50 alfa

Sigma

2024 ANNUAL REPORT

CONTENTS

ALFA TODAY

GRI 2-6

ALFA has simplified its corporate structure to concentrate on Sigma

SIGMA

Leading multinational food company that produces, markets, and distributes packaged meats, dry meats, cheeses, yoghurts, and other refrigerated, frozen, and plant-based foods. Its diversified portfolio includes more than 100 brands and operates in four main regions: Mexico, Europe, the U.S., and Latin America.

ALPEK

Leading petrochemical company in the Americas in the production of Polyester (PTA, PET resin & sheet, and recycled PET), as well as one of the main manufacturers of Expandable Polystyrene (EPS). Only producer of Polypropylene (PP) in Mexico.

On October 24, 2024, ALFA's shareholders approved the spin-off of ALFA's stake ownership in Alpek into a newly listed entity called "Controladora Alpek." ALFA shareholders will receive one share of Controladora Alpek for each ALFA share they own, while retaining their existing ALFA shares. The spin-off, listing, and share distribution processes are expected to be completed in 2025.

2024 Results

GRI 2-6, 201-1

REVENUES

US $8.930 billion

($163,242 million pesos)

EBITDA[1]

US $976 million

($17,664 million pesos)

[1] EBITDA = Operating income plus depreciation, amortization, and asset impairments.
Alpek reported as Discontinued Operations.

TRANSFORMATION PLAN

Since 2020, ALFA has undergone a significant transformation to streamline its conglomerate structure into a single, food-focused Business Unit: Sigma. This gradual and orderly process included:

1 ENSURING A SOLID FINANCIAL POSITION

2024 progress

- Capital increase of US $392 million
- Dividends for debt reduction by Sigma and Alpek of US $175 million
- Debt payment of US $615 million in 4Q24
- ALFA, Sigma, and Alpek maintained investment-grade credit ratings

2 STRENGTHENING THE BUSINESSES

Sigma

- Four consecutive years of Revenue growth
- Record EBITDA of US $1.046 billion
- Launch of Institutional Purpose
- Strategy update
- Europe's CEO succession
- Debt refinancing through Senior Notes

Alpek

- Structural cost reduction of US $75 million at a stable rate
- Exceeded its Comparable EBITDA Guidance, reaching US $699 million
- 2024 EBITDA increased by 26% compared to 2023
- Net Debt-to-EBITDA ratio of 2.9x at year-end 2024, down from 3.4x in 2023

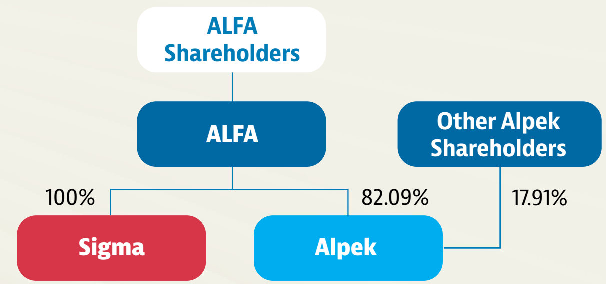
3 IMPROVING BUSINESS INDEPENDENCE

Simplification of Corporate Structure

- **Nemak:** Spin-off in 2020
- **Axtel:** Spin-off in 2023
- **Alpek:** Spin-off approved in 2024 – Share distribution in 2025

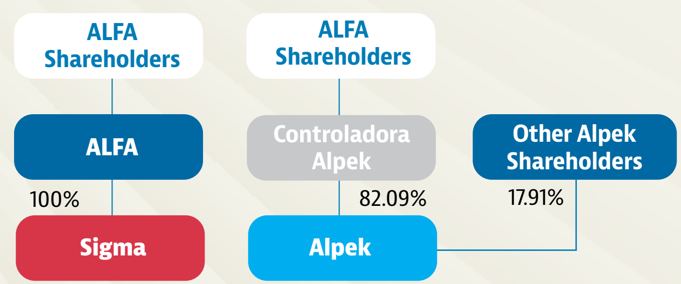
ALFA'S CORPORATE STRUCTURE

(2024)



ALFA'S CORPORATE STRUCTURE

(After completing spin-off)



FINANCIAL HIGHLIGHTS

GRI 2-6, 201-1

ALFA AND SUBSIDIARIES with Alpek as Discontinued Operations	MILLION PESOS			MILLION DOLLARS [4]		
	2024	2023	% CH.	2024	2023	% CH.
Income Statement						
Net Income	163,242	153,157	7	8,930	8,635	3
Operating Income	12,340	9,187	34	688	515	34
Majority Net Income (Loss)	(212)	(12,250)	98	(11)	(711)	98
Majority Net Income per Share[1] (pesos & dollars)	(0.04)	(2.55)	98	(0.002)	(0.15)	99
EBITDA[2]	17,664	15,161	17	976	856	14
Balance Sheet						
Total Assets	236,316	209,032	13	11,659	12,374	(6)
Total Liabilities	192,141	177,268	8	9,480	10,493	(10)
Total Consolidated Stockholders' Equity	44,175	31,764	39	2,179	1,880	16
Majority Interest	33,989	22,083	54	1,677	1,307	28
Book Value per Share[3] (pesos & dollars)	6.11	4.58	33	0.3	0.27	11

NOTE: In this Annual Report, monetary figures are expressed in nominal Mexican pesos (MXN $) and in nominal dollars (USD $), unless otherwise specified. Conversions from pesos to dollars were made using the average rate of the month in which the revenues or transactions were made. The variation percentages between 2024 and 2023 are expressed in nominal terms.

[1] Based on the weighted average number of thousands of outstanding shares (5'014,867,305 in 2024 and 4'818,823,020 in 2023).
[2] EBITDA = Operating income, plus depreciation and amortization, plus impairments.
[3] Based on the number of thousands of outstanding shares (5'558,536,508 in 2024 and 4'818,823,020 in 2023).
[4] Due to the dollarization of its revenues and because of the holding of shares by foreign investors, ALFA provides equivalent US $ amounts for some of its most important financial data.

REVENUES

US $ Billion

EBITDA

US $ Million

ASSETS

US $ Billion

PRESENCE

ALFA has simplified its corporate structure to focus on Sigma, a multinational leader in the food industry, dedicated to the production, marketing, and distribution of quality products through well-known brands in 17 countries across the Americas and Europe.

LETTER TO SHAREHOLDERS

GRI 2-22, 2-23

Dear Shareholders,

This year was significant as ALFA celebrated its 50th anniversary, achieved better-than-expected financial results, and reached an advanced stage in the last spin-off to leave behind its conglomerate structure.

Since 2020, ALFA has been in a process of complete transformation into four independent companies. During this time, ALFA's share ownership stakes in Nemak and Axtel were spun off.

On October 24, 2024, ALFA's shareholders approved the spin-off of Alpek. As a result, ALFA shareholders will receive one share of Controladora Alpek for each share held in ALFA, just as occurred with Controladora Nemak and Controladora Axtel, in a process expected to conclude in 2025.

ALFA shareholders will soon have absolute autonomy to define their optimal stake in four independent Business Units that have grown beyond the corporate structure of ALFA: (1) Nemak (lightweighting solutions for the automotive industry), (2) Controladora Axtel (information technology and communications), (3) Controladora Alpek (petrochemicals), and (4) Sigma (brand-name foods).

This total reorganization will allow the investing community to evaluate each business based on that particular company's merits and individual potential. The increased price of ALFA's shares during the second half of 2024 reflects some of the expected benefits.

Supported by 90% of its shareholders and approved on September 26, 2024, ALFA raised Ps. 7,952 million (US$ 392 million) in capital. Together with dividends paid by Sigma and Alpek, this capitalization reduced total corporate debt by more than US$ 600 million during the fourth quarter of the year, enabling ALFA to reach its target leverage of 2.5x. It is also important to note the broad support received from 92% of holders of ALFA's bonds that mature in 2044, as they gave the requested consent to have the clarity necessary prior to approving the Alpek spin-off.

We are proud that the investment-grade credit ratings for ALFA, Sigma, and Alpek have been affirmed by Fitch Ratings, Moody's, and Standard & Poor's at the end of the year, as a reflection of the solid financial position of the businesses in this final transformation phase. Furthermore, during the first quarter of 2025, Fitch Ratings announced an upgrade to its credit rating on ALFA from "BBB-" to "BBB," based on the lower debt and simplified corporate structure.

In 2024 we celebrated ALFA's 50th anniversary and made progress on our transfromation plan with the approval of Alpek's spin-off, two very relevant events for ALFA

Álvaro Fernández Garza
Chairman of the Board
of Directors and CEO of ALFA

1.7x Net Debt to EBITDA at Sigma, its lowest leverage ratio in 16 years

Due to the spin-off, ALFA's consolidated financials present the results of Alpek as Discontinued Operations. ALFA's consolidated financial statements therefore already reflect our concentration in Sigma ("Alfa|SIGMA").

Within this context, Alfa|SIGMA reported Consolidated Revenues of US $8.93 billion in 2024, 3% higher than in 2023. For reference, Sigma's revenues comprise more than 99% of Alfa|SIGMA. Consolidated EBITDA of Alfa|SIGMA was US $976 million, and its Comparable EBITDA was US $1.02 billion, representing increases of 14% and 15%, respectively, compared to the results from the previous year.

Over the last two decades, Sigma and Alpek were the two largest and most profitable companies in ALFA's portfolio. Both have grown significantly in all metrics, becoming leaders in their respective industries. This last spin-off is another key moment for each of them, as it formalizes their independence from each other, and unlocks an attractive value opportunity for the revaluation of ALFA as Sigma.

SIGMA

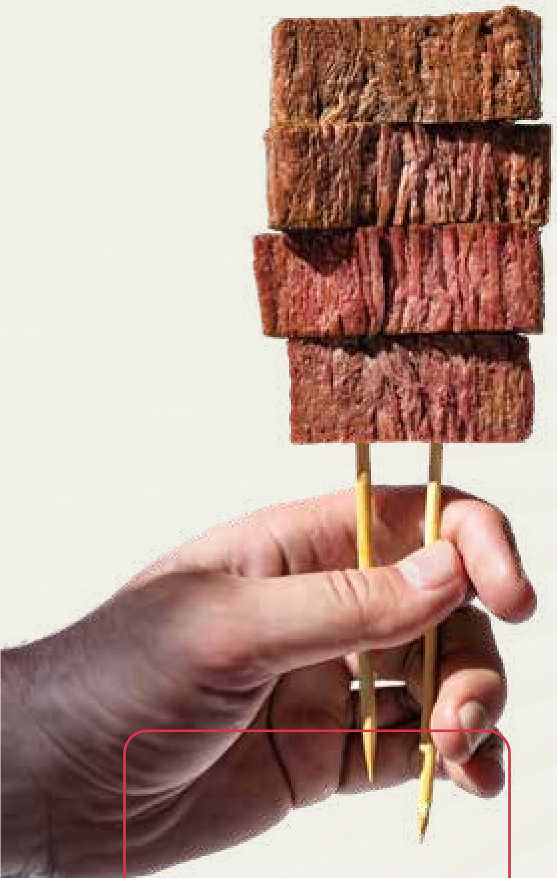
Sigma's results have been outstanding. This business has expanded its operations to 17 countries, with 64 production plants and a talented team of more than 47,000 employees.

In 2024, Sigma reported its fourth consecutive year of sales growth, reaching a historically high level of US $8.8 billion. The EBITDA of US $1.05 billion was also a record, exceeding the guidance of US $1.0 billion that had been revised upwards during the year. The results were driven by extraordinary performance in the Americas, as well as consistent recovery in Europe over the last six quarters. Consolidated growth was 3% in Volume, 4% in Revenues, and 17% in EBITDA, respectively, compared with 2023.

At the close of 2024, Sigma's leverage of 1.7x net debt to EBITDA was the lowest level over the past 16 years, due to a reduction of more than US $200 million in net debt.

In addition to the lower debt, Sigma improved its financial position through several refinancing efforts, extending the average maturity of its debt to 5.7 years, compared to 2.2 years at the start of 2024. It also made a timely change to increase its peso-denominated debt by refinancing approximately US $1.4 billion via Bonds and Bank Loans at a time when the exchange rate was close to Ps. $17 per US dollar. The successful bond issuance in 2024 marked Sigma's return to the Mexican debt market after more than 15 years.

Sigma has strengthened its "core" business through a combination of organic growth, and more than 30 mergers and acquisitions that led to its entry into the cheese and yoghurt categories in the 1990s, among others. It subsequently established operations in Central America, the United States, South America, and Europe.



1,950+

innovations contributing to 10% of annual Revenues

Sigma has developed a diverse portfolio of more than 100 recognized brands. Sales in one of these brands exceed US $1.0 billion per year, while another 15 brands each contribute more than US $100 million in annual sales.

Sigma is positioned at the top of all its categories. In Mexico, it is the leading producer of cold cuts and cheeses, with brands such as FUD®, San Rafael®, La Villita®, and NocheBuena®, and it is the second-largest producer of yoghurt with its Yoplait® brand. In the U.S., it has been the largest producer of sausage for more than 19 years, and it is the third-largest in Hispanic cheeses. It is also the leading cold cuts producer in Ecuador and Peru. In its main European market of Spain, it is the leader in packaged and dry meat.

Sigma has a vast multichannel network to serve its consumers with the logistical capacity to visit more than 640,000 points of sale periodically across all its regions. In Mexico, it operates one of the largest refrigerated distribution networks.

Sigma has driven consumer-focused innovation. Every year the Company has more than 240,000 interactions with consumers, giving it the information it needs to stay ahead of preferences. The Company's team of more than 260 specialists in two research centers develops innovative value proposals. Over the last three years, more than 1,950 innovative products have been launched, contributing to 10% of annual revenues.

5 additional brands with annual sales of US $100 million. San Antonio®, Comnor®, Los Altos®, La Chona® and NocheBuena®.

Another key strategic element is the Growth Business Unit, which focuses on exploring and developing business models and new product categories that have disruptive growth potential. Initiatives such as Snack'In For You® and Better Balance® (a plant-based protein brand), are registering annual growth rates between 100% and 200%. The exponential growth in this stage of development is what Sigma looks for to complement the mature part of its core business.

In Sustainability matters, Sigma obtained higher-than-average ratings in its industry from internationally recognized evaluators such as S&P CSA and Sustainalytics. Going forward, ALFA's Sustainability results will be those of Sigma, since progress in this area will now be in the operations of its only Business Unit.

Sigma has the necessary elements to ensure an orderly transition. The advantages of the food industry, the positioning of its brands in all regions where it operates, and consistent growth, are some of the foundations for attaining a higher valuation under the new, simplified structure of Alfa|SIGMA.

ALPEK

Alpek has become one of the largest global players in its petrochemical products, with 34 plants operated by more than 5,500 employees in nine countries. It is the second-largest producer of PET worldwide, and the leading producer of PTA, PET, recycled PET and Expandable Polystyrene (EPS) in the Americas. It is also the only producer of Polypropylene in Mexico. Alpek has remained competitive and able to generate EBITDA, even during the down cycles in its industry.

In 2024, Alpek's sales were US$ 7.53 billion, EBITDA was US$ 646 million, and comparable EBITDA was US$ 699 million, exceeding the 13% increase in its Comparable EBITDA Guidance provided in the third quarter of the year.

13%
exceeded its Comparable EBITDA Guidance for the year

Since 2012, Alpek has been listed on the Mexican Stock Exchange, with Corporate Governance aligned to best practices, strengthening its operational capabilities to continue a successful trajectory as an independent entity.

The large scale of its operations, a product portfolio that focuses on the consumption sector, its own technology, efficient cost structure, and the privileged location of its operations, are some of the key factors contributing to the Company's very competitive position within the global framework.

Over the last year Alpek has effectively navigated adverse conditions, such as lower reference margins in some of its main products. Efforts included a comprehensive savings and cash flow optimization plan, which it completed in the first half of 2024.

Moving forward, our priority is to complete ALFA's Transformation process by distributing Controladora Alpek's shares to ALFA's shareholders

At year end, its leverage ratio was 2.9 times, driven by higher EBITDA. The Company retained its investment-grade credit rating.

Alpek continues to make considerable advances in its Sustainability goals and strategies. This progress is reflected in the recent improved ratings provided by internationally recognized organizations such as the CDP, S&P CSA, MSCI, and Sustainalytics, which were higher than the industry average. It also implemented a new double materiality matrix.

As with the other companies ALFA has spun off, since 2012 Alpek has been listed on the Mexican Stock Exchange. Its Corporate Governance is in line with best practices, reinforcing its operating capacity to continue on its successful trajectory as an independent entity.

2025 OUTLOOK

Going forward, the focus will continue to be the finalization of the transformation, prioritizing the distribution of shares in Controladora Alpek to the shareholders of ALFA. Complementary efforts will be accelerated to reach a final effective stage of governance, corporate functions, and non-strategic assets of the Company.

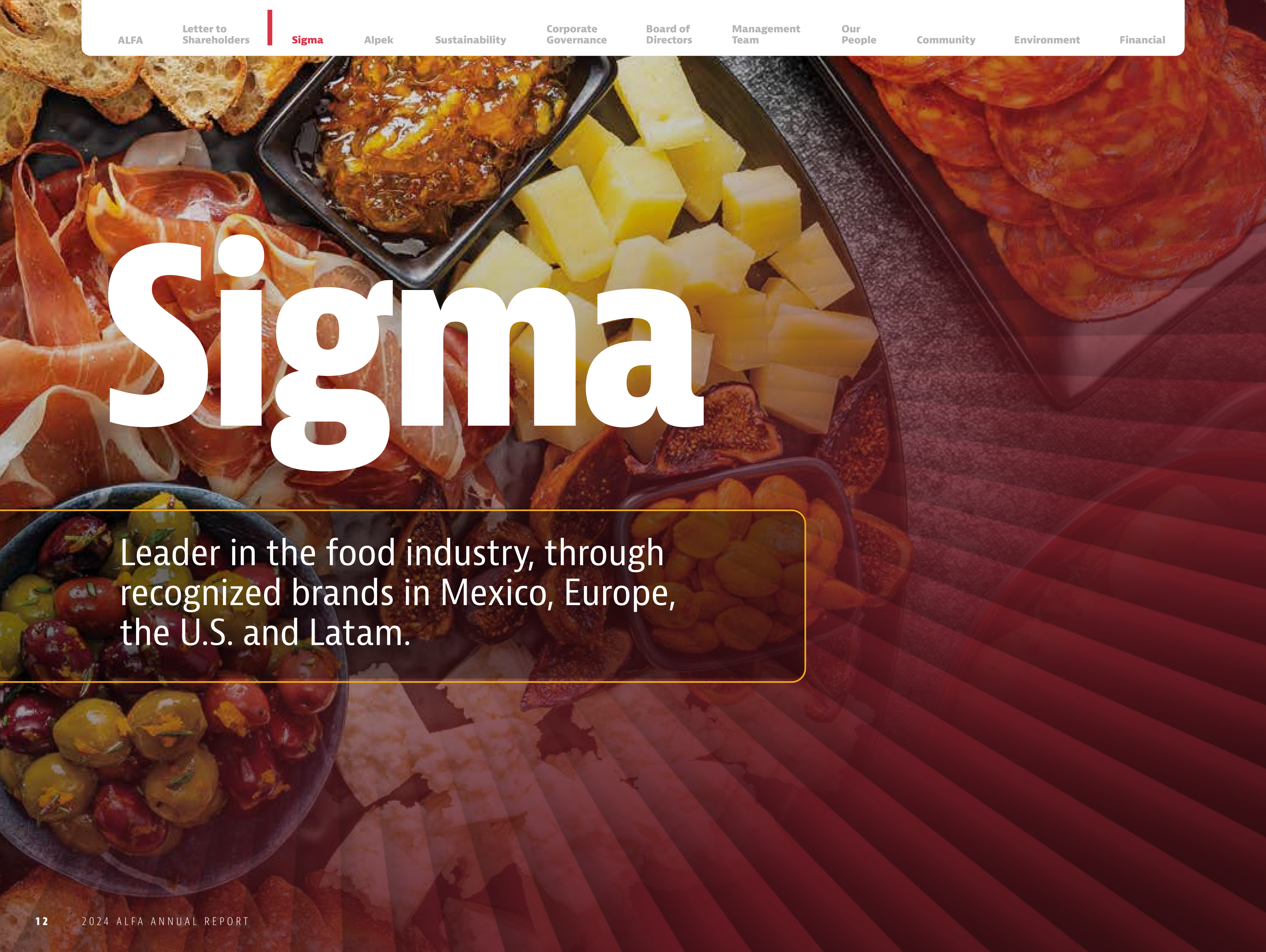
Alpek and Sigma have the ability to extend the successful trajectories that both have achieved in their respective industries, the former as an independent entity, and the latter as ALFA's sole Business Unit.

It is important to continue working actively so that the advantages of each company are reflected as a benefit to all shareholders. In particular, we will strive to ensure that Alfa|SIGMA is recognized with a higher valuation multiple that is consistent with its leading position in the food industry.

We are extremely proud of the more than 54,300 employees who are part of our team. ALFA's transformation has been possible thanks to everyone's dedication and efforts to turn this vision into a reality. We are grateful to our clients, suppliers, creditors, partners, and especially our shareholders for your support and trust in this transformational process.

Best regards,

Álvaro Fernández Garza
Chairman of the Board of Directors and CEO of ALFA



Sigma

Leader in the food industry, through recognized brands in Mexico, Europe, the U.S. and Latam.

MESSAGE FROM SIGMA'S CEO

Dear Shareholders,

I am pleased to share Sigma's 2024 results. Building on a solid progress on all fronts, we are strengthening Sigma's position as a leading consumer-centric Company in the food industry.

We continued a positive trajectory by reaching our fourth consecutive year of sales growth, ending 2024 with Revenues of US $8.80 billion and record EBITDA of US $1.05 billion. These numbers reflect our solid performance in all regions, which we are confident will contribute to the Company's market valuation.

We ended the year on solid financial footing supported by extraordinary operating results and demonstrates the Company's disciplined focus on liability management. At the close of 2024, the leverage ratio of 1.7 times Net Debt to EBITDA was the lowest level over the past 16 years, with Net Debt of US $1.82 billion.

Over the last five years, we have worked actively to consolidate Sigma's independence through a strategy that has yielded tangible results. Our basis is a philosophy and culture that was passed down from ALFA, focused on driving personnel development as we strive for excellence through efficient processes and consistent profitability maximization.

In 2024, we crafted the Company's institutional purpose to align our organization, ensuring a stronger focus on benefitting our consumers, clients and the community. Delivering delicious food has always been our priority. We believe that food has the power to bring people together, enrich health and nutrition — under any personal circumstances — and even make the planet a healthier place.

Rodrigo Fernández Martínez
Sigma CEO

La Chona
Los Altos
NocheBuena El Buen Queso
Comnor · TOP QUALITY BEEF ·
San Antonio

Because of this, we have established our purpose and reason for being: ***"Delicious Food for a Better Life."***

Delicious food is what we produce. A better life is our driver. And success means properly balancing key elements in what we produce and how we produce it: taste, joy, connection, health, and sustainability.

The road ahead offers unparalleled opportunities. We are committed to making a difference as leaders across our markets.

To fulfill our commitment, we will continue to focus on each pillar in our strategy: 1) strengthening the core business; 2) identifying new avenues of growth; 3) exploring the future; and 4) having a working culture that improves current capabilities and develops the new competencies necessary to better serve consumers.

At Sigma, we have built a portfolio of over 100 constantly evolving brands. Five of our brands—La Chona®, Los Altos®, NocheBuena®, Comnor®, and San Antonio®—recently joined our group of products with annual sales exceeding US $100 million, taking the total number of brands to reach this important milestone to 16. This achievement reflects our efforts to develop our product offering by focusing on brands that command a strong consumer preference.

Another one Sigma's key strengths is its consumer-focused innovation. Every year, we have more than 240,000 consumer engagements to stay ahead of their preferences. With a team of more than 260 specialists across two research centers, we continuously develop innovative value propositions. Over the last three years, we have launched more than 1,950 new products, which contributed 10% of our annual revenue.

260
specialists across two research centers to drive innovation

640,000+
points of sale
reached periodically in all our regions, thanks to our extensive multichannel network and strong logistical capabilities

From a distribution standpoint, we operate an extensive multichannel network with a unique logistical capability, enabling us to visit over 640,000 points of sale periodically across all regions. In Mexico, for example, we operate one of the largest refrigerated distribution networks.

Our Growth Business Unit continues to be a crucial component of our strategy, identifying and developing new sources of revenues with disruptive growth potential to complement our solid core business. Initiatives such as Snack'In For You® and Better Balance® (a plant-based protein brand) are achieving annual growth rates between 100% and 200%. Although their contribution is still a low percentage of our consolidated sales, each initiative has extraordinary potential to be scaled up over time. Progress in this area reinforces our ability to explore and innovate to maximize growth opportunities.

Based on a long-term vision, we are dedicated to continue strengthening Sigma's competitiveness. In addition, anticipating consumer preferences by recognizing global trends, needs, and opportunities will allow us to extend our growth trend in a sustainable manner that is congruent with our values and Purpose. We aspire to make positive contributions to the health and sustainability of our planet through early bets in technology, processes, and science in relation to foods that have industry-transforming potential. We have therefore added a new pillar to our strategy: "Explore the Future".

Lastly, Sigma's culture, capabilities and systems play a big role in our strategic framework as we strive to continue strengthening the organization for the future.

Our progress on numerous fronts is encouraging, highlighted by solid results in terms of the successful execution of our strategy, and in our ability to capitalize favorable market conditions.

Sigma will soon begin a new chapter in its corporate evolution. The investment community will have the opportunity to participate directly in our leading branded food business. This will result from the upcoming spin-off of Alpek, which would effectively transform ALFA to become Sigma.

I would like to extend my gratitude to our dedicated global team. You have been essential to our continued progress. I would also like to thank all our key stakeholders for your support and commitment. I look forward to continue driving growth and creating value together.

Advancing with purpose,

Rodrigo Fernández Martínez
Sigma CEO

PORTFOLIO

Leading brands across different categories and market segments

MARKET SEGMENTS

	Packaged meats	Fresh meat	Dairy	Yoghurt	Other
PREMIUM	Tangamanga, Aoste, Navidul, Otto Kunz, Bredy, McCormick Grill Mates, Fiorucci, Oscar Mayer, Natural	SRF Snake River Farms, Akaushi, Wagyu	Milkunz, LekkerLand		better balance
HIGH	Campofrío, Justin Bridou, Alimentos Don Diego, San Rafael, Checo, Zar	Campofrío Frescos, Comnor Top Quality Beef, Certified Angus Beef	NocheBuena, Los Altos, Monteverde		Snackin' for you, San Rafael, Campofrío Vegalia, El Cazo
MID	Stegeman, Juris, FUD, Nobre, Caroli, Cochonou, Bar S	Vigar Black, 57 Mares, Delipollo	FUD, Chen, Playero, Norteñita, La Chona	Yoplait	FUD, Sosua, Chef, Olé
VALUE	Ibero, Chimex, Zurquí, Revilla, Superior	Vigar Carnes	La Villita, Del Prado Productos Lácteos		Menú del Sol
LOW	Hidalmex, Galicia, San Antonio, Supremo, Laska, Nayar	Rancho Norte	Camelia, Franja, Eugenia, Delicia, El Sabrosito		Guten

16 brands with net sales above **US $100 million**

Joined in 2024

Our top selling brand

SIGMA PURPOSE AND STRATEGY

At Sigma, we are evolving to become an organization prepared to serve future generations. We firmly believe that long-term success depends on our Company's purpose, which reflects both the motivations that have guided us in the past and those that inspire us moving forward. Based on this ambition, we have redesigned our strategy to achieve it.

Through a deep reflection process involving more than 120 leaders and numerous working sessions, we analyzed global trends that could impact our business—such as the focus on health, new dietary patterns, intelligent production and distribution systems, and even climate change.

We have achieved consistent growth; however, we recognize significant opportunities to continue strengthening our winning business model and capitalize on the immense potential of an industry characterized as being essential.

Consumers have diverse needs and high expectations when it comes to food, creating numerous opportunities to innovate in how we serve and engage with them. This allows us to maximize available resources and drive innovation, creating new possibilities in the industry.

We firmly believe in the additional value we can offer consumers and the opportunities we can capitalize on as an organization. Our proven track record, along with our great responsibility as a food company, drives us to take an active role in shaping and advancing the future of food. We do so with one clear goal in mind: to provide

"Delicious Food for a Better Life".

Our Purpose

Delicious Food: It has always been our priority to provide food that people prefer and savor.

Sigma | ***Delicious Food for a Better Life***

For a Better Life: We are committed to make life even better for both people and the planet

We are convinced that food has the power to:

Bring people together, enrich health and nutrition, and ensure sustainability and harmony with the planet.

Our new purpose expands the possibilities for Sigma to achieve its goal of becoming and positioning itself as an international platform for sustainable and distinctive growth in the food market.

Our differentiator will lie in strategically balancing three elements, anchored in the consumer:

We are working towards living our purpose every day by:

- Delighting our customers creating joyful experiences
- Ensuring each and every one of our products is made to the highest quality and the best flavor
- Caring for our employees, communities, consumers, and the planet

Our Strategy

In line with our new purpose, we strengthened our strategy by adding a new pillar called "Explore the Future." Additionally, we bolstered the pillar "Strengthen the Organization," with a culture that empowers people, where we are convinced that the evolution begins to discover additional value in our current offering for the benefit of our key stakeholders.

PURPOSE — ***Delicious Food for a Better Life***

FINANCIAL OBJECTIVES — Organic EBITDA Growth + Mergers & Acquisitions

STRATEGY

PILLAR	DEFINITION	ELEMENTS
1 GROW THE CORE BUSINESS	Develop the potential within our businesses by leveraging our group strengths and adapting strategies to local contexts.	**Consumer-centric innovation:** Connecting with consumers through our foods' taste, satisfying their needs, likes and preferences **Brand equity:** Enhancing Brand value **Efficiency & profitability:** Operating discipline
2 NEW SOURCES OF REVENUE	Identify, validate, and incubate opportunities with disruptive growth potential in new categories for Sigma, as well as new business models that can be leveraged within the core business.	**Local opportunities:** New segments and consumption moments **Scalable categories:** Better Balance®, Snack'In For You® **New business models:** Netport®
3 EXPLORE THE FUTURE	It involves betting early and contributing to the transformation of the industry through food science, process technology, and the evolution of the value chain.	**Health:** Food and its potential for quality of life, prevention, and longevity **Sustainability:** Products, processes, and technologies that protect the planet
4 STRENGTHEN THE ORGANIZATION	Through the evolution of culture, the development of capabilities, and an operational model that characterizes and drives our talent's potential.	**Culture: Fundamentals** · Mindsets & Behaviors · Essentialism & Aligment · Passion for Consumer · Talent Ownership **Capabilities** · Prepare the organization with the skills to serve the consumer today and in the future. **Systems** · Governance · Processes · Management

2024 OPERATIONAL SUMMARY

The progress in ALFA's transformation process during 2024 provides an encouraging outlook for Sigma, which will soon become the sole Business Unit within ALFA's corporate structure.

Now, the investor community has direct access to Sigma through ALFA's shares, as ALFA has spun off its stake in all portfolio businesses to focus exclusively on the branded food sector.

At Sigma, we focus on developing leading brands across categories and segments, offering value-added products, and driving innovation to meet consumer needs. We are also strengthening our supply chain, distribution network, and R&D platform—guided by consumer insights—to build competitive advantages for sustained long-term growth.

The consolidated 2024 results were outstanding, with Revenue reaching US $8.804 billion after four consecutive years of growth. EBITDA hit a record high of US $1.046 billion, surpassing the annual guidance of US $1.0 billion. The company's solid financial position is reflected in a Net Debt-to-EBITDA ratio of 1.7 times at year-end, marking the lowest level in 16 years.

11,000+
different products through

100+
brands across

640,000+
points of sale

1 STRENGTHEN THE CORE

At Sigma, we have built a successful business with operations in 17 countries, organized into four regions: Mexico, Europe, the U.S., and Latam. Our 64 plants and extensive multichannel network enable us to serve consumers efficiently, with a logistics capacity reaching over 640,000 points of sale periodically across all regions. In Mexico, we operate one of the largest refrigerated distribution networks.

We have achieved all this thanks to our deep understanding of the consumer. That's why our strategy's first pillar is dedicated to driving core business growth by harnessing consumer insights, innovation, brand strength, and operational efficiency. By doing so, we deliver a value proposition that not only meets but surpasses consumer expectations.

Each region is focused on margin expansion through higher revenues, cost-saving initiatives, portfolio optimization, and leveraging the business' scale — key essential for our long-term growth. Next, we provide a broader perspective on the key developments within each region.

MEXICO

48% Contribution to Revenues

REVENUE US $4,263 million | **EBITDA US $677 million**

PLANTS
- 15 meat
- 7 dairy
- 2 ready meals

Distribution centers 125

CATEGORIES
- 48% Packaged meat
- 2% Dry meat
- 38% Dairy
- 12% Other

CHANNELS
- Traditional (Mom and Pops) 43%
- Modern (Supermarkets) 40%
- Foodservice 17%

MAIN BRANDS
FUD, San Rafael, La Villita, Chimex, Yoplait

POINTS OF SALE 360,000+

VEHICLES 6,800+

EMPLOYEES 30,200+

- **Fourth consecutive year** of Volume, Revenue and EBITDA growth
- **Annual record Volume, Revenue and EBITDA,** driven by growth across all categories and channels

We have a strong presence in Mexican households' refrigerators with well-known, leading brands and an extensive multi-temperature distribution network offering comprehensive solutions for both traditional (retail) and modern (supermarket) channels. Additionally, our long-term customer relationships are built on quality, service, and reliability.

In Mexico, we are focused on building an efficient and profitable business model to compete with regional companies and local producers.

Our portfolio features 19 brands of meats, cheeses, and yoghurt, catering to the tastes and preferences of the mass market. Our deep understanding of consumer needs allows us to adapt swiftly to market changes, offering products and formats that deliver the best balance of quality and price.

The Foodservice channel, which primarily serves restaurants, hospitals, schools, hotels, and cinemas, works with more than 300 suppliers, offering 2,300 products to 16,000 clients.

It operates in approximately 55 of the country's largest cities. The Foodservice market in Mexico is highly fragmented. According to internal estimates, Sigma is one of the leading players, with market share close to 5%.

Strategic Advances and Operational Initiatives

We have focused on strengthening and growing the core business through initiatives aimed at operational efficiencies across the value chain. This approach enables low production costs while ensuring high-quality and best-price raw materials.

We are focused on building long-term relationships with our customers, aiming to become their most trusted supplier. Excellence in point-of-sale execution remains a top priority, along with delivering outstanding service and client support. By analyzing sales data by channel and product, we help our clients meet consumer needs by refining offerings and pricing at the store level—creating a mutually beneficial synergy.

We have also driven innovation to accelerate growth and strengthen the leadership of the brands in our portfolio.

FUD® sales in Mexico and the U.S. in 2024 exceeded

US $ 1.2 billion

EUROPE

26% Revenue Contribution

REVENUE US $2,281 million | **EBITDA US $95 million**

PLANTS 20 dry meat, packaged meat, ready-to-eat meals

DISTRIBUTION CENTERS 27

CATEGORIES


45% Cooked Meats[1]


48% Dry Meats[2]


2% Dairy


5% Other

In Europe: 1 Packaged meat; 2 Cured meat.

CHANNELS

- Traditional (Mom and Pops) **15%**
- Modern (Supermarkets) **77%**
- Foodservice **8%**

MAIN BRANDS

POINTS OF SALE 42,000+


VEHICLES 990+

EMPLOYEES 7,200+

- 2024 EBITDA **almost doubled** compared to 2023, reaching US $95 million
- Commitment to **increase Brand investment** during 2025 to accelerate sales growth

We have a presence in seven European countries, serving both mass-market and niche consumers across all categories with a diversified portfolio of well-known brands, including Campofrío®, Navidul®, Aoste®, Nobre®, Caroli® and Justin Bridou®.

Presence in Belgium, France, Germany, The Netherlands, Portugal, Romania and Spain

This region has unique characteristics, both in consumption habits and purchasing behaviors, that we must address to strengthen profitability. It is a highly industrialized market with operational efficiencies, strong productivity, and highly integrated distribution channels.

Strategic Advances and Operational Initiatives

To serve European consumers while improving the company's profitability, we are executing four strategic action lines: i) Contribution to the category's value growth, ii) Operational optimization, iii) Operational efficiencies, and iv) Driving new business lines.

In October 2024, severe flash floods caused by heavy rainfall in the Valencia region of Spain significantly damaged Sigma's Torrente production facility, which represents approximately 9% of installed capacity in Europe. Production is being redirected to other sites or trusted partners while various long-term alternatives are being assessed. Insurance coverage includes both business interruption as well as property damage.

The cured ham from Extremadura and the Iberian grain-fed ham and shoulder from Navidul® have been awarded the 'Flavor of the Year 2024' prize, standing out for their quality and innovative design

During the second quarter, we appointed Juan Ignacio Amat as CEO of our European operations. His experience includes various transformation projects with over more than 20 years of recognized leadership in the region's consumer goods industry.

UNITED STATES

19% Revenue Contribution

REVENUE US $1,641 million | **EBITDA** US $214 million

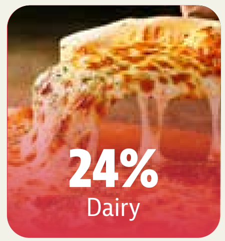
PLANTS
6 packaged meat, dry meat
2 dairy

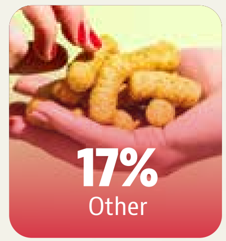
20 DISTRIBUTION CENTERS

CATEGORIES


56% Packaged meat


3% Dry meat


24% Dairy


17% Other

CHANNELS
- Traditional (Mom and Pops) 20%
- Modern (Supermarkets) 73%
- Foodservice 7%

MAIN BRANDS

POINTS OF SALE 131,000+

VEHICLES 100+

EMPLOYEES 4,000+

- **Annual record** Volume, Revenues and EBITDA
- **Eight consecutive years of** Revenue growth

In the United States, we serve both national consumers and those in niche or trending categories, with Hispanic and European products, organizing the Company into four segments: National brands, Hispanic brands, European brands and Foodservice.

Each of these segments requires a specific understanding of consumers and their purchasing habits. In this region, we are also focused on building long-term relationships with customers, providing them with the best combination of product quality and price, as well as excellent service and reliability.

Strategic Advances and Operational Initiatives

Strengthening our core business focuses on driving efficiencies across the value chain while enhancing brand equity to position ourselves as a preferred choice in every category.

Through the Bar-S® product line, which includes various types of sausages, ham, and bacon with a nationwide presence, we have maintained consumer preference among national audiences.

The demand for Hispanic cuisine in the United States is increasing and holds great growth potential. Therefore, we are developing a product portfolio in this segment for packaged meats, cheeses, and creams, which has been strengthened by the acquisition of Los Altos® for cheese production.

On the other hand, in the European brands segment, our Fiorucci® product line enjoys strong consumer preference for its Italian tradition, generating more than US $100 million in annual sales. The portfolio is further enriched by a variety of dry meats, including the same brand's Paninos.

The Bar-S sausage has been the best-selling in the U.S. for the past 19 years

LATAM

7% Revenue Contribution

REVENUE US $618 million | **EBITDA US $60 million**

PLANTS 12 packaged meat and dairy

29 DISTRIBUTION CENTERS

CATEGORIES

CHANNELS

- Traditional (Mom and Pops) 34%
- Modern (Supermarkets) 47%
- Foodservice 20%

MAIN BRANDS

Sosua, Juris, FUD, Braedt, Yoplait

POINTS OF SALE 92,000+

VEHICLES 860+

EMPLOYEES 5,900+

- **Annual record** Volume, Revenue and EBITDA
- **Four consecutive** years of EBITDA growth

We have operations in eight Latin American countries outside of Mexico. Our growth in these markets has been primarily through acquisitions, which have provided us with local production capacity in five countries. Consumer preference has positioned us as the leader in cheeses in the Dominican Republic and the second largest in packaged meats in Peru, Costa Rica and Ecuador. And the second-largest producer of yoghurt in Costa Rica and the Dominican Republic.

Presence in Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua and Peru

Strategic Advances and Operational Initiatives

Each country has its own characteristics and opportunities, requiring deep market, customer, and consumer habit knowledge. That is why we have assembled a specialized team that is adopting best practices and developing the necessary capabilities to best understand and serve consumers.

Our initiatives to strengthen the core business in the region focus on reinforcing the entire value chain, including supplier selection and quality, plant productivity, and brand portfolio optimization to continue building consumer preference profitably across all categories.

2 NEW SOURCES OF REVENUE

The second pillar of the strategy aims to complement and accelerate growth through the Growth Business Unit (GBU), which is creating new categories and business models. It operates independently and autonomously to ensure operational flexibility and agility.

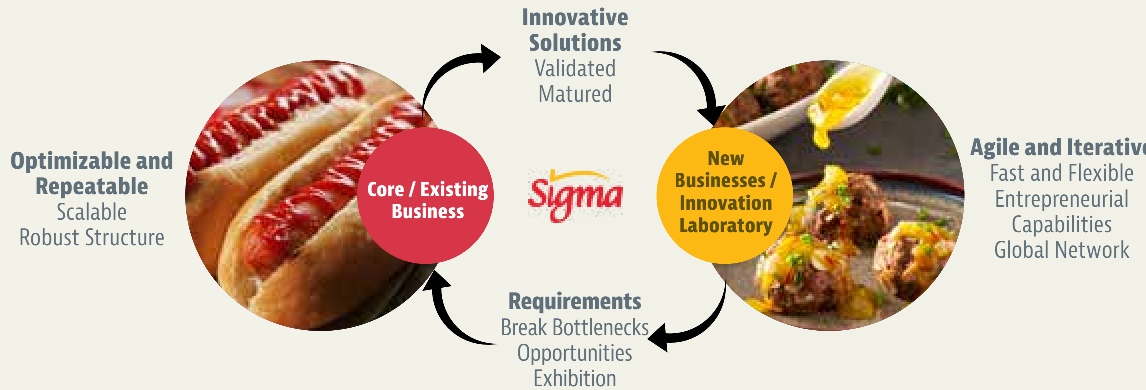
Its goal is to identify, validate and incubate opportunities with disruptive growth potential in new categories for Sigma that can be quickly scaled, as well as new business models that can leverage the existing capabilities and/or assets of the core business.

This division engages with the entrepreneurial ecosystem to explore and research initiatives through rapid iterations and low-cost pilots. This includes new food development technologies and collaborations with strategic partners in alternative proteins and clean-label products that drive long-term growth.

New categories and business models fall under the responsibility of the Growth Business Unit, which is characterized by:

- Entrepreneurial skills and agility
- A global multidisciplinary team with local champions
- Capabilities for rapid iterations and low-cost pilot tests
- Utilization of internal and external resources
- Connection to the entrepreneurial ecosystem

These characteristics, along with access to Sigma's core capabilities, allow for the efficient scaling of the most viable and high-potential opportunities.



Still in the scaling phase, but with solid annual revenue growth, year over year, is a good indicator of the potential of these new businesses:

Launch of Global Categories

159%
Snack'In For You® Snacks

SNACK'IN FOR YOU®

94%
Better Balance® Plant-based

better balance

New Business Models

134%
Grill House® Direct-to-consumer

GRILL HOUSE

Tastech

An open innovation program designed to find the most innovative and disruptive food start-ups worldwide to gain timely access to new technologies and solutions. The challenges addressed include new business models, future foods, value connections, and artificial intelligence.

- **5th edition:** record number of start-up applications from over 40 countries. In 2024, we implemented 14 pilot tests.
- **Launched Tastech SCALE** to accelerate high-potential start-up solutions within Sigma's regions.
- **Tastech won the "Best Open Innovation Program in LATAM"** award from the Innova Awards.
- Since 2019, Tastech by Sigma has implemented five editions and **received more than 2,000 start-up applications from 64 countries.** It has accelerated start-ups through 50 pilot tests and established strategic partnerships to integrate their technology into products, services, and business models in collaboration with Sigma.

TASTECH CATEGORIES

NEW BUSINESS MODELS

Disruptive concepts that enhance consumer experience through new food, purchasing formats, and efficient distribution channels.

FUTURE FOODS

High-protein foods and ingredients, as well as solutions that improve nutritional value and reduce sodium, sugar, and fat content.

POWER CONNECTIONS

Tools and applications for analyzing consumer trends and developing new shopping experiences, in addition to optimizing points of sale, logistics, routing, and supply chains.

ARTIFICIAL INTELLIGENCE

Facilitating an understanding of consumer behavior and trends, optimizing operations and logistics networks, improving inventory management agility with accurate forecasting, reducing costs, and streamlining deliveries. Additionally, accelerating product development by driving innovation and quality.

New Business and/or Service Models

Netport

Is an initiative seeking to connect U.S. consumers with traditional and/or trending foods in Mexico and Latin America.

- **Launched the new Mucho Gusto® brand,** which brings multi-category and multi-origin foods from Latin America to the U.S. The first launch of Mucho Gusto® took place this year with a line of cheeses, creams, and frozen products from Central America to serve immigrants from those countries in the U.S., a growing segment that is currently not well tended to.

The Growth Business Unit has provided valuable learning experiences in capability development for the future and the creation of new, scalable, and profitable revenue streams. This demonstrates the disruptive growth potential within the organization, complementing the maturity of the core business.

3 EXPLORE THE FUTURE

In Sigma's business vision, it is essential to consider future global trends. New generations' consumption habits, data-driven production and distribution systems, sustainability and evolving tastes and preferences are all part of our growth. This has led to the establishment of a new strategic element: Explore the Future.

We are integrating initiatives where Sigma has the greatest potential to leverage or evolve its current capabilities to better serve consumers and create maximum value. Generally, these projects focus on foods based on proteins that support consumer health and sustainability for the well-being of our communities. In some cases, these developments involve advanced science and technology that have yet to be scaled.

As part of Sigma's ongoing transformation, the Innovation, Sustainability and R&D department has been restructured to improve strategy execution and foster collaboration across businesses and teams.

The Nutrition and Health Unit (NHU), part of this department, aims to maintain a competitive advantage in the food industry by guiding each region in strategic priorities related to scientific research, nutritional profiles, product and process development, operational excellence, and sustainability.

The goal of the Nutrition and Health Unit (NHU) is to understand and translate nutritional science and its relationship to health, using this knowledge to improve the nutritional profiles of our portfolio of foods and beverages.

NHU Strategic Pillars:

NUTRITIONAL FUNDAMENTALS: Guide the evolution of nutritional profile of our products through Global Nutrition Standards (GNS), based on dietary guidelines and scientific evidence.

HEALTH INNOVATION: Support the innovation process to strengthen and expand our portfolio of products and services that contribute to a healthy diet.

NUTRITIONAL SCIENCE: Unlocking new opportunities through scientific research in collaboration with leading health and nutrition institutions.

NUTRITION EDUCATION: Empowering our teams and consumers with knowledge about nutrition and health.

Global Nutrition Standards

Sigma's Global Nutrition Standards (GNS) are a set of criteria and objectives designed to continuously improve the nutritional profile of our foods and beverages. The GNS are established by product category and based on dietary recommendations and nutrients provided by international organizations:

- World Health Organization (WHO)
- Food and Agriculture Organization of the United Nations (FAO)
- Codex Alimentarius

They also incorporate national dietary guidelines from:
- United States Institute of Medicine (IOM)
- European Food Safety Authority (EFSA)
- American Heart Association (AHA) and other recognized organizations.

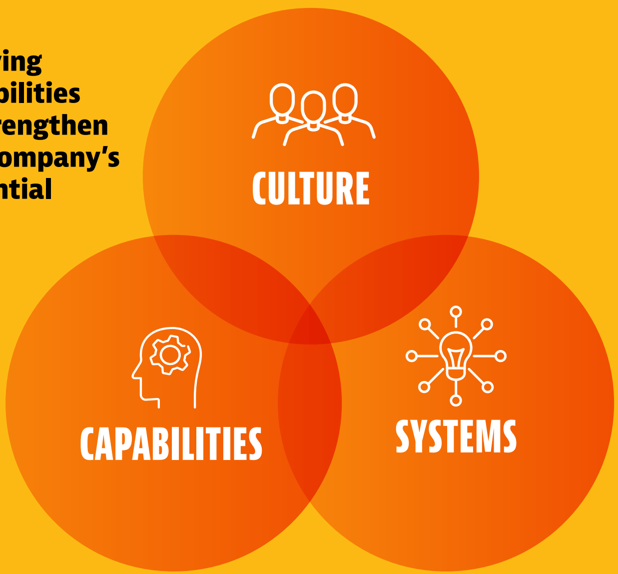
Additionally, the GNS consider both technical feasibility and consumer acceptance.

4 STRENGTHEN THE ORGANIZATION

Sigma's transformation is built on two fundamental elements: our new Purpose and our strategy update. These enrich our current value proposition and provide an additional pathway to address a diverse and ever-evolving consumer market.

Taking our strategy into action requires a profound evolution within our organization, impacting the way we think, connect, and act individually and collectively, supported by the appropriate culture, capabilities, and systems.

Evolving capabilities to strengthen the Company's potential



The Transformation We Commit To

This new path will enable us to leverage the strengths of our core business through the diverse opportunities and characteristics of our current brands, products, and platforms, with which we have brought joy and connected with our consumers, now adding the elements of Health and Sustainability as business development anchors.

To understand what we need, we must clearly define the scope and impact of each of the new elements within our strategy.

Currently, we possess strong capabilities that can be further enhanced and aligned with our Purpose, which defines our role in the food industry. This ensures we stay ahead and continue to meet and exceed evolving consumer needs in the future.

