lower demand in EMEA and lower prices, which were partially offset by higher sales volumes in Latin America, Asia, and North America.

Net sales of our Connectivity Solutions business group decreased 18%, to US$1,125 million in 2023, from US$1,370 million in 2022. This decrease was mainly the result of high interest rates, which affected our customers and resulted in project delays that lowered demand for our products, which led to an oversupply in the market.

Net sales of our Precision Agriculture business group decreased 2%, to US$1,063 million in 2023, from US$1,085 million in 2022. This decrease was mainly the result of a slowdown in demand in Europe and Africa, the impact of extreme weather conditions in the United States and lower customer investment in irrigation systems due to high interest rates and weak crop prices, which was partially offset by a sales increase in Mexico, Brazil, China, India and Turkey.

Cost of sales

Our cost of sales decreased 14.8%, to US$6,032 million in 2023, from US$7,079 million in 2022. This decrease was mainly the result of a decrease in sales volumes and a decrease in costs of raw materials.

Gross profit

As a result of the foregoing, our gross profit decreased 15.5%, to US$2,172 million in 2023, from US$2,569 million in 2022. Our gross margin, which is calculated by dividing gross profit by net sales, decreased to 26.5% in 2023, from 26.6% in 2022.

Operating expenses

Our operating expenses increased 6.6%, to US$1,323 million in 2023, from US$1,241 million in 2022. Our operating expenses represented 16.1% of our net sales in 2023, up 3.3 percentage points from 12.9% in 2022.

Operating Income

Our operating income decreased 36.1%, to US$849 million in 2023, from US$1,328 million in 2022. This decrease was mainly the result of lower sales volumes in most business groups, partially offset by an increase in prices and sales volumes for our Fluor and Energy Materials business group.

Net financial expense and exchange rate variation

Our net financial expenses and exchange rate variation increased 128.8%, to US$366 million in 2023 compared to US$160 million in 2022. This increase was mainly due to (i) adjustments in the valuation of put options associated with non-wholly-owned businesses that took place in 2022 and did not reoccur in 2023, with a net impact of US$113 million, (ii) an increase of US$104 million in interest expense due to higher interest rates and the appreciation of the Mexican Peso against the U.S. Dollar, and (iii) a net increase of US$52 million in foreign exchange losses due to the appreciation of the Mexican Peso and other currencies against the U.S. Dollar, all of which were partially offset by higher interest income from an increased cash balance and higher short-term interest rates.

Income tax

Income taxes decreased 10.8%, to US$329 million in 2023, from US$369 million in 2022. This decrease was mainly the result of lower profits in 2023, which was partially offset by an increase in the effective tax rate driven by the appreciation of the Mexican Peso against the U.S. Dollar and the effects of high inflation in Mexico.

Consolidated net profit

As a result of the foregoing, our consolidated net profit decreased 76.5%, to US$156 million in 2023, from US$665 million in 2022.

Liquidity and capital resources

Liquidity

We can meet our liquidity needs through the generation of cash flows from ordinary business operations, the sale of discontinued businesses, financing through loans and the issuance of debt securities traded on the Mexican Stock Exchange (BMV) or in international markets, and through capital increases by our stockholders, either through subscription of current shareholders or through public offerings in the stock market.

	As of December 31,		
Liquidity ratios	**2024**	**2023**	**2022**
Current assets / short-term liabilities	1.37	1.64	1.51
Current assets – inventories / short-term liabilities	0.96	1.17	1.07
Current assets / total liabilities	0.45	0.50	0.55

We have funding needs related primarily to the following purposes:

- working capital;
- interest payments, related to current debt;
- capital investments related to our operations, construction of new plants, maintenance of facilities, and plant expansions;
- funds required for potential acquisition of companies that align with our strategy;
- payment of dividends; and
- repurchase of shares.

As described above, the main sources of our liquidity have historically been the following:

- Cash generated from operations.
- Cash from short-, medium-, and long-term financing.
- Capital increases.
- Company divestitures.

Available sources of cash

We have, as of the date of this offering memorandum, access to a committed revolving line of credit with an undrawn balance of US$1.4 billion with a consortium of Mexican and international banks. Additionally, we have a Cebures Program for an aggregate principal amount of Ps. 40.0 billion or its equivalent in Investment Units (*Unidades de Inversión*), of which we have used Ps. 21.8 billion as of the date of this offering memorandum, and have the option to issue new debt, for an amount of up to an additional Ps. 18.3 billion or its equivalent in Investment Units (*Unidades de Inversión*).

Cash flows

Cash flows provided by (used in) operating activities

For the years ended December 31, 2024, 2023 and 2022, cash flows provided by our operating activities amounted to US$781 million, US$1,397 million and US$1,287 million, respectively.

In 2024, cash flows provided by our operating activities were derived primarily from:

- US$1,097 million in Orbia EBITDA;
- a US$29 million net changes in working capital; and
- a US$176 million taxes paid in 2024.

In 2023, cash flows provided by our operating activities were derived primarily from:

- US$1,460 million in Orbia EBITDA;
- a US$312 million net changes in working capital; and
- a US$371 million taxes paid in 2023.

In 2022, cash flows provided by our operating activities were derived primarily from:

- US$1,909 million in Orbia EBITDA;
- a US$(142) million net changes in working capital; and
- a US$488 million taxes paid in 2022.

Cash flows provided by (used in) financing activities

For the years ended December 31, 2024, 2023 and 2022, cash flows provided by (used in) financing activities were US$(740) million, US$(777) million, and US$203 million, respectively.

In 2024, our principal cash flows provided by and used in financing activities consisted of:

- US$287 million in interest paid;
- US$105 million in lease payments;
- US$160 million in dividends paid;
- US$138 million from distributions to minority shareholders;
- US$5 million from purchases of shares; and
- US$55 million from net loan payments.

In 2023, the cash flows provided by and used in financing activities were as follows:

- US$388 million in interest paid;

- US$91 million in lease payments;
- US$240 million in dividends paid;
- US$134 million from distributions to minority shareholders;
- US$8 million from purchases of shares; and
- US$68 million from net loan proceeds.

In 2022, our principal sources of cash flows provided by and used in financing activities consisted of:

- US$258 million in interest paid;
- US$92 million in lease payments;
- US$299 million in dividends paid;
- US$141 million from distributions to minority shareholders;
- US$142 million used for purchases of shares; and
- US$1,135 million from net loan proceeds.

Cash flows provided by (used in) investing activities

For the years ended December 31, 2024, 2023 and 2022, cash flows used in our investing activities were US$447 million, US$696 million and US$762 million, respectively.

In 2024, our cash flows provided by and used in investing activities consisted of:

- the acquisition of subsidiaries in the amount of US$1 million;
- the acquisition of machinery and equipment in the amount of US$405 million;
- the acquisition of equity investment in associates in the amount of US$11 million;
- the investment in other tangible and intangible assets in the amount of US$67 million; and
- the sale of machinery and equipment in the amount of US$37 million.

In 2023, our cash flows provided by and used in investing activities consisted of:

- the acquisition of subsidiaries in the amount of US$8 million;
- the acquisition of machinery and equipment in the amount of US$589 million;
- the acquisition of equity investment in associates in the amount of US$14 million;
- the investment in other tangible and intangible assets in the amount of US$95 million; and
- the sale of machinery and equipment in the amount of US$10 million.

In 2022, our cash flows provided by and used in investing activities consisted of:

- the acquisition of subsidiaries in the amount of US$225 million;
- the acquisition of machinery and equipment in the amount of US$470 million;
- the acquisition of equity investment in associates in the amount of US$11 million;
- the investment in other tangible and intangible assets in the amount of US$67 million; and
- the sale of machinery and equipment in the amount of US$11 million.

Effect of exchange rate gain (loss) on our cash and cash equivalents

For the years ended December 31, 2024, 2023 and 2022, the effect of exchange rate gain (loss) on our cash and cash equivalents was US$(41) million, US$(14) million and US$36 million, respectively.

Indebtedness and financing strategy

As of December 31, 2024, we had outstanding consolidated debt of US$4,626 million, consisting of short-term debt of US$548 million (including the current portion of our long-term debt) and long-term debt of US$4,078 million, with unrelated parties. As of December 31, 2024, our total financial debt was US$5,083 million (including US$457 million in leases).

The table below sets forth our leverage ratios for the specified periods:

Leverage Ratios	As of December 31, 2024	2023	2022
Total liabilities/total assets (%)	73%	72%	71%
Total liabilities/stockholders' equity	2.71	2.59	2.5
Total consolidated debt)/stockholders' equity	1.55	1.52	1.41
Net Debt to Orbia EBITDA ratio	3.30	2.35	1.65

Historically, we have targeted a Net Debt to Orbia EBITDA ratio of approximately 2.5 or below over time, in order to maintain financial flexibility and protect our position during potential future recessionary or low-growth periods. As of December 31, 2024, our Net Debt to Orbia EBITDA ratio was 3.30.

The following table shows the amount and scheduled maturities of our interest-bearing liabilities as of December 31, 2024:

Maturing in	Amount[(1)] (in millions of U.S. dollars)
2025	548
2026	612
2027	576
2028	6
2029 and Thereafter	2,884
Total	**4,626**

The following table contains a summary of our Net Debt. For additional information, see our consolidated financial statements included elsewhere in this offering memorandum:

	As of December 31, 2024	2023	2022
	(in millions of U.S. dollars)		
Bank loans and current and long-term debt	4,626	4,886	4,696
Cash and cash equivalents	1,009	1,456	1,546
Net Debt	3,617	3,430	3,149

We expect to finance our capital expenditure programs primarily through cash flows generated by our operating activities and, if needed, through the incurrence of additional debt.

Short-term debt

As of the date of this offering memorandum, we have short term financing lines and letters of credit, among others, with several banks. As of the date of this offering memorandum, we have lines of credit for approximately US$1.0 billion, most of which correspond to letters of credit for the payment of raw material suppliers. We also have a US$1.4 billion committed revolving line of credit, which has not been drawn and which remains fully available.

Long-term debt

Covenants in Our Debt Instruments

Some of our debt instruments include financial covenants and other restrictions on our activities. These covenants and restrictions include, among others:

- limitations on the creation of new liens;
- the maintenance of a consolidated interest coverage ratio of no less than 3.0 to 1.0;
- restrictions on a change in control;
- the maintenance of a Net Debt to Orbia EBITDA ratio not greater than 3.5 to 1.0;
- insuring and maintaining the properties, machinery and equipment in good operating conditions; and
- complying with all applicable laws, rules, regulations and stipulations.

Our outstanding unsecured senior notes establish restrictions on liens, encumbrances, or mortgages on our properties, assets or securities and those of our subsidiaries. These securities also establish restrictions for the sale and subsequent leasing of relevant assets for business operation (except temporarily). Likewise, the terms and conditions of our senior notes stipulate limitations on the consolidation, merger, or transfer of assets of our assets.

As of the date of this offering memorandum, we are in compliance with the covenants and restrictions contained in our credit facilities.

Local debt offerings

We have established a Cebures Program in an amount of up to Ps.40.0 billion. In connection with this program, we are subject to certain restrictions, including compliance with certain disclosure obligations and other obligations stipulated by these programs as well as the maintenance of certain financial ratios. As of the date of this offering memorandum, we are in compliance with the covenants and restrictions established by this debt program.

Off-balance sheet arrangements

As of December 31, 2024, we had no off-balance sheet arrangements.

Capital expenditures

The table below sets forth our capital expenditures for the periods indicated (including mergers and acquisitions).

	Year ended December 31,		
	2024	**2023**	**2022**
Investments in property, machinery and equipment	405	589	470
Proceeds from the sale of property, machinery and equipment	(37)	(10)	(11)

	Year ended December 31,		
	2024	2023	2022
Investment in other assets and intangible assets	67	95	67
Acquisitions	1	8	225
Investments in equity affiliates	11	14	11
Total	**447**	**696**	**762**

We expect to make additional capital expenditures in 2025.

Research and development

We recognize the importance of innovation and development to remain a leader in the markets where we operate. We invest in research and development to improve our products' performance and comply with stricter regulations in the different geographic markets where we compete. During 2024, 2023 and 2022, we invested US$73 million, US$80 million and US$72 million, respectively, in research and development.

We have 21 research and technology centers located in the United States, Mexico, the United Kingdom, Colombia, Germany, India, the Netherlands, Poland and Israel, which focus on the development of new products and the alignment of processes to achieve safety and optimization of our production chain. We hold rights to more than 3,500 patents in total, including both granted patents and those pending registration.

Our research and development (R&D) strategy is focused on improving the rate of return on projects and aligning product development with regional customer needs. This regional approach has enhanced our ability to address the specific technological requirements of our customer base across different markets.

We continue to pursue a strategy of migrating toward higher value-added products across each of our five business groups.

In our Polymer Solutions business group, the assets of Mexichem Specialty Resins and Mexichem Specialty Compounds are dedicated to the production of advanced plastic compounds. The business is one of the largest global producers of high-impact PVC resins and is actively developing a new generation of PVC resins that are safer, more durable, and more flexible, while also reducing energy consumption in the production process. The business is also advancing improved heat-retardant solutions for cable manufacturing applications.

In our Building and Infrastructure business group, product innovation is supported through our Technological Committee and R&D centers. Recent developments include digitally controlled heating systems, such as Sentio, which allow users to manage indoor climate systems via mobile devices.

In our Connectivity Solutions business group, we are focused on the development of high-density polyethylene (HDPE) products for conduit and pressure pipe applications, primarily serving the telecommunications (voice and data) and energy sectors.

In our Precision Agriculture business group, we have developed the GrowSphere Irrigation and Fertigation Operating System, a technology platform that enables remote crop management via mobile devices. Supported by agronomists and technologists, the system allows us to advise farmers on nutrient and fertilizer administration, irrigation, and overall field management throughout the growing cycle.

In our Fluor and Energy Materials business group, we focus on the development and commercialization of low global warming potential refrigerant gases, medical propellants, and fluorinated energy materials for use in lithium-ion batteries and other energy storage applications.

Quantitative and qualitative information concerning market risk

In the ordinary course of our business activities, we are exposed to various market risks that are beyond our control, including fluctuations in exchange rates, interest rates and the price of our primary raw materials, and which may have an adverse effect on the value of our financial assets and liabilities, future cash flows and profit. As a result of these market risks, we could suffer a loss due to adverse changes in interest rates, exchange rates and the price of commodities in the international markets.

Our policy with respect to these market risks is to assess the potential of experiencing losses and the consolidated impact thereof, and to mitigate our market risks through a risk management policy. We maintain risk management policies that seek to mitigate our exposure to the fluctuations in exchange rates so as to hedge the risk of an increase in our foreign-denominated financial obligations taking into account that the functional currency of several of our operations and our reporting currency is the U.S. dollar.

Foreign exchange risk and interest rate risk

We are exposed to foreign exchange risk (the functional currency of several of our operations and our reporting currency is the U.S. dollar) primarily in connection with the fluctuation in the value of the Mexican peso against the U.S. dollar. Approximately 23% of our outstanding debt as of December 31, 2024 is denominated in Mexican pesos. Our revenues are denominated in various currencies and some of our contracts with clients provide for product prices that are determined by reference to the exchange rate between the relevant local currency and the U.S. dollar.

The vast majority of our U.S. dollar-denominated debt and the majority of our Mexican peso-denominated debt bears interest at a fixed rate, and a small part of our debt in U.S. dollars and in Mexican pesos bears interest at a variable rate (SOFR, TIIE de Fondeo or TIIE). Any increase in these interest rates or in the value of the U.S. dollar with respect to the Mexican peso and/or the local currencies of the countries in which we operate could have a material adverse effect on our financial conditions and results of operations.

Risks related to the price for basic products

We sell our primary products, including PVC, Chlorine, Caustic Soda, hydrofluoric acid and fluorspar, pursuant to long-term contracts with our clients using pricing formulas that are based on international market prices. This enables us to maintain stable margins through the various stages of the relevant production cycles in order to compensate for any short-term disparity between the price of our principal raw materials and the price of our finished products.

Derivative instruments

We use certain hedging instruments in order to mitigate price volatility of certain raw materials, interest rate risks and currency exchange rates, all of these instruments are related to our business and are previously approved by our audit committee and the governance committee as well as our board of directors.

As of December, 2024 we held the following derivative instruments:

Derivative financial instruments	Start date	Maturity date	Notional amount		Swap amount		Interest rate / exchange rate swap		Interest rate / exchange rate at year end		Fair value as of December 31, 2024	
Principal-Only Swap USD/EUR	08/04/2023	08/04/2028	USD	$658	EUR	$600	1.07%/	1.10	1.94%	1.03	$	17
Cross Currency Swap MXP/USD	04/16/2024	11/25/2032	USD	$873	MXP	$15,560	5.68%/	17.86	5.42%	20.26	$	(155)
Exchange rate forward	08/06/2024	06/06/2025	ILS	$217	USD	$59	0.2718	(ILS/USD)	0.2749	(ILS/USD)	$	1

INDUSTRY

Polymer Solutions

PVC is a versatile plastic that has countless everyday uses, such as: pipes for transporting drinking water and for irrigation; coatings for electrical conduction cables; profiles for constructing windows, doors, facades or entire houses; tiles, floors, furniture coverings, automobile parts and household appliances, clothing and footwear, containers and packaging, medical devices, adhesive tapes, and many others.

Our Polymer Solutions business group also manufactures plastic compounds tailored to meet the specific requirements of customers who utilize this polymer to create end-use products. These compounds contain various additives necessary for plastic resin processing, as well as additives that enable functional properties unique to each application. In addition, our Polymer Solutions business group also produces and sells by-products generated during the manufacturing processes of chlorine and caustic soda.

The main production chain of the business group is as follows:

Products

Our Polymer Solutions business group has three primary businesses: Derivatives, Resins and Compounds. The main production processes of these segments are chlorine, ethylene, VCM, vinyl, and compounds. These processes are described below.

- Chlorine – Caustic Soda Process: Chlorine and caustic soda are primarily produced through the electrolysis of sodium chloride (NaCl) in aqueous solution, a method commonly referred to as the chlor-alkali process. The industry utilizes three main electrolysis technologies: mercury cell, diaphragm cell, and membrane cell. We employ both diaphragm cell and membrane cell electrolysis technologies in our operations.

- Ethylene Process: The industrial production of ethylene is carried out using ethane sourced from cryogenic units, which is fed into pyrolysis furnaces, commonly referred to as crackers. During the cracking process, ethylene, hydrogen, and other hydrocarbons are produced. These products are subsequently separated at low temperatures to facilitate their use and to purify the ethylene to polymer-grade specifications. We have been producing ethylene through our strategic venture with OxyChem since February 2017.

- VCM Process: Vinyl chloride monomer (VCM) is produced from ethylene and chlorine. These raw materials are combined in a catalytic reactor to form an intermediate compound known as dichloroethane (also referred to as ethylene dichloride or EDC). The purified EDC is then subjected to thermal cracking to produce VCM. We produce VCM at facilities operated by our Polymer Solutions business group in Germany.

- Vinyl Process: Our Polymer Solutions business group utilizes two primary processes for the production of PVC resin: suspension polymerization and paste polymerization. In the suspension process, vinyl chloride monomer (VCM) is combined with water and a suspending agent in a reactor under agitation. This creates a stable aqueous suspension of VCM until a VCM-soluble initiator is introduced to trigger polymerization. In the paste process, VCM, water, an emulsifier, and a catalyst are introduced into a stainless-steel reactor and stirred under controlled pressure and temperature conditions. Approximately 79% of our PVC resin production is derived from suspension polymerization, while the remaining 21% is produced via paste polymerization. We also manufacture a range of PVC copolymers for specialty applications by polymerizing VCM with other plastic monomers.

- Compounds: Plastic resins are used in the production of compounds by blending them with various additives through a controlled mixing process. This ensures that all components are uniformly distributed throughout the mixture. The resulting blend is then cooled to a specified temperature to form a dry blend. Through subsequent processing steps, the blend is transformed into pellets that are suitable for commercial distribution.

Raw Materials

We maintain a secure and reliable supply chain within our Polymer Solutions business group through a combination of strategic investments and long-term agreements with specialized providers and organizations. These agreements are subject to periodic review to ensure the consistent availability of essential raw materials.

Derivatives Business

- Ethane: Through our joint venture to produce ethylene in the U.S. Gulf Coast, we have entered into a long-term supply agreement to ensure a reliable and consistent source of ethane.

- Electricity: In Mexico, electricity for our operations is procured through long-term agreements with both public and private power generation companies. At our German facilities, electricity is sourced locally from the industrial park owner.

- Natural gas: Our Mexican operations receive natural gas under long-term agreements with public gas companies. In Germany, natural gas is supplied locally through arrangements with the industrial park operator.

Resins and Compounds Businesses

- Ethylene: We secure our ethylene supply through multiple sources, including a 50/50 joint venture with OxyChem to produce ethylene at a cracker located in Ingleside, Texas, as well as long-term agreements in Germany. This integrated supply strategy provides us with approximately 92% self-sufficiency for the American ethylene process and approximately 70% globally, taking into account our PVC production capacity in Germany.

- Chlorine: Chlorine plays a crucial role in numerous chemical processes, with its primary application being the production of vinyl resins for PVC manufacturing. We are fully self-sufficient in chlorine for our operations in Germany.

- VCM: We are self-sufficient in VCM for our production facility in Germany, while in the Americas, we rely on OxyChem as our primary supplier for PVC production.

Sales and Marketing

For product sales related to this process, we have established long-term contracts with certain customers, that include sales schemes that promote loyalty through discounts in exchange for product volume bought during specific periods. Long-term contracts are usually based on formulas referenced to North American commodity prices provided by IHS Markit and ICIS. The remaining volumes are sold on the spot market at prices calculated by reference to the prevailing sales price at that time. In Europe, most of the chlorine produced is used to produce VCM and derivatives, while caustic soda is sold to third parties.

Market Information

We are active in global markets, with a strong presence in Europe, North America, and Latin America, and are focused on expanding our footprint in Asia and Africa. Our competitive position in the PVC and specialty resins markets is reinforced by our vertical integration and strategic alliances.

Derivatives business

We hold a favorable position in the caustic soda market, supported by guaranteed local production. In Mexico, the total caustic soda production capacity for 2024 is approximately 0.76 million metric tons, with a corresponding chlorine production capacity. According to market intelligence, the demand for chlorine in Mexico in 2024 is projected to be approximately 0.2 million metric tons, while the demand for caustic soda is expected to reach approximately 0.4 million metric tons.

In North America, the total caustic soda production capacity in 2024 is estimated at approximately 15.8 million metric tons, with approximately 10 producers accounting for around 90% of production, including us. In 2024, the U.S. is projected to produce approximately 11.2 million metric tons of caustic soda and 10.6 million metric tons of chlorine. In North America, the largest application for chlorine is in the production of vinyl, particularly PVC resin.

In Europe, caustic soda is primarily consumed and produced locally due to the high cost of transportation and storage. The market is highly fragmented, with local producers competing in specific geographic regions. We compete with other integrated producers, such as Inovyn, Dow Chemicals, Covestro, and Nobian. According to market intelligence, the total caustic soda production capacity in Europe in 2024 is approximately 12 million metric tons. Production in Europe increased by approximately 5% in 2024 compared to 2023, reaching 7.8 million metric tons.

Resins and Compounds business

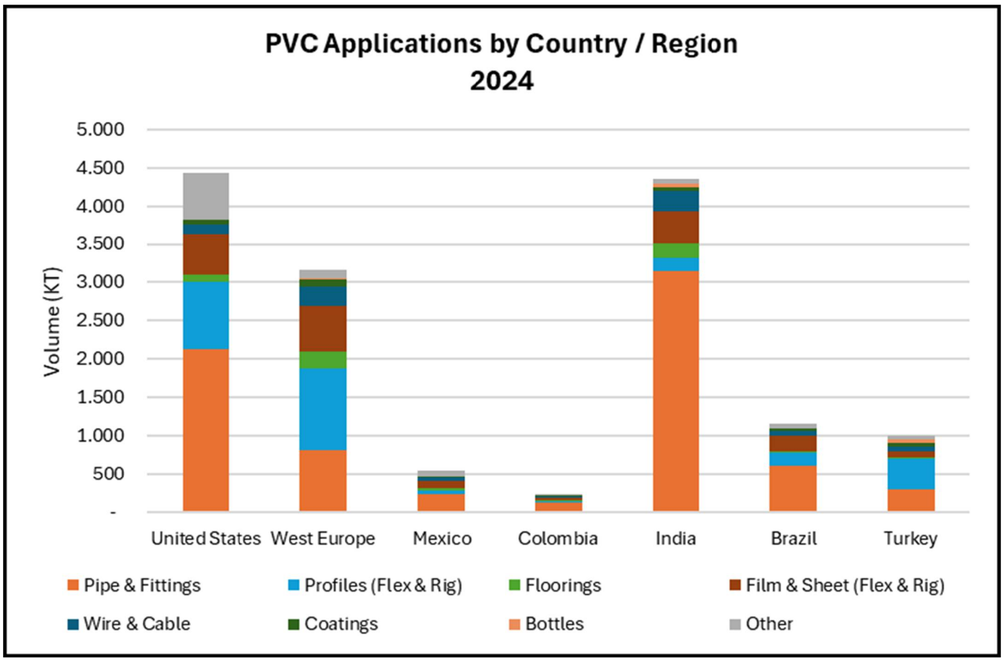
Our supply and co-investment agreement with OxyChem, along with our inorganic growth strategy over the past decade, has positioned us strongly in the PVC market. We are a leader in the general resins segment in Mexico and Colombia, and a dominant player in the specialty resins segment in Latin America, Europe, and the United States. Notably, we are the largest global producer of PVC specialty resins.

In the PVC market, our primary competitors in Latin America and Europe include Shin-Etsu, Westlake, Formosa, INEOS, and OxyChem. We distinguish ourselves by offering unique and highly differentiated products, such as high-impact suspension PVC resins (HIS-PVC), Organosol grade products, acrylic copolymers, high-yield PVC resins, and compounds with unique low-smoke, flame-retardant, and halogen-free properties. Additionally, we have recently started developing a portfolio of more sustainable products, including Future-Fit PVC made from fossil-alternative feedstocks and Caustic Soda Blue, produced using renewable energy sources.

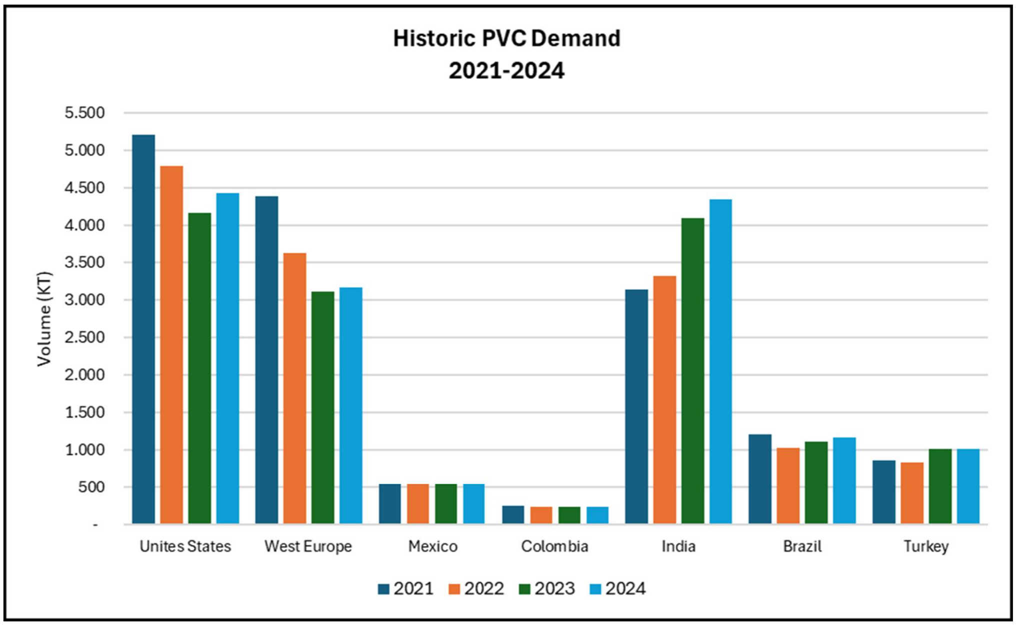
PVC is the third most widely used plastic globally, after polyethylene and polypropylene. According to market intelligence from our Polymer Solutions business group, global demand for PVC is projected to reach approximately 48.2 million metric tons in 2024, with the construction sector being the largest consumer. Pipes represent approximately 47% of global PVC consumption.

In addition to mature markets such as the United States and Western Europe, our Polymer Solutions business group is focused on expanding its presence in growing markets, particularly in regions with significant infrastructure and construction projects, such as Mexico, Colombia, India, Brazil, and Turkey.

In these markets, PVC applications are primarily concentrated in pipes and fittings in Mexico, Colombia, the United States, India, and Brazil, while profiles are the dominant segment in Western Europe and Turkey, with pipes and fittings being the second most important segment, as shown in the following graphs:

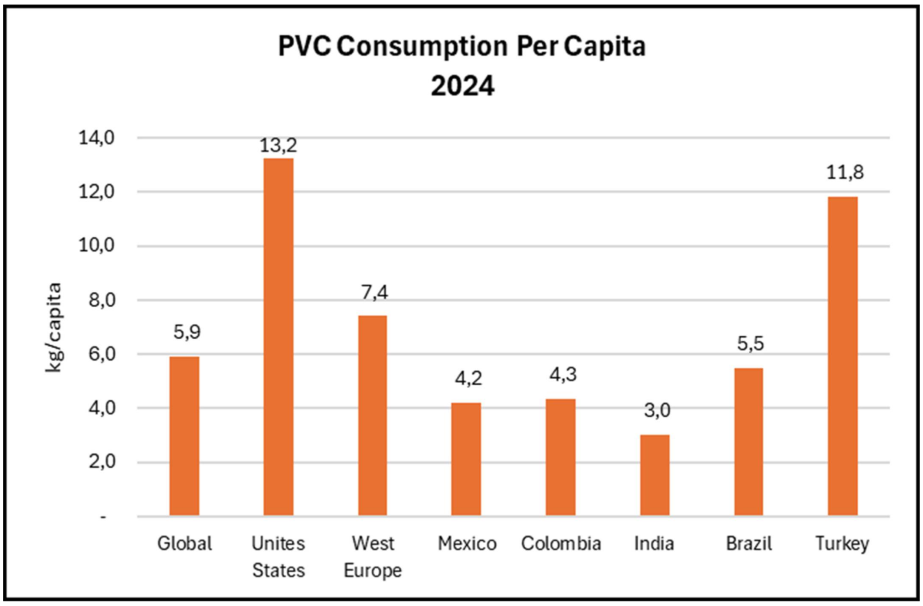


Source: CMA and Polymer Solutions Business Group Market Intelligence



Source: CMA and Polymer Solutions Business Group Market Intelligence

Our Polymer Solutions business group focuses on both high-growth markets, where PVC consumption per capita is increasing, and mature markets, where PVC consumption per capita remains stable at elevated levels. The graph below illustrates the PVC consumption per capita in the key countries and/or regions where our Polymer Solutions business group sells PVC resins:



Source: CMA and Polymer Solutions Business Group Market Intelligence

Distribution Channels

Polymer Solutions operates on a business-to-business (B2B) model, directly marketing its products to industries that use them as inputs for the production of other goods. Sales are made through our dedicated sales force to direct customers, other Orbia business units (i.e., intercompany sales), and, to a limited extent, through distributors, who account for approximately 10% of our total sales.

We have established long-term contracts with certain customers and frequently offer volume-based discounts during specific periods to encourage customer loyalty.

Derivatives Business

Approximately 80% of our chlorine sales and 54% of our caustic soda sales are derived from long-term contracts. The pricing formula in these contracts is based on North American market indexes, ensuring competitive prices for our customers while reflecting favorable market conditions. The remaining volume of chlorine and caustic soda is sold on the spot market, where prices are determined by current market conditions.

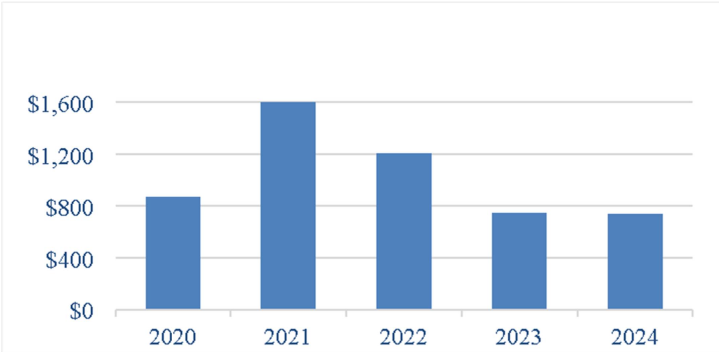
In Europe, nearly all of the chlorine produced is utilized in the manufacture of VCM and its derivatives, while caustic soda is sold to third parties.

In North America, chlorine buyers are typically concentrated, whereas caustic soda consumers tend to be more fragmented. Some of the largest chlorine buyers have multi-year supply agreements that incorporate maximum price limits and/or discounts to help mitigate price volatility in the spot market.

Resins and Compounds Businesses

Approximately 42% of the total volume in our resins and compounds businesses comes from long-term contracts and sales to other Orbia businesses. The pricing formula in these contracts is based on international market indices, ensuring competitive prices for our customers and reflecting favorable market conditions. The remaining volume of PVC resin is sold on the spot market at prevailing market prices at the time of sale. In terms of pricing, the chart below sets forth PVC pricing per ton for the periods indicated:

PVC Pricing (US$ per ton)



Source: CMA Analytics data 2024

Cyclic Behavior

The chemical industry, particularly raw material production in Polymer Solutions, is subject to the cyclical expansion and contraction of the global economy. These supply and demand dynamics for key raw materials can significantly impact prices. The primary drivers of such cyclicality are related to PVC and chlorine-caustic soda.

PVC: We are the largest producer of PVC resins in Latin America and the sixth-largest producer globally. We are also the largest producer of specialty PVC resins worldwide. The global PVC market is closely tied to the construction industry, which is heavily influenced by economic expansion or contraction in various regions and countries. Global demand for PVC is expected to remain strong in the long term compared to global supply, resulting in high-capacity utilization in the industry. However, in the short term, global cyclicality is projected to keep utilization below 80%, primarily due to the burst of the construction bubble in China (where excess PVC capacity is leading to increased exports and lower prices globally) and high interest rates worldwide. PVC demand is projected to grow at an average annual growth rate (AAGR) of 2.9% from 2024 to 2034, driven by government infrastructure spending and building activities in emerging market economies. These developments will support the growing middle class and are expected to add approximately 16 million tons of demand during this period.

Chlorine-Caustic Soda: Our nameplate capacity represents less than 1% of the global installed capacity for chlorine-caustic soda. The global market for these products is closely tied to industrial activity cycles, impacting sectors such as vinyls, alumina, inorganic and organic chemicals, pulp and paper, and chlorine intermediates, among others. Additionally, seasonality in water treatment demand further influences market conditions. Long-term demand for chlorine and caustic soda is projected to grow at an AAGR of 1.8% from 2024 to 2034, adding approximately 14.5 million tons of demand over this period.

Building and Infrastructure

Our Building and Infrastructure business group is a global provider of plastic piping systems and innovative solutions for the construction and infrastructure industries, offering a broad product portfolio. Key product segments include drainage solutions, stormwater management solutions, potable water systems, indoor weatherization solutions, as well as flooring and landfill systems. To ensure our product portfolio remains at the forefront of industry standards, the business group operates a Global Technology and Innovation Center in the Netherlands, which includes a pilot plant, an accredited laboratory, and a design center.

Products

The market segments served by our Building and Infrastructure business group are as follows:

Wavin Hot & Cold Systems: The Hot & Cold business unit focuses on five key applications: potable water, fire sprinkler systems, industrial applications, radiator heating piping systems, and indoor gas systems. These applications are essential in various building types, including residential, non-residential, and commercial properties. To meet the diverse needs of these markets, we offer a broad portfolio of pipes and fittings, including flexible, rigid, and semi-rigid piping in various materials, connection techniques, pipe wall constructions, and diameters. Given the varying installation practices and legislative requirements in countries across APAC, Latin America, and EMEA, we aim to provide versatile production solutions while leveraging economies of scale. Achieving this balance requires a deep understanding of regional market dynamics. In addition to tangible products, we offer a wide range of services to customers, such as design support, project calculations, BIM models, service life assessment tools, and testing for drinking water quality and hydraulic performance.

Indoor Climate Systems: We are consistently strengthening our position in the indoor climate segment across Europe by expanding our dedicated organization to serve major European markets.

The business develops, manufactures, and sells various systems that improve indoor climate quality with a focus on energy reduction and sustainability.

The key systems offered include:

- Water-based underfloor heating systems, comprising pipes, flooring solutions, collectors, and distribution systems.

- A water-based roof cooling system, designed to provide healthy cooling of buildings with low energy consumption and no operating noise, serving as an alternative to traditional air conditioning systems.

- Thermal interface units for district energy (Calefa).

- Ventilation systems with heat recovery (Ventiza), including units, ducts, and accessories for complete installations.

- Control systems, including the high-end Sentio system, a sophisticated control platform that seamlessly integrates all the above systems.

These systems emphasize ease of installation, long-term reliability, and connectivity through advanced control systems, which serve as key differentiators in the market. Within Indoor Climate Solutions, we focus on the new-build residential market, while also seeing growth in the light commercial building segment and the residential renovation market.

Soil & Waste: Soil & Waste products contribute to the business's purpose in two key areas: improved construction performance and enhanced sanitation and hygiene. The product range spans across low, medium, and high-specification Polyethylene (PE), Polypropylene (PP), and PVC systems, covering a wide array of customer requirements. Whether in competitive markets or high-quality projects, we offer tailored solutions with a comprehensive product portfolio, technical support, and high service levels to meet the needs of customers worldwide.

The ability to develop value-added products, such as PVC, enables the business to set trends in markets like Latin America and APAC, resulting in differentiation from the competition. In EMEA, Building and Infrastructure is strengthening its market position with products such as SiTech+ and AS+, which meet the most stringent quality standards.

Urban Climate Resilience: Building and Infrastructure is a leading global player in surface water management, helping towns and cities address flood risks, control groundwater depletion, and manage heat stress within urban environments. The business offers a broad portfolio of products and technical expertise to support these goals. Solutions for surface water management include QuickStream® Siphonic Roof Drain, which efficiently drains large roofs, along with gutters, troughs, and drainage channels that collect excess water from hard surfaces. Below the surface, the business provides water transportation systems through X-Stream®, Novafort®, and land drainage piping systems, with access through Tegra manholes. Water quality is improved by removing debris, sediment, and oils with Tegra Road Gullies and Certaro® filters, while AquaCell® and Q-Bic Plus® allow collected water to infiltrate back into the ground or be stored and released at a controlled rate to prevent overloading the piping system.

Foul Water Systems: The Foul Water Systems business unit develops, produces, markets, and sells plastic pipes, fittings, manholes, and related materials for creating sustainable underground infrastructure. Tailored to customer requirements, solutions made from PVC (e.g., Novafort in Latin America) and PP (e.g., Acaro and Tegra® in Europe) are used for combined sewage systems (dirty and storm water) or installed as separate systems. True black water is directed to treatment facilities, while rainwater, with minimal filtration, is discharged into lakes, canals, and rivers or used locally to irrigate parks and trees.

Building and Infrastructure emphasizes sustainability by offering products made from recycled materials, such as its multilayer pipes under the names Recycore®, EcoTP, and U3, in countries where legislation permits. In other regions, the business actively lobbies for the inclusion of recycled products in approval standards. Durability, reliability, and ease of installation are key attributes of the business's product offerings.

Raw materials

In 2024, approximately 73.3% of the cost of sales for Building and Infrastructure in Latin America was attributed to the material cost of PVC resin and CPVC resin, with the remainder primarily consisting of PE and PP materials. In Europe, approximately 54% of raw material usage was accounted for by polyolefins (PE and PP), while the remaining 46% consisted of PVC resin (both virgin and recycled) and additives.

The Company sources approximately 45% of its PVC raw material internally from the PVC resins subsidiary of the Polymer Solutions business group, Vestolit. The remainder is procured from other regional suppliers as well as from China.

Main clients

Building and Infrastructure's primary customers are from the construction and infrastructure sectors, including construction companies, installation contractors, underground contractors, as well as municipal governments, cities, and gas and water utility companies involved in public works projects.

Distribution Channels

Building and Infrastructure distributes its products to end consumers, including installers, contractors, engineers, and specifiers, through a variety of channels. These include direct sales, distributors, and businesses specializing in construction, dealers, plumbing specialists, civil engineering experts, or retail DIY businesses.

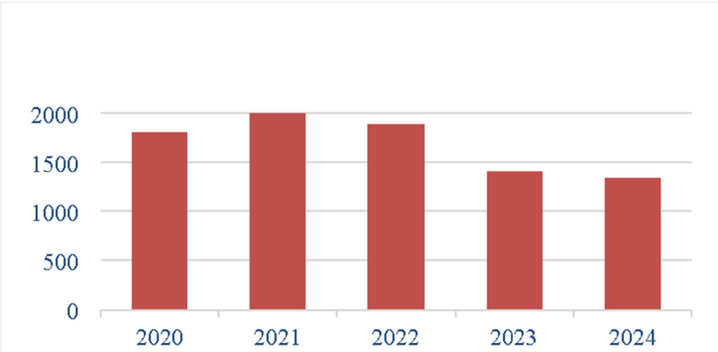
In Europe, Building and Infrastructure primarily uses indirect distribution. Its products are shipped to wholesalers or retailers, who operate centralized distribution and storage centers, along with multiple retail locations. Building and Infrastructure products are available at approximately 65,000 points of sale across Europe, encompassing both direct and indirect distribution channels.

In Latin America, Building and Infrastructure's products are distributed through over 50,000 points of sale, with more direct contact with end consumers, as well as through construction companies.

Cyclic Behavior

The construction industry is subject to the cyclical expansion and contraction of the global economy. Sustained high interest rates worldwide are leading to delays in housing and infrastructure investments. In addition, the Ukraine conflict is driving high energy costs in Europe. This has led to a decrease in the number of building permits issued in Europe, as illustrated by the following chart:

European building permits issued (‘000 per year)



Source: European Commission website, 2024

Connectivity Solutions

Our Connectivity Solutions business group develops and commercializes high-density polyethylene (HDPE) products. We have positioned ourselves as a leader in the production and distribution of conduit, cable-in-conduit, and related accessories for the telecommunications, data center, transportation, and electrical markets.

Products

Connectivity Solutions is a leading manufacturer and distributor of high-density polyethylene (HDPE) conduit, accessories, and other connectivity infrastructure products for the telecommunications, data center, transportation, and electrical markets, under the Dura-Line brand. With over 50 years of experience and a well-established reputation for the safety, efficiency, and durability of its products, the business group produces more than 1.6 billion feet (500 million meters) of infrastructure annually.

Sales of standard HDPE conduit, ranging from 0.5 to 12 inches (1.3 to 30.5 cm), constitute the largest share of the group’s revenue. HDPE conduit is essential in global fiber and power networks, safeguarding critical cable assets throughout their installed lifetime and offering numerous installation and performance benefits.

The group is also the world’s largest producer of MicroDucts, primarily for the Fiber to the Home (FTTH) and data center markets. These miniaturized pathways, along with associated accessories, provide infrastructure owners unmatched flexibility, scalability, and future-proofing to meet rapidly growing connectivity demands. Most of the group’s conduit products feature its patented SILICORE® ULF ultra-low-friction inner lining, enabling cables to be installed more safely, quickly, and over longer distances.

In response to increasing customer demand for sustainable products and international regulations governing the sustainability of fiber networks, Connectivity Solutions has developed MicroDucts, FuturePath®, and Smoothwall ECO product lines. These products are made from reprocessed routine fallout HDPE, contributing to lower Scope 3 emissions for end users (backed by Life Cycle Assessments) and aligning with Connectivity Solutions' global Zero Waste to Landfill initiatives.

In recent years, Connectivity Solutions has expanded its offerings to include digital education and services to address real-world customer challenges and help alleviate the current shortage of skilled field technicians. Dura-Line Academy, the group's online education platform, provides dynamic, accessible courses for network owners, designers, engineers, and installers.

Dura-Line Academy's curriculum covers all aspects of conduit design and installation, with partner content from industry bodies such as the Fiber Broadband Association and leading equipment manufacturers. The academy offers accredited courses by BICSI, the premier professional association for the Information and Communications Technology (ICT) industry.

Connectivity Solutions also provides fiber-optic network design services under the Biarri Networks brand. Biarri's consultants, equipped with patented algorithmic technology, collaborate with customers to transform complex geographic, topographic, and construction inputs into efficient, high-speed network builds.

Raw materials

Connectivity Solutions' primary raw material is high-density polyethylene (HDPE) resin, the price of which is significantly influenced by fluctuating market conditions. Polyethylene resins are traded globally, and the price of resin is primarily driven by the price of oil, which is subject to considerable volatility. We purchase this raw material from a limited number of local suppliers, with contracts typically having durations ranging from one to two years. We have established long-standing business relationships with regional resin suppliers, with an average tenure of approximately 15 years. Contract pricing is based on market prices, which are determined according to the prevailing terms in the applicable region.

Distribution Channels

Connectivity Solutions distributes its products to more than 1,400 customers, both directly and through distributors in approximately 50 countries.

Main clients

Connectivity Solutions' customers include some of the world's largest and most innovative internet service providers, multinational cloud companies, regional utility providers, and state transportation authorities. No single customer accounts for more than 10% of Connectivity Solution's total net sales.

Precision Agriculture

Precision Agriculture offers a wide range of agricultural, civil engineering, and project solutions focused on the handling, use, and control of water in agricultural, farming, and aquacultural activities. This enables us to provide the most comprehensive and varied set of solutions, tailored to meet the specific needs of our customers.

Products

Precision Agriculture's technologically advanced micro-irrigation solutions primarily consist of drip-based watering systems, although it also offers sprinklers, micro-sprinklers, and greenhouse building capabilities. While the core focus is on the agricultural market, certain products are also used in landscaping and mining applications.

The business offers a broad range of products, including drippers, drip lines, essential system components such as filters, valves, and air valves, as well as greenhouse solutions. Additionally, it provides advanced digital technology for agriculture, such as GrowSphere—a comprehensive digital agriculture system launched in 2023. GrowSphere enables monitoring, analysis, and control capabilities, enhancing precision in watering and fertigation.

Precision Agriculture delivers end-to-end solutions, ranging from the provision of bulk water and feasibility studies to system implementation, post-sales support, and maintenance. The business has built a strong foundation of agricultural expertise through its leadership in the irrigation market, offering agronomic services to help customers maximize the productivity and efficiency of their systems.

Raw materials

The main raw materials used in this business group are polyethylene (PE) resins in different grades and products made from PVC resins.

Distribution Channels

Precision Agriculture distributes its products directly and through a global network of more than 3,000 distributors in more than 100 countries.

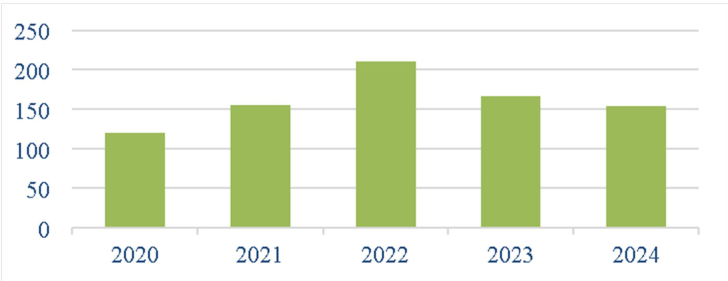
Main clients

The main customers of the Precision Agriculture business group are individual and large corporate farmers, with most end users being served through large and medium-sized wholesale distributors. Precision Agriculture's top ten customers account for less than 1% of our consolidated net sales.

Cyclic Behavior

Agriculture is subject to fluctuations in macroeconomic conditions. Net farming income has decreased 23% since 2022, mainly driven by lower crop prices, higher input costs, and higher interest rates. This has led to a decrease in large capital investments. The following chart sets forth net farm income in the United States for the indicated periods:

U.S. net farm income (US$ billions per year)



Source: USDA website, 2024

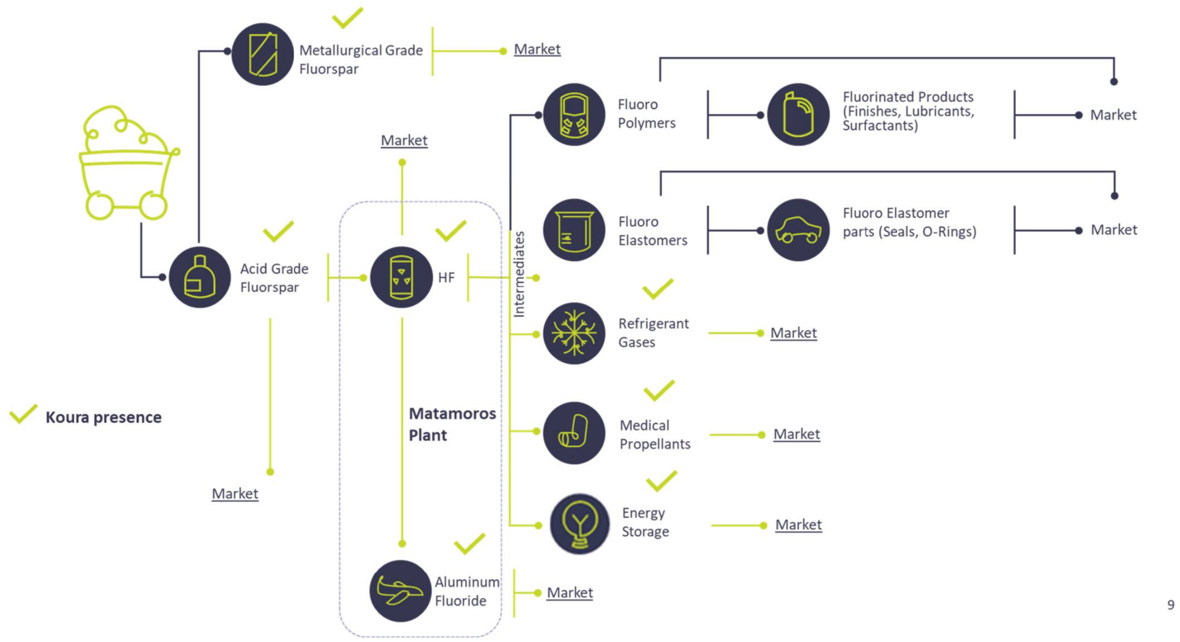
Fluor and Energy Materials

Fluorine is a critical element, widely present and playing a fundamental role in our daily lives. Fluorinated products and technologies are used across various industries, including automotive, chemical, semiconductor, communications, construction, and pharmaceuticals. It has also become increasingly relevant as a key feedstock for decarbonization solutions, such as lithium-ion batteries, renewable energy, and low-GWP refrigerants for both mobile and stationary applications.

The Fluor and Energy Materials business group is one of the world's largest producers of fluorite, operating under a vertically integrated model that focuses on high-value, high-growth applications supporting greenhouse gas reduction and the global transition to sustainable energy. It holds leading industry positions in hydrofluoric acid and aluminum trifluoride and is one of the largest producers of fluorite globally.

1. Fluorite Process

The value chain of this business group starts with calcium fluoride, better known as fluorite. The full value chain is depicted below.



Fluor and Energy Materials supplies a significant proportion of the global demand for fluorite, either directly or through its distribution network. It is the market leader in the Americas and Europe, with a strong presence in Asia Pacific. The business sells fluorite to a diverse range of customers across various industries, including major manufacturers of fluorinated products, some of the largest steel mills in the world, and several leading players in the Latin American cement industry.

Products

Metallurgical grade fluorite, or Metspar, is a mineral with a specific concentration of fluorine that varies depending on its intended application. It plays a crucial role in steel and cement production. When added to slag during the steel-making process, Metspar helps remove impurities, particularly sulfur, which is essential for producing stainless and low-carbon steels. Additionally, it serves as a valuable additive in the cement industry, improving the production of clinker, increasing productivity, and enhancing product performance. Metspar is integral to the production of steel and cement with a reduced carbon footprint.

On the other hand, concentrated fluorite, or Acid Grade fluorite, has a minimum fluorine concentration of 97% and is produced through flotation processes from ores with lower initial concentrations. Acid Grade fluorite is primarily used to produce hydrofluoric acid, which is the chemical precursor for most fluorinated products. This grade of fluorite is essential for various high-value applications across multiple industries.

Raw materials

The main suppliers of raw materials in Mexico are the Comisión Nacional del Agua ("Conagua", water), the Comisión Federal de la Electricidad ("CFE", electricity) and PEMEX Transformación Industrial (natural gas).

Main customers

Fluor and Energy Materials maintains long-term contracts with its primary metallurgical-grade and acid-grade fluorite customers. These contracts, typically ranging between 3 and 5 years, include pricing formulas based on international market reference prices.

The main customers of Fluor and Energy Materials are from a diverse range of industries, including iron and steel, glass, ceramics, aluminum, cement, and chemicals. Within the chemical industry, fluorocarbons for refrigeration, propellants, foaming agents, and thermoplastic polymers are some of the key applications.

The 10 largest fluorite customers account for 5% of our total sales, with no single customer representing more than 1% of our total sales.

Distribution Channels

Fluor and Energy Materials serves a significant portion of the global demand for fluorite, either directly or through its extensive distribution network. Sales to distributors are made through long-term contracts, allowing for a steady supply of fluorite products. These distributors purchase the fluorite products directly from Fluor and Energy Materials for resale in the markets where they operate.

2. Hydrofluoric Acid (HF) and Aluminum Fluoride (AIF3) Process

Hydrofluoric acid (HF), also known as hydrogen fluoride, is a key source of fluorine and is fundamental to a wide array of industries, including pharmaceuticals, polymers, electronics, petroleum, personal care, agrochemicals, and fine chemicals. HF is critical in producing refrigerant gases, fluoropolymers, fluoro-elastomers, and aluminum trifluoride. Additionally, HF plays an increasingly important role in the production of materials for lithium-ion batteries, a segment expected to drive significant growth in HF demand in the coming years.

Fluor and Energy Materials is one of the leading global producers of hydrofluoric acid, meeting the growing demand across these industries.

Aluminum trifluoride, which is essential in aluminum production, is another major product offered by Fluor and Energy Materials. It is produced by reacting hydrofluoric acid (HF) with aluminum hydroxide. From its Matamoros plant, Fluor and Energy Materials supplies aluminum trifluoride to several major global aluminum producers.

Products

Hydrofluoric acid (HF) is produced by reacting Acid Grade fluorite with sulfuric acid in a specialized process. Once produced, the hydrofluoric acid undergoes several stages of distillation to achieve the high purity required by the market. Sulfuric acid, essential for the production of HF, is made by Fluor and Energy Materials from sulfur, which, when exposed to air at high temperatures and with water, is converted into sulfuric acid.

Hydrofluoric acid has a wide range of critical applications:

- Refrigerant and Propellant Gases: HF is essential in producing refrigerant gases used in air conditioning, refrigerators, freezers, and medical treatments for respiratory diseases.
- Fluoropolymers Manufacturing: HF is used to produce a variety of fluoropolymers, materials known for their chemical resistance and stability.
- Aluminum Trifluoride Production: HF is used in the production of aluminum trifluoride, an essential material for aluminum smelting.
- Fluorinated Salts for Energy Storage: HF is used in producing fluorinated salts, which are applied in energy storage technologies.

- High Octane Gasolines: HF is used in the production of high-octane gasoline.
- Metal Surface Cleaning: HF is used in metal pickling processes, such as cleaning stainless steel surfaces.
- Other Applications: HF is also used in the manufacture of uranium fluoride for the nuclear industry and in semiconductor production, though to a lesser extent.

Aluminum trifluoride, produced by reacting HF with alumina, is critical in the aluminum smelting process, specifically in fused-salt electrolysis. It is vital for the economically viable production of aluminum at smelters around the world, serving as a flux in the process.

Fluor and Energy Materials operates one of the largest hydrofluoric acid (HF) plants in the world, located near Matamoros, Tamaulipas, Mexico. Strategically positioned, the plant benefits from easy access to essential raw materials within Mexico and exports 97% of its hydrofluoric acid production, primarily to the USA and Asia. Additionally, 100% of its aluminum trifluoride production is exported. The Matamoros facility is managed with high stewardship standards, adhering to all applicable regulations, and the business has implemented advanced systems to minimize sulfur dioxide (SO2) emissions during sulfuric acid production.

Hydrofluoric acid is produced by reacting Acid Grade fluorite with sulfuric acid. The resulting hydrofluoric acid undergoes a series of distillation stages to achieve the required purity, ensuring it meets the high market standards.

Sulfuric acid is produced through the oxidation of sulfur. This process involves the conversion of sulfur into sulfur dioxide (SO2), which is then further oxidized into sulfur trioxide (SO3) to produce sulfuric acid.

The production of aluminum trifluoride is based on hydrofluoric acid. The hydrofluoric acid is first evaporated and heated before being injected as a gas into a pair of double bed fluidized reactors. Inside the reactors, the gaseous HF reacts with solid aluminum hydroxide, forming aluminum trifluoride. The aluminum trifluoride exits the reactor at a high temperature of around 700°C and is subsequently cooled before being sent for storage and transportation.

Raw materials

The main raw materials used in the production of HF are acid grade fluorite and sulfur. Fluorite is supplied from our mine in San Luis Potosi.

Distribution channels

We have several long-term HF supply contracts with major customers in North America. Aluminum trifluoride is sold to customers through purchase orders or contracts.

3. Refrigerant Gases and Medical Propellants

Fluor and Energy Materials is a global leader in the supply of refrigerant gases, primarily marketed under the Klea® brand. We sell refrigerants directly, especially to original equipment manufacturers (OEMs), and through a distribution network, targeting the aftermarket segment. It holds a leadership position in Europe and is a significant player in the Americas, Japan, and India.

In addition to refrigerant gases, Fluor and Energy Materials is a key producer of HFA medical propellants, which are used to safely administer medications via aerosol, such as in metered dose inhalers (MDIs) for the treatment of asthma and chronic obstructive pulmonary disease (COPD). These propellants are marketed under the ZEPHEX® brand, which is the leading global brand for medical propellant gases and is present in approximately 75% of inhalers produced worldwide.

Products

Fluorocarbons are prized for their excellent thermodynamic properties, low toxicity, low flammability, and non-corrosiveness, making them ideal for a range of applications. These compounds, however, require hydrofluoric acid (HF) as a critical feedstock in their production. Over the past decade, the fluorocarbon industry has been significantly shaped by environmental regulations aimed at eliminating chlorofluorocarbons (CFCs) to protect the ozone layer and reducing the use of hydrofluorocarbons (HFCs) to combat global warming. As the use of HFCs is phased out globally, there has been a push to introduce next-generation refrigerants to promote a shift toward low-carbon solutions.

Fluor and Energy Materials is committed to advancing the development of Low Global Warming Potential (LGWP) refrigerants. The business has invested heavily in research and development to create a new portfolio of refrigerants that offer superior performance and lower environmental impact. Some of the new LGWP products, such as Klea® R473A, R456A, R448A, and R444A, have already been launched, with several more expected in the coming years.

In addition to refrigerants, fluorine-based medical propellants are used in aerosol form to deliver various medications, including treatments for asthma and chronic obstructive pulmonary disease (COPD). These medical propellants are produced by purifying certain HFCs to meet pharmaceutical-grade standards and comply with Current Good Manufacturing Practice (cGMP) guidelines. With the ongoing phase-out of HFCs, Fluor and Energy Materials is leading the transition to LGWP medical propellants, including the development and commercialization of HFA-152a, to ensure safer, more sustainable options for the medical industry.

Raw materials

The main raw material used in the production of refrigerant gases is hydrofluoric acid (HF), which is sourced from the Fluor and Energy Materials' plant in Matamoros, Mexico, making it a vertically integrated supply chain.

Main customers

The business group's refrigerant and medical propellants products contribute approximately 5.0% of our total sales. These products have a diverse customer base, with no single customer accounting for more than 1% of our total sales. The broad distribution of customers helps maintain stability in the business group's performance and reduces the impact of any single loss.

Distribution Channels

Fluor and Energy Materials sells refrigerants globally through regional distributors, focusing heavily on the aftermarket, typically without long-term contracts or with short-term agreements. It also sells directly to Original Equipment Manufacturers (OEMs) on similar short-term contracts.

The business group holds a significant share of HFC consumption within the European regulation of fluorinated gases, a market impacted by ongoing efforts to phase out HFCs in favor of more sustainable options. However, the enforcement of these regulations has been challenged by illegal imports of HFC products. Fluor and Energy Materials actively engages in the European Fluorocarbons Technical Committee (EFTCC), alongside other industry players, to combat the illegal HFC trade and support the implementation of Fluorinated Gas (F-Gas) regulation. Recent increases in enforcement efforts have reduced the presence of illegal products in the European market.

In terms of medical propellants, Fluor and Energy Materials sells them in bulk directly to pharmaceutical companies under contract and packages smaller quantities for distribution through agents and distributors, typically without formal contracts.

4. Energy Materials (Formerly known as Battery Materials)

Fluor and Energy Materials is actively developing materials, technologies, and solutions that enhance battery performance, cost-efficiency, and safety, while ensuring a secure and reliable battery supply chain. As part of its growing role in the energy storage sector, the business is becoming an increasingly important provider of fluorinated products used in energy storage applications.

Working alongside industry partners and researchers, Fluor and Energy Materials is developing and manufacturing a wide range of advanced fluorine-based materials, including electrolyte salts, binders, and high-performance electrolyte additives for lithium-ion batteries.

Products

In 2021, Fluor and Energy Materials launched its Koflyte® product line, which includes advanced fluorinated additives and co-solvents designed to enhance the performance and safety of lithium-ion batteries. Additionally, Fluor and Energy Materials acquired Silatronix, a U.S.-based company renowned for its expertise in fluorosilane additives. Silatronix has a strong industry reputation for developing innovative solutions that improve battery safety and performance in a variety of applications, ranging from electric vehicles to stationary, grid-scale energy storage.

Fluor and Energy Materials' fluorinated electrolyte product lines, including Koflyte® and OS3®, are gaining traction in advanced battery technologies being developed for consumer electronics, electric vehicles, and large-scale energy storage systems. The use of these fluorinated electrolyte materials enhances battery performance across several dimensions, such as energy density, lifespan, and safety.

In 2023, Fluor and Energy Materials successfully launched its Custom Electrolytes Business, which supplies tailored electrolytes to battery manufacturers. This new business became fully operational with the opening of a state-of-the-art 11,000-square-foot battery electrolyte production facility. The Custom Electrolyte business offers cutting-edge formulation and blending capabilities, supporting a broad range of battery applications for energy storage, industrial use, medical devices, and defense industries.

BUSINESS

Orbia

We are a leading provider of products and solutions in multiple sectors, including construction, infrastructure, agriculture and irrigation, health, transportation, telecommunications, and energy and petrochemicals, among others. We are one of the world's largest producers of plastic pipes, fittings, irrigation drippers and fluorite, and one of the largest chemical and petrochemical companies in Latin America.

For the year ended December 31, 2024, we generated US$7,506 million in net sales. We employ more than 23,000 people in more than 50 countries, where we operate 122 production sites, concessions for the exploitation of two fluorite mines in Mexico, 7 formation academies, 21 research and development laboratories and have global headquarters in Mexico City, Boston, Amsterdam and Tel Aviv.

Our business strategy emphasizes the importance of having a portfolio of leading businesses in each of their respective sectors that focuses on basic and advanced materials, infrastructure and services. In order to further our commitment with innovation, in 2020 we launched a multi-year venture capital fund, Orbia Ventures, to capitalize early stage start-ups with strategic connections to our core business and corporate purpose. Additionally, we benefit from being a vertically integrated company, which allows us to mitigate volatility in our primary raw materials' prices and ensure their supply even under market scarcity conditions. Our commercial focus is on higher-value-added products and services that offer higher profitability.

We have more than 50 years of experience and have been listed on the Mexican Stock Exchange for over 40 years. In 2024, we celebrated our sixth anniversary as a member of the Dow Jones Sustainability Index and have been included for the fourth time in the S&P Sustainability Yearbook. We have also been included in the FTSE4Good index since 2015 and we received the EcoVadis silver medal, which places us among the top companies regarding sustainable sourcing efforts globally.

We are strategically focused on organic growth to improve our product portfolio and geographic diversification. In recent years, we have increased our positioning in the North American and European markets. Currently, both regions account for approximately 67% of sales by geographical area of destination. We are continuously strengthening our platform to offer comprehensive solutions for our customers while creating long-term relationships.

In 2024, our Orbia EBITDA was US$1,097 million, representing an annual decrease of 25% with respect to 2023, when our Orbia EBITDA was US$1,460 million.

We report our results of operations for our five business groups as follows:

- Polymer Solutions – operating under the commercial brands Vestolit and Alphagary.
- Building and Infrastructure – operating under the commercial brand Wavin.
- Connectivity Solutions – operating under the commercial brand Dura-Line.
- Precision Agriculture – operating under the commercial brand Netafim.
- Fluor and Energy Materials – operating under the commercial brand Koura.

