

IMPORTANT NOTICE

THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE EITHER (1) QUALIFIED INSTITUTIONAL BUYERS (“QIBs”) (WITHIN THE MEANING OF RULE 144A UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”)) OR (2) NON-U.S. PERSONS (WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT) OUTSIDE THE UNITED STATES.

IMPORTANT: You must read the following before continuing. The following applies to the Offering Memorandum following this page, and you are advised to read this carefully before reading, accessing or making any other use of the Offering Memorandum. In accessing the Offering Memorandum, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE LAWS OF OTHER JURISDICTIONS.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS. THE SECURITIES DESCRIBED IN THE OFFERING MEMORANDUM ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY RETAIL INVESTOR IN THE EUROPEAN ECONOMIC AREA (“EEA”). FOR THESE PURPOSES, A RETAIL INVESTOR MEANS A PERSON WHO IS ONE (OR MORE) OF: (I) A RETAIL CLIENT AS DEFINED IN POINT (11) OF ARTICLE 4(1) OF DIRECTIVE 2014/65/EU (AS AMENDED, “EU MIFID II”); OR (II) A CUSTOMER WITHIN THE MEANING OF DIRECTIVE (EU) 2016/97 (THE “INSURANCE DISTRIBUTION DIRECTIVE”), WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT AS DEFINED IN POINT (10) OF ARTICLE 4(1) OF EU MIFID II. CONSEQUENTLY, NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO 1286/2014 (THE “PRIIPS REGULATION”) FOR OFFERING OR SELLING THE SECURITIES OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE EEA HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE SECURITIES OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA MAY BE UNLAWFUL UNDER THE PRIIPS REGULATION.

PROHIBITION OF SALES TO UK RETAIL INVESTORS. THE SECURITIES ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY RETAIL INVESTOR IN THE UNITED KINGDOM (“UK”). FOR THESE PURPOSES, A RETAIL INVESTOR MEANS A PERSON WHO IS ONE (OR MORE) OF: (I) A RETAIL CLIENT, AS DEFINED IN POINT (8) OF ARTICLE 2 OF REGULATION (EU) NO 2017/565 AS IT FORMS PART OF DOMESTIC LAW BY VIRTUE OF THE EUROPEAN UNION

(WITHDRAWAL) ACT 2018 (“EUWA”); OR (II) A CUSTOMER WITHIN THE MEANING OF THE PROVISIONS OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (THE “FSMA”) AND ANY RULES OR REGULATIONS MADE UNDER THE FSMA WHICH WERE RELIED ON IMMEDIATELY BEFORE EXIT DAY TO IMPLEMENT DIRECTIVE (EU) 2016/97, WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT, AS DEFINED IN POINT (8) OF ARTICLE 2(1) OF REGULATION (EU) NO 600/2014 AS IT FORMS PART OF DOMESTIC LAW BY VIRTUE OF EUWA; OR (III) NOT A QUALIFIED INVESTOR AS DEFINED IN ARTICLE 2 OF REGULATION (EU) 2017/1129 AS IT FORMS PART OF DOMESTIC LAW BY VIRTUE OF THE EUWA. CONSEQUENTLY, NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO 1286/2014 AS IT FORMS PART OF DOMESTIC LAW BY VIRTUE OF THE EUWA (THE “UK PRIIPS REGULATION”) FOR OFFERING OR SELLING THE SECURITIES OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE UK HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE SECURITIES OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE UK MAY BE UNLAWFUL UNDER THE UK PRIIPS REGULATION.

IN ADDITION, IN THE UK, THE OFFERING MEMORANDUM AND ANY OTHER MATERIAL RELATING TO THE SECURITIES DESCRIBED HEREIN ARE ONLY BEING DISTRIBUTED TO, AND ARE DIRECTED ONLY AT, (I) PERSONS HAVING PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS FALLING WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (THE “ORDER”), OR (II) PERSONS WHO FALL WITHIN ARTICLE 43(2)(B) OF THE ORDER, OR (III) HIGH NET WORTH ENTITIES FALLING WITHIN ARTICLE 49(2)(A) TO (D) OF THE ORDER, OR (IV) PERSONS TO WHOM IT WOULD OTHERWISE BE LAWFUL TO DISTRIBUTE THEM (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS “RELEVANT PERSONS”). THE SECURITIES ARE ONLY AVAILABLE TO, AND ANY INVITATION, OFFER OR AGREEMENT TO SUBSCRIBE, PURCHASE OR OTHERWISE ACQUIRE THE SECURITIES WILL BE ENGAGED IN ONLY WITH, RELEVANT PERSONS. THE OFFERING MEMORANDUM AND ITS CONTENTS ARE CONFIDENTIAL AND SHOULD NOT BE DISTRIBUTED, PUBLISHED OR REPRODUCED (IN WHOLE OR IN PART) OR DISCLOSED BY ANY RECIPIENTS TO ANY OTHER PERSON IN THE UK ANY PERSON IN THE UK THAT IS NOT A RELEVANT PERSON SHOULD NOT ACT OR RELY ON THE OFFERING MEMORANDUM OR ITS CONTENTS.

THE FOLLOWING OFFERING MEMORANDUM MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS OFFERING MEMORANDUM IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

Confirmation of your Representation: In order to be eligible to view this Offering Memorandum or make an investment decision with respect to the notes, investors must be either (1) QIBs (within the meaning of Rule 144A under the Securities Act) or (2) non-U.S. persons (within the meaning of Regulation S under the Securities Act). This Offering Memorandum is being sent at your request and by accepting the e-mail and accessing this Offering Memorandum, you shall be deemed to have represented to us that (1) you and any customers you represent are either (a) QIBs (within the meaning of Rule 144A under the

Securities Act) or (b) non-U.S. persons (within the meaning of Regulation S under the Securities Act), and (2) that you consent to delivery of such Offering Memorandum by electronic transmission.

You are reminded that this Offering Memorandum has been delivered to you on the basis that you are a person into whose possession this Offering Memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorized to, deliver this Offering Memorandum to any other person.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the initial purchasers or any affiliate of the initial purchasers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the initial purchasers or such affiliate on behalf of the issuer in such jurisdiction.

This Offering Memorandum has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission, and consequently neither the initial purchasers, nor any person who controls them nor any of their directors, officers, employees nor any of their agents nor any affiliate of any such person accept any liability or responsibility whatsoever in respect of any difference between this Offering Memorandum distributed to you in electronic format and the hard copy version available to you on request from the initial purchasers.



Gruma, S.A.B. de C.V.
(Incorporated under the laws of Mexico)

US\$500,000,000 5.390% Senior Notes due 2034

US\$300,000,000 5.761% Senior Notes due 2054

We are offering US\$500,000,000 aggregate principal amount of our 5.390% Senior Notes due 2034 (the "2034 notes") and US\$300,000,000 aggregate principal amount of our 5.761% Senior Notes due 2054 (the "2054 notes" and, together with the 2034 notes, the "notes"). Interest on the 2034 notes and the 2054 notes will accrue at a rate of 5.390% and 5.761% per year, respectively. We will pay interest on the notes semi-annually on June 9 and December 9 of each year, beginning on June 9, 2025. The 2034 notes will mature on December 9, 2034 and the 2054 notes will mature on December 9, 2054. Prior to September 9, 2034 (the date that is three months prior to the maturity date of the 2034 notes), we may, at our option, redeem the notes, in whole or in part, by paying the greater of the principal amount of the notes to be redeemed and a "make-whole" amount, plus accrued and unpaid interest and any additional amounts thereon. On or after September 9, 2034, we may, at our option, redeem the 2034 notes, in whole or in part, by paying 100% of the principal amount of the 2034 notes to be redeemed, plus accrued and unpaid interest and any additional amounts thereon. Prior to June 9, 2054 (the date that is six months prior to the maturity date of the 2054 notes), we may, at our option, redeem the notes, in whole or in part, by paying the greater of the principal amount of the 2054 notes to be redeemed and a "make-whole" amount, plus accrued and unpaid interest and any additional amounts thereon. On or after June 9, 2054, we may, at our option, redeem the 2054 notes, in whole or in part, by paying 100% of the principal amount of the 2054 notes to be redeemed, plus accrued and unpaid interest and any additional amounts thereon. See "Description of the Notes—Maturity and Optional Redemption—Optional Redemption With "Make-Whole" Amount or at Par." In addition, in the event of certain changes in the applicable rate of withholding taxes, we may redeem the notes of a series, in whole but not in part, at a price equal to 100% of their principal amount, plus accrued and unpaid interest thereon. See "Description of the Notes—Maturity and Optional Redemption—Optional Redemption Upon Tax Event." There is no sinking fund for the notes.

The notes will be our senior unsecured general obligations and will rank at least *pari passu* in right of payment with all of our existing and future senior unsecured and unsubordinated indebtedness (subject to certain statutory preferences under Mexican law, including preferences arising from tax and labor obligations). The notes will be effectively subordinated to all of our existing and future secured indebtedness to the extent of the value of our assets securing such indebtedness. The notes are not guaranteed by any person or entity. See "Description of the Notes."

No public market currently exists for the notes. Application is expected to be made to have the notes offered hereby listed and quoted on the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained in this offering memorandum. Approval-in-principle from, and admission of the notes to the Official List of, the SGX-ST and quotation of the notes on the SGX-ST are not to be taken as an indication of the merits of the offering, the Company, its subsidiaries, their respective associated companies, their respective joint venture companies or the notes.

Investing in the notes involves risks. See "Risk Factors" beginning on page 21 for certain information that you should consider before investing in the notes.

Issue Price:

100.000% plus accrued interest, if any from December 9, 2024 for the 2034 notes

100.000% plus accrued interest, if any from December 9, 2024 for the 2054 notes

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED WITH THE MEXICAN NATIONAL SECURITIES REGISTRY (REGISTRO NACIONAL DE VALORES, OR THE "RNV") MAINTAINED BY THE MEXICAN BANKING AND SECURITIES REGISTRY COMMISSION (COMISIÓN NACIONAL BANCARIA Y DE VALORES, OR THE "CNBV") AND, THEREFORE, THE NOTES MAY NOT BE PUBLICLY OFFERED OR SOLD IN MEXICO OR OTHERWISE BE SUBJECT TO BROKERAGE ACTIVITIES IN MEXICO. HOWEVER, THE NOTES MAY BE OFFERED AND SOLD IN MEXICO, ON A PRIVATE PLACEMENT BASIS, TO INVESTORS THAT QUALIFY AS INSTITUTIONAL OR ACCREDITED INVESTORS UNDER MEXICAN LAW, PURSUANT TO THE PRIVATE PLACEMENT EXEMPTION SET FORTH IN ARTICLE 8 OF THE MEXICAN SECURITIES MARKET LAW (LEY DEL MERCADO DE VALORES, OR "LMV") AND REGULATIONS THEREUNDER. AS REQUIRED UNDER THE LMV AND REGULATIONS THEREUNDER, WE WILL NOTIFY THE CNBV OF THE OFFERING OF THE NOTES OUTSIDE OF MEXICO AND OF THE MAIN TERMS AND CONDITIONS OF THE NOTES, IN ORDER TO COMPLY WITH ARTICLE 7, SECOND PARAGRAPH, OF THE LMV AND REGULATIONS THEREUNDER FOR INFORMATIONAL AND STATISTICAL PURPOSES ONLY, THE FILING TO OR RECEIPT OF SUCH NOTICE BY THE CNBV DOES NOT IMPLY ANY CERTIFICATION AS TO THE INVESTMENT QUALITY OF THE NOTES, OUR SOLVENCY, LIQUIDITY OR CREDIT QUALITY OR THE ACCURACY OR COMPLETENESS OF THE INFORMATION SET FORTH HEREIN. THE INFORMATION INCLUDED IN THIS OFFERING MEMORANDUM IS SOLELY THE RESPONSIBILITY OF THE ISSUER AND HAS NOT BEEN REVIEWED OR AUTHORIZED BY THE CNBV AND MAY NOT BE PUBLICLY DISTRIBUTED IN MEXICO. IN MAKING AN INVESTMENT DECISION, ALL INVESTORS, INCLUDING ANY MEXICAN INVESTOR, WHO MAY ACQUIRE NOTES FROM TIME TO TIME, MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THIS OFFERING AND THE NOTES, INCLUDING THE MERITS AND RISKS INVOLVED.

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

The notes will be ready for delivery in book-entry form only through the facilities of The Depository Trust Company ("DTC") for the accounts of its direct and indirect participants, including Euroclear Bank S.A./N.V., as operator of the Euroclear System ("Euroclear"), and Clearstream Banking, *société anonyme* ("Clearstream") on or about December 9, 2024.

Joint Book-Runners

BBVA

BofA Securities

J.P. Morgan

Scotiabank

The date of this offering memorandum is December 4, 2024

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We have not authorized anyone to provide any information other than that contained in this offering memorandum. Neither we nor the initial purchasers take responsibility for, and we and the initial purchasers can provide no assurance as to the reliability of, any other information that others may give you. If anyone provides you with different or additional information, you should not rely on it. The information in this offering memorandum is true and accurate only as of the date on the front cover of this offering memorandum, regardless of time of delivery of this offering memorandum or any sale of the notes. Our business, financial condition, results of operations and prospects may change after the date on the front cover of this offering memorandum. This document may only be used where it is legal to sell the notes. Neither we nor any of the initial purchasers is making an offer to sell the notes in any jurisdiction where such an offer is not permitted.

Unless otherwise indicated or the context otherwise requires, all references in this offering memorandum to the "Company," "GRUMA," "we," "our," "us" "our company" or the "issuer" and similar terms refer to Gruma, S.A.B. de C.V., together with its consolidated subsidiaries.

NOTICE TO INVESTORS

We are relying on an exemption from registration under the Securities Act for offers and sales of securities that do not involve a public offering. The notes are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and the applicable state securities laws pursuant to registration or exemption therefrom. By purchasing the notes, you will be deemed to have made the acknowledgements, representations, warranties and agreements described under the heading "Transfer Restrictions" in this offering memorandum. You should understand that you will be required to bear the financial risks of your investment for an indefinite period of time.

Neither the CNBV nor the U.S. Securities and Exchange Commission (the "SEC"), nor any state securities commission nor any other regulatory authority has approved or disapproved of the notes or determined if this offering memorandum is truthful or complete. Any representation to the contrary is a criminal offense.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED WITH THE MEXICAN RNV MAINTAINED BY THE CNBV AND, THEREFORE, THE NOTES MAY NOT BE PUBLICLY OFFERED OR SOLD IN MEXICO OR OTHERWISE BE SUBJECT TO BROKERAGE ACTIVITIES IN MEXICO. HOWEVER, THE NOTES MAY BE OFFERED AND SOLD IN MEXICO, ON A PRIVATE PLACEMENT BASIS, TO INVESTORS THAT QUALIFY AS INSTITUTIONAL OR ACCREDITED INVESTORS UNDER MEXICAN LAW, PURSUANT TO THE PRIVATE PLACEMENT EXEMPTION SET FORTH IN ARTICLE 8 OF THE LMV, AND REGULATIONS THEREUNDER. AS REQUIRED UNDER THE LMV AND REGULATIONS THEREUNDER, WE WILL NOTIFY THE CNBV OF THE OFFERING OF THE NOTES OUTSIDE OF MEXICO AND OF THE MAIN TERMS AND CONDITIONS OF THE NOTES, IN ORDER TO COMPLY WITH ARTICLE 7, SECOND PARAGRAPH, OF THE LMV AND REGULATIONS THEREUNDER FOR INFORMATIONAL AND STATISTICAL PURPOSES ONLY, THE FILING TO OR RECEIPT OF SUCH NOTICE BY THE CNBV DOES NOT IMPLY ANY CERTIFICATION AS TO THE INVESTMENT QUALITY OF THE NOTES, OUR SOLVENCY, LIQUIDITY OR CREDIT QUALITY OR THE ACCURACY OR COMPLETENESS OF THE INFORMATION SET FORTH IN THIS OFFERING MEMORANDUM. THE INFORMATION INCLUDED HEREIN IS SOLELY THE RESPONSIBILITY OF THE ISSUER AND HAS NOT BEEN REVIEWED OR AUTHORIZED BY THE CNBV AND MAY NOT BE PUBLICLY DISTRIBUTED IN MEXICO. IN MAKING AN INVESTMENT DECISION, ALL INVESTORS, INCLUDING ANY MEXICAN INVESTOR, WHO MAY ACQUIRE NOTES FROM TIME TO TIME, MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THIS OFFERING AND THE NOTES, INCLUDING THE MERITS AND RISKS INVOLVED.

We have submitted this offering memorandum solely to a limited number of qualified institutional buyers in the United States and to investors outside the United States so they can consider a purchase of the notes. We have not authorized its use for any other purpose. It may be distributed and its contents disclosed only to the prospective investors to whom it is provided. By accepting delivery of this offering memorandum, you agree to these restrictions. See "Transfer Restrictions."

This offering memorandum is based on information provided by us and by other sources that we believe are reliable. We cannot assure you that information we have obtained from other sources is accurate or complete. This offering memorandum summarizes certain documents and other information, and we refer you to such documents and other information for a more complete understanding of what we discuss in this offering memorandum. In making an investment decision, you must rely on your own examination of our company and the terms of this offering and the notes, including the merits and risks involved.

The initial purchasers make no representation or warranty, express or implied, as to the accuracy or completeness of the information contained in this offering memorandum. Nothing contained in this offering memorandum is, or shall be relied upon as, a promise or representation by the initial purchasers as to the past or future.

We are not making any representation to any purchaser of the notes regarding the legality of an investment in the notes by such purchaser under any legal investment or similar laws or regulations. You should not consider any information in this offering memorandum to be legal, business or tax advice. You should consult your own attorney, business advisor and tax advisor for legal, business and tax advice regarding any investment in the notes.

We accept responsibility for the information contained in this offering memorandum. To the best of our knowledge and belief (and we have taken all reasonable care to ensure that), the information contained in this offering memorandum is in accordance with the facts and does not omit any material information. You should assume that the information contained in this offering memorandum is accurate only as of the date on the front cover of this offering memorandum.

We reserve the right to withdraw this offering of the notes at any time, and we and the initial purchasers reserve the right to reject any commitment to subscribe for the notes in whole or in part and to allot to any prospective investor less than the full amount of notes sought by that investor. The initial purchasers and certain related entities may acquire for their own account a portion of the notes.

You must comply with all applicable laws and regulations in force in any jurisdiction in connection with the possession or distribution of this offering memorandum and the purchase, offer or sale by you of the notes, and you must obtain any consent, approval or permission required by you for the purchase, offer or sale of the notes under the laws and regulations in force in the jurisdiction to which you are subject or in which you make such purchase, offer or sale, and neither we nor any of the initial purchasers will have any responsibility therefor. See "Transfer Restrictions" for information concerning some of the transfer restrictions applicable to the notes.

This offering memorandum may only be used for the purpose for which it has been published.

By accepting this offering memorandum, you acknowledge that:

- you have been afforded an opportunity to request from us, and to review, all additional information considered by you to be necessary to verify the accuracy of, or to supplement, the information contained in this offering memorandum;
- you have not relied on the initial purchasers or their respective agents or any person affiliated with the initial purchasers or their respective agents in connection with your investigation of the accuracy of such information or your investment decision; and
- no person has been authorized to give any information or to make any representation concerning us or the notes other than those set forth in this offering memorandum. If given or made, any such other information or representation should not be relied upon as having been authorized by us or the initial purchasers or their respective agents.

AVAILABLE INFORMATION

We are not subject to the reporting requirements of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"). To permit compliance with Rule 144A in connection with resales of the notes, upon request of a holder of notes, we will furnish to such holder and any prospective purchaser designated by such holder the information required to be delivered under Rule 144A(d)(4) under the Securities Act if at the time of the request we are neither a reporting company under Section 13 or Section 15(d) of the Exchange Act, nor exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act, or Rule 12g3-2(b). Any such request may be made to us in writing at our main office is located at Calzada del Valle, 407 Ote., Colonia del Valle, 66220 San Pedro Garza García, Nuevo León, Mexico.

To permit compliance with Rule 144A under the Securities Act in connection with resales of notes, we will be required under each indenture under which the notes are issued (each, an "Indenture" and, collectively, the "Indentures"), upon the request of a holder of Rule 144A notes or Regulation S notes, to furnish to such holder and any prospective purchaser designated by such holder the information required to be delivered under Rule 144A(d)(4) under the Securities Act if at the time of the request we are neither a reporting company under Section 13 or Section 15(d) of the Exchange Act, nor exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act. Any such request may be made to us in writing at our main office located at Calzada del Valle, 407 Ote., Colonia del Valle, 66220 San Pedro Garza García, Nuevo León, Mexico.

Each Indenture will further require that we furnish to the trustee (as defined herein) all reports and communications that are generally made available to holders of the notes. At our request, the trustee will be required under each Indenture to mail these reports and communications received by it from us to all record holders of the applicable series of notes promptly upon receipt. See "Description of the Notes."

We will make available to the holders of the notes, at the corporate trust office of the trustee at our cost, copies of each Indenture as well as this offering memorandum, including a review of our operations, and copies in English of our annual audited consolidated financial statements and our interim unaudited consolidated financial statements. Information will also be available at the office of the paying agent.

Application is expected to be made to have the notes to listed and quoted on the Official List of the SGX-ST, in accordance with its rules. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained in this offering memorandum. Approval-in-principle from, and admission of the notes to the Official List of, the SGX-ST and quotation of the notes on the SGX-ST are not to be taken as an indication of the merits of the offering, the Company, its subsidiaries, their respective associated companies, their respective joint venture companies or the notes. We will be required to comply with any undertakings given by us from time to time to the SGX-ST in connection with the listing of the notes, and to furnish to it all such information as the rules of the SGX-ST may require in connection with the listing of the notes.

FORWARD-LOOKING STATEMENTS

This offering memorandum includes forward-looking statements. These statements relate to our future prospects, developments and business strategies and are identified by our use of terms and phrases such as "anticipate," "believe," "could," "would," "will," "estimate," "expect," "intend," "may," "may have," "plan," "predict," "project," "goal," "budget," "target," "strategy" and similar terms and phrases, and may include references to assumptions. These statements are contained in the sections entitled "Summary," "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Business" and other sections of this offering memorandum.

Forward-looking statements are based on our current expectations and assumptions regarding our business, the economy and other future conditions. Because forward-looking statements relate to the future, by their nature, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. Our actual results may differ materially from those contemplated by the forward-looking statements. Important factors that could cause actual results to differ materially from those in the forward-looking statements include regional, national or global economic, business, market and regulatory conditions, without limitation, and the following:

- availability and price volatility in the cost of commodities, raw materials and energy;
- our ability to maintain high capacity utilization rates;
- our ability to implement our strategies;
- general economic conditions or factors of the countries in which we operate and sell our products, such as inflation, deflation and fluctuations in interest rates and commodity prices, as well as any significant economic, political or social developments in those countries;
- our ability to maintain margins for products sold under fixed price arrangements;
- cyclicalities in the demand for our products;
- the loss of one or more significant customers;
- any damage to the public perception of our brands or products;
- changing consumer preferences and perceptions regarding our products;
- the loss of our licensing and/or franchise agreements;
- trade barriers, including tariffs, and other risks inherent in international operations;
- governmental actions, the imposition of price controls over our products or changes in tax regulations;
- competition and/or loss of market share in our industries;
- our ability to pass through price increases;
- the impact of any natural disasters on our ability to operate or to deliver products to our customers;
- the impact of public health crises;
- unanticipated downtime of our plants;
- our inability to supply to our main customers the amounts established in our commercial agreements;
- disruption of our supply chain;
- losses from derivative transactions;

- changes to environmental and/or other laws and regulations or their interpretation;
- performance of financial markets and our ability to refinance our financial obligations when they come on favorable terms, including our short-term debt;
- our ability to service our debt;
- loss of key personnel;
- costs, difficulties, uncertainties and regulations and governmental interpretations related to mergers, acquisitions or joint ventures;
- currency exchange rates, including the Mexican Peso/U.S. Dollar, U.S. Dollar/Euro, and Costa Rican Colón/Mexican Peso exchange rates;
- the implementation of exchange controls in any of the jurisdictions where we operate;
- changes in the policies of central banks and/or foreign governments;
- terrorist and organized criminal activities as well as geopolitical events;
- the ability of our subsidiaries to make transfers to us; and
- other factors described under "Risk Factors" and elsewhere in this offering memorandum.

Should one or more of these factors or situations materialize, or should the underlying assumptions prove to be incorrect, the actual results may differ considerably from those that are described, foreseen, considered, estimated, expected, predicted or intended in this offering memorandum.

These forward-looking statements speak only as of the date of this offering memorandum and we undertake no obligation to update our forward-looking statements or risk factors to reflect new information, future events or otherwise. Additional factors affecting our business emerge from time to time and it is not possible for us to predict all of these factors, nor can we assess the impact of all such factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement. Although we believe that the plans, intentions and expectations reflected in or suggested by such forward-looking statements are reasonable, we cannot assure you that those plans, intentions or expectations will be achieved. In addition, you should not interpret statements regarding past trends or activities as assurances that those trends or activities will continue in the future. All written, oral and electronic forward-looking statements attributable to us or to the persons acting on our behalf are expressly qualified in their entirety by this cautionary statement.

CERTAIN DEFINITIONS

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

- accounting terms have the definitions set forth under International Financial Reporting Standards;
- revenue figures are net of intercompany sales;
- "Azteca Milling" means our subsidiary Azteca Milling, L.P., a limited partnership duly formed and existing under the laws of the state of Texas;
- "*Banco de México*" means the Central Bank of Mexico;
- "BMV" means Bolsa Mexicana de Valores, S.A.B. de C.V. or the Mexican Stock Exchange;
- "CAGR" means compound annual growth rate;
- "CNBV" means Comisión Nacional Bancaria de Valores, or Mexican Banking and Securities Commission;
- "COFECE" means Comisión Federal de Competencia Económica, or the Mexican Federal Economic Competition Commission;
- "Compañía Nacional Almacenadora" means Compañía Nacional Almacenadora, S.A. de C.V., *a sociedad anónima de capital variable* duly formed and existing under the laws of Mexico;
- "DEMASECA" means our former subsidiary Derivados de Maiz Seleccionado, C.A., a company duly formed and existing under the laws of Venezuela;
- "EBITDA" refers to operating income plus depreciation, amortization, impairment of long-lived assets and other expenses (income) unrelated to business operations;
- "EBITDA Margin" refers to EBITDA as a percentage of net sales;
- "Euro" or "€" means the lawful currency of the European Union;
- "European Union" refers to the group of countries comprised of Austria, Belgium, Bulgaria, Croatia, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, and Sweden;
- "GIMSA" means our subsidiary Grupo Industrial Maseca, S.A. de C.V., *a sociedad anónima de capital variable* duly formed and existing under the laws of Mexico, and its consolidated subsidiaries, as a whole;
- "GRUMA," "our company," "we," "us" or "our" means Gruma, S.A.B. de C.V., *a sociedad anónima bursátil de capital variable* duly formed and existing under the laws of Mexico, and its consolidated subsidiaries, as a whole, except when the reference is specifically to Gruma, S.A.B. de C.V. (parent company) or the context requires otherwise;
- "Gruma Asia and Oceania" or "Gruma A&O" means our subsidiaries (i) Mission Foods (Shanghai) Co. Ltd., a company duly formed and existing under the laws of the People's Republic of China; (ii) Gruma Oceania Pty. Ltd., a company duly formed and existing under the laws of the Commonwealth of Australia and (iii) Mission Foods (Malaysia) Sdn. Bhd., a company duly formed and existing under the laws of Malaysia; and their consolidated subsidiaries, as a whole;
- "Gruma Centroamérica" means our subsidiaries (i) Derivados de Maíz Alimenticio, S.A., *a sociedad anónima* duly formed and existing under the laws of Costa Rica; (ii) Industrializadora y Comercializadora de Palmito, S.A., *a sociedad anónima* duly formed and existing under the laws of Ecuador; (iii) Derivados

de Maíz de Guatemala, S.A., *a sociedad anónima* duly formed and existing under the laws of Guatemala; and (iv) Derivados de Maíz de Honduras, S.A., *a sociedad anónima* duly formed and existing under the laws of Honduras; and their consolidated subsidiaries, as a whole;

- "Gruma Corporation" means our subsidiary Gruma Corporation, a corporation duly formed and existing under the laws of the state of Nevada, and its consolidated subsidiaries, as a whole, and it shall include all operations in the United States when the context requires it;
- "Gruma Europe" means Mission Foods Iberia, S.A.U., NDF Azteca Milling Europe SRL, Zao Solntse Mexico LLC, Mex-Foods Siberia LLC, Mission Foods Stupino LLC, Semolina Misir Irmigi Gida Sanayi Ve Ticaret A.S., Altera Azteca Milling Ukraine LLC., and Mission Foods UK Ltd, as a whole, except where a specific reference is made to any such entities.
- "INEGI" means the Mexican National Institute of Statistics and Geography (*Instituto Nacional de Estadística y Geografía*);
- "INTASA" means our former subsidiary Investigación de Tecnología Avanzada, S.A. de C.V., *a sociedad anónima de capital variable* duly formed and existing under the laws of Mexico;
- "INTESA" means (i) Investigación Técnica Avanzada, S.A. de C.V.; (ii) Tecno Maíz, S.A. de C.V. (TECNOMAIZ) and (iii) Constructora Industrial Agropecuaria, S.A. de C.V (CIASA), each *a sociedad anónima de capital variable* duly formed and existing under the laws of Mexico;
- "LIBOR" means the London Interbank Offered Rate;
- "LMV" means the Mexican Securities Market Law;
- "Mexico" means the United Mexican States;
- "MONACA" means our former subsidiary Molinos Nacionales, C.A., a company duly formed and existing under the laws of Venezuela;
- "NCPI" means the National Consumer Price Index (*Índice Nacional de Precios al Consumidor*), determined by INEGI and published periodically by *Banco de México* in the Official Gazette of Mexico (*Diario Oficial de la Federación*) or any index that replaces it from time to time;
- "Peso" or "Ps." means the lawful currency of Mexico;
- "RNV" means the Mexican National Securities Registry or *Registro Nacional de Valores*;
- "SOFR" means Secured Overnight Financing Rate;
- "U.S. Dollar," "Dollar," "US\$" or "\$" means the lawful currency of the United States;
- "Venezuela" means the Bolivarian Republic of Venezuela.

PRESENTATION OF FINANCIAL AND CERTAIN OTHER INFORMATION

Financial Information

Our annual audited consolidated financial statements as of December 31, 2023 and 2022 and for the years then ended, as of December 31, 2022 and 2021 and for the years then ended, as well as those as of December 31, 2021 and 2020 and for the years then ended, together with the notes thereto (the "Annual Audited Financial Statements"), included in this offering memorandum have been prepared in accordance with International Financial Reporting Standards ("IFRS"), by the International Accounting Standards Board ("IASB") as in effect from time to time.

The unaudited condensed consolidated interim financial statements as of September 30, 2024 and 2023 and for the nine-month periods then ended, and the three-month periods ended September 30, 2024 and 2023, together with the notes thereto (the "Interim Unaudited Financial Statements"), as well as the other financial information of GRUMA included in this offering memorandum related to these financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting," as issued by the IASB, applicable to the preparation of interim financial statements.

The financial statements of our entities are measured using the currency of the main economic environment where the entity operates (functional currency). The financial statements of the entities that have a functional currency which differs from our presentation currency are translated as follows: a) assets and liabilities at the closing exchange rate of the period, b) income and expenses at average exchange rates when it has not fluctuated significantly during the period and c) equity at the effective exchange rate in the date when the contributions were made and the earnings were generated. All resulting exchange differences are recognized in other comprehensive income as a separate component of equity denominated "Cumulative translation adjustments". Prior to the translation of our presentation currency, the financial statements of foreign subsidiaries with functional currency from a hyperinflationary environment are adjusted for inflation in order to reflect changes in purchasing power of the local currency. Subsequently, assets, liabilities, equity, income, costs, and expenses are translated to the presentation currency at the exchange rate of the closing period. The effects of hyperinflation and reporting currency translation are presented in equity in the item cumulative translation adjustments. To determine the existence of hyperinflation, we evaluate the qualitative characteristics of the economic environment, as well as the quantitative characteristics established by the accounting IFRS, including an accumulated inflation rate equal or higher than 100% in the past three years.

In making an investment decision, you must rely upon your own examination of us, the terms of the offering and the financial information included herein. We urge you to consult your own advisors regarding the differences between IFRS and generally accepted accounting principles in the United States ("U.S. GAAP") and how these differences might affect the financial information included in this offering memorandum.

Exchange Rate Information

Unless stated otherwise, references herein to "Mexican Pesos," "Pesos" or "Ps." are to Mexican pesos, the legal currency of Mexico; references to "U.S. Dollars," "Dollars," "US\$", or "\$" are to United States dollars, the legal currency of the United States.

This offering memorandum contains translations from Pesos to U.S. Dollars and vice versa, of various amounts not contained in the consolidated financial statements, at specified exchange rates solely for the convenience of the reader. These convenience translations should not be construed as representations by the Company that the monetary amounts used to prepare our financial statements actually represent those amounts or could be converted into Mexican Pesos at the convenience translation exchange rate.

Change in Presentation Currency of Consolidated Financial Statements in 2022

In accordance with the International Accounting Standard 21, "The effects of changes in foreign exchange rates" (IAS 21) and with the approval of the Board of Directors and prior favorable opinion of the Audit Committee, the Company decided to change its presentation currency from the Mexican Peso to the U.S. Dollar for the consolidated financial statements as of January 1, 2022. This decision considered that: a) the accounting rules allow for a choice in the presentation currency, based on the measure used by management to control and monitor the financial position and performance of our Company, b) our Company operates internationally, with the U.S. Dollar being the main currency in the markets in which it participates, and c) greater ease of analysis is expected for the different users of the consolidated financial information, including comparability with the financial reports of other global entities.

Translation adjustments and cumulative translation adjustments have been presented as if our Company had used the U.S. Dollar as the presentation currency since January 1, 2010, the initial date of the Company's transition to accounting IFRS. Financial statements as of December 31, 2021 and their related notes were retrospectively adjusted for the change in presentation currency by applying the methodology set out in IAS 21, using the closing exchange rates for the consolidated statements of financial position and the closing exchange rates of each month within the respective periods for the consolidated income statements, consolidated statements of comprehensive income and consolidated statements of cash flows. Historical equity transactions were translated at the foreign exchange rate of the transactions and were subsequently carried at historical value.