Fundamentals Video

Purpose
Delicious Food for a Better Life

Aspiration
Consistent long-term organic and inorganic growth

Strategy
1. Strengthen the Core
2. New Sources of Revenue
3. Explore the Future
4. Strengthen the Organization

Culture
Fundamentals
Centered on the individual, we aim to maximize individual and collective talent by focusing efforts on the essential and always thinking of our consumer.

Capabilities
Our competitive advantage bet
Consumer-centric innovation, business development, and dynamic capital allocation as strategic bets to strengthen our long-term competitive advantage.

Systems
Processes and data
An evolution in our way of working, increasingly integrated, flexible, and supported by consumer data and intelligence to generate differential value in the market.

Culture: Fundamentals

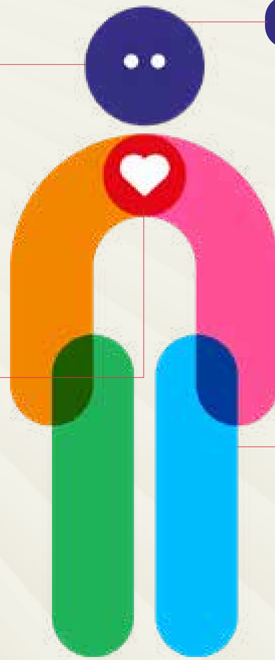
The first element of the Strengthen the Organization pillar is Culture. The evolution of Culture reflects who we are, who we aspire to be, and how we seek to think, act, and interact.

We have made significant progress in establishing Sigma's Culture. However, we identify areas that we can evolve to generate more value, such as the way we view our development, or understanding how our role impacts the achievement of results.

With this foundation, we are evolving toward an integrated cultural strategy based on four Fundamentals:

1. **Mindsets and Behaviors**
2. **Essentialism and Alignment**
3. **Passion for Consumer**
4. **Owner of My Talent and Development**

Our Fundamentals



Mindsets and Behaviors

Fostering psychological safety allows us to be protagonists with an owner mentality, embracing the challenge of being learners, collaborating effectively, and maintaining quality in our work. By driving others' success, exploring and experimenting, we transform the way we think, act, and interact.

Essentialism and Alignment

Focusing on what really matters, both in day-to-day activities and transformative actions, align horizontally and vertically, and eliminate grey areas of responsibility.

Passion for Consumer

Deeply understanding the consumer and working to exceed their expectations. This means that, regardless of our role, we must commit to and prioritize daily tasks and interactions that enhance our consumers' experience.

Owner of My Talent and Development

Taking ownership of our holistic development allows us to grow individually while simultaneously empowering all team members and making the most of all resources.

Capabilities

Our success has been built on the establishment and consolidation of capabilities that are and will continue to be key to our future: scale, product innovation, brand building and management, customer access, consumer data intelligence, and operational excellence, among others.

We understand that transformation involves enriching how we do business and we are committed to strengthening our capabilities such as:

Consumer Intelligence: Evolving along with a competitive and ever-changing landscape, building and leveraging deep consumer insights across all channels.

Business Innovation: Identify new ways to capture and deliver value by leveraging organizational assets and strengths, as well as developing the necessary capabilities to succeed in niche consumer segments, shopping missions, and business lines.

Dynamic Capital Allocation: Strategically manage resources and make timely investments to enhance the core business while also exploring development opportunities, all while navigating an increasingly uncertain business environment.

Systems

In addition to our Capabilities and Culture that fosters new ways of thinking and enhances our talent, we need an integrated, agile, flexible, and cutting-edge business model, along with information intelligence, to make better decisions, act quickly, and empower our team to fulfill our Purpose and generate value for the consumer.

What is part of our vision for the future

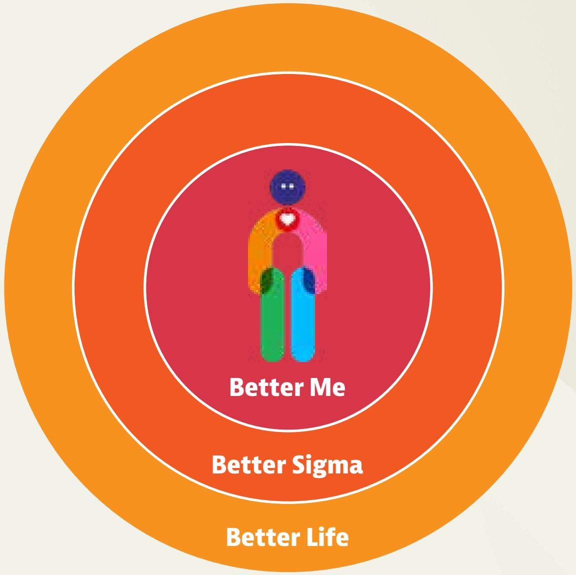
We will stay true to the core capabilities that have driven Sigma's success and will continue to fully invest in unlocking growth potential close to our core business while enhancing our already strong value proposition and operating model.

We will evolve how we manage and collaborate by embracing an inspiring and unifying purpose that empowers our teams to achieve more together.

We will maximize the value of our system by flexibly leveraging our assets—talent, knowledge, and resources—toward the most strategic and financially sound opportunities.

We will reallocate resources over time to the most promising opportunities, ensuring alignment with our purpose and long-term value creation goals for all stakeholders.

We are certain that each team member has a role to play:



Better Me:

Everything starts with ourselves. Living our Fundamentals helps us achieve our best version as individuals and professionals, enabling us to contribute to a better Company.

Better Sigma:

Improving our talent and enriching them with the right enablers.

Better Life:

By becoming a better Company, we enhance the impact on our communities and consumers.

SUSTAINABILITY

Sustainability is a fundamental part of our business strategy, and our new institutional purpose reinforces it. We aim to provide solutions to challenges within the food sector, as well as those we face globally.

Our Sustainability Strategy is based on four pillars:

Environment. We reduce our environmental impact by using natural resources more efficiently.

Well-being. We establish conditions that motivate and enable people to adopt habits that improve their quality of life.

Health & Nutrition. We promote healthy lifestyles through our offering of innovative, high-quality products.

Shared Value. We create economic and social value through our practices and share them to foster the development and strengthening of our value chain.

2024 Key Achievements

ENVIRONMENT

- **22% reduction in CO_2 eq** emissions from our plants and transportation fleet per ton of food produced compared to 2015.
- **715+ tons of virgin plastic** avoided in our packaging in 2024.
- **19% reduction in water** consumption per ton of food produced compared to 2018.

WELL-BEING

- **1,650+ leaders** participated in the Conscious Leaders program.
- **45% reduction** in the accident rate compared to the baseline year 2018.
- **80+ Diversity, Equity, and Inclusion initiatives** in all OUs during 2024.

HEALTH & NUTRITION

- **Invested US $39 million** in research and development.
- **1.07 times more sales** in the health & wellness portfolio compared to 2019.
- **98% of our plants** are certified by the Global Food Safety Initiative (GFSI).

SHARED VALUE

- **26,000+ tons** of food donated since 2015.
- **57% of suppliers** evaluated under ESG criteria follow sustainable practices.
- **470+ social and volunteering actions.**

These pillars were established through a thorough analysis of stakeholder needs, internal challenges, and market opportunities. By integrating these insights into our sustainability plan, we ensure that our resources are directed toward the most impactful initiatives, fostering environmental responsibility and long-term growth.

All the initiatives and efforts undertaken by the company have contributed to improved performance and progress in the international assessments that Sigma undergoes annually. Next, is a summary of the ratings the company received in 2024:

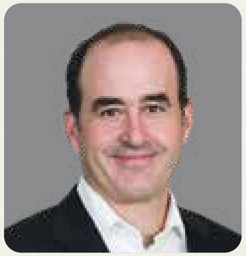
ESG Grades

	CDP			Sustainalytics	S&P Global
	Supply Chain: A-F	Water: A-F	Climate Change: A-F	Risk: 0-40+	Grade: 0-100
2024*	-	-	B	-	43
2023	B	B	B	24.6	41
2022	A-	B	B	29.7	N/A
Industry Average	C	C	C	33.5	30

** Ratings under review.*

Sigma's Sustainability Report

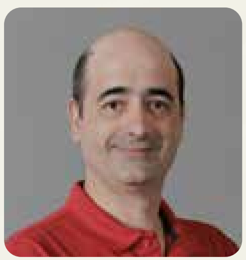
MANAGEMENT TEAM



RODRIGO FERNÁNDEZ MARTÍNEZ

Sigma CEO

Born in 1976. Joined ALFA in 1998. Before his current role, he held positions including CEO of Sigma Americas and Director of Finance and Central Marketing. He has also held other leadership positions at Sigma, such as Director of Marketing, Director of New Businesses, and General Manager of Prepared and Frozen Foods, among others. He is currently a board member of several companies, including Alpek, petrochemical business, and Grupo LAMOSA, one of the world's largest ceramics companies. He holds a Bachelor's Degree in Economics from the University of Virginia and an MBA from the Wharton School at the University of Pennsylvania. He was Chairman of the Nuevo León Chamber of the Transformation Industry (CAINTRA) during the 2021-2023 periods.



EUGENIO CABALLERO SADA

Sigma Mexico CEO

Born in 1979. Joined ALFA in 2002. Before his current role, he held positions including Director of Finance and Central Marketing, Director of Strategy and Brands, and Director of Cheese, Creams, and Spreads, among others. He holds a Bachelor's Degree in Mechanical Engineering and Administration from Tecnológico de Monterrey and an MBA from Harvard University.

JUAN IGNACIO AMAT MARTÍNEZ

Sigma Europe CEO

Born in 1974. Joined Sigma in 2024. He has over 20 years of experience in the consumer goods industry in Europe, holding leadership roles in marketing, commercial, and finance. He holds a Bachelor's Degree in Industrial Engineering from the Technical University of Madrid and an MBA from INSEAD in Fontainebleau, France.

JESÚS ALBERTO LOBO GÓMEZ

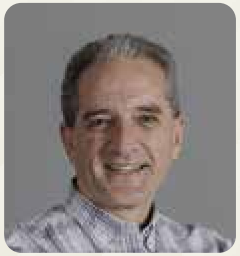
Sigma U.S. CEO

Born in 1975. Joined Sigma in 2000. Before his current role, he held executive positions that included COO of Sigma U.S., Executive VP of Sales, Marketing, and R&D for Sigma U.S., VP of Marketing and Sales for Sigma U.S., and VP of Sigma Peru. He holds a Bachelor's Degree in Marketing from Tecnológico de Monterrey and an MBA from Cornell University.

SERGIO JAVIER RAMOS SANTOS

Sigma LATAM CEO

Born in 1965. Joined ALFA in 1988 and transitioned to Sigma in 1993. At ALFA and Sigma, he has held various executive roles, including COO and Executive VP of Sales and Marketing, both in the U.S. He holds a Bachelor's Degree in Industrial Engineering from Tecnológico de Monterrey and an MBA from the University of Texas at Austin.



GERARDO CÁRCOBA OLIVARES

Foodservice CEO

Born in 1970. Joined Sigma in 2001. Before his current role, he served as VP of Sales, VP of Yoghurt, VP of Cheese, Marketing Director in the U.S., and Marketing Director for Processed Meats, among other roles in new product and business development. He holds a Bachelor's Degree in Industrial and Systems Engineering from Tecnológico de Monterrey and an MBA from DUXX Business School.

ROBERTO ROLANDO OLIVARES LÓPEZ

Chief Financial Officer

Born in 1985. Joined ALFA in 2008 and transitioned to Sigma in 2014. Before his current role, he held positions including VP of Finance and Strategic Sourcing Manager, as well as roles in financial planning and risk management. He holds a Bachelor's Degree in Economics from the University of Monterrey (UDEM) and an MBA from Duke University.

GREGORIO JOSÉ DE HAENE ROSIQUE

Chief Innovation, Sustainability, and R&D Officer

Born in 1959. Joined ALFA in 1982 and transitioned to Sigma that same year. Before his current role, he was Director of Research and Development and held various roles in Quality, Assurance, and Engineering. He holds a Bachelor's Degree in Biochemical Engineering from Tecnológico de Monterrey and an MBA from the same university. Additionally, he has completed specialized programs in Technical and Business Administration at Stanford University and MIT.

ALEJANDRO SUÁREZ FUENTES

Chief Information Technology Officer

Born in 1964. Joined Sigma in 1991. Before his current role, he served as VP of Strategic Planning, VP of Packaged Meats Mexico, VP of Mergers and Acquisitions, VP of the Caribbean, Logistics and Distribution Manager, as well as other roles in operations, planning, and strategic projects. He holds an Engineering Bachelor's Degree from Tecnológico de Monterrey, a Master's of Science in Operations Research, and a PhD in Operations Research from George Washington University.

BEATRIZ PATRÓN GUERRERO

Chief Talent and Culture Officer

Born in 1978. Joined Sigma in 2011. Before her current role, she served as Human Capital VP at ALFA, where she also led Compensations and Benefits. She also held roles such as Prepared Foods Manager and General Manager of Delicatessen. She holds a Bachelor's Degree in International Commerce from Tecnológico de Monterrey and an MBA from IPADE.

DANIEL EUGENIO ALANÍS HERNÁNDEZ

Chief Growth Officer

Born in 1979. Joined Sigma in 2021. Before his current role, he worked for 14 years at Boston Consulting Group (BCG), where he was Managing Director and Partner. At BCG, he collaborated with Sigma and ALFA for over a decade. He holds a Bachelor's Degree in Science and Mechanical Engineering from Tecnológico de Monterrey and both a Master's of Science in Mechanical Engineering and an MBA from the University of Michigan.

ANA MARÍA HENAO PALACIO

Chief Marketing Officer

Joined Sigma in 2025. A global marketing specialist with over 25 years of experience at companies such as Procter & Gamble, PepsiCo, and Microsoft. She has held local (U.S.), regional (Americas), and global roles across various distribution channels and in mass-market, luxury, and technology categories.

Alpek

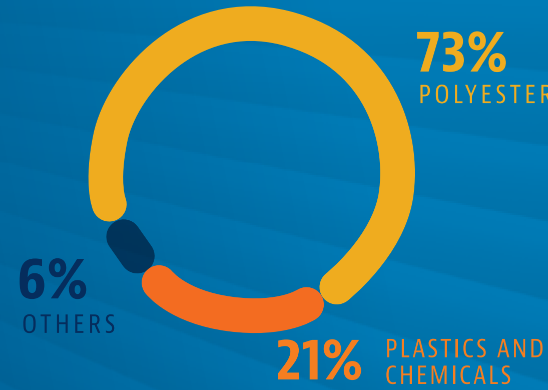
Leader in the production of PTA, PET, rPET and EPS in the Americas, and only PP producer in Mexico

“We surpassed both our original and revised 2024 earnings Guidance, driven by stable demand, capitalizing on market opportunities from higher maritime freight costs which supported our regional margins, and a slight improvement in reference margins for PET and EPS. Additionally, we successfully prioritized our competitiveness and free cash flow generation, setting clear objectives to reduce costs, generating savings of approximately US $75 million during 2024. We remain focused on generating value for our shareholders, concentrating on financial strength and operational efficiency.”

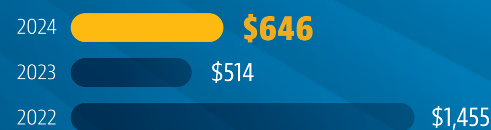
Jorge Young Cerecedo
Alpek CEO

REVENUES
US $ Billion

CONTRIBUTION TO REVENUES



EBITDA
US $ Million



2024 was a pivotal year for Alpek, marked by two key events that will shape its future trajectory.

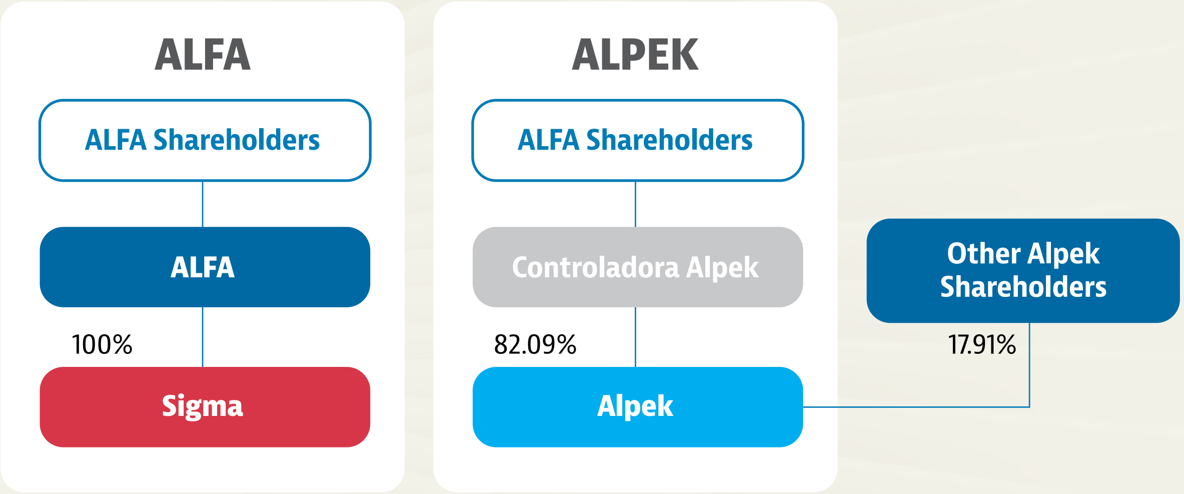
In March, Álvaro Fernández Garza assumed the role of Chairman of the Board, succeeding Armando Garza Sada, who remains a member of the Board.

Additionally, on October 24, 2024, ALFA's shareholders approved the spin-off of ALFA's equity stake in Alpek into a newly listed entity called "Controladora Alpek". ALFA's shareholders will receive one share of "Controladora Alpek" for each ALFA share they hold, while retaining their existing ALFA shares. We expect the spin-off, listing, and share distribution processes to be completed in 2025.

Alpek's spin-off is the last of ALFA's transformation process.

These events mark a new era for Alpek, positioning it to continue its successful trajectory as an independent entity. Led by an experienced team, the company has consolidated its leadership across multiple petrochemical industry value chains, backed by strong financials and independent corporate governance. Its large-scale operations, proprietary technology, cost-efficient structure, and strategically located plants are key drivers of its global competitiveness.

CORPORATE STRUCTURES AFTER THE SPIN-OFF



In compliance with International Financial Reporting Standards (IFRS) and for the purpose of ALFA's consolidated financial statements, Alpek's results are presented as "Discontinued Operations" starting from the third quarter of 2024.

During 2024, Alpek recorded Revenues of US $7.530 billion, EBITDA of US $646 million, and Comparable EBITDA of US $699 million. Capital Expenditures and Acquisitions (Capex) totalled US $121 million. Additionally, it paid US $132 million in dividends to its shareholders. Its leverage ratio (Net Debt to EBITDA) at year-end was 2.9 times, versus 3.4 times in 2023 maintaining its investment-grade credit rating.

Alpek also successfully completed 100% of its cost reduction initiatives announced in 2023. These included operational optimizations, more competitive electricity supply agreements, and an organizational restructuring, collectively generating annualized savings of US $75 million.

Alpek's Annual Report

SUSTAINABILITY

"At Alpek, we continue to advance our sustainability and social commitment agenda. The improvement in our ratings by CDP, Sustainalytics, and MSCI reflects the impact of our actions and our focus on generating long-term value."

Jorge Young Cerecedo
Alpek CEO

Alpek achieved significant progress on the ESG front, reflected in its recent ratings improvements.

- Increased its non-carbon electrical consumption to 39.5%
- 10 of its operational sites completed the year without recordable incidents
- Achieved a 32% reduction in Scope 1 and 2 emissions compared to its 2019 baseline

Obtained a B rating in climate change from CDP

Additionally, Alpek took important steps to strengthen its ESG strategy. Some of the key actions include:

- A new double materiality assessment, which now considers financial impact
- A net-zero roadmap outlining its path to decarbonization with current and emerging technologies, as well as potential timelines
- A more detailed assessment of climate-related risks and opportunities
- The first company-wide analysis of gender pay gaps

Sustainability

An important characteristic of a sustainable business is that it evolves over time. In 2024, ALFA continued its transformation process, approving Alpek's spin-off. Having concluded this spin-off, ALFA has now become a food-focused business: Sigma. With this, sustainability efforts will concentrate on Sigma's material topics.

ABOUT THIS REPORT

GRI 2-3, 2-4, 2-5, 3-2

This report presents the financial, operating, corporate governance, labor, social, and environmental (ESG) results for the period between January 1st to December 31st, 2024.

Alpek's spin-off was approved in the third quarter of 2024. Therefore, this report focuses on Sigma's results, which is ALFA's most relevant operation going forward.

We also share some of Alpek's sustainability data separately, for comparison purposes against previous years. Operating and financial results corresponding to Alpek's operation are presented under "Discontinued Operations" as of the spin-off's date of approval.

Sigma's Sustainability Report
Alpek's Annual Report

2024 HIGHLIGHTS AND RELEVANT DATA

Through its policies and management processes, ALFA promotes principles that encourage ethical and responsible business behavior.

ALPEK

Reduced by 32%
Scope 1 and 2 emissions compared to the base year 2019.

Developed a decarbonization roadmap oriented towards Scope 3 emissions (Categories 1 and 10) for 2035.

SIGMA

715+ tons
of virgin plastic avoided in their packaging during 2024.

Reduced by 19%
Water consumption per ton of food produced compared to 2018.

57%
of suppliers have sustainability practices evaluated on ESG criteria.

ALFA FUNDACIÓN

5,500 students
were served by its educational system since its establishment.

105 students
completed their university degree during 2024.

133 students
of the 7th high school generation received scholarships for their university studies.

ESG EVALUATION AND PERFORMANCE

Certifications and ratings in environmental, social, and corporate governance (ESG) topics are references we use to guide ALFA and Sigma's actions towards sustainability principles and responsible corporate practices. These tools also allow for:

- **Monitoring and communicating** progress on the most relevant material topics for the Company.
- **Incorporating strategic feedback** into internal processes to promote continuous improvement.
- **Evaluating the Company's performance** in comparison to its industry peers.
- **Identifying and adopting** best practices in sustainable management.
- **Detecting** both financial and non-financial growth **opportunities.**

ESG Indexes & Evaluations	ALFA	SIGMA
S&P CSA	37	42
CDP Climate Change	B	B
CDP Water	B	B
MSCI	BB	-
FTSE4Good	✓	-

Alpek's Annual Report

Governance

ALFA's comprehensive management system, based on ethical principles and the implementation of best corporate governance practices, reflects an excellence-oriented philosophy. It is supported by the participation of bodies such as the Board of Directors and Executive Teams.

Through reporting and transparency mechanisms, the Company constantly monitors its performance, corrects any deviations, and ensures compliance with its strategic objectives.

PHILOSOPHY AND STRATEGY

ALFA is founded on ethics, operational efficiency, and excellence in processes. Its philosophy promotes the well-being and growth of its team members, encourages responsible decision making, and addresses the needs of its main stakeholders.

Mission

Become a source of pride for our workers and shareholders; exceed stakeholder expectations through leadership, innovation, and long-term exceptional performance.

Vision

Our commitments to our stakeholders:

Shareholders: Achieve outstanding long-term value creation through profitable growth, portfolio optimization, and selective investment in new opportunities.

Employees: Be a great place to work. Attract and develop the best talent, motivating them to achieve their full potential.

Clients: Exceed expectations through superior experiences and innovative offerings.

Suppliers: Build long-lasting, mutually beneficial relationships.

Community: Encourage safe and sustainable operations. Contribute to the development of our communities.

Values

Integrity: Our actions are governed by our commitment to ethical conduct and social responsibility.

Respect and Empathy: We consider diversity as a strength. We seek to incorporate individuals with different backgrounds and experiences. We aspire to provide a work environment that promotes trust and cooperation.

Results Oriented: We are committed to value creation and the continuous improvement of our businesses. All our collaborators embody a personal commitment to improving the performance of the Company.

Innovation and Entrepreneurial Approach: Encourage and reward innovation and development of new business opportunities.

Customer Focus: Committed to exceeding our customers' needs.

ESG STRATEGY

ALFA's Sustainability Model is based on four key pillars that act as the strategic foundation for its guidelines and initiatives. The Company's progress in sustainability is measured against them.

INTERNAL WELL-BEING

To provide health, safety, and integral development opportunities for team members.

ENVIRONMENT

To control and reduce emissions to air, soil, and water to minimize its operations' environmental footprint.

OUR COMMUNITY

To be a responsible citizen to generate positive impact and promote the development of the communities in which it participates.

ECONOMY

To obtain an adequate return on the business for shareholders, considering the investment and the risk assumed.

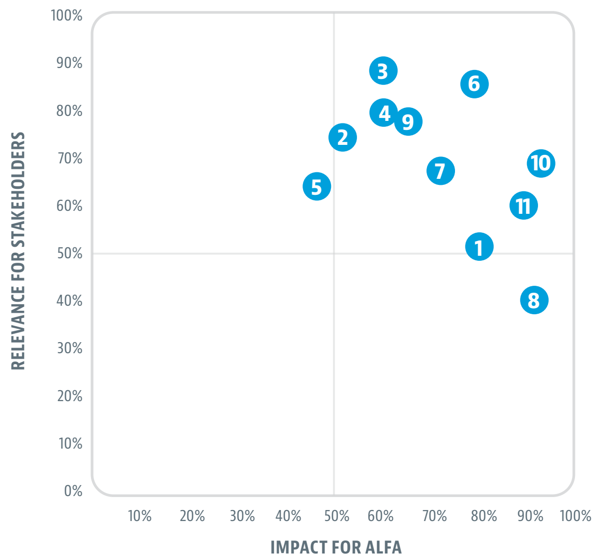
MATERIALITY

GRI 3-1, 3-2, 3-3

ALFA and Sigma conducted their materiality analyses aligned with international frameworks such as GRI, SASB and TCFD. Here we present the results of both..

Sigma's Sustainability Report

ALFA MATERIALITY MATRIX



1. ESG Strategy & risk management
2. Corporate governance with a sustainable approach
3. Transparency, reliability & investor relations
4. Human rights, Diversity, Equity & Inclusion (DEI)
5. Social impact
6. Climate change strategy: energy efficiency & emissions
7. Employee well-being, safety & development
8. Circularity approach
9. Water management
10. Value Chain involvement
11. Innovation

MATERIAL TOPICS

HEALTH AND NUTRITION

A. Food safety and quality
B. Healthy and nutritional food
C. Ending food waste
D. Innovation, research, development, and scientific collaborationesarrollo y colaboración científica

WELL-BEING

H. Employee health, safety, wellbeing, and work-life balance
I. Diversity, equal opportunity, and inclusion
J. Employee training and development
K. Organizational culture and work environment

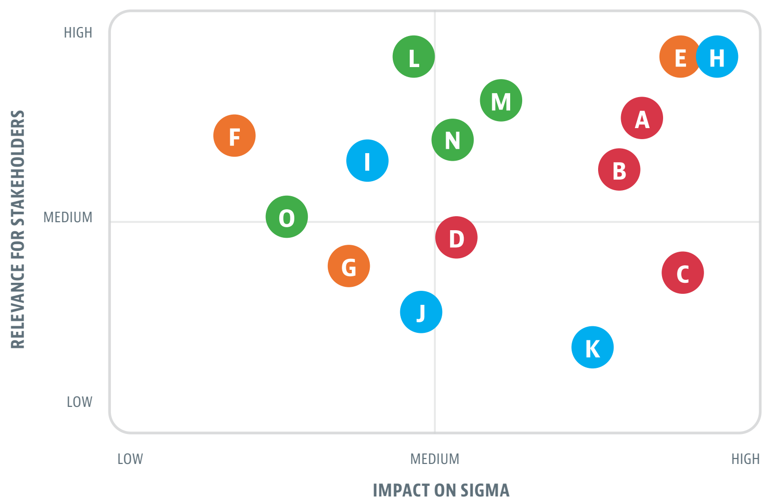
SHARED VALUE

E. Ethics and integrity
F. Sustainable procurement and value chain management
G. Economic performance

ENVIRONMENT

L. Climate action
M. Water management
N. Circular economy and sustainable packaging
O. Clean and efficient energy

SIGMA MATERIALITY MATRIX



GOALS AND PROGRESS SUMMARY

The Company sets strategic objectives to manage risks and seize opportunities in environmental, social, and corporate governance matters.

SIGMA

	2025 GOAL SUMMARY	2024 PROGRESS
ENVIRONMENTAL	Reduce carbon footprint in the operation by 20%.	22% reduction in its Scope 1 and 2 emissions per ton of food produced, 2015 baseline, achieving 100% of the goal.
	Reduce 20% of Scope 1 and 2 emissions, and 9.8% of Scope 3 emissions by 2027 (2019 baseline).	Holds approval of its short-term emissions reduction targets by SBTi (Science Based Targets initiative).
	Achieve 20% greater efficiency in responsible water management.	18% reduction in water consumption per ton of food produced, 2018 baseline, reaching 90% of the goal.
	Ensure that 67% of operations' energy consumption comes from cleaner energy sources.	65% of its consumption came from clean sources.
	Create packaging solutions that move the Company towards a circular economy.	Avoided the consumption of 10,842 tons of virgin plastic in its packaging, since 2019, more than doubling the goal.
	Responsibly source at least 80% of meat, dairy, and packaging purchases.	57% of purchases came from responsible sources, achieving 71% of the goal.
SOCIAL	Donate at least 25,000 tons of food through hunger relief organizations.	Accumulated 26,014 tons of food donated since 2015, surpassing 4% the original goal.
	Become a more inclusive company.	80+ Diversity, Equity and Inclusion initiatives across all regions.
	At least 10% of staff should participate in volunteer activities.	Employee participation in volunteering reached 23% in 2024, more than doubling the original goal.
	Strengthen long-term relationships with stakeholders through open communication about its sustainability efforts.	-
	Reduce accident rate by 22%.	Reduced it accident rate by 45%, achieving 100% of the goal.
	Increase the average number of training hours per talent segment by 11%.	Increased its average training hours by 31%.
INNOVATION	Double sales of the Health and Wellness product portfolio (2019 baseline).	Increased Health and Wellness sales 1.07x

GOALS AND PROGRESS SUMMARY

The Company sets strategic objectives to manage risks and seize opportunities in environmental, social, and corporate governance matters.

ALPEK

	GOAL SUMMARY	2024 PROGRESS
ENVIRONMENTAL	Reduce 27.5% of Scope 1 and 2 absolute GHG emissions, and 13.5% of Scope 3 emissions by 2030 (2019 baseline).	32% reduction in Scope 1 and 2 emissions compared to the base year.
	By 2030, 30% of the packaging content will be recycled and/or bio-based.	Over 2,000 tons of biodegradable and recyclable content sold in the Americas.
	Promote an innovative culture	- 104 innovation projects carried out during the year. - Savings of US $10 million through innovative initiatives. - Development of 10 new products, including CaPETAll®, a resin for bottle caps made 100% of PET.
	Collaborate with the value chain to reduce emissions and promote circularity	- Development of a decarbonization roadmap focused on Scope 3 emissions (Categories 1 and 10) for 2035. - Classification of suppliers and customers according to volume and commitment to sustainability, identifying strategic partners for the expansion of sustainable contracts.
	All plants in areas of high water stress/scarcity will have a management and mitigation plan by 2028.	Identification of 8 sites with relevant water stress/scarcity and prioritization of water-related projects.
SOCIAL	“Leading with Empathy” is one of the 3 key pillars of Alpek’s Sustainability strategy. It aims to create value not only for the company, but also for its communities.	More than US $73,000 donated to the community, over 36,000 people benefited, and more than 3,500 collaborators and external volunteers.
	Promotion of a diverse and inclusive workforce.	1% increase in the total number of women employed.

Contribution to the Sustainable Development Goals of the United Nations

Sigma's Sustainability Report

SDG	SPECIFIC SDG TARGETS	ALFA MATERIAL TOPIC	CONTRIBUTIONS
1 No Poverty	**1.5** By 2030 build the resilience of the poor and those in vulnerable situations, and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters.	Social impact	· Employment for 54,352 people in 24 countries. · ALFA Fundación, through its Extracurricular Talent Centers program, has been positively impacting the lives of students in vulnerable areas of Monterrey, Mexico for over 10 years.
3 Good Health and Well-Being	**3.d** Strengthen the capacity of all countries, in particular developing countries, for early warning, risk reduction and management of national and global health risks.	Well-being, safety and development of team members	· Goal of Zero Accidents for the year. · Industrial Health and Safety Management Systems. · Attention to the emotional and psychological well-being of team members.
4 Quality Education	**4.4** By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship. **4.5** By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples, and children in vulnerable situations.	Social impact	· ALFA Fundación: quality education as an instrument of social mobility.
6 Clean Water and Sanitation	**6.3** By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.	Water management	· Evaluation and development of efficiency strategies for water extraction and consumption. · Sigma reduced 19% its water consumption per ton produce.
8 Decent Work and Economic Growth	**8.8** Protect labor rights and promote safe and secure working environments of all workers, including migrant workers, particularly women migrants, and those in precarious employment.	Human rights, diversity, equity and inclusion Well-being, safety and development of team members	· ALFA provides employment to 54,352 people, with health, training, and comprehensive well-being benefits.
12 Responsible Consumption and Production	**12.3** By 2030, halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses. **12.5** By 2030, reduce waste generation through prevention, reduction, recycling and reuse.	Circularity approach	· Sigma: implementation of programs to reduce food waste, use of biodegradable packaging, and decrease consumption of virgin plastic.
13 Climate Action	**13.2** Integrate climate change measures into national policies, strategies, and plans.	Climate change strategy: energy efficiency and emissions	· Establishment and approval of science-based targets (SBTi initiative) to reduce emissions.

ALFA'S SUSTAINABILITY GOVERNANCE

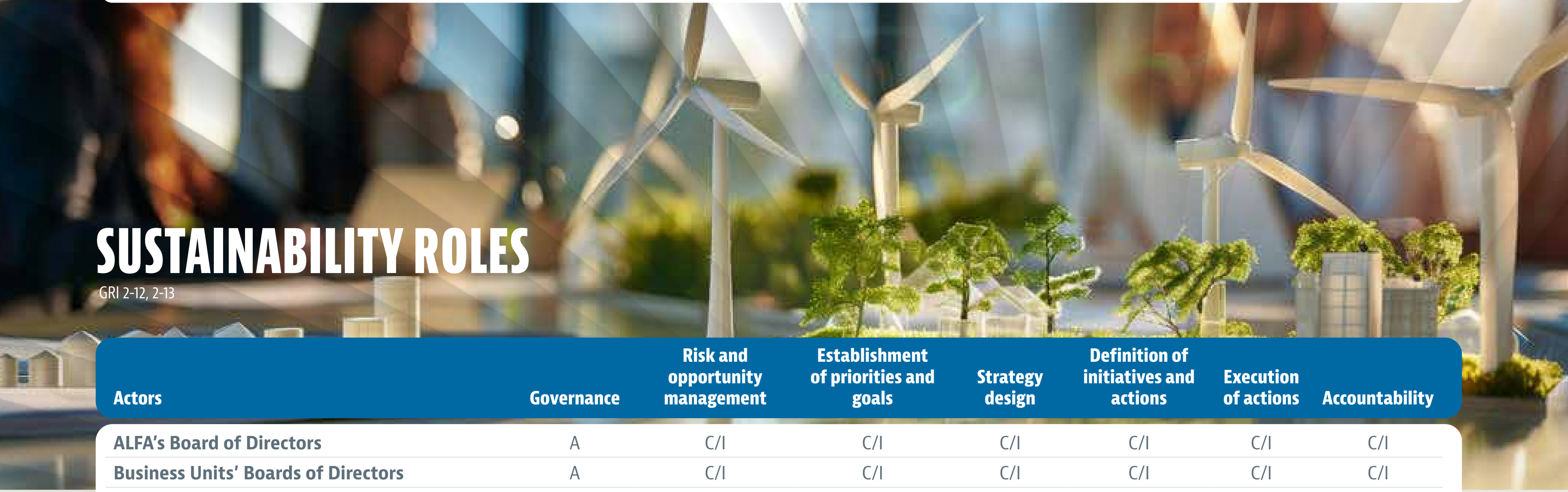
GRI 2-12, 2-13, 2-26

The governance and management frameworks used by ALFA in sustainability matters have been designed to address the specific needs of each sector in which its Business Units (BU) participate. They are aligned with corporate policies to ensure their implementation.

SUSTAINABILITY GOVERNANCE

Level	Items	Responsible*
STRATEGIC	· Highest governing body · Policies and guidelines · Resource allocation · Materiality · Business ethics and transparency	Corporate/BU
SYNERGIES	· Joint initiatives · Strengthening sustainability capacity	Corporate/BU
OPERATIONAL	· Collection and monitoring of key operational information · Sector-specific environmental and social initiatives · Value Chain Initiatives · Innovation · Cybersecurity	Corporate/BU BU BU BU Corporate/BU

ALFA Corporate and/or Bussiness Units.



SUSTAINABILITY ROLES

GRI 2-12, 2-13

Actors	Governance	Risk and opportunity management	Establishment of priorities and goals	Strategy design	Definition of initiatives and actions	Execution of actions	Accountability
ALFA's Board of Directors	A	C/I	C/I	C/I	C/I	C/I	C/I
Business Units' Boards of Directors	A	C/I	C/I	C/I	C/I	C/I	C/I
ALFA CEO	A	A/R	A/R	A	A/I	A/I	A/R
Business Units' CEOs	A	A/R	A/R	A	A/I	A/I	A/R
Subsidiary/Regional CEOs	A/R	A/R	A/R	A/R	A/I	A/I	A/R
Business Unit Sustainability Directors	R	R	R	R	R	R	R
Chief Financial Officers	C/A	A/R	C/A	C/A	C	I	A
Business Unit Functional Managers	C/I	R	R	R/A	I/A	R	R
Sigma Sustainability Community	C/I	R	R	R	R	R	R
Alpek Operations Committee	C/I	R	R	R	R	R	R
ALFA & BU Internal Audit	C/S	C/S	I/V	I/V	C/V	I/V	I/V

Roles

		DESCRIPTION
R	Responsible	Oversees the task directly.
A	Approver	Responsible for ensuring the task is performed and is accountable for its execution.
C	Consultant	Possesses some type of information or capability necessary for the task to be performed optimally.
I	Informed	Should be informed about the progress and results of the task's execution.
S	Support	Shares information with the different governing bodies.
V	Verifier	Ensures that all established processes are carried out in accordance with Company policies and guidelines.

Sigma's Sustainability Governance

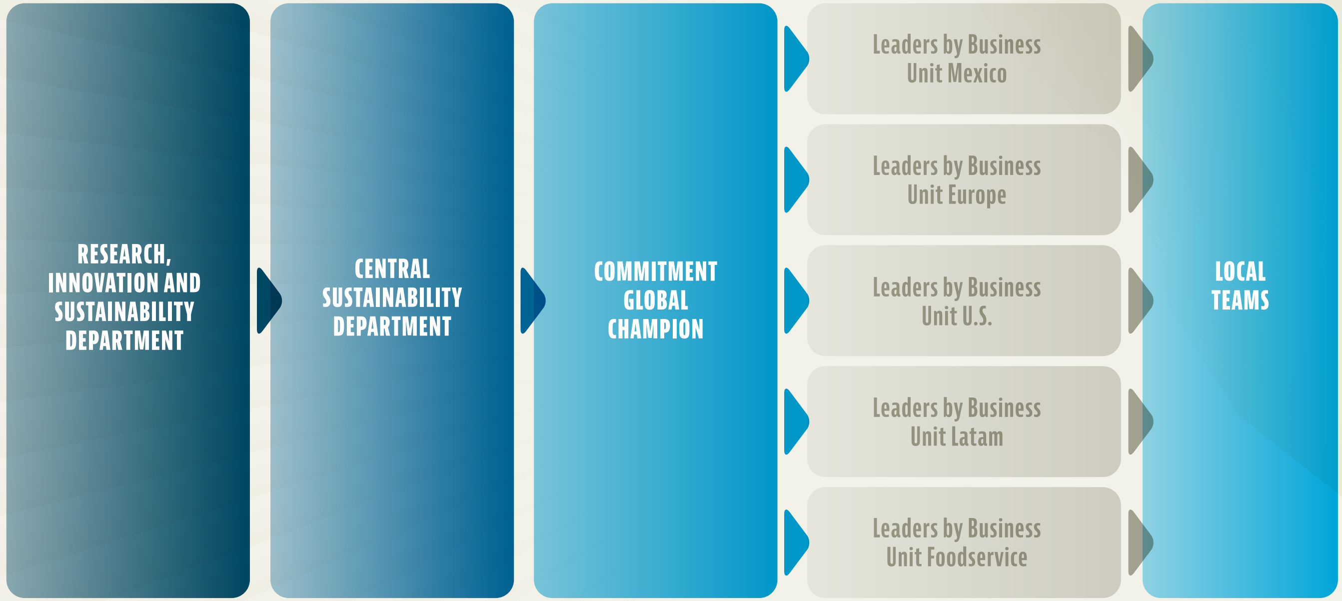
GRI 2-12, 2-13, 2-26

The Research, Innovation, and Sustainability Department (CRISO) at Sigma is responsible for promoting and driving key initiatives to achieve the Company's Sustainability objectives.

This team reports directly to Sigma's Top Management and supervises the Central Sustainability team, whose work includes integrating sustainability strategy and guidelines. They lead internal training and consulting, as well as monitoring and communicating the Company's ESG performance to stakeholders.

In addition, CRISO Management heads Sigma's Sustainability Community, which includes over 260 team members responsible for managing progress towards the goals set for 2025.

Sigma's Sustainability Report



ETHICS AND ANTI-CORRUPTION

The team's ethical behavior is the foundation of ALFA's strategy. Top Management leads the establishment and supervision of corporate governance policies. In addition, priority topics are presented to the Board of Directors on its various committees.

ALFA's Code of Ethics

Sigma's Code of Ethics

ALFA Code of Ethics

The company's philosophy underpins this policy's approach, which articulates the 12 principles that guide the behavior of team members in their interaction with various key stakeholders. This document is widely disseminated both within and outside the Company and is supported by effective mechanisms to monitor compliance. It also provides clear channels for reporting and calling out any deviations, non-compliance, conflict of interest, or act of corruption, ensuring strict adherence to national and international regulations in the countries where it operates.

ALFA's Code of Ethics includes the following principles:

1. Conduct business activities with honesty.
2. Respect the dignity and rights of team members through fair and honest treatment.
3. Protect the health and safety of team members and the communities where the Company operates, due to the inherent nature of its activities.
4. Avoid any form of discrimination, harassment, threat or abuse in the treatment of team members. Prohibit child labor.
5. Comply with the laws and regulations of the countries where it operates.
6. Avoid acts of corruption, in any form.
7. Avoid situations that may generate conflicts of interest in the relationship between team members and the Company.
8. Protect and make good use of the Company's tangible and intangible assets.
9. Never dispose of the Company's assets for personal benefit.
10. Generate truthful operating and financial information.
11. Protect the environment and make rational use of natural resources when developing business activities.
12. Avoid the Company's participation, as well as the use of its assets or image in political-partisan activities.

The Company also aligns with the International Labor Organization (ILO) guidelines on Human Rights, reaffirming its commitment to eliminating any form of discrimination, absolute rejection of child labor and exploitation, forced labor, abuse or coercion, as well as any threat or obstruction to the right to collective bargaining.

Anti-Corruption

GRI 205-1

ALFA promotes and adopts a zero-tolerance policy towards any act of corruption or bribery, in any form. The company seeks strict compliance with anti-corruption regulations applicable in the countries where it operates, including the U.S. Foreign Corrupt Practices Act (FCPA).

Anti-Corruption Policy

The Anti-Corruption Policy is publicly available, disseminated and promoted among all operations and key stakeholders in the value chain. This policy stipulates strict compliance with all applicable anti-corruption laws and regulations in the countries where the Company operates, always adhering to honesty. It is expressly forbidden for any ALFA team member, contractor or representative to participate in, order, authorize, promise, conspire or encourage corrupt practices, either directly or through third parties.

Transparency Helpline

GRI 2-16, 2-26

To ensure integrity and compliance with its policies, ALFA provides a Transparency mailbox for anonymous reporting. This mechanism is accessible through the website, e-mail and a 1-800 hotline, operational in all countries where ALFA operates. Available 24 hours a day, 365 days a year, it ensures timely detection, registration, investigation and resolution of any incident that contravenes the Company's ethical policies.

ALFA's Internal Audit department is responsible for classifying and analyzing the complaints received. Depending on the nature of each case, additional personnel may be required to carry out a thorough investigation.

ALFA's Anti-corruption Policy

Sigma's Anti-corruption Policy

Any breach or conduct that violates the Code of Ethics, as well as policies related to Human Rights, anti-corruption or bribery, among others, is sanctioned with disciplinary measures. These actions may include the termination of employment and commercial contracts, depending on the severity of each case. ALFA's commitment to integrity and compliance is reaffirmed through these key processes and mechanisms.

Of the 1,143 cases reported in 2024, 100% were addressed, with 81% resolved within the same period, while the remaining 19% are still under review. As a result of the identified cases of misconduct, 211 ALFA team members were dismissed and relations with 3 business partners were terminated.

The reported cases were distributed as follows:

TYPE OF COMPLAINT

18.6% Inappropriate treatment of team members

14.0% Complaints and Customer Service

9.7% Asset preservation

1.7% Policy compliance

1.3% Personal relations

1.2% Corruption and/or bribery

1.0% Conflict of interest

1.0% Discrimination

51.3% Others

Conflict of interest

GRI 2-15

ALFA has a Conflict of Interest Policy addressed to both Board members and team members, which establishes clear guidelines to ensure transparency and compliance with their responsibilities.

For Board members, their responsibilities are governed by the Mexican Securities Market Law (LMV), applicable to securities issuers, and are also aligned with the Professional Code of Ethics of the Mexican Stock Market Community, the Code of Best Corporate Practices, and the internal regulations of the Mexican Stock Exchange.

According to the LMV, board members have a duty to act with diligence and good faith, always in the best interest of the Company. Likewise, they are required to maintain confidentiality regarding sensitive information and matters of the Company. As a policy, they must refrain from participating in discussions and voting on issues that represent a conflict of interest. In the event of a potential conflict, they are obligated to inform the Chairman of the Board and the other members, avoiding involvement in deliberations or voting on such matters.

For team members, the policy establishes the obligation to avoid any situation that may create conflict between their personal interests and those of the Company. Those who have ties or interests with current or potential customers or suppliers must declare it through the corresponding form to the Human Resources department and notify their immediate supervisor. This practice guarantees transparent operations aligned with ALFA's ethical values.

Policies

GRI 2-23

ALFA has a solid regulatory framework comprised of more than 50 corporate policies, designed to establish guidelines that promote responsible performance and focus on generating value for all its stakeholders.

To ensure effective implementation, ALFA complements these policies with supporting documents, such as procedures and formats, which facilitate understanding and ensure their proper execution in operations.

The fundamental aspects addressed include:

- Human Capital
- Technology
- Audit
- Procurement
- Controllership and Finance
- Communication
- Security
- Legal

Sigma's Policies

Alpek's Policies

Risk Management

GRI 2-25

The risk management process, including those related to environmental, social, and governance (ESG) aspects, allows ALFA's initiatives and strategies to be optimized according to the nature of its operations and the sectors they belong to. This information is presented to the Board of Directors' Audit Committee, which is responsible for monitoring progress and performance in the management of the most relevant risks.

The strategy and specific action plan for each risk is defined based on its nature, probability of occurrence, and potential impact.

ALFA's Internal Audit department plays a key role in evaluating control processes, corporate governance, and risk management from a comprehensive and systemic approach, generating benefits like:

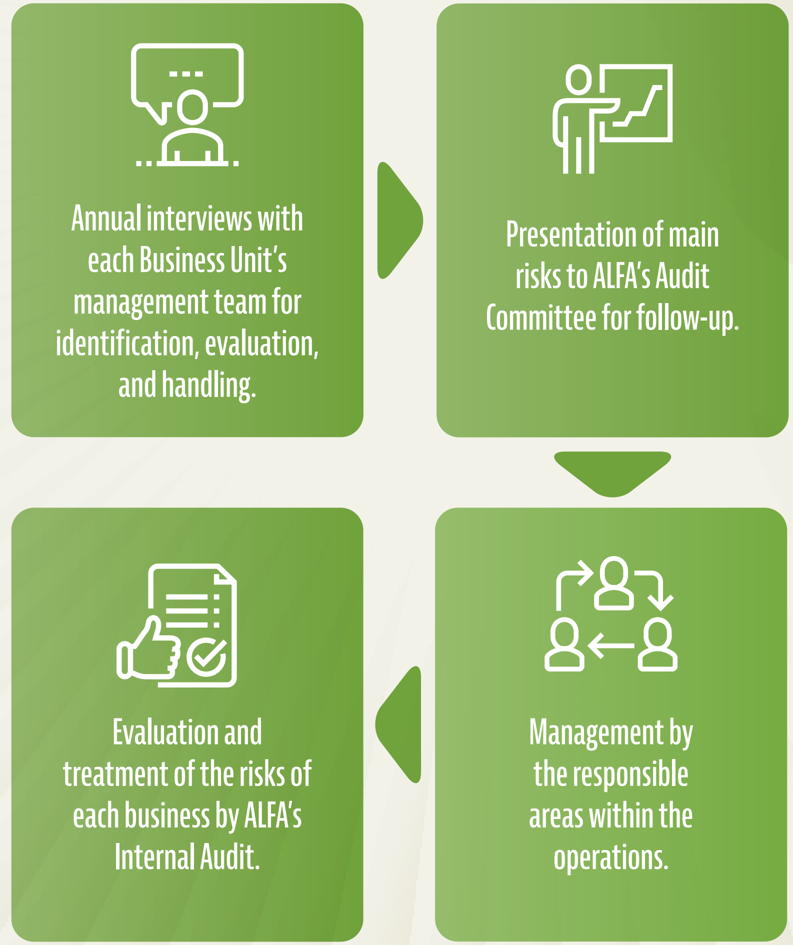
- **Fostering** an environment that allows the Company to meet its stakeholders' performance expectations.
- **Protecting** the organization's human, economic, physical, and reputational resources.
- **Ensuring** compliance with legal and regulatory requirements.
- **Identifying** historical data on current situations to improve understanding and set goals related to each Business Unit's specific sustainability issues.
- **Obtaining** advice on best practices regarding corporate governance, internal controls, progress tracking, validating objectives, and reasonability of reported information.
- **Integrating** ESG risks into the Internal Audit program.