Our operations by value chain are the following:

- Polymer Solutions. Our Polymer Solutions business group is focused on general purpose and specialty PVC resins (polyvinyl chloride), PVC and zero-halogen specialty compounds with various applications, including pipes and cables, household appliances and medical devices. In our Polymer Solutions business group, we manufacture (i) basic chemicals, including ethylene, chlorine, caustic soda and their derivatives, as well as VCM, EDC and specialty chemicals, (ii) phosphates, used in food and beverages, soaps and detergents, fertilizers and food supplements, (iii) general vinyl resins used for pipes and fittings, cables, flexible and rigid films, bottles, medical devices, among others, (iv) specialty resins used for flooring, wallpaper, coatings, among others; (v) plasticizers, including phthalic anhydride and a wide variety of plasticizers used in the processing of plastic resins, and (vi) specialty polymer compounds and additives, such as stabilizers, plasticizers, and colorants, produced through the compound process and used in the manufacturing of medical products, industrial and consumer goods, construction materials, and other applications.

For the years ended December 31, 2024, 2023 and 2022, our Polymer Solutions business group recorded sales of US$2,529 million, US$2,699 million and US$3,696 million, respectively, which represented approximately 33%, 32% and 38% of our net sales for each of those years, respectively.

- Building and Infrastructure. Our Building and Infrastructure business group operates in the pipes and fittings industry, with a focus on water management and distribution as well as indoor climate systems. We specialize in the development of durable, high-performance solutions designed to reduce installation time and labor costs. The business group benefits from integration with the Polymer Solutions business group, which supports supply chain efficiency. It serves a customer base across three continents and invests in technologies aimed at sustainable and resilient water and indoor climate management.

For the years ended December 31, 2024, 2023 and 2022, our Building and Infrastructure business group recorded sales of US$2,497 million, US$2,678 million and US$2,926 million, respectively, which represented approximately 32%, 32% and 30% of our net sales for each of those years, respectively.

- Connectivity Solutions. Our Connectivity Solutions business group, commercially known as Dura-Line, is a leading manufacturer and distributor of high-density polyethylene (HDPE) conduit and accessories, offering data-driven design solutions for complex fiber-optic networks and other connectivity solutions across the telecommunications, data center, transportation, and electrical markets. With over 50 years of industry experience, the business has established a strong reputation for delivering safe, efficient, and durable infrastructure solutions, producing more than 1.6 billion feet (approximately 500 million meters) of conduit annually.

For the years ended December 31, 2024, 2023 and 2022, our Connectivity Solutions business group recorded sales of US$839 million, US$1,125 million and US$1,370 million, respectively, which represented approximately 11%, 13% and 14% of our net sales for each of those years, respectively.

- Precision Agriculture. Our Precision Agriculture business group provides agricultural, civil engineering, and project-based solutions focused on the management, distribution, and control of water for use in agricultural, farming, and aquacultural applications. Its broad portfolio includes drippers, dripping lines, components for strategic systems (such as filters, valves, and air valves), as well as intelligent solutions and advanced digital technologies for agriculture. These offerings include irrigation and fertilization systems, cloud-based platforms and smart monitoring devices, data analysis and crop management solutions. Additionally, the business group delivers integral solutions for high output water supply and provides feasibility, design and implementation studies, as well as post sale technical support.

For the years ended December 31, 2024, 2023 and 2022, our Precision Agriculture business group recorded sales of US$1,038 million, US$1,063 million and US$1,085 million, respectively, which represented approximately 13%, 12% and 11% of our net sales for each of those years, respectively.

- Fluor and Energy Materials. Our Fluor and Energy Materials business group, commercially known as Koura, is one of the largest producers of fluorspar globally and holds leading positions in the production of hydrofluoric acid and aluminum trifluoride. The business group manufactures intermediates, refrigerant gases, and propellants used across a wide range of industries, including automotive, infrastructure, semiconductor, healthcare, medicine, climate control, food cold chain, energy storage, computing, and telecommunications.

For the years ended December 31, 2024, 2023 and 2022, our Fluor and Energy Materials business group recorded sales of US$862 million, US$918 million and US$852 million, respectively, which represented approximately 11%, 11% and 8% of our net sales for each of those years, respectively.

Competitive Strengths

We focus on creating value for our shareholders, customers and suppliers by continuously developing and improving our products and services, adding value from our basic raw materials through vertical integration into the higher value-added products market to achieve superior results. Our principal competitive strengths include the following:

Vertically integrated operations with direct access to raw materials that provide economies of scale and reduce operating expenses.

We have vertically integrated operations with direct access to raw materials that generate economies of scale and reduce operating expenses. Over the past 21 years, we have acquired companies or formed joint ventures to achieve vertical integration in our operations and increase access to the raw materials needed for our operations.

As a leader in the markets where we participate, we are characterized by our focus on low-cost production by investing in our own state-of-the-art technology; integrating our basic raw materials on our two main production chains; driving synergies from logistics, purchasing, systems, treasury, human resources and other functions; and developing and implementing cost-efficiency projects.

Our Polymer Solutions business group is partially integrated (approximately 70%) to our main raw material, ethylene, and thus the production chain is integrated from the extraction of salt to the production of plastic compounds. The business group facilitates the production of salt for industrial consumption, ethylene, chlorine, soda, VCM chlorine derivatives, PVC and specialty resins, as well as compounds, in addition to being integrated to one of the main raw materials for the manufacture of plasticizers: phthalic anhydride.

Our Fluor and Energy Materials business group has its own concessions for the exploitation of fluorite mines, including the world's largest one, making it the only fully integrated global producer of its own raw material. This integration gives the business group an unparalleled competitive advantage, not only in Mexico but also worldwide as it is the only business in the world with a vertically integrated value chain, from the extraction of fluorite, through HF, to the production and sale of refrigerant gases and medical propellants in the Americas, Europe and Asia.

Leading position in European, North American and South American markets, with strong growth prospects and indisputable global leadership.

Our net sales to third parties in 2024, by geographical area of destination, were 31% in Europe, 36% in North America, of which 24% were in the United States, 10% in Mexico and 2% in Canada, 20% in South America and Central America, of which 9% were in Brazil, and 13% in Asia, Africa among others. Over the past nine years, we have expanded our operations throughout the Western Hemisphere, the Middle East and Africa, and we currently have production facilities in 10 Latin American countries, as well as facilities in the United States, Canada, Japan, China, the United Kingdom, Oman, South Africa and Israel. There are attractive growth projections in infrastructure and construction in the emerging markets where we sell our main Polymer Solutions and Building and Infrastructure products due to a significant housing deficit, insufficient infrastructure, lack of access to water and sanitation and electricity.

We have a strong presence in the American, European and Asian markets due to the position of our Fluor and Energy Materials business group as a vertically integrated fluorspar business in these regions. Furthermore, we have the concession rights for the exploitation and extraction in Mexico of one of the world's largest fluorite mines and have modern plants for the production of HF and refrigerant gases, which permit us to forge solid relationships with strategic market participants. In addition, our geographical proximity to the end fluorochemicals market in the United States gives us a competitive advantage. We frequently enter into long-term U.S. dollar-denominated contracts with reputable international customers for the sale of the fluorite and HF we produce. Our global positioning will permit us to explore opportunities in order to supply more value-added products.

This business strategy has enabled us to become one of the world's top producers of chemical products, the sixth largest global producer of PVC resins and the largest global producer of specialty PVC resins, as well as one of the global leaders in manufacturing plastic pipes and fittings of PVC and PE, among others. In addition, we are one of the fully vertically integrated fluorochemical companies in the world.

Strong track record of integrating and operating acquired companies which have contributed to the significant growth of our net sales and Orbia EBITDA, making us a leader in the industries in which we operate.

We have demonstrated long-term success and stability in integrating and operating acquired businesses as an integral part of our global operations. Over the past two decades, we have completed and successfully consolidated more than 30 acquisitions across the Americas, Europe, the Middle East, Asia and Africa, building a resilient platform for sustained growth. Our disciplined approach to integration, combined with a strong operational foundation, has allowed us to preserve the value of acquired businesses while enhancing their performance within our portfolio. This consistent track record reflects our ability to execute complex transactions and operate acquired companies in alignment with our strategic objectives across diverse markets and regulatory environments.

In February 2022, we acquired a 67% stake in Vectus, a manufacturer of plumbing and drainage pipes and the market leader in water storage tanks in India. The transaction includes a call and put option that can be executed for Orbia to purchase the remaining shares on the fifth anniversary of the transaction. In August 2022, we acquired Bow Plumbing Group, a leading Montreal-based manufacturer of plastic pipes and fittings with manufacturing in Quebec, Canada, with strategically located warehouses and commercial reach across the North American residential and commercial construction industry. In September 2022, we acquired Biarri Networks, a leading Denver-based technology provider that specializes in fiber optic network design solutions for the global telecommunications industry. Biarri Networks has offices in Australia, and the U.S.

In November 2023, we entered into a joint venture agreement with Syensqo (formerly Solvay) to establish what is expected to be the largest polyvinylidene fluoride (PVDF) production facility for battery materials in North America. Production is currently expected to begin in 2028.

In February 2024, we entered into a purchase and sale agreement with VPPL to sell the TBH business in India, including its manufacturing sites, in exchange for a 100% ownership of Vectus' Pipes and Fittings business. The transaction was completed on June 30, 2024.

On March 11, 2025, we announced the signing of a MoU with Supreme. Under the terms of the MoU, Supreme will acquire our Pipes and Fittings business in India and will obtain a license to use our proprietary water management technologies developed within our Business and Infrastructure business group. The transaction is expected to close in June 2025, subject to the satisfaction of customary closing conditions, including completion of due diligence and receipt of applicable regulatory approvals.

A continuous focus on specialty and value-added products

We will continue to use our competitive advantage to develop new and advanced production processes in our 21 research and development centers. These centers also develop new products focused on customer needs, making products available to customers through an extensive distribution network in the markets in which they participate. We will also continue to develop and implement our own technologies and processes that will generate significant benefits for us and for the entire industry in general. For example, we have our own technology to produce PVC resins, PVC pipes, compounds, plasticizers and HF purification. These technologies allow us to produce unique tubes that meet the requirements of most infrastructure projects and other competitive advantages. In addition, we have developed solutions based on fluorite compounds for the cement industry that allow for the optimization of

Clinker production. We have also advanced urban climate resilience solutions, expanded our circularity-focused product portfolio, and strengthened our offering of low-GWP refrigerants and propellants. These innovations not only generate economic value but also contribute to reducing our environmental impact by lowering our carbon footprint.

Experienced management team with extensive industry experience

Our key executives have held leadership positions at top-tier global companies and have more than 25 years of professional experience. Our executive team has a proven track-record of operating successfully in the industry, strengthening our operations and integrating new acquisitions in order to grow our businesses.

Strong relationships with major suppliers and long-term contracts

We operate under long-term product supply contracts with our main domestic and foreign customers and suppliers, which allows for sustainable development. Based on growth potential and size, we have defined the market segments we wish to participate in and, under this contract scheme, have positioned ourselves alongside strategic clients in markets with high growth potential. This lends us a competitive advantage that is difficult for our competitors to replicate.

Significant economies of scale with strategically located facilities that results in low-cost operations

We benefit from an economy of scale in the global fluorspar market because: (1) we hold concession rights to the world's largest fluorite mine, according to estimates made by experts certified by the Mining and Metallurgical Society of America, and, through the acquisition of FDM, we increased our potential reserves of the highest purity fluorite, (2) we have one of the world's largest HF production capacities, according to the latest survey conducted by Roskill Consulting, (3) we have strong relationships with strategic market participants, (4) we are a world leader in the chemical fluorspar market, especially in the production of refrigerant gases and (5) our raw materials and productions facilities are strategically located with access to the U.S. fluorocarbon market.

Koura, our Fluor and Energy Materials business group operates under long-term U.S. dollar-denominated contracts with international customers for the supply of acid grade fluorspar. We believe that, given Koura's global scale, it can explore opportunities within the fluorochemicals industry with a greater number of value-added products.

The concessions for the exploitation of the fluorite mine and HF production facilities are near the border with the United States and the coast of the Gulf of Mexico. This location gives us easier access to the market in the United States, which has the highest fluorspar demand in the world. The Orbia EBITDA margin (Orbia EBITDA divided by net sales) of our Fluor and Energy Materials business group for the year ended December 31, 2024 was 27%.

In our Polymer Solutions business, Vestolit begins its processes by extracting salt from its own mines to produce PVC resin, which is one of the main raw materials used in the manufacturing of plastic pipes in Wavin and Netafim. In October 2013, Vestolit entered into a joint venture with OxyChem for the construction of an ethylene cracker in Ingleside, Texas. The ethylene cracker began commercial operations during the second quarter of 2017, which has allowed us to benefit from vertical integration in the value chain from ethane to PVC. This reduces the cost of our PVC production and allows us to directly manage the production and supply of our main raw material, ethylene.

Raw materials and production facilities are located in advantageous geographic areas, which permits us to reduce operating costs. We also own (through a joint venture) a port terminal in Altamira in Mexico, which not only reduces costs but also provides us with better access to export markets.

We are reducing manufacturing costs through a number of targeted actions. These include optimizing assets in the Americas and Europe across several businesses, pursuing supply chain and logistics efficiencies, and introducing innovations that enable lower raw material costs. We are also simplifying our portfolio through SKU rationalization and improving plant efficiency. In addition, We are decreasing SG&A costs across businesses and functions. This includes collapsing regional substructures to reduce costs and improve efficiencies, exploring the development of global capability centers in low-cost regions for IT and other functions, and simplifying corporate and administrative structures.

Innovation through research, development and patented production processes

We have a product research and development department with human resources and facilities that foster processes and products innovation that are tailored to our customers' needs. We have our own technology for our production processes which places us at the forefront of technology since we have developed our different production chains, unique designs that give us advantages over our global competitors. Our 21 research and technology centers are located in the United States, Mexico, the United Kingdom, Colombia, Germany, India, the Netherlands, Poland and Israel. Our research and development strategy is focused on improving the rate of return on projects and aligning product development with regional customer needs. This regional approach has enhanced our ability to address the specific technological requirements of our customer base across different markets. In total, we have more than 3,500 patents, including both granted patents and those pending registration.

A global growth model driven by purpose

In 2024, we continued to propose innovative solutions for three global challenges that affect communities and cities throughout the world:

- Food and water security;
- Connectivity and access to information; and
- Decarbonization and energy transition.

These trends present challenges for our clients that we seek to identify and mitigate by taking their needs into consideration. We have decided to place the customer at the center of our strategy in order to develop solutions focused on our clients that are increasingly specialized, technological and innovative.

Our vertical integration strategy has reduced our exposure to any price volatility of our main raw materials: Koura is 100% integrated from the exploitation of fluorite to the production of refrigerant gases. Since February 2017, the Vestolit is approximately 70% integrated and has thus achieved significant integration from salt extraction to PVC production, which has allowed us to improve profitability through better cost management. In addition, we focus on improving top line growth with strong profitability and asset turnover aiming to improve the return on invested capital in order to achieve and maintain us above our weighted average cost of capital, through the assets and operations we currently have.

Commitment to safety and social and environmental responsibility

We continue to position ourselves as a strong player in sustainability, corporate social responsibility and corporate governance. In 2024, the following milestones were achieved:

- Sustainability: In 2024, we continued to advance our climate action initiatives, reinforcing our commitment to validated science-based targets. Our goals include reducing Scope 1 and 2 greenhouse gas (GHG) emissions by 47% by 2030, using a 2019 baseline, and lowering Scope 3 GHG emissions (specifically categories 11 and 12) by 30% within the same timeframe.

To date, we have achieved a 26% reduction in Scope 1 and 2 emissions and a 33% reduction in Scope 3 emissions relative to our 2019 baseline, demonstrating consistent progress toward our 2030 targets. The reduction in Scope 3 emissions—already exceeding our 2030 goal—reflects the positive impact of our low-global warming potential (GWP) propellants and refrigerants portfolio. Our aim is to achieve net zero carbon emissions (Scope 1 and 2) by 2050. We acknowledge, however, that external market conditions also contributed to this outcome. We remain committed to driving continued performance improvements to ensure long-term, sustained progress.

We have also made significant strides toward our 2025 Zero Waste to Landfill goal, achieving this milestone in 89% of our facilities as of 2024. In addition, we have reduced sulfur dioxide emissions by 81% compared to our 2018 baseline, surpassing our 2025 target of a 60% reduction.

Currently, 58% of our sites are certified under an environmental management system, with a goal to reach 100% certification. At Orbia, we recognize the interdependence of climate, water, and biodiversity, and understand that effective water stewardship can contribute to climate mitigation and ecosystem resilience. We are working toward achieving a net-positive water impact by conducting water risk assessments, developing site-specific water stewardship plans and targets, and participating in collective action initiatives within priority water basins.

The health and safety of our people and stakeholders remains our highest priority. Since 2016, we have reduced our total recordable incident rate (TRIR) by approximately 75%. In 2024, the dedication of our employees and contractors enabled us to meet our TRIR target of 0.49. Looking ahead, our programs for 2025 and beyond are designed to advance Orbia toward industry-leading safety performance and achieve our medium-term TRIR goal of 0.2.

Our 2024 Impact Report provides further detail on these achievements and outlines progress across a broad range of sustainability metrics.

- Corporate social responsibility: Aligned with our business activities, we focus on our areas of expertise and prioritize initiatives that enhance water access and management, strengthen food security, promote social empowerment through circularity and expand access to science, technology, engineering and mathematics (STEM) education. In 2024, our total community investment was US$3.9 million.

- Corporate governance: Since 2021, our CEO and senior executives have participated in a variable short-term incentive (STI) program, with 75% of the performance metrics tied to shared financial objectives and Purpose and Values metrics aligned with our strategic sustainability targets. As of 2024, our board of directors comprised 11 members representing four countries. Of these, 64% are independent directors—above the 25% minimum required by the Mexican Securities Market Law and our corporate bylaws. Additionally, three of our board members are women, representing 27% of the board's composition.

We have continued our efforts that we have been making in recent years, which are summarized below:

- In 2018, we joined the United Nations Global Compact, reporting on our commitment and actions with respect to the ten principles of the compact in our annual impact report since that year.

- In 2019, we joined the United Nations Global Compact Water Mandate, committing ourselves to six areas of water management. Today, we are one of a group of 175 companies worldwide that have joined this pact. To further our commitment, in 2023 we joined the Business Leaders' Open Call for Accelerating Action on Water, a unified corporate initiative aimed at enhancing global water resilience.

- We are a participant in the UN-sponsored Forward Faster initiative—a global call to action designed to accelerate private sector contributions across five critical areas where businesses can drive meaningful and rapid progress toward achieving the 17 Sustainable Development Goals (SDGs) by 2030. As part of this commitment, we have prioritized the water resilience target.

- We provide leadership, support and funding to the Latin America Conservation Council (LACC), a coalition of global leaders dedicated to advancing nature-based solutions and initiatives aligned with the Sustainable Development Goals (SDGs) to protect, restore, and promote biodiversity across the region.

Our sustainability disclosures are grounded in a double materiality assessment and are aligned with leading international frameworks, including the Global Reporting Initiative (GRI) Standards, the 2018 Sustainability Accounting Standards Board (SASB) Chemicals Standards, and the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). We are also preparing to comply with the International Financial Reporting Standards (IFRS) Foundation's Sustainability Disclosure Standards (S1 and S2), which are mandatory for listed companies in Mexico, as well as with the European Union's Corporate Sustainability Reporting Directive (CSRD).

Maintaining an agile and solid financial structure

We seek to maintain a solid and flexible financial base that will allow us to support our growth objectives. We seek to maintain a Net Debt/ Orbia EBITDA ratio of no more than 2.5 in the long-term. We continue to implement our financial strategies, including a conservative debt profile, a conservative hedging structure and strategies to hedge exposure to foreign exchange rates and thus be able to continue executing our growth strategy.

Implementing a business culture

Our current operations are the result of over 30 business acquisitions that have positioned us as a leader in different countries, regions and markets, through the integration of diverse companies and work cultures. In this sense, we consider that a consolidated business culture is important for meeting our objectives for ourselves and the market. We are proud to establish and spread among our companies our mission, vision, unique values and strict adherence to our Code of Ethics as part of our organizational culture so that our employees are not only aware of it, but also apply it to their daily lives.

Polymer Solutions

In our Polymer Solutions business group, we manufacture (i) basic chemicals including ethylene, chlorine, caustic soda and their derivatives, VCM, EDC and specialty chemicals, (ii) phosphates used in food and beverages, soaps and detergents, fertilizers and food supplements, (iii) the vinyl process, which produces general resins used for pipes and fittings, cable, flexible and rigid films, bottles, medical devices, etc., (iv) specialty resins used for flooring, wallpaper, coatings, among others; (v) the plasticizer process that produces phthalic anhydride and a wide variety of plasticizers used in the processing of plastic resins, and (vi) the compound process, which produces specialty polymer compounds and additives, such as stabilizers, plasticizers, and colorants used in the manufacturing of products for various applications, including medical products, industrial and consumer goods, and construction materials, among others.

The production process within our Polymer Solutions business begins with salt extraction, where water is injected into underground salt domes to produce brine. The brine is then transported through pipelines to a processing facility, where it is subjected to electrolysis to generate chlorine and caustic soda. Chlorine is subsequently combined with ethylene to produce VCM, which is then polymerized to manufacture PVC.

We achieve self-sufficiency in VCM through upstream integration. Chlorine is sourced from our chlor-alkali operations in Germany, while ethylene is supplied through a joint venture with OxyChem in the Americas. This joint venture is supported by an exclusive VCM supply agreement. Although we maintain additional contracts for smaller volumes, we expect to continue relying primarily on this exclusive arrangement. This vertical integration strategy enables us to reduce PVC production costs and capture value throughout the production chain.

PVC resin is a versatile plastic that can be used for a significant number of applications for everyday use, such as: pipes for conveying drinking and irrigation water; coatings for electric conductor cables; profiles for windows, doors, façade sidings, or even entire houses; roof tiles; floorings; upholstery; auto parts and home appliances; clothing and footwear; containers and packaging; medical devices; adhesive tapes; among other products.

In addition to standard PVC production, our Polymer Solutions business group also manufactures customized plastic compounds formulated to meet specific customer requirements for end-use applications. These compounds incorporate processing and functional additives to deliver performance characteristics tailored to the intended application. Our Polymer Solutions business also sells by-products generated from the production of chlorine and caustic soda.

Our Polymer Solutions business group encompasses 18 production sites with 28 plants operating in Mexico, Colombia, United States, the United Kingdom, Germany and India. These facilities are engaged in the production of PVC and specialty resins, compounds, VCM (produced only in Germany) and other by-products such as chlorine and caustic soda. The business also operates an ethylene cracker through a joint venture with OxyChem and manages a salt mining operation.

Our Polymer Solutions business group holds a range of certifications across its operations, reflecting its adherence to internationally recognized standards for quality, safety, health, and environmental management. These include 18 ISO 9001-certified sites, 14 ISO 45001-certified sites, and 12 ISO 14001-certified production sites. In addition, the business group maintains 7 SARI (Responsible Care) certified sites, 4 Clean Industry certified sites, and various other site-specific certifications, including ISCC (International Sustainability & Carbon Certification), EMAS (Eco-Management and Audit Scheme), HACCP (Hazard Analysis and Critical Control Points), FSSC (Food Safety System Certification), AAR (Association of American Railroads), as well as KOSHER and NSF certifications. These certifications support our commitment to maintaining rigorous safety, quality, and environmental standards throughout our manufacturing operations.

We believe that the earnings potential of the Polymer Solutions business will be driven by a strong recovery in market demand and strategic PVC capacity consolidation, which are expected to support higher pricing levels, and by increased demand for specialized compounds in high-value applications such as data center wire and cable, medical devices, and electric vehicles.

The key growth projects of our Polymer Solutions business group include the expansion of our Specialty PVC capacity and the development of semiconductive and halogen-free wire and cable compounding solutions.

Sales

In 2024, the sales and Orbia EBITDA (including intercompany transactions) of our Polymer Solutions business group were US$2,529 million and US$356 million, respectively. Compared to 2023, this represented (i) a decline of 6% for sales, mainly driven by lower resin prices and derivatives volumes and prices, partially offset by higher resins volumes, and (ii) a decline of 7% for Orbia EBITDA, mainly driven by lower net sales and one-time restructuring expenses, partially offset by benefits from cost-savings initiatives. In 2023, net sales were US$2,699 million and Orbia EBITDA was US$382 million.

The table below shows the production and sales volumes of our Polymer Solutions business group for 2024, 2023 and 2022

	As of December 31,		
Polymer Solutions (1)	**2024**	**2023**	**2022**
Volume (thousand tons)	2,430	2,351	2,480
Net Sales (2)	2,529	2,699	3,696

(1) Amounts set forth have only been adjusted to eliminate intra-business group (but not inter-business group) transactions.

(2) In millions of U.S. dollars.

Products

The Polymer Solutions business group produces a broad portfolio of products across three primary categories: derivatives, resins, and compounds. The following is a summary of our main products and their key applications across industrial and consumer markets.

Derivatives

- Ethylene: This is the most important segment of the petrochemical industry given it can be converted into a large number of final and intermediate products such as plastics, resins, fibers and elastomers, including polyethylene and polyvinyl chloride, solvents, coatings, plasticizers and antifreezes, among others.

- Salt: This is a naturally occurring compound composed of sodium (Na) and chlorine (Cl), with the chemical formula NaCl. It is a key raw material in the production of chemicals such as chlorine and caustic soda, among other applications.

- Chlorine: This is mainly used for the production of long-life products such as VCM, which is the basic raw material for PVC production, titanium dioxide production (raw material for white paints), bleaching of cellulose in the pulp and paper industry, production of agrochemicals, water treatment, disinfection and purification, chemical and pharmaceutical industry in general.

- Caustic soda: The main applications of caustic soda include the production of oils, soaps and detergents, regeneration of ionic exchange resins for water treatment, washing of glass bottles, bleaching of cellulose in the pulp and paper industry, production of refined sugar, dyeing of cotton fabrics, production of agrochemicals, manufacture of gelatins and cleaning products in general, among others.

- Methyl chloride (also known as chloromethane): This is a colorless, flammable gas at room temperature and pressure, and is commonly used as a refrigerant, solvent, and in the production of silicone polymers.

- Ethyl chloride (also known as chloroethane): This is a colorless, volatile liquid with a sweet, ether-like odor, and it is used as a refrigerant, local anesthetic, and solvent.

- Hydrochloric acid: This is used (i) to produce high fructose which in turn is used as sweetener in the soft drinks, candy and brewing industries; (ii) for drawing and pickling metals; (iii) in the pharmaceutical industry for the production of medicines, (iv) for the manufacture of pigments and dyes, (v) for the manufacture of ferric chloride, which is used in the lithography industry, among others; and (vi) for the manufacture of plastics and rubber, in the oil industry, and ceramics, among others.

- Sodium hypochlorite: This is mainly used for the manufacture of liquid bleach, as a general sanitizer, for the treatment and purification of water, for the manufacture of industrial catalysts, for bleaching and deinking paper, among other uses.

- General purpose PVC resins: These are versatile, low-cost thermoplastics valued for their strength, light weight, flexibility, and safety. They are used across a broad range of applications, including building and construction, pipes and accessories, profiles, wires and cables, window frames, medical devices, and containers.

- Specialty PVC resins: These are engineered for specific performance requirements in applications such as flooring, wallpaper, textile and technical coatings, automotive components, and artificial leather. These resins serve niche segments where enhanced properties or processing characteristics are required.

Compounds

- Phthalic anhydride and a wide variety of plasticizers are used in the processing of plastic resin.

- Specialty polymer compounds and additives, such as stabilizers, plasticizers, and colorants, are used in the production of polyvinyl chloride compounds. These materials are utilized in various applications, including medical, industrial, consumer goods, and construction. Compounds are employed in a range of products, such as medical devices, wire and cables, flexible profiles, shoe injections, automotive components, computer circuit holders, pipe accessories, purified water bottles, bi-oriented containers and packaging, and containers for edible oils, vinegar, detergents, cleaners, juices, sauces, and coffee powder.

Cyclicality

The performance of our Polymer Solutions business group, as a producer of raw materials within the chemical industry, is linked to expansions and contractions in the international economy and the supply and demand balance of key raw materials might have a significant impact on prices. The main drivers of this cyclicality are related to PVC and chlorine-caustic soda.

We are the largest producer of PVC in Latin America and the sixth largest in the world. We are also the largest producer of specialty resins globally. The global PVC market is linked to the construction industry, which depends on the contraction and expansion of global regions and countries' economies.

The global market for chlorine-caustic soda is closely tied to industrial activity cycles, spanning sectors such as vinyls, alumina, inorganic and organic chemicals, pulp and paper, and chlorine intermediates, among others. Additionally, the market is affected by seasonal fluctuations in demand for water treatment.

Competition

We operate in global markets, with a strong presence in Europe, North America, and Latin America, and are actively pursuing expansion in Asia and Africa. Our competitive position in the PVC and specialty resins markets is supported by vertical integration and strategic alliances. We are a market leader in general-purpose resins in Mexico and Colombia, and lead the specialty resins segment in Latin America, Europe, and the United States. Additionally, we are the world's largest producer of PVC specialty resins.

Our principal competitors in the PVC market in Latin America and Europe include Shin-Etsu, Westlake, Formosa, INEOS, and OxyChem. We differentiate our portfolio through a range of specialized products, including high-impact suspension PVC resins (HIS-PVC), Organosol-grade products, acrylic copolymers, high-yield PVC resins, and compounds with low-smoke, flame-retardant, or halogen-free properties. We are also developing a portfolio of more sustainable offerings, such as Future-Fit PVC, produced with fossil-alternative feedstocks, and Caustic Soda Blue, manufactured using renewable energy. Our competitive position is further bolstered by a long-term supply and co-investment agreement with OxyChem, as well as a decade of inorganic growth initiatives.

Building and Infrastructure

Our Building and Infrastructure business group is a global provider of plastic piping systems and innovative solutions for the construction and infrastructure industries, with a focus on water management and distribution as well as indoor climate systems. Specific product segments are used for drainage solutions, stormwater management solutions, potable water solutions, indoor weatherization solutions, and flooring and landfill systems.

We aim to create sustainable solutions that last longer and require reduced installation time and labor costs. Serving customers on three continents, we are also developing new, sustainable technologies around water collection and management and heating and cooling systems, as well as a revolutionary plastic road, which is made of 100% recycled plastic, making it sustainable, lightweight, and faster to install, and it can be used for various purposes. We have a global technology and innovation center in the Netherlands, including a pilot plant, a certified laboratory, and a design center. Globally, we have nine training facilities, and our global headquarters are located in Amsterdam, the Netherlands.

In Europe, we are the leading supplier of plastic pipe systems and water conduction solutions, offering innovative products through a wide network of distributors, plumbing dealers, civil contractors, housing developers, large installers, utility companies, and municipalities. In Europe, we are building on our strong "Wavin" brand and operate 18 production plants and two research and development facilities.

We are a market leader in Europe with a diversified portfolio of products, featuring over 47,000 SKUs, and we employ approximately 3,800 people.

In Latin America, we are one of the largest producers and suppliers of pipes, fittings, systems, and solutions for water conduction in the construction industry (residential and commercial) and the infrastructure segment through our main brands "Amanco," "Pavco," and "Plastigama," which have been dual-branded since 2020 by the global "Wavin" brand. In Latin America, we have 21 production plants with approximately 5,900 employees manufacturing a portfolio of around 15,000 products.

In the Asia-Pacific region, we relaunched our operations in 2020, establishing new administrative facilities in Indonesia and India to support future growth. In 2024, we streamlined our manufacturing operations, focusing on core plastic pipes and fittings products. This consolidation reduced our manufacturing footprint to three sites, along with one local research and development center. The Batang, Indonesia plant began partial operations in late 2024, with full operational capacity expected in 2025.

In North America, we began operations in August 2022 with the acquisition of Bow Plumbing Group. This acquisition marked a strategic entry into the region, which is a key focus of our current growth strategy.

We believe that the earnings potential of the Building and Infrastructure business will be driven by a recovery in construction activity and demand for housing stock worldwide, and an increase in demand for urban climate resilient solutions.

The key growth projects for our Building and Infrastructure business group include the expansion of the development and commercialization of advanced sewer system components such as biaxially-oriented PVC (BoPVC) pipes and push-fit fittings, and prioritizing the strategic expansion of its geographic footprint into new markets.

Sales

In 2024, the sales and Orbia EBITDA of our Building and Infrastructure business group were US$2,497 million and US$274 million, respectively. Compared to 2023, this represented (i) a decline of 7% for sales, mainly driven by lower sales volumes in Europe, specifically in Germany and France, and weaker demand in Latin America, and (ii) a decline of 4% for Orbia EBITDA, mainly driven by lower volumes and prices and one-time legal and restructuring costs, partially offset by the benefits resulting from cost reduction initiatives. In 2023, net sales were US$2,678 million and Orbia EBITDA was US$284 million.

The table below shows the sales by geography of our Building and Infrastructure business group for 2024, 2023 and 2022:

	As of December 31,		
	2024	**2023**	**2022**
	(in millions of U.S. dollars)		
Building and Infrastructure			
Europe/APAC/North America	1,368	1,517	1,625
LATAM	1,143	1,175	1,313
Eliminations	(14)	(14)	(12)
Total	**2,497**	**2,678**	**2,926**

Products

The Building and Infrastructure business group, commercially known as Wavin, serves the following market segments:

Wavin Hot & Cold Systems

Our Hot & Cold business unit focuses on five core applications: potable water, fire sprinkler systems, industrial piping, radiator heating systems, and indoor gas. These applications are vital across residential, commercial, and non-residential buildings. To address diverse market needs, we offer a comprehensive portfolio of pipes and fittings, including flexible, rigid, and semi-rigid systems in various materials, connection methods, wall constructions, and diameters.

Installation practices and regulatory requirements differ across regions such as APAC, Latin America, and EMEA, and we aim to provide tailored solutions while capturing economies of scale. This approach requires a deep understanding of local market dynamics. In addition to our physical products, we offer a range of value-added services, including system design support, project calculations, Building Information Modeling models, service life assessment tools, and testing for drinking water quality and hydraulic performance.

Indoor Climate Systems

We are continuously strengthening our presence in the European indoor climate segment by expanding our dedicated Building and Infrastructure business group to serve key regional markets. We develop, manufacture, and sell integrated systems designed to enhance indoor environmental quality with a focus on energy efficiency and user comfort.

Our primary offerings include:

- Water-based underfloor heating systems, including pipes, flooring solutions, collectors and distribution systems.
- A water-based roof cooling system that delivers energy-efficient, noise-free cooling as an alternative to conventional air conditioning.
- Thermal interface units for district energy applications (Calefa),
- Ventilation systems with heat recovery (Ventiza) including units, ducts and accessories for complete installations.
- A portfolio of control systems, including the high-end Sentio platform, which enables seamless integration across systems.

These solutions are designed for ease of installation, long-term reliability, and smart connectivity, which are key differentiators in the market. Our Indoor Climate Solutions business primarily targets the residential new-build segment, while also seeing growing demand in light commercial buildings and residential renovation projects.

Soil & Waste

Our Soil & Waste product line supports our broader mission by improving construction performance and contributing to sanitation and hygiene standards. The portfolio covers all segments of the value pyramid, offering low-, medium-, and high-specification systems manufactured from polyethylene (PE), polypropylene (PP), and PVC. This range enables us to serve a broad spectrum of global customers, from price-sensitive markets to high-end construction projects. We offer tailored solutions supported by a wide product selection, comprehensive technical assistance, and customer service. Our ability to develop value-added products, including specialized PVC systems, allows us to introduce market-leading innovations in regions such as Latin America and APAC. In EMEA, our Building and Infrastructure business is enhancing its market position with advanced offerings such as SiTech+ and AS+, which adhere to stringent performance and quality standards.

Urban Climate Resilience

We are a leading global provider of surface water management solutions, supporting urban areas in addressing flood risks, controlling groundwater depletion, and mitigating heat stress through a comprehensive portfolio of products and technical expertise.

Our surface-level solutions include the QuickStream® siphonic roof drainage system, designed for efficient removal of water from large roof areas, as well as gutters, troughs, and drainage channels that collect runoff from paved and impermeable surfaces. Subsurface water is managed through systems such as X-Stream®, Novafort®, and land drainage piping, with access provided via Tegra manholes.

To improve water quality, Tegra road gullies and Certaro® filtration systems are used to remove debris, sediment, and oils prior to discharge. For sustainable stormwater management, AquaCell® and Q-Bic Plus® systems support either infiltration into the ground or temporary water storage, enabling controlled release and reducing pressure on municipal stormwater infrastructure.

Foul Water Systems

The Foul Water Systems business unit develops, manufactures, markets, and sells plastic pipes, fittings, manholes, and related components to support the construction of sustainable and resilient underground infrastructure. Solutions are tailored to customer specifications and utilize materials such as PVC—e.g., Novafort in Latin America—and polypropylene—e.g., Acaro and Tegra® in Europe. These systems are used in both combined sewer networks (handling foul and storm water) and separate systems. Foul water is conveyed to treatment facilities, while rainwater, following basic filtration, may be discharged into natural water bodies such as lakes, canals, and rivers, or reused locally for irrigation of trees and green spaces.

Our Building and Infrastructure business places a strong emphasis on sustainability, including the use of recycled materials in multilayer pipes marketed under brands such as Recycore®, EcoTP, and U3, in countries where regulatory frameworks permit their use. In other regions, we actively engage with regulators to support the approval of recycled-content products. Across all markets, our focus remains on delivering durable, reliable, and easy-to-install solutions.

Cyclicality

The performance of our Building and Infrastructure business is influenced by economic cycles in the countries where we operate, with particular sensitivity to trends in the construction and housing sectors. In Europe, the business is also subject to seasonal fluctuations, with lower sales volumes typically recorded during the winter months of the first and fourth quarters.

Wavin's sales are impacted by economic cycles, particularly within the construction and housing sectors, in the countries in which it operates.

In Europe, the United States, Asia, the Middle East and Africa, Wavin experiences seasonality. Generally, the first and fourth quarters of each year show the lowest performance caused by the winter season in Europe and the United States. However, climate conditions over the last few years have changed in such a manner that demand has been affected by various factors, including an unpredictable and sometimes shorter winter period.

Competition

Based on internal assessments, we estimate that our Building and Infrastructure business group holds approximately 26% of the PVC pipe market in Latin America. In this region, we also believe we maintain a significant share of the wholesale market, with a leading position in most countries. In Europe, we estimate a market share of approximately 13% across a broad range of applications, including both interior and exterior building systems as well as infrastructure-related solutions.

Connectivity Solutions

Our Connectivity Solutions business group, through Dura-Line, is a leading manufacturer and distributor of high-density polyethylene (HDPE) conduit and accessories, offering data-driven design solutions for complex fiber-optic networks and other connectivity solutions across the telecommunications, data center, transportation, and electrical markets.

Our Connectivity Solutions business group operates 19 production facilities across North America, Europe, India, and Oman. Its customer base includes major global internet service providers, multinational cloud companies, regional utility providers, and state transportation authorities. The business is primarily focused on the United States and Canada, while also maintaining a presence in the EMEA and APAC regions.

We believe that the earnings potential of the Connectivity Solutions business will be driven by the US$90 billion allocated to support broadband deployments across the U.S., as well as significant investments in AI/cloud data center and energy grid infrastructure.

The key growth projects of our Connectivity Solutions business group include the expansion of capacity in North America to support increasing demand, the development of innovative power, data center, and aerial network solutions, and the advancement of our network services and software offerings.

Sales

In 2024, the sales and Orbia EBITDA of our Connectivity Solutions business group were US$839 million and US$108 million, respectively. Compared to 2023, this represented (i) a decline of 25% for sales, mainly driven by lower sales volumes and prices, and (ii) a decline of 67% for Orbia EBITDA, mainly driven by lower volumes and prices, partially offset by cost reduction initiatives. In 2023, net sales were US$1,125 million and Orbia EBITDA was US$327 million.

Products

Our Connectivity Solutions business group is a leading manufacturer and distributor of high-density polyethylene (HDPE) conduit, accessories, and other connectivity infrastructure products serving the telecommunications, data center, transportation, and electrical markets. These products are marketed under the Dura-Line brand. With over 50 years of industry experience, the business has established a strong reputation for delivering safe, efficient, and durable infrastructure solutions, producing more than 1.6 billion feet (approximately 500 million meters) of conduit annually.

Sales of standard HDPE conduit—available in sizes ranging from 0.5 to 12 inches (1.3 to 30.5 cm)—represent the largest share of revenue in the Connectivity Solutions business group. HDPE conduit plays a critical role in global fiber and power networks by protecting cable assets throughout their operational lifespan and offering advantages in terms of installation and long-term performance.

We have also established a leading position in the global MicroDuct market, serving primarily the Fiber to the Home (FTTH) and data center segments. These miniaturized conduit pathways and accessories offer flexibility, scalability, and infrastructure future-proofing to meet rising connectivity demands. Many of our conduit products incorporate our patented SILICORE® ULF ultra-low-friction inner lining, which enables faster, safer, and longer-distance cable installations.

In response to increasing demand for circular products and evolving international sustainability standards, we have developed several product lines—including MicroDucts, FuturePath®, and Smoothwall ECO—that are manufactured by reprocessing HDPE production fallout into new finished goods. These offerings contribute to reducing Scope 3 emissions for our customers (as supported by life cycle assessments) and support our broader Zero Waste to Landfill goals.

Our Connectivity Solutions business group has also expanded into digital training and service offerings to address real-world customer needs, including workforce challenges such as the shortage of skilled field technicians. Through our Dura-Line Academy online platform, we provide educational content for network owners, designers, engineers, and installers. The curriculum covers conduit design, installation practices, and includes partner-developed content in collaboration with industry organizations such as the Fiber Broadband Association and leading equipment manufacturers. Several courses are accredited by BICSI, the professional association for the Information and Communications Technology (ICT) industry.

In addition, we offer fiber-optic network design services under the Biarri Networks brand. Biarri consultants use patented algorithmic tools to help customers convert complex geographic, topographic, and engineering data into efficient high-speed network designs.

Cyclicality

Generally, sales of our Connectivity Solutions business group are lower in the first and fourth quarters of each year due to seasonality (primarily during the winter season in North America and Europe). However, climate conditions over the last few years have changed in such a manner that demand has been affected by various factors. Some climate conditions that have impacted performance in the past are hurricane season in the United States and tsunami season in India.

Competition

The Connectivity Solutions business group's primary competitive advantages include its global manufacturing footprint, broad sales coverage, extensive distribution network, and strong brand recognition, supported by a long-standing reputation for product quality. The Connectivity Solutions business group operates in a competitive environment across its geographic markets. In the utilities sector, key competitors include Performance Pipe (a division of Chevron Phillips Chemical Company), while in the HDPE market, principal competitors include Atkore, Emtelle, Hexatronic, and WL Plastics. The competitive landscape in developing markets is generally more fragmented than in the United States, Canada, or Europe.

Precision Agriculture

The Precision Agriculture business group provides agricultural, civil engineering, and project-based solutions focused on the management, distribution, and control of water for use in agricultural, farming, and aquacultural applications. Its broad portfolio allows it to deliver a wide range of solutions tailored to the specific needs of its customers.

Products are sold under the Netafim brand, which is widely recognized in key agricultural markets and known for its track record of innovation and leadership in irrigation technologies. Since launching the world's first commercial drip irrigation system in 1966, the Precision Agriculture business group has made substantial investments in research and development to advance micro-irrigation technologies. These efforts have contributed to the development of key innovations, including low-pressure and pressure-compensated drippers.

As a result of these initiatives, the Precision Agriculture business group is recognized as a global leader in advanced micro-irrigation, supporting improved agricultural productivity by enabling higher crop yields with reduced use of critical resources such as water, land, energy, labor, nutrients, and crop protection inputs.

We believe that the earnings potential of the Precision Agriculture business will be driven by the recovery of farmer and grower incomes, as well as resource scarcity — particularly in water, labor, and energy — which will accelerate the adoption of drip irrigation systems.

Sales

In 2024, the sales and Orbia EBITDA of our Precision Agriculture business group were US$1,038 million and US$125 million, respectively. Compared to 2023, this represented (i) a decline of 2% for sales, mainly driven by weaker demand in the U.S. and Turkey, partially offset by higher sales in China, Israel, Brazil, Africa and the

Middle East, and (ii) an increase of 6% for Orbia EBITDA, mainly driven by cost-saving efforts and improved operational efficiencies, partially offset by lower net sales. In 2023, net sales were US$1,063 million and Orbia EBITDA was US$118 million.

Products

The micro irrigation offerings of our Precision Agriculture business group mainly consist of drip irrigation solutions. The Precision Agriculture business group also distributes sprinklers and micro sprinklers. It primarily serves the agricultural market, though some of its products are used in landscaping and mining applications.

The portfolio of products of the Precision Agriculture business group includes drippers, dripping lines, components for strategic systems (such as filters, valves, and air valves), intelligent solutions and advanced digital technology for agriculture, that offers among other things, solutions for irrigation and fertilization, cloud-based systems and monitoring intelligent devices, analysis and crop control. Additionally, the business group supplies integral solutions for high output water supply and executes feasibility, design and implementation studies as well as post sale technical support.

Cyclicality

The performance of our Precision Agriculture business group is tied to the weather in the countries where it operates. Generally, we experience the highest demand for these products and services during the second quarter of each year.

Competition

The Precision Agriculture business group is a leader in precision irrigation products across North America, Latin America, Europe, and AMEA. Key competitors in the market include Jain Irrigation, Rivulis, Irritec, Toro, Azud, Metzer, and smaller local producers.

Fluor and Energy Materials

Our Fluor and Energy Materials business group is one of the world’s largest producers of fluorite, operating under a vertically integrated model that focuses on high-value, high-growth applications supporting greenhouse gas reduction and the global transition to sustainable energy. It holds leading industry positions in hydrofluoric acid and aluminum trifluoride and is one of the largest producers of fluorite globally.

The business group is also a major supplier of refrigerant gases, particularly R-134a, which is extensively used in the automotive and refrigeration industries. Its highly purified medical-grade R-134a serves as a propellant in inhalers for asthmatics, with the Fluor and Energy Materials business group meeting approximately 75% of global demand in this segment.

The Fluor and Energy Materials business group is committed to the development of low global warming potential (LGWP) refrigerants, making substantial investments in R&D to deliver a next-generation product portfolio that balances environmental benefits with industrial performance. Additionally, it is leading the development of low-GWP medical propellants, including those based on HFA-152a, working closely with major pharmaceutical companies to facilitate this transition.

As the energy storage industry continues to grow, the Fluor and Energy Materials business group is becoming an increasingly important supplier of fluorinated materials for energy storage applications. It collaborates with industry partners and researchers to develop and manufacture advanced fluorine-based materials, including electrolyte salts, binders, and high-performance additives used in lithium-ion batteries.

We believe that the earnings potential of the Fluor and Energy Materials business will be driven by a tightening fluorine value chain, coupled with growth in new applications across industries, and the rising demand for materials that meet the Inflation Reduction Act (IRA) compliance standards.

Key growth projects of our Fluor and Energy Materials business group include the expansion of the development and commercialization of low-GWP (global warming potential) medical propellants and refrigerants, the production of synthetic metallurgical fluorspar and the custom formulation of electrolytes for next-generation batteries.

Sales

In 2024, the sales and Orbia EBITDA of our Fluor and Energy Materials business group were US$862 million and US$234 million, respectively. Compared to 2023, this represented (i) a decline of 6% for sales, mainly driven by lower refrigerants volumes due to regulatory quota reductions aimed at phasing down high-GWP gases in both the U.S. and Europe, and (ii) a decline of 34% for Orbia EBITDA, mainly driven by lower net sales in refrigerant gases, one-time legal expenses and higher raw materials cost, partially offset by the benefits resulting from cost reduction initiatives. In 2023, net sales were US$918 million and Orbia EBITDA was US$354 million.

Products

- Metallurgical grade fluorspar: Metallurgical grade, or Metspar, is a mineral with a certain natural concentration of fluorine that varies depending on the application. It is a crucial raw material in the production of steel and cement. Metspar enables the removal of impurities, especially sulfur, when added to slag to produce stainless and low carbon steels. It is also a valuable additive in the production of clinker for the cement industry, increasing productivity and product performance. Metspar is a key additive to quality production of steel and cement with lower carbon footprints.

- Acid grade fluorspar: Acid grade, or concentrated fluorite, contains a minimum of 97% purity and is produced through flotation processes from lower-grade mineral ores. It is primarily used worldwide in the production of hydrofluoric acid, which serves as the chemical precursor for most fluorinated products.

- Hydrofluoric acid: Hydrofluoric acid, or hydrogen fluoride (HF), is mainly used in (1) the manufacture of refrigerant gases and propellant gases for air conditioning, refrigerators, freezers and medical applications for treatment of respiratory diseases, (2) the manufacture of highly specialized plastics known as fluoropolymers, (3) the manufacture of aluminum fluoride, (4) the manufacture of high octane gasolines, and (5) the cleaning of metallic surfaces such as the pickling of stainless steel, the manufacture of integrated circuits and fluorinated salts for a wide variety of applications.

- Aluminum trifluoride. This is primarily used as a flux in aluminum smelting by fused-salt electrolysis. It is essential for making production economically feasible at nearly all aluminum smelters worldwide.

- Refrigerants: Fluorinated gases are particularly effective at transferring heat, making them essential in refrigeration and air conditioning applications. Our Fluor and Energy Materials business group is actively developing low global warming potential (LGWP) refrigerants, with significant investment in R&D to create a new portfolio that delivers meaningful environmental and industry benefits over the medium and long term. Since 2021, we have introduced several new LGWP products including Klea® R473A, R456A, R448A and R444A, with additional innovations planned in the coming years.

- Medical Propellants: Fluorine-based medical propellants are used to safely deliver a variety of medications in aerosol form. These propellants are produced by purifying specific HFCs to meet medical-grade standards, in compliance with pharmaceutical specifications and Current Good Manufacturing Practice (cGMP) requirements.

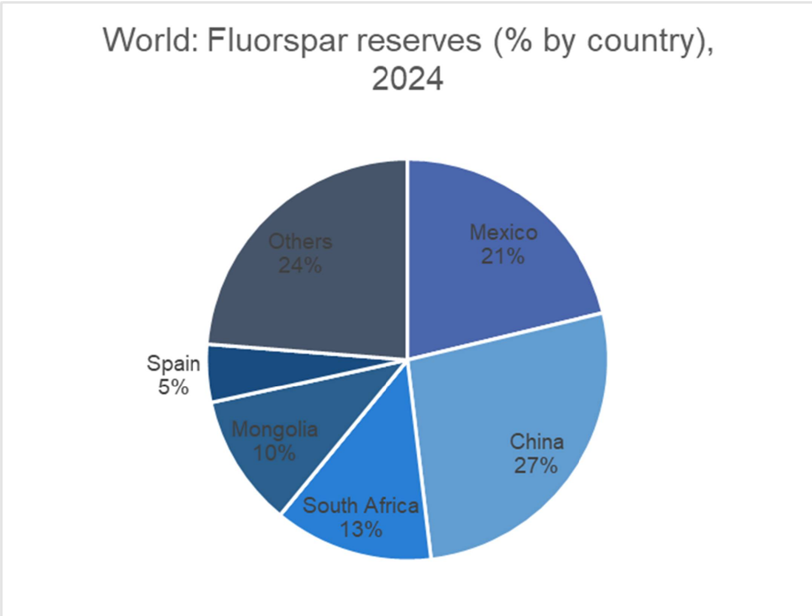
Cyclicality

Most of the product lines of the Fluor and Energy Materials business group, including metspar, acidspar, aluminum fluoride, HF and medical propellants display low cyclical behavior. The refrigerants business of the Fluor and Energy Materials business group may be seasonal. We see somewhat stronger refrigerant demand in the first half of the year as the supply chain builds stock for the summer cooling season.

Competition

The Fluor and Energy Materials business group supplies a significant proportion of global demand for fluorite, both directly and through its extensive distribution network. It is the market leader in the Americas and Europe and has a strong presence in the Asia Pacific region. The Fluor and Energy Materials business group sells fluorite to a diverse range of customers across various industries, including major manufacturers of fluorinated products, some of the largest steel mills in the world, and several key players in the Latin American cement industry. Approximately 80% of its production is exported globally.

The following chart shows the distribution of fluorspar reserves globally in 2024:



Excluding China, the Fluor and Energy Materials business group was one of the largest producers of hydrofluoric acid (HF) in the world during 2024. A significant portion of its HF production is exported to the United States, where it is primarily used in the production of fluorocarbons and other applications. The Fluor and Energy Materials business group competes in the HF market with major producers, including Chinese manufacturers, Honeywell, Chemours, and Lanxess. In recent years, the Fluor and Energy Materials business group has increased its internal HF consumption for downstream products such as refrigerant gases, energy materials, and other value-added fluorine applications.

We estimate that total global HF demand in 2024 was 2.8 million tons, with 71% of production occurring in China, 7% in North America, and 4% in Europe. The Fluor and Energy Materials business group competes in the HF market with major players, including Chinese producers, Honeywell, Chemours, and Lanxess.

The Fluor and Energy Materials business group benefits from its vertical integration, extending from fluorite production to refrigerants and medical propellants, which provides a high level of security of supply that we believe cannot be matched by non-integrated producers reliant on external fluorite sources. Additionally, its strong regional presence in North America and its substantial hydrofluorocarbon (HFC) consumption quota in Europe offer significant competitive advantages. In the medical propellant segment, the Fluor and Energy Materials business group supplies approximately 75% of global demand.

History

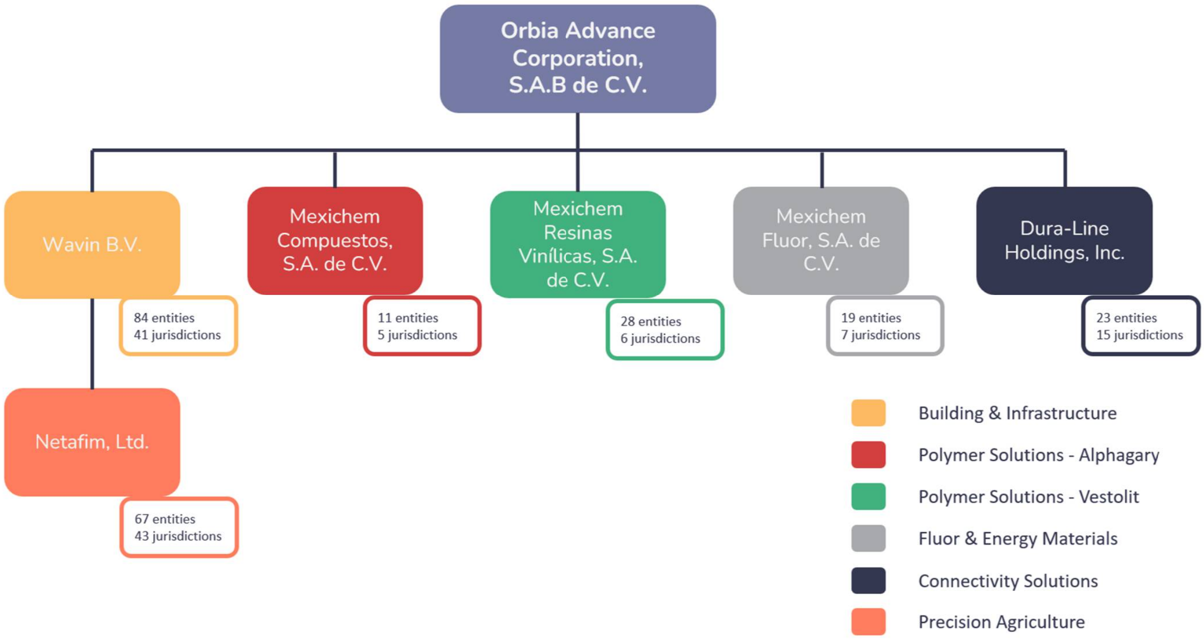
Our origin dates back to Cables Mexicanos, S.A., which was founded in 1953. We have been engaged in the plastic resin business since the creation of Polímeros de México and the construction of its PVC plant in San Martín Texmelucan, Puebla, in 1971. We were incorporated on June 30, 1978 in Mexico City, Mexico, under the laws of

Mexico with duration of 99 years. We were originally named Grupo Industrial Camesa, S.A. de C.V. (Camesa). Mexichem, S.A. de C.V. was originally a holding company subsidiary of Camesa. On April 27, 2005, the shareholders of Camesa and Mexichem, S.A. de C.V. resolved to merge Mexichem, S.A. de C.V. into Camesa and, as a result of this merger, Camesa changed its name to Mexichem, S.A. de C.V. On August 26, 2019, we changed our name once more from Mexichem, S.A.B. de C.V to Orbia Advance Corporation, S.A.B. de C.V.

Since 2003, we have grown from having operations in two countries, 10 production facilities and approximately 1,800 employees to having operations in 50 countries in which we have 122 production facilities, concessions for the exploitation of 2 fluorite mines in Mexico, 7 training academies, 21 research and development centers and approximately 23,000 employees.

Organizational Structure

Orbia is part of a business group comprising 238 subsidiaries as of December 31, 2024. The following chart shows our corporate structure:



As part of our ongoing strategic initiatives, we regularly evaluate opportunities to optimize the structure and focus of our business groups. These evaluations may result in the pursuit of divestitures, joint ventures, or other strategic transactions. In addition, certain business groups may undergo corporate reorganizations, internal restructurings or entity realignments in the future as we seek to align our operations with evolving strategic priorities and market conditions. Any such actions are considered on a case-by-case basis, taking into account factors such as alignment with our long-term objectives and anticipated operational efficiencies and synergies. There can be no assurance, however, that any such divestitures, joint ventures, or other strategic transactions, including reorganizations, restructurings or realignments, will be pursued or completed, or that, if undertaken, they will achieve the intended results.

Legal Proceedings

In the ordinary course of our business, we are involved in disputes and litigation. Below is a description of the material legal and administrative proceedings to which we were party as of the date of this offering memorandum. While the outcomes of disputes cannot be predicted, we do not believe that there are any pending or threatened actions, suits or proceedings against or affecting us which, if determined adversely to us, would individually or in the aggregate, materially harm our business, results of operations or financial condition.

Natural Gas Distribution Proceeding

On April 20, 2021, Dura-Line Corporation paused shipments and sales of small diameter natural gas distribution (NGD) pipe, defined as 1.5 inches and smaller, primarily sold for use in the United States, to investigate a potential quality issue. This issue does not affect Dura-Line's Datacom conduit products.

Following an analysis, the natural gas distribution business, now operated through PolyPipe LLC ("PolyPipe"), determined that the issue occurred intermittently and affected less than 1% of the small diameter NGD pipe produced at Dura-Line's Gainesville, Texas plant. Based on the analysis to date, management believes that any potentially affected pipe is unlikely to pose near-term performance risks.

PolyPipe resumed shipments and sales of small diameter NGD pipe from its Erwin, Tennessee plant, with enhanced monitoring, production, and quality control processes. PolyPipe has received compensation demands from certain direct and indirect customers for costs associated with addressing the issue, including the removal and replacement of potentially impacted pipe. In September 2021, Southern California Gas Company and San Diego Gas & Electric Company filed a complaint against Dura-Line in the California Superior Court of San Diego (subsequently transferred to the Superior Court of Los Angeles), asserting various claims based on allegations of non-conforming pipe purchases and seeking unspecified damages. The proceeding is currently ongoing. Dura-Line denies liability and intends to vigorously defend against the claims. PolyPipe may receive additional compensation demands in the future, which could result in further litigation and potential material liabilities.

Ethylene Matter

In 2023, Shell Chemicals Europe B.V. ("Shell") filed a claim for damages against several companies, including Orbia and its affiliate Vestolit GmbH (together, the "Companies"), before the Dutch courts. Shell alleges damages totaling approximately €1.1 billion from the various defendants, relating to alleged infringements of competition law in the ethylene purchasing market, for which the European Commission imposed fines in July 2020.

In connection with the same 2020 European Commission proceedings, Repsol Química, S.A. and certain of its affiliates also initiated a claim for unspecified damages in 2023.

In December 2024, Vestolit GmbH was served with a claim for damages by BASF SE ("BASF") against five defendants, including the Companies. The claim was filed with the Regional Court of Munich, Germany, but has not yet been served on Orbia. BASF is seeking damages totaling approximately €913 million.

The Companies reject the allegations, consider the claims to be without merit, and intend to vigorously defend their interests in all related proceedings.

Subsequently, on February 14, 2025, Vestolit received a writ of summons from entities of the TotalEnergies Petrochemicals group, also asserting claims for damages against the same group of defendants, including the Companies, before the Dutch courts. The claim is currently under review and is similar in nature to the claims brought by Shell and BASF and seeks damages in excess of €600 million.

Wolkaite Project

Netafim Ltd. is currently involved in the Wolkaite irrigation project in the Tigray region of Ethiopia, an advanced government project with the Ethiopian Sugar Corporation (ESC) as the customer. The project has been impacted by civil unrest in the region, which has been under a state of emergency since November 4, 2021. In late November 2021, Netafim notified ESC, the project lender, insurers, and other relevant parties that a force majeure event had occurred due to the ongoing unrest, thereby suspending Netafim's obligations under the project agreement.

The original project agreement stipulates that if force majeure conditions persist for an extended period, either party may have the right to terminate the agreement. On July 1, 2022, the parties entered into a Memorandum of

Understanding (MOU) that suspended the right to cancel the project agreement until December 31, 2022. The MOU also provided a period for the parties to assess the project's condition and explore options for resuming work.

As publicly reported, Ethiopian government agencies, along with other parties, are in discussions with lender groups, including the Paris Club, to restructure significant portions of Ethiopia's debt. In this context, ESC has failed to make the three most recent payments under the project agreement. All parties are actively cooperating and monitoring the situation. Given the ongoing delays and potential damage to the project, Netafim could incur additional liabilities, depending on the outcome of negotiations and any further developments in the restructuring process.

MF settlement

In December 2024, Mexichem Flúor Comercial, S.A. de C.V., a subsidiary of our Fluor and Energy Materials business group, settled a US$40 million litigation matter stemming from a tolling arrangement entered into in 2013. This litigation had been ongoing since 2016. As a result, we recognized a US$34 million charge under Other (Income) Expenses, Net in our consolidated financial statements for the year ended December 31, 2024.

Intellectual Property

We, with our subsidiaries, own, license or have rights to over 3,500 patents, various industrial designs, copyrights, trade secrets, proprietary technologies, and technology licenses in the countries in which we do business. To protect our brand identity and market recognition we own, license, or have rights to over 4,800 trademarks, service marks and trade names, among the most valuable are: AlphaGary, Dura-Line, Koura, Netafim, Vestolit and Wavin. While we view our intellectual property to be valuable and actively protect it, we do not believe that the loss or expiration of any single intellectual property asset would have a material adverse effect on our results of operations, financial position or the continuation of our business.

Research and Development

We recognize the importance of innovation and development to remain a leader in our markets. Research and Development investments and actions aim to improve our products' performance for our customers' benefit and comply with stricter regulations in the different geographic markets where we compete. We maintain 21 research and development centers with a technology center focused on developing technology to create products, improve processes and applications that positively impact users' quality of life through integrated products and solutions. We have developed unique designs in our different production chains that give us advantages over our worldwide competitors.

Our 21 research and technology centers are located in the United States, Mexico, the United Kingdom, Colombia, Germany, India, the Netherlands, Poland and Israel and focus on the development of new products and the alignment of processes to achieve safety and optimization of our production chain. We hold rights to more than 3,500 patents in total, including both granted patents and those pending registration.

Our research and development (R&D) strategy is focused on improving the rate of return on projects and aligning product development with regional customer needs. This regional approach has enhanced our ability to address the specific technological requirements of our customer base across different markets.

We continue to pursue a strategy of migrating toward higher value-added products across each of our five business groups.

In our Polymer Solutions business group, the assets of Mexichem Specialty Resins and Mexichem Specialty Compounds are dedicated to the production of advanced plastic compounds. The business is one of the largest global producers of high-impact PVC resins and is actively developing a new generation of PVC resins that are safer, more durable, and more flexible, while also reducing energy consumption in the production process. The business is also advancing improved heat-retardant solutions for cable manufacturing applications.

In our Building and Infrastructure business group, product innovation is supported through our Technological Committee and R&D centers. Recent developments include digitally controlled heating systems, such as Sentio, which allow users to manage indoor climate systems via mobile devices.

In our Connectivity Solutions business group, we are focused on the development of high-density polyethylene (HDPE) products for conduit and pressure pipe applications, primarily serving the telecommunications (voice and data) and energy sectors.

In our Precision Agriculture business group, we have developed the GrowSphere Irrigation and Fertigation Operating System, a technology platform that enables remote crop management via mobile devices. Supported by agronomists and technologists, the system allows us to advise farmers on nutrient and fertilizer administration, irrigation, and overall field management throughout the growing cycle.

In our Fluor and Energy Materials business group, we focus on the development and commercialization of low global warming potential refrigerant gases, medical propellants, and fluorinated energy materials for use in lithium-ion batteries and other energy storage applications.

Employees

The following table shows our total number of employees during the periods indicated:

	As of December 31,					
	2024		2023		2022	
	Number of Employees	%	Number of Employees	%	Number of Employees	%
Unionized and temporary	12,203	52%	12,655	52%	13,194	54%
Non-unionized	11,083	48%	11,499	48%	11,256	46%
Total	23,286	100%	24,154	100%	24,450	100%

As of December 31, 2024, approximately 52% of our employees were covered by collective bargaining agreements with labor unions. None of our production facilities has experienced any work stoppage or labor strike in the last three years, and we believe that we and our labor unions maintain good working relationships characterized by a mutual understanding and support in the implementation of critical changes in our organization.

We manage our labor relations by observing applicable labor laws in the jurisdictions where we operate, guided by a comprehensive set of global policies, procedures, and our Code of Ethics.