Our Interim Unaudited Financial Statements as of and for the nine months ended September 30, 2024 and 2023, our audited consolidated financial statements as of and for the years ended December 31, 2023, and 2022, and our audited consolidated financial statements as of and for the years ended December 31, 2022, and 2021 are presented in U.S. Dollars. The audited consolidated financial statements as of and for the years ended December 31, 2021 and 2020 and for the years then ended were presented in Pesos.

Rounding Adjustments

Certain figures included in this offering memorandum have been rounded for ease of presentation. Percentage figures included in this offering memorandum have not in all cases been calculated on the basis of such rounded figures but on the basis of such amounts prior to rounding. For this reason, certain percentage amounts in this offering memorandum may vary from those obtained by performing the same calculations using the figures in our financial statements included elsewhere in this offering memorandum. Certain other amounts that appear in this offering memorandum may not sum due to rounding.

Non-IFRS Financial Measures

A non-IFRS financial measure is generally defined as one that purports to measure historical or future financial performance, financial position or cash flows but excludes or includes amounts that would not be so adjusted in the most comparable IFRS measure. This offering memorandum contains references to EBITDA, a non-IFRS financial measure. We define "EBITDA" to mean, for any period, an amount equal to (a) the sum, without duplication, of (i) operating income for such period, (ii) the amount of depreciation, amortization and impairment of long lived assets deducted during such period in determining such operating income and (iii) any other expense unrelated to business operations deducted in determining such operating income during such period; minus (b) any other income unrelated to business operations. In managing our business, we rely on EBITDA as one of our means of assessing our operating performance. We believe that EBITDA enhances the understanding of our financial performance and our ability to satisfy principal and interest obligations with respect to our indebtedness as well as to fund capital expenditures and working capital requirements. We also believe EBITDA is a useful basis of comparing our results with those of other companies because it presents

results of operations on a basis unaffected by capital structure and taxes. EBITDA, however, is not a measure of financial performance under IFRS and should not be considered as an alternative to net income or operating income as a measure of operating performance or to cash flows from operating activities as a measure of liquidity. EBITDA has material limitations that xii impair its value as a measure of our overall profitability since it does not address certain ongoing costs of our business that could significantly affect profitability such as financial expenses, income taxes, depreciation, amortization and the impact of derivative instruments (except when designated as hedge accounting in accordance with IFRS). Our calculation of EBITDA may not be comparable to other companies' calculation of similarly titled measures.

Industry and Market Data

The information contained in this offering memorandum regarding our market positions is based primarily on our own estimates and internal analysis and data obtained from the Nielsen Company. Market position information for the United States is also based on data from Technomic, Inc. For Mexico, information is also based on data from *Información Sistematizada de Canales y Mercados* (Systematized Information on Channels and Markets, or "ISCAM"). For Europe, information is also based on data from Symphony IRI Group. While we believe our internal research and estimates are reliable, they have not been verified by any independent source and we cannot ensure their accuracy or completeness.

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

Intellectual Property

This offering memorandum includes some of our trademarks and trade names, including our logos. Each trademark and trade name of any other company appearing in this offering memorandum belongs to its respective owner.

Other Information

All references to "tons" in this offering memorandum refer to metric tons. One metric ton equals 2,204 pounds. Estimates of production capacity contained herein assume the operation of relevant facilities on the basis of 360 days a year, on three shifts, and assume only regular intervals for required maintenance.

SUMMARY

This summary highlights certain information contained in this offering memorandum and may not include all the information relevant to you or related to your investment in the notes. For a more complete understanding of our business (including our operations and historical results), you should read the following summary together with the more detailed information appearing elsewhere in this offering memorandum, including without limitation that set forth under "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations," and our financial statements and the notes thereto included elsewhere in this offering memorandum.

Overview

GRUMA was founded in 1949, when Mr. Roberto González Barrera started producing and selling nixtamalized corn flour in Northeastern Mexico as raw material for producing tortillas and other corn-based products. Prior to our founding, all corn tortillas were made through the corn dough method, or *nixtamal* (the "Traditional Method"). Today, both the Traditional Method, as well as the nixtamalized corn flour method are used. In addition, corn flour and the dough prepared through the Traditional Method can be mixed in various proportions to produce tortillas and other corn-based products. Our main nixtamalized corn flour operations are in Mexico and the United States, and, to a lesser extent, in Central America and Europe.

We are a holding company and one of the world's main tortilla and corn flour producers. With leading brands in most of our markets, we have operations in the United States, Mexico, Central America, Europe, Asia, and Oceania. We are headquartered in San Pedro Garza García, Mexico, and have approximately 25,000 employees and 75 manufacturing facilities. Our shares are publicly traded in Mexico, listed on the BMV and registered in the RNV. We are organized as a *sociedad anónima bursátil de capital variable* under the laws of Mexico.

We believe we are one of the main producers of nixtamalized corn flour and tortillas in the United States and one of the main producers of nixtamalized corn flour in Mexico. In addition, we believe that we are also an important producer of nixtamalized corn flour and tortillas in Central America, of tortilla and other flatbreads, including pita, naan, chapatti, pizza bases and piadina in Europe, Asia and Oceania, and of corn grits in Europe and the Middle East.

Our focus has been and continues to be the efficient and profitable expansion of our core business—nixtamalized corn flour and tortilla. We pioneered the nixtamalized corn flour method of tortilla production, which features significant opportunities for growth. Using our know-how, we will seek to encourage tortilla and other corn-based products manufacturers in the United States, Mexico, Central America, and elsewhere to use nixtamalized corn flour in the production of the same.

We had net sales of US\$6,576 million and US\$4,932 million for the year ended December 31, 2023 and the nine months ended September 30, 2024, respectively. Our total assets were US\$4,747 million as of September 30, 2024. Our market capitalization was US\$6.8 billion as of September 30, 2024.

The following tables show the breakdown by geographic segment of our consolidated net sales and EBITDA for each of the periods presented.

	For the year ended December 31,						For the Nine Months Ended September 30,			
	2021		2022		2023		2023		2024	
	Net Sales	Percent of Net Sales	Net Sales	Percent of Net Sales	Net Sales	Percent of Net Sales	Net Sales	Percent of Net Sales	Net Sales	Percent of Net Sales
	<i>(in millions of Dollars, except percentages)</i>									
United States	\$ 2,593	56%	\$ 3,190	57%	\$ 3,638	55%	\$ 2,750	56%	\$ 2,737	56%
Mexico	1,193	26%	1,422	25%	1,881	29%	1,395	28%	1,362	27%
Europe	334	7%	420	8%	435	7%	333	7%	341	7%
Central America ...	264	6%	323	6%	365	6%	268	5%	293	6%
Asia and Oceania..	240	5%	242	4%	257	4%	190	4%	199	4%
Total.....	\$ 4,624	100%	\$ 5,597	100%	\$ 6,576	100%	\$ 4,936	100%	\$ 4,932	100%

	For the year ended December 31,						For the Nine Months Ended September 30,			
	2021		2022		2023		2023		2024	
	EBITDA	EBITDA Margin	EBITDA	EBITDA Margin	EBITDA	EBITDA Margin	EBITDA	EBITDA Margin	EBITDA	EBITDA Margin
	<i>(in millions of Dollars, except percentages)</i>									
United States	\$ 483	18.6%	\$ 567	17.7%	\$ 709	19.4%	\$ 517	18.8%	\$ 562	20.5%
Mexico	154	12.9%	166	11.7%	179	9.5%	133	9.5%	158	11.6%
Europe	41	12.3%	22	5.3%	38	8.8%	28	8.4%	42	12.2%
Central America ...	22	8.5%	32	9.9%	50	13.7%	34	12.7%	49	16.8%
Asia and Oceania..	36	15.0%	22	9.0%	30	11.5%	21	11.1%	28	13.9%
Total.....	\$ 736	15.9%	\$ 809	14.5%	\$ 1,006	15.3%	\$ 733	14.9%	\$ 839	17.0%

The following table shows the reconciliation of the EBITDA by geographic segment for each of the periods presented.

	For the year ended December 31,			For the Nine Months Ended September 30,	
	2021	2022	2023	2023	2024
	(US\$)	(US\$)	(US\$)	(US\$)	(US\$)
	<i>(in millions of Dollars)</i>				
United States:					
Operating income	\$ 369	\$ 441	\$ 565	\$ 409	\$ 451
Depreciation	96	110	123	91	100
Amortization.....	16	16	16	12	11
Impairment of long-lived assets.....	2	-	5	5	-
EBITDA.....	\$ 483	\$ 567	\$ 709	\$ 517	\$ 562
Mexico:					
Operating income	\$ 117	\$ 124	\$ 128	\$ 94	\$ 116

Depreciation.....	50	55	65	49	51
Amortization.....	(13)	(15)	(14)	(10)	(9)
Impairment of long-lived assets.....	-	2	-	-	-
EBITDA.....	\$ 154	\$ 166	\$ 179	\$ 133	\$ 158
Europe:					
Operating income.....	\$ 28	\$ 9	\$ 24	\$ 18	\$ 31
Depreciation.....	13	13	14	10	11
Amortization.....	-	-	0	-	0
EBITDA.....	\$ 41	\$ 22	\$ 38	\$ 28	\$ 42
Central America:					
Operating income.....	\$ 15	\$ 25	\$ 42	\$ 29	\$ 43
Depreciation.....	7	7	8	5	6
Amortization.....	-	-	0	-	-
EBITDA.....	\$ 22	\$ 32	\$ 50	\$ 34	\$ 49
Asia and Oceania:					
Operating income.....	\$ 25	\$ 11	\$ 19	\$ 13	\$ 20
Depreciation.....	11	11	11	8	8
Amortization.....	-	-	0	-	0
EBITDA.....	\$ 36	\$ 22	\$ 30	\$ 21	\$ 28
Consolidated:					
Operating income.....	\$ 554	\$ 610	\$ 778	\$ 563	\$ 661
Depreciation.....	178	196	219	164	176
Amortization.....	2	1	4	1	2
Impairment of long-lived assets.....	2	2	5	5	-
EBITDA.....	\$ 736	\$ 809	\$ 1,006	\$ 733	\$ 839

Our Operations

U.S. Operations

We conduct our United States operations principally through our subsidiary Gruma Corporation, which manufactures nixtamalized corn flour, tortillas, corn chips and other related products. Gruma Corporation commenced operations in the United States in 1977, initially developing a presence in certain major tortilla consumption markets by acquiring small tortilla manufacturers and converting their production processes from the Traditional Method to our nixtamalized corn flour method. Eventually, we began to build our own state-of-the-art tortilla plants in certain major tortilla consumption markets, such as California and Texas.

Gruma Corporation

Gruma Corporation operates primarily through its Mission Foods division, which produces tortillas and related products, and through Azteca Milling, a limited partnership wholly owned by Gruma Corporation, which produces nixtamalized corn flour. For the year ended December 31, 2023, Mission Foods and Azteca Milling represented 78% and 22% of Gruma Corporation sales, respectively. We believe Gruma Corporation is one of the leading producers of tortillas and related products throughout the United States, as well as one of the main producers of nixtamalized corn flour in the United States.

Main Products

Mission Foods manufactures corn and wheat tortillas and related products (which include tortilla chips) mainly under the MISSION®, GUERRERO® and CALIDAD® brand names in the United States. By continuing to build MISSION® into a strong national brand for the general consumer market, GUERRERO® into a strong Hispanic consumer-focused brand and CALIDAD® as our value brand in tortillas and chips, we expect to increase Mission Foods' market penetration, brand awareness and profitability. Azteca Milling manufactures nixtamalized corn flour in the United States under the MASECA® brand, and, to a lesser extent, under our value brand TORTIMASA®. For the year ended December 31, 2023, Mission Foods and Azteca Milling had sales volumes of 909 thousand tons and 951 thousand tons, respectively.

Sales and Marketing

Mission Foods' products are marketed in both retail and food service channels. In the United States, retail customers represented approximately 83% of our sales volume in the nine months ended September 30, 2024, including supermarkets, mass merchandisers, membership stores and smaller independent stores. Our food service customers include major chain restaurants, food service distributors, schools, hospitals and the military.

For the U.S. tortilla market, Mission Foods' current marketing strategy is to focus on core products and drive organic, profitable, and sustainable growth, while creating a strong value proposition for our consumers through superior consumer knowledge and understanding, continuous product innovation with emphasis on healthy alternatives, excellence in customer service and effective marketing programs. Mission Foods promotes its products primarily through merchandising programs with supermarkets, and, to a lesser extent, joint promotions with other companies' products that may be complementary to ours. We believe these efforts, among other factors, have contributed to greater consumer awareness and household penetration. Mission Foods also targets food service companies and works with its clients to address their individual needs and provide them with a full line of products. Mission Foods continuously attempts to identify new customers and markets for its tortillas and related products.

Azteca Milling sold approximately 28% of the nixtamalized corn flour it produces to Mission Foods' plants throughout the United States in the nine months ended September 30, 2024. Azteca Milling's third-party customers consist largely of other tortilla manufacturers, corn chip producers, retail customers and wholesalers. Azteca Milling sells nixtamalized corn flour in various quantities, ranging from one-pound retail packages to bulk railcar loads.

We believe that the growing consumption of Mexican-style foods by non-Hispanics will continue to increase demand for tortillas and tortilla related products, particularly wheat flour tortillas. Additionally, we believe that demand for tortilla and other related products will continue to increase, driven by the fact that tortillas are no longer solely used in Mexican food; for example, tortillas are also used for wraps. Growth in the U.S. nixtamalized corn flour market is also driven by the increase of the Hispanic population in the United States, the consumption of tortillas and tortilla chips by the general consumer market, and stronger and increased distribution of nixtamalized corn flour. Additionally, the growth in the U.S. nixtamalized corn flour market is also attributable to the conversion of tortilla and tortilla chip producers from the Traditional Method to the nixtamalized corn flour method.

Mexican Operations

Our largest business in Mexico is the manufacturing of nixtamalized corn flour, which we conduct through our subsidiary GIMSA. Our other subsidiaries engage in the manufacturing of tortillas and other related

products in Mexico, conduct research and development regarding nixtamalized corn flour and tortilla manufacturing equipment, produce machinery for nixtamalized corn flour and tortilla production and construct our nixtamalized corn flour manufacturing facilities.

Main Products

GIMSA produces nixtamalized corn flour in Mexico, which is then used as a raw material in the preparation of tortillas and other corn-based products.

GIMSA sells nixtamalized corn flour in Mexico mainly under the brand name MASECA®, which is a fine-textured, mixed-ready corn flour that becomes dough when water is added. This corn dough can then be pressed to an appropriate thickness, cut to shape and cooked to produce tortillas and similar food products.

GIMSA produces over 50 varieties of nixtamalized corn flour for the manufacture of different food products which are developed to meet the requirements of our different types of customers according to the kind of products they produce and markets they serve.

Sales and Marketing

GIMSA sells packaged nixtamalized corn flour in bulk mainly to tortilla and other corn-based products manufacturers, including corn chips and snack manufacturers. Moreover, we sell 20-kilogram sacks of nixtamalized corn flour to tortilla producers, as well as much larger sacks and bulk are sold to big snack producers. Additionally, GIMSA sells corn flour in the retail market in one-kilogram packages, mostly for domestic use.

Retail sales of nixtamalized corn flour are channeled to two distinct markets: urban centers and rural areas. Sales to urban consumers are made mostly through supermarket chains that use their own distribution networks or through wholesalers who sell the product to smaller grocery stores throughout Mexico. Sales to rural areas are made principally through the government that operates social distribution programs through a network of small stores which supply communities in rural areas with basic food products.

European Operations

We conduct our European operations principally through our division Gruma Europe, which manufactures tortillas, corn chips, several types of flatbreads and other related products through Mission Foods Europe. Gruma Europe also manufactures corn grits and nixtamalized corn flour, and other related products, through Azteca Milling Europe. In 2000, Gruma Europe opened its first European tortilla and corn chips plant in Coventry, England, marking our entry into the European market. Since then, our operations have expanded to Italy, Russia, Turkey, Ukraine and Spain.

Main Products

Mission Foods Europe manufactures tortillas, flatbreads (such as naan, pita and chapatti), corn chips and other related products under the MISSION DELI®, MISSION®, DELICADOS® and MEXIFOODS® brands and through private label. Azteca Milling Europe manufactures mainly corn grits and in a lesser extent, nixtamalized corn flour (under the MASECA® brand), as well as byproducts for the manufacture of animal feed. Additionally, Azteca Milling Europe also commercializes corn, especially in Turkey.

Sales and Marketing

The products of Mission Foods Europe are mainly marketed in the retail (domestic and regional supermarket chains and small retailers) and in the food service channels (wholesalers, restaurants, cafeterias, hotels and fast-food chains). Approximately 51% of Mission Foods Europe's sales volume is sold through the retail channel and 49% through the food service channel. Most of the sales volume of Azteca Milling Europe is sold in bulk to beer, snacks, corn chips and taco shell manufacturers.

Central American Operations

In 1972, we entered the Costa Rican market. Our operations since then have expanded into Guatemala and Honduras, as well as Ecuador, which we include as part of our Central American operations.

Main Products

Gruma Centroamérica produces nixtamalized corn flour, and to a lesser extent, tortillas and snacks. We also cultivate hearts of palm and process rice. We believe we are an important nixtamalized corn flour producer in the region. We sell nixtamalized corn flour under the MASECA®, TORTIMASA®, MASARICA®, JUANA® and MIMASA® brands. In Costa Rica, we sell tortillas under the TORTIRICAS®, DEL FOGON®, LUISANA®, and MISSION® brands, as well as tortilla chips, extruded snacks, potato chips and similar products under the TOSTY®, RUMBA®, BRAVOS®, PAPIOLA® and TRONADITAS® brands. Hearts of palm are produced in Costa Rica and Ecuador under LA CIMA ® brands and are exported to numerous European countries as well as the United States, Canada, Mexico, Argentina, and Chile.

Sales and Marketing

86% of Gruma Centroamérica's sales volume in the nine months ended September 30, 2024 were derived from the sale of nixtamalized corn flour. Gruma Centroamérica nixtamalized corn flour bulk sales are oriented predominantly to wholesale customers, supermarkets, other traditional retailers, small tortilla manufacturers, industrial and agro-industrial clients through direct delivery and distributors. Wholesalers, supermarkets, and other traditional retailers make up the customer base for retail nixtamalized corn flour. Bulk sales volume represented approximately 37% and retail sales represented approximately 63% of Gruma Centroamérica's nixtamalized corn flour sales volume in the nine months ended September 30, 2024.

Asia and Oceania Operations

We conduct our operations in Asia and Oceania primarily through our Gruma A&O division, which produces tortillas, corn chips, pizza bases, various types of flatbreads and other related products. In 2006, Gruma A&O began operations with the purchase of two plants in Australia and its first tortilla and corn chip plant in China. In 2007 it acquired a plant in Malaysia specializing in the production of flatbreads (wraps, pizza bases, wheat tortilla, pita bread, naan, and chapati), to expand the product portfolio. In 2008 the Australian plants in Melbourne were consolidated into a single plant with modern and automatic equipment to better serve the market, and in 2016 a new plant was built in Malaysia to increase its production capacity and service the local and international market.

Main Products

Gruma A&O manufactures corn and wheat flour tortillas, wraps, pizza bases, flatbreads (such as naan, pita and chapatti), corn chips and other related products under the MISSION® and ROSITAS® brands and through private labels.

Sales and Marketing

Gruma A&O's products are marketed primarily through retail channels (national and regional supermarket chains and small grocery stores) and the institutional channel (wholesalers, restaurants, cafeterias, hotels and fast-

food chains). Approximately 38% of Gruma A&O's sales volume is sold through the retail channel, and 62% through the institutional channel.

We believe that Gruma A&O is a major producer of tortillas and related products in Asia and Oceania.

Our Strengths

Throughout our history, we have developed a series of competitive strengths upon which we have built a successful business model. We believe that our key competitive strengths are:

Global leadership in tortilla and corn flour segments

We believe GRUMA is a global leader in the tortillas and corn flour industry with a robust brand recognition, diverse market presence and strong customer loyalty in most of the markets in which we operate. We operate 75 plants and employ approximately 25,000 employees in multiple geographies, resulting in US\$6.6 billion in sales and US\$1 billion in EBITDA for the year ended December 31, 2023. We believe we are an important market participant in our primary markets, in the tortilla category in the United States through our MISSION® and GUERRERO® brands and in the corn flour category through our MASECA® brand in the United States, Mexico and Central America. Our brands have a strong presence in Central America, Europe, Asia, and Oceania. We believe our understanding of customers and consumers' needs and preferences allows us to offer them an attractive mix of high-quality products and superior service.

Diversified portfolio across geographies, categories & distribution channels

With a global footprint, an extensive portfolio of diverse products across multiple categories, and a robust multi-channel sales strategy, we leverage our worldwide reach to drive growth and meet consumer needs in the United States, Mexico, Central America, Europe, Asia & Oceania. Our main categories include corn, wheat tortillas, derivative products (flatbreads, corn chips, salty snacks and taco shells, among others), and corn flour. Tortillas and derivative products are sold through our various channels, which include retail through domestic and regional supermarkets, membership stores, mass merchandisers, among others, food service which includes major chain restaurants, food service distributors, traditional "mom & pops" and quick service restaurants. Corn flour distribution is divided into retail and industrial channels where we sell our products ranging from retail packages to bulk loads. For the year ended December 31, 2023, 93% of our sales and 94% of our EBITDA were generated by our operations located in countries with investment grade ratings, including in the United States and in Europe, highlighting the relevance of our brand across the world. These markets represent important growth engines for our business, given the potential for further penetration of our products in these markets. Demand for our products in the United States has been fostered in part by drivers including its large Hispanic population and its growth dynamics, the adoption of the use of tortillas by non-Hispanics, the popularity of Mexican food, increased consumption of tortillas in non-Mexican dishes such as wraps, and the increasing mainstream nature of burritos, quesadillas, and other tortilla-based dishes.

Strategic operations in markets with strong fundamentals as underscored by our position as a market leader in the United States

Hispanics are the fastest-growing demographic group in the United States, with an annual increase of 2.50% in 2023 compared to 2022, significantly outpacing the 0.02% growth rate of non-Hispanic population during the same period, according to the United States Census Bureau. In the United States, per capita consumption of corn-based products, including tortillas, corn flour, and related items, has been on a steady rise due to the increasing popularity of Mexican cuisine among both Hispanic and non-Hispanic consumers. The Hispanic population increased 28% between 2010 and 2023, accounting for half of total U.S. population growth and 19.4% of total U.S. population, out of which 58% are Mexican. Moreover, the rapid adoption of the use of tortillas by non-Hispanics has created demand from a diverse customer base ranging from consumers focused on wellness to consumers incorporating tortillas and corn flour into their everyday lifestyles. Tortillas, in particular,

have grown in popularity, due to their versatility and compatibility with a wide range of dishes. This trend is further driven by the increasing consumer preference for healthier, whole grain, gluten-free, and low-carb options that are available in tortilla form. Our policy of building plants close to markets with high demand and the change in the sales mix towards higher-margin SKUs, combined with healthier food consumption trends, have been the drivers of our success. We have more than 8,800 employees and operate six mills and 21 plants in the United States, generating US\$3.6 billion in sales as of December 31, 2023. As of December 31, 2023, in Mexico we operated 18 mills, four plants and generated US\$2.0 billion in sales, and in Europe we operated three mills, six plants and generated US\$435 million in sales.

Cutting-edge innovation aligned to a consumer-centric approach

We have created an innovative product portfolio aligned to industry trends. Our focus on our end consumers has enabled us to understand their preferences and demands, such as the growing interest in healthier foods and low-calorie options, which has driven the increased popularity of wraps and the growing demand for healthier snacks. Our product offering includes gluten free, organic and low carb foods coupled with products made up of cutting-edge, unique ingredients. Our success has been supported by (i) strong research and development capabilities and proprietary technology, responding to carefully studied trends, such as the "Better for You" trend, (ii) consumer preference for healthier foods and snacks, (iii) the trend of consumers replacing bread with wraps, (iv) close relationships with retailers, (v) a strong emphasis on quality supporting brand awareness and top line growth, and (vi) new launches, dynamic merchandising and enhanced sales of higher margin products.

Proprietary, state-of-the-art technology

Our proprietary, state-of-the-art technology enables us to hold a leading position in the industry. We design, build, install and maintain our own patent-protected machinery and manufacturing processes for our corn flour, tortilla and tortilla-related products. We believe our proprietary technology affords us advantages over other producers, by improving the yield, quality, consistency, texture, ingredients, sophistication and taste of tortillas, corn flour and other related products. This patented state-of-the-art technology and product innovation has contributed to overall sales growth.

Track record of strong financial performance with a solid capital structure, conservative financial policies and healthy debt maturity profile

We expect to continue to generate sufficient free cash flow to continue growing while maintaining conservative leverage ratios. We have implemented initiatives oriented toward emphasizing our top priority of improving profitability and cash flow generation and strengthening our financial structure with continuous prudent leverage ratios, strong interest coverage and ample liquidity. We have strengthened our business strategy, leveraged our capabilities developed during years of expansion and optimized investments, producing positive results across all the regions where we operate. We expect these initiatives will be the foundation for resuming more consistent and profitable growth in the future.

Strong corporate governance with experienced management focused on sustainability and responsible growth

We have a strong commitment to maintain high standards of corporate governance and ESG initiatives. Our Board of Directors is comprised of eleven members, out of which seven are independent. Our governance committees oversee internal audit, sustainability, operations, legal and financial risks. We remain focused on reducing our greenhouse gas emissions, maximizing energy efficiency, and prioritizing a circular economy model. We aim to develop the communities we are part of, including programs such as Southern State Support Brigade (BASE), Fundación Gruma, and sport and recreational events.

Our Strategy

Our strategy is to focus on our core business—nixtamalized corn flour and tortilla—as well as to expand our product portfolio towards the flatbreads category in general and flavored corn chips, with an emphasis on healthier alternative products with higher added value. We will continue taking advantage of the increasing popularity of Mexican food and, more importantly, tortillas, in the U.S., European, Asian and Oceania markets. We will also continue taking advantage of the adoption of tortillas by the consumers of several regions of the world for the preparation of different recipes other than Mexican food.

Our strategy includes the following key elements:

Expand in the Tortilla Market in the United States

We believe that the size and growth of the tortilla market in the United States continues to offer us significant opportunities for expansion, mainly in the retail channel, including the opportunity to continuously innovate our products and place emphasis on healthier alternatives with greater added value based on the preferences of our customers. This focus is driven by the continued growth potential we see in this segment. Through our MISSION® and GUERRERO® brands, we aim to strengthen our leading position in the United States tortilla market by focusing on innovation and product diversification. We are leveraging our extensive distribution network to increase retail penetration, particularly in mainstream supermarkets and food service channels. This allows us to meet the rising demand for tortillas among both Hispanic and non-Hispanic consumers, who increasingly incorporate tortillas into their consuming trends, beyond Mexican dishes.

Expand in the Tortilla, Flatbread and Flavored Corn Chips Markets in Europe, Asia and Oceania

We believe that markets in other continents such as Europe, Asia and Oceania offer us significant opportunities. We believe our current operations will enable us to better serve our customers in those regions, with fresher products, putting an emphasis on healthier alternatives and with greater added value, and the ability to respond quickly to their needs. We aim to leverage the growing global popularity of Mexican cuisine while catering to local tastes. To drive growth, we will emphasize local production and distribution to ensure freshness and quick response to consumer needs. We will allocate capital to expand production capacities, particularly in tortilla and flatbread lines, while also exploring new flavored corn chip offerings tailored to local tastes in these markets.

Maintain our MISSION® and GUERRERO® Tortilla Brands as the First and Second National Brands in the United States and position our MISSION® brand in Other Regions of the World

We intend to achieve this by increasing our efforts at building brand name recognition through constant product innovation, with an emphasis on healthier and greater added value alternatives, and by expanding our presence in more supermarket chains.

Encourage Transition from the Traditional Cooked-Corn Method to the Nixtamalized Corn Flour Method as Well as New Uses for Nixtamalized Corn Flour

We pioneered the nixtamalized corn flour method for tortilla production and other corn-based products to the market. We continue to view the transition from the Traditional Method to the nixtamalized corn flour method of making tortillas, tortilla chips, and other corn-based products as the primary opportunity for increased nixtamalized corn flour sales. We see an opportunity for further potential growth and we are also working to expand the use of nixtamalized corn flour in the manufacture of different types of products. Additionally, we are committed to expanding the uses of nixtamalized corn flour beyond traditional tortillas. We see an opportunity to innovate and develop new applications for our corn flour in various products, such as corn chips, snacks, and other food items, which align with evolving consumer preferences for healthier and convenient food options. To achieve this, we are investing in research and development to create specialized flour types tailored to different customer needs, and we are supporting our clients with technical training to maximize the benefits of using nixtamalized corn flour.

Invest in our Core Business and Focus on Optimizing Operational Matters

We intend to focus our capital expenditures program on our core business to enable us to meet future demand, consolidate our leading position in the industry, and continue to generate returns above our cost of capital for our shareholders. We continue to invest in growth projects while maintaining a strong financial position with a clear focus on prudent capital allocation.

Continue Investing in Product Development and Innovation

We will continue to focus on diversifying our product portfolio, particularly with products aligned with consumer health trends, such as gluten-free and low-carb options. We intend to keep investing in research and development to enhance product quality and introduce offerings that can meet evolving consumer trends.

Corporate Information

Gruma, S.A.B. de C.V. is a publicly held corporation (*sociedad anónima bursátil de capital variable*), registered in Monterrey, Mexico on December 24, 1971, with a corporate life of 99 years. Our full legal name is Gruma, S.A.B. de C.V., but we are also known by our commercial names: GRUMA and MASECA. Gruma, S.A.B. de C.V. is registered before the Public Registry of Commerce in Monterrey, Nuevo León, Mexico under commercial folio number 9385*9. The address of our principal executive office is Calzada del Valle, 407 Ote., Colonia del Valle, 66220 San Pedro Garza García, Nuevo León, Mexico and our telephone number is +52 (81) 8399-3300. Our legal domicile is San Pedro Garza García, Nuevo León, México. Our website is www.gruma.com. Information contained on, or accessible through, this website is not included by reference in this offering memorandum.

Our significant subsidiaries are Gruma Corporation, Azteca Milling, L.P. and Molinos Azteca, S.A. de C.V. Below is certain information about these subsidiaries. For further information on these subsidiaries, see the table under "—Organizational Structure." The address of the principal executive offices of Gruma Corporation, and Azteca Milling, L.P. is 5601 Executive Drive, Suite 800, Irving, TX 75038, United States of America, and the address of the principal executive offices of Molinos Azteca, S.A. de C.V. is Av. Adolfo Ruiz Cortines 2002, Colonia La Purísima, Guadalupe, Nuevo León, México, C.P. 67129.

Organizational Structure

We are a holding company and conduct our business through subsidiaries. The table below sets forth our principal subsidiaries as of September 30, 2024. See "Certain Definitions."

Name of Company	Principal Markets	Jurisdiction of Incorporation	Percentage Owned⁽¹⁾	Products/ Services
Mexican Operations				
GIMSA	Mexico	Mexico	100%	Nixtamalized corn flour, Other
U.S. Operations				

Gruma Corporation	United States	Nevada	100%	Tortillas, Tortilla Related Products, Other
Azteca Milling	United States	Texas	100%	Nixtamalized corn flour
European Operations				
Mission Foods Iberia, SAU, NDF Azteca Milling Europe SRL, Zao Solntse Mexico LLC, Mex-Foods Siberia LLC, Mission Foods Stupino LLC, Semolina Misir Irmigi Gida Sanayi Ve Ticaret AS, Altera Azteca Milling Ukraine LLC, Mission Foods UK Ltd. ("Gruma Europe")	Europe	Spain, Italy, Russia, Turkey, Ukraine, UK	100%	Tortillas, Tortilla Related Products, Flatbreads, Corn Grits, Nixtamalized corn Flour, Other
Central American Operations				
Derivados de Maíz Alimenticio, S.A., Industrializadora y Comercializadora de Palmito, S.A., Derivados de Maíz de Guatemala, S.A., and Derivados de Maíz de Honduras, S.A. de C.V. ("Gruma Centroamérica").	Costa Rica, Honduras, Guatemala, Ecuador	Costa Rica, Honduras, Guatemala, Ecuador	100%	Nixtamalized corn flour, Tortillas, Snacks, Hearts of palm and Rice
Asia and Oceania Operations				
Mission Foods (Shanghai) Co. Ltd., Gruma Oceania Pty. Ltd., and Mission Foods (Malaysia) Sdn. Bhd. ("Gruma Asia and Oceania")	Asia and Oceania	China, Malaysia and Australia	100%	Tortillas, Tortilla Related Products, Other
Other Subsidiaries				
Mission Foods México, S. de R.L. de C.V. ("Mission Foods Mexico")	Mexico	Mexico	100%	Tortillas and Other related products
Investigación Técnica Avanzada, S.A. de C.V. ("INTESA")..	Mexico	Mexico	100%	Construction, Technology and Equipment operations

(1) Percentage of equity capital owned by us directly or indirectly through subsidiaries.

The following table shows the breakdown by consolidated subsidiary of our consolidated total revenue for the year ended on December 31, 2023 and the nine months ended September 30, 2024.

	Year Ended December 31, 2023		Nine Months Ended September 30, 2024	
	Net Sales	Percent of Net Sales	Net Sales	Percent of Net Sales
<i>(in millions of Dollars, except percentages)</i>				
Gruma Corporation	\$ 3,646	55%	\$ 2,742	56%
GIMSA.....	1,924	29%	1,384	28%
Gruma Europe	435	7%	342	7%

Gruma Centroamérica	365	6%	293	6%
Gruma Asia-Oceania	257	4%	199	4%
Others and eliminations.....	(51)	(1)%	(28)	(1)%
Total.....	\$ 6,576	100%	\$ 4,932	100%

Recent Developments

Payment of 2014 Notes

On December 5, 2014, we issued US\$400 million aggregate principal amount of 4.875% senior notes due 2024 (the "2014 Notes"). The 2014 Notes matured on December 1, 2024, and we sent payment to the trustee in connection therewith on November 29, 2024, using US\$150 million from cash and funds drawn from certain of our revolving credit facilities, including US\$100 million drawn from the 2022 Revolving Credit Facility and US\$150 million drawn from the BBVA Revolving Credit Facility (each as defined herein). Following these disbursements, we have US\$515 million in unused committed revolving credit facilities as of the date of this offering memorandum.