In 2024, the Audit Committee implemented a work plan to strengthen the management of ESG topics before the Board of Directors, highlighting the following actions:

- Collaboration with functional teams to identify and prioritize risks in its Business Units.
- Development and implementation of a system to record each Business Unit's main risks.

During the year, ESG topics were presented to the Board's Internal Audit Committee twice, reaffirming ALFA's commitment to managing sustainability-related risks.

Four steps are considered in the integration of risk reports:



DIALOGUE WITH KEY AUDIENCES

GRI 2-29

ALFA maintains constant communication with its stakeholders, particularly those that are, or could be, impacted by its activities. Continuous dialogue not only strengthens relationships with them but also accelerates progress on social and environmental initiatives. These efforts are based on collaboration and transparency.

ALFA receives regular and systematic feedback to identify areas for improvement, solve problems, and make informed decisions that benefit all parties involved.

Shares relevant information in a clear and accessible manner communicates both successes and areas of opportunity to build trust.

Demonstrates the Company's commitment to the community and the environment, strengthening stakeholder relations and contributing to their general well-being.

Stakeholder	Communication Channels	Responsible
TEAM MEMBERS	· Meetings · Internal forums · E-mails · Intranet · Transparency Helpline · Surveys and satisfaction studies · Organizational climate and engagement	Human Capital
INVESTORS	· One-on-one meetings · Quarterly reports · Annual reports · Conferences and forums · Transparency Helpline	Investor Relations
AUTHORITIES	· Meetings · Annual reports · Transparency Helpline	Institutional Relations
SUPPLIERS	· Audits · Training programs · Transparency Helpline	Services Area
COMMUNITY AND CIVIL SOCIETY ORGANIZATIONS	· Program suppot · Volunteer work · Transparency Helpline	• ALFA Fundación • Human Capital • Internal Audit • Institutional Relations

Participation in Chambers and Associations

GRI 2-28

ALFA is an active member of various chambers and associations, which allows it to strengthen strategic relationships, exchange knowledge, and stay updated on applicable regulations. This participation contributes to the adoption of best practices and the continuous optimization of its operations.

GOVERNANCE BODIES

GRI 2-9, 2-10, 2-11, 2-12, 2-13

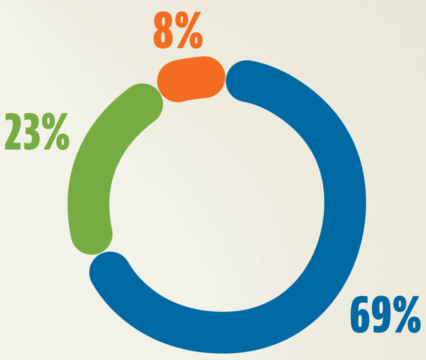
ALFA adheres to the Code of Principles and Best Practices of Corporate Governance (CMPC), which has been in force in Mexico since its creation in 2000, at the initiative of the country's securities authorities. The purpose of this code is to establish a reference framework for corporate governance to strengthen investor confidence in Mexican companies.

Companies listed on the Mexican Stock Exchange (BMV) must report their level of adherence annually to the CMPC through a questionnaire, which is available to the investor public on both the BMV's website and the Company's official website.

Board Directors' Composition

GRI 2-9

- Independent
- Related proprietary
- Without classification



A. Composition of the Board of Directors

ALFA's Board of Directors is comprised of 13 proprietary members without alternates. Of these:

- 9 (69%) are independent members
- 3 (23%) are related proprietary members
- 1 (8%) has no specific classification, as he holds the position of CEO in a publicly traded company whose Board includes ALFA's CEO

This Report and the Annual Report to the BMV provide detailed information on all board members, including their independence and the Committees they participate in.

B. Support Committees for the Board

To ensure effective performance, the Board of Directors is supported by three Committees:

- Audit Committee
- Corporate Practices Committee
- Planning and Finance Committee

Each committee is chaired by an independent director. The Audit and Corporate Practices Committees, in particular, are composed exclusively of independent directors, reinforcing principles of transparency and accountability.

Code of Principles and Best Practices of Corporate Governance

C. Board Meetings

The Board of Directors meets six times a year. These meetings may be called by:

- The Chairman of the Board - Álvaro Fernández Garza
- The Chairman of the Audit Committee - Federico Toussaint Elosúa
- The Chairman of the Corporate Practices Committee - Enrique Castillo Sánchez Mejorada
- The Secretary of the Board - Carlos Jiménez Barrera
- At least 25% of board members

At least one of these annual meetings is specifically dedicated to defining the Company's medium- and long-term strategy, ensuring a sustainable and forward-looking approach.

D. Conflict of Interest Management and Participation

GRI 2-15

Board members are required to inform the Chairman of the Board of any conflict of interest that may arise from their participation in certain Board activities and must refrain from participating in related deliberations. In 2024, the average attendance at Board meetings was 98.9%, while the Committees achieved 100% attendance.

E. Audit Committee Functions

The Audit Committee analyzes and makes recommendations to the Board on key issues, such as:

- Selection and determination of fees for the external auditor
- Coordination with the internal audit department
- Review of accounting policies
- Oversight of environmental, social, and governance (ESG) topics

F. Internal Control Systems

ALFA has robust internal control systems whose general guidelines are reviewed by the Audit Committee to issue its opinion. The effectiveness of these systems is validated by an external audit firm, which also provides detailed performance reports.

G. Planning and Finance Committee Functions

This Committee evaluates issues related to its specialty and advises the Board in subjects such as:

- Feasibility of investment projects
- Strategic positioning of the Company
- Consistency in investment and financing policies
- Review of proposed investment projects

H. Corporate Practices Committee Functions

The Corporate Practices Committee provides recommendations to the Board on issues related to:

- Conditions for hiring and separation of senior executives
- Compensation policies
- Succession plans and replacement letters

I. Communication with Shareholders and Investors

ALFA has a team dedicated to managing communication with shareholders and investors, ensuring timely access to financial and strategic information. This effort allows stakeholders to transparently evaluate the Company's progress in meeting its objectives and activities.

BOARD OF DIRECTORS

GRI 2-9, 2-11, 2-17

JUAN CARLOS CALDERÓN ROJAS

Current Position: Global VP of Employee Experience and Engagement at Sigma.

Academic Background: Bachelor's Degree in Business Administration from Tecnológico de Monterrey, MBA from Georgetown University, and Senior Management Program from Instituto Panamericano de Alta Dirección de Empresas (IPADE).

Board Tenure: March 2023 (2 years).

Type of Member: Related Proprietary.

Other Board Memberships: Nemak, Grupo Franca, Movimiento Congruencia and COPARMEX.

Social Impact Boards: University of Monterrey (UDEM) and Casino Monterrey.

Experience: Human Capital, Sustainability, Financial Planning, and Commercial.

ESG Experience: 11 years.

Risk Experience: 2 years.

Previous Positions: Sustainability VP at Sigma, Sustainability VP at ALFA, Derivative Financial Operations and Financial Planning at ALFA, Export Sales at Hylsa Steel Division.

ENRIQUE CASTILLO SÁNCHEZ MEJORADA

Current Position: Chief Executive Officer of Tejocotes 134, S.C.

Academic Background: Bachelor's Degree in Business Administration from Universidad Anáhuac.

Board Tenure: March 2010 (15 years).

Type of Member: Independent.

Committee Responsibilities: Chairman of the Corporate Practices Committee and Member of the Audit Committee.

Other Board Memberships: Banco Nacional de México (Banamex), Southern Copper Corporation, Grupo Hérdez, Médica Sur and Grupo Invekra.

Experience: Finance.

ESG Experience: 6 years.

Risk Experience: 21 years.

Previous Positions: Chairman of the Board and Chief Executive Officer of IXE Grupo Financiero, Chairman and Vice Chairman of the Mexican Bank Association, and Senior Partner of Ventura Capital Privado.

FRANCISCO JAVIER FERNÁNDEZ CARBAJAL

Current Position: Chief Executive Officer of Servicios Administrativos Contry.

Academic Background: Bachelor's Degree in Mechanical and Electrical Engineering from Tecnológico de Monterrey and MBA from Harvard Business School.

Board Tenure: March 2010 (15 years).

Type of Member: Independent.

Committee Responsibilities: Chairman of the Planning and Finance Committee.

Other Board Memberships: Cemex and VISA Inc.

Experience: Finance, Commercial and Investment Banking, Insurance and Sureties.

ESG Experience: 42 years.

Risk Experience: 35 years.

Previous Positions: Director of Fianzas Monterrey, Director of Grupo Financiero BBVA Bancomer, and Chairman of the Board of Directors of Primero Fianzas and Primero Seguros. Member of the Boards of Grupo Bimbo, Grupo Gigante, IXE Grupo Financiero, Grupo Lamosa, El Puerto de Liverpool, Grupo Aeroportuario del Pacífico, FEMSA, and Fresnillo, PLC.

ÁLVARO FERNÁNDEZ GARZA

Current Position: Chairman of the Board and CEO of ALFA.

Academic Background: Bachelor's Degree in Economics from the University of Notre Dame, Master's Degree in Business Administration from Tecnológico de Monterrey and MBA from Georgetown University.

Board Tenure: April 2005 (19 years).

Type of Member: Related Proprietary.

Committee Responsibilities: Member of the Planning and Finance Committee.

Other Board Memberships: Chairman of the Boards of Alpek, Nemak and Controladora Axtel. Co-chair of the Board of Axtel. Member of the Boards of Cydsa, Vitro and The Mexican Business Council.

Social Impact Boards: Chairman of the Board of University of Monterrey (UDEM).

Experience: Industrial Sector, Food and Beverages, Petrochemicals and Telecommunications.

ESG Experience: 14 years.

Risk Experience: 17 years.

Previous Positions: Chief Executive Officer of Sigma and President of the Nuevo León Chamber of the Transformation Industry (CAINTRA).

ARMANDO GARZA SADA

Current Position: Member of the Board of ALFA.

Academic Background: Bachelor's Degree in Engineering from MIT and MBA from Stanford University.

Board Tenure: April 1990 (34 years).

Type of Member: Related Proprietary.

Committee Responsibilities: Member of the Planning and Finance Committee.

Other Board Memberships: Member of the Boards of Alpek, Nemak and Controladora Axtel, Axtel, BBVA Mexico, Cemex, Lamosa and Liverpool.

Experience: Industrial Sector, Food and Beverages, Petrochemicals, Telecommunications, Automotive and Strategic Planning.

ESG Experience: 14 years.

Risk Experience: 21 years.

Previous Positions: Chairman of the Board of ALFA. Member of the Boards of FEMSA, KOF, Grupo Proeza, Gigante, Tecnológico de Monterrey, MVS and the Mexican Stock Exchange, and Chairman of the Nuevo León Chamber of the Transformation Industry (CAINTRA).

CLAUDIO X. GONZÁLEZ LAPORTE

Current Position: Chairman of the Board of Kimberly-Clark Mexico.

Academic Background: Bachelor's Degree in Chemical Engineering from Stanford University.

Board Tenure: December 1987 (37 years)

Type of Member: Independent.

Committee Responsibilities: Member of the Corporate Practices Committee.

Other Board Memberships: Fondo México, Grupo México and Grupo Carso. Consultant to Fondo Capital and Director Emeritus of General Electric Company.

Experience: Finance and Consumer Products.

ESG Experience: 52 years.

Risk Experience: 52 years.

Previous Positions: Member of the Boards of Kimberly-Clark Corporation, Home Depot, and JP Morgan International, Chairman of the Consejo Coordinador Empresarial (CCE) and of the Mexican Business Council.

DAVID MARTÍNEZ GUZMÁN

Current Position: Founder and Chief Executive Officer of Fintech Advisory Inc.

Academic Background: Bachelor's Degree in Mechanical and Electrical Engineering from UNAM and MBA from Harvard Business School.

Board Tenure: March 2010 (15 years).

Type of Member: Independent.

Committee Responsibilities: Member of the Planning and Finance Committee.

Other Board Memberships: Cemex, ICATEN, Vitro and Banco Sabadell.

Experience: Finance, Investments and Telecommunications.

ESG Experience: 41 years.

Risk Experience: 41 years.

JOSÉ ANTONIO MEADE KURIBREÑA

Current Position: Independent Advisor.

Academic Background: Bachelor's Degree in Economics from Instituto Tecnológico Autónomo de México (ITAM), Bachelor's Law Degree from Universidad Nacional Autónoma de México (UNAM) and PhD in Economics from Yale University.

Board Tenure: February 2018 (7 years).

Type of Member: Independent.

Committee Responsibilities: Member of the Planning and Finance Committee.

Other Board Memberships: HSBC Holdings, Grupo Chedraui, Unicef México, Global Adaptation Center, Fibra Uno, US-MX of UCSD and Member of the Global Adaptation Commission.

Experience: Finance, Public Finance, Foreign Affairs, Social Development, Energy, and Strategic Planning.

Previous Positions: Secretary of State five times in four different branches: Energy, Finance and Public Credit, Foreign Affairs, and Social Development. Candidate for the PRI political party during the 2018 presidential elections.

ALEJANDRA PALACIOS PRIETO

Current Position: Independent advisor on Business Strategy, M&A, and Regulatory Compliance.

Academic Background: Bachelor's Degree in Economics and MBA from Instituto Tecnológico Autónomo de México (ITAM), Master's in Public Administration and Public Policy from Centro de Investigación y Docencia Económicas (CIDE), and Master's in Law (LLM) from the University of California, Berkeley.

Board Tenure: May 2024 (10 months).

Type of Member: Independent.

Other Board Memberships: Grupo Aeroportuario del Pacífico and BBVA Mexico.

Social Impact Boards: School of Social Sciences and Government at Tecnológico de Monterrey, International Women's Forum (IWF) Mexico chapter.

Experience: Administration, Strategic Planning, Mergers and Acquisitions, Regulatory Compliance, and Economic Competition.

ESG Experience: 3 years.

Risk Experience: 11 years.

Previous Positions: President Commissioner of the Federal Economic Competition Commission (COFECE), Director of Economic Regulation Projects at the Instituto Mexicano para la Competitividad, A.C (IMCO), Economics professor at Instituto Tecnológico Autónomo de México (ITAM).

ALEJANDRO RAMÍREZ MAGAÑA

Current Position: Chief Executive Officer of Cinépolis.

Academic Background: Bachelor's Degree in Economics and MBA from Harvard University. Master's Degree in Economic Development from Oxford University.

Board Tenure: February 2019 (6 years).

Type of Member: Independent.

Committee Responsibilities: Member of the Corporate Practices Committee.

Other Board Memberships: BBVA Mexico, El Puerto de Liverpool and GEPP.

Social Impact Boards: Harvard University, Carnegie Endowment for International Peace, Sundance Institute, and Museum of the Academy of Motion Picture Arts and Sciences. President of the Morelia International Film Festival, and the Advisory Board of the David Rockefeller Center for Latin American Studies at Harvard University.

Experience: Strategic Planning, Operations, Production and Distribution of Audiovisual Content, Economic Analysis and Evaluation of Public Policies.

ESG Experience: 13 years.

Risk Experience: 19 years.

Previous Positions: Technical Secretary of the Cabinet of Human and Social Development of the Government of Mexico and Alternate Representative of Mexico to the Organization for Economic Cooperation and Development in Paris, France.

ADRIÁN G. SADA CUEVA

Current Position: Chairman of the Board and CEO of Vitro.

Academic Background: Bachelor's Degree in Business Administration from Tecnológico de Monterrey and MBA from Stanford University.

Board Tenure: March 2021 (4 years).

Committee Responsibilities: Member of the Planning and Finance Committee.

Other Board Memberships: Vitro and Nemak.

Social Impact Boards: Mexican Business Council, Organización Vida Silvestre and University of Monterrey (UDEM).

Experience: Management, Finance, Strategic Planning, and Mergers and Acquisitions, Operations and Automotive.

ESG Experience: 20 years.

Risk Experience: 20 years.

Previous Positions: President of the Nuevo León Chamber of the Transformation Industry (CAINTRA). Member of the Board of Organización Vida Silvestre.

FEDERICO TOUSSAINT ELOSÚA

Current Position: Chairman of the Board and CEO of Grupo Lamosa.

Academic Background: Bachelor's Degree in Industrial and Systems Engineering from Tecnológico de Monterrey and MBA from Instituto Panamericano de Alta Dirección de Empresas (IPADE).

Board Tenure: April 2008 (16 years).

Type of Member: Independent.

Committee Responsibilities: Chairman of the Audit Committee.

Other Board Memberships: Xignux, Grupo Iconn, Regional Member of the Board of Banco de México, Banorte, Scotiabank and Vidusa.

Social Impact Boards: University of Monterrey (UDEM), National Member of the Board of COPARMEX, Member of the Mexican Business Council and Instituto Panamericano de Alta Dirección de Empresas (IPADE).

Experience: Finance, Marketing and Industrial Sector.

GUILLERMO F. VOGEL HINOJOSA

Current Position: Chairman of the Board of GCollado and Exportaciones IM Promoción, S.A., Vice Chairman of the World Board of Tenaris.

Academic Background: Bachelor's Degree in Business Administration from Universidad Nacional Autónoma de México (UNAM) and MBA from the University of Texas.

Board Tenure: April 2008 (16 years).

Type of Member: Independent.

Committee Responsibilities: Member of the Planning and Finance Committee.

Other Board Memberships: Techint, Banco Santander, Club de Industriales, Eximpro, Innovare R&D, Operbus and the Consejo Coordinador Empresarial (CCE). Co-chair of the U.S.-Mexico CEO Dialogue.

Social Impact Boards: Universidad Panamericana-IPADE and the International Council of the Manhattan School of Music.

Experience: Management, Finance, Strategic Planning, and Mergers and Acquisitions.

ESG Experience: 16 years.

Risk Experience: 21 years.

Previous Positions: President of the National Chamber of Iron and Steel Industry on three occasions, Chairman of the North American Steel Council, and Director and Vice Chairman of the Board of the American Iron & Steel Institute.

CARLOS JIMÉNEZ BARRERA

Secretary of the Board

MANAGEMENT TEAM

GRI 2-9, 2-11, 2-17

The management team at ALFA plays a crucial role in the direction and success of the Organization. Comprised of competent professionals with vast experience in their respective fields, this group works collaboratively to define strategic guidelines and make key decisions that guide the Company's sustainable development and growth.

ÁLVARO FERNÁNDEZ GARZA
Chairman of the Board and Chief Executive Officer of ALFA

33 years at ALFA. Graduated from Notre Dame University. Master's Degree at Tecnológico de Monterrey and the University of Georgetown.

RODRIGO FERNÁNDEZ MARTÍNEZ
Chief Executive Officer of Sigma

26 years at ALFA. Graduated from the University of Virginia. Master's Degree at Wharton.

JORGE YOUNG CERECEDO
Chief Executive Officer of Alpek

34 years at ALFA. Graduated from Tecnológico de Monterrey. Master's Degree at Wharton.

EDUARDO ALBERTO ESCALANTE CASTILLO
Chief Financial, Human Capital and Services Officer of ALFA

37 years at ALFA. Graduated from Tecnológico de Monterrey. Master's Degree at Stanford University.

Our People

ALFA's Human Capital approach focuses on developing the competencies and skills necessary to effectively respond to the demands of the current business context and work environment. This includes strengthening the organizational culture, redefining key processes and simplifying structures, thus promoting a more agile management aligned with the Company's strategic objectives.

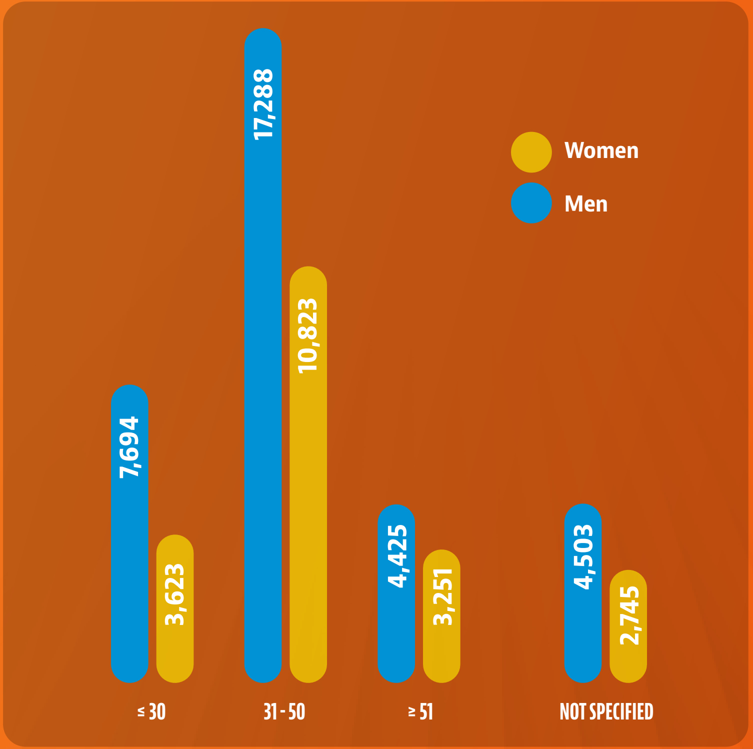
DEMOGRAPHICS

GRI 2-7

The greatest economic and social value is generated by developing an organizational culture based on empathy and awareness, fostering an environment where team members can express their uniqueness and reach their full potential, both professionally and personally.

Starting from the third quarter of 2024, Alpek is reported as Discontinued Operations in ALFA's Consolidated Financial Statements. Hence, the total number of employees in the Company after the spin-off of Alpek will be 48,838.

AGE



BUSINESS UNIT

	Women	%	Men	%
ALFA Corporate	99	28%	255	72%
ALFA Fundación	69	55%	56	45%
Sigma	19,021	40%	28,518	60%
Alpek	1,032	19%	4,482	81%
Alliax	221	27%	599	73%
Total	**20,442**	**38%**	**33,910**	**62%**
			54,352	

ORGANIZATIONAL LEVEL

	Women	%	Men	%	Total
Executives	305	27%	845	73%	1,150
Administrative (staff)	5,494	34%	10,786	66%	16,280
Operations	14,643	40%	22,279	60%	36,922

REGION

	Women	%	Men	%
North America	15,630	40%	23,515	60%
South America	1,047	31%	2,377	69%
Central America	953	26%	2,727	74%
Europe	2,760	38%	4,591	62%
Asia	52	7%	700	93%

HUMAN CAPITAL GOVERNANCE

Policies

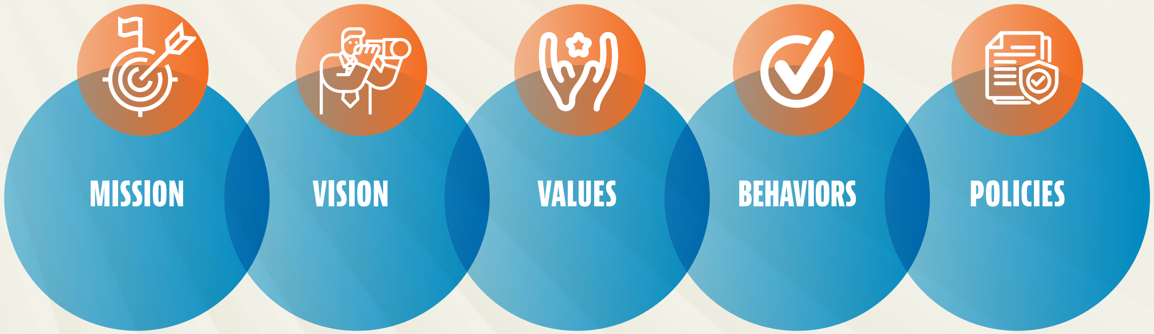
GRI 2-23

Respect for human rights and the dignity of individuals are the foundation of how team members are treated at ALFA. An environment of openness and trust is promoted to encourage the development of each team member's potential and performance.

ALFA also adheres to the International Labor Organization's (ILO) guidelines, which allows it to stay up to date with new regulations and trends to continuously improve work mechanisms and support for its people.

This commitment includes the prevention of psychosocial risk factors, the elimination of behaviors that may lead to violence or discrimination, and the eradication of child labor, among other fundamental aspects. Some of these documents include:

1. Code of ethics (public)
2. Behavioral standards
3. Anti-Corruption (public)
4. Conflict of interests
5. Psychosocial risk factors
6. Maternity and paternity policy



2024 PROGRESS

GRI 2-24

At ALFA, the implementation of best practices is prioritized to create safe environments that allow each team member to achieve their best version. The Company focuses on identifying individual capabilities to align personal goals with organizational objectives. The necessary tools are provided so that team members not only achieve their goals, but also contribute significantly to the Company's success.

ALFA's efforts are result-oriented, paying particular attention to customers and building teams composed of talented and experienced team members. Succession processes for key executives have been implemented and, in recent years, the Company has strengthened its practices by promoting well-being, work-life balance, safety, diversity, and innovation. This aims to reduce risk aversion, streamline processes, and foster a dynamic and competitive environment.

All these elements reinforce the Human Capital attraction, development, and value creation strategy. In this context, the evolution of the organizational culture and the implementation of tools that allow anticipation and adaptation to rapid changes and uncertainties become key factors for success.

During 2024, ALFA invested US $23 million in Human Capital programs. This investment not only included essential development and service activities for team members, but also those necessary to accelerate cultural transformation and strengthen team competencies.

INVESTMENT

(US $ MILLION)	2024	2023	2022	2021
Health and Safety	10.1	6.8	18.4	30.4
Training and Development	7.1	7.5	6.2	5.1
Well-being and Recreation	5.8	5.1	2.4	4.0

CULTURE

ALFA seeks to continuously develop team members' capabilities continiously to ensure their growth both within and outside the Company. Leveraging this potential translates into a direct positive impact on the Company's performance.

In line with its Transformation strategy, ALFA continues to work together with its Business Units to offer training tools that add value based on the legacy of integrity and ethics that have driven their operations from the beginning.

TALENT DEVELOPMENT AND ATTRACTION

GRI 404-2

The current work environment makes it imperative to understand and connect with the needs, preferences, and perspectives of different generations to which candidates belong. Maintaining close relationships with universities, job boards, and employment fairs is fundamental to obtaining valuable information that allows for the redesign of talent attraction mechanisms within the organization.

At ALFA, development is based on continuous learning that goes beyond technical knowledge, integrating transformative skills such as flexibility, adaptability, collaboration, emotional intelligence and comprehensive well-being. These elements are key to strengthening the mutual bond and commitment between the Company and its team members.

Encouragement, Connection, and Commitment with Team Members

ALFA has a solid governance structure and formal Human Capital management systems, supported by tools such as:

- Competitive compensation programs
- Performance evaluations
- Professional development models
- Initiatives that promote the well-being of team members and their families through additional benefits

Successful talent development lies in aligning the capabilities and interests of team members with the requirements of their positions. This not only enriches each of their experiences, but also maximizes the value generated for both parties, strengthening a working relationship based on mutual growth and excellence.

Work Environment

Communication is another key factor for success. Listening to and addressing the needs of the teams allows for the implementation of relevant programs and initiatives. ALFA has developed a system of periodic surveys, including work environment assessments and psychosocial risk analyses, furthermore, specific consultations are also conducted to provide information on personnel's satisfaction. The most recent results obtained at ALFA's work centers were as follows:

Engagement survey	Year	Commitment	Sample
ALFA	2024[A]	87%	24,465
	2023[B]	81%	9,254
	2022[C]	82%	22,672

A Participation of ALFA, Sigma Mexico and Alliax
B Participation of Sigma U.S., Sigma Latam and Sigma Foodservice
C Participation of Sigma Mexico

Well-being and Work-Life Harmony

GRI 403-3, 403-6

Team members' well-being is a key pillar for ALFA, fostered through close leadership, effective communication, recognition, professional development, and integration activities. The implementation of hybrid and flexible schemes balances personal and professional needs, strengthening trust and commitment to organizational goals. In addition, ALFA complements these benefits with comprehensive health services, such as medical care, psychological support, and personal development programs.

Well-being actions

Mental and emotional

- Engagement surveys
- Stress assessment - Standard 035
- Psychological and emotional support service

Connections

- Dialogues with leaders
- Celebration of holidays - Children's Day, Mother's Day, December Holidays
- ALFA's 50th Anniversary: Memories that bind us

Financial

- Personal finance education
- "Visiónate" Program (retirement planning)
- Employee savings fund

Health and disease prevention

- Personal protective equipment in facilities
- Prevention communication

Health and Safety

GRI 403-1, 403-2, 403-3, 403-4, 403-9

The physical well-being of **54,352 team members**, including Alpek, working in the **24 countries** where ALFA is present is a top priority.

All operations have implemented comprehensive industrial safety systems that include guidelines, procedures, and strict rules designed to ensure safety at work centers. These systems are rigorously implemented and monitored to ensure compliance at all facilities.

In addition, Health and Hygiene Committees, composed of team members, play a key role in identifying and preventing accidents and health risks. This collaboration reinforces a culture of prevention and care at every level of the organization.

Indicator	2024	2023	2022
Accident rate (LTIR)	1.2	1.2	1.2
Incident rate	0	0	2
Disabling accidents	751	765	760
Lost days due to accidents	28,137	27,367	27,011
Non-disabling accidents	25	66	36
Physical losses	0	0	2
Rotation*	1.9	2.1	1.9

**Calculated with accumulated headcount.*

Training and Comprehensive Development

GRI 404-1

The initiatives to strengthen team members' skills and knowledge are based on three key elements:

- Academic knowledge, acquired through professional or technical studies.
- Mastery of topics and specialties, achieved through experience in positions and responsibilities held.
- Individual skills and capabilities that enhance personal and professional growth.

In the current context, digital transformation is a top priority. This approach includes everything from cybersecurity to training in the proper use of advanced tools such as artificial intelligence.

AVERAGE TRAINING HOURS

	2024	2023	2022
ALFA	30	29	33
Sigma	23	30	30
Alpek	27	15	24

**Includes 2024 data from Alpek for comparative purposes.*

DIVERSITY, EQUITY, AND INCLUSION

During 2024, ALFA focused on raising awareness among the Management Team regarding the concepts related to Diversity, Equity, and Inclusion (DEI). To achieve this, a workshop was designed and implemented, conducted by experts on the subject and its implications.

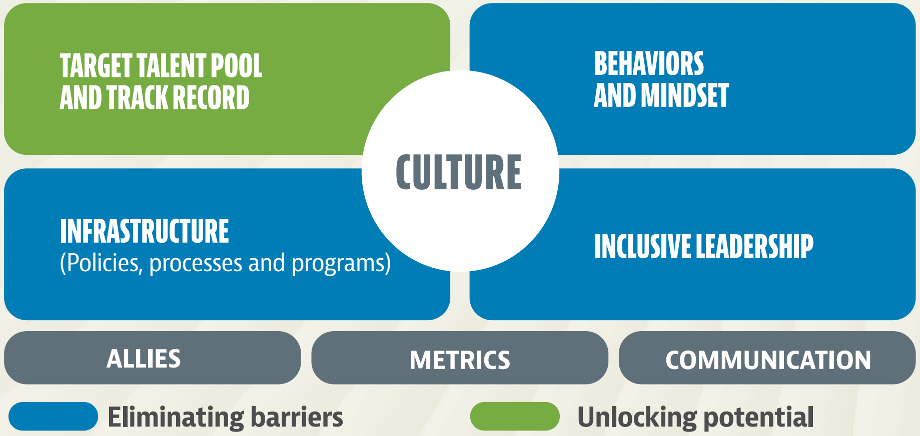
Additionally, assessments and individual interviews were carried out with ALFA's leaders to establish a baseline on unconscious biases, perspectives on DEI, among others, thus strengthening the phases of "Awareness and Understanding" as well as "Aspiration and Commitment". This allows for the determination of a forward-looking work plan to achieve better alignment and understanding of the Company's objectives in terms of developing an inclusive culture.

DEI Strategic Framework

ALFA's strategic Diversity, Equity and Inclusion (DEI) framework is a fundamental tool for identifying the necessary changes in culture and operational processes to eliminate barriers. It also structures the initiatives that must be implemented to enhance talent and organizational performance.

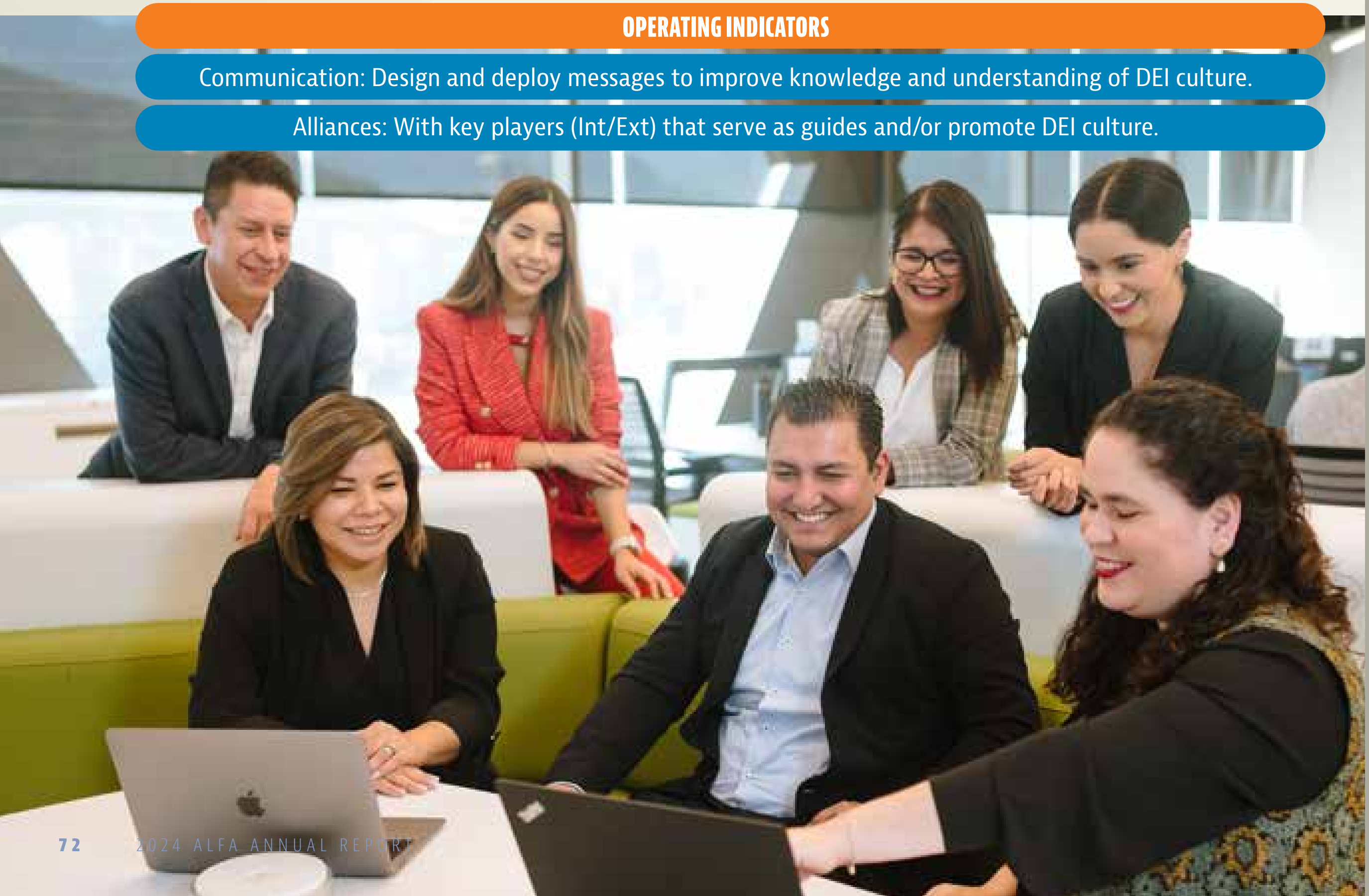
ALFA decided to focus its initial efforts on gender equity, establishing key foundations to later address other dimensions of diversity.

ALFA Corporate's work landscape is structured around:



This comprehensive and systematic approach allows ALFA to steadily move forward in the implementation of its DEI strategy, ensuring a positive and sustainable impact on the organization and its team members.

OBJETIVE	GENERATING MORE VALUE THROUGH DIVERSE TALENT AND A CULTURE OF INCLUSION			
STRATEGIC INDICATORS				
DIMENSION	1. INCLUSIVE LEADERSHIP	2. BEHAVIORS & MINDSET	3. TARGET TALENT GROUP	4. INFRASTRUCTURE
STRATEGY	Generate commitment, align understanding towards a DEI culture.	Identify, promote, and raise awareness of the mindset and behaviors that contribute to a DEI culture.	Identify and classify the target group to understand and meet their needs.	Create and strengthen organizational structures and processes that support and promote the DEI culture.
OPERATING INDICATORS				
Communication: Design and deploy messages to improve knowledge and understanding of DEI culture.				
Alliances: With key players (Int/Ext) that serve as guides and/or promote DEI culture.				



The work plan is structured with implementation phases that help organize initiatives by identifying their priorities and precedence so that all DEI activities, and even some other culture and development activities, are more efficient and effective, generating the greatest possible positive impact.

1 DISCOVERY

2 AWARENESS & UNDERSTANDING

3 ASPIRATION & COMMITMENT

4 MOBILIZATION

5 ENABLING & IMPROVEMENT

VALUE CREATION

Processes and Systems to Generate Reciprocal Value

To ensure a mutually valuable relationship between the Organization and its team members, ALFA has established processes and systems that align individual goals with corporate objectives, implementing best practices in Human Capital management.

These practices include:

1. Setting performance goals and expected behaviors, both at the individual level and by organizational areas:

- Business objectives, aligned with the business strategy
- Observable behaviors, aligned with the organizational culture

2. Periodic individual performance evaluations, to measure progress and identify areas for improvement.

3. Continuous feedback, based on performance, to foster the development and continuous improvement of team members.

4. Variable compensation, applied to certain teams, subject to:

- Financial business indicators
- Individual performance evaluations

This structure promotes a relationship based on mutual development and growth, offering the best possible experience for team members and generating the greatest value for both parties: people and Organization.

Community

ALFA strives to be a responsible corporate citizen, focused on creating value for the communities where it operates. This commitment translates into initiatives that promote sustainable development, strengthen relationships with stakeholders, and contribute to general well-being, consolidating its role as a key ally in economic and social progress.

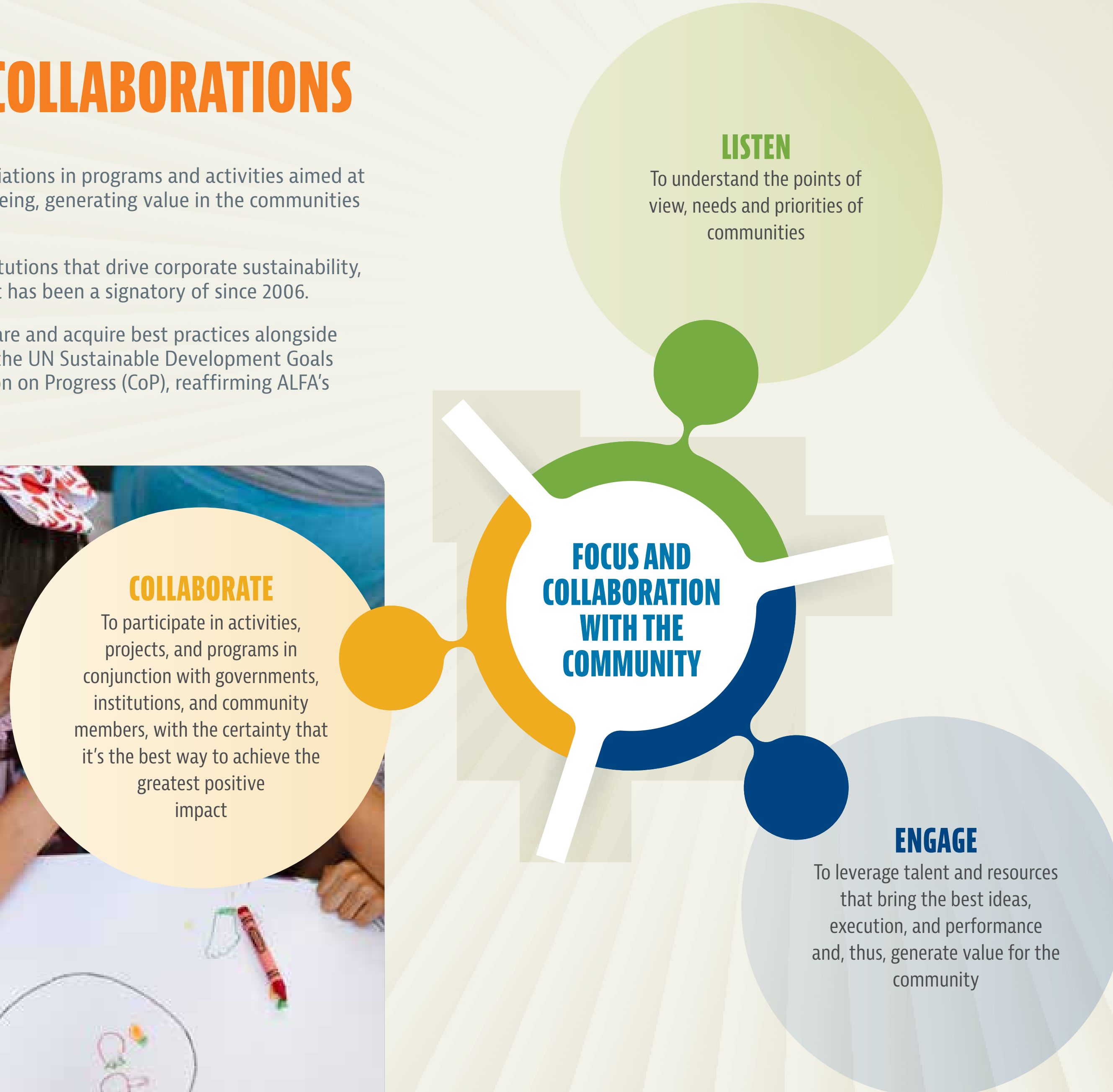
PARTNERSHIPS AND COLLABORATIONS

GRI 2-28

In 2024, ALFA collaborated with chambers and associations in programs and activities aimed at promoting economic development and social well-being, generating value in the communities where they operate.

In addition, ALFA actively participates in global institutions that drive corporate sustainability, such as the United Nations Global Compact, which it has been a signatory of since 2006.

Being part of the Global Compact allows ALFA to share and acquire best practices alongside other signatories, strengthening its contribution to the UN Sustainable Development Goals (SDGs). This report is part of the 2024 Communication on Progress (CoP), reaffirming ALFA's commitment to long-term value creation.



VALUE CHAIN

Having a close collaboration with the Value Chain is an essential element in ALFA's growth and sustainability strategy. Joint actions carried out with customers and suppliers strengthen key areas such as:

- **Collaboration** to achieve common objectives
- **Innovation** to develop sustainable and competitive solutions
- **Risk management** to ensure operational continuity
- **Regulatory compliance,** aligned with local and international standards
- **Continuous improvement,** ensuring benefits for all stakeholders

Alpek's Responsible Sourcing Code

Sigma's Responsible Sourcing Code

VOLUNTEERING AND DONATIONS

GRI 203-1, 203-2

As part of the integral experience ALFA offers, its team members are invited to participate in volunteer activities. These initiatives not only deepen the personal development of the participants, but also drive community progress and contribute to the overall well-being of society, while they strengthen the bond between team members and their environment, aligning social impact with corporate values.

	2024	2023	2022
Social assistance institutions supported	755	334	101
Volunteer team members	11,810	7,766	5,899

Includes 2024 data from Alpek for comparative purposes.

Supporting Civil Society Organizations (CSOs) is one of the most effective ways in which ALFA can contribute to social development. This support materializes through various types of donations:

- Time and active participation of team members
- Human resources, sharing talent and experience
- In-kind donations to cover specific needs
- Financial contributions to strengthen community projects and programs

This approach maximizes benefits for communities, promoting a positive and sustainable impact on their quality of life.

Sigma's Sustainability Report

ALFA FUNDACIÓN: BELIEVING IN EDUCATION

GRI 203-1, 203-2

This project, which has been developed over the years by ALFA Fundación, demonstrates that high quality education is an effective tool to promote social mobility. This program has been carefully designed by specialists, and focuses on supporting low-income, high-potential students in the metropolitan area of Monterrey, Mexico, throughout their educational journey.

The main objective is to ensure that these talented young people successfully complete their education and obtain their university degree, providing them with opportunities that transform their lives and contribute to the social and economic development of their communities.

Educational Impact of ALFA Fundación

ALFA significantly contributes to societal development through education, reaffirming its commitment to social mobility.

After more than a decade in operation, ALFA Fundación has graduated 274 university students, most of whom have entered the labor market in national and international institutions.

Since its establishment, the educational system of ALFA Fundación has served over 5,500 students, of whom 46% are women and 54% are men. An outstanding fact is that nearly 50% of these students are the first in their families to access a university education, marking a generational change and strengthening the social fabric of their communities.

What does the program consist of?

The structure of the program is divided into three key stages:

1 JUNIOR HIGH LEVEL:
Consists of after-school sessions to reinforce knowledge in Math, Science, Spanish, and English.

2 HIGH SCHOOL LEVEL:
A comprehensive, full-time program created entirely by ALFA Fundación and endorsed by the Mexican Ministry of Public Education.

3 UNIVERSITY LEVEL:
Providing direct scholarships or assistance in obtaining them, allowing students to study the professional career of their choice in renowned universities both in Mexico and abroad.

ALFA Fundación covers all educational costs and provides the necessary materials for its middle and high school students, eliminating economic barriers to ensure their access to a high-quality education.

In 2024, ALFA Fundación's educational accomplishments include:

- 274 university graduates in total since the program's inception, with 105 of them completing their university degrees during the year.
- Graduation of the seventh high school graduating class, consisting of 133 young people, of whom 100% received scholarships to continue their professional studies both in Mexico and the United States.

These results are a direct reflection of how ALFA Fundación has been a significant player in educational development and the promotion of social mobility, providing students with the necessary tools to transform their lives.

1. AFTER-SCHOOL CENTERS
Rigorous selection in nearby high schools; evening sessions

2. HIGH SCHOOL
High performance and full-time

3. ALFA SUPPORT
To obtain scholarships in national and foreign universities

EDUCATIONAL MODEL

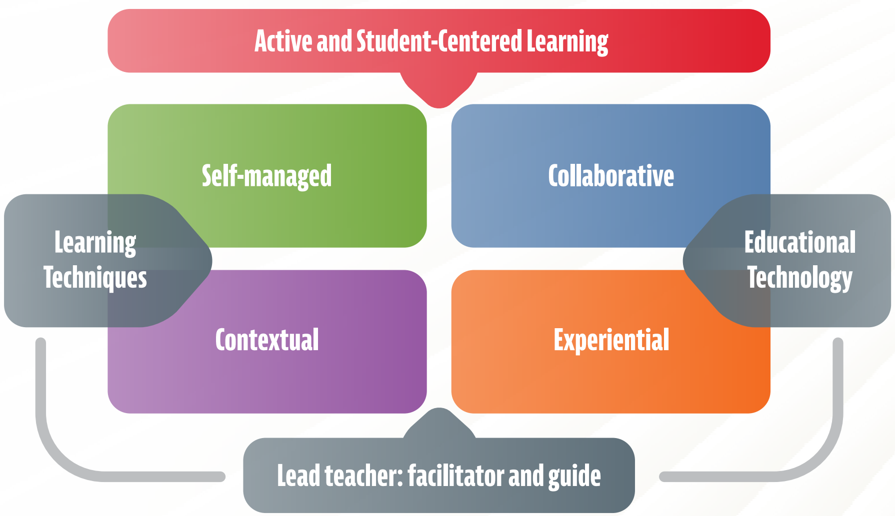
The educational model of ALFA Fundación aims at the integral development of students, by applying active learning methods that position students as the protagonists of their educational process.

This approach fosters the development of skills in three dimensions:

- **Cognitive,** through the acquisition of knowledge and advanced thinking
- **Emotional,** promoting emotional intelligence and resilience
- **Social strengthening,** through collaboration and teamwork

Through various activities, students learn to:

- **Analyze complex situations** from different perspectives
- **Formulate, design, and apply** effective solutions to real problems
- **Participate** in the exchange of results and collaborative learning, contributing to the constant building of new knowledge



STUDENT PROFILE

The student selection process for the ALFA Fundación program goes beyond academic performance and intellectual abilities. It seeks to identify young people with an outstanding academic profile and possess essential personal attributes for their integral development, such as:

- **Resilience** to overcome personal and educational challenges
- **Commitment** to their growth and positive impact on their communities
- **Social and emotional skills** that allow them to work in teams and adapt to different environments

During the student's journey at ALFA Fundación, the goal is to develop various aspects of their personal growth

RESPONSIBLE AND AWARE of continuous improvement

SOLIDARY AND EMPATHETIC with the needs of their peers

CREATIVE in searching for innovative solutions

CRITICAL THINKING for analysis and decision making

INQUIRER with scientific spirit and intellectual curiosity

UPRIGHT, HONEST AND ETHICAL in all aspects of life

LEADER a transformational agent of change for the development of the country

SOCIAL IMPACT

	2024	2023	2022	2021
Students served	2,026	2,219	1,967	1,906
PAF Graduates	133	122	138	132
Teachers	64	74	63	75
CEAS students	858	936	821	911
University students	701	680	671	581
Graduate students	105	120	49	-

TOTAL GRADUATED UNIVERSITY STUDENTS

	Tec de Monterrey	UDEM	UANL	U.S.	OTHER
1st generation	45	15	52	4	2
2nd generation	50	9	41	3	-
3rd generation	28	7	14	3	-

2023-2024 CYCLE: IMPACT ON STUDENTS

239 students **Monterrey** after-school center

279 students **San Nicolás** after-school center

340 students **Escobedo** after-school center

467 students **ALFA Fundación High School**

701 students in **university**

alfa fundación

AFTER SCHOOL CENTERS (CEAS)

2013 MONTERREY, 2014 SAN NICOLÁS AND ESCOBEDO

30 teachers

50% of graduates
continue in PAF

4 curricular subjects

98%
enter high school

75 public high-schools

26,640
classroom hours

11 years in operation

ALFA FUNDACIÓN HIGH-SCHOOL (PAF)

2015 START OF OPERATIONS

34
teachers

2018 first graduating class

974
PAF graduated

98%
enter university

UNIVERSITY

2022 1st GENERATION GRADUATION

701
students
in university

105
university
graduates in 2024

274
total
university
graduated

Environment

ALFA holds strong convictions about its responsibilities regarding environmental management in its operations, being fully aware that the decisions it makes today will have significant results in the future. Environmental impacts are focused on Sigma and Alpek's operations, which continuously seek to minimize their ecological footprint by implementing sustainable practices.