Our talent management approach has been transformed to incorporate industry-leading practices focused on attracting, retaining, evaluating, developing, compensating, and recognizing talent. Our compensation structure is designed around principles of internal equity, aligning with job specifications, and external competitiveness. We periodically review geographic salary market data and macroeconomic indicators to ensure our compensation remains competitive.

Certain subsidiaries maintain defined benefit plans for qualifying employees. These plans are funded through an independent pension fund, with an independent board overseeing the investment policy of the fund’s assets.

Our Code of Ethics emphasizes diversity as a key pillar for our long-term success. Launched in 2018, our diversity and inclusion policy fosters a culture that embraces diverse perspectives and encourages all employees to reach their full potential. This is achieved through compliance with applicable regulations and by promoting open communication, dialogue, and collaboration across our organization.

Regulation

Our operations are subject to the laws and regulations of the countries in which we operate.

Mexican Regulatory Matters

Mining Regulation

The following is a summary of the principal laws, rules and regulations applicable to mining activities in Mexico.

Federal Constitution

Pursuant to the provisions set forth in Article 27 of the Mexican Federal Constitution (*Constitución Política de los Estados Unidos Mexicanos*), all minerals or substances located within the Mexican territory, which form deposits of a nature different from the components of earth itself, are owned by the Mexican nation, and private persons (including individuals and corporations) may only explore and exploit such minerals and substances pursuant to concession titles granted by the executive branch of the Mexican federal government.

Mexican Mining Law

Our mining exploration and exploitation in Mexico and the corresponding production operations are further regulated by the Mexican Mining Law (*Ley de Minería*), which is the main law governing mining activities in Mexico and is applicable throughout the Mexican territory, and provides that such activities may only be carried out by Mexican individuals, agrarian communities and legal entities organized under the laws of Mexico.

The Mexican Ministry of Economy (*Secretaría de Economía*) is entrusted with the authority and regulatory powers to enforce the Mining Law, which in turn relies, pursuant to the Regulations to the Mining Law (*Reglamento de la Ley de Minería*) and the Ministry of Economy Internal Regulations (*Reglamento Interior de la Secretaría de Economía*), on the General Bureau of Mines (*Dirección General de Minas*), as a result of the suppression of the Underministry of Mining (*Subsecretaría de Minería*). Among the main responsibilities of the General Bureau of Mines are (i) the granting of mining concessions and mining allotments (*asignaciones*), (ii) the management and updating of the Mining Public Registry (*Registro Público de Minería*), (iii) the authorization of exploration and exploitation mining jobs and works and (iv) the exercise of supervising authority under the Mining Law and the imposition of sanctions. The bureau controls the Mining Public Registry. The main function of such registry is to record concessions, allotments, agreements, and certain administrative actions affecting mining rights. Actions or agreements required by law to be recorded with such registry, are enforceable against third parties only upon registration. We are in compliance with such registrations and reports in all material respects.

The Mining Law explicitly provides a list of minerals and other substances to which it applies, although the Mexican federal government is authorized to include additional minerals or substances. The exploration, exploitation and processing of such minerals or other substances are considered activities of "public benefit" and, therefore, have a preferential status over other land uses, subject to certain requirements and conditions provided by applicable law. Only federal laws may tax or impose contributions over exploration, exploitation and processing activities covered by the Mining Law.

Other provisions related to mining activities

In addition to those provisions described above, the Mexican legal system contains many other provisions that are applicable to mining operations in Mexico, including, among others:

- the regulations to the Mining Law (*Reglamento de la Ley de Minería*);
- the Mexican Federal Law of Administrative Procedures (*Ley Federal de Procedimiento Administrativo*);

- the Mexican General Law of National Assets (*Ley General de Bienes Nacionales);*
- the National Waters Law (*Ley de Aguas Nacionales*), and its regulations (*Reglamento de la Ley de Aguas Nacionales*);
- the Federal Labor Law (*Ley Federal del Trabajo*), as amended and NOM-023-STPS-2012, which is a regulatory provision regarding, among other matters, safety and health conditions in mines;
- the Federal Law of Fire Arms and Explosives (*Ley Federal de Armas de Fuego y Explosivos*) and its regulations;
- the General Law on Ecological Balance and Environmental Protection (*Ley General del Equilibrio Ecológico y la Protección al Ambiente*), and certain regulations and standards derived thereunder;
- the Foreign Investment Law (*Ley de Inversión Extranjera*) and its regulations (*Reglamento de la Ley de Inversión Extranjera*);
- the Quality Infrastructure Law (*Ley de Infraestructura de la Calidad*) and the regulations thereunder; and
- the Federal Duties Law (*Ley Federal de Derechos*).

Concession titles also provide for obligations applicable to the relevant concession holder. Additionally, a significant number of Mexican tax laws, rules, regulations and criteria are applicable to mining activities carried out in Mexico.

<u>The concession system</u>

Mining concessions only grant rights over minerals and substances, and do not grant rights over the surface land under which the mines are located. Holders of mining concessions are required to negotiate and agree regarding, access to the surface land with the respective surface land owner or holder or file an application with the General Bureau of Mines to obtain an easement or temporary occupancy of the land, as the case may be. Expropriation of land may also be obtained under the Mexican Expropriation Law (*Ley de Expropiación*) and Agrarian Law (*Ley Agraria*), as the case may be.

A person wishing to apply for a concession title must first verify that the relevant land is not located within a federal mining reserve or an area covered by a concession currently in effect. An application for a concession title must be filed with the General Bureau of Mines.

The Mexican Mining Law provides a simplified application procedure to obtain a concession and provides a term for mining concessions in Mexico of 30 years from the date on which the relevant concession title is recorded in the Mining Public Registry and are renewable for an additional 25-year term. Renewal of concessions must be requested within the two years (and not less than one year) prior to their expiration. As a matter of law, mining concessions will remain in full force and effect until the resolution of their renewal request has been issued, provided that the concession holder has not incurred in a cause of cancellation under the Mining Law (*Ley de Minería*).

The rights afforded by our mining concessions include: (1) the exploration and exploitation activities within the area identified in the concessions; (2) the proceeds from the sale of the mineral resources extracted therefrom during the term of the concession; (3) the disposition of any waste rock dump located within the area identified in the concession, unless subject to a separate valid mining concession; (4) the expropriation or temporary occupation of, or the creation of easements on other real properties to the extent necessary to conduct the above exploration, exploitation and benefit operations, or to deposit or install machinery and equipment or other related items therein, as well as the creation of underground easements through the mining plots; (5) the use of any water resources uncovered during the exploration or exploitation process, including for domestic purposes by the mine's employees; (6) a preferential right to obtain a concession to use the mine's water for any purpose other than as described above; (7) the right to transfer the rights derived from the concession pursuant to (1) to (6) above, to any person legally authorized to hold such concession; (8) the reduction, subdivision and determination of the name of the geographical circumscription covered by the concession, or its consolidation with adjoining plots; (9) the right to renounce the concession and the rights arising thereunder; (10) the consolidation of two or more mines for purposes of evidencing the completion of the works and tasks prescribed by the Mexican Mining Law, or filing the requisite statistical and technical reports; (11) the right to apply for amendments to the concessions or request the issuance of duplicate concession certificates; and (12) the right to apply for an extension of the concessions for a like period.

Principal requirements of concession holders

The Mining Law establishes that mining concessions may only be granted to Mexican individuals, agrarian communities (*ejidos*), indigenous and Afro-Mexican communities, towns and companies incorporated under the laws of Mexico, whose corporate purpose includes the exploration and exploitation of minerals and which have their legal domicile in the Mexican territory. Such companies may be wholly owned by Mexican or non-Mexican investors.

Under Article 11 of the Mexican Mining Law, Mexican companies that have foreign shareholders can be concession holders, but such companies must be registered with the National Registry of Foreign Investments (*Registro Nacional de Inversiones Extranjeras*) of the Mexican Ministry of Economy and must file certain financial, corporate and economic information annually. Failure to comply with this obligation does not result in the imposition of any material penalties.

Obligations of concession holders

Holders of mining concessions are required to comply with various obligations, including but not limited to:

- execute and evidence constructions and works as provided in the Mining Law and regulations thereunder;
- paying mining concession fees or duties;
- complying with applicable safety and environmental provisions and standards;
- abstaining from removing permanent fortification works, shoring and other installations that are necessary for the stability and safety of the mines;
- providing the Mexican Ministry of Economy with statistical, technical and accounting reports, in the terms provided in the Mining Law and regulations thereunder;
- allowing inspection visits by officers of the Mexican Ministry of Economy; inform the Ministry of Energy (*Secretaría de Energía*) of any hydrocarbon found in the concession area:
- provide adequate guaranty to the Ministry of Economy pursuant to the requirements under the Mining Law:
- comply with the social impact and indigenous consultation requirements;
- providing the Mexican Ministry of Economy with a geological-mining report when the relevant mining concession is cancelled due to expiration of its term, abandonment, substitution because of reduction in the size of the concession, infringement or judicial resolution; and
- providing the Mexican Geological Service (*Servicio Geológico Mexicano*), in the case of mining concessions granted through a bidding process, semi-annual reports regarding the project carried out and the production obtained in the lot covered by the mining concession, for purposes of controlling the payment of the finder's premium or any other monetary consideration payable to such entity.

The regulations to the Mining Law set forth minimum amounts that must be spent or invested on exploration and/or exploitation activities. A report must be filed in May each year regarding the assessment projects carried out in the preceding year. The mining authorities may impose fines on the concession holders if one or more proofs of project reports are not filed on time.

Mexican Federal Duties Law (*Ley Federal de Derechos*) provides for the following fee payments that are required to be made by holders of mining concessions: (i) an ordinary mining duty; (ii) a special mining duty; and (iii) an extraordinary mining duty. The ordinary mining duty must be paid every six months, and is calculated based on the concessioned hectares and years elapsed in respect of the relevant concession title, that ranges from $9.70 Pesos to $212.36 Pesos per hectare. The special mining duty must be paid annually and is calculated by applying a 8.5% rate on the positive amount, if any, resulting from the difference between the income obtained from the sale by the holder of the concession of the extracted minerals and the subtraction of certain allowed deductions, except for investments, financial costs and the annual inflationary adjustment. Finally, the extraordinary mining duty must be paid in March of each year, and is determined by applying a 1.0% rate to the incomes arising from the sale of gold, silver and platinum. Such duties must be calculated on each concession by the concession holder. The Federal Duties Law provides that concession holders that do not provide evidence of conducting exploitation or exploration works during two consecutive years in the first eleven years of concession shall pay, on a biannual basis, an additional amount equivalent to 50% of the ordinary mining duty, calculated on a per hectare basis in the first eleven years of validity of their concession, and 100% thereafter. This payment shall be made until the mining authority validates that exploration and exploitation works are being made for two consecutive years and is in addition to any other fee or duty that is required from concession holders.

Cancellation of concessions

Mining concessions may be cancelled in the following circumstances, among others:

- expiration of the term of the concession;
- failure to make duty payments on time for two consecutive fiscal years;
- failure to submit the reports required of the concession holders under Mining Law and its regulations for two consecutive years or five non-consecutive years;
- resolution issued by a competent court;
- failure to commence the corresponding work within one year from the effective date of the concession or granting;
- failure to carry out the work covered by the concession within a period of two consecutive years;
- failure to submit the mine closure plan to the Ministry of Energy within two years and up to one year prior to the closure of operations;
- failure to have a valid water concession for industrial use in mining;
- the existence of an imminent risk of ecological imbalance or irreversible damage or impairment to natural resources, cases of pollution with dangerous repercussions for ecosystems, their components, surface or underground water systems, or for public health; and
- breach of any of the terms of Article 55 of the Mining Law, namely:

    i. use of a mining concession to carry out the exploitation of minerals or substances not covered by the Mining Law;

ii. failure to perform and to prove the assessment works contemplated by the Mining Law and its regulations;

iii. failure to timely pay mining duties;

iv. failure to deliver to the Mexican Geological Service the biannual reports required under the Mining Law or to pay the finder's premium or any other monetary consideration payable;

v. failure to subject the works of exploration and exploitation of carbon in all of its varieties in land subject to oil assignations pursuant to the technical conditions set forth by the Ministry of Economy;

vi. carrying out the works and activities provided for in the Mining Law without prior authorization from the competent authorities in matters of the environment, water, indigenous or Afro-Mexican consultation, or any other authorization, permit, or concession required at the federal, local, or municipal level;

vii. group concessions covering non-contiguous mining lots for verification purposes that do not constitute a mining or mineral-metallurgical unit from a technical and administrative standpoint;

viii. omit information on the discovery of any hydrocarbons or lithium in the area covered by the mining concession;

ix. loss of the requisite legal capacity to be the holder of a mining concession;

x. failure to report, on two consecutive occasions, any accident that, as a result of mining operations, has caused damage or any incident that endangers the safety of persons, their property, or the environment within the mining lot covered by the concession title in which works and activities are carried out, within a maximum period of seventy-two hours from the occurrence of the events;

xi. failure to inform the Ministry of Economy of the appointment of the engineer responsible for compliance with mine safety standards;

xii. prevent Ministry of Economy staff from entering the premises to carry out verification visits to ensure compliance with the obligations imposed by the Mining Law;

xiii. the determination by the competent authority that there is imminent ecological risk or damage or irreversible deterioration of natural resource and contamination with dangerous repercussions to the ecosystems or public health;

xiv. failure to report the start of exploitation activities within the period set out in the Mining Law;

xv. suspend or cancel, without prior notice, the exploitation or benefit activities once they have begun, except by court order or in cases of force majeure;

xvi. failure to submit, on more than one occasion, the report containing statistical, technical and accounting information, regarding the status of the mining concession, as well as the extraction, production, and processing of minerals or substances covered by the concession or failure to submit it in accordance with the terms specified in the Mining Law or its regulations; or

xvii. breach of sections XV, XVI, XVII, XVIII and XX of Article 27 of the Mining Law, namely:

- failure to submit, prior to the granting of the concession title, a financial vehicle: insurance, letter of credit, deposit with the Federal Treasury or trust to guarantee the prevention, mitigation, and compensation measures derived from the corresponding social impact assessment;

- failure to immediately notify the Ministry of Energy when, during the course of mining activities, the concessions holders and grants become aware of the presence of other minerals or substances not authorized in their concession title and, where appropriate, to deliver such minerals to the Ministry of Energy;

- failure to inform the Ministry of Energy of any accident that, as a result of mining operations, has caused damage or any incident that endangers the safety of persons, their property, or the environment, occurring within the mining lot covered by the concession title under which the works and activities are being carried out, within a maximum period of seventy-two hours from the occurrence of the events;

- failure to inform the Ministry of Energy at the start or restart of mining operations of the appointment of the engineer responsible for compliance with mine safety standards; or

- failure to have authorization from the Mine Restoration, Closure, and Post-closure Program, as provided for in the General Law on Ecological Balance and Environmental Protection (*Ley General del Equilibrio Ecológico y la Protección al Ambiente*).

In case that a concession holder fails to comply with the provisions regarding foreign investment, the corresponding concession may not be immediately cancelled or terminated, and the concession holder shall have a period of 90 days after such failure to remedy the failure after its occurrence.

Mexican law provides the federal government with the right to revoke our concessions without right to compensation in case we are unable to meet the terms and conditions established for said concessions or to expropriate our assets if the government deems it to be in the public interest. In the event of expropriation, we are entitled to receive compensation in an amount equal to the commercial value of the assets and taking into consideration the prior investments made by the concession title holder and the depreciation of equipment and facilities used exclusively in connection with the relevant concession; however, the terms for determining such compensation or the timing to receive the compensation are unclear under applicable law and, additionally, such payment may not be made timely and/or may not reflect future revenues expected from the revoked concessions and expropriated assets. Additionally, the Mexican federal government may terminate a mining concession to create national mining reserves. National mining reserves are ore deposits that are deemed as such for public policy reasons (*causas de utilidad pública*) or to satisfy the Mexican nation's future needs, including substances that are deemed as strategic. If included in the national mining reserves, ore deposits will no longer be available for or subject to mining concessions or allotments, unless excluded from the national mining reserves by means of a decree issued by the Mexican federal government. Such a decree would authorize the Mexican Ministry of Economy to declare the zone as available and subject to mining concessions.

Water Regulations

Mexican National Waters Law

The use of water in Mexico, in connection with our operations in Mexico, is regulated primarily by the Mexican National Waters Law (*Ley de Aguas Nacionales*).

In terms of the Mexican National Waters Law, and regulations issued thereunder, the authority and administration on water related matters is conferred to the Mexican Federal Government, which authority is exercised through the Mexican National Water Commission (*Comisión Nacional del Agua* or "CONAGUA"), charged with overseeing the national system of water use, which is a subordinate agency of the Mexican Ministry of Environment and Natural Resources (*Secretaría de Medio Ambiente y Recursos Naturales*). In general terms, the exploitation and use of national waters by individuals and legal entities may only be conducted pursuant to a concession granted by CONAGUA.

Pursuant to the Mexican National Waters Law, to receive a concession for the use and exploitation of a specific volume of ground or surface water, the petitioner is required to demonstrate to the CONAGUA, among others, the property and possession of the real estate in which the extraction of waters will be conducted, an environmental impact study, the plan for the construction to be performed or the characteristics of the existing infrastructure where the extraction and use of water will take place. Concessions for the exploitation and use of national waters have terms from five to thirty years. Once the concession is granted, the concession holder is entitled to exploit and use national waters within the authorized term, and the volume of water that such concession holder is entitled to exploit and use shall vary depending on the supply of groundwater in each region as projected by CONAGUA. The Mexican government is authorized to reduce the usage of ground or surface water granted depending on the volume of water not used by the concession holder.

Termination of water concessions

Concessions for the exploitation of national waters may be terminated, among other reasons, if:

- the term of the concession title expires, unless such term has been extended;
- the information provided to the Mexican government in connection with the concession is false;
- the concession holder fails to pay required concession-related fees;
- the concession holder dies;
- the concession has been issued in contravention of the provisions contained in the National Waters Law and its applicable regulations; or
- the concession holder fails to totally or partially use or exploit national waters for two consecutive years without the existence of a justified cause.

Additionally, the concession for the exploitation and use of national waters may be suspended when the concession holder:

- does not pay the applicable fees for such exploitation or use in accordance with the applicable laws;
- does not pay taxes related with such use or exploitation within a one fiscal year;
- does not permit the Mexican government to exercise its inspection rights related to the resources or infrastructure used for the exploitation of the concession;
- discharges wastes that may affect drinking water sources or may affect the public health; or
- does not meet the terms and conditions set forth in the concession title.

The suspension will be in effect as long as the concession holder does not correct the default or a competent authority orders to stop the suspension.

Water concessions may also be expropriated for public policy reasons.

We hold several water concessions that are essential to our operations. We believe that we are currently in compliance with the terms of all of our water concessions and waste water disposal regulations.

Environmental Laws

Our operating mines, development projects and prospects in Mexico are subject to Mexican federal and local environmental laws, and to regulations for the protection of the environment, water quality, water supply, air quality, noise levels, mining waste management and storage, solid wastes and hazardous wastes.

The framework environmental statute in Mexico is the General Law on Ecological Balance and Environmental Protection (*Ley General del Equilibrio Ecológico y la Protección al Ambiente* or Environmental Protection Law), which is administrated by the Ministry of Environment and Natural Resources (*Secretaría de Medio Ambiente y Recursos Naturales* or SEMARNAT) and enforced by PROFEPA.

In addition to the Environmental Protection Law, there is additional relevant legislation which sets forth provisions applicable to mining activities, including the Federal Law of Environmental Responsibility (*Ley Federal de Responsabilidad Ambiental*), the General Law for the Prevention and Integral Management of Waste (*Ley General para la Prevención y Gestión Integral de los Residuos*), the Regulations to the Environmental Protection Law on matters of Environmental Impact Evaluation, the National Waters Law (*Ley de Aguas Nacionales*), which regulates the use of ground and surface waters as well as wastewater discharges, the General Law for Sustainable Forestry Development (*Ley General de Desarrollo Forestal Sustentable*), and the General Law of Climate Change (*Ley General de Cambio Climático*), among others. The National Waters Law is implemented and enforced by the CNA.

The development of mining activities is subject to obtaining several environmental permits granted by different offices within SEMARNAT. The most relevant authorizations are those on matters of (1) environmental impact and risk, (2) forestry land use change and (3) wastewater discharges. Also, the authorizations and permits obtained for the development of mining activities and mineral processing will be subject to the compliance with several conditions and covenants applicable to day to day operations.

Specifically, on matters of environmental impact, exploration activities must comply with the Mexican official standard NOM-120-SEMARNAT-2011, which provides for certain environmental protection requirements that must be observed in the development of mining exploration activities. This standard constitutes an exception to the obligation to submit an environmental impact statement for evaluation of SEMARNAT; however, concession holders are required to file a preventive report. For the exploration, exploitation and use of minerals, an environmental impact study must be filed and approved by SEMARNAT prior to the commencement of those activities.

The PROFEPA monitors compliance with environmental legislation and enforces federal Mexican environmental laws, regulations and official standards. If warranted, pursuant to the results of an inspection visit or prompted by public allegations, the PROFEPA may initiate administrative proceedings against companies that violate environmental laws which, in the most extreme cases, may result in the temporary or permanent closure of non-complying facilities, imposition of remedial or other clean-up and corrective measures, the revocation of operating licenses and/or other sanctions or fines. According to the Federal Criminal Code (*Código Penal Federal*), the PROFEPA must inform the relevant governmental authorities of any environmental crimes that are committed by a mining company in Mexico. Additionally, class actions (*acciones colectivas*) may be initiated in accordance with the Federal Law of Environmental Responsibility and the Federal Code of Civil Procedures (*Código Federal de Procedimientos Civiles*) regarding environmental responsibility, remediation and compensation for damages caused to the environment by mines and production facilities. Mexican environmental regulations have become increasingly stringent over the last decade, and this trend is likely to continue and may be influenced by the international environmental agreements Mexico has ratified, including: (1) the North American Agreement on Environmental Cooperation, (2) the United Nations Framework Convention on Climate Change and (3) the Convention on Biological Diversity, among others.

Health and Safety Regulations

The general regulatory framework for working conditions in Mexico is set forth in the Federal Labor Law.

Pursuant to the Federal Labor Law and regulations thereunder, all mines must implement a health and safety management system overseen by a supervisor nominated by the employer. Additionally, mining companies have the following obligations as employers:

- undertake the necessary plans, studies and analyses to ensure safe working conditions for employees;
- inform employees of work-related risks and health hazards and corresponding preventive measures;
- provide employees with necessary protective equipment required for the prevention of work-related risks, and provide all the required training in the use of such equipment;
- build and maintain ventilation and structural support systems in all underground facilities;
- implement control and monitoring systems to ensure that mining activities are performed in safe conditions;
- maintain a log and supervision method to permit the employer to identify workers located in the mine, as well as to control the entrance and exit of personnel;
- appoint a person responsible for the enforcement of safety and regulations at the mine; and
- refrain from employing minors.

All mine employees are entitled to refuse to work or exit the mine facilities if (1) the employer fails to provide necessary training on mining-related risks; (2) the employees are not provided with the required safety equipment or with the necessary training on its use; or (3) the employees identify situations which endanger their lives or physical safety or that of their co-workers.

Other Laws and Regulations

In the course of our business, we and our subsidiaries are subject to other Mexican laws and regulations in several matters, including provisions related to antitrust and competition, being applicable the Mexican Federal Antitrust Law (*Ley Federal de Competencia Económica*) and its regulations, laws regulating intellectual property, such as the Mexican Federal Law on Copyright (*Ley Federal del Derecho de Autor*), the Mexican Federal Law for Protection of Industrial Property (*Ley Federal de Protección a la Propiedad Industrial*) and regulations thereunder, among others.

Environmental Matters

We are subject to a broad range of environmental laws and regulations in each of the jurisdictions in which we operate. These laws and regulations impose increasingly stringent environmental protection standards regarding, among other things, air emissions, wastewater discharges, the use and handling of hazardous waste or materials, waste disposal practices and the remediation of environmental damage or contamination. These standards expose us to the risk of substantial environmental costs and liabilities, including liabilities associated with divested assets and past activities, even where conducted by prior owners or operators and, in some jurisdictions, without regard to fault or the lawfulness of the original activity.

To prevent, control and remediate environmental problems and to ensure compliance with regulatory requirements, we maintain an environmental policy designed to monitor and control environmental matters. Our environmental policy requires each subsidiary to respect local laws and meet our own internal standards to minimize the use of non-renewable resources and the generation of hazardous and other wastes. We use processes that are designed to reduce the impact of our operations on the environment throughout all the production stages in all our operations worldwide. We believe that we are in substantial compliance with all material environmental laws applicable to us.

We regularly incur capital expenditures that have an environmental component or that are impacted by environmental regulations. However, we do not keep separate accounts for such mixed capital and environmental expenditures. Environmental expenditures that extend the life, increase the capacity, improve the safety or efficiency of assets or are incurred to mitigate or prevent future environmental contamination may be capitalized. Other environmental costs are expensed when incurred. For the years ended December 31, 2022, 2023 and 2024, our environmental capital expenditures and remediation expenses were not material. However, our environmental expenditures may increase in the future.

Our commitment towards the environment and social responsibility is a fundamental part of our business culture and values. Accordingly, we have implemented various community support initiatives in the vicinities of our production facilities and have formed alliances with prominent universities in those regions for the joint development of integration and training programs.

The following is a discussion of the environmental regulation and matters in our major markets:

Mexican Regulatory Matters

We believe that all of our production facilities in Mexico comply in all material respects with applicable safety and environmental laws. As of the date of this offering memorandum, we have obtained all permits and authorizations required for our operations. We adhere to the comprehensive responsibility program promoted by ANIQ, which is based on the Responsible Care international standards. We have received several awards as a result of our advanced safety and environmental program. The Mexican government, through the Mexican Environmental Protection Agency, has given our chemical operations the "*Industria Limpia*" certification. Most of our operations comply with and are certified in ISO 14001.

If we fail to comply with Mexican environmental laws, we may be subject to fines ranging from Ps. 3,394 up to Ps. 5.6 million, and the Mexican government may partially or totally suspend our activities or impose civil and/or criminal sanctions on us.

For more than 10 years in a row, we have been recognized by *Centro Mexicano para la Filantropia* (CEMEFI) as a "Socially Responsible Company", which has been the result of our social efforts, both internally and externally, environmental programs aimed towards the reduction of our environmental footprint and our economic growth.

Other Jurisdictions Regulatory Matters

<u>Brazil</u>

We are subject to Brazilian federal, state and local laws and regulations governing the discharge of effluents and emissions into the environment, the handling and disposal of industrial waste and other matters relating to environmental protection. Under federal and state environmental laws and regulations, we are required to obtain operating permits for our manufacturing facilities, which must be periodically renewed. If any of our environmental licenses and permits lapse or are not renewed, or if we fail to obtain any required environmental licenses and permits, we may be subject to fines ranging from R$500 to R$50.0 million, and the Brazilian government may partially or totally suspend our activities and impose civil and/or criminal sanctions. As of the date of this offering memorandum, all of our environmental licenses and permits are in full force and effect.

We believe that our operations are in compliance in all material respects with applicable environmental laws and regulations currently in effect in Brazil. We are addressing the environmental issues we are aware of, and we believe that none of these issues will have a material adverse effect on our business, financial condition or operations.

Our safety management system in Brazil has been certified according to Occupational Health and Safety Assessment Series (OHSAS) 18001 standards and our system's performance has helped us to consistently reduce lost time due to accidents. We are working to ensure that all of our sites in Brazil will be certified by a third party in the ISRS by the end of 2020.

As of the date of this offering memorandum, our operations in Brazil comply with and are certified in ISO 14001.

Colombia

As of the date of this offering memorandum, our production facilities comply with applicable environmental and safety laws and regulations and have all of the necessary licenses and permits required for their operation. In addition, we believe we are in compliance with the requirements of local environmental authorities related to the environmental impact our operations may cause as a result of effluents, emissions and industrial waste. In addition, we have voluntarily adopted additional standards, such as the Complete Responsibility and Clean Production Agreement. If any of our environmental licenses and permits lapse or are not renewed, or if we fail to obtain any required environmental licenses and permits, we may be subject to fines and the Colombian government may partially or totally suspend our activities.

All of our sites in Colombia have been certified by a third party in the ISRS, ensuring a strong culture of safety and continuous improvement. As of the date of this offering memorandum, our chemical operations comply with and are certified in ISO 14001.

Europe

Following our acquisition of Wavin, we became subject to a number of environmental regulations in several jurisdictions in Europe, including regulations related to carbon dioxide emissions, energy usage, recycling and waste disposal and various sustainability initiatives. Prior to the acquisition, Wavin had already implemented various internal processes to monitor and reduce its carbon dioxide emissions by 20% between 2008 and 2015, and had already obtained a 14% reduction in emissions by 2013. Wavin has joined several manufacturing organizations committed to continually reducing energy consumption and improving efficiency. As a best practice in the market, Wavin, in cooperation with its customers and local governments, has implemented a plastic pipe waste collection program and is participating in partnerships with suppliers of recycled materials to share knowledge and to expand best practices with respect to its recycling programs. Wavin has been steadily increasing its use of recycled materials in its production processes.

In 2014, the European Parliament approved new regulations for fluorinated greenhouse gases (F-Gas Regulation), which came into effect in 2015. The objective of these regulations is to prohibit hydro-fluorocarbon (HFC) refrigerants for new equipment and to cut Europe's F-gas emissions by 79% by 2030 as compared to 2009-2012 average levels. To enforce this gas emission reduction, the European Commission has given producers, including us, quotas based on global warming potential.

United States

We are subject to United States federal regulations, such as EPA, state and local laws and regulations governing the discharge of effluents and emissions into the environment and the handling and disposal of industrial waste, among others. Under federal and state environmental laws and regulations, we are required to obtain operating permits for our manufacturing facilities, which must be periodically renewed.

We believe that our operations comply in all material respects with applicable environmental laws and regulations currently in effect in the United States. We are addressing all environmental issues of which we are aware, and we believe that none of these issues will have a material adverse effect on our business, financial condition or operations

Canada

We support the principles of the amendment of the Montreal Protocol undertaken in Kigali in 2016. The proposals derived from this amendment are consistent with our expectations. We are in the process of developing gases that are friendly to the environment and that have a low potential of atmospheric warming. However, we cannot ensure that these developments will be successful or that new regulations will not become effective in other regions.

Quality and Safety Controls

We consider safety a core value. We also consider the communities where we operate, our environmental impact and the quality of products and services of relevant importance. We make an effort to comply with our client's requirements and emphasize that our personnel are our greatest strength.

Our Commitments

- Prevent accidents and property damage, emphasizing that safety is everyone's responsibility.
- Preserve the health, safety and protection of people.
- Create a positive impact in our communities with our focus on minimizing environmental impact by reducing the consumption of resources and recycling waste materials.
- Continuously improving the efficiency of the procurement system, establishing performance objectives, measuring results, reviewing and improving processes.
- To have open communication with interested parties; comply with federal and local regulations and with other applicable commitments and external requirements.

The success of the above commitments requires the participation of our personnel, suppliers and clients, as well as the assignment of the necessary resources.

Awards, Certifications and Distinctions:

During 2024, we obtained the following awards, recognitions and certifications:

- ISO 9001: Quality Management Systems.
- ISO 14001: Environmental Management System.
- ISO 22000: Food Safety Management.
- ISO 45001: Occupational Health and Safety Management System.
- OHSAS 18001: Occupational Health and Safety Management System.

Property, Plant and Equipment

The main assets of our business groups are listed below, all of which are free of encumbrance or affectation of any kind, since none of them constitutes a guarantee of any financing, except for those assets acquired through financial lease contracts totaling US$431 million as of December 31, 2024.

The following chart shows the information on our main production plants. In accordance with the provisions of article 33, subsection b), numeral 1, of the CUE, we have determined that the information on the percentages of use of the installed capacity of our plants is strategic, and consequently we do not disclose such percentages.

Business Group / Unit	Product/ Trade Name	Country or region	Number of production plants	Type of assets	Products
Polymer Solutions	Chlorine-Soda	Mexico	1	Mine	Brine
Polymer Solutions	Chlorine-Soda	Mexico	2	Plant	Chlorine, Caustic Soda, Derivatives
Polymer Solutions	Chlorine-Soda	Germany	2	Plant	Chlorine, Caustic Soda, Derivatives
Polymer Solutions	Ethylene Chloro-Soda	USA	1	Plant	Ethylene
Polymer Solutions	Vinyl	Mexico	4	Plant	PVC resins
Polymer Solutions	Vinyl	Colombia	3	Plant	PVC resins
Polymer Solutions	Vinyl	USA	1	Plant	PVC resins
Polymer Solutions	Vinyl	Germany	2	Plant	PVC resins
Polymer Solutions	Vinyl	Mexico	2	Plant	Compounds
Polymer Solutions	Vinyl	Colombia	1	Plant	Compounds
Polymer Solutions	Vinyl	USA	3	Plant	Compounds
Polymer Solutions	Vinyl	United Kingdom	2	Plant	Compounds
Polymer Solutions	Vinyl	India	4	Plant	Compounds
Polymer Solutions	Vinyl	Mexico	2	Plant	Phthalic Anhydride and Plasticizers
Building and Infrastructure LatAm	Wavin	Latin America	20	Plant	Pipes and Connections
Building and Infrastructure Europe	Wavin	Europe	18	Plant	Pipes and Connections
Building and Infrastructure Asia	Wavin	Asia	4	Plant	Pipes and Connections
Building and Infrastructure North America	Wavin	North America	2	Plant	Pipes and Connections
Connectivity Solutions US/Canada	Dura-Line	USA, Canada,	15	Plant	Ducts, HDPE microducts
Connectivity Solutions EMEA and APAC	Dura-Line	India, Oman, Poland and Czechia	4	Plant	Ducts, HDPE microducts
Precision Agriculture	Precision Irrigation	Americas	8	Plant	Pipeline, recycling
Precision Agriculture	Precision Irrigation	AMEA	8	Plant	Pipe and drippers, GH structure
Precision Agriculture	Precision Irrigation	India	2	Plant	Pipeline
Precision Agriculture	Precision Irrigation	APAC (excluding India)	2	Plant	Pipeline
Fluor and Energy Materials	Fluorite	Mexico	2	Mines	Acid and metallurgical grade fluorite
Fluor and Energy Materials	Fluorite	Mexico	3	Plant	Acid Grade Fluorite
Fluor and Energy Materials	HF	Mexico	2	Plant	Hydrofluoric acid
Fluor and Energy Materials	Refrigerant Gases	USA	1	Plant	Fluorinated hydrocarbons and refrigerants
Fluor and Energy	Refrigerant Gases	Japan	1	Plant	Fluorinated

Business Group / Unit	Product/ Trade Name	Country or region	Number of production plants	Type of assets	Products
Materials					hydrocarbons and refrigerants

Insurance

We maintain insurance for our businesses that are typical of the mining, chemical, petrochemical, and industrial sectors, aimed at mitigating insurable risks and fulfilling contractual obligations and regulatory requirements. While we believe our coverage is adequate and aligned with industry practices, there may be instances where insurance may not fully cover all potential risks. In such cases, if losses from a claim exceed policy limits, it could negatively impact our financial results due to unforeseen increased costs.

MANAGEMENT

Our Directors

Our Board of Directors consists of nine members. Under Mexican law, any holder of 10.0% or more of our shares has the right to appoint one director, and such votes will be excluded for purposes of electing the remaining directors. According to Article 32 of our bylaws, our directors hold their offices for the term established by the General Meeting of Shareholders that appointed them and can be reelected. The following table sets forth the names of these directors, their position and their years of service as directors:

Name	Position	First Elected
Antonio del Valle Ruíz	Honorary Chairman (non-member of the Board)	2000
Juan Pablo del Valle Perochena	Chairman	2002
Antonio del Valle Perochena	Director	2002
María de Guadalupe del Valle Perochena	Director	2005
Francisco Javier del Valle Perochena	Director	2021
María Teresa Altagracia Arnal Machado	Independent Director	2019
Jack Goldstein Ring	Independent Director	2020
Edward Mark Rajkowski	Independent Director	2021
Mihir Arvind Desai	Independent Director	2021
Sergio Agapito Lires Rial	Independent Director	2025

Antonio del Valle Ruiz holds a degree in accounting from Escuela Bancaria Comercial and an MBA from the Pan-American Institute of Senior Business Management (*Instituto Panamericano de Alta Dirección de Empresas*, or IPADE). He is our Honorary Chairman for life. In addition to his service on our Board of Directors and that of our subsidiaries, he is also a member of the boards of directors of several companies, including Teléfonos de México, S.A. de C.V. and Grupo México, S.A.B. de C.V. Antonio del Valle Ruíz is the father of María de Guadalupe del Valle Perochena, Antonio del Valle Perochena, Francisco Javier del Valle Perochena and Juan Pablo del Valle Perochena.

Juan Pablo del Valle Perochena holds a degree in industrial engineering from Universidad Anáhuac and an MBA from Harvard Business School. He has been a member of our Board of Directors since 2002, and, in April 2011, he was elected Chairman of our Board of Directors. In addition to his service on our Board of Directors and that of our subsidiaries, he is also a member of the boards of directors Elementia Materiales, S.A.P.I. de C.V., Fortaleza Materiales, S.A.P.I. de C.V. and Sitios Latinoamericanos, S.A.B. de C.V. He is also chairman of the International Advisory Council of the Americas Society and co-chairman of the Latin American Conservation Council.

Antonio del Valle Perochena holds a degree in business administration from Universidad Anáhuac and a degree in management from IPADE. Currently, he is the Chairman of the Board of Directors of Grupo Financiero Ve por Más, S.A. de C.V., and of Kaluz. He is a member of the board of directors of Banco Ve por Más, S.A., Controladora GEK, S.A.P.I. de C.V., Afianzadora Sofimex, S.A., and Byline Bank. He participates in the following nonprofit associations: Instituto Nacional de Ciencias Médicas y Nutrición Salvador Zubirán, Colmex Foundation, and the Mexican Institute for Competitiveness, A.C. He is also the President of the Probosque de Chapultepec Trust.

María de Guadalupe del Valle Perochena holds a degree in economics from Universidad Anáhuac and a postgraduate degree in management from IPADE. She is a member of the Board of Directors of the following Mexican companies: Kaluz, Banco Ve por Más, S.A. de C.V, and Controladora GEK, S.A. de C.V.

Francisco Javier del Valle Perochena holds a bachelor's degree in business administration and a master's degree in economics and business from Anahuac University. He also holds a degree in management from IPADE. He is the chairman of the board of Grupo Lehren and Innova Schools México, and a member of the board of directors of Elementia Materials, S.A.B. de C.V. In 2010, he founded SAE Institute Latin America. He is also member of the Board of Directors of Grupo Financiero Ve por Más, Cuprum and Grupo Inter Council. Additionally, he is on the councils of Consejo Empresarial Alianza del Pacífico, Educación para Compartir, Banamex and Endeavor México.

María Teresa Altagracia Arnal Machado holds a bachelor's degree in industrial engineering from the Andres Bello Catholic University (UCAB) and holds an MBA from Columbia Business School. She is currently the head of LATAM for Stripe and was previously the Managing Director for Google in Mexico. Her experience includes leading Spanish Latam at Twitter, J. Walter Thompson Company in Mexico and the online business for Microsoft in Mexico. Previously she was a consultant for The Boston Consulting Group and Booz, Allen & Hamilton. She also serves on the boards of Walmart de Mexico y CentroAmerica, Millicom International Cellular, and holds board advisory roles at Sigma Alimentos and Salud Digna. She previously served on the board of Sportsworld.

Jack Goldstein Ring holds a bachelor's degree in business administration and economics from Andes University in Bogota, Colombia, and an MBA from Babson College in Boston, Massachusetts. He is the founder and managing partner of Alfa International. From 1996 to 2015, he was the CEO of Sanford Management, a company dedicated to managing a multi-sector portfolio of companies based mostly in Latin America. From 1985 to 1996, he served as CEO of Filmtex, a plastics manufacturing company at which he had previously served as a financial vice president and later executive vice president. He has served on the consulting committee of Colombia's Central Bank, Bavaria (today SAB Miller), the Colombian American Chamber of Commerce, the Ministry of Foreign Commerce and the Julio Mario Santo Domingo Foundation. He also served as President of the Genesis Foundation and member of the Advisory Committee of the Banco de la República de Colombia.

Edward Mark Rajkowski holds a bachelor's degree in accounting from Lehigh University in Bethlehem, Pennsylvania. Mr. Rajkowski was the Chief Financial Officer for Xylem Inc. He also served as a strategic advisor to WestRock Company, a global packaging and specialty chemicals company that was formed following the merger of MeadWestvaco and RockTenn. He held several senior financial and operating roles for Eastman Kodak Company. He also serves as a member of the Board of Directors of the "ACCO" Brands.

Mihir Avind Desai holds a bachelor's degree in in history and economics from Brown University, an MBA as a Baker Scholar from Harvard Business School and a Ph.D. in political economy from Harvard University. Mr. Desai is a seasoned professor and advisor with a deep understanding of tax policy, international finance and corporate finance. He is the Mizuho Financial Group Professor of Finance at Harvard Business School, a Professor of Law at Harvard Law School and a Research Associate for the National Bureau of Economic Research's public economics and corporate finance programs, having served as the co-director of the NBER's India program.

Sergio Agapito Lires Rial holds a bachelor's degrees in economics from Universidade Federal do Rio de Janeiro and a bachelor's degree in law from Universidade Gama Filho. He also holds an MBA from IBMEC in São Paulo. Since 2023, he has served on the international board of Zhejiang University International Business School (ZIBS) in China and is also a member of the Advisory Board of FRUX Capital, an investment fund based in Madrid. He is currently the chairman of the board of Vibra Energia and a partner at Crescera Capital. He is also a member of the boards of Brazil Foods (BRF), Delta Airlines and The Nature Conservancy. He co-chairs the Latin America Conservation Council. Previously, he served as Chairman and CEO of Santander Brazil, and as a board member of Banco Santander in Spain. He was also chairman of Ebury Partners and held senior executive positions at ABN AMRO, Bear Stearns, Cargill, and Marfrig Foods. Additionally, he serves on the international board of Zhejiang University International Business School and the advisory board of FRUX Capital.

Kaluz, Controladora GEK, S.A. de C.V., Elementia, S.A.B. de C.V., Grupo Financiero Ve por Más, S.A. de C.V., Banco Ve por Más, S.A. de C.V., Grupo Pochteca, S.A.B. de C.V., Casa de Bolsa Ve por Más, S.A. de C.V. and Fundación Kaluz, constitute our related parties.

Our Board of Directors

The management of our business is vested in our Board of Directors and our chief executive officer as provided in our bylaws. All of the members of our Board of Directors were elected or re-elected at the annual shareholders' meeting held on April 2, 2025. Our bylaws provide that the members of the Board of Directors are elected for the term established by the General Meeting of Shareholders that appointed them and may be reelected (ratified) as such, but must remain in office for 30 days after their resignation or expiration of their term if a substitute is not elected or appointed. Under the Mexican Securities Market Law and Article 32 of our bylaws, our Board of Directors must consist of no more than 21 members, of which at least 25% must qualify as independent directors. Independent directors are elected based on their experience, ability and reputation. Whether a director is independent or not is determined at the shareholders' meeting, although this determination may be challenged by the CNBV. Our officers and employees and those of our subsidiaries, persons with the ability to control or that own 20.0% or more of our outstanding shares, material clients and suppliers, and relatives of any of the foregoing are not deemed independent.

The chairman of our Board of Directors, 25% of the Board of Directors, the president of the governance committee or the audit committee, or the secretary or the alternate secretary of the Board of Directors may call for a Board of Directors' meeting. In addition, the Mexican Securities Market Law provides that our Board of Directors must approve all relevant transactions (equivalent to 5% or more of our Consolidated Assets) that deviate from our ordinary course of business and those that are to be entered into between us and any of our shareholders, our managers or other related parties. The chairman of our Board of Directors, Juan Pablo del Valle Perochena, has the decisive vote in the event of a tie. The Board of Directors is required to meet at least once every quarter.

Committees of our Board of Directors

Our Board of Directors has three standing committees: the governance committee, the audit committee and the finance committee.

Governance Committee

As set forth in the Mexican Securities Market Law, our governance committee is required to: (1) provide opinions to the Board of Directors; (2) request and obtain opinions from independent third-party experts; (3) call shareholders' meetings; (4) provide assistance to the Board of Directors in the preparation of annual reports; and (5) provide reports to the Board of Directors. Our governance committee currently consists of Juan Pablo del Valle Perochena, María Teresa Altagracia Arnal Machado (President) and Mihir Desai.

Audit Committee

Our audit committee's principal role is to: (1) supervise our external auditors; (2) analyze the external auditors' reports; (3) inform the Board of Directors in respect of existing internal controls; (4) supervise the execution of related party transactions; (5) require our officers to prepare reports when necessary; (6) inform the Board of Directors of any irregularities that the audit committee encounters; (7) supervise the activities of our CEO; and (8) provide an annual report to the Board of Directors. Our audit committee currently consists of Edward Mark Rajkowski (President), María Teresa Altagracia Arnal Machado and Mihir Desai, all of whom are independent Directors.

Finance Committee

Our finance committee is composed of five members of the Board of Directors, who were appointed by this Board; except for its President, who was appointed by the Annual Ordinary Shareholders' Meeting. This Committee shall support the Board of Directors in the fulfillment of its responsibilities with the shareholders regarding the policies, practices and strategies related to its financial affairs' management. Its main objectives are: (1) to formulate and recommend for the approval of the Board of Directors the financial policies of the Company, including the management of financial matters; (2) to review management's plans to manage the exposure of the Company's financial risks; (3) to review the Company's cash flow plan, balance sheet and capital structure; and (4) to review the

Company's capital allocation strategy, including the capital cost. Our finance committee currently consists of Sergio Agapito Lires Rial (President), Antonio del Valle Perochena, María de Guadalupe del Valle Perochena, Jack Goldstein Ring and Francisco del Valle Perochena.

Our Executive Officers and Senior Management

The following table sets forth our current executive officers and their position:

Name	Position
Sameer S. Bharadwaj	Chief Executive Officer
James P. Kelly	Chief Financial Officer
Andrea Bergamini	Chief Information Officer
Sheldon Hirt	General Counsel
Deborah Butters	Chief People Officer
Shai Albaranes	Corporate Vice President, Innovation and Ventures
Tania Rabasa Kovacs	Sustainability & Corporate Affairs Vice President
Jorge Luis Guzmán Mejía	Corporate Vice President, Internal Audit
John Branan	Vice President, Process Engineering & HSE
Nicholas P. Ballas	Business Group President, Polymer Solutions (Vestolit)
Peter Hajdu	Business Group President, Connectivity Solutions
Gabriel Miodownik	Business Group President, Precision Agriculture
Gautam Nivarthy	Business Group President, Polymer Solutions (Alphagary)
Freek Crum	Business Group President, Building and Infrastructure
Gregg Smith	Business Group President, Fluor and Energy Materials

Sameer S. Bharadwaj holds a bachelor's degree in chemical engineering from the University of Bombay, an MBA from Harvard Business School, and a Ph.D in chemical engineering from the University of Minnesota. Since joining Orbia in 2016 to lead the compound business group, he has assumed leadership of the "Alphagary", "Koura" and "Vestolit" commercial brands. Prior to joining Orbia, Sameer held numerous executive leadership positions over the course of an 11-year tenure at Cabot Corporation, most recently as Vice President and General Manager. Before that, he worked as a strategy consultant for The Boston Consulting Group. He started his career as a senior researcher engineer at The Dow Chemical Company.

James P. Kelly holds an MBA from Harvard University and a B.S. degree in accounting from Georgetown University. He brings over 30 years of experience to leading Orbia's finance organization and presiding over the accounting, treasury, financial planning and analysis, tax and investor relations functions. Prior to joining Orbia, Mr. Kelly held a variety of senior positions, most recently serving as Vice President and Corporate Controller of Cabot Corporation, where he oversaw all reporting and internal control activities, finance process improvements and facilitation of Cabot's Audit Committee activities. Over the course of his career, Mr. Kelly lived and worked across several continents and steered teams in corporate reporting, business financial planning and analysis, investor relations and internal audit.

Andrea Bergamini holds a master's degree in telecommunications engineering from Politecnico di Torino and is currently pursuing a Global Executive MBA at the Rotterdam School of Management. Andrea is a seasoned technology and cybersecurity executive with over 20 years of experience leading global teams through complex change and transformation across multiple industries. Before stepping into the CIO role, Andrea served in the dual role of Orbia's Chief Information Security Officer and Vice President of Global Infrastructure, through which he supported the optimization of Orbia's IT infrastructure and global service delivery operating model and built a world-class cybersecurity function from the ground up. Prior to Orbia, he held leadership roles at organizations including General Electric, Accenture, KPMG, Heineken, Cargill and ING Group, where he played a pivotal role in IT modernization, cybersecurity strategy and global operations.

Sheldon Hirt holds a bachelor's degree in international affairs from Columbia University's School of International and Public Affairs and acquired a Juris Doctor degree from Columbia Law School. He worked at

Amneal Pharmaceuticals, where he was a member of the executive leadership team. He has significant experience handling the legal and compliance matters affecting international pharmaceutical companies such as Johnson & Johnson, Actavis, and Progenics Pharmaceuticals. He specializes in mergers and acquisitions, licensing, securities, and corporate governance.

Deborah Butters holds a bachelor's degree of science in the field of human resources from the University of Bath in England and a postgraduate diploma in human resources from the University of London. With more than 25 years of experience, she has worked across the technology, consulting, life science and now industrial sectors in a global capacity. She has expertise in talent attraction and retention, acquisition integrations, executive and employee compensation models and supporting transformational performance and chance manage initiatives. She was the architect behind the company's people strategy. Prior to joining us, she worked in human resources at IBM for 17 years.

Shai Albaranes holds a bachelor's in computer science with distinction from the IDC and an MBA from INSEAD. He founded a successful start-up and served in business development and marketing roles in several other start-ups. Today he is a mentor and an active investor to several start-ups and entrepreneurs. He led the Product Management, Product Marketing, and Strategic Crops units at Netafim. Prior to his position at Netafim, Shai worked as a project manager at McKinsey & Co., providing global multinational companies with guidance on a broad range of strategic, organizational and M&A topics.

Tania Rabasa Kovacs holds an M.A. in economics and political science from El Colegio de México in Mexico City and a B.A. in economics, politics and philosophy from York University in the U.K. Prior to joining Orbia, Tania held public sector roles at Mexico's Federal Electricity Commission (CFE), its trading and marketing entity CFEnergía and PEMEX, where she focused on energy transitions and strategy. In the private sector, she worked at Solana Consultores, where she developed sustainable development approaches aligned to business goals. In addition, Tania is a founding member of Voz Experta, an NGO that supports women's leadership in the environmental and energy sectors as well as a member of numerous think tanks including COMEXI, Club of Rome and Centro Tepoztlán that are promoting the study and analysis of global challenges including climate change.

Jorge Luis Guzmán Mejía holds a bachelor's degree in business management and an MBA from Universidad Iberoamericana, in Mexico City, Mexico. Jorge has CIA and CSA certificates accredited by the Florida Institute of internal Auditors. He worked for companies including Avon, Becton Dickenson, Dupont, and Dow Chemical. He has more than 20 years of experience in finance, treasury, credit, risk assessment, auditing, and internal controls.

John Branan holds a bachelor's degree in chemical engineering from the Georgia Institute of Technology. With over 35 years of experience in the specialty materials and chemicals industries. He has expertise in safety best practices, environmental compliance, process optimization and strategic project execution and a track record in steering process, program and commercial improvements that drive efficiencies as well as growth. John held executive leadership roles spanning operations, business development, capital project engineering and process optimization at Cabot Corporation, where he additionally developed and patented several carbon-black products and technologies.

Nicholas P. Ballas holds a master's degree in international management from the Thunderbird School of Global Management and a bachelor's degree from St. Cloud State University. He achieved C-Level Executive status with extensive global operation experience, particularly in Asia. He has a track record of developing and executing strategy, enhancing operations and delivering top- and bottom-line results. Nicholas served for eight years as an Executive Vice President of Nexans SA, a worldwide leader in the cable industry, where he led the company's Asia Pacific business division. He also served as a director of Nexans Foundation, where he helped steer efforts to bring electricity to disadvantaged communities throughout the world. His prior experiences include consulting work at Cathedral Hill Advisory, Samudera Shipping in Indonesia and an early career at Cabot Corporation where he was instrumental in in building the company's business in the Asia Pacific region. Currently he is a board member at Samudera Shipping Line.

Peter Hajdu holds a degree in management of technology and an MBA from University of California, Berkeley. He has led multiple executive positions in Cisco's EMEA and emerging markets operation. He was also a consultant at Mckinsey & Company, serving clients in the chemical, automobile, aviation, and banking sectors.

Gabriel Miodownik holds an MBA degree with a focus in Accounting and Finance from Tel Aviv University. He is also a certified accountant in Israel. He was Chief Financial Officer for Latin America, Managing Director of Netafim Mexico, Vice President of the Americas and Europe, the Middle East and Africa and recently a Senior Vice President and President of Americas at Netafim.

Gautam Nivarthy holds a Ph.D. in chemical technology from the University of Twente, an MBA from Columbia Business School, and a BSc in chemical engineering from the University of Bomba. He is an experienced business manager with strong people leadership capacity and experience across multiple geographies (Europe, Asia and North America) managing cross functional business teams. Prior to joining Orbia, Gautam held executive leadership positions in marketing, strategy and general management for Honeywell, DuPont and Unilever.

Freek Crum holds a master's degree in management and organizational science from the University of Groningen. Since joining Orbia in 2019 as President of APAC, Mr. Crum has held progressive leadership roles spanning general management, mergers and acquisitions and new business, including most recently the position of General Manager of EMEA and APAC: a position he maintains in addition to his role as President. Mr. Crum has an extensive track record of steering successful acquisitions and integrations to deliver growth across the U.S., Canada, India and Indonesia. Prior to Orbia, Mr. Crum held high-profile leadership positions at DSM—a global multinational in health and nutrition—where he had global P&L responsibility for multiple businesses.

Gregg Smith has broad international experience in a wide range of positions (Business Development, Technology Development, General Management and Plant Management) for specialist materials in a number of application spaces. Gregg succeeded in the founding of an Inkjet Business, a Battery Materials Business and a Graphene Business.

Compensation of Directors and Officers

The General Meeting of Shareholders held on April 2, 2025 resolved that (i) the honorary chairman of the Board of Directors will receive US$500,000 annually, (ii) the chairman of the Board of Directors will receive US$750,000 annually and an additional payment of up to US$750,000 payable based on the achievement of specific objectives established and evaluated by the governance committee, (iii) the chairman of the audit committee will receive US$25,000 annually, and the chairmen of the finance committee and the governance committee will each receive US$20,000 annually, in addition to any cash or in-kind compensation paid to such persons in their positions as members of the Board of Directors. All other members of the Board of Directors, audit committee, governance committee and the finance committee will each receive US$60,000 annually in cash and US$90,000 annually in the form of restricted shares of the Company.

The compensation paid to management and other key members of our management during the last three years was as follows:

	2024	2023	2022
	(in thousands of U.S. dollars)		
Short-term benefits	19	20	19
Terminated benefits	—	2	—
Total	**19**	**22**	**19**

PRINCIPAL SHAREHOLDERS

The following table sets forth information about the beneficial ownership of our capital stock by each person or entity known by us to beneficially own 5% or more of our capital stock as of March 31, 2025.

Shareholder	Shares beneficially owned	
	Total	**(%) of capital stock**
Kaluz, S.A. de C.V (controlling group)	901,486,189	45.81
Public shareholders	1,066,513,811	54.19
Total	**1,968,000,000**	**100.0**

The members of the Del Valle family that are shareholders of Kaluz include Antonio del Valle Perochena, Francisco Javier del Valle Perochena, Juan Pablo del Valle Perochena, María Blanca del Valle Perochena and María de Guadalupe del Valle Perochena.

All shares issued by us grant their holders the same voting rights. Consequently, our majority shareholders do not have different voting rights from the rest of our shareholders.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

General

In the past, we have engaged in, and expect that in the future we will continue to engage in, transactions with our directors, officers, principal shareholders and their respective affiliates or subsidiaries, including, without limitation, the transactions described below. The terms of these transactions are typically negotiated by one or more of our employees who are not related parties, taking into account the same business considerations that would apply to transactions with unrelated third parties, and are subject to meeting the relevant market price for the transaction, which is verified by our independent auditors at the end of each year. We believe that these arrangements are generally on terms at least as favorable as those that we could obtain from an unaffiliated third party, to the extent there are third parties which could provide comparable services. Related party transactions must be analyzed by our Corporate Practices Committee prior to recommending for ratification by our board of directors.

Related Party Transactions

We have numerous investments, trust funds and bank accounts with Banco Ve por Más, S.A. de C.V. and Casa de Bolsa Ve por Más, S.A. de C.V. These accounts pay interest at prevailing market rates.

We have a services agreement with Kaluz, our principal shareholder, for consulting services, for which we pay Kaluz a monthly amount equal to the costs and expenses for the services, plus a fee at market price.

All transactions with related parties have been made in the normal course of our business operations and are on terms no less favorable to us than would have been obtained in an arm's-length transaction.

Amounts due to and due from related parties for the years ended December 31, 2024, 2023 and 2022 were not material.

DESCRIPTION OF NOTES

We have issued the Notes under an indenture entered into by and among the Company, the Subsidiary Guarantors (as defined below) and Citibank, N.A., as trustee (which term includes any successor as trustee under the indenture), principal paying agent and transfer agent. A copy of the indenture, including the form of the 2030 Notes and the 2035 Notes, is available for inspection during normal business hours at the corporate trust offices of the trustee and any of the other paying agents set forth on the inside back cover page of this offering memorandum. The trustee or any other paying agent, as applicable, will also act as transfer agent and registrar if we issue certificates for the Notes in definitive registered form.

This Description of Notes is a summary of the material provisions of the Notes and the indenture. You should refer to the indenture for a complete description of the terms and conditions of the Notes and the indenture, including our obligations and your rights.

You will find the definitions of capitalized terms used in this section under "—Certain definitions." For purposes of this section of this offering memorandum, references in this description of Notes to "we," "us," "our," "the Company" or "Orbia" refer only to Orbia Advance Corporation, S.A.B. de C.V. and not to its Subsidiaries.

General

The Notes:

- will be senior unsecured obligations (subject to certain obligations that are preferred by statute);
- will be initially be limited to an aggregate principal amount of US$1,100,000,000 (US$650,000,000 of 2030 Notes and US$450,000,000 of 2035 Notes);
- will mature at 100% of their principal amount on May 13, 2030 for the 2030 Notes and on May 13, 2035 for the 2035 Notes;
- will be issued in denominations of US$200,000 and integral multiples of US$1,000 in excess thereof;
- will be represented by one or more registered notes in global form and may be exchanged for notes in definitive form only in limited circumstances; and
- will be guaranteed by the following Subsidiaries: (1) Mexichem Brasil Industria de Transformação Plastica Ltda.; (2) Mexichem Derivados, S.A. de C.V.; (3) Mexichem Resinas Vinílicas, S.A. de C.V.; (4) Mexichem Flúor, S.A. de C.V.; (5) Mexichem Resinas Colombia, S.A.S.; (6) Mexichem Soluciones Integrales, S.A. de C.V.; (7) Mexichem Compuestos, S.A. de C.V.; (8) Mexichem UK Limited.; (9) Mexichem Fluor, Inc.; (10) Mexichem Ecuador, S.A.; and (11) Mexichem Flúor Comercial, S.A. de C.V. (collectively, the "Subsidiary Guarantors"). As of and for the year ended December 31, 2024, the Subsidiary Guarantors (in addition to Orbia, on a stand-alone basis) accounted for 24% of our total assets and 27% of our Orbia EBITDA on a consolidated basis.

Principal and Interest

The 2030 Notes bear interest from and including May 13, 2025 at a rate of 6.800% per annum.

The 2035 Notes bear interest from and including May 13, 2025 at a rate of 7.500% per annum.

Interest will accrue from the date of issuance or, if interest has already been paid, from the most recent interest payment date. Interest will be payable in cash, semi-annually in arrears on May 13 and November 13 of each year, commencing on November 13, 2025.

Interest will be payable to the persons in whose name the Notes are registered at the close of business on April 28 or October 29 immediately preceding each interest payment date. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months.

Principal of, and interest, including any Additional Interest on, the Notes will be payable, and the transfer of Notes will be registrable, at the corporate trust office of the trustee, and at the corporate trust offices of the paying agents and transfer agents, respectively.

The trustee shall have no obligation to calculate or verify any calculation of the interest rate.

Ranking of notes and guarantees

The Notes will constitute our direct senior unsecured obligations. The 2030 Notes and 2035 Notes rank *pari passu* in priority of payment with each other and with all our other existing and future senior unsecured indebtedness.

In the event of a bankruptcy or liquidation proceeding by or against us, our obligations under the Notes will rank equal in right of payment to all other of our existing and future senior unsecured indebtedness, subject to certain statutory preferences under applicable law, including labor and tax claims.

The Subsidiary Guarantors will fully and unconditionally guarantee the full and punctual payment of principal, premium, if any, interest, including any Additional Interest, and any other amounts that may become due and payable by us in respect of the 2030 Notes and 2035 Notes. If we fail to pay any such amount, the Subsidiary Guarantors will immediately pay the amount that is due and required to be paid.

The Subsidiary Guarantors' guarantees of the 2030 Notes and 2035 Notes will not be secured by any of their assets or properties. As a result, if the Subsidiary Guarantors are required to pay under the guarantees, holders of the Notes would be unsecured creditors of the Subsidiary Guarantors. The guarantees will not be subordinated to any of the Subsidiary Guarantors' other unsecured debt obligations. In the event of a bankruptcy or liquidation proceeding against any of the Subsidiary Guarantors, the guarantees would rank equally in right of payment with all of such Subsidiary Guarantors' other unsecured and unsubordinated debt.

None of our Subsidiaries other than the existing Subsidiary Guarantors will have any obligations with respect to the Notes unless other entities become guarantors. As a result, the Notes and guarantees will be effectively subordinated to claims of creditors (including trade creditors and preferred stockholders, if any) of each of the Subsidiaries other than the existing Subsidiary Guarantors.

A Subsidiary Guarantor's guarantee of the Notes will terminate upon: (1) the Subsidiary Guarantor ceasing to be a direct or indirect Subsidiary of the Company through a sale or other disposition or transfer to any Person, other than to the Company or another Subsidiary, of Capital Stock of such Subsidiary Guarantor or the sale or other disposition or transfer of all or substantially all of the assets of such Subsidiary Guarantor (which sale, disposition or transfer is not prohibited under the Indenture); (2) if the guarantee was required pursuant to the terms of the indenture, the cessation of the circumstances requiring the guarantee; or (3) defeasance or discharge of the Notes, as provided below under the caption "—Defeasance."

In addition, the Company may terminate upon written notice of such election to the trustee the guarantee of any Subsidiary Guarantor that does not guarantee any other Debt of the Company, or of any other Subsidiary of the Company; *provided* that, subsequent to the termination of such Subsidiary Guarantor's guarantee, such Subsidiary Guarantor will not guarantee any Debt of the Company or any other Subsidiary of the Company unless contemporaneously therewith effective provision is made to guarantee the Notes on the same terms as such Subsidiary Guarantor's initial guarantee under the indenture.

As of March 31, 2025, we and the Subsidiary Guarantors had US$4,290 million of total indebtedness, none of which is secured, and US$396 million of which is unsecured debt of our non-guarantor Subsidiaries, all of which is structurally senior to the Notes.

Payments

We will make all payments on the Notes exclusively in such coin or currency of the United States as at the time of payment will be legal tender for the payment of public and private debts.

We will make payments of principal of and of interest on the Notes issued in global form, to the principal paying agent (as identified on the inside back cover page of this offering memorandum), which will pass such funds to the trustee and the other paying agents or to the holders. We have agreed in the indenture to indemnify the holders if there is subsequent failure by the trustee and paying agent to pay any amount due in respect of the Notes in accordance with the indenture (including, without limitation, any failure to pay any amount due as a result of the imposition of any present or future taxes, duties, assessments, fees or governmental charges of whatever nature (and any fines, penalties or interest related thereto)) as will result in the receipt by the holders of such amounts as would have been received by them had no such failure occurred.

For Notes issued in certificated form, we will make payments of principal upon surrender of the relevant Notes at the specified corporate trust office of the trustee or any of the paying agents. We will pay interest on the Notes to the persons in whose name the Notes are registered at the close of business on the fifteenth day immediately preceding the due date for payment. Payments of principal and interest in respect of each Note will be made by the paying agents by U.S. dollar check drawn on a bank in the City of New York and mailed to the holder of such Note at its registered address. Upon application by the holder to the specified corporate trust office of any paying agent not less than 15 days before the due date for any payment in respect of a Note, such payment may be made by transfer to a U.S. dollar account maintained by the payee with a bank in The City of New York.

All payments will be subject in all cases to any applicable tax or other laws and regulations, but without prejudice to the provisions of "—Additional Interest." No commissions or expenses will be charged to the holders in respect of such payments.

Subject to any applicable abandoned property law, the trustee and the paying agents will pay to us upon our request any monies held by them for the payment of principal or interest that remains unclaimed for two years, and, thereafter, holders entitled to such monies must look to us and the Subsidiary Guarantors for payment as our and their general creditors. After the return of such monies by the trustee or the paying agents to us, neither the trustee nor the paying agents shall be liable to the holders in respect of such monies.

Form, denomination and title

The Notes will be in registered form without coupons attached in amounts of US$200,000 and integral multiples of US$1,000 in excess thereof.

