

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries
Independent Auditors' Report and Consolidated Financial Statements
December 31, 2025 and 2024

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Contents

December 31, 2025 and 2024

Contents	Page
Report of Independent Auditors Translated from Spanish.....	1 to 5
Financial statements:	
Consolidated statements of financial position	6
Consolidated statements of income	7
Consolidated statements of comprehensive income	8
Consolidated statements of changes in equity	9
Consolidated statements of cash flows.....	10
Notes to the audited consolidated financial statements.....	11 to 98



Report of Independent Auditors Translated from Spanish

To the Stockholders and the Board of Directors
Grupo Rotoplas, S. A. B. de C. V.

Opinion

We have audited the consolidated financial statements of Grupo Rotoplas, S. A. B. de C. V. and its subsidiaries (the Company), which comprise the consolidated statement of financial position as of December 31, 2025, and the consolidated statements of income, of other comprehensive income, of changes in equity and cash flows for the year then ended and notes to the consolidated financial statements, comprising information of material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2025, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards (International Financial Reporting Standards) as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the "Professional Code of Ethics of the Mexican Institute of Public Accountants, A. C." ("MIPA Code") that are relevant for a financial statement audit of Public Interest Entities (PIE) in Mexico and with the International "Code of Ethics for Professional Accountants (including the International Standards of Independence)" as issued by the International Ethics Standards Board for Accountants ("IESBA Code"), that are relevant to the a financial statement audit for a PIE. We have fulfilled our other ethical responsibilities in accordance with the IMCP Code and the IESBA 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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Key audit matter	How our audit addressed the matter
<p>Valuation of land and buildings of Rotoplas Argentina, S. A.</p> <p>As described in Note 13.1 to the consolidated financial statements, the Company recognizes its land and buildings at their fair value, based on valuations prepared by independent experts.</p> <p>We have focused on this item in our audit mainly because of the significance of the land and buildings book value in Rotoplas Argentina, S.A. subsidiary as of December 31, 2025 (\$102 and \$69 million, respectively); and because of the possible impacts in the value of these assets by the inflationary effects in that country, and the devaluation of the currency between the Argentinian peso and the Mexican peso; and because the fair value determination requires Company's Management judgement.</p> <p>In particular, we focused our audit efforts on the methodology used by the expert and the market prices of comparable goods.</p>	<p>As part of our audit, we performed the following procedures in the land and buildings of Rotoplas Argentina, S.A.:</p> <ul style="list-style-type: none"> • With the support of our valuation experts, we compared the methodology used by Company's Management to determine the fair value of the land and buildings with the commonly used and accepted for this type of assets in the market. • We compare market prices of comparable land and buildings with recognized observable data sources in the industry. • We compared the disclosures made by the Company's Management in the notes of the consolidated financial statements are consistent with the information obtained.
<p>Intangible assets valuation including goodwill</p> <p>As mentioned in Note 15 to the consolidated financial statements, the Company evaluates on an annual basis the recoverable value of its Cash Generating Units ("CGU") to determine whether there is an indicator of impairment in its intangible assets or goodwill.</p> <p>We focused on this area in our audit due to the importance of the balance of intangible assets and goodwill (\$3,593 million of Mexican pesos as of December 31, 2025); and because the determination of the recoverable value of the CGUs involves significant judgments made by Management when estimating the projected cash flows of the businesses.</p> <p>In particular, we concentrated our audit efforts on the model and the relevant assumptions considered when determining the recoverable value, such as:</p>	<p>As part of our audit, we performed the following procedures:</p> <ul style="list-style-type: none"> • We assessed the projected future cash flows, considering whether they are consistent with those approved by the Board of Directors. • We compared the current year results to the budgeted figures in prior year for the current year, to consider if any of the assumptions included in such projections could be considered optimistic. <p>With the support of our valuation experts:</p> <ul style="list-style-type: none"> • We compared the model used by the Company, with those generally accepted used models in the industry for similar assets.



revenue increase rates, and the weighted-average cost of capital (WACC).	<ul style="list-style-type: none">• We compared the future revenue growth rates to the historical financial trends of the Company and projected market data.• We compared the discount rate (WACC) with the cost of capital of the entity and comparable entities, as well as with other market conditions and the country industry specifics.• We evaluated the sensitivity analysis prepared by the Company for each CGU, considering the grade in which the principal inputs could be modified to be in the presence of a potential impairment; and we discussed with Management the probabilities of such modifications.• Finally, we evaluated the consistency of the disclosed information in the notes with the abovementioned information provided by the Company.
--	---

Other Information

Management is responsible for the other information, which comprises the Annual Report that is presented to Comisión Nacional Bancaria y de Valores (CNBV), but does not include the consolidated financial statements and our independent auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated for other circumstances and issue the report on the Annual Report required by the CNBV. If, based on the work we have performed, we conclude that there is a material misstatement on this other information, we are required to report that fact. We have nothing to report in this regard.

Other matter

This version of our report is a translation from the original report, which was prepared in Spanish. In all matters of interpretation of information, views or opinions, the original Spanish language version of our report takes precedence over this translation.



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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures included in the notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers, S.C.

C.P.C. Guillermo Azcona González
Audit Partner

Mexico City, April 22, 2026

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Consolidated Statements of Financial Position

December 31, 2025 and 2024

Thousands of Mexican pesos

	Notes	December 31,	
		2025	2024
Assets			
CURRENT ASSETS			
Cash and cash equivalents	7	\$ 861,364	\$ 732,009
Restricted cash	28	-	21,572
Accounts receivable, net, and other accounts receivable	8	1,341,135	1,888,405
Related parties	9	2,231	6,598
Income tax receivable		95,876	175,694
Other recoverable taxes	10	181,383	232,161
Inventories	11	1,295,400	1,809,718
Prepaid expenses		190,293	195,358
Derivative financial instruments	16	-	26,747
Total current assets		3,967,682	5,088,262
NON-CURRENT ASSETS			
Related parties	9	154,187	151,111
Longterm -accounts receivable	8, 27	212,588	214,117
Financial asset at fair value through profit or loss	12	246,431	239,282
Property, plant, and equipment - Net	13	3,670,995	4,087,539
Investment properties		59,097	-
Investment in associates	14	17,536	23,976
Intangibles	15	3,593,438	4,147,268
Right-of-use of a leased assets - Net	20	566,040	523,282
Deferred income tax asset	23	586,564	462,081
Guarantee deposits		4,116	15,261
Total non-current assets		9,110,992	9,863,917
Total assets		\$ 13,078,674	\$ 14,952,179
Liabilities and equity			
SHORT-TERM LIABILITIES			
Short-term portion of the long-term debt	17	\$ 478,457	\$ 684,240
Suppliers	19	900,239	1,198,296
Other accounts payable	18	566,041	720,722
Provisions		39,927	13,008
Income tax payable		38,617	58,909
Other taxes payable		108,545	140,619
Derivative financial instruments	16	4,216	-
Right-of-use of an asset	20	113,973	106,365
Employees' statutory profit sharing payable		49,023	65,025
Total short-term liabilities		2,299,038	2,987,184
LONG-TERM LIABILITIES			
Longterm -debt	17	4,061,464	3,999,246
Employees benefits	21	130,685	91,809
Other accounts payable	18	155,065	111,132
Share appreciation rights	21	8,386	84,314
Deferred income tax liability	23	280,268	401,235
Long-term of right-of-use of an asset	20	485,498	567,309
Total long-term liabilities		5,121,366	5,255,045
Total liabilities		7,420,404	8,242,229
EQUITY			
Capital stock	22	1,520,156	1,718,427
Stock premium at subscription		33,759	33,759
Retained earnings		4,467,923	4,452,245
Legal reserve		129,115	129,115
Currency translation effect in subsidiaries		(1,297,831)	(856,625)
Cash flow hedging reserve		(2,951)	18,670
Revaluation surplus		787,078	1,179,407
Capital participation attributable to:			
Controlling interest		5,637,249	6,674,998
Non-controlling interest		21,021	34,952
Total equity		5,658,270	6,709,950
Total liabilities and equity		\$ 13,078,674	\$ 14,952,179

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

Carlos Rojas Aboumrad
General Manager

Andrés Pliego Rivero Borrell
Finance and Administrative Vice-president

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Consolidated Statements of Income

Year ended on December 31, 2025 and 2024

Thousands Mexican pesos

	Notes	Year ended on December 31,	
		2025	2024
Net Sales	6	\$ 10,692,816	\$ 11,200,727
Cost of sales	24	<u>6,237,595</u>	<u>6,379,492</u>
Gross profit		4,455,221	4,821,235
Operating expenses	25	<u>3,800,928</u>	<u>4,152,656</u>
Operating profit		<u>654,293</u>	<u>668,579</u>
Finance income	26	88,324	86,654
Finance costs	26	<u>(741,991)</u>	<u>(633,375)</u>
Net Finance costs		<u>(653,667)</u>	<u>(546,721)</u>
Share of net profit in associates	14	<u>(1,632)</u>	<u>(1,643)</u>
Profit (loss) before income taxes		(1,006)	120,215
Income taxes	23	<u>(11,916)</u>	<u>66,713</u>
Net consolidated profit		<u>\$ 10,910</u>	<u>\$ 53,502</u>
Net profit attributable to:			
Controlling interest		\$ 12,838	\$ 51,611
Non-controlling interest		<u>(1,928)</u>	<u>1,891</u>
		<u>\$ 10,910</u>	<u>\$ 53,502</u>
Basic and diluted net profit per share*	2.23 y 22	<u>\$ 0.03</u>	<u>\$ 0.11</u>

* The basic and diluted net profit per share is expressed in Mexican pesos.

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

Carlos Rojas Aboumrad
General Manager

Andrés Pliego Rivero Borrell
Finance and Administrative Vice-president

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Consolidated Statements of Comprehensive Income

Year ended on December 31, 2025 and 2024

Thousands of Mexican pesos

	Notes	Year ended on December 31,	
		2025	2024
Consolidated net profit		\$ 10,910	\$ 53,502
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Revaluation surplus from land and buildings			
- net of taxes		11,672	143,088
Items that may be reclassified to profit or loss			
subsequently:			
Cash flow hedges reserve - net of			
taxes		(21,621)	36,936
Remeasurements of liabilities for defined benefits			
- net of taxes		(17,065)	
Foreign currency translation effect*	2.4	<u>(813,286)</u>	<u>762,778</u>
Consolidated comprehensive profit (loss) for the year		<u>\$ (829,390)</u>	<u>\$ 996,304</u>
Consolidated comprehensive profit (loss) for the year attributable to:			
Controlling interest		\$ (839,478)	\$ 986,477
Non-controlling interest		<u>10,088</u>	<u>9,827</u>
		<u>\$ (829,390)</u>	<u>\$ 996,304</u>

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

Carlos Rojas Aboumrad
General Manager

Andrés Pliego Rivero Borrell
Finance and Administrative Vice-president

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Consolidated Statements of Changes in Equity

December 31, 2025 and 2024

Thousands of Mexican pesos

Note	Ordinary stock	Stock premium at subscription	Retained earnings	Legal reserve	Currency translation effect in subsidiaries	Cash flow hedging reserve	Revaluation surplus	Total equity of controlling interest	Non-controlling interest	Total equity
Balances as of January 1st, 2024	\$ 1,975,831	\$ 33,759	\$ 4,400,634	\$ 129,115	\$ (1,611,467)	\$ (18,266)	\$ 1,036,319	\$ 5,945,925	\$ 104,930	\$ 6,050,855
Comprehensive income for the period:										
Other comprehensive income					754,842	36,936	143,088	934,866	7,936	942,802
Net profit for the year	2. 14.5		51,611					51,611	1,891	53,502
Total comprehensive income			51,611		754,842	36,936	143,088	986,477	9,827	996,304
Transactions with stockholders recognized directly in equity:										
Transaction with non-controlling interest									(103,824)	(103,824)
Non-controlling interest in business acquisition of subsidiaries	1								24,019	24,019
Treasury stock acquired	22	(360,903)						(360,903)		(360,903)
Treasury stocks sold	22	345,646						345,646		345,646
Equity reimbursement	22	(242,147)						(242,147)		(242,147)
Total transactions with stockholders recognized directly in equity:		(257,404)						(257,404)	(79,805)	(337,209)
Balances as of December 31, 2024	1,718,427	33,759	4,452,245	129,115	(856,625)	18,670	1,179,407	6,674,998	34,952	6,709,950
Comprehensive income for the period:										
Other comprehensive income			(17,065)		(825,302)	(21,621)	11,672	(852,316)	12,016	(840,300)
Net profit for the year	2. 14.5		12,838					12,838	(1,928)	10,910
Total comprehensive loss			(4,227)		(825,302)	(21,621)	11,672	(839,478)	10,088	(829,390)
Transactions with stockholders recognized directly in equity:										
Transaction with non-controlling interest									(24,019)	(24,019)
Others transaction with non-controlling interest										
Treasury stock acquired	22	(41,176)						(41,176)		(41,176)
Treasury stocks sold	22	24,013						24,013		24,013
Equity reimbursement	22	(181,108)						(181,108)		(181,108)
Transfers to retained earnings			19,905		384,096		(404,001)			
Total transactions with stockholders recognized directly in equity:		(198,271)	19,905		384,096		(404,001)	(198,271)	(24,019)	(222,290)
Balances as of December 31, 2025	\$ 1,520,156	\$ 33,759	\$ 4,467,923	\$ 129,115	\$ (1,297,831)	\$ (2,951)	\$ 787,078	\$ 5,637,249	\$ 21,021	\$ 5,658,270

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

Carlos Rojas Aboumrad
General Manager

Andrés Pliego Rivero Borrell
Finance and Administrative Vice-president

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Consolidated Statements of Cash Flows

December 31, 2025 and 2024

Thousands of Mexican pesos

	Notes	Year ended on December 31,	
		2025	2024
Operating activities			
Profit (loss) before income taxes		\$ (1,006)	\$ 120,215
Adjustments for items not involving cash flows:			
Depreciation and amortization included in expenses and costs	13, 15 y 20	658,187	625,719
Loss on sale of property, plant, and equipment		86,860	32,853
Share of net profit in associates	14	1,632	1,642
Loss on monetary position	26	(40,831)	(198,619)
Financial asset at fair value through profit or loss	12	(19,242)	(13,183)
Allowance for doubtful accounts	8	146,471	30,308
Interest income	26	(28,520)	(80,004)
Interest expense	17 y 26	569,245	588,627
Employees' benefits net period cost	21	19,216	2,104
Share appreciation rights	21	(42,120)	20,063
Changes in assets and liabilities:			
Accounts receivable		256,377	(290,283)
Recoverable income tax		(4,188)	93,938
Other recoverable taxes		35,854	(63,996)
Inventories		318,711	(295,857)
Prepaid expenses		(9,892)	(83,087)
Guarantee deposits		10,853	2,816
Suppliers		(234,988)	348,568
Other accounts payable		(4,043)	108,108
Employees' benefits		(12,442)	(4,633)
Other taxes payable		(27,798)	86,636
Employees' statutory profit sharing		(15,576)	1,388
Cash flows from operating activities		1,662,760	1,033,323
Income taxes paid		(156,587)	(227,008)
Net cash flows from operating activities		1,506,173	806,315
Investing activities			
Acquisitions of property, plant, and equipment	13	(466,350)	(580,133)
Proceeds from sale of property, plant, and equipment		61,965	-
Acquired financial assets at fair value through profit or loss	12	12,088	(21,492)
Acquisition of intangible assets	15	(21,423)	(72,458)
Subsidiary acquisition, net of cash acquired		-	(91,336)
Related parties	9	4,661	(11,702)
Interests received		28,520	80,004
Net cash flows from investing activities		(380,539)	(697,117)
Financing activities			
Equity reimbursement	22	(181,108)	(242,147)
Acquisition of treasury stock	22	(41,176)	(360,903)
Sell of treasury stock	22	24,013	345,646
Proceeds from loans	17.3	2,041,863	2,072,203
Payment of loans obtained	17.3	(2,261,388)	(1,334,400)
Lease payments		(58,632)	(19,388)
Interests paid		(567,586)	(586,398)
Net cash flows from financing activities		(1,044,014)	(125,387)
Decrease in cash and cash equivalents		81,620	(16,189)
Cash and cash equivalents at the beginning of the year		732,009	565,692
Effects of exchange rate changes on cash and cash equivalents		47,735	182,506
Cash and cash equivalents at the end of the year	7	\$ 861,364	\$ 732,009
Non-cash financing activities	7		

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

Carlos Rojas Aboumrad
General Manager

Andrés Pliego Rivero Borrell
Finance and Administrative Vice-president

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

Thousands of Mexican pesos (\$) and thousands of American Dollars (USD), unless other currency is specified

Note 1 - Company's information:

Grupo Rotoplas, S. A. B. de C. V. ("Grupo Rotoplas") and subsidiaries (the "Company" or the "Group") started its operations in Mexico City in 1978 with an undefined duration; a group of stockholders ultimately controls the Company. The Company's main activity is the manufacturing, purchasing, selling and installation of plastic containers and accessories, that provide water storage, conduction, water improvement, treatment and recycling solutions, and in providing individual and comprehensive water solutions to its clients. The Company has defined January 1 to December 31 each year as its normal operating period.

The Group operates nine manufacturing sites in Mexico City, Guadalajara, Lerma, Ixtapaluca, Monterrey, León, Mérida, Veracruz, Tuxtla Gutiérrez, and Los Mochis. Furthermore, the Group also operates manufacturing sites in Guatemala, Peru, Argentina, and Nicaragua, and distribution centers in El Salvador, Honduras, and Costa Rica, water treatment facilities in Mexico and Brazil, and retail stores in the United States of America "USA", where only products of third parties are commercialized, which enables it to have an extensive market in North America, Central America, and South America.

The Company's address and main place of business is:

Pedregal 24, piso 19 Col. Molino del Rey, Miguel Hidalgo, 11040 Mexico City

Relevant transactions

- i. On December 10, 2025, at the General Extraordinary Stockholders' Meeting an equity reimbursement payment to the stockholders of the entity was authorized, through a decrease of the common stock of \$60,303.
- ii. On August 12, 2025, at the General Extraordinary Stockholders' Meeting an equity reimbursement payment to the stockholders of the entity was authorized, through a decrease of the common stock of \$120,805.
- iii. In July 2025, the fulfillment to the agreements reached at the General Extraordinary Stockholders' Meeting of February 4, 2025 was recognized by RRG Rotoplas Soluciones Agrícolas, S. A. P. I. de C. V., in which an increase to the stockholders' equity was authorized for an amount of \$85,354, as payment of the loans made by Grupo Rotoplas.
- iv. On April 26, 2024, at the General Ordinary and Extraordinary Stockholders' Meeting an equity reimbursement payment to the stockholders of the entity was authorized, through a decrease of the common stock of \$242,147.
- v. On March 7, 2024, Grupo Rotoplas acquired the remaining 20% of the shares of the Company Soluciones y Tratamiento Ecológico, S. A. P. I. de C. V. (Sytesa). From this acquisition, Grupo Rotoplas holds 100% participation in this entity.
- vi. On January 15, 2024, RRG Rotoplas Soluciones Agrícolas, S. A. P. I. de C. V. increased its common stock in its variable part by \$106,808 and therefore, Grupo Rotoplas, S. A. B. de C. V. increased its participation on the same amount, holding 88.09% of interest in this entity.

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

vii. Business acquisition:

On April 15, 2024, the Company acquired 51% interest in Irrigación de Vanguardia, S. A. de C. V., through its subsidiary RRG Rotoplas Soluciones Agrícolas, S. A. P. I. de C. V. located in Culiacán: Irrigación de Vanguardia, S. A. de C. V., with this transaction the Company expects to expand the presence of the Group in the west region of the country, offering services. Because of this, management performed the assessment and qualified the transaction as a business acquisition in accordance with IFRS 3 “Business combinations”, as such, the Group applied the acquisition method to measure the acquired assets and the assumed liabilities in the transaction, an initial “Fair Value” assessment was carried out to the acquired assets and assumed liabilities of the acquired companies for reporting purposes of the consolidated financial statements of the Group.

The Company recognized the net assets acquired and the assumed liabilities at their book value. However, the Company determined that the fair value of the net assets acquired and adjusted the book values between the period established in the standards, (no later than 12 months after the acquisition date).

The fair value allocation during the measurement period of the assets and liabilities related to the acquisition, are included in the consolidated statement of financial position. Below, a reconciliation of the transaction is disclosed considering the adjustments recognized during the measurement period:

	Opening Balance	Measurement period	Measurement	Value
Cash	\$ 7,018	\$ -		\$ 7,018
Account receivable	18,426	(5)		18,421
Inventories	24,152			24,152
Prepaid expenses	2,888			2,888
Recoverable Value Added Tax	14,478			14,478
Recoverable Income tax	370	(370)		-
Other recoverable taxes	6			6
	<u>67,338</u>	<u>(375)</u>		<u>66,963</u>
Guarantee deposits	383			383
Property, furniture, and equipment and right-of-use asset	2,470	2,150	(A)	4,620
Trademarks	-	15,100	(B)	15,100
Client relationship	-	13,100	(C)	13,100
Non-compete agreement	-	8,700	(D)	8,700
	<u>70,191</u>	<u>38,675</u>		<u>108,866</u>
Short-term liabilities	16,410	71		16,481
Labor obligations	2,530			2,530
Lease liability	2,232	465	(A)	2,697
Deferred income tax liability	-	10,577	(E)	10,577
Financial liability for the 49% non-controlling interest		43,932		43,932
	<u>21,172</u>	<u>55,045</u>		<u>76,217</u>
Total fair value of the identifiable and acquired assets - net	49,019	(16,370)		32,649
Less: non-controlling interest	(24,019)	24,019		-
Plus: Goodwill	73,354	(14,649)		58,705
Paid consideration	<u>\$ 98,354</u>	<u>\$ (7,000)</u>		<u>\$ 91,354</u>

- (A) Adjustment to the fair value of Property, furniture and equipment for \$1,393, plus remeasurements of right-of-use assets and right-of-use liabilities.
- (B) Increase to the fair value of the acquired trademark “Irrivan”.
- (C) Increase to the fair value of the client-relation portfolio with a 10-year useful life.
- (D) Increase to the fair value of non-compete agreements with a 10-year useful life.
- (E) The deferred tax is initially recognized for the temporary differences rose by the adjustments o the fair value of property, furniture and equipment and intangible assets for \$10,577.

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

Goodwill will not become deductible for tax purposes. The business acquisition is included in the service segment. (Refer to Note 6).

The consolidated statement of cash flows for the year ended on December 31, 2024, discloses the paid consideration for the acquisition of Irrigación de Vanguardía, S. A. de C. V., in a single line item under investment activities, net of cash acquired.

The income and net profit for the period of eight months and a half ended on December 31, 2024, that Irrigación de Vanguardía, S. A. de C. V. apported were not of significance.

The cost related to the acquisition of the business were \$4,381 and were recognized in the statement of income under the operating expenses caption.

As part of this transaction the Company, as of the date of acquisition, signed a contract to acquire on April 15, 2028, the remaining 49% participation on Irrigación de Vanguardía, S. A. de C. V., recognized at the acquisition date as non-controlling interest in the Company, and that will be calculated in accordance with the formula established in the contract.

viii. Risks and opportunities due the Climate Change

Our risk management processes take into account environmental, social, and governance (ESG) factors that could have a financial, ownership, or reputational impact. The identification and assessment of climate risks are based on scenario analyses conducted at key facilities in Mexico, the United States, Central America, Peru, and Argentina, as well as updates to the double materiality study and the corporate risk map. At first glance, the risks to which the Company is exposed as a result of climate change include transition risks (such as regulatory changes and reputational risks) and both chronic and acute physical risks.

As part of the physical risks, there is a possibility that extreme climatic conditions become present, with more severe rains, higher presence of hurricanes, long-term dry seasons, long-term of hot temperatures during winter season or cold weather during the summer season that could have an impact to the consumers' economy, decrease of the demand of a part of our inventory goods, generate factory breakdowns or delays in the production and delivery of supplies and goods in our supply chain.

The Company is working in the environmental processes, through the reduction of greenhouse gas emission (GHG) that contributes to climate change. For 2030 there are goals to reduce the de emissions in scopes 1, 2 and 3, validated by the Science Based Targets initiative (SBTi) through a) Investment in recycled resins (from third-parties), b) Decrease in energy consumption and supplying of renewable energy, c) boost the sales of pluvial recollection and purifying services.

For internal use at the manufacturing plants, the Company utilizes energy from renewable sources through self-generation with solar panels; it also operates machinery that reduces gas and raw material consumption. Current projects include: continuous monitoring and assessment of environmental indicators using digital tools, measurement of environmental footprint according to ISO 14025, 14040, and 14044 standards, evaluation and development of critical suppliers' capabilities regarding climate transition, integration of climate change-related metrics into the performance dashboards of operational areas and leadership teams, and periodic evaluations at plants to identify opportunities for improvement in the use of resources such as fuel, gas, and water. The Company has Residual Water Treatment Plants (RWTP) for water recycling purposes.