COFECE Investigation and Preliminary Opinion

On October 7, 2024, the Investigative Authority of COFECE notified GRUMA of its preliminary investigative opinion (the "Preliminary Opinion") regarding the investigation that it initiated in November 2022 of the markets for the distribution and commercialization of corn, as well as for the production, commercialization, and distribution of corn flour and related services within Mexico (the "Investigated Markets"). In its Preliminary Opinion, the Investigative Authority of COFECE determined, preliminarily, that "there are no conditions of effective competition in the markets for the production, commercialization, and distribution of white and blue corn flour in bulk for the commercial manufacture of corn flour tortillas, with a regional geographic dimension ("Relevant Markets"), due to the probable existence of a barrier to competition and free market access."

In its Preliminary Opinion, the Investigative Authority of COFECE proposed, subject to what is ultimately decided by COFECE's Board of Commissioners, several corrective measures aimed at eliminating the competition barriers that it alleges to have preliminarily identified, in order to solve the alleged lack of effective competitive conditions in the Relevant Markets, including its proposal to order the divestiture of five of the 18 nixtamalized corn flour mills in Mexico which are indirectly owned by GRUMA, located in the cities of Chalco, Culiacan, Rio Bravo, Veracruz, and Celaya (the "Relevant Assets"), through their sale in a maximum term of two years, pursuant to an execution schedule that would commence once and if a resolution is issued by COFECE's Board of Commissioners confirming the Investigative Authority's proposed corrective measures, and the same becomes effective after all means of defense available to GRUMA in accordance with applicable law have been exhausted.

Moreover, in its Preliminary Opinion, COFECE's Investigative Authority proposed ordering corrective measures in connection with certain marketing strategies, to be adopted by GIMSA and its subsidiaries, also pursuant to a proposed execution schedule which would commence once and if a resolution is issued by COFECE's Board of Commissioners confirming the Investigative Authority's proposed corrective measures, and the same becomes effective after all means of defense available to GRUMA in accordance with applicable law have been exhausted.

The requirement to comply with the proposed corrective measures related to the divestment of the Relevant Assets and the marketing strategies to be adopted by GIMSA are subject to the issuing of certain resolutions by COFECE's Board of Commissioners and subject to GRUMA having exhausted all legal actions and remedies available under applicable law. The Preliminary Opinion and the corrective measures proposed thereby are preliminary in nature and are based on the information that the Investigative Authority of COFECE had access to during its investigation; therefore, under the applicable law, GRUMA is entitled to, within 45 business days

following the effectiveness of the notification of the Preliminary Opinion, make all representations it deems convenient and file before COFECE's Board of Commissioners, any pertinent claims, objections, and evidence with respect to the contents of such Preliminary Opinion, all of which shall be analyzed by COFECE's Board of Commissioners, who may order the presentation of additional evidence and upon such evidence being presented, if applicable, will establish a term for delivery of closing arguments, in order to be able to issue its resolution, which could confirm, modify or reject the Preliminary Opinion's proposed corrective measures. Throughout this process, the Company has the right to present alternative solutions to the divestiture or other adequate and economically feasible measures to address the competition concerns identified by COFECE's Investigative Authority.

With the firm conviction that the Company's actions have always adhered to the applicable law, GRUMA has cooperated openly and in good faith with COFECE since the beginning of the investigation of the Investigated Markets, and will continue to cooperate in the same manner in order to present, within the applicable legal term, the arguments and evidence to dispute the preliminary conclusions of the Investigative Authority and/or to find alternative measures acceptable to COFECE's Board of Commissioners and that satisfy the concerns expressed in the Preliminary Opinion by the COFECE's Investigative Authority that may be confirmed by its Board of Commissioners, in order to protect the interests of GRUMA's shareholders, employees, customers, and consumers, for which purpose the Company will also undertake all legal actions available to it.

Considering the preliminary nature of the measures proposed by the Investigative Authority in its Preliminary Opinion, it is not currently possible to predict the outcome of COFECE's Board of Commissioner's final resolution and the result of the legal proceedings that may result therefrom, nor the effect that the foregoing would have on GRUMA's business, financial situation, operation results, and/or projections. See "Legal Proceedings – Operations in Mexico— *COFECE Investigation and Preliminary Opinion*".

THE OFFERING

The following is a brief summary of certain terms of this offering and it is not intended to be complete. For a more complete description of the terms of the notes, see "Description of the Notes."

Issuer.....	Gruma, S.A.B. de C.V.
Notes Offered	US\$500,000,000 aggregate principal amount of 5.390% Senior Notes due 2034 and US\$300,000,000 aggregate principal amount of 5.761% Senior Notes due 2054.
Offering Price	100.000%, plus accrued interest, if any from December 9, 2024 with respect to the 2034 notes and 100.000%, plus accrued interest, if any from December 9, 2024 with respect to the 2054 notes.
Maturity	The 2034 notes will mature on December 9, 2034 and the 2054 notes will mature on December 9, 2054.
Interest	Interest on the 2034 notes will accrue at an annual rate of 5.390% and interest on the 2054 notes will accrue at an annual rate of 5.761%, in each case, payable semi-annually in arrears.
Interest Payment Dates	Interest on the 2034 notes will be payable on June 9 and December 9 of each year, beginning on June 9, 2025 and interest on the 2054 notes will be payable on June 9 and December 9 of each year, beginning on June 9, 2025.
Optional Redemption.....	<p>We may redeem, at our option, at any time, some or all the notes of each series by paying the greater of the principal amount of the notes to be redeemed and the applicable make-whole amount, plus in each case accrued and unpaid interest thereon to the date of redemption and any Additional Amounts payable with respect thereto. See "Description of the Notes—Maturity and Optional Redemption—Optional Make-Whole Redemption."</p> <p>In addition, we may redeem the 2034 notes in whole or in part, any time and from time to time, beginning on the date that is three months prior to the scheduled maturity of the 2034 notes, at our option, at a redemption price equal to 100% of the principal amount of the 2034 notes to be redeemed, plus accrued and unpaid interest on the principal amount of the 2034 notes being redeemed to the date of redemption. We may also redeem the 2054 notes in whole or in part, any time and from time to time, beginning on the date that is six months prior to the scheduled maturity of the 2054 notes, at our option, at a redemption price equal to 100% of the principal amount of the 2054 notes to be redeemed, plus accrued and unpaid interest on the principal amount of the 2054 notes being redeemed to the date of redemption. See "Description of the Notes —Maturity and Optional Redemption—Optional Redemption Without a Make-Whole Premium."</p>
Tax Redemption	In the event of certain changes to applicable tax laws and regulations that would require us to pay Additional Amounts on the notes, we may, subject to certain conditions, redeem in whole, but not in part, the notes of a series prior to maturity at a redemption price equal to 100% of the principal amount of the notes to be redeemed, plus

	<p>accrued and unpaid interest to the date of redemption. See "Description of the Notes—Maturity and Optional Redemption—Optional Redemption Upon Tax Event."</p>
Additional Amounts.....	<p>Payments of interest on each series of the notes (and amounts deemed interest, such as any discount on the principal amount of the notes) to investors that are non-residents of Mexico for tax purposes will generally, if the applicable requirements are met, be subject to Mexican withholding taxes at a rate of 4.9%. See "Taxation—Mexican Federal Tax Considerations—Payments of Interest."</p> <p>If we are required to deduct or withhold taxes in respect of any payment (including interest and amounts deemed interest, such as any discount on the principal amount of the notes) on a series of notes, we will, subject to certain exceptions described in this offering memorandum, pay Additional Amounts to holders of such series of notes so that the net amount received by the holders of such series of notes in respect of principal, interest or other payments on the notes, after any such withholding or deduction, will not be less than the amount each holder of such series would have received if such withholding or deduction had not applied. See "Description of the Notes—Additional Amounts."</p>
Change of Control	<p>If we experience a Change of Control Triggering Event (as defined in each of the Indentures), we must offer to repurchase the affected series of notes at a purchase price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to the purchase date and any Additional Amounts payable in respect thereof. See "Description of the Notes—Repurchase at the Option of Holders Upon a Change of Control Triggering Event."</p>
Ranking.....	<p>The notes will constitute our senior unsecured obligations and will rank at least pari passu in priority of payment with all of our other present and future unsecured and unsubordinated indebtedness (subject to certain obligations that are preferred by statute, such as tax and labor obligations). The notes will not be guaranteed by any of our subsidiaries and as a result will be structurally subordinated to all existing and future indebtedness and other obligations of our subsidiaries, which amounted to US\$30.2 million as of September 30, 2024. See "Description of the Notes—General."</p>
Further Issues.....	<p>We may from time to time, without notice to or consent of the holders of the notes, create and issue an unlimited principal amount of additional 2034 notes or 2054 notes of the same series as such respective notes offered pursuant to this offering memorandum.</p>
Certain Covenants.....	<p>Each of the Indentures contains certain covenants, including limitations on liens, limitations on sale and leaseback transactions and limitations on consolidations, mergers, sales or conveyances. However, all of these limitations and restrictions are subject to a number of significant exceptions. See "Description of the Notes—Covenants."</p>
Use of Proceeds	<p>We intend to use the net proceeds from this offering to:</p>

- repay US\$100 million from the 2022 Revolving Credit Facility and US\$150 million from the BBVA Revolving Credit Facility (each as defined herein), which is debt we incurred after September 30, 2024 by drawing down from certain of our revolving credit facilities in order to pay at maturity the 2014 Notes on December 1, 2024;
- prepay in full the US\$250 million 2019 Long-Term Loan (as defined herein);
- prepay in full the US\$200 million 2021 Long-Term Credit Facility (as defined herein);
- prepay US\$100 million of the US\$125 million 2024 Revolving Credit Facility; and
- the remainder, if any, for general corporate purposes.

See “Use of Proceeds.”

Taxation	Withholding taxes apply to interest and amounts deemed interest under the notes. You should consult your tax advisor with respect to the Mexican federal tax considerations and the U.S. federal income tax considerations relating to owning the notes in light of your own particular situation and with respect to any tax consequences arising under the laws of any state, local, foreign or other taxing jurisdiction. See "Taxation" for a summary of the Mexican federal income tax considerations and U.S. federal income tax considerations of an investment in the notes.
Open Market Repurchases	We may at any time purchase notes in the open market or otherwise at any price.
Governing Law	The notes and each of the Indentures will be governed by the laws of the State of New York.
Listing	Application is expected to be made to have the notes listed and quoted on the Official List of the SGX-ST. We cannot assure you that this application will be accepted.
Trustee, Registrar, Paying Agent and Transfer Agent	The Bank of New York Mellon
Form and Denomination	We will issue the notes in minimum denominations of US\$200,000 and integral multiples of US\$1,000 in excess thereof and the notes will, once issued, be represented by one or more global notes. The global notes representing the notes will be deposited with a custodian for DTC and registered in the name of Cede & Co., as nominee for DTC.
CUSIP	For the 2034 notes: Rule 144A: 400131 AH1 Regulation S: P4948K AH8 For the 2054 notes: Rule 144A: 400131 AJ7 Regulation S: P4948K AJ4
ISIN	For the 2034 notes: Rule 144A: US400131AH13 Regulation S: USP4948KAH88

For the 2054 notes:
Rule 144A: US400131AJ78
Regulation S: USP4948KAJ45

Settlement	The notes will be delivered in book-entry form through the facilities of DTC for the accounts of its direct and indirect participants, including Euroclear and Clearstream.
Risk Factors	See "Risk Factors" in this offering memorandum for a discussion of certain relevant factors you should carefully consider before deciding to invest in the notes.
Transfer Restrictions.....	We have not registered the notes under the Securities Act, the LMV or the securities laws of any other jurisdiction, or with any securities regulatory authority of any U.S. state or other jurisdiction and, accordingly, they may not be offered, sold, pledged or otherwise transferred or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except as set forth in "Transfer Restrictions." As a result of these restrictions, investors are advised to consult legal counsel prior to making any reoffering, resale, pledge or transfer of the notes.

As required under the second paragraph of Article 7 of the LMV, we will notify the CNBV of the offering of the notes outside of Mexico for informational purposes only.

The notes have not been and will not be registered with the RNV maintained by the CNBV and, therefore, the notes may not be publicly offered or sold in Mexico or otherwise be subject to brokerage activities in Mexico. However, the notes may be offered and sold in Mexico, on a private placement basis, to investors that qualify as institutional or accredited investors under Mexican Law, pursuant to the private placement exemption set forth in Article 8 of the LMV. As required under the LMV and the regulations thereunder, we will notify the CNBV of the offering of the notes outside of Mexico to comply with Article 7, second paragraph of the LMV and regulations thereunder for informational and statistical purposes only, the filing to or receipt of such notice by the CNBV does not imply any certification, as to the investment quality of the notes, our solvency, liquidity or credit quality or the accuracy or completeness of the information set forth herein. The information included herein is solely the responsibility of the issuer and has not been reviewed or authorized by the CNBV and may not be publicly distributed in Mexico.

SUMMARY OF FINANCIAL DATA AND OTHER INFORMATION

You should read the following summary financial data and other information in conjunction with our Annual Audited Financial Statements, our Interim Unaudited Financial Statements and the information set forth in the sections "Presentation of Financial and Certain Other Information," "Selected Historical Financial Data and Other Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" appearing elsewhere in this offering memorandum.

The financial information as of December 31, 2023, 2022 and 2021 and for the years ended December 31, 2023, 2022 and 2021 has been derived from our Annual Audited Financial Statements. The financial information

as of and for the nine months ended September 30, 2024 and 2023 has been derived from our Interim Unaudited Financial Statements.

The following table sets forth our consolidated income statement data for each of the periods presented.

	For the Year Ended December 31,			For the Nine Months Ended September 30,	
	2021 ⁽¹⁾	2022	2023	2023	2024
	(US\$)	(US\$)	(US\$)	(US\$)	(US\$)
	<i>(in thousands, except per share amounts)</i>				
Income Statement Data:					
Net sales	US\$ 4,623,571	US\$ 5,596,621	US\$ 6,576,230	US\$ 4,936,127	US\$ 4,931,636
Cost of sales	(2,960,468)	(3,617,119)	(4,242,620)	(3,196,744)	(3,043,845)
Gross profit.....	1,663,103	1,979,502	2,333,610	1,739,383	1,887,791
Selling and administrative expenses	(1,144,233)	(1,351,299)	(1,514,344)	(1,147,469)	(1,235,634)
Other income (expenses), net	34,855	(18,060)	(41,671)	(29,335)	8,613
Operating income	553,725	610,143	777,595	562,579	660,770
Comprehensive financing cost, net.	(81,600)	(100,088)	(147,646)	(111,212)	(77,340)
Income before income tax	472,125	510,055	629,949	451,367	583,430
Income tax expense	(169,914)	(190,865)	(222,126)	(164,243)	(206,942)
Consolidated income from					
continuing operations	302,211	319,190	407,823	287,124	376,488
(Loss) income from discontinued					
Operations	(31)	-	24,827	24,827	-
Consolidated net income	302,180	319,190	432,650	311,951	376,488
Attributable to:					
Shareholders	302,155	319,222	429,452	308,606	376,523
Non-controlling interest.....	25	(32)	3,198	3,345	(35)
Per share data ⁽²⁾: Basic and diluted share earnings per share (dollars)					
From continuing operations	0.77	0.85	1.10	0.77	1.03
From discontinued operations.....	-	-	0.06	0.07	-
From continuing and discontinued					
operations	0.77	0.85	1.16	0.84	1.03

The following table sets forth our consolidated balance sheet data as of each of the dates presented.

	As of December 31,			As of September 30,
	2021 ⁽¹⁾	2022	2023	2024
	(US\$)	(US\$)	(US\$)	(US\$)
	<i>(in thousands)</i>			
Balance Sheet Data:				
Property, plant and equipment, net...	US\$ 1,647,681	US\$ 1,821,815	US\$ 1,955,512	US\$ 1,892,421
Right-of-use assets	289,292	333,189	327,385	322,046
Total assets	3,827,123	4,386,656	4,683,094	4,747,233
Short-term debt ⁽³⁾	54,679	146,971	411,172	409,957
Short-term lease liability	37,538	49,107	58,103	63,297
Long-term debt ⁽³⁾	1,133,695	1,461,605	1,115,681	1,064,292
Long-term lease liability	281,542	318,305	306,754	304,027
Total liabilities	2,390,902	2,953,071	2,839,816	2,801,157
Common stock	377,854	371,274	370,437	366,373
Total equity ⁽⁴⁾	1,436,221	1,433,585	1,843,278	1,946,076

The following table sets forth our consolidated cash flow data and other financial information for each of the periods presented.

	For the Year Ended December 31,			For the Nine Months Ended September 30,	
	2021 ⁽¹⁾	2022	2023	2023	2024
	(US\$)	(US\$)	(US\$)	(US\$)	(US\$)
	<i>(in thousands)</i>				
Cash Flow Data:					
Net cash provided by (used in):					
Operating activities	560,948	300,266	740,979	472,229	637,785
Investing activities.....	(258,164)	(298,360)	(183,539)	(123,173)	(141,543)
Financing activities	(347,637)	34,622	(499,109)	(290,245)	(306,414)
Other Financial Information:					
Capital expenditures.....	286,481	297,515	211,006	154,603	164,577
EBITDA:					
Operating income	553,725	610,143	777,595	562,579	660,770
Depreciation	177,680	195,680	220,036	164,445	175,613
Amortization	1,670	878	3,993	1,440	2,304
Impairment of long-lived assets	2,465	2,147	4,667	4,667	-
EBITDA	735,540	808,848	1,006,291	733,131	838,687

	Year Ended December 31, 2023			As of September 30,
	2021	2022	2023	2024
	<i>(in thousands)</i>			
Net debt:				
Total debt and lease liability.....	US\$ 1,507,454	US\$ 1,975,988	US\$ 1,891,710	US\$ 1,841,573
Less: Cash and cash equivalents..	(254,968)	(283,864)	(350,046)	(498,091)
Total net debt	US\$ 1,252,486	US\$ 1,692,124	US\$ 1,541,664	US\$ 1,343,482
Ratios:				
Interest Coverage Ratio	9.8x	8.2x	6.9x	8.8x
Debt/EBITDA	2.0x	2.4x	1.9x	1.7x
Net Debt/EBITDA.....	1.7x	2.1x	1.5x	1.2x
Cash and cash equivalents/Short-term debt.....	4.6x	1.9x	0.8x	1.2x

Cash and cash equivalents plus

Undrawn Revolving credit

facilities/Short-term debt 13.7x 6.1x 2.7x 3.1x

- (1) For the year ended December 31, 2021, the financial statements were adjusted for the new U.S. Dollar presentation, using the closing exchange rates for the consolidated statements of financial position and the closing exchange rates of each month within the respective periods for the consolidated income statements, consolidated statements of comprehensive income and consolidated statements of cash flows.
- (2) Based upon the weighted average of outstanding shares of our common stock (in thousands), as follows: 369,909 shares for the year ended December 31, 2023, 373,564 shares for the year ended December 31, 2022, and 390,875 shares for the year ended December 31, 2021, 370,007 shares for the nine months ended September 30, 2023, and 364,823 shares for the nine months ended September 30, 2024.
- (3) As of December 31, 2023, the short-term debt consists of bank loans and the current portion of long-term debt (Notes due 2024). Long-term debt consists of bank loans, the Debt Securities (Certificados Bursátiles) Gruma 21 for Ps.2 billion and the Debt Securities (Certificados Bursátiles) Gruma 22 for Ps.4.5 billion.
- (4) Total equity includes non-controlling interests as follows (in thousands): US\$2,841 as of December 31, 2023, US\$(354) as of December 31, 2022, US\$(1,108) as of December 31, 2021, US\$2,862 as of September 30, 2023, and US\$2,835 as of September 30, 2024.

The following table sets forth selected operating data for each of the periods presented.

	For the Year Ended December 31,			For the Nine Months Ended September 30,	
	2021	2022	2023	2023	2024
	<i>(in thousands of tons)</i>				
Sales volume:					
Gruma Corporation (nixtamalized corn flour, tortillas and other) ⁽¹⁾	1,522	1,605	1,592	1,198	1,188
GIMSA (nixtamalized corn flour and other).....	2,047	2,076	2,147	1,597	1,586
Gruma Europe (nixtamalized corn flour, tortillas and other).....	389	410	419	316	312
Gruma Centroamérica (nixtamalized corn flour and other).....	237	243	233	172	179
Gruma Asia-Oceania (tortilla and other)	95	97	96	71	74
	As of December 31,			As of September 30,	
	2021	2022	2023	2024	
	<i>(in thousands of tons)</i>				
Production capacity:					
Gruma Corporation (corn flour, tortillas and other)	1,879	1,935	1,968	1,476	
GIMSA (corn flour and other).....	2,262	2,275	2,290	1,684	
Gruma Centroamérica (corn flour and other)	292	286	289	293	

(1) Net of intercompany transactions.

RISK FACTORS

You should carefully consider the following discussion of risks, as well as all the other information presented in this offering memorandum before investing in the notes. These risks are not the only risks that affect our business. Additional risks that are presently unknown to us or that we currently deem immaterial or not requiring specific disclosure may also impair our business. Any of the following risks, if they actually occur, could materially and adversely affect our business, results of operations, financial condition and prospects.

Risks Related to Our Company

Fluctuations in the cost and availability of corn and wheat may affect our financial performance.

Our financial performance may be affected by the price and availability of corn and wheat. Corn and wheat flour represented 38% and 9%, respectively, of our cost of sales for the year ended December 31, 2023 and 34% and 9%, respectively, of our cost of sales for the nine months ended September 30, 2024. Mexican and world markets have experienced periods of either over-supply or shortage of corn and wheat as a result of different factors, including those related to weather conditions, some of which have caused adverse effects on our results of operations. Additionally, future actions or changes in policies by the governments of Mexico or other countries could affect the price and availability of corn or wheat. Recently, the Mexican government has taken several measures that may impact the cost of corn in Mexico (See "Risks Related to Mexico – *Our operations could be affected by government policies*"). Due to this volatility and price variations, we may not always be able to pass along our increased costs to our customers in the form of price increases. We cannot always predict whether or when shortages or over-supply of corn or wheat will occur. Any adverse development in domestic and international corn or wheat markets could have a material adverse effect on our business, financial condition, results of operations, and prospects.

To manage these price risks, we regularly monitor our risk tolerance and evaluate the possibility of using derivative instruments to hedge our exposure to the prices of our main commodities. We generally hedge against fluctuations in the costs of corn and wheat, in particular at our U.S., Mexican and Central American operations, using futures, swaps and options contracts and fixed price supply contracts according to our risk management policy, but remain exposed to losses in the event of non-performance by counterparties to the financial instruments or the supply contracts. In addition, if corn or wheat prices decrease below the levels specified in our various hedging agreements, we would lose the value of a decline in these prices.

Increases in the cost of energy could affect our profitability.

We use a significant amount of electricity, natural gas and other energy sources to operate our nixtamalized corn flour plants and processing ovens for the manufacture of tortillas and related products at our facilities. These energy costs represented 5% of our cost of sales for the year ended December 31, 2023 and 5% for the nine months ended September 30, 2024. In addition, considerable amounts of fuels are used in connection with the distribution of our products. The cost of energy may fluctuate widely due to economic and political conditions, government policy and regulation, war, weather conditions or other unforeseen circumstances. An increase in such costs would increase our operating costs and, therefore, could affect our profitability.

We use hedges such as futures, swaps, options contracts and fixed price supply contracts in accordance with our risk management policy to manage the risk of costs fluctuations of natural gas, particularly in our operations in the U.S. and Mexico. Additionally, from time to time, we enter into hedging agreements to manage diesel costs, particularly those related to distributing our products in the U.S.

The inadvertent or accidental presence of genetically modified corn or other genetically modified inputs in our products, whether unsuitable for nixtamalization, not approved for human consumption, or exceeding permitted applicable regulatory limits, or the presence of mycotoxins, acrylamides, heavy metals, agrochemicals, or residual materials from the production process of our inputs, may have a negative impact on our sales and our results of operations.

We do not grow our own corn; instead, we purchase it from various producers and grain elevators. We contract only for corn suitable for nixtamalization, approved for human consumption, and in compliance with all regulations applicable to our operations. However, despite implementing control protocols to test and monitor the presence of genetically modified corn that may be unsuitable for nixtamalization, unapproved for human consumption, or exceeding regulatory limits, we may inadvertently or accidentally purchase corn that is not approved for human consumption and use such corn in our production process.

Additionally, we rely on third parties to supply inputs used in our manufacturing process, over which we do not control the production (including corn, wheat flour, packaging materials and additives). Although we have developed protocols to test and monitor these inputs for the presence of mycotoxins, acrylamides, heavy metals, agrochemicals, or other residual or derivative materials from their production processes, there remains a risk of inadvertently or accidentally including substances and materials in excess of applicable regulatory limits in our products.

The accidental or inadvertent presence in our products of genetically modified corn whether unsuitable for nixtamalization, unapproved for human consumption, or exceeding permitted regulatory limits, or mycotoxins, acrylamides, heavy metals, agrochemicals, or other residual or derivative materials from the production processes of our inputs exceeding permitted regulatory limits, could lead to recalls, reputational damage, reduced sales, impaired product performance, government actions and lawsuits, all of which could materially and adversely impact our sales and operational results.

The presence of genetically modified corn or other genetically modified inputs in our products, or of mycotoxins, acrylamides, heavy metals, agrochemicals, or residual materials from the production process of our inputs, even within the maximum permitted limits, may generate a negative perception by consumers and negatively impact our sales and our results of operations.

In the past, various allegations have been made, mostly in the United States and the European Union, and most recently in Mexico, that genetically modified foods, as well as certain types of mycotoxins, acrylamides, heavy metals, agrochemicals, and other residual materials from the food production process, may be unsafe for human consumption, potentially carcinogenic, harmful to the environment, and may pose legal, social, and ethical issues. Some countries, particularly in the European Union, as well as Australia and some countries in Asia, have implemented restrictions or conditions on the use and import of genetically modified grains and products manufactured with them, while others are in the process of evaluating and enacting similar restrictions. Additionally, countries including the United States, China, and various members of the European Union have established labeling and traceability requirements for genetically modified agricultural and food products, potentially affecting the acceptance of these products.

Recently, Mexico issued a decree directing relevant authorities to revoke and refrain from granting new authorizations for the use of genetically modified corn for human consumption (defined as corn intended for human consumption through nixtamalization or flour production in the dough and tortilla sectors). Mexico is also currently evaluating and establishing further restrictions on the use of genetically modified corn for human consumption in these sectors (See "Risks Related to Mexico—*Our operations could be affected by government policies in Mexico*" and "Business—Governmental Regulation—Mexican Regulation.")

To the extent we may buy or may be perceived to be a seller of products manufactured with genetically modified grains (even if permitted for human consumption) or products manufactured with traces of mycotoxins, acrylamides, heavy metals, agrochemicals and residual materials from our input process production, even within permitted limits, this may generate a negative perception of our products by consumers and have a negative impact on our sales and results of operations.

Regulatory developments may adversely affect our business.

We are subject to regulation in each of the territories in which we operate. The principal areas in which we are subject to regulation are health, food safety, environmental, labor, taxation and antitrust. The adoption of new laws or regulations, or any changes in the judicial interpretation of existing legislation in the countries in which we operate, may increase our operating costs, impose restrictions on our operations or impact our future growth opportunities, which, in turn, may adversely affect our financial condition, business and results of operations. Further changes in current regulations may result in an increase in compliance costs, which may have an adverse effect on our financial condition and results of operations. See "Business—Governmental Regulation."

Economic and legal risks associated with a global business may affect our international operations.

We conduct our business in many countries, and revenues from our international operations account for a significant portion of our revenues. There are risks inherent in conducting our business internationally, including:

- general political and economic instability in markets;
- limitations in the repatriation, nationalization or governmental seizure of our assets, including cash;
- direct or indirect expropriation of our assets;
- varying prices and availability of corn and wheat and the cost and practicality of hedging such fluctuations under current market conditions;
- different liability standards and legal systems;
- developments in the international credit markets, which could affect capital availability or cost, and could restrict our ability to obtain financing or refinance our existing indebtedness at favorable terms, if at all; and
- intellectual property laws of countries that do not protect our international rights to the same extent as the laws of Mexico.

In recent years, we have expanded our operations to Ukraine, Russia, Turkey, Spain, and Malaysia, among others. Our presence in these and other markets could present us with new and unanticipated operational challenges. For example, we may encounter labor restrictions or shortages and currency conversion obstacles or be required to comply with stringent local governmental and environmental regulations. Any of these factors could increase our operating expenses and decrease our profitability. See "*—Our business and operations may be adversely affected by the armed conflict in Ukraine.*"

Our business may be adversely impacted by risks related to our derivatives trading activities.

From time to time, we enter into commodities, currency and other derivative transactions to hedge against changes in exchange rates, interest rates, energy costs and prices of our principal raw materials, pursuant to our

risk management policy. These transactions cover varying periods of time and have varying pricing provisions. We may incur unrealized losses in connection with potential changes in the value of our derivative instruments as a result of changes in economic conditions, investor sentiment, monetary and fiscal policies, the liquidity of global markets, international and regional political events, and acts of war or terrorism. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources," and "Management's Discussion and Analysis of Financial Condition and Results of Operations—Quantitative and Qualitative Disclosures About Market Risk—Foreign Exchange Rate Risk."

Environmental regulations and their application have increased in recent years and we expect that this trend will continue and will accelerate in the years to come, which could have an adverse effect on our financial condition and results of operations

We are subject to a number of laws and regulations relating to the protection of the environment and human health and safety, including the laws and regulations that govern the management and disposal of hazardous waste. Environmental regulations and their application have increased in recent years and we expect that this trend will continue and will accelerate in the years to come. Observed changes in natural resources and climate may result in new or updated laws and regulations imposing new requirements, which could force us to incur in additional expenditure to comply with such laws and regulations.

Any laws or regulations relating to climate change could have a direct and indirect impact on our business.

Although we have adopted a series of internal policies and procedures to ensure that we remain compliant at all times with all applicable laws, regulations and permits, failure to comply with applicable environmental laws and regulations in the countries in which we operate could result in the imposition of administrative penalties, including fines, the temporary or permanent closure of all or part of our facilities and, possibly, criminal sanctions, which could have an adverse effect on our financial condition or results of operations. See "Business—Environmental Regulations."

Our business and operations may be adversely affected by global economic conditions, including the volatility of the financial markets and international trade.

The volatility of the financial markets may have a negative impact on the availability of credit generally and may lead to a further weakening of the Mexican, U.S., and global economies. Any disruption in the financial markets could have a negative impact on the availability of credit generally or on the terms (including as to maturity) on which we and our subsidiaries are or may be able to secure financing (including refinancing our indebtedness, as applicable), impair our ability or the ability of our subsidiaries to make payments of principal and/or interest on our outstanding debt when due or to refinance that debt.

In 2008 and 2009, the global financial markets experienced a crisis of unprecedented magnitude. This crisis severely affected the availability of financing and led to a significant increase in borrowing costs throughout the world. For many companies, existing sources of financing were no longer available or were not available on favorable terms. While financial markets have stabilized since then, we cannot predict whether they will destabilize in the future. This uncertainty may lead market participants to take a more conservative approach, which may in turn lead to decreased demand and price levels in the markets in which we operate. In addition, global markets are experiencing volatility and disruption following the escalation of geopolitical tensions, including Russia's invasion of Ukraine in February 2022 and the recent conflict between Israel and Hamas, a U.S. designated Foreign Terrorist Organization.

It is uncertain how long the effects of this global macroeconomic instability will continue and how much of an impact it will have on the global economy in general, or the economies in which we operate in particular, and whether slowing economic growth in any such countries could result in our customers and consumers reducing their spending. As a result, we may need to lower the prices of certain of our products and services in order to maintain their attractiveness, which could lead to reduced turnover and profit or a decline in demand for our products. Any such development could adversely affect our business, results of operations and financial condition and lead to a drop in the trading price of our shares.

Our current or future indebtedness could adversely affect our business and, consequently, our ability to pay interest and repay our indebtedness.

We had total consolidated indebtedness, excluding leases, of US\$1,527 million and US\$1,474 million as of December 31, 2023 and September 30, 2024, respectively. On a stand-alone basis, we had US\$1,495 million and US\$1,444 million of outstanding indebtedness as of December 31, 2023 and September 30, 2024, respectively, none of which was secured indebtedness. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources— Indebtedness." Our level of indebtedness may have important consequences for investors, including:

- increasing our vulnerability to adverse general economic and industry conditions, including increases in interest rates, increases in prices of raw materials, foreign currency exchange rate fluctuations and market volatility;
- limiting our ability to generate sufficient cash flow to satisfy our obligations with respect to our indebtedness, particularly in the event of a default under one of our debt instruments;
- limiting cash flow available to fund our working capital, capital expenditures or other general corporate requirements;
- limiting our ability to obtain additional financing on favorable terms to refinance debt or to fund future working capital, capital expenditures, other general corporate requirements and acquisitions; and
- limiting our flexibility in planning for, or reacting to, changes in our business and industry.

To the extent that we incur additional indebtedness, the risks outlined above could increase. In addition, our actual cash requirements in the future may be greater than expected. Our ability to make scheduled payments on and refinance our indebtedness when due depends on, and is subject to, several factors, including our financial and operating performance, which is subject to prevailing economic and financial conditions, business and other factors, the availability of financing in the Mexican and international banking and capital markets, and our ability to sell assets and implement operating improvements.

We may be adversely affected by increases in interest rates.