Notes sold in offshore transactions in reliance on Regulation S will be represented by one or more permanent global notes in fully registered form without coupons deposited with a custodian for and registered in the name of a nominee of DTC. Notes sold in reliance on Rule 144A will be represented by one or more permanent global notes in fully registered form without coupons deposited with a custodian for and registered in the name of a nominee of DTC. Beneficial interests in the global notes will be shown on, and transfers thereof will be effected only through, records maintained by DTC and its direct and indirect participants, including Euroclear and Clearstream. Except in certain limited circumstances, definitive registered Notes will not be issued in exchange for beneficial interests in the global notes.

Title to the Notes will pass by registration in the register. The registered holder of any Note will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, writing on, or theft or loss of, the definitive Note issued in respect of it) and no person will be liable for so treating the holder.

Redemption

No sinking fund is provided for the Notes.

We will give not less than 15 days' nor more than 60 days' notice of any optional redemption to holders of the Notes, which notice will be irrevocable and will be mailed to the registered address of each holder of Notes and published in Luxembourg as described in "—Notices" below. On and after any redemption date, interest will cease to accrue on any Notes called for redemption as long as we have deposited with the trustee funds in satisfaction of the applicable redemption price pursuant to the indenture.

Optional redemption

We may redeem either series of Notes, at our option, in whole at any time or in part, from time to time, beginning on the Par Call Date (as defined below) applicable to the series of Notes being redeemed, at a redemption price equal to 100% of the principal amount of the series of Notes to be redeemed, *plus* accrued and unpaid interest on the principal amount of the Notes being redeemed and any Additional Interest thereon to, but excluding, the redemption date.

Prior to April 13, 2030, the date that is one month prior to the scheduled maturity of the 2030 Notes (the "2030 Notes Par Call Date"), and February 13, 2035, the date that is three months prior to the scheduled maturity of the 2035 Notes (the "2035 Notes Par Call Date" and, together with the 2030 Notes Par Call Date, a "Par Call Date"), we may redeem the relevant series of Notes, in whole at any time or in part, from time to time, at a redemption price equal to the greater of: (i) 100% of the principal amount of the relevant series of Notes being redeemed, and (ii) (a) the sum of the present values of each remaining scheduled payment of principal and interest thereon through the relevant Par Call Date, as if such Notes matured on the respective Par Call Date, discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the applicable Treasury Rate plus 50 basis points for the 2030 Notes and at the applicable Treasury Rate plus 50 basis points for the 2035 Notes, *less* (b) interest accrued and unpaid to the redemption date, *plus*, in either case, accrued and unpaid interest on the principal amount of such Notes to the redemption date and Additional Interest thereon.

"Treasury Rate" means, with respect to any redemption date for each series of Notes, the yield determined by us in accordance with the following two paragraphs.

The Treasury Rate shall be determined by us after 4:15 p.m. (New York City time) (or after such time as yields on U.S. government securities are posted daily by the Board of Governors of the Federal Reserve System), on the third business day preceding the redemption date based upon the yield or yields for the most recent day that appear after such time on such day in the most recent statistical release published by the Board of Governors of the Federal Reserve System designated as "Selected Interest Rates (Daily) - H.15" (or any successor designation or publication) ("H.15") under the caption "U.S. government securities–Treasury constant maturities–Nominal" (or any successor caption or heading) ("H.15 TCM"). In determining the Treasury Rate, we shall select, as applicable: (1) the yield for the Treasury constant maturity on H.15 exactly equal to the period from the redemption date to the relevant Par Call Date (the "Remaining Life"); or (2) if there is no such Treasury constant maturity on H.15 exactly equal to the Remaining Life, the two yields—one yield corresponding to the Treasury constant maturity on H.15 immediately shorter than and one yield corresponding to the Treasury constant maturity on H.15 immediately longer than the Remaining Life—and shall interpolate to the relevant Par Call Date on a straight-line basis (using the actual number of days) using such yields and rounding the result to three decimal places; or (3) if there is no such Treasury constant maturity on H.15 shorter than or longer than the Remaining Life, the yield for the single Treasury constant maturity on H.15 closest to the Remaining Life. For purposes of this paragraph, the applicable Treasury constant maturity or maturities on H.15 shall be deemed to have a maturity date equal to the relevant number of months or years, as applicable, of such Treasury constant maturity from the redemption date.

If on the third business day preceding the redemption date H.15 TCM or any successor designation or publication is no longer published, we shall calculate the Treasury Rate based on the rate per annum equal to the semi-annual equivalent yield to maturity at 11:00 a.m. (New York City time) on the second business day preceding such redemption date of the United States Treasury security maturing on, or with a maturity that is closest to, the relevant Par Call Date, as applicable. If there is no United States Treasury security maturing on the relevant Par Call Date but there are two or more United States Treasury securities with a maturity date equally distant from the relevant Par Call Date, one with a maturity date preceding the relevant Par Call Date and one with a maturity date following the relevant Par Call Date, we shall select the United States Treasury security with a maturity date preceding the relevant Par Call Date. If there are two or more United States Treasury securities maturing on the relevant Par Call Date or two or more United States Treasury securities meeting the criteria of the preceding sentence, we shall select from among these two or more United States Treasury securities the United States Treasury security that is trading closest to par based upon the average of the bid and asked prices for such United States Treasury securities at 11:00 a.m. (New York City time). In determining the Treasury Rate in accordance with the terms of this paragraph, the semi-annual yield to maturity of the applicable United States Treasury security shall be based upon the average of the bid and asked prices (expressed as a percentage of principal amount) at 11:00 a.m. (New York City time) of such United States Treasury security, and rounded to three decimal places.

Unless we default in payment of the redemption price, on and after the redemption date interest will cease to accrue on the Notes or portions thereof called for redemption.

On and after the redemption date, interest on the Notes or any portion of the Notes called for redemption will cease to accrue (unless we default in the payment of the redemption price and accrued interest). On or before the redemption date, we will deposit with the trustee funds sufficient to pay the redemption price and accrued interest, through the redemption date, on the Notes subject to redemption. If the redemption date falls after a record date but on or prior to the corresponding interest payment date, we will pay accrued interest to the holder of record on the corresponding record date, which may or may not be the person who will receive payment of the redemption price (which will exclude such accrued interest). If less than all the Notes of a series are to be redeemed, the Notes of such series to be redeemed will be selected by the trustee by lot or by such method in accordance with DTC procedures.

Our actions and determinations in determining the redemption price shall be conclusive and binding for all purposes, absent manifest error. The trustee shall have no obligation to calculate or verify any calculation of the redemption price.

Tax redemption

We may at any time redeem each series of Notes, at our option, in whole, but not in part, upon the giving of a notice of redemption to the holders, at a redemption price equal to 100% of the then outstanding principal amount, together with accrued and unpaid interest through the date of redemption, including any Additional Interest, if any, if:

(a) We certify to the trustee (in the manner prescribed below) immediately prior to the giving of notice of redemption that we have (or if a Subsidiary Guarantor is required to pay any amount under the Notes, such a Subsidiary Guarantor has) or, in either case, will become obligated to pay Additional Interest in connection with payments on the Notes in respect of withholding taxes in excess of 4.9% (the "Excess Additional Interest") as a result of any generally applicable change in or amendment to the laws or regulations of a Relevant Jurisdiction or any political subdivision or governmental authority thereof or therein having power to tax, or any generally applicable change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective or, in the case of a change in official position, is announced on or after the date of issuance of the Notes; and

(b) such obligation cannot be avoided by taking reasonable measures available to us or, as the case may be, the relevant Subsidiary Guarantor; provided, however, that the notice of redemption, which will specify the date and redemption price, will not be given earlier than 60 days before and not later than 60 days after, the earliest date on which we or, as the case may be, a Subsidiary Guarantor, would be obligated to pay such Excess Additional Interest if a payment in respect of the relevant series of Notes were then due.

Before giving any notice of redemption as described in the preceding clauses, we will deliver an officers' certificate to the trustee stating that we are entitled to effect such redemption in accordance with the terms of the indenture and setting forth in reasonable detail a statement of facts relating thereto. The officers' certificate will be accompanied by a written opinion of recognized independent counsel experienced in tax and other related matters in the Relevant Jurisdiction to the effect that:

(a) we or, as the case may be, the relevant Subsidiary Guarantor, have or will become obligated to pay the Excess Additional Interest as a result of such change or amendment; and

(b) all governmental approvals necessary for us to effect the redemption have been obtained and are in full force and effect or specifying any such necessary approvals that as of the date of such opinion have not been obtained.

Redemption upon change of control

Upon the occurrence of a Change of Control Triggering Event, the holders of each series of Notes will have the right to require us to purchase all or a portion of the Notes (in integral multiples of US$1,000) pursuant to a Change of Control Offer at a purchase price equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of purchase, including any Additional Interest payable with respect of the Notes (the "Change of Control Payment" and the date of such purchase, the "Change of Control Payment Date"), in accordance with the procedures set forth below. If the date of purchase is on a date that is after a record date and on or prior to the corresponding interest payment date, we will pay such interest to the holder of record on the corresponding record date, which may or may not be the same person to whom we will pay the purchase price.

Within 30 days following the consummation of any transaction constituting a Change of Control Triggering Event, we will send, by first-class mail, a notice to each holder with a copy to the trustee (the "Change of Control Offer") and publish the notice in a newspaper having a general circulation in each of Mexico, the United States of America and, as long as the Notes are listed on the Official List of the LuxSE and admitted to trading on the Euro MTF Market of the LuxSE and the Rules and Regulations of the LuxSE so require, in Luxembourg. Our failure to give notice in the manner described herein will not affect the rights of the holders to require us to purchase the Notes. The notice of the Change of Control Offer will state, among other things:

(a) that a Change of Control Triggering Event has occurred and that each holder has the right to require us to purchase such holder's Notes at a purchase price equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of purchase (subject to the right of holders of record on the relevant record date to receive interest on the relevant interest payment date);

(b) the circumstances and relevant facts regarding such Change of Control Triggering Event;

(c) the Change of Control Payment Date, which will be no earlier than 30 days nor later than 60 days from the date such notice is mailed, other than as may be required by law;

(d) the jurisdiction of incorporation of the successor controlling entity; and

(e) the instructions, as determined by us, consistent with the covenant described hereunder, that a holder of Notes must follow in order to have its Notes purchased.

On the Change of Control Payment Date, we will, to the extent lawful:

(a) accept for payment all Notes or portions thereof properly tendered pursuant to the Change of Control Offer;

(b) deposit with the paying agent funds in an amount equal to the Change of Control Payment in respect of all Notes or portions thereof so tendered; and

(c) deliver or cause to be delivered to the Trustee the Notes so accepted together with an officer's certificate stating the aggregate principal amount of Notes or portions thereof we are purchasing.

If only a portion of a Note is purchased pursuant to a Change of Control Offer, a new Note in a principal amount equal to the portion not purchased will be issued in the name of the holder of such Note upon cancellation of the original Note, or appropriate adjustments to the amount and beneficial interests in a global note will be made, as appropriate. The minimum amount of such new Note will be US$200,000.

We will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other applicable securities laws or regulations in connection with the repurchase of Notes in connection with a Change of Control Offer. To the extent that the provisions of any securities laws or regulations conflict with the provisions of the covenant described hereunder, we will comply with the applicable securities laws and regulations and will not be deemed to have breached our obligations under the covenant described hereunder by virtue of our compliance with such securities laws or regulations.

We will not be required to make a Change of Control Offer following a Change of Control Triggering Event if a third party makes a Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the indenture applicable to a Change of Control Offer and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer.

Open market purchases

We may at any time purchase Notes of either series in the open market or otherwise at any price.

Transfer of Notes

The Notes may be transferred in whole or in part in an authorized denomination upon the surrender of the Note to be transferred, together with the form of transfer endorsed on it duly completed and executed, at the specified office of the registrar or the specified office of any transfer agent. Each new note to be issued upon exchange of Notes or transfer of Notes will, within three business days of the receipt of a request for exchange or form of transfer, be mailed at the risk of the holder entitled to the note to such address as may be specified in such request or form of transfer.

The Notes will be subject to certain restrictions on transfer as more fully set out in the indenture. See "Notice to investors." Transfer of beneficial interests in the Global Notes will be effected only through records maintained by DTC and its participants, including Euroclear and Clearstream.

Transfers will be effected without charge by or on our behalf, the registrar or the transfer agents, but upon payment, or the giving of such indemnity and/or security as the trustee, the registrar or the relevant transfer agent may require, in respect of any tax or other governmental charges which may be imposed on such transfer. We are not required to transfer or exchange any Note selected for redemption.

No holder may require the transfer of a Note to be registered during the period of 15 days ending on the due date for any payment of principal or interest on that Note.

Additional Interest

All payments by us or any Subsidiary Guarantors in respect of the Notes will be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments, fees or other governmental charges of whatever nature (and any fines, penalties or interest related thereto) imposed or levied by or on behalf of a Relevant Jurisdiction, or any political subdivision or authority of or in such jurisdiction having power to tax, unless such withholding or deduction is required by law. In that event, we or the relevant Subsidiary

Guarantor will pay to each holder such additional interest ("Additional Interest") as may be necessary in order that every net payment made on each Note after deduction or withholding for or on account of any present or future tax, penalty, fine, duty, assessment or other governmental charge imposed upon or as a result of such payment by such Relevant Jurisdiction or any political subdivision or taxing authority thereof or therein, will not be less than the amount then due and payable on such Note. The foregoing obligation to pay Additional Interest to any holder of Notes, however, will not apply to or in respect of:

(a) any tax, assessment or other governmental charge which would not have been imposed but for the existence of any present or former connection between such holder (or between a fiduciary, settlor, beneficiary, member or shareholder of such holder, if such holder is an estate, a trust, a partnership or a corporation), on the one hand, and the applicable Relevant Jurisdiction, on the other hand (including, without limitation, such holder (or such fiduciary, settlor, beneficiary, member or shareholder) being or having been a citizen or resident thereof or having been engaged in a trade or business or present therein or having, or having had, a permanent establishment therein), other than the mere receipt of such payment or the ownership or holding of such Note or the enforcement of any rights under the Notes;

(b) any tax, assessment or other governmental charge which would not have been so imposed but for the presentation by such holder of a Note for payment on a date more than 30 days after the date on which such payment became due and payable or the date on which payment thereof is duly provided for, whichever occurs later, except to the extent that the holder would have been entitled to such Additional Interest on presenting such Note for payment on any date during such 30-day period (and no Additional Interest shall be paid for or on account of any additional withholdings or deductions that arise as a result of such presentment after such 30-day period);

(c) any tax, duty, assessment or other governmental charge to the extent that such tax, duty, assessment or other governmental charge would not have been imposed but for the failure of such holder to comply with any certification, identification or other reporting requirements concerning the nationality, residence, identity or connection with the applicable Relevant Jurisdiction of the holder if (1) such compliance is required or imposed by law as a precondition to exemption from all or a part of such tax, duty, assessment or other governmental charge and (2) at least 30 days prior to the date on which we will apply this clause (c), we shall have notified all holders of Notes that some or all holders of Notes will be required to comply with such requirement;

(d) any estate, inheritance, gift, sales, transfer, excise or personal property or similar tax, assessment or governmental charge imposed with respect to the Notes;

(e) any tax, assessment or other governmental charge which would have been avoided by a holder presenting the relevant Note (if presentation is required) or requesting that such payment be made to another paying agent;

(f)any tax, assessment or other governmental charge which is payable other than by deduction or withholding from payments on the Note;

(g) any tax, assessment or other governmental charge imposed with respect to a payment on any Note to a holder that is a fiduciary or partnership or other than the sole beneficial owner of such payment to the extent a beneficiary or settlor with respect to such fiduciary or a member of such partnership or beneficial owner would not have been entitled to receive payment of the Additional Interest had the beneficiary, settlor, member or beneficial owner been the holder of the Note; or

(h) any combination of the above.

The limitations on our and any Subsidiary Guarantor's obligations to pay Additional Interest set forth in clause (c) above shall not apply if (1) the provision of information, documentation or other evidence described in such clause (c) would be materially more onerous, in form, in procedure or in the substance of information disclosed, to a holder of a Note, than comparable information or other reporting requirements imposed under U.S. tax law (including the United States-Mexico income tax treaty), regulations (including temporary or proposed regulations) and administrative practice, or (2) Article 166, Section II, paragraph (a) of the Mexican Income Tax Law (*Ley del Impuesto Sobre la Renta*) (or a substitute or equivalent provision) is in effect, unless (A) the provision of the information, documentation or other evidence described in such clause (c) above is expressly required by the applicable Mexican laws and regulations in order to apply Article 166, Section II, paragraph (a) of the Mexican Income Tax Law (or substitute or equivalent provision), (B) we or any Subsidiary Guarantor cannot obtain the information, documentation or other evidence necessary to comply with the applicable Mexican laws and regulations on our own through reasonable diligence and (C) we or any Subsidiary Guarantor otherwise would meet the requirements for application of the applicable Mexican laws and regulations.

We will also pay any present or future stamp, court or documentary taxes or any other excise or property taxes, charges or similar levies which arise in any jurisdiction from the execution, delivery, registration or enforcement, excluding any such taxes, charges or similar levies imposed by any jurisdiction outside of a Relevant Jurisdiction, other than those resulting from, or required to be paid in connection with, the enforcement of the Notes following the occurrence of any Default or Event of Default.

We will provide the trustee with the official acknowledgment of the relevant taxing authority (or, if such acknowledgment is not available, a certified copy thereof) evidencing any payment of taxes in respect of which we or a Subsidiary Guarantor have paid any Additional Interest. Copies of such documentation will be made available to the holders of the Notes or the paying agents, as applicable, upon request therefor.

All references in this offering memorandum to principal (and premium, if any) of and interest on the Notes will include any Additional Interest payable by us or a Subsidiary Guarantor in respect of such principal (and premium, if any) and such interest.

Covenants

The indenture contains the following covenants in addition to customary covenants regarding maintenance of office or agency, maintenance of corporate existence, payments of taxes and claims, and maintenance of insurance.

Limitation on Liens

We will not, and will not permit any Subsidiary to, create or suffer to exist any Lien upon any of our or such Subsidiary's property or assets now owned or hereafter acquired by us or it or on any Capital Stock of any Subsidiary securing any Debt, unless contemporaneously therewith effective provision is made to secure the Notes equally and ratably with such Debt for so long as such Debt is so secured. The preceding sentence will not require us or any Subsidiary to equally and ratably secure the Notes if the Lien consists of the following:

(a) any Lien existing on the date of the indenture, and any extension, renewal or replacement thereof or of any Lien in clause (b), (c) or (d) below; *provided, however*, that the total amount of Debt so secured is not increased;

(b) any Lien on any property or assets (including Capital Stock of any person) securing Debt incurred solely for purposes of financing the acquisition, construction or improvement of such property or assets after the date of the indenture; provided that (1) the aggregate principal amount of Debt secured by the Liens will not exceed (but may be less than) the cost (i.e., purchase price) of the property or assets so acquired, constructed or improved and (2) the Lien is incurred before, or within 120 days after the completion of, such acquisition, construction or improvement and does not encumber any other property or assets owned by us or any Subsidiary; and provided, further, that to the extent that the property or asset acquired is Capital Stock, the Lien also may encumber other property or assets of the person so acquired;

(c) any Lien securing Debt for the purpose of financing all or part of the cost of the acquisition, construction or development of a project; *provided* that the lenders of such Debt expressly agree to limit their recourse in respect of such Debt to assets (including Capital Stock of the project entity) and/or revenues of such project with an aggregate value of not more than the amount of such Debt; and *provided, further*, that the Lien is incurred before, or within 120 days after the completion of, that acquisition, construction or development and does not apply to any other property or assets owned by us or any Subsidiary;

(d) any Lien existing on any property or assets of any person before that person's acquisition by merger into or consolidation with us or any Subsidiary after the date of the indenture; *provided* that (1) the Lien is not created in contemplation of or in connection with such acquisition, merger or consolidation, (2) the Debt secured by the Liens may not exceed the Debt secured on the date of such acquisition, merger or consolidation, (3) the Lien will not apply to any other property or assets owned by us or any of our Subsidiaries and (4) the Lien will secure only the Debt that it secures on the date of such acquisition, merger or consolidation;

(e) any Lien imposed by law, including any judgment Lien not otherwise resulting in an Event of Default and any deposits to secure surety and appeal bonds with respect to judgments, that was incurred in the ordinary course of business, including, without limitation, carriers', warehousemen's and mechanics' liens and other similar encumbrances arising in the ordinary course of business, in each case for sums not yet due or being contested in good faith by appropriate proceedings;

(f)any pledge or deposit made in connection with workers' compensation, unemployment insurance or other similar social security legislation, any deposit to secure appeal notes in proceedings being contested in good faith to which we or any Subsidiary is a party, good faith deposits in connection with bids, tenders, contracts (other than for the payment of Debt) or leases to which we or any Subsidiary is a party or deposits for the payment of rent, in each case made in the ordinary course of business;

(g) any Lien in favor of issuers of surety notes or letters of credit issued pursuant to the request of and for the account of the Company or any Subsidiary in the ordinary course of business;

(h) any Lien securing taxes, assessments or other governmental charges, the payment of which is not yet due or that are being contested in good faith by appropriate proceedings and for which reserves or other appropriate provisions, if any, have been established as required by IFRS Accounting Standards;

(i) minor defects, easements, rights-of-way, restrictions and other similar encumbrances incurred in the ordinary course of business and encumbrances consisting of zoning restrictions, licenses, restrictions on the use of property or assets or minor imperfections in title that do not materially impair the value or use of the property or assets affected thereby, and any leases and subleases of real property that do not interfere with the ordinary conduct of the business of the Company or any Subsidiary, and which are made on customary and usual terms applicable to similar properties;

(j) any rights of set-off of any person with respect to any deposit account of the Company or any Subsidiary arising in the ordinary course of business and not constituting a financing transaction;

(k) any Liens granted, directly or indirectly, to secure borrowings from (1) *Banco Nacional de Comercio Exterior (BANCOMEXT), Banco Nacional de Obras y Servicios Públicos, Sociedad Nacional de Crédito, Institución de Banca de Desarrollo (BANOBRAS), Nacional Financiera, Sociedad Nacional de Crédito, Institución de Banca de Desarrollo (NAFIN)*, or any other Mexican governmental development bank or government credit institution or (2) any international or multilateral development bank, government-sponsored agency, export-import bank or official, export-import credit insurer;

(l) any Liens on the inventory or receivables of the Company or any Subsidiary securing the obligations of such person under any lines of credit or working capital facility or in connection with any structured export or import financing or other trade transaction; provided that the aggregate principal amount of Debt incurred that is secured by receivables that will fall due in any calendar year shall not exceed: (1) with respect to transactions secured by receivables from export sales to third parties, 50% of our consolidated gross revenues from export sales for the immediately preceding calendar year; or (2) with respect to transactions secured by receivables from domestic (Mexican) sales to third parties, 50% of such person's consolidated gross revenues from sales within Mexico for the immediately preceding calendar year; and provided, further, that Advance Transactions will not be deemed transactions secured by receivables for purposes of the above calculation; and

(m) in addition to the foregoing Liens set forth in clauses (a) through (l) above, Liens securing Debt of the Company or any Subsidiary (including, without limitation, guarantees of the Company or any Subsidiary) which do not in aggregate principal amount, at any time of determination, exceed 15.0% of the Company's Consolidated Net Tangible Assets.

Limitation on sale and lease-back transactions

Neither we nor any Subsidiary may undertake sale and lease-back transactions involving any principal property (except for temporary leases for a term, including any renewal thereof, of not more than three years and except for leases between us and a Subsidiary or between Subsidiaries) unless the net proceeds of the sale and leaseback transaction are at least equal to the fair value of the property.

Limitation on consolidation, merger or transfer of assets

(i) We will not consolidate with or merge with or into, or convey, transfer or lease all or substantially all of our assets to, any person, unless:

(a) the resulting, surviving or transferee person (if not the Company) will be a corporation organized and existing under the laws of Mexico, the United States of America, any State thereof or the District of Columbia, any other country that is a member country of the European Union or of the Organization for Economic Cooperation and Development and such person expressly assumes, by supplemental indenture to the indenture, executed and delivered to the trustee, all of our obligations under each series of Notes and the indenture;

(b) the resulting, surviving or transferee person (if not the Company), if not organized and existing under the laws of Mexico, undertakes, in such supplemental indenture, to pay such additional interest in respect of principal and interest as may be necessary in order that every payment made in respect of the Notes after deduction or withholding for or on account of any present or future tax, duty, assessment or other governmental charge imposed by such other country or any political subdivision or taxing authority thereof or therein will not be less than the amount of principal (and premium, if any) and interest then due and payable on the Notes, subject to the same exceptions set forth under "—Additional Interest" but replacing existing references in such clause to Mexico with references to such other country;

(c) immediately prior to such transaction and immediately after giving effect to such transaction, no Default or Event of Default will have occurred and be continuing; and

(d) we will have delivered to the trustee an officers' certificate and an opinion of legal counsel of recognized standing, each stating that such consolidation, merger or transfer and such supplemental indenture, if any, comply with the indenture.

(ii) A Subsidiary Guarantor will not consolidate with or merge with or into, or convey, transfer or lease assets that would constitute all or substantially all of its assets to, any person, unless:

(a) the resulting, surviving or transferee person (if not such Subsidiary Guarantor) will be a person organized and existing under the laws of Mexico, the United States of America, any State thereof or the District of Columbia, any other country that is a member country of the European Union or of the Organization for Economic Cooperation and Development, or the jurisdiction of incorporation of the relevant Subsidiary Guarantor on the date of the indenture, and such person expressly assumes, by supplemental indenture to the indenture, executed and delivered to the trustee, all of the obligations of such Subsidiary Guarantor under each series of Notes and the indenture; and

(b) the resulting, surviving or transferee person (if not such Subsidiary Guarantor), if not organized and existing under the laws of Mexico, undertakes, in such supplemental indenture, to pay such additional interest in respect of principal and interest as may be necessary in order that every payment made in respect of the Notes after deduction or withholding for or on account of any present or future tax, duty, assessment or other governmental charge imposed by such other country or any political subdivision or taxing authority thereof or therein will not be less than the amount of principal (and premium, if any) and interest then due and payable on the Notes, subject to the same exceptions set forth under "—Additional Interest" but replacing existing references in such clause to Mexico with references to such other country; or

(c) the transaction constitutes a sale or other disposition (including by way of consolidation or merger) of a Subsidiary Guarantor or the sale or disposition of all or substantially all the assets of a Subsidiary Guarantor otherwise not prohibited by paragraph (i) above or by any other provision of the indenture;

(d) immediately prior to such transaction and immediately after giving effect to such transaction, no Default or Event of Default will have occurred and be continuing; and

(e) such Subsidiary Guarantor will have delivered to the trustee an officers' certificate and an opinion of legal counsel of recognized standing, each stating that such consolidation, merger or transfer and such supplemental indenture, if any, comply with the indenture.

The trustee may conclusively rely on such certificates and opinions as sufficient evidence of the satisfaction of the conditions precedent set forth in this covenant, in which event it will be conclusive and binding on the holders.

Reporting requirements

We will provide the trustee with the following reports in electronic format and will publish such reports on our website:

(a) an English language version of our annual audited consolidated financial statements prepared in accordance with IFRS Accounting Standards promptly upon such financial statements becoming available but not later than 120 days after the close of our fiscal year;

(b) an English language version of our unaudited quarterly financial statements prepared in accordance with IFRS Accounting Standards (including, as supplementary information, an unaudited condensed consolidated balance sheet and an unaudited condensed consolidated statement of operations, in each case, prepared in accordance with IFRS Accounting Standards), promptly upon such financial statements becoming available but not later than 60 days after the close of each fiscal quarter (other than the last fiscal quarter of our fiscal year);

(c) simultaneously with the delivery of each set of financial statements referred to in clauses (a) and (b) above, an officers' certificate stating whether a Default or Event of Default exists on the date of such certificate and, if a Default or Event of Default exists, setting forth the details thereof and the action which we are taking or propose to take with respect thereto;

(d) without duplication, upon request, English language versions or summaries of such other reports or notices as may be filed or submitted by (and promptly after filing or submission by) us with (1) the CNBV and (2) the Euro MTF Market, or any other stock exchange on which the Notes may be listed, in each case, to the extent that any such report or notice is generally available to our security holders or the public in Mexico or elsewhere; *provided, however*, that we shall not be required to furnish such information to the extent such information is available on our website;

(e) if we are not subject to Section 13 or 15(d) of the Exchange Act or if we are exempt from reporting pursuant to Rule 12g3-2(b) of the Exchange Act, we will make available, upon request, to any Holder and any prospective purchaser of Notes the information required pursuant to Rule 144A(d)(4) under the Securities Act; and

(f) upon any of our directors or executive officers becoming aware of the existence of a Default or Event of Default or any event by reason of which payments of either principal or interest on the Notes are prohibited, an officers' certificate setting forth the details thereof and the action we are taking or propose to take with respect thereto.

Delivery of the above reports to the trustee is for informational purposes only and the trustee's receipt of such reports will not constitute constructive notice of any information contained therein or determinable from information contained therein, including our compliance with any covenant in the indenture (as to which the trustee is entitled to rely exclusively on officers' certificates and opinions of counsel).

Substitution of the Company

The Company may, without the consent of any holder of the Notes, be replaced and substituted by any direct or indirect Subsidiary as principal debtor in respect of the Notes (in that capacity, the "Substitute Issuer"); provided that the following conditions are satisfied, it being the intent that the rights of holders in respect of the Notes shall be unaffected by such substitution:

(1) such documents will be executed by the Substitute Issuer, the Company, the Subsidiary Guarantors and the trustee as may be necessary to give full effect to the substitution, including a supplemental indenture under which the Substitute Issuer assumes all of the Company's obligations under the indenture and the Notes (the "Issuer Substitution Documents"), and pursuant to which (i) the Substitute Issuer shall undertake in favor of each holder, the trustee and the agents to be bound by the terms and conditions of the Notes and the provisions of the indenture as fully as if the Substitute Issuer had been named in the Notes and the indenture as the principal debtor in respect of the Notes in place of the Company (or any previous substitute), (ii) the Company shall unconditionally and irrevocably guarantee (the "Guarantee") the payment of all sums payable under the indenture and the Notes by the Substitute Issuer as such principal debtor in respect of the Notes, and the covenants and events of default will continue to apply to the Company in respect of the Notes as if no such substitution had occurred, and (iii) the Subsidiary Guarantors shall continue to unconditionally and irrevocably guarantee in favor of each holder the payment of all sums payable by the Substitute Issuer as such principal debtor on the same terms *mutatis mutandis* as the Company;

(2) if the Substitute Issuer is organized in a jurisdiction other than Mexico, the Substitute Issuer will be a corporation organized and existing under the laws of the United States of America, any State thereof or the District of Columbia, any other country that is a member country of the European Union or of the Organization for Economic Cooperation and Development and the Issuer Substitution Documents will contain covenants to: (i) ensure that each holder of the Notes has the benefit of a covenant in terms corresponding to the obligations of the Company, in respect of the payment of Additional Interest (but replacing references to Mexico with references to the other jurisdiction of organization of the Substitute Issuer); and (ii) indemnify the holder of the Notes, the trustee and any paying agent against all taxes or duties that arise by reason of a law or regulation in effect on the effective date of the substitution, to the extent such taxes or duties are incurred or levied against such holder of the Notes in Mexico as a result of the substitution and that would not have been so incurred or levied had the substitution not been made;

(3) the Substitute Issuer shall have delivered, or procured the delivery, to the trustee of legal opinions from a nationally recognized firm of lawyers in the country of incorporation of the Substitute Issuer, to the effect that the Issuer Substitution Documents constitute legal, valid and binding obligations of the Substitute Issuer, enforceable against the Substitute Issuer in accordance with their terms;

(4) the Company shall have delivered, or procured the delivery, to the trustee of a legal opinion from a nationally recognized firm of lawyers in the country of incorporation of the Company acting for the Company to the effect that the Issuer Substitution Documents constitute legal, valid and binding obligations of the Company;

(5) the Company shall have delivered, or procured the delivery, to the trustee of a legal opinion from a firm of New York lawyers to the effect that (i) the Issuer Substitution Documents, this Indenture, the Notes and the Guarantee constitute legal, valid and binding obligations of the parties thereto under New York law, and (ii) no

consent, approval, authorization or order of any U.S. federal or New York State court or governmental agency or regulatory body is required for the consummation of the transactions contemplated by the Issuer Substitution Documents;

(6) the Substitute Issuer shall have appointed a process agent in the Borough of Manhattan, the City of New York to receive service of process on its behalf in relation to any legal action or proceedings arising out of or in connection with the Notes or the Issuer Substitution Documents;

(7) no Event of Default has occurred or is continuing, and immediately after giving effect to the substitution no Default or Event of Default would occur; and

(8) the substitution will comply with all applicable requirements under the laws of the jurisdiction of organization of (i) the Substitute Issuer and (ii) the Company.

Upon the execution of the Issuer Substitution Documents and the Guarantee as referred to in paragraph (1) above, the Substitute Issuer shall be deemed to be named in the Notes as the principal debtor in place of the Company (or of any previous substitute under these provisions) and the Notes shall thereupon be deemed to be amended to give effect to the substitution.

The execution of the Issuer Substitution Documents shall operate to release the Company (or such previous substitute as aforesaid) from all its obligations in respect of the Notes and the indenture, other than its Guarantee and other obligations assumed as Guarantor under the indenture and the Notes.

The Issuer Substitution Documents shall be deposited with and held by the trustee for so long as any Note remains outstanding and for so long as any claim made against the Substitute Issuer or the Company by any holder in relation to the Notes or the Issuer Substitution Documents shall not have been finally adjudicated, settled or discharged.

Not later than 10 Business Days after the execution of the Issuer Substitution Documents, the Substitute Issuer shall give notice thereof to the holders in accordance with the provisions described in the indenture.

Holders are urged to consult their tax advisors regarding any potential adverse tax consequences that may result from a substitution of the Company. See “Taxation—Certain U.S. Federal Income Tax Considerations—Substitution of the Company.”

Events of default

An “Event of Default” under the relevant series of Notes will occur if:

(a) we fail to pay interest (including any related Additional Interest) on the relevant series of Notes within 30 days from the due date;

(b) we default in the payment of principal (including any related Additional Interest) on the relevant series of Notes on the due date;

(c) we fail to comply with any of the covenants described under “—Covenants—Limitation on liens,” “—Limitation on consolidation, merger or transfer of assets,” and such failure continues for 30 days after the notice specified below;

(d) we fail to comply with any of our covenants or agreements in the relevant series of Notes or the indenture (other than those referred to in clauses (a), (b) and (c) above), and such failure continues for 60 days after the notice specified below;

(e) we or any Significant Subsidiary defaults under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Debt for money borrowed by us or any such Significant Subsidiary (or the payment of which is guaranteed by us or any such Significant

Subsidiary) whether such Debt or guarantee now exists, or is created after the date of the indenture, which default (1) is caused by failure to pay principal of or premium, if any, or interest on such Debt after giving effect to any grace period provided in such Debt on the date of such default ("Payment Default") or (2) results in the acceleration of such Debt prior to its express maturity and, in each case, the principal amount of any such Debt, together with the principal amount of any other such Debt under which there has been a Payment Default or the maturity of which has been so accelerated, totals US$100 million (or the equivalent thereof at the time of determination) or more in the aggregate;

(f) one or more final judgments or decrees for the payment of money of US$100 million (or the equivalent thereof at the time of determination) or more in the aggregate are rendered against us or any Significant Subsidiary and are not paid (whether in full or in installments in accordance with the terms of the judgment) or otherwise discharged and, in the case of each such judgment or decree, either (1) an enforcement proceeding has been commenced by any creditor upon such judgment or decree and is not dismissed within 30 days following commencement of such enforcement proceedings or (2) there is a period of 60 days following such judgment during which such judgment or decree is not discharged, waived or the execution thereof stayed;

(g) any guarantee of the relevant series of Notes is held in any judicial proceeding to be unenforceable or invalid or ceases for any reason to be in full force and effect, or any Subsidiary Guarantor (or any person acting on behalf of any Subsidiary Guarantor) denies or disaffirms its obligations under the guarantees of the relevant series of Notes; or

(h) certain events of bankruptcy, insolvency or liquidation relating to us or any Significant Subsidiary.

A Default under clause (c) or (d) above will not constitute an Event of Default under the relevant series of Notes until the trustee or the holders of at least 25% in principal amount of the 2030 Notes or the 2035 Notes then outstanding, as the case may be, notify us of the Default and we do not cure such Default within the time specified after receipt of such notice.

The trustee is not to be charged with knowledge of any Default or Event of Default or knowledge of any cure of any Default or Event of Default with respect to the relevant series of Notes unless, except as otherwise provided for in the indenture, written notice of such Default or Event of Default has been given to such an authorized officer of the trustee by us or any holder in the manner specified in the indenture.

If an Event of Default (other than an Event of Default specified in clause (h) above) with respect to the relevant series of Notes occurs and is continuing, the trustee or the holders of not less than 25% in principal amount of the 2030 Notes or the 2035 Notes then outstanding, as the case may be, may declare all unpaid principal of and accrued interest on the relevant series of Notes to be due and payable immediately, by a notice in writing to us, and upon any such declaration such amounts will become due and payable immediately. If an Event of Default specified in clause (h) above with respect to the relevant series of Notes occurs and is continuing, then the principal of and accrued interest on all Notes of such series will become and be immediately due and payable without any declaration or other act on the part of the trustee or any holder.

Subject to the provisions of the indenture relating to the duties of the trustee in case an Event of Default under the relevant series of Notes has occurred and is continuing, the trustee will be under no obligation to exercise any of its rights or powers under the indenture at the request or direction of any of the holders, unless such holders will have provided to the trustee indemnity and/or security satisfactory to the trustee. Subject to such provision for providing security to and/or the indemnification of the trustee, the holders of a majority in aggregate principal amount of the outstanding Notes of such series will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the trustee or exercising any trust or power conferred on the trustee.

Defeasance

We may at any time terminate all of our obligations with respect to either series of Notes ("defeasance"), except for certain obligations, including those regarding any trust established for a defeasance and obligations to register the transfer or exchange of the Notes, to replace mutilated, destroyed, lost or stolen Notes and to maintain agencies in respect of Notes. We may at any time terminate our obligations under certain covenants set forth in the indenture, and any omission to comply with such obligations will not constitute a Default or an Event of Default with respect to either series of Notes issued under the indenture ("covenant defeasance"). In order to exercise either defeasance or covenant defeasance, we must irrevocably deposit in trust, for the benefit of the holders of the relevant series of Notes, with the trustee money or U.S. government obligations, or a combination thereof, in such amounts as will be sufficient, in the opinion of an internationally recognized firm of independent public accountants expressed in a written certificate delivered to the trustee, without consideration of any reinvestment, to pay the principal of and interest on the 2030 Notes or the 2035 Notes, as the case may be, to redemption or maturity and comply with certain other conditions, including the delivery of an opinion of legal counsel of recognized standing to the effect that the beneficial owners of Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of the defeasance and will be subject to U.S. federal income tax on the same amount and in the same manner and at the same time as would otherwise have been the case (and in the case of a defeasance that is not a covenant defeasance, such opinion shall be based on a change in law or a ruling of the U.S. Internal Revenue Service).

Satisfaction and Discharge

The indenture shall be discharged and shall cease to be of further effect, except as to surviving rights of registration of transfer or exchange of the Notes, as to the relevant series of Notes issued thereunder, when:

either:

(a) all Notes of a series that have been authenticated, except lost, stolen or destroyed Notes that have been replaced or paid and Notes of a series for whose payment money has been deposited in trust and is thereafter repaid to the Company, have been delivered to the trustee for cancellation; or

(b) all Notes of a series that have not been delivered to the trustee for cancellation (A) have become due and payable or (B) will become due and payable within one year by reason of the mailing of a notice of redemption or otherwise and the Company or any Subsidiary Guarantor has irrevocably deposited or caused to be deposited with the trustee as trust funds in trust solely for the benefit of the holders, cash in U.S. dollars, non-callable government securities, or a combination of cash in U.S. dollars and non-callable government securities, in amounts as will be sufficient, without consideration of any reinvestment of interest, to pay and discharge the entire indebtedness on such Notes not delivered to the trustee for cancellation for principal, premium and accrued interest to the date of maturity or redemption;

(c) no Default or Event of Default has occurred and is continuing on the date of such deposit or will occur as a result of such deposit and such deposit will not result in a breach or violation of, or constitute a default under, any other instrument to which the Company or any of its Subsidiaries is a party or by which the Company or any of its Subsidiaries is bound (other than a Default resulting from the borrowing of funds to be applied to such deposit, including any Liens or other provisions related thereto);

(d) the Company or any Subsidiary Guarantor has paid or caused to be paid all other sums payable by it under the indenture as they relate to the relevant series of Notes; and

(e) the Company has delivered irrevocable written instructions to the trustee to apply the deposited money toward the payment of the Notes of the relevant series at maturity or the redemption date, as the case may be.

In addition, the Company must deliver to the trustee an officers' certificate and an opinion of counsel, subject to customary assumptions and exclusions, reasonably acceptable to the trustee stating that all conditions precedent to satisfaction and discharge have been satisfied.

Amendment, supplement, waiver

Subject to certain exceptions, the indenture may be amended or supplemented with the consent of the holders of at least a majority in principal amount of each series of Notes then outstanding, and any past Default or compliance with any provision may be waived with the consent of the holders of at least a majority in principal amount of each series of Notes then outstanding. However, without the consent of each holder of an outstanding Note affected thereby, no amendment may:

(a) reduce the rate of or extend the time for payment of interest on the Notes;

(b) reduce the principal, or change the Stated Maturity, of the Notes;

(c) reduce the amount payable upon redemption of the Notes or change the time at which the Notes may be redeemed;

(d) change the currency for, or place of payment of, principal or interest on the Notes;

(e) impair the right to institute suit for the enforcement of any payment on or with respect to the Notes;

(f) waive certain payment defaults with respect to the Notes;

(g) reduce the principal amount of Notes whose holders must consent to any amendment or waiver; or

(h) make any change in the amendment or waiver provisions which require each holder's consent.

The holders of the relevant series of Notes will receive prior notice as described under "—Notices" of any proposed amendment to the Notes or the indenture described in this paragraph. After an amendment described in the preceding paragraph becomes effective, we are required to mail to the holders a notice briefly describing such amendment. However, the failure to give such notice to all holders of such series of Notes, or any defect therein, will not impair or affect the validity of the amendment.

The consent of the holders of a series of Notes is not necessary to approve the particular form of any proposed amendment. It is sufficient if such consent approves the substance of the proposed amendment.

We may, without the consent or vote of any holder of a series of Notes, amend or supplement the indenture or the Notes for the following purposes:

(a) to cure any ambiguity, omission, defect or inconsistency or to conform the text of the indenture or the Notes to any provision in this "Description of Notes"; provided that such amendment or supplement does not materially and adversely affect the rights of any holder;

(b) to comply with the covenant described under "—Covenants—Limitation on consolidation, merger or transfer of assets";

(c) to add guarantees or collateral with respect to the Notes;

(d) to add to the covenants of the Company for the benefit of holders of the Notes;

(e) to surrender any right conferred upon us;

(f) to evidence and provide for the acceptance of an appointment by a successor trustee;

(g) to provide for the issuance of additional Notes;

(h) any amendments required to effect the designation of a Substitute Issuer as permitted under "—Substitution of the Company;" or

(i) to make any other change that does not materially and adversely affect the rights of any holder of the Notes.

In executing any amendment, waiver or supplemental indenture to the indenture or the Notes, the trustee will be entitled to receive an officers' certificate and an opinion of legal counsel of recognized standing, each stating that such amendment, waiver or supplemental indenture is authorized or permitted by the indenture, that it is not inconsistent with the terms of the indenture, and that it shall be valid and binding upon the Company in accordance with its terms.

Further issuances

We may from time to time without notice to or consent of the holders create and issue an unlimited principal amount of additional Notes of the same series as the Notes initially issued in this offering; provided that such additional Notes shall be issued under a separate CUSIP, ISIN, Common Code or other identifying number unless the additional Notes are issued pursuant to a "qualified reopening" of the original series of Notes, are otherwise treated as part of the same "issue" of debt instruments as the original series of Notes or are issued with less than a de minimis amount of original discount, in each case for U.S. federal income tax purposes.

Notices

For so long as Notes in global form are outstanding, notices to be given to holders will be given to the depositary, in accordance with its applicable policies as in effect from time to time. If Notes are issued in individual definitive form, notices to be given to holders will be deemed to have been given upon the mailing by first class mail, postage prepaid, of such notices to holders of the Notes at their registered addresses as they appear in the trustee's records. For so long as the Notes are listed on the Official List of the LuxSE and admitted to trading on the Euro MTF Market of the LuxSE and the Rules and Regulations of the LuxSE so require, publication of such notice to the holders of the Notes will be in English on the website of the LuxSE (www.luxse.com). Neither the failure to give any notice to a particular holder of the Notes, nor any defect in a notice given to a particular holder of the Notes, will affect the sufficiency of any notice given to another holder of the Notes.

Trustee

Citibank, N.A. is the trustee under the indenture.

The indenture contains provisions for the indemnification of the trustee and for its relief from responsibility. The obligations of the trustee to any holder are subject to such immunities and rights as are set forth in the indenture. Except during the continuance of an Event of Default under either series of Notes, the trustee need perform only those duties that are specifically set forth in the indenture and no others, and no implied covenants or obligations will be read into the indenture against the trustee. In case an Event of Default with respect to either series of Notes has occurred and is continuing, the trustee shall exercise those rights and powers vested in it by the indenture, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs. No provision of the indenture requires the trustee to expend or risk its own funds or otherwise incur any financial liability or other liability in the performance of its duties thereunder, or in the exercise of its rights or powers, unless it receives indemnity and/or security satisfactory to it against any loss, liability or expense.

We and our affiliates may from time to time enter into normal banking and trustee relationships with the trustee and its affiliates.

Governing law and submission to jurisdiction

The Notes and the indenture are governed by, and construed in accordance with, the laws of the State of New York.

Each of the parties to the indenture will submit to the jurisdiction of the U.S. federal and New York State courts located in the Borough of Manhattan, City and State of New York and to the courts of its own corporate domicile for purposes of all legal actions and proceedings instituted in connection with the Notes and the indenture, and will irrevocably and unconditionally waive its rights to any other jurisdiction that may apply by virtue of its present or future domicile or for any other reason. We and the Subsidiary Guarantors have appointed CT Corporation System at 28 Liberty Street, New York, New York 10005, as our authorized agent upon which process may be served in any such action and have granted a notarized special irrevocable power of attorney for lawsuits and collections (*pleitos y cobranzas*), granted in accordance with Mexican law, appointing CT Corporation System as its authorized process agent.

Currency indemnity

U.S. dollars are the sole currency of account and payment for all sums payable by us and the Subsidiary Guarantors under or in connection with the Notes, including damages. Any amount received or recovered in a currency other than dollars (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of the Company or otherwise) by any holder of a Note in respect of any sum expressed to be due to it from us or a Subsidiary Guarantor will only constitute a discharge to us and the relevant Subsidiary Guarantor to the extent of the dollar amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If that dollar amount is less than the dollar amount expressed to be due to the recipient under any Note, we and the Subsidiary Guarantors will indemnify such holder against any loss sustained by it as a result; and if the amount of U.S. dollars so purchased is greater than the sum originally due to such holder, such holder will, by accepting a Note, be deemed to have agreed to repay such excess. In any event, we and the Subsidiary Guarantors will indemnify the recipient against the cost of making any such purchase.

For the purposes of the preceding paragraph, it will be sufficient for the holder of a Note to certify in a satisfactory manner (indicating the sources of information used) that it would have suffered a loss had an actual purchase of dollars been made with the amount so received in that other currency on the date of receipt or recovery (or, if a purchase of dollars on such date had not been practicable, on the first date on which it would have been practicable, it being required that the need for a change of date be certified in the manner mentioned above). These indemnities constitute a separate and independent obligation from the other obligations of the Company and the Subsidiary Guarantors, will give rise to a separate and independent cause of action, will apply irrespective of any indulgence granted by any holder of a Note and will continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note.

Certain definitions

The following is a summary of certain defined terms used in the indenture. Reference is made to the indenture for the full definition of all such terms as well as other capitalized terms used herein for which no definition is provided.

"Additional Interest" has the meaning set forth under "Additional Interest" above. For the sake of clarity, all Additional Interest will be deemed a payment of interest for purposes of Mexican tax law.

"Advance Transaction" means an advance from a financial institution involving either (1) a foreign exchange contract or (2) an export contract.

"Capital Lease Obligation" means, at the time any determination is to be made, the amount of the liability in respect of a capital lease, including an arrangement conveying the right to use real or personal property, that would at that time be required to be capitalized on a balance sheet in accordance with IFRS Accounting Standards, and the Stated Maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be prepaid by the lessee without payment of a penalty.

"Capital Stock" means, with respect to any person, any and all shares of stock, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated, whether voting or non-voting), such person's equity including any preferred stock, but excluding any debt securities convertible into or exchangeable for such equity.

"Change of Control" means (a) that any Person other than the Existing Investors acquires, directly or indirectly, beneficial ownership of securities representing more than 50.0% of the voting power of the voting stock in the

Company, (b) the Existing Investors cease to beneficially own, directly or indirectly, securities representing at least 30.0% of the voting power of the voting stock in the Company, (c) the first day on which a majority of the members of the board of directors of the Company are not Continuing Directors, (d) the sale, lease, transfer, conveyance or other disposition (other than through merger or consolidation), in one or a series of transactions, of all or substantially all of the consolidated assets of the Company and its Subsidiaries, taken as a whole, to any person other than the Company, any Subsidiary or any Existing Investor, or (e) the adoption by the stockholders of the Company of a plan or proposal for the liquidation or dissolution of the Company.

"Change of Control Triggering Event" means the occurrence of a Change of Control that results in a Ratings Decline.

"Consolidated Net Tangible Assets" means the total amount of assets of the Company and its Subsidiaries less (1) applicable depreciation, amortization and other valuation reserves, (2) all current liabilities excluding intercompany Debt and (3) all goodwill, trade names, trademarks, patents, and other intangibles as set forth on the most recent financial statements delivered by us to the trustee in accordance with "—Covenants—Reporting Requirements."

"Continuing Directors" means, as of any date of determination, any member of the board of directors of the Company who (1) was a member of the board of directors on the date of the indenture or (2) was nominated for election or elected to the board of directors of the Company with the approval of a majority of the Existing Investors on the date of the indenture.

"CNBV" means the Mexican National Banking and Securities Commission, or *Comisión Nacional Bancaria y de Valores*.

"Debt" means, with respect to any person, without duplication:

(a) the principal of and premium, if any, in respect of (1) indebtedness of such person for money borrowed and (2) indebtedness evidenced by the Notes, debentures, notes or other similar instruments for the payment of which such person is responsible or liable;

(b) all Capital Lease Obligations of such person;

(c) all obligations of such person issued or assumed as the deferred purchase price of property, all conditional sale obligations of such person and all obligations of such person under any title retention agreement (but excluding trade accounts payable or other short-term obligations to suppliers payable within 180 days, in each case arising in the ordinary course of business);

(d) all obligations of such person for the reimbursement of any obligor on any letter of credit, banker's acceptance or similar credit transaction (other than obligations with respect to letters of credit securing obligations (other than obligations described in clauses (a) through (c) above) entered into in the ordinary course of business of such person to the extent such letters of credit are not drawn upon or, if and to the extent drawn upon, such drawing is reimbursed no later than the tenth Business Day following receipt by such person of a demand for reimbursement following payment on the letter of credit);

(e) all Hedging Obligations;

(f) all obligations of the type referred to in clauses (a) through (d) of other persons and all dividends of other persons for the payment of which, in either case, such person is responsible or liable, directly or indirectly, as obligor, guarantor or otherwise, including by means of any guarantee (other than obligations of other persons that are customers or suppliers of such person for which such person is or becomes so responsible or liable in the ordinary course of business to (but only to) the extent that such person does not, or is not required to, make payment in respect thereof);

(g) all obligations of the type referred to in clauses (a) through (e) of other persons secured by any Lien on any property or asset of such person (whether or not such obligation is assumed by such person), the amount of such obligation being deemed to be the lesser of the fair market value of such property or assets as determined by such person in good faith or the aggregate unpaid amount of the obligation so secured; and

(h) any other obligations of such person which are required to be, or are in such person's financial statements, recorded or treated as debt under IFRS Accounting Standards.

"Default" means any event which is, or after notice or passage of time or both would be, an Event of Default.

"Existing Investors" means (1) Kaluz, S.A. de C.V., Antonio del Valle Perochena, Juan Pablo del Valle Perochena, María de Guadalupe del Valle Perochena, María Blanca del Valle Perochena, Francisco Javier del Valle Perochena or any Related Party of any thereof and (2) any Person owned (through at least 51% ownership of the voting stock or beneficial interests in such Person) directly or indirectly by one or more of the Persons specified in clause (1) of this definition.

"Fitch" means Fitch Ratings and its successors and assigns.

"guarantee" means any obligation of any person directly or indirectly guaranteeing any Debt or other obligation of any person and any obligation, direct or indirect, contingent or otherwise, of such person, including an *aval* (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Debt or other obligation of such person (whether arising by virtue of partnership arrangements, or by agreement to keep-well, to purchase assets, goods, securities or services, to take-or pay, or to maintain financial statement conditions or otherwise) or (b) entered into for purposes of assuring in any other manner the obligee of such Debt or other obligation of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part); *provided*, *however*, that the term "guarantee" will not include endorsements for collection or deposit in the ordinary course of business. The term "guarantee" used as a verb has a corresponding meaning.

"Hedging Obligations" means, with respect to any specified Person, the obligations of such Person under:

(a) interest rate swap agreements (whether from fixed to floating or from floating to fixed), interest rate cap agreements and interest rate collar agreements;

(b) other agreements or arrangements designed to manage interest rates or interest rate risk; and

(c) other agreements or arrangements designed to protect such Person against fluctuations in currency exchange rates or commodity prices;

provided, *however*, that the amount of Debt with respect to any Hedging Obligation is the new amount payable if such Hedging Obligation terminated at that time due to a default by such Person.

"holder" means the person in whose name a Note is registered in the register.

"IFRS" means the International Financial Reporting Standards as issued by the International Accounting Standards Board as in effect from time to time.

"Investment" means, with respect to any person, any loan or advance to, any acquisition of Capital Stock, equity interest, obligation or other security of, or capital contribution or other investment in, such person.

"Lien" means any mortgage, pledge, security interest, conditional sale or other title retention agreement or other similar lien.

"Mexico" means the United Mexican States.

"Moody's" means Moody's Investors Service, Inc. and its successors and assigns.

"Person" means an individual, partnership, limited partnership, corporation, company, limited liability company, unincorporated organization, trust or joint venture, or a governmental agency or political subdivision thereof.

"Ratings Decline" means that at any time within 90 days (which period shall be extended so long as the rating of the Notes is under publicly announced consideration for possible downgrade by Moody's or Fitch (or any rating agency) or a substitute or successor of any thereof) after the date of public notice of a Change of Control, of an arrangement that could result in a Change of Control, or of the Company's intention or that of any other person to effect a Change of Control, the then-applicable rating of the Notes is decreased by either Moody's or Fitch (or any other rating agency) or a substitute or successor of any thereof; *provided* that any such rating decline is in whole or in part in connection with a Change of Control.

"Related Party" means, with respect to any Person, (1) any Subsidiary, spouse, descendant or other immediate family member (which includes any child, stepchild, parent, stepparent, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law) (in the case of an individual), of such Person, (2) any estate, trust, corporation, partnership or other entity, the beneficiaries and stockholders, partners or owners of which consist solely of one or more Existing Investors and/or such other Persons referred to in the immediately preceding clause (1), or (3) any executor, administrator, trustee, manager, director or other similar fiduciary of any Person referred to in the immediately preceding clause (2), acting solely in such capacity.

"Relevant Jurisdiction" means Mexico or any other jurisdiction in which the Company or a Subsidiary Guarantor or Substitute Issuer is organized or resident for tax purposes or through or from which payment on the Notes is made.

"Significant Subsidiary" means any Subsidiary of the Company that at the time of determination (a) had assets which, as of the date of the Company's most recent quarterly consolidated balance sheet, constituted at least 10% of the Company's total assets on a consolidated basis as of such date, or (b) had revenues for the 12-month period ending on the date of the Company's most recent quarterly consolidated statement of income which constituted at least 10% of the Company's total net sales, on a consolidated basis for such period or (c) had operating income which, as of the date of the Company's most recent quarterly consolidated balance sheet, constituted at least 10% of the Company's operating income on a consolidated basis as of such date.

"Stated Maturity" means, with respect to any security, the date specified in such security as the fixed date on which the principal of such security is due and payable, including pursuant to any mandatory redemption provision (but excluding any provision providing for the repurchase of such security at the option of the holder thereof upon the happening of any contingency unless such contingency has occurred).

"Subsidiary" means any corporation, *sociedad*, limited liability company, association, partnership or other business entity of which more than 50% of the total voting power of shares of Capital Stock or other interests (including partnership interests) entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by (a) the Company, (b) the Company and one or more Subsidiaries or (c) one or more Subsidiaries.

TAXATION

The following is a summary of certain Mexican federal and United States federal income tax consequences of the purchase, ownership and disposition of the Notes, but does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase the Notes. This summary does not describe any tax consequences arising under the laws of any state, locality or foreign taxing jurisdiction other than Mexico and the United States.

This summary is based on the tax laws of Mexico and the United States in effect on the date of this offering memorandum (including the tax treaty described below), as well as on rules, regulations and decisions of Mexico and regulations, rulings and decisions of the United States available on or before such date and now in effect.

All of the foregoing is subject to change, which change could apply retroactively and could affect the continued validity of this summary.

This summary does not constitute, and should not be considered as, legal or tax advice to prospective purchasers of the Notes. Prospective purchasers of the Notes should consult their own tax advisors as to the Mexican, United States or other tax consequences of the purchase, ownership and disposition of the Notes, including, in particular, the application to their particular situations of the tax considerations discussed below, as well as the application of state, local, foreign or other tax laws.

Mexican Tax Considerations

The following is a general summary of the principal consequences under the Mexican Income Tax Law (*Ley del Impuesto sobre la Renta*) and rules and regulations thereunder, as in effect on the date of this offering memorandum, including with respect to the purchase, ownership and disposition of the Notes by a beneficial owner of such Notes that is a non-Mexican holder (as defined below). It does not purport to be a comprehensive description of all of the Mexican federal tax considerations that may be relevant to a decision to purchase, hold or dispose of our notes. In addition, this summary does not address any non-Mexican or Mexican state or municipal tax considerations that may be relevant to any non-Mexican holder.

For purposes of this summary, the term "non-Mexican holder" means a beneficial owner of the Notes that is not a resident of Mexico for tax purposes, and that will not hold the Notes, or a beneficial interest therein, in connection with the conduct of a trade or business through a permanent establishment for tax purposes in Mexico. For purposes of Mexican taxation:

- individuals are residents of Mexico if any such individual has established his or her place of residence in Mexico or, if any such individual has also established a place of residence outside Mexico, if his or her center of vital interests (*centro de intereses vitales)* is located within the territory of Mexico. This will be deemed to occur if (1) more than 50% of such individual's aggregate annual income derives from Mexican sources or (2) the main center of such individual's professional activities is located in Mexico. Mexican individuals who filed a change of tax residence to a country or jurisdiction that does not have a comprehensive exchange of information agreement with Mexico in which their income is subject to a preferred tax regime pursuant to the provisions of the Mexican Income Tax Law, will be considered Mexican residents for tax purposes during the year of filing of the notice of such residence change and during the following three years;

- unless proven differently, a Mexican national individual is deemed a resident of Mexico for tax purposes. A Mexican national individual will also be considered a resident of Mexico if such individual is a state employee, regardless of the location of the individual's center of vital interests; and

- a legal entity is a resident of Mexico for tax purposes if it maintains the principal administration of its business, or its place of effective management, in Mexico.

Non-residents of Mexico who are deemed to have a permanent establishment in Mexico for tax purposes will be subject to Mexican tax laws, and all income attributable to such permanent establishment will be subject to Mexican taxes in accordance with the Mexican Income Tax Law and regulations thereunder.

However, any determination of residence should take into account the particular situation of each person or legal entity.

U.S./Mexico and Other Tax Treaties

The United States and Mexico have entered into a Convention for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (collectively, with subsequent Protocols and Mutual Agreement Procedures thereto, referred to as the "Tax Treaty"). Provisions of the Tax Treaty that may affect the taxation of certain United States holders are summarized below. It is important to analyze whether the United States holder complies with all of the requirements set forth in the Tax Treaty, including but not limited to satisfying at least one of the tests provided by the Limitation on Benefits provision, in order to apply the benefits stated in the Tax Treaty. The United States and Mexico have also entered into an agreement that covers the exchange of information with respect to tax matters. Mexico has also entered into and is negotiating several other tax treaties that may reduce the amount of Mexican withholding tax to which payments of interest on the Notes may be subject. Prospective purchasers of the Notes should consult their own tax advisors as to the tax consequences, if any, of such treaties.

Payments of Interest, Principal and Premium in Respect of the Notes

Under the Mexican Income Tax Law, payments of interest we make in respect of the Notes (including payments of principal in excess of the issue price of such Notes, which, under Mexican law, are deemed to be interest) to non-Mexican holders will generally be subject to a Mexican withholding tax at a rate of 4.9% if, as expected, the following requirements are met: (1) the Notes are placed through banks or brokerage houses (*casas de bolsa*) in a country with which Mexico has entered into a tax treaty for the avoidance of double taxation, which is in effect, (2) the CNBV has been notified of the issuance of the Notes (including the principal characteristics of the Notes) pursuant to the Mexican Income Tax Law, Article 7 second paragraph of the Mexican Securities Market Law and Articles 24 Bis, 24 Bis 1 and other applicable provisions of the CUE, and (3) we comply in a timely manner with the informational requirements specified from time to time by the Mexican tax authorities under their general rules, including, after completion of the transaction described in this offering memorandum, the filing with the Mexican Tax Administration Service or SAT (*Servicio de Administración Tributaria*), after the placement of the Notes, of certain information regarding such placement and this offering memorandum and of the quarterly reports that shall be filed thereafter.

In case that any of the above requirements are not met, the applicable withholding tax rate will be 10%. If the beneficial owners, whether acting directly or indirectly, individually or jointly with related parties, that receive more than 5% of the interest paid under the Notes are (1) persons who own, directly or indirectly, individually or with related parties, more than 10% of our voting stock, or (2) corporations or other entities, whose more than 20% of their voting stock is owned, directly or indirectly, individually or with related parties, by us, then the Mexican withholding tax rate applicable to payments of interest under our notes may increase to the maximum applicable rate according to the law (currently 35%). For these purposes, persons will be related if:

- one person holds an interest in the business of the other person;
- both persons have common interests; or
- a third party has an interest in the business or assets of both persons.

Under the Mexican Income Tax Law, payments of interest we make with respect to the Notes to a non-Mexican pension or retirement fund generally will be exempt from Mexican withholding taxes, provided that: (1) the fund is the effective beneficiary of such interest income; (2) the fund is duly established pursuant to the laws of its country of origin; (3) the relevant interest income is exempt from taxation in such country; and (4) such fund provides certain information to us, that we in turn may provide to SAT, in accordance with administrative rules issued by SAT for these purposes. As mentioned, this exemption on interest income may be subject to the foreign pension or retirement funds providing certain information prior to the relevant interest payment, as established by Mexican Income Tax Law and its administrative rules.

We have agreed, subject to specified exceptions and limitations, to pay Additional Interest to the holders of Notes in respect of the Mexican withholding taxes mentioned above. Such Additional Interest shall be considered as income for Mexican tax purposes subject to taxation according to the applicable provisions of the Mexican Income Tax Law. If we pay Additional Interest in respect of such Mexican withholding taxes, any refunds of such withholding taxes will be for our account. See "Description of Notes—Additional Interest."

Holders or beneficial owners of the Notes may be requested to, subject to specified exceptions and limitations, provide certain information or documentation necessary to enable us to establish the appropriate Mexican withholding tax rate applicable to such holders or beneficial owners. Additionally, the Mexican Income Tax Law provides that, in order for a non-Mexican holder to be entitled to the benefits under the treaties for the avoidance of double taxation entered into by Mexico, which are in effect, it is necessary for the non-Mexican holder to meet the procedural requirements established in the Mexican Income Tax Law. In the event that the specified information or documentation concerning the holder or beneficial owner, if requested, is not provided on a timely manner, we may withhold Mexican tax from interest payments on the notes to that non-Mexican holder or beneficial owner at the maximum applicable rate in effect, and our obligations to pay Additional Interest may be limited as set forth under "Description of Notes—Additional Interest."

Under the Mexican Income Tax Law, any payments of principal that we make to a foreign holder of the Notes will not be subject to any Mexican withholding tax.

Taxation of Disposition of Notes

Under the Mexican Income Tax Law, capital gains resulting from the sale or other disposition of the Notes by a non-Mexican holder to another foreign holder are not taxable in Mexico. Gains resulting from the sale of the Notes by a non-Mexican holder to a Mexican resident for tax purposes or to a non-Mexican holder deemed to have a permanent establishment in Mexico for tax purposes, will be subject to the Mexican taxes pursuant to the rules described above with respect to interest payments.

Other Mexican Taxes

There is currently no Mexican estate, gift, inheritance or value added tax applicable to the purchase, ownership or disposition of our notes by a non-Mexican holder; however, gratuitous transfers of our notes may, in certain circumstances, result in the imposition of Mexican federal income tax on the recipient. There are no Mexican stamp, issue, registration or similar taxes payable by a non-Mexican holder with respect to the purchase, ownership or disposition of the Notes.