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

The Company has insurance policies for earthquakes, flooding, or other similar events, and has established plans to operate in emergency situations, such as those beforementioned.

As of December 31, 2025, the Company considers these risks and environmental management plans that could affect the accounting estimates and judgements in the preparations of the consolidated financial statements, including, among others, potential impairment when developing cash flows forecasts for impairment purposes and the assessment of the useful life of the long-term assets. The inputs could change in the future in response to the extreme climate conditions, future enacted regulations, new assumed commitments, and the changing consumers' demand. These effects from climate change could have an impact in the cash flows, the performance and the financial situation of the Company.

Note 2 - Summary of material accounting policies:

The most material accounting policies applied in the preparation of these consolidated financial statements are set out below, which have been applied consistently to the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements as of December 31, 2025 and 2024 have been prepared in accordance with International Financial Reporting Standards (IFRS Accounting Standards) as issued by the International Accounting Standards Board (IASB), and the Interpretations developed by the IFRS Interpretations Committee (IFRIC Interpretations) applicable to entities reporting under the IFRS Accounting Standards. The financial statements comply with the IFRS Accounting Standards as issued by the IASB. As such, the historical cost convention has been used for the valuation of captions, except for derivative financial instruments, that have been determined at their fair value, land and buildings, financial asset at fair value through profit or loss and the operations in Argentina, that is a hyperinflationary economy in accordance with IAS 29 "Hyperinflationary economies", expressed in terms of the current unit measure at the reporting date.

IFRS Accounting Standards require certain critical accounting estimates to be made when preparing the consolidated financial statements. They also require Management to exercise its judgment in determining the accounting policies to be applied by the Group. The areas involving a higher degree of judgment or complexity and where assumptions and estimates are significant to the consolidated financial statements are described in Note 4.

2.1.1 New accounting standards adopted by the Company.

The Company has applied the following standards and modifications for its first time in the annual reporting period that begun on January 1, 2025.

- Amendments to IAS 21 -- Lack of Exchangeability (effective for annual periods beginning on or after 1 January 2025).

As a result of the adoption of this amendment to the IAS 21, the Company did not have a material impact on the recognized amounts and disclosures in prior periods nor to the actual period and it is not expected that it will have a significant impact for future periods.

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

- Agenda decision related to IFRS 8. In July 2024, the IASB issued an agenda decision on the IFRIC that clarified the disclosure requirements of IFRS 8 on operating segments.

Company's Management adopted the agenda's decision on these consolidated financial statements. Refer to Note 6.

New standards and interpretation not yet adopted

Certain new accounting standards and amendments to accounting standards have been published that are not mandatory for 31 December 2025 reporting periods and have not been early adopted by the group. The group's assessment of the impact of these new standards and amendments is set out below.

1. Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2026).

On 30 May 2024, the IASB issued targeted amendments to IFRS 9 and IFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

- Clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- Clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- Add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- Update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

2. Amendments to the Contracts Referencing Nature - Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2026).

On December 18, 2024, the IASB issued targeted amendments to IFRS 9 and IFRS 7, to better reflect nature-dependent electricity contracts, clarifying the application of the 'own-use' criteria to nature-dependent electricity contract; permits hedge accounting if these contracts are used as hedging instruments for variable volumes if they meet the applicable criteria and demands major transparency in the information to be disclosed.

3. IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective for annual periods beginning on or after 1 January 2027)

Issued in May 2024, IFRS 19 allows for certain eligible subsidiaries of parent entities that report under IFRS Accounting Standards to apply reduced disclosure requirements.

4. IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027)

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

IFRS 18 will replace IAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact on the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

Although the adoption of IFRS 18 will have no impact on the group's net profit, the group expects that grouping items of income and expenses in the statement of profit or loss into the new categories will impact on how operating profit is calculated and reported. From the high-level impact assessment that the group has conducted, the following items might potentially impact operating profit:

1. Foreign exchange differences currently aggregated in the line item 'other income and other gains/(losses) - net' in operating profit might need to be disaggregated, with some foreign exchange gains or losses presented below operating profit.
2. IFRS 18 has specific requirements on the category in which derivative gains or losses are recognized - which is the same category as the income and expenses affected by the risk that the derivative is used to manage. Although the group currently recognizes some gains or losses in operating profit and others in finance costs, there might be a change to where these gains or losses are recognized, and the group is currently evaluating the need for change.
 - The line items presented on the primary financial statements might change as a result of the application of the concept of 'useful structured summary' and the enhanced principles on aggregation and disaggregation. In addition, since goodwill will be required to be separately presented in the statement of financial position, the group will disaggregate goodwill and other intangible assets and present them separately in the statement of financial position.
 - The Company does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:
 1. Management-defined performance measures;
 2. A break-down of the nature of expenses for line items presented by function in the operating category of the statement of profit or loss – this break-break down is only required for certain nature expenses; and
 3. For the first annual period of application of IFRS 18, a reconciliation for each line item in the statement of profit or loss between the restated amounts presented by applying IFRS 18 and the amounts previously presented applying IAS 1.
 4. From a cash flow statement perspective, there will be changes to how received interest and paid interest are presented. Interest paid will be presented in their operating category, which is a change from the current presentation as part of the financing or investment cash flows.

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

The amendments and standards listed above are not expected to have a material impact to the Company in the future reporting periods and in any of the foreseeable transactions, except for IFRS 18, at the moment the Company is assessing the impact that this new standard will have, and that will become mandatory effective on January 1, 2027. Retrospective application is required, and so the comparative information for the financial year ending December 31, 2026 will be restated in accordance with IFRS 18.

2.2 Consolidation

2.2.1 Subsidiaries

Subsidiaries are all entities over which the Company has control. The Company controls an entity when it is exposed, or has rights to, variable returns from its involvement with the entity and could affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date control ceases.

The Company applies the acquisition method to account the business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities assumed, and the equity issued. The consideration transferred includes the fair value of any asset of liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Company recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets.

The costs related to the acquisition are recognized as expense when they are incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognized in profit or loss.

Any contingent consideration to be transferred by the Company is recognized at fair value at the acquisition date.

Transactions, balances and unrealized gains or losses between Group companies are eliminated. When necessary, the accounting policies applied by the subsidiaries are modified to ensure their consistency with those adopted by the Group.

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

The accompanying consolidated financial statements include those of Grupo Rotoplas, S. A. B. de C. V., and the following subsidiaries:

Company	Participation with voting rights		Activity
	2025 (%)	2024 (%)	
Mexican subsidiaries:			
Rotoplas, S. A. de C. V. (Rotoplas)	100	100	Manufacturing and sale of plastic tanks for water storage.
Fideicomiso AAA Grupo Rotoplas (Fideicomiso AAA) Rotoplas Comercializadora, S. A. de C. V.	100	100	Granting of financial support
(Comercializadora) ¹	83.4	83.4	Sub-holding entity
Rotoplas de Latinoamérica, S. A. de C. V. (Latino)	100	100	Sub-holding entity
Rotoplas Bienes Raíces, S. A. de C. V. (Bienes Raíces) ² Soluciones y Tratamiento Ecológico, S. A. P. I. de C. V.	42.63	42.63	Real estate services.
(Sytesa) ³	100	100	Residual water treatment
RRG Rotoplas Soluciones Agrícolas, S. A. P. I. de C. V.			
(Rieggo) ⁴	92.6	88.09	Water solutions for the agricultural sector
Acuantia. Inc	100	100	Electronic trade platform

¹ Rotoplas is in turn the holder of 16.60% of the shares of Rotoplas Comercializadora.

² Rotoplas is in turn the holder of 56.97% of the shares of 56.97% of the shares of Bienes Raices, and 0.40% is related to a non-controlling interest by Grupo Rotoplas.

³ Grupo Rotoplas acquired on March 7, 2024, the remaining 20% of the shares of the entity Soluciones y Tratamiento Ecológico, S. A. P. I. de C. V. (Sytesa). From this acquisition, Grupo Rotoplas holds 100% participation in this entity.

Sytesa is the holding entity of the following second-tier level, for the effects of consolidated financial statements, which was constituted in 2025 and was not a business acquisition.

Rotoplas Servicios de Agua Panamá, S. A.	51	Wholesale of water-treatment processes and plants
--	----	---

⁴ RRG Rotoplas Soluciones Agrícolas, S. A. P.I. (Rieggo) started operations on March 15, 2020. The participation interest in this entity represented a 50% until 2023, however, it was concluded that the Company has control on Rieggo since there is a signed agreement between the shareholders that grants the Company the right to appoint, remove and fix the remuneration of the responsible management of performing relevant activities. On January 15, 2024 an increase to its common stock was made, and therefore the participation as of December 31, 2024 was 88.09%. Later, on July 2025, the adopted agreements were recognized at the General Stockholders' Extraordinary Meeting held on February 4, 2025, in which an increase to the stockholders' equity was approved, reaching a participation of 92.6%. In April of 2024, Rieggo acquired Irrigación de Vanguardia, S. A. de C. V. (Irrivan), with a 51% participation interest. Refer to Note 1.

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

Rotoplas is the holding entity of the following tier two company, for 2025 and 2024 consolidated financial statement purposes:

Acuantia Global Holding, Corp	100	Sub-holding entity.
-------------------------------	-----	---------------------

Acuantia Global Holding, Corp., is the holding entity of the shares of the following tier three company, for 2025 and 2024 consolidated financial statement purposes:

Acuantia Digital Solution. LLC.	100	Research and digital development services
---------------------------------	-----	---

Rotoplas Latinoamerica is the holding entity of the following tier two companies:

Company	Participation with voting rights in 2025 and 2024 (%)	Activity
Rotoplas Argentina, S. A. (Argentina) ⁵	98.87	Manufacturing and sale of plastic tanks for water storage.
Dalka do Brasil, Ltda. (Brazil) ⁶	99.99	Residual water treatment
Dalka, S. A. C. (Peru) ⁷	99.99	Manufacturing and sale of plastic tanks for water storage.
Tinacos y Tanques de Centroamérica, S. A. (Guatemala) ⁸	99.99	Manufacturing and sale of plastic tanks for water storage.
Tanques y Plásticos, S. A. (Costa Rica)	100	Manufacturing and sale of water storage plastic tanks.
Tinacos y Tanques de Nicaragua, S. A. ⁹	99.75	Manufacturing and sale of water storage plastic tanks.
Tinacos y Tanques de Honduras, S. A. de C. V. ¹⁰	99.6	Manufacturing and sale of water storage plastic tanks.
Tinacos y Tanques de Centroamérica, S. A. de C. V. (El Salvador) ¹¹	99.5	Manufacturing and sale of water storage plastic tanks.

⁵ Rotoplas Comercializadora, S. A. de C. V., is the holding entity of the 1.13% of the shares in Rotoplas Argentina, S. A.

⁶ Grupo Rotoplas, S. A. B. de C. V. is the holding entity of the 0.01% of the shares of Dalka do Brasil, Ltda.

⁷ Rotoplas Comercializadora, S. A. de C. V. is the holding entity of the 0.01% of the shares of Dalka, S. A. C.

⁸ Rotoplas Comercializadora, S. A. de C. V. is the holding entity of the 0.01% of the shares of Tinacos y Tanques de Centroamerica, S. A.

⁹ Rotoplas Comercializadora, S. A. de C. V: is the holding entity of the 0.25% of the shares of Tinacos y Tanques de Nicaragua, S. A.

¹⁰ Rotoplas Comercializadora, S. A. de C. V. is the holding entity of the 0.40% of the shares of Tinacos y Tanques de Honduras, S. A. de C. V.

¹¹ The remaining 0.50% of the company's shares relates to the non-controlling interest by Grupo Rotoplas, S. A. B. de C. V.

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

2.2.2 Changes in the interest of subsidiaries without loss of control

Transactions carried out with the non-controlling interest that do not result in loss of control are accounted for as equity transactions, that is, as transactions with the owners in their capacity as owners. The difference between the fair value of any consideration paid and the relevant share acquired of the carrying value of the subsidiary's net assets is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity. As of December 31, 2025 and 2024, no changes in the participation of subsidiaries existed without loss of control.

2.2.3 Changes in the participation interest

When the Company ceases to have control or significant influence in an entity, retained interest in the entity is measured at its fair value, recognizing the effect in the profit and loss. Fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, accordingly. In addition, any amounts previously recognized in OCI in respect to that entity are accounted for as if the Company had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in OCI are reclassified to profit or loss in some cases. As of December 31, 2025, and December 31, 2024, no disposal of subsidiaries occurred.

2.2.4 Associates

Associates are all entities over which the Group has significant influence but not control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognized at their cost and the carrying value increases or decreases to recognize the participation of the investment in the profit or loss of the invested entity after the date of acquisition. The investment of the Group in associates includes identified goodwill at the moment of the acquisition, net of any accrued impairment loss. (Refer to Note 14).

If the ownership interest in an associate is decreased but significant influence is retained, only a proportion of the amounts previously recognized in OCI are reclassified to profit or loss where appropriate. As of December 31, 2025, and 2024, no decrease in the participation in an associate occurred.

The Company's share of post-acquisition profit or loss is recognized in the income statement, and its share of post-acquisition movements in OCI is recognized in OCI, as of December 31, 2025 and 2024, there were no participation in OCIs of the associates. These post-acquisition movements are accrued and are adjusted to the carrying amount of the investment. When the Company's share of losses in an associate equal or exceeds its interest in the associate, including any other unsecured receivables, the group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Company assesses at the end of each reporting period whether there is objective evidence that an investment in associate is impaired. In such cases, the amount of impairment is determined to affect the recoverable value of the associate over its book value and the related loss is recognized in "Share of net profit of associates" in the statement of income. As of December 31, 2025 and 2024, no impairment was recognized in the associates.

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

Profits resulting from upstream and downstream transactions between the Company and its associates are recognized in the Company's financial statements only to the extent of unrelated investor's interests in the associates. Unrealized losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Company in case it was necessary.

Dilution gains and losses arising from investments in associates are recognized in the income statement.

2.3 Segment reporting

Financial information by operating segments is presented in a manner consistent with the internal reporting provided to the General Management of the Company. General Management of the Company is responsible for allocating resources and assessing performance of the operating segments. (Refer to Note 6).

2.4. Foreign currency translation

2.4.1 Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which each entity operates, the "functional currency". The functional currency by entity is presented in section 2.4.3. The consolidated financial statements are presented in Mexican pesos (\$), which is Grupo Rotoplas, S. A. B. de C. V.'s functional and presentation currency.

2.4.2 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement, except when deferred in OCI as qualifying cash flow hedges and qualifying net investment hedges. Foreign exchange gains and losses are presented in the income statement on a net basis within "finance income or costs".

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are recognized as part of the fair value gain or loss. Translation differences on non-monetary assets and liabilities are recognized in Other Comprehensive Income.

2.4.3 Group entities

The results and financial position of the Group's entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- a. Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position.

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

- b. Income and expenses recognized in the income statement are translated at the average yearly exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions).
- c. All resulting exchange differences are recognized as part of the OCI.

When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate. Exchange differences arising are recognized in OCI.

The main exchange rates used in the different translation processes are as follows:

Country	Functional currency	Functional currency equivalent in Mexican pesos			
		Closing exchange rate at		Average exchange rate at	
		December 31,		December 31,	
		2025	2024	2025	2024
Brazil	Brazilian real (BRL)	3.26	3.31	3.32	3.32
Argentina	Argentinian peso (ARS)	0.01	0.02	0.01	0.02
Guatemala	Quetzal (GTQ)	2.34	2.66	2.36	2.63
Costa Rica	Costa Rican Colon (CRC)	0.04	0.04	0.04	0.04
Nicaragua	Cordoba (NIO)	0.49	0.56	0.49	0.55
Honduras	Lempira (HNL)	0.68	0.80	0.68	0.80
El Salvador	US Dollar (USD)	17.95	20.51	18.09	20.25
Perú	Nuevo Sol (PEN)	5.33	5.44	5.37	5.42
United States of America	US Dollar (USD)	17.95	20.51	18.09	20.25

The Argentinian entity was qualified in a hyperinflationary economy, because the inflation in Argentina in the last 3 years reached levels above 100%. Refer to note 2.24 where it is mentioned how the presentation of such entities in a hyperinflationary economy is disclosed.

2.5 Property, plant, and equipment

Land and buildings comprise mainly the manufacturing and distribution sites and the offices. Land and buildings are measured at fair value based on valuations performed by independent external experts, less subsequent building depreciation. Valuations are performed with sufficient regularity (at least each five years) to ensure that the fair value of a revalued asset does not differ materially from their carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. If the accumulated inflation rate reaches more than 20%, or when there is evidence that the book value differs materially from their fair value at financial statement reporting date, the land and buildings are revaluated on a less than five years frequency.

The remaining property, plant and equipment are expressed at their historical cost less the accumulated depreciation. The historical cost includes all those directly attributable expenses at the moment of the element acquisition.

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for, as a separate asset, is derecognized when replaced. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land and buildings are recognized to OCI and shown as revaluation surplus in equity. Decreases that reverse previous increases of the same asset are first recognized in OCI to the extent of the remaining surplus attributable to the asset; all other decreases are charged to the income statement.

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

	Years
Buildings and plants	20
Machinery and equipment	4-10
Furniture, fixtures, and computer equipment	3
Transportation equipment	4
Molds	10
Leasehold improvements	10-12
Treatment plants	15
Purifying systems	4

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

When revalued assets are disposed, the amounts included in OCI are transferred to retained earnings.

Gains and losses on disposals of property, plant and equipment are determined by comparing the fair value of the proceeds with the carrying amount of the disposed asset and are recognized within operating expenses and costs of sales of the income statement, depending on the function of assets.

The revaluation surplus included as equity related to land and buildings could be transferred to retained earnings at their disposal. Transfers between revaluation surplus and retained earnings are not recognized through profit and loss.

2.5.1 Leasehold improvements

Improvements and modifications to leased property and commercial space in which the Company acts as lessee are recognized at their historical cost less accumulated depreciation. Depreciation of leasehold improvements is measured by the straight-line method based on the initial term of the lease agreement. The Company considers using the shorter period for depreciation between the lease contract or the useful life of the improvement (10 to 12 years).

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

2.5.2 Investment properties

Investment properties are those real estate properties (land and buildings) held for long-term rental yields and to obtain an increase in their value and are initially measured at their acquisition cost, including transaction costs. After their initial measurement, investment properties continue to be carried at their cost less depreciation and impairment losses, if any.

The Company owns land leased to third parties. In these cases, only the leased portion to third parties is considered as an investment property in the consolidated statement of financial position.

Depreciation is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

	<u>Years</u>
Buildings	10

2.6 Intangible assets

2.6.1 Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired. If the total of the transferred consideration, the non-controlling interest recognized and the previously held participation measured at fair value is lower than the fair value of the net assets of the acquired subsidiary, in case of bargain purchase, the difference is recognized directly in profit and loss. (Refer to Note 15).

For impairment testing, goodwill acquired in a business combination is allocated to each Cash-Generating Unit ("CGU") or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose. Each unit or group of units in which goodwill has been allocated are identified at the lowest level at which goodwill is monitored for internal management purposes. Goodwill is then monitored at a segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate potential impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and fair value less the cost of disposal. Any impairment is recognized immediately as an expense and is not subsequently reversed.

2.6.2 Trademarks and licenses

Separately acquired trademarks and licenses are shown at historical cost. Trademarks and licenses acquired in a business combination are recognized at fair value at the acquisition date. Licenses have a definite useful life and are subsequently carried at cost less accumulated amortization and impairment losses. Amortization is calculated by the straight-line method based on estimated useful lives of three to five years. Acquired computer software licenses are capitalized based on the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives of three to five years. (Refer to Note 15).

Trademarks have an indefinite useful life since it is expected that it will contribute to the net cash flows on an undefined period term, they are recognized at their historical cost less impairment. As of December 31, 2025 and 2024, there are no accrued losses for impairment on trademarks.

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

2.6.3 Computer software

Costs associated with maintaining computer software programs are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognized as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use.
- Management intends to complete the software product and use or sell it.
- There is an ability to use or sell the software.
- It can be demonstrated how the software product will generate probable future economic benefits.
- Adequate technical, financial, and other resources to complete the development and to use or sell the software product are available.
- The expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the software include employee costs and an appropriate portion of relevant overheads.

Other development costs that do not meet these criteria are recognized as an expense as incurred. Development costs previously recognized as expenses are not recognized as assets in subsequent periods.

Computer software development programs assets are recognized at their costs less their accrued amortization. Amortization is determined over their useful life on a straight-line basis, which does not exceed three years. (Refer to Note 15).

2.6.4 Client relationships

There is a client relationship when there have been significant, uninterrupted, number of years and it is expected that they will continue to have further operations in the foreseeable future and will contribute to the generation of assumed future revenue; client relationships acquired through a business combination are recognized at their fair value at acquisition date. The amortization is determined using the straight-line method, based in an estimated useful live between 10 to 30 years and are recognized as an expense in subsequent periods.

2.6.5 Non-compete agreement

The Company has signed non-competence agreements with the former owners of the past acquired entities and relate to the legal capacity of Grupo Rotoplas to limit the involvement of these former owners as competitors. Such contracts emerge from business combinations and are recognized at their fair value at acquisition date. Amortization is determined using the straight-line method, based in an estimated useful life of 10 years, related to the period term of such contract and it is recognized as expense in subsequent periods.

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

2.7 Impairment of non-financial assets

Intangible assets with indefinite useful lives, e.g. goodwill or trademarks, are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever 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 an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels in which they generate cash flows (CGUs). Prior impairments of non-financial assets other than goodwill are reviewed for possible reversal at each reporting date. As of December 31, 2025 and 2024 no impairment losses were identified.

2.8 Financial assets

2.8.1 Classification

The Group classifies its financial assets in the following measurement categories:

- Those measured subsequently at fair value (either through OCI or through profit or loss), and
- Those to be measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value (FV), gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through OCI.

The Group reclassifies debt investments when, and only when, its business model for managing those assets changes.

2.8.1.2 Interest income

Interest income is recognized using the effective interest method. When a loan or account receivable is impaired, the carrying value is adjusted to its recoverable value, which is determined by discounting the estimated future cash flow at the instrument's original effective interest rate. Interest income on impaired loans and account receivables is recognized using the original effective interest rate.

For financial assets purchased or originated differently from such financial assets with credit impairment, the revenue from interests is recognized using the effective interest method to the gross book value of the financial asset, except for those financial assets where their credit has been subsequently impaired. For financial assets where their credit has been subsequently impaired, the interest income is recognized applying the effective interest rate at amortized cost of such financial asset. If, in future periods, the credit risk of the financial instrument with impairment improves, in such way the financial asset has no longer credit risk, the interest revenue is recognized applying the effective interest rate over the gross value of the financial asset.

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

2.8.2 Recognition and measurement

Purchases and sales of financial assets are recognized on trade-date, the date on which the group commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

At initial recognition, the Company measures a financial asset at its fair value plus, transaction costs, except when they are financial assets at fair value through profit and loss, which are recognized initially recognized at fair value and the transaction costs are recognized as expense in the profit and loss.

There are three measurement categories into which the Company classifies its debt instruments:

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses.

FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/(losses).

Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.

FVTPL: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognized in profit or loss and presented net within other gains/(losses) in the period in which it arises.

2.8.3 Factoring

In occasions, the Company uses factoring arrangements, transferring all the rights of some clients' receivables, without holding risks for payment and credit delays. As such, the Group writes-off the transferred assets in full in the consolidated statement of financial situation.

2.9 Offsetting of financial instruments

Financial assets and liabilities are offset, and the net amount reported in the 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 realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of breach, insolvency or bankruptcy of the Company or the counterparty. As of December 31, 2025 and 2024, no offsetting of financial instruments was recognized.

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

2.10 Impairment of financial assets

2.10.1 Assets carried at amortized cost

The Company uses the simplified model of IFRS 9 to measure the expected credit losses using a provision of expected losses over the instrument's life for all the accounts receivable and contract assets.

To measure the expected credit losses, the accounts receivable and contract assets are grouped following their shared credit risk characteristics and the overdue days. The contract assets are related to work in progress not yet invoiced and share substantially the same risks characteristics as the accounts receivable for the same types of contracts. As such, the Company has concluded that the rates for expected losses for accounts receivable are a fair approximation to the rates used for contract assets. Refer to Note 3.

2.11 Derivative financial instruments and hedging activities

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognizing the resulting gain or loss in profit and loss or OCI depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

At inception of the hedging relation, the Company documents the economic relation between the hedging instruments and the hedged items, even if changes in cash flows from the hedging instruments offset the changes in cash flows of the hedged items are expected. The Company documents its risk management objective and the strategy to perform its hedging transactions.

The fair values of the derivative financial instruments designated as hedges are described in Note 16.

When forward contracts are used to hedge forecast transactions, the Company generally designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. Gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognized in the cash flow hedge reserve within equity. The change in the forward element of the contract that relates to the hedged item ('aligned forward element') is recognized within OCI in the costs of hedging reserve within equity. In some cases, the entity may designate the full change in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, the gains or losses relating to the effective portion of the change in fair value of the entire forward contract are recognized in the cash flow hedge reserve within equity.