In the context of ALFA's Transformation, this document summarizes the information presented, directing to the specific reports of Sigma and Alpek, which detail their goals, initiatives, and progress in environmental matters.

ENVIRONMENTAL GOVERNANCE

The environmental guidelines and action plans developed by ALFA are designed considering the particularities of each sector in which it operates, ensuring that the strategies implemented are relevant and effective in the specific context of each industry.

Main ALFA Guidelines

- **Comply** with environmental legislation in the countries where the Company operates
- **Promote** practices and procedures that generate an increasingly environmentally friendly operation
- **Invest** in the prevention, reduction, or elimination of their negative impact on nature
- **Strengthen** environmental care in daily activities
- **Respond** to the containment of incidents that may represent a risk to the environment in a timely and responsible manner
- **Contribute** to a better environmental performance in the value chain
- **Promote** a culture of environmental awareness among our collaborators and the community

Sigma's Sustainability Report
Alpek's Annual Report

INVESTMENTS

In 2024, ALFA made significant investments to improve processes and upgrade equipment, promoting operational efficiency and environmental protection. These investments demonstrate how the Company works towards sustainability every day by adopting best practices to minimize its environmental impact, optimize resources, and contribute to sustainable development in the communities where it operates.

	2024		2023		2022	
Millions dollar	**Sigma**	**Alpek**	**Sigma**	**Alpek**	**Sigma**	**Alpek**
Emissions reduction	6.16	0.00	4.60	6.26	4.33	11.09
Energy consumption reduction	0.06	4.40	0.00	1.06	1.41	2.00
Renewable energy implementation	2.23	0.01	1.00	0.02	6.88	0.00
Water management	1.81	4.53	0.50	0.08	2.66	1.04
Recycling	0.00	11.90	0.00	3.07	0.00	25.82
Waste reduction and disposal	0.00	2.04	0.00	8.49	0.00	8.68
Remediation and prevention costs	0.00	3.57	0.00	24.55	0.00	2.35
Environmental management	0.20	0.05	0.00	7.27	0.19	4.71
Sustainable product development	0.00	0.48	0.00	0.06	0.00	0.22
Others	0.16	0.00	1.10	1.57	0.24	6.68
Total	**10.62**	**26.99**	**7.2**	**54.43**	**15.73**	**62.60**

ALFA'S COMMITMENT TO CLIMATE CHANGE

Sigma's Sustainability Report
Alpek's Annual Report

ALFA recognizes climate change as one of the greatest global challenges and is committed to actions that promote environmental well-being. Therefore, through its Business Units, it focuses its efforts on improving energy efficiency and reducing greenhouse gas emissions, advancing the transition to carbon-free energy sources. ALFA also collaborates with various stakeholders to achieve its goals and adheres to international environmental performance frameworks to measure and communicate its progress.

ENERGY CONSUMPTION (GJ X 10^6)

	2024		2023		2022	
	Sigma	Alpek	Sigma	Alpek	Sigma	Alpek
Direct consumption	4.31	11.9	4.34	12.3	4.47	14.3
Indirect consumption	2.57	16.3	2.51	16.4	2.57	19.1
Total consumption	6.88	28.2	6.85	28.7	7.04	33.4
Energy intensity	0.0008	0.0037	0.0008	0.0037	0.0009	0.0053

Energy Efficiency

GRI 302-1, 302-3, 302-4

ALFA has set clear goals through its Business Units to reduce the use of fossil fuels and increase the use of alternative and clean energy sources, contributing to the mitigation of climate change effects.

In 2024, direct and indirect energy consumption at ALFA's Business Units remained flat year on year.

CONSUMPTION BY TYPE OF FUEL (GJ X 10^6)

	2024		2023		2022	
	Sigma	Alpek	Sigma	Alpek	Sigma	Alpek
Natural Gas	2.37	11.44	2.31	11.98	2.46	13.31
LP Gas	0.11	0.02	0.11	0.02	0.12	0.02
Gasoline	0.16	0.01	0.12	0.02	0.12	0.02
Diesel	1.34	0.05	1.46	0.06	1.45	0.07
Fuel oil	0.19	0.18	0.25	0.24	0.25	0.16
Ethanol	0.00	0.03	0.00	0.03	0.00	0.01
Biomass	0.09	0.00	0.09	0.00	0.08	0.00
Biogas	0.04	0.17	0.00	0.00	0.00	0.00
Others	0.01	0.19	0.00	0.00	0.00	0.00
Total	**4.31**	**12.08**	**4.34**	**12.35**	**4.47**	**13.59**

EMISSIONS

GRI 305-1, 305-2, 305-4, 305-5

In addition to incorporating the use of renewable energies, ALFA implements various process efficiency initiatives that optimize its operations, reduce its carbon footprint, and reinforce its commitment to a cleaner and more sustainable future. As a result of these efforts, in 2024, a 22% reduction in total emissions was achieved compared to 2023.

EMISSIONS (T CO_2 EQ X 10^6)

	2024		2023		2022	
	Sigma*	Alpek	Sigma	Alpek	Sigma	Alpek
Direct emissions (Scope 1)	0.4	0.80	0.42	0.80	0.42	0.92
Indirect emissions (Scope 2)	0.2	1.07	0.20	1.19	0.20	1.36
Total	0.6	**1.87**	**0.62**	**1.99**	**0.61**	**2.28**
Carbon intensity	0.0001	0.0002	0.0001	0.0002	0.0001	0.0002

** Under review.*

Sigma's Emissions Policy

WATER MANAGEMENT

GRI 303-3, 303-4, 303-5

Aware of its responsibility in water conservation, ALFA intensified its efforts to reduce its water footprint and ensure continuous improvements in the quality of its discharges during 2024. These actions were part of the Business Units' strategy to preserve this vital resource.

SOURCES AND WITHDRAWAL (VOLUME IN ML)

GRI 303-3, 303-4, 303-5

	2024		2023		2022	
	Sigma	Alpek	Sigma	Alpek	Sigma	Alpek
Municipal water supply	4,674	1,486	4,238	1,538	4,501	1,454
Rivers, lakes and seas	0	134,017	0	126,898	0	141,664
Wells, wetlands and springs	4,655	491	4,745	724	6,479	887
Rainwater	0	0	0	0	0	0
Others	423	4,370	442	4,226	435	4,674
Discharges in ML	**9,753**	**140,364**	**9,425**	**133,386**	**11,415**	**148,679**
Consumption in ML	6,954	144,166	4,770	113,765	5,277	93,806

Alpek's Water Policy
Sigma's Water Policy

RECYCLING AND CIRCULAR ECONOMY

GRI 306-1, 306-3, 306-4, 306-5

Circular management represents an opportunity to transform how the economy functions and build a more sustainable and prosperous future for the next generations. ALFA and its Business Units adopt this approach from various perspectives, aligning with the characteristics of the industries in which they operate.

TYPE OF WASTE IN TONS

	2024		2023	
	Sigma	Alpek	Sigma	Alpek
Hazardous	11,219	1,808	11,144	1,751
Non-hazardous	201,319	96,162	326,028	108,390
Sent to landfill	69,399	64,500	-	66,430
Sent to another type of disposal	12,100	10,464	-	13,174
Recycled or reused in operations	131,039	23,006	111,717	30,537
Total	**212,537**	**97,970**	**337,172**	**110,141**

Sigma's Sustainability Report
Alpek's Annual Report

Consolidated Financial Statements

Alfa, S. A. B. de C. V. and Subsidiaries
Consolidated Financial Statements as of and for the Years Ended December 31, 2024, 2023 and 2022, and Independent Auditors' Report Dated January 31, 2025

CONTENT

MANAGEMENT'S DISCUSSION AND ANALYSIS

2024

This Management's Discussion and Analysis (MD&A) section should be read in conjuction with the Letter to Shareholders (pages 7 - 11) and the Audited Consolidated Financial Statements (pages 90 - 164). Unless otherwise indicated, figures are stated in millions of pesos. Percentage variations are presented in nominal terms. Additionally, some figures are stated in millions of United States dollars (US$) and millions of euros (€).

The financial information contained in this MD&A corresponds to the results of the last three years (2024, 2023, and 2022), which comply with International Financial Reporting Standards (IFRS). Similarly, the information in this analysis is in accordance with the General Provisions applicable to Securities Issuers and others Stock Market Participants, issued by the National Banking and Securities Commission (CNBV), as of December 31, 2024.

This report may contain forward-looking statements, which are inherently uncertain. This implies Management's judgments regarding certain future market conditions. Consequently, results may vary from those stated in this document.

San Pedro Garza García, Nuevo León, Mexico, January 31, 2025.

ECONOMIC ENVIRONMENT

During the year 2024, Mexico and the rest of the world showed downward inflationary pressures and a decrease in interest rates, as well as geopolitical tension in the Middle East and increased trade tensions between the U.S. and China. Both in Mexico and in the world's major economies, inflation levels have decreased, although still above the targets of the Central Banks. In Mexico, inflation as of December 2024 closed at 4.2%, a figure slightly above the target range of the Bank of Mexico ("Banxico").

In 2024, global attention was focused on the monetary policy of the U.S. Federal Reserve, presenting periods of uncertainty depending on macroeconomic figures such as employment and inflation in the U.S. Presidential elections were held in various countries, with Donald Trump winning in the U.S. and Claudia Sheinbaum in Mexico.

Trusting that inflationary pressures could be under control and to not hinder growth, Central Banks, according to their monetary policy, lowered interest rates. In Mexico, Banxico lowered its reference rate from 11.25% to 10% during 2024. In the U.S., the Federal Reserve lowered its rate by 1% during 2024.

The behavior of some of the main variables in Mexico, the US, and Europe, which are key to better understanding ALFA's results, are as follows:

MEXICO	2024	2023	Comments
Gross Domestic Product ("GDP")[a]	1.2%	3.2%	· GDP showed a slowdown in the country's economic activity, attributable to uncertainties generated in investments due to constitutional changes, the beginning of a new presidential term, and the commercial relationship with the U.S. · Inflation decreased compared to 2023 but remained slightly above Banxico's target. · The monetary policy conducted by Banxico lowered rates, showing a similar effect in other countries where ALFA operates.
Inflation rate [a]	4.2%	4.7%	
Interest rates 28-day TIIE, nominal average [b]	11.1%	11.4%	

U.S.	2024	2023	Comments
Gross Domestic Product [c]	2.8%	2.9%	· GDP remained at similar levels. · Inflation experienced an adjustment, decreasing compared to 2023. · On average, the Mexican peso showed a depreciation compared to 2023 but remained strong due to exports, remittances, high-interest rates, and foreign direct investment.
Inflation rate [c]	2.9%	3.4%	
Interest rates SOFR 3M, nominal average [c]	5.1%	5.2%	
USD/MXN exchange rate Annual average [b]	18.33	17.74	

EUROPE	2024	2023	Comments
Gross Domestic Product [c]	0.7%	0.5%	· The economic growth of the eurozone remained moderate, reflecting a gradual recovery after the stagnation observed in 2023. · Inflation continued its downward trend, consolidating the effects of the European Central Bank's monetary policy. · The euro showed stability against the Mexican peso in a context of lower interest rates and contained economic growth.
Inflation rate [c]	2.4%	6.5%	
Interest rates [c]	3.0%	3.4%	
EUR/MXN exchange rate Annual average [c]	19.82	19.18	

Sources:
[a] National Institute of Statistics, Geography, and Information Technology (INEGI). January 31, 2025.
[b] Mexican Central Bank (Banxico).
[c] Bloomberg

Transformation of ALFA, Spin-off of Alpek, and Capital Increase

In 2020, ALFA announced a new focus in its strategy and began its transformation process; as a result, it has reduced its corporate expense and spun off its equity holdings in Nemak and Axtel, moving towards the independence of four companies.

On October 24, 2024, Alfa SAB shareholders approved the spin-off of its equity ownership in Alpek, with the expectation of completing the process in 2025. This will result in the four business units becoming independent, allowing Alfa SAB shareholders to have autonomy in defining their participation in these four independent business units: Nemak, Controladora Axtel, Controladora Alpek, and Sigma.

During 2024, Alfa, S.A.B. de C.V. increased its capital stock by US $392 million, in addition to receiving dividends from Alpek, S.A.B. de C.V. for approximately US $100 million, which allowed Alfa SAB to reduce its debt by US $575 million and thus achieve its leverage target.

ALFA's focus in 2025 will be to finalize the transformation, with the spin-off of Alpek as a priority, and to focus on Sigma as its only business unit.

Note on changes to lfa SAB's shareholder structure

On October 24, 2024, Alfa SAB held its Extraordinary Shareholders' Meeting where the proposal to spin off its entire equity ownershipin Alpek, S.A.B. de C.V., as well as the transfer of some liabilities, was approved. A new variable capital stock entity called "Controladora Alpek" was established and will be listed on the Mexican Stock Exchange.

The process is subject to certain suspensive conditions, including the registration of Controladora Alpek as a listed issuer on the BMV, which, as of December 31, 2024, had not been completed.

For the purposes of analysis and understanding in the content of this document, as well as in ALFA's financial statements in accordance with international financial reporting standards, in the case of Alpek, S.A.B. de C.V., the results and cash flows are presented as discontinued operations for the years 2022, 2023, and 2024. For the purposes of the balances of the Statement of Financial Position in the case of Alpek, the Company presented as of December 31, 2024, the current assets and liabilities as "held for disposal" in the consolidated statement of financial position, and therefore it is not comparable with the consolidated statements of financial position as of December 31, 2023, and 2022.

RESULTS

REVENUES

The following table contains information on ALFA's revenues for the years 2024, 2023, and 2022, with a breakdown of volume and price components (the indices are calculated using the basis 2018=100). This information includes reclassification of Alpek's revenues from 2024 to 2022 to discontinued operations:

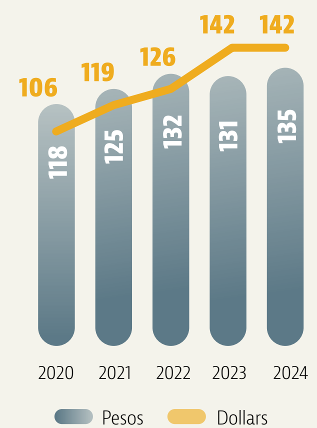
Item	2024	2023	2022	Change 2024-2023 (%)	Change 2023-2022 (%)
Consolidated revenues	163,242	153,157	151,598	7%	1%
Volume index	95.8	92.9	91.1	3%	2%
Peso price index	135.1	130.8	131.8	3%	(1%)
Dollar price index	142.2	141.7	126.1	0%	12%

Additionally, consolidated revenues are broken down for each of ALFA's subsidiaries:

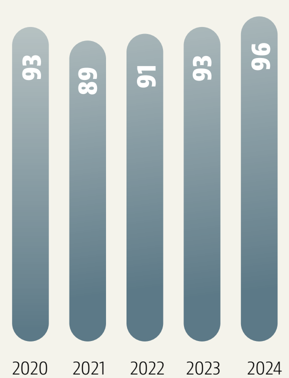
Item	2024[a]	2023[a]	2022[a]	Change 2024-2023	Change 2023-2022
Sigma	160,938	150,836	149,311	7%	1%
Others	2,304	2,321	2,287	(1%)	1%
Total Consolidated	**163,242**	**153,157**	**151,598**	**7%**	**(1%)**

[a] *Alpek's revenues were reclassified to discontinued operations.*

Price Index



Volumes



Revenues were as follows:

2024-2023:

In 2024, ALFA's revenues reflect an increase, reaching a consolidated figure of $163,242 (US $8,930), a positive variation of 7% expressed in pesos or 3% in dollars compared to the results of the previous year.

Sigma achieved record results in Mexico, the US and LATAM, allowing it to reach revenues of US $8,804 in 2024, a figure 4% higher than the previous year. The increase in revenues is driven by volume growth due to strong demand in the Americas and outstanding performance in the Foodservice segment in Mexico.

2023-2022:

In 2023, ALFA's revenues reflected an increase, reaching a consolidated figure of $153,157 (US $8,635), a positive variation of 1% expressed in pesos or 15% in dollars compared to the results of the previous year.

Sigma achieved its best results ever in Mexico, the U.S. and LATAM, leading to 2023 revenues of US$8,505, a 15% increase over revenues in the previous year. The higher revenues were driven by volume growth in light of a solid demand in the Americas, appreciation of the peso against the US dollar, and effective pricing measures. Outstanding performance in the Foodservice segment in Mexico, and the boost from acquiring Los Altos Foods contributed to the higher revenues.

OPERATING INCOME

The Operating income of ALFA and its key businesses in 2024, 2023 and 2022 are explained as follows:

2024-2023:

				Change by Group	
Operating income	**2024**	**2023**	**Var.**	**Sigma**	**Others**
Revenues	163,242	153,157	10,085	10,100	-15
Operating income	12,340	9,187	3,153	4,417	-1,264
(%) Consolidated operating margin (%)	7.6%	6.0%			
Sigma (%)	8.8%	6.5%			

ALFA achieved an operating profit of $12,340 (US$688) in 2024. Sigma in 2024 obtained an operating profit of US$786, representing a 43% increase compared to the previous year. This was mainly due to strong demand in the Americas, favorable trends in certain raw materials, and the implementation of strategies for operational efficiencies.

2023-2022:

				Change by Group	
Operating income	**2023**	**2022**	**Var.**	**Sigma**	**Otros**
Revenues	153,157	151,598	1,559	1,527	32
Operating income	9,187	7,634	1,553	1,187	366
Consolidated operating margin (%)	6.0%	5.0%			
Sigma (%)	6.5%	5.8%			

The operating profit of ALFA in 2023 was $9,187 (US$515), an increase of 20% in pesos and the same figure in dollars compared to 2022. Sigma, in 2023, obtained an operating profit of US$551, which represents an increase of 28% compared to 2022. This improvement was due to the performance in the Foodservices channel.

COMPOSITION OF REVENUES AND OPERATING INCOME

During 2024, the percentage composition of ALFA's revenues and operating profit remained consistent, in relation to the revenues achieved by Sigma, when compared to the 2023 fiscal year. The performance reasons for each business are explained in the results section of this document.

The following table shows the impacts mentioned:

	% Integration					
	Revenues			Operating income		
	2024	**2023**	**2022**	**2024**	**2023**	**2022**
Sigma	99%	99%	99%	115%	107%	112%
Others	1%	1%	1%	(15%)	(7%)	(12%)
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

FINANCIAL RESULT

The financial result was impacted by several factors. There was a nominal annual depreciation of (22.9%) of the Mexican peso against the US dollar which, in combination with ALFA's debt positions and the exchange rate fluctuations of the other currencies in which it operates, resulted in a higher negative impact on the financial result. The breakdown by line, and the main determining factors are detailed below:

Determining Factors of the Financial Result	2024	2023	2022
General inflation (Dec. – Dec.)	4.2	4.7	7.8
Year-end nominal exchange rate variance (%)	(22.9)	13.1	4.9
Year-end exchange rate, nominal	20.27	16.89	19.36
Inflation-adjusted appreciation (depreciation) peso / dollar with respect to prior year:			
Year end	(20)	12.8	6.1
Yearly average	(3)	13.0	0.7
Average interest rate:			
Nominal LIBOR	N/A	5.4	2.4
Nominal 3 months term SOFR	5.1	5.2	2.2
Implied nominal rate, ALFA debt	6.4	4.5	3.5
Inflation-adjusted LIBOR	N/A	(11.8)	(5.8)
Inflation-adjusted 3 months term SOFR	3.8	(12.0)	(6.0)
Inflation-adjusted implied rate, ALFA debt	22.7	(12.9)	(9.6)
Average monthly debt of ALFA in US$	5,350	6,144	6,272

Stated in US$, net financial expenses for 2024 to 2022 were $298, $240, and $196, respectively.

Change in net financial expenses in US$	24/23	23/22	22/21
Due to (higher) lower interest rate	(102)	(43)	127
Due to (higher) lower debt, net of cash	44	(1)	(7)
Net change	**(58)**	**(44)**	**119**

Stated in pesos, the financial result was comprised as follows::

FINANCIAL RESULT				Change	
	2024	2023	2022	24/23	23/22
Financial expenses	(6,275)	(4,926)	(4,437)	(1,349)	(489)
Financial products	1,045	606	504	439	102
Financial expenses, net	**(5,230)**	**(4,320)**	**(3,933)**	**(910)**	**(387)**
Result due to FX fluctuation, net	(4,494)	(3,254)	(615)	(1,240)	(2,639)
Financial Result, net	**(9,724)**	**(7,574)**	**(4,548)**	**(2,150)**	**(3,026)**

The fair value of ALFA's derivative financial instruments as at December 31, 2024 and 2023, was as follows:

	Fair value (millions of dollars)	
Type of derivative, security, or contract	Dec. 2024	Dec. 2023
Exchange rate	-6	-68
Energy	0	0
Total	**-6**	**-68**

INCOME TAX

A comparative analysis is provided below of the main factors that determined the income tax in each year, according to the income tax profit basis, which is defined as Operating income minus the financial result and other net expenses.

				Change	
INCOME TAX	2024	2023	2022	24/23	23/22
Income (Loss) before income tax	2,552	1,678	3,177	874	(1,499)
Equity in (loss) income of associates recognized using the equity method	64	(65)	(91)	129	26
	2,616	**1,613**	**3,086**	**1,003**	**(1,473)**
Statutory rate	30%	30%	30%		
Income tax with statutory rate	(785)	(484)	(926)	(301)	442
Financial tax rate vs. accounting rate	(42)	(3,833)	(3,257)	3,791	(576)
Non-deductible expenses	(835)	(352)	(370)	(483)	18
Other permanent differences, net	(2,065)	(747)	1,642	(1,318)	(2,389)
Total provision for income tax (charged) accredited to results	**(3,727)**	**(5,416)**	**(2,911)**	**1,689**	**(2,505)**
Effective income tax rate	142%	(336%)	94%		
Incurred	(3,434)	(5,649)	(2,591)	2,215	(3,058)
Deferred	(293)	233	(320)	(526)	553
Total provision for income tax charged to results	**(3,727)**	**(5,416)**	**(2,911)**	**1,689**	**(2,505)**

NET CONSOLIDATED PROFIT (LOSS) 2024

In 2024, ALFA reached a net consolidated profit, as detailed in the following table. This result was due to the operating income, financial result, stake in the results of associated companies recognized using the equity method, and taxes, explained previously.

				Change	
Income Statement	2024	2023	2022	24/23	23/22
Operating income	12,340	9,187	7,634	3,153	1,553
Financial result	(9,724)	(7,574)	(4,548)	(2,150)	(3,026)
Equity in (loss) income of associates recognized using the equity method	(64)	65	91	(129)	(26)
Taxes [1]	(3,727)	(5,416)	(2,911)	1,689	(2,505)
Net consolidated (loss) profit from continuing operations	**(1,175)**	**(3,738)**	**266**	**2,563**	**(4,004)**
Discontinued operations	1,409	(9,458)	16,181	10,867	(25,639)
Consolidated net (loss) profit	**234**	**(13,196)**	**16,447**	**13,430**	**(29,643)**
Net consolidated profit (loss) attributable to controlling interest:					
In continuing operations	(1,211)	(4,409)	(1,691)	3,198	(2,718)
In discontinued operations	999	(7,841)	13,414	8,840	(21,255)
	(212)	**(12,250)**	**11,723**	**12,038**	**(23,973)**
Net consolidated profit (loss) attributable to non-controlling interest:					
In continuing operations	36	671	1,957	(635)	(1,286)
In discontinued operations	410	(1,617)	2,767	2,027	(4,384)
	446	**(946)**	**4,724**	**1,392**	**(5,670)**

[1] Income tax (incurred and deferred)

CONSOLIDATED NET COMPREHENSIVE PROFIT (LOSS) 2024

The all-in result is presented in the Statement of Changes to Shareholders' Equity. The objective is to show the total impact of events and transactions that impacted capital gained, such as the effect of employee benefit obligations, hedging impacts or currency conversion effects, regardless of whether or not they were recognized on the Income Statement, or directly in the equity accounts. Transactions between the Company and its shareholders, mainly dividends paid, are excluded. The all-in results for 2024, 2023, and 2022 were as follows:

Consolidated income	2024	2023	2022
Consolidated net (loss) profit	234	(13,196)	16,447
Other lines from the comprehensive result of continuing operations:			
Impact due to exchange rate conversion from foreign entities	3,537	1,832	(459)
Impact from derivative financial instruments designated as cash flow hedges, net of taxes	(614)	611	(156)
Restatement of employee benefits, net of taxes	25	(324)	(239)
Total from other lines from the comprehensive result of continuing operations:	**2,948**	**2,119**	**(854)**
Other lines from the comprehensive result of discontinued operations	3,991	(5,064)	(3,506)
Total from other lines from the comprehensive results for the year	**6,939**	**(2,945)**	**(4,360)**
Comprehensive result for the year	7,173	(16,141)	12,087
Attributable to:			
Controlling interest	**5,336**	**(13,704)**	**8,222**
Non-controlling interest	**1,837**	**(2,437)**	**3,865**

An earlier section in this analysis explains the net profit (loss) obtained in fiscal years 2024, 2023, and 2022.

The effect from foreign entities is due to the use of different exchange rates between the financial position accounts, and the profit and loss accounts.

Derivative financial instruments impact hedges on commodities, exchange rates, interest rates, etc., which, according to International Financial Reporting Standards, are presented in shareholders' equity.

Restatement of employee benefit obligations, net of taxes, represents the variation in actuarial estimates.

DIVIDENDS DECLARED AND CHANGES IN SHAREHOLDERS' EQUITY

In 2024, during the Annual Ordinary Shareholders' Meeting and Extraordinary Meeting held on March 6, 2024, a cash dividend payment of $0.01 US dollars per outstanding share was approved, equivalent to US$48 million ($804 expressed in pesos). This was paid starting on March 19, 2024.

The maximum amount of Ps.5.8 billion (approximately US$348 million) was approved to acquire the Alfa SAB own shares.

At the Extraordinary Meeting on September 26, 2024, the Shareholders approved a capital increase of $7,952 (US$392).

During the Annual Ordinary Shareholders Meeting and the Annual Extraordinary Shareholders Meeting held on March 9, 2023, a cash dividend payment of US$0.02 per outstanding share was approved, which is equal to US$96 million (Ps.1,746). This amount was paid on March 21, 2023.

The maximum amount of Ps.5.8 billion (approximately US$320 million) was approved to acquire the Alfa SAB own shares.

During the Extraordinary Shareholders Meeting held on March 9, 2023, the proposal to cancel 90,380,000 shares of Alfa, S.A.B. de C.V. that held in Treasury was approved, under the program to acquire own shares. This resulted in a benefit to shareholders equal to 1.8% of the total shares at the end of 2022.

On March 7, 2022, Alfa, S.A.B. de C.V., the holding company, held its Ordinary General Shareholders Meeting, during which it approved the payment of a cash dividend of US$0.04 per outstanding share, equal to US$196, or Ps.4,063, approximately.

Subsequently, on July 12, 2022, Alfa, S.A.B. de C.V., the holding company, held an Extraordinary Shareholders Meeting in which the proposed spin-off of its entire shareholder stake in Axtel, S.A.B. de C.V. was approved. (BMV: AXTELCPO).

That process was completed on May 29, 2023, with registration of Controladora Axtel as an issuer listed on the BMV. The shareholders of Alfa, S.A.B. de C.V. received one share of Controladora Axtel for each share they had held in Alfa, S.A.B de C.V., which did not impact the stake they held at the time in Alfa, S.A.B. de C.V. With this event and as of that date, Alfa, S.A.B. de C.V. no longer consolidated the results of Axtel, S.A.B. de C.V.

INVESTMENT IN DAYS WORKING CAPITAL (DWC)

In 2024, the Company's revenue to DWC ratio by group and at the consolidated level was as follows:

DWC [1]	2024	2023	2022
Sigma	2	5	3
Consolidated	**1**	**0**	**1**

[1] *Average annual net working capital based on annualized sales by number of days in the year.*

INVESTMENTS

Property, Plant and Equipment

Total investments by group were as follows:

	2024	2023	2022	% Change 24/23	Last 5 years Investment	%
Sigma	4,648	3,868	4,996	20%	20,690	91%
Others	73	(45)	1,741		2,101	9%
Total	**4,721**	**3,823**	**6,737**	**23%**	**22,791**	**100%**

Acquisitions and sale of businesses

In 2023, ALFA and its subsidiaries finalized the following transactions, as per its strategy for growth and optimization of the business portfolio:

On May 3, 2023, Sigma reached an agreement to acquire a majority stake of 85% in Los Altos Foods, a company that produces Hispanic cheeses in the United States. This transaction complements Sigma's strategy to strengthen its position in a rapidly growing market. The total amount paid was US$ 1,336. There is no agreement for a contingent payment amount.

On August 1, 2023, Sigma finalized the sale of its subsidiary to Fiorucci Holding S.r.L. As of that date, Sigma no longer consolidates the net assets and results of that former subsidiary.

CASH FLOW

Based on the line "Cash flows generated by the operation," the main transactions in 2024, 2023, and 2022 are presented below

	2024	2023	2022
Cash flows generated by the operation	27,088	23,472	26,749
Property, plant and equipment, and other items	(4,721)	(3,823)	(4,995)
Investment in acquisition of businesses, associated companies, and joint ventures, net of cash	0	(1,919)	0
(Decrease) Increase in bank financing	(12,481)	719	(820)
Dividends paid by Alfa, S.A.B. de C.V.	(804)	(1,822)	(4,089)
Alfa SAB own share repurchase	-	-	(1,209)
Interest paid	(5,388)	(4,042)	(3,858)
Others	(486)	(4,157)	(2,743)
Cash flow from discontinued operations	(12,437)	(9,400)	(17,114)
Cash increase (decrease)	**(9,229)**	**(972)**	**(8,079)**
Cash flow adjustments due to exchange rate fluctuations	2,054	(1,096)	(1,087)
Cash and cash equivalents at the start of the year	19,745	21,813	30,979
Total cash at the end of the year	**12,570**	**19,745**	**21,813**

The main changes in ALFA's net debt, as well as the Company's other businesses, were as follows:

Changes in debt, net of cash

US$	Consolidated	Sigma	Others
Balance as of December 31, 2023	4,919	2,025	2,894
Long-term financing:			
Financing [1]	(530)	16	(547)
Payments	(48)	(48)	(0)
Total financing, net of payments	**(579)**	**(32)**	**(547)**
Currency conversion effect	(248)	(236)	(12)
Change in debt on Cash Flow Statement	**(827)**	**(268)**	**(559)**
Debt in acquired companies and others	5	-	5
Total change in debt	**(822)**	**(268)**	**(554)**
Decrease (increase) in cash and restricted cash	108	68	40
Change in interest payable	(6)	(4)	(2)
Increase (decrease) in debt net of cash	**(719)**	**(204)**	**(515)**
Increase (decrease) in debt net of cash, discontinued operations [2]	(1,729)	-	(1,729)
Balance as of December 31, 2024	**2,471**	**1,821**	**650**

[1] Includes the effect of IFRS 16, Leasing.
[2] Changes in Alpek's net cash debt as a discontinued operation.

Short- and long-term debt by group	Sigma 2024	Others 2024	Sigma 2023	Others 2023
Balance of debt (US$)	2,349	706	2,617	1,260
% All-In				
Short-term and long-term debt year 1	1%	0%	27%	0%
2	2%	1%	11%	6%
3	21%	7%	41%	2%
4	31%	21%	3%	40%
5 years or more	45%	71%	19%	51%
% Total	**100%**	**100%**	**100%**	**100%**
Average long-term debt (years)	5.6	14.5	2.3	10.2
Average total debt (years)	5.5	14.5	2.3	10.2

Short- and long-term consolidated debt	US$			% All-In	
	2024	2023	Change	2024	2023
% Integration					
Short-term and long-term debt 1 year	32	696	(664)	1%	18%
2	41	353	(312)	1%	9%
3	557	1,098	(541)	18%	28%
4	876	579	297	29%	15%
5 years or more	1,549	1,151	398	51%	30%
Total	**3,056**	**3,877**	**(822)**	**100%**	**100%**
Average long-term debt (years)	7.6	4.9			
Average total debt (years)	7.6	4.8			

FINANCIAL RATIOS

SOLVENCY

Debt net of cash / EBITDA (times, based on US$ last 12 months)	2024	2023
Sigma	1.74	2.27
Consolidated	**2.53**	**3.72**

LIQUIDITY

Current Assets / Current Liabilities (times, dollar basis)	2024	2023
Sigma	1.23	0.88
Consolidated	**1.34**	**1.19**

Interest Coverage (times, based on US$ last 12 months)*				Variation by	
	2024	2023	24 vs 23	Cash Flow	Net Financial Expenses
Sigma	5.0	5.9	(0.9)	0.8	(1.9)
Consolidated	**3.3**	**3.6**	**(0.3)**	**0.5**	**(0.8)**

**Defined as Operating income plus depreciation, amortization, and asset impairment, divided by net financial expenses.*

FINANCIAL STRUCTURE

ALFA's financial structure indicators in 2024 are shown below:

Financial indicators	2024	2023
Total liabilities / Equity	4.38	5.58
Long-term debt / Total debt (%)	98	87
Total debt in foreign currencies / Total debt (%)	60	96

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS AND STOCKHOLDERS OF ALFA, S. A. B. DE C. V. AND SUBSIDIARIES

(Millions of pesos "$" and millions of American dollars "US$")

Opinion

We have audited the consolidated financial statements of Alfa S. A. B. de C. V. and Subsidiaries (the "Company") which comprise the consolidated statements of financial positions as of December 31, 2024, 2023, and 2022, the consolidated statements of income, the consolidated statements of comprehensive income, the consolidated statements of changes in stockholders´ equity and the consolidated statements of cash flows for the years then ended, and the 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 aspects, the consolidated financial position of Alfa S. A. B. de C. V. and Subsidiaries 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 the IFRS Accounting Standards, issued by the International Standards Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audits in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Independent Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and with the ethical requirements that are relevant to our audit of the consolidated financial statements in accordance with the Ethics Code issued by the Mexican Institute of Public Accountants (IMCP Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and 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 Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 2024 consolidated financial statements. 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 express a separate opinion on those matters. We have determined that the matters described below are the key audit matters that should be communicated in our report.

Spin-off of the ownership interest of Alfa S. A. B. of C.V. ("Alfa SAB") in Alpek S. A. B. of C. V. ("Alpek")

As mentioned in Note 2a., to the attached consolidated financial statements, on October 24, 2024, the Extraordinary General Shareholders' Meeting approved the spin-off process of the entire ownership interest of Alfa SAB in Alpek. Alfa SAB carried out the process as the spin-off company and a public corporation with variable capital was incorporated as a spun-off company ("Controladora Alpek"), which will be listed on the Mexican Stock Exchange ("BMV", for its acronym in Spanish). The process is subject to compliance with certain conditions precedent, among which the registration of Controladora Alpek as an issuer listed in the BMV is included, which as of December 31, 2024, was not completed. Alfa SAB shareholders will receive one share of Controladora Alpek for each of the shares they held in Alfa SAB, without this affecting the ownership they have in Alfa SAB.

The effects of this transactions in compliance with IFRS Accounting Standards are the presentation of Alpek as a discontinued operation in the consolidated statements of income, comprehensive income and cash flows, as well as such as the presentation of the assets and liabilities as "held for disposal" in the consolidated statement of financial position as of December 31, 2024. Due to the importance for the consolidated financial statement, the judgments used by the Company´s management to account for this transaction and the events that had to happen to reach to an appropriate conclusion in its accounting treatment, we have identified the review of the spin-off of Alfa SAB's ownership interest in Alpek as a key audit matter.

How our audit addressed this key audit matter:

- We have analyzed the relevant facts to audit the transaction and reviewed the approvals to carry out the spin-off of Alfa SAB by the Board of Directors and the Extraordinary General Shareholders' Meeting.
- We concurred together with our IFRS Accounting Standards specialists and with the Company's management, in relation to the corresponding accounting entries.
- We validated the presentation and disclosure in the consolidated financial statements of Alpek's financial information.
- We review the tax effects that resulted from the transaction.

The results of our procedures were satisfactory.

Evaluation of impairment tests on intangible assets with indefinite useful life and goodwill

As described in Notes 3 m., 3 n., and 13 to the accompanying consolidated financial statements, the Company performs impairment tests on their intangible assets with indefinite useful lives and goodwill on an annual basis. The Company uses the "discounted cash flows" ("DCF") valuation method, under the income approach, which requires the Company's management to make significant estimates and assumptions related to the selection of discount rates, future income forecasts, financial projections, cash flows, operating margins and profits, used to estimate the recovery value of cash generating units ("CGUs"). Changes in these assumptions could have a significant impact on either the fair value, the amount of any impairment charge, or both. As of December 31, 2024, the balance in the Company's consolidated financial statements are made up of intangible assets with and indefinite useful life of $12,042 and goodwill of $13,580.

We have identified the review of intangible assets with indefinite useful lives and goodwill as a key audit matter, mainly since impairment testing involves the application of judgments and significant estimates by the Company's management in determining the recoverable value of the CGUs, this requires a high degree of professional judgment and audit effort, including the need to incorporate our valuation specialists.

How our audit addressed this key audit matter:

We performed the following audit procedures on the following significant assumptions that the Company considered when estimating future projections to evaluate the recovery value of intangible assets with indefinite useful lives and goodwill, among others; income and expense projections, expected gross and operating profit margin, discount rate, industry growth rate, income projections, comparison of expected gross profit margin, projected flows. As follows:

- We tested the design, implementation and operating effectiveness of internal controls, the determination of their recovery value and the assumptions used.
- With the assistance of our fair valuation specialists, we assessed the reasonableness of the i) methodology for determine the recoverable value of intangible assets with an indefinite useful life and goodwill and ii) we reviewed the financial projections in business operations, comparing them with the performance and historical business trends of the business and we corroborate the explanations for the variations with management. Likewise, we assessed the internal processes used by management to calculate projections, including timely monitoring and analysis by the Board of Directors.
- We analyze the projection assumptions used in the impairment calculation model, especially including cash flow projections, gross and operating margins, the Earnings before interest, taxes, depreciation and amortization ("EBITDA") and the long-term growth. Additionally, we tested the mathematical accuracy and integrity of the impairment model. The valuation specialists performed a sensitivity analysis for all CGUs, and independent recoverable amount calculations whether the assumptions used would need to be modified and the probability that such modifications are submitted.
- We made and independent evaluation of the discount rates used, contrasting them with the discount rates used by management.
- We evaluated the factors and variables used to determine the CGUs, among which were considered; the analysis of operating flows and indebtedness policies, analysis of the legal structure, allocation of production and understanding of the operation of commercial and sales area.

The results of our procedures were satisfactory.

Emphasis paragraphs

As mentioned in Note 2a., to the accompanying consolidated financial statements, as a result of the agreement to spin-off Alfa SAB's ownership interest in Alpek, the assets and liabilities of Alpek are classified as held for disposal in the consolidated statement of financial position as of December 31, 2024 and therefore is not comparable with the consolidated statements of financial position as of December 31, 2023 and 2022.

As mentioned in Note 2 e., to the accompanying consolidated financial statements, as a result of the agreement to split Alfa SAB's ownership interest Axtel, the assets and liabilities of Axtel are classified as held for disposal in the statement consolidated statement of financial position as of December 31, 2022, and therefore is not comparable with the consolidated statements of December 31, 2024 and 2023.

As mentioned in Note 2 j., to the accompanying consolidated financial statements, as a result of the acquisition of Octal, control was assumed on June 1, 2022, consolidating its operations as of and for the year ended December 31, 2023, and 2022 are not comparable to each other.

Our opinion is not modified by what was mentioned in the three previous paragraphs.

Other Matters

The accompanying financial statements have been translated from Spanish to English for the convenience of readers.

This matter has not changed our opinion.

Information other than the consolidated financial statements and the independent auditors' report thereon

The Company´s management is responsible for additional information presented. Additional information includes: i) the information that will be incorporated in the Annual Report that the Company is required to prepare in accordance with article 33, section I, subsection b) of Title Four, Chapter One of the General Provisions Applicable to Issuers and other Participants of the Stock Market in Mexico and the Instructions that accompany these provisions (the "Provisions"). It is expected that the Annual Stock Exchange Filing and the Annual Report to be available for reading after the date of this audit report; and ii) other additional information, which is a measure that is not required by IFRS and has been incorporated for the purpose of providing an additional explanation to its investors and main readers of its consolidated financial statements to evaluate the performance of each of the operating segments and other indicators on the capacity to meet obligations regarding the Earnings before interest, taxes, depreciation, amortization and asset impairment (adjusted "EBITDA") of the Company, this information is presented in Note 31.

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

In relation with our audit of the consolidated financial statements, our responsibility will be to read the additional information when it becomes available, and when we do so, to consider whether the additional information contained therein is materially inconsistent with the consolidated financial statements or our knowledge obtained during the audit or appears to contain a material misstatement. When we read the Annual Report we will issue the declaration on its reading, required in Article 33 Section I, subparagraph b) numeral 1.2. of the Provisions. Also, and in connection with our audit of the consolidated financial statements, our responsibility is to read and recalculate the additional information, which in this case is the measure not required by IFRS, and in doing so consider whether the other information contained therein is inconsistent with materially inconsistent with the consolidated financial statements or with our knowledge obtained during the audit or appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement in the additional information, we would be required to report that fact. As of the date of this report, we have nothing to report in this regard.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 where 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 performed in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Identify and assess the risk of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtained 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, 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 Company´s internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management´s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company´s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 Company to cease to continue as 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.

We plan and perform the group audit to obtain sufficient audit evidence in relation to the financial information of the entities or business units within the Group as a basis for forming an opinion the financial statements of the Group. We are responsible for the direction, supervision and review of the work carried out for the purposes of the Group audit. We are 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 applicable ethical requirements regarding independence and have communicated to them about all relationships and other matters that could reasonably be expected to affect our independence, and, where appropriate, the corresponding safeguards.

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

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

C. P. C. Roberto Benavides Gonzalez
Monterrey, Nuevo Leon, Mexico
January 31, 2025

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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of December 31, 2024, 2023 and 2022
In millions of Mexican pesos

	Note	2024	2023	2022
Assets				
Current assets:				
Cash and cash equivalents	6	$ 12,570	$ 19,745	$ 21,813
Restricted cash	7	18	15	199
Trade and other accounts receivable, net	8	14,710	28,558	33,711
Inventories, net	9	18,802	39,807	52,507
Derivative financial instruments	4	89	433	261
Other current assets	10	1,826	2,668	5,397
Assets classified as held for disposal	24	116,819	-	23,058
Total current assets		**164,834**	**91,226**	**136,946**
Non-current assets:				
Property, plant and equipment, net	11	36,574	74,579	82,577
Right-of-use asset, net	12	3,432	5,911	5,259
Goodwill and intangible assets, net	13	27,117	27,287	30,295
Deferred income taxes	19	3,757	5,328	5,854
Derivative financial instruments	4	-	128	520
Investments accounted for using the equity method and other non-current assets	14	602	4,573	13,996
Total non-current assets		**71,482**	**117,806**	**138,501**
Total assets		**$ 236,316**	**$ 209,032**	**$ 275,447**

	Note	2024	2023	2022
Liabilities and Stockholders' Equity				
Current liabilities:				
Debt	17	$ 869	$ 12,656	$ 8,785
Lease liability	18	599	1,188	1,259
Trade and other accounts payable	16	35,470	56,157	61,393
Income taxes payable	19	523	2,026	3,611
Derivative financial instruments	4	-	1,502	1,957
Provisions	20	199	1,016	1,408
Other current liabilities	21	2,104	2,196	5,144
Liabilities classified as held for disposal	24	83,211	-	16,233
Total current liabilities		**122,975**	**76,741**	**99,790**
Non-current liabilities:				
Debt	17	57,873	83,888	99,537
Lease liability	18	3,025	5,108	4,295
Derivative financial instruments	4	201	385	309
Provisions	20	82	746	1,145
Deferred income taxes	19	4,367	5,861	8,105
Employee benefits	22	3,433	3,835	3,671
Other non-current liabilities	21	185	704	807
Total non-current liabilities		**69,166**	**100,527**	**117,869**
Total liabilities		**192,141**	**177,268**	**217,659**
Stockholders' equity:				
Controlling interest:				
Capital stock	23	175	152	170
Premium on share issuance		7,929	-	-
Retained earnings		21,764	23,358	41,726
Other reserves		4,121	(1,427)	45
Total controlling interest		**33,989**	**22,083**	**41,941**
Non-controlling interest	15	10,186	9,681	15,847
Total stockholders' equity		**44,175**	**31,764**	**57,788**
Total liabilities and stockholders' equity		**$ 236,316**	**$ 209,032**	**$ 275,447**

The accompanying notes are an integral part of these consolidated financial statements.

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

CONSOLIDATED STATEMENTS OF INCOME

For the years ended December 31, 2024, 2023 and 2022
In millions of Mexican pesos, except for earnings per share amounts

	Note	2024	2023	2022
Revenues	31	$ 163,242	$ 153,157	$ 151,598
Cost of sales	26	(112,028)	(107,705)	(112,505)
Gross profit		**51,214**	**45,452**	**39,093**
Selling expenses	26	(27,992)	(25,510)	(23,185)
Administrative expenses	26	(10,369)	(9,047)	(7,996)
Other expenses, net	27	(513)	(1,708)	(278)
Operating income		**12,340**	**9,187**	**7,634**
Financial income	28	1,045	606	504
Financial expenses	28	(6,275)	(4,926)	(4,437)
Exchange fluctuation loss, net	28	(4,494)	(3,254)	(615)
Financial result, net		**(9,724)**	**(7,574)**	**(4,548)**
Equity in income of associates recognized using the equity method		(64)	65	91
Income before taxes		**2,552**	**1,678**	**3,177**
Income taxes	19	(3,727)	(5,416)	(2,911)
Net consolidated (loss) income from continuing operations		**(1,175)**	**(3,738)**	**266**
Discontinued operations	24	1,409	(9,458)	16,181
Net consolidated income (loss)		**234**	**(13,196)**	**16,447**
Net consolidated income (loss) attributable to controlling interest				
From continuing operations		(1,211)	(4,409)	(1,691)
From discontinued operations		999	(7,841)	13,414
		(212)	**(12,250)**	**11,723**
Net consolidated income (loss) attributable to non-controlling interest				
From continuing operations		$ 36	$ 671	$ 1,957
From discontinued operations		410	(1,617)	2,767
		446	**(946)**	**4,724**
		$ 234	**$ (13,196)**	**$ 16,447**
Earnings (losses) per basic and diluted shares from continuing operations, in Mexican pesos		$ (0.24)	$ (0.92)	$ (0.34)
Earnings (losses) per basic and diluted shares from discontinued operations, in Mexican pesos		0.20	(1.63)	2.76
Earnings (losses) per basic and diluted shares, in Mexican pesos		**$ (0.04)**	**$ (2.55)**	**$ 2.42**
Weighted average outstanding shares (thousands of shares)		**5,014,867**	**4,818,823**	**4,859,106**

The accompanying notes are an integral part of these consolidated financial statements.

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31, 2024, 2023 and 2022
In millions of Mexican pesos

	Note	2024	2023	2022
Net consolidated income (loss)		**$ 234**	**$ (13,196)**	**$ 16,447**
Other comprehensive income (loss) for the year from continuing operations:				
Items that will not be reclassified to the consolidated statement of income				
Remeasurement of employee benefit obligations, net of taxes		25	(324)	(239)
Items that will be reclassified to the consolidated statement of income				
Effect of derivative financial instruments designated as cash flow hedges, net of taxes		(614)	611	(156)
Translation effect of foreign entities		3,537	1,832	(459)
Total other comprehensive loss of the year from continuing operations		**2,948**	**2,119**	**(854)**
Other comprehensive income from discontinued operations		3,991	(5,064)	(3,506)
Total other comprehensive loss of the year		**6,939**	**(2,945)**	**(4,360)**
Consolidated comprehensive (loss) income for the year		**$ 7,173**	**$ (16,141)**	**$ 12,087**
Attributable to:				
Controlling interest		$ 5,336	$ (13,704)	$ 8,222
Non-controlling interest		1,837	(2,437)	3,865
Consolidated comprehensive income (loss) for the year		**$ 7,173**	**$ (16,141)**	**$ 12,087**

The accompanying notes are an integral part of these consolidated financial statements.