Certain U.S. Federal Income Tax Considerations

The following are certain U.S. federal income tax consequences to a "U.S. Holder" (as defined below) of owning and disposing of Notes purchased in this offering at the "issue price," which is generally the first price at which a substantial amount of the Notes is sold for money, and held as capital assets for U.S. federal income tax purposes.

This discussion does not describe all of the tax consequences that may be relevant to you in light of your particular circumstances, including alternative minimum tax consequences, the application of "Medicare contribution tax" and differing tax consequences that may be applicable to you if you are, for instance:

- a financial institution;
- an insurance company;

- a regulated investment company;
- a dealer or trader in securities;
- a person holding Notes as part of a "straddle," conversion or other integrated transaction;
- a person whose functional currency is not the U.S. dollar;
- a person required for U.S. federal income tax purposes to conform the timing of income accruals to its financial statements under Section 451(b) of the Internal Revenue Code of 1986, as amended (the "Code");
- a partnership for U.S. federal income tax purposes;
- a tax-exempt entity;
- a person holding the 2026 Notes; or
- a person who buys or sells the Notes as part of a wash sale for tax purposes.

If you are a partnership for U.S. federal income tax purposes that holds Notes, the U.S. federal income tax treatment of your partners will generally depend on the status of the partners and your activities.

This summary is based on the Code, administrative pronouncements, judicial decisions and final, temporary and proposed Treasury regulations, changes to any of which subsequent to the date of this Offering Memorandum may affect the tax consequences described herein. This summary does not address any aspect of state, local or non-U.S. taxation, or U.S. federal tax consequences other than income tax consequences, such as estate and gift tax consequences. If you are considering the purchase of Notes, you should consult your tax advisor with regard to the application of the U.S. federal tax laws to your particular situation, as well as any tax consequences arising under the laws of any state, local or foreign taxing jurisdiction.

You are a U.S. Holder if, for U.S. federal income tax purposes, you are a beneficial owner of a Note that is:

- a citizen or individual resident of the United States;
- a corporation, or other entity taxable as a corporation, created or organized in or under the laws of the United States, any state therein or the District of Columbia; or
- an estate or trust the income of which is subject to U.S. federal income taxation regardless of its source.

Potential contingent payment debt treatment

Under certain circumstances, we may pay holders amounts in excess of the stated interest and principal payable on the Notes or in advance of the payment dates. For instance, we would be required to offer to repurchase Notes in the circumstances described under "Description of Notes— Redemption—Redemption upon change of control." We intend to take the position that the possibility of such contingencies will not result in the Notes being treated as contingent payment debt instruments under the applicable Treasury regulations. Our position is not binding on the Internal Revenue Service (the "IRS"). If the IRS takes a position contrary to that described above, you may be required to accrue interest income based upon a "comparable yield" (as defined in the Treasury regulations) determined at the time of issuance of the Notes, with adjustments to such accruals when any contingent payments are made that differ from a schedule of projected payments based on the comparable yield. In addition, any income on the sale, exchange, retirement or other taxable disposition of the Notes would be treated as ordinary income rather than as capital gain. You should consult your tax advisor regarding the tax consequences if the Notes were treated as contingent payment debt instruments. The remainder of this discussion assumes that the Notes are not treated as contingent payment debt instruments.

Payments of interest

The stated interest paid on a Note will be taxable to you as ordinary interest income at the time it accrues or is received, in accordance with your method of accounting for U.S. federal income tax purposes. It is expected, and this discussion assumes, that the Notes will be issued without original issue discount for U.S. federal income tax purposes. In general, however, if the Notes are issued with OID at or above a de minimis threshold, a U.S. Holder will be required to include OID in gross income, as ordinary income, under a "constant-yield method" before the receipt of cash attributable to such income, regardless of the U.S. holder's regular method of accounting for U.S. federal income tax purposes.

The amount of interest taxable as ordinary income will include any Additional Interest paid pursuant to the obligations described under "Description of Notes—Additional Interest," and will not be reduced by any Mexican or other taxes withheld therefrom. Interest income earned with respect to a Note will constitute foreign source income for U.S. federal income tax purposes and will generally constitute "passive category income" or, in the case of certain investors, "general category income" for foreign tax credit purposes. Subject to applicable limitations, some of which may vary depending upon your particular circumstances, Mexican income taxes withheld from interest income on a Note at a rate not in excess of the treaty rate under the Tax Treaty may be creditable against your U.S. federal income tax liability. Applicable Treasury regulations provide that, in the absence of an election to apply the benefits of an applicable income tax treaty, in order for a non-U.S. income tax to be creditable, the non-U.S. jurisdiction's income tax rules must be consistent with certain U.S. federal income tax principles, and we have not determined whether the Mexican income tax system meets these requirements. However, the IRS has released notices that provide relief from certain of the provisions of the Treasury regulations described above for taxable years ending before the date that a notice or other guidance withdrawing or modifying the temporary relief is issued (or any later date specified in such notice or other guidance). U.S. Holders are generally permitted to rely on such notices until additional guidance is issued that withdraws or modifies them. Instead of claiming a credit, you may be able to elect to deduct withheld taxes in computing your taxable income. An election to deduct creditable foreign taxes instead of claiming foreign tax credits applies to all creditable foreign taxes paid or accrued in the taxable year. The rules governing foreign tax credits and deductibility of foreign taxes are complex, and you should consult your tax advisor regarding the availability of foreign tax credits or deductions for any amounts withheld with respect to interest paid on the Notes in your particular circumstances.

Sale or other taxable disposition of the Notes

Upon the sale or other taxable disposition of a Note (including redemption), you will recognize taxable gain or loss equal to the difference between the amount realized on the sale or other taxable disposition and your adjusted tax basis in the Note. Your adjusted tax basis in a Note will generally equal the cost of your Note. For these purposes, the amount realized does not include any amount attributable to accrued interest, which is treated as described under "— Payments of interest" above.

Gain or loss, if any, will generally be U.S.-source income or loss for purposes of computing your foreign tax credit limitation, unless applicable provisions in the Tax Treaty provide otherwise. Under the Treasury regulations discussed above under "—Payments of interest", if you are not entitled to claim the benefits of the Tax Treaty, or if you do not elect to apply them, you will generally be precluded from claiming a foreign tax credit in respect of any Mexican income tax imposed on any gain from the sale or other taxable disposition of a Note. In addition, applicable Treasury regulations impose additional requirements for foreign taxes to be eligible for credit. We have not determined whether these requirements have been met with respect to any taxes that may apply to gains from the sale or other taxable disposition of a Note. However, as discussed above, the IRS released notices that provide temporary relief from certain of these additional requirements for taxable years ending before the date that a notice or other guidance withdrawing or modifying the temporary relief is issued (or any later date specified in such notice or other guidance). Even if the Treasury regulations will not prohibit you from claiming a foreign tax credit with respect to any Mexican income tax imposed on any gain from the sale or other taxable disposition of a Note, you will be entitled to use foreign tax credits to offset only the portion of your U.S. federal income tax liability that is attributable to foreign-source income. Accordingly, if Mexican or other non-U.S. tax is imposed on the sale or other disposition of a Note, you may not be able to fully utilize any available U.S. foreign tax credits in respect of such tax unless you have other foreign-source income of the appropriate type. The rules governing foreign tax credits are complex and, therefore, you should consult your own tax advisor regarding the creditability or deductibility of any non-U.S. tax on disposition gains (including any applicable limitations) and the determination of the amount realized in your particular circumstances.

Gain or loss realized on the sale or other taxable disposition of a Note will generally be capital gain or loss and will be long-term capital gain or loss if at the time of the sale or other taxable disposition the Note has been held for more than one year. Long-term capital gains recognized by non-corporate taxpayers are subject to reduced tax rates. The deductibility of capital losses is subject to limitations.

Substitution of the Company

As described under "Description of Notes— Substitution of the Company," we may substitute ourselves with any of our direct or indirect subsidiaries as principal debtor in respect of the Notes. For U.S. federal income tax purposes, a substitution of the issuer could, depending on the circumstances of the substitution, give rise to a deemed exchange of the Notes for new debt securities issued by the new obligor. In that case, a U.S. Holder may be required to recognize capital gain or loss in an amount equal to the difference between the issue price of the new debt securities (as determined for U.S. federal income tax purposes) and its adjusted tax basis in the Notes. U.S. Holders should consult their own tax advisers regarding the tax consequences of a deemed exchange in the event of a substitution of the issuer.

Specified foreign financial assets

Individual U.S. holders that own "specified foreign financial assets" with an aggregate value in excess of US$50,000 on the last day of the taxable year or US$75,000 at any time during the taxable year are generally required to file an information statement along with their tax returns, currently on IRS Form 8938, with respect to such assets. "Specified foreign financial assets" include any financial accounts held at a non-U.S. financial institution, as well as securities issued by a non-U.S. issuer that are not held in accounts maintained by financial institutions (which may include Notes issued in certificated form). Higher reporting thresholds apply to certain individuals living abroad and to certain married individuals. Regulations extend this reporting requirement to certain entities that are treated as formed or availed of to hold direct or indirect interests in specified foreign financial assets based on certain objective criteria. U.S. holders who fail to report the required information could be subject to substantial penalties. In addition, the statute of limitations for assessment of tax would be suspended, in whole or part. Prospective investors should consult their own tax advisors concerning the application of these rules to their investment in the Notes, including the application of the rules to their particular circumstances.

Backup withholding and information reporting

Information returns may be required to be filed with the IRS in connection with payments on the Notes (including Additional Interest) and proceeds received from a sale or other disposition (including redemption) of the Notes unless you are an exempt recipient. You may also be subject to backup withholding on these payments in respect of your Notes unless you provide your taxpayer identification number and otherwise comply with applicable requirements of the backup withholding rules or you provide proof of an applicable exemption. Amounts withheld under the backup withholding rules are not additional taxes and may be refunded or credited against your U.S. federal income tax liability, provided the required information is timely furnished to the IRS.

PLAN OF DISTRIBUTION

J.P. Morgan Securities LLC, Mizuho Securities USA LLC and Morgan Stanley & Co. LLC, are acting as representatives of the initial purchasers.

Subject to the terms and conditions stated in the purchase agreement, dated April 30, 2025, each initial purchaser named below has severally agreed to purchase, and we have agreed to sell to the initial purchasers, the principal amount of the Notes set forth opposite such initial purchaser's name.

Initial Purchaser	Principal Amount of 2030 Notes	Principal Amount of 2035 Notes
J.P. Morgan Securities LLC	US$184,167,000	US$127,500,000
Mizuho Securities USA LLC	US$184,167,000	US$127,500,000
Morgan Stanley & Co. LLC	US$184,166,000	US$127,500,000
Barclays Capital Inc.	US$32,500,000	US$22,500,000
BofA Securities, Inc.	US$32,500,000	US$22,500,000
Citigroup Global Markets Inc.	US$32,500,000	US$22,500,000
Total	**US$650,000,000**	**US$450,000,000**

Subject to the terms and conditions set forth in the purchase agreement, the initial purchasers have agreed to purchase all of the Notes of each series sold under the purchase agreement if any of these Notes are purchased. If an initial purchaser defaults, the purchase agreement provides that the purchase commitments of the non-defaulting initial purchasers may be increased or the purchase agreement may be terminated. The initial purchasers may offer and sell the Notes through certain of their respective affiliates.

We have agreed to indemnify the initial purchasers and their controlling persons against certain liabilities in connection with this offering, including liabilities under the Securities Act, or to contribute to payments the initial purchasers may be required to make in respect of those liabilities.

The initial purchasers are offering each series of the Notes, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the Notes, and other conditions contained in the purchase agreement, such as the receipt by the initial purchasers of officer's certificates and legal opinions. The initial purchasers reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

Commissions and Discounts

The initial purchasers have advised us that they propose initially to offer each series of the Notes at the offering price set forth on the cover page of this offering memorandum and to certain dealers at that price less a selling concession. After the initial offering, the offering price, concession or any other term of the offering may be changed.

Notes Are Not Being Registered

The Notes have not been registered under the Securities Act, or the securities law of any other jurisdiction, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except in transactions exempt from, or not subject to, the registration requirements of the Securities Act. Each purchaser of each series of the Notes will be deemed to have made acknowledgements, representations and agreements as described under "Notice to investors." In connection with sales outside the United States, each of the initial purchasers has agreed that it will not offer, sell or deliver the Notes to, or for the account of, U.S. persons (unless in reliance on Rule 144A) (1) as part of their distribution at any time or (2) otherwise until 40 days after the later of the commencement of the offering and the closing date, and it will send to each dealer to whom it sells such Notes during such period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Resales of each series of the Notes are restricted as described below under "Notice to investors."

Further, until 40 days after the commencement of the offering, an offer or sale of the Notes of either series within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A or another exemption from registration under the Securities Act.

New Issue of Notes

Each series of the Notes will constitute a new issue of securities with no established trading market. Application has been made to have the Notes of each series listed on the Official List of the LuxSE and admitted to trading on the Euro MTF Market of the LuxSE. We have been advised by the initial purchasers that they presently intend to make a market in the Notes after completion of the offering. However, they are under no obligation to do so and may discontinue any market-making activities at any time without any notice. We cannot assure the liquidity of the trading market for the Notes of each series. If an active trading market for the Notes of each series does not develop, the market price and liquidity of the Notes of each series may be adversely affected. If the Notes of each series are traded, they may trade at a discount from their initial offering price, depending on prevailing interest rates, the market for similar securities, our operating performance and financial condition, general economic conditions and other factors.

Settlement

The Notes were delivered to investors on May 13, 2025, which was the ninth business day following the pricing of the Notes (such settlement being referred to as "T+9"). Under Rule 15c6-1 under the U.S. Securities Exchange Act of 1934, trades in the secondary market are required to settle in one business day, unless the parties to any such trade expressly agree otherwise.

No Sales of Similar Securities

We and our subsidiary guarantors have agreed that for a period of 30 days after the date of this offering memorandum, we and our subsidiary guarantors will not without first obtaining the prior written consent of the representatives of the initial purchasers, directly or indirectly, sell, offer, announce the offering of, or file any registration statement under the Securities Act in respect of, any of our or our subsidiary guarantors' debt securities offered or sold in the Mexican or international capital markets, except for the Notes sold to the initial purchasers pursuant to the purchase agreement and except for the offer and sale of *certificados bursátiles* in the local Mexican market.

Short Positions

In connection with the offering, the initial purchasers may purchase and sell the Notes in the open market. Short sales involve the sale by the initial purchasers of a greater principal amount of Notes than they are required to purchase in the offering. The initial purchasers must close out any short position by purchasing Notes in the open market.

Similar to other purchase transactions, purchases by the initial purchasers to cover the syndicate short sales may have the effect of raising or maintaining the market price of the Notes or preventing or retarding a decline in the market price of the Notes. As a result, the price of the Notes may be higher than the price that might otherwise exist in the open market.

Neither we nor the initial purchasers make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the Notes. In addition, neither we nor the initial purchasers make any representation that the representatives will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

Other Relationships

Certain of the initial purchasers and their affiliates, in the ordinary course of their business activities, have provided in the past to us and our affiliates and may provide from time to time in the future certain commercial banking, financial advisory, investment banking and other services for us and such affiliates in the ordinary course of their business, for which they have received and may continue to receive customary fees and commissions. In addition, from time to time, certain of the initial purchasers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account or the account of customers. Certain of the initial purchasers or their affiliates that have a lending relationship with us routinely hedge their credit exposure to us consistent with their customary risk management policies. Typically, such initial purchases and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the Notes offered hereby. Any such short positions could adversely affect future trading prices of the Notes offered hereby. The initial purchasers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Certain of the initial purchasers have also acted as lenders under our revolving line of credit for US$1.4 billion. The representatives of the initial purchasers or their affiliates are acting as dealer managers in the Tender Offer.

General

Neither we nor the initial purchasers are making an offer to sell, or seeking offers to buy, the Notes in any jurisdiction where the offer and sale is not permitted. You must comply with all applicable laws and regulations in force in any jurisdiction in which you purchase, offer or sell the Notes or possess or distribute this offering memorandum, and you must obtain any consent, approval or permission required for your purchase, offer or sale of the Notes under the laws and regulations in force in any jurisdiction to which you are subject or in which you make such purchases, offers or sales. Neither we nor the initial purchasers will have any responsibility therefor.

Notice to Eligible Holders in Mexico

This offering memorandum may be distributed in Mexico only to, and may only be directed at, investors domiciled in Mexico that qualify as institutional or accredited investors, under the Mexican Securities Market Law and its regulations, pursuant to the private placement exemption set forth in Article 8, section I of the Mexican Securities Market Law. The Notes have not been and will not be registered with the RNV maintained by the CNBV, and may not be offered or sold publicly in Mexico, except that the Notes may be offered and sold to investors in Mexico that qualify as institutional or accredited investors, on a private placement basis, pursuant to Article 8, Section I of the Mexican Securities Market Law (*Ley del Mercado de Valores*). This offering memorandum has not been and will not be reviewed or approved by the CNBV. This offering does not constitute a public offering in Mexico and this offering memorandum may not be publicly distributed in Mexico. The CNBV will be notified of the terms and conditions of this offering for informational and statistical purposes only, and such notice does not constitute or imply a certification as to the investment quality of the Notes, our solvency, liquidity or credit quality or the accuracy or completeness of the information included in this offering memorandum.

Prohibition of Sales to EEA Retail Investors

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold, or otherwise made available to any retail investor in the European Economic Area (the "EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended or superseded, the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling packaged retail and insurance-based investment products or otherwise making them available to retail investors in the EEA has been prepared, and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation. This offering memorandum has been prepared on the basis that any offer of Notes in any member state of the EEA will be made pursuant to an exemption under Regulation (EU) 2017/1129 (as amended or superseded, the "Prospectus Regulation"), and any implementing measures in any Member State of the EEA, from the requirement to publish a prospectus for offers of securities. This offering memorandum is not a prospectus for the purposes of the Prospectus Regulation.

In the EEA, this offering memorandum is only for distribution to, and it is only directed at, nonretail investors and any investment or investment activity to which this offering memorandum relates is available only to, and will be engaged in only with, nonretail investors. Any person in the EEA who is a "retail investor" should not act or rely on this offering memorandum or its contents. Each person in the EEA who purchases any of the Notes will be deemed to have represented and warranted that they are a nonretail investor.

Prohibition of Sales to UK Retail Investors

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of assimilated law by virtue of the European Union (Withdrawal) Act 2018 (as amended, and together with any statutory instruments made in exercise of the powers conferred by such Act, the "EUWA"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (as amended, the "FSMA") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of assimilated law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of assimilated law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling packaged retail and insurance based investment products or otherwise making them available to retail investors in the UK has been prepared, and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation. This offering memorandum has been prepared on the basis that any offer of Notes in the UK will be made pursuant to an exemption from the requirement to publish a prospectus for offers of securities. This offering memorandum is not a prospectus for the purposes of the UK law.

In the UK, this offering memorandum is for distribution only to nonretail investors (being persons who are not retail investors as defined in this section titled "Notice to Prospective Investors in the United Kingdom") who are also: (i) persons having professional experience in matters relating to investments who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Financial Promotion Order"); (ii) high net worth bodies corporate, unincorporated associations and partnerships and trustees of high value trusts as described in Article 49(2)(a) to (c) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order; or (iii) persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This offering memorandum is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this offering memorandum relates is available only to relevant persons and will be engaged in only with relevant persons. Each person in the UK who purchases any of the Notes will be deemed to have represented and warranted that they are a relevant person.

Notice to Prospective Investors in Switzerland

This document, as well as any other material relating to the Notes which are the subject of the offering contemplated by this offering memorandum, do not constitute an issue prospectus pursuant to Article 652a of the Swiss Code of Obligations. The Notes will not be listed on the SWX Swiss Exchange and, therefore, the documents relating to the Notes, including, but not limited to, this document, do not claim to comply with the disclosure standards of the listing rules of SWX Swiss Exchange and corresponding prospectus schemes annexed to the listing rules of the SWX Swiss Exchange. The Notes are being offered in Switzerland by way of a private placement, *i.e.* to a small number of selected investors only, without any public offer and only to investors who do not purchase the Notes with the intention to distribute them to the public. The investors will be individually approached by us from time to time. This document, as well as any other material relating to the Notes, is personal and confidential and do not constitute an offer to any other person. This document may only be used by those investors to whom it has been handed out in connection with the offering described herein and may neither directly nor indirectly be distributed or made available to other persons without our express consent. It may not be used in connection with any other offer and shall in particular not be copied and/or distributed to the public in (or from) Switzerland.

Notice to Prospective Investors in United Arab Emirates

The Notes have not been, and are not being, publicly offered, sold, promoted or advertised in the United Arab Emirates (including the Dubai International Financial Centre) other than in compliance with the laws of the United Arab Emirates (and the Dubai International Financial Centre) governing the issue, offering and sale of securities. Further, this offering memorandum does not constitute a public offer of securities in the United Arab Emirates (including the Dubai International Financial Centre) and are not intended to be a public offer. This offering memorandum has not been approved by or filed with the Central Bank of the United Arab Emirates, the Securities and Commodities Authority or the Dubai Financial Services Authority.

Notice to Prospective Investors in Hong Kong

The Notes may not be offered or sold by means of any document other than (1) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong), (2) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder or (3) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong), and no advertisement, invitation or document relating to the Notes may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Notice to Prospective Investors in Singapore

This offering memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the Notes were not offered or sold or caused to be made the subject of an invitation for subscription or purchase and will not be offered or sold or caused to be made the subject of an invitation for subscription or purchase, and this offering memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, has not been circulated or distributed, nor will it be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in the Securities and Futures Act ("SFA")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- a corporation (which is not an accredited investor (as defined in the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

- a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

Securities (as defined in Section 2(1) of the SFA) or securities-based derivatives contracts (as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA; or
- where no consideration is or will be given for the transfer; or
- where the transfer is by operation of law; or
- as specified in Section 276(7) of the SFA; or
- as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Any reference to the SFA is a reference to the Securities and Futures Act, Chapter 289 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

Notice to Prospective Investors in Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan, Act No. 25 of 1948, as amended (the "Financial Instruments and Exchange Law") and the initial purchasers have agreed that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Securities and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

Notice to Prospective Investors in Chile

The Notes being offered will not be registered under the Chilean Securities Market Law (Law No. 18,045, as amended) in the Securities Registry (*Registro de Valores*) or in the Foreign Securities Registry (*Registro de Valores Extranjeros*) of the Commission for the Financial Markets (*Comisión para el Mercado Financiero*, or the "CMF") and, therefore, the notes are not subject to the supervision of the CMF. As unregistered securities in Chile, we are not required to disclose public information about the notes in Chile. Accordingly, the Nots cannot and will not be publicly offered to persons in Chile unless they are registered in the corresponding Securities Registry or in circumstances that do not constitute a public offering under Chilean law or in compliance with CMF Rule 336. Pursuant to the Chilean Securities Market Law, a public offering of securities is an offering that is addressed to the general public or to certain specific categories or groups thereof. Considering that the definition of public offering is quite broad, even an offering addressed to a small group of investors may be considered to be addressed to a certain specific category or group of the public and therefore be considered public under applicable law. However, pursuant to CMF Rule 336, the Notes may be privately offered in Chile to certain "qualified investors" identified as such therein (which in turn are further described in CMF Rule 216, dated June 12, 2008).

CMF Rule 336 requires the following information to be provided to prospective investors in Chile:

1. Date of commencement of the offer: April 28, 2025. The offer of the Notes is subject to General Rule (*Norma de Carácter General*) No. 336, dated June 27, 2012, issued by the CMF;

2. The subject matter of this offer are securities not registered with the Securities Registry (*Registro de Valores*) of the CMF, nor with the Foreign Securities Registry (*Registro de Valores Extranjeros*) of the CMF, due to the notes not being subject to the oversight of the CMF;

3. Since the notes are not registered in Chile there is no obligation by the issuer to make publicly available information about the notes in Chile; and

4. The notes shall not be subject to public offering in Chile unless registered with the relevant Securities Registry of the CMF.

CMF Rule 336 further requires the following information to be included in the Spanish language:

Aviso a los Inversionistas Chilenos

Los bonos no se registrarán al amparo de la Ley de Mercado de Valores de Chile (Ley No. 18,045 y sus correspondientes modificaciones) en el Registro de Valores o en el Registro de Valores Extranjeros que lleva la Comisión para el Mercado Financiero (la "CMF"), por lo que tales valores no están sujetos a la fiscalización de ésta. Por tratarse de valores no inscritos en Chile, no existe obligación por parte del emisor de entregar en Chile información pública respecto de estos valores. Los bonos no podrán ser objeto de oferta pública en Chile mientras no sean inscritos en el Registro de Valores correspondiente o en circunstancias que no constituyan una oferta pública o cumpliendo con lo dispuesto en la Norma de Carácter General N°336 de la Comisión para el Mercado Financiero. De conformidad con la Ley de Mercado de Valores Chilena, se entiende por oferta pública de valores la dirigida al público en general o a ciertos sectores o a grupos específicos de éste. Considerando lo amplio de dicha definición, incluso una oferta dirigida a un pequeño grupo de inversionistas puede ser considerada como una oferta dirigida a ciertos sectores o a grupos específicos del público y por lo tanto considerada como pública bajo la ley aplicable. Sin embargo, en conformidad con lo dispuesto por la Norma de Carácter General N°336, los bonos podrán ser ofrecidos privadamente a ciertos "inversionistas calificados," identificados como tal en dicha norma (y que a su vez están descritos en la Norma de Carácter General N°216 de la Comisión para el Mercado Financiero de fecha 12 de junio de 2008).

La siguiente información se proporciona a potenciales inversionistas de conformidad con la Norma de Carácter General N°336:

1. La oferta de los bonos comienza el 28 de abril de 2025, y se encuentra acogida a la Norma de Carácter General N° 336, de fecha 27 de junio de 2012, de la CMF;

2. La oferta versa sobre valores no inscritos en el Registro de Valores o en el Registro de Valores Extranjeros que lleva la CMF, por lo que tales valores no están sujetos a la fiscalización de la CMF;

3. Por tratarse de valores no inscritos en Chile no existe la obligación por parte del emisor de entregar en Chile información pública sobre los mismos; y

4. Estos valores no podrán ser objeto de oferta pública en Chile mientras no sean inscritos en el Registro de Valores correspondiente.

Notice to Prospective Investors in Peru

The Notes and the information contained in this offering memorandum have not been and will not be registered with or approved by the Peruvian Capital Markets Superintendency (*Superintendencia del Mercado de Valores*) or the Lima Stock Exchange. Accordingly, the notes cannot be offered or sold in Peru, except if such offering is considered a private offering under the securities laws and regulations of Peru. The Peruvian securities market law establishes, among others, that any particular offer may qualify as private if it is directed exclusively to institutional investors.

Notice to Prospective Investors in Colombia

The Notes may not be offered, sold or negotiated in Colombia, except under circumstances which do not constitute a public offering of securities under applicable Colombian securities laws and regulations. Furthermore, foreign financial entities must abide by the terms of Decree 2555 of 2010 to offer privately the Notes to their Colombian clients.

Notice to Prospective Investors in Canada

The Notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this offering memorandum (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the initial purchasers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Notice to Prospective Investors in Israel

This offering memorandum does not constitute a prospectus under the Israeli Securities Law, 5728-1968, and has not been filed with or approved by the Israel Securities Authority. In Israel, this offering memorandum is being distributed only to, or is directed only at, qualified investors listed in the first addendum, or the Addendum, to the Israeli Securities Law. Qualified investors may be required to submit written confirmation that they fall within the scope of the Addendum. In addition, we may distribute and direct this document in Israel, at our sole discretion, to investors who are not considered qualified investors, provided that the number of such investors in Israel shall be no greater than 35 in any 12-month period.

TRANSFER RESTRICTIONS

The Notes have not been registered, and will not be registered, under the Securities Act or any state securities laws, and the Notes may not be offered or sold except pursuant to an effective registration statement or pursuant to transactions exempt from, or not subject to, registration under the Securities Act. Accordingly, the Notes are being offered and sold only:

- in the United States to qualified institutional buyers (as defined in Rule 144A) pursuant to Rule 144A under the Securities Act; and

- outside of the United States, to certain persons, other than U.S. persons ("non-U.S. purchasers," which term shall include dealers or other professional fiduciaries in the United States acting on a discretionary basis for non-U.S. beneficial owners (other than an estate or trust)), in offshore transactions meeting the requirements of Rule 903 of Regulation S under the Securities Act.

As used herein, the terms "offshore transaction," "United States" and "U.S. person" have the respective meanings given to them in Regulation S under the Securities Act.

Purchasers' representations and restrictions on resale and transfer

Each purchaser of Notes (other than the initial purchasers in connection with the initial issuance and sale of Notes) and each owner of any beneficial interest therein will be deemed, by its acceptance or purchase thereof, to have represented and agreed as follows:

(1) it is purchasing the Notes for its own account or an account with respect to which it exercises sole investment discretion and it and any such account is either (a) a qualified institutional buyer and is aware that the sale to it is being made pursuant to Rule 144A or (b) a non-U.S. person that is outside the United States (or a non-U.S. purchaser that is a dealer or other fiduciary as referred to above);

(2) it acknowledges that the Notes have not been registered under the Securities Act or with any securities regulatory authority of any U.S. state, that the Notes are being offered in a transaction that does not involve any public offering in the United States within the meaning of the Securities Act and that the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except as set forth below;

(3) it understands and agrees that Notes initially offered in the United States to qualified institutional buyers will be represented by a global Note and that Notes offered outside the United States pursuant to Regulation S will also be represented by a global Note;

(4) it will not offer, pledge, resell or otherwise transfer any of such Notes except (a) to us, (b) within the United States to a qualified institutional buyer in a transaction complying with Rule 144A under the Securities Act, (c) outside the United States in compliance with Rule 903 or 904 of Regulation S under the Securities Act, (d) pursuant to another exemption from registration (if available) or (e) pursuant to an effective registration statement under the Securities Act;

(5) it agrees that it will give to each person to whom it transfers the Notes notice of any restrictions on transfer of such Notes;

(6) it acknowledges that prior to any proposed transfer of Notes (other than pursuant to an effective registration statement or in respect of beneficial interests in the global Notes within a global Note) the holder of such Notes may be required to provide certifications relating to the manner of such transfer as provided in the indenture;

(7) it acknowledges that the trustee, registrar or transfer agent for the Notes will not be required

to accept for registration a transfer of any Notes acquired by it, except upon presentation of evidence satisfactory to us and the trustee, registrar or transfer agent that the restrictions set forth herein have been complied with;

(8) it acknowledges that (a) none of the Company, the Subsidiary Guarantors, the initial purchasers or any person representing the Company, the Subsidiary Guarantors or the initial purchasers has made any representations to it with respect to the Company or the offering or sale of any Notes other than the information contained in this offering memorandum, which has been delivered to it and upon which it is relying in making its investment decision with respect to the Notes, (b) it has had access to financial and other information concerning the Company, the Subsidiary Guarantors and the Notes as it has deemed necessary in connection with your decision to purchase any of the Notes, including an opportunity to ask questions of and receive information from the Company, the Subsidiary Guarantors and the initial purchasers, and (c) it (i) is able to fend for itself in the transactions contemplated by this offering memorandum, (ii) has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of its prospective investment in the Notes and (iii) has the ability to bear the economic risks of its prospective investment and can afford the complete loss of such investment;

(9) it acknowledges that we, the Company, the Subsidiary Guarantors, the initial purchasers and other persons will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of the acknowledgements, representations and agreements deemed to have been made by its purchase of the Notes are no longer accurate, it will promptly notify us and the initial purchasers; and

(10) if it is acquiring the Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each account.

Legends

The following is the form of restrictive legend which will appear on the face of the Rule 144A global Note, and which will be used to notify transferees of the foregoing restrictions on transfer:

"THIS NOTE HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE OR OTHER SECURITIES LAWS. THE HOLDER HEREOF, BY PURCHASING THIS NOTE, AGREES FOR THE BENEFIT OF ORBIA ADVANCE CORPORATION, S.A.B. DE C.V. (THE "COMPANY") THAT THIS NOTE OR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (1) TO THE COMPANY, (2) SO LONG AS THIS NOTE IS ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT ("RULE 144A"), TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A) IN ACCORDANCE WITH RULE 144A, (3) IN AN OFFSHORE TRANSACTION TO NON U.S. PERSONS IN ACCORDANCE WITH RULE 903 OR 904 OF REGULATION S UNDER THE SECURITIES ACT, (4) PURSUANT TO ANOTHER EXEMPTION FROM REGISTRATION UNDER THE SECURITES ACT (IF AVAILABLE) OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, AND IN EACH OF SUCH CASES IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER APPLICABLE JURISDICTION. THE HOLDER HEREOF, BY PURCHASING THIS NOTE, REPRESENTS AND AGREES THAT IT SHALL NOTIFY ANY PURCHASER OF THIS NOTE FROM IT OF THE RESALE RESTRICTIONS REFERRED TO ABOVE. THIS LEGEND WILL ONLY BE REMOVED AT THE OPTION OF THE ISSUER."

The following is the form of restrictive legend which will appear on the face of the Regulation S global Note and which will be used to notify transferees of the foregoing restrictions on transfer:

"THIS NOTE HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS. THE HOLDER HEREOF, BY PURCHASING THIS NOTE, AGREES THAT NEITHER THIS NOTE NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, SUCH REGISTRATION AND IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY OTHER APPLICABLE JURISDICTION.

THE FOREGOING LEGEND MAY BE REMOVED FROM THIS NOTE AFTER 40 DAYS BEGINNING ON AND INCLUDING THE LATER OF (A) THE DATE ON WHICH THE NOTES ARE OFFERED TO PERSONS OTHER THAN DISTRIBUTORS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) AND (B) THE ORIGINAL ISSUE DATE OF THE NOTES."

For further discussion of the requirements (including the presentation of transfer certificates) under the indenture to effect exchanges or transfers of interest in global notes and certificated notes, see "Description of Notes."

Other Jurisdictions

The distribution of this offering memorandum and the offer and sale or resale of the Notes may be restricted by law in certain jurisdictions. Persons into whose possession this offering memorandum comes are required by us and the initial purchasers to inform themselves about and to observe any such restrictions.

GENERAL INFORMATION

Clearing systems

Application has been made to have the Notes accepted for clearance through Euroclear and Clearstream. In addition, application has been made to have the Notes accepted for trading in book-entry form by DTC.

For the 2030 Rule 144A Notes, the ISIN number is US68560EAC21, the CUSIP number is 68560EAC2 and the Common Code is 307540053. For the 2030 Regulation S Notes, the ISIN number is USP7S81YBJ38, the CUSIP number is P7S81YBJ3 and the Common Code is 307538946.

For the 2035 Rule 144A Notes, the ISIN number is US68560EAD04, the CUSIP number is 68560EAD0 and the Common Code is 307539756. For the 2035 Regulation S Notes, the ISIN number is USP7S81YBK01, the CUSIP number is P7S81YBK0 and the Common Code is 307221861.

Listing

Application has been made for each series of the Notes to be listed on the Official List of the LuxSE and admitted to trading on the Euro MTF Market of the LuxSE. Copies of (1) our by-laws, (2) the by-laws of our subsidiary guarantors, (3) the indenture, which contains the terms of the subsidiary guarantees, as may be amended or supplemented from time to time, (4) information and documents forming this offering memorandum, (5) our published annual audited consolidated financial statements and (6) any published quarterly unaudited consolidated financial statements, will be available (free of charge) at our principal executive offices, as well as at the offices of the trustee, registrar, paying agent and transfer agent, as such addresses are set forth in this offering memorandum. Our subsidiary guarantors do not publish separate non-consolidated financial statements. Their financial accounts are consolidated with ours when we publish financial statements. We do not publish unconsolidated financial statements. We believe that the auditor's reports included herein have been accurately reproduced.

As required under the Mexican Securities Market Law, we will notify the CNBV of the offering of each series of the Notes outside of Mexico. Such notice will be delivered to the CNBV to comply with a legal requirement and for information and statistical purposes only, and the delivery to, and the receipt by, the CNBV of such notice does not imply any certification as to the investment quality of the Notes of each series or our solvency, liquidity or credit quality. The information contained in this offering memorandum is exclusively our responsibility and has not been reviewed or authorized by the CNBV. The acquisition of each series of the Notes by an investor who is a resident of Mexico will be made under its own responsibility.

Authorization

Pursuant to resolutions adopted by our board of directors on March 27, 2025, we have obtained all necessary consents, approvals and authorizations in connection with the issuance and performance of the Notes.

No material adverse change

Except as disclosed in this offering memorandum, there has been no material adverse change in our financial position or prospects or that of our subsidiaries taken as a whole since March 31, 2025.

We accept responsibility for the offering memorandum and confirm that the information contained herein is, to the best of our knowledge, in accordance with the facts and make no omission likely to affect its import.

Litigation

We are not involved in any legal or arbitration proceedings (including any such pending or threatened proceedings) relating to claims or amounts that may have or have had, during the 12 months prior to the date of this offering memorandum, a material adverse effect on our financial position and that of our subsidiaries taken as a whole.

General information regarding the issuer

We are a publicly traded stock corporation with variable capital (*sociedad anónima bursátil de capital variable*) that was incorporated on June 30, 1978 in Mexico City, Federal District, Mexico, under the laws of Mexico with a duration of 99 years. Our executive offices are located at Avenida Paseo de la Reforma 483, piso 47, Colonia Cuauhtémoc, Alcaldía Cuauhtémoc, Ciudad de México, 06500. Our LEI code is 549300MVHZ20SBIOEQ79.

The names, functions and principal activities of our administrative, management and supervisory bodies are described in "Management" above. The business address for the members of our administrative, management and supervisory bodies is Avenida Paseo de la Reforma 483, piso 47, Colonia Cuauhtémoc, Alcaldía Cuauhtémoc, Ciudad de México, 06500.

Subsidiary guarantors

Each series of the Notes will be guaranteed by the following subsidiaries of the issuer:

(i) Mexichem Brasil Industria de Transformação Plastica Ltda., a limited liability company (*socidade limitada*) incorporated under the laws of Brazil on December 4, 1997 with an indefinite duration;

(ii) Mexichem Derivados, S.A. de C.V., a *sociedad anónima de capital variable* incorporated under the laws of Mexico on March 9, 1956 with a duration of 99 years from the date of incorporation;

(iii) Mexichem Resinas Vinílicas, S.A. de C.V., a *sociedad anónima de capital variable* incorporated under the laws of Mexico on February 20, 1965 with a duration of 99 years from the date of incorporation;

(iv) Mexichem Flúor, S.A. de C.V., a *sociedad anónima de capital variable* incorporated under the laws of Mexico on July 8, 1971 with a duration of 100 years from the date of incorporation;

(v) Mexichem Resinas Colombia, S.A.S., a *sociedad por acciones simplificada*, incorporated under the laws of Colombia on January 14, 1963 with an indefinite duration;

(vi) Mexichem Soluciones Integrales, S.A. de C.V., a *sociedad anónima de capital variable* incorporated under the laws of Mexico on December 22, 1961 with a duration of 99 years from the date of incorporation;

(vii) Mexichem Compuestos, S.A. de C.V., a *sociedad anónima de capital variable* incorporated under the laws of Mexico on December 15, 2006 with a duration of 99 years from the date of incorporation;

(viii) Mexichem UK Limited, a private company limited by shares incorporated under the laws of England on November 26, 2009;

(ix) Mexichem Fluor, Inc., a corporation incorporated under the laws of the State of Delaware on January 22, 2010 with a perpetual existence;

(x) Mexichem Ecuador, S.A. a stock company incorporated under the laws of Ecuador on March 12, 1958 with a duration of 100 years from the date of record before the Commercial Registry; and

(xi) Mexichem Flúor Comercial, S.A. de. C.V., a *sociedad anónima de capital variable* incorporated under the laws of Mexico on November 5, 1968 with a duration of 99 years from the date of incorporation.

The addresses of the subsidiary guarantors are the following:

(i) Mexichem Brasil Industria de Transformação Plastica Ltda., in Barra Velha 100, Barrio Floresta, 89211,-730, Joinville, Santa Catarina, Brasil;

(ii) Mexichem Derivados, S.A., de C.V., in Boulevard Manuel Ávila Camacho 2610, Torre B Pisos 12,14,15, Valle de los Pinos, Tlalnepantla, Estado de México, 54040, México;

(iii) Mexichem Resinas Vinílicas, S.A. de C.V., in Autopista Altamira Km. 4.5, Puerto Industrial de Altamira, Altamira, Tamaulipas, México, C.P. 89603;

(iv) Mexichem Flúor, S.A. de C.V., in Eje 106 S/N, Zona Industrial, San Luis Potosí, San Luis Potosí, México, C.P. 78395;

(v) Mexichem Resinas Colombia, S.A.S., in Zona Industrial Mamonal, Km. 8, Cartagena, Colombia;

(vi) Mexichem Soluciones Integrales, S.A. de C.V., in Boulevard Manuel Ávila Camacho 2610, Torre B Pisos 12,14,15, Valle de los Pinos, Tlalnepantla, Estado de México, 54040, México;

(vii) Mexichem Compuestos, S.A. de C.V., in Autopista Altamira km 4.5 Col. Puerto Industrial de Altamira, Altamira, Tamaulipas, México, C.P. 89603;

(viii) Mexichem UK Limited, in The Heath, Business and Technical Park, Runcorn, Cheshire WA7 4QF, United Kingdom;

(ix) Mexichem Fluor, Inc., in 4990 B, ICI Road Highway 75, PO Box 30, St. Gabriel, LA, USA. 70776;

(x) Mexichem Ecuador, in S.A. Km. 4.5 Vía Durán-Tambo, Guayas, Durán, Ecuador; and

(xi) Mexichem Flúor Comercial, S.A. de. C.V., in Eje 106 sin número, Zona Industrial, San Luis Potosí, San Luis Potosí, México, C.P. 78395.

LEGAL MATTERS

The validity of the Notes and the subsidiary guarantees will be passed upon for us by Davis Polk & Wardwell LLP, New York, New York and for the initial purchasers by Cleary Gottlieb Steen & Hamilton LLP. Certain Mexican legal matters will be passed upon for us by White & Case, S.C., Mexico City, Mexico and for the initial purchasers named herein by Ritch, Mueller y Nicolau, S.C., Mexico City, Mexico.

INDEPENDENT AUDITORS

The consolidated financial statements of Orbia Advance Corporation, S.A.B. de C.V., and its subsidiaries as of December 31, 2024, 2023 and 2022 and for each of the years then ended included in this offering memorandum, have been audited by Galaz, Yamazaki, Ruíz Urquiza, S.C. (member of Deloitte and Touche Tohmatsu Limited), independent auditors, as stated in their report appearing herein.

INDEX TO FINANCIAL STATEMENTS

Unaudited Condensed Consolidated Interim Financial Statements of Orbia Advance Corporation, S.A.B. de C.V. and Subsidiaries as of and for the three months ended March 31, 2025 and 2024

Audited Consolidated Financial Statements of Orbia Advance Corporation, S.A.B. de C.V. and Subsidiaries as of and for the years ended December 31, 2024, 2023 and 2022

Orbia Advance Corporation, S.A.B. de C.V. and Subsidiaries
(Subsidiary of Kaluz, S.A. de C.V.)

Consolidated Financial Statements for the Three Months Ended March 31, 2025, 2024 and Full Year Ended December 31,2024.

The accompanying financial statements have been translated from Spanish into English for the use of financial statement users.

Statement of financial position, current/non-current

As of March 31, 2025, and December 31, 2024
(Amounts in millions of U.S. dollars)

Description	As of March 31, 2025	As of December 31, 2024
Statement of Financial Position		
Assets		
Current Assets		
Cash and cash equivalents	860	1,009
Trade and other receivables	1,581	1,301
Recoverable taxes	186	194
Other financial assets	-	1
Inventories	1,202	1,098
Total current assets excluding assets held for sale	3,829	3,603
Assets held for sale	8	7
Total current assets	**3,837**	**3,610**
Non-current assets		
Non-current trade and other receivables	4	3
Investments in subsidiaries, joint ventures and associates	76	76
Property, plant and equipment	3,295	3,271
Right-of-use assets	461	431
Goodwill	1,433	1,431
Intangible assets other than goodwill	1,595	1,597
Deferred income tax assets	537	499
Other non-current non-financial assets	126	139
Total non-current assets	**7,527**	**7,447**
Total Assets	**11,364**	**11,057**
Equity and Liabilities		
Liabilities		
Current Liabilities		
Trade payables and other short-term accounts payable	1,263	1,118
Income taxes payable (short-term)	96	119
Other short-term financial liabilities	982	942
Short-term lease liabilities	122	111
Provisions (current)		
Short-term employee benefits provisions	199	172
Other short-term provisions	161	166
Total current provisions	360	338
Total current liabilities excluding liabilities associated with assets held for sale	2,823	2,628
Total current liabilities	**2,823**	**2,628**
Non-current liabilities		
Trade payables and other long-term accounts payable	355	343
Income taxes payable (long-term)	63	29

The accompanying financial statements have been translated from Spanish into English for the use of financial statement users.

Other long-term financial liabilities	4,210	4,233
Long-term lease liabilities	364	346
Provisions (non-current)		
Long-term employee benefits provisions	134	130
Other long-term provisions	47	23
Total non-current provisions	181	153
Deferred income tax liabilities	348	345
Total non-current liabilities	**5,521**	**5,449**
Total liabilities	**8,344**	**8,077**
Equity		
Nominal share capital	280	280
Share premium	1,475	1,475
Retained earnings	1,323	1,376
Other comprehensive income (loss)	(602)	(698)
Total equity attributable to equity holders of the parent	2,476	2,433
Non-controlling interest	544	547
Total equity	**3,020**	**2,980**
Total equity and liabilities	**11,364**	**11,057**

The accompanying financial statements have been translated from Spanish into English for the use of financial statement users.

Income statement, results for the period

As of March 31, 2025, and 2024
(Amounts in millions of U.S. dollars)

Description	For the three months ended March 31, 2025	Acumulated from 2024-01-01 - 2024-03-31
Results for the period		
Profit (loss)		
Revenue	1,811	1,863
Cost of sales	1,417	1,431
Gross profit	394	432
Selling expenses	140	156
Administrative expenses	208	164
Other income	8	7
Other expenses	13	13
Operating profit	41	106
Finance income	57	90
Finance costs	133	229
Share of profit of associates and joint ventures	1	1
Profit (loss) before income tax	(34)	(32)
Income tax expense (benefit)	(5)	15
Profit (loss) from continuing operations	(29)	(47)
Profit (loss) from discontinued operations	-	-
Net profit (loss) for the period	(29)	(47)
Profit (loss), attributable to		
Profit (loss) attributable to controlling interest	(54)	(74)
Profit (loss) attributable to non-controlling interest	25	27
Earnings per share		
Basic earnings per share		
Basic earnings (loss) per share from continuing operations	(0.03)	(0.04)
Basic earnings (loss) per share from discontinued operations	-	-
Total basic earnings (loss) per share	(0.03)	(0.04)
Diluted earnings per share		
Diluted earnings (loss) per share from continuing operations	(0.03)	(0.04)
Diluted earnings (loss) per share from discontinued operations	-	-
Total diluted earnings (loss) per share	(0.03)	(0.04)

The accompanying financial statements have been translated from Spanish into English for the use of financial statement users.

Statement of Other comprehensive income (OCI), OCI components presented net of tax

As of March 31, 2025, and 2024
(Amounts in millions of U.S. dollars)

Description	Current Year Accumulated 2025-01-01 - 2025-03-31	Previous Year Accumulated 2024-01-01 - 2024-03-31
Statement of Other comprehensive income:		
Net consolidated profit	(29)	(47)
Foreign currency translation		
Foreign currency translation, net of tax	63	(33)
Unrealized gain (loss) on the valuation of financial instruments, net of tax		
Unrealized gain (loss) on valuation of financial instruments	32	3
Total of items that may be reclassified to profit or loss in subsequent periods, net of tax	95	(30)
Total of Other Comprehensive Income income (loss)	66	(77)
Total of Other Comprehensive Income attributable to:		
Equity holders of the parent	42	(103)
Non-controlling interests	24	26

The accompanying financial statements have been translated from Spanish into English for the use of financial statement users.

Cash flow statement, indirect method

As of March 31, 2025, and 2024
(Amounts in millions of U.S. dollars)

Concept	Current Year Accumulated 2025-01-01 - 2025-03-31	Previous Year Accumulated 2024-01-01 - 2024-03-31
Statement of Cash Flows		
Cash Flows from (Used in) Operating Activities		
Net income (loss)	(29)	(47)
Adjustments to reconcile net income (loss):		
+ Income tax expense	(4)	15
+ (-) Net financial income (expenses)	75	81
+ Depreciation and amortization expense	157	147
+ (-) Unrealized foreign exchange (gain) loss	(1)	(35)
+ (-) (Gain) loss on disposal of non-current assets	-	1
+ Share of profit (loss) of associates and joint ventures	(1)	(1)
+ (-) Decrease (increase) in inventories	(81)	(14)
+ (-) Decrease (increase) in trade receivables	(212)	(231)
+ (-) Decrease (increase) in other operating receivables	35	51
+ (-) Increase (decrease) in trade payables	107	29
+ (-) Increase (decrease) in other operating payables	14	87
+(-) Other adjustments to reconcile net income (loss)	9	7
+(-) Total adjustments to reconcile net income (loss)	98	137
Net cash flows from (used in) operations	69	90
+ Interest received	12	23
+ (-) Income taxes refunded (paid)	68	74
Net cash flows from (used in) operating activities	13	39
Cash Flows from (Used in) Investing Activities		
- Purchases of property, plant, and equipment	83	131
- Purchases of intangible assets	22	-
+ (-) Other cash inflows (outflows)	(2)	-
Net cash flows from (used in) investing activities	(107)	(131)
Cash Flows from (Used in) Financing Activities		
- Payments from changes in ownership interests in subsidiaries that do not result in loss of control	27	27
- Payments to acquire or repurchase entity's own shares	(1)	-
+ Proceeds from borrowings	96	65
- Repayments of borrowings	36	239
- Payments of lease liabilities (operating leases)	28	18
- Interest paid	70	97
Net cash flows from (used in) financing activities	(64)	(316)
Net increase (decrease) in cash and cash equivalents before effect of exchange rate changes	(158)	(408)
Effect of exchange rate changes on cash and cash equivalents		
Effect of exchange rate changes on cash and cash equivalents	9	2
Net increase (decrease) in cash and cash equivalents	(149)	(406)
Cash and cash equivalents at beginning of period	1,009	1,456
Cash and cash equivalents at end of period	860	1,050

The accompanying financial statements have been translated from Spanish into English for the use of financial statement users.

Statements of Changes in Stockholders’ Equity - Current Year Accu

As of March 31, 2025
(Amounts in millions of U.S. dollars)

	Nominal share capital	Share premium	Retained earnings
Statements of Changes in Stockholders’ Equity			
Equity at the beginning of the period	280	1,475	1,3
Changes in Shareholders’ Equity			
Net profit for the year	-	-	(
Other comprehensive (loss) income for the year	-	-	-
Total of Other Comprehensive Income (loss) income	-	-	(54
Distribution of capital to non-controlling interests in subsidiary			-
Increase (decrease) on share buybacks	-	-	
Total increase (decrease) in Equity	-	-	(
Equity at the end of the period	280	1,475	1,3

The accompanying financial statements have been translated from Spanish into English for the use of financial statement users.

Statements of Changes in Stockholders' Equity - Previous Year Accu

As of March 31, 2024
(Amounts in millions of U.S. dollars)

	Nominal share capital	Share premium	Retained earnings
Statements of Changes in Stockholders' Equity			
Equity at the beginning of the period	280	1,475	1,4
Changes in Shareholders' Equity			
Net profit for the year	-	-	(
Other comprehensive (loss) income for the year	-	-	-
Total of Other Comprehensive Income (loss) income	-	-	(74
Distribution of capital to non-controlling interests in subsidiary			-
Increase (decrease) on share buybacks	-	-	
Total increase (decrease) in Equity	-	-	(
Equity at the end of the period	280	1,475	1,3

The accompanying financial statements have been translated from Spanish into English for the use of financial statement users.

Breakdown of credits

As of March 31, 2025
(Amounts in millions of U.S. dollars)

Institution	Foreign Institution (Yes/No)	Date of signature/contract	Expiration date	Interest rate and/or surcharge	National currency	
					Time interval	
					Current year	Up to 1 year
Bank loans						
Foreign trade (banking)						
Rabobank	YES	2024-09-27	2027-03-31	SOFR + 2.40%	-	-
Israel Discount Bank	YES	2023-12-27	2025-04-11	0.0572	-	-
MUFG	YES	2024-09-27	2027-03-31	SOFR + 2.40%	-	-
Leumi Bank	YES	2022-12-31	2027-02-04	0.067	-	-
Ziraat Bank	YES	2022-11-08	2025-06-05	0.0875	-	-
IFC	YES	2021-08-26	2029-06-15	0.0833	-	-
Various (Asia)	YES	2021-01-22	2030-11-30	0.078	-	-
Various (India)	YES	2022-07-26	2027-03-31	0.087	-	-
Various (Europe)	YES	2020-06-17	2026-03-20	0.068	-	-
Various (North America)	YES	2021-06-18	2041-11-23	0.051	-	-
Revolving Credit Facility	YES	2024-04-02	2029-04-02	SOFR 1M + 1.35%	-	-
Bank Note 1	YES	2024-07-10	2025-07-10	TIIE 28 + 1.50%	-	-
Bank Note 2	YES	2024-11-19	2025-11-19	TIIE 28 + 0.90%	-	98
TOTAL					-	98
Bank loans totals						
TOTAL					-	98
Stock market and private placements						
Listed securities (unsecured)						
BOND 3	YES	2012-09-19	2042-09-19	FIXED 6.75%	-	-
BOND 4	YES	2014-09-17	2044-09-17	FIXED 5.875%	-	-
BOND 5	YES	2017-10-04	2027-10-04	FIXED 4.00%	-	-
BOND 6	YES	2017-10-04	2048-01-15	FIXED 5.50%	-	-
BOND 7	YES	2021-05-11	2026-05-11	FIXED 1.875%	-	-
BOND 8	YES	2021-05-11	2031-05-11	FIXED 2.875%	-	-
BOND 9	YES	2022-12-08	2025-12-04	TIIE 28 + 0.40%	218	-
BOND 10	YES	2022-12-08	2032-11-25	FIXED 10.63%	-	-
TOTAL					218	-
Total listed and private placements						
TOTAL					218	-
Other current and non-current liabilities with cost						
Letters of credit	YES		2025-09-30		-	-
TOTAL					-	-
Total other current and non-current liabilities with cost						
TOTAL					-	-
Suppliers						
National and foreign suppliers					-	27
TOTAL					-	27
Total suppliers						
TOTAL					-	27
Total credits						
TOTAL					218	125

Annex – Derivative Financial Instruments

I.- Qualitative Information.

Given the importance of providing investors with information that enables them to fully understand and identify the Issuer's exposure to market, credit, and liquidity risks associated with derivative financial instruments—as well as the main risks of loss due to changes in market conditions related to such instruments, please find the following information:

i. **Management discussion of the policies for the use of derivative financial instruments, explaining whether such policies permit their use solely for hedging purposes or also for other purposes such as trading.**

- General description of the objectives for entering into derivative transactions

Due to its domestic and international operations, the Company is exposed to price volatility and input cost risks in the industries in which it operates, as well as financial risks associated with project financing. The Company's policy is to enter into hedging transactions that mitigate the volatility of certain commodity prices, interest rate risks, and foreign exchange risks related to financial operations. These transactions are business-related and subject to prior approval by the Audit and Corporate Practices Committees, as well as the Board of Directors.

Financial risk management objectives - The Company's Treasury function provides services to the businesses, coordinates access to domestic and international financial markets and monitors and manages the financial risk related to the Company's operations through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk, including currency risk, interest rate risk, credit risk, and liquidity risk. There has been no change to the Company's exposure to market risks or the manner in which these risks are managed and measured.

The Company seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the Board of Directors, which provide direction on foreign currency risk, interest rate risk, credit risk, the use of derivative and non-derivative financial instruments and investment of surpluses. Compliance with policies and exposure limits is regularly reviewed. The Company does not enter into nor trade financial instruments, including derivative financial instruments, for speculative purposes.

The Board of Directors establishes and oversees the policies and procedures for measuring and managing these risks, as described below:

Capital risk management. - The Company manages its capital to ensure its ability to continue as a running business, while maximizing shareholders return on investment through optimization of its debt and equity mix. The Company is not subject to any externally imposed capital requirements.

The Company's management periodically reviews its net debt position and borrowing costs in relation to the Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA). Orbia monitors capital risk through an internally developed Net debt ratio. The Net debt ratio is calculated as the net-cost bearing debt divided by EBITDA. Management uses this internally developed metric in its development of financial projections as part of its business plan and is presented to the Board of Directors and shareholders. The Company determined that this metric is aligned with the Company's risk management policies.

Interest rate risk management - The Company is exposed to interest rate risk due to the variability of market interest rates related to its floating interest debt. The Company's hedging activities are evaluated regularly to assess their alignment with the interest rates and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

The Company's exposures to interest-rate risk are mainly related to the variability in the Mexican Interbank Weighted Rate (TIIE) and Secured Overnight Financing Rate (SOFR) that may impact the Company's bank loans and short-term debt. A hypothetical increase of the TIIE and SOFR rates of 100 basis points at each reporting period, with all other variables held constant would result in an immaterial impact.

This is primarily because the Company's exposure to the SOFR and TIIE rates on its long-term loans is not significant, as the majority of its bank loans and long-term debt bear interest at fixed rates.

• Instruments used

During the first quarter of 2025, the Company contracted exchange rate Forwards mainly in the following currencies: Euro (EUR), Israeli Shekel (ILS), Indian Rupee (INR), among others, with maturities of less than one year.

• Hedging or trading strategies implemented

Currently, Orbia has in place the following:

Swaps:

- As of March 31, 2025, the Company holds 15 cross-currency swaps to mitigate volatility in its subsidiaries and peso-denominated debt on the balance sheet.

Foreign Exchange Forwards and Options:

- As of March 31, 2025, the Company has 75 active forward contracts.

• Permitted trading markets and eligible counterparties

Eligible counterparties approved by the Issuer include, among others: Morgan Stanley, Bank of America, BBVA Bancomer, Citibank Mexico, HSBC, Santander, JP Morgan Chase & Co., Barclays Bank, Investec Bank, Discount Bank, Leumi, Union Bank, Mizrahi Tefahot Bank Ltd, Poalim Capital Markets, Banco Bradesco S.A., and Bank of Baroda.

• Policies for the designation of calculation or valuation agents

Regarding the designation of calculation or valuation agents, the Issuer maintains an Internal Risk Management Committee which, in conjunction with the Internal Treasury Committee, is responsible for calculating and assessing existing positions.

• Margin, collateral, and credit line policies

The Company's policies establish that derivative financial instruments must qualify as hedge accounting instruments, with the hedge formally documented and the changes in fair value or cash flows showing a high degree of effectiveness in offsetting changes in the fair value or cash flows of the hedged item.

As of the reporting date, no collateral is recorded.

Credit lines are defined in our ISDA (International Swaps and Derivatives Association) agreements.

Currently, credit lines totaling USD $510 million are in place with the following institutions: Morgan Stanley Casa de Bolsa, S.A. de C.V., BBVA, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA, Banco Santander (México), S.A., Bank of America (México), S.A., HSBC México, S.A., Institución de Banca Múltiple Grupo Financiero HSBC, Banco Citibank México, S.A., Grupo Financiero Citi México, Barclays Bank México, S.A., Institución de Banca Múltiple Grupo Financiero Barclays México, BNP Paribas, Bank of Tokyo Mitsubishi UFJ, Ltd, Deutsche Bank AG, Banco de Crédito del Perú, Banco Bradesco S.A., Bank of Baroda, among others.

• Authorization processes and levels required by type of transaction

The Company is exposed to market risks, operating risks and financial risks arising from the use of financial instruments involving interest rate risk, credit risk, liquidity risk and foreign currency risk, which are centrally managed.

The Company seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the Board of Directors, which provide direction on foreign currency risk, interest rate risk, credit risk, the use of derivative and non-derivative financial instruments and investment of surpluses. Compliance with policies and exposure limits is regularly reviewed. The Company does not enter into nor trade financial instruments, including derivative financial instruments, for speculative purposes.

- Internal control procedures for managing market and liquidity risk exposure on derivative financial positions

Internal control procedures are outlined in the Company's internal policy on derivative financial instruments. This policy strictly limits usage to hedging instruments and explicitly prohibits trading derivatives.

- Existence of an independent third party that reviews such procedures

Internal controls are evaluated by both internal and external auditors. External auditors are responsible for reviewing accounting procedures related to derivative financial instruments and embedded derivatives, in accordance with the accounting policies disclosed in the notes to the financial statements.

- Information regarding the authorization for the use of derivatives and the existence of a committee responsible for integrated risk management, including governing rules and risk management manuals

Additionally, a Finance Committee has been formed to manage these types of risks, and it is composed of the Chief Executive Officer, the Chief Financial Officer, and the Vice President of Treasury.

ii. Derivative financial instruments:

Derivative financial instruments: The Company uses derivative financial instruments such as forward exchange contracts, currency options, currency swaps, and interest rate swaps solely to hedge exposure to exchange rate risk, interest rate risk associated with project financing, and volatility in the prices of certain raw materials.

The Company's derivative financial instruments and their related impacts on the consolidated financial statements are further disclosed in the notes to the financial statements.

Derivatives are initially recognized at fair value on the date the derivative contract is entered into, and are subsequently remeasured at fair value at the end of each reporting period. For hedge accounting purposes, hedges are classified as follows:

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A derivative is presented as a non-current asset or liability if the maturity of the instrument is more than 12 months and it is not expected to be realized or settled within that period; otherwise, it is classified as current.

Hedge Accounting

At the inception of a hedging relationship, the Company designates and documents the hedge relationship it intends to apply hedge accounting to, including the risk management objective and strategy for undertaking the hedge. The documentation identifies the hedging instrument, the hedged item, the nature of the risk being hedged, and how the Company will assess whether the hedging relationship meets the hedge effectiveness requirements under IFRS 9. Furthermore, on an ongoing basis, the Company documents whether the hedging instrument is effective in offsetting changes in the fair value or cash flows of the hedged item.

The Company designates certain hedge instruments—including foreign currency, interest rate, and commodity derivatives—as either fair value hedges, cash flow hedges, or hedges of a net investment in a foreign operation. Hedging the foreign currency risk of a firm commitment is accounted for as a cash flow hedge.

At the start of the hedge relationship, the Company documents the relationship between the hedging instrument and the hedged item, as well as the risk management objectives and strategies for undertaking the various hedging transactions. Additionally, at inception and on an ongoing basis, the Company assesses and documents whether the hedging instrument is highly effective in offsetting changes in the fair value or cash flows of the hedged item.

Cash Flow Hedges

The Company recognizes all derivative assets and liabilities at fair value in the Consolidated Statement of Financial Position. The fair value of these derivatives is determined based on corroborated observable market data and, in some cases, the use of unobservable inputs in valuation techniques that provide a reasonable basis for determining the related fair value.

The effective portion of changes in the fair value of derivatives and other hedging instruments that are designated and qualify as cash flow hedges is recognized in Other Comprehensive Income. The gain or loss relating to the ineffective portion is recognized immediately in the Consolidated Statement of Profit or Loss.

Amounts previously recognized in Other Comprehensive Income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line item as the hedged item. However, when the forecasted transaction results in the recognition of a non-financial asset or liability, the gains and losses previously recognized in Other Comprehensive Income and accumulated in equity are removed from equity and included in the initial cost of the non-financial asset or liability.

The Company discontinues hedge accounting when the hedging instrument expires or is sold, terminated, or exercised, or when the hedging relationship no longer qualifies for hedge accounting. At that time, any gain or loss recognized in Other Comprehensive Income and accumulated in equity remains in equity and is recognized when the forecasted transaction is ultimately recognized in profit or loss. If a forecasted transaction is no longer expected to occur, the cumulative gain or loss previously recognized in equity is reclassified immediately to profit or loss in the line item where the underlying would have been recognized.

The Company enters into forward contracts and options under this classification to hedge the exposure to variability in cash flows attributable to a particular risk associated with a recognized asset or liability, or a highly probable forecasted transaction, including foreign currency risk on firm commitments.

Fair Value Hedges

The Company recognizes all derivative assets and liabilities at fair value in the Consolidated Statement of Financial Position. Fair value is determined based on corroborated observable market inputs and, in some cases, unobservable inputs used in valuation techniques that provide a reasonable basis for determining the fair value.

The effective portion of changes in the fair value of derivatives and other hedging instruments designated and qualifying as fair value hedges is recognized in Other Comprehensive Income. The gain or loss relating to the ineffective portion is recognized immediately in the Consolidated Statement of Profit or Loss.

Amounts previously recognized in Other Comprehensive Income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line item as the hedged item. However, when the forecasted transaction results in the recognition of a non-financial asset or liability, the gains and losses previously recognized in Other Comprehensive Income and accumulated in equity are removed from equity and included in the initial cost of the non-financial asset or liability.

The Company discontinues hedge accounting when the hedging instrument expires or is sold, terminated, or exercised, or when the hedging relationship no longer qualifies for 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 forecasted transaction is ultimately recognized in profit or loss. If a forecasted transaction is no longer expected to occur, the cumulative gain or loss in equity is immediately reclassified to profit or loss under interest expense.