Amounts accumulated in equity are reclassified in the periods when the hedged item affects profit or loss. Deferred amounts are recognized in last instance in the profit or loss of the period within financing income or cost.

Derivative financial instruments considered as economic hedges are recognized in the profit or loss of the period within financing income or cost.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs, resulting in the recognition of a non-financial asset such as inventory. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss.

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

Derivative financial instruments are engaged with economic hedging purposes and not as speculative investments. However, when the derivative financial instruments do not meet the hedging criteria, they are classified for accounting purposes as held for selling and are accounted for at their fair value through profit and loss. They are classified as current assets or liabilities considering if, as of the date of the reporting date, the maturity date is less than 12 months.

The entire fair value of the hedge derivatives is classified as non-current if the maturity of the hedged subjacent item is higher than 12 months. They are classified as current assets or liabilities considering if, as of the date of the reporting date, the maturity date is less than 12 months. Negotiable financial instruments are classified as current asset or liability.

Hedging effectiveness is determined at the beginning of the hedging, through prospective assessments of the effectiveness to guarantee that the economic relationship of the hedged item exists with the hedging instrument.

For hedges of foreign currency purchases, the Company enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item. The Company therefore performs a qualitative assessment of effectiveness. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Company uses the hypothetical derivative method to assess effectiveness.

In hedges of foreign currency purchases, ineffectiveness may arise if the timing of the forecast transaction changes from what was originally estimated, or if there are changes in the credit risk of Mexico or the derivative counterparty.

The fair value of the financial instruments that are negotiated in an active market, for example, the hedging instruments, is determined utilizing valuation techniques that maximize the use of observable information and deposits less confidence, as possible, in the specific estimates of the entity. If all relevant variables to establish the fair value of a financial instrument are observable, the instrument is included in level 2.

2.12 Inventories

Inventories are stated at the lower of cost and net realizable value, controlled through the standard cost method, which is adjusted at the end of each month to recognize their values through the weighted average cost method. The cost of finished products and of work in progress includes raw materials, direct labor costs and related overheads based on the Group's regular operating capacity. Net realizable value is the estimated selling price in the ordinary course of the business, less applicable variable selling expenses. (Refer to Note 11).

The cost includes the reclassifications of any gain or loss of hedging cash flows related to the purchases of raw material but excludes the loan costs.

2.13 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with banks and other short-term highly liquid investments with maturities of three months or less at conception and with low risks of changes in their values. As of December 31, 2025 and 2024, short-term highly liquid investments with maturities of three months or less are invested in bank debt securities and government bonds. (Refer to Note 7).

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

2.13.1 Restricted cash

The cash on which restrictions make that the definition of cash and cash equivalents is not met as aforementioned, is presented in a separate line in the consolidated statement of financial situation and are excluded from cash and cash equivalents in the statement of consolidated cash flows.

Restricted cash relates to the decision of acquiring IPS, previous approvals are required to dispose of such cash and/or compliance of any contractual or legal term.

The amount of restricted cash, such as the financial investments at short-term are an approximate of their fair value based on their maturity term (less than twelve months).

Restricted cash is classified as current if it is expected to be used in the following 12 months from the date of disclosure. Any restricted fund with a maturity term longer than 12 months is classified as non-current. (Refer to Note 28).

2.14 Equity

2.14.1 Capital stock

Ordinary shares are classified as capital stock in equity and are expressed at their historical cost. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Capital stock includes inflation effects recognized until December 31, 1997. (Refer to Note 22).

2.14.2 Stock premium at subscription

The stock premium at subscription represents the excess between the payment for share subscription and the par value thereof on historical bases.

2.14.3 Retained earnings

This item relates to accumulated net income of previous years and includes the effects of inflation recognized until December 31, 1997.

2.14.4 Legal reserve

Under the Corporations Law, 5% of the net profit must be set aside to increase the legal reserve until it is the equivalent of 20% of the historical capital stock. The purpose behind that reserve is to keep a minimum amount of capital to cover unforeseen funding needs.

2.14.5 Comprehensive income (loss)

Comprehensive income (loss) is comprised of the net income for the year, plus other capital reserves, which are made up of the effects of currency translation of foreign entities, revaluation surplus and other items that in accordance with specific provisions must be recorded in equity and do not qualify as capital contributions, equity reductions or distributions.

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

2.14.6 Equity stocks in treasury

The stockholders' board meetings may at times authorize disbursements of a maximum limit to acquire own shares. When an entity's own shares are repurchased, they become treasury shares. The related paid amount, including the directly attributable costs of the acquisitions (net of tax), are recognized as a decrease in capital stock of the Group until the shares are canceled or reissued. When the shares are reissued, the amount received, including incremental costs directly attributable to the transaction (net of tax), are recognized as part of the Group's capital stock. The profit or loss is not recognized in profit or loss and becomes part of the repurchase fund balance for buying own shares.

2.15 Accounts payable

Accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Accounts payable are initially recognized at fair value and are subsequently measured at amortized cost using the effective interest method.

The Company uses factoring arrangements for some of its suppliers; in doing so, a financial institution acquires the rights over the accounts payable. After this acquisition, the Company cannot make direct payments to the supplier nor compensate any account payable through credit notes received from the supplier. The conditions of the accounts payable do not change substantially. As such, the amounts are shown in the supplier's line on the statement of financial position. For the effects of the statement of cash flows, when the rights are terminated on the selected accounts payable, these payments are shown as operating cash flows.

2.15.1 Financial liabilities disposal

The Company disposes the financial liabilities from the statement of financial position when, and only when, the obligations are discharged, cancelled, or expired. The difference between the carrying amount of a disposed financial liability to another party and the consideration paid, is recognized in profit or loss.

When the Company trades with the existing lender of a debt finance instrument to other with substantially different conditions, such trade is accounting as the extinction of the original financial liability and a new financial liability is recognized. In similar ways, the Company considers the substantial modification of an existent liability or part of it as the extinction of the original financial liability and the recognition of the new liability. It is assumed that the terms are substantially different if the present value of the discounted cash flows is below the new terms, including any net tariff paid of any received tariff and discounting utilizing the original effective rate is at least 10% different of the actual discounted value of the cash flows remaining of the original liability. If the modification is not substantial, the difference between: (1) the book value of the obligation prior to modification; and (2) the present value of the cash flows after modification, must be recognized as profit or loss due to modification in operating expenses.

2.16 Loans

Loans are initially recognized at their fair value, net of related costs incurred, and are subsequently recognized at their amortized cost. Any differences between the proceeds received (net of related costs incurred) and the redemption value are recognized in the income statement over the period of the loan using the effective interest method. (Refer to Note 17).

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all the facility will be drawn down. In this case, the fee is deferred until the draw down occurs.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

2.17 Current and deferred income taxes

The tax expense for the period comprises the current and deferred tax. The income tax of the period is recognized in the consolidated income statement, except to the extent that it relates in total or partially to items recognized in OCI or directly in equity. In this case, IT is recognized together with the balance that gave rise to it.

The current income tax charge is calculated based on the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Subsequently, the Company establishes provisions where appropriate based on amounts expected to be paid to the tax authorities.

Deferred income tax is recognized on each subsidiary on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts of all assets and liabilities of the Company. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects either accounting or taxable profit or loss. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled. (Refer to Note 23).

Deferred income tax asset is only recognized on the base that it is probable that the future economic benefits will arise against temporary liability differences.

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates, and joint arrangements, except for deferred income tax liability where the Company controls the timing of the reversal of the temporary difference, and it is probable that the temporary difference will not reverse in the near future. Generally, the Company is unable to control the reversal of the temporary difference for associates. Only where there is an agreement in place that gives the group the ability to control the reversal of the temporary difference not recognized. As of December 2025 and 2024 there was no impact on the assets or liabilities due to a new transaction.

2.18 Employee benefits

2.18.1. Pension plan and seniority premium

The Company operates pension and seniority premium plans that are generally funded by payments made to trusts managed funds, based on annual actuarial plans. The Company has a pension plan for defined benefit, which is a plan that defines the amount of benefits for pension that an employee will receive post-employment, in which it depends on one or more factors, such as employee age, service years and compensation.

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

The liability or asset recognized in the consolidated statement of financial position in respect to the pension plans of defined benefits is the present value of the defined obligation at the reporting period less the fair value of the plan assets, along with the remeasurements adjustments for the liability of the defined benefits (net) not recognized and the costs of the past service, which are recognized directly in the income statement.

The defined benefit obligation is calculated annually by independent actuaries using the projected unit cost method. The present value of the defined benefit obligation is determined by discounting estimated future cash outflows using interest rates for high-quality government bonds that are denominated in absolute terms of the deep market and, otherwise, it should consider the market rate of reference of the issued government bonds denominated in the same currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

Remeasurements of liabilities for defined benefits that rise from adjustments based on the experience and changes in the actuarial assumptions are debited or credited to equity in other items of the other comprehensive profit in the period they are known.

The plans in Mexico generally expose the Company to actuarial risks, such as the risk of investment, interest rate risk, longevity risk and salary risk, in accordance with the following:

Risk of investment: The return rate expected for the investment funds is equivalent to the discount rate, which is calculated utilizing the discount rate determined by reference to the long-term government bonds; if the return of the assets is less than such rate, this will create a deficit in the plan.

Interest rate risk: A decrease in the interest risk will increase the plan liability; the volatility of the rates depends exclusively on the economic environment.

Longevity risk: The present value of the defined benefit obligation is calculated with reference to the best mortality expectation of the plan participants. An increase in the expected live term of the participants of the plan will increase the liability.

Salary risk: The present value of the obligation of the defined benefits is calculated by reference to the future salaries of the participants. As such, an increase in the expected salary of the participants will increase the plan liability.

Termination benefits are payable when employment is terminated by the group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Company recognizes termination benefits at the earlier of the following dates: a) when the group can no longer withdraw the offer of those benefits; and b) when the entity recognizes costs for a restructuring that is within the scope of IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due in the long-term are discounted to present value.

2.18.2 Other officers' benefits

As part of a retention plan, the Company gives to its officers, funding to acquire Company's shares. The eligible employees depending on certain factors, mainly years of service, eligible employees can opt to accept a loan for a future purchase of shares, which is periodically discounted and bears interests at a market value. (Refer to Note 9c.)

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

2.18.3 Referred value units

The Company operates a compensation plan, where the entity receives services from its employees in exchange of Referred Value Units (“RVU”). The fair value of the related services received are recognized as an expense. The expense amount to be recognized in profit and loss is determined by reference to the value of the options granted:

- Including any market performance conditions (e.g. the entity’s share price).
- Excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and permanence of an employee in the entity over a specified period); and
- Including the impact of any service or performance condition that do not relate to the market that grant the right (e.g. the requirement where the employees must save or keep the stocks for a specified period).

At the end of each period, the entity revises its estimates of the number of RVU that are expected to vest based on the non-market vesting and service conditions. It recognizes the impact of the revision to original estimate, if any, in profit or loss. (Refer to Note 21).

Additionally, in some circumstances, employees may provide the services before the grant date and, therefore, the fair value at the grant date is estimated with the effects of recognizing an expense during the period between the beginning of the service and the granting date.

Social security contributions payable in connection with an option grant are considered an integral part of the RVU, and the charges are treated as cash-settled transactions.

2.18.4 Employees’ Statutory Profit-Sharing (“ESPS”) and bonuses

The Company recognizes a liability, a bonus expense, and ESPS based on a calculation that considers the profit attributable to the Company’s stockholders after certain adjustments. The Company recognizes a provision when it is contractually bounded or when there is past practice that generates a constructive obligation. (Refer to Note 25).

2.19 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation because of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses. (Refer to Note 19).

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be low.

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 time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

2.20 Revenue recognition

Revenue represents the amount of the consideration received or receivable in exchange of sale of goods or rendering of services in the normal course of the Company's operations. Revenue is stated net of rebates and discounts granted to clients.

A comprehensive model for revenue recognition from client contracts is used, which is based on a five step approach that consist in the following: (1) Identify the contract with a customer; (2) Identify all the individual performance obligations within the contract; (3) Determine the transaction price; (4) Allocate the price to the performance obligations; and (5) Recognize revenue as the performance obligations are fulfilled.

The existence of separate performance obligations in client contracts is determined, management evaluates the transfer of control of the good or service to the client, with the objective of determining the moment to recognize the corresponding revenue of each performance obligation.

When the Company identifies separate performance obligations, the price is allocated to each of them, with the objective of recognizing the corresponding revenue, either at a point in time or over time.

The Company considers the following concepts as performance obligations:

2.20.1 Revenue from sales of goods (recipients, plastic accessories, thermo-tanks, etc.) (wholesale)

The Company manufactures and sells a broad variety of goods in the wholesale market. Sales of these products are recognized when the Company has delivered the products to the customer, who is entitled to decide the distribution channel and sales price of the products to be sold in the retail market, and when there is no longer an obligation to be met by the Company that could result in the return or rejection of products.

The performance obligation is fully met when the products have been delivered to the customer in the location specified in the contract, the customer has accepted the products as per the agreement, or the return terms have expired, or the Company has objective evidence that it has complied with all the requirements for the customer to accept the products.

These goods are generally sold at a discount for volume. Additionally, customers have the right to return faulty products. Sales are recognized based on the prices agreed in the respective agreements, net of an allowance for discounts for volume and returned items. Allowances for discounts for volume and returned items are determined based on experience. It is not considered that financing is being offered to customers as a separate component of a sales transaction, since the credit term is 7 to 60 days, which is consistent with market practices.

An account receivable is recognized when the goods have been delivered, that is the point in time in where the retribution is unconditional, since only commercial payment terms are required prior to the collection is made.

The Group determines the estimates based on experience, considering the type of customer, the type of operation and the specific terms of each contract. The Company provides a lifetime term guarantee to its customers and final consumers for buying the "brown water-tanks" (Tinaco Beige), historically there are few events in which the client has exercised its live-term guarantee right for such product and there is no estimate for it.

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

2.20.2 Revenue from sales of products (recipients, plastic accessories, and other accessories) (retail)

Revenue from the sales of these goods is recognized when the Company has delivered the goods to the client, and when there is no obligation pending to be fully met by the Company that could result in the return or reject of the goods.

Retail sales are usually made in cash or through credit cards. The Company grants to its clients the right of return for a period of 30 days and does not offer loyalty programs.

2.20.3 Revenue from installation of water dispensers

The Company provides installation services of school water dispensers. The revenue is recognized at the end of the installation and the client is fully satisfied with the installation. At commencement of the contract a 10% prepaid advance is requested, which is considered a contract liability. As part of the evaluation a single performance obligation was identified.

2.20.4 Revenue from the rendering of services related to the maintenance of facilities

The Company provides maintenance services to the installations made for individual and/or comprehensive solutions. As such, this revenue is recognized in the period in which such services are rendered, for reference to the stage of termination of a specific transaction and is evaluated on the real service provided basis as a percentage of all services that will be rendered.

2.20.5 Revenue from lease of treatment plants

The Company leases water treatment plants agreed on a 10-year fixed period. The agreed terms with the client stipulate that the Company will hold possession of the treatment plants at the end of the contract, as well as the risks and benefits of the property, as such these leases have been classified as operating leases. (Refer to Note 13).

The Group does not provide any auxiliary service to its customers of the investment properties. As such, lease payments are related completely to the rent and are recognized as lease revenue.

2.20.6 E-Commerce revenue

The Company has developed an electronic platform to sell products in the USA through internet. Also there is a new e-commerce platform available in Mexico that trades a significant part of the products Rotoplas trademarks: B2B y B2C. The revenue is recognized when the goods are delivered to the client with the requested characteristics at the defined location at online purchase time.

2.21 Leases

The Company leases various properties and cars. Rental contracts are typically made for fixed periods of 2 to 6 years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes. Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

available for use by the Company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis.

Lease liabilities include the net present value of the following lease payments:

- Fixed payments including in-substance fixed payments.
- Amounts expected to be payable by the lessee under residual value guarantees.
- The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the group's incremental borrowing rate.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability.
- Any lease payments made at or before the commencement date less any lease incentives received and
- Any initial direct costs.

Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise computer equipment and telecommunications.

Extension and termination options

Extension and termination options are included in a number of property and equipment leases across the Group. These terms are used to maximize operational flexibility in terms of managing contracts. Most of the extension and termination options held are exercisable only by the Group and not by the respective lessor.

The Group does not provide residual value guarantees for the leased equipment. Of the lease contracts outstanding as of December 31, 2025 and 2024, there are no covenant restrictions to meet.

2.22 Dividend income and distribution

Dividend income is recognized when the right to receive payment is established.

Dividend distributions to the Company's shareholders are recognized as a liability in the consolidated financial statements in the period in which dividends are approved by the Company's stockholders and the right to receive this payment is established. To pay dividends (which are discounted from retained earnings), the Company uses the separate financial statements prepared in accordance with IFRS Accounting Standards for statutory purposes.

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

2.23 Net basic and diluted earnings per share

Net basic earnings (losses) per share is calculated by dividing the profit (loss) of the year attributable to the controlling interest by the weighted average number of ordinary shares in circulation during the year.

Net diluted earnings (loss) per share is calculated by dividing the profit of the year, by the weighted average number of shares in circulation during 2025 and 2024, decreasing such average of such potential dilutive shares. As of December 31, 2025 and 2024, there are no profit dilutive components. (Refer to Note 22).

2.24 Financial statement restatement

Over the last few years, the inflation in Argentina has increased significantly and the local inflation information has not been reported consistently. The accumulated inflation rate over the last three years, combining different retail price indexes, exceeded 100% in the first semester of 2018. The inflation rate accumulated over the last three years, combining different wholesale price indexes also exceeded 100%. As such, and considering the performance of the country, including the currency devaluation, Argentina is considered to be a hyperinflationary economy for the accounting periods after July 1, 2018.

As a result of this, the subsidiary Rotoplas Argentina, S.A., whose functional currency is the Argentinian peso, applied IAS 29 “Financial Reporting in Hyperinflationary Economies” as if the economy had always been hyper-inflationary. IAS 29 requires recognition of the impact on income and expenses recognized from the date the economy turned hyperinflationary. It also requires the non-monetary assets and liabilities to be restated from the date they were initially recognized or from the date the last restatement in case of those recognized at their fair value throughout the reporting period. Monetary items do not need to be restated, because they are already expressed in current purchasing power at the reporting date. Gains or losses of monetary position are recognized in financial income or expense.

The general price index was selected based on the resolution JP 549/118 issued by the “Federación Argentina de Consejos Profesionales de Ciencias (FACPCE)”. In this resolution, indexes to be used by the entities with Argentinian peso as their functional currency are stated, for restatement procedures. The detailed table of such indexes will be published monthly by the FACPCE.

The Argentinian subsidiaries calculate the financial statement restatement as follows:

- The corresponding amounts of non-monetary items of each statement of financial position, that are measured at the date of the statement of financial situation at their fair value or at net realization value, accordingly, are restated applying to the historical cost the difference of the general price index, from the date of acquisition or else the last fair value measurement, to the date of the financial statement.
- The amounts related to monetary items in the statement of financial position, are not restated.
- The equity items of each statement of financial position are restated as follows:
 - i. At the beginning of the period of IAS 29 application, except for retained earnings, where the Company applies the difference of the general price index, from the date of their inception to the date of restatement. Restated retained earnings are the product of the rest of the balances in the statement of financial position.

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

- ii. At the end of the first application and for subsequent periods, all equity elements are restated, applying the general price index, from the beginning of the period, or from the date of contribution, if later.
- Income and expenses are restated applying the difference of the general price index, from the date they were incurred, to the report date.
- Profit or loss resulting from the net monetary position are recognized in the consolidated statement of comprehensive income.

In the statutory financial statements, the effects of inflation are recognized as if they had always been hyperinflationary, whereas for consolidation purposes the financial statements are presented without restating the comparatives, as such, the opening accumulated effect is presented in retained earnings.

For the purposes of consolidated financial statements, the Company operates in a non-hyperinflationary economy. The income and financial situation of the entities whose functional currency is related to the hyperinflationary economy, are translated into the presentation currency applying the following procedures:

- a. All amounts (i.e., assets, liabilities, equity, expenses, and revenue) are translated into the closing exchange rate of the closest reporting date of the statement of financial situation.
- b. Comparative figures will be those that were presented in the preceding year in the statement of financial position of (i.e., the amounts will not be adjusted for any subsequent variations in which they have occurred at the price level or exchange rates).

On March 3, 2020, the IFRS Interpretations Committee ratified its decision of the agenda related to the conversion of a foreign hyperinflationary transaction (IAS 21 and IAS 29) and the Company has elected to disclose the hyperinflation and conversion effects to presentation currency and the effect on foreign entities since the Company considers that the combination of both effects complies with the definition of currency translation in accordance with IAS 21.

2.25 Service concession arrangements in accordance with IFRIC 12

The scope of IFRS 12 “Service concession arrangements” is referred to the concessions contracts from public services by a private operator.

This Interpretation applies to public-to-private service concession arrangements if:

- a. the grantor controls or regulates what services the operator must provide with the infrastructure, to whom it must provide them, and at what price; and
- b. the grantor controls - through ownership, beneficial entitlement or otherwise—any significant residual interest in the infrastructure at the end of the term of the arrangement.

This Interpretation applies to both: (a) infrastructure that the operator constructs or acquires from a third party for the purpose of the service arrangement; and (b) existing infrastructure to which the grantor gives the operator access for the purpose of the service arrangement.

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

Under the terms of contractual arrangements within the scope of this interpretation, the operator acts as a service provider. The operator constructs or upgrades infrastructure (construction or upgrade services) used to provide a public service and operates and maintains that infrastructure (operation services) for a specified period of time.

The operator shall recognize and measure revenue in accordance with IFRS 15 "Revenue from contracts with customers". If the Company provides construction or improvement services, the consideration received or to be received by such operator will be recognized at its fair value in accordance to IFS 15. The consideration is detailed in the following paragraphs:

a. A financial asset

The Company shall recognize a financial asset to the extent that it has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services; the grantor has little, if any, discretion to avoid payment, usually because the agreement is enforceable by law. The operator has an unconditional right to receive cash if the grantor contractually guarantees to pay the operator (a) specified or determinable amounts or (b) the shortfall, if any, between amounts received from users of the public service and specified or determinable amounts, even if payment is contingent on the operator ensuring that the infrastructure meets specified quality or efficiency requirements.

b. Intangible asset

The Company shall recognize an intangible asset to the extent that it receives a right (a license) to charge users of the public service. A right to charge users of the public service is not an unconditional right to receive cash because the amounts are contingent on the extent that the public uses the service.

If the operator is paid for the construction services partly by a financial asset and partly by an intangible asset it is necessary to account separately for each component of the operator's consideration. The consideration received or receivable for both components shall be recognized initially in accordance with IFRS 15.

The nature of the consideration given by the grantor to the operator shall be determined by reference to the contract terms and, when it exists, relevant contract law. The nature of the consideration determines the subsequent accounting (financial asset or intangible asset). However, both types of consideration are classified as a contract asset during the construction or upgrade period in accordance with IFRS 15.

In accordance with IAS 23, borrowing costs attributable to the arrangement shall be recognized as an expense in the period in which they are incurred unless the operator has a contractual right to receive an intangible asset (a right to charge users of the public service). In this case borrowing costs attributable to the arrangement shall be capitalized during the construction phase of the arrangement.

The concession described in Note 8 has been considered under the scope of IFRIC 12 and is recognized as a financial asset since the related contract establishes the right to receive cash flow from the grantor, regardless of the use of the public service from the users.

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

This financial asset is recognized in the statement of financial position at the fair value of the constructed infrastructure and subsequently at its amortized cost in accordance with IFRS 9 using the effective interest rate method. The financial asset is reduced by the payments received from the grantor or by any impairment to the financial asset. The financial income calculated through the effective interest rate method, equivalent to the Internal Interest Return (IIR) of the project, is recognized as operating profit.

Note 3 - Financial risk management:

3.1 Financial risk factors

The Company's activities expose it to a variety of financial risks, such as market risk (including currency risk, price risks and cash flows, and fair value of interest rates), credit risk and liquidity risk. The purpose behind the Group's risk management plan is to minimize the potential adverse effects arising from the unpredictable nature of markets on the Group's financial performance.

The Group's financial risk management is overseen by the Finance department in accordance with the policies approved by the Board of Directors, which has issued general policies on financial risk management and specific risks.

3.1.1 Market risks

i. Foreign currency exchange

The Group operates internationally, and it is exposed to US dollar (USD) and euro (€) exchange risks in relation to the functional currencies of each subsidiary. Exchange risk arises from future commercial operations in foreign currency and from certain foreign currency assets and liabilities and by the net investments in foreign transactions.

The Finance department has established a policy requiring Group companies to manage exchange risks in relation to their functional currency. The Group companies must hedge their exposure to foreign currency exchange risks through the Group's Treasury department in charge of the Finance department. In managing exchange risk arising from future commercial transactions and recognized assets and liabilities, the companies of the Group can use different instruments such as forwards agreements negotiated by the Group Treasury. Exchange rate risk arises when future commercial transactions and recognized assets and liabilities are contracted in a currency other than the entity's functional currency.