Interest rate risk exists primarily with respect to our floating-rate Peso and Dollar-denominated debt, which generally bears interest based on the Mexican equilibrium interbank interest rate ("TIIE") or SOFR, respectively. We have significant exposure to interest rate fluctuations due to our floating-rate Peso and Dollar-denominated debt. As a result, if the TIIE or SOFR rates increase significantly, our ability to service our debt may be adversely affected. As of December 31, 2023, 52% of our outstanding indebtedness bore interest at fixed rates and 48% bore interest at floating rates. As of September 30, 2024, 53% of our outstanding indebtedness bore interest at fixed rates and 47% bore interest at floating rates. We constantly monitor the prospects of interest rates

in pesos and U.S. Dollars, and analyze debt contracting at fixed rates or interest rate swaps to mitigate the risk of interest rate increases.

Downgrades of our debt may increase our financing costs or otherwise adversely affect us.

If our financial condition deteriorates, we may experience declines in our credit ratings, with attendant consequences. Our access to external sources of financing, as well as the cost of that financing, could be adversely affected by a deterioration of our long-term debt ratings. A downgrade in our credit ratings could increase the cost of and/or limit the availability of financing, which may make it more difficult for us to raise capital when necessary. If we cannot obtain adequate capital on favorable terms or at all, our business, operating results and financial condition would be adversely affected.

We expect to pay interest and principal on our debt with cash generated mainly in Dollars, Pesos, or other currencies, as needed, but cannot assure you that we will generate sufficient cash flow in the relevant currency at the required times from our operations.

As of December 31, 2023 and September 30, 2024, respectively, we had 73% and 76% of our outstanding debt denominated in Dollars, 25% and 22% in Pesos and 2% and 2% in euros. We may not generate sufficient cash in the relevant currency from our operations to service the entire amount of our debt in such currency. A devaluation of certain currencies or a change in our business could adversely affect our ability to service our debt.

We may be exposed to cyberattacks or other computer or information technology security breaches, which could adversely affect our business and results of operations.

It is possible that we may be subject to cyber-attacks and other threats or computer security breaches that could compromise and materially affect our information technology systems, networks, operation and technological and computer security. The security risks associated with information technology have increased in recent years due to an increase in the sophistication and activities of those people who carry out cyber-attacks. A failure of or an attack on our information technology systems, networks, operation and technological and computer security could adversely affect its business and result in the disclosure or improper use of confidential or personal information (own or of third parties), causing significant interruptions in the services or other operational difficulties, as well as increases in costs or generate losses. Additionally, the unauthorized use and disclosure of confidential and/or sensitive information and/or data privacy derived from a cyber-attack and other threats and computer security breaches could have an adverse effect on our business, reputation and/or profitability.

Our business and operations may be adversely affected by events outside of our control.

Our ability to manufacture, distribute and sell products is critical to our success. These activities are subject to inherent risks outside of our control such as natural disasters, power outages, fires or explosions, labor strikes, terrorism, wars, epidemics, pandemics, import, export and other governmental restrictions, regional or global economic, business, environmental or political events, which could disrupt our supply chain and therefore impair our ability to manufacture, distribute or sell our products. This interruption, if not mitigated in advance or otherwise effectively managed when possible, could adversely impact our business, financial condition, and results of operations. Furthermore, an outbreak of a contagious disease, and other adverse health developments could have an adverse effect on global economic conditions and on our business.

Our business is subject to increasing expectations from investors, authorities, customers, and other stakeholders to adopt environmental, social and governance ("ESG") criteria, and failure to adopt such criteria could have material adverse effects on our results of operations, financial condition and/or reputation.

On a global level, expectations surrounding the adoption of ESG criteria are growing from investors, authorities, customers and other interested parties (collectively "Stakeholders"). Although we have taken actions to adopt ESG criteria, including the publication of our first sustainability report in 2022, to the extent that actions implemented by the Company are not considered sufficient or do not meet Stakeholders' expectations, there could be a negative impact to our reputation, customer interest in our products, access to financing sources, our share price, and consequently our results of operations and financial condition.

In addition, possible regulatory changes in the countries where we have presence, in relation to ESG criteria, could result in an increase in the company's capital requirements and administrative costs and expenses.

The reputation of our brands and our intellectual property rights are key to our business.

Most of our sales derive from products offered under our own brands. Our brand names and other intellectual property rights are key assets of our business. Maintaining the reputation of our brands is essential to our ability to attract and retain retailers, consumers and associates, and is critical to our future success. Failure to maintain the reputation of our brands could materially and adversely affect our business, financial condition, results of operations and prospects. These issues include, but are not limited to, appropriately dealing with potential conflicts of interest, non-compliance with legal and regulatory requirements, safety conditions in our operations, ethical issues, money-laundering, antitrust and other governmental investigations affecting us or our business partners, privacy, record-keeping, sales and trading practices and the proper identification of the legal, reputational, credit, liquidity and market risks inherent in our business.

Our main trademarks are registered in the countries in which we use such trademarks. While we intend to enforce our trademark rights against infringement by third parties, our actions to establish and protect our trademark rights may not be adequate to prevent imitation of our products by others or to prevent others from seeking to block sales of our products on grounds that our products violate their trademarks and proprietary rights. In addition, authorities in certain jurisdictions in which we operate may not timely and efficiently recognize and enforce our rights (which could result in the reputation of our brands being affected). If a competitor were to infringe on our trademarks, enforcing our rights would likely be costly and would divert resources that would otherwise be used to operate and develop our business. Although we intend to actively defend our brands and trademark rights, we may not be successful in enforcing our intellectual property rights, which could materially and adversely affect our business, financial condition, results of operations and prospects. Our failure to obtain or adequately protect our intellectual property rights, or any change in law or other changes that serve to lessen or remove the current legal protections of our intellectual property, may diminish our competitiveness and could materially harm our business, financial condition, results of operations and prospects.

Negative or inaccurate information concerning or affecting us or our trademarks may be posted at any time on social media and similar platforms, including weblogs (blogs), social media websites, and other forms of Internet-based communications that allow individual access to a broad audience of consumers and other interested persons. This information may harm our reputation without affording us an opportunity for redress or correction, which could in turn have a material adverse effect on our business, financial condition and results of operations.

Changes to accounting IFRS could result in material impacts on our internal processes, business operations, financial results and compliance with its contractual obligations.

It is possible that some accounting IFRS may be modified or replaced in the future. The initial application of new accounting IFRS could have as a result material impacts in the internal processes of the Company, as well as in our operations, financial situation and fulfillment of its contractual obligations, which are not predictable or quantifiable to date. Likewise, it is possible that the financial information that is prepared in accordance with the

new accounting IFRS may not be comparable with the financial information reported during previous years. See "Presentation of Financial and Certain Other Information—Financial Information."

EBITDA and EBITDA margin, as presented by us, may not be comparable to similarly titled measures reported by other companies

EBITDA and EBITDA margin are not measures recognized by IFRS and do not have a standard definition. These measures are not audited or reviewed by independent auditors. Because all companies do not calculate such measures identically, the presentation may not be comparable to similarly entitled measures of other companies. You are cautioned not to put undue reliance on such financial information.

For our purposes, we calculate (i) "EBITDA" as (a) the sum, without duplication, of (i) operating income for such period, (ii) the amount of depreciation, amortization and impairment of long lived assets deducted during such period in determining such operating income and (iii) any other expense unrelated to business operations deducted in determining such operating income during such period; minus (b) any other income unrelated to business operations, and (ii) "EBITDA margin" is calculated by dividing EBITDA by net sales.

We present our EBITDA and EBITDA margin in this offering memorandum because we believe they may be useful to some investors as supplemental measures of our financial performance and ability to repay our debt and fund our capital expenditures. EBITDA and EBITDA margin are not measures of our liquidity or financial performance under IFRS and should not be construed as alternatives to our net profit, cash flows from operating activities or other measures under IFRS. EBITDA and EBITDA margin, as presented by us, may not be comparable to similarly titled measures presented by other companies in Latin America.

Our business and operations may be adversely affected by the armed conflict in Ukraine.

Mission Foods Europe has two plants in Russia and Azteca Milling has one plant in Ukraine. During February 2022, Russian military forces invaded Ukraine. This has resulted in the imposition of sanctions on Russia and Belarus by the United States, the United Kingdom, the European Union and other countries, as well as counter-sanctions imposed by Russia to such countries. This has caused an abrupt change in the geopolitical situation, with significant uncertainty about the duration of the conflict. As of September 30, 2024, our operations in Russia and Ukraine represented 1.2%, and 0.1% of our consolidated net sales, respectively.

The conflict has also contributed to increased volatility in the foreign exchange markets, energy prices, raw material and other input costs, as well as supply chain tensions and rising inflation in many countries.

As of September 30, 2024 and December 31, 2023 and 2022, we have assessed the consequences of this conflict in the consolidated financial statements, with the following conclusions:

- **Assessment of Control:** In accordance with IFRS 10 "Consolidated Financial Statements" we have assessed and confirm that changes in the legal and operating environment of our subsidiaries located in Russia and Ukraine have not affected the ability to exercise control over the entities in these countries.
- **Goodwill impairment:** In March 2022, we recognized a non-monetary impairment charge of US\$2 million in our operative results, in "Other expenses, net" due to the goodwill impairment of the cash generating unit "Altera, LLC" located in Ukraine and associated with the corn flour and packaged tortilla Europe business segment. This impairment loss reflects a decrease in the recoverable amount of the CGU due to the impact of the Russian invasion in February 2022.

The impact in the operations of our subsidiaries located in Ukraine and Russia as of September 30, 2024 December 31, 2023 and 2022 was not significant to the consolidated revenues, operating income or the consolidated financial position.

We will continue to monitor the events resulting from this ongoing conflict, evaluating the options available to try to mitigate a greater risk of loss and we will continue to evaluate the possible impact on the investment in these subsidiaries

Risks Related to Mexico

Our results of operations could be affected by economic and social conditions in Mexico.

We are a Mexican company with 35% of our consolidated assets located in Mexico and 27% of our consolidated net sales derived from our Mexican operations as of September 30, 2024 and for the nine months ended September 30, 2024. As a result, Mexican economic conditions could impact our results of operations.

In the past, Mexico has experienced exchange rate instability and devaluation, as well as high levels of inflation, domestic interest rates, unemployment, economic recession and reduced consumer purchasing power. These events resulted in limited liquidity for the Mexican government and local corporations. As a result, our business may be significantly affected by the Mexican economy's general condition, by the depreciation of the Mexican Peso, by inflation and high interest rates in Mexico, or by political developments in Mexico. Declines in growth, high rates of inflation and high interest rates in Mexico have a generally adverse effect on our operations.

Mexico has experienced long periods of slow growth. According to the INEGI, in 2020, 2021, 2022 and 2023 the Mexican GDP contracted 8.2% and grew 4.8%, 3.6% and 3.2% respectively. Moreover, in the past, Mexico has experienced economic crises and prolonged periods of slow economic growth, caused by internal and external factors over which we have no control, that have had a negative impact on us. We cannot give any assurance that those conditions will not return in the future or that, if they do, they will not have a material adverse effect on our business, financial condition and/or result of operations.

The Mexican economy has been characterized by high interest rates in both real and nominal terms. In 2023, 2022 and 2021, the average interest rate for 28-day Mexican Treasury bills (CETES) was approximately 11.1%, 7.7% and 4.4%, respectively. Accordingly, to the extent we incur peso-denominated debt in the future, it could be at high interest rates. In the third quarter of 2023 and 2022, the peso depreciated against the U.S. Dollar by 2.9% and 3.4%, respectively, in nominal terms. As a result, the appreciation or depreciation of the peso against the U.S. Dollar affects our financial condition and results of operations. Moreover, during 2019 and 2020 and 2022, Mexico's sovereign debt rating was subject to downward revisions and negative outlooks from major rating agencies as a result of those agencies' assessment of the overall financial capacity of the government of Mexico to pay its obligations and its ability to meet its financial commitments as they become due, citing among other factors, concerns with the state oil company (*Petróleos Mexicanos*) and state electricity company ("*Comisión Federal de Electricidad*"), and weakness in the macroeconomic outlook due to, among other things, trade tensions and political decisions. We cannot ensure that the rating agencies will not announce additional downgrades of Mexico and/or PEMEX in the future. These downgrades could adversely affect the Mexican economy and, consequently, our business, financial condition, results of operations and our ability to make payments under the notes and may affect our rating and interest rates at which we borrow on a cross-border basis.

Developments and trends in the world economy affecting Mexico may have a material adverse effect on our business, financial condition and results of operations. The Mexican economy is tightly connected to the U.S. economy through international trade (approximately 83.4% of Mexican exports were directed to the United States in 2023), international remittances (billions of Dollars from Mexican workers in the United States are the

country's second-largest source of foreign exchange), foreign direct investment (approximately 37.8% of Mexican foreign direct investment came from U.S.-based investors in 2023), and financial markets (the U.S. and Mexican financial systems are highly integrated). As the U.S. economy contracts, U.S. citizens may consume fewer Mexican imports, Mexican workers in the United States send less money to Mexico, U.S. firms with businesses in Mexico make fewer investments, U.S.-owned banks in Mexico make fewer loans, and the quality of U.S. financial assets held in Mexico may deteriorate. Moreover, a collapse in confidence in the U.S. economy may spread to other economies closely connected to it, including Mexico's. The result may be a potentially deep and protracted recession in Mexico. If the Mexican economy falls into a deep and protracted recession, or if inflation and interest rates increase, consumer purchasing power may decrease and, as a result, demand for our products may decrease. In addition, a recession could affect our operations to the extent we are unable to reduce our costs and expenses in response to falling demand.

Security risks in Mexico could increase, and this could adversely affect our results.

Mexico experiences high levels of violence and crime due to the activities of organized crime. In response, the Mexican government has implemented various measures to increase security and has strengthened its police and military forces. Despite these efforts, organized crime (especially drug-related crime) continues to exist and operate in Mexico. These activities, their possible escalation and the violence associated with them may have had and could have a negative impact on the Mexican or on our operations in the future. The presence of violence among drug cartels, and between these and the Mexican law enforcement and armed forces, or an increase in other types of crime, including as a result of a future deterioration of the Mexican economy, would imply a risk to our business, and might negatively impact our business continuity.

Our business operations could be affected by government policies in Mexico.

The Mexican government has exercised, and continues to exercise, a significant influence over many aspects of the Mexican economy. Thus, the actions and policies of the Mexican federal government relating to the economy as a whole, and in particular taxes, salaries, pensions, the tortilla and corn flour industries, and other political events in Mexico, could have a significant impact on us, as well as a more general impact on market conditions, prices and yields on Mexican variable and fixed income securities. In the past, the corn flour industry has been negatively affected by Governmental policies, and we cannot assure that this will not happen again in the future, nor can we assure that the Mexican government will not establish price controls or other measures that could negatively impact the corn flour industry and therefore our financial condition and our results of operations. We cannot predict whether political events or changes in the law, policy and regulations in Mexico, including measures related to new or increased taxes, could affect our business activities, financial condition, operating results, cash flows and prospects.

Political events in Mexico can significantly affect Mexican economic policy and, consequently, our operations. Political disagreements between the executive, legislative and judicial branches could come to a standstill and avoid the timely implementation of political and economic reforms, which in turn could have a major adverse effect on Mexican economic policy and, therefore, also on our business. Significant changes in laws, public policies and/or regulations could affect Mexico's political and economic situation, which could, in turn, adversely affect our business. We cannot predict the impact that political, economic and social conditions will have on the Mexican economy. In addition, we cannot guarantee that political, economic or social developments in Mexico, over which we have no control, will not have an adverse effect on our business, financial condition, operating results and prospects.

Mexico held presidential, federal and local government elections on June 2, 2024, and Ms. Claudia Sheinbaum was elected president and her political party National Regeneration Movement (*Movimiento de Regeneración Nacional*, or "Morena coalition") won a qualified majority in both the Senate and the Chamber of

Deputies, as well as most local elections. This new political configuration has given and is likely to continue to give to Morena coalition substantial authority to implement significant changes to the Constitution, laws, policies and regulations in Mexico, which could affect the Mexican economy and our business, and we cannot predict the extent, impact or timing of these policy changes. President Sheinbaum, the former mayor of Mexico City and former Secretary of the Environment of Mexico City, is expected to continue the social and economic policies of her predecessor, Mr. López Obrador.

In the past, the Mexican federal government has implemented policies meant to promote economic growth, such as those implemented to control inflation, reduce federal spending and control increases in interest rates, and has also enacted changes in tax policies, price controls, currency devaluations, capital controls and limitations on imports. In particular, tax and labor legislation in Mexico has recently changed, and we cannot assure you that the Mexican government will maintain existing political, social, economic and other policies, or that any changes in those policies would not have a material adverse effect on our business, financial condition, results of operations and prospects.

On September 15, 2024, the constitutional reform that overhauls the judicial system in Mexico was published in the Federation Official Gazette (*Diario Oficial de la Federación*) and as a result, as of the date of this offering memorandum, the constitutional reform is effective. The Mexican Supreme Court held a vote on November 5, 2024 pursuant to which it validated the aforementioned reform to the judicial system from a constitutional point of view, thus making it final and unappealable. Pursuant to this constitutional reform, all federal judges will be elected through popular vote and the first election of federal judges is expected to take place in 2025. In addition, a new judiciary tribunal (with ability to supervise and sanction judges) will be created, taking over the duties of the currently existing Federal Judiciary Council (*Consejo de la Judicatura Federal*), that, among others, had the purpose of overseeing judiciary discipline. Secondary rules and regulations are still to be approved by the Mexican Congress, but this constitutional reform may significantly and adversely affect legal certainty and protections in Mexico, which could adversely affect our ability to defend or enforce claims in court, as well as affect investor confidence in Mexico.

In addition, both the Chamber of Deputies and the Senate approved a constitutional reform regarding the elimination of seven autonomous constitutional bodies, including the National Institute for Transparency, Access to Information, and Personal Data Protection (INAI), the National Council for the Evaluation of Social Development Policy (Coneval), the Federal Economic Competition Commission (COFECE), the Federal Telecommunications Institute (IFT), the National Commission for the Continuous Improvement of Education (MEJOREDUE), the Energy Regulation Commission (CRE), the National Hydrocarbon Commission (CNH) and the National Center of Energy Control (CENACE), and transfer of their functions to Mexican Government agencies. This reform is pending to be discussed and approved by the several state legislatures before it can be formally enacted by the President. We cannot assure you that these reforms will not have a negative impact on our business, financial condition and results of operations.

Historically, the Mexican government supports the commercialization of corn Mexican corn growers through the Agricultural Incentives and Trade Services Agency (*Apoyos y Servicios a la Comercialización Agropecuaria*, or ASERCA). Support programs are currently provided by SEGALMEX, a Mexican governmental agency. Through SEGALMEX, the Mexican government has implemented a guarantee price program, established to support small-scale producers of staple foods, including corn, to boost farmers' incomes and promote food self-sufficiency by stabilizing prices for these commodities. Programs such as this one could affect our business, the results of operations, financial conditions and prospects. To the extent that this or other similar programs are cancelled or modified by the Mexican government, we may be required to incur additional costs in purchasing corn for our operations, and therefore we may need to increase the prices of our products to reflect such additional costs. See "Business—Governmental Regulation."

The level of environmental, labor, antitrust, food safety regulations and enforcement in Mexico has increased in recent years. We expect the trend toward greater regulation and enforcement in these areas to continue and to be accelerated. The promulgation of new and more stringent regulations or higher levels of enforcement, or interpretations of corresponding investigating authorities, could adversely affect our business condition and results of operations.

Amendments to Mexican tax laws may adversely affect us.

On December 9, 2019, various amendments to the Mexican Income Tax Law (*Ley del Impuesto sobre la Renta*), the Value Added Tax Law (*Ley del Impuesto al Valor Agregado*), the Special Tax Law on Production and Services (*Ley del Impuesto Especial sobre Producción y Servicios*), the Federal Law of Rights (*Ley Federal de Derechos*) and the Federal Fiscal Code (*Código Fiscal de la Federación*), were published in the Official Gazette of Mexico and became effective on January 1, 2020. The reforms primarily aimed at aligning Mexico's tax system with the OECD recommendations from the BEPS action plan. Key measures include: (i) expanding the concept of a permanent establishment, (ii) combating hybrid mechanisms, (iii) setting limits on interest deductions, (iv) reinforcing transparency rules under "CFC Rules," (v) regulating digital economy activities, and (vi) requiring disclosure of aggressive tax planning strategies by taxpayers. Additionally, each legal action that produces direct or indirect tax benefits must have a clear business purpose.

On December 8, 2020, a decree was published in the Official Gazette of Mexico that reformed, added and removed various provisions within Mexico's Income Tax Law, Value Added Tax Law and Federal Fiscal Code. These changes primarily aimed to enhance the authority of tax authorities in conducting inspections, improve tax collection from digital platforms, and prevent tax avoidance practices involving non-profit entities.

On April 23, 2021, a labor reform prohibiting personnel outsourcing schemes was published in the Official Gazette of Mexico. This reform, effective as of August 1, 2021, included updates to the Income Tax Law, the Value Added Tax Law, and the Social Security Law (*Ley de Seguro Social*) and adjusted expense deductions, value added tax ("VAT") credits, withholding of indirect taxes and Employee Profit Sharing calculations. Non-compliance with the new outsourcing rules could lead to fines and loss of tax benefits, such as the right to deduct paid expenses or credit VAT on those expenses. Additionally, recipients of specialized services are held jointly and severally liable for labor, tax, and social security obligations if the service provider does not meet these requirements. The reform allowed a three-month transition period, during which the Company adapted its Human Resources structures to comply with the new regulations.

On November 12, 2021, another set of tax reforms was published and became effective on January 1, 2022. Although no new taxes were introduced and existing tax rates remained unchanged, these measures expanded the taxable base for income tax and limited certain VAT credits. For the Federal Fiscal Code, mandatory tax audits were reinstated for certain taxpayers, and the scope of taxpayers required to submit tax reports was broadened.

For the last two fiscal years (2023 and 2024), the Executive Branch did not make any changes to the tax legislation, reflecting the SHCP's stated objective regarding maintaining legal certainty in the tax field and avoiding additional burden on taxpayers. For the 2025 fiscal year, the Economic Package which includes the public budget proposal is still pending to be submitted to Mexican Congress, but it is expected that it will not include any major amendments to the tax laws.

Our business, financial condition and results of operations could be adversely affected as a result of increased taxes and increased costs due to additional compliance measures with new obligations.

Devaluations of the Mexican Peso may affect our financial performance.

Because we have significant international operations generating revenue in different currencies (mainly in Dollars) and debt denominated in various currencies (mainly in Dollars), we remain exposed to foreign exchange risks that could affect our ability to meet our obligations and result in foreign exchange losses. We posted a net foreign exchange loss of US\$2.1 million in 2021, a loss of US\$1.6 million in 2022, a loss of US\$4.6 million in 2023, respectively and a gain of US\$8.4 million in the nine months ended September 30, 2024. Major devaluation or depreciation of the Peso may limit our ability to transfer or to convert such currency into Dollars for the purpose of making timely payments of interest and principal on our indebtedness. The Mexican government does not currently restrict, and for many years has not restricted, the right or ability of Mexican or foreign persons or entities to convert Pesos into Dollars or to transfer other currencies out of Mexico. The government could, however, institute restrictive exchange rate policies in the future. Additionally, the prices of most of our raw materials are linked to the U.S. Dollar, which could impact our profitability if we are unable to reflect increased costs in our prices.

Resolutions issued by Mexican Antitrust Authority may impact our assets, business and operations.

On October 7, 2024, the Investigative Authority of COFECE notified GRUMA of its preliminary investigative opinion (the “Preliminary Opinion”) regarding the investigation that it initiated in November 2022 of the markets for the distribution and commercialization of corn, as well as for the production, commercialization, and distribution of corn flour and related services within Mexico (the “Investigated Markets”). In its Preliminary Opinion, the Investigative Authority of COFECE determined, preliminarily, that “there are no conditions of effective competition in the markets for the production, commercialization, and distribution of white and blue corn flour in bulk for the commercial manufacture of corn flour tortillas, with a regional geographic dimension (“Relevant Markets”), due to the probable existence of a barrier to competition and free market access.”

In its Preliminary Opinion, the Investigative Authority of COFECE proposed, subject to what is ultimately decided by COFECE’s Board of Commissioners, several corrective measures aimed at eliminating the competition barriers that it alleges to have preliminarily identified, in order to solve the alleged lack of effective competitive conditions in the Relevant Markets, including its proposal to order the divestiture of five of the 18 nixtamalized corn flour mills in Mexico which are indirectly owned by GRUMA, located in the cities of Chalco, Culiacan, Rio Bravo, Veracruz, and Celaya (the “Relevant Assets”), through their sale in a maximum term of two years, pursuant to an execution schedule that would commence once and if a resolution is issued by COFECE’s Board of Commissioners confirming the Investigative Authority’s proposed corrective measures, and the same becomes effective after all means of defense available to GRUMA in accordance with applicable law have been exhausted.

Moreover, in its Preliminary Opinion, COFECE's Investigative Authority proposed ordering corrective measures in connection with certain marketing strategies, to be adopted by GIMSA and its subsidiaries, also pursuant to a proposed execution schedule which would commence once and if a resolution is issued by COFECE’s Board of Commissioners confirming the Investigative Authority’s proposed corrective measures, and the same becomes effective after all means of defense available to GRUMA in accordance with applicable law have been exhausted.

The requirement to comply with the proposed corrective measures related to the divestment of the Relevant Assets and the marketing strategies to be adopted by GIMSA are subject to the issuing of certain resolutions by COFECE’s Board of Commissioners and subject to GRUMA having exhausted all legal actions and remedies available under applicable law. The Preliminary Opinion and the corrective measures proposed thereby are preliminary in nature and are based on the information that the Investigative Authority of COFECE had access to during its investigation; therefore, under the applicable law, GRUMA is entitled to, within 45 business days following the effectiveness of the notification of the Preliminary Opinion, make all representations it deems convenient and file before COFECE’s Board of Commissioners, any pertinent claims, objections, and evidence with respect to the contents of such Preliminary Opinion, all of which shall be analyzed by COFECE’s Board of Commissioners, who may order the presentation of additional evidence and upon such evidence being presented,

if applicable, will establish a term for delivery of closing arguments, in order to be able to issue its resolution, which could confirm, modify or reject the Preliminary Opinion's proposed corrective measures. Throughout this process, the Company has the right to present alternative solutions to the divestiture or other adequate and economically feasible measures to address the competition concerns identified by COFECE's Investigative Authority.

With the firm conviction that the Company's actions have always adhered to the applicable law, GRUMA has cooperated openly and in good faith with COFECE since the beginning of the investigation of the Investigated Markets, and will continue to cooperate in the same manner in order to present, within the applicable legal term, the arguments and evidence to dispute the preliminary conclusions of the Investigative Authority and/or to find alternative measures acceptable to COFECE's Board of Commissioners and that satisfy the concerns expressed in the Preliminary Opinion by the COFECE's Investigative Authority that may be confirmed by its Board of Commissioners, in order to protect the interests of GRUMA's shareholders, employees, customers, and consumers, for which purpose the Company will also undertake all legal actions available to it.

Considering the preliminary nature of the measures proposed by the Investigative Authority in its Preliminary Opinion, it is not currently possible to predict the outcome of COFECE's Board of Commissioner's final resolution and the result of the legal proceedings that may result therefrom, nor the effect that the foregoing would have on GRUMA's business, financial situation, operation results, and/or projections. See "Legal Proceedings – Operations in Mexico— *COFECE Investigation and Preliminary Opinion*".

We may not be able to make payments in U.S. Dollars if Mexico implements a restrictive exchange policy in the future.

In the past, the Mexican economy has experienced balance of payments deficits and shortages in foreign exchange reserves. While the Mexican government does not currently restrict the ability of Mexican or foreign persons or entities to convert Mexican Pesos to foreign currencies, including U.S. Dollars, it has done so in the past and could do so again in the future. We cannot assure you that the Mexican government will not implement a restrictive exchange control policy in the future. Any such restrictive exchange control policy could prevent or restrict our access to U.S. Dollars to meet our U.S. Dollar obligations and could also have a material adverse effect on our business, financial condition and results of operations. We cannot predict the impact of any such measures on the Mexican economy.

High levels of inflation and high interest rates in Mexico could adversely affect the business climate in Mexico and our financial condition and results of operations.

Mexico has experienced high levels of inflation in the past. The annual rate of inflation, as measured by changes in the NCPI was 4.08% for 2014, 2.13% for 2015, 3.36% for 2016, 6.77% for 2017, 4.83% for 2018, 2.83% for 2019, 3.15% for 2020, 7.36% for 2021, 7.82% for 2022 and 4.66% for 2023. From January through September 2024, the inflation rate was 2.80%. On October 31, 2024, the 28-day CETES rate was 10.20%. While a substantial part of our debt is Dollar-denominated at this time, high interest rates in Mexico may adversely affect the business climate in Mexico generally and our financing costs in the future and thus our financial condition and results of operations.

Developments in other countries could adversely affect the Mexican economy, the market value of our securities and our results of operations.

The Mexican economy may be, to varying degrees, affected by economic and market conditions in other countries. Although economic conditions in other countries may differ significantly from economic conditions in Mexico, investors' reactions to adverse developments in other countries may have an adverse effect on the market value of securities of Mexican issuers. In recent years, economic conditions in Mexico have become increasingly

correlated to economic conditions in the United States. Accordingly, the economic conditions in the United States, and the uncertainty of the impact it could have on the general economic conditions in Mexico and the United States could have a significant adverse effect on our businesses and results of operations. See "Risk Factors—Risks Related to Mexico—*Our results of operations could be affected by economic conditions in Mexico*" and "Risk Factors—Risks Related to the United States—*Unfavorable general economic conditions in the United States could negatively impact our financial performance.*" In addition, economic crises in the United States as well as in Asia, Russia, Brazil, Argentina and other emerging market countries have adversely affected the Mexican economy in the past.

Our financial performance may also be significantly affected by general economic, political and social conditions in the emerging markets where we operate, particularly Mexico, Central America, Eastern Europe and Asia. Many countries in Latin America, including Mexico, have suffered significant economic, political and social crises in the past, and these events may occur again in the future. Instability in Latin America has been caused by many different factors, including:

- significant governmental influence over local economies;
- substantial fluctuations in economic growth;
- high levels of inflation;
- changes in currency values;
- exchange controls or restrictions on expatriation of earnings;
- high domestic interest rates;
- wage and price controls;
- changes in governmental, economic or tax policies;
- imposition of trade barriers;
- unexpected changes in regulation; and
- overall political, social and economic instability.

Adverse economic, political and social conditions in Latin America may create uncertainty regarding our operating environment, which could have a material adverse effect on our company.

We cannot assure you that events in other emerging market countries, in the United States, Europe, or elsewhere will not adversely affect our business, financial condition and results of operations.

Holders of the notes may be unable to enforce judgments against GRUMA in Mexican courts.

We are a Mexican publicly held corporation (*sociedad anónima bursátil de capital variable*). Most of our directors and executive officers are residents of Mexico, and a significant portion of the assets of our directors and executive officers, and a significant portion of our assets, are located in Mexico. One may experience difficulty in effecting service of process upon our company or our directors and executive officers in the United States, or, more generally, outside of Mexico and in enforcing civil judgments of non-Mexican courts in Mexico, including judgments predicated on civil liability under U.S. federal securities laws, against us, or our directors and executive

officers. We have been advised by our General Counsel that there is doubt as to the enforceability of original actions in Mexican courts of liabilities predicated solely on the U.S. federal securities laws.

Application of existing tax laws, rules and regulations is subject to interpretation by taxing authorities.

We may be subject to certain taxes in numerous jurisdictions. While we may rely on consultations with outside accounting and tax experts in computing our obligations under tax laws, rules and regulations, we are required to take various tax accounting and reporting positions on complex matters that are not entirely free from doubt and for which we have not received rulings from the governing authorities. We are also subject to intercompany transfer pricing laws, including those relating to the flow of funds among our companies pursuant to agreements or other arrangements between our companies.

If any applicable tax authorities were to successfully challenge the tax treatment or characterization of any of our intercompany transactions, it could result in the disallowance of deductions, a limitation on our ability to deduct interest expenses, the imposition of withholding taxes, the application of penalties and accrued interest on intercompany loans or internal deemed transfers or other consequences that could have a material and adverse effect on our business, financial condition and results of operations, which could in turn adversely affect our ability to fulfill our obligations under the Notes and the guarantees or cause the market price of the Notes to decline.

Risks Related to the United States

Unfavorable general economic conditions in the United States could negatively impact our financial performance.

Net sales in the United States constituted 56% of our total sales in the nine months ended September 30, 2024. Unfavorable general economic conditions in the United States could negatively affect the affordability of and consumer demand for some of our products. Under difficult economic conditions, customers and consumers may seek to forego purchases of our products or, if available, shift to lower-priced products offered by other companies. Softer customer and consumer demand for our products in the United States or in other major markets could reduce our profitability and could negatively affect our financial performance.

Additionally, as the retail grocery trade continues to consolidate and our retail customers grow larger, they could demand lower pricing and increased promotional programs. Also, our dependence on sales to certain retail and food service customers could increase. There is a risk that we will not be able to maintain our U.S. profit margin in this environment.

Demand for our products in Mexico may also be disproportionately affected by the performance of the United States economy. See also "Risk Factors—Risks Related to Mexico—*Our results of operations could be affected by economic conditions in Mexico.*"

General elections in the United States may introduce political changes that could affect economic conditions, tax regimes, and regulatory frameworks in Mexico.

General elections were held in November 2024 in the United States. During these elections, Donald J. Trump and James David Vance were elected as president and vice president, respectively. President-elect Trump has previously announced plans to institute import tariffs in response to the issue of illegal immigration across the U.S.-Mexico border. Moreover, this was also the President-elect's policy stance in his first term as president of the United States. On November 25, 2024, the President-elect announced that he intends to impose a 25% tariff on all products imported from Mexico. There can be no assurance as to whether in the future any of the policies, actions

or measures that have been proposed by the U.S. government or the President-elect will in fact be implemented, nor what the effects of any such policies on the Mexican economy as a whole, or on our business specifically, may be. Nor can there be any assurance that the U.S. government will not propose or implement as yet unforeseen policies, actions, measures or impose tariffs that could affect the Mexican economy or could lead to retaliatory measures by the government of Mexico. Any such developments could have a material adverse effect on our business, results of operations, import/exports and financial condition or prospects.