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

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

For the years ended December 31, 2024, 2023 and 2022
In millions of Mexican pesos

	Capital stock	Share premium account	Retained earnings	Other reserves	Total controlling interest	Non-controlling interest	Total stockholders' equity
Balances as of January 1, 2022	$ 170	$ -	$ 35,369	$ 3,546	$ 39,085	$ 15,736	$ 54,821
Transactions with stockholders:							
Dividends declared	-	-	(4,063)	-	(4,063)	(3,780)	(7,843)
Repurchase of own shares	-	-	(1,263)	-	(1,263)	(12)	(1,275)
Other	-	-	(40)	-	(40)	38	(2)
Total transactions with stockholders	**-**	**-**	**(5,366)**	**-**	**(5,366)**	**(3,754)**	**(9,120)**
Consolidated net income	-	-	11,723	-	11,723	4,724	16,447
Total other comprehensive loss for the year	-	-	-	(3,501)	(3,501)	(859)	(4,360)
Comprehensive income (loss)	**-**	**-**	**11,723**	**(3,501)**	**8,222**	**3,865**	**12,087**
Balances as of December 31, 2022	**170**	**-**	**41,726**	**45**	**41,941**	**15,847**	**57,788**
Transactions with stockholders:							
Dividends declared	-	-	(1,746)	-	(1,746)	(1,373)	(3,119)
Repurchase of own shares, net	-	-	(8)	-	(8)	(2)	(10)
Subsidiary spin-off effects	-	-	(4,785)	-	(4,785)	(2,257)	(7,042)
Decrease in share capital	(15)	-	-	-	(15)	-	(15)
Others	(3)	-	421	-	418	(95)	323
Total transactions with stockholders	**(18)**	**-**	**(6,118)**	**-**	**(6,136)**	**(3,727)**	**(9,863)**
Reclassification of comprehensive income due to spin-off	**-**	**-**	**-**	**(18)**	**(18)**	**(2)**	**(20)**
Consolidated net loss	-	-	(12,250)	-	(12,250)	(946)	(13,196)
Total other comprehensive loss for the year	-	-	-	(1,454)	(1,454)	(1,491)	(2,945)
Comprehensive loss	**-**	**-**	**(12,250)**	**(1,454)**	**(13,704)**	**(2,437)**	**(16,141)**
Balances as of December 31, 2023	**152**	**-**	**23,358**	**(1,427)**	**22,083**	**9,681**	**31,764**
Transactions with stockholders:							
Dividends declared	-	-	(804)	-	(804)	(1,316)	(2,120)
Repurchase of own shares, net	-	-	(1)	-	(1)	-	(1)
Increase in share capital	23	7,929	-	-	7,952	-	7,952
Others	-	-	(577)	-	(577)	(16)	(593)
Total transactions with stockholders	**23**	**7,929**	**(1,382)**	**-**	**6,570**	**(1,332)**	**5,238**
Consolidated net income (loss)	-	-	(212)	-	(212)	446	234
Total other comprehensive (income) loss for the year	-	-	-	5,548	5,548	1,391	6,939
Comprehensive income	**-**	**-**	**(212)**	**5,548**	**5,336**	**1,837**	**7,173**
Balances as of December 31, 2024	**$ 175**	**$ 7,929**	**$ 21,764**	**$ 4,121**	**$ 33,989**	**$ 10,186**	**$ 44,175**

The accompanying notes are an integral part of these consolidated financial statements.

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended December 31, 2024, 2023 and 2022
In millions of Mexican pesos

	2024	2023	2022
Cash flows from operating activities			
Income before income taxes	$ 2,552	$ 1,678	$ 3,177
Depreciation and amortization	4,468	4,321	4,233
Impairment of long-lived assets, net	856	1,650	398
Allowance for doubtful accounts	(56)	(526)	(201)
Gain on sale of property, plant and equipment, net	(127)	(49)	(118)
Effect of changes in the fair value of derivative financial instruments	11	77	(11)
Financial expenses, net	5,219	4,243	3,944
Exchange fluctuation, net	4,494	3,254	615
Equity in results of associates	64	(65)	(91)
Provisions and others	893	1,769	707
Movements in working capital:			
Decrease (increase) in trade and other accounts receivable	6,472	(1,468)	(1,453)
(Increase) decrease in inventories	(899)	863	(2,829)
Increase (decrease) in trade and other accounts payable	3,499	(608)	2,952
Cash flows from operating activities from discontinued operation	5,146	14,529	18,146
Income taxes paid	(5,504)	(6,196)	(2,720)
Net cash flows generated by operating activities	**27,088**	**23,472**	**26,749**
Cash flows from investing activities			
Interest collected	638	439	241
Cash flows in acquisition of property, plant and equipment	(4,624)	(3,966)	(4,767)
Cash flows in sale of property, plant and equipment	80	269	172
Cash flows in acquisition of intangible assets	(177)	(126)	(400)
Cash flows in business acquisitions, net of cash acquired	-	(1,308)	-
Cash flows in business sale	-	(611)	-
Restricted cash	22	6	(268)
Decrease in cash due to subsidiary spin-off	-	(665)	-
Cash flows from investing activities from discontinued operation	(7,857)	(3,320)	(15,658)
Other assets	335	(246)	(1,615)
Net cash flows used in investing activities	**(11,583)**	**(9,528)**	**(22,295)**
Cash flows from financing activities			
Proceed from borrowings or debt	33,586	10,884	1,258
Payments of borrowings or debt	(46,067)	(10,165)	(2,078)
Lease payments	(870)	(903)	(837)
Interest paid	(5,388)	(4,042)	(3,858)
Dividends paid	(802)	(1,822)	(4,089)
Repurchase of shares, net	-	-	(1,209)
Cash flows from financing activities from discontinued operation	(4,580)	(6,080)	(1,456)
Other	(613)	(2,788)	(264)
Net cash flows used in financing activities	**(24,734)**	**(14,916)**	**(12,533)**
Net increase (decrease) increase in cash and cash equivalents	(9,229)	(972)	(8,079)
Effect of changes in exchange rates	2,054	(1,096)	(1,087)
Cash and cash equivalents at beginning of year	19,745	21,813	30,979
Cash and cash equivalents at end of year	**$ 12,570**	**$ 19,745**	**$ 21,813**

The accompanying notes are an integral part of these consolidated financial statements.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As of and for the years ended December 31, 2024, 2023 and 2022
In millions of Mexican pesos, except where otherwise indicated

1. ALFA COMPANIES' ACTIVITIES

Alfa, S. A. B. de C. V. and subsidiaries (therein "Alfa" or the "Company"), is a Mexican company controlling two principal business groups with the following activities: Alpek, engaged in the production of petrochemicals and synthetic fibers and Sigma, a refrigerated food producer.

On May 29, 2023, the Company concluded the spin-off process of its subsidiary Axtel, a telecommunications-oriented business (see Note 2).

As of December 31, 2024, the Company is in the process of spinning off its subsidiary Alpek (see Note 2).

Alfa has a competitive position globally in the auto parts segment as a producer of aluminum engine heads and blocks, as well as in the manufacture of PTA and PET (both raw materials for the manufacture of polyester) and is a leader in the Mexican market for refrigerated foods. As of December 31, 2024, Alfa operates industrial production and distribution centers mainly in Argentina, Belgium, Brazil, Canada, Chile, Costa Rica, Ecuador, Germany, Saudi Arabia, Spain, France, Mexico, Oman, Netherlands, Peru, Portugal, Saudi Arabia, United States of America (USA), United Kingdom, Dominican Republic and Romania. The Company markets its products in over 29 countries worldwide and employs over 54,887 people.

When reference is made to the controlling entity Alfa S. A. B. de C. V. as an individual legal entity, it will be referred to as "Alfa SAB".

Alfa SAB's shares are traded on the Mexican Stock Exchange, S. A. B. de C. V. and Latibex, the Latin American market of the Madrid Stock Exchange.

Alfa is located in Avenida Gómez Morín Sur No. 1111, Col. Carrizalejo, San Pedro Garza García, Nuevo León, C.P. 66254, México.

In the following notes to the consolidated financial statements references to pesos or "$", mean millions of Mexican pesos. References to "US$", mean millions of U.S. dollars. In addition, references to "€", mean millions of euros.

2. SIGNIFICANT EVENTS

2024

a. Spin-off of Alfa's ownership interest in Alpek

On October 24, 2024, the Shareholders Meeting of Alfa SAB approved the process of spinning off the entire ownership interest in Alpek S.A.B. de C.V. ("Alpek SAB"). Alfa SAB carried out the process as a spin-off company and a public corporation with variable capital was incorporated as a spun-off company ("Controladora Alpek"), which will be listed on the Mexican Stock Exchange ("BMV").

The process is subject to compliance with certain conditions precedent, among which the registration of Controladora Alpek as an issuer on BMV is included, which as of December 31, 2024, was not completed. In accordance with the requirements of IFRS 5, Non-current Assets Held for Sale and Discontinued Operations, the Company presented Alpek's assets and liabilities as of December 31, 2024 as "held for disposal" in the consolidated statement of financial position and therefore it is not comparable with the consolidated statements of financial position as of December 31, 2023 and 2022 For its part, in the consolidated statement of income and in the consolidated statement of cash flows for the years ended December 31, 2024, 2023 and 2022 it was presented as a discontinued operation.

The details of the effects of the spin-off are included in Note 24.

b. Suspension of EPS operations in Beaver Valley

On November 4, 2024, the Company announced its plans to suspend production ai its Beaver Valley EPS facility in Monaca, Pennsylvania by January 2025. This decision follows the Company´s commitment to strengthening its competitiveness by optimizing its installed capacity.

Alpek recognized an inventory and fixed asset impairment expense of $96.5 (US$4.8) and $1,191 (US$58.7), respectively, for the year ended December 21,2024.

2023

c. Cooper River's PET resin production transferred to other facilities

On March 1, 2023, Alpek announced the indefinite interruption of PET resin production at its Cooper River plant, located in Charleston, South Carolina. The plant had an installed capacity of 170,000 tons of PET resin.

Alpek started the process of decommissioning and dismantling of assets, as well as the cleaning and environmental remediation, which is why, Alpek registered provisions for these concepts for $379 (US$20.8). Additionally, Alpek had other direct costs attributable to the closure, mainly for severance pay and cancellation of contracts for $169 (US$9.1).

Derived from the interruption in production, Alpek performed impairment tests on the fixed assets associated with the plant and recorded an impairment expense of $950 (US$51.9). Additionally, it recognized an inventory impairment expense of $63 (US$3.4)

d. Acquisition of Los Altos Foods

On May 3rd, 2023, Sigma acquired 85% of the net assets of Los Altos Foods, a company dedicated to the production of Hispanic cheeses and creams in the United States. This transaction complements Sigma's strategy to continue growing the business by strengthening its position in a market with rapid growth in domestic consumption.

The total consideration paid was $1,336. There is no contingent consideration agreement.

The acquisition of Los Altos Foods met the criteria for a business combination in accordance with the requirements of the IFRS; therefore, Sigma applied the acquisition method to measure the assets acquired and liabilities assumed in the transaction. The fair values of the assets acquired and liabilities assumed as a result of this acquisition are as follows:

Current assets [1]	$	255
Non-current assets [2]		191
Intangible assets [3]		869
Current liabilities [4]		184
Non-current liabilities [5]		25
Net assets acquired		**1,106**
Non-controlling interest		(166)
Goodwill		396
Final consideration	**$**	**1,336**

(1) Current assets consist of cash for $13, accounts receivable for $151, inventories for $89, and other assets for $2.
(2) Non-current assets consist of property plant and equipment.
(3) Intangible assets consist of non-compete agreements for $23, brands for $544, and client relationships for $280 and software for $22.
(4) Current liabilities consist of other accounts payable for $89, payroll provisions for $85, and other liabilities for $10.
(5) Non-current liabilities consist of long-term notes payable.

The results of the acquired operations have been included in the accompanying consolidated financial statements since the acquisition date, therefore, the consolidated financial statements as of and for the year ended December 31, 2024 and 2023, are not comparable with the previous year. The consolidated statement of cash flows for the year ended December 31, 2023, presents the disbursement for the acquisition of Los Altos Foods in a single line item within investment activities, net of the cash acquired.

Revenue and net income for the eight-month period ended December 31, 2023, contributed by Los Altos Foods, amounted to $1,261 and $76, respectively.

If the acquisition had occurred on January 1, 2023, pro forma consolidated revenues and profits for the year ended December 31, 2023, would have increased (decreased) by $623 and $(14), respectively. These amounts were calculated using the results of the subsidiary and adjusting them for the additional depreciation and amortization that would have been recognized assuming the fair value of the adjustments of property, plant and equipment and intangible assets as of January 1, 2023.

The costs related to the acquisition amounted to $13 and were recognized in the consolidated income statement under the heading of administrative expenses.

e. Spin-off of Alfa's shareholding in Axtel

On July 12, 2022, the Extraordinary General Shareholders' Meeting of Alfa SAB approved the process of spinning off its entire shareholding in Axtel S.A.B. de C.V. ("Axtel SAB"). Alfa SAB carried out the process as a spin-off company and a public corporation with variable capital was incorporated as a spin-off company ("Controladora Axtel"), which will have been listed on the Mexican Stock Exchange ("BMV").

The process was subject to certain suspensive conditions, among which was the registration of Controladora Axtel as an issuer listed in the BMV, which, as of December 31, 2022, was not completed. In accordance with the requirements of IFRS 5, Non-current Assets Held for Sale and Discontinued Operations, the Company presented Axtel's assets and liabilities as of December 31, 2022 as "held for disposal" in the consolidated statement of financial position and therefore it is not comparable with the consolidated statements of financial position as of December 31, 2024 and 2023. For its part, in the consolidated statement of income and in the consolidated statement of cash flows for the year ended December 31,2022 was presented as a discontinued operation.

The process was completed on May 29, 2023, with the registration of Controladora Axtel as a station listed in the BMV. Alfa SAB shareholders received one share of Controladora Axtel for each of the shares they had in Alfa SAB, without this affecting the shareholding they have in Alfa SAB. With this act and to this date, Alfa SAB stopped consolidating Axtel SAB for accounting purposes.

The details of the effects of the spin-off are included in Note 24.

f. Disposal of participation in Cesare Fiorucci S.P.A.

In line with the strategy of implementing a comprehensive plan to improve profitability and growth in Europe, Sigma decided to dispose of its subsidiary in Italy. Based on the requirements of IFRS 5, Non-Current Assets Held for Sale and Discontinued Operations, Sigma classified the assets and liabilities of this subsidiary as "held for sale" in the consolidated statement of financial position, and determined that the fair value less cost of sales exceeded the carrying value of the net assets of such subsidiary, on which an impairment expense of $2,077 (€111.1), primarily related to inventory, property, plant and equipment and intangibles, was recognized in the consolidated statement of income for the year ended December 31, 2023.

On August 1, 2023, Sigma completed the sale of its subsidiary to Fiorucci Holding S.r.L., whose ultimate owners are Navigator Capital and White Park Capital, and as of that date, Sigma ceased to consolidate the net assets and results of the subsidiary.

g. Closure of the filament production plant

On August 18, 2023, Alpek announced the closure of its textile and industrial fiber production plant located in Monterrey. Alpek made the decision to close operations at these facilities and not replace their production because the excess production experienced worldwide in recent years has represented a significant reduction in its profitability for the filament industry and it is not expected that this situation will change in the near future.

Alpek recognized an impairment of inventories and fixed assets for $121 (US$7) and $409 (US$23.7), respectively, for the year ended December 31, 2023. Additionally, it had impacts due to employee terminations for $193 (US$11.1).

h. Corpus Christi Polymers construction pause

On September 27, 2023, Alpek announced that Corpus Christi Polymers ("CCP") temporarily paused construction of the integrated PTA-PET plant in Corpus Christi, Texas. The partners decided to pause it because high inflation rates and other factors caused construction and labor costs to exceed initial expectations. Options will also be evaluated to optimize the project's costs and schedule. This site will be adequately preserved so that construction can resume in the future.

Based on the requirements of IAS 28 and IAS 36, Alpek identified that the pause in construction of the plant generated signs of impairment in its investment in the joint venture. Alpek determined through the discounted cash flow model to recognize an impairment of its investment in the joint venture of $9,591 (US$557) for the year ended December 31, 2023.

As of December 31, 2024, construction of the integrated PTA-PET plant in Corpus Christi, Texas remains on pause.

i. Agreement to sell operations in the Netherlands and Belgium

On October 7, 2021, Sigma announced an agreement for the sale of its subsidiaries Imperial Meat Products, VOF and Campofrio Food Group Netherlands Holding B.V. The transaction includes six production plants, five in Belgium and one in the Netherlands, as well as the Marcassou, Imperial, Stegeman, Leielander and Bistro brands.

As of December 31, 2022, the transaction had not been completed, therefore the assets and liabilities to be sold are presented under the headings of "Other current assets" and "Other current liabilities", respectively, in the statement consolidated financial position. Derived from the presentation as held for sale, and the measurement requirements of IFRS 5, Non-Current Assets Held for Sale and Discontinued Operations. As 31 December 2022, Sigma has an accumulated impairment of $1,608 (€69.7) related to its operations in Belgium and the Netherlands.

As of December 31, 2022, the assets and liabilities classified as held for sale by this agreement are as follows:

Assets	2022
Cash and cash equivalents	$ 4
Trade and other accounts receivable, net	503
Inventories	671
Other current assets	38
Property, plant and equipment, net	1,169
Intangible assets, net	181
Other non-current assets	19
Total assets	**$ 2,585**

Liabilities	2022
Debt	$ 29
Suppliers and other accounts payable	1,808
Income tax payable	139
Provisions and other current liabilities	432
Debt	81
Provisions and other non-current liabilities	377
Total liabilities	**$ 2,866**

On June 2, 2023, given that the conditions to which the operation was subject were not met, What's Cooking? (previously called Ter Beke) made the decision to terminate the procedures related to the transaction, therefore the related assets and liabilities no longer qualified as held for sale and were reclassified to their corresponding accounts to leave them as part of Sigma's operation.

2022

j. OCTAL Acquisition

On January 31, 2022, a subsidiary of Alpek signed an agreement to acquire the Octal business. This acquisition represented a growth through a vertical integration for Alpek into the high value PET sheet business. Octal is a major global producer of PET sheet through a strategically centered logistics position in Oman.

Alpek acquired Octal for consideration of $12,147 (US$620). On June 1, 2022, Alpek assumed control of Octal's operations.

From the acquisition date, working capital and the recovery of costs adjustments related to the transaction were made, and together reduced the initial consideration by $186.1 (US$9.5); additionally, an adjustment was made for cash surplus against the debt which increased the initial consideration by $1,782.9 (US$91). The contract includes a contingent consideration based on future business results and other considerations, which, in compliance with the requirements of IFRS 3, Business Combinations, was valued at $914.9 (US$46.7) and that together with the aforementioned adjustments derived in a total consideration that was equivalent to $14,658.7 (US$748.2).

Total cash flows paid for the acquisition amounted to $13,397.1 (US$682.9), which were made by wire transfer. Financing for the acquisition was through a combination of free cash flow generated from existing businesses and dedicated bank loans.

The amount pending payment as of December 31, 2022 retained by Alpek pursuant to the agreement for possible litigation is $360.1 (US$18.6), was deposited in a trust, and is presented within restricted cash and its corresponding liability. During the year ended December 31, 2024, it was reclassified to be presented as current (see Note 7).

The acquisition of Octal met the criteria for a business combination in accordance with the requirements of IFRS 3, Business Combinations; therefore, Alpek applied the acquisition method to measure the acquired assets and the assumed liabilities in the transaction. Fair values of the acquired assets and assumed liabilities as a result of this acquisition are as follows:

Current assets [1]	US$	551.4
Non-current assets [2]		604.8
Intangible assets [3]		83.4
Current liabilities [4]		(432.2)
Non-current liabilities [5]		(37.5)
Net assets acquired		**769.9**
Gain on business combination		(21.7)
Final consideration	**US$**	**748.2**
Cash surplus net of debt		(91)
Total consideration net of cash surplus	**US$**	**657.2**

[1] Current assets consist of cash, restricted cash, accounts receivable, inventories and other assets for US$160.6, US$14.9, US$118.8, US$252.7 and US$4.4, respectively.
[2] Non-current assets consist of property, plant and equipment, and right-of-use asset of US$591.6 and US$13.2, respectively.
[3] Intangible assets consist of patents.
[4] Current liabilities consist of suppliers and other accounts payable, current portion of the debt, and other liabilities for US$388.2, US$41.0 and US$3.0, respectively.
[5] Non-current liabilities consist of debt, lease liability and other liabilities for US$20.6, US$13.7 and US$3.2, respectively.

As a result of this transaction, a gain associated with the business combination was recognized for an amount of $425.0 (US$21.7), recognized in 2022 in the other income (expenses), net item which was reclassified to be presented as part of the discontinued operations item in the consolidated statement of income. In terms of IFRS 3, the gain associated with the business combination was primarily generated because the sale of the business followed the strategy maintained by the selling shareholders of taking the opportunity to exit, even sacrificing the value of the assets at that time.

Revenues and net income for the seven-month period ended December 31, 2022, contributed by Octal amounted to $17,174 (US$858) and $3,013 (US$150), respectively.

The results of the acquired operations have been included in the consolidated financial statements since the acquisition date. The consolidated statement of cash flows for the year that ended December 31, 2022, presents the disbursement for the acquisition of Octal in the discontinued operation line within investment activities, net of the cash acquired.

If the acquisition had occurred on January 1, 2022, proforma consolidated revenues and net income for the year that ended December 31, 2022, would have been $29,317 (US$1,455) and $4,805 (US$238), respectively. These amounts were calculated using the results of the subsidiary and adjusting them for the additional depreciation and amortization that would have been recognized assuming the fair value of the adjustments of property, plant and equipment and intangible assets as of January 1, 2022.

k. Corpus Christi Polymers resumes construction

On July 18, 2022, Alpek announced that Corpus Christi Polymers LLC ("CCP") partners will resume construction of the plant in August 2022 with completion expected in early 2025. The project will have a total capacity of 1.1 million tons and 1.3 million tons per year of PET and PTA, respectively, with which Alpek would have approximately 367,000 tons of PET and 433,000 tons of PTA. CCP expects to have the most competitive state-of-the-art plant in the Americas, which will use Alpek's IntegRex technology for PTA processes, among others.

During the year that ended December 31, 2022, the investments made amounted to $733 (US$36.5). During the year that ended December 31, 2023, construction of the plant was temporarily paused (see Note 2h).

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The following are the material accounting policies followed by Alfa, which have been consistently applied in the preparation of the financial information in the years presented, unless otherwise specified:

a. Basis of preparation

The consolidated financial statements of Alfa have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). IFRS include all International Accounting Standards ("IAS") in force and all related interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"), including those previously issued by the Standard Interpretations Committee ("SIC").

The consolidated financial statements have been prepared on a historical cost basis, except for the cash flow hedges, which are measured at fair value and for the financial assets and liabilities at fair value through profit or loss with changes reflected in the consolidated statement of income and for financial assets available for sale.

The preparation of the consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. Additionally, it requires management to exercise judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where judgments and estimates are significant to the consolidated financial statements are disclosed in Note 5.

b. Consolidation

i. Subsidiaries

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

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

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

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

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

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

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

Transactions and intercompany balances, as well as unrealized gains on transactions between Alfa's companies are eliminated in preparing the consolidated financial statements. In order to ensure consistency with the policies adopted by the Company, the amounts recorded by subsidiaries have been changed where it was deemed necessary.

As of December 31, 2023, 2022 and 2021, the primary subsidiary companies of Alfa were as follows:

		Shareholding (%) [2]			
	Country [1]	2024	2023	2022	Functional currency
Alpek (Petrochemicals and synthetic fibers)					
Alpek, S. A. B. de C. V. (Holding Co.)		82	82	82	Mexican peso
Alpek Polyester, S. A. de C. V.		100	100	100	U.S. dollar
Alpek Polyester USA, LLC. [11]	USA	100	100	100	U.S. dollar
Alpek Polyester México, S.A. de C.V. [12]		100	100	100	U.S. dollar
Octal [4]	Oman	100	100	100	U.S. dollar
DAK Americas Exterior, S. L. (Controladora)	Spain	100	100	100	U.S. dollar
Alpek Polyester Argentina, S. A. [9]	Argentina	100	100	100	U.S. dollar
Tereftalatos Mexicanos, S. A. de C. V.		91	91	91	U.S. dollar
Akra Polyester, S. A. de C. V.		93	93	93	U.S. dollar
Compagnie Alpek Polyester Canada (Selenis) [10]	Canada	100	100	100	U.S. dollar
Alpek Polyester Brasil S. A. [5]	Brazil	100	100	100	Real
Alpek Polyester Pernambuco S. A. [6]	Brazil	100	100	100	Real
Alpek Polyester UK LTD	United Kingdom	100	100	100	Pound sterling
Indelpro, S. A. de C. V.		51	51	51	U.S. dollar
Polioles, S. A. de C. V. [3]		50	50	50	U.S. dollar
Unimor, S. A. de C. V. (Controladora)		100	100	100	Mexican peso
Univex, S. A.		100	100	100	Mexican peso
Grupo Styropek, S. A. de C. V. (Holding Co.)		100	100	100	Mexican peso
Styropek México, S. A. de C. V.		100	100	100	U.S. dollar
Styropek S. A.	Argentina	100	100	100	Argentine peso
Aislapol S. A.	Chile	100	100	100	Chilean peso
Styropek Do Brasil LTD	Brazil	100	100	100	Real
BVPV Styrenics LLC	USA	100	100	100	U.S. dollar
Sigma (Refrigerated food)					
Sigma Alimentos, S. A. de C. V. (Holding Co.)		100	100	100	U.S. dollar
Alimentos Finos de Occidente, S. A. de C. V.		100	100	100	Mexican peso
Grupo Chen, S. de R. L. de C. V.		100	100	100	Mexican peso
Sigma Alimentos Lácteos, S. A. de C. V.		100	100	100	Mexican peso
Sigma Alimentos Centro, S. A. de C. V.		100	100	100	Mexican peso
Sigma Alimentos Noreste, S. A. de C. V.		100	100	100	Mexican peso
Sociedad Suizo Peruana Embutidos, S. A.	Peru	100	100	100	Peruvian sol
Caroli Foods Group S. R. L.	Romania	100	100	100	Romanian leu
Praimit, S.A. de C.V.		100	100	100	Mexican peso
Alfa Subsidiarias Alimentos, S. A. de C. V.		100	100	100	Mexican peso
CH Biotec, S.L	Spain	51	51	51	Euro
Sigma Alimentos Exterior, S. L.U. (Holding Co.)	Spain	100	100	100	Euro
Bar-S Foods Co.	USA	100	100	100	U.S. dollar
Mexican Cheese Producers, Inc.	USA	100	100	100	U.S. dollar
Braedt, S. A.	Peru	100	100	100	Peruvian sol
Campofrío Food Group, S. A.	Spain	100	100	100	Euro
Los Altos Foods Products, LLC [8]	USA	85	85	-	U.S. dollar
Sigmaec CIA, LTDA	Ecuador	100	100	100	U.S. dollar
Sigma Foodservice Comercial, S. de R.L. de C.V.		100	100	100	Mexican peso
Axtel (Telecommunications)					
Axtel, S. A. B. de C. V. [7]		-	-	53	Mexican peso
Alestra Payment Processing, S.A de C.V.		-	-	100	Mexican peso
Newpek (Natural gas and hydrocarbons)					
Newpek, S. A. de C. V.		100	100	100	Mexican peso
Oil and Gas Holding España, S. L. U. (Holding Co.) [14]	Spain	-	-	100	Euro
Newpek, L. L. C.	USA	100	100	100	U.S. dollar
Newpek Capital, S. A. de C. V. [13]		-	100	100	Mexican peso
Alfasid del Norte, S. A. de C. V.		100	100	100	Mexican peso
Newpek Energía Exterior, S. L. (Controladora)	Spain	100	100	100	Euro
BPZ Exploración & Producción S. R. L.	Peru	100	100	100	U.S. dollar
Other companies					
Colombin Bel, S. A. de C. V.		100	100	100	U.S. dollar
Terza, S. A. de C. V.		50	50	50	Mexican peso
Alfa Valores Corporativos, S. A. de C. V.		100	100	100	Mexican peso

(1) Companies incorporated in Mexico, except those indicated.
(2) Ownership percentage that Alfa SAB has in the holding companies of each business group and ownership percentage that such holding companies have in the companies integrating the groups. Ownership percentages and the right to vote are the same.
(3) Alpek, a subsidiary of the Company, owns 50% plus one share (see Note 5).
(4) Company acquired in 2022 and integrates the following entities: Octal Holding UK LTD, Octal Holding SAOC, Octal SAOC (FZC), Crystal Pack FZC LLC, Crystal Packing Solutions LLC, Octal DMCC, Octal Inc, Octal Extrusion Corp, Octal Saudi Arabia Plant LLC and OCTAL Finance BV (liquidated in 2023) (see Note 2).
(5) During 2022, Companhia Integrada Textil de Pernambuco, changed its business name to Alpek Polyester Brasil S. A.
(6) During 2022, Companhia Petroquimica de Pernambuco, changed its business name to Alpek Polyester Pernambuco S. A.
(7) At the Extraordinary General Shareholders' Meeting held on July 12, 2022, A1lfa Shareholders approved the proposal to spin off their entire shareholding in Axtel, S.A.B. de C.V.; the accounting divestiture took effect as of May 29, 2023. Prior to the spin-off, Alfa maintained a 53% stake in Axtel, S.A.B. de C.V.; Axtel maintained 100% ownership of its subsidiaries.
(8) Company acquired in 2023 (See Note 2).
(9) During 2022, DAK Americas Argentina, S.A. changed its corporate name to Alpek Polyester Argentina, S.A. On March 1, 2024, Alpek Polyester Argentina, S.A. changed its functional currency; as of and for the years ending December 31, 2023 and 2022, the functional currency was the Argentine peso.
(10) During 2022, Compagnie Selenis Canada changed its corporate name to Compagnie Alpek Polyester Canada.
(11) During 2023, DAK Américas L.L.C. changed its corporate name to Alpek Polyester USA, LLC.
(12) During 2023, DAK Resinas Américas México, S.A. de C.V., changed its corporate name to Alpek Polyester México, S.A. de C.V.
(13) On August 30, 2024, Newpek Capital S.A. de C.V. merged with Newpek S.A de C.V., without having impacts on the consolidated financial information.
(14) On August 29, 2023, Oil and Gas Holding Spain. S.L.U. merged with Sigma Alimentos Exterior S.L., without having impacts on the consolidated financial information.

As of December 31, 2024, 2023 and 2022, there are no significant restrictions for investment in shares of subsidiaries mentioned above.

ii. Absorption (dilution) of control in subsidiaries

The effect of absorption (dilution) of control in subsidiaries, in example, an increase or decrease in the percentage of control, is recorded in stockholders' equity, directly in retained earnings, in the period in which the transactions that cause such effects occur. The effect of absorption (dilution) of control is determined by comparing the book value of the investment in shares before the event of dilution or absorption against the book value after the relevant event. In the case of loss of control, the dilution effect is recognized in income.

When the Company has issued a call option on certain non-controlling interests in a consolidated subsidiary. The exercise price of the option is determined according to a predefined formula based on the financial performance of the subsidiary and can be exercised on a certain date. Put options granted to non-controlling stockholders that hold the risks and benefits on the net assets of the consolidated subsidiary are recognized as financial liabilities at the present value of the amount to be reimbursed of the options, initially recorded with a corresponding reduction in the Equity and subsequently accrue through financial charges in results during the contractual period.

iii. Sale or disposal of subsidiaries

When the Company ceases to have control any retained interest in the entity is remeasured at fair value, and the change in the carrying amount is recognized in the consolidated statement of income. The fair value is the initial carrying amount for the accounting purposes for any subsequent retained interest in the associate, joint venture or financial asset. Any amount previously recognized in comprehensive income in respect of that entity is accounted for as if the Company had directly disposed of the related assets and liabilities. This results in the amounts previously recognized in comprehensive income being reclassified to income for the year.

iv. Associates

Associates are all entities over which the Company has significant influence but not control. Generally, an investor must hold between 20% and 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.

If the equity in an associate is reduced but significant influence is maintained, only a portion of the amounts recognized in the comprehensive income are reclassified to income for the year, where appropriate.

The Company's share of profits or losses of associates, post-acquisition, is recognized in the consolidated statement of income and its share in the other comprehensive income of associates is recognized as other comprehensive income. When the Company's share of losses in an associate equals or exceeds its equity in the associate, including unsecured receivables, the Company does not recognize further losses unless it has incurred obligations or made payments on behalf of the associate.

The Company assesses at each reporting date whether there is objective evidence that the investment in the associate is impaired.

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 transaction provides evidence that the asset transferred is impaired. In order to ensure consistency with the policies adopted by the Company, the accounting policies of associates have been modified. 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 statement of income.

v. Joint ventures

Joint arrangements are those where there is joint control since the decisions over relevant activities require the unanimous consent of each one of the parties sharing control.

Investments in joint arrangements are classified in accordance with the contractual rights and obligations of each investor such as: joint operations or joint ventures. When the Company holds the right over assets and obligations for related assets under a joint arrangement, this is classified as a joint operation. When the company holds rights over net assets of the joint arrangement, this is classified as a joint venture. The Company has assessed the nature of its joint arrangements and classified them as joint ventures. Joint ventures are accounted for by using the equity method applied to an investment in associates.

The Company evaluates at each reporting date whether there is objective evidence that the joint venture is impaired. If there are indicators, it determines the recoverable value based on the requirements of IAS 36 and recognizes an impairment if said recoverable value is below the book value of the joint venture.

c. Foreign currency translation

i. Functional and presentation currency

The amounts included in the financial statements of each of the Company's subsidiaries and associates should be measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). For Alfa, SAB, as legal entity, the functional currency is determined to be the Mexican peso. The consolidated financial statements are presented in millions of Mexican pesos, which is the Company's presentation currency.

When there is a change in the functional currency of one of the subsidiaries, according to the IAS 21 - *Effects of changes in foreign exchange rates*, this change is accounted for prospectively, translating at the date of the functional currency change, all assets, liabilities, equity, and income items at the exchange rate of that date.

ii. Transactions and balances

Transactions in foreign currencies are translated into the functional currency using the foreign exchange rates prevailing at the transaction date or valuation date when the amounts are re-measured. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing exchange rates are recognized as foreign exchange gain or loss in the consolidated statement of income, except for those which are deferred in comprehensive income and qualify as cash flow hedges.

Changes in the fair value of securities or monetary financial assets denominated in foreign currency classified as available for sale are divided between fluctuations resulting from changes in the amortized cost of such securities and other changes in value. Subsequently, currency fluctuations are recognized in income and changes in the carrying amount arising from any other circumstances are recognized as part of comprehensive income.

Translation of subsidiaries with recording currency other than the functional currency.

The financial statements of foreign subsidiaries, having a recording currency different from their functional currency were translated into the functional currency in accordance with the following procedure:

- The balances of monetary assets and liabilities denominated in the recording currency were translated at the closing exchange rate.
- To the historical balances of monetary assets and liabilities and stockholders' equity translated into the functional currency the movements that occurred during the period were added, which were translated at historical exchange rates. In the case of the movements of non-monetary items recognized at fair value, which occurred during the period stated in the recording currency, these were translated using the historical exchange rates in effect on the date when the fair value was determined.
- Revenues, costs and expenses of the periods, expressed in the recording currency, were translated at the historical exchange rate of the date they were accrued and recognized in the consolidated statement of income, except when they arose from non-monetary items, in which case the historical exchange rate of the non-monetary items was used.
- The exchange differences arising in the translation were recognized as income or expense in the consolidated statement of income in the period they arose.

Translation of subsidiaries with functional currency other than the presentation currency.

The results and financial position of all Alfa's entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows, depending on whether the functional currency comes from a non-hyperinflationary or hyperinflationary environment:

Non-hyperinflationary environment

- Assets and liabilities for each statement of financial position are translated at the closing exchange rate at the date of the statement of financial position.
- Stockholders' equity of each statement of financial position presented is translated at historical exchange rate.
- Revenues and expenses for each statement of income are translated at average exchange rate (when the average exchange rate is not a reasonable approximation of the cumulative effect of the rates of the transaction, to the exchange rate at the date of the transaction is used); and
- The resulting exchange differences are recognized in the consolidated statement of comprehensive income as translation effect.

Hyperinflationary environment

- Assets, liabilities and equity in the consolidated statement of financial position, as well as income and expenses in the income statement, are translated at the closing exchange rate of the statement of financial position, after being restated in its functional currency (Note 3d.);
- Assets, liabilities, equity, income and expenses of the comparative period, are maintained according to the amount obtained in the translation of the year in question, that is, the financial statements of the preceding period. These amounts are not adjusted to subsequent exchange rates because the Company presents its financial information in Mexican pesos, which correspond to a currency of a non-hyperinflationary environment.

The main exchange rates in the different translation procedures are listed below:

	Local currency to Mexican pesos					
	Closing exchange rate as of December 31,			Average annual exchange rate		
Currency	2024	2023	2022	2024	2023	2022
U.S. dollar	20.27	16.89	19.36	18.30	17.61	20.06
Argentine peso	0.02	0.02	0.11	0.02	0.07	0.15
Real	3.28	3.48	3.66	3.39	3.53	3.91
Euro	20.99	18.66	20.65	19.83	19.18	21.21
Pound sterling	25.39	21.53	23.29	23.70	21.96	24.71

d. Hyperinflationary effects

As of July 1, 2018, the cumulative inflation in Argentina of the prior 3 years exceeded 100%, consequently, the Argentine peso was classified as a currency of a hyperinflationary economic environment. As a result, the financial statements of the subsidiaries located in that country, whose functional currency was the Argentine peso, were restated and adjusted for inflation in accordance with the requirements of the IAS 29, *Financial Information in Hyperinflationary Economies*, and they have been consolidated in compliance with the requirements of IAS 21. The purpose of applying these requirements is to consider changes in the general purchasing power of the Argentine peso in order to present the financial statements in the current unit of measurement at the date of the statement of financial position. The financial statements before including any inflation adjustments were prepared using the historical cost method.

The Company determined the inflation adjustments in its consolidated financial statements in the following manner:

- The amounts corresponding to non-monetary items of each statement of financial position, which are not measured at the date of the statement of financial position at their fair value or net realizable value, as the case may be, are restated applying the variation of a general price index, from the date of acquisition or the date of its last measurement at fair value, to the date of the statement of financial position, to the historical cost;
- The amounts corresponding to monetary items of the statement of financial position are not restated;
- The components of stockholders' equity of each statement of financial position are restated:

  i. at the beginning of the first period of application of IAS 29, except for retained earnings, by applying the change of a general price index from the dates the components were originated to the date of restatement. Restated retained earnings are derived from all the other balances in the statement of financial position;

  ii. at the end of the first period and in subsequent periods, all components of stockholders' equity are restated by applying a general price index from the beginning of the period or the date of contribution, if later.
- Revenues and expenses are restated by applying the variation in the general price index, from the date on which the expenses and revenues were recognized, up to the reporting date.
- Gains or losses arising from the net monetary position are recognized in the consolidated statement of comprehensive income.

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

The net effects of the restatement of the financial statements of the subsidiaries located in Argentina, were not material and are presented under the discontinued operation line item for the years ended as December 31, 2024, 2023 and 2022.

As of March 1, 2024, Alpek Polyester Argentina, subsidiary of the Alpek changed its functional currency from the Argentine pesos to the US dollar, as it has changed the way it operates, actively seeking risk coverage against future devaluations of the Argentine peso, contemplating greater operations in US dollars, likewise, there has been less restriction to enter into agreements and collect in a currency other than the Argentine peso a result of the elimination of barriers and restrictions that are triggered by Decree70/2023 that strengthen the nature of the operation in US dollars, among other factors.

From the change in the functional currency, all transactions in currencies other than the functional currency are considered "foreign currency transactions". In accordance with the requirements of IAS 21, this change was applied prospectively, therefore Alpek Polyester Argentina converted its assets and liabilities to the new functional currency at the exchange rate of March 1, 2024, and stopped applying the requirements of IAS 29, considering that the American dollar is not a currency of hyperinflationary environment.

e. Cash and cash equivalents

Cash and cash equivalents include cash on hand, bank deposits available for operations and other short-term investments of high liquidity with original maturities of three months or less, all of which are subject to insignificant risk of changes in value and maintain a high credit quality. Bank overdrafts are presented as loans as a part of the current liabilities.

f. Financial instruments

Financial assets

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

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

i. Financial assets at amortized cost

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

As of December 31, 2024, 2023 and 2022, the Company does not maintain financial assets to be measured at fair value through other comprehensive income.

ii. Financial assets at fair value through profit or loss

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

Impairment of financial assets

The Company uses an impairment model based on expected credit losses rather than losses incurred, applicable to financial assets subject to such assessment (i.e. financial assets measured at amortized cost and at fair value through other comprehensive income), as well as lease receivables, contract assets, certain written loan commitments, and financial guarantee contracts. The expected credit losses on these financial assets are estimated from the initial recognition of the asset at each reporting date, using as a reference the past experience of the Company's credit losses, adjusted for factors that are specific to the debtors or groups of debtors, the general economic conditions and an assessment of both, the current management and the forecast of future conditions.

i. Trade receivables and contract assets

The Company adopted the simplified expected loss calculation model, through which expected credit losses are recognized during the account receivable's lifetime.

The Company performs an analysis of its portfolio of customer receivables, in order to determine if there are significant customers for whom it requires an individual assessment; meanwhile, customers with similar characteristics that share credit risks (participation in the portfolio of accounts receivable, type of market, sector, geographic area, etc.), are grouped to be evaluated collectively.

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

- The debtor does not fulfill its financial agreements; or

- Information obtained internally or from external sources indicates that it is unlikely that the debtor will pay its creditors, including the Company, in its entirety (without considering any guarantee held by the Company).

The Company defined the breach threshold as the period from which the recovery of the account receivable subjected to analysis is marginal, considering the internal risk management customers.

ii. Other financial instruments

The Company recognizes credit losses expected during the asset's lifetime of all financial instruments for which credit risk has significantly increased since its initial recognition (assessed on a collective or individual basis), considering all the reasonable and sustainable information, including the one referring to the future. If at the presentation date, the credit risk a financial instrument has not significantly increased since its initial recognition, the Company calculates the loss allowance for that financial instrument as the amount of expected credit losses in the following 12 months.

In measuring the expected credit losses, the Company does not necessarily identify all the possible scenarios. However, it considers the risk or probability that a credit loss occurs, reflecting the possibility that the payment default occurs and does not occur, even if that possibility is very low. In addition, the Company determines the period for the default to occur, and the recoverability rate after default.

Management assesses the impairment model and the inputs used therein at least once every 3 months, in order to ensure that they remain in effect based on the current situation of the portfolio.

Financial liabilities

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

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

Derecognition of financial liabilities

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

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

Offsetting financial assets and liabilities

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

g. Derivative financial instruments and hedging activities

All derivative financial instruments contracted and identified, classified as fair value hedges or cash flow hedges, for trading or hedging of market risks, are recognized in the consolidated statement of financial position as assets and/or liabilities at fair value and subsequently measured at fair value. The fair value is determined based on recognized market prices and when they are not traded in a market, it is determined using valuation techniques accepted in the financial sector.

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

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

Cash flow hedges

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

Net investment hedge in a foreign transaction

The Company applies the hedge accounting to currency risk arising from its investments in foreign transactions for variations in exchange rates arising between the functional currency of such transaction and the functional currency of the holding entity, regardless of whether the investment is maintained directly or through a sub-holding entity. Variation in exchange rates is recognized in the other items of comprehensive income as part of the translation effect when the foreign transaction is consolidated.

To this end, the Company designates the debt denominated in a foreign currency as a hedging instrument; therefore, the exchange rate effects caused by the debt are recognized in other components of comprehensive income, on the translation effects line item, to the extent that the hedge is effective. When the hedge is not effective, exchange differences are recognized in profit or loss.

Suspension of hedge accounting

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

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

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

h. Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined using the average cost method. The cost of finished goods and work-in-progress includes cost of product design, raw materials, direct labor, other direct costs and production overheads (based on normal operating capacity). It excludes borrowing costs. The net realizable value is the estimated selling price in the normal course of business, less the applicable variable selling expenses. Costs of inventories include any gain or loss transferred from other comprehensive income corresponding to raw material purchases that qualify as cash flow hedges.

i. Assets and liabilities held for sale or disposition

Long-lived assets (and disposal groups) classified as held for sale or disposition are valued at the lower of book value and fair value less costs to sell.

Long-lived assets and disposal groups are classified as held for sale if their book value will be recovered through sale and not through continued use. This condition is considered fulfilled only when the sale is highly probable and the asset (or group of assets) is available for immediate sale in its current condition and management must be committed to the sale, it being recognized as a sale completed within a period one year from the date of classification.

When the Company is committed to a sale plan that involves the loss of control in a subsidiary, all assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Company will retain a non-controlling interest in its former subsidiary after the sale.

When the Company is committed to a sale plan that involves the disposal of an investment (or part of an investment) in an associate or joint venture, the investment or the portion of the investment that is subject to disposal is classified as held for sale, when the criteria described above are met, and the Company discontinues the use of the equity method with respect to the part that is classified as held for sale. Any retained interest in an investment in an associate or a joint venture that has not been classified as held for sale continues to be recognized through the equity method.

j. Property, plant and equipment

Items of property, plant and equipment are recorded at cost less the accumulated depreciation and any accrued impairment losses. Costs includes expenses directly attributable to the asset acquisition.

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 flows to the Company and the cost of the item can be reliably measured. The carrying amount of the replaced part is derecognized. Repairs and maintenance are recognized in the consolidated statement of income during the year they are incurred. Major improvements are depreciated over the remaining useful life of the related asset.

When the Company carries out major repairs or maintenance of its property, plant and equipment assets, and the cost is recognized in the carrying amount of the corresponding asset as a replacement, provided that the recognition criteria are met, the remaining portion of any major repair or maintenance is derecognized. The Company subsequently depreciates the recognized cost in the useful life assigned to it, based on its best estimate of useful life.

Depreciation is calculated using the straight-line method, considering separately each of the asset's components separately, except for land, which is not subject to depreciation. The estimated useful lives of the asset classes is indicated below:

Buildings and constructions	33 to 60 years
Machinery and equipment	10 to 14 years
Vehicles	4 to 8 years
Telecommunications network	6 to 28 years
Lab and IT furniture and equipment	6 to 10 years
Leasehold improvements	3 to 20 years
Other assets	3 to 20 years

The spare parts to be used after one year and attributable to specific machinery are classified as property, plant and equipment in other fixed assets.

Borrowing costs related to financing of property, plant and equipment whose acquisition or construction requires a substantial period (nine months or more), are capitalized as part of the cost of acquiring such qualifying assets, up to the moment when they are suitable for their intended use or sale.

Assets classified as properties, plant and equipment are subject to impairment tests when events or circumstances occur indicating that the carrying amount of the assets may not be recoverable. An impairment loss is recognized in the consolidated statement of income in other expenses, net, for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of fair value less costs to sell and value in use.

The residual value, useful lives and depreciation method of assets are reviewed at least at the end of each reporting period and, if expectations differ from previous estimates, the changes are accounted for as a change in accounting estimate.

Gains and losses on disposal of assets are determined by comparing the sale value with the carrying amount and are recognized in other expenses, net, in the consolidated statement of income.

k. Leases

The Company as lessee:

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

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

The lease liability is initially measured at the present value of the future minimum lease payments that 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). When lease payments contain non-lease components (services), the Company has chosen, for some class of assets, not to separate them and measure all payments as a single lease component; however, for the rest of the class of assets, the Company measures the lease liability only considering lease payments, while all of the services implicit in the payments, are recognized directly in the consolidated statement of income as operating expenses.

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

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

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

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

l. Intangible assets

Intangible assets are recognized in the consolidated statement of financial position when they meet the following conditions: they are identifiable, they provide future economic benefits, and the Company has control over such benefits.

Intangible assets are classified as follows:

(i) Indefinite useful life

These intangible assets are not amortized and are subject to annual impairment assessment. As of December 31, 2024, 2023 and 2022, no factors have been identified limiting the life of these intangible assets.

(ii) Finite useful life

These assets are recognized at cost less accumulated amortization and accrued impairment losses. They are amortized on a straight-line basis over their estimated useful life, determined based on the expectation of generating future economic benefits, and are subject to impairment tests when triggering events of impairment are identified.

The estimated useful lives of intangible assets with finite useful lives are summarized as follows:

Development costs	5 to 20 years
Exploration costs [1]	
Trademarks	5 to 22 years
Relationships with customers	15 to 17 years
Software and licenses	3 to 11 years
Intellectual property rights and patents	10 to 25 years
Other (concessions, non-competition agreements, among others)	3 to 30 years

[1] *Exploration costs are depreciated based on the unit-of-production method based on proven reserves of hydrocarbons.*

Development costs

Research costs are recognized in income as incurred. Expenditures on development activities are recognized as intangible assets when such costs can be reliably measured, the product or process is technically and commercially feasible, potential future economic benefits are obtained, and the Company intends also has sufficient resources to complete the development and to use or sell the asset. Their amortization is recognized in income using the straight-line method over the estimated useful life of the asset. Costs in development that do not qualify for capitalization are recognized in income as incurred.

Exploration costs

The Company uses the successful efforts method of accounting for its oil and gas properties. Under this method, all costs associated with productive and non-productive wells are capitalized while non-productive and geological exploration costs are recognized in the consolidated statement of income as incurred. Net capitalized costs of unproved reserves are reclassified to proven reserves when they are found. The costs of operating the wells and field equipment are recognized in the consolidated statement of income as incurred.

Trademarks

Trademarks acquired in a separate transaction are recorded at acquisition cost. Trademarks acquired in a business combination are recognized at fair value at the acquisition date. Trademarks are amortized based on their useful life according to the Company's evaluation; if in said evaluation it is determined that the useful life of these assets proves to be indefinite, then trademarks are not amortized but are subject to annual impairment tests.

Licenses

Licenses acquired in a separate transaction are recorded at acquisition cost. Licenses acquired in a business combination are recognized at fair value at acquisition date.