As part of its risk management policies, the Group's Finance department periodically analyzes its exposure to risk and when the economic conditions of each country in which it operates require it, the Group contracts expected cash flow hedges for the following 12 months, for each relevant currency. Additionally, the Group calculates scenarios of the variances in exchange rates and, when necessary, it adjusts the costs of its products.

The Group has contracts in foreign currency and bank loans in Mexican pesos. The Group is mainly exposed to the risk of fluctuations in the peso-US dollar and peso-euro exchange rates associated to merchandise that it imports from the USA, Portugal, and Italy, mainly. The Company's consolidated operations were exposed to exchange rate risk of (USD13,307) and (€551) as of December 31, 2025 and (USD32,246) and (€801) as of December 31, 2024.

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

The Group has certain investments in foreign operations, whose net assets are exposed to exchange rate risk.

The foreign exchange risk arises from the purchases at a foreign exchange currency to carry out the manufacturing processes. Such purchases expose the Company fluctuation risks of the foreign exchange rate in the cash flows.

The Company and its subsidiaries had monetary assets and liabilities denominated in thousands of USD and €, as follows:

	December 31,		December 31,	
	2025 Dollars	2024 Dollars	2025 Euros	2024 Euros
Assets	Dls 24,335	Dls 8,788	€ -	€ 68
Liabilities	<u>(37,642)</u>	<u>(41,034)</u>	<u>(551)</u>	<u>(869)</u>
Net asset (liability) position	<u>Dls. (13,307)</u>	<u>Dls. (32,246)</u>	<u>€ (551)</u>	<u>€ (801)</u>

As of December 31, 2025 and 2024, the exchange rates were \$ 17.95 and \$20.51 pesos per Dollar, respectively, and \$21.15 and \$21.29 pesos per Euro, respectively.

As of April 22, 2026, date of issuance of these financial statements, the exchange rate was \$17.24 per Dollar and \$20.33 per Euro.

Sensitivity

The Group is exposed, mainly, to the exchange rate of the Mexican peso versus de US and Euro.

As of December 31, 2025 and 2024, in the event of a 10% increase or decrease in the peso-dollar and euro exchange rate, the Company would have incurred in a profit or loss of approximately \$23,890 and \$66,138, respectively for the dollar position and \$1,165 and \$1,705, respectively, for the Euro position. This 10% represents the sensitivity rate used when the exchange risk is reported internally to the Finance department and represents management's assessment of possible changes in exchange rates. The sensitivity analysis includes only those monetary items not yet settled denominated in a foreign currency at the period end.

	31 de diciembre de 2025		31 de diciembre 2024	
	Dollars	Euros	Dollars	Euros
Exchange rate in Mexican pesos	17.9528	21.1469	20.5103	21.2907
Sensitivity +10% E.R.	19.7481	23.2616	22.5613	23.4198
Sensitivity -10% E.R.	<u>16.1575</u>	<u>19.0322</u>	<u>18.4593</u>	<u>19.1616</u>
Sensitivity + Net position	<u>(262,788)</u>	<u>(12,817)</u>	<u>(727,513)</u>	<u>(18,750)</u>
Sensitivity - Net position	<u>(215,008)</u>	<u>(10,487)</u>	<u>(595,238)</u>	<u>(15,341)</u>

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

As of December 31, 2025 and 2024, for currency forwards, if the exchange rate would have increased in 1 peso, the effect on equity for the fair value would have been \$13,307 and \$34,469, respectively, on a favorable position, if the exchange rate would have decreased in 1 peso, the effect on equity for the fair value would have been (\$13,307) and (\$34,432), respectively.

The exchange rate of the USD as of December 31, 2025 and 2024 to the currency of the subsidiaries established abroad is as follows:

Country	Currency	Foreign currency equivalent in US Dollars	
		December 31, 2025	2024
Argentina	ARS	0.0006	0.0010
Brazil	BRL	0.1817	0.1615
Costa Rica	Costa Rican Colon (CRC)	0.0019	0.0020
Ecuador	USD	1.0000	1.0000
El Salvador	USD	1.0000	1.0000
Guatemala	GTQ	0.1304	0.1298
Honduras	Lempira (HNL)	0.0377	0.0392
Nicaragua	Cordoba (NIO)	0.0272	0.0273
Perú	PEN	0.2968	0.2652

ii. Price risk

The Company is exposed to price risk fluctuation in relation to the prices of raw materials needed to manufacture its products. Risk price rises from fluctuations in the prices of resin, which is the main raw material used, and which is associated to the oil commodity. The risk rises because the price of an asset may vary due to economic uncertainty.

The Company uses hedge derivative financial instruments with the objective of reducing the risk of exchange rate fluctuations in the acquisition of merchandise. The principal instruments used are currency forwards and positions hired at year end.

In the event of a 10% increase or decrease in the prices of resin as of December 31, 2025 and 2024, the Company would have experienced an increase or decrease in the cost of sales of approximately \$8,879 and \$6,356, respectively, which would be charged through the clients' sell prices. This 10% represents the sensitivity rate used when the price risk is reported internally to the Finance department, and it represents Management's assessment of possible changes in the price of resin.

iii. Cash flows and fair value of interest rates

The Company's interest rate risk rises from long-term borrowings. Loans bearing interest at variable rates expose the Company to the risk of fluctuations in the related future cash flow. This risk is partially compensated by cash equivalents also bearing interest at variable rates. Loans bearing interest at fixed rates expose the Company to the risk of market value of interest rates. In 2025 and 2024, the Company's borrowings bearing interest at variable rates were denominated in Pesos and Dollars.

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

3.1.2 Credit risk

Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at amortized cost, at fair value through other comprehensive income and at fair value through profit or loss, favorable derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables.

i. Risk management

Credit risk is managed on a consolidated basis, except for risk related to accounts receivable balances. Each subsidiary is responsible for managing and analyzing each of its new customers' credit risks prior to determining the credit terms and delivery conditions. Credit risk relates to cash and investments in securities, derivative financial instruments and deposits in banks and financial institutions, as well as to credit granted to wholesale and retail customers, including balances not yet collected. For banks and financial institutions, only those that have obtained acceptable credit rates from specialized agencies to meet the respective financial obligations (e.g., minimum "A" rate). Independent ratings are considered for wholesale clients when available. If there is none, the Company's management estimates the customer's credit quality, considering its financial situation, past experience and other factors.

Individual credit limits are established based on internal and external ratings, according to the policies established by the Finance department. Credit limits are regularly monitored.

Group's investment in debt instruments is considered low-risk investments. The credit qualifications in the investments are monitored for credit impairment.

The Group has financial assets that are subject to the expected credit loss model:

Trade receivables from inventory sales.

Trade receivables

For trade accounts receivable the Company applies the simplified approach permitted by IFRS 9, which requires that the expected credit losses for the lifetime of the asset are recognized at inception of the account receivable. The Company uses a matrix of provisions based on its credit losses historical experience, adjusted by specific factors of the debtors and the current and forward-looking economic environment.

The Group's policy to classify the accounts that are overdue as uncollectable is when they meet the following conditions: efforts to collect the account have been made and all the possibilities of payment are null before the default period. The Group determined the reserve amount for accounts receivable not impaired (current or with minor overdue in the period of default for each case).

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

On this basis, the loss allowance as of December 31, 2025 and 2024 was determined as follows:

December 2025	Receivable Current	Receivable Overdue	Receivable under legal procurement	Brazilian Government	Total
Expected loss rate	1.39%	42.06%	100%	10.19%	
Gross carrying amount - trade receivables	\$ 775,434	\$ 298,000	\$ 48,996	\$ 61,826	\$ 1,184,256
non-current trade receivables	<u>128,539</u>	<u>-</u>	<u>-</u>	<u>84,049</u>	<u>212,588</u>
Total trade receivables	903,973	298,000	48,996	145,875	1,396,844
Loss allowance	(12,570)	(125,344)	-		(137,914)
Legal procurement	<u>-</u>	<u>-</u>	<u>(48,996)</u>	<u>(14,860)</u>	<u>(63,856)</u>
Total clients	<u>\$ 891,403</u>	<u>\$ 172,656</u>	<u>\$ -</u>	<u>\$ 131,015</u>	<u>\$ 1,195,074</u>

December 2024	Receivable Current	Receivable Overdue	Receivable under legal procurement	Brazilian Government	Total
Expected loss rate	1.23%	0.87%	100%	11.82%	
Gross carrying amount - trade receivables	\$ 1,033,350	\$ 327,367	\$ 44,129	\$ -	\$ 1,404,846
non-current trade receivables	<u>86,457</u>	<u>-</u>	<u>-</u>	<u>127,660</u>	<u>214,117</u>
Total trade receivables	1,119,807	327,367	44,129	127,660	1,618,963
Loss allowance	(13,753)	(2,840)	-	(15,086)	(31,679)
Legal procurement	<u>-</u>	<u>-</u>	<u>(44,129)</u>	<u>-</u>	<u>(44,129)</u>
Total clients	<u>\$ 1,106,054</u>	<u>\$ 324,527</u>	<u>\$ -</u>	<u>\$ 112,574</u>	<u>\$ 1,543,155</u>

As of December 31, 2025 and 2024, credit limits were not exceeded and Management does not expect the Company to incur losses from breaches from these entities.

Short-term cash in bank accounts and bank deposits (Refer to Note 7)

	December 31,	
	2025	2024
Counterparties with external credit ratings:		
AAA	\$ 488,459	\$ 354,453
AA	372,905	295,777
A	<u>-</u>	<u>81,779</u>
Total cash and cash equivalents	<u>\$ 861,364</u>	<u>\$ 732,009</u>

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

	<u>December 31,</u>	
	<u>2025</u>	<u>2024</u>
<u>Derivative financial instruments (Note 16)</u>		
Counterparties with external credit ratings:		
AAA	\$ (4,216)	\$ 26,747
<u>Accounts receivable to related parties (Note 9)</u>		
Counterparties without external credit ratings:		
Grupo B	\$ 154,187	\$ 151,111

Group B: existing related parties with more than six months of operations, with no past breaches.

No financial assets have been renegotiated. There are no past due balances receivable from related parties.

Long-term account receivables from related parties are considered low-risk credits, since there has not been any default history, and the Group has control over the cash flows and supports all its related parties.

Account receivables are disposed when there is no reasonable assurance of their recoverability. The indicators that provide no reasonable assurance of their recoverability include, among others, the fact that the debtor does not suggest a payment scheme with the Group and the lack of ability to make a payment under the contractual terms for more than 180 pasts due.

3.1.3 Liquidity risk

Cash flow forecasts are performed at the operating subsidiary level of the Company and subsequently the Finance department consolidates that information. The Company's Finance department monitors cash flow forecasts and the Company's liquidity requirements, ensuring that cash and investments in trading securities are sufficient to meet operating needs. These forecasts consider financing plans through loans, compliance with contractual obligations, compliance with financial ratios based on the current financial situation and, if applicable, external and legal regulatory requirements.

The Company has established financing programs for suppliers, through which the suppliers can discount their payable documents through NAFINSA, Financial Institution. Management has considered that the Company does not depend on the extended payment terms and the suppliers, generally, are not used to or depend on an anticipated payment under this financing agreement. If the financial institution cancels the agreement, such retirement would not affect Company's capacity to pay for its liabilities at mature date.

The Company constantly monitors and makes its decisions preventing not violating the limits and covenants established in the debt agreements. Projections consider financing plans and compliance with covenants, up to December 31, 2025, due to the obligations at that date.

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

As of December 31, 2025 and 2024 the Company did not have unused credit lines.

The table below analyzes the Group's financial liabilities, presented for the period between the date of the consolidated statement of financial position and the date of its expiration. Amounts shown in the table correspond to non-discounted cash flows, including contractual interests.

<u>December 31, 2025</u>	Less than 3 months	Between 3 months and 1 year	More than 1 year	Total
Debt	\$ -	\$ 478,457	\$ 4,061,464	\$ 4,539,921
Interests not paid		349,844	174,922	524,766
Suppliers	900,239			900,239
Other short-term accounts payable	397,195	168,846		566,041
Other long-term accounts payable			157,727	157,727
Lease liability		113,973	485,498	599,471
Total	\$ 1,297,434	\$ 1,111,120	\$ 4,879,611	\$ 7,288,165

<u>31 de diciembre de 2024</u>	Less than 3 months	Between 3 months and 1 year	More than 1 year	Total
Debt	\$ -	\$ 349,844	\$ 4,827,613	\$ 5,177,457
Suppliers	1,198,296			1,198,296
Restricted cash	21,572			21,572
Other short-term accounts payable	720,722			720,722
Other long-term accounts payable			111,132	111,132
Lease liability		106,365	567,309	673,674
Total	\$ 1,940,590	\$ 456,209	\$ 5,506,054	\$ 7,902,853

3.2 Capital management

The Company's objectives in managing capital risk are: to safeguard its capacity to continue as a going concern, provide returns for the stockholders and benefits for other stakeholders and maintain an optimal capital structure to reduce the cost of capital.

To maintain or adjust the capital structure, the Group can vary the amount of dividends payable to the stockholders, conduct a capital stock reduction, issue new stocks, or sell assets and reduce its debt. The Company has the practice of reinvesting its profits as a capitalization instrument.

Like other entities in the industry, the Company monitors its capital structure based on the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total debts (including short-term and long-term debt as shown in the consolidated statement of financial position) less cash and cash equivalents. Total capital is calculated as equity as shown in the consolidated statement of financial position, plus net debt.

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

In general, the Group monitors the gearing ratio with a view to avoid exceeding the 50% threshold. The gearing ratios for the reporting periods are shown as follows:

	December 31,	
	2025	2024
Total debts (Note 17)	\$ 4,539,921	\$ 4,683,486
Less: cash and cash equivalents (Note 7)	<u>(861,364)</u>	<u>(732,009)</u>
Excess of debt over cash	3,678,557	3,951,477
Total equity	<u>5,637,249</u>	<u>6,601,644</u>
Total capital - Net	<u>\$ 9,315,806</u>	<u>\$ 10,553,121</u>
Leverage ratio	<u>39.49%</u>	<u>37.44%</u>

3.3 Fair value estimate

The table below shows the financial instruments recorded at fair value classified as per the valuation method used in each case. The different levels are determined as follows:

Level 1: quoted price (not adjusted) of an identical asset or liability in an observable market.

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., prices) or indirectly (i.e., derived from prices).

Level 3: inputs for an asset or liability that are not based on observable market data (i.e., unobservable inputs).

The following table discloses Group's financial assets and liabilities that are measured through fair value. Refer to Note 13.1 to observe the disclosures related to land and buildings that are measured at fair value.

December 31, 2025	Level 1	Level 2	Level 3	Total
Financial asset at fair value through profit or loss (Note 12)	\$ -	\$ -	\$ 246,431	\$ 246,431
Derivative financial instruments - Liability (Note 16)	-	(4,216)	-	(4,216)
Share appreciation rights Liability (Note 21)	<u>-</u>	<u>-</u>	<u>(8,386)</u>	<u>(8,386)</u>
Total	<u>\$ -</u>	<u>\$ (4,216)</u>	<u>\$ 238,045</u>	<u>\$ 233,829</u>

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

December 31, 2024	Level 1	Level 2	Level 3	Total
Financial asset at fair value through profit or loss (Note 12)	\$ -	\$ -	\$ 239,282	\$ 239,282
Derivative financial instruments - Liability (Note 16)	-	26,747	-	26,747
Share appreciation rights Liability (Note 21)			(84,314)	(84,314)
Total	\$ -	\$ 26,747	\$ 154,968	\$ 181,715

During the years ended on December 31, 2025 and 2024 no transfers between the fair value levels occurred.

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. A market is regarded as active if quoted prices are readily and regularly available from a stock exchange, negotiators, brokers, industrial groups, price services or a regulating agency and those prices represent real and recurring transactions in the market on an arm's length basis. The quoted market price used for the financial assets held by the Company is the current bid price. These instruments are included in Level 1. The instruments included in level 1 comprise mainly tradable securities or securities available for sale.

The fair value of financial instruments not traded in active markets, e.g., over-the-counter derivatives, is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on Group's specific estimations. If all relevant inputs required to fair value of a financial instrument are observable, the instrument is included in Level 2.

If one or more relevant inputs are not based on observable market information, the instrument is included in Level 3.

Techniques used to determine fair values. The specific techniques used in the valuation of financial instruments include:

- The use of market traded quotes or quote of a negotiation of similar instruments
- For the foreign exchange forward - the present value of the future cash flows to the exchange rate as of the date of the statement of financial position.
- For the referred value units plan - based on the binomial model, that allows the description of different paths that the value of the stock can follow during the life of the option, since the subjacent asset can move upwards or downwards in future periods.
- Financial instruments through profit and loss - based on the multiple reference of the projected profits, the discounted cash flows method taking for reference the market and private transactions.

3.4 Offsetting of financial assets and liabilities

As of December 31, 2025 and 2024, the Company did not offset financial assets and liabilities.

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

Note 4 - Critical accounting estimates and judgments:

Estimates and judgments used in preparing the financial statements are constantly evaluated and are based on historical experience and other factors, including expectations of future events that are considered reasonable under the circumstances.

4.1 The Company has used the following judgments in the preparation of the consolidated financial statements:

4.1.1 Accounts receivable with Brazilian government clients

As mentioned in Note 8, during 2024 the Company celebrated a credit cession contract with a financial institution, where cash flow was received, Management has performed an analysis of the contracts with the government agencies, and in adherence with the country's legislation, there are enacted laws that could enforce the payment of the government of such debt. Because of this process the Company has considered calculating an impairment estimate for the remaining account receivable balance. During 2025 payments of this account receivable have been received. (Refer to Note 8).

4.1.2 Revaluation surplus

The conditions of the non-observable data are determined under the best estimate of the Company based on the expert's assumptions hired for this purpose over the non-observable data, considering external and internal facts. The Company performed appraisals in 2025 and 2024 to the land and buildings to verify the fair value of said assets. (Refer to Note 13.1).

4.1.3 Impairment of intangible assets with indefinite useful life including goodwill

The Company tests annually whether intangibles assets with indefinite useful life including goodwill have suffered any impairment; in accordance with the criteria set forth in Note 2.7. The recoverable amount of CGU has been determined based on their value-in use calculations. The determination of the value-in use requires the use of certain estimates. (Refer to Note 15).

As of December 31, 2025 and 2024, the Company performed impairment tests to the indefinite-life intangible assets and goodwill.

4.1.4 Income taxes

The Company is subject to income taxes in numerous jurisdictions. Significant judgments are required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain.

The Company recognizes liabilities for matters observed during tax audits if it considers that, they will likely result in the determination of tax in addition to the amount originally incurred. Where the outcome of these matters is different from the estimated liability, these differences are recognized in income taxes payable and/or deferred for the period.

The Company recognizes a deferred tax asset for accumulated tax losses based on the projections and estimations for realization of the respective tax benefit through future tax profits and considering the existing market conditions at the year closing.

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

As mentioned in Note 8 the Company held a commercial relationship with the Brazilian government, however it was temporarily suspended, generating significant tax losses for the Company. In 2025 and 2024 no transactions were carried out with the Brazilian government.

As mentioned in Note 23, the tax losses in Brazil have no expiration date. In this aspect, the Company is using significant judgments in their recuperation forecasts, for example, a long-term growth-rate of 6% is being considered; and it is considered that no adverse situations, such as those giving rise to such losses will occur, hence a future recuperation of no longer of 19 years for these losses is considered. The Company will monitor the recoverability of such losses and the corresponding estimate on an on-going basis. For the Argentinian tax losses, the Company continues to monitor the recoverable portion. In accordance to an analysis performed it was confirmed that the enacted tax losses will be used prior to their expiration date.

4.1.5 Probability assumption of RVU recognition

The Company utilizes a probability assumption for the determination of the RVU value, which considers whether cash flows exist to consider the payment of the RVU in accordance with the contract plan, this input impacts directly the calculation of the RVU fair value. (Refer to Note 21).

4.1.6 Business model for accounts receivable

On March 25, 2025, the Company celebrated a factoring agreement with no recourse with a financial institution with the purpose of maximizing the working capital requirements. According to this agreement, the financial entity has no right to request the payment of the outstanding account receivable balance to Rotoplas, only when some conditions related to protective rights at the moment of the credit right cession are given, as such, considering that the risks have been transferred, the Company derecognize the accounts receivable balances that rose from such agreement.

At period end, the Company evaluates the main elements that define the business model, considering the financial information related to past and future revenue, and the contractual characteristics related with cash flows, the liquidity requirements and the maturity terms of the financial assets. The objective of the Company is to keep the accounts receivable to obtain contractual cash flows. The Company, after an analysis, concluded that the factoring arrangements do not contradict this fact, since they were entered in response to increases in the risk of liquidity of the assets, needs of non-foreseeable financing or to manage credit concentration risk. Also, the sales are close to the collection of the original invoice amount.

As of December 31, 2025, Company's Management did not identify any event or circumstance that indicated a change in its business model, that consists in keeping its financial assets to collect the contractual assets, as described in Nota 2.8 financial assets.

4.1.7 Financing agreements with suppliers

Significant judgement is involved in evaluating whether liabilities under the financing agreement with suppliers are in essence a continuance of a commercial liability or a disposal of an account payable. The Company evaluates the requirements of the standards and applies judgement in considering the facts and circumstances together. In specific, if the conditions of an agreement generate a substantial change to the payable amount, for example, financing.

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

Note 5 - Financial instruments categories:

Financial assets according to the consolidated statement of financial position:

December 31, 2025	Amortized Cost	At fair value through profit and loss	Total
Cash and cash equivalents	\$ 861,364	\$ -	\$ 861,364
Accounts receivable and other accounts receivable	1,195,074		1,195,074
Sundry debtors and employees	169,548		169,548
Related parties	156,418		156,418
Financial asset at fair value through profit and loss		246,431	246,431
	<u>\$ 2,382,404</u>	<u>\$ 246,431</u>	<u>\$ 2,628,835</u>

December 31, 2024	Amortized Cost	At fair value through profit and loss	Total
Cash and cash equivalents	\$ 732,009	\$ -	\$ 732,009
Restricted cash	-		-
Accounts receivable and other accounts receivable	1,543,155		1,543,155
Sundry debtors and employees	331,178		331,178
Related parties	157,709		157,709
Derivative financial instruments		26,747	26,747
Financial asset at fair value through profit and loss		239,282	239,282
	<u>\$ 2,764,051</u>	<u>\$ 266,029</u>	<u>\$ 3,030,080</u>

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

Financial liabilities according to the consolidated statement of financial position:

December 31, 2025	Amortized Cost	At fair value through profit and loss	Total
Debt	\$ 4,539,921	\$ -	\$ 4,539,921
Suppliers	900,239	-	900,239
Other accounts payable	674,512	46,594	721,106
Share appreciation rights	-	8,386	8,386
Derivative financial instruments	-	4,216	4,216
Financial liability for the right-of-use asset	599,471	-	599,471
	<u>\$ 6,714,143</u>	<u>\$ 59,196</u>	<u>\$ 6,773,339</u>

December 31, 2024	Amortized Cost	At fair value through profit and loss	Total
Debt	\$ 4,683,486	\$ -	\$ 4,683,486
Suppliers	1,198,296	-	1,198,296
Other accounts payable	831,854	-	831,854
Share appreciation rights	-	84,314	84,314
Derivative financial instruments	-	-	-
Financial liability for the right-of-use asset	673,674	-	673,674
	<u>\$ 7,387,310</u>	<u>\$ 84,314</u>	<u>\$ 7,471,624</u>

The amortized cost of the financial assets and liabilities as of December 31, 2025 and 2024 is similar to their book value.

Note 6 - Segment reporting:

General Management is the maximum authority for making Company's operation decisions. Therefore, General Management has determined the reportable operating segments based on internal reports previously reviewed to make strategic business decisions.

An operating segment is defined as a component of an entity on which there is separate financial information that is evaluated on a regular basis. Revenue of the different Company segments streams mainly from the sale of products.

Water solutions:

"Individual solutions" segment

Individual solutions are products that by themselves satisfy the needs of customers on a permanent basis. These products are commercialized through the Company's distributor network, without the need for additional services such as installation or maintenance services.

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

“Comprehensive solutions” segment

Comprehensive solutions are systems made up by different Individual Solutions that interact with each other to meet needs that are more complex. In general, those systems include added-value services such as installations or maintenance to ensure that they function properly.

Income and profit or loss per operating segment:

The Company evaluates the performance of each operating segment based on earnings before financing result, taxes, depreciation and amortization and donations (EBITDA), considering such indicator to be an appropriate measure to evaluate the yield of operating performance, as well as the capacity to fund capital investments and working capital requirements. Nevertheless, EBITDA is not a financial performance measure under IFRS, and it should not be considered an alternative to net profit to measure operating performance, or cash flows to measure liquidity.