In addition to the control of the White House, the Republican Party obtained a majority in the Senate and the House of Representatives as a result of the general elections. This new political configuration is likely to now allow the Republican Party to enact substantial legal and regulatory amendments, which could affect the Mexican economy, our industry and our business, and we cannot predict the extent, impact or timing of these possible policy changes.

The new administration may influence the United States' position on international trade, geopolitical relations, and global economic policies. Changes in these areas could pose a risk to Mexico, as policies that may be adopted by a new administration may not be favorable and could directly impact bilateral relations, foreign investment, and foreign trade between Mexico and the United States. Additionally, the new administration may introduce political changes that could affect economic conditions, tax regimes, and regulatory frameworks.

Changes in the distribution methods or a possible reclassification in the legal status of independent distributors of Mission Foods could have an adverse effect on the Company.

Mission Foods, a division of Gruma Corporation, distributes its products mainly through independent distributors, who supply tortillas and other related products directly to retail chains ("Independent Distributors"). Mission Foods legally recognizes its Independent Distributors as independent service providers and not as employees. However, to the extent that Mission Foods would have to reclassify or recognize certain of its Independent Distributor as employees or make significant changes to its distribution method to retail chains, or if there were a significant delay in implementing any change Mission Foods decides or needs to carry out as a result of the foregoing, this could result in controversies, contingencies, and additional costs for this division and that could negatively affect its business, financial condition and results of operations.

Risks Related to Our Controlling Shareholders and Capital Structure

Our controlling shareholder exerts substantial control over our company.

As of April 26, 2024, Ms. Graciela Moreno Hernández, the widow of the late Mr. Roberto González Barrera, and certain of her descendants (the "Primary Shareholder Group") controlled approximately 52.21% of our outstanding shares. See "Principal Shareholders." Consequently, the Primary Shareholder Group, acting together, has the power to determine the outcome of most actions requiring approval of our stockholders, including the election of the majority of our directors and the declaration of dividends to shareholders.

The interests of the Primary Shareholder Group may differ from those of our other shareholders and holders of our notes. We cannot assure you that the Primary Shareholder Group will continue to act together for purposes of control. Additionally, the Primary Shareholder Group may pledge part of its shares in us to secure any future borrowings. If such was the case and the Primary Shareholder Group were to default on its payment obligations, the lenders could enforce their rights with respect to such shares and the Primary Shareholder Group could lose its controlling interest in us, resulting in a change of control. A change of control could trigger a default in some of our credit agreements, which could then trigger a default in our other debt documents. A change of control could also constitute a Change of Control Triggering Event (as defined in each of the Indentures), which

would require us to offer to repurchase the notes. Such a default or change of control offer could have a material adverse effect upon our business, financial condition, results of operations and prospects.

We are a holding company and depend upon dividends and other funds from subsidiaries to service our debt.

We are a holding company with no significant assets other than the shares of our subsidiaries. As a result, our ability to meet our debt service obligations depends primarily on the dividends received from our subsidiaries. Under Mexican law, companies may only pay dividends:

- from earnings included in year-end financial statements that are approved by shareholders at a duly convened meeting;
- after any existing losses applicable to prior years have been made up or absorbed into stockholders' equity;
- after at least 5% of net profits for the relevant fiscal year have been allocated to a legal reserve until the amount
- of the reserve equals 20% of a company's paid-in capital stock; and
- after shareholders have approved the payment of the relevant dividends at a duly convened meeting.

In addition, we are subject to covenants in some of our debt agreements which require the maintenance of specified financial ratios and balances and, upon an event of default, prohibit the payment of cash dividends. For additional information concerning these restrictions on inter-company transfers, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources."

Risks Related to the Notes

Payments on the notes will be effectively subordinate to any of our secured indebtedness and structurally subordinate to the debt obligations of our subsidiaries.

The notes will constitute our senior unsecured obligations and will rank equal in right of payment with all of our other existing and future senior unsecured indebtedness, other than obligations preferred by statute (such as tax and labor claims). Although the holders of the notes will have a direct, but unsecured claim on our assets and property, payment on the notes will be subordinated in right of payment to any existing or future secured debt, to the extent of the assets securing such debt. Although each of the Indentures will contain restrictions on the incurrence of additional liens, these restrictions are subject to important qualifications and exceptions, and the liens that we may incur in compliance with these restrictions or liens that arise from governmental or creditor action, could be substantial. Payment by us in respect of the notes will also be structurally subordinated to the payment of secured and unsecured debt and other creditors of our subsidiaries.

We had total consolidated indebtedness, excluding leases, of US\$1,527 million and US\$1,474 million as of December 31, 2023 and September 30, 2024, respectively. On a stand-alone basis, we had US\$1,495 million and US\$1,444 million of outstanding indebtedness as of December 31, 2023 and September 30, 2024, respectively, none of which was secured indebtedness.

If we become insolvent or are liquidated, or we become subject to bankruptcy proceedings, or if payment under any secured debt is accelerated, the relevant lenders would be entitled to exercise the remedies available to

a secured lender. Accordingly, any proceeds upon a realization of the collateral would be applied first to amounts due under the secured debt obligations before any proceeds would be available to make payments on the notes. After such application of the proceeds from collateral, it is possible that there would be no assets remaining from which claims of the holders of the notes could be satisfied.

In addition, the notes will not be guaranteed by any of our subsidiaries and, as a result, will be structurally subordinated to all existing and future indebtedness and other obligations of our subsidiaries, which amounted to US\$30.2 million as of September 30, 2024.

Furthermore, under Mexican law, our obligations under the notes are subordinated to certain statutory preferences, including claims for salaries, wages, secured obligations (to the extent of the security provided), social security, employee housing fund contributions, taxes and court fees and expenses. In the event of our liquidation, such statutory preferences will have preference over any other claims, including claims by any holder of the notes. If any assets remain after payment of these lenders, the remaining assets would be available to creditors preferred by statute, such as holders of tax and labor claims, and might be insufficient to satisfy the claims of the holders of the notes and holders of other unsecured debt including trade creditors that rank equal to holders of the notes.

We may incur substantially more debt, which could further exacerbate the risks associated with our indebtedness.

As of September 30, 2024, we had total indebtedness (excluding accrued interest) of US\$1,474 million, US\$ 1,444 million of which is indebtedness of Gruma, S.A.B. de C.V. and US\$30.2 million of which is indebtedness of our subsidiaries. We and our subsidiaries may be able to incur substantial additional debt in the future. Adding new debt to our current indebtedness levels would increase our leverage and the related risks that we now face could intensify.

The instruments governing our indebtedness, including the notes offered hereby, contain cross-default provisions that may cause all of the debt issued under such instruments to become immediately due and payable as a result of a default under an unrelated debt instrument.

Each of the Indentures contains restrictive covenants. Instruments governing our other indebtedness also contain certain affirmative and negative covenants and require us and our subsidiaries to meet certain financial ratios and tests. Our failure to comply with the obligations contained in the Indentures or other instruments governing our indebtedness could result in an event of default under the applicable instrument, which could then result in the related debt and the debt issued under other instruments becoming immediately due and payable. In such event, we would need to raise funds from alternative sources, which may not be available to us on favorable terms, on a timely basis or at all. Alternatively, such default could require us to sell our assets and otherwise curtail operations in order to pay our creditors.

The notes are subject to transfer restrictions, which could limit your ability to resell your notes.

The notes have not been registered under the Securities Act or any state securities laws, and we are not required to and currently do not plan on making any such registration in the immediate future. As a result, the notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Prospective investors should be aware that investors may be required to bear the financial risks of this investment for an indefinite period of time. See "Transfer Restrictions" for a full explanation of such restrictions.

An active trading market for the notes may not develop.

Currently there is no market for the notes. Application is expected to be made to have the notes listed and quoted on the Official List of the SGX-ST. Even if the notes become listed on this exchange, we may delist the notes. A trading market for the notes may not develop, or if a market for the notes were to develop, the notes may trade at a discount from their initial offering price, depending upon many factors, including prevailing interest rates, the market for similar securities, general economic conditions and our financial condition. The initial purchasers are not under any obligation to make a market with respect to the notes, and we cannot assure you that trading markets will develop or be maintained. Accordingly, we cannot provide you with any assurances regarding the future development of a market for any series of notes, the ability of holders of the notes to sell their notes, or the price at which such holders may be able to sell their notes. If such a market were to develop, the applicable series of notes could trade at prices that may be higher or lower than the initial offering price depending on many factors, including prevailing interest rates, our results of operations and financial condition, political and economic developments in and affecting Mexico and the markets for similar securities. In addition, trading or resale of the notes (or beneficial interests therein) may be negatively affected by other factors described in this offering memorandum arising from this transaction or the market for securities of Mexican issuers generally. As a result, we cannot assure you of the level of liquidity of any trading market for the notes and, as a result, you may be required to bear the financial risk of your investment in the notes. If an active market for the notes does not develop or is interrupted, the market price and liquidity of the notes may be adversely affected.

Payments claimed in Mexico on the notes, pursuant to a judgment or otherwise, would be in Mexican Pesos.

In the event that proceedings are brought against us in Mexico, either to enforce a judgment or as a result of an original action brought in Mexico, or if payment is otherwise claimed from us in Mexico, we would not be required to discharge those obligations in a currency other than Mexican currency. Under the Monetary Law of the United Mexican States (*Ley Monetaria de los Estados Unidos Mexicanos*) an obligation, whether resulting from a judgment or by agreement, denominated in a currency other than Mexican currency, which is payable in Mexico, may be satisfied in Mexican currency at the rate of exchange in effect on the date on which payments are made. Such rate is currently determined by *Banco de México* and published every banking day in the Official Gazette of Mexico. As a result, you may suffer a U.S. Dollar shortfall if you obtain a judgment or a payment in Mexico. You should be aware that no separate action exists or is enforceable in Mexico for compensation for any shortfall.

Our obligations under the notes would be converted in the event of bankruptcy.

Under the Mexican Law on Mercantile Reorganization (*Ley de Concursos Mercantiles*), if we are declared insolvent, bankrupt or if we become subject to a reorganization proceeding or *concurso mercantil*, our obligations under the notes (i) would be converted into Mexican Pesos and then from Mexican Pesos into inflation-adjusted units (*unidades de inversión*, known as UDIs), (ii) would be satisfied at the time claims of all our creditors are satisfied, (iii) would be subject to the outcome of, and priorities recognized in, the relevant proceedings, which differ from those in other jurisdictions such as the United States, (iv) would cease to accrue interest from the date the *concurso mercantil* is declared, (v) would not be adjusted to take into account any depreciation of the Mexican Peso against the U.S. Dollar occurring after such declaration and (vi) would be subject to certain statutory preferences, including tax, social security and labor claims, and claims of secured creditors (up to the value of the collateral provided to such creditors).

It may be difficult to enforce civil liabilities against us or our directors, executive officers and controlling persons.

Most of our directors, executive officers and controlling persons are non-residents of the United States and substantially all of the assets of such non-resident persons and a significant portion of all of our assets are located in Mexico or elsewhere outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon such persons or us or to enforce against them or us in courts of any jurisdiction outside of Mexico, judgments predicated upon the laws of any such jurisdiction, including any judgment predicated substantially upon the civil liability provisions of United States federal and state securities laws. We have been advised that there is doubt as to the enforceability in Mexican courts, in original actions or in actions for enforcement of judgments obtained in courts of jurisdictions outside of Mexico, of civil liabilities arising under the laws of any jurisdiction outside of Mexico, including any judgment predicated solely upon United States federal or state securities laws. No treaty is currently in effect between the United States and Mexico that covers the reciprocal enforcement of foreign judgments. In the past, Mexican courts have enforced judgments rendered in the United States by virtue of principles of reciprocity and comity as well as the provisions of Mexican law relating to the enforcement of foreign judgments in Mexico, consisting of the review by Mexican courts of the United States judgment in order to ascertain whether Mexican legal principles of due process and public policy (*orden público*), among other requirements, have been duly complied with, without reviewing the merits of the subject matter of the case, provided that U.S. courts would grant reciprocal treatment to Mexican judgments.

We cannot assure that the credit ratings for the notes will not be lowered, suspended or withdrawn by the rating agencies.

The credit ratings of the notes may change after issuance. Such ratings are limited in scope, and do not address all material risks relating to an investment in the notes, but rather reflect only the views of the rating agencies at the time the ratings are issued. An explanation of the significance of such ratings may be obtained from the rating agencies. We cannot assure you that such credit ratings will remain in effect for any given period of time or that such ratings will not be lowered, suspended or withdrawn entirely by the rating agencies, if, in the judgment of such rating agencies, circumstances so warrant. Any lowering, suspension or withdrawal of such ratings may have an adverse effect on the market price and marketability of the notes.

We may not have the ability to raise the funds necessary to finance the change of control offer required by each of the Indentures.

If we undergo a Change of Control Triggering Event (as defined in each of the Indentures), we may need to refinance large amounts of our debt, including the notes. Under each of the Indentures, if a Change of Control Triggering Event occurs, we must offer to buy back the notes of such series for a price equal to 100% of the principal amount of the affected series of notes, plus any accrued and unpaid interest. We may not have sufficient funds available to us to make any required repurchases of one or more series of notes upon a Change of Control Triggering Event. If we fail to repurchase the notes of such affected series in those circumstances, we will be in default under the applicable the Indenture, which may, in turn, trigger cross-default provisions in our other debt instruments.

Neither of the Indentures will limit the amount of unsecured indebtedness that we or our subsidiaries may incur or require us to comply with any financial covenants.

Neither we nor any of our subsidiaries will be restricted from incurring additional unsecured debt or other liabilities, including additional senior debt, under either of the Indentures. As of September 30, 2024, we had US\$1,474 million of consolidated indebtedness outstanding and US\$765 million of borrowings available under

our available committed credit lines. If we incur additional debt or liabilities, our ability to pay our obligations on the notes could be adversely affected. In addition, we will not be restricted from paying dividends on or issuing or repurchasing our securities under either of the Indentures. Furthermore, neither of the Indentures will contain any provisions restricting our or any of our subsidiaries' ability to sell assets (except to the extent set forth under "Description of the Notes—Covenants—Limitation on Consolidation Merger or Transfer of Property"), to enter into transactions with affiliates, or to create restrictions on the payment of dividends or other amounts to us from our subsidiaries. Moreover, neither of the Indentures will contain any covenants or other provisions to afford protection to holders of the notes in the event of a change of control involving us except to the extent described under "Description of the Notes—Repurchase at the Option of Holders Upon a Change of Control Triggering Event" and "Description of the Notes—Covenants—Limitation on Consolidation Merger or Transfer of Property". Additionally, neither of the Indentures will require that we or our subsidiaries adhere to any financial tests or ratios or specified levels of net worth. There will be no financial covenants in either of the Indentures. You will not be protected under either of the Indentures in the event of a highly leveraged transaction, reorganization, change of control, restructuring, merger or similar transaction that may adversely affect you, except to the limited extent described in this offering memorandum under "Description of the Notes."

We may choose to redeem the notes when prevailing interest rates are relatively low.

We may choose to redeem the notes of a series from time to time, especially when prevailing interest rates are lower than the rate borne by the notes. If prevailing rates are lower at the time of redemption of such notes, you may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as the interest rate on the notes being redeemed.

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

Mexican law does not permit the collection of interest on interest and, as a result, the accrual of default interest on past due ordinary interest accrued in respect of the notes that may be required to be paid by a guarantor may be unenforceable in Mexico.

Changes in U.S. federal income tax law or in the Mexican tax legislation may affect the anticipated tax treatment of the purchase, ownership and disposition of the notes.

All statements contained in this offering memorandum concerning the U.S. federal income tax, Mexican tax (or other tax) consequences of the purchase, ownership and disposition of the notes are based on existing law and interpretations thereof. The effect of future tax law provisions is uncertain and future administrative guidance may result in changes to the tax consequences of purchasing, owning, and disposing of the notes. If there is a change in tax laws applicable to us in any of the jurisdictions in which we operate there could be a material impact on the tax consequences of the ownership and disposition of the notes (as compared to the tax consequences under existing law). No assurance can be given that the currently anticipated tax treatment of the purchase, ownership and disposition of the notes will not be modified by legislative, judicial, or administrative changes, possibly with retroactive effect, to the detriment of a holder.

Different disclosure principles in Mexico and the United States may provide you with different or less information about the Issuer than you expect.

Securities disclosure requirements in Mexico differ from those applicable in the United States. Accordingly, the information about us available to you may not be the same as the information available to security holders of a U.S. company or a foreign private issuer that is subject to the reporting requirements of the Exchange Act. There may be less publicly available information about us than is regularly published about companies in the U.S. and certain other jurisdictions. We will not be subject to the periodic reporting

requirements of the Exchange Act and, therefore, will not be required to comply with the information disclosure requirements that it imposes. Under each of the indentures pursuant to which the notes will be issued, we will be required to provide certain financial statements but will not be required to provide or comply with periodic reporting requirements under the Exchange Act.

USE OF PROCEEDS

We estimate that the net proceeds from the issuance of the notes will be approximately US\$796,329,885 (after deducting the initial purchasers' discounts and commissions and the payment of estimated offering expenses).

We intend to use the net proceeds from this offering, to pay existing indebtedness of the Company, including to:

- repay US\$100 million from the 2022 Revolving Credit Facility and US\$150 million from the BBVA Revolving Credit Facility (each as defined herein), which is debt we incurred after September 30, 2024 by drawing down from certain of our revolving credit facilities in order to pay at maturity the 2014 Notes;
- prepay in full the US\$250 million 2019 Long-Term Loan (as defined herein);
- prepay in full the US\$200 million 2021 Long-Term Credit Facility (as defined herein);
- prepay US\$100 million of the US\$125 million of the 2024 Revolving Credit Facility; and
- the remainder, if any, for general corporate purposes.

See “Recent Developments—*Payment of 2014 Notes*” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Indebtedness” for a more detailed description of the debt we expect to repay with the proceeds of this offering. Affiliates of certain initial purchasers are lenders under certain of our credit facilities to be repaid. See “Plan of Distribution.”

CAPITALIZATION

The following table sets forth our cash and cash equivalents and consolidated capitalization as of September 30, 2024 (i) on a historical basis, (ii) as adjusted to give effect to the debt we incurred after September 30, 2024 by drawing down from certain of our revolving credit facilities in order to pay the 2014 Notes at maturity (as described in "Recent Developments—Payment of 2014 Notes") and the repayment of the 2014 Notes and (iii) as further adjusted to give effect to the issuance of the notes and the intended use of the proceeds therefrom as described in "Use of Proceeds." This table should be read together with the information presented under the captions "Summary of Financial Data and Other Information," "Use of Proceeds," "Management's Discussion and Analysis of Financial Condition and Results of Operations," our Annual Audited Financial Statements and our Interim Unaudited Financial Statements included in this offering memorandum.

As of September 30, 2024

	Actual (US\$)	As Adjusted ⁽³⁾ (US\$) <i>(in thousands)</i>	As Further Adjusted (US\$)
Cash and cash equivalents	498,091	348,197	345,307 ⁽⁵⁾
Debt: ⁽¹⁾			
Short-term debt:			
4.875% Senior Notes due 2024	399,894 ⁽⁴⁾	—	—
Other	10,063	10,063	10,063
Total short-term debt	409,957	10,063	10,063
Long-term debt:			
Senior Notes due 2034 offered hereby	—	—	500,000
Senior Notes due 2054 offered hereby	—	—	300,000
2019 Long-Term Loan	249,614 ⁽⁴⁾	249,614 ⁽⁴⁾	—
2021 Long-Term Credit Facility	199,606 ⁽⁴⁾	199,606 ⁽⁴⁾	—
2024 Revolving Credit Facility	124,947 ⁽⁴⁾	124,947 ⁽⁴⁾	24,947
2022 Revolving Credit Facility	—	100,000	—
BBVA Revolving Credit Facility	—	150,000	—
Other	490,125	490,125	490,125
Total long-term debt	1,064,292	1,314,292	1,315,072
Total debt	1,474,249	1,324,355	1,325,135
Equity:			
Total controlling interest	1,943,241	1,943,241	1,943,241
Non-controlling interest	2,835	2,835	2,835
Total stockholders' equity	1,946,076	1,946,076	1,946,076
Total capitalization ⁽²⁾	3,420,325	3,270,431	3,271,211

(1) For more information, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Indebtedness."

(2) Consists of the sum of shareholders' equity plus total debt.

(3) On November 27, 2024, we drew down certain of our revolving credit facilities to pay down the 2014 Notes at maturity. See "Recent Developments—Payment of 2014 Notes". The amounts outstanding under the 2022 Revolving Credit Facility and the BBVA Revolving Credit Facility will be paid down with the proceeds of the notes offered hereby.

(4) Amount represents the carrying amount under IFRS.

- (5) Reflects the application of US\$3,670,115 in cash towards the repayment of the existing indebtedness of the Company, as described under "Use of Proceeds".

SELECTED HISTORICAL FINANCIAL DATA AND OTHER INFORMATION

You should read the following selected historical financial data and other information in conjunction with our Annual Audited Financial Statements, our Interim Unaudited Financial Statements and the information set forth in the sections "Presentation of Financial and Certain Other Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" appearing elsewhere in this offering memorandum.

The financial information as of December 31, 2023, 2022 and 2021 and for the years ended December 31, 2023, 2022 and 2021 has been derived from our Annual Audited Financial Statements. The financial information as of and for the nine months ended September 30, 2024 and 2023 has been derived from our Interim Unaudited Financial Statements.

The following table sets forth our consolidated income statement data for each of the periods presented.

	For the Year Ended December 31,			For the Nine Months Ended September 30,	
	2021 ⁽¹⁾	2022	2023	2023	2024
	(US\$)	(US\$)	(US\$)	(US\$)	(US\$)
	<i>(in thousands, except per share amounts)</i>				
Income Statement Data:					
Net sales.....	US\$ 4,623,571	US\$ 5,596,621	US\$ 6,576,230	US\$ 4,936,127	US\$ 4,931,636
Cost of sales	(2,960,468)	(3,617,119)	(4,242,620)	(3,196,744)	(3,043,845)
Gross profit	1,663,103	1,979,502	2,333,610	1,739,383	1,887,791
Selling and administrative expenses..	(1,144,233)	(1,351,299)	(1,514,344)	(1,147,469)	(1,235,634)
Other income (expenses), net	34,855	(18,060)	(41,671)	(29,335)	8,613
Operating income	553,725	610,143	777,595	562,579	660,770
Comprehensive financing cost, net....	(81,600)	(100,088)	(147,646)	(111,212)	(77,340)
Income before income tax	472,125	510,055	629,949	451,367	583,430
Income tax expense	(169,914)	(190,865)	(222,126)	(164,243)	(206,942)
Consolidated income from continuing operations.....	302,211	319,190	407,823	287,124	376,488
(Loss) income from discontinued Operations.....	(31)	-	24,827	24,827	-
Consolidated net income	302,180	319,190	432,650	311,951	376,488
Attributable to:					
Shareholders	302,155	319,222	429,452	308,606	376,523
Non-controlling interest.....	25	(32)	3,198	3,345	(35)
Per share data ⁽²⁾: Basic and diluted share earnings per share (dollars)					
From continuing operations	0.77	0.85	1.10	0.77	1.03
From discontinued operations	-	-	0.06	0.07	-
From continuing and discontinued operations	0.77	0.85	1.16	0.84	1.03

The following table sets forth our consolidated balance sheet data as of each of the dates presented.

	As of December 31,		As of September 30,	
	2021 ⁽¹⁾	2022	2023	2024
	(US\$)	(US\$)	(US\$)	(US\$)
	<i>(in thousands)</i>			
Balance Sheet Data:				
Property, plant and equipment, net.....	US\$ 1,647,681	US\$ 1,821,815	US\$ 1,955,512	US\$ 1,892,421
Right-of-use assets	289,292	333,189	327,385	322,046
Total assets	3,827,123	4,386,656	4,683,094	4,747,233
Short-term debt ⁽³⁾	54,679	146,971	411,172	409,957
Short-term lease liability	37,538	49,107	58,103	63,297
Long-term debt ⁽³⁾	1,133,695	1,461,605	1,115,681	1,064,292
Long-term lease liability	281,542	318,305	306,754	304,027
Total liabilities	2,390,902	2,953,071	2,839,816	2,801,157
Common stock	377,854	371,274	370,437	366,373
Total equity ⁽⁴⁾	1,436,221	1,433,585	1,843,278	1,946,076

The following table sets forth our consolidated cash flow data and other financial information for each of the periods presented.

	For the Year Ended December 31,			For the Nine Months Ended September 30,	
	2021 ⁽¹⁾	2022	2023	2023	2024
	(US\$)	(US\$)	(US\$)	(US\$)	(US\$)
	<i>(in thousands)</i>				
Cash Flow Data:					
Net cash provided by (used in):					
Operating activities	560,948	300,266	740,979	472,229	637,785
Investing activities	(258,164)	(298,360)	(183,539)	(123,173)	(141,543)
Financing activities	(347,637)	34,622	(499,109)	(290,245)	(306,414)
Other Financial Information:					
Capital expenditures	286,481	297,515	211,006	154,603	164,577
EBITDA:					
Operating income	553,725	610,143	777,595	562,579	660,770
Depreciation	177,680	195,680	220,036	164,445	175,613
Amortization	1,670	878	3,993	1,440	2,304
Impairment of long-lived assets	2,465	2,147	4,667	4,667	-
EBITDA	735,540	808,848	1,006,291	733,131	838,687

	Year Ended December 31, 2023			As of September 30,
	2021	2022	2023	2024
	<i>(in thousands)</i>			
Net debt:				
Total debt and lease liability.....	US\$ 1,507,454	US\$ 1,975,988	US\$ 1,891,710	US\$ 1,841,573
Less: Cash and cash equivalents..	(254,968)	(283,864)	(350,046)	(498,091)
Total net debt.....	US\$ 1,252,486	US\$ 1,692,124	US\$ 1,541,664	US\$ 1,343,482

Ratios:

Interest Coverage Ratio.....	9.8x	8.2x	6.9x	8.8x
Debt/EBITDA.....	2.0x	2.4x	1.9x	1.7x
Net Debt/EBITDA.....	1.7x	2.1x	1.5x	1.2x
Cash and cash equivalents/Short-term debt.....	4.6x	1.9x	0.8x	1.2x
Cash and cash equivalents plus Undrawn Revolving credit facilities/Short-term debt.....	13.7x	6.1x	2.7x	3.1x

- (1) For the year ended December 31, 2021, the financial statements were adjusted for the new U.S. Dollar presentation, using the closing exchange rates for the consolidated statements of financial position and the closing exchange rates of each month within the respective periods for the consolidated income statements, consolidated statements of comprehensive income and consolidated statements of cash flows.
- (2) Based upon the weighted average of outstanding shares of our common stock (in thousands), as follows: 369,909 shares for the year ended December 31, 2023, 373,564 shares for the year ended December 31, 2022, and 390,875 shares for the year ended December 31, 2021, 370,007 shares for the nine months ended September 30, 2023, and 364,823 shares for the nine months ended September 30, 2024.
- (3) As of December 31, 2023 the short-term debt consists of bank loans and the current portion of long-term debt (Notes due 2024). Long-term debt consists of bank loans, the Debt Securities (*Certificados Bursátiles*) Gruma 21 for Ps.2 billion and the Debt Securities (*Certificados Bursátiles*) Gruma 22 for Ps.4.5 billion.
- (4) Total equity includes non-controlling interests as follows (in thousands): US\$2,841 as of December 31, 2023, US\$ (354) as of December 31, 2022, US\$(1,108) as of December 31, 2021, US\$2,862 as of September 30, 2023, and US\$2,835 as of September 30, 2024.

The following table sets forth selected operating data for each of the periods presented.

	For the Year Ended December 31,			For the Nine Months Ended	
	2021	2022	2023	2023	2024
	(in thousands of tons)				
Sales volume:					
Gruma Corporation (nixtamalized corn flour, tortillas and other) ⁽¹⁾	1,522	1,605	1,592	1,198	1,188
GIMSA (nixtamalized corn flour and other).....	2,047	2,076	2,147	1,597	1,586
Gruma Europe (nixtamalized corn flour, tortillas and other)	389	410	419	316	312
Gruma Centroamérica (nixtamalized corn flour and other)	237	243	233	172	179
Gruma Asia-Oceania (tortilla and other)	95	97	96	71	74
	As of December 31,			As of September 30,	
	2021	2022	2023	2024	
	(in thousands of tons)				
Production capacity:					
Gruma Corporation (corn flour, tortillas and other)	1,879	1,935	1,968	1,476	
GIMSA (corn flour and other)	2,262	2,275	2,290	1,684	
Gruma Centroamérica (corn flour and other)	292	286	289	293	

- (1) Net of intercompany transactions.

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

The following discussion and analysis of our financial condition and results of operations is based on financial information extracted and derived from our Annual Audited Financial Statements and our Interim Unaudited Financial Statements beginning on page F-1 of this offering memorandum. You should read this discussion in conjunction with our Annual Audited Financial Statements, our Interim Unaudited Financial Statements and the other financial information included elsewhere in this offering memorandum. Our Annual Audited Financial Statements, our Interim Unaudited Financial Statements, as well as the other financial information in the offering memorandum related to these financial statements have been prepared in accordance with IFRS.

Overview

GRUMA was founded in 1949, when Mr. Roberto González Barrera started producing and selling nixtamalized corn flour in Northeastern Mexico as raw material for producing tortillas and other corn-based products. Prior to our founding, all corn tortillas were made through the corn dough method, or *nixtamal* (the "Traditional Method"). Today, both the Traditional Method, as well as the nixtamalized corn flour method are used. In addition, corn flour and the dough prepared through the Traditional Method can be mixed in various proportions to produce tortillas and other corn-based products. Our main nixtamalized corn flour operations are in Mexico and the United States, and, to a lesser extent, in Central America and Europe.

We are a holding company and one of the world's main tortilla and corn flour producers. With leading brands in most of our markets, we have operations in the United States, Mexico, Central America, Europe, Asia, and Oceania. We are headquartered in San Pedro Garza García, Mexico, and have approximately 25,000 employees and 75 manufacturing facilities. Our shares are publicly traded in Mexico, listed on the BMV and registered in the RNV. We are organized as a *sociedad anónima bursátil de capital variable* under the laws of Mexico.

We believe we are one of the main producers of nixtamalized corn flour and tortillas in the United States and one of the main producers of nixtamalized corn flour in Mexico. In addition, we believe that we are also an important producer of nixtamalized corn flour and tortillas in Central America, of tortilla and other flatbreads, including pita, naan, chapatti, pizza bases and piadina in Europe, Asia and Oceania, and of corn grits in Europe and the Middle East.

Our focus has been and continues to be the efficient and profitable expansion of our core business—nixtamalized corn flour and tortilla. We pioneered the nixtamalized corn flour method of tortilla production, which features significant opportunities for growth. Using our know-how, we will seek to encourage tortilla and other corn-based products manufacturers in the United States, Mexico, Central America, and elsewhere to use nixtamalized corn flour in the production of the same.

We had net sales of US\$6,576 million and US\$4,932 million for the year ended December 31, 2023 and the nine months ended September 30, 2024, respectively. Our total assets were US\$4,747 million as of September 30, 2024. Our market capitalization was US\$6.8 billion as of September 30, 2024.

Acquisitions and Other Significant Events Within our Business Units

Disposition of Investment in Venezuela

On August 7, 2023, the Company disposed of its investment in Venezuela by entering into a stock purchase agreement among a third party and the Company's subsidiaries, Valores Mundiales and Consorcio Andino, whereby all shares of the capital stock of MONACA and DEMASECA were sold for US\$22 million and US\$3 million, respectively. The valuation conducted for the price of this transaction took into account certain characteristics thereof; primarily, that the buyer acquired the shares with full knowledge of the legal matters mentioned herein (See "Business—Legal Proceedings—Discontinued Operations Venezuela – *Disposition of Investment in Venezuela and Arbitral Award Status*"), and the recognition and assumption of MONACA and DEMASECA's assets and liabilities, including, but not limited to, those of commercial, tax and labor nature, in the condition they were in, commonly referred to "as is", without representations nor warranties by the sellers. In light of the above, the Company no longer holds an investment in Venezuela, and consequently, has no assets subject to the Expropriation Decree (as defined herein).

Due to the subsidiaries in Venezuela being deconsolidated in 2013 and the total value of the investment being impaired in 2015, the disinvestment carried out in August 2023 did not have a negative financial impact on our consolidated information. Therefore, the proceeds obtained from the sale of the shares, amounting to US\$25 million, are fully recognized in the consolidated results under the category "From discontinued operations." We adopted this approach to maintain consistency and alignment with the presentation of the financial statements when the loss of control of the subsidiaries and the impairment of the investment in Venezuela were recognized.

Change in Presentation Currency of Consolidated Financial Statements in 2022

In accordance with the International Accounting Standard 21, "The effects of changes in foreign exchange rates" (IAS 21) and with the approval of the Board of Directors and prior favorable opinion of the Audit Committee, the Company decided to change its presentation currency from the Mexican Peso to the U.S. Dollar for the consolidated financial statements as of January 1, 2022. This decision considered that: a) the accounting rules allow for a choice in the presentation currency, based on the measure used by management to control and monitor the financial position and performance of our Company, b) our Company operates internationally, with the U.S. Dollar being the main currency in the markets in which it participates, and c) greater ease of analysis is expected for the different users of the consolidated financial information, including comparability with the financial reports of other global entities.

Translation adjustments and cumulative translation adjustments have been presented as if our Company had used the U.S. Dollar as the presentation currency since January 1, 2010, the initial date of the Company's transition to accounting IFRS. Financial statements as of December 31, 2021 and their related notes were retrospectively adjusted for the change in presentation currency by applying the methodology set out in IAS 21, using the closing exchange rates for the consolidated statements of financial position and the closing exchange rates of each month within the respective periods for the consolidated income statements, consolidated statements of comprehensive income and consolidated statements of cash flows.

Historical equity transactions were translated at the foreign exchange rate of the transactions and were subsequently carried at historical value.

