

Message from the CEO

April 2023

Dear Investors,

During 2022, we focused on maintaining growth and profitability in the face of a volatile environment in the geographies where we operate. We continue to prove our resilience by solidifying our operations in constantly changing environments.

This was reflected in our financial results, as we were able to meet the 4 goals of the guidance: growth in revenues, EBITDA margin, Net Debt/EBITDA leverage and economic value creation with a spread between ROIC and the cost of capital of more than 100 bps. We also achieved 100% of the environmental, social and governance goals set for 2022.

We fulfilled 100% of the financial guidance and 100% of the ESG goals.

We are confident that the investment we have made over the past three years will translate into profitability and sustained growth over time. In 2022, Capex was focused on the technological upgrade of the manufacturing process of the traditional storage business in Mexico to maintain the brand positioning and cash flow generation which will enable us to continue with the development of new businesses. Likewise, this technological substitution aims to reduce the environmental impact related to the production of solutions by decreasing gas and water consumption.

We continue to fulfill our Sustainable Growth Plan towards 2025, exceeding our revenue growth rate. If we continue at the current pace, we could reach the goal one year earlier than initially estimated.

We are passionate about providing increasingly relevant solutions for both climate change adaptation and mitigation. Thanks to the discipline that Flow has given us, we have been able to drive cutting-edge initiatives and reduce risks through strict capital allocation.

Flow is an essential part of our operating and business culture.

We contribute to the sustainable growth of the business through the achievement of the objectives of the sustainability strategy, generating a positive impact in its three dimensions: people, planet and profit.

In the **people** dimension, we continue to develop and promote the innovation of products and services that meet the needs of our customers.

As for our personnel, we created round tables focused on gender, LGBTIQ+ and disability, and they were charged with promoting a culture of inclusion, equity and respect. Likewise, through the gender round table, we seek to develop the necessary capabilities within the Company to increase the share of women to 30% by 2025.

In the **planet** dimension, we continue to contribute through our solutions to reducing the water and carbon footprint of our users. In addition, we continue to implement internal measures to become a carbon neutral company¹ by 2040.

With this purpose, in 2022, we completed the emissions inventory by extending the calculation to all applicable categories within Scope 3. Moreover, we are making progress towards the validation of our targets by SBTi (*Science Based Target Initiative*).

In terms of circular economy, we have managed to increase by 34% the tons of recycled resins that we incorporate into our products, reaching 16% of recycled resins out of the total resins used.

In the **profit** dimension, we have a solid corporate governance model, which we seek to strengthen every year, aligning with the best national and international practices. During the year, we began evaluating our suppliers in terms of ESG and started to design an interrelation strategy to improve the practices of our value chain.

¹ Considers Scope 1 and Scope 2 emissions.

In addition, we have built a strong ethical culture, which dictates our way of being and projects our values and principles to our stakeholders.

The most important aspect is the design of a business that will allow for virtuous cycles where, the greater the business growth generated, the greater the positive impact on society and the environment.

I believe the industry maintains a good growth outlook as water consumption increases, infrastructure problems become more present and climate change becomes more evident.

Thank you for continuing to be part of the Rotoplas story and for giving us your vote of confidence to continue with our mission. We are ready to face new challenges, encourage creativity, prioritize the creation of value for all stakeholders and achieve the goals set for 2025.

Carlos Rojas Aboumrad

CEO