Geographic markets:

The Company also controls its assets and liabilities per geographic market, classified as Mexico, Argentina, United States and others (Peru, Brazil, Guatemala, Honduras, Nicaragua, Costa Rica, El Salvador and Panama).

An analysis of income and results per segment of the Company to be reported is shown below. The other income statement items are not assigned, as they are managed on a corporate level. The information disclosed in each segment is shown net of eliminations related to transactions conducted between Group companies.

This form of presentation is the same as that used by Management in its periodic review processes of the Company’s performance.

	<u>Individual solutions</u>		<u>Comprehensive solutions</u>		<u>Consolidated</u>	
	<u>Year ended on</u>		<u>Year ended on</u>		<u>Year ended on</u>	
	<u>December 31,</u>		<u>December 31,</u>		<u>December 31,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Sales to external customers	\$ 9,452,012	\$ 10,317,760	\$ 1,240,804	\$ 882,967	\$ 10,692,816	\$ 11,200,727
Cost of sales	5,528,327	5,827,354	709,268	552,138	6,237,595	6,379,492
Operating expenses	3,008,814	3,349,262	792,114	803,394	3,800,928	4,152,656
Depreciation	493,907	490,883	164,280	134,836	658,187	625,719
Profit (loss) before taxes	\$ 335,424	\$ 646,995	\$ (336,430)	\$ (526,780)	\$ (1,006)	\$ 120,215
Modified EBITDA	\$ 1,421,961	\$ 1,645,941	\$ (94,514)	\$ (335,983)	\$ 1,327,447	\$ 1,309,958

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

Profit (loss) before tax per period is as follows:

	Year ended on December 31,	
	2025	2024
Modified EBITDA	\$ 1,327,447	\$ 1,309,958
Depreciation and amortization	(658,187)	(625,719)
Donations	(14,967)	(15,660)
Net financing costs	(653,667)	(546,721)
Share of net profit in associates	(1,632)	(1,643)
Income (loss) before taxes	<u>\$ (1,006)</u>	<u>\$ 120,215</u>

Sales per geographic market where these are located are as follows:

	Year ended on December 31,	
	2025	2024
Net sales		
Mexico	\$ 6,485,562	\$ 6,577,504
Argentina	1,532,578	2,316,410
USA	1,117,201	1,032,606
Others	1,557,475	1,274,207
Total	<u>\$ 10,692,816</u>	<u>\$ 11,200,727</u>

Revenue of \$1,744,670 are generated from five clients (\$1,946,478 in 2024). These revenues are attributable to the geographical areas of Mexico, Argentina, USA, Brazil, Central America and Peru.

Property, plant, and equipment located per geographic market:

	December 31	
	2025	2024
Mexico	\$ 3,116,723	\$ 3,268,570
Argentina	349,627	697,326
USA	1,471	3,082
Others	203,174	118,561
	<u>\$ 3,670,995</u>	<u>\$ 4,087,539</u>

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

Company's complete information

Details of the revenue by category are shown as follows:

	Year ended on December 31,	
	2025	2024
Products sales	\$ 9,452,012	\$ 10,273,943
Revenue from service and maintenance	1,180,159	871,817
Revenue from operating leases	60,645	54,967
Total	<u>\$ 10,692,816</u>	<u>\$ 11,200,727</u>

Note 7 - Cash and cash equivalents:

	December 31,	
	2025	2024
Cash	\$ 1,981	\$ 1,112
Bank deposits on demand	630,241	520,559
Highly liquid investments with maturities of three months or less	229,142	210,338
Total cash and cash equivalents	<u>\$ 861,364</u>	<u>\$ 732,009</u>

Note 7.1. Investment and financing activities that did not imply the use of cash

The investment and financing activities that did not imply the use of cash disclosed in other notes are:

- Investment properties acquisitions for \$59,097.
- Transfers of trademarks, client relationships and non-compete agreement with Irrivan. Refer to Note 1 and 15.
- Contract renewal for the lease of the corporate offices. Refer to Note 20.
- Release of restricted cash for \$21,572. Refer to Note 28.

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

Note 8 - Accounts receivable and other accounts receivable:

	December 31,	
	2025	2024
Clients	\$ 1,184,256	\$ 1,404,846
Less: impairment estimate	(201,770)	(75,808)
	<u>982,486</u>	<u>1,329,038</u>
Sundry debtors	161,183	328,519
Employees	8,365	2,659
VAT not yet credited	189,101	228,189
	<u>358,649</u>	<u>559,367</u>
	<u>\$ 1,341,135</u>	<u>\$ 1,888,405</u>

The fair value of accounts receivable as of December 31, 2025 and 2024 is similar to their book value.

Accounts receivable include the following outstanding receivable balances:

	December 31,	
	2025	2024
Short-term accounts receivable	\$ 982,486	\$ 1,329,038
Long-term accounts receivable	212,588	214,117
Total accounts receivable	<u>\$ 1,195,074</u>	<u>\$ 1,543,155</u>

Brazilian government clients.

In adherence to the Federal Program “*Agua para Todos*” (APT), Dalka do Brasil was engaged by different Brazilian government agencies to supply and install rainwater caption systems in several counties of the semiarid region. These accounts receivable with government agencies are guaranteed by the “*Programa de Aceleración de Crecimiento*” (PAC), at the federal government protection, who has recognized the amount owed by such agencies. In the beginning of 2015, the federal government started to withhold the transfer of funds to those agencies; as such, Dalka do Brasil stopped receiving payments in the agreed terms part of the receivable balances until the reactivation of operations in 2019.

In 2022, the Company obtained through the *Poder Judicial de Justicia Federal (SJDF)* a ratification sentence in which the receivables were recognized by *Companhia de Desenvolvimento dos Vales do São Francisco e do Parnaíba (CODEVASF)* as previously confirmed by the freight services that Dalka do Brasil rendered, as such the Company recognized \$70,273 (R\$18,938).

In 2022, the Company recognized inflation adjustments as part of the account receivable of \$3,941 (BRL\$842); this adjustment is made based on the legal basis of this country and in accordance with the specific terms of each contract.

The accounts receivable balance, with government agencies as of December 31, 2025 and 2024 in thousand Brazilian Reales was \$145,876 (BRL44,710) and \$189,458 (BRL57,200), respectively. (Refer to Note 27).

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

As of December 31, 2025 and 2024, an impairment estimate of \$14,860 and \$15,086, respectively.

The ageing of the balances with such government agencies as of December 31, 2025 and 2024 is shown as follows:

	<u>December 31,</u>	
	<u>2025</u>	<u>2024</u>
Range:		
More than 120 days	212,588	214,117

As of December 31, 2025, the non-current account receivables are comprised by \$84,050 related to the account receivable with the Brazilian Government and \$128,538 from the account receivable from Acuapue. As of December 31, 2024 they are comprised by \$127,660 from the Brazilian Government and \$86,457 from Acuape.

The account receivable with the Brazilian government is in litigation in different locations, however the Company decided to centralize the collection cases in only one location. As such, some of the accounts receivable might be recovered in more than 12 months.

Also, in 2024, Management signed a factoring contract with the institution BTG Pactual Servicios Financieros SA DTVM, receiving \$89,452 (BRL26,000) such amount was decreased from the overdue balance in the account receivables and generated immediate cash flow to the Company.

On August 1, 2025, an additional amount for the factoring with the institution BTG Pactual Servicios Financieros SA DTVM was received for \$8,625 (BRL2,500).

On October 10, 2025, the Company received a recovery payment from the Brazilian Government for \$41,042 (BRL12,579), that was decreased from the remaining balance, generating immediate cash flows for the Company.

Account receivable with Acapue

On November 28, 2023, the company Soluciones y Tratamiento Ecológico, S. A. P. I. de C. V. (Sytesa) signed a purchase agreement for the assets and rights of Acuapue, S. A. de C. V. for \$68,000, such contract includes the concessions for the water treatment service of residual water, that includes the rehabilitation, maintenance, and operation of the treatment facility. The final consideration paid for the purchase in 2024 was restated to \$76,460 due to the sign of a modificatory contract, during this period the estimate of the asset value was performed based on IFRIC 12, considering some relevant modifications, that generated an increased value of \$128,538 and \$86,457 as of December 31, 2025 and 2024, respectively, with a 20 years term, such amount was recognized in the long-term accounts receivable.

Because of the contract describe in the above paragraph, Grupo Rotoplas (through Sytesa) operates a concession with the "Sistema Operador de los Servicios de Agua Potable y Alcantarillado del Municipio de Puebla" (SOAPAP) for the rehabilitation and operation of a residual water treatment plant (PTAR) in Puebla. Under the Fourth Modificatory Agreement, the term and recoverability of the cash flows extends to 2043. The agreement is classified under the Financial Asset Model in conformity to IFRIC 12.

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

As of December 31, 2025 and 2024, the executed investment is \$48,789 and \$19,151, respectively, accruing an effective annual rate of 14.4% and 20.3%, respectively. In accordance with SIC 29, no depreciation is recognized to the infrastructure, an amortization to the financial asset is recognized instead against the actual collections.

Accounts receivable impairment losses

As mentioned before, under IFRS 9, it is assumed that a financial asset with more than 120 days overdue, should be considered overdue or in default. Based on the qualitative analysis of the history of accounts receivable payments, it was identified that an important part of the overdue accounts receivable with a short delay afterwards and that those accounts that have more than 120 days respectively have marginal recoveries.

The Company has sufficient historical information that allows to select a model based on expected losses. As such, the 3-stages model was considered appropriate as it uses a focus to reflect the actual and projected information of the factors that affect the capacity of the customers to pay their account receivables.

Movements in the impairment estimate of the accounts receivable are as follows:

	December 31,	
	2025	2024
Book value as of January 1st	\$ 75,808	\$ 58,656
Impairment for the year	146,471	30,308
Recuperation (cancellations) of doubtful accounts - Net	<u>(20,509)</u>	<u>(13,156)</u>
Net book value	<u>\$ 201,770</u>	<u>\$ 75,808</u>

Increases and unwinding to the client impairment estimate have been recognized in operating expenses in the statement of income. When there is no further expectation of recovery of an account from a customer, the balance is write-off together with the respective impairment provisions. The other account receivables are not impaired.

As of December 31, 2025 and 2024, accounts receivable from customers of \$201,770 and \$75,808, respectively, were reserved.

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

Net book value of account receivables and other account receivables net of impairment estimate of the Company are denominated in the following currencies:

	December 31,	
	2025	2024
Mexican peso	\$ 505,410	\$ 955,296
Argentinian peso	ARS 11,303,482	ARS 7,757,161
US Dollar	USD 3,292	USD 1,799
Real	BRL 7,714	BRL 59,140
Nuevo Sol	PEN 30,697	PEN 28,120
Quetzal	GTQ 15,137	GTQ 12,921
Colon	CRC 106,338	CRC 87,453
Cordoba	NIO 6,172	NIO 5,528
Lempira	HNL 10,145	HNL 9,356

The maximum exposure to credit risk at year-end is the book value of customers and other accounts receivable. The group received no guarantees in relation to customers or other accounts receivable.

Note 9 - Related parties:

- a. The following operations were carried out with related parties on an arm's length basis:

<u>Sell of goods and render of services to associates</u>	Year ended on	
	December 31,	
	2025	2024
Dalkasa, S. A. (Ecuador)	\$ 21,325	\$ 10,475

- b. Year-end balances resulting from sales/purchases of goods and services.

<u>Accounts receivable for sell of goods, rendering of services to associates and loans:</u>	December 31,	
	2025	2024
Dalkasa, S. A.	\$ 2,231	\$ 6,598

Account receivables from related parties arise from sell transactions and are due after a term of 60 days from the transaction date, as of December 31, 2025 and 2024 the Company had no account receivables passed due from related parties. These account receivables had no guarantees nor accrued interest. As of December 31, 2025 and 2024, no impairment estimate has been recognized for these account receivables.

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

As of December 31, 2025 and 2024, loans granted to key officers are subject to fixed and variable interest rates, are shown below:

Officer	1	2	3	4	5	6	
	January	January	January	December	July	October	
	1st	1st	1st	15th	11th	1st	
<u>Subscription date</u>	2023	2023	2023	2013	2025	2025	Total
Interest rate	UDI	UDI	UDI	6.90%	TIEE 28*2%	TIEE 28*2%	
<u>December 31, 2025</u>							
Opening balances	\$ 31,076	\$ 41,763	\$ 14,382	\$ 63,890	\$ -	\$ -	\$ 151,111
Loans granted	-	-	-	-	300	700	1,000
Collections	-	-	-	-	-	-	-
Interests	1,209	279	559	-	12	17	2,076
Total	<u>\$ 32,285</u>	<u>\$ 42,042</u>	<u>\$ 14,941</u>	<u>\$ 63,890</u>	<u>\$ 312</u>	<u>\$ 717</u>	<u>\$ 154,187</u>
Officer	1	2	3	4	5	6	
	January	January	January	December			
	1st	1st	1st	15th			
<u>Subscription date</u>	2023	2023	2023	2013			Total
Interest rate	UDI	UDI	UDI	6.90%			
<u>December 31, 2024</u>							
Opening balances	\$ 29,738	\$ 39,964	\$ 13,762	\$ 59,163	\$ -	\$ -	\$ 142,627
Loans granted	-	-	-	2,447	-	-	2,447
Collections	-	-	-	(324)	-	-	(324)
Interests	1,339	1,799	620	2,604	-	-	6,361
Total	<u>\$ 31,076</u>	<u>\$ 41,763</u>	<u>\$ 14,382</u>	<u>\$ 63,890</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 151,111</u>

The fair value of key officers' loans as of December 31, 2025 and 2024 was \$80,669 and \$151,111, respectively. The officers agreed to modify the maturity date of the contract for a 10-year period term, as such, the loans are due until January 16, 2033, for the loans that initiated this year they are recoverable on August 1 and October 1, 2026.

As of December 31, 2025 and 2024, no impairment estimates were necessary over the values of these loans.

As of December 31, 2025 and 2024, the effective interest rates of such loans were between 4% and 8% in both years.

- c. Compensation paid to directors and other management members was as follows:

	<u>Year ended on</u> <u>December 31,</u>	
	<u>2025</u>	<u>2024</u>
Salaries and other short-term benefits	<u>\$ 406,855</u>	<u>\$ 444,515</u>

The compensation to directors and key executives is determined by the Board of Directors based on their performance and market trends.

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

d. Other related parties

During 2025 and 2024, the Company carried out operations with Corporativo Grupo Bursatil Mexicano (GBM), which in turn holds the shares of GBM International, Inc. and GBM México.

Corporativo GBM and subsidiaries have a commercial relationship with the Company, and during the reporting periods have provided financial advisory services, investment banking services and other bank services.

Carlos Rojas Mota Velasco, main Company's stockholder and President of the Board of Directors, has a family relationship with the main stockholder of Corporativo GBM and therefore Corporativo GBM and its subsidiaries are considered related parties.

i. As of December 31, 2025 and 2024, the Company had no balances receivable from or payable to Corporativo GBM.

ii. The Company conducted the following operations with Corporativo GBM:

	<u>December 31,</u>	
	<u>2025</u>	<u>2024</u>
Commissions paid	\$ 112	\$ 1,068
Interest collected	\$ 253	\$ 18

Note 10 - Other recoverable taxes:

	<u>December 31,</u>	
	<u>2025</u>	<u>2024</u>
Recoverable VAT	\$ 63,961	\$ 92,186
Tax on industrialized products ¹	12,551	20,272
Other taxes ²	104,871	119,703
	<u>\$ 181,383</u>	<u>\$ 232,161</u>

¹ Relate to a Brazilian federal tax paid on the purchase of an industrialized product, which can be deducted from the amount earned from the sale of that product to third parties. They were requested in return to the government and recovered in 2025.

² Relate to different minor local taxes incurred by the different legal entities located in Mexico and Latin America, the most relevant being Brazil. These will be recovered through the Residual Water Treatment Plant (RWTP) business in Brazil.

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

Note 11 - Inventories:

	<u>December 31,</u>	
	<u>2025</u>	<u>2024</u>
Raw materials	\$ 302,205	\$ 439,749
Packaging materials	33,632	41,587
Work in progress	55,623	91,174
Finished goods	<u>802,341</u>	<u>1,011,778</u>
	1,193,801	1,584,288
Plus:		
Merchandise in transit	<u>101,599</u>	<u>225,430</u>
	<u>\$ 1,295,400</u>	<u>\$ 1,809,718</u>

Note 12 - Financial asset at fair value through profit or loss:

	B 37 Venture¹	Sciens Water Opportunities²	Meticulous Home Inc.	Total
Balance as of December 31, 2023	\$ 174,951	\$ 43,465	\$ -	\$ 218,416
Acquisitions	18,890	2,602	2,042	23,534
Recognized profit/(loss) in profit an loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>(9,081)</u>	<u>6,413</u>	<u>-</u>	<u>(2,668)</u>
Balance as of December 31, 2024	184,760	52,480	2,042	239,282
Acquisitions	15,921	-	-	15,921
Decrease	-	(28,008)	-	(28,008)
Recognized profit/(loss) in profit an loss	<u>10,165</u>	<u>9,071</u>	<u>-</u>	<u>19,236</u>
Balance as of December 31, 2025	<u>\$ 210,846</u>	<u>\$ 33,543</u>	<u>\$ 2,042</u>	<u>\$ 246,431</u>

Changes in fair value of financial assets at fair value through profit or loss are recognized net in the income statement line of "Finance income and costs".

¹ During the period ended on December 31, 2016 the Company invested in the fund B37 Ventures, LLC., with the purpose of investing in debt or capital investments at discretion of the fund administrators, these investments are subject to valuation through market references and values that might not be available. Such fund investment might not be subject to high liquidity ratios and depends on the performance of the entities in which the fund is investing. During the periods ended on December 31, 2025 and 2024 the Company invested in the fund B37 amounts of \$15,921 and \$18,890, respectively, additionally during December 31, 2025 and 2024 a fair value adjustment to the investment was made, generating a profit (loss) in the instrument of \$10,165 and (\$9,801), respectively.

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

- ² The Company invested in Sciens Water Opportunities Cayman Fund LP, the objective of the investment is to invest in debt or equity instruments at fund management's discretion, this investment is subject to valuation through market references and values that might not be available, such investment in the fund investment might not be subject to high liquidity ratios and depends on the performance of the entities in which the fund is invested; During the period ended on December 31, 2024, the Company made an investment in Sciens Water Opportunities Cayman Fund LP for an amount of \$2,602, additionally on December 31, 2025 and 2024 a fair value adjustment to the investment was made, generating a profit in the instrument of \$9,071 and \$6,413, respectively. As of December 31, 2025, the Company withdraw \$28,008 of the investment.
- ³ On October 29, 2024 the Company invested in Meticulous Home Inc. an amount of \$2,042 (USD100, with the objective that such investment can become in the future in representative shares on the equity of Meticulous Home Inc.

Note 13 - Property, plant, and equipment:

Year ended on December 31, 2025	Land	Constructions in progress	Buildings and plants	Machinery and tools	Furniture, fixtures and computer equipment	Transportation equipment	Molds	Leasehold improvements	Treatment plants	Other	Total
Opening balances	\$ 824,315	\$ 662,277	\$ 854,542	\$ 699,956	\$ 19,975	\$ 12,436	\$ 130,388	\$ 188,302	\$ 389,648	\$ 305,700	\$ 4,087,539
Translation and restatement effects	(48,291)	(175,689)	(28,204)	(8,818)	2,403	1,874	(5,636)	2,292	(592)	-	(260,661)
Business acquisitions	-	-	-	-	-	-	-	-	-	-	-
Revaluation surplus	(6,949)	-	18,621	-	-	-	-	-	-	-	11,672
Transfers	-	(558,459)	(271)	84,881	3,159	1,099	22,403	50,443	177,534	218,539	(672)
Acquisitions	-	466,350	-	-	-	-	-	-	-	-	466,350
Disposals	(71,769)	(88,680)	(13,252)	(1,616)	(4,951)	(2,471)	(15,614)	(2,867)	(38,552)	(16,175)	(255,947)
Disposals' depreciation	-	-	4,857	39,366	4,942	2,467	14,263	2,675	38,552	-	107,122
Depreciation of the year	-	-	(53,930)	(178,561)	(10,428)	(3,058)	(18,540)	(23,243)	(62,128)	(75,404)	(425,292)
Depreciation of the year for restatement effect	-	-	(18,984)	(23,839)	(6,484)	(4,912)	(2,919)	(1,978)	-	-	(59,116)
Closing balances	\$ 697,306	\$ 305,799	\$ 763,379	\$ 611,369	\$ 8,616	\$ 7,435	\$ 124,345	\$ 215,624	\$ 504,462	\$ 432,660	\$ 3,670,995
Balances as of December 31, 2025:											
Cost	\$ 697,306	\$ 305,799	\$ 2,539,921	\$ 1,630,578	\$ 185,415	\$ 32,848	\$ 512,834	\$ 328,829	\$ 701,237	\$ 581,611	\$ 7,516,378
Accumulated depreciation	-	-	\$(1,776,542)	\$(1,019,209)	\$(176,799)	\$(25,413)	\$(388,489)	\$(113,205)	\$(196,775)	\$(148,951)	\$(3,845,383)
Closing balances	\$ 697,306	\$ 305,799	\$ 763,379	\$ 611,369	\$ 8,616	\$ 7,435	\$ 124,345	\$ 215,624	\$ 504,462	\$ 432,660	\$ 3,670,995
Year ended on December 31, 2024	Land	Constructions in progress	Buildings and plants	Machinery and tools	Furniture, fixtures and computer equipment	Transportation equipment	Molds	Leasehold improvements	Treatment plants	Other	Total
Opening balances	\$ 884,553	\$ 686,372	\$ 999,663	\$ 577,394	\$ 30,181	\$ 13,650	\$ 113,312	\$ 114,762	\$ 428,076	\$ 215,530	\$ 4,063,493
Translation and restatement effects	(142,577)	89,763	(138,681)	42,181	1,529	1,262	10,311	8,517	(1,076)	-	(128,771)
Business acquisitions	-	-	-	486	110	150	-	-	-	-	746
Revaluation surplus	82,339	-	71,793	-	-	-	-	-	-	-	154,132
Transfers	-	(624,981)	337	243,640	6,847	1,768	33,567	81,954	100,985	155,883	-
Acquisitions	-	580,134	-	-	-	-	-	-	-	-	580,134
Disposals	-	(69,011)	(2,111)	(31,633)	(6,558)	(36)	(1,455)	-	(167,874)	(104,420)	(383,098)
Disposals' depreciation	-	-	4	3,913	5,759	36	1,212	220	81,056	77,222	169,422
Depreciation of the year	-	-	(53,383)	(152,677)	(14,086)	(2,899)	(20,963)	(15,179)	(51,519)	(38,515)	(349,221)
Depreciation of the year for restatement effect	-	-	(23,080)	16,652	(3,807)	(1,495)	(5,596)	(1,972)	-	-	(19,298)
Closing balances	\$ 824,315	\$ 662,277	\$ 854,542	\$ 699,956	\$ 19,975	\$ 12,436	\$ 130,388	\$ 188,302	\$ 389,648	\$ 305,700	\$ 4,087,539
Balances as of December 31, 2024:											
Cost	\$ 824,315	\$ 662,277	\$ 2,656,329	\$ 1,773,430	\$ 229,106	\$ 56,424	\$ 746,699	\$ 269,969	\$ 563,203	\$ 373,978	\$ 8,155,730
Accumulated depreciation	-	-	(1,801,787)	(1,073,474)	(209,131)	(43,988)	(616,311)	(81,667)	(173,555)	(68,278)	(4,068,191)
Closing balances	\$ 824,315	\$ 662,277	\$ 854,542	\$ 699,956	\$ 19,975	\$ 12,436	\$ 130,388	\$ 188,302	\$ 389,648	\$ 305,700	\$ 4,087,539

As of December 31, 2025 and 2024, the depreciation charge is included in the cost of sales for \$362,045 and \$324,611, and in operating expenses \$133,799 and \$82,403, respectively.

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

If land and buildings had been measured using the historic cost valuation method instead of by the revaluation method, the balances recorded would have been as follows:

	December 31,	
	2025	2024
Cost of land	\$ 374,993	\$ 446,762
Cost of buildings	1,404,927	1,418,450
Accumulated depreciation of buildings	(815,311)	(796,584)
	<u>589,616</u>	<u>621,866</u>
Net book value	<u>\$ 964,609</u>	<u>\$ 1,068,628</u>

As of December 31, 2025 and 2024, the Company leases to its clients (mainly Nueva Wal-Mart de México, S. de R. L. de C. V.) water treatment plants under non-cancellable operating lease contracts with a net book value of \$278,859 and \$263,990. The lease term periods are up to 10 years, the assets will remain property of the Company at the end of these terms.

As of December 31, 2025 and 2024, the Company has not capitalized financing costs, since there are no qualifying assets.

As of December 31, 2025 and 2024, the Company does not operate contracts under financial lease.