Our Interim Unaudited Financial Statements as of and for the nine months ended September 30, 2024 and 2023, our audited consolidated financial statements as of and for the years ended December 31, 2023, and 2022, and our audited consolidated financial statements as of and for the years ended December 31, 2022, and 2021 are

presented in U.S. Dollars. The audited consolidated financial statements as of December 31, 2021 and 2020 and for the years then ended were presented in Pesos.

Overview of Accounting Presentation

The accounting policies used to prepare Our Interim Unaudited Financial Statements as of and for the nine-month periods ended September 30, 2024 and 2023 are consistent with those used to prepare the audited financial statements as of and for the years ended December 31, 2023 and 2022 in accordance with IFRS, except for the adoption of the amendments to IAS 1, Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants.

As a result of the adoption of the amendments to IAS 1, beginning on January 1, 2024 the Company changed its accounting policy for the classification of borrowings: "Borrowings are classified as current liabilities unless at the end of the reporting period, the Company has a right to defer settlement of the liability for at least 12 months after the reporting period". This new policy did not result in a change in the classification of the Company's borrowings.

See Note 3 to our Annual Audited Financial Statements and See Note 3 to our Interim Unaudited Financial Statements.

Effects of Inflation

We recognize the effects of inflation on the financial information of our subsidiaries that operate in countries with a hyperinflationary economic environment. To determine the existence of hyperinflation, we evaluate the qualitative characteristics of the economic environment of each country, as well as the quantitative characteristics established by IFRS, including an accumulated inflation rate equal or higher than 100% in the past three years. Pursuant to this analysis, Mexico is not considered to be hyperinflationary, with annual inflation rates of 7.36% in 2021, 7.82% in 2022 and 4.66% in 2023.

Since April 2022, Turkey is considered a hyperinflationary economy, mainly due to its cumulative inflation, which surpassed 100% over the last three years. The downturn of the economic condition and foreign exchange controls support the conclusion that, for accounting purposes, Turkey has a hyperinflationary economy. Since April 2022, the financial information of our subsidiary located in Turkey has been adjusted to recognize the cumulative effects of inflation with retroactive effects from January 1, 2022. These effects did not represent a significant impact on our Company's consolidated accounts.

The main adjustments applied to a subsidiary's financial information to reflect the effects of inflation are as follows:

- Non-monetary assets such as property, plant and equipment, intangible assets and inventories that are not registered in actual values at the date of the statement of financial position, as well as equity components, are restated by applying the corresponding inflation factors since the acquisition or contribution date.
- Items of the statement of comprehensive income are restated by applying inflation factors, except for depreciation and amortization, and the impact on the cost of inventories at the time of consumption.
- Gain or loss of monetary assets held is presented in our income statement and is determined by applying the inflation factor of the period to the difference between monetary assets and liabilities.

Effects of Devaluation

Because a portion of our net sales are generated in Pesos, changes in the Peso/Dollar exchange rate can have a significant effect upon our results of operations as reported in U.S. Dollars. When the Peso depreciates against the Dollar, net sales of our subsidiaries in Mexico represent a smaller portion of our consolidated net sales in Dollar terms. When the Peso appreciates against the Dollar, the net sales of our subsidiaries in Mexico represent a larger portion of our consolidated net sales in Dollar terms.

In addition to the above, our net income may be affected by changes in our foreign exchange gain or loss, which may be impacted by significant variations in the Peso/Dollar exchange rate. During 2021, 2022 and 2023, we recorded a net foreign exchange loss of US\$2.1 million, US\$1.6 million, and US\$4.6 million, respectively. During the nine months ended September 30, 2024, we recorded a net foreign exchange gain of US\$8.4 million.

Impact of Conflict in Ukraine

In February 2022, Russian military forces invaded Ukraine, which has resulted in the imposition of sanctions on Russia and Belarus by the United States, the United Kingdom, the European Union and other countries, as well as counter-sanctions imposed by Russia to such countries. This has caused an abrupt change in the geopolitical situation, with significant uncertainty regarding the duration of the conflict.

The conflict has also contributed to increase volatility in the foreign exchange markets, energy prices, raw material and other input costs, as well as supply chain tensions and rising inflation in many countries.

As of September 30, 2024, December 2023 and 2022, our Company has assessed the consequences of this conflict in the consolidated financial statements, with the following conclusions:

- **Assessment of Control:** In accordance with IFRS 10 "Consolidated Financial Statements," we have assessed and confirm that changes in the legal and operating environment of our subsidiaries located in Russia and Ukraine have not affected our ability to exercise control over the entities in these countries.
- **Goodwill impairment:** In March 2022, our Company recognized a non-monetary impairment charge of US\$2 million in our operative results, in "Other expenses, net" due to the goodwill impairment of the cash generating unit "Altera, LLC" located in Ukraine and associated with the corn flour and packaged tortilla European business segment. This impairment loss reflects a decrease in the recoverable amount of the CGU due to the impact of the Russian invasion in February 2022.

The impact in the operations of our subsidiaries located in Ukraine and Russia as of September 30, 2024, and as of December 31, 2023 and 2022 was not significant to the consolidated revenues, the operating income and the consolidated financial position.

We will continue to monitor the events resulting from this ongoing conflict, evaluating the options available to try to mitigate a greater risk of loss and we will continue to evaluate the possible impact on the investment in these subsidiaries.

Critical Accounting Estimates

We have identified certain key accounting estimates that are used to determine our financial condition and results of operations. These key accounting estimates most often involve complex matters or are based on subjective judgments or decisions that require management to make estimates and assumptions that affect the amounts reported in our financial statements. We have identified below the most critical accounting principles that involve a higher degree of judgment and complexity and that management believes are important to a more complete understanding of our financial position and results of operations.

Additional accounting policies that are also used in the preparation of our financial statements are outlined in the notes to our Annual Audited Financial Statements and to our Interim Unaudited Financial Statements included in this offering memorandum.

Property, Plant and Equipment

We depreciate our property, plant and equipment over their respective estimated useful lives. Useful lives are based on management's estimates of the period that the assets will remain in service and generate revenues. Estimates are based on independent appraisals and the experience of our technical personnel. We review the assets' residual values and useful lives each year to determine whether they should be changed, and adjusted if appropriate. To the extent that our estimates are incorrect, our periodic depreciation expense or carrying value of our assets may be impacted.

Under IFRS, we are required to test long-lived assets for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable for property, plant and equipment. When the carrying amount exceeds the recoverable amount, the difference is accounted for as an impairment loss. The recoverable amount is the higher of (i) the long-lived asset's (asset group's) fair value less costs to sell, representing the amount obtainable from the sale of the long-lived asset (asset group) in an arm's length transaction between knowledgeable, willing parties less the costs of disposal and (ii) the long-lived asset's (asset group's) value in use, representing its future cash flows discounted to present value by using a rate that reflects the current assessment of the time value of money and the risks specific to the long-lived asset (asset group) for which the cash flow estimates have not been adjusted.

The estimates of cash flows take into consideration expectations of future macroeconomic conditions as well as our internal strategic plans. Therefore, inherent to the estimated future cash flows is a certain level of uncertainty which we have considered in our valuation; nevertheless, actual future results may differ.

Primarily as a result of plant rationalization, certain facilities and equipment are not currently in use in operations. We have recorded impairment losses related to certain of those assets and additional losses may potentially occur in the future if our estimates are not accurate and/or future macroeconomic conditions differ significantly from those considered in our analysis.

Goodwill and Other Intangible Assets

Intangible assets with definite lives are amortized on a straight-line basis over estimated useful lives. Management exercises judgment in assessing the useful lives of other intangible assets including patents and trademarks, customers lists and software for internal use. Under IFRS, goodwill and indefinite-lived intangible assets are not amortized, but are subject to impairment tests either annually or earlier in the case of a triggering event.

A key component of the impairment test is the identification of cash-generating units and the allocation of goodwill to such cash-generating units. Estimates of fair value are primarily determined using discounted cash flows. Cash flows are discounted at present value and an impairment loss is recognized if such discounted cash flows are lower than the net book value of the cash-generating units.

These estimates and assumptions could have a significant impact on whether or not an impairment charge is recognized and also the magnitude of any such charge. We perform internal valuation analyses and consider relevant internal data as well as other market information that is publicly available.

This approach uses significant estimates and assumptions including projected future cash flows (including timing), a discount rate reflecting the risk inherent in future cash flows and a perpetual growth rate. Inherent in these estimates and assumptions is a certain level of risk which we believe we have considered in our valuation. Nevertheless, if future actual results differ from estimates, a possible impairment charge may be recognized in future periods related to the write-down of the carrying value of goodwill and other intangible assets.

Income Tax

We are subject to income taxes in many jurisdictions. A significant judgment is required in the determination of the global provision for income taxes due to complex tax regulations, changes in tax laws and the amount of future taxable income. There are many transactions and calculations for which the final tax determination is uncertain. Where the final tax result is different from the amounts initially recorded, such differences will have an effect on current income tax and deferred income tax assets and liabilities in the period when the determination is made.

We record deferred income tax assets and liabilities using enacted tax rates for the effect of temporary differences between the book and tax basis of assets and liabilities. If enacted tax rates change, we adjust the deferred tax assets and liabilities through the provision for income tax in the period of change, to reflect the enacted tax rate expected to be in effect when the deferred tax items reverse. Under IFRS, a deferred tax asset must be recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized. While we have considered future taxable income and ongoing prudent and feasible tax planning strategies, in the event we were to determine that we would be able to realize our deferred tax assets in the future in excess of the net recorded amount, an adjustment to the deferred tax asset would increase income in the period such determination was made. Should we determine that we would not be able to realize all or part of our net deferred tax asset in the future, an adjustment to the deferred tax asset would be charged to income in the period such determination was made.

Fair Value of Derivatives and Other Financial Instruments

We use derivative financial instruments in the normal course of business, primarily to hedge certain operational and financial risks to which we are exposed, including without limitation: (i) future, swaps and options contracts for certain key production requirements like natural gas, diesel and some raw materials such as corn and wheat, in order to minimize the cash flow variability due to price fluctuations; (ii) interest rate swaps, with the purpose of managing the interest rate risk related to our debt and (iii) exchange rate forward and option contracts (mainly Peso-Dollar and in other currencies).

We account for derivative financial instruments used for hedging purposes either as cash-flow hedges or fair value hedges with changes in fair value reported in other comprehensive income and earnings, respectively. Derivative financial instruments not designated as an accounting hedge are recognized at fair value, with changes in fair value recognized currently in the income statement.

We use our judgment to select from a variety of methods and make assumptions that are mainly based on existing market conditions at the end of each reporting period. When available, we measure the fair value of derivatives and other financial instruments based on quoted market prices. If quoted market prices are not available, we estimate the fair value of derivatives and other financial instruments using industry standard valuation models. When applicable, these models project future cash flows and discount the future amounts to a present value using market observable inputs, including interest rates and currency rates, among others. Also included in the determination of the fair value of our liability positions is our own credit risk, which has been classified as an unobservable input.

Many of the factors used in measuring fair value are outside the control of management, and these assumptions and estimates may change in future periods. Changes in assumptions or estimates may materially affect the fair value measurement of derivatives and other financial instruments.

Employee Benefits

We recognize liabilities in our balance sheet and expenses in our income statement to reflect our obligations related to our post-employment benefits (retirement plan and seniority premium). The amounts we recognize are determined on an actuarial basis that involves many estimates and accounts for these benefits in accordance with IFRS.

We use estimates in three specific areas that have a significant effect on these amounts: (a) the rate of increase in salaries that we assume we will observe in future years, (b) the discount rate that we use to calculate the present value of our future obligations and the expected returns on plan assets and (c) the expected rate of inflation. The assumptions we have applied are identified in Note 18 to our Annual Audited Financial Statements. These estimates are determined based on actuarial studies performed by independent experts using the projected unit credit method. The latest actuarial computation was prepared as of December 31, 2023. We review the estimates each year, and if we change them, our reported expense for post-employment benefits may increase or decrease according to market conditions.

Factors Affecting our Financial Condition and Results of Operations

Our financial condition and results of operations may be significantly influenced by some or all of the following factors:

- the level of demand for tortillas and nixtamalized corn flour;
- increase or decrease in the Hispanic population in the United States;
- increases in Mexican food consumption by the non-Hispanic population in the United States; as well as projected increases in Mexican food consumption and use of tortillas in non-Mexican cuisine as tortillas continue to be assimilated into mainstream cuisine in the U.S., Europe, Asia and Oceania;
- the cost and availability of corn and wheat flour;
- the cost of energy and other related products;
- our acquisitions, plant expansions and divestitures;
- the effect of government initiatives and policies;
- the effect from variations of interest rates and exchange rates;
- volatility in corn and wheat prices and energy costs;
- increased competition from tortilla manufacturers, especially in the U.S.;
- increased competition in the corn flour business; and

- unfavorable general economic conditions in the United States and globally, such as the recession or economic slowdown, which could negatively affect the affordability of and consumer demand for some of our products.

Results of Operations

General

The following table sets forth our consolidated income statement data on an IFRS basis for the years ended December 31, 2021, 2022, and 2023 and for the nine months ended September 30, 2023 and 2024 expressed as a percentage of net sales. All financial information has been prepared in accordance with IFRS. For a description of the method, see "Presentation of Financial and Certain Other Information" and "—Overview of Accounting Presentation."

	Year Ended December 31,			Nine Months Ended September 30,	
	2021	2022	2023	2023	2024
Net sales	100%	100%	100%	100%	100%
Cost of sales	64.0	64.6	64.5	64.8	61.7
Gross profit	36.0	35.4	35.5	35.2	38.3
Selling and administrative expenses	24.7	24.1	23.0	23.2	25.1
Other income (expenses), net	0.7	(0.3)	(0.6)	(0.6)	0.2
Operating income	12.0	10.9	11.8	11.4	13.4
Net comprehensive financing cost	(1.8)	(1.8)	(2.2)	(2.2)	(1.6)
Current and deferred income taxes	3.7	3.4	3.4	3.3	4.2
(Loss) income from discontinued operations	-	-	0.4	0.5	-
Non-controlling interest	-	-	-	0.1	-
Net income attributable to shareholders	6.5	5.7	6.5	6.3	7.6

The following tables set forth our net sales and operating income as represented by our principal subsidiaries for the nine months ended September 30, 2023 and 2024 and for the years ended December 31, 2021, 2022 and 2023.

Financial information of INTESA, TECNOMAIZ and CIASA includes sales of US\$53.7 million, US\$60.7 million and US\$64.3 million in 2021, 2022 and 2023, respectively, in technological support to certain subsidiaries of Gruma, S.A.B. de C.V. In the process of consolidation, all the aforementioned intercompany transactions are eliminated from the financial statements.

	Nine Months Ended September 30,			
	2023		2024	
	Net Sales	Operating Income	Net Sales	Operating Income
	(in millions of U.S. Dollars)			
Gruma Corporation	US\$ 2,755	US\$ 409	US\$ 2,742	US\$ 451
GIMSA ⁽¹⁾	1,421	77	1,384	116
Gruma Europe	334	18	342	31
Gruma Centroamérica	268	29	293	43
Gruma Asia-Oceania	190	13	199	20
Others and eliminations ⁽²⁾	(32)	17	(28)	-
Total	US\$ 4,936	US\$ 563	US\$ 4,932	US\$ 661

	Year Ended December 31,					
	2023		2022		2021	
	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income
	(in millions of U.S. dollars)					
Gruma Corporation	US\$ 3,646	US\$ 565	US\$ 3,197	US\$ 441	US\$ 2,597	US\$ 369
GIMSA ⁽³⁾	1,924	111	1,472	116	1,225	115
Gruma Europe.....	435	24	421	9	335	28
Gruma Centroamérica	365	42	323	25	264	15
Gruma Asia-Oceania	257	19	242	11	240	25
Others and eliminations ⁽⁴⁾	(51)	17	(58)	8	(37)	2
Total	US\$ 6,576	US\$ 778	US\$ 5,597	US\$ 610	US\$ 4,624	US\$ 554

- (1) Financial information with respect to GIMSA includes sales of US\$136.2 million, for the nine months ended September 30, 2024, mainly of nixtamalized corn flour to Gruma Corporation, Mission Foods Mexico and Gruma Centroamérica. Financial information with respect to Mission Foods Mexico includes sales of US\$101.3 million for the nine months ended September 30, 2024, in tortilla related products mainly to Gruma Corporation. See "Summary—Organizational Structure."
- (2) Net sales and operating income of our subsidiaries Mission Foods Mexico, INTESA, TECNOMAIZ and CIASA are included as part of "others and eliminations."
- (3) Financial information with respect to GIMSA includes sales of US\$120.9 million, US\$150 million and US\$188.8 million the years ended December 31, 2021, 2022 and 2023, respectively, mainly of nixtamalized corn flour to Gruma Corporation, Mission Foods Mexico and Gruma Centroamérica. Financial information with respect to Mission Foods Mexico includes sales of US\$64 million, US\$96.7 million and US\$123.8 million in the years ended December 31, 2021, 2022, and 2023 respectively, in tortilla related products mainly to Gruma Corporation. See "Summary—Organizational Structure."
- (4) Net sales and operating income of our subsidiaries Mission Foods Mexico, INTESA, TECNOMAIZ and CIASA are included as part of "others and eliminations."

The following table sets forth the breakdown of consolidated net sales by major subsidiary for the years ended December 31, 2021, 2022 and 2023 and the nine months ended September 30, 2023 and 2024.

Subsidiary	Year Ended December 31,			Nine Months Ended September 30,	
	2021	2022	2023	2023	2024
Gruma Corporation.....	57%	57%	55%	56%	56%
GIMSA.....	26%	26%	29%	29%	28%
Gruma Europe.....	7%	8%	7%	7%	7%
Gruma Centroamérica.....	6%	6%	6%	5%	6%
Gruma Asia-Oceania.....	5%	4%	4%	4%	4%
Others and eliminations.....	(1%)	(1%)	(1%)	(1%)	(1%)

Nine Months Ended September 30, 2024 Compared to Nine Months Ended September 30, 2023

Consolidated Results

Sales volume decreased by 1% to 3,241 thousand tons in the nine months ended September 30, 2024 compared with 3,273 thousand tons in the same period of 2023, as a result of price sensitivity in the U.S. food service channel; logistics challenges in Europe; and lower volumes in Mexico due to supplier diversification strategies.

Net sales remained flat at US\$4.9 billion in the nine months ended September 30, 2024, due primarily to price adjustments made in Mexico during the last quarter of 2023, in line with the Traditional Method; lower volumes sold in the food service channel in the U.S.; and peso depreciation, which were partially offset by a more favorable mix in the U.S. division.

Cost of sales decreased by 5% to US\$3.0 billion in the nine months ended September 30, 2024 compared with US\$ 3.2 billion in the same period of 2023, due primarily to efficiencies in all of our divisions and lower

sales volume. Cost of sales as a percentage of net sales decreased to 61.7% in the nine months ended September 30, 2024 from 64.8% in the same period of 2023.

Selling and administrative expenses increased by 8% to US\$1.2 billion in the nine months ended September 30, 2024 compared with US\$1.1 billion in the same period of 2023, due primarily to a rise in logistics costs; higher marketing costs; and higher commissions paid. Selling and administrative expenses as a percentage of net sales increased to 25.1% in the nine months ended September 30, 2024 from 23.2% in the same period of 2023.

Other income (expense), net was US\$8.6 million in the nine months ended September 30, 2024 compared with an expense of US\$29.3 million in the same period of 2023, due primarily to gains on GRUMA's hedging positions and the payment of insurance claims on damaged assets.

Operating income increased by 17% to US\$660.8 million in the nine months ended September 30, 2024 compared with US\$562.6 million in the same period of 2023, and operating margin increased to 13.4% from 11.4% in the same period of 2023.

Comprehensive financing cost, net, decreased by 30% to US\$77.3 million in the nine months ended September 30, 2024, compared with US\$111.2 million in the same period of 2023. The change was due primarily to a decline in debt outstanding as a result of debt payments and the effects of peso depreciation on peso denominated debt.

Income taxes increased by 26% to US\$206.9 million in the nine months ended September 30, 2024 compared with US\$164.2 million in the same period of 2023, in line with higher pre-tax income. The effective tax rate was 35.5% for the nine months ended September 30, 2024.

Net income attributable to controlling interest was US\$376.5 million in the nine months ended September 30, 2024 compared with US\$308.6 million in the same period of 2023.

Gruma Corporation

Sales volume decreased by 1% to 1,188 thousand tons in the nine months ended September 30, 2024 compared with 1,198 thousand tons in the same period of 2023. The decrease was driven by volume contraction in the food service channel as a result of protecting profitability due to inflationary pressures.

Net sales remained flat at US\$2.7 billion in the nine months ended September 30, 2024, due to lower volumes in the food service channel which was offset by a richer sales mix.

Cost of sales decreased by 4% to US\$1.6 billion in the nine months ended September 30, 2024 compared with US\$1.6 billion in the same period of 2023, due to efficiencies. As a percentage of net sales, cost of sales decreased to 57.0% in the nine months ended September 30, 2024 from 59.1%.

Selling and administrative expenses increased by 3% to US\$734.3 million in the nine months ended September 30, 2024 compared with US\$712.8 million in the same period of 2023, due primarily to increased distribution and logistics costs; higher sales commissions; and higher marketing expenses during the period. Selling and administrative expenses as a percentage of net sales increased to 26.8% in the nine months ended September 30, 2024 from 25.9% in the same period of 2023.

Other income (expense), net, was US\$6.4 million in the nine months ended September 30, 2024 compared to an expense of US\$4.5 million in the same period in 2023. This was mainly the result of payments from

insurance companies during the nine months ended September 20, 2024 and one-time expenses incurred during the nine months ended September 30, 2023.

Operating income increased by 10% to US\$450.7 million in the nine months ended September 30, 2024 from US\$409.2 million in the same period of 2023, and operating margin increased to 16.4% from 14.9%.

GIMSA

Sales volume decreased by 1% at 1,586 thousand tons in the nine months ended September 30, 2024, compared with 1,597 thousand tons in the same period of 2023, mainly due to supplier diversification strategies carried out by some clients.

Net sales decreased by 3% to US\$1.4 billion in the nine months ended September 30, 2024 compared with US\$1.4 billion in the same period of 2023, due primarily to price alignment with the traditional method in the fourth quarter of 2023; in addition to peso depreciation.

Cost of sales decreased by 7% to US\$1.0 billion in the nine months ended September 30, 2024 compared with US\$1.1 billion in the same period of 2023, due primarily to efficiencies and lower volume. As a percentage of net sales, cost of sales decreased to 73.8% in the nine months ended September 30, 2024 from 77.2% in the same period of 2023.

Selling and administrative expenses increased by 14% to US\$249.0 million in the nine months ended September 30, 2024 compared with US\$217.6 million in the same period of 2023 due primarily to increased distribution costs. Selling and administrative expenses as a percentage of net sales increased to 18.0% in the nine months ended September 30, 2024 from 15.3% in the same period of 2023.

Other income (expense), net, was US\$2.8 million in the nine months ended September 30, 2024 compared to an expense of US\$29.1 million in the same period in 2023 due mainly to the valuation of hedges pertaining to the procurement of raw materials and the payment of insurance companies.

Operating income increased by 51% to US\$116.4 million in the nine months ended September 30, 2024 from US\$77.1 million in the same period of 2023, and operating margin increased to 8.4% from 5.4%.

Gruma Europe

Sales volume decreased by 1% to 312 thousand tons in the nine months ended September 30, 2024 compared with 316 thousand tons in the same period of 2023, due primarily to a volume decline in the corn milling business as a result of current geopolitical challenges, which have affected distribution channels of this product. This has offset the positive performance in the tortilla retail channel, which has been growing favorably.

Net sales increased by 2% to US\$341.5 million in the nine months ended September 30, 2024, compared with US\$333.7 million in the same period of 2023, due primarily to managing inflationary costs across the cost structure in previous quarters, a richer sales mix in the tortilla business; and an increased focus of the overall business mix on the tortilla segment as compared to corn milling.

Cost of sales decreased by 7% to US\$235.5 million in the nine months ended September 30, 2024 compared with US\$253.4 million in the same period of 2023, resulting mainly from efficiencies and lower volume. Cost of sales as a percentage of net sales decreased to 69.0% in the nine months ended September 30, 2024 from 75.9% in the same period of 2023.

Selling and administrative expenses increased by 18% to US\$74.7 million in the nine months ended September 30, 2024 compared with US\$63.4 million in the same period of 2023, due to higher marketing expenses; and increased distribution and logistics costs. As a percentage of net sales, selling and administrative expenses increased to 21.9% in the nine months ended September 30, 2024 from 19.0% in the same period of 2023.

Other expense (income), net, was US\$0.3 million in the nine months ended September 30, 2024 compared to an income of US\$0.7 million in the same period in 2023 as a result of the end of federal subsidies on energy prices.

Operating income was US\$31.0 million in the nine months ended September 30, 2024, compared with US\$17.6 million in the same period of 2023. Operating margin increased to 9.1% in the nine months ended September 30, 2024 from 5.3% in the same period of 2023.

Gruma Centroamérica

Sales volume increased by 4% to 179 thousand tons in the nine months ended September 30, 2024 compared with 172 thousand tons in the same period of 2023, due primarily to higher demand for corn flour and tortilla products during the period.

Net sales increased by 9% to US\$292.9 million in the nine months ended September 30, 2024, compared with US\$267.7 million in the same period of 2023, due primarily to volume growth; the passing of additional costs and expenses to revenues; and a more profitable product mix.

Cost of sales increased by 1% to US\$176.8 million in the nine months ended September 30, 2024 compared with US\$175.4 million in the same period of 2023, due primarily to the appreciation of the local currency against the U.S. Dollar. Cost of sales as a percentage of net sales decreased to 60.4% in the nine months ended September 30, 2024 from 65.5% in the same period of 2023.

Selling and administrative expenses increased by 15% to US\$73.7 million in the nine months ended September 30, 2024 compared with US\$64.3 million in the same period of 2023, due to increased distribution and logistics costs; higher marketing expenses; and higher commissions paid in line with higher sales. As a percentage of net sales, selling and administrative expenses increased to 25.2% in the nine months ended September 30, 2024 from 24.0% in the same period of 2023.

Other income, net, was US\$0.7 million in the nine months ended September 30, 2024 compared to US\$0.6 million in the same period in 2023.

Operating income was US\$43.1 million in the nine months ended September 30, 2024, compared with US\$28.5 million in the same period of 2023. Operating margin increased to 14.7% in the nine months ended September 30, 2024 from 10.7% in the same period of 2023.

Gruma Asia-Oceania

Sales volume increased by 3% to 74 thousand tons in the nine months ended September 30, 2024 compared with 71 thousand tons in the same period of 2023, due primarily to positive volume expansion due to higher demand in Malaysia and Australia, which was offset by lackluster commercial activity in China.

Net sales increased by 5% to US\$198.9 million in the nine months ended September 30, 2024, compared with US\$190.1 million in the same period of 2023, due primarily to volume growth; and the implementation of pricing strategies to manage inflation and protect profitability.

Cost of sales remained flat at US\$135.3 million in the nine months ended September 30, 2024, due primarily to efficiencies. Cost of sales as a percentage of net sales decreased to 68.0% in the nine months ended September 30, 2024 from 71.3% in the same period of 2023.

Selling and administrative expenses increased by 6% to US\$44.0 million in the nine months ended September 30, 2024 compared with US\$41.6 million in the same period of 2023, due to increased marketing costs; and higher sales commissions paid in line with stronger revenues. As a percentage of net sales, selling and administrative expenses increased to 22.1% in the nine months ended September 30, 2024 from 21.9% in the same period of 2023.

Other expense (income), net, was US\$0.0 million in the nine months ended September 30, 2024 compared to an income of US\$0.0 million in the same period in 2023.

Operating income was US\$19.6 million in the nine months ended September 30, 2024, compared with US\$13.0 million in the same period of 2023. Operating margin increased to 9.8% in the nine months ended September 30, 2024 from 6.8% in the same period of 2023.

Year Ended December 31, 2023 Compared to Year Ended December 31, 2022

Consolidated Results

Sales volume increased by 1% in 2023 to 4,372 thousand tons compared to 4,329 thousand tons in 2022, due to the positive expansion of the U.S., GIMSA and Europe divisions.

Net sales increased 18% to US\$6.6 billion in 2023 compared to US\$5.6 billion in 2022, primarily due to the transfer of incremental costs and expenses to the top line of the income statement; and volume growth.

Cost of sales increased by 17% to US\$4.2 billion in 2023 compared to US\$3.6 billion in 2022, driven by higher raw material costs across all divisions, higher labor costs; and greater sales volume. Cost of sales as a percentage of net sales improved to 64.5% in 2023 from 64.6% in 2022, due to the revenue and cost of sales dynamics mentioned above.

Selling and administrative expenses increased by 12% to US\$1.5 billion in 2023, compared to US\$1.4 billion in 2022, mainly due to higher commissions paid due to sales and volume growth; and high distribution and logistics costs. Selling and administrative expenses as a percentage of net sales improved to 23.0% in 2023 from 24.1% in 2022.

Other expense, net, was US\$41.7 million in 2023 compared to an expense of US\$18.1 million in 2022. The difference of US\$23.6 million was mainly due to losses on GRUMA's foreign exchange hedging positions related to the purchase of corn and the write-off of assets.

Operating income increased by 27% to US\$777.6 million in 2023 compared to US\$610.1 million in 2022, mainly due to the strategies mentioned above. Operating margin expanded to 11.8% in 2023 from 10.9% in 2022.

Comprehensive financing cost, net, increased by 48% to US\$147.6 million in 2023 compared to US\$100.1 million in 2022. This was mainly the result of an increase in debt service reflecting higher working capital needs and adjustments in the benchmark rate.

Income taxes increased by 16% to US\$222.1 million in 2023 compared to US\$190.9 million in 2022 due to higher pre-tax earnings, as a result of the dynamics mentioned above. The effective rate was 35.3% in 2023 versus 37.4% in 2022, mainly due to lower inflation on liabilities.

Net income attributable to controlling interest increased by 35% to US\$429.5 million in 2023 versus US\$319.2 million in 2022, primarily due to the performance mentioned above.

Gruma Corporation

Sales volume decreased by 1% to 1,592 thousand tons in 2023 compared to 1,605 thousand tons in 2022. The decrease was the result of the extraordinary effect of an additional week of operations in this division during the fourth quarter of 2022, which occurs every six years due to the division's fiscal year-end. Without taking into account the extra week of operations, volume would have grown by 1%.

Net sales increased by 14% to US\$3.6 billion in 2023, compared to US\$3.2 billion in 2022. This was a result of the transfer of additional costs to revenues as a result of inflationary effects on GRUMA's cost structure; and a more profitable product mix.

Cost of sales increased by 13% to US\$2.1 billion in 2023 compared to US\$1.9 billion in 2022, due to higher raw material costs; and higher labor costs. As a percentage of net sales, cost of sales improved to 58.8% in 2023 from 59.1% in 2022, due to the revenue and cost dynamics mentioned above.

Selling and administrative expenses increased by 8% to US\$932.5 million in 2023 compared to US\$863.6 million in 2022 as a result of higher commissions paid in line with higher revenues; and higher marketing expenses. As a percentage of net sales, selling and administrative expenses decreased to 25.6% from 27.0% due to the increase in net sales relative to the afore-mentioned expenses.

Other expense, net, were US\$4.4 million in 2023 compared to US\$2.8 million in 2022.

Operating income increased by 28% to US\$565.2 million in 2023 compared to US\$440.9 million in 2022 and operating margin increased to 15.5% from 13.8%.

GIMSA

Sales volume increased by 3% to 2,147 thousand tons in 2023 compared to 2,076 thousand tons in 2022, due to strong demand across our entire product line, particularly from corporate and industrial clients.

Net sales increased by 31% to US\$1.9 billion in 2023 compared to US\$1.5 billion in 2022, primarily due to the managing of inflation on GIMSA's cost structure; and a higher sales volume.

Cost of sales increased by 33% to US\$1.5 billion in 2023 compared to US\$1.1 billion in 2022 primarily due to higher corn costs; and higher volume sold. As a percentage of net sales, cost of sales rose to 77.0% in 2023 from 75.8% in 2022 due to higher costs relative to the sales mentioned above.

Selling and administrative expenses increased by 30% to US\$294.7 million in 2023 compared to US\$226.1 million in 2022 due to royalty payments to the corporate that were not present in 2022; higher

distribution expenses; and higher commissions. Selling and administrative expenses as a percentage of net sales decreased to 15.3% in 2023 from 15.4%.

Other expense, net, were US\$37.7 million in 2023 compared to US\$14.1 million in 2022, mainly due to the volatility in corn prices and its effect on hedges in conjunction with asset write-offs.

Operating income decreased by 4% to US\$111.1 million in 2023 compared to US\$115.6 million in 2022. Operating margin decreased to 5.8% from 7.9% in 2022.

Gruma Europe

Sales volume increased by 2% to 419 thousand tons in 2023 compared to 410 thousand tons in 2022. The corn milling business drove growth stemming from the recovery of demand from the brewing industry and animal feed manufacturers. This performance was mitigated by the tortilla business, whose market showed greater price sensitivity.

Net sales increased by 3% to US\$435.5 million in 2023 compared to US\$420.8 million in 2022 due to the transfer of additional costs to revenues; and a higher sales volume. This growth was mitigated by the increase in the volume sold of corn milling products, which have a lower price tag than tortillas.

Cost of sales decreased by 2% to US\$328.9 million in 2023 compared to US\$334 million in 2022 due to lower raw material costs due to the type of products sold during the period. As a percentage of net sales, cost of sales decreased to 75.5% in 2023 from 79.4% in 2022, mainly due to the decrease in costs relative to sales.

Selling and administrative expenses increased by 7% in 2023 to US\$84.2 million compared to US\$78.9 million in 2022 due to higher royalties paid by this subsidiary to the corporate; and increased marketing expenses to support brand awareness. As a percentage of net sales, selling and administrative expenses increased to 19.3% in 2023 compared to 18.8% in 2022.

Other income, net, increased to US\$1.6 million in 2023 compared to US\$0.7 million in 2022, as a result of energy subsidies.

Operating income increased by 182% to US\$24 million in 2023 compared to US\$8.5 million in 2022, and operating margin increased 350 basis points to 5.5% in 2023 from 2.0% in 2022.