Licenses that have a defined useful life are presented at cost less accumulated amortization. Amortization is recorded by the straight-line method over its estimated useful life.

The acquisition of software licenses is capitalized based on the costs incurred to acquire and use the specific software.

Software development

Costs associated with the maintenance of software are recorded as expenses are incurred.

Development costs directly related with the design and tests of unique and identifiable software products controlled by the Company are recorded as intangible assets when they fulfill the following criteria:

- Technically, it is possible to complete the intangible asset so that it may be available for its use or sale;
- The intangible asset is to be completed for use or sale;
- The ability to use or sell the intangible asset;
- The way in which the intangible asset is to generate probable future economic benefits;
- The availability of adequate technical, financial or other type of resources, to complete the development and use or sell the intangible asset; and
- The ability to reliably calculate the disbursement attributable to the intangible asset during its development.

The amount initially recognized for an intangible asset generated internally will be the sum of disbursements incurred from the moment the element fulfills the conditions for recording, as established above. When no intangible asset internally generated may be recognized, the disbursements for development are charged to income in the period they are incurred.

m. Goodwill

Goodwill represents the excess of the acquisition cost of a subsidiary over the Company's interest in the fair value of the identifiable net assets acquired, determined at the date of acquisition, and is not subject to amortization. Goodwill is shown under goodwill and intangible assets and is recognized at cost less accumulated impairment losses, which are not reversed. Gains or losses on the disposal of an entity or CGU include the carrying amount of goodwill related to the entity or CGU sold.

n. Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill, are not depreciable or amortizable and are subject to annual impairment tests. Assets that are subject to amortization and depreciation are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels at which there are separately identifiable cash flows (cash generating units). Non-financial long-term assets other than goodwill that have suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

When an impairment loss is reversed, the carrying amount of the asset or cash generating unit, is increased to the revised estimated value 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 cash generating unit in previous years. The reversal of an impairment loss is recognized immediately in the consolidated statement of income.

o. Income tax

The amount of income taxes in the consolidated statement of income represents the sum of the current and deferred income taxes.

The amount of income taxes included in the consolidated statement of income represents the current tax of the year and the effects of deferred income tax assets determined in each subsidiary by the assets and liabilities method, applying the rate established by the legislation enacted or substantially enacted at the consolidated statement of financial position date, wherever the Company operates and generates taxable income. The applicable rates are applied to the total temporary differences resulting from comparing the accounting and tax bases of assets and liabilities, and that are expected to be applied when the deferred tax asset is realized or the deferred tax liability is expected to be settled, considering, when applicable, any tax-loss carryforwards, prior to the recovery analysis. The effect of the change in current tax rates is recognized in current income of the period in which the rate change is determined.

Management periodically evaluates positions taken in tax returns with respect to situations in which the applicable law is subject to interpretation. Provisions are recognized when appropriate based on the amounts expected to be paid to the tax authorities.

Deferred tax assets are recognized only when it is probable that future taxable profits will exist against which the deductions for temporary differences can be taken.

Deferred income tax on temporary differences arising from investments in subsidiaries, associates, and joint agreements is recognized, unless the period of reversal of temporary differences is controlled by Alfa and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset only when a legal right exists and when taxes are levied by the same tax authority.

p. Employee benefits

i. Pension plans

Defined contribution plans:

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to their service in the current and past periods. Contributions are recognized as employee benefit expense on the date the contribution is required.

Defined benefit plans:

A defined benefit plan is a plan, which specifies 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.

The liability recognized in the consolidated statement of financial position in respect of defined benefit plans is the present value of the defined benefit obligation at the consolidated statement of financial position date less the fair value of plan assets. The defined benefit obligation is calculated annually by independent third parties using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using discount rates in conformity with IAS 19, *Employee Benefits*, that are denominated in the currency in which the benefits will be paid and have maturities that approximate the terms of the pension liability.

Actuarial remeasurements arising from adjustments and changes in actuarial assumptions are recognized directly in stockholders' equity in other items of the comprehensive income in the year they occur and will not be reclassified to profit or loss of the period.

Past-service costs are recognized immediately in the consolidated statement of income.

ii. Post-employment medical benefits

The Company provides medical benefits to retired employees after termination of employment. Eligibility for these benefits usually depends on the employee´s having worked up to the retirement age and having completed a minimum of years of service. The expected costs of these benefits are accrued over the period of employment using the same criteria as those described for defined benefit pension plans.

iii. Termination benefits

Termination benefits are payable when the Company terminates the employment contract before the normal retirement date or when the employee accepts voluntary severance in exchange for these benefits. The Company recognizes termination benefits in the following dates, whichever occurs first: (a) when the Company can no longer withdraw the offer of these benefits, and (b) when the Company recognizes the costs from restructuring within the scope of the IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, and it involves the payment of termination benefits. If there is an offer that promotes the termination of the employment relationship voluntarily by employees, termination benefits are valued based on the number of employees expected to accept the offer. Benefits that will be paid in the long term are discounted at their present value.

iv. Short-term benefits

The Company provides benefits to employees in the short term, which may include wages, salaries, annual compensation and bonuses payable within 12 months. Alfa recognizes an undiscounted provision when it is contractually obligated or when past practice has created an obligation.

v. Statutory employee profit sharing ("PTU", for its acronym in Spanish) and bonuses

The Company recognizes a liability and an expense for bonuses and statutory employee profit sharing when it has a legal or assumed obligation to pay these benefits and determines the amount to be recognized based on the profit for the year after certain adjustments.

q. Provisions

Provisions represent a present legal obligation or a constructive obligation as a result of past events where an outflow of resources to meet the obligation is likely and where the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the value of money over time and the risks specific to the obligation. The increase in the provision due to the passage of time is recognized as interest expense.

When there is a number of similar obligations, the likelihood that an outflow will be required for settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of a cash outflow with respect to any one item included in the same class of obligations may be remote.

A restructuring provision is recorded when the Company has developed a formal detailed plan for the restructure, and a valid expectation of the restructure has been created between the people affected, possibly for having started the plan implementation or for having announced its main characteristics to them.

r. Share based payment

As of December 31, 2024, 2023 and 2022, the Company has compensation plans that are based on the market value of shares of Alfa SAB, Alpek S.A.B. de C.V. ("Alpek SAB"), and as of 31, December 2022, it included compensation plans based on Axtel shares, granted to certain senior executives of the Company and subsidiaries. The conditions for granting such compensation to the eligible executives includes compliance with certain financial metrics such as the level of profit achieved and remaining in the Company for up to 5 years, among other requirements. The Board of Directors has appointed a Technical Committee to manage the plan, and it reviews the estimated cash settlement of this compensation at the end of the year. The payment plan is always subject to the discretion of the senior management of Alfa. Adjustments to this estimate are charged or credited to the consolidated statement of income.

Fair value of the amount payable to employees in respect of share-based payments, which are settled in cash, is recognized as an administrative expense in the consolidated statement of income, with a corresponding increase in liabilities, over the period of service required. The liability is included within other liabilities and is adjusted at each reporting date and settlement date. Any change in the fair value of the liability is recognized as an expense in the consolidated statement of income.

s. Capital stock

Alfa SAB's common shares are classified as capital stock within stockholders' equity. Incremental costs directly attributable to the issuance of new shares are included in equity as a reduction from the consideration received, net of tax.

Upon the occurrence of a repurchase of its own shares, they become treasury shares and the amount is presented as a reduction to stockholders' equity at the purchase price. These amounts are stated at their historical value.

t. Revenue recognition

Revenues comprise the fair value of the consideration received or to receive for the sale of goods and services in the ordinary course of the transactions, and are presented in the consolidated statement of income, net of the amount of variable considerations, which comprise the estimated amount of returns from customers, rebates and similar discounts and payments made to customers with the objective that goods are accommodated in attractive and favorable spaces at their facilities.

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

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

The performance obligations held by the Company are not partially satisfied, as they are satisfied at one point in time, when the customer accepts the products. For its part, the payment terms identified in most income sources are short-term, with variable considerations mainly focused on discounts that are granted to clients, without financing components or guarantees. Such discounts are recognized as a reduction to income; Therefore, price allocation is direct on production, distribution and delivery performance obligations, including the effects of variable considerations.

Except for Axtel, the Company recognizes revenue at a point in time when control of the products sold has been transferred to the customer, which is given by the time delivery of the promised goods to the customer in accordance with the negotiated contractual terms. Therefore, the Company recognizes an account receivable when performance obligations have been met, recognizing the corresponding income; Meanwhile considerations received before completing production and delivery performance obligations are recognized as customers advances.

Performance obligations from the sale of goods and products are not separable, and are not partially met, so they are satisfied at a point in time, when the control of the products sold has been transferred to the customer which is given at the time of the delivery of the goods promised to the customer in accordance with the contractual terms negotiated. The Company recognizes an account receivable when the performance obligations have been met, recognizing the corresponding revenue.

The payment terms identified in most sources of revenue are short-term, with variable considerations including discounts and product rebates that are granted to customers, without financial components or significant guarantees. These discounts and incentives to customers are recognized as a reduction in revenue. Therefore, the allocation of the price is direct on the performance obligations of production, distribution and delivery, including the effects of variable consideration.

Sigma, obligations are maintained for product returns from its clients and records a provision related to the right of customers to return or replace products that cannot be sold or that expire, according to the distribution channel to which they belong. The creation of this liability is based on the historical behavior of clients, estimating the corresponding liability through the application of the expected value method. As December 31, 2024, 2023 and 2022 the balance of its liability was \$94, \$129 and \$138, respectively, and is recognized within the "Other accounts and accrued expenses payable" on Note 16.

Alpek's revenue for the years ended December 31, 2024, 2023 and 2022 is presented within the caption of discontinued operations line item in the consolidated statement of income.

Axtel, the Company evaluated certain contracts in which more than one separable performance obligation is identified, which consists of the equipment used to provide the service and that is installed at customer locations. In addition to equipment, telecommunications and information technology services are identified as another separable performance obligation. In the event that that the equipment delivered to the customer is a performance obligation separable from the service, the Company allocates the price of the managed services contracts to the performance obligations identified and described in the preceding paragraph in accordance with their independent values in the market and relative discounts.

When the Company identifies separable performance obligations, it allocates the price of the transaction to each item, in order to recognize the corresponding revenue, either at a point in time, or over time. Specifically, for Axtel, the Company recognized, until loss of control, the revenue derived from managed service contracts as follows:

- Revenues for equipment installed in customer locations are recognized at the time control is transferred or the right to use them, that is, at a point in time. This performance obligation has a significant financial component, so that revenues are recognized in accordance with the effective interest rate method during the term of the contract.
- Revenues from services are recognized as they are provided, that is, as the customer is consuming them in relation to voice, data and telecommunications services.

Axtel's revenue for the period from January 1, 2023 to May 29, 2023 and for the year ending December 31, 2022, is presented within the caption of discontinued operations line item in the consolidated statement of income.

u. Earnings per share

Earnings per share are calculated by dividing the income attributable to the owners of the controlling entity by the weighted average of outstanding common shares during the year. As of December 31, 2024, 2023 and 2022, there are no dilutive effects for instruments potentially convertible to shares.

v. Changes in accounting policies and disclosures

i. New standards and changes adopted

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

Amendments to IFRS 16 Leases—Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to IFRS 16, adding additional requirements for the subsequent measurement of sale and leaseback transactions that meet the requirements of IFRS 15 *Revenue from contracts with customers* to be considered a sale. These amendments require the seller-lessee to determine "lease payments" or "expected lease payments" so that the seller-lessor does not recognize profits or losses related to the right of use retained by the seller-lessor after the commencement date.

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

As part of the amendments, the IASB amended an illustrative Example in IFRS 16 and added a new example to illustrate the subsequent measurement of a right-of-use asset and lease liability in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate.

The illustrative examples also clarify that the liability that arises from a sale and leaseback transaction that qualifies as a sale applying IFRS 15 is a lease liability.

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 Company evaluated the amendments to IFRS 16 and determined that the implementation of these amendments had no effect on its financial information, since it does not have any sale and leaseback transactions.

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures titled Supplier Finance Arrangements

In May 2023, the IASB issued amendments to IAS 7 and IFRS 7 to clarify the characteristics of supplier financing arrangements and to require additional information on such 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 is 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 amendments contain specific transition provisions for the first annual reporting period in which the group applies the amendments.

The Company applied these amendments to disclose the impact on its liabilities and cash flows, specifically addressing liquidity risk and associated risk management in Note 4 of its consolidated financial statements.

Amendments to IAS 1 Classification of Liabilities as Current or Non-current.

In January 2020 and November 2022, the IASB issued amendments to IAS 1 to specify the requirements for classifying liabilities as current or non-current and the classification of debt with covenants.

The amendments affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments seeks to clarify that liabilities are classified as current or non-current based on rights that exists at the end of the reporting period and that classification is unaffected by the entity's expectations to defer settlement of a liability, explains that rights exist if covenants are met at the end of the reporting period, and introduces a definition of 'settlement' to clarify that it refers to the transfer of cash, equity instruments, or other assets or services to the counterparty.

The amendments also specify that only covenants that an entity must meet at or after the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and should be considered in assessing the liability's classification as current or non-current). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed after the reporting date.

The Company evaluated the amendments to IAS 1 and reviewed the classification of its liabilities as necessary to reclassify between current and non-current and did not identify that these amendments to IAS 1 affected its current accounting policies applicable to its financial information. Because it already classifies its liabilities according to contractual terms, without taking into account future refinancing plans defined in its liquidity financial risk management strategy.

Amendments to IAS 1 Classification of Covenants

The IASB also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity is only required to comply with the covenant after the reporting date. However, if the entity's right to defer payment of a liability is subject to compliance with covenants within twelve months after the reporting date, it should disclose information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including 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 Company evaluated the amendments to IAS 1 and classifies liabilities as current or non-current based on what is expected to occur at the end of the period and discloses information about its covenants in Note 17 to its consolidated financial statements.

ii. New and revised IFRS Accounting Standards in issue but not yet effective

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

- Amendments to IAS 21– Lack of Exchangeability [(1)]
- Amendments to IFRS 7 and IFRS 9 - Classification and valuation requirements for financial instruments [(2)]
- Amendments to IFRS 7 and IFRS 9 – Nature-dependent Electricity Contracts [(2)]
- IFRS 19 – Subsidiaries without Public Accountability: Disclosures [(3)]

[(1)] *Effective for annual periods beginning on or after January 1, 2025.*
[(2)] *Effective for annual periods beginning on or after January 1, 2026.*
[(3)] *Effective for annual periods beginning on or after January 1, 2027.*

IFRS 18 – Presentation and disclosure in the financial statements

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

IFRS 18 introduces new changes and requirements to:

- Present specified categories and defined subtotals in the statement of profit or loss
- Disclosure of management-defined performance measures ("MPMs") in the notes to the financial statements
- Expanded requirements for aggregation and disaggregation of information.

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

The Company is conducting an analysis to determine the applicable amendments to the presentation of the consolidated income statement and to establish the MPMs that will be disclosed within its consolidated financial statements.

4. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The Company's activities expose it to various financial risks; market risk (including exchange rate risk, price risk, and interest rate variation risk), credit risk and liquidity risk.

The Company has a general risk management program focused on the unpredictability of financial markets and seeks to minimize the potential adverse effects on its financial performance.

The objective of the risk management program is to protect the financial health of its business, taking into account the volatility associated with foreign exchange and interest rates. Sometimes, the Company uses derivative financial instruments to hedge certain exposures to risks. In addition, due to the nature of the industries in which it participates, the Company has performed hedges of input prices with derivative financial instruments.

Alfa has a Risk Management Committee ("RMC"), comprised of the Board's Chairman, the Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO") and the Chief Executive Officer of the corresponding business unit. The RMC reviews derivative transactions proposed by the subsidiaries of Alfa, in which a potential loss analysis surpasses US$1. This Committee supports both the CEO and the Company's Board

President. All new derivative transactions, which the Company proposes to enter into, as well as the renewal or cancellation of derivative arrangements, must be approved by both Alfa's CEO and the corresponding subsidiary, according to the following schedule of authorizations:

	Maximum possible loss US$1	
	Individual transaction	Annual cumulative transactions
Chief Executive Officer of Alfa	1	5
Risk Management Committee of Alfa	30	100
Finance Committee	100	300
Board of Directors of Alfa	>100	>300

The proposed transactions must meet certain criteria, including that the hedges are lower than established risk parameters, and that they are the result of a detailed analysis and properly documented. In addition, sensitivity analysis and other risk analyses should be performed and documented prior to the operation is.

The Company's risk management policy indicates that hedge positions must always be less than the projected exposure to allow for an acceptable margin of uncertainty. Exposed transactions are expressly prohibited. The Company's policy indicates that the farther the exposure is, the lower the coverage, based on the following table:

	Maximum coverage (as a percentage of the projected exposure) Current year
Commodities	100
Energy costs	75
Exchange rate for operating transactions	80
Exchange rate for financial transactions	100
Interest rates	100

Capital management

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

To maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to stockholders, return equity to stockholders, issue new shares or sell assets to reduce debt.

As part of its risk and capital management process, Alfa monitors the financial ratios established in its bank credit and stock debt agreements (covenants), which are detailed in Note 17.

Financial instruments by category

Below are the Company's financial instruments by category:

As of December 31, 2024, 2023 and 2022, financial assets and liabilities consist of the following:

	As of December 31,		
	2024	2023	2022
Cash and cash equivalents	$ 12,570	$ 19,745	$ 21,813
Restricted cash	69	329	566
Financial assets measured at amortized cost:			
Trade and other accounts receivable	12,955	26,190	31,953
Accounts receivable - affiliates	1,367	1,528	1,594
Other non-current assets	11	1,703	2,513
Financial assets measured at fair value through profit or loss:			
Derivative financial instruments (1)	89	561	781
	$ 27,061	**$ 50,056**	**$ 59,220**
Financial liabilities measured at amortized cost:			
Debt	$ 58,742	$ 96,544	$ 108,322
Lease liability	3,624	6,296	5,554
Trade and other accounts payable	32,263	51,873	56,465
Accounts payable - affiliates	1,907	2,054	2,081
Dividend payable	125	9	81
Financial liabilities measured at fair value:			
Derivative financial instruments (1)	201	1,887	2,266
	$ 96,862	**$ 158,663**	**$ 174,769**

(1) The Company designated the derivative financial instruments that comprise this balance, as hedges for accounting purposes, in accordance with what is described later in this Note.

Fair value of financial assets and liabilities valued at amortized cost

The amount of cash and cash equivalents, restricted cash, customers and other accounts receivable, other current assets, trade and other accounts payable, current debt, other current liabilities approximate their fair value, because their maturity date is less than twelve months. The net carrying amount of these accounts represents the expected cash flows to be received as of December 31, 2024, 2023 and 2022.

The carrying amount and estimated fair value of assets and liabilities valued at amortized cost is presented below:

	As of December 31, 2024		As of December 31, 2023		As of December 31, 2022	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets:						
Non-current accounts receivable	$ 11	$ 11	$ 1,703	$ 1,703	$ 2,513	$ 2,508
Financial liabilities:						
Non-current debt [1]	58,251	57,437	95,393	92,546	105,816	101,244

[1] The book value of the debt, for purposes of calculating its fair value, is presented gross of interest payable and issuance costs.

The estimated fair values as of December 31, 2024, 2023 and 2022, of the Senior Notes and CEBURES are based on quoted prices (unadjusted) in active markets for identical assets or liabilities; Consequently, they have been classified within Level 1 of the fair value measurement hierarchy. On the other hand, the estimated fair value of the bank loans as of December 31, 2024, 2023 and 2022 was determined based on discounted cash flows, using the Interbank Equilibrium Interest Rate ("TIIE") for instruments in pesos, Secured Overnight Financing Rate ("SOFR") in term for instruments in U.S. dollars, and Euro Interbank Offer Rate ("EURIBOR") for instruments in Euro. Fair value measurement of bank loans is considered within Level 2 of the fair value hierarchy Measurement at fair value for non-current accounts receivable is deemed within Level 3 of the fair value hierarchy.

Market risks

Exchange rate risk

The Company operates internationally, and is exposed to foreign exchange risk, primarily derived from the transactions and balances that the subsidiaries conduct and have in foreign currency, respectively. A foreign currency is that which is different from the functional currency of an entity. In addition, the Company is exposed to changes in the value of financial instruments arising from foreign exchange variations (subsidiary entities that have a functional currency other than that of the last holding); therefore, the Company applies hedge accounting to the differences in foreign currency originated between the functional currency of the foreign operation and the functional currency of the holding company (pesos), regardless of whether the net investment is maintained directly or indirectly through a sub-holding.

The behavior of the exchange rates fluctuations between the Mexican peso, U.S. dollar and the euro represents a very important factor for the Company due to the effect that such currencies have on its consolidated results and because, in addition, Alfa has no interference in its determination. Historically, in times when the Mexican peso has appreciated in against other currencies such as the U.S. dollar, Alfa's profit margins have been reduced. On the other hand, when the Mexican peso has lost value, Alfa's profit margins have increased. However, although this factor correlation has arisen several times in the recent past, there is no assurance that it will be repeated in the event the exchange rate between the Mexican peso and any other currency fluctuates again, because it also depends on the foreign currency monetary position of its subsidiaries.

Accordingly, the Company sometimes enters into transactions with derivative financial instruments on exchange rates in order to hedge the risk associated with exchange rates. However, as most of the Company' revenues are in U.S. dollars, there is a natural hedge against its obligations in U.S. dollars.

Based on the above, the Company has the following assets and liabilities in foreign currency in relation to the functional currency of the subsidiary entities, translated to millions of Mexican pesos at the closing exchange rate as of December 31, 2024:

	MXN	USD	EUR
Financial assets	$ 12,483	$ 3,891	$ 221
Financial liabilities	(27,240)	(5,692)	(2,908)
Foreign exchange monetary position	**$ (14,757)**	**$ (1,801)**	**$ (2,687)**

The exchange rates used to translate the foreign currency monetary positions to Mexican pesos are those described in Note 3.

Based on the financial positions in foreign currency maintained by the Company, a hypothetical variation of 10% in the MXN/USD and MXN/EUR exchange rate and keeping all other variables constant would result in a profit or loss of $1,925 in the consolidated statement of income and stockholders' equity as of December 31, 2024.

Financial instruments to hedge net investments in foreign transactions

The Company designated certain non-current debt instruments as hedges to net investments in foreign transactions in order to mitigate the variations in exchange rates arising between the functional currency for such transactions and the functional currency of Alfa SAB or Sub-holding company that maintains these investments.

The Company formally designated and documented each hedging relationship establishing objectives, management's strategy to hedge the risk, the identification of the hedging instrument, the hedged item, the nature of the risk to be hedged, and the methodology to assess the effectiveness. Given that the exchange rate hedging relationship is clear, the method that the Company used to assess the effectiveness consisted of a qualitative effectiveness test by comparing the critical terms between the hedging instruments and the hedged items. The results of the effectiveness of the hedges confirm that hedging relationships are highly effective due to the economic relationship between the hedging instruments and the hedged items.

The hedge will be effective as long as the notional debt instrument designated as a hedging instrument is equal to or less than the value of the net assets of the hedged foreign transaction. When the value of the net assets of the foreign transaction is less than the notional value of the designated debt, the Company rebalances the hedging relationship and recognizes the ineffectiveness in the consolidated income statement.

The Company maintains the following hedging relationships:

As of December 31, 2024

Holding	Functional currency	Hedging instrument	Notional value	Hedged item	Net assets of hedged item
Alfa, S.A.B de C.V.	MXN	Senior Notes fixed rate	US$ 500	Compagnie Alpek Polyester Canada	US$ -
		Bank loan	75	Polioles, S. A. de C. V.	25
		Bank loan	50	Styropek México, S. A. de C. V.	55
		Bank loan	50	Alpek Polyester USA, LLC	166
		Bank loan	100		
		Bank loan	25		
		Bank loan	25		
			US$ 825		US$ 246

As of December 31, 2023

Holding	Functional currency	Hedging instrument	Notional value	Hedged item	Net assets of hedged item
Alfa, S.A.B de C.V.	MXN	Senior Notes fixed rate	US$ 500	Compagnie Alpek Polyester Canada	US$ -
		Bank loan	200	Polioles, S. A. de C. V.	24
		Bank loan	75	Styropek México, S. A. de C. V.	48
		Bank loan	100	Alpek Polyester USA, LLC	401
		Bank loan	50		
		Bank loan	50		
		Bank loan	100		
		Bank loan	25		
		Bank loan	100		
		Bank loan	25		
		Bank loan	25		
			US$1,250		US$ 473

As of December 31, 2022

Holding	Functional currency	Hedging instrument	Notional value	Hedged item	Net assets of hedged item
Alfa, S.A.B de C.V.	MXN	Senior Notes Fixed Rate	US$ 500	Compagnie Selenis Canada	US$ 3
		Senior Notes Fixed Rate	500	Polioles, S. A. de C. V.	18
		Bank loan	200	Styropek Mexico, S. A. de C. V.	106
				Dak Americas, L. L. C.	741
				Alestra USA, Inc.	1
			US$ 1,200		US$ 869

The average hedging ratio of the Company for the years ended December 31, 2024, 2023, and 2022 amounted to 441.8%, 155.9%, and 141.0%, respectively. Therefore, the exchange fluctuation generated by the hedging instrument for the years ended December 31, 2024, 2023, and 2022 amounted to a net (loss) gain of $(955), $2,046, and $1,123, respectively, which was recognized in other comprehensive income for the reduced ineffectiveness recognized in results, offsetting the translation effect generated by each foreign subsidiary.

The hedging effectiveness results confirm that the hedging relationships are highly effective due to the economic relationship between the hedging instrument and the hedged items; however, the ineffectiveness effects that arose from the partial spin-off of the shareholding in Nemak and Axtel, and due to the reduction in net assets of hedged items seen during the year ended December 31, 2024, were recognized in the consolidated statements of income as an exchange (loss) gain net of $(3,295), $1,088, and $441 for the years ended December 31, 2024, 2023, and 2022, respectively.

Additionally, the Sub-holding companies of Alfa maintain the hedge relationships described below:

Sub-holding	Functional Currency	Hedging Instrument	Notional Value	Hedged Item	Change in Net Assets of Hedged Item
As of December 31, 2024					
Alpek, S. A. B de C. V. (1)	MXN	Fixed rate 144 A Bond and bank loans	US$ 418	Subsidiaries of Alpek, S. A. B de C. V.	US$ 655
Sigma Alimentos, S.A. de C.V. (2)	USD	Fixed rate 144 A Bond	€ 275	Subsidiaries of Sigma Alimentos, S. A. de C. V.	€ 476
Sigma Alimentos Exterior, S. L. (3)	EUR	Fixed rate 144 A Bond	US$ 495	Subsidiaries of Sigma Alimentos Exterior, S. L.	US $971
Sigma Alimentos, S. A. de C. V. (4)	USD	Bank loans	$ 3,500	Subsidiarias de Sigma Alimentos, S. A. de C. V.	$ 7,216
Sigma Alimentos, S. A. de C. V. (5)	USD	CEBURES	$ 10,000	Subsidiarias de Sigma Alimentos, S. A. de C. V.	$ 11,659

Sub-holding	Functional Currency	Hedging Instrument	Notional Value	Hedged Item	Change in Net Assets of Hedged Item
As of December 31, 2023					
Alpek, S. A. B de C. V. (1)	MXN	Fixed rate 144 A Bond	US$ 422	Subsidiarias de Alpek, S. A. B de C. V.	US$ 742
Sigma Alimentos, S.A. de C.V. (2)	USD	Fixed rate 144 A Bond	€ 600	Subsidiarias de Sigma Alimentos, S. A. de C. V.	€ 481
Sigma Alimentos Exterior, S. L. (3)	EUR	Fixed rate 144 A Bond	US$ 495	Subsidiarias de Sigma Alimentos Exterior, S. L.	US$ 785
Sigma Alimentos, S. A. de C. V. (4)	USD	Bank loans	$ 3,500	Subsidiarias de Sigma Alimentos, S. A. de C. V.	$ 4,669

Sub-holding	Functional Currency	Hedging Instrument	Notional Value	Hedged Item	Change in Net Assets of Hedged Item
As of December 31, 2022					
Alpek, S. A. B de C. V. (1)	MXN	Fixed rate 144 A Bond	US$ 422	Subsidiarias de Alpek, S. A. B de C. V.	US$ 817
Sigma Alimentos, S.A. de C.V. (2)	USD	Fixed rate 144 A Bond	€ 600	Subsidiarias de Sigma Alimentos, S. A. de C. V.	€ 465
Sigma Alimentos Exterior, S. L. (3)	EUR	Fixed rate 144 A Bond	US$ 495	Subsidiarias de Sigma Alimentos Exterior, S. L.	US$ 686
Sigma Alimentos, S. A. de C. V. (4)	USD	Bank loans	$ 3,500	Subsidiarias de Sigma Alimentos, S. A. de C. V.	$ 4,591

(1) *The average hedging ratio of Alpek for the years ended December 31, 2024, 2023 and 2022, amounted to 57.9%, 56.3% and 48.9% and, respectively. Therefore, the exchange fluctuation generated by the hedging instruments for the years ended December 31, 2024, 2023 and 2022 amounted to a net gain (loss) of $(1,325), $873 and $545, respectively, which was recognized in the other comprehensive income items, offsetting the translation effect generated by foreign investment. The hedging effectiveness results confirm that the hedging relationship is highly effective due to the economic relationship between the hedging instruments and the hedged items.*

(2) *The average hedging ratio of Sigma Alimentos for the years ended December 31, 2024, 2023 and 2022, amounted to 61.2%, 127.7% and 122.9%, respectively. Therefore, the exchange fluctuation generated by the hedging instruments for the years ended December 31, 2024, 2023 and 2022, amounted to a net gain (loss) of $641, $(348) and $759, respectively, which was recognized in the other comprehensive income items, offsetting the translation effect generated by foreign investment. The hedging effectiveness results confirm that the hedging relationship is highly effective due to the economic relationship between the hedging instruments and the hedged items; however, the effects of ineffectiveness that caused the need to rebalance the hedging relationship during the period were recognized immediately in profit or loss as a net gain (loss) of $30, $(68), and $129 for the years ended December 31, 2024, 2023 and 2022, respectively.*

(3) *The average hedging ratio of Sigma Alimentos Exterior for the years ended December 31, 2024, 2023 and 2022, amounted to 56.9%, 66.1% and 75.5%, respectively. The exchange fluctuation generated by the hedging instrument for the years ended December 31, 2024, 2023 2022, amounted to a net (loss) gain of $(626), $(317) and $658 and, which was recognized in the other comprehensive income items, offsetting the translation effect generated by each foreign investment. The hedging effectiveness results confirm that the hedging relationship is highly effective due to the economic relationship between the hedging instruments and the hedged items.*

(4) *The average coverage ratio of Sigma Alimentos S.A. de C.V. amounted to 99.3%, 75.7% and 74.0% for the year ended December 31, 2024, 2023 and 2022, respectively. Therefore, the exchange rate fluctuation generated by the hedging instrument for the years ended December 31, 2024, 2023 and 2022, amounted to a net gain (loss) of $495, $(476) and $(215), respectively, which was recognized in other comprehensive income items, offsetting the translation effect generated by each foreign investment. The results of the hedge effectiveness confirm that hedging relationships are highly effective due to the economic relationship between the hedging instruments and the hedged items.*

(5) *The average coverage ratio of Sigma Productos S.A of C.V amounted to 82.8% for the year ending December 31, 2024. Therefore, the exchange fluctuation generated by the hedging instrument for the year ending December 31, 2024 amounted to a net gain of $1,958, which was recognized in the other comprehensive income items, offsetting the conversion effect generated by each foreign investment. The result of the effectiveness of the hedges confirm that hedging relationships are highly effective due to the economic relationship between the hedging instruments and the hedged items.*

The effectiveness results of the hedges confirm that the hedging relationships are highly effective due to the economic relationship between the hedging instruments and the hedged items.

Derivative financial instruments to hedge the exchange rate risk

As of December 31, 2024, 2023 and 2022, Alpek, a subsidiary of the Company, holds forwards (EUR/USD) and during 2023 contracted forwards (GBP/USD) to hedge different needs. For 2024, 2023 and 2022, a similar strategy where these forwards are mirrored to an entity with the functional currency Pound Sterling ("GBP"), because part of its income is received in euros and part of its purchases are made in US dollars. Therefore, a highly probable forecasted transaction related to budgeted sales and purchases in each corresponding currency has been documented as a hedged item. As of December 31, 2024, these hedges expired naturally.

Sigma, a subsidiary of the Company, held hedging contracts with exchange rate forwards during 2023, which were arranged to mirror the characteristics of its Mexican operating companies (functional currency MXN), since they are entities that purchase raw materials in foreign currency (USD). As the operating entities have the risk, internal derivatives were made in order to protect the operating entities at an individual level from a possible increase in the exchange rate of their forecast purchases in foreign currency. As of December 31, 2023, Sigma does not have current instruments for this hedging.

During 2024, Sigma decided to settle the seven currency swaps ("CCS") accounting hedge and seven USD/MXN exchange rate Forwards. These instruments were being used with the objective of mitigating the risk of global exchange rate exposure derived from business operations. For said early settlement, Sigma recognized the corresponding effects immediately in the consolidated statement of income in exchange loss, net. As of December 31, 2023 and 2022, it maintains seven swaps and two CCS, respectively, as accounting hedges with the objective of mitigating the risk of the overall exposure to the USD/MXN exchange rate arising from the operations of its subsidiaries with the peso functional currency. As of December 31, 2023 and 2022, Sigma held sixty-nine, fifty-one and sixty-nine exchange rate forwards, respectively, for the same strategy described above. Therefore, Sigma has documented a cash flow accounting hedge ratio, considering as a likely predicted transaction related to dollar-denominated revolving liability as a hedged item.

Likewise, as of December 31, 2024, the Company maintains debt denominated in Euros and two CCS with floors of 0%; while in 2023 and 2022, the Company maintains a bond denominated in euros and two CCS Forward Starting Swaps (effective from 2024) and with floors of 0% as hedging instruments in its accounting coverage classified as foreign net investment in its hedge accounting.

During 2024, thirteen USD/MXN exchange rate forwards contracts were settled early. These instruments were being used with the objective of mitigating the risk of global exchange rate exposure. For said early settlement, the Company recognized the corresponding effects.

The conditions of the derivative financial instruments and the considerations of their valuation as hedging instruments are mentioned below:

Characteristics	Forwards USD/MXN	CCS EUR/USD
As of December 31, 2024		
Notional amount	US$67	US$148
Currency	USD	USD
Average strike / Coupon	$20.31	SOFR+Spread
Notional amount	$ -	$149
Currency	-	EUR
Average strike / Coupon	-	Euribor+Spread
Maturity (MM/DD/YYYY)	02/27/2025	09/30/2027
Net position of the carrying amount of the Forward / CCS [(1) (2)]	$ 36	$ (148)
Change in the fair value of the Forward / CCS, to measure ineffectiveness	$ 2	$ (148)
Recognized in OCI net of reclassifications	$ 36	$ (148)
Ineffectiveness recognized in profit or loss	$ -	$ -
Reclassification from OCI to profit or loss	$ -	$ -
Change in the fair value of the hedged item to measure ineffectiveness	$ (3)	$ 148
Change in the fair value of the DFI vs.2022	$ 799	$ (122)

(1) The book value of the USD/MXN forward as of December 31, 2024, is made up of an asset position for $36.
(2) The book value of the EUR/USD CCS, as of December 31, 2024, is made up an asset position for $53 and a liability position for $201.

Characteristics	Forwards USD/MXN	Forwards GBP/USD	Forwards EUR/USD	CCS USD/MXN	CCS EUR/USD
As of December 31, 2023					
Notional amount	US$613	£10	€29	US$520	US$147
Currency	USD	GBP	EUR	USD	USD
Average strike / Coupon	$18.04	$1.2639 GBP/USD	$ 1.0877 EUR/USD	4.125%	SOFR+Spread
Notional amount	$ -	$ -	$ -	$9,193	$149
Currency	-	-	-	MXN	EUR
Average strike / Coupon	-	-	-	9.294%	Euribor+Spread
Maturity (MM/DD/YYYY)	07/05/2024	12/30/2024	12/30/2024	05/02/2026	09/30/2027
Net position of the carrying amount of the Forward / CCS (1) (2) (3)	$ (763)	$ -	$ (8)	$ (367)	$ (26)
Change in the fair value of the Forward / CCS, to measure ineffectiveness	$ (791)	$ (2)	$ (10)	$ (384)	$ (26)
Recognized in OCI net of reclassifications	$ 942	$ -	$ (8)	$ (146)	$ (26)
Ineffectiveness recognized in profit or loss	$ -	$ -	$ -	$ -	$ -
Reclassification from OCI to profit or loss	$ (1,117)	$ -	$ -	$ (656)	$ -
Carrying amount of the liability in USD	$ -	$ -	$ -	$ -	$ -
Change in the fair value of the hedged item to measure ineffectiveness	$ 896	$ 2	$ 10	$ (577)	$ 26
Change in the fair value of the DFI vs.2022	$ (203)	$ -	$ (6)	$ (710)	$ 11

(1) The book value of the CCS of USD/MXN as of December 31, 2023, is made up of an asset position for $122 and a liability position for $489.
(2) The book value of the USD/MXN forward as of December 31, 2023, is made up of a liability position for $763.
(3) The book value of the CCS of EUR/USD as of December 31, 2023, is made up of an asset position for $347 and a liability position for $373.

Characteristics	Forwards USD/MXN	Forwards EUR/USD	CCS USD/MXN	CCS USD/MXN
As of December 31, 2022				
Notional amount	US$665	€24	US$220	US$147
Currency	USD	EUR	USD	USD
Average strike / Coupon	$20.94	$1.0738 EUR/USD	4.125%	SOFR+Spread
Notional amount	$ -	$ -	$4,012	$149
Currency	-	-	MXN	EUR
Average strike / Coupon	-	-	8.9%	Euribor+Spread
Maturity (MM/DD/YYYY)	11/03/2023	12/30/2023	05/02/2026	09/30/2027
Net position of the carrying amount of the Forward / CCS (1) (2) (3)	$ (560)	$ (2)	$ 343	$ (37)
Change in the fair value of the Forward / CCS, to measure ineffectiveness	$ (649)	$ 2	$ 309	$ (37)
Recognized in OCI net of reclassifications	$ 27	$ (2)	$ (91)	$ (37)
Ineffectiveness recognized in profit or loss	$ -	$ -	$ -	$ -
Reclassification from OCI to profit or loss	$(487)	$ -	$ (269)	$ -
Carrying amount of the liability in USD	$ -	$ -	$ -	$ -
Change in the fair value of the hedged item to measure ineffectiveness	$ 652	$ (2)	$(325)	$ 37
Change in the fair value of the DFI vs.2021	$ (490)	$ (19)	$ (115)	$ (37)

(1) The carrying amount of the CCS of USD/MXN as of December 31, 2022 consists of an asset position of $517 and a liability position of $174.
(2) The carrying amount of the forward of USD/MXN as of December 31, 2022 consists of an asset position of $3 and a liability position of $63.
(3) The carrying amount of the forward of USD/MXN as of December 31, 2022 consists of an asset position of $251 and a liability position of $288.

In measuring the effectiveness of these hedges, the Company determined that they are highly effective because changes in the fair value and cash flows of each hedged items are compensated within the range of effectiveness established by management. The method used by the Company is the offset of cash flows using a hypothetical derivative, which consists in comparing the changes in the fair value of the hedging instrument with the changes in the fair value of the hypothetical derivative that would result in an identical hedge.

In accordance with the notional amounts described and the way in which the flows of the derivatives are exchanged, the average coverage ratio as of December 31, 2024, 2023 and 2022, for the USD/MXN exchange rate is , 9%, and 10%, of , 68%, and 25% for the EUR/USD ratio; while, for CCS USD/MXN, the average coverage ratio is , 90%, and 38% and, respectively. Finally, for the CCS EUR/USD in the hedge of net investment abroad, the coverage ratio is 52%, 100% and 100%; and for the USD/MXN exchange rate hedge ratio that covers raw material purchases, the hedge ratio as of December 31, 2024 is 40% and 68%, respectively.

The source of the ineffectiveness may be mainly caused by the difference in the settlement date of the hedging instruments and the hedged items, and that the budget became a lower amount than the hedging instruments, credit risk and derivatives modeling synthetics. For the years ended December 31, 2024, 2023 and 2022, no ineffectiveness was recognized in profit or loss.

Price risk

In carrying out its activities, the Company depends on the supply of raw materials provided by its suppliers, both in Mexico and abroad, among which are intermediate petrochemicals, beef products, pork and poultry, principally.

In recent years, the price of some inputs has shown volatility, especially those related to oil, natural gas, food, such as meat, cereals and milk, and metals.

In order to fix the selling prices of certain of its products, the Company has entered into agreements with certain customers. At the same time, it has entered into transactions involving derivatives on natural gas that seek to reduce price volatility of the prices of this input.

Additionally, it has entered into derivative financial instruments transactions to hedge purchases of certain raw materials, since these inputs have a direct or indirect relationship with the prices of its products.

The derivative financial operations have been privately contracted with various financial institutions, whose financial strength was highly rated at the time by rating agencies. The documentation used to formalize the contract operations is that based generally on the "Master Agreement", generated by the "International Swaps & Derivatives Association" ("ISDA"), which is accompanied by various accessory documents known in generic terms as "Schedule", "Credit Support Annex" and "Confirmation".

Regarding natural gas, the selling price of natural gas is determined by the price of that product on the "spot" market in South Texas, USA, which has experienced volatility. For its part, the Mexican Electric Commission is a decentralized public company in charge of producing and distributing electricity in Mexico.

The Company entered into various derivative agreements with various counterparties to protect it against increases in prices of natural gas and other raw materials. In the case of natural gas derivatives, hedging strategies for products were designed to mitigate the impact of potential increases in prices. The purpose is to hedge the price from volatility by taking positions that provide stable cash flow expectations, and thus avoid price uncertainty. The reference market price for natural gas is the Henry Hub New York Mercantile Exchange (NYMEX). The average price per MMBTU for 2024, 2023 and 2022 was US$2.2, US$2.5, and US$6.4, respectively.

As of December 31, 2024, 2023 and 2022, the Company, through Alpek, had hedges of natural gas prices, through Alpek, for a portion expected of consumption needs in Mexico and United States.

Derivative financial instruments to hedge the price risk

Alfa's subsidiaries use natural gas and WTI crude derivatives to carry out their operating processes and within the polyester chain some of their main raw materials are paraxylene, ethylene, mono ethylene glycol ("MEG"), which causes an increase in the prices of natural gas, crude WTI, paraxylene, ethylene, ethane, MEG, PTA or PET have negative effects on the cash flow of the operation. The objective of the hedge designated by the Company's subsidiaries is to hedge against the exposure in the price increase of the aforementioned commodities, for future purchases by contracting swaps where variable prices are received, and a fixed price is paid. In the case of PET, the Company's subsidiaries use these derivatives to hedge against sales related to this commodity. A strategy called roll-over has been implemented, through which it is analyzed each month if more derivatives are contracted to expand the time or the amount of coverage. Currently, the Company is hedged until December 2026.

Sigma, a subsidiary of the Company, is a producer of sausages; therefore, a drop in pork leg prices negatively affects cash flows. The objective of the hedging is to mitigate the risk of exposure to pork leg price variability. During 2022, Sigma contracted raw material swaps and designated them as cash flow accounting hedges to hedge against butterfat price risk exposed by its purchases of this commodity. As of December 31, 2022, Sigma does not maintain current derivative financial instruments due to their natural expiration during the course of the year.

As of December 31, 2024, Sigma does not hold any derivate financial instruments to hedge against market price exposure, electricity and gas are used to carry out production processes, therefore, Sigma has contracted commodity swaps to mitigate the risk of volatility in the price of these inputs of one of its subsidiaries, designating them as cash flow hedge accounting. The swap coverage contracts were contracted by the Sigma Alimentos Holding Company. However, because the risk lies with the operating entity, intercompany derivatives were made, and hedging relationships were designated at the individual level. As of December 31, 2023, the Company maintains two commodity swaps as hedging instruments for each of these hedges; meanwhile, as of December 31, 2022, there were no derivatives in force for this hedging strategy.

These derivative instruments have been classified as cash flow hedges for accounting purposes. In this sense, the administration has documented, as a hedged item, a highly probable transaction in relation to the budget for purchases of these generic goods. The conditions of the derivative financial instruments and the considerations of their valuation as hedging instruments are mentioned below:

As of December 31, 2024

Characteristics of the swaps	Natural Gas	Paraxylene	MEG
Notional amount	29,262,179	308,220	63,157
Units	MMBtu	MT	MT
Price received	Market	Market	Market
Price paid (average)	$3.9/MMBtu	$952/MT	$554/MT
Maturity (monthly)	December 2026	January 2026	January 2026
Net position of the swap [1]	$ (204)	$ (634)	$ 14
Change in the fair value to measure ineffectiveness	$ (180)	$ (655)	$ 5
Recognized in OCI, net of reclassifications	$ (204)	$ (556)	$ 8
Reclassification from OCI to profit or loss	$ -	$ (78)	$ 6
Change in the fair value of the hedged item to measure ineffectiveness	$ 181	$ 656	$ (6)
Efficiency test results	100%	100%	100%

As of December 31, 2023

Characteristics of the swaps	Natural Gas	Paraxylene	Ethylene	MEG
Notional amount	24,042,090	277,280	3,304,623	157,474
Units	MMBtu	MT	Lb	MT
Price received	Market	Market	Market	Market
Price paid (average)	$2.7/MMBtu	$1,019/MT	$0.19/lb	$520/MT
Maturity (monthly)	January 2025	January 2025	January 2024	January 2025
Net position of the swap [1]	$ (200)	$ 28	$ 1	$ 8
Change in the fair value to measure ineffectiveness	$ (189)	$ 36	$ -	$ 26
Recognized in OCI, net of reclassifications	$ (200)	$ 23	$ -	$ 24
Reclassification from OCI to profit or loss	$ -	$ 4	$ 1	$ (16)
Change in the fair value of the hedged item to measure ineffectiveness	$ 190	$ (36)	$ -	$ (26)
Efficiency test results	100%	100%	100%	100%

As of December 31, 2023

Characteristics of the swaps	Electricity	Gas	Propylene
Notional amount	783	827	3,261,920
Units	MWh	MWh	Lb
Price received	Market	Market	Market
Price paid (average)	$152/MWh	$65/MWh	$0.43/LB
Maturity (monthly)	January 2024	January 2024	August 2024
Net position of the swap [1]	$ (1)	$ -	$ 2
Change in the fair value to measure ineffectiveness	$ (1)	$ -	$ -
Recognized in OCI, net of reclassifications	$ -	$ -	$ 2
Reclassification from OCI to profit or loss	$ (1)	$ -	$ -
Change in the fair value of the hedged item to measure ineffectiveness	$ 1	$ -	$ -
Efficiency test results	100%	100%	100%

As of December 31, 2022

Characteristics of the swaps	Natural Gas	Paraxylene	MEG
Notional amount	70,973,855	272,650	136,350
Units	MMBtu	MT	MT
Price received	Market	Market	Maket
Price paid (average)	$4.43/MMBtu	$970/MT	$586/MT
Maturity (monthly)	December 2024	January 2024	January 2024
Net position of the swap [1]	$ (950)	$ (141)	$ (138)
Change in the fair value to measure ineffectiveness	$ (1,086)	$ (219)	$ (214)
Recognized in OCI, net of reclassifications	$ (950)	$ (172)	$ (88)
Reclassification from OCI to profit or loss	$-	$31	$ (50)
Change in the fair value of the hedged item to measure ineffectiveness	$ 1,087	$ 219	$ 214
Efficiency test results	100%	99%	99%

[1] *Due to the high volume of operations, the net position of derivative financial instruments is presented; however, since these instruments do not meet the criteria for offsetting financial instruments, they are presented grossly in the consolidated statement of financial position.*

The fair value of the financial instruments as of December 31, 2024, 2023 and 2022 is presented below:

As of December 31, 2024

Swaps [1]	Asset	Liability	Total
Natural Gas	$ -	$ (204)	$ (204)
Paraxylene	-	(634)	(634)
MEG / Ethylene	15	(1)	14

[1] *As of December 31, 2024, these derivate financial instruments are presented as part of the assets and liabilities held for disposal.*

As of December 31, 2023

Swaps	Asset	Liability	Total
Natural Gas	$ -	$ (200)	$ (200)
Propylene	2	-	2
Electricity	-	(1)	(1)
Paraxylene	54	(26)	28
MEG / Ethylene	36	(27)	9

As of December 31, 2022

Swaps	Asset	Liability	Total
Natural Gas	$ -	$ (950)	$ (950)
Paraxylene	10	(151)	(141)
MEG	-	(138)	(138)

For commodity hedging relationships, management is designating as a hedged item a specific risk, which is defined by the underlying assets that are clearly identified in the corresponding invoices of the purchases. The designated risk components cover most of the changes in the fair value of the hedged item as a whole.

On the other hand, in the measurement of the effectiveness of these hedges, the Company determined that they are highly effective because the changes in the fair value and cash flows of each hedged item are compensated within the range of effectiveness established by management. The method used by the Company is to offset cash flows using a hypothetical derivative, which consists of comparing the changes in the fair value of the hedging instrument with the changes in the fair value of the hypothetical derivative that would result in a perfect hedge of the hedged item.

According to the notional amounts described and the way in which the flows of the derivatives are exchanged, the average coverage ratio as of December 31, 2024, 2023 and 2022 for the natural gas ratio is 20%, 17%, and 29%, 61%, 46%, and 45% for the paraxylene, 18%, 32%, and 37% for the ethylene and MEG, respectively; and 25%, and 0% for propylene as of December 31, 2023 and 2022, respectively.

The source of ineffectiveness can be caused mainly by the difference in the settlement date of the hedging instruments and the hedged items, and that the budget becomes less than the hedging instruments. For the years ended December 31, 2024, 2023 and 2022, there was no ineffectiveness recognized in profit or loss.