Note 13.1 - Fair value of land and buildings:

In 2025, appraisals of land and buildings were carried out in Argentina and a location in Mexico. In 2024, based on our accounting policy, appraisals were carried out only for land and buildings in Argentina. These appraisals were carried out by independent experts. The surplus from revaluation was recognized net of deferred taxes in the revaluation surplus.

Appraisals are carried out with the objective of presenting the changes in fair values.

Assets are classified under different levels depending on their features, as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable data).

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

Information on fair value measurements carried out in 2025 and 2024 using non-observable data classified as level 2, is shown as follows:

Description:	Fair value as of December 31, 2025	Fair value as of December 31, 2024	Valuation Techniques	Non- observable data	Range of non-observable data weighted-average prices in Mexican pesos		
					Higher	Used	Lower
Mexico City							
Land	\$ 72,670	\$ 171,470	Price comparison	Price per m ²	16,470	16,470	-
Plants	14,799	25,043	Price comparison	Price per m ²	3,545	3,545	-
Total Mexico City	\$ 87,469	\$ 196,513					
Guadalupe, Nuevo León							
Land	201,724	201,724	Price comparison	Price per m ²	2,680	2,680	-
Plants	159,311	159,311	Price comparison	Price per m ²	16,147	16,147	-
Total Guadalupe, Nuevo León	\$ 361,035	\$ 361,035					
Tlajomulco de Zuñiga, Jalisco							
Land	57,003	57,003	Price comparison	Price per m ²	707	707	-
Plants	45,243	45,243	Price comparison	Price per m ²	14,872	14,872	-
Total Tlajomulco de Zuñiga, Jalisco	\$ 102,246	\$ 102,246					
León Guanajuato							
Land	52,477	52,476	Price comparison	Price per m ²	670	670	-
Plants	263,384	263,384	Price comparison	Price per m ²	12,706	12,706	-
Total León Guanajuato	\$ 315,861	\$ 315,861					
Los Mochis, Sinaloa							
Land	9,755	9,755	Price comparison	Price per m ²	730	730	-
Plants	54,708	54,708	Price comparison	Price per m ²	14,636	14,636	-
Total Los Mochis, Sinaloa	\$ 64,463	\$ 64,463					
Lerma, Edo México							
Land	46,904	46,904	Price comparison	Price per m ²	3,620	3,620	-
Plants	102,212	102,212	Price comparison	Price per m ²	12,076	12,076	-
Total Lerma, Edo México	\$ 149,116	\$ 149,116					
Merida Yucatán							
Land	83,457	83,457	Price comparison	Price per m ²	2,810	2,810	-
Plants	60,267	60,267	Price comparison	Price per m ²	11,719	11,719	-
Total Merida Yucatán	\$ 143,724	\$ 143,724					
Tejería Veracruz							
Land	55,386	55,386	Price comparison	Price per m ²	1,670	1,670	-
Plants	100,735	100,736	Price comparison	Price per m ²	15,408	15,408	-
Total Tejería Veracruz	\$ 156,121	\$ 156,121					
Total Mexico	\$ 1,380,035	\$ 1,489,079					

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

Description:	Fair value as of December 31, 2025	Fair value as of December 31, 2024	Valuation Techniques	Non- observable data	Range of non-observable data weighted-average prices in Mexican pesos		
					Higher	Used	Lower
Pilar Buenos Aires							
Land	\$ 36,204	\$ 36,121	Price comparison	Price per m ²	1,804	1,804	-
Plants	43,257	37,372	Price comparison	Price per m ²	11,142	11,142	-
Total Pilar Buenos Aires	<u>\$ 79,461</u>	<u>\$ 73,493</u>					
Vicente López Buenos Aires							
Land	5,609	44,740	Price comparison	Price per m ²	13,750	12,175	-
Plants	7,603	26,392	Price comparison	Price per m ²	9,640	4,685	-
Total Vicente López Buenos Aires	<u>\$ 13,212</u>	<u>\$ 71,132</u>					
Loma Hermosa Buenos Aires							
Land	58,088	50,129	Price comparison	Price per m ²	3,940	3,940	-
Plants	71,528	35,351	Price comparison	Price per m ²	8,384	8,384	-
Total Loma Hermosa Buenos Aires	<u>\$ 129,616</u>	<u>\$ 85,480</u>					
Total Argentina	<u>\$ 222,289</u>	<u>\$ 230,105</u>					
Villanueva, Guatemala							
Land	21,047	21,047	Price comparison	Price per m ²	2,824	2,824	-
Plants	22,268	22,268	Price comparison	Price per m ²	7,059	7,059	-
Total Villanueva, Guatemala	<u>\$ 43,315</u>	<u>\$ 43,315</u>					
Total Guatemala	<u>\$ 43,315</u>	<u>\$ 43,315</u>					

During the years ended on December 31, 2025 and 2024, there were no transfers between the fair value measurement levels.

Fair values net of movements for the periods are as follows:

	Land		Buildings		Totals	
	December 31,					
	2025	2024	2025	2024	2025	2024
Mexico	\$ 579,375	\$ 678,175	\$ 679,273	\$ 739,109	\$ 1,258,648	\$ 1,417,284
Argentina	102,398	128,489	69,046	97,559	171,444	226,048
Guatemala	15,533	17,651	15,060	17,874	30,593	35,525
	<u>\$ 697,306</u>	<u>\$ 824,315</u>	<u>\$ 763,379</u>	<u>\$ 854,542</u>	<u>\$ 1,460,685</u>	<u>\$ 1,678,857</u>

Changes in fair value measurement using significant observable inputs (level 2):

Land and buildings	December 31,	
	2025	2024
Opening balances	\$ 1,678,857	\$ 1,884,216
Translation effect	(89,727)	(72,486)
Acquisitions	(271)	337
Disposals	(80,164)	(2,111)
Restatement surplus	11,672	154,132
Restatement effect	13,232	(208,772)
Depreciation	(72,914)	(76,459)
	<u>\$ 1,460,685</u>	<u>\$ 1,678,857</u>

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

Valuation techniques used to determine level 2 fair values:

The level 2 fair value for land and buildings has been derived using the sales comparison approach. The sale prices of land and buildings in the comparable proximities are adjusted to the different key characteristics, for example size of the property. The key input under this approach is the price per square meter.

Company's valuation process

The Company's Administration and Finance department performs periodical analysis required for consolidated financial statements to the fair values. This department reports directly to the senior directors of the Finance department.

The results of valuation and annual processes performed serve to confirm that the conditions set forth in the accounting policy for revaluation of assets take place every five years is still reasonable.

Valuations of land and buildings performed by external parties take place every five years if the conditions shown in non-observable data or of assets are affected by external and internal elements. Based on discussions between Management and the external appraisers, it has been determined that non-observable data used as the basis for valuations, such as age, dimensions and borders, conditions of land and buildings, locations, and local economic factors, are comparable to the prices of the respective locations of assets.

The ratio of non-observable data when measuring the fair value is as follows: the higher the price per square meter, the higher the fair value.

Note 14 - Investment in associates:

The investment in associates of the Company, accounted for under the equity-method is shown below. The associates that are disclosed below have a shared capital consisting only of ordinary shares.

Nature of the investment in associates:

Dalkasa, S. A. (Dalkasa)

Dalkasa, a private entity incorporated and operating in Quito, Ecuador, is mainly engaged in manufacturing and selling plastic water containers for water storage. As of December 31, 2025 and 2024, the interest in the associate was 49.88%.

The Company does not hold joint control on Dalkasa because it does not meet the requirements to do so. Instead, in accordance with IFRS Accounting Standards, it holds significant influence in Dalkasa because it has participation in the Board of Directors; it participates in the policy processes and transactions of significance, as well as in the supply of technical information.

Banyan Water, Inc (Banyan)

Banyan Water, Inc., is a technological company established in 2011 and in operation in Delaware, United States of America, that uses data and analytics power to offer more relevant metrics and water savings to its clients in the United States of America. As of December 31, 2025 and 2024, the percentage of interest in the associate was 21.58%.

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

The Company does not hold joint control on Banyan because it does not meet the requirements to do so. Instead, in accordance with IFRS Accounting Standards, it holds significant influence in Dalkasa because it has participation in the Board of Directors; it participates in the policy processes and transactions of significance.

AIC

AIC is a private entity established and in operation in the USA, which in turn is the holding entity of the share parts of AIC - Rotoplas in Chile, it holds and owns the patent related to the technology "Plasma Water Sanitation System" (PWSS) which is an innovative system of water treatment capable of eliminating viruses and living bacteria, through the transformation of continuous contaminated water flow into plasma. As of December 31, 2025, and 2024 the percentage of participation in the associate was 13.48%, respectively. As of December 31, 2025 and 2024 the investment is fully impaired.

Management has defined that significant influence in this entity has been reached, due to the involvement of four of the Company's members in the board of directors out of seven in this AIC, however no full control has been achieved since the main shareholder can nominate any member of the Board of Directors at will.

Selected information of Dalkasa and Banyan is shown as follows:

a. Condensed statements of financial position

	December 31,					
	Dalkasa		Banyan		Total	
	2025	2024	2025	2024	2025	2024
CURRENT ASSETS::						
Cash and cash equivalents	\$ 7,799	\$ 6,306	\$ 5,976	\$ 16,870	\$ 13,775	\$ 23,176
Accounts receivable and other account receivables	16,151	22,389	2,913	5,268	19,064	27,657
Inventories	11,460	8,217	-	10,563	11,460	18,780
Prepaid expenses	217	182	-	-	217	182
Other non-current assets			15,997	7,987	15,997	7,987
Total current assets	35,627	37,094	24,886	40,688	60,513	77,782
Related parties	-	-	-	-	-	-
Property, plant and equipment	1,710	2,361	162	220	1,872	2,581
Total assets	\$ 37,337	\$ 39,455	\$ 25,048	\$ 40,908	\$ 62,385	\$ 80,363
Liabilities and Equity						
CURRENT LIABILITIES:						
Suppliers	\$ 5,726	\$ 675	\$ 10,037	\$ 3,406	\$ 15,763	\$ 4,081
Other account payables	2,054	805	-	10,997	2,054	11,802
Provisions	-	-	-	-	-	-
Income taxes payable	186	1,190	-	-	186	1,190
Other payable taxes	708	184	-	-	708	184
Total liabilities	8,674	2,854	10,037	14,403	18,711	17,257
Total net assets	\$ 28,663	\$ 36,601	\$ 15,011	\$ 26,505	\$ 43,674	\$ 63,106

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

b. Condensed statements of income

	Dalkasa		Banyan		Total	
	Year ended on		Year ended on		Year ended on	
	December 31,		December 31,		December 31,	
	2025	2024	2025	2024	2025	2024
Net sales	\$ 33,967	\$ 36,099	\$ 30,981	\$ 64,979	\$ 64,948	\$ 101,078
Cost of sales	(22,670)	(23,797)	(8,029)	(21,824)	(30,699)	(45,621)
Gross profit	11,297	12,302	22,952	43,155	34,249	55,457
Operating expenses	(8,296)	(11,797)	(34,630)	(51,522)	(42,926)	(63,319)
Other expenses - net	(664)	(175)	118	875	(546)	700
Net finance costs	101	(222)	-	-	101	(222)
Income tax	(709)	(161)	-	-	(709)	(161)
Non-controlling interest	-	-	-	-	-	-
Profit (loss) net	\$ 1,729	\$ (53)	\$ (11,560)	\$ (7,492)	\$ (9,831)	\$ (7,545)

As of December 31, 2025 and 2024 Dalkasa and Banyan are private companies and there is no observable market available for their shares.

The abovementioned information shows the quantities presented in the adjusted financial statements of the associate by the differences in the accounting policies between the Company and the associate.

Investment contingencies and commitments:

As of December 31, 2025 and 2024, the Company had no contingencies related to the investment in the associates.

As of December 31, 2025 and 2024, there were no restrictions on the cash and cash equivalents in the investment in associates.

c. Reconciliation of summarized financial information at carrying value regarding equity in associates is as follows:

	Dalkasa		Banyan		Total	
	Year ended on		Year ended on		Year ended on	
	December 31,		December 31,		December 31,	
	2025	2024	2025	2024	2025	2024
Summarized financial information						
Net assets as of January 1,	\$ 36,601	\$ 30,393	\$ 26,505	\$ 26,992	\$ 63,106	\$ 57,385
Profit (loss) for the year	1,729	(53)	(11,560)	(7,492)	(9,831)	(7,545)
Investments	-	-	-	-	-	-
Currency translation effect	(9,667)	6,261	66	7,005	(9,601)	13,266
Net assets at period end	\$ 28,663	\$ 36,601	\$ 15,011	\$ 26,505	\$ 43,674	\$ 63,106

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

Grupo Rotoplas' interest participation:

Summarized financial information	Dalkasa		Banyan		Total	
	Year ended on December 31,		Year ended on December 31,		Year ended on December 31,	
	2025	2024	2025	2024	2025	2024
Net assets as of January 1,	\$ 28,663	\$ 36,601	\$ 15,011	\$ 26,505	\$ 43,674	\$ 63,106
Percentage of interest	49.88%	49.88%	21.58%	21.58%		
Grupo Rotoplas, S. A. B. de C. V. Impairment	14,297	18,257	3,239	5,720	17,536	23,976
	-	-	-	-	-	-
Net assets at period end	\$ 14,297	\$ 18,257	\$ 3,239	\$ 5,720	\$ 17,536	\$ 23,976

d. Share of net profit of associates based on the equity method is as follows:

Dalkasa	Year ended on December 31,	
	2025	2024
Net profit (loss) of the associate	\$ 1,729	\$ (53)
Investment in associate	49.88%	49.88%
Share of net profit in associate	\$ 862	\$ (26)

Banyan	Year ended on December 31,	
	2025	2024
Net loss of the associate	\$ (11,560)	\$ (7,492)
Investment in associate	21.58%	21.58%
Share of net profit in associate	\$ (2,494)	\$ (1,617)
Share of net profit in associate - net	\$ (1,632)	\$ (1,643)

Note 15 - Intangibles:

	Goodwill	Trademarks	Client Relationship	Non-compete agreement	Software and SAP licenses	Total
Balance as of January 1, 2025	\$ 2,856,020	\$ 591,245	\$ 415,083	\$ 1,863	\$ 283,057	\$ 4,147,268
Translation and restatement effect	(288,084)	(120,310)	(85,982)	(404)	(5,283)	(500,063)
Transfers	(14,649)	15,100	13,100	8,700	672	22,923
Acquisitions	-	-	-	-	21,423	21,423
Disposals	-	-	-	-	(10,497)	(10,497)
Amortization of the period	-	-	(11,805)	(318)	(75,493)	(87,616)
Balance as of December 31, 2025	\$ 2,553,287	\$ 486,035	\$ 330,396	\$ 9,841	\$ 213,879	\$ 3,593,438
Net book value:						
Cost	\$ 2,553,287	\$ 486,035	\$ 374,666	\$ 11,033	\$ 936,358	\$ 4,361,380
Accumulated amortization	-	-	(44,270)	(1,192)	(722,479)	(767,942)
Balance as of December 31, 2025	\$ 2,553,287	\$ 486,035	\$ 330,396	\$ 9,841	\$ 213,879	\$ 3,593,438

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

	Goodwill	Trademarks	Client Relationship	Non-compete agreement	Software and SAP licenses	Total
Balance as of January 1, 2024	\$ 2,552,431	\$ 479,462	\$ 355,788	\$ 2,220	\$ 290,872	\$ 3,680,773
Translation and restatement effect	285,658	106,924	71,100	(38)	17,002	480,646
Impairment	-	-	-	-	-	-
Business acquisition	-	4,859	-	-	-	4,859
Transfers	-	-	-	-	19,941	19,941
Acquisitions	73,354	-	-	-	72,458	145,812
Disposals	(55,423)	-	-	-	(10,464)	(65,887)
Amortization of disposals	-	-	-	-	2,369	2,369
Amortization of the period	-	-	(11,805)	(319)	(109,121)	(121,245)
Balance as of December 31, 2024	<u>\$ 2,856,020</u>	<u>\$ 591,245</u>	<u>\$ 415,083</u>	<u>\$ 1,863</u>	<u>\$ 283,057</u>	<u>\$ 4,147,268</u>
Net book value:						
Cost	\$ 2,856,020	\$ 591,245	\$ 485,915	\$ 3,772	\$ 937,563	\$ 4,874,515
Accumulated amortization			(70,832)	(1,909)	(654,506)	(727,247)
Balance as of December 31, 2024	<u>\$ 2,856,020</u>	<u>\$ 591,245</u>	<u>\$ 415,083</u>	<u>\$ 1,863</u>	<u>\$ 283,057</u>	<u>\$ 4,147,268</u>

As of December 31, 2025 and 2024, the expense for amortization is included in cost of sales for \$13,196 and \$7,305, and in operating expenses for \$74,420 and \$113,940, respectively. (Refer to Note 25).

Trademarks allocation to each CGU is shown as follows:

CGU	December 31,	
	2025	2024
Rotoplas Argentina	\$ 466,076	\$ 474,667
	<u>\$ 466,076</u>	<u>\$ 474,667</u>

Intangible assets with indefinite useful life including goodwill are assigned to the CGU and are monitored at the Group operating segment level.

A summary of the allocation of goodwill by CGU is shown as follows:

CGU	December 31,	
	2025	2024
Rotoplas Argentina ⁽¹⁾	\$ 817,461	\$ 1,028,474
United States of America (USA) ⁽²⁾	541,010	618,081
Irrigacion de Vanguardia	58,705	73,354
Sytesa	1,136,111	1,136,111
	<u>\$ 2,553,287</u>	<u>\$ 2,856,020</u>

(1) The recoverable value of the Argentina CGU has been determined based on their value-in-use, which is determined through projections of cash flows before taxes, based on financial budgets approved by Management covering a five-year period.

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

(2) Formerly known as E-Commerce

Cash flows after that period are extrapolated using the following estimated growth rates, which do not exceed the average long-term growth rate for the business in which each CGU operates.

The long-lived assets including goodwill were tested for impairment purposes, no impairment loss was deemed necessary to be recognized as of December 31, 2025 and 2024.

The Company performs annual tests to know whether goodwill has incurred any impairment. For the reporting periods of 2025 and 2024, the recoverable amount of all Cash Generating Units (CGU) was determined based on value-in-use calculations that require assumptions. These calculations use future cash flow forecasts based on the approved financial budgets made by management that cover five-year period or more, accordingly.

Cash flows beyond the five-year period are extrapolated using the estimated growing rates that are mentioned as follows. Growth rates are consistent with those forecasts included in the industry specific reports in which the CGUs operate of Argentina and USA.

Key assumptions used to calculate value in use are as follows:

	Argentina		Sytesa		Estados Unidos (EUA)	
			December 31,			
	2025 (%)	2024 (%)	2025 (%)	2024 (%)	2025 (%)	2024 (%)
Revenue growth rate	31.50	24.82	32.05	36.36	11.10	11.21
Discount rate	50.11	49.47	11.50	12.05	8.25	7.90

Management has determined the assigned values to each of the key assumptions.

Assumption	Approach used in determining the values
Revenue growth rates	Have been budgeted in accordance with the internal considerations of market and participation growth and history of the business in each market. Also, considerations on economic factors, environmental and regulatory that might influence in the future performance.
Discount rate	Considers factors such as market conditions, country-risk, the nature of the asset, risk-free rate, and other elements.

If the forecasted revenue growth considered in the calculation of the value-in-use for the CGU Sytesa, it would have been 5% lower than the Management's estimate as of December 31, 2025, and the value-in-use of the CGU would have decreased in \$130,653 (\$112,879 in 2024).

If the discount rate considered in the calculation of the value-in-use for the CGU Sytesa would have been 1 percentual point above (12.5%), keeping the revenue growth constant, the value-in-use of the CGU would have decreased in \$71,058 (2.8%). An increase of 2 percentual points (13.5%) it would have decreased in \$138,460 (5.5%).

If the forecasted revenue growth considered in the calculation of the value-in-use for the CGU Argentina, it would have been 5% lower from Management's estimate as of December 31, 2025, and the value-in-use of the CGU would have decreased in \$409,630 (\$12,038 in 2024).

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

If the discount rate considered in the calculation of the value-in-use for the CGU Argentina would have been 1 percentage point above (51.1%), keeping the revenue growth constant, the value-in-use of the CGU would have decreased in \$362,555 (0.4%). An increase of 2 percentage points (52.1%) it would have decreased in \$712,855 (0.7%).

If the forecasted revenue growth considered in the calculation of the value-in-use for the CGU United States, would have been 5% lower from Management's estimate as of December 31, 2025, and the value-in-use of the CGU would have decreased in \$44,4633 (\$91,634 in 2024).

If the discount rate considered in the calculation of the value-in-use for the CGU Argentina would have been 1 percentage point above (9.3%), keeping the revenue growth constant, the value-in-use of the CGU would have decreased in \$6,887 (3.7%). An increase of 2 percentage points (10.3%), it would have decreased in \$13,412 (7.2%).

As of December 31, 2025 and 2024, the value-in-use of the CGU is higher than the carrying value of goodwill, significant variances in the key assumptions used in the determination of the value-in-use, are mainly external economical changes, which were used by the Company to decrease the expected growth for the CGUs.

Note 16 - Derivative financial instruments:

Derivative negotiable financial instruments are classified as current assets or liabilities. The fair value of derivative designated as hedge is classified as non-current asset or liability if the remaining settlement date of the hedged item is higher than 12 months, and as current asset or liability if the remaining settlement date is between the following 12 months.

Description

Opening balance as of January 1, 2024	\$	(18,266)
Plus: Change in fair value of the hedging instrument recognized in OCI		36,989
Less: Reclassified from OCI to profit or loss—included in finance costs		(53)
Closing balance as of December 31, 2024		18,670
Plus: Change in fair value of the hedging instrument recognized in OCI for the year		(21,674)
Less: Reclassified from OCI to profit or loss—included in finance costs		53
Closing balance as of December 31, 2025	\$	(2,951)

The Company uses hedging financial instruments with the objective of reducing the risk of changes in the exchange rates for the acquisition of merchandise. As of December 31, 2025, the Company has the following outstanding derivative financial instruments:

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

Foreign exchange, with the objective of minimizing the exchange rate volatility risk between the US Dollar and the Mexican peso (USD/\$). The Company purchases in a foreign currency (Dollars) in relation to its raw materials used in the manufacturing process, as such it is exposed to an exchange rate volatility between USD/\$. As such, the Company hired during 2025, 25 forwards and designated as hedged item the future purchases in Dollars. The conditions of the derivative financial instruments and the considerations of the valuation as a hedging instrument are shown as follows:

JPM

Characteristhics	Year ended in 2024
Currency	USD
Reference amount	\$ 100,000
Strike (Avarage) USD/\$	\$ 18.5
Maturity date	Weekly until June 30, 2026
Fair value recognized in books	\$ (4,216)
Change of fair value to measure ineffectiveness	\$ (4,216)
Amount recognized in OCI net of reclassifications	\$ (4,216)
Change of fair value of the hedged item to measure ineffectiveness	\$ (4,216)
Exposure	US Dollar purchases

HSBC

Characteristhics	Year ended in 2024
Currency	USD
Reference amount	\$ 100,000
Strike (Avarage) USD/\$	\$ 21
Maturity date	Weekly until December 2025
Fair value recognized in books	\$ 19,735
Change of fair value to measure ineffectiveness	\$ 19,753
Amount recognized in OCI net of reclassifications	\$ 19,735
Change of fair value of the hedged item to measure ineffectiveness	\$ 19,735
Exposure	US Dollar purchases

BNP PARIBAS

Characteristhics	Year ended in 2024
Currency	USD
Reference amount	\$ 100,000
Strike (Avarage) USD/\$	\$ 20
Maturity date	Weekly until March 2025
Fair value recognized in books	\$ 7,120
Change of fair value to measure ineffectiveness	\$ 7,154
Amount recognized in OCI net of reclassifications	\$ 7,120
Change of fair value of the hedged item to measure ineffectiveness	\$ 7,120
Exposure	US Dollar purchases

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

For accounting purposes, the Company has designated forwards that are described above as a hedging cash flow relationship for foreign exchange purchases, formally documenting such relation, establishing the objectives, management's strategy to cover the risk, the identification of the hedging instrument, the hedged item, the nature of the risk to be covered and the methodology and effectiveness assessment.

As of December 31, 2025, the outcome of the hedging effectiveness confirm that the hedging relationship is highly effective, since the changes to the fair value and cash flows to the hedged item are offset in the effectiveness range established by the Company. The prospective effectiveness test resulted in a 100% effectiveness in 2025 (99.83%), confirming that the economic relation between the hedging instrument and the hedged item. The method used by the Company is using a hypothetical derivative financial instrument cash flows compensation, consisting in comparing the changes to the fair value of the hedging instrument with changes to the fair value from the hypothetical derivative that could result in perfect hedging to the hedged item.

In accordance with the amount and the form in which the cash flows of the derivative are exchanged, for this hedging strategy, the average hedged ratio is 25% as of December 2025 and 2024. In this hedging relationship, the sources of ineffectiveness are mainly the credit risk and any time mismatching between the derivative liquidation and the purchase of raw material.