Gruma Centroamérica

Sales volume decreased by 4% to 233 thousand tons in 2023 compared to 243 thousand tons in 2022, mainly due to lower demand for rice products; and sensitivity in corn flour prices at the beginning of the year.

Net sales increased by 13% to US\$365 million in 2023 compared to US\$322.6 million in 2022 due to the transfer of additional costs and expenses to revenues; and a more profitable product mix.

Cost of sales grew by 8% to US\$237.6 million in 2023 from US\$220.2 million in 2022 due to higher raw material costs; and higher labor costs. As a percentage of net sales, it decreased to 65.1% from 68.3%.

Selling and administrative expenses increased by 9% to US\$84.1 million in 2023 compared to US\$77.2 million in 2022, due to higher logistics and distribution costs; and (2) higher marketing costs. As a percentage of net sales, selling and administrative expenses decreased to 23.1% in 2023 from 23.9% in 2022.

Other expense (income), net, was US\$0.8 million in 2023 compared to an income of US\$0.2 million in 2022.

Operating income increased by 67% to US\$42.4 million compared to US\$25.4 million in 2022. Operating margin expanded 370 basis points to 11.6% in 2023 from 7.9% in 2022.

Gruma Asia-Oceania

Sales volume remained flat at 96 thousand tons in 2023 compared to 97 thousand tons in 2022, mainly as a result of the effects of an extra week of operations in the fourth quarter of 2022, which occurs every six years due to this division's fiscal year end. Without the extra week of operations, volume would have increased 2%, as a result of a positive performance by Australia and Malaysia.

Net sales increased by 6% to US\$257.1 million in 2023 compared to US\$241.5 million in 2022 as a result of the implementation of pricing strategies to ward-off inflation and protect profitability.

Cost of sales grew by 2% to US\$182.7 million in 2023 from US\$179.3 million in 2022 due to higher labor costs; and high fuel prices. As a percentage of net sales, it dropped to 71.0% from 74.2%.

Selling and administrative expenses increased 9% to US\$55.5 million in 2023 compared to US\$51 million in 2022, due to higher distribution and logistics costs; higher marketing costs; and higher commissions paid in line with higher revenues. As a percentage of net sales, selling and administrative expenses increased to 21.6% in 2023 from 21.1% in 2022.

Other expense, net, were US\$0.0 million in 2023 compared to US\$0.1 million in 2022.

Operating income increased 70% to US\$19 million in 2023 compared to US\$11.2 million in 2022. Operating margin expanded 280 basis points to 7.4% in 2023 from 4.6% in 2022.

Year Ended December 31, 2022 Compared to Year Ended December 31, 2021

Consolidated Results

For comparative purposes, it should be noted that during the fourth quarter of 2022, performance at Gruma Corporation and Gruma Asia-Oceania reflected the effect of one additional week of operations, in line with the closing of their fiscal year-end accounting, which occurs every six years.

Sales volume increased by 3% in 2022 to 4,329 thousand tons, compared with 4,206 thousand tons in 2021. Strong demand for GRUMA's products across all divisions, mainly in the United States, supported volume growth during the period.

Net sales increased by 21% to US\$5.6 billion in 2022 compared to US\$4.6 billion in 2021, mainly due to a global pricing strategy to transfer cost growth to the top line of the income statement; and volume growth.

Cost of sales increased by 22% to US\$3.6 billion in 2022 compared to US\$3 billion in 2021, driven by higher cost of raw materials; increased cost of labor; and inflated costs for fuel and energy. Cost of sales as a percentage of net sales increased to 64.6% in 2022 from 64.0% in 2021, due to the aforementioned cost increases.

Selling and administrative expenses increased by 18% to US\$1.4 billion in 2022, compared to US\$1.1 billion in 2021. Higher expenses were due to greater commissions paid in light of volume and net sales expansion;

and inflationary pressures on distribution costs. Selling and administrative expenses as a percentage of net sales decreased to 24.1% in 2022 from 24.7% in 2021.

Other expense (income), net, was US\$18.1 million in 2022 compared to an income of US\$34.9 million in 2021. The change of US\$53 million was mainly due to losses on GRUMA's hedging positions.

Operating income increased by 10% to US\$610.1 million in 2022 compared to US\$553.7 million in 2021, mainly due to the aforementioned commercial strategies to offset inflationary pressures, coupled with volume growth. Operating margin contracted to 10.9% in 2022 from 12.0% in 2021.

Comprehensive financing cost, net, increased by 23% to US\$100.1 million in 2022 compared to US\$81.6 million in 2021. This mainly reflected a higher level of indebtedness due to greater net working capital needs during 2022, in addition to a higher reference rate on the debt in pesos as well as on the U.S. Dollar denominated debt.

Income taxes increased by 12% to US\$190.9 million in 2022 compared to US\$169.9 million in 2021 due to higher income before taxes. The effective rate was 37.4% in 2022 as compared to 36.0% in 2021.

Net income attributable to controlling interest increased by 6% to US\$319.2 million in 2022 versus US\$302.2 million in 2021, primarily due to the aforementioned performance.

Gruma Corporation

Sales volume increased by 5% to 1,605 thousand tons in 2022 compared to 1,522 thousand tons in 2021. The increase was mainly generated by both the tortilla and corn flour businesses. Strong demand for "Better for You" products in conjunction with greater growth in tortilla corn products supported tortilla growth, while demand from industrial clients and a consumer preference for home cooking spurred growth in the corn flour business. The corn flour and tortilla businesses grew by 5% and 6%, respectively, as a result of a strong demand and greater brand awareness.

Net sales increased by 23% to US\$3.2 billion in 2022, compared to US\$2.6 billion in 2021 due to the transfer of incremental costs to revenues as a part of GRUMA's commercial strategy due to the impact of inflation; and higher volume sold.

Cost of sales increased by 27% to US\$1.9 billion in 2022 compared to US\$1.5 billion in 2021, due to higher raw material costs; higher labor costs; and greater volume sold. As a percentage of net sales, cost of sales increased to 59.1% in 2022 from 57.5% in 2021, due to the dynamics between revenue and costs mentioned above.

Selling and administrative expenses increased by 18% to US\$863.6 million in 2022 compared to US\$733.8 million in 2021, due to higher distribution and logistics costs; higher commissions paid in line with higher prices; and greater sales volume. As a percentage of net sales, selling and administrative expenses decreased to 27.0% from 28.3% due to the increase in revenues relative to the aforementioned expenses.

Other expense, net, was US\$2.8 million in 2022 compared to US\$1.2 million in 2021.

Operating income increased by 20% to US\$440.9 million in 2022 compared to US\$368.9 million in 2021 and operating margin decreased to 13.8% from 14.2%.

GIMSA

Sales volume increased by 1% to 2,076 thousand tons in 2022 compared to 2,047 thousand tons in 2021, due to a higher demand stemming from inflationary pressures on the consumer; a recovery of clients after the pandemic effects; and normalization of corporate client accounts after the selectivity process carried out in this division.

Net sales grew by 20% to US\$1.5 billion in 2022 compared to US\$1.2 billion in 2021, mainly due to the transferring of additional costs to revenues as a result of inflationary pressures.

Cost of sales increased by 20% to US\$1.1 billion in 2022 compared to US\$933.4 million in 2021 mainly due to higher corn costs and raw materials overall, increased prices of fuel and energy; and greater volume sold. As a percentage of net sales, cost of sales decreased to 75.8% in 2022 from 76.2% in 2021 due to the higher revenue growth relative to costs mentioned above.

Selling and administrative expenses increased by 13% to US\$226.1 million in 2022 compared to US\$199.3 million in 2021 due to higher distribution and logistics costs; and greater volume sold. Selling and administrative expenses as a percentage of net sales decreased to 15.4% in 2022 from 16.3%.

Other expense (income), net was US\$14.1 million in 2022 compared to an income of US\$21.9 million in 2021, mainly due to the volatility of corn prices and its effect on hedging.

Operating income grew by 1% to US\$115.6 million in 2022 compared to US\$114.6 million in 2021. Operating margin decreased to 7.9% versus 9.4% in 2021.

Gruma Europe

Sales volume increased by 5% to 410 thousand tons in 2022 compared to 389 thousand tons in 2021. The corn milling business grew 3% due to strong demand for byproducts and animal feed during the year; increased demand from Southeast Europe as economies recovered from pandemic effects despite the logistics challenges caused by the war in Ukraine. The tortilla business showed an 11% increase mainly due to positive performance in the retail channel due to a greater number of distributors and more demand for GRUMA's products.

Net sales increased by 26% to US\$420.8 million in 2022 compared to US\$334.6 million in 2021 due to the implementation of higher prices in the regions where this division has a presence; and greater volume sold.

Cost of sales increased 29% to US\$334 million in 2022 compared to US\$259 million in 2021 due to higher cost of corn; inflationary pressures on raw materials; increased cost of fuel and energy; and greater volume sold. As a percentage of net sales, cost of sales increased to 79.4% in 2022 from 77.4% in 2021, mainly due to the increase in costs relative to sales made.

Selling and administrative expenses increased by 22% in 2022 to US\$78.9 million compared to US\$64.5 million in 2021 due to increased logistics and distribution costs; higher volume; and higher commissions paid as a result of stronger revenues. As a percentage of net sales, selling and administrative expenses decreased to 18.8% in 2022 compared to 19.3% in 2021 due to higher revenues.

Other income, net, decreased to US\$0.7 million in 2022 compared to US\$16.7 million in 2021, as a result of extraordinary gains from the sale of property and an insurance claim in 2021.

Operating income decreased by 69% to US\$8.5 million in 2022 compared to US\$27.8 million in 2021, and operating margin decreased 630 basis points to 2.0% in 2022 from 8.3% in 2021.

Gruma Centroamérica

Sales volume increased by 3% to 243 thousand tons in 2022 compared to 237 thousand tons in 2021, mainly due to successful marketing efforts; higher distribution; greater availability of SKU's introduced to the market; and economic recovery in the region.

Net sales increased by 22% to US\$322.6 million in 2022 compared to US\$264.1 million in 2021 due to the implementation of price increases during 2022.

Cost of sales grew by 17% to US\$220.2 million in 2022 from US\$187.5 million in 2021 due to higher cost of corn; and increased costs for raw materials in general, including fuel and energy. As a percentage of net sales, it decreased to 68.3% from 71.0%.

Selling and administrative expenses increased by 25% to US\$77.2 million in 2022 compared to US\$61.7 million in 2021 due to greater volume sold; higher distribution and logistics costs; cost growth in fuel and energy; and (higher marketing costs. SG&A as a percentage of net sales, increased to 23.9% in 2022 from 23.4% in 2021.

Other income, net, was US\$0.2 million in 2022 compared to US\$0.4 million in 2021.

Operating income increased by 67% to US\$25.4 million compared to US\$15.2 in 2021. Operating margin expanded 210 basis points to 7.9% in 2022 from 5.8% in 2021.

Gruma Asia-Oceania

Sales volume increased by 1% to 97 thousand tons in 2022 from 95 thousand tons in 2021 primarily due to strong demand from Australia and Malaysia in addition to the paced recovery in China.

Net Sales grew by 1% to US\$241.5 million in 2022 compared to US\$240.2 million in 2021 due to the higher price implementation strategies in 2022; and volume expansion.

Cost of Sales increased by 8% to US\$179.3 million in 2022 from US\$165.7 million in 2021 due to higher raw material costs; challenges brought on by the effects of COVID 19 in the region; and greater volume. As a percentage of net sales, cost of sales increased to 74.2% from 69.0%.

Selling and administrative expenses increased by 3% to US\$51 million in 2022 compared to US\$49.4 million in 2021 due to higher logistics and distribution costs; and greater sales commissions paid due to higher volume sold and higher prices. SG&A as a percentage of net sales increased to 21.1% in 2022 from 20.6% in 2021.

Other expense, net, was US\$0.1 million in 2022 compared to US\$0.0 million in 2021.

Operating income decreased by 55% to US\$11.2 million compared to US\$25.1 in 2021. Operating margin decreased 580 basis points to 4.6% in 2022 from 10.4% in 2021.

Liquidity and Capital Resources

Overview

Historically, we have generated and expect to continue to generate positive cash flow from operations. Cash flow from operations primarily represents inflows from net earnings (adjusted for depreciation and other non-cash items) and outflows from increases in working capital needed to grow our business. Cash flow used in

investing activities represents our investment in property and capital equipment required for our growth, as well as our acquisition activity. Cash flow from financing activities is primarily related to changes in indebtedness borrowed to grow the business or indebtedness repaid with cash from operations or refinancing transactions as well as dividends paid.

Our principal capital needs are for working capital, capital expenditures related to maintenance, expansion and acquisitions and debt service. Our ability to fund our capital needs depends on our ongoing ability to generate cash from operations, overall capacity and terms of financing arrangements and our access to the capital markets. We believe that our future cash from operations together with our access to funds available under such financing arrangements and the capital markets will provide adequate resources to fund our foreseeable operating requirements, capital expenditures, acquisitions and new business development activities.

We fund our liquidity and capital resource requirements, in the ordinary course of business, through a variety of sources, including:

- cash generated from operations;
- committed and uncommitted short-term and long-term lines of credit;
- occasional offerings of medium- and long-term debt; and
- sales of our equity securities and those of our subsidiaries and affiliates from time to time.

Factors that could decrease our sources of liquidity include a significant decrease in the demand for, or price of, our products, each of which could limit the amount of cash generated from operations, and a lowering of our corporate credit rating or any other credit downgrade, which could impair our liquidity and increase our costs with respect to new debt and cause our stock price to suffer. Our liquidity is also affected by factors such as the depreciation or appreciation of the Peso and changes in interest rates. See "—Indebtedness."

As further described below, Gruma, S.A.B. de C.V. is subject to financial covenants contained in its debt agreements which requires it to maintain certain financial ratios, among other limitations. Gruma Corporation is also subject to financial covenants contained in one of its debt agreements which require it to maintain certain financial ratios. A default under any of our existing debt obligations for borrowed money could result in acceleration of the due dates for payment of the amounts owing thereunder and, in certain cases, in a cross-default under some of our existing credit agreements, including our Debt Securities (*Certificados Bursatiles*) Gruma 21 and Gruma 22, as well as the indenture governing our 2014 Notes. See "—Indebtedness."

Under some credit agreements, we are required to maintain a net leverage ratio no greater than 3.50:1, and an interest coverage ratio no lower than 2.5:1.

Gruma Corporation is required to maintain an overall net leverage ratio no greater than 3.5:1x and an interest coverage ratio no lower than 2:5:1. See "—Indebtedness." As of September 30, 2024, Gruma Corporation's net leverage net ratio was 0.25:1, therefore, the applicable interest rate range under the Gruma Corporation Revolving Credit Facility (as defined below) in case of disposition was SOFR + 125 bps.

The Primary Shareholder Group may pledge part of its shares in us to secure any future borrowings. If there is a default and the lenders enforce their rights against any or all of these shares, the Primary Shareholder Group could lose control over us and a change of control could result. A change of control could trigger a default in some of our credit agreements, which could then trigger a default in our other debt documents. A change of control could also constitute a Change of Control Triggering Event (as defined in each of the Indentures), which

would require us to offer to repurchase the notes. Such a default or change of control offer could have a material adverse effect upon our business, financial condition, results of operations and prospects. For more information about this pledge, see "Principal Shareholders."

Our long-term corporate credit ratings are "BBB+" and "BBB" with a stable outlook by Fitch and positive outlook by Standard & Poor's, respectively. On August 26, 2021, Fitch improved the credit rating of Gruma to BBB+ from BBB due to its solid business position, recognized brands, geographical diversification, favorable demographic and consumer trends. On July 31, 2024 Standard & Poor's added the positive outlook to its rating. According to S&P, the positive outlook on the global scale rating reflects the potential for an upgrade on the global scale to 'BBB+' in the next 12-24 months if the company consistently keeps its net debt to EBITDA below 1.5x despite top-line headwinds.

In addition, the issuance of Debt Securities (*Certificados Bursátiles*) in the Mexican market are rated as "AAA (mex)" and "mxAAA" by Fitch and Standard & Poor's, respectively. We also have a short-term rating of "F1+(mex)" and "mxA-1+" in the national scale by Fitch and Standard & Poor's respectively. A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revisions or withdrawals at any time.

On September 25, 2018 the CNBV authorized our short- and long-term revolving Debt Securities (*Certificados Bursátiles*) program for a total amount of Ps.8 billion through resolution number 153/12315/2018, limiting the short-term issuances to Ps.3 billion. The program was authorized for a 5-year term. The first issuance under this program was on September 27, 2018 for Ps.3 billion, and the second issuance was on May 21, 2021 for Ps.2 billion.

On October 10, 2022, the CNBV authorized through resolution number 153/3331/2022 our short and long term revolving Debt Securities (*Certificados Bursátiles*) program for a total amount of Ps.10 billion, limiting the short-term issuances not to exceed Ps.3 billion. This program replaced the program authorized on September 25, 2018. Several issuances may be made under the program, provided however, that the outstanding principal of the totality of the outstanding Debt Securities (*Certificados Bursátiles*) does not exceed the total authorized amount of the program. Each issuance of the Debt Securities (*Certificados Bursátiles*) as per the program will have its own specifications in terms of amount, date, term, interest rate, periodicity of interest payments, among others, which will be agreed to and documented in each issuance. The program will have a 5-year term. The first issuance under this program was issued on October 13, 2022 for Ps.4.5 billion. As of September 30, 2024, the total outstanding balance of the Debt Securities (*Certificados Bursátiles*) was Ps.4.5 billion.

If our financial condition deteriorates, we may experience declines in our credit ratings, with attendant consequences. Our access to external sources of financing, as well as the cost of that financing, may be adversely affected by a deterioration of our long-term debt ratings. A downgrade in our credit ratings may increase the cost of and/or limit the availability of unsecured financing, which may make it more difficult for us to raise capital when necessary. If we cannot obtain adequate capital on favorable terms, or at all, our business, operating results and financial condition would be adversely affected. However, management believes that its working capital and available external sources of financing are sufficient for our present requirements.

Liquidity

The following table shows the principal sources and uses of cash in the years ended December 31, 2021, 2022 and 2023 and for the nine months ended September 30, 2023 and 2024:

Year Ended December 31,			Nine Months Ended September 30,	
2021	2022	2023	2023	2024
(in thousands of Dollars)				

Resources provided by (used in):

Operating activities	US\$ 560,948	US\$ 300,266	US\$ 740,979	US\$ 472,229	US\$ 637,785
Investing activities	(258,164)	(298,360)	(183,539)	(123,173)	(141,543)
Financing activities	(347,637)	34,622	(499,109)	(290,245)	(306,414)

Operating Activities

In the nine months ended September 30, 2024, net cash generated from operating activities was US\$637.8 million, which includes working capital used of US\$205.7 million, of which US\$20.3 million was due to an increase in accounts receivable, US\$79.2 million reflected an increase in inventory, US\$13.8 million reflected a decrease in accounts payable and US\$196.2 million of income tax paid.

In the nine months ended September 30, 2023, net cash generated from operating activities was US\$472.2 million which includes working capital used of US\$277.3 million, of which US\$2.5 million was due to a decrease in accounts receivable, US\$29 million reflected an increase in inventory, US\$108.6 million reflected a decrease in accounts payable and US\$158.9 million of income tax paid.

Investing Activities

In the nine months ended September 30, 2024, net cash used in investing activities was US\$141.5 million, primarily attributable to investments for capacity expansions, general manufacturing upgrades and efficiency improvements in our subsidiaries in the U.S., Europe, Mexico and Asia and Oceania by US\$164.6 million.

In the nine months ended September 30, 2023, net cash used in investing activities was US\$123.2 million, primarily attributable to an investment for capacity expansions, general manufacturing upgrades and efficiency improvements in our subsidiaries in the U.S., Europe, Mexico and Asia and Oceania by US\$154.6 million.

Financing Activities

In the nine months ended September 30, 2024, cash used for financing activities was US\$306.4 million, of which US\$415.7 million reflected payments of debt, US\$429.4 million of proceeds from borrowings, US\$72.1 million in cash interest payments, US\$63.7 million in payments of liabilities and interest of leases, US\$82.2 million of dividends paid to our shareholders and US\$102.1 million of acquisition of own shares.

In the nine months ended September 30, 2023, cash used for financing activities was US\$290.2 million, of which US\$928.8 million reflected payments of debt, US\$875.8 million of proceeds from borrowings, US\$91 million in cash interest payments, US\$56.2 million in payments of liabilities and interest of leases, US\$84.1 million of dividends paid to our shareholders and US\$6 million of acquisition of own shares.

Indebtedness

As of September 30, 2024, we had total outstanding debt, excluding leases, aggregating US\$1,474 million. As of September 30, 2024, 76% of our long-term debt was Dollar-denominated, 22% was denominated in Pesos, and 2% was denominated in Euros. As of September 30, 2024, approximately 53% of our outstanding long-term indebtedness bore interest at fixed rates and approximately 47% bore interest at floating rates, with almost all Dollar and Peso floating-rate indebtedness bearing interest based on SOFR and TIE. From time to time, we partially hedge our interest rate and foreign exchange rate exposures. For more information about our interest rate and foreign exchange rate exposures, see "—Quantitative and Qualitative Disclosures About Market Risk."

On November 27, 2024, we drew down certain of our revolving credit facilities (see "Summary—Recent Developments— Payment of 2014 Notes") to pay down the 2014 Notes at maturity. As of the date of this offering memorandum, we drew down US\$100 million from the 2022 Revolving Credit Facility and US\$150 million from the BBVA Revolving Credit Facility (each as defined under "— *Credit Facilities*" below), which will be paid down with the proceeds of the notes offered hereby. In addition, the proceeds of the notes offered hereby will be used to prepay the US\$250 million 2019 Long-Term Loan, the US\$200 million 2021 Long-Term Credit Facility in full and US\$100 million of the US\$125 million 2024 Revolving Credit Facility (each as defined under "— *Credit Facilities*" below). See "Use of Proceeds."

The following description summarizes material terms of certain of our and our subsidiaries' credit arrangements, including a description of certain covenants contained in such credit arrangements. We are currently in compliance with these covenants. The following description is only a summary and does not purport to describe all of the terms of the credit arrangements that may be important.

Debt Securities

Debt Securities (Certificados Bursátiles) Gruma 22

As part of the short and long-term Debt Securities (*Certificados Bursátiles*) program for an amount of up to Ps.10 billion authorized on October 10, 2022, we issued long-term Debt Securities (*Certificados Bursátiles*) in the local debt market on October 13, 2022, for a total amount of Ps.4.5 billion, for a 5-year term and accruing interest at a rate of 28-day THIE plus 29 basis points. The underwriters were Casa de Bolsa Banorte, S.A. de C.V., Casa de Bolsa BBVA México, S.A. de C.V., Grupo Financiero BBVA México and Scotia Inverlat, S.A. de C.V. Casa de Bolsa, Grupo Financiero Scotiabank Inverlat. The proceeds were used for the payment of debt, including the early payment of the Gruma18 CEBURES.

The securities contain covenants that, in certain cases, limit our ability and our subsidiaries', among other things, to create liens; make certain investments or other restricted payments; merge or consolidate with other companies or sell a substantial part of our assets. See "Liquidity and Capital Sources—Overview" above for further details on the program.

Debt Securities (Certificados Bursátiles) Gruma 21

As part of the short and long-term Debt Securities (*Certificados Bursátiles*) program for an amount of up to Ps.8 billion authorized on September 25, 2018, we issued long-term Debt Securities (*Certificados Bursátiles*) in the local debt market on May 21, 2021, for a total amount of Ps.2 billion, for a 7-year term. The Debt Securities (*Certificados Bursátiles*) accrue interest at a fixed rate of 7.00%. The underwriters (intermediarios colocadores) were Casa de Bolsa Banorte, S.A. de C.V., Grupo Financiero Banorte, Casa de Bolsa BBVA México, S.A. de C.V., Grupo Financiero BBVA México, and Scotia Inverlat, S.A. de C.V. Casa de Bolsa, Grupo Financiero Scotiabank Inverlat. The proceeds were used to pay a 2018 syndicated facility denominated in pesos in full.

The securities contain covenants that, in certain cases, limit our ability and our subsidiaries', among other things, to create liens; make certain investments or other restricted payments; merge or consolidate with other companies or sell a substantial part of our assets. See "—Liquidity and Capital Sources—Overview" above for further details on the program.

Debt Securities (Certificados Bursátiles) Gruma 18

As part of the short and long-term Debt Securities (*Certificados Bursátiles*) program for an amount of up to Ps.8 billion authorized on September 25, 2018, on September 27, 2018 we issued long-term Debt Securities

(*Certificados Bursátiles*) in the local debt market, for a total amount of Ps.3 billion, for a 5-year term. The Debt Securities (*Certificados Bursátiles*) accrue interests at a 28-day THIE rate plus 38 basis points. The underwriters (*intermediarios colocadores*) were Casa de Bolsa Santander, S.A. de C.V., Grupo Financiero Santander, Citibanamex Casa de Bolsa, S.A. de C.V., Casa de Bolsa, integrante del Grupo Financiero Citibanamex, and Scotia Inverlat, S.A. de C.V., Casa de Bolsa, Grupo Financiero Scotiabank Inverlat. The proceeds were used to pay short-term bank loans in Mexican Pesos. The securities may be paid in advance, in full, as from September 23, 2021. See "Liquidity and Capital Sources—Overview" above for further details on the program.

The securities contain covenants that, in certain cases, limit our ability and our subsidiaries', among other things, to create liens; make certain investments or other restricted payments; merge or consolidate with other companies or sell a substantial part of our assets. In February 2019, we entered into an interest rate hedging transaction for the Debt Securities (*Certificados Bursátiles*) resulting in a fixed interest rate of 8.52% for the entire term of the Debt Securities (*Certificados Bursátiles*).

On October 20, 2022, the Gruma 18 CEBURES were paid in full with the proceeds of the Gruma 22 CEBURES.

Debt Securities (144A/ RegS) Gruma 2014 Notes

On December 5, 2014, we issued US\$400 million aggregate principal amount of the 2014 Notes. The 2014 Notes mature on December 1, 2024 and have a make-whole redemption option exercisable by us at any time, as well as a redemption option without a make-whole premium exercisable by us at any time beginning on the date that is three months prior to the scheduled maturity of the notes. We used the net proceeds of the issuance of the 2014 Notes primarily to redeem and extinguish the US\$300 million 7.75% senior unsecured perpetual bonds issued in December 2004 and redeemed in full in 2014. The indenture governing the 2014 Notes contains covenants including limitations on liens, limitations on sale-leaseback transactions, and limitations on consolidations, mergers and transfers of a substantial part of assets. The 2014 Notes matured on December 1, 2024 and were repaid in full. See "Summary—Recent Developments—Payment of 2014 Notes".

Credit Facilities

2024 Revolving Credit Facility

On April 22, 2024, we entered into a committed credit facility for US\$125 million with Scotiabank Inverlat, S.A. Institución de Banca Múltiple, Grupo Financiero Scotiabank Inverlat (the "2024 Revolving Credit Facility"). Our objective in entering into the 2024 Revolving Credit Facility was to replace our 2022 Long-Term Credit Facility for US\$125 million with Bank of Nova Scotia. The credit line has the same maturity date as the 2022 Long-Term Credit Facility, of September 27, 2027, but includes the option to extend the line of credit for an additional year. The interest rate on the credit line is 1M SOFR plus a 110-basis point spread.

The 2024 Revolving Credit Facility contains covenants that require us to maintain a ratio of consolidated EBITDA (as defined in the 2024 Revolving Credit Facility) to interest charges of no less than 2.5x and a Maximum Net Leverage Ratio (as defined in the 2024 Revolving Credit Facility) of no more than 3.50x. The 2024 Revolving Credit Facility limits our ability and that of our subsidiaries in certain cases, among other things, to: create liens; make certain investments or other restricted payments; merge or consolidate with other companies or sell a substantial part of our assets; and enter into hedging transactions for speculative purposes. Additionally, it limits our subsidiaries' ability to incur in additional indebtedness under certain circumstances.

On April 24, 2024, we drew on the 2024 Revolving Credit Facility in an amount of US\$125 million, and the funds were used to prepay the entire 2022 Long-Term Credit Facility. We intend to prepay US\$100 million of this facility with the proceeds of the notes offered hereby. See "Use of Proceeds."

2023 Long-Term Credit Facility

On July 26, 2023, the Company obtained a loan for US\$140 million with equal participation from BBVA México, S.A. Institución de Banca Múltiple, Grupo Financiero BBVA México, acting as the lead bank, and Banco Mercantil del Norte, S.A., Insitución de Banca Múltiple, Grupo Financiero Banorte (the "2023 Long-Term Credit Facility"). The credit facility has a 5-year maturity period, is payable in a single payment upon maturity, and has quarterly interest payments at a rate of three-month SOFR plus a spread of 130-basis points. The proceeds were mainly used to reduce the use of contracted committed revolving credit lines.

The 2023 Long-Term Credit Facility contains covenants that require us to maintain a ratio of consolidated EBITDA (as defined in the 2023 Long-Term Credit Facility) to interest charges of no less than 2.5x and a Maximum Net Leverage Ratio of no more than 3.50x. The 2023 Long-Term Credit Facility limits our ability and that of our subsidiaries in certain cases, among other things, to: create liens; make certain investments or other restricted payments; merge or consolidate with other companies or sell a substantial part of our assets; and enter into hedging transactions for speculative purposes. Additionally, the covenants limit our subsidiaries' ability to incur in additional indebtedness under certain circumstances. As of September 30, 2024, the outstanding balance on this credit facility was US\$140 million.

Gruma Corporation Revolving Credit Facility

In October 2006, Gruma Corporation entered into a US\$100 million 5-year revolving credit facility with a syndicate of financial institutions (the "Gruma Corporation Revolving Credit Facility"). This facility was refinanced in June 2011 and extended to US\$200 million for an additional 5-year term. In November 2012, the facility was increased to US\$250 million. On November 24, 2014, Gruma Corporation extended the revolving credit facility for US\$250 million and extended its maturity to November 2019. In May 2019, the Gruma Corporation Revolving Credit Facility was extended the facility once again for US\$250 million and an extended maturity to May 2024. On July 11, 2023 Gruma Corporation extended the maturity for an additional 5-year term and increased the amount to US\$265 million with a spread above SOFR ranging between 125 and 190 basis points (including a SOFR adjustment of 10 basis points), depending on the leverage of the Company.

The Gruma Corporation Revolving Credit Facility contains financial covenants that require it to maintain a ratio of consolidated EBITDA (as defined in the Gruma Corporation Revolving Credit Facility) to interest charges of not less than 2.5x and a Maximum Net Leverage Ratio of no more than 3.50x. Additionally, this credit facility contains covenants that limit Gruma Corporation's ability to merge or consolidate with other companies and limit the ability of Gruma Corporation and certain of its subsidiaries, to: create liens; make certain investments or restricted payments; enter into any agreement that restricts dividend payments; and become involved in certain transactions with affiliates, among others

In case of an event of default under the credit facility, Gruma Corporation will be prohibited to pay any cash dividends to the Company. The aforementioned covenants and other covenants could limit Gruma Corporation's ability to support our liquidity and capital requirements.

As of September 30, 2024, the 2021 Gruma Corporation Revolving Credit Facility was in force with no outstanding balance.

2022 Revolving Credit Facility

On September 30, 2022, we obtained a 5-year revolving credit facility for up to US\$100 million with Bank of America, N.A., Coöperatieve Rabobank U.A., New York Branch, ("Rabobank"), with Rabobank acting as the administrative agent (the "2022 Revolving Credit Facility"). The interest rate is one-month SOFR plus a 10-basis point adjustment plus a 105 basis point spread.

The 2022 Revolving Credit Facility contains covenants that require us to maintain a ratio of consolidated EBITDA (as defined in the 2022 Revolving Credit Facility) to interest charges not less than 2.5x and a Maximum Net Leverage Ratio of not more than 3.50x. The 2022 Revolving Credit Facility limits our ability and our subsidiaries' ability in certain cases, among other things, to: create liens; make certain investments or other restricted payments; merge or consolidate with other companies or sell a substantial part of our assets; and enter into hedging transactions for speculative purposes. Additionally, the facility limits our subsidiaries' ability to incur additional indebtedness under certain circumstances.

As of September 30, 2024, the 2022 Revolving Credit Facility was in force with no outstanding balance. On November 27, 2024, we drew down US\$100 million from the 2022 Revolving Credit Facility, which will be paid down with the proceeds of the notes offered hereby. See "Summary—Recent Developments—Payment of 2014 Notes" and "Use of Proceeds."

2022 Long-Term Credit Facility

On September 23, 2022, we obtained a credit facility for US\$125 million granted by The Bank of Nova Scotia (the "2022 Long-Term Credit Facility"), with a 5-year maturity, payable in a single payment upon maturity and with monthly interest payments at a rate of SOFR plus a 100-basis point spread. The proceeds were used to pay other credit facilities.

The 2022 Long-Term Credit Facility contains covenants that require us to maintain a ratio of consolidated EBITDA (as defined in the 2022 Long-Term Credit Facility) to interest charges of not less than 2.5x and a Maximum Net Leverage Ratio of not more than 3.50x. The 2022 Long-Term Credit Facility limits our ability and our subsidiaries in certain cases, among other things, to: create liens; make certain investments or other restricted payments; merge or consolidate with other companies or sell a substantial part of our assets; and enter into hedging transactions for speculative purposes. Additionally, it limits our subsidiaries' ability to incur additional indebtedness under certain circumstances.

On April 24, 2024, the 2022 Long-Term Credit Facility was paid in full with the proceeds from the 2024 Revolving Credit Facility.

BBVA Revolving Credit Facility

On July 28, 2022, we obtained a 5-year credit facility for US\$150 million granted by BBVA México, S.A. Institución de Banca Múltiple, Grupo Financiero BBVA México, with an interest rate of one-month SOFR plus a 100-basis point spread ("the BBVA Revolving Credit Facility").

The BBVA Revolving Credit Facility contains covenants that require us to maintain a ratio of consolidated EBITDA (as defined in the BBVA Revolving Credit Facility) to interest charges not less than 2.5x and a Maximum Net Leverage Ratio of not more than 3.50x. The BBVA Revolving Credit Facility limits our ability and our subsidiaries in certain cases, among other things, to create liens; make certain investments or other restricted payments; merge or consolidate with other companies or sell a substantial part of our assets; and enter

into hedging transactions for speculative purposes. Additionally, it limits our subsidiaries' ability to incur additional indebtedness under certain circumstances.