Net Investment Hedges

The Company recognizes all derivative assets and liabilities at fair value in the Consolidated Statement of Financial Position. Fair value is determined based on corroborated observable market inputs and, in some cases, unobservable inputs used in valuation techniques that provide a reasonable basis for determining the fair value.

The effective portion of changes in the fair value of derivatives and other hedging instruments designated and qualifying as hedges of a net investment in a foreign operation is recognized in Other Comprehensive Income. The gain or loss relating to the ineffective portion is recognized immediately in the Consolidated Statement of Profit or Loss.

Amounts previously recognized in Other Comprehensive Income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line item as the hedged item. However, when the forecasted transaction results in the recognition of a non-financial asset or liability, the gains and losses previously recognized in Other Comprehensive Income and accumulated in equity are removed from equity and included in the initial cost of the non-financial asset or liability.

The Company discontinues hedge accounting when the hedging instrument expires or is sold, terminated, or exercised, or when the hedging relationship no longer qualifies for hedge accounting. Any gain or loss recognized in Other Comprehensive Income and accumulated in equity remains in equity and is recognized when the forecasted transaction is ultimately recognized in profit or loss. If the forecasted transaction is no longer expected to occur, the cumulative gain or loss in equity is reclassified immediately to profit or loss under interest expense.

As of March 31, 2025, the Company had 600 million Euros in net investment hedges.

Embedded Derivatives - The Company reviews contracts to identify embedded derivatives that must be separated from the host contract for valuation and accounting purposes. When an embedded derivative in another financial instrument or contract (host contract) is identified, it is accounted for as a separate derivative if its risks and characteristics are not closely related to those of the host contract and if the entire contract is not measured at fair value with changes recognized in profit or loss.

Valuation is performed daily and monthly to recognize the gain or loss on the financial instrument based on its fair value. Daily valuation is performed internally, while the structuring counterparty provides a mark-to-market valuation at month-end, showing the instrument’s position as of that date.

iii. Liquidity Sources

The Company expects to meet its obligations with cash flows from operations and resources obtained from the maturity of financial assets. In addition, the Company has access to revolving credit lines with various financial institutions.

Liquidity risk management is the responsibility of Company management, which has established appropriate control policies through the monitoring of working capital. This allows management to handle the Company’s short-, medium-, and long-term funding needs by maintaining cash reserves, having access to credit facilities, and continuously monitoring both projected and actual cash flows to align the maturity profiles of financial assets and liabilities.

iv. Exposure

The Company is exposed to interest rate risk due to debt contracted at variable rates. This risk is managed through interest rate swap agreements. Hedging activities are reviewed regularly to ensure they are aligned with current interest rates and related risks, applying the most cost-efficient strategies.

The Company's interest rate exposures are primarily related to TIIE and SOFR rates affecting financial liabilities. The sensitivity analysis prepared by the Company is based on the exposure to variable-rate debt outstanding at the end of the reporting period, assuming the balance was held throughout the year.

Description and number of derivative financial instruments (DFIs) that matured during the quarter and those positions that were closed.

1. During the first quarter of 2025, several EUR/INR foreign exchange forward contracts matured, with a notional amount of USD $113.
2. During the first quarter of 2025, several EUR/USD foreign exchange forward contracts matured, with a notional amount of USD $5,296.
3. During the first quarter of 2025, several EUR/ZAR foreign exchange forward contracts matured, with a notional amount of USD $79.
4. During the first quarter of 2025, several GBP/USD foreign exchange forward contracts matured, with a notional amount of USD $752.
5. During the first quarter of 2025, several ILS/USD foreign exchange forward contracts matured, with a notional amount of USD $46,787.
6. During the first quarter of 2025, several USD/EUR foreign exchange forward contracts matured, with a notional amount of USD $20,799.
7. During the first quarter of 2025, several USD/ILS foreign exchange forward contracts matured, with a notional amount of USD $1,900.
8. During the first quarter of 2025, several USD/INR foreign exchange forward contracts matured, with a notional amount of USD $1,500.
9. During the first quarter of 2025, several USD/ZAR foreign exchange forward contracts matured, with a notional amount of USD $375.

• Description and number of margin calls during the quarter

There were no margin calls during the first quarter of 2025. As of March 31, 2025, there was no collateral posted, net of recoveries.

• Disclosure of any breaches under the respective contracts

No breaches occurred under any contract.

Annex 1: Summary of Derivative Financial Instruments										
Figures in millions of U.S. dollars as of March 31, 2025										
Type of Derivative, value or contract	Hedging or other purposes, such as trading	Notional amount / Nominal value (converted to dollars)	Underlying asset value / Reference variable		Fair Value		Maturity Amounts by Year			Collateral Posted / Margin Requirements
			Current quarter	Previous quarter	Current quarter	Previous quarter	2025	2026	2027+	
Cross Currency Swap	Hedging	658	0.9638 (USD/EUR)	0.9659 (USD/EUR)	-	17	-	-	658	-
Cross Currency Swap	Hedging	873	20.4722 (USD/MXN)	20.2683 (USD/MXN)	(116)	(155)	-	-	873	-
Forward FX	Hedging	73	0.2774 (ILS/USD)	0.2749 (ILS/USD)	(1)	1	73	-		-
Total 31/03/2025		1,604			(117)	(137)	73	-	1,531	-

II. Analysis

Orbia has designated its derivative financial instruments as hedging instruments, as they eliminate the effects arising from the revaluation of its debt and foreign exchange fluctuations related to its investments. The Company applies the "ratio analysis" method, using the hypothetical derivative model to simulate the behavior of the hedged item. This method consists of comparing the changes in the fair value of the hedging instruments with the changes in the fair value of a hypothetical derivative that would result in a perfect hedge of the hedged item.

The Company's long-term debt is recorded at amortized cost and includes both fixed- and variable-rate debt tied to market indicators.

To determine and disclose the fair value of long-term debt, market quotes or broker quotes for similar instruments are used. For other financial instruments, fair value is calculated using techniques such as estimated cash flow models, which take into account market forward curves for each cash flow date, and discount those flows using rates that reflect both the counterparty's risk and the Company's own credit risk over the relevant term.

Subclassifications of assets, liabilities and stockholders' equity

As of March 31, 2025, and December 31, 2024
(Amounts in millions of U.S. dollars)

Concept	As of March 31, 2025	As of December 31, 2024
Subclassifications of assets, liabilities and stockholders' equity		
Cash and cash equivalents		
Cash		
Cash	24	31
Bank	719	876
Total cash	743	907
Cash equivalents		
Short-term investments, classified as cash equivalents	117	102
Total cash equivalents	117	102
Total cash and cash equivalents	860	1,009
Customers and other accounts receivable		
Customers	1,314	1,089
Current advances		
Current advances to suppliers	40	39
Advance current expenses	59	48
Total current advances	99	87
Current portion of receivable VAT	186	194
Other current receivables	168	125
Total trade and other receivables	1,581	1,301
Types of current inventories		
Current raw materials and current production supplies		
Raw materials	294	267
Total raw materials and production supplies	294	267
Merchandise, current	125	108

The accompanying financial statements have been translated from Spanish into English for the use of financial statement users.

Current finished goods	750	689
Current spare parts	33	34
Total current inventories	1,202	1,098
Assets held for sale		
Non-current assets or disposal groups classified as held for sale	8	7
Total assets held for sale	8	7
Trade and other non-current accounts receivable		
Advances on non-current payments	1	-
Other non-current receivables	3	3
Total trade and other non-current accounts receivable	4	3
Investments in subsidiaries, joint ventures and associates		
Investments in associates	76	76
Total investments in subsidiaries, joint ventures and associates	76	76
Property, plant and equipment		
Land and buildings		
Land	465	450
Buildings	263	262
Total Land and buildings	728	712
Machinery	2,098	2,077
Vehicles		
Transportation Equipment	10	9
Total vehicles	10	9
Office equipment	26	26
Construction in progress	433	447
Total property, plant and equipment	3,295	3,271
Intangible assets and goodwill		
Intangible assets other than goodwill		
Trademarks	558	555
Intellectual property rights, patents and other industrial property rights, service and exploitation rights	213	218
Other intangible assets	824	824
Total intangible assets other than goodwill	1,595	1,597
Goodwill	1,433	1,431
Total intangible assets and goodwill	3,028	3,028
Suppliers and other accounts payable		
Short-term suppliers	958	830
Accrued liabilities and deferred revenue classified as current		
Accrued liabilities (accrued) classified as current liabilities	58	53
Accumulated (or accrued) short-term employee benefits	199	172
Total accrued liabilities and deferred income classified as current	58	53
Current portion of payable VAT	52	46
Other short-term accounts payable	247	235
Total suppliers and other short-term payables	1,263	1,118
Other short-term financial liabilities		

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Short-term bank loans	374	329
Short-term stock market loans	218	218
Other short-term loans with cost	389	395
Other short-term financial liabilities	1	-
Total other short-term financial liabilities	982	942
Accrued liabilities and deferred income classified as non-current		
Other non-current accounts payable	355	343
Total suppliers and other long-term payables	355	343
Other long-term financial liabilities		
Long-term bank loans	113	97
Long-term stock market loans	3,981	3,981
Other long-term financial liabilities	116	155
Total other long-term financial liabilities	4,210	4,233
Other provisions		
Other long-term provisions	47	23
Other short-term provisions	161	166
Total other provisions	208	189
Other accumulated comprehensive income		
Foreign exchange translation reserve	(710)	(774)
Reserve for new defined benefit plan measures	15	15
Reserve for gains and losses on investments in equity instruments	93	61
Total accumulated other comprehensive income	(602)	(698)
Net assets (liabilities)		
Assets	11,364	11,057
Liabilities	8,344	8,077
Net assets (liabilities)	3,020	2,980
Net current assets (liabilities)		
Current assets	3,837	3,610
Current liabilities	2,823	2,628
Net current assets (liabilities)	1,014	982

Analysis of income and expenses

As of March 31, 2025, and 2024
(Amounts in millions of U.S. dollars)

Concept	Cumulative Current Year 2025-01-01 - 2025-03-31	Cumulative Previous Year 2024-01-01 - 2024-03-31
Analysis of income and expenses		
Income		
Sale of goods	1,811	1,863
Total income	1,811	1,863
Financial income		
Interest earned	12	23
Foreign exchange gain	45	67
Total financial income	57	90
Financial expenses		
Accrued interest payable	87	101
Foreign exchange loss	39	116
Loss on change in fair value of derivatives	-	3
Loss from changes in fair value of financial instruments	4	3
Other financial expenses	3	6,
Total financial expenses	133	229
Income tax		
Current income tax	30	43
Deferred tax	(35)	(28)
Total income tax	(5)	15

List of footnotes

The consolidated financial statements of the Entity have been prepared in accordance with IFRS as issued by the International Accounting Standards Board (IASB). The standards include various provisions known as IFRS, IAS, IFRIC, and SIC.

The accompanying financial statements have been translated from Spanish into English for the use of financial statement users.

Interim financial information in accordance with IAS 34

1. Cash and cash equivalents

Cash and cash equivalents on the Consolidated Statements of Position as of March 31, 2025 and December 31, 2024, consist of the following:

	2025	2024
	(In millions)	
Cash and bank papers	$ 743	$ 907
Cash equivalents:		
Highly liquid investments	117	102
	$ 860	$ 1,009

2. Accounts Receivable

Accounts receivable on the Consolidated Statements of Position as March 31, 2025 and December 31, 2024, consist of the following:

	2025	2024
	(In millions)	
Trade receivables	$ 1,385	$ 1,153
Less - Allowance for current expected credit losses	(76)	(71)
	1,309	1,082
Recoverable taxes and other	400	366
	$ 1,709	$ 1,448

3. Inventories

Inventories in the Consolidated Statements of Financial Position as of March 31, 2025 and December 31, 2024, consist of the following:

The accompanying financial statements have been translated from Spanish into English for the use of financial statement users.

		2025		2024
		(In millions)		
Finished products	$	774	$	713
Raw materials		336		310
Merchandise in transit		125		108
Spare parts		49		49
		1,284		1,180
Less - Allowance for obsolete and slow-moving inventories		(82)		(82)
	$	1,202	$	1,098

4. Financial Instruments

Financial Instruments risk management objectives and policies:

The Company is exposed to market risks, operating risks and financial risks arising from the use of financial instruments involving interest rate risk, credit risk, liquidity risk and foreign currency risk, which are centrally managed.

The Company seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the Board of Directors, which provide direction on foreign currency risk, interest rate risk, credit risk, the use of derivative and non-derivative financial instruments and investment of surpluses. Compliance with policies and exposure limits is regularly reviewed. The Company does not enter into nor trade financial instruments, including derivative financial instruments, for speculative purposes.

A summary of the Company's risk management profile follows:

Capital risk management - The Company manages its capital to ensure its ability to continue as a running business, while maximizing shareholders return on investment through optimization of its debt and equity mix. The Company is not subject to any externally imposed capital requirements.

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The Company's management periodically reviews its net debt position and borrowing costs in relation to the Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA). Orbia monitors capital risk through an internally developed Net debt ratio. The Net debt ratio is calculated as the net-cost bearing debt divided by EBITDA. Management uses this internally developed metric in its development of financial projections as part of its business plan and is presented to the Board of Directors and shareholders. The Company determined that this metric is aligned with the Company's risk management policies.

The net debt ratio as of March 31, 2025 and December 31, 2024 was 2.95 and 3.30, respectively. The interest

coverage ratio for the reporting periods was 3.354 and 2.91, respectively.

Financial risk management objectives - The Company's Treasury department provides services to the businesses, coordinates access to domestic and international financial markets, and monitors and manages financial risks associated with the Company's operations through internal risk reports, which analyze exposures by degree and magnitude. These risks include market risk—such as currency, interest rate, credit, and liquidity risk. There have been no changes in the Company's exposure to market risks or in the way these risks are managed and measured.

Currently, Orbia has in place the following:

Swaps: As of March 31, 2025, the Company holds 15 cross-currency swaps to mitigate volatility in its subsidiaries and peso-denominated debt on the balance sheet.

Foreign Exchange Forwards and Options: As of March 31, 2025, the Company has 75 active forward contracts.

The Company has evaluated and measured the hedge effectiveness related to these contracts and concluded that its hedging strategy is highly effective as of March 31, 2025 and December 31, 2024. The Company uses the ratio analysis method, based on the hypothetical derivative model to simulate hedging behavior. This method consists of comparing the changes in the fair value of the hedging instruments with the changes in the fair value of the hypothetical derivative that would result in a perfect hedge of the item.

5. Derivative Financial Instruments

Foreign currency forwards

During the first quarter of 2025, the Company entered into foreign exchange forward contracts primarily in the following currency pairs: Euro–U.S. Dollar (EUR), U.S. Dollar–Israeli Shekel (ILS), Indian Rupee–U.S. Dollar (INR), among others, with maturities of less than one year.

Options – Redeemable non-controlling interest

"Put/Call" option Vectus: In June 2024 the Vectus put option was extinguished. The initial measurement of the liability of $195 million was recorded in Redeemable non-controlling interest on the Consolidated Statements of Financial Position.

On June 30, 2024, Orbia completed the divestiture of the Vectus Tanks & Households ("TBH") and Sunrise & Gangotri products business, where Orbia acquired the remaining (33%) portion of the Vectus Pipes and Fittings business. The transaction resulted in a net cash outflow of $12 million. Additionally, the Vectus put option was extinguished and removed from the balance sheet. The completion of these transactions had no impact on pre-tax income or loss.

"Put/Call" option Shakun: Under the 2021 shareholders' agreement with the minority shareholders who retained the remaining 45 percent of the share capital (redeemable non-controlling interest) of Shakun, the Company entered into a put and call option contract that allows the minority shareholders to sell their interest in Shakun to Orbia, and allows Orbia the right to acquire Shakun, at a pre-determined price in 2027. The value of the put/call option is based on the assumed market value of Shakun's shares which is calculated based on a multiple of forecasted EBITDA and is reflected at the present value of the calculated gross settlement price. The initial measurement of the liability of $14 million was recorded in Redeemable non-controlling interest on the Consolidated Statements of Financial Position. As of March 31, 2025, and December 31, 2024, the fair value of the option was $68 million and $66 million respectively, with a corresponding net expense of $2 million and $9 million, recognized in Change in fair value of the redeemable non-controlling interest and Foreign exchange loss, net in Orbia's Consolidated Statements of Profit to reflect the changes in fair value in those periods.

"Put/Call option Netafim. Under the 2018 shareholders' agreement entered into with the minority shareholders who retained the remaining 20 percent of the share capital (redeemable non-controlling interest) of Netafim, the Company entered into a put and call option contract that allows the minority shareholders to sell their interest in Netafim to Orbia, and allows Orbia the right to acquire Netafim, at a predetermined price beginning in 2024 for a period of 10 years. The value of the put/call option is based on the greater of the assumed market value of Netafim's shares which is calculated based on a multiple of forecasted EBITDA, or $1.1 billion, and is reflected at the present value of the calculated gross settlement price. The initial measurement of the liability of $227 million was recorded in Redeemable non-controlling interest on the Consolidated Statements of Financial Position. As of March 31, 2025, and December 31, 2024, the fair value of the option was $245 million and $242 million respectively, with a corresponding expense of $3 million and a benefit of $25 million, recognized in Change in fair value of the redeemable non-controlling interest, in Orbia's Consolidated Statements of Profit to reflect the changes in fair value in those periods.

Exchange Rate

Swaps, Interest Rate Swaps, Cross-Currency y Principal-Only Swaps.

As discussed above, the Swap contract transactions entered into in 2024 and 2023 are accounted for as hedging transactions. As of March 31, 2025 and December 31, 2024, the fair value of these Swap contracts was $117M and $137M, respectively. The changes in fair value were recognized in other comprehensive income and as foreign exchange gains/(losses).

The notional amounts related to derivative financial instruments contracted with various financial institutions are as follows:

March 2025

Derivative financial instruments	**Financial institution**	**Start date**	**Maturity date**	**Notional amount**	**Swap amount**	**Interest rate / exchange rate swap**	**Interest rate / exchange rate at year end**	**Fair value as of March 31, 2025**
				(In millions)	**(In millions)**			**(In millions)**
Cross Currency Swap MXP/USD	Different financial institutions	04/16/2024	11/25/2032	USD $873	MXP $15,560	5.68% / 17.8596	5.71% / 20.4722	(116)
Forward FX	Different financial institutions	10/02/2024	12/05/2025	ILS $270	USD $73	0.2719 (ILS/USD)	0.2774 (ILS/USD)	(1)
								($117)

December 2024

Derivative financial instruments	**Financial institution**	**Start date**	**Maturity date**	**Notional amount**	**Swap amount**	**Interest rate / exchange rate swap**	**Interest rate / exchange rate at year end**	**Fair value as of December 31, 2024**
				(In millions)	**(In millions)**			**(In millions)**
Principal-Only Swap USD/EUR	Different financial institutions	08/04/2023	08/04/2028	USD$ 658	EUR$ 600	1.07% / 1.10	1.94% / 1.03	$17
Cross Currency Swap MXP/USD	Different financial institutions	04/16/2024	11/25/2032	USD$ 873	MXP$ 15,560	5.68% / 17.86	5.42% / 20.26	(155)
Forward FX	Different financial institutions	08/06/2024	06/06/2025	ILS$ 217	USD$ 59	0.2718 (ILS/USD)	0.2749 (ILS/USD)	1
								($137)

6. Stockholder's Equity

Contributed capital:

The fixed portion of the Company's share capital is comprised of Class I registered shares with no right to withdrawal. The variable portion of the Company's share capital is comprised of Class II registered shares with no par value and may not exceed ten times the minimum fixed share capital.

An analysis of the Company's current share capital structure as of March 31, 2025, and December 31, 2024 is as follows:

Share capital subscribed	**Share Count**		**Amount (In millions)**
Class I	308,178,735	$	37
Class II	1,659,821,265		219
	1,968,000,000	$	256

Share buyback reserve:

On April 2, 2025, the Company's shareholders approved a share buyback program for an amount up to $1,325 million until the next shareholders meeting. As of March 2025, the Company's treasury shares in retained earnings on the Consolidated Statements of Financial Positions are $1,180 million and the Company held 61 million of its own shares

On April 9, 2024, the Company's shareholders approved a share buyback program for an amount up to $1,195 million until the next shareholders meeting.

7. Contingencies

From time to time the Company is party to certain legal matters, including those discussed further below.

Natural Gas Distribution Matter

On April 20, 2021, Dura-Line Corporation's natural gas distribution business paused shipment and sales of small diameter, defined as 1.5 inch and smaller, natural gas distribution (NGD) pipe sold for use primarily in the United States, in order to investigate a potential quality issue. This issue does not impact Dura-Line's Datacom conduit products.

The natural gas distribution business, now operated through PolyPipe LLC ("PolyPipe"), conducted an analysis and determined that the issue occurred intermittently and estimates it impacted less than 1% of the small diameter NGD pipe produced by Dura-Line at its plant in Gainesville, Texas. Based on the analysis to date, management believes it is highly unlikely that any possibly affected pipe poses a risk of a near-term performance issue.

Following the shipment and sales pause noted above, Polypipe resumed shipping and sale of small diameter NGD pipe at its plant in Erwin, Tennessee with enhanced monitoring, production, and quality processes. PolyPipe has received demands for compensation from certain direct and indirect customers for costs associated with addressing the issue, including removing and replacing potentially impacted installed pipe. In September 2021 Southern California Gas Company and San Diego Gas & Electric Company filed a complaint against Dura-Line in the California Superior Court of San Diego (subsequently transferred to the Superior Court of Los Angeles), asserting various claims based on allegations that they may have purchased non-conforming pipe manufactured by Dura-Line and seeking unspecified damages. Dura-Line denies liability and intends to vigorously defend the matter. PolyPipe may receive additional demands for compensation in the future that may result in litigation and could give rise to potential material liabilities.

Ethylene Matter

In 2023 Shell Chemicals Europe B.V. (“Shell”) made a claim for damages against several companies, including Orbia and its Vestolit GmbH affiliate (“the Companies”), in the Dutch courts. Shell is alleging damages in an aggregate amount of 1.1 billion Euros from the various defendants relating to infringements of competition law on the ethylene purchasing market, for which the European Commission imposed fines in July 2020. In connection with the same 2020 European Commission proceeding, Repsol Quimica, S.A. and affiliates also made a claim for unspecified damages in 2023. In December 2024, Vestolit GmbH was served with a claim by chemical company BASF for damages against five defendants, including the Companies. The claim was filed with the Regional Court of Munich, Germany but has not yet been served on Orbia. The claim seeks damages from the Companies totaling approximately EUR 913 million. The Companies reject the allegations, believe that the claims are meritless and intend to vigorously defend their rights in the proceedings. Subsequently, on February 14, 2025, Vestolit received a writ of summons from entities of the TotalEnergies Petrochemicals group claiming damages against the same group of defendants noted above, including the Companies, before the Dutch courts. The claim is currently being reviewed and analyzed but appears to be similar to the claims of Shell and BASF and for damages in excess of EUR 600M.

Wolkaite Project

Netafim Ltd. is currently engaged in a government irrigation project in the Tigray region of Ethiopia called (the Wolkaite project), which is in an advanced stage. The customer is the Ethiopian Sugar Corporation (the ESC). Due to civil unrest, a state of emergency has been in effect in the region since November 4, 2020. In late November 2020, Netafim notified the ESC, the Lender, insurers, and other concerned parties that an event of force majeure had occurred as a result of the ongoing civil unrest, suspending Netafim’s obligations under the project agreement.

Under the original project agreement, if the force majeure conditions were to continue for an extended period, each of the parties would have the right to terminate said agreement. On July 1, 2021, the parties entered into a Memorandum of Understanding (the MOU) which suspended until December 31, 2021, the right to cancel the project agreement due to an ongoing force majeure event. The MOU also establishes a period for the parties to assess the condition of the project and to try to reach an agreement to resume the project. At present, as has been publicly reported, Ethiopian government agencies and other parties are engaged with lender groups such as the Paris Group to restructure significant amounts of Ethiopian debt. In this context, pending the successful restructuring of such debt the ESC has failed to make the four most recent payments under the relevant project agreements. All parties are cooperating and monitoring the situation. In addition to potential costs arising from delays to the project and possible damage to the existing project, it is possible that Netafim could incur additional liabilities under certain scenarios.

Other Matters

In December 2024 Mexichem Flúor Comercial, S.A. de C.V. ("MF") a subsidiary of Fluor & Energy Materials business group settled a $40 million litigation matter from 2016 as a result of a tolling arrangement entered into in 2013. The Company recognized a charge of $34 million in Other (income) expenses, net on the Consolidated Statements of Profit in 2024 related to this matter.

In addition to the matters discussed above, the Company is part to litigation that it considers to be routine and incidental to the business. The Company does not expect the results of any of these litigation matters to have a material effect on the Company's business, results of operations, financial condition or cash flows.

8. Segment Information

The Company has determined its reportable segments as described in Note 4. As described in Note 1, the Company's reportable segments are its five business groups: Building & Infrastructure (Wavin), Connectivity Solutions (Dura-Line), Precision Agriculture (Netafim), Fluor & Energy Materials (Koura) and Polymer Solutions (Vestolit and Alphagary).

The main products of each of the segments are:

• **Building and Infrastructure:** Plastic pipes and fittings plastic pipes and fittings for residential and commercial construction industry, storm water management products and indoor climate solutions.

• **Connectivity Solutions:** Telecommunications conduit, cable-in-conduit, and other high density polyethylene (HDPE) accessories. Data-driven design of complex fiber-optic networks and other connectivity solutions for telecommunications, data center, transportation, and electrical markets.

• **Precision Agriculture:** Precision irrigation (drippers, drip lines, sprinklers, filters, etc.), and services and digital farming technologies.

• **Fluor & Energy Materials:** Acid grade and metallurgical grade fluorine, hydrofluoric acid, aluminum fluoride, medical propellants, refrigerants and energy materials.

• **Polymer Solutions:** General purpose and specialty PVC resins (polyvinyl chloride), PVC and zero-halogen specialty compounds and additives, caustic soda and chlorine.

The accompanying financial statements have been translated from Spanish into English for the use of financial statement users.

Below is a summary of the consolidated financial statements for each reportable segment:

	For the three months ended March 31, 2025							
	Polymer Solutions	**Fluor & Energy Materials**	**Building & Infrastructure**	**Connectivity Solutions**	**Precision Agriculture**	**Controlling Company**	**Eliminations**	**Consolidated**
				(In millions)				
Net sales	$600	$216	$586	$194	$217	$ -	$(56)	$1,811
Cost of sales	544	140	442	152	196	-	-57	1,417
Gross profit	56	76	144	42	75	-	1	394
General expenses	62	28	141	30	69	21	2	353
Royalties	8	1	3	4	-	(13)	(3)	-
Foreign exchange (gain)/loss, net	(1)	5	(6)	-	(3)	2	-	(3)
Interest expense	11	(2)	7	3	7	61	(2)	85
Interest income	(2)	(1)	(6)	(1)	-	(1)	(1)	(12)
Change in fair value of redeemable non-controlling interests	2	-	-	-	-	3	-	5
Monetary position loss	-	-	2	-	(1)	-	-	1
Share of gain of subsidiaries and associates	-	-	(1)	-	-	-	-	(1)
Impairment of goodwill	-	-	-	-	-	-	-	-
Profit before income tax	(24)	45	4	6	3	(73)	5	(34)
Income tax	(17)	15	17	2	3	(24)	(1)	(5)
Profit before discontinued operations	(7)	30	(13)	4	-	(49)	6	(29)
Discontinued operations	-	-	-	-	-	-	-	-
Consolidated net profit	$7	$30	$(13)	$4	$ -	$49	$6	$(29)

	For the three months ended March 31, 2024							
	Polymer Solutions	**Fluor & Energy Materials**	**Building & Infrastructure**	**Connectivity Solutions**	**Precision Agriculture**	**Controlling Company**	**Eliminations**	**Consolidated**

The accompanying financial statements have been translated from Spanish into English for the use of financial statement users.

				(In millions)				
Net sales	$658	$190	$622	$197	$256	$38	$(98)	$1,863
Cost of sales	572	119	467	150	183	-	(60)	1,431
Gross profit	86	71	155	47	73	38	(38)	432
General expenses	63	32	121	34	71	43	(38)	326
Royalties	11	-	2	3	-	(18)	-	(2)
Foreign exchange (gain)/loss, net	(1)	2	22	1	7	19	-	50
Interest expense	10	(1)	4	4	10	77	-	104
Interest income	(3)	(2)	(9)	(2)	(3)	(5)	-	(24)
Change in fair value of redeemable non-controlling interests	1	-	-	-	-	2	-	3
Monetary position loss	-	-	6	-	-	-	-	6
Share of gain of subsidiaries and associates	-	-	1	-	-	-	-	1
Impairment of goodwill	-	-	-	-	-	-	-	-
Profit before income tax	5	40	8	7	(12)	(80)	-	(32)
Income tax	(7)	11	5	3	(13)	16	-	15
Profit before discontinued operations	12	29	3	4	1	(96)	-	(47)
Discontinued operations	-	-	-	-	-	-	-	-
Consolidated net profit	$12	$29	$3	$4	$1	$(96)	$ -	$(47)

March 31, 2025

	Polymer Solutions	Fluor & Energy Materials	Building & Infrastructure	Connectivity Solutions	Precision Agriculture	Controlling Company	Eliminations	Consolidated
				(In millions)				
Current assets:								
Cash and cash equivalents	$237	$131	$206	$167	$70	$49	$ -	$860
Accounts receivable, net	479	222	518	136	322	32	-	1,709

The accompanying financial statements have been translated from Spanish into English for the use of financial statement users.

Other current assets	481	386	604	84	235	510	(1,032)	1,268
Total current assets	1,197	739	1,328	387	627	591	(1,032)	3,837
Property, plant and equipment	1,657	552	639	238	208	1	-	3,295
Other assets	1,393	375	1,290	849	1,291	7,247	(8,213)	4,232
Total assets	$4,247	$1,666	$3,257	$1,474	$2,216	$7,839	$(9,245)	$11,364
Current liabilities:								
Bank loans and current portion of long-term debt	284	$ -	85	$ -	227	630	(634)	592
Suppliers and letters of credit	617	86	362	136	137	4	(3)	1,339
Other current liabilities	199	82	454	93	241	219	(396)	892
Total current liabilities	1,100	168	901	229	605	853	(1,033)	2,823
Bank loans and long-term debt	-	-	4	-	116	3,974	-	4,094
Other long-term liabilities	566	164	405	373	191	396	(668)	1,427
Total liabilities	1,666	332	1,310	602	912	5,223	(1,701)	8,344
Total equity	$2,581	$1,334	$1,947	$872	$1,214	$2,616	$(7,544)	$3,020

December 31, 2024

	Polymer Solutions	Fluor & Energy Materials	Building & Infrastructure	Connectivity Solutions	Precision Agriculture	Controlling Company	Eliminations	Consolidated
					(In millions)			
Current assets:								
Cash and cash equivalents	$268	$162	$220	$186	$77	$96	$ -	$1,009
Accounts receivable, net	453	168	415	110	282	20	-	1,448
Other current assets	457	359	553	66	217	505	(1,004)	1,153
Total current assets	1,178	689	1,188	362	576	621	(1,004)	3,610
Property, plant and equipment	1,670	530	618	240	211	2	-	3,271
Other assets	1,376	355	1,250	850	1,295	7,184	(8,134)	4,176

The accompanying financial statements have been translated from Spanish into English for the use of financial statement users.

Total assets	$4,224	$1,574	$3,056	$1,452	$2,082	$7,807	$(9,138)	$11,057
Current liabilities:								
Bank loans and current portion of long-term debt	254	$ -	78	7	182	631	(604)	548
Suppliers and letters of credit	584	66	319	125	116	8	(2)	1,216
Other current liabilities	206	89	18	82	284	180	(395)	864
Total current liabilities	1,044	155	815	214	582	819	(1,001)	2,628
Bank loans and long-term debt	-	-	4	-	101	3,973	-	4,078
Other long-term liabilities	564	148	356	371	187	432	(687)	1,371
Total liabilities	1,608	303	1,175	585	870	5,224	(1,688)	8,077
Total equity	$2,616	$1,271	$1,881	$867	$1,212	$2,583	$(7,450)	$2,980

Below is other information by segment of the consolidated financial statements by business group:

Depreciation and amortization

Three months ending

	March 31, 2025	March 31, 2024
	(In millions)	
Polymer Solutions	$ 64	$ 62
Fluor & Energy Materials	15	15
Building & Infrastructure	34	32
Connectivity Solutions	14	10
Precision Agriculture	27	27
Controlling Company	3	1
	$ 157	$ 147

The accompanying financial statements have been translated from Spanish into English for the use of financial statement users.

Sales by geographical region:

Sales by country or regional area where customers are located are presented as follows:

	Three months ending	
Country or regional where customers are located	**March 31, 2025**	**March 31, 2024**
	(In millions)	
U.S.A.	$420	$427
Northwest Europe	261	256
Southwest Europe	215	208
Africa, Middle East and Asia	196	216
Brazil	183	159
Mexico	137	199
Central and Eastern Europe	72	71
Colombia	67	73
Central America	55	58
Canada	55	45
Perú	42	36
Southeast Europe	37	45
Ecuador	24	23
Argentina	11	9
Israel	8	7
Chile	7	10
Other Rest of the world countries	21	21
Total	$ 1,811	$ 1,863

Long-lived Assets

Long-lived assets include right-of-use assets, property, plant and equipment, intangible assets and goodwill.

Long lived assets by country or regional area where assets are located is presented as follows:

Country or region where assets are located	As of March 31, 2025	As of December 31, 2024
	(In millions)	
U.S.A.	$ 1,935	$ 1,942
Mexico	1,508	1,473
Israel	1,261	1,272
Northwest Europe	858	837
Southwest Europe	330	318
Africa, Middle East and Asia	236	235
Colombia	233	236
Brazil	106	98
Central and Eastern Europe	104	100
Central America	56	58
Peru	54	57
Ecuador	20	21
Southeast Europe	7	7
Other	77	76
Total	$ 6,785	$ 6,730

9. Subsequent events

On April 11, 2025, Orbia issued its third and fourth series of Cebures under its revolving debt program of Mexican debt securities registered with the Mexican National Registry of Securities (the "Cebures Program").

The third series consisted of 3.19 billion MXP aggregate principal amount of Cerbures, bearing interest at variable rate equal to the TIIE de Fondeo plus 95 basis points and maturing on April 7, 2028. The fourth series consisted of 3.03 billion MXP aggregate principal amount of Cebures, bearing interest at a fixed annual rate of 11.73% and maturing on March 30, 2035. Orbia used the net proceeds from these issuances to repay 4.44 billion MXP aggregate principal amount of Cebures maturing on December 4, 2025, and for general corporate purposes.

On March 11, 2025, Orbia's B&I business group announced a potential partnership via a non-binding Memorandum of Understanding ("MoU") with Supreme Industries Ltd. ("Supreme"). Under this agreement, Supreme would acquire Orbia's B&I's pipes and fittings business in India and license B&I's leading water management technologies. The execution of the transaction is subject to due diligence and regulatory approval.

In March 2025, Orbia's B&I business finalized its plan to close and transfer production and logistics at its Twist Germany facility to other Orbia European locations as part of an ongoing strategy to optimize operations. The process is expected to be completed by the end of 2026 and incur approximately $24 million of restructuring costs.

10. Significant Events

2024:

- **Divestiture:** On June 30, 2024, Orbia completed the divestiture of the Vectus Tanks & Households ("TBH") and Sunrise & Gangotri products business, where Orbia acquired the remaining (33%) portion of the Vectus Pipes and Fittings business. The transaction resulted in a net cash outflow of $12 million. Additionally, the Vectus put option was extinguished and removed from the balance sheet. The completion of these transactions had no impact on pre-tax income or loss.

- **New Revolving Credit Facility:** In April 2024, the Company entered into a new $1,400 million revolving credit facility with a 5-year maturity. The new facility was used to refinance and replace the existing revolving credit facility signed in 2019.

2023:

- **Rebranding:** In December 2023, the Company's business group formerly known as Fluorinated Solutions was rebranded to Fluor & Energy Materials in order to reflect its increasing strategic focus on providing solutions to support energy transition markets. It will continue to use the commercial brand Koura.

- **Joint Venture:** In November 2023, the Company's Fluor & Energy Materials business signed a joint venture agreement with Syensqo (formerly Solvay) to create the largest polyvinylidene fluoride (PVDF) production facilities for battery materials in the North America region with production expected to begin in 2028.

- **Issuance of Sustainability Linked Notes:** In August 2023, the Company issued an additional 7.9 billion Mexican Pesos (MXP) and 2.1 billion MXP under the same terms as the first and second offering of short and long-term notes *(certificados bursátiles)* with "sustainability-linked bond" features that were issued in 2022 as described further below.

11. Material Accounting Policies

Basis of accounting: The condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") or International Accounting Standards ("IAS"), complying with the recognition, measurement, and presentation criteria established in IAS 34 – Interim Financial Reporting

Revenue recognition:

The Company derives revenues mainly from products manufactured and sold and related services rendered through its five business groups: Polymer Solutions (Vestolit and Alphagary), Building and Infrastructure (Wavin), Precision Agriculture (Netafim), Connectivity Solutions (Dura-Line) and Fluor & Energy Materials (Koura).

The Company recognizes revenue for its products sold in these businesses using a point in time model when it determines that a contractual promise to the customer has been fulfilled by transferring the products to the customer, which typically occurs upon shipment or delivery of the product to the customer and title, risk and rewards of ownership have passed to the customer. The Company has an immaterial amount of revenue that is also recognized over time related to services performed for customers if those services can be determined to be distinct from the products sold. A performance obligation is determined to be distinct if the related products or services in the agreement can be identified individually, and the customer can benefit from them separately.

In addition to sales contracts, Orbia considers purchase orders, which in some cases are governed by master supply agreements, to be contracts with customers. The transaction price as specified on the sales contract or purchase order is considered to be the standalone selling price for each distinct product or service.

To determine the transaction price for each product or service at the time when revenue is recognized, the Company evaluates whether the price is subject to adjustments such as for anticipated returns, discounts, or volume rebates to calculate the net consideration the Company expects to receive. An estimate of any such adjustments is made using relevant available data and is generally recognized as a reduction to revenue in the reporting period that the corresponding revenue is recognized.

Several of the Company's sales contracts include warranties which cannot be purchased separately that provide assurance that the products sold comply with agreed upon specifications. The Company accounts for these warranties in accordance with the requirements of IAS 37

The Company does not have material remaining performance obligations anticipated to be fulfilled in more than one year for any of the periods presented and does not have material contract assets or liabilities recorded on its Consolidated Statements of Financial Position.

Shipping and handling costs are expensed in the period incurred and are included in Cost of sales within the Consolidated Statements of Profit unless they are incurred after the transfer of control to the customer, in which case they are billed to customers and are recorded as sales revenue, as the Company considers these to be fulfillment costs. Taxes collected on sales to customers are excluded from the transaction price.

The Company's has presented its disaggregated revenues both by business group and by country or region of customer in Note 8.

Adoption of New and Revised Accounting Standards

New and amended Accounting Standards that are Effective for the Current Year

In the current year, Orbia, has applied a number of amendments to International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) that are mandatorily effective for accounting periods beginning on January 1, 2025.

The adoption of these amendments did not have a material impact on the amounts reported in the Company's financial statements or related disclosures unless otherwise noted

Amendments to IAS 1 Presentation of Financial Statements—Classification of Liabilities as Current or Non-current and Non-Current Liabilities with Covenants.

The amendments to IAS 1 clarify that the classification of liabilities as current or non-current is based on the Company's rights to defer payments that are in existence at the end of the reporting period, and specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability.

The existence of such rights is dependent upon whether applicable covenants are complied with on or before the end of the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period.

Such covenant information includes the nature of the covenants and when the entity is required to comply with them, the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

The amendments also introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The adoption did not have a material effect on the Company's consolidated financial statements.

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures—Supplier Finance Arrangements.

The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows.

In addition, IFRS 7 was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

The term 'supplier finance arrangements' is not defined. Instead, the amendments describe the characteristics of an arrangement for which an entity would be required to provide the information.

To meet the disclosure objective, an entity will be required to disclose in aggregate for its supplier finance arrangements:

- The terms and conditions of the arrangements
- The carrying amount, and associated line items presented in the entity's statement of financial position, of the liabilities that are part of the arrangements
- The carrying amount, and associated line items for which the suppliers have already received payment from the finance providers
- Ranges of payment due dates for both those financial liabilities that are part of a supplier finance arrangement and comparable trade payables that are not part of a supplier finance arrangement
- Liquidity risk information

Amendment to IFRS 16 Leases—Lease Liability in a Sale and Leaseback

The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 Revenues From Contracts with Customers to be accounted for as a sale.

The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognize a gain or loss that relates to the right of use asset 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

A seller-lessee applies the amendments retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, which is defined as the beginning of the annual reporting period in which the entity first applied IFRS 16.

The adoption did not have a material effect on the Company's consolidated financial statements.

New and Revised Accounting Standards Issued but Not Yet Effective

At the date of authorization of these financial statements, Orbia has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective.

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates titled Lack of Exchangeability

The amendments to IAS 21 specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows. The amendments state that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

An entity assesses whether a currency is exchangeable into another currency at a measurement date and for a specified purpose. If an entity is able to obtain no more than an insignificant amount of the other currency at the measurement date for the specified purpose, the currency is not exchangeable into the other currency.

The assessment of whether a currency is exchangeable into another currency depends on an entity's ability to obtain the other currency and not on its intention or decision to do so.

When a currency is not exchangeable into another currency at a measurement date, an entity is required to estimate the spot exchange rate at that date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions.

The amendments do not specify how an entity estimates the spot exchange rate to meet that objective. An entity can use an observable exchange rate without adjustment or another estimation technique. Examples of an observable exchange rate include:

- a spot exchange rate for a purpose other than that for which an entity assesses exchangeability
- the first exchange rate at which an entity is able to obtain the other currency for the specified purpose after exchangeability of the currency is restored (first subsequent exchange rate).

An entity using another estimation technique may use any observable exchange rate including rates from exchange transactions in markets or exchange mechanisms that do not create enforceable rights and obligations—and adjust that rate, as necessary, to meet the objective as set out above.

The amendments will be effective for annual reporting periods beginning on or after January 1, 2025. Early adoption is permitted, but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.

The Company is assessing the potential impact of adoption that these amendments will have on its consolidated financial statements but does not expect the adoption of these amendments to be material.

IFRS 18 Presentation and Disclosures in Financial Statements

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

IASB has made minor amendments to IAS 7 and IAS 33 Earnings per Share. IFRS 18 introduces new requirements to:

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

An entity is required to apply IFRS 18 for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted.

The amendments to IAS 7 and IAS 33, as well as the revised IAS 8 and IFRS 7, become effective when an entity applies IFRS 18. IFRS 18 requires retrospective application with specific transition provisions.

The Company is assessing the potential impact of adoption that these amendments will have on its consolidated financial statements.

Amendments to IFRS 9 and IFRS 7 Classification and Measurement of Financial Instruments

The IASB issued amendments to IFRS 9 and IFRS 7 which:

- Clarifies that a financial liability is derecognized on the 'settlement date', i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. It also introduces an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met
- Clarified how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features
- Clarifies the treatment of non-recourse assets and contractually linked instruments
- Requires additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income.

The amendments will be effective for annual reporting periods beginning on or after January 1, 2026. Entities can early adopt the amendments that relate to the classification of financial assets plus the related disclosures and apply the other amendments later. The new requirements will be applied retrospectively with an adjustment to opening retained earnings. Prior periods are not required to be restated and can only be restated without using hindsight.

The Company is assessing the potential impact of adoption that these amendments will have on its consolidated financial statements.

Orbia Advance Corporation, S.A.B. de C.V. and Subsidiaries
(Subsidiary of Kaluz, S.A. de C.V.)

Consolidated Financial Statements for the Years Ended December 31, 2024, 2023 and 2022, and Independent Auditors' Report Dated February 19, 2025

Deloitte.

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Independent Auditor's Report to the Board of Directors and Shareholders of Orbia Advance Corporation, S.A.B. de C.V. and Subsidiaries

(Amounts in millions of U.S. dollars)

Opinion

We have audited the consolidated financial statements of Orbia Advance Corporation, S.A.B. de C.V. and subsidiaries (herein referred to as "Orbia", the "Group" or the "Company"), which comprise the consolidated statements of financial position as of December 31, 2024, 2023 and 2022, and the consolidated statements of profit, the consolidated statements of 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, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024, 2023 and 2022, 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 (ISAs). Our responsibilities under those standards are further described in the Independent Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the Code of Ethics issued by the Mexican Institute of Public Accountants (IMCP Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and with the IMCP Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

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

(continued)

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Goodwill and Intangible Assets (Notes 4 and 16)

The Group has identified several cash-generating units (CGUs) for which an annual impairment analysis focused on goodwill and intangible assets is performed. Accordingly, the Group determines the recoverable value in accordance with IAS 36 *Impairment of Assets*. Recoverable amount is calculated for all CGUs using Value in Use (VU) except for one CGU whose recoverable amount is calculated using Fair Value Less Cost of Disposal (FVLCD). We have considered the annual impairment analysis as key audit matter mainly due to calculating VU and FVLCD, management is required to make significant judgments and estimates for future revenue, cash flows and operating margins, and to select an appropriate discount rate and to identify comparable market multiples of Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) and costs of disposal to determine the existence of impairment on its long-lived assets. The assumptions used by Management to determine VU and FVLCD are sensitive to current and foreseeable future market conditions. As of December 31, 2024, the balances of intangible assets and goodwill recognized in the consolidated financial statements are $1,597 and $1,431, respectively.

How the Key Audit Matter was addressed in our audit:

Our audit procedures included, among others, the following:

We involved our expert specialists so as to:

Assess the methodologies used by Management to calculate the VU and FVLCD of its cash generating units and ensure its compliance with IAS 36 and perform a technical analysis of the reasonableness of the Company's valuation models used to estimate recoverable amounts.

Assess whether the valuation assumptions used, including the discount rate and market comparable multiples of EBITDA are reasonable and were determined using recognized sources of information and/or commonly used methodologies.

Test the mathematical accuracy of the model and/or other significant calculations.

Selectively evaluate the recoverable amount calculation and impairment tests performed by the Company for its cash generating units.

Perform an independent analysis to test the sensitivity of significant assumptions.

We tested the design and implementation of the Group's internal controls for impairment, including the estimates used.

We performed a risk assessment to classify the valuation risk applicable to each of the cash generating units.

We tested the completeness and accuracy of the inputs into the Group's financial models.

Other Information

Management is responsible for the other information. The other information is comprised of: i) the Annual Report, ii) the information that will be included in the Annual Report, which the Group must prepare in accordance with Article 33 Section I, paragraph b) of Title Fourth, Chapter First of the General Rules Applicable to Issuers and Other Stock Market Participants in Mexico and the accompanying Guidelines (the Rules). The Annual Report is expected to be available for our reading after the date of this audit report; and iii) certain alternative performance measures, which is not specifically required by IFRS and has been included to provide additional information for investors and other users of the Company's consolidated financial statements regarding its level of indebtedness, net debt and borrowing costs in relation to its EBITDA. This information is presented in Note 10.

(continued)

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Our opinion on the accompanying consolidated financial statements does not cover the additional information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility will be to read and recalculated the Other Information when it becomes available and, when doing so, consider whether the information contained therein is materially inconsistent with the consolidated financial statements, the knowledge we obtained during the audit or whether it appears to contain a material misstatement. If, based on the work we have performed, we conclude that the other information contains a material misstatement, we would have to report this fact. When we read the Annual Report, we will issue the respective declaration, as required by Article 33, Section I, paragraph b) item 1.2. of the Rules. We have nothing to report on the other additional information mentioned in point iii) of the previous paragraph.

Responsibilities of Management and the Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation and reasonable 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 is necessary to enable the preparation and presentation of financial statements that are free from material misstatement, due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing any going concern issues 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.

The members of the Group's Audit Committee and Board of Directors are responsible for overseeing the Company's financial reporting process.

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

As part of an audit in accordance with ISAs, we exercise professional judgment 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 the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group 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 in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Galaz, Yamazaki, Ruiz Urquiza, S.C.
Affiliated to Member of Deloitte Touche Tohmatsu Limited

Erick J. Calvillo Rello

Mexico City, Mexico
February 19, 2025

(*Concludes*)

Orbia Advance Corporation, S.A.B. de C.V. and Subsidiaries
(Subsidiary of Kaluz, S.A. de C.V.)

Consolidated Statements of Financial Position

As of December 31, 2024, 2023 and 2022
(Amounts in millions of U.S. dollars)

Assets	**Notes**	**2024**	**2023**	**2022**
Current assets:				
Cash and cash equivalents	7	$ 1,009	$ 1,456	$ 1,546
Accounts receivable, net	8	1,448	1,461	1,659
Due from related parties	24	-	2	2
Inventories, net	9	1,098	1,200	1,320
Prepaid and other assets			50	56
Derivative financial instruments	11 and 12	1	1	1
Total current assets		3,610	4,170	4,584
Non-current assets				
Property, plant, and equipment, net	13	3,271	3,370	3,170
Right-of-use assets, net	14	431	469	358
Equity investment in associates		76	75	58
Deferred taxes	26	499	174	197
Employee benefits assets	18	38	39	28
Intangible assets, net	16	1,597	1,702	1,627
Goodwill	16	1,431	1,447	1,478
Other assets		104	106	124
Total non-current assets		7,447	7,382	7,040
Total assets		$ 11,057	$ 11,552	$ 11,624

The accompanying notes are an integral part of these consolidated financial statements.

(Continued)

Orbia Advance Corporation, S.A.B. de C.V. and Subsidiaries
(Subsidiary of Kaluz, S.A. de C.V.)

Consolidated Statements of Financial Position

As of December 31, 2024, 2023 and 2022
(Amounts in millions of U.S. dollars)

Liabilities and stockholders' equity	Notes	2024	2023	2022
Current liabilities:				
Bank loans and current portion of long-term debt	17	$ 548	$ 466	$ 760
Suppliers		821	847	812
Letters of credit	10	395	381	467
Due to related parties	24	-	1	1
Other accounts payable and accrued liabilities		529	508	651
Provisions	19	59	34	
Employee benefits		165	194	234
Lease liabilities	14	111	106	84
Derivative financial instruments	11 and 12	-	-	3
Total current liabilities		2,628	2,537	3,045
Non-current liabilities:				
Bank loans and long-term debt	17	4,078	4,420	3,936
Employee benefits	18	130	139	137
Provisions	19	22	31	22
Other long-term liabilities		37	66	75
Redeemable non-controlling interests	12	308	367	375
Derivative financial instruments	11 and 12	155	13	1
Deferred tax liabilities	26	344	359	373
Lease liabilities	14	346	383	285
Income tax payable	26	29	19	
Total non-current liabilities				5,256
Total liabilities		8,077	8,334	8,301
Stockholders' equity:				
Share capital	22	256	256	256
Additional paid-in capital		1,475	1,475	1,475
Cumulative inflation adjustment		24	24	24
		1,755	1,755	1,755
Earned capital				
Retained earnings		438	604	881
Redeemable non-controlling interests	12	(241)	(436)	(436)
Share buyback reserve	22	1,179	1,239	1,090
Other comprehensive loss		(698)	(548)	(622)
		678	859	913
Controlling interests		2,433	2,614	2,668
Non-controlling interests		547	604	655
Total stockholders' equity		2,980	3,218	3,323
Total liabilities and stockholders' equity		$ 11,057	$ 11,552	$ 11,624

The accompanying notes are an integral part of these consolidated financial statements.

(Concludes)

Orbia Advance Corporation, S.A.B. de C.V. and Subsidiaries
(Subsidiary of Kaluz, S.A. de C.V.)

Consolidated Statements of Profit

For the Years Ended December 31, 2024, 2023 and 2022
(Amounts in millions of U.S. dollars, except for earnings per share amounts expressed in U.S. dollars and shares outstanding)

	Notes	2024	2023	2022
Continuing operations:				
Net sales	29	$ 7,506	$ 8,204	$ 9,648
Cost of sales	25	5,758	6,032	7,079
Gross profit		1,748	2,172	2,569
Selling and development expenses	25	603	622	582
Administrative expenses	25	642	681	661
Other (income) expenses, net	25	67	20	(2)
Foreign exchange loss, net		15	65	13
Interest expense		396	389	285
Interest income		(72)	(93)	(30)
Change in measurement of redeemable non-controlling interests	12	(10)	(6)	(119)
Monetary position loss	28	11	11	11
Share of profit in associates		-	(2)	(3)
Impairment of goodwill	16	-	-	136
Profit before income tax		96	485	1,035
Income tax (benefit) expense	26	(127)	329	369
Profit from continuing operations		223	156	666
Discontinued operations:				
Net loss from discontinued operations		-	-	(1)
Consolidated net profit for the year		$ 223	$ 156	$ 665
Consolidated net profit for the year attributable to:				
Equity holders of the parent		$ 145	$ 65	$ 567
Non-controlling interest	20	78	91	98
Total net consolidated profit		$ 223	$ 156	$ 665
Basic and diluted earnings per share	21	$ 0.08	$ 0.03	$ 0.30
Weighted average ordinary shares outstanding		1,909,750,864	1,911,707,721	1,918,919,097

The accompanying notes are an integral part of these consolidated financial statements.

Orbia Advance Corporation, S.A.B. de C.V. and Subsidiaries
(Subsidiary of Kaluz, S.A. de C.V.)

Consolidated Statements of Other Comprehensive Income

For the Years Ended December 31, 2024, 2023 and 2022
(Amounts in millions of U.S. dollars)

	Notes	2024	2023	2022
Net consolidated profit		$ 223	$ 156	$ 665
Other comprehensive income:				
Items that will not be subsequently reclassified to profit or loss:				
Actuarial (loss) gains	18		3	53
Income tax expense		-	(1)	
			2	39
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation		(104)	59	(83)
Unrealized gain (loss) on valuation of financial instruments			9	41
Income tax benefit (expense)		13	-	(21)
		(144)	68	
Total other comprehensive (loss) income		(145)	70	(24)
Consolidated comprehensive income for the year		$ 78	$ 226	$ 641
Consolidated comprehensive income (loss) attributable to:				
Equity holders of the parent		$	$ 143	$ 540
Non-controlling interests		83	83	101
Consolidated comprehensive income for the year		$ 78	$ 226	$ 641

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Changes in Stockholders' Equity

For the Years Ended December 31, 2024, 2023 and 2022
(Amounts in millions of U.S. dollars)

	Contributed capital			Retained earnings				Other comprehensive income/(loss)	
	Nominal share capital	Share premium	Cumulative inflation adjustment	Legal reserve	Retained earnings	Redeemable non-controlling interests	Share buyback reserve	Foreign currency translation loss and actuarial gains and losses	Unrealized (loss)/gain on valuation of financial instruments
Balance as of January 1, 2022	$ 256	$ 1,475	$ 24	$	$ 915	$ (241)	$ 851	$ (667)	$ 72
Dividends declared	-	-	-	-	(298)	-	-	-	-
Share buybacks	-	-	-	-	(5)	-	(137)	-	-
Increase in share buyback reserve	-	-	-	-	(369)	-	369	-	-
Distribution of capital to non-controlling interests in subsidiary	-	-	-	-	-	-	-	-	-
Redeemable noncontrolling interests	-	-	-	-	-	(195)	-	-	-
Non-controlling interest arising from business combination	-	-	-	-	-	-	-	-	-
Share-based payments	-	-	-	-	20	-	7	-	-
Other comprehensive (loss) income for the year	-	-	-	-	-	-	-	(47)	20
Net profit for the year	-	-	-	-	567	-	-	-	-
Balance as of December 31, 2022	256	1,475	24	51	830		1,090	(714)	92
Dividends declared	-	-	-	-	(240)	-		-	
Share buybacks	-	-	-	-	4	-		(4)	-
Increase in share buyback reserve	-	-	-	-	(125)	-	125	-	-
Distribution of capital to non-controlling interests in subsidiary	-	-	-	-	-	-	-	-	-
Share-based payments	-	-	-	-		-	10	-	-
Other comprehensive (loss) income for the year	-	-	-	-	-	-	-	69	9
Net profit for the year	-	-	-	-	65	-	-	-	-
Balance as of December 31, 2023	256	1,475	24	51		(436)	1,239	(649)	101
Dividends declared	-	-	-	-	(160)	-		-	-
Share buybacks	-	-	-	-	5	-	11	-	-
Increase in share buyback reserve	-	-	-	-	71	-	(71)	-	-
Distribution of capital to non-controlling interests in subsidiary	-	-	-	-	-	-	-	-	-
Share-based payments	-	-	-	-	(30)	-	-	-	-
Other comprehensive (loss) income for the year	-	-	-	-	-	-	-	(110)	(40)
Net profit for the year	-	-	-	-	145	-	-	-	-
Divestitures	-	-	-	-	(197)	195	-	-	-
Balance as of December 31, 2024	$ 256	$ 1,475	$ 24	$ 51	$ 387	$ (241)	$ 1,179	$ (759)	$ 61

The accompanying notes are part of these consolidated financial statements.

Orbia Advance Corporation, S.A.B. de C.V. and Subsidiaries
(Subsidiary of Kaluz, S.A. de C.V.)

Consolidated Statements of Cash Flows

For the Years Ended December 31, 2024, 2023 and 2022
(Amounts in millions of U.S. dollars)

	2024	2023	2022
Operating activities:			
Consolidated net profit for the year	$ 223	$ 156	$ 665
Adjustments for:			
Income tax (benefit) expense	(127)	329	369
Loss from discontinued operations	-	-	1
Employee benefit cost	8	11	8
Depreciation and amortization	659	610	581
(Gain) loss on sale of fixed assets	(5)	(7)	(2)
Unrealized foreign exchange (gain) loss	(132)		11
Impairment of assets	-	8	-
Impairment of goodwill	-	-	136
Change in fair value of redeemable non-controlling interests	(10)	(6)	(119)
Changes in provisions	(12)	10	15
Share of profit of associates	-	(2)	(3)
Interest income	(72)		(30)
Interest expense	396	389	285
Net Cash Flow generated from operating activities before changes in working capital	928	1,456	1,917
Working capital adjustments:			
(Increase)/decrease in:			
Trade receivables	(28)	139	107
Inventories	47	115	(33)
Other assets	(162)	251	(138)
Increase (decrease) in:			
Suppliers	27	(145)	(204)
Related parties	1	(1)	(2)
Other liabilities	72	(140)	98
Interest received	72		30
Income tax paid			(488)
Net cash flows from operating activities	781	1,397	1,287
Investing activities:			
Purchase of machinery and equipment		(589)	(470)
Investments in other assets and intangible assets		(95)	(67)
Sale of machinery and equipment	37	10	11
Acquisition of equity investment in associates	(11)	(14)	(11)
Acquisition of subsidiaries, net of cash acquired	(1)	(8)	(225)
Net cash flows used in investing activities	(447)	(696)	(762)

The accompanying notes are an integral part of these consolidated financial statements.

(continued)

Orbia Advance Corporation, S.A.B. de C.V. and Subsidiaries
(Subsidiary of Kaluz, S.A. de C.V.)

Consolidated Statements of Cash Flows

For the Years Ended December 31, 2024, 2023 and 2022
(Amounts in millions of U.S. dollars)

	2024	2023	2022
Financing activities:			
Proceeds from loans obtained	300	797	1,908
Repayment of loans	(355)	(729)	(773)
Interest paid	(287)	(388)	(258)
Lease payments	(105)	(91)	(92)
Dividends paid	(160)	(240)	(299)
Distribution to non-controlling interests in subsidiaries	(138)	(134)	(141)
Share buybacks	5	8	(142)
Net cash flows (used in)/ from financing activities	(740)	(777)	203
Adjustment for effects of foreign exchange differences on Cash and cash equivalents	(41)	(14)	36
Net increase/(decrease) in cash and cash equivalents	(447)	(90)	764
Cash and cash equivalents at beginning of year	1,456		782
Cash and cash equivalents at the end of year	$ 1,009	$ 1,456	$ 1,546

(Concludes)

The accompanying notes are an integral part of these consolidated financial statements.

1. General Information

Orbia Advance Corporation, S.A.B. de C.V. and subsidiaries (the Company, the Group, or Orbia) is a company driven by a shared purpose: to advance life around the world. Orbia operates in the Polymer Solutions (Vestolit and Alphagary), Building and Infrastructure (Wavin), Precision Agriculture (Netafim), Connectivity Solutions (Dura-Line) and Fluor & Energy Materials (Koura) operating segments. The five Orbia business groups have a collective focus on expanding access to health and well-being, reinventing the future of cities and homes, ensuring food, water and sanitation security, connecting communities to information and enabling the energy transition with basic and advanced materials, specialty products and innovative solutions. Orbia has a global team of over 23,000 employees, commercial activities in more than 100 countries and operations in over 50, with global headquarters in Boston, Mexico City, Amsterdam and Tel Aviv.

Orbia's registered office is located at Paseo de la Reforma No. 483 Piso 47, Cuauhtémoc, 06500 Mexico City.

2. Significant Events

2024

Divestiture: On June 30, 2024, Orbia completed the divestiture of the Vectus Tanks & Households ("TBH") and Sunrise & Gangotri products business, where Orbia acquired the remaining (33%) portion of the Vectus Pipes and Fittings business. The transaction resulted in a net cash outflow of $12 million. Additionally, the Vectus put option was extinguished and removed from the balance sheet as discussed in Note 12. The completion of these transactions had no impact on pre-tax income or loss.

New Revolving Credit Facility: In April 2024, the Company entered into a new $1.4 billion revolving credit facility with a 5-year maturity. The new facility was used to refinance and replace the existing revolving credit facility signed in 2019 as discussed in Note 17.

2023

Rebranding: In December 2023, the Company's business group formerly known as Fluorinated Solutions was rebranded to Fluor & Energy Materials. It will continue to use the commercial brand Koura.

Joint Venture: In November 2023, the Company's Fluor & Energy Materials business signed a joint venture agreement with Syensqo (formerly Solvay) to create the largest polyvinylidene fluoride (PVDF) production facilities for battery materials in the North America region with production expected to begin in 2028.

Issuance of Sustainability Linked Notes: In August 2023, the Company issued an additional 7.9 billion Mexican Pesos (MXP) and 2.1 billion MXP under the same terms as the first and second offering of short and long-term notes *(certificados bursátiles)* with "sustainability-linked bond" features that were issued in 2022 as described further below.

2022

Issuance of Sustainability Linked Notes: In December 2022, the Company completed the first and second offering of short and long-term notes *(certificados bursátiles)*, for a total amount of 10 billion MXP with a "sustainability-linked bond" feature. The offerings were made under the revolving short and long-term shelf registration program implemented by Orbia and authorized by the National Banking and Securities Commission (*Comisión Nacional Bancaria y de Valores* or *CNBV*) in November 2022. The first issuance was for an amount of 2.34 billion MXP due on December 4, 2025, accruing interest at a variable rate of 28-day TIIE (interbank rate) + 40 basis points, and the second issuance was for an amount of 7.66 billion MXP due on November 25, 2032, accruing interest at a fixed annual rate of 10.63%.

Business acquisitions: As discussed further in Note 15, Orbia completed the following acquisitions for aggregate consideration totaling approximately $246 million in 2022:

- In September 2022, Orbia's Connectivity Solutions business acquired Biarri Networks, a leading Denver-based technology provider that specializes in fiber optic network design solutions for the global telecommunications industry. Biarri Networks has offices in Australia and the U.S.

- In August 2022, Orbia's Building and Infrastructure business acquired Bow Plumbing Group, a leading Montreal-based manufacturer of plastic pipes and fittings with manufacturing in Quebec, Canada, with strategically located warehouses and commercial reach across the North American residential and commercial construction industry.

- In February 2022, Orbia's Building and Infrastructure business acquired a 67 percent stake in Vectus Industries Limited ("Vectus"), a manufacturer of plumbing and drainage pipes and the market leader in water storage tanks in India. In June 2024, Orbia acquired the remaining 33 percent stake in Vectus, in exchange for the TBH business as discussed in Note 15.

3. Adoption of New and Revised Accounting Standards

New and amended Accounting Standards that are Effective for the Current Year

In the current year, Orbia, has applied a number of amendments to International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) that are mandatorily effective for accounting periods beginning on January 1, 2024.

The adoption of these amendments did not have a material impact on the amounts reported in the Company's financial statements or related disclosures unless otherwise noted.

Amendments to IAS 1 Presentation of Financial Statements—Classification of Liabilities as Current or Non-current and Non-Current Liabilities with Covenants

The amendments to IAS 1 clarify that the classification of liabilities as current or non-current is based on the Company's rights to defer payments that are in existence at the end of the reporting period, and specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. The existence of such rights is dependent upon whether applicable covenants are complied with on or before the end of the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period.

Such covenant information includes the nature of the covenants and when the entity is required to comply with them, the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

The amendments also introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The adoption did not have a material effect on the Company's consolidated financial statements.

Amendments to IAS 7 Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures—Supplier Finance Arrangements.

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

The term 'supplier finance arrangements' is not defined. Instead, the amendments describe the characteristics of an arrangement for which an entity would be required to provide the information.

To meet the disclosure objective, an entity will be required to disclose in aggregate for its supplier finance arrangements:

- The terms and conditions of the arrangements
- The carrying amount, and associated line items presented in the entity's statement of financial position, of the liabilities that are part of the arrangements
- The carrying amount, and associated line items for which the suppliers have already received payment from the finance providers
- Ranges of payment due dates for both those financial liabilities that are part of a supplier finance arrangement and comparable trade payables that are not part of a supplier finance arrangement
- Liquidity risk information

Note 4 and Note 10 provide the required disclosures related to these amendments.