As of December 2024, the main used foreign exchange forwards and the hiring positions at closing of each year are as follows:

Forward full delivery¹

National amount in USD	Hiring	Maturity date	Interest rate of the Instrument	Referred exchange rate in Mexican peso	Fair value as of December 31,	
					2025	2024
2,000	October 2024	Jan-25	Exchange rate	20.7015		479
2,000	October 2024	Feb-25	Exchange rate	20.7015		661
2,000	October 2024	Mar-25	Exchange rate	20.7015		839
2,500	October 2024	Apr-25	Exchange rate	20.7015		1,303
2,000	October 2024	May-25	Exchange rate	20.7015		1,236
2,000	October 2024	Jun-25	Exchange rate	20.7015		1,404
2,500	October 2024	Jul-25	Exchange rate	20.7015		1,990
2,000	October 2024	Aug-25	Exchange rate	20.7015		1,782
2,000	October 2024	Sep-25	Exchange rate	20.7015		1,949
2,500	October 2024	Oct-25	Exchange rate	20.7015		2,666
2,000	October 2024	Nov-25	Exchange rate	20.7015		2,313
2,500	October 2024	Dec-25	Exchange rate	20.7015		3,113
3,333	December 2024	Jan-25	Exchange rate	20.3232		2,033
3,333	December 2024	Feb-25	Exchange rate	20.3232		2,345
3,333	December 2024	Mar-25	Exchange rate	20.3232		2,634
2,096	December 2025	Jan-26	Exchange rate	18.5010	(959)	
2,143	December 2025	Feb-26	Exchange rate	18.5010	(869)	
2,230	December 2025	Mar-26	Exchange rate	18.5010	(788)	
2,188	December 2025	Apr-26	Exchange rate	18.5010	(645)	
2,312	December 2025	May-26	Exchange rate	18.5010	(543)	
2,271	December 2025	Jun-26	Exchange rate	18.5010	(412)	
					<u>\$ (4,216)</u>	<u>\$ 26,747</u>

¹ For changes in the cash flows due to fluctuations of the exchanges rates the hedge is performed through hiring forward liquidation financial instruments "Full Delivery" or compensating "Non-Delivery Forward" for a known price at an exact date. These derivative financial instruments have the economic effect of agreeing the foreign exchange at a future established date, forward positions are hired with BNP Paribas, and the objective to hedge a part of the foreign exchange risk exposure. The effectiveness of each of the different hedges is linked to the exchange rate at the end of the maturity date.

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

The notional amounts related to derivative financial instruments reflect the reference volume contracted; however, they do not reflect the amounts at risk as concerns future flows.

Amounts at risk are usually limited to the unrealized profit or loss on market valuation of those instruments, which may vary depending on the changes in the market value of the underlying goods, their volatility, and the credit rating of the counterparties.

The valuation technique used in the determination of the fair value of the forwards include standard valuation models in the industry, forecasting future cash flows discounted at present value, using observable market information, including yield curves for interest rates. In such case, the valuations are adjusted by different factors, such as credit differentiators. Such adjustments are based generally from available market inputs. These forwards are classified in level 2. The key assumptions used were the exchange rate of USD/MXN, using a fixed exchange rate as shown in the previous table.

The following table summarizes the quantitative information of each significant non-observable inputs used in the measurements of the Level 2 fair value:

Description	Fair value		Non-observable inputs	Input range (probability - weighted average)	
	December 31,			2025	2024
	2025	2024			
Derivative financial instruments	\$ (4,216)	\$ 26,747	Fixed exchange rate USD/MXN	18.5	20.32 - 20.70

Note 17 - Debt:

17.1 Bank loans:

On August 1, 2023, the Company signed a short-term loan agreement with Citibank, N. A. for an amount of USD1,000 with an interest rate of 6.92% due on July 30, 2025. This loan was paid on June 30, 2025.

On March 27, 2025, Dalka, S. A. C., signed a loan agreement for the acquisition of machinery with the Banco de Crédito del Perú, for an amount of \$87,804 (PEN17,576) at an interest rate of 8.25%, payable on January 2, 2030.

On June 19, 2024, a short-term revolving credit contract was entered into with HSBC México, S. A., for an amount of \$250,000, at an interest rate of TIIE + .90%, payable on May 30, 2025. The credit limit increase to \$600,000 at an interest rate of TIIE + 1.25 points with a maturity date of November 4, 2025. This loan was paid during 2025.

During these 12 months of 2025 and 2024, the HSBC loans bared interests for an amount of \$31,010 and \$23,111, respectively.

On January 28, 2025, Grupo Rotoplas, S. A. B. de C. V. updated the short-term revolving credit contract, with Banco Santander México, S. A., for an initial amount of \$400,000 with an interest rate of TIIE + 100 base points and with a maturity date of July 25, 2025, which was paid. Subsequently on December 31, 2025, a new loan of \$171,000 was hired with an interest rate of 8.32%, with a maturity date of June 29, 2026.

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

During these 7 months of 2025, that the contract with Banco Santander, S. A. was outstanding, interests for an amount of \$21,635 were determined.

On June 18, 2025, Grupo Rotoplas, S. A. B. de C. V. celebrated a current loan agreement with Banco del Bajío, S. A. for a credit line of \$300,000 with an interest rate of TIIE + 1.25 points, with a maturity date of June 17, 2030, subject to review each year. As of December 31, 2025, the Company used \$277,561 with a maturity date of less than a year.

During these months of 2025, that the contract with Banco del Bajío, S. A. was outstanding, interests for an amount of \$9,770 were determined.

The loan agreements with Banco Santander México, S. A. and Banco del Bajío, S. A., for a net book value of \$171,000 and \$277,561, respectively, have certain obligations, mainly to deliver financial information in a period of 180 days after year end, that, in case of non-compliance or remeasure at a determined term to the satisfaction of the creditors, could be considered in default and cause its early anticipated payment. In the case of the Banco de Crédito del Perú, the agreement establishes certain obligation to fulfill with some financial ratios, such as gearing ratio of 1.20 times, determined by dividing the total liabilities to the equity. The measurement of this financial ratio is on the annual financial information in December each year.

As of December 31, 2025 and 2024, the Company complied satisfactorily with the delivery of the required financial information and the financial ratios established in the agreements. There are no indicators that the Company will have difficulties in complying with such restrictions in the following 12 months.

17.2 Bond certificates:

The Company maintains the following outstanding bond certificates issues payable at mature date:

Description	December 31,	
	2025	2024
Issued on June 28, 2017, with a maturity date in June 2027 with a fixed interest rate of 8.65% (17-2x)	\$ 1,400,000	\$ 1,400,000
Issued on October 11, 2018, with a maturity date in June 2027 with a fixed interest rate of 8.65% (17-2x)	\$ 1,000,000	\$ 1,000,000
Issued on February 21, 2020, with a maturity date in June 2027 with a fixed interest rate of 8.65% (17-2x)	\$ 1,600,000	\$ 1,600,000
	<u>\$ 4,000,000</u>	<u>\$ 4,000,000</u>

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

The book value of the bonds is as follows:

	<u>December 31,</u>	
	<u>2025</u>	<u>2024</u>
Long-term portion of the bonds:		
Series 17-2x	\$ 3,999,549	\$ 3,999,246
	<u>3,999,549</u>	<u>3,999,246</u>
Short-term portion of the bonds:		
Series 17-2x	14,417	13,456
	<u>14,417</u>	<u>13,456</u>
Total	<u>\$ 4,013,966</u>	<u>\$ 4,012,702</u>

On June 28, 2017, the Company issued a sustainable bond on the Mexican Stock Market (“Bolsa Mexicana de Valores”), for an amount of \$2,000,000. The issue of these bonds was performed in two tranches; the first tranche identified with the board ticker “Agua 17-x” for \$600,000, at a variable interest rate of TIE 28 plus 68 base points bearing interests each 28 days and with a 3 years maturity; the second tranche identified with the board ticker “Agua 17-2x” for an amount of \$1,400,000, at a fixed interest rate of 8.65%, payable each 182 days and a 10 years maturity; a third tranche was issued and it is an extension of the sustainable bond issued under ticker “Agua 17-2x with the same maturity and rate conditions. On February 19, 2020 an additional extension to the sustainable bond was issued to the board ticker Agua 17-X, with the same conditions, maturity, and interest rate. Such bonds are payable in one exhibition at their respective maturity dates. The related expenses of the bond certificates are net in the carrying values and as of December 31, 2025 and 2024 they represent \$18,796 and \$31,407, respectively.

On February 13, 2020, Grupo Rotoplas, S. A. B. de C. V., issuer of the bond certificates identified with board ticker “AGUA 17X” and based on the long-term revolving assignment program of certificate bonds, made of the investing public knowledge that, based on the terms of what it is established in the section “voluntary anticipated amortization” of the title that guarantees the certificates in circulation as of February 13, 2020, an anticipated amortization was carried out at a \$100.01 for each certificate plus accrued ordinary interests and paid over the principal of the certificates in the market, calculated on February 5, 2020 and February 13, 2020, meaning, a total of \$1,091 of accrued ordinary interests not paid; resulting in a total payable amount of \$601,160. Furthermore, it was made to the investing public knowledge, that under the section of “anticipated amortization premium” of the title, no anticipated amortization premium existed in consideration that such voluntary anticipated amortization was made after December 12, 2019.

On February 19, 2020 Grupo Rotoplas, S. A. B. de C. V., announced the successful second issuance of the Sustainable Bond, with the board ticker AGUA 17-2X, by a total amount of \$1,600,000. The issuance was made at a fixed rate of MBONO27 + 139 base points and has a coupon of 8.65% annual, with a 182 days interest payment and a mature date on June 16, 2027; due to this the Company received \$90,241 on February 21, 2020 premium worth, for the 16 million bond certificates issued, such premium amount is originated by the difference of the issued certificates at a nominal value of 100 pesos per certificate against the amount of issued certificates with par value of 105.60 pesos per certificate, the premium is recognized in profit and loss as part of the effective interest rate. As of December 31, 2025 and 2024 the net book value of the premium is \$18,345 and \$30,653, respectively.

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

The effective interest rates are shown as follows:

	December 31,	
	2025	2024
	(%)	(%)
Citibank, N. A.	-	7.93
HSBC México, S.A.	-	TIE + .90%
Banco Santander México, S.A.	TIEF + 110	TIE + 100 basis pts.
Banco del Bajío, S.A.	TIEF + 125	
Banco de Crédito del Perú	8.25	8.25
Serie 17-2x	8.84	8.84

The fair value of the loans is as follows:

	December 31,	
	2025	2024
<u>Fair value</u>		
Bank loans:		
Serie 17-2x	\$ 4,003,485	\$ 4,012,702
Banco Santander México, S.A.	170,987	404,148
HSBC México, S.A.	-	251,650
Banco del Bajío, S.A.	282,113	-
Citibank, N. A.	-	18,447
	<u>\$ 4,456,585</u>	<u>\$ 4,686,947</u>

The fair value of the loans based on discounted cash flow were determined using the discount rate for each debt as follows:

	December 31,	
	2025	2024
	(%)	(%)
<u>Fair value</u>		
Citibank, N. A.	-	5.54
HSBC México, S.A.	-	10.43
Banco Santander México, S.A.	6.88	10.48
Banco del Bajío, S.A.	6.88	-
Serie 17-2x	8.65	8.65

The fair value is similar to its book value, since the discount impact is not significant and falls within level 2 of fair value hierarchies.

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

The book values of the Company's loans are expressed in the following currencies:

	<u>December 31,</u>	
	<u>2025</u>	<u>2024</u>
US Dollars	-	1,000
Equivalent of US Dollars to Mexican pesos	-	20,784
Peruvian Soles	14,524	16,214
Equivalent of Peruvian Soles to Mexican Pesos	77,394	87,804
Loans in Mexican pesos	\$ 4,462,527	\$ 4,662,702
Total in Mexican pesos	\$ 4,539,921	\$ 4,771,290

17.3 Net debt reconciliation:

As of December 31, 2025

	Opening Balance	New Leases	Proceeds	Disposals	Finance Cost	Premium amortization	Debt payments	Lease payments	Interest paid	Traslation effects	Closing balance
Bond certificate series 17-2x	\$ 4,012,702	\$ -	\$ -	\$ -	\$ 350,806	\$ 303	\$ -	\$ -	\$ (349,845)	\$ -	\$ 4,013,966
Citibank, N. A.	20,784	-	-	-	620	-	(18,086)	-	(620)	(2,698)	-
HSBC México S.A.	250,000	-	799,000	-	31,010	-	(1,049,000)	-	(31,010)	-	-
Banco Santander México, S.A.	400,000	-	571,000	-	21,635	-	(800,000)	-	(21,635)	-	171,000
Banco del Bajío, S.A.	-	-	311,863	-	9,770	-	(34,302)	-	(9,770)	-	277,561
BBVA México, S.A.	-	-	360,000	-	3,357	-	(360,000)	-	(3,357)	-	-
Banco de Crédito del Perú	87,804	-	-	(10,410)	-	-	-	-	-	-	77,394
Leases	585,870	103,241	-	-	88,045	-	-	(58,632)	(88,045)	(31,008)	599,471
Total	\$ 5,357,160	\$ 103,241	\$ 2,041,863	\$ (10,410)	\$ 505,243	\$ 303	\$ (2,261,388)	\$ (58,632)	\$ (604,282)	\$ (33,706)	\$ 5,139,392

As of December 31, 2024

	Opening Balance	New Leases	Proceeds	Disposals	Deferred Income	Finance Cost	Premium amortization	Debt payments	Lease payments	Interest paid	Traslation effects	Closing balance
Bond certificate series 17-2x	\$ 4,010,475	\$ -	\$ -	\$ -	\$ -	\$ 351,767	\$ 305	\$ -	\$ -	\$ (349,845)	\$ -	\$ 4,012,702
Citibank, N. A.	17,117	-	-	-	-	1,456	-	-	-	(1,456)	3,667	20,784
HSBC México S.A.	-	-	1,584,400	-	-	23,111	-	(1,334,400)	-	(23,111)	-	250,000
Banco Santander México,	-	-	400,000	-	-	-	-	-	-	-	-	400,000
Banco de crédito del Perú	-	-	87,804	-	-	-	-	-	-	-	-	87,804
Others	-	-	-	-	-	122,799	-	-	-	(122,492)	(307)	-
Leases	182,409	318,081	-	(41,591)	-	89,494	-	-	(19,388)	(89,494)	146,359	585,870
Total	\$ 4,210,001	\$ 318,081	\$ 2,072,204	\$ (41,591)	\$ -	\$ 588,627	\$ 305	\$ (1,334,400)	\$ (19,388)	\$ (586,398)	\$ 149,719	\$ 5,357,160

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

Note 18 - Other accounts payable:

	<u>December 31,</u>	
	<u>2025</u>	<u>2024</u>
Sundry creditors	\$ 207,717	\$ 276,296
Contingent consideration (Note 28)	-	21,572
Accrued expenses and other accounts payable*	<u>513,389</u>	<u>533,986</u>
	721,106	831,854
Less long-term portion	<u>(155,065)</u>	<u>(111,132)</u>
Total short term	<u>\$ 566,041</u>	<u>\$ 720,722</u>

* Accrued expenses refer to rendered services such as energy power, gas, fees, advertising, IT services. The other long-term accounts payable include an amount of \$43,932 related to the 49% of the interest participation payment outstanding for Irrivan. Refer to Note 1.

Note 19 - Suppliers:

	<u>December 31,</u>	
	<u>2025</u>	<u>2024</u>
Suppliers without finance arrangements	\$ 649,360	\$ 895,168
Suppliers with finance arrangements *	<u>250,879</u>	<u>303,128</u>
Total Suppliers	<u>\$ 900,239</u>	<u>\$ 1,198,296</u>

The Company has implemented certain supplier financing agreements, which allow suppliers to select the documents they wish to negotiate, and these are settled by financial institutions before the payment terms established by the Company. These programs are characterized by publishing discount rates from the various participating financial institutions on a platform; suppliers post the invoices they wish to collect, financial institutions accept and pay the discounted documents to the suppliers. The Company does not benefit from extended payment terms under these agreements, no additional guarantees are granted in relation to these agreements, and the suppliers absorb the financial cost. The Company analyzed the terms and conditions described above, and based on this analysis, concluded that these remain trade accounts payable; therefore, the balance of these agreements is presented under "Suppliers" in the statement of financial position. For the purposes of the statement of cash flows, it has been determined that these amounts are part of working capital used in the Company's main income-generating activities, so cash outflows to settle this liability are presented within operating activities when the entity pays the banking institution. When the terms and conditions of the agreements are similar, the Company groups them for analysis purposes.

As of December 31, 2025 and 2024, the payment due dates for suppliers with financing agreements negotiated at the close of the year are between 7 days and 120 days after the original invoice date. The payment due date ranges for comparable trade accounts payable that are not part of supplier financing agreements are within the same ranges.

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

The carrying amount of liabilities with supplier financing agreements as of December 31, 2025 and 2024 is \$250,879 and \$303,128, respectively, which as of those dates have been paid by the financial intermediary.

There were no business combinations or material foreign exchange differences affecting the liabilities with supplier financing agreements in either period.

The carrying amounts of the liabilities with supplier financing agreements are considered to be measured at fair value due to their short-term nature.

Note 20 - Leases:

Lease assets (rights of use) and lease liabilities (initially measured at present value of the minimum future payments) were recognized on the statement of financial position.

In 2024, a lease agreement was recognized for the Planta Ixtapaluca, for a 20-year lease period, the objective of the contract in accordance with its clauses, establishes the usage and benefits of the facilities defined as Planta Rotoplas, the monthly lease expense is \$3,569, such amount will be adjusted annually in accordance with the NCPI.

In 2025, the lease agreement for the Corporate offices was renewed, with a term of 5 years and a monthly rent of USD\$96 thousand.

The right-of-use of the asset and accumulated depreciation of the leases is as follows:

Year ended on December 31, 2025	Buildings	Transportation equipment	Total
Opening balances	\$ 507,214	\$ 16,068	\$ 523,282
Translation effect	(13,735)	-	(13,735)
Guarantee deposits	385	-	385
Remeasurements	44,356	-	44,356
New contracts	114,094	-	114,094
Disposals	(34,343)	-	(34,343)
Disposals depreciation	18,159	-	18,159
Depreciation of the year	<u>(74,871)</u>	<u>(11,287)</u>	<u>(86,158)</u>
Closing balance	<u>\$ 561,259</u>	<u>\$ 4,781</u>	<u>\$ 566,040</u>
December 31, 2025	Buildings	Transportation equipment	Total
Cost	\$ 759,147	\$ 24,732	\$ 783,879
Accumulated depreciation	<u>(197,888)</u>	<u>(19,951)</u>	<u>(217,839)</u>
Closing balances	<u>\$ 561,259</u>	<u>\$ 4,781</u>	<u>\$ 566,040</u>

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

Year ended on December 31, 2024	Buildings	Transportation equipment	Total
Opening balances	\$ 153,632	\$ 14,207	\$ 167,839
Translation effect	28,623	(334)	28,289
Guarantee deposits	113	-	113
New contracts	387,780	18,105	405,885
Disposals	(16,668)	(24,923)	(41,591)
Disposals depreciation	16,391	21,709	38,100
Depreciation of the year	(62,657)	(12,696)	(75,353)
Closing balance	<u>\$ 507,214</u>	<u>\$ 16,068</u>	<u>\$ 523,282</u>

December 31, 2024	Buildings	Transportation equipment	Total
Cost	\$ 708,859	\$ 24,732	\$ 733,591
Accumulated depreciation	<u>(201,645)</u>	<u>(8,664)</u>	<u>(210,309)</u>
Closing balances	<u>\$ 507,214</u>	<u>\$ 16,068</u>	<u>\$ 523,282</u>

a. Minimum non-discounted future lease payments as of December 31, 2025 and 2024 are as follows:

Region	Monthly rent	Up to 1 year	Between 1 and 5 years	Period of the contract
Peru	\$ 559	\$ 6,710	\$ 26,840	Dec 30
Mexico	6,670	73,050	826,624	Feb 26, May 26, Jun 26, Sep 26, May 27, Sep 27, Dec 27, Oct 29, Jun 30 y Jun 44
Honduras	25	175	-	Jul 26
Nicaragua	183	2,198	10,624	Oct 31
Costa Rica	77	926	309	Apr 27
Argentina	2,516	25,345	35,593	Mar 26 y Jun 28
USA	1,521	16,658	23,688	Feb 26, Mar 26, Oct 26, Dec 26, Mar 27, Sep 27, Dec 27, Mar 28, Jan 29, Sep 29, Nov 29 y Mar 31
	<u>\$ 11,551</u>	<u>\$ 125,062</u>	<u>\$ 923,678</u>	

Region	Monthly rent	Up to 1 year	Between 1 and 5 years	Period of the contract
Peru	\$ 552	\$ 6,619	\$ 33,094	Dec 30
Mexico	6,913	60,133	720,633	Jan 25, May 25, Jun 25, Sep 25, Dec 27, Sep 31 y Jun 44
Honduras	31	369	215	Jul-26
Nicaragua	43	427	-	Oct-25
Costa Rica	3	42	-	Dec-25
Argentina	2,177	25,063	54,936	Jun 25, Mar 26 y Jun 28
USA	1,904	19,127	33,479	Dec 24, Apr 25, Jul 25, Feb 26, Mar 26, Apr 26, Oct 26, Dec 26, Feb 27, Mar 27, Sep 27, Jan 29 y Mar 31
	<u>\$ 11,623</u>	<u>\$ 111,780</u>	<u>\$ 842,357</u>	

b. The interest expense related to the leases, for the years ended on December 31, 2025 and 2024 was \$94,573 and \$89,494, respectively, and the charge to profit and loss for depreciation of leased assets was \$87,012 and \$75,353, respectively.

c. Short-term leases or leases where the subjacent asset is considered low value, the lessee will recognize the lease associated payments to the leases as an expense in straight-line during the life of the lease or else another systematic base. As of December 31, 2025 and 2024 the Company recognized an amount in profit and loss of \$12,685 and \$8,325, respectively.

d. The activities of the Group as lessor are not significant and, as such, the Group does not expect to have a significant impact on the financial statements.

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

The Company as a lessor:

The operating leases are related to the lease of water treatment plants.

The main operating lease contracts are signed with Nueva Wal-Mart de México, S. de R. L. de C. V., the lease periods are up to 10 years from the day of their sign-off, the payment terms are 30 working days after the delivery of the invoice, the installation of the water treatment plants is on behalf of the Company, realizing from all responsibility for incorrect installation execution, the client takes full responsibility of all the risks in case of caused damages to the equipment or third persons, as such it keeps the right to maintain the risk or hire on its favor or on their behalf the necessary insurances to cover for the equipment damage and responsibility.

As of December 31, 2025 and 2024 the lease income is as follows:

	December 31,	
	2025	2024
Fixed rents	\$ 60,645	\$ 54,967

An analysis of the minimum future income related to the lease contracts is as follows:

	December 31,	
	2025	2024
Up to 1 year	\$ 241,557	\$ 35,885
Between 1 and 5 years	972,418	87,437
More than 5 years	-	-
Total of minimum agreed payments	<u>\$ 1,213,975</u>	<u>\$ 123,322</u>

Note 21 - Employee benefits:

As of December 31, 2025 and 2024, the value of obligations for benefits acquired \$130,685 and \$91,809, respectively.

The amount shown as a liability in the consolidated statement of financial position is comprised as follows:

	December 31,	
	2025	2024
Pension plan for benefits acquired	\$ 61,430	\$ 50,094
Seniority premium	52,351	41,715
Obligation for share appreciation rights	16,904	-
Current situation	<u>\$ 130,685</u>	<u>\$ 91,809</u>
Present value of non-funded obligations	<u>\$ 130,685</u>	<u>\$ 91,809</u>
Liability in the statement of financial position	<u>\$ 130,685</u>	<u>\$ 91,809</u>

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

As a result of changes to the incentive program called RVU, the Company recognized this obligation in the amount of \$16,904, which is included as part of the employee benefits liability in the statement of financial position.