Interest rate risk

The Company is exposed to interest rate variation risk mainly for long-term loans bearing interest at variable rates. Fixed-interest loans expose the Company to interest rate risk at fair value, which implies that Alfa might be paying interest at rates significantly different from those of an observable market.

As of December 31, 2024, 60% of the financings are denominated at a fixed rate and 40% at a variable rate.

As of December 31, 2024, if interest rates on variable rate are increased or decreased by 100 basis points in relation to the rate in effect, the income and stockholders' equity of the Company would change by $246.

As of December 31, 2024, 2023 and 2022, the net fair value position of the derivate financial instruments amounts to $(936), $(1,326) and $(1,485), respectively.

Credit risk

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

The Company denominates, from a business point of view and credit risk profile, the significant customers with which it has an account receivable, distinguishing those that require an assessment of the credit risk individually.

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

Individual risk limits are determined based on internal and external ratings in accordance with limits set by the RMC. The use of credit risk is monitored regularly. Sales to retail customers are in cash or by credit card. During the years ended December 31, 2024, 2023 and 2022, credit limits were not exceeded.

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

During the year ended December 31, 2024, there have been no changes in estimation techniques or assumptions.

Liquidity risk

Projected cash flows are determined at each operating entity of the Company and subsequently the finance department consolidates this information. The finance department of the Company continuously monitors the cash flow projections and liquidity requirements of the Company ensuring that sufficient cash and highly liquid investments are maintained to meet operating needs, and it's that some flexibility is maintained through open and committed credit lines. The Company regularly monitors and makes decisions ensuring that the limits or covenants set forth in debt contracts are not violated. The projections consider the financing plans of the Company, compliance with covenants, compliance with minimum liquidity ratios and internal legal or regulatory requirements.

The Company's treasury department invests those funds in time deposits and marketable securities whose maturities or liquidity allow flexibility to meet the cash needs of the Company.

The following table analyzes the derivative and non-derivative, grouped according to their maturity, from the date of the consolidated statement of financial position to the contractual maturity date. Derivative financial liabilities are included in the analysis if their contractual maturities are required to understand the timing of the Company's cash flows. The amounts disclosed in the table are contractual undiscounted cash flows.

	Less than a year	From 1 to 5 years	More than 5 years
As of December 31, 2024			
Trade and other accounts payable	$ 32,263	$ -	$ -
Current and non-current debt (excluding debt issuance costs)	869	28,401	29,825
Lease liabilities	599	1,652	1,373
Derivative financial instruments	-	201	-
Dividends payable	125	-	-
Accounts payable - affiliates	1,907	-	-

	Menos de un año	Entre 1 y 5 años	Más de 5 años
As of December 31, 2023			
Trade and other accounts payable	$ 51,873	$ -	$ -
Current and non-current debt (excluding debt issuance costs)	12,656	57,075	27,114
Lease liabilities	1,188	2,787	2,321
Derivative financial instruments	1,502	385	-
Dividends payable	9	-	-
Accounts payable - affiliates	2,053	-	-

	Menos de un año	Entre 1 y 5 años	Más de 5 años
As of December 31, 2022			
Trade and other accounts payable	$ 56,465	$ -	$ -
Current and non-current debt (excluding debt issuance costs)	8,726	59,191	40,856
Lease liabilities	1,259	2,749	1,546
Derivative financial instruments	1,957	309	-
Dividends payable	81	-	-
Accounts payable - affiliates	2,081	-	-

As of December 31, 2024, the Company has uncommitted short-term credit lines, unused for $8,451 (US$417.0). d medium-term credit lines unused for $16,974 (US$837.5)

Supplier finance arrangements

To ensure easy access to credit to its suppliers and facilitate early settlement, the Company, primarily through its subsidiaries Sigma and Alpek, has entered into supplier financing agreements. Below is a detail of these agreements:

Sigma

Supplier financing agreements allow your suppliers to obtain advance payment for up to the entire amounts invoiced, financing which they can access within an average of 15 days from the date their invoices are issued. This program generates a discount cost for the supplier, which is stipulated based on the currency and the term of the invoice to be discounted. Those in euros have a variable rate with a margin over the Euribor rate, those in dollars have a variable rate with a margin over the 3-month SOFR rate and those in pesos have a variable rate with a margin over the TIIE rate.

Below is a detailed account of supplier financing agreements and their presentation within the consolidated statement of financial position:

	December 31	
	2024	2023
Presented as part of trade and other accounts payables, including:	$ 13,883	$12,325
Trade payables for which suppliers have already received payment from the finance provider	$ 6,968	

Below is a breakdown of the payment date ranges for supplier financing agreements as of December 31, 2024:

	Days
For liabilities presented as part of trade and other accounts payables:	
Liabilities that are part of supplier finance arrangements	50 - 118
Comparable trade payables that are not part of supplier finance arrangements	18 - 98

Alpek

Supplier financing agreements allow your suppliers to obtain advance payment for up to the entire amounts invoiced, financing which they can access within an average of 16 days from the date their invoices are issued. This program generates a transactional discount cost, which is stipulated based on the currency and the term of the invoice to be discounted, which are based on a variable reference rate with a margin. Alpek pays the full invoice amount on the scheduled payment date as required by each invoice. As the agreements do not allow Alpek to extend the financing of the banks by paying them later than it would have paid its suppliers, Alpek presents the amounts payable to the banks as part of "Suppliers and other accounts payable".

As of December 31, 2024, liabilities related to Alpek's financing agreements were reclassified to be presented as part of the liabilities classified as held for disposal in the consolidated statement of financial position.

Below is a detail of the supplier financing agreements and their presentation within the consolidated statement of financial position.

	December 31,	
	2024	2023
Presented as part of "Liabilities classified as held for disposal":	$ 8,442	$ 8,993
Trade accounts payable for which suppliers have already received payment from the financial institution	$ 8,386	

Below is a breakdown of the payment date ranges for supplier financing agreements as of December 31, 2024:

	Days
For liabilities presented as part of trade and other accounts payables:	
Liabilities that are part of supplier finance arrangements	60- 150
Comparable trade payables that are not part of supplier finance arrangements	30-90

As of December 31, 2024, 51.1% of the "Suppliers" item, within Note 16, were amounts owed under these financing agreements.

The changes in liabilities that are subject to supplier financing agreements are attributable primarily to additions resulting from purchases of goods and services, and subsequent cash settlements. There were no material non-monetary changes in these liabilities.

The Company does not face a significant liquidity risk as a result of its supplier financing arrangements given the limited amount of liabilities subject to supplier financing arrangements and the Company´s access to other sources of financing on similar terms.

Fair value hierarchy

The following is an analysis of financial instruments measured in accordance with the fair value hierarchy. The 3 different levels used are presented below:

- Level 1: Quoted prices for identical instruments in active markets.
- Level 2: Other valuations including quoted prices for similar instruments in active markets, which are directly or indirectly observable.
- Level 3: Valuations made through techniques where one or more of their significant data inputs are unobservable.

The derivative financial instruments of the Company that are measured at fair value as of December 31, 2024, 2023 and 2022 are located within Level 2 of the fair value hierarchy.

There were no transfers between Level 1 and 2 or between Level 2 and 3.

The specific valuation techniques used to value financial instruments include:

- Market quotations or quotations for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of estimated future cash flows based on observable yield curves.
- The fair value of forward exchange agreements is determined using exchange rates at the closing balance date, with the resulting value discounted at present value.
- Other techniques such as the analysis of discounted cash flows, which are used to determine the fair value of the remaining financial instruments.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

5.1 Critical accounting estimates and judgments

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

a. Estimated impairment of goodwill and intangible with indefinite lives

The Company annually performs tests to determine whether goodwill and intangible assets with indefinite life have suffered any impairment (see Note 13). For impairment testing purposes, goodwill and intangible assets with indefinites lives is allocated to the groups of cash generating units ("CGUs") of which the Company has considered that economic and operating synergies of the business combinations are generated. The recoverable amounts of the groups of CGUs were determined based on the calculations of their value in use, which require the use of estimates, within which, the most significant are the following:

- Estimate of gross margins and future operations according to the historical performance and expectations of the industry for each CGU group.
- Discount rate based on the weighted cost of capital (WACC) of each CGU or group of CGUs.
- Long-term growth rates

b. Contingent losses

Management also makes judgments and estimates in recording provisions for matters relating to claims and litigation. Actual costs may vary from estimates for several reasons, such as changes in cost estimates for resolution of complaints and disputes based on different interpretations of the law, opinions and evaluations concerning the amount of loss.

Contingencies are recorded as provisions when it is likely that a liability has been incurred and the amount of the loss is reasonably estimable. It is not practical to estimate sensitivity to potential losses if other assumptions were used to record these provisions, due to the number of underlying assumptions and the range of possible reasonable outcomes regarding potential actions by third parties, such as regulators, both in terms of loss probability and estimates of such loss.

c. Recoverability of deferred tax assets

Alfa has tax loss carryforwards, which can be used in the following years until maturity expires. Based on the projections of taxable income that Alfa will generate in the subsequent years through a structured and robust business plan, which includes the sale of non-strategic assets, new services to be provided to its subsidiaries, among others, management has only determined the current tax losses that will be used before they expire and, therefore, it was considered probable that only the deferred tax assets for such tax losses will be recovered.

d. Long-lived assets

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 any other type of changes. When technological changes to occur faster than estimated, or differently than anticipated, the useful lives assigned to these assets could have to be reduced. This would lead to the recognition of a greater depreciation and amortization expense in future periods. Alternatively, these types of technological 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.

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. For intangible assets with an indefinite useful life, the Company performs impairment tests annually and at any time that there is an indication that the asset may be impaired.

To test for impairment, the Company uses projected cash flows, which consider the estimates of future transactions, considering the conditions at the time of evaluation, including estimates of revenues, costs, operating expenses, capital expenditures and debt service. In accordance with IFRS, discounted future cash flows associated with an asset or CGU are compared to the book value of the asset or CGU being tested to determine if impairment exists or a reversal of impairment recorded in previous periods.

e. Default probability and recovery rate to apply the expected credit losses model in the impairment measurement of financial assets

The Company assigns to customers with whom it has an account receivable at each reporting date, either individually or as a group, an allowance for the probability of default in the account receivable and the estimated recovery rate, in order to reflect the cash flows expected to be received from the outstanding balances as of that date.

f. Business combinations

When business combinations are concluded, the acquisition method is required to recognize the identifiable net assets acquired at fair value, at the date of acquisition; any excess of the consideration paid on the identified net assets is recognized as goodwill, which is subject to impairment tests at least once a year. On the other hand, any excess of the net assets acquired over the consideration paid is recognized as a gain in profit or loss.

To estimate the fair value of the assets acquired and liabilities assumed, the Company uses observable market data to the extent in which this is available. When the input data of Level 1 is not available, the Company hires an independent qualified appraiser to perform the valuation. Management works closely with the independent qualified appraiser to establish the valuation techniques, the premises, the appropriate input data and the criteria to be used in the valuation models.

g. Estimation of the discount rate to calculate the present value of future minimum lease payments

The Company estimates the discount rate to use in the determination of the lease liability, based on the incremental borrowing rate ("IBR").

The Company uses a three-tier model, with which it determines the three elements that comprises the discount rate: (i) reference rate, (ii) credit risk component and (iii) adjustment for characteristics of the underlying asset. In this model, management also considers its policies and practices to obtain financing, distinguishing between the one obtained at the corporate level (that is, the holding company), or at the level of each subsidiary. Finally, for real estate leases, or in which there is significant and observable evidence of their residual value, the Company estimates and evaluates an adjustment for characteristics of the underlying asset, based on the possibility that such asset is granted as collateral or guarantee against the risk of default.

h. Estimation of the lease term

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

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

5.2 Critical judgments in applying the Company's accounting policies

Basis of consolidation

The financial statements include the assets, liabilities, and results of all entities in which the Company has a controlling interest. The outstanding balances and significant intercompany transactions have been eliminated in consolidation. To determine control, the Company analyzes whether it has substantive rights that affect the variable returns from its participation in the entity and considers whether it has the power to govern the financial and operational strategy of the respective entity and not just the power of the capital held by the Company.

As a result of this analysis, as of December 31, 2022, the Company has exercised critical judgment to decide whether to consolidate the financial statements of Axtel, where the determination of control is not clear. Based on the principal substantive right of Alfa in accordance with the by-laws of Axtel by appointing the General Director, who has control over the relevant decision making and based on the by-laws of Axtel and supported in the General Law of Mercantile Organizations, which allow Alfa to control the decisions over relevant activities by a simple majority through an Ordinary Stockholders' Meeting, where it holds 52.78% of Axtel. Management has concluded that there are circumstances and factors described in the by-laws of Axtel and applicable standards that allow the Company to conduct the daily operations of Axtel, which therefore demonstrate control.

Additionally, the Company has evaluated critical control factors and has concluded it should consolidate the financial statements of its subsidiaries Polioles and Indelpro. The analysis performed by the Company included the assessment of the substantive decision-making rights of the respective stockholders set forth in their bylaws, resulting in management's conclusion that it has the power to govern their relevant activities.

The Company will continue to evaluate these circumstances at the date of each consolidated statements of financial position to determine whether these critical judgments will continue to be appropriate.

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents presented in the consolidated statements of financial position consist of the following:

	December 31,		
	2024	2023	2022
Cash on hand and in banks	$ 10,604	$ 16,636	$ 17,893
Short-term bank deposits	1,966	3,109	3,920
Total cash and cash equivalents	**$ 12,570**	**$ 19,745**	**$ 21,813**

7. RESTRICTED CASH

The balance of restricted cash is composed of cash whose restrictions cause them not to comply with the definition of cash and cash equivalents, and composed as follows:

	December 31,		
	2024	2023	2022
Current	$ 18	$ 15	$ 199
Non-current [1] (Note 14)	51	314	367
Total restricted cash	**$ 69**	**$ 329**	**$ 566**

[1] As of December 31, 2022, it corresponds mainly to the funds that were restricted as part of the acquisition of Octal by Alpek (see Note 2). The decrease during the year ended December 31, 2023, is primarily related to the release of cash restrictions at Alpek, resulting from the revocation of Anti-Dumping measures applicable to PET sheet.

8. TRADE AND OTHER ACCOUNTS RECEIVABLE, NET

	December 31,		
	2024	2023	2022
Trade accounts receivable	$ 9,124	$ 21,973	$ 28,122
Recoverable taxes	1,755	2,368	1,758
Interest receivable	4	4	14
Other debtors:			
Sundry debtors	4,093	6,178	6,434
Notes receivable	70	1,782	2,604
Allowance for impairment of trade and other accounts receivable	(325)	(2,044)	(2,708)
	14,721	**30,261**	**36,224**
Less: non-current portion [1]	11	1,703	2,513
Current portion	**$ 14,710**	**$ 28,558**	**$ 33,711**

[1] The non-current accounts receivable represents long-term receivables and other non-current assets, which are presented in the consolidated statement of financial position in other non-current assets within other non-current assets within the consolidated statements of financial position (see Note 14).

As of December 31, 2024, 2023 and 2022, trade and other accounts receivable of $14,710, $28,558, and $33,711, respectively have an impairment provision.

Movements in the allowance for impairment of trade and other accounts receivable during 2024, 2023 and 2022 of customers and other receivables, with the impairment model used by the Company, are analyzed as follows:

	December 31,		
	2024	2023	2022
Opening balance as of January 1	$ 2,044	$ 2,708	$ 3,611
Increase of the allowance	192	370	3
Cancelation of the allowance	(142)	(594)	(374)
Receivables written off during the year	702	(440)	(227)
Reclassification to assets held for disposal	(2,471)	-	(305)
Ending balance as of December 31	**$ 325**	**$ 2,044**	**$ 2,708**

The net change in the allowance for impairment of trade and other accounts receivable of $1,719, $664, and $903 for the years ended December 31, 2024, 2023 and 2022, respectively, was mainly due to changes in the estimate of probabilities of default and of the recovery percentage, assigned to the different customer groups of the segments in which the Company operates, which reflected a decrease in 2024, 2023 and 2022, of the credit risk on financial assets. Additionally, for the year ended December 31, 2024 and 2022 it includes the reduction for the presentation of trade and other accounts receivable from Alpek and Axtel within the assets held for disposal, as part of the segment to be spun-off.

Increases in the allowance for impairment of trade and other accounts receivable and cancellations, when they do not imply the derecognition of an account receivable, are recognized in the consolidated statement of income under sales expenses.

As of December 31, 2024, 2023, and 2022, the Company has guaranteed accounts receivable of $3,002, $2,540, and $3,495, respectively, that mitigate the exposure to credit risk of financial assets. As of December 31, 2024, $1,761 of such guaranteed accounts receivable is presented as part of assets classified as held for disposal.

9. INVENTORIES, NET

	December 31,		
	2024	2023	2022
Finished goods	$ 6,293	$ 16,704	$ 21,953
Raw material and other consumables	7,684	18,105	25,099
Work in process	4,825	4,998	5,455
Total inventories	**$ 18,802**	**$ 39,807**	**$ 52,507**

An expense for impairment for damaged, slow-moving, and obsolete inventory was recognized in cost of sales for $87, $1 and $3, for the years ended December 31, 2024, 2023 and 2022, respectively. On the other hand, $23, $125 and $255 were recorded in discontinued operations, for the years ended December 31, 2024, 2023 and 2022, respectively.

As of December 31, 2024, 2023 and 2022, there were no inventories pledged as collateral.

10. OTHER CURRENT ASSETS

Other current assets consist of the following:

	December 31,		
	2024	2023	2022
Prepayments	$ 459	$ 1,140	$ 1,206
Accounts receivable – affiliates (Note 30)	1,367	1,528	1,594
Assets held for sale and others [1]	-	-	2,597
Total other current assets	**$ 1,826**	**$ 2,668**	**$ 5,397**

[1] As of December 31, 2022, corresponds mainly to assets that were classified as held for sale by Sigma (see Note 2)

11. PROPERTY, PLANT AND EQUIPMENT, NET

	Land	Buildings and constructions	Machinery and equipment	Vehicles	Telecommuni-cation network	Lab and IT furniture and equipment	Tooling and spare parts	Constructions in progress	Leasehold improvements	Other fixed assets	Total
For the year ended December 31, 2022											
Opening balance, net	$ 9,824	$ 14,412	$ 39,717	$ 1,541	$ 8,948	$ 1,278	$ 25	$ 8,200	$ 609	$ 177	$ 84,731
Translation effect	(329)	(971)	(2,589)	(36)	(1)	(83)	18	(518)	327	(7)	(4,189)
Additions	25	167	1,464	600	-	128	-	6,933	55	173	9,545
Additions from business acquisitions	2	4,614	6,904	2	-	10	-	288	-	-	11,820
Disposals	(68)	(110)	(217)	(52)	(53)	-	-	(423)	-	(12)	(935)
Impairment charges and reversals recognized in the year	(7)	33	(121)	-	-	-	-	(6)	-	(1)	(102)
Depreciation charge recognized in the year	-	(860)	(4,444)	(508)	(2,221)	(367)	(5)	-	(137)	(49)	(8,591)
Transfers	75	561	2,859	357	1,264	250	1	(5,595)	151	77	-
Transfers to held for sale	(676)	(327)	(10)	(3)	(7,937)	(107)	-	(612)	(30)	-	(9,702)
Final balance as of December 31, 2022	**$ 8,846**	**$ 17,519**	**$ 43,563**	**$ 1,901**	**$ -**	**$ 1,109**	**$ 39**	**$ 8,267**	**$ 975**	**$ 358**	**$ 82,577**
As of December 31, 2022											
Cost	$8,846	$ 41,324	$126,613	$ 4,529	$ 37	$ 5,367	$ 113	$ 8,267	$ 1,257	$ 739	$ 197,092
Accumulated depreciation	-	(23,805)	(83,050)	(2,628)	(37)	(4,258)	(74)	-	(282)	(381)	(114,515)
Net carrying amount as of December 31, 2023	**$8,846**	**$ 17,519**	**$ 43,563**	**$ 1,901**	**$ -**	**$ 1,109**	**$ 39**	**$ 8,267**	**$ 975**	**$ 358**	**$ 82,577**
For the year ended December 31, 2023											
Opening balance, net	$8,846	$ 17,519	$ 43,563	$ 1,901	$ -	$ 1,109	$ 39	$ 8,267	$ 975	$ 358	$ 82,577
Translation effect	(537)	(1,264)	(4,262)	(61)	-	(69)	(15)	(1,098)	(33)	(124)	(7,463)
Additions	27	524	1,267	279	-	161	-	5,151	172	292	7,873
Additions from business acquisitions	-	-	114	5	-	1	-	61	10	-	191
Disposals	(12)	(20)	(327)	(23)	-	(2)	(5)	(858)	(1)	(2)	(1,250)
Impairment charges and reversals recognized in the year	(505)	(892)	(1,264)	(13)	-	(34)	-	(385)	-	-	(3,093)
Depreciation charge recognized in the year	-	(922)	(4,500)	(478)	-	(331)	(4)	-	(55)	(129)	(6,419)
Transfers	18	(1,004)	5,384	93	-	184	1	(4,577)	(122)	23	-
Transfers to held for sale/disposal	365	700	337	-	-	37	-	724	-	-	2,163
Final balance as of December 31, 2023	**$ 8,202**	**$ 14,641**	**$ 40,312**	**$ 1,703**	**$ -**	**$ 1,056**	**$ 16**	**$ 7,285**	**$ 946**	**$ 418**	**$ 74,579**
As of December 31, 2023											
Cost	$ 8,202	$ 35,698	$116,924	$ 4,497	$ -	$ 5,166	$ 104	$ 7,285	$ 1,432	$ 957	$ 180,265
Accumulated depreciation	-	(21,057)	(76,612)	(2,794)	-	(4,110)	(88)	-	(486)	(539)	(105,686)
Net carrying amount as of December 31, 2023	**$ 8,202**	**$ 14,641**	**$ 40,312**	**$ 1,703**	**$ -**	**$ 1,056**	**$ 16**	**$ 7,285**	**$ 946**	**$ 418**	**$ 74,579**
For the year ended December 31, 2024											
Opening balance, net	$ 8,202	$ 14,641	$ 40,312	$ 1,703	$ -	$ 1,056	$ 16	$ 7,285	$ 946	$ 418	$ 74,579
Translation effect	655	1,710	6,007	86	-	142	-	602	40	(25)	9,217
Additions	34	183	2,031	572	-	206	-	4,745	83	339	8,193
Additions from business acquisitions	90	42	61	1	-	-	2	100	-	-	296
Disposals	(18)	(5)	(70)	(20)	-	(15)	-	(474)	(1)	(1)	(604)
Impairment charges and reversals recognized in the year	(10)	(102)	(1,749)	(15)	-	(2)	-	(159)	-	(150)	(2,187)
Depreciation charge recognized in the year	-	(821)	(3,799)	(449)	-	(308)	(2)	-	(148)	(150)	(5,677)
Transfers	21	331	2,712	71	-	197	2	(3,563)	43	186	-
Transfers to held for sale/disposal	(3,966)	(7,576)	(31,963)	(146)	-	(517)	(18)	(2,798)	(241)	(18)	(47,243)
Final balance as of December 31, 2024	**$ 5,008**	**$ 8,403**	**$ 13,542**	**$ 1,803**	**$ -**	**$ 759**	**$ -**	**$ 5,738**	**$ 722**	**$ 599**	**$ 36,574**
As of December 31, 2024											
Cost	$ 5,008	$ 17,746	$43,720	$ 4,772	$ -	$ 3,627	$ -	$ 5,738	$ 1,351	$ 1,179	$ 83,141
Accumulated depreciation	-	(9,343)	(30,178)	(2,969)	-	(2,868)	-	-	(629)	(580)	(46,567)
Net carrying amount as of December 31, 2024	**$ 5,008**	**$ 8,403**	**$ 13,542**	**$ 1,803**	**$ -**	**$ 759**	**$ -**	**$ 5,738**	**$ 722**	**$ 599**	**$ 36,574**

Of the total depreciation expense, $2,296, $2,230, and $2,066, have been recorded in cost of sales, $743, $723, and $739, in selling expenses, $310, $277, and $247 in administrative expenses for the years ended December 31, 2024, 2023 and 2022, respectively. On the other hand, $2,328, $3,189 and $5,539 were recorded in discontinued operations, for the years ended December 31, 2024, 2023 and 2022, respectively.

As of December 31, 2024, 2023 and 2022, there were no property, plant and equipment assets pledged as collateral, except as mentioned in Note 17.

12. RIGHT-OF-USE ASSET, NET

The Company leases a different set of fixed assets including, land, buildings, machinery and equipment, vehicles, and computer equipment. The average term of the lease contracts as of December 31, 2024, 2023 and 2022 is 7 years.

The right of use recognized in the consolidated statement of financial position as of December 31, 2024, 2023 and 2022, is integrated as follows:

	Land	Buildings	Machinery and equipment	Transporta-tion Equipment	Railcars	Other fixed assets	Total
Final balance as of December 31, 2022	$ 368	$ 2,025	$ 980	$ 219	$ 1,584	$ 83	$ 5,259
Final balance as of December 31, 2023	294	2,720	709	285	1,776	127	5,911
Final balance as of December 31, 2024	-	2,543	312	494	-	83	3,432
Depreciation expense for the year 2022 (1)	$ 4	$ 349	$ 35	$ 190	$ -	$ 33	$ 611
Depreciation expense for the year 2023 (1)	-	381	132	126	-	70	709
Depreciation expense for the year 2024 (1)	3	447	39	220	-	64	773

(1) The depreciation expense recognized within discontinued operations was $1,071, $996, $1,206, for the years ended December 31, 2024, 2023, and 2022.

During the years ended December 31, 2024, 2023 and 2022, the Company recognized rent expenses of $726, $1,187 and $927, respectively, associated with expenses from low-value asset leases and short-term lease, of which $704, $610, and $1,331, were recognized under discontinued operations for the years ended December 31, 2024, 2023 and 2022, respectively.

Additions to the net book value of the right use for leases for the year ended December 31, 2024, 2023 and 2022, amounted to $2,398, $3,379 and $1,497, respectively. Additions for the year ended December 31, 2024, include $1,327 that are presented as part of assets held for disposal in the consolidated statement of financial position.

As of December 31, 2024, 2023 and 2022, the Company has commitments arisen from short-term lease agreements for an amount of $80, $67, and $76.

The Company has signed transportation equipment lease contracts for an average term of 6.5 years, respectively, which as of the date of these consolidated financial statements have not started.

During the year, the Company made extensions to the terms of its building lease contracts, which increased the average term to 6 years.

13. GOODWILL AND INTANGIBLE ASSETS, NET

					Finite life				Indefinite life		
	Development costs	Exploration costs	Trademarks	Customers relationships	Software and licenses	Intellectual property rights and patents	Others	Goodwill	Trademarks	Other	Total
Cost											
As of January 1, 2022	$ 817	$ 353	$ 2,690	$ 6,313	$ 6,113	$ 3,803	$ 2,340	$ 17,520	$ 12,367	$ 13	$ 52,329
Translation effect	(68)	(3)	-	(195)	(416)	(215)	(1)	(1,638)	(1,238)	(1)	(3,775)
Additions	17	-	4	-	296	1	159	-	1	-	478
Additions for business acquisitions	5	-	-	-	2	1,638	-	-	-	-	1,645
Impairment charges (reversals) recognized in the year	-	-	-	-	(53)	(16)	6	-	-	-	(63)
Transfers to held for disposal	-	-	(2,166)	(3,238)	(1,576)	-	(1,047)	(2,591)	-	-	(10,618)
Transfers	-	-	(30)	-	30	-	-	-	-	-	-
Disposals	-	-	-	-	(65)	-	(69)	-	-	-	(134)
As of December 31, 2022	**771**	**350**	**498**	**2,880**	**4,331**	**5,211**	**1,388**	**13,291**	**11,130**	**12**	**39,862**
Translation effect	(17)	(114)	(223)	(625)	(310)	(482)	(65)	(1,400)	(1,280)	(1)	(4,517)
Additions	7	-	-	-	177	-	-	-	1	-	185
Additions for business acquisitions	-	-	-	280	45	-	-	396	544	-	1,265
Impairment charges recognized in the year	-	-	-	-	(2)	-	-	(42)	-	-	(44)
Transfers held for disposal	-	-	-	-	204	-	-	-	96	-	300
Transfers	2	-	-	-	9	-	(11)	-	-	-	-
Disposals	(6)	(48)	-	-	(551)	-	-	-	-	-	(605)
As of December 31, 2023	**757**	**188**	**275**	**2,535**	**3,903**	**4,729**	**1,312**	**12,245**	**10,491**	**11**	**36,446**
Translation effect	375	-	306	599	659	627	2	2,442	1,550	2	6,562
Additions	162	-	-	-	193	-	3	-	1	-	359
Additions for business acquisitions	-	-	-	4	2	-	-	-	8	-	14
Impairment charges recognized in the year	-	(188)	-	-	(10)	-	-	-	-	-	(198)
Reclassifications (1)			1,493	123	(239)	(1,543)	166	-	-	-	-
Transfers held for disposal	(1,021)	-	(1,688)	(999)	(322)	(3,813)	(267)	(405)	-	(10)	(8,525)
Disposals	-	-	-	(5)	(54)	-	-	(702)	(8)	-	(769)
As of December 31, 2024	**$ 273**	**$ -**	**$ 386**	**$ 2,257**	**$ 4,132**	**$ -**	**$ 1,216**	**$ 13,580**	**$ 12,042**	**$ 3**	**$ 33,889**
Net carrying amount											
Cost	$ 771	$ 350	$ 498	$ 2,880	$ 4,331	$ 5,211	$ 1,388	$ 13,291	$ 11,130	$ 12	$ 39,862
Accumulated amortization	(711)	(46)	(346)	(2,228)	(3,212)	(2,130)	(894)	-	-	-	(9,567)
As of December 31, 2022	**$ 60**	**$ 304**	**$ 152**	**$ 652**	**$ 1,119**	**$ 3,081**	**$ 494**	**$ 13,291**	**$ 11,130**	**$ 12**	**$ 30,295**
Cost	$ 757	$ 188	$ 275	$ 2,535	$ 3,903	$ 4,729	$ 1,312	$ 12,245	$ 10,491	$ 11	$ 36,446
Accumulated amortization	(463)	(188)	(129)	(2,069)	(3,228)	(1,907)	(1,175)	-	-	-	(9,159)
As of December 31, 2023	**$ 294**	**$ -**	**$ 146**	**$ 466**	**$ 675**	**$ 2,822**	**$ 137**	**$ 12,245**	**$ 10,491**	**$ 11**	**$ 27,287**
Cost	$ 273	$ -	$ 386	$ 2,257	$ 4,132	$ -	$ 1,216	$ 13,580	$ 12,042	$ 3	$ 33,889
Accumulated amortization	(119)	-	(361)	(1,995)	(3,315)	-	(982)	-	-	-	(6,772)
As of December 31, 2024	**$ 154**	**$ -**	**$ 25**	**$ 262**	**$ 817**	**$ -**	**$ 234**	**$ 13,580**	**$ 12,042**	**$ 3**	**$ 27,117**

(1) These are reclassifications made during the year ended December 31, 2024, in order to present intangible assets under the applicable classification based on their nature, without affecting the total balance of the item.

Other intangible assets consist mainly of licenses, concessions and non-compete agreements.

Of the amortization expense, $25, $5, and $73, have been recorded in cost of sales, $127, $151, and $240, in selling expenses, $194, $226, and $257, in administrative expenses for the years ended December 31, 2024, 2023 and 2022, respectively. On the other hand, $442, $513 and $662 were recorded in the discontinued operation, for the years ended December 31, 2024,2023 and 2022.

Research expenses incurred and recorded in the consolidated statements of income of 2024, 2023 and 2022 were $68, $68, and $67, respectively.

Impairment testing of goodwill and intangible assets of indefinite life

As mentioned in Note 5, goodwill and intangible assets with indefinite life are allocated to groups of cash generating units ("CGUs") that are associated with the operating segments, from which are expected to benefit from the synergies of the business combination, irrespective of whether other assets or liabilities of the acquirer are assigned to those units or groups of units, as follows:

	December 31,		
	2024	2023	2022
Alpek [1]	$ -	$ 338	$ 387
Sigma	13,275	11,603	12,590
Axtel [2]	-	-	-
Other segments	305	304	314
	$ 13,580	**$ 12,245**	**$ 13,291**

[1] Derived from the spin-off process described in Note 2, the Company reclassified the goodwill assigned to Alpek CGU for $405, to present it within the assets held for disposal in the consolidated statement of financial position as December 31, 2024

[2] Derived from the spin off process described in Note 2, the Company reclassified the goodwill assigned to the Axtel CGU for $2,591, to present it within the assets held for disposal in the consolidated statement of financial position as of December 31,2022

Goodwill and indefinite-lived intangible assets are primarily recognized at the level of each subsidiary, being most significant at Sigma. Below is the detail of the allocation of goodwill and indefinite-life brands by Sigma to its cash-generating units:

Goodwill

	December 31,		
	2024	2023	2022
México	$ 2,140	$ 1,706	$ 2,024
USA	5,120	4,525	4,610
Europe	4,359	3,877	4,290
LATAM	1,656	1,495	1,666
	$ 13,275	**$ 11,603**	**$ 12,590**

Brands

	December 31,		
	2024	2023	2022
México	$ 1,212	$ 666	$ 1,064
USA	2,498	2,404	1,976
Europe	7,786	6,925	7,559
LATAM	544	494	529
	$ 12,040	**$ 10,489**	**$ 11,128**

The recoverable value from each group of CGUs has been determined based on calculations of values in use, which consist of cash flow projections before on pre-tax financial budgets approved by management covering a period of 5 years.

The gross and operating margins included in the estimates of value in use have been estimated based on the historical performance and the growth expectations of the market in which each group of CGUs operates. The long-term growth rate used in estimating value in use is consistent with the projections included in industry reports. The present value of the cash flows was discounted using a specific discount rate before taxes for each group of CGUs and reflects the specific risks associated with each of them. The values assigned to key assumptions reflect management´s analysis of future trends in the industry, considering internal and external sources.

The key assumptions used in calculating the value in use in 2024, 2023 and 2022, were as follows:

	2024			
	México	USA	Europe	LATAM
Long-term growth rate	2.0%	4.0%	1.0%	1.9%
Discount rate	15.3%	17.0%	10.5%	16.4%

	2023			
	México	USA	Europe	LATAM
Long-term growth rate	2.0%	4.0%	1.0%	1.9%
Discount rate	13.5%	17.0%	10.2%	18.6%

	2022			
	México	USA	Europe	LATAM
Long-term growth rate	2.3%	4.0%	1.0%	1.9%
Discount rate	12.7%	17.9%	10.9%	16.2%

The key assumptions used in calculating the value in use of the rest of the CGUs identified by the Company, for the years ended December 31, 2023 and 2022, are the following:

	2023
	Alpek
Long-term growth rate	2.0%
Discount rate	9.1%

	2022	
	Alpek	Axtel
Long-term growth rate	2.5%	4.0%
Discount rate	8.9%	12.1%

The Company, through its subsidiary Sigma, carried out a sensitivity analysis considering macroeconomic and market parameters, as well as historical trends for the key flow generation variables. Likewise, an evaluation of the impact on the value estimate was generated considering a long-term growth rate at expected long-term inflation levels. As a result of this analysis, the Company concluded that there are no significant variations with the impairment calculations prepared as of December 31, 2024, 2023 and 2022.

14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD AND OTHER NON-CURRENT ASSETS

	December 31,		
	2024	2023	2022
Portion of trade and other non-current accounts receivable [1] (Note 8)	$ 11	$ 1,703	$ 2,513
Other capital instruments	165	209	202
Other assets	283	1,918	1,630
Restricted cash (Note 7)	51	314	367
Other non-current assets	**510**	**4,144**	**4,712**
Investments in associates	60	360	458
Joint ventures [2]	32	69	8,826
Total other non-current assets	**$ 602**	**$ 4,573**	**$ 13,996**

[1] As of December 31, 2023 and 2022, this item mainly includes financing granted by Alpek, a subsidiary of the Company, to M&G Polímeros México S.A de C.V.
[2] As of December 31, 2023 and 2022, this item consists mainly of the joint venture of Alpek and CCP. During the year ended December 31, 2023, derived from the temporary pause in the construction of the integrated PTA-PET plant, the Company recognized an impairment of its investment in the joint venture for $9,591 (see Note 2).

Other permanent investments

These permanent investments correspond to investments in shares of companies that are not listed on the market that represent less than 1% of their capital stock and investments in shares of social clubs. No impairment loss was recognized as of December 31, 2024, 2023 and 2022.

Other capital investments are denominated in Mexican pesos.

Investment in associates

The following includes the investments in associates that the Company has as of December 31, 2024, 2023 and 2022:

Name	Subsidiary	Percentage of ownership
Clear Path Recycling LLC (1)	Alpek	-%
Terminal Petroquímica de Altamira, S. A. de C. V.	Alpek	42.0%
Agua Industrial del Poniente, S. A. de C. V. (2)	Alpek	-%
Desarrollos Porcinos Castilla y león, S. L.	Sigma	42.0%
Cogenedora Burgalesa, S. L.	Sigma	50.0%
Nuova Mondial S. p. A.	Sigma	50.0%
Servicios Integrales Nova de Monterrey, S. A. de C. V.	Alfa	25.5%

[1] On September 1, 2024, Alpek obtained control over this investment in associates, having 100% of shareholding as of December 31, 2024. The shareholding as of December 31, 2023 and 2022 was 49.9%. The acquisition was considered a phased business combination based on the requirements of IFRS 3; Fair value adjustments to assets acquired and liabilities assumed, as well as required disclosures, were not considered significant.
[2] On June 13, 2024, Alpek obtained control over this investment in associates, having a 55.6% of shareholding as of December 31, 2024. The shareholding as of December 31, 2023and 2022 was 47.6%. The acquisition was considered a phased business combination based on the requirements of IFRS 3; Fair value adjustments to assets acquired and liabilities assumed, as well as required disclosures, were not considered significant.

There are no contingent liabilities related to the investment of Alfa in investments in associates. The Company has no commitments in relation with investments in associates as of December 31, 2024, 2023 and 2022.

Joint ventures

The following includes the joint ventures that the Company has as of December 31, 2024, 2023 and 2022:

Name	Subsidiary	Percentage of ownership
Petroalfa Servicios Integrados de Energía S. A. P. I. de C. V.	Newpek	50.0%
Oilserv, S.A.P.I. de C. V.	Newpek	50.0%
Petroliferos Tierra Blanca S. A. de C. V.	Newpek	50.0%
Corpus Christi Polymers L. L. C.	Alpek	33.3%

There are no contingent liabilities related to the investment of Alfa in joint agreements. As of December 31, 2024, 2023 and 2022, there are no commitments or contingent liabilities in relation to the Company's investment in associates and joint ventures.

15. SUBSIDIARIES WITH SIGNIFICANT NON-CONTROLLING INTEREST

The non-controlling interest is comprised as follows:

	Percentage of non-controlling interest	Income (loss) of the non-controlling interest of the year			Non-controlling interest as of December 31,		
		2024	2023	2022	2024	2023	2022
Alpek, S. A. B. de C. V.	18%	$ 410	$ (1,072)	$ 4,682	$ 10,199	$ 9,706	$ 13,715
Other		36	36	96	(13)	(25)	32
Axtel, S.A.B. de C.V.	-	-	90	(54)	-	-	2,100
		$ 446	**$ (946)**	**$ 4,724**	**$ 10,186**	**$ 9,681**	**$ 15,847**

16. TRADE AND OTHER ACCOUNTS PAYABLE

	December 31,		
	2024	2023	2022
Trade accounts payable	$ 26,951	$ 46,648	$ 51,800
Short-term employee benefits	2,812	2,379	1,911
Customer advance payments	94	173	122
Other payable taxes	3,083	3,451	4,095
Other accounts and accrued expenses payable	2,530	3,506	3,465
	$ 35,470	**$ 56,157**	**$ 61,393**

17. DEBT

	December 31,		
	2024	2023	2022
Current:			
Bank loans [1][2]	$ 10	$ 390	$ 1,465
Current portion of non-current debt	813	12,266	7,170
Notes payable [1][2]	46	-	150
Current debt	**$ 869**	**$ 12,656**	**$ 8,785**
Non-current:			
In U.S. dollars:			
Senior Notes	$ 20,304	$ 52,611	$ 75,939
Unsecured bank loans	10,937	28,168	14,135
Other	98	188	364
In pesos:			
Secured bank loans	-	-	-
Unsecured bank loans	7,225	3,662	3,589
CEBURES	17,443	-	-
Other	-	-	7
In euros:			
Senior Notes	-	11,480	12,673
Unsecured bank loans	2,679	45	-
Other	-	-	-
	58,686	**96,154**	**106,707**
Less: current portion of non-current debt	(813)	(12,266)	(7,170)
Non-current debt	**$ 57,873**	**$ 83,888**	**$ 99,537**

(1) As of December 31, 2024, 2023 and 2022, short-term bank loans and notes payable cause interest at an average rate of 6.37%, 6.01%, and 4.73%, respectively.

(2) The fair value of bank loans and notes payable approximates their current book value, due to their short maturity.

The carrying amounts, terms and conditions of long-term debt were as follows:

Description	Contractual currency	Outstanding balance	Debt issuance costs [1]	Interest payable [1]	Balance as of December 31, 2024	Balance as of December 31, 2023	Balance as of December 31, 2022	Maturity date MM/DD/YYYY	Interest rate %
Banking	MXN	$ 3,500	$ 25	$ 28	$ 3,503	$ 3,522	$ 3,516	11/06/2030	11.60%
Bilateral	USD	-	-	-	-	-	487	12/03/2024	2.83%
Banking	MXN	68	-	-	68	68	70	12/21/2027	12.49%
Banking	MXN	65	-	-	65	72	73	12/21/2027	12.49%
Banking	USD	-	-	-	-	3,395	3,888	09/06/2027	6.91%
Banking [2]	USD	-	-	-	-	1,692	1,936	04/06/2027	6.39%
Banking [2]	USD	-	-	-	-	3,392	3,882	04/07/2027	6.43%
Banking [2]	USD	-	-	-	-	1,691	1,936	05/06/2027	6.39%
Banking	USD	-	-	-	-	1,692	1,936	04/06/2027	6.39%
Banking [2]	USD	-	-	-	-	2,112	-	05/01/2026	6.36%
Banking [2]	USD	-	-	-	-	3,416	-	07/21/2028	6.44%
Banking	USD	-	-	-	-	423	-	09/06/2026	6.81%
Banking	USD	-	-	-	-	1,269	-	09/30/2025	6.67%
Banking [2]	USD	-	-	-	-	1,692	-	09/22/2027	6.91%
Banking	USD	-	-	-	-	847	-	09/30/2027	6.97%
Banking	USD	-	-	-	-	1,699	-	19/12/2027	6.90%
Banking [2]	USD	2,027	-	3	2,030	1,692	-	02/18/2028	6.87%
Banking	USD	507	-	1	508	423	-	02/18/2028	6.87%
Banking	USD	507	-	1	508	423	-	02/18/2028	6.87%
Banking	USD	-	-	-	-	847	-	10/18/2027	7.01%
Banking	USD	-	-	-	-	1,281	-	09/30/2027	6.44%
Banking	EUR	42	-	5	47	45	-	05/03/2028	4.85%
Banking	USD	-	-	-	-	84	-	06/29/2027	7.06%
Banking	USD	-	-	-	-	98	-	06/20/2026	6.94%
Banking	USD	1,013	-	1	1,014	-	-	09/22/2027	5.89%
Banking [2]	USD	4,297	10	41	4,328	-	-	09/30/2027	5.64%
Banking [2]	USD	2,534	10	25	2,549	-	-	09/30/2027	5.57%
Banking	EUR	2,623	10	19	2,632	-	-	09/30/2027	4.06%
Banking	MXN	3,593	10	6	3,589	-	-	06/26/2034	11.74%
Total unsecured bank loans					**20,841**	**31,875**	**17,724**		
Senior Notes – Fixed rate	USD	-	-	-	-	-	5,925	08/08/2023	5.38%
Senior Notes – Fixed rate	USD	-	-	-	-	-	9,787	03/25/2024	5.25%
Senior Notes – Fixed rate	USD	10,102	199	184	10,087	8,491	9,725	03/25/2044	6.88%
Senior Notes – Fixed rate [2]	USD	-	-	-	-	8,493	9,722	09/18/2029	4.25%
Senior Notes – Fixed rate	EUR	-	-	-	-	11,480	12,673	02/07/2024	2.63%
Senior Notes – Fixed rate	USD	-	-	-	-	16,969	19,424	05/02/2026	4.13%
Senior Notes – Fixed rate	USD	10,134	46	129	10,217	8,504	9,733	03/27/2028	4.88%
Senior Notes – Fixed rate [2]	USD	-	-	-	-	10,154	11,623	02/25/2031	3.25%
CEBURE-2024	MXN	3,861	5	17	3,873	-	-	03/06/2028	10.66%
CEBURE-2024-2	MXN	8,480	20	261	8,721	-	-	02/27/2034	9.80%
CEBURE-2024-3	MXN	4,800	18	67	4,849	-	-	04/30/2036	10.40%
Total Senior Notes - Fixed rate					**37,747**	**64,091**	**88,612**		
Other loans	USD	-	-	-	-	-	7	Various	Various
Other loans	USD	21	-	-	21	60	218	Various	Various
Other loans	USD	77	-	-	77	85	97	11/26/2049	1.26%
Other loans	USD	-	-	-	-	43	49	11/26/2049	1.22%
Total other loans					**98**	**188**	**371**		
Total		**$ 58,251**	**$ 353**	**$ 788**	**$ 58,686**	**$ 96,154**	**$106,707**		

[1] For the years ended December 31, 2024, 2023 and 2022, the debt issuance costs were $353, $301, and $451, respectively.
[2] The debt came from the Alpek segment, therefore, as of December 31, 2024, it is presented within liabilities held for disposal in the consolidated statement of financial position (see Note 2).

Maturities:

As of December 31, 2024, the annual maturities of long-term debt, including the current portion and interest payable and gross of issuance costs, are as follows:

	2025	2026	2027	2028	2029 and thereafter	Total
Bank and other loans	$ 155	$ 152	$ 10,731	$ 3,262	$ 6,704	$ 21,004
Senior Notes and CEBUREs	658	-	-	13,995	23,382	38,035
Non accrued future interests	4,366	4,370	4,236	3,007	20,727	36,706
	$ 5,179	**$ 4,522**	**$ 14,967**	**$ 20,264**	**$ 50,813**	**$ 95,745**

Covenants:

Bank credits contracts and debt agreements contain restrictions, in general, primarily relating to compliance with financial ratios, incurring additional debt or making loans that require granting real guarantees, dividend payments and submission of financial information, which if not met or remedied within a specified period to the satisfaction of creditors may cause the debt to become payable immediately.

Financial ratios to be fulfilled include the following:

a. Interest coverage ratio: which is defined as adjusted EBITDA (see Note 31) for the period of the last four complete quarters divided by financial expenses, net or gross as appropriate, for the last four quarters, which shall not be less than 2.75 times.

b. Leverage ratio: which is defined as net consolidated debt at that date, divided by adjusted EBITDA (see Note 31) for the period of the last four complete quarters, which shall not be more than 4.0 times. During the year ended December 2023, the Company amended its financial ratios 2.75 times the interest coverage ratio and 4.0 times the leverage ratio.

During 2024, 2023 and 2022, the financial ratios were calculated according to the formulas set out in the loan agreements.

Covenants contained in the credit agreements of the subsidiaries establish certain obligations, conditions and certain exceptions that require or limit the capacity of the subsidiaries; the main ones are listed below:

- Provide certain financial information;
- Maintain books and records;
- Maintain assets in appropriate conditions;
- Comply with applicable laws, rules and regulations;
- Incur additional indebtedness;
- Pay dividends;
- Grant liens on assets;
- Enter into transactions with affiliates;
- Perform a consolidation, merger, or sale of assets, and
- Carry out sale and lease-back operations

As of December 31, 2024, 2023 and 2022, and the date of issuance of these consolidated financial statements, the Company and its subsidiaries complied satisfactorily with such covenants and restrictions.

Significant debt issuances, payments, and modifications in 2024

a. On January 31, 2024, Sigma drew down a US$225 bank loan with Export Development Canada ("EDC"). Previously, on April 28, 2023, Sigma had drawn down US$75 of this same loan. Later during 2024, Sigma repaid US$88. This bank loan was contracted on September 30, 2022, for an amount of US$300. Said contact gave Sigma a period to make various drawdowns of the credit, said drawdown period expired on February 7, 2024. The maturity of this loan is on September 30, 2027 and has an annual term rate of 3-month SOFR + 1.05% payable quarterly.

b. On February 1, 2024, Sigma arranged a bank loan for US$125 with Bank of America. Said loan matures on September 30, 2027 and has an annual term 3-month SOFR rate + 1.00% payable quarterly.

c. On February 1, 2024, Sigma arranged a bank loan for €125 with Rabobank. Said loan matures on August 30, 2027 and has an annual rate of EURIBOR + 1.00% payable quarterly.

d. On February 7, 2024 Sigma made the payment of its Senior Notes denominated in euros, issued on February 2, 2017, with a coupon 2.625% per year on their maturity date. The entire principal amount of €600 was repaid with funds from four long-term bilateral bank loans, which were drawn down a few days before the maturity of said Senior Notes. These bilateral bank loans mature in 2027 and are denominated in dollars and euros and have variable 3-month interest rates based on term SOFR or Euribor.

e. Sigma made the successful placement of 10,000 in Debt Securities ("CEBUREs") in México. The settlement of these CEBUREs occurred on March 11, 2024, subject to the usual closing conditions. The placement consisted of two tranches. The first (ticker SIGMA 24) composed of a total of $1,520 million with a term of 4 years and an equivalent variable annual interest rate equivalent to TIIE 28 days +0.23%, while the second (ticker SIGMA 24-2) composed of a total $8,480 at a term of 10 years and a fixed annual interest rate of 9.80%.