Amendment to IFRS 16 Leases—Lease Liability in a Sale and Leaseback

The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 *Revenues From Contracts with Customers* to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognize a gain or loss that relates to the right of use asset 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.

A seller-lessee applies the amendments retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, which is defined as the beginning of the annual reporting period in which the entity first applied IFRS 16.

The adoption did not have a material effect on the Company's consolidated financial statements.

New and Revised Accounting Standards Issued but Not Yet Effective

At the date of authorization of these financial statements, Orbia has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective.

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates titled Lack of Exchangeability

The amendments to IAS 21 specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments state that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

An entity assesses whether a currency is exchangeable into another currency at a measurement date and for a specified purpose. If an entity is able to obtain no more than an insignificant amount of the other currency at the measurement date for the specified purpose, the currency is not exchangeable into the other currency.

The assessment of whether a currency is exchangeable into another currency depends on an entity's ability to obtain the other currency and not on its intention or decision to do so.

When a currency is not exchangeable into another currency at a measurement date, an entity is required to estimate the spot exchange rate at that date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions.

The amendments do not specify how an entity estimates the spot exchange rate to meet that objective. An entity can use an observable exchange rate without adjustment or another estimation technique. Examples of an observable exchange rate include:

- a spot exchange rate for a purpose other than that for which an entity assesses exchangeability

- the first exchange rate at which an entity is able to obtain the other currency for the specified purpose after exchangeability of the currency is restored (first subsequent exchange rate).

An entity using another estimation technique may use any observable exchange rate—including rates from exchange transactions in markets or exchange mechanisms that do not create enforceable rights and obligations—and adjust that rate, as necessary, to meet the objective as set out above.

The amendments will be effective for annual reporting periods beginning on or after January 1, 2025. Early adoption is permitted, but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.

The Company is assessing the potential impact of adoption that these amendments will have on its consolidated financial statements but does not expect the adoption of these amendments to be material.

IFRS 18 Presentation and Disclosures in Financial Statements

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

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

An entity is required to apply IFRS 18 for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. The amendments to IAS 7 and IAS 33, as well as the revised IAS 8 and IFRS 7, become effective when an entity applies IFRS 18. IFRS 18 requires retrospective application with specific transition provisions.

The Company is assessing the potential impact of adoption that these amendments will have on its consolidated financial statements.

Amendments to IFRS 9 and IFRS 7 Classification and Measurement of Financial Instruments

The IASB issued amendments to IFRS 9 and IFRS 7 which:

- Clarifies that a financial liability is derecognized on the 'settlement date', i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. It also introduces an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met
- Clarified how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features
- Clarifies the treatment of non-recourse assets and contractually linked instruments
- Requires additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income.

The amendments will be effective for annual reporting periods beginning on or after January 1, 2026. Entities can early adopt the amendments that relate to the classification of financial assets plus the related disclosures and apply the other amendments later. The new requirements will be applied retrospectively with an adjustment to opening retained earnings. Prior periods are not required to be restated and can only be restated without using hindsight.

The Company is assessing the potential impact of adoption that these amendments will have on its consolidated financial statements.

4. Material Accounting Policies

Basis of accounting: The consolidated financial statements of Orbia have been prepared in accordance with IFRS as issued by the IASB. The financial statements have been prepared on the historical cost basis, except for the revaluation of certain properties and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, Orbia takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Going concern: The Company's management has at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The consolidated financial statements have been prepared by management assuming that the Company will continue as a going concern.

Basis of consolidation: The consolidated financial statements include the financial statements of all entities over which the Company directly or indirectly has control (its subsidiaries). Orbia has determined that it controls an investee when it has power over the investee, is exposed to, or has rights to, variable returns from its involvement with the investee, or has the ability to affect those returns through its power over them.

In cases when Orbia does not fully own a subsidiary, the non-controlling interest is recognized separately from Orbia's equity on its Consolidated Statements of Financial Position. The Company values the non-controlling interest at the time of acquiring control of the subsidiary at its proportionate share of the fair value of the identifiable net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Changes in the Company's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to Orbia.

Profit or loss and each component of other comprehensive income are attributed separately to the Company and the non-controlling interests in the consolidated financial statements.

Investments in entities in which the Company holds between 20% and 50% of the voting shares, or over which it otherwise has significant influence, are accounted for using the equity method under IAS 28 *Investments in Associates and Joint Ventures*. The Company's accounting policy for investment in associates is included later in this Note.

In the event the Company loses control of a subsidiary, the subsidiary is deconsolidated, and a gain or loss on disposal is recognized in the Consolidated Statement of Profits which is calculated as the difference between the aggregate of the fair value of the consideration received plus the fair value of any retained interest, minus the previous carrying amount of the net assets of the subsidiary including goodwill and non-controlling interest. The Company has not lost control of a subsidiary in any of the periods presented.

All intercompany transactions between the Company and its subsidiaries, and between subsidiaries, are eliminated in consolidation.

Recognition of the effects of inflation: The Company recognizes the effect of inflation for its entities that operate in highly inflationary economies. An economy is deemed to be hyperinflationary when inflation over the preceding three years exceeds 100%. The Company adjusts its financial statements for the impact of inflation in these economies in accordance with IAS 29 *Financial Reporting in Hyperinflationary Economies* using a general price index. The Company recognized the effects of inflation on its operations in Venezuela, Argentina and Turkey. Refer to Note 28 for further detail.

Foreign currency transactions: The Company's financial statements are presented in U.S. dollars (USD). The functional currency of a subsidiary is the local currency of that respective entity. For subsidiaries not operating in hyperinflationary economies, the subsidiary's results, financial position, and cash flows that do not have USD as their functional currency are translated using the following exchange rates:

- Monthly average exchange rates for income and expense items.
- The closing exchange rate in effect at the date of the Statement of Financial Position for assets and liabilities, and
- historical exchange rates for equity balances.

Goodwill and fair value adjustments arising from identifiable acquired assets and assumed liabilities from the acquisition of a foreign subsidiary are translated at the closing exchange rate in effect at the date of the Statement of Financial Position as assets and liabilities of the foreign subsidiary. Foreign exchange gains and losses are recognized in Other Comprehensive Income. Exchange rate differences resulting from financial instruments that are initially recognized in Other Comprehensive Income are reclassified to profit or loss when that instrument is partially or fully sold. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Cash and cash equivalents: Cash and cash equivalents primarily consist of cash on hand, bank deposits available for operations and other and highly liquid, short-term investments with a maturity of three months or less that are easily convertible into cash

Inventories: Inventories are valued at the lower of cost or net realizable value. Costs, including direct materials and a portion of fixed and variable overhead expenses incurred in bringing the inventories to their present location and condition, are valued using the average cost method. Net realizable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Business combinations: Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, calculated as the sum of the acquisition date fair values of the assets transferred by the Company plus liabilities due to the former owners of the acquiree and any equity interest issued by the Company in exchange for control of the acquiree. Acquisition related costs are recognized in Other (income) expenses, net in the Consolidated Statements of Profit as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are generally recognized at their fair value except for deferred tax assets or liabilities recognized under IAS 12 *Income Taxes*, employee benefit arrangements recognized under IAS 19 *Employee Benefits*, or certain share-based payment arrangements measured in accordance with IFRS 2 *Share Based Payments*.

The excess of the fair value of the total consideration transferred over the fair value of the identifiable acquired assets and assumed liabilities is recognized as goodwill.

When applicable, contingent consideration is measured at its acquisition date fair value and is included as part of the consideration transferred in the business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments, which are adjustments arising from additional information obtained within one year from the date of acquisition, are adjusted retrospectively with corresponding adjustments to goodwill. Subsequent changes in the fair value of contingent consideration that do not qualify as measurement period adjustments for contingent consideration that is classified as equity are not remeasured at subsequent reporting dates and subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognized in profit or loss.

When the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, Orbia reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed as of the acquisition date, that, if known, would have affected the amounts recognized as of that date.

Property, plant, and equipment: Property, plant and equipment is at cost less accumulated depreciation and accumulated impairment loss. Borrowing costs that can be allocated directly to the acquisition, construction or installation of a qualifying asset, are capitalized and included in the cost of acquisition.

Construction in process is measured at cost, net of accumulated impairment losses, if any. Costs may include professional fees and, for qualifying assets, borrowing costs that are capitalized. Depreciation commences when the assets are ready for their intended use.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be reliably measured. The carrying amount of any replaced parts are derecognized. Repairs and maintenance are recognized in the Consolidated Statements of Profit as incurred. Major improvements are depreciated over the remaining useful life of the related asset.

Depreciation is recognized to write-off the cost or value of assets (other than land or assets under construction) on a straight-line basis over the estimated useful life of the individual asset to its residual value. 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.

The following table reflects the estimated useful life by major categories for property, plant and equipment for the periods presented:

	Years
Buildings and structures	30
Machinery and equipment	10-20
Office furniture and equipment	3-10
Automotive equipment	5-25

Property plant and equipment is assessed for impairment whenever there is an indication that the carrying amount of the asset may not be recoverable.

Gains and losses on disposals of assets are determined as the difference between the net disposal proceeds and the carrying amount of the asset, and recognized in Other (income) expenses, net within the Consolidated Statements of Profit.

Leases: The Company evaluates whether a contract is or contains a lease agreement at inception of a contract. A lease is defined as an agreement or part of an agreement that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company recognizes an asset for the right-of-use asset and a corresponding lease liability for all lease agreements in which it acts as lessee, except in the case of short-term leases defined as leases with a lease term of 12 months or less. For short-term leases, the Company recognizes the rent payments as operating expense using the straight-line method over the lease term.

Additionally, variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. Variable lease payments are recognized as operating expenses in profit or loss in the period in which the event or condition that triggers those payments occurs.

The right-of-use asset comprises all lease payments discounted at present value, the direct costs to obtain a lease, any advance lease payments and the obligations of dismantling or removal of assets. The Company depreciates the right-of-use asset over the shorter of the lease term or the useful life of the underlying asset. If a lease transfers ownership of the underlying asset to the Company or the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Depreciation begins on the lease commencement date.

The lease liability is initially measured at the present value of the future minimum lease payments that are not paid at that date, using a discount rate that reflects the cost of obtaining funds for an amount similar to the value of the lease payments, for the acquisition of the underlying asset, in the same currency and for a similar period to the corresponding contract (incremental borrowing rate).

To determine the lease term, the Company considers the non-cancellable period, including the probability to exercise any right to extend and/or terminate the lease. Subsequently, the lease liability carrying amount is increased to reflect interest on the lease liability using the effective interest method and is reduced to reflect lease payments made.

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

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

For contracts that contain both lease and non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone selling price and the aggregate stand-alone selling price of the non-lease components.

The Company periodically assesses right-of-use assets for impairment in accordance with IAS 36 *Impairment of Assets* and recognizes any impairment loss identified in earnings for the amount by which the carrying amount of the asset exceeds its recoverable amount.

Obligations for costs to dismantle and remove leased assets, restore sites on which the leased assets are located or to restore the underlying asset to the condition required by the terms of the lease agreement, require the Company to recognize a provision under the requirements of IAS 37 *Provisions, Contingent Liabilities and Contingent Assets.* Costs of disposal are included in the related right-of-use asset, provided they are not incurred to produce inventories.

Equity investment in associates: An associate is an entity over which the Company has significant influence but not control. Generally, an investor must hold between 20% to 50% of the voting rights in an investee for it to be an associate. Investments in associates are accounted for using the equity method and are initially recognized at cost. The Company's investment in associates includes goodwill identified at acquisition, net of any accumulated impairment loss.

The Company's share of profits or losses of associates, post-acquisition, is recognized in Share of profit in associates in the Consolidated Statements of Profit and its share of other comprehensive income of associates is recognized as other comprehensive income. When the Company's share of losses in an associate is equal to or exceeds its equity in the associate, the Company does not recognize further losses unless it has incurred obligations or made payments on behalf of the associate.

If the equity in an associate is reduced but significant influence is maintained, only a portion of the amounts recognized in comprehensive income are reclassified to income for the year, where appropriate.

The Company assesses at each reporting date whether there is objective evidence indicating the investment in the associate is impaired. If so, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and the carrying value and records it in earnings. Any impairment loss recognized is reflected in the carrying value of the investment. A reversal of that impairment loss is recognized in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognized immediately in the Consolidated Statements of Profit in which the investment is acquired.

Unrealized gains on transactions between the Company and its associates are eliminated to the extent of the Company´s equity in such gains. Unrealized losses are also eliminated unless the asset transferred is impaired. When the Company ceases to have significant influence over an associate, any difference between the fair value of the remaining investment, including any consideration received from the partial disposal of the investment, and the book value of the investment, is recognized in the Consolidated Statements of Profit.

The Company discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. The Company had no such transactions in any of the periods presented.

The Company had total investments in associates of $76 million, $75 million and $58 million as of December 31, 2024, 2023 and 2022, respectively, and the Company's share of profits of associates across its equity investments was less than $1 million, $2 million and $3 million, respectively during these periods primarily related to investments in Switzerland, United States of America and Germany.

Intangible assets: The Company recognizes intangible assets when they are identifiable, give rise to a future economic benefit, and the Company has control over such benefits. Intangible assets consist of non-compete agreements, trademarks, intellectual property, customer portfolios and certain software related costs. The Company capitalizes software licenses and related development costs directly related to the design and testing of identifiable software products controlled by the Company. Such licenses include hosted software when Orbia has the contractual right to take possession of the software during the hosting period without significant penalty and it is feasible for the Company to run the software on its own hardware or to contract with another party unrelated to the supplier to host the software. Software maintenance costs are expensed as incurred.

Intangible assets with finite useful lives are amortized on a straight-line basis over their estimated useful lives and are evaluated for potential impairment whenever facts and circumstances indicate that their carrying value may not be fully recoverable. Intangible assets with indefinite useful lives are not amortized and instead are subject to impairment assessment at least annually and whenever there is an indication that the asset may be impaired. The estimated useful lives, residual values and methods of amortization are reviewed at each financial year-end and adjusted prospectively, if appropriate.

Intangible assets acquired in a business combination are recognized separately from goodwill and recognized initially at their fair value at the acquisition date. Subsequent to initial recognition, intangible assets acquired in a business combination are recognized at cost less accumulated amortization and accumulated impairment losses, consistent with the accounting treatment of intangible assets with finite useful lives.

Goodwill: Goodwill is calculated as the excess of the fair value of the total purchase consideration transferred over the fair value of the identifiable assets acquired and liabilities assumed in a business combination.

Goodwill is not amortized but is subject to impairment testing annually, or more frequently when there is an indication of potential impairment. Goodwill is allocated to cash generating units (CGUs). A CGU or a group of CGUs is considered impaired when its carrying amount exceeds its estimated recoverable amount, which is defined as the higher of its fair value less costs of disposal and its value in use.

The amount of the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the unit on a pro-rata basis based on the relative carrying amount of each asset in the CGU. Goodwill impairment charges are directly recognized in profit or loss. An impairment loss recognized for goodwill cannot be reversed in a subsequent period. On disposal of a CGU, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Impairment of tangible and intangible assets other than goodwill: At each reporting date, the Company reviews the carrying amounts of its property, plant and equipment and intangible assets to assess for potential indicators of impairment. If the Company determines such indicators exist, the recoverable amount of the impacted asset(s) is estimated to determine the extent of the impairment loss (if any).

Intangible assets with an indefinite useful life are tested for impairment at least annually and whenever there is an indication at the end of a reporting period that the asset may be impaired.

For assets that do not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the CGU to which the asset belongs. The recoverable amount of assets is deemed to be the higher of fair value less costs of disposal and value in use.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount with the corresponding impairment loss recognized the Consolidated Statements of Profit.

If applicable, when an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, in such a way that the adjusted 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 CGU in previous years. The reversal of an impairment loss is recognized immediately in profit or loss to the extent that it eliminates the impairment loss which has been recognized for the asset in prior years.

Financial instruments: Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities, other than financial assets and financial liabilities measured at fair value through profit or loss, are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities measured at fair value through profit or loss are recognized immediately in the Consolidated Statements of Profit.

Financial assets: Purchases or sales of financial assets are recognized and derecognized on a trade date basis. The Company subsequently classifies and measures its financial assets based on the business model used to manage such assets and the characteristics of the related cash flows. As such these are measured at either amortized cost, at fair value with changes recognized in other comprehensive income, or at fair value with changes recognized in profit or loss.

The designation of each of these is described further below.

Financial assets measured subsequently at amortized cost:

Financial assets measured at amortized costs are those held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and for which 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 amount of outstanding principal.

Such assets are subsequently measured using the effective interest method and are subject to impairment review potential indicators of impairment are present. Gains and losses are recognized in profit or loss only when the asset is derecognized, modified, or impaired.

The Company's financial assets measured at amortized cost include trade and other accounts receivable.

Financial assets measured subsequently at fair value through other comprehensive income:

Financial assets that are measured subsequently at fair value through other comprehensive income include those that are held within a business model whose objective is achieved by collecting contractual cash flows and / or selling the financial assets for which 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 amount of outstanding principal.

For these assets, interest income, foreign exchange reevaluation and impairment losses or reversals are recognized in the Consolidated Statements of Profit and calculated in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in other comprehensive income. Upon derecognition, the cumulative fair value change recognized in other comprehensive income is reclassified to profit and loss.

Financial assets measured subsequently at fair value through profit and loss:

All other financial assets that do not meet the criteria for subsequent measurement at amortized cost or at fair value through other comprehensive income are measured at fair value through profit and loss. However, upon initial recognition, the Company can elect the following irrevocable classifications:

- Recognize its equity investments as equity instruments designated at fair value through other comprehensive income provided such investments meet the definition of equity under IAS 32 *Financial Instruments* meaning the investment is not held for trading purposes.

- Assign a debt instrument to be measured at fair value in profit or loss, if as a result it eliminates or significantly reduces an accounting mismatch that would arise from the measurement of assets or liabilities or the recognition of profits and losses on a different basis.

As of December 31, 2024, 2023 and 2022, the Company has not made any of the irrevocable designations described above.

Impairment of financial assets:

The Company recognizes lifetime Expected Credit Losses (ECL) in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default. (a lifetime ECL).

For trade receivables, the expected credit losses are estimated based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions, and an assessment of both the current as well as forecasted 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. In assessing credit risk, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is readily available.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when the debtor has not fulfilled its financial agreements; or internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before considering any collateral held by the Company.

The Company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g., when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are typically over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, considering legal advice where appropriate. Any recoveries made are recognized in profit or loss in the Company's Consolidated Statements of Profit.

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 risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, it recognizes its retained interest in the asset and the related liability. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received or related receivable is recognized in profit or loss.

Financial liabilities and equity: Debt and equity instruments are classified as financial liabilities or equity according to the content of the contractual agreements and the definitions of a financial liability and an equity instrument.

Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issuance costs.

The repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities at amortized cost:

After initial recognition, interest-bearing loans and trade and other payables, are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in profit and loss when the liabilities are derecognized as well as through the effective interest method amortization process.

Amortized cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

Financial liabilities at fair value through profit or loss:

Financial liabilities classified as fair value through profit or loss include financial liabilities held for trading, contingent consideration in a business combination and financial liabilities designated upon initial recognition as fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IFRS 9 *Financial Instruments* (IFRS 9). Separate embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Changes in fair value, as well as interest or dividend expense, as applicable are recorded in profit and loss.

Derecognition of financial liabilities:

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

Derivative financial instruments: The Company uses derivative financial instruments, such as forward currency contracts, exchange rate swaps, interest rate swaps, put and call options, cross-currency and principal only swaps to hedge its exposure to foreign currency risk, interest rate risk, financing and acquisitions of its projects.

The Company's derivative financial instruments and related impacts to the Company's consolidated financial statements are disclosed in more detail in Note 12.

Derivatives are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value at the end of each reporting period. For purposes of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of recognized assets or liabilities or unrecognized firm commitments. The Company holds exchange rate and interest rate swaps under this classification.
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecasted transaction or the foreign currency risk in an unrecognized firm commitment. The Company holds forward contracts and put and call options under this classification.
- Hedges of a net investment in a foreign business. The Company holds net investment hedges for its investments in euro denominated entities as of December 31, 2024.

Hedge accounting:

At the inception of the hedge relationship, the Company designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Company will assess whether the hedging relationship meets the hedge effectiveness requirements in accordance with IFRS 9. Additionally, on an ongoing basis, the Company documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item

Hedges that meet the qualifying criteria as set forth in IFRS 9 are accounted for as described below:

Cash flow hedges:

The Company recognizes all derivative assets and liabilities at fair value in the Consolidated Statement of Financial Position. The fair value of these derivatives is determined based on corroborated observable market data, and in certain cases through the use of unobservable inputs used in valuation techniques, that provide a reasonable basis for determining the related fair value.

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in the Consolidated Statements of Profit in the interest expense line.

Amounts previously recognized in Other Comprehensive Income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognized hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognized in Other Comprehensive Income and accumulated in equity are removed from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

The Company discontinues hedge accounting when the hedging instrument expires, is sold, terminated, or exercised, or when the hedging relationship ceases to meet the qualifying criteria. Any gain or loss recognized in Other Comprehensive Income and accumulated in equity at that time remains in equity and is recognized when the forecasted transaction is ultimately recognized in profit or loss. When a forecasted transaction is no longer expected to occur, the gain or loss accumulated in equity is reclassified immediately to profit or loss in the interest expense line.

Fair value hedges:

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are immediately recognized in profit or loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the hedging instrument and the change in the hedged item attributable to the hedged risk are recognized in the Consolidated Statements of Profit.

Hedge accounting is discontinued when the Company revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or ceases to meet the qualifying criteria for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortized to profit or loss from that date.

Gains and losses on the hedging instrument relating to the effective portion of the hedge accumulated in the foreign currency translation reserve will be reclassified to profit or loss on the disposal or partial disposal of the foreign operation and mapped to the interest expense line.

Hedges of net investments in foreign operations:

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognized in other comprehensive income as part of foreign currency translation reserve. Any gain or loss relating to the ineffective portion is recognized immediately in profit or loss and is included in the Other (income) expense, net in the Consolidated Statements of Profit.

Gains and losses on the hedging instrument relating to the effective portion of the hedge accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal or partial disposal of the foreign operation.

Letters of Credit and Reverse Factoring: The Company is party of a reverse factoring operation with financial institutions to facilitate administrative procedures for suppliers to advance payment related to the routine raw material purchases of the Company. The Company will direct the financial institution to pay the supplier in advance in exchange for a discount when agreed between the bank and the supplier. The Company will subsequently repay the financial institution. This operation does not change the amounts, nature and timing of the liability except extended payment terms from 30 to 60 days up to 180 days. These transactions are presented as Letters of credit on the Statements of Financial Position and operating activities in the Consolidated Statement of Cash Flows. The carrying amount of Letters of credit was $395 million, $381 million, and $467 million as of December 31, 2024, 2023 and 2022 recorded on the Consolidated Statements of Financial Position.

Provisions: Provisions are recognized when the Company has a present obligation, legal or constructive, as a result of a past event, it is probable that the Company will be required to settle the obligation and a reasonable 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 reporting date, considering the risks and uncertainties surrounding the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities recognized in a business combination are initially measured at fair value at the acquisition date.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, such reimbursement is recognized as a separate asset. The company records a receivable if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably. The expense relating to a provision is presented in the Consolidated Statements of Profit net of any reimbursement.

Restructuring provisions: A restructuring provision is recognized when the Company has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by either starting to implement the plan or announcing its main features to those affected by it. The Company does not include costs associated with its ongoing activities in its restructuring provisions.

Short-term employee benefits: Short-term employee benefits are those that are expected to be settled within 12 months after the end of the annual reporting period and include wages and salaries, paid time off, sick leave, employee profit sharing, incentives, and other benefits to existing employees earned in the period. Short-term employee benefits are recorded on an undiscounted basis.

Share buy-back reserve: Purchases and sales of the Company's shares are recognized directly in the share buyback reserve at their acquisition cost. Any gain or loss between the acquisition cost and the price in which the Company subsequently sells the shares is recognized in retained earnings.

Taxes: Income tax expense consists of current and deferred tax. The Company accounting policies for each category is discussed further below.

Current income tax:

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to taxing authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Company operates and generates taxable income.

Deferred tax:

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- For taxable temporary differences associated with investments in subsidiaries, associates, and interests in joint arrangements when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- For deductible temporary differences associated with investments in subsidiaries, associates, and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date 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 year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. 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 liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax 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.

Employee benefits: The Company offers various benefit plans to its employees as described further below.

Defined Contribution Plans:

Direct benefit costs and payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

Defined Benefit Plans:

The Company's defined benefit plans specify the amount of the pension an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

Defined benefit costs are split into three categories:

- Service costs, which includes current service cost, past service cost and gains and losses on curtailments and settlements;
- Net interest expense or income; and
- Remeasurements.

For defined benefit plans, seniority premiums and termination benefits, the cost of providing benefits is determined using the projected unit credit method, based on actuarial valuations performed at the end of each annual reporting period. Remeasurements comprising actuarial gains and losses, and the return on plan assets, excluding interest, are recognized immediately in the Consolidated Statements of Financial Position with a charge or benefit to other comprehensive income in the period in which they occur. Remeasurements recognized in other comprehensive income are not reclassified. Past service cost is recognized in profit or loss when a plan amendment or curtailment occurs. Net interest is calculated by applying a discount rate to the net defined benefit liability or asset.

The Company recognizes service costs in either Cost of sales, Selling and development expenses, or Administrative expenses depending on the employee's main function, and net interest expense or income is recognized in Interest expense or Interest income as applicable in the Consolidated Statements of Profit. Gains and losses from curtailments are recognized as part of past service costs.

The net retirement benefit obligation is reflected in Employee benefits in the Consolidated Statement of Financial Position.

Employee or third-party contributions to defined benefit plans:

Discretionary contributions made by employees or third parties reduce service cost upon payment of these contributions to the plan. When the formal terms of the plans specify that there will be contributions from employees or third parties, the Company's accounting depends on whether the contributions are linked to service, as follows:

- If the contributions are not linked to services, such as when contributions are required to reduce a deficit arising from losses on plan assets or from actuarial losses, they are reflected in the remeasurement of the net defined benefit liability.

- For the amount of contribution that is dependent on the number of years of service, the Company reduces service cost by attributing the contributions to periods of service using the attribution method required by IAS 19 for the related gross benefits.

Termination benefits:

Termination benefits are payable when the Company terminates an employment contract before the normal retirement date or when the employee accepts voluntary severance in exchange for these benefits. The Company recognizes termination benefits at the earlier of when the Company can no longer withdraw the offer of these benefits, or when the Company recognizes the costs from a restructuring plan that includes the payment of termination benefits.

Revenue recognition: The Company derives revenues mainly from products manufactured and sold and related services rendered through its five business groups: Polymer Solutions (Vestolit and Alphagary), Building and Infrastructure (Wavin), Precision Agriculture (Netafim), Connectivity Solutions (Dura-Line) and Fluor & Energy Materials (Koura).

The Company recognizes revenue for its products sold in these businesses using a point in time model when it determines that a contractual promise to the customer has been fulfilled by transferring the products to the customer, which typically occurs upon shipment or delivery of the product to the customer and title, risk and rewards of ownership have passed to the customer. The Company has an immaterial amount of revenue that is also recognized over time related to services performed for customers if those services can be determined to be distinct from the products sold. A performance obligation is determined to be distinct if the related products or services in the agreement can be identified individually, and the customer can benefit from them separately.

In addition to sales contracts, Orbia considers purchase orders, which in some cases are governed by master supply agreements, to be contracts with customers. The transaction price as specified on the sales contract or purchase order is considered to be the standalone selling price for each distinct product or service.

To determine the transaction price for each product or service at the time when revenue is recognized, the Company evaluates whether the price is subject to adjustments such as for anticipated returns, discounts, or volume rebates to calculate the net consideration the Company expects to receive. An estimate of any such adjustments is made using relevant available data and is generally recognized as a reduction to revenue in the reporting period that the corresponding revenue is recognized.

Several of the Company's sales contracts include warranties which cannot be purchased separately that provide assurance that the products sold comply with agreed upon specifications. The Company accounts for these warranties in accordance with the requirements of IAS 37.

The Company does not have material remaining performance obligations anticipated to be fulfilled in more than one year for any of the periods presented and does not have material contract assets or liabilities recorded on its Consolidated Statements of Financial Position.

Shipping and handling costs are expensed in the period incurred and are included in Cost of sales within the Consolidated Statements of Profit unless they are incurred after the transfer of control to the customer, in which case they are billed to customers and are recorded as sales revenue, as the Company considers these to be fulfilment costs. Taxes collected on sales to customers are excluded from the transaction price.

The Company's has presented its disaggregated revenues both by business group and by country or region of customer in Note 29.

Written put options over non-controlling interest: From time to time the Company acquires less than 100% of the shares of an entity and may enter into a written put option with the seller enabling the seller to sell its remaining interest in the acquired entity at a specified price. The Company recognizes the value of the written put options as a financial liability as Redeemable non-controlling interest in the Consolidated Statements of Financial Position. The redeemable non-controlling interest is initially measured at an amount equal to the present value of the amount that may be required to be paid to the seller in accordance with IAS 32. Subsequent changes in the measurement of the gross obligation due to the unwinding of the discount, or changes in the amount that the Company could be required to pay, are recognized in the change in measurement of redeemable non-controlling interest line item in the Consolidated Statements of Profit.

Segment Reporting: Segment information is presented consistently with the internal reporting provided to the Chief Executive Officer who is the highest authority in operational decision-making, resource allocation and assessment of operating segment performance.

5. Critical Accounting Judgments and Key Sources of Estimation Uncertainty

In the application of the Company's material accounting policies described in Note 4, the Company is required to make judgments, estimates and assumptions that have a significant impact on amounts recognized about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The critical accounting judgements and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Consolidation of Ingleside Ethylene LLC: The Company consolidates Ingleside Ethylene LLC for which it owns a 50% equity interest as a subsidiary. The Company can contractually control major operating decisions regarding production and sales at the joint venture and accordingly has determined that it has control of this investment.

Estimated impairment of goodwill and intangible assets with indefinite lives: The Company annually performs tests to determine whether goodwill and intangible assets with indefinite lives are impaired. For impairment testing purposes, goodwill and intangible assets with indefinites lives are typically allocated to cash generating units (CGUs). The recoverable amounts of each CGU have been determined based on the calculations of their value in use, which require the use of significant estimates including projected cash flows driven from revenues, anticipated gross margins, capital expenditures, and the rate used to discount future cash flows based on the weighted cost of capital of each CGU. Additionally, the Company has utilized an estimation of fair value less cost to dispose (FVLCD) for one of its CGUs (see Note 16). Key assumptions used to calculate the FVLCD of that CGU included the determination of comparable market transactions from which to derive the appropriate valuation multiple as well as the assumed cost to dispose of the CGU.

Long lived assets: The Company reviews depreciable and amortizable assets on an annual basis for signs of impairment, or when certain events or circumstances indicate that the book value may not be recovered during the remaining useful life of the assets.

Additionally, the Company estimates the useful lives of long-lived assets in order to determine the depreciation and amortization expenses to be recorded during the reporting period. The useful life of an asset is calculated when the asset is acquired and is based on past experience with similar assets, considering anticipated technological changes or other such changes. When such changes to the anticipated use of an asset occur faster or differently than anticipated, the useful lives assigned to these assets may need to be reduced. This would lead to the recognition of a greater depreciation and amortization expense in future periods. Alternatively, these types of changes could result in the recognition of a charge for impairment to reflect the reduction in the expected future economic benefits associated with the assets.

Inventory and Receivables: The Company uses estimates to determine the net realizable value of its inventories and its allowance for current expected credit losses for its accounts receivable. The factors that the Company considers to determine the net realizable value of its inventory are production and sales volumes, and changes in demand for certain products, including expected sales prices and costs. The reserve for current expected credit losses is based on the Company's assessment of the probability of default and estimated recovery rate of its accounts receivable at period end based on a variety of inputs, including collection history and an assessment of current factors that may impact the credit worthiness of its customers or risk of non-collection.

Ore Reserves: The Company periodically evaluates the estimates of its ore reserves (fluorite and salt), for the unexploited amount remaining in its existing mines, that can be produced and sold at a profit. Such estimates are based on engineering evaluations derived from samples, combined with assumptions about market prices and production costs relating to the respective mines. The Company updates the estimate for ore reserves at the beginning of each year.

Defined Benefit Obligation Discount Rate: To determine the carrying amount of the Company's defined benefit obligations, the Company must estimate an appropriate discount rate. The Company's defined benefit obligation is discounted using market yields on high-quality government and corporate bonds at the end of the reporting period. Judgement must be used to establish the criteria for the bonds to be included in the population from which the yield curve is derived. The most important criteria considered for the selection of the bonds include the size of the issuance of the government and corporate bonds, their rating and the identification of the atypical bonds that have been excluded.

Contingent Liabilities: Management makes judgments and estimates in recording provisions for matters relating to claims and litigation. Specifically, management must determine when a liability is probable to have occurred, and then, if deemed probable, must estimate the cost of the most likely outcome. Actual costs may vary from these estimates for several reasons, such as changes in cost estimates for resolution of complaints and different interpretations of the law.

Recoverability of Deferred Tax Assets: The Company prepares financial projections for each legal entity over which it has control in order to determine whether recorded tax assets may be realized in the future and relies on these estimated projections to determine if a deferred tax asset is recoverable.

Leases: The determination of the value of the Company's right-of-assets and related lease liabilities require various estimates to be made including the expected term of the lease and the incremental borrowing rate used to discount future lease payments when determining the lease liability.

Assets Acquired in Business Combinations: The application of the acquisition method requires certain estimates and assumptions to be made concerning the fair values of the acquired intangible assets, inventories, property, plant and equipment and the liabilities assumed at the acquisition date and the useful lives of the intangible assets and property, plant, and equipment. Estimates of fair value require the use of various valuation techniques. These valuations require the use of management assumptions and estimates, including the value of comparable assets in the market, amount and timing of future cash flows, outcomes and costs of research and development activities, probability of obtaining regulatory approval, long-term sales forecasts, actions of competitors, discount rates and terminal growth rates.

Fair Value of Financial Instruments: The fair value of the financial instruments that are presented in the financial statements has been determined by the Company using the information available in the market or other valuation techniques that require judgment to develop and interpret fair value estimates. Additionally, such techniques use inputs based on market conditions as of the reporting date. Consequently, the estimated fair value of the financial instruments presented is not necessarily indicative of the amount that the Company could get in the open market. The use of different assumptions and/or estimation methods could have a material effect on the fair value calculations.

"Put/Call" Options - Redeemable non-controlling interest: The Company's measurement of its "Put/Call" options with minority shareholders require certain estimates including the amount and timing of future EBITDA, determination of the discount rates used to calculate the liabilities, terminal growth rates and probability of execution.

Uncertain Tax Positions: The Company operates in multiple tax jurisdictions and tax returns filed in those countries are subject to review and examination by local tax authorities with the rules in some jurisdictions being complex to interpret.

The Company recognizes uncertain tax positions when it is probable that a relevant taxing authority will not accept the tax treatment as reported in the income tax filing. Estimates have to be made by the Company on the tax treatment of a number of transactions in advance of the ultimate tax determination being certain.

There is significant judgement and estimation required in determining uncertain tax positions and a risk that all potential tax exposures may not be identified. However, the Company considers that such uncertain tax positions will not have a material effect on its consolidated financial position or operating results.

6. Transactions which did not generate or require Cash Flows

The following transactions did not generate cash flows in investing or financing activities in the Consolidated Statements of Cash Flows:

The Company has entered into certain lease agreements that require recognition as right-of-use assets with corresponding lease liabilities on the Consolidated Statements of Financial Position. In 2024, 2023 and 2022, these transactions represented additions to right-of-use assets totaling $126 million, $231 million and $112 million respectively that did not generate nor consume cash directly, except for subsequent lease payments.

In connection with the Vectus acquisition of 2022, as discussed in Note 2, the Company recognized initial redeemable non-controlling interests for $195 million, which did not generate nor consume cash. The redeemable non-controlling interests related to Vectus were subsequently extinguished in 2024 as discussed in Note 12 as well as $40 million in net assets and $44 million Redeemable non-controlling interests liability as discussed in Note 15.

In addition, in 2023 the Company acquired debt of $24 million from business combinations that did not generate nor consume cash.

7. Cash and Cash Equivalents

Cash and cash equivalents on the Consolidated Statements of Position as of December 31 consist of the following:

	2024	2023 (In millions)	2022
Cash and bank papers	$ 907	$ 1,153	$ 1,286
Cash equivalents:			
Highly liquid investments	102	303	260
	$ 1,009	$ 1,456	$ 1,546

8. Accounts Receivable

Accounts receivable on the Consolidated Statements of Position as of December 31 consist of the following:

	2024	2023 (In millions)	2022
Trade receivables	$ 1,153	$ 1,178	$ 1,309
Less - Allowance for current expected credit losses	(71)	(80)	(80)
	1,082	1,098	1,229
Recoverable taxes and other	366	363	430
	$ 1,448	$ 1,461	$ 1,659

The average period to collect customer accounts receivable is between 30 and 90 days. No interest is charged on accounts receivable unless a payment restructuring agreement is executed. The Company has determined its allowance for current expected credit losses mainly based on the Company's historical credit loss experience and other factors that may impact its customers' ability to pay.

Before accepting new customers, the Company uses an external credit rating system to assess the credit quality of the potential customer and to set the credit limit for that customer. The Company reviews its customer credit ratings and credit limits once a year or whenever there is evidence that all or part of a receivable is unlikely to be collected.

The Company's customer base is large and diverse. No single customer represents more than 4% of the Company's trade receivable balance and accordingly the Company's concentration of credit risk is low.

As of December 31, 2024, 2023, 2022 the Company had 9%, 5%, and 7% of trade receivables, respectively, greater than 60 days past due.

The movements in the allowance for current expected credit losses for the years ended December 31, 2024, 2023 and 2022 were as follows:

	2024	2023 (In millions)	2022
Beginning balance	$ 80	$ 80	$ 82
Charge to profit or loss	4	4	4
Charges against the allowance	(6)	(4)	(4)
Foreign currency translation reserve	(7)	-	(2)
Ending balance	$ 71	$ 80	$ 80

9. Inventories

Inventories in the Consolidated Statements of Financial Position as of December 31 consist of the following:

	2024	2023 (In millions)	2022
Finished products	$ 713	$ 779	$ 900
Raw materials	310	363	375
Merchandise in transit	108	100	81
Spare parts	49	51	47
	1,180	1,293	1,403
Less - Allowance for obsolete and slow-moving inventories	(82)	(93)	(83)
	$ 1,098	$ 1,200	$ 1,320

The movements of the allowance for obsolete and slow-moving inventories for the years ended December 31, 2024, 2023 and 2022 were as follows:

	2024	2023 (In millions)	2022
Beginning balance	$	$ 83	$ 67
Charge to profit or loss		26	21
Charges against the allowance		(14)	(4)
Foreign currency translation reserve	(2)		(1)
Ending balance on December 31	$ 82	$ 93	$ 83

As of December 31, 2024, 2023 and 2022 no inventories have been pledged as collateral.

10. Financial Instruments

***Financial Instruments risk management objectives and policies*:**

The Company is exposed to market risks, operating risks and financial risks arising from the use of financial instruments involving interest rate risk, credit risk, liquidity risk and foreign currency risk, which are centrally managed.

The Company seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the Board of Directors, which provide direction on foreign currency risk, interest rate risk, credit risk, the use of derivative and non-derivative financial instruments and investment of surplusesCompliance with policies and exposure limits is regularly reviewed. The Company does not enter into nor trade financial instmments, including derivative financial instruments, for speculative purposes.

A summary of the Company's risk management profile follows:

Capital risk management - The Company manages its capital to ensure its ability to continue as a running business, while maximizing shareholders return on investment through optimization of its debt and equity mix. The Company is not subject to any externally imposed capital requirements.

The Company's management periodically reviews its net debt position and borrowing costs in relation to the Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA). Orbia monitors capital risk through an internally developed Net debt ratio. The Net debt ratio is calculated as the net-cost bearing debt divided by EBITDA. Management uses this internally developed metric in its development of financial projections as part of its business plan and is presented to the Board of Directors and shareholders. The Company determined that this metric is aligned with the Company's risk management policies.

The net debt ratio as of December 31, 2024, 2023 and 2022 was 3.30, 2.35 and 1.65, respectively. The interest coverage ratio for the years ended December 31, 2024, 2023 and 2022 was 2.91, 3.81 and 7.27, respectively.

Interest rate risk management - The Company is exposed to interest rate risk due to the variability of market interest rates related to its floating interest debt. The Company's hedging activities are evaluated regularly to assess their alignment with the interest rates and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

The Company's exposures to interest-rate risk are mainly related to the variability in the Mexican Interbank Weighted Rate (TIIE) and Secured Overnight Financing Rate (SOFR) that may impact the Company's bank loans and short-term debt. A hypothetical increase of the TIIE and SOFR rates of 100 basis points at each reporting period, with all other variables held constant would result in an immaterial impact.

This is primarily because the Company's exposure to the SOFR and TIIE rates on its long-term loans is not significant, as the majority of its bank loans and long-term debt bear interest at fixed rates.

Credit risk management - Credit risk is the risk that a counterparty will default on its contractual obligations under a financial instrument or customer contract, resulting in a financial loss to the Company. Credit risk originates primarily from trade receivables and liquid funds. Credit risk with respect to cash and cash equivalents and derivative financial instruments is limited because counterparties are banks with high credit ratings assigned by credit rating agencies. Accordingly, the Company's main exposure to credit risk is from its trade accounts receivable. The majority of the Company's accounts receivable arise from product sales in different economic environments, primarily in Mexico, South America, Europe, and the United States of America.

The total accounts receivable from all business groups is comprised of more than 30,000 customers, with no individual customer reflecting a significant concentration of credit risk. The Company periodically evaluates the financial condition of its customers and to mitigate credit risk, it purchases collection insurance for export sales, and generally requires a guarantee for domestic sales. The Company does not believe that there is a significant risk of loss from concentrations of credit with respect to its customer base and believes that any potential credit risk is adequately covered by its allowance for current expected credit losses, which represents its best estimate of impairment losses on trade receivables.

Liquidity risk management – Ultimate responsibility for liquidity risk management rests with Company management, which has established appropriate policies through the monitoring of working capital, in order to manage the Company's short, medium, and long-term funding requirements. Additionally, the Company has defined a process for posting margin calls with each counterparty for its derivative instruments through a negotiated Credit Support Annex (CSA), which may also represent a liquidity risk. As of December 31, 2024, no collateral has been recorded. The Company maintains cash reserves and available lines of credit, continuously monitoring projected and actual cash flows and matching the maturity profiles of financial assets and financial liabilities.

The table below details the remaining contractual maturities of the Company's financial assets and financial liabilities, based on contractual repayment periods. The table reflects un-discounted projected cash flows of financial assets and liabilities based on the contractual payment date and when the Company expects to collect on its receivables. The table includes both projected cash flows related to interest and capital on financial debt in the consolidated statements of financial position and the interest that will be earned on financial assets. To the extent that interest flows are at a variable interest rate, the undiscounted amount is derived from the interest rate curve at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

As of December 31, 2024	Weighted average effective interest rate	Less than 1 year	More than one year and less than 3	3 years and ther
			(In Millions)	
Bank loans and general market[1]	4.75%	$ 795	$ 1,494	$ 4
Suppliers and letters of credit [2]	6.13%	1,216	-	-
Other accounts payable and other			126	
Redeemable non-controlling interest[3]		242	-	
Lease liabilities	5.05%	118	96	
Derivative financial instruments (net cash flow) [4]		(38)	(77)	
Total		3,086	1,639	5
Cash and cash equivalents		1,009	-	-
Trade and other accounts receivable (excluding tax receivables)		1,176		
Total		2,185	30	
Net		$ (901)	$ (1,609)	$ (5

As of December 31, 2023	Weighted average effective interest rate	Less than 1 year	More than one year and less than 3	3 years and ther
			(In Millions)	
Bank loans and general market[1]	4.20%	$ 732	$ 1,841	$ 5
Suppliers and letters of credit [2]	7.06%	1,228	-	-
Other accounts payable and other		634	42	
Redeemable non-controlling interest[3]		300	-	
Lease liabilities	5.37%	115	69	
Derivative financial instruments (net cash flow) [4]		(7)	(13)	
Total		3,002	1,939	5
Cash and cash equivalents		1,456	-	-
Trade and other accounts receivable (excluding tax receivables)		1,116	180	
Total		2,572	180	
Net		$ (430)	$ (1,759)	$ (5

As of December 31, 2022	Weighted average effective interest rate	Less than 1 year	More than one year and less than 3	3 years and ther
			(In Millions)	
Bank loans and general market[1]	4.57%	$ 989	$ 698	$ 5
Suppliers and letters of credit [2]	3.50%	1,279	-	-
Other accounts payable and other	-	816	55	
Redeemable non-controlling interest	-	-	-	
Lease liabilities	6.36%	100	153	
Derivative financial instruments (net cash flow)	-	3	-	
Total	-	3,187	906	6
Cash and cash equivalents	-	1,546	-	-
Trade and other accounts receivable (excluding tax receivables)	-	1,332	66	-
Total	-	2,878	66	-
Net	-	$	$ (840)	$ (6

Future debt payments include principal and interest

(2) The Company's letters of credits are used for the purchase of raw materials.

(3) Redeemable non-controlling interest includes the earliest period the put option can be called

(4) Includes interest coupon payments earned on outstanding derivative positions

The amounts included for debt with financial institutions includes both fixed and variable interest rate instruments. The financial liabilities at variable interest rate are subject to change if changes in variable interest rates differ from the estimated interest rates determined at the end of the reporting period.

The Company expects to meet its obligations with the cash flows from operations and resources received from the maturity of financial assets. In addition, as of December 31, 2024, the Company has access to a revolving line of credit with an unused balance of $1,400 million that was renewed with an expiration in 2029.

Foreign exchange risk management - The Company frequently transacts in currencies other than its functional currency; consequently, it is exposed to exchange rate fluctuations, which are managed within the parameters of approved policies, using forward exchange rate contracts when considered appropriate and effective in hedging the related risk. The Company's most significant exposure to foreign exchange risk in its operations is to the Euro, the Brazilian real, the Mexican peso, the Colombian peso, and the British pound.

Foreign currency sensitivity analysis- The Company performed a sensitivity analysis which includes only monetary items denominated in foreign currency and adjusts their translation with a 10% weakening of the functional currency as of December 31, resulting in a hypothetical exchange gain (loss) included in the profit or loss or other comprehensive income statement:

Functional currency	**2024**	**2023**	**2022**
		(In millions)	
Euro	$ (30)	$ (48)	$ (52)
Mexican pesos	(153)	(143)	(87)
Colombian pesos	(5)	(3)	1
Brazilian real	7	9	8
Pounds sterling	16	(12)	(8)
Others	(7)	5	4
	$ (172)	$ (192)	$ (134)

The sensitivity analysis may not necessarily reflect the Company's exposure during the year.

Financial risk management objectives - The Company's Treasury function provides services to the businesses, coordinates access to domestic and international financial markets and monitors and manages the financial risk related to the Company's operations through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk, including currency risk, interest rate risk, credit risk, and liquidity risk. There has been no change to the Company's exposure to market risks or the manner in which these risks are managed and measured.

The following financial instruments have been formally designated as hedging transactions for accounting purposes as of December 31, 2024:

- Swap: Cross Currency Swap, to exchange fixed interest rate in EURO to a fixed interest rate in USD and Cross Currency Swap, to exchange fixed interest rate in MXN to a fixed interest rate in USD.
- Forwards: FX Forwards to exchange local currency to USD or EUR

The Company has evaluated and measured the hedging effectiveness related to these swaps and forwards and concluded that its hedging strategy is highly effective as of December 31, 2024, 2023 and 2022. The Company uses the ratio analysis method, based on the hypothetical derivative model, to simulate the behavior of the hedged item. This method consists of comparing the changes in the fair value of the hedging instruments with the changes in the fair value of the hypothetical derivative that would result in perfect coverage of the hedged item.

11. Fair Value of Financial Instruments

The financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable are:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company has determined that the carrying amount of cash, cash equivalents, accounts receivable and accounts payable from third parties and related parties, bank loans and the current portion long-term debt approximate their fair values because of their short-term maturities. The Company's long-term debt is recognized at amortized cost and accrues interest at fixed and variable rates that are tied to market indicators.

The Company uses quoted market prices or inputs or quoted prices for similar instruments to determine the fair value of long-term debt. Other techniques are used to determine the fair value of other financial instruments such as cash flows projections, considering the dates of the cash flows in market curves and discounting such cash flows using discount rates that reflect the counterparty credit risk as well as the Company's own credit risk over the reference period.

Assets and liabilities measured at fair value on a recurring basis

The following table shows the net fair value of financial instruments by type and their categorization in the fair value hierarchy as well as the valuation techniques and input data used to determine fair value as of December 31:

Financial Assets/(liabilities)	2024	2023	2022	Fair value hierarchy	Valuation techni
1)Principal-only Swap EUR/USD (see Note 12)	$ 17	$ (12)	$ -	Level 2	The Company uses the ratio analysi derivative model to simulate the b consists of comparing changes in instruments with the changes in th derivative that would result in per
2)Cross Currency Swap USD/MXN (see Note 12)	(155)	-	-	Level 2	The Company uses the ratio analysi derivative model to simulate the b consists of comparing changes in instruments with the changes in th derivative that would result in per
3)Forward contracts (see Note 12)	1	-	(3)	Level 2	The Company values option contra Future cash flows are estimated o options, based on observable exch the reporting period, and the rates discounted at a rate that reflects th
	(137)	(12)	(3)		
Less - Current portion - Net	1	1	(2)		
Total	$ (138)	$ (13)	$ (1)		

The carrying amounts of financial instruments by category and their related fair values as of December 31, are as follows:

	2024		2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets:				
Cash and cash equivalents	$ 1,009	$ 1,009	$ 1,456	$ 1,456
Loans and receivables:				
Trade receivables and other current assets	1,448	1,448	1,463	1,463
Redeemable non-controlling interests	(308)	(308)	(367)	(367)
Bank loans and current portion of long-term debt	(4,626)	(4,229)	(4,886)	(4,593)
Other liabilities excluding employee benefits and deferred tax liabilities	(2,495)	(2,495)	(2,389)	(2,389)
Total	$ (4,972)	$ (4,575)	$ (4,723)	$ (4,430)

The fair values shown as of December 31, 2024, 2023 and 2022 are deemed to be fair value hierarchy level 1 and do not differ from their carrying amounts except for long-term debt.

There were no transfers between levels 1 and 2 for any of the periods presented. The Company has no level 3 financial instruments.

12. Derivative Financial Instruments

Foreign currency forwards

During fiscal year 2024, the Company contracted exchange rate Forwards mainly in the following currencies: euro (EUR), U.S. dollar (USD), Brazilian real (BRL), Israeli new shekel (ILS), Turkish lira (TRY), Australian dollar (AUD), Indian rupee (INR), British Pound (GBP), Mexican Peso (MXN), Swiss Franc (CHF) and South African rand (ZAR) with maturities shorter than one year.

Options – Redeemable non-controlling interest

"Put/Call" option Shakun: Under the 2021 shareholders' agreement with the minority shareholders who retained the remaining 45 percent of the share capital (redeemable non-controlling interest) of Shakun, the Company entered into a put and call option contract that allows the minority shareholders to sell their interest in Shakun to Orbia, and allows Orbia the right to acquire Shakun, at a pre-determined price in 2027. The value of the put/call option is based on the assumed market value of Shakun's shares which is calculated based on a multiple of forecasted EBITDA and is reflected at the present value of the calculated gross settlement price. The initial measurement of the liability of $14 million was recorded in Redeemable non-controlling interest on the Consolidated Statements of Financial Position. As of December 31, 2024, 2023, and 2022, the fair value of the option was $66 million, $57 million and $43 million respectively, with a corresponding net expense of $9 million, $14 million and $15 million, recognized in Change in measurement of the redeemable non-controlling interest and Foreign exchange loss, net in Orbia's Consolidated Statements of Profit for the years ended December 31, 2024, 2023 and 2022, respectively, to reflect the changes in fair value in those periods.

"Put/Call" option Netafim: Under the 2018 shareholders' agreement entered into with the minority shareholders who retained the remaining 20 percent of the share capital (redeemable non-controlling interest) of Netafim, the Company entered into a put and call option contract that allows the minority shareholders to sell their interest in Netafim to Orbia, and allows Orbia the right to acquire Netafim, at a predetermined price beginning in 2024 for a period of 10 years. The value of the put/call option is based on the greater of the assumed market value of Netafim's shares which is calculated based on a multiple of forecasted EBITDA, or $1.1 billion, and is reflected at the present value of the calculated gross settlement price. The initial measurement of the liability of $227 million was recorded in Redeemable non-controlling interest on the Consolidated Statements of Financial Position. As of December 31, 2024, 2023, and 2022, the fair value of the option was $242 million, $267 million and $217 million, respectively, with a corresponding benefit of $25 million, expense of $50 million, benefit of $71 million recognized in Change in measurement of the redeemable non-controlling interest in Orbia's Consolidated Statements of Profit for the years ended December 31, 2024, 2023 and 2022, respectively, to reflect the change in fair value in those periods.

"Put/Call" option Vectus: In June 2024 the Vectus put option was extinguished as described in Note 20 and had no impact on pre-tax income or loss. The initial measurement of the liability of $195 million was recorded in Redeemable non-controlling interest on the Consolidated Statements of Financial Position. As of December 31, 2023 and 2022, the fair value of the option was $44 million and $115 million respectively, with a corresponding benefit of $71 million and $63 million recognized in Change in measurement of the redeemable non-controlling interest in Orbia's Consolidated Statements of Profit for the years ended December 31, 2023 and 2022, respectively, to reflect the changes in fair value in those periods.

Exchange Rate Swaps, Interest Rate Swaps, Cross-Currency and Principal-Only Swaps

As discussed previously, swaps contract transactions carried out in 2024, 2023, and 2022 are accounted for as hedging transactions. The net liability fair value of these swaps contracts as of December 31, 2024, 2023 and 2022 was $137 million, $12 million and less than a million, respectively. Changes in fair value were recognized in other comprehensive income and as foreign exchange gain/(loss).

In January 2023, the Company entered into a MXP/USD full cross-currency swap on its *certificados bursátiles* fixed rate debt with a notional value of $397 million. The cross-currency swap was cancelled in July 2023 resulting in the recognition of a $57 million foreign exchange gain and $4 million interest income. The remaining amount within other comprehensive income will be amortized over the remaining period of the debt.

A principal-only EUR/USD swap and full cross currency swaps were cancelled in June 2022. The impact to the Company's financial statements was not material.

The notional amounts of derivative financial instruments contracted with various financial institutions are as follows:

Derivative financial instruments	Financial institution	Start date	Maturity date	Notional amount (In millions)		Swap amount (In millions)		Interest rate / exchange rate swap	Int
Principal-Only Swap USD/EUR	Different financial institutions	08/04/2023	08/04/2028	USD$	658	EUR$	600	1.07% / 1.10	
Cross Currency Swap MXP/USD	Different financial institutions	04/16/2024	11/25/2032	USD$	873	MXP$	15,560	5.68% / 17.86	
Forward FX	Different financial institutions	08/06/2024	06/06/2025	ILS$	217	USD$	59	0.2718 (ILS/USD)	0

Derivative financial instruments	Financial institution	Start date	Maturity date	Notional amount (In millions)		Swap amount (In millions)		Interest rate / exchange rate swap	Int
Principal-Only Swap EUR/USD	Different financial institutions	08/04/2023	08/04/2028	USD$	658	EUR	$600	1.07% / 1.10	
Forward FX	Different financial institutions	07/25/2023	06/07/2024	USD$	64	ILS	$236.9	3.6968 (USD/ILS)	3.
Forwards FX	Different financial institutions	04/01/2011	03/25/2027	USD$	5		-	-	0

Derivative financial instruments	Financial institution	Start date	Maturity date	Notional amount (In millions)		Swap amount (In millions)		Interest rate / exchange rate swap	Int
Interest Rate Swap	Wells Fargo	02/05/2008	02/05/2023	USD$	5	USD$	4.6	4.3835% (Libor 1M)	
Exchange rate forward	Different financial institutions	08/15/2022	11/30/2023	USD$	27	EUR$	25	0.9341 (EUR/USD)	0
Exchange rate forward	Different financial institutions	02/24/2022	12/07/2023	USD$	83	ILS$	291	3.5199 (USD/ILS)	3
Exchange rate forward	Different financial institutions	04/01/2021	03/25/2027	USD$	5		-	-	(

13. Property, Plant and Equipment

For the years ended December 31, 2024, 2023 and 2022, the carrying amounts of property, plant and equipment recognized and the movements during those periods were as follows:

	Balance as of December 31, 2023	Additions	Disposals	Transferred to property, plant and equipment (In millions)	Hyberinflationary restatement effect	Foreign currency translation reserve	Balance as o[f] December 3[1,] 2024
Investment:							
Land	$ 212	$ 4	$ (3)	$ 100	$ 8	$ (8)	$ 31
Buildings and structures	1,138	14	(15)	32	12	(47)	1,13
Machinery and equipment	6,352	113	(155)	236	9	(191)	6,36
Office furniture and equipment	210	4	(27)	1	-	(9)	17
Automotive equipment	42	1	(2)	10	-	-	5
Projects in process	572	269	(1)		-	(15)	44
Total investment	8,526	405	(203)	-	29	(270)	8,48
Depreciation:							
Buildings and structures	715	44	(13)	-	16	(32)	
Machinery and equipment	4,227		(130)	-	10		4,29
Office furniture and equipment	182	9	(27)	-	-		15
Automotive equipment	32	4	(1)	-	-	1	3
Total accumulated depreciation	5,156	398	(171)	-	26	(193)	5,21
Net investment	$ 3,370	$ 7	$ (32)	$ -	$ 3	$ (77)	$ 3,27

	Balance as of December 31, 2022	Additions	Reclassifications[1]	Disposals	Transferred to property, plant and equipment (In millions)	Hyberinflationary restatement effect	Foreign curren[cy] translation reserve
Investment:							
Land	$ 204	$ 3	$ -	$	$ -	$ 2	$
Buildings and structures	1,069	39	-	(8)	31	2	
Machinery and equipment	6,067	146	3	(61)	141	12	
Office furniture and equipment	181	6	18	(5)	9	-	
Automotive equipment		1	-	(2)	-	-	-
Projects in process	366	394	(1)	(1)		(1)	
Total investment	7,930		20	(81)	-	15	
Depreciation:							
Buildings and structures	667	42	-	(4)	-	7	
Machinery and equipment	3,913	321	2		-	6	
Office furniture and equipment	149	17	22		-	-	
Automotive equipment	31	3	-		-	-	-
Total accumulated depreciation	4,760	383	24	(67)	-	13	
Net investment	$ 3,170	$ 206	$ (4)	$	$ -	$ 2	$ 1

	Balance as of December 31, 2021	Additions	Additions through business combinations	Disposals	Transferred to property, plant and equipment (In millions)	Hyperinflationary restatement effect	Foreign curre[ncy] translation reserve
Investment:							
Land	$ 203	$ -	$ 1	$ 1	$ -	$ 1	$ (
Buildings and structures	1,002	36	27	(8)	19	3	(1
Machinery and equipment	6,019	114	70	(100)	126	14	(17
Office furniture and equipment	173	8	6	(1)	8	1	(1
Automotive equipment	42	2	1		1	-	-
Projects in process	215	310	1	-	(154)	-	(
Total investment	7,654	470	106	(111)	-	19	(2(
Depreciation:							
Buildings and structures			6	(6)	-	-	
Machinery and equipment		286		(89)	-	-	(12
Office furniture and equipment	143	15	3		-	-	(
Automotive equipment		1	-	(3)	-	1	
Total accumulated depreciation	4,603	336		- -	-	1	
Net investment	$ 3,051	$ 134	$ 50	$ (9)	$ -	$ 18	$

1) Represents a gross up of fully depreciated fixed assets and certain assets to intangibles.

At each reporting date, Orbia reviews the carrying amounts of its property, plant and equipment assets for potential indicators of impairment. Impairment charges were nil years ended December 31, 2024, 2023 and 2022, respectively.

14. Leases

The Company enters into various leases as the lessee, primarily related to warehouse facilities, machinery and equipment and certain transportation vehicles.

Right-of-Use Assets

	Balance as of December 31, 2023	Additions	Disposals (In millions)	Foreign currency translation reserve
Investment:				
Land	$ 50	$ -	$ (10)	$ (2)
Building	366	29	(18)	(10)
Machinery and equipment	150	25	(9)	(3)
Office furniture and equipment	6	1	(1)	(1)
Automotive equipment	295		(10)	-
Total investment	867	126		(28)
Depreciation:				
Land	10	1	(2)	-
Building	118	36	(1)	(6)
Machinery and equipment	71	24		
Office furniture and equipment	4	1	(1)	-
Automotive equipment	195	61	(4)	(9)
Total accumulated depreciation	398	123	(17)	(18)
Net investment	$ 469	$ 3	$ (31)	$ (10)

	Balance as of December 31, 2022	Additions	Disposals (in millions)	Foreign currency translation reserve
Investment:				
Land	$ 39	$ 6	$ -	$ 5
Building		134	(11)	(2)
Machinery and equipment	144	16	(12)	2
Office furniture and equipment	3	4	(1)	-
Automotive equipment	240	72	(7)	
Total Investment	671	232		
Depreciation:				
Land	5	3	1	1
Building	93	33	(7)	(1)
Machinery and equipment		23	(12)	1
Office furniture and equipment	3	2	(1)	-
Automotive equipment	153	58	(5)	(11)
Total accumulated depreciation	313	119	-	(10)
Net investment	$ 358	$ 113	$ (7)	$ 5

	Balance as of December 31, 2021	Additions	Disposals (in millions)	Foreign currency translation reserve
Investment:				
Land	$ 31	$ -	$ -	$ 8
Building	221	38	(9)	(5)
Machinery and equipment	137	17	(7)	(3)
Office furniture and equipment	4	-	(1)	-
Automotive equipment	198	57	(5)	(10)
Total Investment	591	112	(22)	(10)
Depreciation:				
Land	4	1	-	-
Building	75	28	(8)	(2)
Machinery and equipment	49	19		(2)
Office furniture and equipment	2	1	-	-
Automotive equipment	115	52	(5)	(9)
Total Accumulated Depreciation	245	1[illegible]1	(20)	(13)
Net investment	$ 346	$ 11	$ (2)	$ 3

Lease liability

For the years ended December 31, 2024, 2023 and 2022, the carrying amounts of lease liabilities recognized and the movements during those periods were as follows:

	Amount (in millions)
Lease liabilities as of January 1, 2022	$ 367
New lease liabilities	112
Business combination	-
Disposals	(2)
Cash outflows from lease payments	(92)
Foreign currency translation reserve	(16)

	Amount (In millions)
Lease liabilities as of December 31, 2022	369
New lease liabilities	231
Business combination	-
Disposals	(30)
Cash outflows from lease payments	(91)
Foreign currency translation reserve	10
Lease liabilities as of December 31, 2023	489
New lease liabilities	126
Business combination	-
Disposals	(48)
Cash outflows from lease payments	(105)
Foreign currency translation reserve	(5)
Lease liabilities as of December 31, 2024	457
Current lease liability	111
Non-current lease liability	$ 346

The total of future discounted fixed payments of leases as of each year-end December 31, were as follows:

	2024	2023 (In millions)	2022
1 year	$ 111	$ 106	$ 84
2 years	77		63
3 years	52	61	45
4 years		44	44
5 years	27		133
>5 years	151	173	-
	$ 457	$ 489	$ 369

Lease payments are reflected in Financing activities in the Consolidated Statements of Cash Flows.

Interest expense paid related to leases for the years ended December 31, 2024, 2023 and 2022 was $31 million, $20 million and $17 million, respectively.

15. Business Combinations & Divestitures

In fiscal year 2024 and 2023 the Company did not enter into any acquisitions that it deemed to be material.

In July 2024, Orbia completed a purchase and sale with Vectus Polymers Private Limited ("VPPL") to sell the Vectus Tanks & Households and Sunrise & Gangotri products business including its manufacturing sites in exchange for the remaining 33% ownership in the Vectus Pipes and Fittings business. Vectus Industries limited ("Vectus") was acquired in 2022 as discussed further below. The transaction resulted in divestment of $40 million in net assets including $12 million of cash and cash equivalents. The Vectus put option of $44 million was canceled as a result of the transaction. The completion of these transactions had no impact on pre-tax income or loss, since it was accounted as an equity transaction.

2022 Acquisitions:

Vectus Acquisition - In February 2022, Orbia's Building and Infrastructure business, acquired a majority stake (67%) of the equity in Vectus a privately held manufacturer of plumbing and drainage pipes and a market leader in water storage tanks in India, for $108 million cash consideration plus non-cash consideration.

The purchase accounting for the Vectus acquisition was finalized in fiscal 2023 resulting in an increase of $12 million in goodwill with a corresponding $13 million increase to deferred tax liabilities and $1 million intangible assets.

A summary of the final consideration transferred, acquired assets and liabilities and associated goodwill of the Vectus acquisition is shown in the table below:

	USD millions
Consideration	
Cash	$ 108
Non-Cash	25
Total Consideration Transferred	133
Recognized Amounts of Identifiable Assets Acquired and Liabilities Assumed	
Financial Assets	14
Inventory	28
Property, plant and equipment	33
Identifiable intangible assets	42
Other assets	12
Liabilities	(49)
Total identifiable net assets	80
Non-controlling interest	18
Goodwill	$ 71

Other Acquisitions:

In 2022, Orbia also acquired Bow Plumbing Group ("Bow") and Biarri Networks ("Biarri") as discussed further below.