DBO movements were as follows:

	Seniority premium	
	year ended on	
	December 31,	
	2025	2024
Opening Balance as of January 1,	\$ 91,809	\$ 86,836
Net cost for the period (NCP)	19,215	19,518
Payments from reserve	(18,884)	(19,164)
Obligation for share appreciation rights	16,904	-
Actuarial losses	21,641	4,619
Closing balance as of December 31,	<u>\$ 130,685</u>	<u>\$ 91,809</u>

The NCP is as follows:

	Seniority premium	
	December 31,	
	2025	2024
Cost of service for the year	\$ 10,577	\$ 11,872
Financial costs - Net	8,638	7,646
	<u>\$ 19,215</u>	<u>\$ 19,518</u>

The economic hypotheses in nominal and real terms used were as follows:

	December 31,	
	2025	2024
Mexico	(%)	(%)
Discount rate	8.7	8.3
Salary increase rate	5.8	5.8
Minimum wage increase rate	7	5
Expected long-term inflation rate	4	4

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

The sensitivity of the ODB for defined benefits due to changes in the weighted average of the main assumptions is as follows:

	Change in hypothesis (%)	Impact on the OBD	
		Increase in hypothesis (%)	Decrease in hypothesis (%)
<u>December 31, 2025</u>			
Discount rate	1	Decrease of 7.83	Increase of 9.57
Salary increase rate	1	Increase of 5.22	Decrease of 6.38
<u>December 31, 2024</u>			
	Change in hypothesis (%)	Increase in hypothesis (%)	Decrease in hypothesis (%)
Discount rate	1	Decrease of 7.95	Increase of 9.18
Salary increase rate	1	Increase of 7.18	Decrease of 6.2

The foregoing sensitivity analyses are based on a change in one assumption with all other assumptions remaining constant. In practice, this is unlikely and changes in other assumptions can be correlated. In calculating the sensitivity of the ODB, we applied the same method as that used for significant actuarial assumptions (current value of obligations for defined benefits calculated by the projected unit credit method at the end of the period of reference). This method was also applied to the calculation of the liability for pensions recognized in the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not vary in relation to the preceding period.

RVU

RVUs are granted to directors and certain employees. The exercise price of RVUs granted, is equal to the average market value of the Company's share of the preceding year at settlement date, less the cost price at exercise when they were assigned and are settled in cash. RVUs are subject to the conclusion by the employee of a service period and can be exercised after a year of the grant date, subject to the performance of the Company in the increase of profits per share in the period. RVUs have a contractual term of ten years. As of December 31, 2025 and 2024, the RVUs granted were 2,396 and 8,281, respectively. As of December 31, 2025 and 2024 the RVUs released were 1,423 and 4,026, respectively. and their fair value was \$8,386 and \$84,314, respectively.

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

During fiscal year 2025, a strategic decision was made to end the long-term incentive program known as RVU. As part of this process, the allocated units were segmented: those granted between 2009 and 2019 retain their original conditions, while those corresponding to the 2020–2023 period will be settled in three annual stages. To determine the settlement amount, a payment base of 14.88 pesos per RVU was established, calculated using a financial formula linked to business results. The total accumulated balance for each employee during the 2020–2023 period will be divided into three equal parts for payment. As a result, the amount to be settled for the RVUs was reclassified to employee benefits obligations for \$33,080, according to their maturity in 2025 and 2026.

The movement in the number of effective RVUs and their respective weighted-average value is as follows:

	2025		2024	
	Weight average	SARs	Weight average	SARs
January 1,	\$ 25.49	8,281	\$ 27.32	8,786
Granted	-	-	-	555
Cancelled	-	(4,831)	-	(1,060)
Exercised	-	(1,054)	-	-
December 31,	\$ 16.90	2,396	\$ 25.49	8,281

Effective RVUs at year-end have the following maturity dates and exercisable share prices:

Granted	Maturity date	Assignment value	Outstanding SARs	
	June 30,		2025	2024
2009-2013	2019 ⁽¹⁾	\$ 8.11	271	549
2011-2015	2021 ⁽¹⁾	9.30	390	390
2012-2016	2022 ⁽¹⁾	9.30	315	395
2013-2017	2023	11.94	308	457
2014-2018	2024	29.67	245	385
2015-2019	2025	29.51	121	249
2019-2023	2029	16.90	746	1,240
2020-2024	2030	16.54	-	1,386
2021-2025	2031	28.03	-	1,270
2022-2026	2032	28.11	-	1,424
2023-2027	2033	30.68	-	536
			2,396	8,281

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

From 2024 onwards, an RVU plan was established for Senior Managers of the Company, and is shown as follows:

Granted	Maturity date	Assignment value	Outstanding SARs	
	June 30,		2025	2024
2023-2027	2033	30.68	-	332
			-	332

- (1) The entitled employees to receive the consideration of the RVUs benefit have decided not to exercise this option in 2024 and 2025, without meaning losing the right to receive such consideration. However, the RVUs have a contractual term of 10 years, once this period is finalized the exercise option is loss, except that an extension is requested and agreed upon through an addendum to the original contract.

Fair value as of the grant date is determined independently utilizing the binomial model, that allows the description of different paths that the value of the stock can follow during the life of the option.

Note 22 - Equity:

The capital stock is comprised as follows:

Stocks*		Description	December 31,	
2025	2024		2025	2024
15	15	Represents the minimum fixed portion of equity with no withdrawal rights (Class I)	\$ 54	\$ 60
486,220	486,220	Represents the variable portion of capital with withdrawal rights (Class II)	1,574,887	1,755,989
486,235	486,235	Historical capital stock	1,574,941	1,756,049
		Restatement increase up to 1997	71,391	71,391
			1,646,332	1,827,440
(3,814)	(2,594)	Treasury stock	(126,176)	(109,013)
482,421	483,641	Capital stock	\$ 1,520,156	\$ 1,718,427

- * Nominal ordinary stocks, single series, with no par value as of December 31, 2025 and 2024 fully subscribed and paid.

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

The elements used in determining the basic and diluted earnings per stock are as follows:

	Year ended on December 31,	
	2025	2024
Profit attributable to Company's controlling interest	\$ 12,838	\$ 51,611
Weighted average of common stocks in circulation (in thousands)	485,708	483,641
Basic earnings per stock	\$ 0.03	\$ 0.11
Diluted earnings per stock	\$ 0.03	\$ 0.11

A reconciliation of treasury stocks is shown as follows:

	Number of shares	Total
Balance as of December 31, 2023	1,863	\$ 93,756
Own stocks acquired **	13,151	360,902
Own stocks sold**	(12,420)	(345,645)
Balance as of December 31, 2024	2,594	109,013
Own stocks acquired **	2,854	41,176
Own stocks sold**	(1,634)	(24,013)
Balance as of December 31, 2025	3,814	\$ 126,176

** Represent common, nominative stocks class II, unique series, with no par value. The amount has been reduced to the Company's capital stock. The stocks are held as treasury stocks and the Company has the right to reissue these stocks on a subsequent date.

In 2025 and 2024, the Company acquired 2,854 and 13,151 of its own stocks, respectively, at an average price of \$14.43 and \$27.44 pesos per stock, respectively. The total amount of bought stock during these periods was \$41,176 and \$360,903, respectively, with the objective of managing liquidity exceeds.

In 2025 and 2024, the Company sold 1,634 and 12,420 of its own equity stocks, respectively, at an average price of \$14.69 and \$27.83 per stock, respectively. The total amount of sold stock during these periods was \$24,013 and \$345,646, respectively, with the objective of managing liquidity exceeds.

On August 12, 2025, at the General Extraordinary Stockholders' Meeting authorized a stock reimbursement to the stockholders of the entity through the decrease of the common stock for \$120,805, such amount does not write-off any stock, only generated cash flow.

On December 10, 2025, at the General Extraordinary Stockholders' Meeting authorized a stock reimbursement to the stockholders of the entity through the decrease of the common stock for \$60,302, such amount does not write-off any stock, only generated cash flow.

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

On April 26, 2024, at the General Ordinary and Extraordinary Stockholders' Meeting authorized a stock reimbursement to the stockholders of the entity through the decrease of the common stock for \$242,147, such amount does not write-off any stock, only generated cash flow.

The profit of the year is subject to the legal provision requiring that at least 5% of the profit be set aside to increase the legal reserve until it reaches an amount equivalent to one fifth of the paid capital stock.

Dividends are subject to a 10% tax payment on earnings generated from 2014 on, paid to physical residents in Mexico and residents abroad.

Dividends are not subject to Income Tax (IT) if paid from the CUFIN. The tax is payable by the Company and may be credited against income tax of the current period or that of the following two periods. Dividends paid from previously taxed profits are not subject to tax withholding or additional payments. As of December 31, 2025 and 2024, the CUFIN balance was \$3,166,611 and \$2,983,653, respectively.

As of December 31, 2025 and 2024, the balance of the CUCA was \$5,173,449 and \$5,166,111, respectively.

In the event of a capital reduction, any excess of equity over capital contributions stated on the accounts of contributed equity, should be treated as dividend in accordance with the provisions of the Income Tax Law (ITL).

In the Income Act of the Federation published on November 18, 2015 in article three of the provisions of temporary validity of the ITL, a tax incentive granted to individuals residing in Mexico who are subject to the additional payment of 10% on dividends or distributed profits. The incentive is applicable, if, such dividends or profits were generated in 2014, 2015, and 2016 and are reinvested in the legal entity that generated such profits, and consists of a tax credit equal to the amount obtained by applying the dividend or profit distributed, the percentage that relates to the year of distribution as follows:

Year of dividend distribution or profit	Percentage applicable to the amount of the dividend of distributed profit
2017	1%
2018	2%
2020 onwards	5%

Group's objectives in relation risk management are; to safeguard its capacity to continue as a going concern and provide profitability to the stockholders and stakeholders, and to keep an optimal equity structure to reduce costs. For the purpose of maintaining and adjusting the equity structure, the Group can vary the amount of dividends payable to its stockholders, decrease equity, issue new stocks or sell assets and decrease the debt.

Note 23 - IT:

- i. In 2025, the Company determined a combined tax profit of \$839,546 (2024: \$873,312). During 2025 and 2024 the Company did not amortize prior years' combined tax losses. The tax profit differs from accounting profit mainly to items that accrue over time and are deducted differently for accounting and tax purposes, for the recognition of the effects of inflation for tax purposes and to items affecting only the accounting profit or tax profit.

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

ii. Charges to profit and loss for income taxes is analyzed as follows:

	Year ended on	
	December 31,	
	2025	2024
Current Income Taxes	\$ 215,281	\$ 238,959
Deferred Income Taxes	(227,197)	(172,246)
Total charges to consolidated profit and loss	<u>\$ (11,916)</u>	<u>\$ 66,713</u>

The deferred income tax assets and liabilities are presented separately on the balance sheet, since they relate to different taxpayer entities and tax authorities and are as follows:

	December 31,	
	2025	2024
Deferred income tax asset	\$ 586,564	\$ 462,081
Deferred income tax liability	(280,268)	(401,235)
	<u>\$ 306,296</u>	<u>\$ 60,846</u>

The main components of the deferred income tax and the movement in the asset and liability of deferred tax during 2025 and 2024 are shown in following tables:

A reconciliation of the 2025 movements is as follows:

Concept	Labor obligations	ESPS, SAR, and provisions	Propety plant and equipment	Lease	Unamortized tax losses	Inventories	Prepaid expenses	Client prepayments	Allowance for doubtful accounts	Intangible assets and others	Interest Deductibility limit	Translation effect	Total
Opening balance as of January 1, 2025	\$ 27,648	\$ (90,121)	\$ (304,761)	\$ 10,638	\$ 173,396	\$ 28,982	\$ (21,839)	\$ 6,134	\$ 38,803	\$ (83,673)	\$ 275,639	\$ -	\$ 60,846
Net movmient of the year	120	126,906	(40,655)	12,574	30,148	(1,010)	(2,165)	(490)	16,972	3,564	69,749	11,484	227,197
Translation effect	-	-	-	-	-	-	-	-	-	-	-	(11,484)	(11,484)
OCI	6,493	9,289	13,955	-	-	-	-	-	-	-	-	-	29,737
Closing balance as of December 31, 2025	<u>\$ 34,261</u>	<u>\$ 46,074</u>	<u>\$ (331,461)</u>	<u>\$ 23,212</u>	<u>\$ 203,544</u>	<u>\$ 27,972</u>	<u>\$ (24,004)</u>	<u>\$ 5,644</u>	<u>\$ 55,775</u>	<u>\$ (80,109)</u>	<u>\$ 345,388</u>	<u>\$ -</u>	<u>\$ 306,296</u>

A reconciliation of the 2024 movements is as follows:

Concept	Labor obligations	ESPS, SAR, and provisions	Propety plant and equipment	Lease	Unamortized tax losses	Inventories	Prepaid expenses	Client prepayments	Allowance for doubtful accounts	Intangible assets and others	Interest Deductibility limit	Translation effect	Total
Opening balance as of January 1, 2024	\$ 23,711	\$ 111,132	\$ (396,934)	\$ 5,739	\$ 96,482	\$ 27,495	\$ (19,180)	\$ 15,098	\$ 15,245	\$ (170,276)	\$ 159,270	\$ -	\$ (132,218)
Net movmient of the year	3,199	(202,460)	73,108	4,899	76,914	1,487	(2,659)	(8,964)	23,558	86,795	116,369	-	172,246
Translation effect	-	-	-	-	-	-	-	-	-	27,616	-	9,019	36,635
OCI	738	(7,812)	19,065	-	-	-	-	-	-	(27,808)	-	-	(15,817)
Closing balance as of December 31, 2024	<u>\$ 27,648</u>	<u>\$ (90,121)</u>	<u>\$ (304,761)</u>	<u>\$ 10,638</u>	<u>\$ 173,396</u>	<u>\$ 28,982</u>	<u>\$ (21,839)</u>	<u>\$ 6,134</u>	<u>\$ 38,803</u>	<u>\$ (83,673)</u>	<u>\$ 275,639</u>	<u>\$ 9,019</u>	<u>\$ 60,846</u>

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

The reconciliation between the legal tax rate and the effective IT rate is as follows:

	Year ended on December 31,	
	2025	2024
Profit (loss) before income taxes	\$ (1,006)	\$ 120,215
Statutory IT rate	30%	30%
IT at statutory rate	(302)	36,065
Plus (less) income tax effect of the following permanent items:		
Inflation annual adjustment	(48,730)	(59,624)
Effect of different tax rates	11,927	(2,541)
Non-deductible expenses	24,215	5,432
Tax losses	27,398	31,958
Other	(26,424)	55,423
	<u>\$ (11,916)</u>	<u>\$ 66,713</u>
Effective IT rate	<u>1184%</u>	<u>55%</u>

* The legal rate used in this reconciliation is in accordance with the ITL, which is the most representative of the reporting entity. The effect on rates is because there are branches in several countries in Central and South America.

Tax rates in effect in the different countries are shown as follows:

Country	(%)
Argentina	35
Brazil	34
Peru	29.5
Guatemala	25
Mexico	30
United States of America	27
Nicaragua	30
Costa Rica	30
Honduras	30
El Salvador	30

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

Unamortized accumulated income tax losses

As of December 31, 2025, the Company has accrued income tax losses for a total of \$2,460,039, which right to be amortized against future profits expires as follows:

Year of the tax loss	Acuantia	Brazil	Argentina	Comercializadora	Rieggio	Irrivan	Sytesa	Centro america	Restated amount	Expiry date
2015	\$ -	\$ -	\$ -	\$ 914	\$ -	\$ -	\$ -	\$ -	\$ 914	2025
2016	-	66,095	-	-	-	-	-	-	66,095	No expiry date
2017	152,205	29,854	-	-	-	-	-	-	182,059	No expiry date
2018	135,510	81,718	-	-	-	-	-	-	217,228	No expiry date
2019	-	118,615	-	-	-	-	-	-	118,615	No expiry date
2020	22,983	83,792	-	-	-	-	-	-	106,775	No expiry date
2021	-	80,193	-	-	-	-	-	-	80,193	No expiry date
2021	-	-	-	-	18,429	-	-	-	18,429	2031
2022	48,044	1,338	-	-	-	-	-	-	49,382	No expiry date
2022	-	-	-	235	10,481	-	134,329	-	145,045	2032
2023	-	-	160,466	-	-	-	-	-	160,466	2028
2023	-	-	-	245	4,656	-	52,757	-	57,658	2033
2023	145,920	49,208	-	-	-	-	-	-	195,128	No expiry date
2024	-	-	202,494	-	-	-	-	-	202,494	2029
2024	-	-	-	235	25,188	-	30,255	-	55,678	2034
2024	106,738	70,739	-	-	-	-	-	-	177,477	No expiry date
2024	-	-	-	-	-	-	-	98,455	98,455	2035
2025	-	89,005	405,469	166	-	-	32,592	716	527,948	2035
Total	\$ 611,400	\$ 670,557	\$ 768,429	\$ 1,795	\$ 58,754	\$ -	\$ 249,933	\$ 99,171	\$ 2,460,039	

* As of December 31, 2025 and 2024 tax losses in Brazil do not have an expiry date to be amortized; however, its amortization cannot be more than 30% of the taxable income. Management performed an evaluation of the above tax losses on an individual basis for each subsidiary and in accordance with the financial and taxable forecasted projections as of December 31, 2025 and 2024 an amount of \$1,435,643 and \$1,215,711, respectively, this amount comprehends the total balances shown on the table above for Acuantia, Brazil, Comercializadora and only the 20% of the amount in Argentina.

*As of December 31, 2025 Brazil carries sale transactions of PTARS, for which the Company considers it can amortize the carried losses.

In December 2021, the Organization for Economic Co-operation and Development ('OECD') published the tax challenges from the digitalization of the economy: rules of the global model against the tax erosion (Second Pillar): inclusive benchmark about erosion of the taxable base and the profitability allocation (BEPS), subsequently refer as "rules" of the Second Pillar model of the OECD or "the rules". The rules are designed to guarantee that big multinationals companies within the scope of the rules pay an minimum level of income taxes generated during an specific period at each jurisdiction in which they operate.

In general, the rules apply to a complementary taxable system that increases the total amount of the paid taxes over the excess of the profits of an entity at a certain jurisdiction to a 15% minimum level.

In regards to the Second Pillar act, the only country in America where the law is enacted is Brazil, and only a part of the QDMTT (Qualified Domestic Minimum Top-up Tax). Regarding the legislation of the Second Pillar, only Brazil approved part of the QDMTT (Qualified Domestic Minimum Top-up Tax) enacted on January 1, 2025. Mexico has not presented any specific legislation.

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

Note 24 - Analysis of costs by nature:

	Year ended on December 31,	
	2025	2024
Raw material and production materials consumptions	\$ 3,837,265	\$ 4,072,933
Direct labor	585,301	559,452
Depreciation and amortization	412,518	324,611
Installation costs	87,277	258,135
Electrial power	144,263	144,342
Energy (gas)	59,395	56,379
Indirect manufacturing expenses	1,111,576	963,640
Total	<u>\$ 6,237,595</u>	<u>\$ 6,379,492</u>

Note 25 - Analysis of operating expenses by nature:

	Year ended on December 31,	
	2025	2024
Salaries and remuneration to employees ¹	\$ 1,493,528	\$ 1,511,448
Distribution and logistics	642,520	638,776
Hired services	341,644	498,593
Advertising	301,435	405,652
Depreciation and amortization	245,669	271,695
Software lease	215,784	222,796
Repair and maintenance	108,417	84,616
Commissions	41,116	79,458
Travel expenses	65,056	72,759
Accounts receivable allowance	151,302	17,152
Fixed asset cost of sale	18,840	23,743
Taxes and contributions	25,259	22,526
Inscription costs	13,277	19,488
Fuels and lubricants	16,181	18,271
Donations	14,974	15,660
Protection and security equipment	10,811	13,288
Leases	12,685	8,325
Other	82,430	228,410
Total expenses	<u>\$ 3,800,928</u>	<u>\$ 4,152,656</u>

¹ The Company is subject to ESPS payment, which is calculated applying the procedures established on the ITL. In 2025 and 2024, the Company determined a current ESPS in Mexico of \$10,609 and \$21,049, respectively and a current ESPS in Peru of \$16,649 and \$22,142, respectively.

Current ESPS was allocated in accordance with the type of employee in 2025 in cost of sales and operating expenses of \$12,053 and \$15,205, (2024: \$13,088 and \$17,073, respectively).

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

Note 26 - Finance income and costs:

	Year ended on December 31,	
	2025	2024
<u>Finance income</u>		
Interest income	\$ 28,520	\$ 80,004
Gain on monetary position	40,831	
Profit from derivative financial instruments	18,973	6,650
	<u>\$ 88,324</u>	<u>\$ 86,654</u>
<u>Finance costs</u>		
Interest expense	\$ (569,245)	\$ (588,627)
Cost of derivative financial instruments	-	(9,176)
Loss on monetary position	-	198,619
Foreign exchange loss (A)	(172,746)	(234,191)
	<u>(741,991)</u>	<u>(633,375)</u>
	<u>\$ (653,667)</u>	<u>\$ (546,721)</u>

(A) Includes a foreign exchange profit for \$130,861 and a foreign exchange loss of (\$303,607), and for 2024 and foreign exchange profit of \$381,085 and a foreign exchange loss of (\$615,276).

Note 27 - Fideicomiso AAA, commitments, and contingencies:

Fideicomiso AAA

The Company owns a trust named Fideicomiso AAA established on March 15, 2007 to promote the development of the companies through the operation of a preferential financial support for suppliers and distributors system. The main purpose is to provide financing in the form of an electronic discount of collection rights eligible under the productive chain scheme, in both local currency and dollars. Refer to Note 19.

Commitments:

Brazilian government agencies.

As mentioned in Note 8, in 2013 Dalka do Brasil engaged in several contracts with Brazilian government agencies; as of the date of these consolidated financial statements these contracts are not in compliance or have overdue accounts receivable of more than 90 days, in this regard the Brazilian Law 8666 allows the temporarily suspension of their execution or, if necessary, their cancelation. As of December 31, 2025 the Company is involved in a legal actions against the Brazilian authorities to collect the accounts receivable.

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

The suspended contracts are as follows:

Contract number	State	2025 Executed percentage (%)	2024 Executed percentage (%)
0.044.00/2013	Brasilia	99	99
0.214/2013	Minas Gerais	100	100
0.213.00/2013	Piauí	80	80
057/2014	Piauí	6	6

Because of the process that the Company started in regard to the centralization of the trials, it was deemed necessary to reclassify the accounts receivable from current to non-current on the statement of financial position, as follows:

	December 31,	
	2025	2024
Accounts receivable, net, and other accounts receivable	\$ 20,785	\$ 61,798
Long-term accounts receivable	125,091	127,660
Total accounts receivable from the Brazilian government	<u>\$ 145,876</u>	<u>\$ 189,458</u>

Contingencies:

Currently, there is a legal dispute between Dalka do Brasil Ltda. (subsidiary) and Açucareira Quatá S.A. - Companhia Agrícola Quatá related to contractual controversies in the provision of engineering services and plant operation. As of the date of issuance of these financial statements, the process is in the settlement phase and technical clarifications are being resolved regarding the arbitral sentence.

The total amount currently in dispute is \$87,509 (BRL26,821). According to legal counsel, Dalka has the right to file an action seeking the annulment, in whole or in part, of the Partial Arbitral Award before the judiciary. This legal recourse introduces an additional layer of uncertainty regarding the final outcome and the timing of the settlement of the dispute.

Management and its external legal advisors are monitoring the progress of the arbitration; however, due to the technical nature of the dispute, it is not possible to determine with certainty the date and the final amount of any potential disbursement, should one occur.

As of the date of issuance of these financial statements, Management, based on the advice of its legal counsel, has determined that while a contingency is possible, it is neither probable nor quantifiable; therefore, no provision has been recognized.

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Notes to the Audited Consolidated Financial Statements

December 31, 2025 and 2024

Note 28 - Restricted cash:

Due to the business acquisition of IPS in Argentina that was concluded on July 2, 2018 there is restricted cash of \$109,644 (USD5,500), such amount is currently held from the former owners in guarantee for fulfilling the contingent consideration obligation and/or in case of any adjustment to the "Performance Guarantee Price". In 2019 the entity received an amount of \$47,004 (USD\$2,378) due to the price adjustments for performance guarantee, based on the agreed-on section 5.06 of the contract. The Company did not have immediate access to these deposits, and requires authorization for their disposals, since they are subject to the contract restrictions and therefore are not available for their general use.

In adherence to the contract, the first cash unwind became effective on December 31, 2020 for an amount of \$81,929 (USD4,125) less the "Performance Guarantee Price" adjustment of \$32,251 (USD1,556), that was paid on February 23, 2021 as mentioned in section 5.01 of the contract.

As of December 31, 2024 the restricted cash equaled \$21,572. In 2025, unwinds were recognized and consequently the cash restriction ended.

	<u>December 31,</u>	
	<u>2025</u>	<u>2024</u>
Opening balance	\$ 21,572	\$ 21,572
Payments	(21,572)	-
Contingent liabilities payment	-	-
	<u>\$ -</u>	<u>\$ 21,572</u>

Note 29 - Subsequent events:

At the Ordinary General Stockholders' Meeting held on March 26, 2026, approval was granted for entering into a simple credit facility agreement for up to \$4,000,000 with an initial term of seven years, with the possibility of extension, with Bancomext and, as applicable, other credit institutions. This facility may include the joint and several obligations of the Company's subsidiaries and affiliates, including but not limited to Rotoplas, S.A. de C.V. and Rotoplas Bienes Raíces, S.A. de C.V., for the purpose, among others, of prepaying the "AQUA 17-2X" bond certificates.

Note 30 - Authorization of issuance of consolidated financial statements:

The undersigning officers thereto, authorized the accompanying consolidated financial statements and notes for issuance on April 22, 2026.

Carlos Rojas Aboumrad
General Manager

Andrés Pliego Rivero Borrell
Finance and Administrative Vice-president