   Subsequently, on May 16, 2024, Sigma carried reopened its 4-year placement, and a new placement of 12-year CEBURES for a total amount of $7,141. The issue consisted of two tranches. The reopening of the issue identified with the ticker symbol SIGMA 24 was executed for a total amount of $2,341 at approximately 3.8 years accruing an equivalent annual interest rate of TIIE 28 days +0.23% while the second tranche (ticker SIGMA 24-3) was made up $4,800 over a term of 12 years and a fixed annual interest rate of 10.40%.

f. Sigma announced the early redemption of its 4.125% Senior Notes due 2026. The redemption was carried out in two parts. The first tranche was carried out on May 16, 2024 for US$600. The second tranche part was carried out on June 28, 2024 for US$400. The redemption price in both cases was 100% of the principal amount redeemed, plus interest accrued on the Senior Notes. To finance the redemption, Sigma used the resources obtained through CEBUREs placed in March 2024, the successful reopening and placement of CEBUREs in May 2024, as well as a bilateral bank credit line equivalent to US$200 million with multiple amortizations that extend until the year 2034.

g. On December 6, 2019, Sigma obtained a $3,500 bank loan with Export Development Canada ("EDC") for a term of 6 years, the original maturity of which was October 20, 2025. On November 4, 2024, said bank loan was refinanced with the same institution, for the same amount for a new term of 6 years, whose new maturity is November 6, 2030. Sigma is now obligated to pay interest with an annual rate of TIIE 28 days + 1.15% monthly on the unpaid balance.

h. Alfa maintained its Senior Notes placed in the international market for US$500, with an interest rate of 6.875% and a maturity date of 2044. The issuance contract established that the Company will not consolidate or merge with or in, or transfer, transfer, or lease all or substantially all of its properties and assets to, any Person unless the conditions listed in Section 4.1(a) of the Indenture are met. On September 23, Alfa received the required consents from holders representing 89.85% of the aggregate principal amount of the Senior Notes to make modifications to the clauses related to the transfer of their properties and assets, as well as corporate guarantees and joint and several obligations. With this result, Alfa extended the corporate guarantee or joint obligation of Sigma and certain of its subsidiaries to all holders of the Senior Notes.

i. During the year ended December 31, 2024, Alfa made the payment of several of its bank loans denominated in dollars for a total of US$615, integrated as follows: Export Development Canada for US$290, Bank of America for US$75, Scotiabank for US$50, Sumitomo Mitsui Banking Corporation for US$50, HSBC for US$100 and Banamex for $US50.

Significant debt issuances and payments in 2023

j. Alfa announced that it began the process for the payment of its 5.250% Senior Notes due on March 25, 2024, and with a current principal amount of US$500. On March 24, 2023, the Company made full payment for a price amounting to $9,272. Alfa made the payment of its Senior Notes with funds from multiple long-term bilateral bank loans that are prepayable at any time.

k. Alpek announced that it refinanced the remaining balance of the bond due in August 2023, with bank debt that includes a Sustainability Linked Credit for US$200 due in 2028.

The loan incorporates a pricing mechanism that incentivizes progress son two of the company's ESG objectives:

· Reduction of carbon emissions Scope 1, 2, and 3.

· Reduction of its incidence rate for their employees and contractors.

Significant debt issuances and payments in 2022

l. Axtel made repurchases of its Senior Notes due 2024 and a coupon of 6.375%, for a total of $754 (US$37.8) of principal. As of December 31, 2022, the balance of the Senior Notes due 2024 is $7,788 (US$402.2). Derived from this operation, Axtel immediately recognized in the consolidated income statement the corresponding debt issuance costs that were pending amortization as of said date for $4.5.

18. PASIVOS POR ARRENDAMIENTO

	December 31,		
	2024	2023	2022
Current portion			
USD	$ 215	$ 613	$ 635
MXP	63	192	224
EUR	301	253	231
Other currencies	20	130	169
Current lease liability	**$ 599**	**$ 1,188**	**$1,259**

	December 31,		
	2024	2023	2022
Non-current portion:			
USD	$ 1,621	$ 3,270	$ 2,613
MXP	588	526	711
EUR	803	894	476
Other currencies	13	418	495
Non-current lease liability	**$ 3,025**	**$ 5,108**	**$ 4,295**

As of December 31, 2024, 2023 and 2022, changes in the lease liability related to the finance activities in accordance with the consolidated statement of cash flows are integrated as follows:

	2024	2023	2022
Beginning balance as of January 1	$ 6,296	$ 5,554	$ 6,389
New contracts	2,455	3,201	1,838
Write-offs	(181)	(387)	(240)
Transfers to held for disposal	(4,104)	-	(321)
Adjustments to the liability balance	(45)	43	54
Interest expense of lease liability	474	381	409
Lease payments	(2,244)	(2,073)	(2,222)
Exchange loss (gain), net	973	(423)	(353)
Ending balance as of December 31	**$ 3,624**	**$ 6,296**	**$ 5,554**

The total of future fixed payments of leases is analyzed as follows:

		December 31,	
	2024	2023	2022
- Less than 1 year	$ 599	$ 1,188	$ 1,259
- Over 1 year and less than 3 years	1,024	1,637	1,686
- Over 3 year and less than 5 years	628	1,150	1,063
- Over 5 years	1,373	2,321	1,546
Total	**$ 3,624**	**$ 6,296**	**$ 5,554**

19. INCOME TAXES

The Company is subject to income tax, whose rate is 30% in Mexico. The statutory income tax rates applicable to the countries where the main foreign subsidiaries are located were as follows as of December 31, 2024, 2023 and 2022:

	%
United States	21.0%
Spain	25.0%
Brazil	34.0%
Argentina	35.0%
France	25.8%
Oman [1]	15.0%

[1] Octal's production plant (Octal SAOC FZC) is registered in the Salalah Free Zone; therefore, it is exempt from corporate tax until 2024. Starting in 2025, Oman is amending its tax legislation through Royal Decree No. 70/2024 to align with the Pillar Two model rules published by OECD.

Income tax under tax consolidation regime in Mexico

The Company incurred income tax in a consolidated manner through 2013 with its Mexican subsidiaries. Since the Mexican income tax law ("LISR", for its acronym in Spanish) in effect through 2013 was repealed, the tax consolidation regime was eliminated. Therefore, Alfa has the obligation to pay long-term deferred tax determined as of that date during the following ten fiscal years beginning in 2014, as shown below.

In accordance with paragraph a) of section XVIII of the ninth transition article of the 2014 Mexican Tax Law, and provided that the Company at December 31, 2013 was acting as the controlling company and was subject, at that date, to the payment system contained in section VI of the fourth article of the transition provisions of the Mexican Income Tax Law published in the federal official gazette on December 7, 2009, or article 70-A of the 2013 Mexican Income Tax Law that was revoked, shall continue paying the tax consolidation deferred tax in fiscal years 2013 and prior years in conformity with the abovementioned provisions, until payment is concluded.

Income tax from deferred tax consolidation was settled in March, 2023.

Optional regime for consolidated groups in Mexico (Incorporation Regime)

As a result of the elimination of the tax consolidation regime in Mexico, the Company chose to adopt the new optional regime for consolidated groups beginning in 2014, which consists in grouping companies with specific characteristics and allows for the deferral of part of the income tax to the next three years; the deferral percentage is calculated using a factor determined in accordance to the amount of tax profit and losses of the year by which the tax deferral is determined. On December 2023, the Company made the decision to voluntarily and spontaneously abandon this regime, which generated the obligation of the total payment of the income tax for the Alfa entities that were part of said regime and that had been deferred for the years from 2019 to 2021 for $1,561, which was paid in January, 2023.

a. Income taxes recognized in the consolidated statement of income:

	2024	2023	2022
Current tax expense	$ (3,434)	$ (5,649)	$ (2,591)
Deferred income tax benefit	(293)	233	(320)
Income taxes expense	**$ (3,727)**	**$ (5,416)**	**$ (2,911)**

The Company adopted the amendments to IAS 12 applicable to income taxes arising from enacted or substantially enacted tax laws to implement the Pillar Two model rules published by the OECD, including tax laws implementing qualified national minimum taxes described in such rules.

The Company continues to apply the temporary exception to the accounting requirements for deferred income taxes in IAS 12, so the Company does not recognize or disclose information about deferred income tax assets and liabilities related to the Pillar two model income taxes.

As December 31,2024, the Company has had no significant effects related to income taxes of the Pillar Two model because the jurisdictions in which the holding companies with subsidiaries with a potential impact participate have not made the applicable legislation effective, applicable and/or in those jurisdictions where the legislation is already in force, the calculations carried out in accordance with the Pillar Two model rules published by the OECD have not produced tax effects. However, will continue to evaluate the impact of the Pillar Two model´s income tax legislation on its future financial performance.

b. The reconciliation between the statutory and effective income tax rates was as follows:

	2024	2023	2022
(Loss) income before taxes	$ 2,552	$ 1,678	$ 3,177
Equity in results of associates recognized through the equity method	64	(65)	(91)
(Loss) income before interest in associates	**2,616**	**1,613**	**3,086**
Statutory rate	30%	30%	30%
Taxes at statutory rate	**(785)**	**(484)**	**(926)**
(Add) less tax effect on:			
Reserve for asset valuation for deferred income tax for investment in shares			
Differences based on comprehensive financial cost	(42)	(3,833)	(3,257)
Non-deductible expenses	(835)	(352)	(370)
Effect of difference of tax rates and other differences, net	(2,065)	(747)	1,642
Total provision for income taxes charged to income	**$ (3,727)**	**$ (5,416)**	**$ (2,911)**
Effective rate	**142%**	**(336)%**	**94%**

c. The detail of deferred income tax asset and liability is as follows:

	December 31,		
	2024	2023	2022
Inventories	$ (112)	$ (75)	$ 154
Intangible assets	5,305	4,995	5,377
Property, plant and equipment	2,138	5,262	7,497
Provisions	(160)	(584)	(519)
Tax losses carryforwards	(1,319)	(1,695)	(1,466)
Other temporary differences, net	(1,485)	(2,042)	(2,938)
Deferred income tax liability	**$ 4,367**	**$ 5,861**	**$ 8,105**
Inventories	$ 126	$ 123	$ 58
Property, plant and equipment	4	(707)	(37)
Intangible assets	(169)	(80)	(176)
Valuation of derivative instruments	-	7	553
Provisions	1,832	2,067	2,493
Tax loss carryforwards	1,026	1,602	2,006
Other temporary differences, net	938	2,316	957
Deferred income tax assets	**$ 3,757**	**$ 5,328**	**$ 5,854**

Deferred income tax assets are recognized on tax loss carryforwards to the extent the realization of the related tax benefit through future tax income is likely.

Tax losses as of December 31, 2024, expire in the following years:

Loss year	Tax losses to be amortized [1]	Expiration year
2015	$ 702	2025
2016	449	2026
2017	295	2027
2018	469	2028
2019 and thereafter	1,565	2029 and thereafter
	3,834	No maturity
	$ 7,314	

[1] The Company has decided to reserve tax losses for $6,509, in accordance with management's estimate of future reversals of temporary differences, therefore, as of December 31, 2024, they do not generate a deferred income tax asset.

d. The tax charge (credit) related to comprehensive income is as follows:

	2024			2023			2022		
	Before taxes	Tax charged (credited)	After taxes	Before taxes	Tax charged (credited)	After taxes	Before taxes	Tax charged (credited)	After taxes
Effect of derivative financial instruments contracted as cash flow hedge	$ (877)	$ 263	$ (614)	$ 873	$ (262)	$ 611	$ (223)	$ 67	$ (156)
Remeasurement of employee benefit obligations	36	(11)	25	(464)	140	(324)	(341)	102	(239)
Translation effect of foreign entities	3,537	-	3,537	1,832	-	1,832	(459)	-	(459)
Discontinued operations	5,701	(1,710)	3,991	(7,234)	2,170	(5,064)	(5,009)	1,503	(3,506)
Other comprehensive income	**$ 8,397**	**$ (1,458)**	**$ 6,939**	**$ (4,993)**	**$ 2,048**	**$ (2,945)**	**$ (6,032)**	**$ 1,672**	**$ (4,360)**

e. Income tax payable consists of the following:

	December 31,		
	2024	2023	2022
Current income tax	$ 523	$ 2,026	$ 1,936
Income tax from tax consolidation (regime in effect through 2013)	-	-	114
Income tax from optional regime for group of entities in Mexico	-	-	1,561
Total income tax payable	**$ 523**	**$ 2,026**	**$ 3,611**

20. PROVISIONES

	Disputes	Restructuring and demolition [1]	Contingencies [2]	Other	Total
At January 1, 2022	$ 439	$ 431	$ 1,293	$ 116	$ 2,279
Reclassification to liabilities held for disposal	(29)	-	-	-	(29)
Business acquisition [3]	-	-	-	904	904
Additions	11	15	78	273	377
Exchange effects	(5)	(11)	7	(46)	(55)
Cancelation of provisions	(119)	(21)	(87)	(132)	(359)
Payments	(149)	(103)	(8)	(304)	(564)
At December 31, 2022	**148**	**311**	**1,283**	**811**	**2,553**
Additions	4	596	138	300	1,038
Exchange effects	(16)	(19)	(33)	(212)	(280)
Cancelation of provisions	(10)	(1)	(31)	(252)	(294)
Payments	(6)	(251)	-	(998)	(1,255)
Reclassifications [4]	(93)	(247)	(683)	1,023	-
At December 31, 2023	**27**	**389**	**674**	**672**	**1,762**
Reclassification to liabilities held for disposal	(30)	(825)	(535)	(459)	(1,849)
Additions	50	844	28	265	1,187
Exchange effects	-	72	(23)	52	101
Cancelation of provisions	(20)	(120)	(72)	(65)	(277)
Payments	(2)	(358)	(71)	(212)	(643)
At December 31, 2024	**$ 25**	**$ 2**	**$ 1**	**$ 253**	**$ 281**

[1] This provision includes the related to a strategic redefinition process to obtain, among others, efficiencies and a higher level of specialization in the production and logistics centers, as well as strengthening existing synergies in a subsidiary of Sigma.
[2] As of December 31, 2023 and 2022, includes labor, civil and tax contingencies of Alpek derived from the acquisition of Alpek Polyester Pernambuco, S.A. and Alpek Polyester Brasil, S.A. (formerly Companía Petroquímica de Pernambuco S.A. and Companía Integrada Têxtil de Pernambuco, respectively), for which a receivable is included under other non-current assets. As of December 31, 2024, such contingencies and receivable were reclassified to liabilities and assets held for sale, respectively.
[3] Corresponds to the contingent consideration generated in the acquisition of Octal by Alpek (see Note 2). During the year ended December 31, 2023, there were cash flows related to the contingent benefit of $512 (US$28.4). As of December 31, 2023, the contingent consideration is $309 (US$18.3). During the year ended December 31, 2024, Alpek made a partial payment related to this contingent consideration for $201 (US$11.4). As of December 31, 2024, the contingent consideration is $72 (US$3.5), and is presented within the item of liabilities held for disposal in the consolidated statement of financial position.
[4] Corresponds to reclassifications made during the year ended December 31, 2023, in order to present the provisions under the applicable item based on their nature, without affecting the total balance of the item.

	December 31, 2024	December 31, 2023	December 31, 2022
Current provisions	$ 199	$ 1,016	$ 1,408
Non-current provisions	82	746	1,145
	$ 281	**$ 1,762**	**$ 2,553**

21. OTHER LIABILITIES

	December 31, 2024	December 31, 2023	December 31, 2022
Share-based employee benefits (Note 25)	$ 257	$ 308	$ 364
Dividends payable	125	9	81
Deferred credits	-	529	559
Accounts payable - affiliates (Note 30)	1,907	2,054	2,081
Liabilities held for sale (1)	-	-	2,866
Total other liabilities	**$ 2,289**	**$ 2,900**	**$ 5,951**
Current portion	$2,104	$2,196	$5,144
Non-current portion	185	704	807
Total other liabilities	**$ 2,289**	**$ 2,900**	**$ 5,951**

[1] As of December 31, 2022, corresponds to the liabilities that were classified as held for sale by Sigma (see Note 2).

22. EMPLOYEE BENEFITS

The valuation of employee benefits for retirement plans is based primarily on their years of service, current age and estimated salary at retirement date.

The Company has established funds for the payment of retirement benefits through irrevocable trusts.

The employee benefits recognized in the consolidated statement of financial position are shown below:

Country	December 31, 2024	December 31, 2023	December 31, 2022
Mexico	$ 3,045	$ 3,083	$ 2,686
United States	-	424	538
Others	388	328	447
Total	**$ 3,433**	**$ 3,835**	**$ 3,671**

Below is a summary of the primary financial data of these employee benefits:

	December 31, 2024	2023	2022
Obligations in the consolidated statement of financial position:			
Pension benefits	$ 2,595	$ 2,951	$ 2,965
Post-employment medical benefits	838	884	706
Liability recognized in the consolidated statement of financial position	**$ 3,433**	**$ 3,835**	**$ 3,671**
Charge in the statement of income for:			
Pension benefits	$ (81)	$ (274)	$ (309)
Post-employment medical benefits	(91)	(69)	(48)
	$ (172)	**$ (343)**	**$ (357)**
Remeasurements for employee benefit obligations recognized in other comprehensive income for the year from continuing operations	$ 36	$ (464)	$ (341)
Remeasurements for accrued employee benefit obligations recognized in other comprehensive income	**$ (1,046)**	**$ (1,082)**	**$ (618)**

Post-employment pension and medical benefits

The Company operates defined benefit pension plans 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 equivalent). The Company operates post-employment medical benefit schemes in Mexico and the United States. The accounting method, assumptions and frequency of the valuations are similar to those used for defined benefits in pension schemes. Most of these plans are not funded.

The amounts recognized in the consolidated statements of financial position are determined as follows:

	December 31, 2024	2023	2022
Present value of obligations	$ 5,046	$ 6,917	$ 5,747
Fair value of plan assets	(3,339)	(4,828)	(4,021)
Present value of defined benefit obligations	**1,707**	**2,089**	**1,726**
Liability for defined contributions	1,726	1,746	1,945
Liability in the consolidated statement of financial position	**$ 3,433**	**$ 3,835**	**$ 3,671**

The movement in the defined benefit obligation during the year was as follows:

	2024	2023	2022
As of January I	$ 6,917	$ 5,747	$ 7,839
Current service cost	293	278	303
Interest cost	418	434	344
Contributions from plan participants	39	4	4
Actuarial remeasurements	130	392	(621)
Exchange differences	608	(441)	(281)
Benefits paid	(1,369)	(1,009)	(673)
Reorganization effects	-	-	(128)
Transfer to liabilities held for sale	-	1,106	-
Transfer to liabilities held for disposal	(2,234)	421	(891)
Others	108	-	-
Curtailments	136	(15)	(149)
As of December 31,	**$ 5,046**	**$ 6,917**	**$ 5,747**

The movement in the fair value of plan assets for the year was as follows:

	2024	2023	2022
As of January 1,	$ (4,828)	$ (4,021)	$ (5,322)
Remeasurements – expected return on plan assets, excluding interest in income	(598)	(307)	694
Exchange differences	(483)	289	256
Contributions from plan participants	(2)	2	-
Employee contributions	(30)	(2)	-
Benefits paid	759	393	351
Transfer (from) to assets held for sale	1,843	(1,182)	-
As of December 31,	**$ (3,339)**	**$ (4,828)**	**$ (4,021)**

The primary actuarial assumptions were as follows:

	December 31, 2024	2023	2022
Discount rate (Mexico)	10.50%	9.75%	9.25%
Discount rate (USA)	5.41%	4.83%	5.06%
Discount rate (Europe)	3.40%	3.40%	3.15%
Inflation rate	3.75%	3.50%	7.00%
Wage increase rate	6.00%	5.50%	5.00%
Future wage increase	3.75%	3.50%	3.50%
Medical inflation rate	7.00%	7.00%	7.00%

The sensitivity analysis of the discount rate was as follows:

	Effect on defined benefit obligations		
	Change in assumptions	Increase in assumptions	Decrease in assumptions
Discount rate	+1%	Decrease by $111	Increase by $124

Pension benefit assets

Plan assets are comprised of the following:

	As of December 31,		
	2024	2023	2022
Equity instruments	$ 2,364	$ 3,320	$ 2,872
Short and long-term fixed-income securities	975	1,508	1,149
	$ 3,339	**$ 4,828**	**$ 4,021**

23. STOCKHOLDERS' EQUITY

As of December 31, 2024, 2023 and 2022, the capital stock is variable, with a fixed minimum of $175, $152, and $170, respectively, represented by 5,558,536,508, 4,818,823,020, and 4,909,211,020, respectively, registered shares "Class I" of Series "A", without expression of nominal value, fully subscribed and paid. The variable capital with the right to withdrawal will be represented, where appropriate, with nominative shares without expression of nominal value, "Class II" of Series "A".

At the Extraordinary Meeting on November 4, 2024, Shareholders approved a capital increase of $7,952 (US$400). On March 9, 2023, the Ordinary General Shareholders' Meeting of Alfa SAB approved the cancellation of 90,388,000 shares of Alfa SAB and consequently the reduction of the fixed part of the share capital by $3. On July 12, 2022, the Ordinary General Shareholders' Meeting approved the partial spin-off of Alfa SAB transferring the entire shareholding of Alfa SAB in Axtel to a newly created company, which resulted in an equity reduction of $15, which had accounting effects in May 2023.

For the year ended December 31, 2022, Alfa SAB repurchased 86,875,000 shares equivalent to $1,209,, which were held in treasury. As of December 31, 2024, Alfa SAB did not hold shares in Treasury at the end of the year 2022, Alfa SAB hold 90,388,000 shares in treasury, and the market value of the shares was $12.41.

As of As of December 31, 2024, Alpek, a subsidiary of the Company, repurchased and relocated its shares for a total of $1, which were recognized by reducing retained earnings. As of December 31, 2023, Alpek, subsidiary of the Company, repurchased and repositioned its shares for a total of $10, which were recognized by reducing retained earnings and non-controlling interest by $8 and $2, respectively. As of December 31, 2022, Alpek, subsidiary of the Company, repurchased and repositioned its shares for a total of $66, which were recognized by reducing retained earnings and non-controlling interest by $54 and $12, respectively.

The consolidated net profit for the year is subject to the legal provision that requires that at least 5% of the profit for each year be used to increase the legal reserve until it is equal to one-fifth of the amount of paid-in capital stock. As of December 31, 2024, 2023 and 2022, the amount of the legal reserve amounts to $60, which is included in retained earnings.

On March 6, 2024, the Ordinary General Shareholders´ Meeting of Alfa SAB approved the payment of an ordinary cash dividend of $0.01 US dollars for each of the outstanding shares, which is equivalent to approximately $804 (US$48). On March 9, 2023, the Ordinary General Shareholders' Meeting of Alfa SAB approved the payment of an ordinary cash dividend of $0.02 US dollars for each of the outstanding shares, which is equivalent to approximately $1,746 (US$96).On March 7, 2022, the Ordinary General Shareholders' Meeting of Alfa SAB approved the payment of an ordinary cash dividend of $0.04 US dollars for each of the outstanding shares, which is equivalent to approximately $4,063 (US$196).

On March 6, 2024, at the Extraordinary and Ordinary Annual Shareholders´ Meetings, Alfa announced the appointment of Alvaro Fernandez Garza as the new president of the Board of Directors. Dividends paid will be free of ISR tax if they come from the Net Tax Profit Account ("CUFIN", for its acronym in Spanish). Dividends that exceed CUFIN will cause income tax at the rate applicable to the period in which they are paid. The tax incurred will be borne by the Company and may be credited against the ISR of the fiscal year or that of the two immediately following fiscal years. The dividends paid that come from profits previously taxed by ISR will not be subject to any withholding or additional payment of taxes. As of December 31, 2024, the tax value of the CUFIN and the tax value of the Contribution Capital Single Account ("CUCA", for its acronym in Spanish) amounted to $45,622 ($39,333 in 2023 and $40,909 in 2022) and $31,436 ($27,963 in 2023 and $30,904 in 2022), respectively.

In the event of a capital reduction, the procedures established by the LISR provide that any excess of stockholders' equity over the balances of the tax accounts of contributed capital be given the same tax treatment as that applicable to dividends.

24. DISCONTINUED OPERATIONS

Split of Alpek Segment

The resolution of the General Extraordinary Stockholders' Meeting of Alfa SAB to approve the spin-off of the entire ownership interest of Alfa SAB in Axtel SAB, requires qualifying for accounting purposes, as a discontinued operation in the consolidated financial statements, because it represented an operating segment of Alfa in accordance with IFRS 5, Non-current assets held for sale and discontinued operations. Therefore, Alpek's income and cash flows are presented as discontinued operations in the consolidated financial statements for the years ended December in 31, 2023 and 2022.

Condensed information related to the consolidated income statements of discontinued operations for the years ended December 31, 2024, 2023 and 2022:

	2024	2023	2022
Revenues	$ 137,300	$ 138,051	$ 212,266
Cost of sales	(124,360)	(127,845)	(181,380)
Gross profit	**12,940**	**10,206**	**30,886**
Selling and administrative expenses	(5,640)	(5,397)	(6,463)
Other income (expenses), net	(509)	(10,883)	448
Operating income (loss)	**6,791**	**(6,074)**	**24,871**
Financial expenses, net	(3,580)	(2,665)	(2,303)
Foreign exchange gain (loss), net	(2,339)	33	(693)
Income (loss) before taxes	**(5,919)**	**(2,632)**	**(2,996)**
Income (benefits) taxes	(45)	(201)	(67)
Loss from discontinued operations	**827**	**(8,907)**	**21,808**
Reclassification of comprehensive income due to spin-off	582	(727)	(5,509)
Income from discontinued operations, net of income taxes	**$ 1,409**	**$ (9,634)**	**$ 16,299**

Condensed information regarding the assets and liabilities classified as held for disposal presented in the consolidated statement of financial position as of December 31, 2024:

	2024
Assets	
Cash and cash equivalents	$ 6,216
Restricted cash	386
Trade and other accounts receivable, net	18,083
Inventories	28,244
Financial instruments	15
Other current assets	1,232
Property, plant and equipment,	47,243
Right of use, net	4,057
Goodwill and intangible assets, net	3,796
Deferred income taxes	4,140
Investments accounted for using the equity method and other non-current assets	3,407
Total assets classified as held for disposal	**$ 116,819**
Liabilities	
Debt and lease liability	$ 44,674
Suppliers and other accounts payable	31,096
Income taxes payable	433
Financial instruments	839
Provisions	1,852
Other current liabilities	187
Deferred income taxes	3,075
Employee benefits	854
Other non-current liabilities	201
Total liabilities classified as held for disposal	**$ 83,211**
Net assets held for disposal	**$ 33,608**

Split of Axtel Segment

The resolution of the General Extraordinary Stockholders' Meeting of Alfa SAB to approve the spin-off of the entire ownership interest of Alfa SAB in Axtel SAB, requires qualifying for accounting purposes, as a discontinued operation in the consolidated financial statements, because it represented an operating segment of Alfa in accordance with IFRS 5, Non-current assets held for sale and discontinued operations. Therefore, Axtel's income and cash flows are presented as discontinued operations in the consolidated financial statements for the year ended December in 31, 2024 and 2023.

Condensed information related to the consolidated income statements of discontinued operations for the years ended December 31, 2023 and 2022:

	2023	2022
Revenues	$ 4,409	$ 10,334
Cost of sales	(2,180)	(5,084)
Gross profit	**2,229**	**5,250**
Selling and administrative expenses	(2,172)	(5,214)
Other income (expenses), net	(85)	66
Operating income (loss)	**(28)**	**102**
Financial expenses, net	(190)	(772)
Foreign exchange gain (loss), net	568	512
Income (loss) before taxes	**350**	**(158)**
Income (benefits) taxes	(194)	40
Income (loss) from discontinued operations	**156**	**(118)**
Reclassification of comprehensive income due to spin-off [1]	20	-
Income (loss) from discontinued operations, net of income taxes	**$ 176**	**$ (118)**

[1] *Corresponds to the conversion effect of $5 generated by Axtel, which based on IAS 21, the accumulated amount of Exchange rate differences related to the foreign business, recognized in "Other Comprehensive Income" and accumulated in a separate component of equity, it must be reclassified to profit, as a reclassification adjustment, when the gain or loss on the disposal is recognized at the time of the loss of effective control. Additionally, it includes an accumulated profit for $15 within the conversion effect in "Other Comprehensive Income", and which was reclassified to the result of the period as a reclassification adjustment, based on the requirements of IFRS 9, at the time of the disposal of the business on which it had been designated as a hedge on its debt denominated in foreign currency.*

Condensed information regarding the assets and liabilities classified as held for disposal presented in the consolidated statement of financial position as of December 31, 2022:

	2022
Assets	
Cash and cash equivalents	$ 1,543
Trade and other accounts receivable, net	1,914
Inventories	170
Other current assets	758
Property, plant and equipment, net and right-of-use asset, net	9,982
Goodwill and intangible assets, net	5,298
Deferred income taxes	2,958
Other non-current assets	435
Total assets classified as held for disposal	**$ 23,058**

	2022
Liabilities	
Debt and lease liability	$ 11,881
Suppliers and other accounts payable	2,599
Other current liabilities	42
Deferred income taxes	807
Employee benefits	891
Other non-current liabilities	13
Total liabilities classified as held for disposal	**$ 16,233**
Net assets held for disposal	**$ 6,825**

The spin-off of the Axtel segment was concluded on May 29, 2023.

25. SHARE-BASED PAYMENTS

The Company has a compensation scheme for executives referenced to the value of the shares of alfa SAB and the value of the shares of some of the Company´s subsidiaries. Under the terms of the plan, eligible executives will earn a cash payment conditional on achieving both quantitative and qualitative metrics from the following indicators:

· Total revenue of Alfa SAB, Alpek and Axtel.

· Permanence of the executives in the Company.

The bonus will be paid in cash over five years after the grant date, i.e. 20% each year and will be paid with reference to the average price of the shares for the month of December at the end of each year. The average price of the shares in pesos to measure the executive incentive in 2024, 2023 and 2022 is $16.83, $15.68, and $15.92, respectively. These payments are measured at the fair value of the consideration, so, because they are based on the price of Alfa SAB shares, the measurement is considered to be within level 1 of the fair value hierarchy.

As of December 31, 2024, 2023 and 2022, the liability for share-based payments amounted to $257, $308, and $364, respectively.

The current and non-current liability is as follows:

	December 31,		
	2024	2023	2022
Current	$ 72	$ 96	$ 116
Non-current	185	212	248
Total carrying amount	**$ 257**	**$ 308**	**$ 364**

26. EXPENSES AND COSTS CLASSIFIED BY THEIR NATURE

The total cost of sales, selling and administrative expenses, classified by nature of the expense, were as follows:

	2024	2023	2022
Raw material and service costs	$ 88,408	$ 85,280	$ 89,315
Employee benefits	31,699	28,112	27,067
Maintenance	4,611	5,076	4,349
Depreciation and amortization	4,468	4,321	4,233
Freight charges	4,364	5,222	3,089
Technical assistance, professional fees and administrative services	3,777	3,707	2,771
Advertising expenses	3,036	3,333	2,781
Consumption of energy and fuel	2,159	2,841	3,275
Lease expenses	726	1,187	927
Travel expenses	693	676	540
Maquila (production outsourcing)	35	-	40
Other items	6,413	2,507	5,299
Total	**$ 150,389**	**$ 142,262**	**$ 143,686**

27. OTHER EXPENSES, NET

	2024	2023	2022
Gain on sale of property, plant and equipment	$ 127	$ 122	$ 118
Other income, net	**216**	**(107)**	**2**
	343	**15**	**120**
Loss on sale of property, plant and equipment	-	(73)	-
Impairment of long-lived assets [1]	(856)	(1,650)	(398)
	(856)	**(1,723)**	**(398)**
Total other expenses, net	**$ (513)**	**$ (1,708)**	**$ (278)**

[1] For 2024, includes $469 from Sigma, of which $351 is related to impairment caused by flood damage in Valencia, Spain, $292 from fixed asset impairment of Newpek, and $95 from other subsidiaries. For 2023, comprised mainly from $1,832 of net impairment of Sigma, due to the sale process of the subsidiary Fiorucci Holding S.r.L. and the reclassification of assets held for sale to the corresponding accounts as part of the transaction; additionally, and $183 for reversal of impairment of other subsidiaries. For 2022, comprised mainly from $394 of impairment of Sigma's fixed and intangible assets.

[2] For 2024, includes $430 of Sigma insurance reimbursements related to flood damage in Valencia, Spain; It is estimated to recover the full value of the investment. These favorable effects were reduced by other expenses of other subsidiaries for $214.

28. FINANCIAL INCOME AND EXPENSES

	2024	2023	2022
Financial income:			
Interest income on short-term bank deposits	$ 588	$ 379	$ 226
Other financial income	457	227	267
Valuation effect of derivative financial instruments	-	-	11
Total financial income	**$ 1,045**	**$ 606**	**$ 504**
Financial expenses:			
Interest expense on bank loans	$ (2,237)	$ (1,341)	$ (530)
Interest expense on debt securities	(2,901)	(2,448)	(3,130)
Interest expense on portfolio sale	(256)	(252)	(130)
Financial cost of employee benefits	(481)	(523)	(398)
Other financial expenses	(400)	(362)	(249)
Total financial expenses	**$ (6,275)**	**$ (4,926)**	**$ (4,437)**
Exchange fluctuation loss, net:			
Exchange fluctuation gain	$ 23,079	$ 11,118	$ 6,709
Exchange fluctuation loss	(27,573)	(14,372)	(7,324)
Exchange fluctuation loss, net	**$ (4,494)**	**$ (3,254)**	**$ (615)**
Financial result, net	**$ (9,724)**	**$ (7,574)**	**$ (4,548)**

29. EMPLOYEE BENEFIT EXPENSES

	2024	2023	2022
Salaries, wages and benefits	$ 27,142	$ 24,464	$ 23,686
Social security fees	2,918	2,469	2,195
Employee benefits	1,424	1,002	1,044
Other fees	215	177	142
Total	**$ 31,699**	**$ 28,112**	**$ 27,067**

Labor Reform Related to Vacations

On December 27, 2022, a decree was published by means of which articles 76 and 78 of the Federal Labor Law ("LFT" for its acronym in Spanish) for Mexico were reformed, which will be effective on January 1, 2023. The main changes resulting from this labor reform considers the increase in the minimum annual vacation period for workers with more than one year of service.

The Company evaluated the accounting impacts generated by this labor reform and determined that the increases in the vacation and vacation premium provision, as a result of the increase in vacation days, were not significant as of December 31, 2024, 2023 and 2022.

30. TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties during the years ended December 31, 2024, 2023 and 2022, which were carried out in terms similar to those of arm's-length transactions with independent third parties, were as follows:

	2024	2023	2022
Sale of goods and services:			
Affiliates	$ 311	$ 363	$ 308
Stockholders with significant influence over subsidiaries	-	-	-
Purchase of goods and services:			
Affiliates	$ 571	$ 547	$ 563
Stockholders with significant influence over subsidiaries	-	-	-

For the years ended December 31, 2024, 2023 and 2022, wages and benefits received by top officials of the Company were $510, $597, and $594, respectively, an amount comprising base salary and legal benefits, supplemented by a variable compensation program primarily based on the results of the Company and the market value of its shares.

As of December 31, 2024, 2023 and 2022, the balances with related parties were as follows:

	Nature of the transaction	2024	2023	2022
Receivables:				
Affiliates	Sale of goods	$ 1,165	$ 1,264	$ 1,278
Affiliates	Loans	202	264	316
Payable:				
Affiliates	Purchase of raw materials	$ 1,747	$ 1,900	$ 1,897
Affiliates	Loans	160	154	184

Balances payable to related parties as of December 31, 2024 and 2023 are payable in 2025 and 2024, respectively. As of December 31, 2024, 2023, and 2022, a loan is maintained with an affiliate that bear interest at a rate of 11.38%, 12.50%, and 11.50%, respectively.

The Company and its subsidiaries did not have significant transactions with related parties or significant conflicts of interest to be disclosed

31. FINANCIAL INFORMATION BY SEGMENTS

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.

An operating segment is defined as a component of an entity over which there is separate financial information that is evaluated regularly.

The Company manages and evaluates its operation through two primary operating segments, which are:

- Alpek: This segment operates in the petrochemicals and synthetic fibers industry, and its income is derived from the sale of its main products: polyester, plastics and chemicals.
- Sigma: This segment operates in the refrigerated food sector, and its revenue is, and its revenue is derived from the sale of its primary products: cold cuts, dairy products, and other processed foods.
- Other segments: includes all other companies operating in business services and others which are non-reportable segments and do not meet the quantitative limits in the years presented and, therefore, are presented in aggregate, besides the eliminations of consolidation.

Derived from the modification of the internal structure of the Company, due to the spin-off of Alfa's shareholding in Axtel and the presentation of Axtel's and Alpek´s financial information as a discontinued operation, described, described in Note 2, the condensed financial information of the operating segments included in the consolidated statements of income for the year ended December 31, 2023 and 2022 were reformulated to consider the operating segments that were presented to the CEO as of and for the year ended December 31, 2024. Additionally, during 2023 Management made a change in the way of evaluating decision-making, as well as the administration and evaluation of its operation, integrating Newpek within "Other segments".

These operating segments are managed and controlled independently because the products and the markets they serve are different. Their activities are performed through various subsidiaries.

The transactions between operating segments are performed at market value and the accounting policies with which the financial information by segments is prepared, are consistent with those described in Note 3.

The Company evaluates the performance of each of the operating segments based on income before financial result, income taxes, depreciation and amortization ("EBITDA"), considering that this indicator is a good metric to evaluate operating performance and the ability to meet principal and interest obligations with respect to indebtedness, and the ability to fund capital expenditures and working capital requirements. Nevertheless, EBITDA is not a measure of financial performance under IFRS and should not be considered as an alternative to net income as a measure of operating performance or cash flows as a measure of liquidity.

The Company has defined the Adjusted EBITDA by also adjusting EBITDA by the impacts of asset impairment. Below is the condensed financial information of the operating segments to be reported as of and for the years ended December 31, 2024, 2023 and 2022:

For the year ended December 31, 2024

	Alpek	Sigma	Other segments and eliminations	Total
Consolidated statement of income				
Revenue by segment	$ -	$ 160,943	$ 3,694	$ 164,637
Inter-segment revenue	-	(5)	(1,390)	(1,395)
Revenue from external customers	**-**	**$ 160,938**	**$ 2,304**	**$ 163,242**
Adjusted EBITDA	-	$ 19,017	$ (1,353)	$ 17,664
Depreciation and amortization	-	(4,303)	(165)	(4,468)
Impairment of long-lived assets	-	(470)	(386)	(856)
Operating (loss) income	**-**	**14,244**	**(1,904)**	**12,340**
Financial result, net	-	(4,788)	(4,936)	(9,724)
Equity in income of associates recognized using the equity method	-	4	(68)	(64)
Income (loss) before taxes	**$ -**	**$ 9,460**	**$ (6,908)**	**$ 2,552**
Income (loss) from discontinued operations	**$ (212)**	**$ -**	**$ 1,621**	**$ 1,409**

As of December 31, 2024

	Alpek	Sigma	Other segments and eliminations	Total
Consolidated statement of financial position				
Investment in associates	$ -	$ 72	$ 20	$ 92
Other assets	116,819	110,355	9,050	236,224
Total assets	**116,819**	**110,427**	**9,070**	**236,316**
Total liabilities	83,211	88,699	20,231	192,141
Net assets	**$ 33,608**	**$ 21,728**	**$ (11,161)**	**$ 44,175**
Capital investment (Capex)	**$ (1,973)**	**$ (4,648)**	**$ (73)**	**$ (6,694)**

For the year ended December 31, 2023

	Axtel	Alpek	Sigma	Other segments and eliminations	Total
Consolidated statement of income					
Revenue by segment	$ -	$ -	$ 150,838	$ 3,766	$ 154,604
Inter-segment revenue	-	-	(2)	(1,445)	(1,447)
Revenue from external customers	**-**	**-**	**$ 150,836**	**$ 2,321**	**$ 153,157**
Adjusted EBITDA	-	-	$ 15,805	$ (647)	$ 15,158
Depreciation and amortization	-	-	(4,145)	(176)	(4,321)
Impairment of long-lived assets	-	-	(1,833)	183	(1,650)
Operating (loss) income	**-**	**-**	**9,827**	**(640)**	**9,187**
Financial result, net	-	-	(6,787)	(787)	(7,574)
Equity in income of associates recognized using the equity method	-	-	3	62	65
(Loss) income before taxes	**$ -**	**$ -**	**$ 3,043**	**$ (1,365)**	**$ 1,678**
Income (loss) from discontinued operations	**$ 208**	**$ (10,033)**	**$ -**	**$ 367**	**$ (9,458)**

As of December 31, 2023

	Alpek	Sigma	Other segments and eliminations	Total
Consolidated statement of financial position				
Investment in associates	$ 261	$ 61	$ 107	$ 429
Other assets	102,423	96,923	9,257	208,603
Total assets	**102,684**	**96,984**	**9,364**	**209,032**
Total liabilities	69,461	80,830	26,977	177,268
Net assets	**$ 33,223**	**$ 16,154**	**$ (17,613)**	**$ 31,764**
Capital investment (Capex)	**$ (2,528)**	**$ (3,868)**	**$ 45**	**$ (6,351)**

For the year ended December 31, 2022

	Axtel	Alpek	Sigma	Other segments and eliminations	Total
Consolidated statement of income					
Revenue by segment	$ -	$ -	$ 149,311	$ 964	$ 150,275
Inter-segment revenue	-	-	-	1,323	1,323
Revenue from external customers	**-**	**-**	**$ 149,311**	**$ 2,287**	**$151,598**
Adjusted EBITDA	-	-	$ 13,106	$ (841)	$ 12,265
Depreciation and amortization	-	-	(4,072)	(161)	(4,233)
Impairment of long-lived assets	-	-	(394)	(4)	(398)
Operating income	**-**	**-**	**8,640**	**(1,006)**	**7,634**
Financial result, net	-	-	(3,388)	(1,160)	(4,548)
Equity in income of associates recognized using the equity method	-	-	(1)	92	91
Income before taxes	**$ -**	**$ -**	**$ 5,251**	**$ (2,074)**	**$ 3,177**
Income (loss) from discontinued operations	**$ (19)**	**$ 15,966**	**$ -**	**$ 234**	**$ 16,181**

As of December 31, 2022

	Axtel	Alpek	Sigma	Otros segmentos y eliminaciones	Total
Consolidated statement of financial position					
Investment in associates	$ -	$ 9,162	$ 81	$ 41	$ 9,284
Other assets	20,790	127,657	104,914	12,802	266,163
Total assets	**20,790**	**136,819**	**104,995**	**12,843**	**275,447**
Total liabilities	16,233	84,625	81,341	35,460	217,659
Net assets	**$ 4,557**	**$ 52,194**	**$ 23,654**	**$ (22,617)**	**$ 57,788**
Capital investment (Capex)	**$ -**	**$ (2,987)**	**$ (4,996)**	**$ (1,741)**	**$ (9,724)**

Below are the sales to external customers, as well as property, plant and equipment, goodwill and intangible assets by geographic area. Sales to external customers were classified based on their origin:

	For the year ended December 31, 2024			
	Sales to external customers	Property, plant and equipment	Goodwill	Intangible assets
Mexico	$ 82,062	$ 19,116	$ 2,959	$ 4,021
United States	29,825	3,413	146	988
Central and South America	7,714	1,620	23	880
Europe and other countries	43,641	12,425	10,452	7,648
Total	**$ 163,242**	**$ 36,574**	**$ 13,580**	**$ 13,537**

	For the year ended December 31, 2023			
	Sales to external customers	Property, plant and equipment	Goodwill	Intangible assets
Mexico	$ 82,062	$ 19,116	$ 2,959	$ 4,021
United States	29,825	3,413	146	988
Canada	7,714	1,620	23	880
Central and South America	43,641	12,425	10,452	7,648
Europe and other countries	$ 163,242	$ 36,574	$ 13,580	$ 13,537
Total	**$ 163,242**	**$ 36,574**	**$ 13,580**	**$ 13,537**

	For the year ended December 31, 2022			
	Sales to external customers	Property, plant and equipment	Goodwill	Intangible assets
Mexico	$ 70,913	$ 36,859	$ 2,802	$ 5,291
United States	26,476	12,189	94	1,218
Canada	-	669	-	4
Central and South America	8,855	8,153	48	334
Europe and other countries	45,354	24,707	10,347	10,157
Total	**$ 151,598**	**$ 82,577**	**$ 13,291**	**$ 17,004**

32. COMMITMENTS AND CONTINGENCIES

In the normal course of its business, the Company is involved in disputes and litigations. While the results of the disputes cannot be predicted, as of December 31, 2024, the Company does not believe that there are current or threatened actions, claims or legal proceedings against or affecting the Company, which, if determined adversely to it, would damage significantly its individual or overall results of operations or financial position.

As of December 31, 2024, the Company and its subsidiaries had the following commitments:

a. Entities of Alpek, subsidiary of the Company, have entered into various contracts with suppliers and customers for the purchase of raw material used for the production and sale of finished products, respectively. These agreements, with a term of between one and five years, generally contain price adjustment clauses.

b. An entity of Alpek, a subsidiary of the Company, has entered into contracts to cover the supply of propylene, these contracts establish the obligation to buy the product at a price referenced to market values for a given period.

As of December 31, 2024, the Company has the following contingencies:

i. Alpek, a subsidiary of the Company, is in a tax litigation process in one of its subsidiaries in Brazil, in relation to the demand for payment of the Tax on the Circulation of Merchandise and Services ("ICMS") that the Ministry of Finance of the State of Sao Paulo ("SFSP", for its acronym in Portuguese) has filed an action against Alpek, due to differences in the criteria for calculating and accrediting said tax. Considering all the circumstances and case law available as of such date, management and its advisors have determined that it is likely that the Superior Court of Justice of Brazil will issue a ruling in favor of Alpek for the amount related to differences in the calculation, which would exempt her from paying $482 in taxes, penalties and interest that the SFSP requires; therefore, as of December 31, 2024, Alpek has not recognized any provision related to this concept.

On the other hand, for ICMS accreditation, the amount demanded amounts to $89, and management and its directors consider that an unfavorable resolution for Alpek is not likely to proceed, for which no provision has been recognized as of December 31 of 2024.

ii. Newpek, a subsidiary of the Company, was the winner in areas 2 and 3 auctioned on July 12, 2017, corresponding to the third tender of Round 2 carried out by the National Hydrocarbons Commission ("CNH"). In order to comply with the provisions of the contract for the exploration and extraction of hydrocarbons in conventional land deposits under the license modality, the Company has granted the CNH the indirect investment in Newpek, SA de CV as a corporate guarantee. The latter must maintain a stockholders' equity equal to or greater than US$250 or the shareholding that is maintained must be equivalent to said amount, which covers the part that corresponds to Newpek. The contract establishes that said guarantee will be exercised in the last instance, in a subsidiary manner and exclusively to demand the fulfillment of the obligations established in the bidding of the contract, referring to those obligations that have not been paid and/or fulfilled in their entirety. According to the third-party maximum loss study, the maximum real exposure of this guarantee would amount to $656.7 (US$32.4) in the worst scenario.

c. Alpek, a subsidiary of the Company, through Octal, currently has investigations and open cases in relation to:

i. Anti-Dumping of PET Resin:

In March 2015, in response to requests from PET resin manufacturers in the United States of America ("US"), the International Trade Commission ("ITC") and the United States Department of Commerce ("USDOC") initiated an Anti-Dumping investigation on imports of PET resin from China, India, Oman and Canada, resulting in the imposition of an antidumping countervailing fee (percentage on export sales of resin of PET to the US). The fee has been reviewed annually during the month of May at the request of either Octal or the US manufacturers, the rate has fluctuated based on annual reviews and is currently 0.00%.

ii. Anti-Dumping of PET Sheet:

In July 2019, in response to requests made by PET sheet manufacturers in the US, the ITC and the USDOC initiated an Anti-Dumping investigation on PET sheet imports from Oman, Korea and Mexico, resulting in the imposition of an antidumping countervailing fee (percentage on export sales of PET sheet from Oman to the US) that is currently 4.74%. In October 2022, the DOC, in the first administrative review, preliminarily determined a new margin equivalent to 4.16%, which was in the process of being confirmed in a final determination; however, effective on February 1, 2023, the USDOC concluded a change of circumstances procedure and thereby revoked the Anti-Dumping order applicable to PET sheet originating in Oman. Since the antidumping order was revoked, the Department of Commerce also rescinded the 2020-2021 and 2021-2022 antidumping administrative reviews.

33. SIGNIFICANT SUBSEQUENT EVENTS

In the preparation of the consolidated financial statements, the Company has evaluated the events and transactions for their recognition or disclosure subsequent to December 31, 2024 and until January 31, 2025 (date of issuance of the consolidated financial statements), and except as mentioned below, no significant subsequent events have been identified:

In January 2025, Sigma entered into derivative financial instruments to hedge foreign exchange risk through forward contracts, for a total amount of $3,763 (US$185).

34. AUTHORIZATION TO ISSUE THE CONSOLIDATED FINANCIAL STATEMENTS

On January 31, 2025 the issuance of the accompanying consolidated financial statements was authorized by Alvaro Fernández Garza, Chief Executive Office, Eduardo A. Escalante Castillo, Chief Financial Officer and Juvenal Villarreal Zambrano, Director of Corporate Comptrollership. These consolidated financial statements will be subject to the approval of the Company's Ordinary Stockholders' Meeting.

Investor Relations

GRI 102-1, 102-3, 102-53

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August 1978

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Latibex
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Date Listed:
December 2003

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Sigma