Bow – In August 2022, Building and Infrastructure business acquired Bow Plumbing Group, a Montreal-based manufacturer of plastic pipes and fittings for the North American residential and commercial construction industry. the Company's investment in the Bow Plumbing Group strengthens and extends its presence in North America to serve customers and stakeholders with efficient, end-to-end solutions for water management.

Biarri – In September 2022, Connectivity Solutions business acquired Biarri Networks, a Denver-based technology provider that specializes in fiber optic network design solutions for the global telecommunications industry. The strategic investment in Biarri Networks' software and services complements Connectivity Solutions infrastructure expertise and enables Dura-Line to extend its end-to-end offerings to customers. Biarri Networks has offices in Australia and the U.S. Purchase accounting for Biarri Networks' was completed in fiscal 2023.

The purchase accounting for the Bow acquisition was completed in fiscal 2023 resulting in purchase accounting adjustments to increase identifiable intangibles assets of $31 million, other assets of $6 million, deferred tax liabilities of $9 million, other liabilities of $6 million and decrease to goodwill of $22 million.

A summary of the final consideration transferred, acquired assets and liabilities and associated goodwill of the Bow and Biarri acquisitions is shown in the table below:

	USD millions
Consideration Transferred	
Cash	$ 114
Total Consideration Transferred	114
Recognized Amounts of Identifiable Assets Acquired and Liabilities Assumed	
Financial Assets	25
Inventory	30
Property, plant and equipment	17
Identifiable intangible assets	55
Other assets	1
Liabilities	(47)
Total identifiable net assets	81
Goodwill	$ 33

The value of the goodwill derived from the 2022 acquisitions is attributed to a number of business factors, including the acquisition of a trained workforce and know-how in each of the businesses acquired, cost synergies expected to be realized, and access to new markets and service lines.

None of the goodwill acquired is expected to be deductible for tax purposes.

The acquired companies added $140 million revenues for Orbia for the year ended December 31, 2022. Net income from these acquisitions was not material for the year ended December 31, 2022. If the Company had acquired the companies at the beginning of 2022 Orbia's revenues would have been approximately $200 million higher.

16. Intangible assets and Goodwill

An analysis of intangible assets and goodwill as of December 31, 2024, 2023 and 2022 follows:

Intangible assets:

	Useful life (years)	2024	2023 (In millions)	2022
Customer portfolio	25	$ 605	$ 642	$ 656
Other	5 - 7	226	268	161
Trademark use	Indefinite / finite	586	594	595
Intellectual property	10	179	197	215
Non-Compete	1-5	1	1	-
		-	-	-

Cost	Non-compete agreements	Customer portfolio	Trademark use (In millions)	Intellectual property	
Balance as of December 31, 2022 (cost)	$ 184	$ 1,217	$ 621	$ 388	$
Acquisitions through business combinations	-	31	1	3	
New developments and investments	1	-	-	-	
Reclassifications [1]	-	-	-	-	
Foreign currency translation reserve	-	-	-	-	
Balance as of December 31, 2023 (cost)	185	1,248	622	391	
Acquisitions through business combinations	-	-	-	-	
New developments and investments	-	-	-	-	
Disposals	-	-	-	-	
Foreign currency translation reserve	-	-	(1)	-	
Balance as of December 31, 2024 (cost)	$ 185	$	$ 621	$ 391	$

Amortization	Non-compete agreements	Customer portfolio	Trademark use (In millions)	Intellectual property	
Balance as of December 31, 2022 (accumulated amortization)	$ 184	$ 561	$ 26	$ 173	$
Amortization expense	-	46	2	21	
Balance as of December 31, 2023 (accumulated amortization)	184	607	28	194	
Amortization expense	-	36	7	18	
Disposals	-	-	-	-	
Balance as of December 31, 2024 (accumulated amortization)	184	643	35	212	
Net assets as of December 31, 2024	$ 1	$ 605	$ 586	$ 179	$

[1] The Company reclassified certain assets historically presented in Other assets and Property, plant and equipment to Intangible Assets for the years ended December 31, 2023.

Goodwill:

	2024	2023 (In millions)	2022	C
Netafim, Ltd.	$ 654	$ 658	$ 652	Netafim *(Precision Agri*
Dura-Line Holdings, Inc.	192	189	192	Duraline *(Connectivity S*
Mexichem Amanco Holding, S.A. de C.V.	108	108	72	Amanco *(Building and I*
Wavin B.V.	90	101	127	Wavin *(Building and Inf*
Mexichem Resinas Vinilicas, S.A. de C.V.	99	99	111	Primex (MRV) y Policyc
Mexichem Specialty Compounds, Inc	66	66	66	Alphagary & Bayshore (
Mexichem Speciality Resins, Inc.	66	66	66	Poly one *(Polymer Soluti*
Mexichem Resinas Colombia, S.A.S.	55	55	55	Petco (MRC) *(Polymer S*
Fluorita de México, S.A. de C.V.	48	46	46	Fluor Mexico *(Fluor & I*
VESTO PVC Holding GmbH	28	28	28	Vestolit *(Polymer Soluti*
Others	25	31	63	
Total	$ 1,431	$ 1,447	$ 1,478	
Beginning balance	$ 1,447	$ 1,478	$ 1,514	
Business combinations (Note 15)	-	(10)	99	
Accumulated impairment loss	-	-	(136)	
Foreign exchange loss	(8)	(21)	1	
Divestiture	(8)	-	-	
Ending balance	$ 1,431	$ 1,447	$ 1,478	

As of December 31, 2024, the Company performed its annual impairment test by comparing the carrying amount of each Cash Generating Unit (CGU) to its recoverable amount. The recoverable amount of a CGU is its Value in Use (VIU), except in circumstances when the carrying amount of a CGU exceeds its VIU. In such cases, the recoverable amount is the greater of the CGU's Fair Value Less Cost of Disposal (FVLCD) and its VIU. No impairment charges to goodwill were recognized in fiscal 2024 as a result of this analysis.

As of December 31, 2024, 2023, and 2022, the Company determined that the recoverable amount for Netafim is its FVLCD as that is greater than its VIU. Key assumptions used to calculate the FVLCD of Netafim include the determination of comparable market transactions from which to derive an appropriate EBITDA valuation multiple as well as the assumed cost to dispose of the CGU. The VIU and FVLCD amounts are determined to be Level 3 valuations in the fair value measurement hierarchy as these are based on a mix of observable inputs such as elements of the weighted average cost of capital used to discount future cash flows and observable market transactions, and unobservable inputs such as the CGU's forecasted cash flows and assumed EBITDA.

At December 31, 2022, a $136 million difference between Netafim's carrying value and its recoverable amount was recorded in Impairment of goodwill on the Consolidated Statements of Profit.

17. Bank loans and current portion of long-term debt

Current and long-term debt on the Consolidated Statements of Financial Position as of December 31 in each of the periods presented consists of the following:

Debt in USD	2024	2023 (In millions)	2022
5.875% International bond due 2044 (1)	$ 750	$ 750	$ 750
6.75% International bond due 2042 (2)	400	400	400
4.00% International bond due 2027 (3)	500	500	500
5.50% International bond due 2048 (3)	500	500	500
1.875% International bond due 2026 (4)	600	600	600
2.875% International bond due 2031 (4)	500	500	500
SOFR 1M + 1.05% revolving credit facility(5)	-	150	150
1M Libor + 1.85% Bank Loan due 2024 (6)	-	-	40
1M Libor + 1.95% Bank Loan due 2024 (7)	-	-	17
MXN 10.63% Cebures due 2032(8)	768	921	396
MXN 28-day TIIE + 0.40% Cebures due 2025 (9)	219	263	121
MXN 28-day TIIE + 0.55% ST bank loan due 2023 (10)	-	-	258
MXN 28-day TIIE + 0.55% ST bank loan due 2023 (11)	-	-	207
MXN 28-day TIIE + 1.5% ST bank loan due 2023 (12)	-	-	51
MXN 28-day TIIE + 0.9% ST bank loan due 2025 (13)	[illegible]	-	-
Others	336	344	254
Total	4,672	4,928	4,744
Less – Total Bank Loans and Current Portion of Long-Term Debt (14)	(548)	(466)	(760)
Less - Debt Issue Costs	(46)	(42)	(48)
Total long-term debt less debt issue costs	$ 4,078	$ 4,420	$ 3,936

An analysis of current and long-term debt maturities, net of related debt issue costs, as of December 31, 2024, is as follows:

Maturity date		USD millions
2024	$	548
2025		612
2026		576
2027		6
Thereafter		2,884
	$	4,626

(1) On September 17, 2014, the Company issued and placed "Senior Notes" for a total amount of $750 million for a term of thirty years, which accrue a fixed annual rate of 5.875%, with maturity on September 17, 2044.

(2) On September 19, 2012, the Company issued and placed "Senior Notes" for a total amount of $1,150 million, in two tranches: one of $750 million, with a term of ten years with a fixed rate coupon of 4.875% and another of $400 million, at a thirty-year term with a fixed coupon rate of 6.75%. With maturities on September 19, 2023, and September 19, 2042, respectively. In September 2023, the 4.875% Bond was fully repaid.

(3) On October 4, 2017, the Company issued and placed "Senior Notes" for a total amount of $1,000 million in two tranches, $500 million for a term of ten years, with maturity on October 4, 2027. And $500 million for a term of thirty years, with maturity on January 15, 2048. Which accrue a fixed rate of 4.0% and 5.50%.

(4) On May 11, 2021, the Company announced the successful closing of its inaugural issuance of Sustainability-Linked Bonds in the amount of $600 million in senior notes due May 2026 bearing interest at a fixed rate of 1.875%, and $500 million in senior notes due May 2031 bearing interest at a fixed rate of 2.875%.

(5) In June 2019, the Company issued a Revolving Credit Facility line for $1,000 million that accrues monthly interest at the SOFR 1M (Secured Overnight Financing Rate)o+ Reserve Rateo+ 1.05% with maturity on June 21, 2024. In February 2024 the full principal amount was paid and the credit line was renewed.

(6) Bank loan for $75 million, bearing quarterly interest at a variable rate of 1-month SOFR + 1.85%. The loan has quarterly amortizations, and matures in March 2024.

(7) Bank loan for $40 million, bearing quarterly interest at a variable rate of 1-month SOFR + 1.95%. The loan has quarterly amortizations, and matures in June 2024.

(8) On December 8, 2022, the Company issued 10-year Cebures ("Certificados Bursátiles") for 7,660 million Mexican pesos, bearing semi-annual interest at a fixed rate of 10.63%. The loan principal is repayable in a single installment upon maturity in November 2032. In August 2023 the Company issued an additional 7,900 million Mexican pesos under the same terms as the second issuance of 2022.

(9) On December 8, 2022, the Company issued 3-year Cebures for 2,340 million Mexican pesos, bearing monthly interest at a variable rate of 28-day TIIE + 0.40%. The loan principal is repayable in a single installment upon maturity in December 2025. In August 2023 the Company issued an additional 2,100 million Mexican pesos under the same terms as the first issuance of 2022.

(10) In 2022, the Company issued Promissory notes for 3,000 million and 2,000 Mexican pesos, bearing monthly interest at an average variable rate of 28-day TIIE + 0.55%, with a single principal installment upon maturity in 2023. The 3,000 million promissory note was paid in January 2023, while the 2,000 million promissory note was extended to December with a new spread of 0.65% which was pre-paid in September 2023.

(11) In 2022, the Company issued Promissory notes for 4,000 million Mexican pesos, bearing monthly interest at an average variable rate of 28-day TIIE + 0.55%. The note's principal is repayable in a single installment upon maturity in 2023.In 2023, the promissory notes were extended to July 2023 with a new spread of 0.80% which was paid at maturity.

(12) In 2023, the Company issued Promissory notes for 986 million Mexican pesos, bearing monthly interest at an average variable rate of 28-day TIIE + 1.5%. In 2023 an additional 1 billion Mexican pesos were issued, and in September 2023 the full principal amount was paid.

In 2024, the Company issued a Promissory note for 2,000 million Mexican pesos, bearing monthly interest at an average variable rate of 28-day TIIE + 0.90%, with a single principal installment upon maturity in 2025

(14) The majority of the Current Portion of Long-Term Debt (< 12 months) is included in the (5) "Revolving Credit Facility" and the "Others" captions in the table above.

As of December 31, 2024, some of the Company's loan agreements contain certain affirmative and negative covenants including the requirement for the Company to maintain a consolidated interest ratio (calculated as EBITDA divided by Interest expense) above 3.0x and maintain a leverage ratio (calculated as Net debt divided by EBITDA) below 3.5x, applicable if not investment grade. The Company is in compliance with all of its financial covenants as of December 31, 2024.

18. Employee Benefits

Defined contribution plans

For its subsidiaries in Mexico, the Company makes contributions from the integrated salary of its workers to a defined contribution retirement savings system.

Additionally, the Company has established a savings plan for its U.S. employees that is designed to be qualified under Section 401(k) of the Internal Revenue Code. Eligible employees are permitted to contribute to this plan through payroll deductions within statutory and plan limits and the Company matches employee contributions to certain limits.

Employees in certain subsidiaries have retirement benefit plans managed by local governments. To finance these plans, the relevant subsidiaries are required to contribute a specific percentage of the employees' salary to the retirement benefit plans. The Company's only legal obligation with regards to these plans is to make the required contributions.

Supplemental benefit plans

The Company has unfunded obligations which comprise of service awards and retirement commitments that qualify as other benefit plans for long-term employees in the Netherlands, Belgium, Germany, Denmark, France, Ireland, Poland, Italy and Turkey. Typical of such plans, the Company's other benefit plans are unfunded and, therefore, have no plan assets. The Company funds these plans as claims or payments come due.

Defined benefit plans

The Company operates defined benefit pension plans in various jurisdictions based on employees' pensionable remuneration and length of service. Most plans are externally funded. Plan assets are held in trusts, foundations or similar entities, governed by local regulations and practice in each country, as is the nature of the relationship between the Company and the respective trustees (or the equivalent). The Company does not have any post-retirement medical plans.

The Company's material defined benefit plans are in Mexico, the U.K. and Germany for the periods presented.

Under the Mexican plan, qualified employees who have 10 or more years of service are entitled to retirement benefits when reaching the age of retirement (65 years old). Employees who have 10 or more years of service at the Company, also have the option of early retirement when the sum of years worked plus their age is 55 years. Additionally, a Mexican seniority-premium plan pays a one-time benefit equal to 12-days' salary for each year worked based on the employee's final monthly salary, which is capped at twice the legal minimum daily wage.

Orbia's U.K. subsidiaries have three defined benefit pension plans: the Wavin Plastics Pension Plan (Wavin Plan), the Hepworth Building Products Pension Plan (Hepworth Plan), and the Wavin Limited Unfunded Pension Plan (Wavin Limited Plan). These plans are closed to future participants. In the U.K., all pension rights of deferred members and pensioners are increased annually on an unconditional basis.

Previously, both the Wavin Plan and the Hepworth Plan were in a deficit position, leading to an agreement for the Company to make deficit contributions from 2022 to 2026. However, the Wavin Plan is now in surplus, while the Hepworth Plan remains in deficit. Both plans are expected to reach a surplus position by 2027 through assumed growth. As a result, yearly contributions to the Wavin Plan have ceased, and instead, a nominal GBP 0.8 million per year will be paid into an escrow account.

Qualified employees hired in Vestolit Germany before 1999 accrue or receive benefits under a Defined Benefit Pension Plan. Post-1999 hires are covered under Defined Contribution arrangements, albeit with a provision that guarantees an asset return.

Risks Associated with the Company's Defined Benefit Plans:

The Defined Benefit plans typically expose the Company to actuarial risks such as investment risk, interest rate risk, mortality risk and salary/inflation risk.

Investment risk — The present value of the defined benefit obligation is calculated using a discount rate determined by reference to government bond yields; if the return on plan assets is below this rate, this will give rise to a plan deficit. Currently, the plan has a relatively balanced investment in equity securities and debt instruments. Due to the long-term nature of the plan liabilities, a duration of the asset portfolio similar to the duration of the obligations is part of the investment strategy.

Interest rate risk — A decrease in the bond interest rate will increase the plan liability; however, this could be partially offset by the return on the plan's investments strategy.

Mortality risk — The present value of the defined benefit obligation is calculated based on assumptions regarding mortality rates of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the defined benefit obligation.

Salary/inflation risk — The present value of the defined benefit plan obligation is calculated by reference to the projected salaries of plan participants. As such, salary increases higher than projected will increase the defined benefit plan's liability. Certain plans are closed to future accrual, and therefore salary risk no longer exists and is replaced by inflation risk.

The amounts included in the Consolidated Statement of Financial Position from Orbia's defined benefit plans for the years ended December 31, 2024, 2023 and 2022 are as follows:

	2024	2023 (In millions)	2022
Present value of funded defined benefit obligation	$ (333)	$ (381)	$ (374)
Fair value of plan assets	261	295	271
Net liability from the defined benefit obligation	(72)	(86)	(103)
Share-based payments and other benefits	(20)	(14)	(6)
	(92)	(100)	(109)
Employee benefits - assets	(38)		(28)
Long-term liabilities for employee benefits	$ (130)	$ (139)	$ (137)

The 2024 net liability decreased when compared to 2023 mainly as a result of favorable movements in bond yields, increasing the discount rate and decreasing the value placed on the plan liabilities.

An additional break-down by operating segment follows:

	December 31, 2024 (In millions)					
	Polymer Solutions	Fluor& Energy Materials	Building and Infrastructure	Precision Agriculture	Controlling Company	Consolidated
Present value of funded defined benefit obligation	$ (85)	$ (6)	$ (234)	$ (5)	$ (3)	$ (33.)3
Fair value of plan assets	$ 19	$ -	$ 241	$ 1	$ -	$ 261

	December 31, 2023 (In millions)					
	Polymer Solutions	Fluor& Energy Materials	Building and Infrastructure	Precision Agriculture	Controlling Company	Consolidated
Present value of funded defined benefit obligation	$ (96)	$ (6)	$ (270)	$ (4)	$ (5)	$ (381)
Fair value of plan assets	$ 24	$ -	$ 270	$ 1	$ -	$ 295

	December 31, 2022 (In millions)					
	Polymer Solutions	Fluor& Energy Materials	Building and Infrastructure	Precision Agriculture	Controlling Company	Consolidated
Present value of funded defined benefit obligation	$ (87)	$ (8)	$ (269)	$ (7)	$ (3)	$ (374)
Fair value of plan assets	$ 19	$ -	$ 249	$ 3	$ -	$ 271

Changes in present value of the defined benefit obligation for the years ended December 31, 2024, 2023 and 2022 were as follows:

	2024	2023 (In millions)	2022
Beginning balance of defined benefit obligation	$ 381	$ 374	$ 565
Current-year service cost	4	4	6
Interest cost	17	18	10
Actuarial (gains)/losses arising from changes in demographic assumptions	(5)	(7)	-
Actuarial (gains)/losses arising from changes in financial assumptions	(26)	13	(163)
Actuarial losses/(gains) arising from past experience adjustments	-	4	22
Past service cost, including gains from curtailments		-	-
Exchange rate differences applicable to plans denominated in a currency other than the presentation currency	(17)	(4)	
Benefits paid	(17)	(21)	(17)
Ending balance of defined benefit obligation	$ 333	$ 381	$ 374

Changes in the present value of plan assets for the years ended December 31, 2024, 2023 and 2022 are as follows:

	2024	2023 (In millions)	2022
Beginning balance of plan assets at fair value	$ 295	$ 271	$ 388
Interest income	14	13	8
Return on plan assets (excluding amounts included in net interest expense)	(32)	7	(88)
Employer contributions	9	12	12
Exchange rate differences on foreign plans	(10)	4	(37)
Benefits paid	(13)	(11)	(11)
Administrative expenses	(2)	(1)	(1)
Ending balance of plan assets at fair value	$ 261	$	$ 271

The principal assumptions used in the actuarial valuations are, as weighted average, are as follows:

	2024	2023	2022
Discount rate	5.31%	4.67%	4.26%
Expected salary increase rate	1.11%	1.05%	2.53%
Expected return on plan assets	5.69%	1.85%	2.85%

In 2024, if the discount rate was 10 basis points higher/(lower), the defined benefit obligation would have decreased/(increased) by approximately $4 million with all other assumptions remaining constant.

In the sensitivity analysis described above, the present value of defined benefit obligations is calculated using the projected unit credit method at the end of the reporting period, which is the same method applied to calculate the liability for defined benefit obligations recognized in the Consolidated statements of financial position. There were no changes in the methods nor assumptions considered in the sensitivity analyses from prior years.

An analysis of the fair value of plan assets at the end of the reporting period for each category follows:

	2024	2023 (In millions)	2022
Equity investments	$ -	$ 16	$ 44
Debt investments and debt instruments	261	279	137
Investments in funds and other	-	-	90
Total plan assets	$ 261	$ 295	$ 271

The fair values of the above equity and debt instruments are determined based on quoted market prices in active markets.

An asset-liability matching analysis is prepared each year to analyze the outcome of the Company's investment strategy in terms of risk and return profiles. The investment and contribution policies are included as part of this analysis. The Fund's investment policy is as follows:

Asset mix is based on 45% equity instruments, 24% local variable yield and 31% cash.

The Company's processes for managing its risks remains unchanged from past periods.

The main categories of plan assets, and the expected return rate in each category at the end of the reporting period are as follows:

	Expected return		
	2024	**2023**	**2022**
Equity instruments	0,00%	0,10%	0,47%
Debt instruments	5.69%	1.75%	2.38%
Weighted average expected return	5.69%	1.85%	2.85%

The overall expected rate of return is a weighted average of the expected returns on various categories of plan assets. The Company's assessment of expected returns is based on historical performance trends and analyst predictions for over-the-counter markets over the life of the related obligation.

The amounts recognized in the Company's Consolidated comprehensive income for its defmed benefit plans for the years ended December 31, 2024, 2023 and 2022 are as follows:

	2024	**2023**	**2022**
		(In millions)	
Service cost:			
Current-year service cost	$ 4	$ 6	$ 6
Past service cost and (gain)/loss from settlements	1	1	-
Interest expense, net	3	4	2
Defmed benefit cost items recognized in profit or loss	8	11	8
Remeasurement of defined benefit obligation, net:			
Return on plan assets (excluding amounts included in net interest expense)	32		88
Actuarial losses/(gains) arising from changes in demographic assumptions			-
Actuarial losses/(gains) arising from changes in financial assumptions	(26)	13	(163)
Actuarial losses/(gains) arising from past experience adjustments	-	4	22
Components of defined (benefit) costs recognized in other comprehensive income	1	3	(53)
Total	$ 9	$ 14	$ (45)

Current-year service costs and past service cost and (gain)/loss from settlements are recorded to Cost of sales, Selling and development expenses or Administrative expenses in the Consolidated Statements of Profit.

The remeasurement of the net defmed benefit obligation is included in Other Comprehensive Income.

Provisions

For the years ended December 31, 2024, 2023 and 2022, the carrying amounts of the Company's reserves recorded in current and non-current liabilities on the Consolidated Statements of Financial Position and the related movements during those periods were as follows:

	Legal	Restructurings	Warranties	Other
			(In millions)	
Balance as of December 31, 2021	$ 28	$ 2	$ 7	$ 9
Charge/(benefit) to profit or loss	8	14	2	(3)
Charges against the provision	(7)	(2)	(2)	3
Foreign currency translation reserve	-	-	(1)	(3)
Balance as of December 31, 2022	29	14	6	6
Charge/(benefit) to profit or loss	3	23	1	5
Charges against the provision	(4)	(24)	(1)	(1)
Business Combinations (Note 15)	8	-	-	-
Foreign currency translation reserve	-	-	-	-
Balance as of December 31, 2023	36	13	6	10
Charge/(benefit) to profit or loss	41	23	-	-
Charges against the provision	(46)		(1)	-
Reclassification	12	-	-	-
Foreign currency translation reserve	(3)	-	-	-
Balance as of December 31, 2024	$ 40	$ 27	$ 5	$ 9

A description of each provision follows:

Legal – The Company's legal provisions consists of outstanding matters and related legal costs that it has deemed probable of payment and for which an amount can be reliably estimated. None of the activity nor balances of such matters are material to the Company's consolidated financial statements in the periods presented. Most of the cash outflows related to legal provisions are expected to occur within one to five years. Please see Note 27 for further discussion of legal contingencies.

Restructurings – The Company's restructuring provisions and related activity are related to actions taken at different sites throughout Orbia. The balances of restructuring provisions at each period end are mainly comprised of severance costs associated with plans. Typically, outstanding provision amounts are expected to be paid within one to two years from the date of plan initiation. None of the plan actions taken in any of the periods presented were material to the Company's consolidated financial statements.

Warranties – The Company's warranty provision is mainly driven by warranties provided in the Building and Infrastructure business. Orbia calculates its warranty provision based on both historical claims data and existing claims outstanding that are expected to occur within one to five years. No individual warranty claims nor reserves are material to the Company's consolidated financial statements.

Other provisions – Other provisions represent various obligations that have occurred in the normal course of business. No such items are deemed material to the Company's consolidated financial statements.

20. Non-Controlling Interest

As of December 31, 2024, 2023 and 2022 the Company had a non-controlling interest (NCI) in the following entities:

	NCI Interest Percentage 2024	NCI Interest Percentage 2023	NCI Interest Percentage 2022	Non-Controlling Interest (In millions) 2024	Non-Controlling Interest (In millions) 2023	Non-Controlling Interest (In millions) 2022
Ingleside Ethylene LLC	50%	50%	50%	$ 481	$ 510	$ [illegible]
Netafim Ltd	20%	20%	20%	32	46	[illegible]
Shakun Polymers Private Limited	45%	45%	45%			30
MPC Poland	49%	49%	49%		14	16
Wavin Industries Vectus Industries Limited[(1)]	-	33%	33%	-	5	11
All others				(20)		6
Total				$ [illegible]	$ 604	$ 655

(1) On June 30, 2024, Orbia completed the divestiture of the Vectus Tanks & Households and Smrise & Gangotri products business and acquired the remaining (33%) portion to become whole owner of the Vectus Pipes and Fittings business. Refer to Note 15.

21. Earnings Per Share

Earnings per share for the years ended December 31, 2024, 2023 and 2022 were as follows:

Basic and diluted earnings per share

	2024	2023 (In millions)	2022
Total shares on January 1	1,968	2,010	2,010
Minus repurchased shares weighted average	(58)	(98)	[illegible]
Weighted average number of ordinary shares	1,910	1,912	1,919
Net profit attributable to the parent	$ 145	$ 65	$ 567
Total basic and diluted earnings per share – in dollars[1]	$ 0.08	$ 0.03	$ 0.30

1) Due to the immaterial amount of potentially dilutive instruments that are outstanding for each of the three years ended December 31, diluted earnings per share are the same as basic earnings per share.

22. Stockholder's Equity

Contributed capital:

As of December 31, 2024, the Company´s share capital count was 1,968,000,000 shares.

The fixed portion of the Company's share capital is comprised of Class I registered shares with no right to withdrawal. The variable portion of the Company's share capital is comprised of Class II registered shares with no par value and may not exceed ten times the minimum fixed share capital.

At the Company's shareholders' meeting held on March 31, 2023, the shareholders agreed to cancel 42,000,000 Class II common shares, with no par value, which represented the variable portion of the Company's share capital. This cancellation did not result in a share capital decrease since the Company maintained the ownership of those shares as they had been repurchased from its own share capital.

An analysis of the Company's current share capital structure as of December 31, 2024 and 2023 is as follows:

Share capital subscribed	Share Count	Amount (In millions)
Class I	308,178,735	$ 37
Class II	1,659,821,265	219
	1,968,000,000	$ 256

As of December 31, 2022, the total share capital subscribed was 2,010,000,000 shares as broken out below:

Share capital subscribed	Share Count	Amount (In millions)
Class I	308,178,735	$ 37
Class II	1,701,821,265	219
	2,010,000,000	$ 256

Share buyback reserve:

On April 1, 2024, the Company's shareholders approved a share buyback program for an amount up to $1,195 million until the next shareholders meeting. As of December 31, 2024, 2023, and 2022 the Company made share repurchases totaling $5 million $8 million and $142 million, respectively.

As of December 31, 2024, 2023 and 2022, the Company's treasury shares in retained earnings on the Consolidated Statements of Financial Positions is $1,179 million, $1,239 million and $1,090 million respectively, and the Company held 61 million, 61 million and 104 million of its own shares, respectively.

Earned capital:

On April 9, 2024, the Company's shareholders' approved the payment of a cash dividend of $160 million applied to the retained earnings and the net taxable profits account (CUFIN, by its acronym in Spanish). These dividends were distributed to the holders of the outstanding shares at each payment date during 2024, minus the amount corresponding to the shares of the share buyback program.

On March 30, 2023, the Company's shareholders' approved the payment of a cash dividend of $240 million applied to the retained earnings and the net taxable profits account CUFIN. These dividends were distributed to the holders of the outstanding shares at each payment date during 2023, minus the amount corresponding to the shares of the share buyback program.

On April 1, 2022, the Company's shareholders' approved the payment of a cash dividend of $240 million and an extraordinary dividend of $60 million applied to CUFIN. These dividends were distributed to the holders of the outstanding shares at each payment date during 2022, minus the amount corresponding to the shares of the share buyback program.

Except for earnings distributed from the Restated Contributed Capital Account (CUCA) and the CUFIN balance, dividends are subject to the payment of corporate income tax at the statutory rate at that time. Income tax paid on dividends may be credited against income tax payable (annual or in prepayments) in the year of payment or either of the two immediately subsequent years.

Retained earnings include the statutory legal reserve. In accordance with the Mexican Corporations Act, the Company is required to appropriate at least 5% of the net profit of each year to increase the legal reserve. This practice must be continued each year until the legal reserve reaches 20% of the value of the Company's share capital. At December 31, 2024 the reserve represents 20% of the nominal share capital and its balance is $51 million and at December 31, 2023 and 2022 the reserve also represents 20% of the nominal share capital and the balance of the reserve was $51 million.

Dividends paid from earnings to Mexican individuals and foreign corporations are subject to an additional 10% withholding tax.

As of December 31, 2024, 2023 and 2022, the Company had $3,667 million, $4,223 million and $1,776 million in the CUCA and $658 million, $749 million and $409 million in the CUFIN, respectively.

23. Stock-Based Compensation Expense

The Company has established a Long-Term Incentive Plan (LTIP) for certain executives to align their compensation with shareholder interests. Under the plan, the Company annually grants Restricted Stock units (RSUs) and Performance Share units (PSUs) to plan participants. RSUs and PSUs are subject to a three-year time-based or performance-based vesting period provided the participant is actively employed by the Company at the time of vest. PSUs are also subject to cliff vesting and performance payout is based on the Company's achievement of financial performance targets. RSUs are eligible for dividends declared by the Company, but do not carry voting rights. The Company accounts for share-based payments in accordance with IFRS 2 *Share-based Payments*.

Pursuant to this plan, the Company in 2016, began to annually issue phantom stock to certain executive officers and other employees. The phantom stock awards require the Company to pay the intrinsic value of the award to the employee at the date of exercise. Vested phantom stock awards do not have an expiration date and may be exercised at the employee's discretion for their duration of their employment with the Company. Share-based compensation expense for phantom stock awards is determined based on the grant date fair value and adjusted for fluctuations in the fair value each period. The fair value is determined based on the Company's stock price and these awards are recorded as liabilities on the Consolidated Statement of Financial Position.

In 2021, the Company began to issue equity settled awards to plan participants. No cash is payable upon grant or vesting of these awards. No amounts are paid or payable by the recipient on receipt or vesting of the award. Share-based compensation expense for equity settled awards is determined based on the grant date fair value. The fair value is determined based on the Company's stock price. The cost is recognized in expense, together with a corresponding increase in equity, over the period in which the service or performance conditions are fulfilled.

The Company issues both Phantom Stock and equity settled PSU awards. The performance condition is attached to the business reaching internal financial and operational performance targets. The likelihood of meeting these performance targets is evaluated each financial reporting period and the expense is adjusted accordingly.

When the terms of an award are modified, the minimum expense recognized is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. Additional expense, measured at the date of modification, is recognized for any modification that increases the total fair value of the share-based payment transaction or is otherwise beneficial to the employee. There were no modifications of the LTIP in 2024 and 2023.

When an award is cancelled or forfeited by the Company or by the employee, any accrued element of the fair value of the award is reversed immediately through profit or loss.

The total expenses arising from the Company's stock-based compensation transactions recognized in profit or loss during the period were as follows:

	2024	2023
	(In millions)	
Expense arising from Phantom Stock Awards	$ 3	$ 5
Expense arising from Equity Classified Awards	14	30
	$ 17	$ 35

Phantom Stock Awards

The following table shows the phantom RSU activity for the year ended December 31:

	2024		2023	
	Number of Awards (1)	Weighted Average Grant Date Fair Value (2)	Number of Awards (1)	Weighted Average Grant Date Fair Value (2)
Outstanding balance as of January 1	3,787,504	$ 2.22	6,501,863	$ 1.77
Granted	867,590	1.64	859,491	2.16
Exercised	(1,124,366)	2.03	(3,239,934)	2.20
Cancelled/Forfeited	(185,690)	1.82	(333,916)	2.01
Outstanding and exercisable balance as of December 31	3,345,038	1.85	3,787,504	2.22
Vested and exercisable as of December 31	2,004,402	$ 1.93	2,553,489	$ 2.09

(1) The number granted represents the number of shares upon which cash settlement will be determined subject to three-year service period.

(2) Fair value was determined based on stock price at the date of grant and exchange rate as of December 31.

The following table shows the phantom PSU activity for the year ended December 31:

	2024		2023	
	Number of Awards (1)	Weighted Average Grant Date Fair Value (2)	Number of Awards (1)	Weighted Average Grant Date Fair Value (2)
Outstanding balance as of January 1	5,658,585	$ 2.22	14,430,850	$ 1.77
Granted	66,282	1.81	22,167	2.17
Exercised	(2,616,738)	1.63	(8,616,408)	2.20
Cancelled/Forfeited	(41,253)	2.23	(178,024)	2.14
Outstanding and exercisable balance as of December 31	3,066,876	1.83	5,658,585	2.22
Vested and exercisable as of December 31	3,045,263	$ 1.83	5,575,300	$ 1.89

(1) The number granted represents the number of shares upon which cash settlement will be determined assuming the Company performs at the target performance level in each year of the three-year performance period.

(2) Fair value was determined based on stock price at the date of grant and exchange rate as of December 31.

The carrying amount of the liability relating to the Phantom Awards as of December 31, 2024 and 2023 was $9 million and $20 million, respectively. The total intrinsic value related to Phantom Awards that were vested and exercisable as of December 31, 2024 and 2023 was $7 million and $18 million, respectively.

Equity Classified Awards

The following table shows the equity classified RSU activity for the year ended December 31:

	2024		2023	
	Number of Awards [1]	Weighted Average Grant Date Fair Value [2]	Number of Awards [1]	Weighted Average Grant Date Fair Value [2]
Beginning balance as of January 1	22,247,434	$ 2.24	15,852,858	$ 2.50
Granted	15,210,374	1.75	13,912,633	2.05
Vested	(9,783,588)	2.19	(6,217,450)	2.50
Cancelled/Forfeited	(2,091,012)	1.98	(1,300,607)	2.42
Ending balance as of December 31	25,583,208	$ 1.86	22,247,434	$ 2.24

(1) The number granted represents the number of shares issuable upon vesting of service-based restricted stock units.

(2) Fair value was determined based on stock price at the date of grant and exchange rate as of December 31.

The following table shows the equity classified PSU activity for the year ended:

	2024		2023	
	Number of Awards	Weighted Average Grant Date Fair Value [2]	Number of Awards [1]	Weighted Average Grant Date Fair Value [2]
Beginning balance as of January 1	11,384,555	$ 2.33	7,506,475	$ 2.50
Granted	7,595,156	1.76	4,688,081	2.04
Vested	(4,619,424)	2.72	(27,429)	2.48
Cancelled/Forfeited	(361,930)	2.19	(782,572)	2.48
Ending balance as of December 31	13,998,357	$ 2.04	11,384,555	$ 2.33

(1) The number granted represents the number of shares issuable upon vesting of performance-based restricted stock units, assuming the Company performs at the target performance level in each year of the three-year performance period.

(2) Fair value was determined based on stock price at the date of grant and exchange rate as of December 31.

The fair-value of the equity classified awards as of December 31, 2024 and 2023 was $36 million and $66 million, respectively.

24. Related party balances and transactions

The Company recognized revenues from related parties for the years ended 2024, 2023 and 2022 of $5 million, $5 million and $6 million, respectively, and expenses to related parties for the years ended 2024, 2023 and 2022 of $4 million, $5 million and $5 million, respectively. Amounts due to and due from related parties for the years ended 2024, 2023 and 2022 were not material.

Incentive and termination benefits paid to key members of management for the years ended December 31 was as follows:

	2024	2023 (In millions)	2022
Short-term and Long-term incentive benefits	$ 19	$ 20	$ 19
Termination benefits	-	2	-
	$ 19	$ 22	$

25. Cost of sales and operating expenses

A breakdown of the Company's expenses for the years ended December 31 are shown in the tables below:

Cost of sales:

	2024	2023 (In millions)	2022
Raw material and other consumable goods	$ 3,578	$ 4,116	$ 5,179
Labor cost	722	620	560
Manufacturing expenses	555	402	423
Freight	450	454	500
Depreciation	453	440	417
	$ 5,758	$ 6,032	$ 7,079

Selling and development expenses:

	2024	2023 (In millions)	2022
Salaries, wages and other travel expenses	$ 361	$ 370	$ 321
Repair and maintenance	8	8	8
External services	69	73	67
Leases	13	12	9
Advertising and marketing	32	33	
Sales commissions	23		38
Taxes and fees	2	3	3
Insurance	6	6	6
Allowance for doubtful accounts	4	4	5
Others	25	30	36
Depreciation	30	23	29
Amortization	30	28	26
	$ 603	$ 622	$ 582

Administrative expenses:

	2024	2023 (In millions)	2022
Salaries, wages and other benefits	$ 303	$ 344	$
External services	132	156	151
Taxes and fees	17	16	13
Repair and maintenance	6	6	21
Insurance	18	17	12
Leases	6	8	7
Related-party administrative services	1	1	2
Depreciation	25	24	
Amortization			
Others	37	16	7
	$ 642	$ 681	$ 661

Other (income) and expenses, net:

	2024	2023	2022
		(In millions)	
Expenses:			
Legal provisions	$ 39	$ 4	$ 3
Extraordinary taxes	1	11	5
Loss on sale of fixed assets	-	5	-
Insurance claims	4	1	-
Business acquisitions	-	-	1
Donations	2	1	-
Accelerated depreciation	24	-	-
Asset impairments	2	8	-
Restructuring	17	3	-
Others	21	5	11
	110	38	20
Income:			
Gain on sale of waste materials	(2)	(2)	(2)
Gain on sale of fixed assets	(4)	-	(2)
Recovery of taxes	(9)	(4)	(16)
Recovery of insurance claims	(2)	(1)	-
Others	(26)	(11)	
	(43)	(18)	(22)
Other (Income) expenses, net	$ 67	$ 20	$ (2)

26. Income tax

The Company is subject to income tax in Mexico at a statutory corporate income tax rate of 30% for fiscal years 2024, 2023 and 2022, and expect it will remain the same in subsequent years.

Beginning with the 2014 Tax Reform in Mexico, the tax consolidation regime was eliminated. As a result of the deconsolidation, the Company is required to remit income tax that was previously deferred over a ten-year period. The Company made the final deferred payment of $1 million in 2023.

Subsequent to the changes in the tax consolidation regime, the Mexico Income Tax Law (MILT) provided an alternate tax consolidation regime that allows companies the option to pay income tax under a tax incorporation regime. This new tax incorporation regime allows companies to benefit from a three-year deferral of income tax remittances, adjusted for inflation.

The Company and its subsidiaries in Mexico opted to follow to this new incorporation regime, and as a result they have calculated income tax payable for 2024, 2023 and 2022 on a joint basis. The deferred income tax liability under the incorporation regime is presented as part of the Income tax line included in non-current liabilities on the Consolidated Statements of Financial Position.

Income tax is based on taxable profit, which differs from the profit reported in the Consolidated Statements of Profits, primarily due to non-deductible expenses, non-taxable income, and other reconciling items pursuant to applicable tax laws. The Company's liability for current income tax payable is calculated using the tax rates enacted or substantially enacted by the end of the reporting period in the countries in which the Company and its subsidiaries operate.

Income tax rates:

The statutory income tax rates applicable in 2024 in the countries where the Company operates are as follows:

Country	%	Country	%
Argentina	**35	Mexico	[illegible]
Australia	30	Morocco	32
Austria	24	New Zealand	28
Belgium	25	Nicaragua	30
Brazil	34	Norway	22
Canada	*27	Oman	15
Chile	27	Panama	25
China	25	Peru	30
Colombia	35	Poland	19
Costa Rica	30	Republic of Serbia	15
Czech Republic	19	Romania	16
Denmark	22	Russia	20
Ecuador	25	Rwanda	30
El Salvador	30	Singapore	17
Estonia	20	Slovakia	21
Finland	20	South Africa	28
France	25	Spain	25
Germany	*34	Sweden	21
Greece	22	Switzerland	*21
Guatemala	25	Taiwan	20
Honduras	25	Thailand	20
Hungary	9	The Netherlands	26
India	**25	Turkey	25
Indonesia	22	Ukraine	18
Ireland	13	United Arab Emirates	9
Israel	23	United Kingdom	25
Italy	24	United States of America	21
Japan	31	Uruguay	25
Kenya	30	Uzbekistan	15
Lithuania	15	Venezuela	34
		Vietnam	20

* Tax rate is a blended effective tax rate comprised of both a federal tax and a local tax. The actual blended rate can vary depending upon the particular municipality, province, or canton, with each having differing tax rates within the particular country.

** Tax rate is based upon progressive rates. The actual effective rate can vary depending upon the amount of taxable income and the corresponding tax brackets that apply

Deferred taxes:

The main items that give rise to the deferred income tax liability as of December 31, are as follows:

	2024	2023 (In millions)	2022
Property, plant and equipment	$ 195	$ 196	$ 226
Intangible assets	217	254	248
Liabilities deductible upon payment	(36)	(64)	(60)
Tax loss carryforwards	(187)	(160)	(196)

Deferred taxes:

The main items that give rise to the deferred income tax liability as of December 31, are as follows:

		2024		2023 (In millions)		2022
Disallowed interest expense carryforwards		(285)		(2)		
Other		(59)		(39)		
Net deferred tax liability (asset)				185		176
Deferred tax asset	$	499	$	174	$	197
Deferred tax liability	$	344	$	359	$	

An analysis of changes in the net deferred tax liability for the years ended December 31, 2024, 2023 and 2022 is as follows:

		2024		2023 (In millions)		2022
Beginning balance	$	185	$	176	$	
Income tax provision recognized in profit or loss		(328)		(12)		(4)
Business Combinations				22		8
Foreign currency translation reserve		1				(7)
Effect on equity of components of other comprehensive income		(13)		1		
	$	(155)	$	185	$	176

Reconciliation of tax rates:

A reconciliation of the statutory income tax rate to the effective income tax rate expressed in amounts for the years ended December 31, 2024, 2023 and 2022 and as a percentage of profit before income tax is as follows:

		2024	%		2023 (In millions)	%	
Profit before income tax	$	96		$			$
Income tax at statutory tax rate of 30%		29	30.00%		145	30.00%	
Rate differential:							
Earnings taxed at rates other than Mexico statutory tax rate		(21)	(21.88%)		(36)		
Cumulative annual inflation adjustment		6	6.25%		58	11.94%	
Non-taxable revenue			(28.13%)		(24)	(5.01%)	
Non-deductible expenses		26	27.08%		18	3.65%	
Assets for tax losses not previously recognized and unrecognized loss, net		31	32.29%		0	0.10%	
Effect of changes on statutory tax rate		1	1.46%		0	0.01%	
Other taxes		14	14.58%		6	1.18%	
Non-deductible goodwill impairment							
Dividends from foreign operations		9	9.38%		10	1.97%	
Foreign exchange gain or loss and translation effect, net		(198)	(206.25%)		134	27.66%	
Uncertain tax position			(2.08%)		14	2.84%	
Others		5	5.53%		4	1.00%	
Total rate differentials			(161.76%)		184	37.87%	
Total income tax	$	(127)	(131.76%)	$	329	67.87%	$
Current income tax	$	201		$	341		$
Deferred income tax		(328)			(12)		
Total income tax	$	(127)		$	329		$

The Company has net operating tax losses for which it has recognized the corresponding deferred tax asset. Such losses may be carried forward and used against taxable profit of future years if certain requirements are met. The expiration dates of these net operating tax losses as of December 31, 2024 are as follows:

Year of expiration	Tax loss carryforwards (In millions)	Interest Expense carryforward
2025	$ -	$ -
2026	93	-
2027	8	-
2028	10	-
2029	15	-
2030	140	-
2031	6	-
2032	14	-
2033		-
2034	164	
Longdterm	-	-
No expiration	531	15
	$ 1,080	$ 952

As of December 31, 2024, the Company has tax losses of $351 million for which it did not recognize a deferred tax asset, since it is not probable that future taxable profit will be available for recovery of such tax losses.

Certain taxing authorities may limit the annual deduction of interest expense. Interest expense that is not deductible due to these limitations may be carried forward to future years. As of December 31, 2024 the Company had unused business interest expense of $952 million for which it recognized a deferred tax asset since it is probable that these deferred tax assets will be recoverable in the future.

In December 2022, the OECD/G20 Inclusive Framework (IF) on Base Erosion and Profit Shifting (BEPS) released Model Global Anti-Base Erosion (GloBE) rules (Model Rules) under Pillar II. Many aspects of Pillar II will be effective for tax years beginning in January 2024, with certain remaining impacts to be effective in 2025. These Model Rules set forth the "common approach" for a Global Minimum Tax at 15 percent for multinational enterprises with a turnover of more than EUR750 million. The Pillar II model rules introduce four new taxing mechanisms under which MNEs would pay a minimum level of tax (the Minimum Tax):

- The Subject to Tax Rule is a tax treaty-based rule that generally proposes a Minimum Tax on certain cross-border intercompany transactions that otherwise are not subject to a minimum level of tax
- The Income Inclusion Rule (IIR)
- The Under Taxed Payments/Profits Rule (UTPR)
- The Qualified Domestic Minimum Top-up Tax (QDMTT)

The new taxing mechanisms can impose a Minimum Tax on the income arising in each jurisdiction in which an MNE operates. The IIR, UTPR and QDMTT do so by imposing a Top-up Tax in a jurisdiction whenever the effective tax rate (ETR) is below 15%, determined on a jurisdictional basis.

In May 2024, the International Accounting Standards Board (IASB) published final amendments to IAS 12 *Income Taxes* related to Pillar II Minimum Tax. These IAS 12 amendments provide companies with a temporary mandatory relief from deferred tax accounting for the impact of the top-up tax and require them to provide new disclosures. The amendments introduce:

- A mandatory temporary exception to the accounting for deferred taxes arising from the jurisdictional implementation of the Pillar II model rules which the Company has taken and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar II income taxes arising from that legislation, particularly before its effective date.

As of December 31, 2024, many jurisdictions have adopted key components of Pillar II with an effective date beginning January 1, 2024. The assessment of the potential exposure to Pillar II income taxes is based on the most recent tax filings, country-by-country reporting and financial statements for the constituent entities. Based on the assessment, the Pillar II effective tax rates in most of the jurisdictions in which the Company operates are above 15%. However, there are a limited number of jurisdictions where the transitional safe harbor relief does not apply, and the Pillar II effective tax rate is below 15%. The Company does not expect a material exposure to Pillar II income taxes in those jurisdictions.

27. Contingencies

From time to time the Company is party to certain legal matters, including those discussed further below.

Natural Gas Distribution Matter

On April 20, 2021, Dura-Line Corporation's natural gas distribution business paused shipment and sales of small diameter, defined as 1.5 inch and smaller, natural gas distribution (NGD) pipe sold for use primarily in the United States, in order to investigate a potential quality issue. This issue does not impact Dura-Line's Datacom conduit products.

The natural gas distribution business, now operated through PolyPipe LLC ("PolyPipe"), conducted an analysis and determined that the issue occurred intermittently and estimates it impacted less than 1% of the small diameter NGD pipe produced by Dura-Line at its plant in Gainesville, Texas. Based on the analysis to date, management believes it is highly unlikely that any possibly affected pipe poses a risk of a near-term performance issue.

Following the shipment and sales pause noted above, Polypipe resumed shipping and sale of small diameter NGD pipe at its plant in Erwin, Tennessee with enhanced monitoring, production, and quality processes. PolyPipe has received demands for compensation from certain direct and indirect customers for costs associated with addressing the issue, including removing and replacing potentially impacted installed pipe. In September 2021 Southern California Gas Company and San Diego Gas & Electric Company filed a complaint against Dura-Line in the California Superior Court of San Diego (subsequently transferred to the Superior Court of Los Angeles), asserting various claims based on allegations that they may have purchased non-conforming pipe manufactured by Dura-Line and seeking unspecified damages. Dura-Line denies liability and intends to vigorously defend the matter. PolyPipe may receive additional demands for compensation in the future that may result in litigation and could give rise to potential material liabilities.

Ethylene Matter

In 2023 Shell Chemicals Europe B.V. ("Shell") made a claim for damages against several companies, including Orbia and its Vestolit GmbH affiliate ("the Companies"), in the Dutch courts. Shell is alleging damages in an aggregate amount of 1.1 billion Euros from the various defendants relating to infringements of competition law on the ethylene purchasing market, for which the European Commission imposed fines in July 2020. In connection with the same 2020 European Commission proceeding, Repsol Quimica, S.A. and affiliates also made a claim for unspecified damages in 2023. In December 2024, Vestolit GmbH was served with a claim by chemical company BASF for damages against five defendants, including the Companies. The claim was filed with the Regional Court of Munich, Germany but has not yet been served on Orbia. The claim seeks damages from the Companies totaling approximately EUR 913 million. The Companies reject the allegations, believe that the claims are meritless and intend to vigorously defend their rights in the proceedings. Subsequently, on February 14, 2025, Vestolit received a writ of summons from entities of the TotalEnergies Petrochemicals group claiming damages against the same group of defendants noted above, including the Companies, before the Dutch courts. The claim is currently being reviewed and analyzed but appears to be similar to the claims of Shell and BASF and for damages in excess of EUR 600M.

Wolkaite Project

Netafim Ltd. is currently engaged in a government irrigation project in the Tigray region of Ethiopia called (the Wolkaite project), which is in an advanced stage. The customer is the Ethiopian Sugar Corporation (the ESC). Due to civil unrest, a state of emergency has been in effect in the region since November 4, 2020. In late November 2020, Netafim notified the ESC, the Lender, insurers, and other concerned parties that an event of force majeure had occurred as a result of the ongoing civil unrest, suspending Netafim's obligations under the project agreement.

Under the original project agreement, if the force majeure conditions were to continue for an extended period, each of the parties would have the right to terminate said agreement. On July 1, 2021, the parties entered into a Memorandum of Understanding (the MOU) which suspended until December 31, 2021, the right to cancel the project agreement due to an ongoing force majeure event. The MOU also establishes a period for the parties to assess the condition of the project and to try to reach an agreement to resume the project. At present, as has been publicly reported, Ethiopian government agencies and other parties are engaged with lender groups such as the Paris Group to restructure significant amounts of Ethiopian debt. In this context, pending the successful restructuring of such debt the ESC has failed to make the four most recent payments under the relevant project agreements. All parties are cooperating and monitoring the situation. In addition to potential costs arising from delays to the project and possible damage to the existing project, it is possible that Netafim could incur additional liabilities under certain scenarios.

Other Matters

In December 2024 Mexichem Flúor Comercial, S.A. de C.V. ("MF") a subsidiary of Fluor & Energy Materials business group settled a $40 million litigation matter from 2016 as a result of a tolling arrangement entered into in 2013. The Company recognized a charge of $34 million in Other (income) expenses, net on the Consolidated Statements of Profit in 2024 related to this matter.

In addition to the matters discussed above, the Company is part to litigation that it considers to be routine and incidental to the business. The Company does not expect the results of any of these litigation matters to have a material effect on the Company's business, results of operations, financial condition or cash flows.

28. Hyperinflationary Economies

As discussed in Note 4, the Company adjusts its results for its subsidiaries that operate in hyperinflationary economies in accordance with IAS 29.

Turkey has been classified as a hyperinflationary economy since June 30, 2022. The Company's operations in Turkey were restated using the inflation rates derived from the consumer price index published by the Turkish Statistical Institute, and were 44%, 65% and 64% in 2024, 2023 and 2022 respectively. As of December 31, 2024, 2023 and 2022 the official exchange rates of 35, 30, and 19 Turkish lira per U.S. dollar respectively, were used to translate the balances shown in the table below.

Turkey	2024	2023	2022
		(In millions)	
Total assets	$ 124	$ 114	$ 122
Equity	31	28	13
Net sales	160	166	169
Net profit (loss)	$ (3)	$ (10)	$ (1)

Argentina has been classified as a hyperinflationary economy since July 1, 2018. The Company's operations in Argentina were restated using the inflation rates derived from the consumer price index published by the National Institute of Statistics and Censuses of the Argentine Republic (INDEC), and were 118%, 211%, and 95% in 2024, 2023, 2022, respectively. As of December 31, 2024, 2023 and 2022, the official exchange rates of 1,032, 808, and 177 Argentinian pesos per U.S. dollar, respectively, were used to translate the balances shown in the table below.

Argentina	**2024**	**2023** (In millions)	**2022**
Total assets	$ 40	$ [illegible]	$ [illegible]
Equity	20	17	22
Net sales	43	52	79
Net profit	$ (10)	$ 1	$ 3

Venezuela has been classified as a hyperinflationary economy since December 31, 2017. The Company's operations in Venezuela have been restated using the annual inflation rates of 24%, 190%, and 165% for the years ended December 31, 2024, 2023 and 2022, respectively, derived from the consumer price index published by the Central Bank of Venezuela. As of December 31, 2024, 2023 and 2022, the Company used an exchange rate of 52 million, 415 million, and 117 million Venezuelan bolivar per U.S. dollar, respectively.

The effect of the restatement of the financial statements of the Company's operations in Turkey, Argentina and Venezuela, was expense of $11 million, $11 million, and $11 million for 2024, 2023 and 2022, respectively, recorded in the Monetary position loss line of the Consolidated Statements of Profit.

29. Segment Information

The Company has determined its reportable segments as described in Note 4. As described in Note 1, the Company's reportable segments are its five business groups: Building & Infrastructure (Wavin), Connectivity Solutions (Dura-Line), Precision Agriculture (Netafim), Fluor & Energy Materials (Koura) and Polymer Solutions (Vestolit and Alphagary).

The main products of each of the segments are:

- Building and Infrastructure: Plastic pipes and fittings plastic pipes and fittings for residential and commercial construction industry, storm water management products and indoor climate solutions.
- Connectivity Solutions: Telecommunications conduit, cable-in-conduit, and other high density polyethylene (HDPE) accessories. Data-driven design of complex fiber-optic networks and other connectivity solutions for the telecommunications, data center, transportation, and electrical markets.
- Precision Agriculture: Precision irrigation (drippers, drip lines, sprinklers, filters, etc.), and services and digital farming technologies.
- Fluor & Energy Materials: Acid grade and metallurgical grade fluorine, hydrofluoric acid, aluminum fluoride, medical propellants, refrigerants and energy materials.
- Polymer Solutions: General purpose and specialty PVC resins (polyvinyl chloride), PVC and zero-halogen specialty compounds and additives, caustic soda and chlorine.

Below is a summary of the consolidated financial statements for each reportable segment:

Year ended December 31, 2024	Polymer Solutions	Fluor & Energy Materials	Building & Infrastructure	Connectivity Solutions	Precision Agriculture	Controlling Company
Net sales	$ 2,529	$ 862	$ 2,497	$ 839	$ 1,038	$ 112
Cost of sales	2,174	565	1,886	641	750	-
Gross profit	355	297	611	198	288	112
General expenses	265	137	482	136	281	122
Royalties	48	8	19	28	-	(101)
Foreign exchange (gain)/loss, net	18	7	50	4	29	(93)
Interest expense	44	(7)	32	13	41	273
Interest income	(10)	(6)	(38)	(6)		(8)
Change in fair value of redeemable non-controlling interests	15	-	-	-	-	(25)
Monetary position loss	-	-	11	-	-	-
Share of gain of subsidiaries and associates	(1)	4	(3)	-	-	-
Impairment of goodwill	-	-	-	-	-	-
Profit before income tax	(24)	154	58	23	(59)	(56)
Income tax	(45)	70	71	13	(17)	(219)
Profit before discontinued operations	21		(13)	10	(42)	163
Discontinued operations	-	-	-	-	-	-
Consolidated net profit	$ 21	$ 84	$ (13)	$ 10	$ (42)	$ 163

Year Ended December 31, 2023	Polymer Solutions	Fluorinated Solutions	Building & Infrastructure	Connectivity Solutions	Precision Agriculture	Controlling Company
Net sales	$ 2,699	$ 918	$ 2,678	$ 1,125	$ 1,063	$ 162
Cost of sales	2,323		2,028	688		-
Gross profit	376		650	437		162
General expenses	248	122	508	158	286	239
Royalties	42	8	3	14	-	(67)
Foreign exchange (gain)/loss, net	(29)		(14)	(2)	9	105
Interest expense	46	-	46	27	29	311
Interest income			(56)	(14)	13	(93)
Change in fair value of redeemable non-controlling interests	14	-	(70)	-	-	50
Monetary position loss	-	-	12	-	(1)	-
Share of gain of subsidiaries and associates	(3)	-	(56)	57	-	(353)
Impairment of goodwill	-	-	-	-	-	-
Profit before income tax	62	302	277	197	(37)	(30)
Income tax	7	68	54	67	4	127
Profit before discontinued operations	55	234	223	130	(41)	(157)
Discontinued operations	-	-	-	-	-	-
Consolidated net profit	$ 55	$ 234	$ 223	$ 130	$ (41)	$ (157)

Year ended December 31, 2022	Polymer Solutions	Fluorinated Solutions	Building & Infrastructure	Connectivity Solutions	Precision Agriculture	Controlling Company
Net sales	$ 3,696	$ 852	$ 2,926	$	$ 1,085	$ 121
Cost of sales	2,925	506	2,279	869	790	(1)
Gross profit	771	346		501	295	122
General expenses	222	99	454	180	276	138
Royalties	61	7	3	17	-	(88)
Foreign exchange (gain)/loss, net	16	(16)		3	10	4
Interest expense		2	36	24		191
Interest income	(4)	(3)	(35)		(2)	(21)
Change in fair value of redeemable non-controlling interests	15	-	(71)	-	-	(63)
Monetary position loss	-	-	11	-	-	-
Share of gain of subsidiaries and associates	(41)		3	-	5	(822)
Impairment of goodwill	-	-	-	-	136	-
Profit before income tax	468	261	250	281	(167)	
Income tax	104	52	59	65	(4)	89
Profit before discontinued operations		209	191	216	(163)	
Discontinued operations	(1)	-	-	-	-	-
Consolidated net profit	$ 363	$ 209	$ 191	$ 216	$ (163)	$ 694

As of December 31, 2024
(In millions)

	Polymer Solutions	Fluorinated Solutions	Building & Infrastructure	Connectivity Solutions	Precision Agriculture	Controlling Company
Current assets:						
Cash and cash equivalents	$ 268	$ 162	$ 220	$ 186	$ 77	$ 96
Accounts receivable, net	453	168	415	110	282	20
Other current assets			553	66	217	505
Total current assets	1,178	689	1,188	362	576	621
Property, plant and equipment	1,670	530	618	240	211	2
Other assets	1,376	355	1,250	850	1,295	7,184
Total assets	$ 4,224	$	$ 3,056	$ 1,452	$ 2,082	$ 7,807
Current liabilities:						
Bank loans and current portion of long-term debt	$ 254	$ -	$	$ 7	$ 182	$ 631
Suppliers and letters of credit	584	66	319	125	116	8
Other current liabilities	206	89	418	82	284	180
Total current liabilities	1,044	155	815	214	582	819
Bank loans and long-term debt	-	-	4	-	101	3,973
Other long-term liabilities	564	148		371		432
Total liabilities	1,608	303	1,175	585	870	5,224
Total equity	$ 2,616	$ 1,271	$ 1,881	$ 867	$ 1,212	$ 2,583

	As of December 31, 2023 (In millions)					
	Polymer Solutions	Fluorinated Solutions	Building & Infrastructure	Connectivity Solutions	Precision Agriculture	Controlling Company
Current assets:						
Cash and cash equivalents	$	$ 191	$ 306	$ 282	$ 66	$ 274
Accounts receivable, net	606		522	131	299	267
Other current assets	321	167	485	65	209	7
Assets held for sale	-	-	-	-	-	-
Total current assets	1.264		1,313			548
Property, plant and equipment	1,769	480	652	252	216	1
Other assets	847	295	1,547	640	1335	7,568
Total assets	$ 3,880	$ 1,480	$ 3,512	$ 1,370	$ 2,125	$ 8,117
Current liabilities:						
Bank loans and current portion of long-term debt	$ -	$ -	$ 105	$ -	$ 248	$ 396
Suppliers and letters of credit	642	76	277	115	112	7
Other current liabilities	171	130	459	82	-	78
Total current liabilities	813	206	841	197		481
Bank loans and long-term debt	2	-	9	-	16	4,393
Other long-term liabilities	654	119	423	438	233	499
Total liabilities	1,469	325	1,273	635		5,373
Total equity	$ 2,411	$ 1,155	$ 2,239	$ [illegible]	$ 1,279	$ 2,744

	As of December 31, 2022 (In millions)					
	Polymer Solutions	Fluorinated Solutions	Building & Infrastructure	Connectivity Solutions	Precision Agriculture	Controlling Company
Current assets:						
Cash and cash equivalents	$	$ 131	$ 225	$ 298	$ 68	$ 449
Accounts receivable, net		186	336	231	230	9
Other current assets	445	220	674	175	261	188
Assets held for sale	-	-	2	-	-	-
Total current assets	1,339		1,237	704	559	646
Property, plant and equipment	1,774	434	613	150	197	2
Other assets	792	260	1,340	424	1,376	7,161
Total assets	$ 3,905	$ 1,231	$ 3,190	$ 1,278	$ 2,132	$ 7,809
Current liabilities:						
Bank loans and current portion of long-term debt	$ 1	$ -	$ 69	$ -	$ 174	$ 516
Suppliers and letters of credit	605	58	300	202	107	7
Other current liabilities	211	106	451	164	190	319
Total current liabilities	817	164	820	366	471	842
Bank loans and long-term debt	2	-	10	-	55	3,869
Other long-term liabilities	666	162	426	314	260	230
Total liabilities	1,485	326	1,256	680	786	4,941
Total equity	$ 2,420	$ 905	$ 1,934	$ 598	$ 1,346	$ 2,868

Additional Company segment information for the years ended December 31, 2024, 2023 and 2022 is presented below.

	Direct additions to property, plant and equipment			Depreciation and am	
	2024	2023	2022	2024	2023
		(In millions)			(In millions
Polymer Solutions	$ 115	$ 155	$ 102	$ 266	$ 2
Fluor & Energy Materials	110	178			
Building & Infrastructure	117	85	108	144	
Connectivity Solutions	23	125		46	
Precision Agriculture	39	46	60	119	
Controlling Company	1	-	-	10	
	$ 405	$ 589	$ 470	$ 659	$

Sales by geographical region:

Sales by country or regional area where customers are located is presented for the years ended December 31, 2024, 2023 and 2022 is as follows:

Country or regional where customers are located	2024	2023	2022
U.S.A.	$ 1,766	$ 2,092	$ 2,420
Northwest Europe	1,042	1,176	1,539
Africa, Middle East and Asia	875	896	791
Southwest Europe	847	889	1,160
México	771	877	996
Brazil	657	609	711
Central and Eastern Europe	299	268	351
Colombia	275	307	416
Central America	234	238	267
Perú	153	171	217
Southeast Europe	147	154	166
Canada	137	205	192
Ecuador	105	109	
Argentina	46	55	87
Chile	41	44	58
Israel		33	
Other Rest of the world countries	77	81	105
Total	$ 2,506	$ 8,204	$ 9,648

Long-lived Assets

Long lived assets by country or regional area where assets are located as of December 31 for each of the periods presented is as follows:

Country or region where assets are located	2024	2023 (In millions)	2022
U.S.A.	$ 1,942	$ 2,012	$ 1,824
Mexico	1,473	1,458	1,355
Israel	1,272	1,335	1,381
Northwest Europe	837	914	881
Southwest Europe	318	331	312
Colombia	236	257	248
Africa, Middle East and Asia	235	227	228
Central and Eastern Europe	100	108	107
Brazil	98	106	
Central America	58	60	58
Peru	57	60	67
Ecuador	21	23	27
Southeast Europe	7	8	8
Other	76	89	57
Total	$ 6,730	$ 6,988	$ 6,632

Long-lived assets include right-of-use assets; property, plant and equipment; intangible assets and goodwill.

30. Approval of Issuance of the Consolidated Financial Statements

The consolidated financial statements for the year ended December 31, 2024, were approved by the Audit Committee and Board of Directors at meetings held on February 18 and 19, 2025, respectively, and do not reflect events that might have occurred after February 19, 2025.

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