As of September 30, 2024, the BBVA Revolving Credit Facility was in force with no outstanding balance. On November 27, 2024, we drew down US\$150 million from the BBVA Revolving Credit Facility, which will be paid down with the proceeds of the notes offered hereby. See "Summary—Recent Developments—Payment of 2014 Notes" and "Use of Proceeds."

2021 Revolving Credit Facility

On June 3, 2021, we obtained a 5-year revolving credit facility for US\$250 million granted by Bank of America, N.A., Rabobank, Credit Agricole Corporate and Investment Bank, JPMorgan Chase Bank, N.A. and The Bank of Nova Scotia (the "2021 Revolving Credit Facility"), with Rabobank acting as the administrative agent. In May 2023, an amendment to the agreement was agreed upon to formalize the migration to a SOFR reference rate according to the mechanisms agreed upon in the original agreement. As a result of the amendment, the interest rate of the credit line transitioned from a LIBOR rate plus a 115-basis point spread to a daily SOFR rate plus a 126.45-basis point spread.

The 2021 Revolving Credit Facility contains covenants that require to maintain a ratio of consolidated EBITDA (as defined in the 2021 Revolving Credit Facility) to interest charges of not less than 2.5x and a Maximum Net Leverage Ratio of no more than 3.50x. The 2021 Revolving Credit Facility limits our ability, and our subsidiaries' ability in certain cases, among other things to, create liens; make certain investments or other restricted payments; merge or consolidate with other companies or sell substantially all of our assets; and enter into hedging transactions for speculative reasons. Additionally, it limits our subsidiaries' ability to incur additional indebtedness under certain circumstances.

As of September 30, 2024, the 2021 Revolving Credit Facility was in force with no outstanding balance.

2021 Long-Term Credit Facility

On March 30, 2021, we obtained a credit facility for US\$200 million granted with The Bank of Nova Scotia and Bank of America Mexico, S.A., Institución de Banca Múltiple (the "2021 Long-Term Credit Facility"), with a 5 year maturity, payable in a single exhibition upon maturity and quarterly interest payments at a rate of LIBOR plus a spread of 100 basis points. The proceeds were used to prepay the 2017 Syndicated Facility and other short-term liabilities.

On June 23, 2023, an amendment to the agreement was agreed upon to formalize the migration to a SOFR reference rate according to the mechanisms agreed upon in the original agreement. As a result of the amendment, the interest rate of the credit transitioned from a LIBOR rate plus a 100-basis point spread to a daily SOFR rate plus a 111.45-basis point spread.

The 2021 Long-Term Credit Facility contains covenants that require us to maintain a ratio of consolidated EBITDA (as defined in the 2021 Long-Term Credit Facility) to interest charges not less than 2.5x and a Maximum Net Leverage Ratio of not more than 3.50x. The 2021 Long-Term Credit Facility limits our ability and our subsidiaries in certain cases, among other things, to: create liens; make certain investments or other restricted payments; merge or consolidate with other companies or sell a substantial part of our assets; and enter into hedging transactions for speculative purposes. Additionally, it limits our subsidiaries' ability to incur additional indebtedness under certain circumstances. As of September 30, 2024, the outstanding balance on this credit facility was US\$200 million. We intend to repay this loan in full with the proceeds of the notes offered hereby. See "Use of Proceeds."

2019 Long-Term Loan

On December 17, 2019, we obtained a US\$250 million loan from The Bank of Nova Scotia (the "2019 Long-Term Loan") with a 6-year maturity including a one-year extension option as of the loan's second anniversary. The loan has a fixed annual interest rate of 2.789% and the proceeds were used to pay short-term debt in pesos.

The 2019 Long-Term Loan contains covenants that require us to maintain a ratio of consolidated EBITDA (as defined in the 2019 Long-Term Loan credit agreement) to interest charges of not less than 2.5x and a Maximum Net Leverage Ratio of no more than 3.50x. The 2019 Long-Term Loan limits our ability and our subsidiaries' in certain cases, among other things, to: create liens; make certain investments or other restricted payments; merge or consolidate with other companies or sell a substantial part of our assets; and enter into hedging transactions for speculative purposes. Additionally, it limits our subsidiaries' ability to incur additional indebtedness under certain circumstances. As of September 30, 2024, the outstanding balance on this credit facility was US\$250 million. We intend to repay this loan in full with the proceeds of the notes offered hereby. See "Use of Proceeds."

Mission Foods Iberia Loan

On October 16, 2019, our European subsidiary, Mission Foods Iberia, S.A.U., obtained a loan from Banco Bilbao Vizcaya Argentaria, S.A., with GRUMA as the guarantor, for a total of €45 million with five principal payments of EUR9 million from the third to the seventh anniversary of the loan. The loan accrues interests at a fixed annual rate of 0.95% and the proceeds were used to finance investments in Europe.

The Mission Foods Iberia Loan limits our ability and our subsidiaries' in certain cases, among other things, to: create liens; make certain investments or other restricted payments; merge or consolidate with other companies or sell a substantial part of our assets; and enter into hedging transactions for speculative purposes. As of September 30, 2024, the outstanding balance on this credit facility was €27 million (US\$30.2 million). The outstanding balance on this credit facility as of September 30, 2024 has been translated into U.S. Dollars for convenience purposes only, using the exchange rate of €1.1189 per US\$1.00 (the closing exchange rate published by the Mexican Central Bank on September 30, 2024). This translation should not be construed as a representation that the Euro amounts represent, have been or could have been converted into, U.S. Dollars at such or at any other exchange rate.

2018 Syndicated Facility in Pesos

On September 27, 2018, we obtained a 3- year syndicated facility for Ps.2 billion with Bank of America Mexico, S.A., Institución de Banca Múltiple, BBVA México, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México, and HSBC México, S.A., Institución de Banca Múltiple, Grupo Financiero HSBC, Scotiabank Inverlat, S.A., Institución de Banca Múltiple, Grupo Financiero Scotiabank Inverlat, ("Scotiabank"), with Scotiabank acting as administrative bank. As per the syndicated facility, we had the obligation to pay monthly interest at a rate of 28-day THIE plus a margin of 55 basis points. The principal under this facility is payable upon maturity. Proceeds from this facility were used to pay short term bank loans in Mexican Pesos.

The 2018 Syndicated Facility in Pesos contains covenants that require us to maintain a ratio of consolidated EBITDA (as defined in the 2018 Syndicated Facility in Pesos) to interest charges of not less than 2.5x, and a Maximum Net Leverage Ratio of not more than 3.50x. The 2018 Syndicated Facility in Pesos limited our ability and our subsidiaries in certain cases, among other things, to: create liens; make certain investments or other restricted payments; merge or consolidate with other companies or sell a substantial part of our assets; and

enter into hedging transactions for speculative purposes. Additionally, it limited our subsidiaries' ability to incur additional indebtedness under certain circumstances.

On May 21, 2021 the 2018 Syndicated Facility in Pesos was paid in full, mainly with the proceeds from the Gruma 21 CEBURES.

2017 Syndicated Facility

On April 21, 2017, we obtained a 5-year syndicated credit facility for up to US\$400 million with Banco Nacional de México, S.A., Integrante del Grupo Financiero Banamex, Bank of America, N.A., The Bank of Tokyo-Mitsubishi Ufj, Ltd., Coöperatieve Rabobank U.A., (before Coöperatieve Centrale Raiffeisen Boerenleenbank B.A.) New York Branch, ("Rabobank"), JPMorgan Chase Bank, N.A. and The Bank of Nova Scotia, (the "2017 Syndicated Facility") with Rabobank acting as administrative agent. The credit facility is composed of a 5-year credit facility for US\$150 million and a 5-year committed revolving credit facility for US\$250 million, from which an initial amount of US\$66 million was disbursed. The interest rate for both lines of credit is LIBOR plus a spread of 100 basis points. The 2017 Syndicated Facility contains covenants that require us to maintain a ratio of consolidated EBITDA (as defined in the 2017 Syndicated Facility) to interest charges of not less than 2.5x, and to maintain a Maximum Ratio of Total Funded Debt to EBITDA (as defined in the 2017 Syndicated Facility) of not more than 3.50x. The 2017 Syndicated Facility limited our ability, and our subsidiaries' ability in certain cases, among other things to, create liens; make certain investments or other restricted payments; merge or consolidate with other companies or sell substantially all of our assets; and enter into hedging transactions for speculative reasons. Additionally, it limited our subsidiaries' ability to incur additional indebtedness under certain circumstances.

On March 31, 2021, the term loan balance was prepaid with the proceeds from the 2021 Long-Term Credit Facility. On June 3, 2021 the Company made an early termination of the committed revolving credit line, terminating the respective contract.

Other Information

Our credit agreements currently in force and mentioned above contain event of default provisions, which include: (i) non-payment default regarding principal or interests; (ii) cross default in connection with other of our indebtedness; (iii) affirmative and negative covenants; (iv) declaration or request of bankruptcy, liquidation or proceedings seeking *concurso mercantil*; (v) delivery of false or incorrect material information and (vi) changes of control. The foregoing events of default are applicable pursuant to the terms and conditions set forth in such credit agreements, including without limitation certain exceptions and baskets and cure periods.

As of December 31, 2023 and September 30, 2024, we were in compliance with all of the covenants and obligations under our existing debt agreements.

As of December 31, 2023 and September 30, 2024, we had committed lines of credit for the amount of US\$765 million and US\$890 million, respectively, from banks in the United States, Canada, Europe and Mexico, of which we had drawn US\$0 million and US\$125 million, respectively. As of December 31, 2021 and December 31, 2022, we had committed lines of credit for the amount of US\$500 million and US\$750 million, respectively, of which we had drawn US\$0 million and US\$150 million, respectively.

During 2023, the Company managed the transition plan for LIBOR rates. We executed amendment agreements to facilitate the migration from LIBOR to SOFR, in line with market practices for existing contracts. Additionally, new financings and credit facilities with variable rates in dollars contracted during 2022 and 2023

were negotiated with interest rates based on SOFR. Consequently, starting in June 2023, all variable rate debt in dollars used SOFR as the reference rate.

As of December 31, 2023 and September 30, 2024, we had total cash and cash equivalents of US\$350 million and US\$498 million, respectively.

The following table presents our contractual cash flow amortization requirements by year with respect to our total indebtedness as of September 30, 2024.

	<u>(in millions of US\$)</u>
2024	410
2025	260
2026	210
2027	354
2028	242
Total	<u>1,476</u>

The following table sets forth our ratios of consolidated debt to total capitalization (i.e., consolidated debt plus total stockholders' equity) and consolidated liabilities to total stockholders' equity as of the dates indicated. For purposes of these ratios, consolidated debt includes short-term debt.

Date	Ratio of Consolidated Debt to Total Capitalization	Ratio of Consolidated Liabilities to Total Stockholders' Equity
December 31, 2021	0.51	1.66
December 31, 2022	0.58	2.06
December 31, 2023	0.51	1.54
September 30, 2024	0.49	1.44

Capital Expenditures

Our capital expenditure program continues to be primarily focused on our core businesses and markets. Capital expenditures for 2021, 2022, 2023 and for the nine months ended September 30, 2024 were US\$286 million, US\$298 million, US\$211 million and US\$165 million, respectively. During 2021, capital expenditures were primarily applied to the (i) Indianapolis Plant; (ii) the purchase of the Olympic Plant; (iii) the expansion of the Borox Plant in Spain; and (iv) land acquisition for Azteca Milling's wastewater projects in Evansville. During 2022 and 2023, capital expenditures were applied primarily to the (i) Indianapolis Plant; (ii) the expansion of the Dallas Plant; (iii) additional wheat and chip lines at the A&O division; (iv) land acquisition for the Azteca Milling wastewater projects at the Madera Plant; (v) land acquisitions in Monterrey; (vi) maintenance for GIMSA and (vii) the new plant in Foshan, China.. In the nine months ended September 30, 2024, capital expenditures were applied to (i) expansion of the capacity of the new tortilla plant in Foshan, China; (ii) land acquisition for the Puebla and Mérida Mission Plants; and (iii) general upgrades and maintenance for GIMSA.

We have budgeted approximately US\$250 million for capital expenditures in 2024, which we intend to use mainly to continue with the expansion of the capacity of the new tortilla plant in Foshan, China, along with

the continuation of improvements in wastewater treatment at the corn flour plants, in addition to various manufacturing and technology upgrades. We anticipate financing these expenditures throughout the year through internally generated funds.

For more information on capital expenditures for each subsidiary, please refer to the discussion for each subsidiary in "Business—Operations and Capital Expenditures" section below.

Contractual Obligations and Commercial Commitments

We have commitments under certain firm contractual arrangements to make future payments for goods and services. These firm commitments secure the future rights to various assets to be used in the normal course of operations. For example, we are contractually committed to making certain minimum lease payments for the use of property under lease agreements. The following table summarizes separately our material firm commitments as of September 30, 2024 and the timing and effect that such obligations are expected to have on our liquidity and cash flow in future periods. In addition, the table reflects the timing of principal and interest payments on outstanding debt, which is discussed in "—Indebtedness." We expect to fund the firm commitments with operating cash flow generated in the normal course of business.

	Payments Due By Period				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
	<i>(in millions of Dollars)</i>				
Short and long-term debt.....	US\$ 1,476	US\$ 410	US\$ 595	US\$ 471	US\$ -
Short and long term lease liability.....	511	72	120	74	245
Purchase obligations(1).....	438	359	76	3	-
Interest payable short and long term debt(2).....	191	72	107	12	-
Trade accounts.....	283	283	-	-	-
Derivative financial instruments.....	5	5	-	-	-
Total.....	US\$ 2,904	US\$ 1,201	US\$ 898	US\$ 560	US\$ 245

(1) Purchase obligations relate to our minimum commitments to purchase commodities, raw materials, machinery and equipment.

(2) In the determination of our future estimated interest payments on our floating rate denominated debt, we used the interest rates in effect as of September 30, 2024.

Off Balance Sheet Arrangements

As of December 31, 2023 and September 30, 2024, we did not have any off balance sheet arrangements.

Internal Controls

We carried out an evaluation under the supervision and with the participation of our management, including our Chief Executive Officer, Chief Financial Officer and Chief Administrative Officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of December 31, 2023. There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives. Based upon our evaluation, our Chief Executive Officer, Chief Financial Officer and Chief Administrative Officer concluded that our disclosure controls and procedures were effective to provide reasonable

assurance that information required to be disclosed by us in the reports that we file or submit is recorded, processed, summarized and reported within the time periods specified in the applicable rules and forms, and that it is accumulated and communicated to our management, including our Chief Executive Officer, Chief Financial Officer and Chief Administrative Officer, as appropriate to allow timely decisions regarding required disclosure.

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Under the supervision and with the participation of our management, including our Board of Directors, Chief Executive Officer, Chief Financial Officer, Chief Administrative Officer and other personnel, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in Internal Control—Integrated Framework (v.2013) by the Committee of Sponsoring Organizations of the Treadway Commission.

Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS as issued by IASB. Our internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of our assets that could have a material effect on our financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Based on our evaluation under the framework in Internal Control—Integrated Framework (v.2013), our management concluded that our internal control over financial reporting was effective as of December 31, 2023.

Quantitative and Qualitative Disclosures about Market Risk

We are exposed to market risks arising from changes in commodity prices, interest rates, foreign exchange rates, and equity prices. We use derivative instruments from time to time, on a selective basis, to manage these risks. Our risk management policy prohibits us from entering into derivative financial instruments for trading purposes with the aim of obtaining profits based on changes in market values. However, the use of financial derivative instruments for hedging purposes is allowed if used with the objective of mitigating risks and associated with a hedged item that is relevant to our business activities. We maintain and control our treasury operations and overall financial risk through practices approved by our senior management.

Interest Rate Risk

We depend upon debt financing transactions, including debt securities, bank and vendor credit facilities and leases, to finance our operations. All such financial instruments, are entered into for other than trading purposes. These transactions expose us to interest rate risk, with the primary interest-rate risk exposure resulting from changes in the relevant base rates (mostly SOFR and to a lesser extent, TIIIE) which are used to determine the interest rates that are applicable to borrowings under our credit facilities. We are also exposed to interest rate risk in connection with refinancing of maturing debt. As of September 30, 2024, we had US\$781.3 million of fixed-rate debt and US\$692.9 million in floating-rate debt. A hypothetical 100 basis point increase or decrease in interest rates would have an impact of US\$7.8 million on the fair value of our fixed rate debt.

The following table sets forth, as of September 30, 2024, principal cash flows and the related weighted average interest rates by expected maturity dates for our debt obligations.

	Maturity Date					Total
	2024	2025	2026	2027	Thereafter	
	<i>(in millions of Dollars, except percentages)</i>					
Debt						
Fixed Rate	410	260	10	-	102	782
Average Rate	4.78%	2.72%	0.95%	-	7.00%	4.34%
Floating Rate	-	-	200	354	140	694
Average Rate	-	-	5.94%	9.39%	6.56%	7.83%

From time to time, we use derivative financial instruments such as interest rate swaps for purposes of hedging a portion of our debt, in order to reduce our exposure to interest rates risks. Some of these contracts, may not qualify for accounting treatment as hedging transactions. Since 2018, we have not entered into any interest rate swap transactions. As of September 30, 2024 we did not have any interest rate derivatives.

Foreign Exchange Rate Risk

Our net sales are denominated in U.S. Dollars, Mexican Pesos and other currencies. During the nine months ended September 30, 2024, 56% of our revenues were generated in Dollars, 27% in Pesos and 17% in other currencies. In addition, as of September 30, 2024, 65% of our total assets were denominated in currencies other than Pesos, particularly Dollars. A significant portion of our operations is financed through Dollar-denominated debt.

We believe that we have natural foreign exchange hedges incorporated in our balance sheet, in significant part because we have subsidiaries outside Mexico, and the Peso-denominated value of our equity in these subsidiaries is also exposed to fluctuations in exchange rates. The value of this net investment hedge as of September 30, 2024 is of US\$1,115 million. Changes in the Peso value of equity in our subsidiaries caused by movements in foreign exchange rates are recognized as a component of equity. See Note 4 to our Annual Audited Financial Statements.

As of September 30, 2024, 76% of our contractual debt obligations were denominated in Dollars. The following table sets forth information concerning our U.S. Dollar-denominated contractual debt as of September 30, 2024. The table does not reflect our Dollar sales or our Dollar-denominated assets.

	Maturity Date					Total	Fair Value
	2024	2025	2026	2027	Thereafter		
	<i>(in millions of Dollars)</i>						
Dollar denominated debt	400	250	200	125	140	1,115	1,068

As indicated in Notes 4A and 20 C to our Annual Audited Financial Statements and Note 10 to our Interim Unaudited Financial Statements, during the nine months ended September 30, 2024, we entered into forward transactions primarily to hedge the Peso to Dollar foreign exchange rate risk related to the price of corn purchases for the summer and winter corn harvests in Mexico. These foreign exchange rate derivative financial instruments qualified for hedge accounting treatment as cash flow hedge and the changes in its value were recognized at fair value in other comprehensive income. As of September 30, 2024, the fair value of the open positions of foreign exchange derivative instruments was favorable US\$5.4 million. The operations of these

instruments terminated throughout the nine months ended September 30, 2024 represented a favorable effect of US\$12.5 million.

We recognized our currency derivative instruments at fair value. The purpose of these contracts was to hedge the risks related to exchange rate fluctuations on the price of corn which is denominated in Dollars.

Commodity Price Risk

The availability and price of corn, wheat and other agricultural commodities, as well as fuels, are subject to wide fluctuations due to factors outside our control, such as weather, plantings, government (domestic and foreign) farm programs and policies, changes in global demand/supply and global production of similar and competitive crops, as well as hydrocarbons. We hedge a portion of our production requirements through commodity futures, swaps and options contracts in order to reduce the risk created by price fluctuations and supply of corn, wheat, natural gas, diesel and soybean oils which exist as part of ongoing business operations.

During the nine months ended September 30, 2024, we entered into hedging transactions through commodity futures, swaps and options for a portion of our requirements. Changes in the fair value of derivatives are recorded each period in earnings or accumulated in other comprehensive income in stockholders' equity, depending on whether the derivative qualifies as a cash flow hedges and is effective as part of a hedge transaction. Ineffectiveness results when the change in the fair value of the hedge instruments differs from the change in the fair value of the hedged item. For hedge transactions that qualify and are effective, gains and losses are deferred until the underlying asset or liability is settled, and then are recognized as part of that transaction. Gains and losses which represent hedge ineffectiveness and derivative transactions that do not qualify for hedge accounting are recognized in the income statement.

Terminated commodity derivative financial instruments that qualified as hedges represented an unfavorable effect of US\$44.9 million for the nine months ended September 30, 2024. At the end of September 30, 2024 the fair value of the outstanding commodity derivative financial instruments had a favorable value of US\$0.9 million. For more detail see Note 10 to our Interim Unaudited Financial Statements. From time to time we may hedge commodity price risks utilizing futures and options strategies that do not qualify for hedge accounting. As a result of non-qualification, these derivative financial instruments would be recognized at their estimated fair values and are marked to market with the associated effect recorded in current period earnings. For 2023 and the nine months ended September 30, 2024, we did not recognize any positions that did not qualify as hedge accounting or any ineffective hedge portions which would result in any impact to the income statement.

BUSINESS

Overview

GRUMA was founded in 1949, when Mr. Roberto González Barrera started producing and selling nixtamalized corn flour in Northeastern Mexico as raw material for producing tortillas and other corn-based products. Prior to our founding, all corn tortillas were made through the corn dough method, or *nixtamal* (the "Traditional Method"). Today, both the Traditional Method, as well as the nixtamalized corn flour method are used. In addition, corn flour and the dough prepared through the Traditional Method can be mixed in various proportions to produce tortillas and other corn-based products. Our main nixtamalized corn flour operations are in Mexico and the United States, and, to a lesser extent, in Central America and Europe.

We are a holding company and one of the world's main tortilla and corn flour producers. With leading brands in most of our markets, we have operations in the United States, Mexico, Central America, Europe, Asia, and Oceania. We are headquartered in San Pedro Garza García, Mexico, and have approximately 25,000 employees and 75 manufacturing facilities. Our shares are publicly traded in Mexico, listed on the BMV and registered in the RNV. We are organized as a *sociedad anónima bursátil de capital variable* under the laws of Mexico.

We believe we are one of the main producers of nixtamalized corn flour and tortillas in the United States and one of the main producers of nixtamalized corn flour in Mexico. In addition, we believe that we are also an important producer of nixtamalized corn flour and tortillas in Central America, of tortilla and other flatbreads, including pita, naan, chapatti, pizza bases and piadina in Europe, Asia and Oceania, and of corn grits in Europe and the Middle East.

Our focus has been and continues to be the efficient and profitable expansion of our core business—nixtamalized corn flour and tortilla. We pioneered the nixtamalized corn flour method of tortilla production, which features significant opportunities for growth. Using our know-how, we will seek to encourage tortilla and other corn-based products manufacturers in the United States, Mexico, Central America, and elsewhere to use nixtamalized corn flour in the production of the same.

We had net sales of US\$6,576 million and US\$4,932 million for the year ended December 31, 2023 and the nine months ended September 30, 2024, respectively. Our total assets were US\$4,747 million as of September 30, 2024. Our market capitalization was US\$6.8 billion as of September 30, 2024.

U.S. Operations

Gruma Corporation

Gruma Corporation operates primarily through its Mission Foods division, which produces tortillas and related products, and through Azteca Milling, a limited partnership wholly owned by Gruma Corporation, which produces nixtamalized corn flour. For the year ended December 31, 2023, Mission Foods and Azteca Milling represented 78% and 22% of Gruma Corporation sales, respectively. We believe Gruma Corporation is one of the leading producers of tortillas and related products throughout the United States, as well as one of the main producers of nixtamalized corn flour in the United States.

Overview

Main Products

Mission Foods manufactures corn and wheat tortillas and related products (which include tortilla chips) mainly under the MISSION®, GUERRERO® and CALIDAD® brand names in the United States. By continuing to build MISSION® into a strong national brand for the general consumer market, GUERRERO® into a strong Hispanic consumer-focused brand and CALIDAD® as our value brand in tortillas and chips, we expect to increase Mission Foods' market penetration, brand awareness and profitability. Azteca Milling manufactures nixtamalized corn flour in the United States under the MASECA® brand, and, to a lesser extent, under our value brand TORTIMASA®. For the year ended December 31, 2023, Mission Foods and Azteca Milling had sales volumes of 909 thousand tons and 951 thousand tons, respectively.

Sales and Marketing

Mission Foods' products are marketed in both retail and food service channels. In the United States, retail customers represented approximately 83% of our sales volume in the nine months ended September 30, 2024, including supermarkets, mass merchandisers, membership stores and smaller independent stores. Our food service customers include major chain restaurants, food service distributors, schools, hospitals and the military.

For the U.S. tortilla market, Mission Foods' current marketing strategy is to focus on core products and drive organic, profitable, and sustainable growth, while creating a strong value proposition for our consumers through superior consumer knowledge and understanding, continuous product innovation with emphasis on healthy alternatives, excellence in customer service and effective marketing programs. Mission Foods promotes its products primarily through merchandising programs with supermarkets, and, to a lesser extent, joint promotions with other companies' products that may be complementary to ours. We believe these efforts, among other factors, have contributed to greater consumer awareness and household penetration. Mission Foods also targets food service companies and works with its clients to address their individual needs and provide them with a full line of products. Mission Foods continuously attempts to identify new customers and markets for its tortillas and related products.

Azteca Milling sold approximately 28% of the nixtamalized corn flour it produces to Mission Foods' plants throughout the United States in the nine months ended September 30, 2024. Azteca Milling's third-party customers consist largely of other tortilla manufacturers, corn chip producers, retail customers and wholesalers. Azteca Milling sells nixtamalized corn flour in various quantities, ranging from one-pound retail packages to bulk railcar loads.

We believe that the growing consumption of Mexican-style foods by non-Hispanics will continue to increase demand for tortillas and tortilla related products, particularly wheat flour tortillas. Additionally, we believe that demand for tortilla and other related products will continue to increase, driven by the fact that tortillas are no longer solely used in Mexican food; for example, tortillas are also used for wraps. Growth in the U.S. nixtamalized corn flour market is also driven by the increase of the Hispanic population in the United States, the consumption of tortillas and tortilla chips by the general consumer market, and stronger and increased distribution of nixtamalized corn flour. Additionally, the growth in the U.S. nixtamalized corn flour market is also attributable to the conversion of tortilla and tortilla chip producers from the Traditional Method to the nixtamalized corn flour method.

Competition and Market Position

We believe Mission Foods is one of the main producers of tortillas and related products throughout the United States. We believe the tortilla market is highly fragmented, regional in nature and extremely competitive. Mission Foods' main competitors in the United States are hundreds of tortilla producers who manufacture locally or regionally and tend to be sole proprietorships. However, a few competitors have a presence in several U.S. regions such as Olé Mexican Foods, La Tortilla Factory, El Milagro and Reser's Fine Foods, among others. In addition, a few large companies compete with Mission Foods, for example, Tyson, General Mills, Hormel Foods, Flower Foods and Bimbo.

Competitors within the corn flour milling industry include Bunge, Cargill, LifeLine Foods, and Hari Masa. Azteca Milling competes with these corn flour manufacturers in the United States primarily on the basis of superior quality, technical support, customer service and brand recognition.

Operations and Capital Expenditures

Annual total production capacity for Gruma Corporation is estimated at 1.5 million tons as of September 30, 2024, with an average utilization of 87% in the nine months ended September 30, 2024. The average size of our plants as of September 30, 2024 was approximately 14,275 square meters (about 153,650 square feet).

Capital expenditures for 2021, 2022, 2023 and for the nine months ended September 30, 2024 were US\$152 million, US\$156 million, US\$87 million, and US\$46 million, respectively, and were primarily used for the construction of a new plant, capacity expansions, and general manufacturing and technology upgrades. Capital expenditures for such period were also used for: (i) acquisition of the Olympic plant building, (ii) completing construction of a new plant in Indianapolis, Indiana, and acquiring land adjacent to the Indianapolis plant for potential future expansions in Indiana, (iii) the expansion of our Dallas plant, (iv) the reopening of our Omaha plant, (v) adding flour silos to the Plainview plant, (vi) adding silos for non-transgenic products in our Amarillo plant (vii) the purchase of the land for the Madera plant, and (viii) continued improvements to the wastewater treatment system of the corn flour plants, among other projects. .

Gruma Corporation's projected capital expenditures for 2024 are approximately US\$66 million, mainly for the expansion of the capacity of the new tortilla plant in Indianapolis, Indiana and the continued improvements to the wastewater treatment system of corn flour plants, in addition to various manufacturing and technology upgrades at existing plants.

Mission Foods has 21 tortilla and other related product plants throughout the United States. Mission Foods is committed to offering the best quality products to its customers through the implementation of the American Institute of Baking ("AIB") food safety standards, and Global Food Safety Initiative ("GFSI") recognized certification schemes such as Safe Quality Food ("SQF"). Additionally, our plants are regularly evaluated by other third-party organizations and customers.

All of the Mission Foods manufacturing facilities have earned either a superior or excellent category rating from the AIB-GMP (Good Manufacturing Practice) audits. All of Mission Foods' plants in the United States have earned the SQF certification.

Azteca Milling produces nixtamalized corn flour at six plants located in Amarillo, Edinburg and Plainview, Texas; Evansville, Indiana; Henderson, Kentucky and Madera, California. The majority of our plants are located within important corn growing areas. Due to Azteca Milling's manufacturing processes, all six facilities located in the United States have achieved SQF (Safe Quality Food) certification. Further, Azteca Milling implements a GMP's (Good Manufacturing Practices) inspection plan of the AIB institute.

Seasonality

We believe there is no significant seasonality in our products, however certain products tend to experience a slight volume increase during the summer months. Tortillas and tortilla chips sell year round, with special peaks during the summer, when we increase our promotion and advertising by taking advantage of several holidays and major sporting events. Tortilla and tortilla chip sales decrease slightly towards the end of the year when many Mexicans go back to Mexico for the holidays. Sales of nixtamalized corn flour fluctuate seasonally as demand is higher in the fourth quarter during the holidays because of the higher use of nixtamalized corn flour in certain Mexican food recipes that are very popular during this time of the year.

Raw Materials

Corn is the principal raw material used in the production of nixtamalized corn flour. Azteca Milling buys corn only from local farmers and grain sellers that agree to supply varieties of corn approved for human consumption. Azteca Milling tests and monitors its raw material purchases for the presence of corn not approved for human consumption. In addition, Azteca Milling applies certain testing protocols to incoming raw materials to identify genetically modified products not approved for human consumption.

Because corn prices tend to be volatile, Azteca Milling engages in a variety of hedging activities in connection with the purchase of its corn supplies, including the purchase of corn futures contracts. In so doing, Azteca Milling attempts to assure corn availability approximately 12 months in advance of harvest time and gradually guard against price volatility during the year prior to harvest, with the objective of obtaining most of the hedging several months in advance. The Texas Panhandle currently is the single largest source of food-grade corn. Azteca Milling is also involved in short-term contracts for corn procurement with many corn suppliers. If suppliers fail to deliver, Azteca Milling can easily access the spot markets. Azteca Milling does not anticipate any difficulties in securing adequate corn supplies in the future.

Nixtamalized corn flour for Mission Foods' U.S. operations is supplied by Azteca Milling, and to a much lesser extent, by GIMSA.

Wheat flour for the production of wheat tortillas is purchased from third party producers. Mission Foods believes the market for wheat flour is sufficiently large and competitive to ensure that wheat flour will be available at competitive prices to supply our needs.

Distribution

An important element of Mission Foods' sales growth has been the expansion and improvement of its products' distribution network. Mission Foods' products are distributed in the United States to stores or DSD through direct distribution, and to a much smaller extent, through warehouse distribution. Store or DSD direct distribution is carried out through Independent Distributors, who deliver tortillas, corn chips and other products on a daily basis or several times per week, depending on the customer's needs and its requirements. Mission Foods legally recognizes its Independent Distributors as independent service providers and not as employees. (See "Risk Factors—Risks related to the United States").

The vast majority of nixtamalized corn flour produced by Azteca Milling in the United States is sold to tortilla and tortilla chip manufacturers and is delivered directly from our plants to the customers' manufacturing facilities by third parties. To the lesser extent, an important part of our sales goes to wholesalers. Azteca Milling's retail market is primarily serviced by a network of independent distributors, although a few large retail customers have their corn flour delivered directly to them from the plants.

Mexican Operations

Our largest business in Mexico is the manufacturing of nixtamalized corn flour, which we conduct through our subsidiary GIMSA. Our other subsidiaries engage in the manufacturing of tortillas and other related products in Mexico, conduct research and development regarding nixtamalized corn flour and tortilla manufacturing equipment, produce machinery for nixtamalized corn flour and tortilla production and construct our nixtamalized corn flour manufacturing facilities.

Overview

Main Products

GIMSA produces nixtamalized corn flour in Mexico, which is then used as a raw material in the preparation of tortillas and other corn-based products.

GIMSA sells nixtamalized corn flour in Mexico mainly under the brand name MASECA®, which is a fine-textured, mixed-ready corn flour that becomes dough when water is added. This corn dough can then be pressed to an appropriate thickness, cut to shape and cooked to produce tortillas and similar food products.

GIMSA produces over 50 varieties of nixtamalized corn flour for the manufacture of different food products which are developed to meet the requirements of our different types of customers according to the kind of products they produce and markets they serve.

Sales and Marketing

GIMSA sells packaged nixtamalized corn flour in bulk mainly to tortilla and other corn-based products manufacturers, including corn chips and snack manufacturers. Moreover, we sell 20-kilogram sacks of nixtamalized corn flour to tortilla producers, as well as much larger sacks and bulk are sold to big snack producers. Additionally, GIMSA sells corn flour in the retail market in one-kilogram packages, mostly for domestic use.

Retail sales of nixtamalized corn flour are channeled to two distinct markets: urban centers and rural areas. Sales to urban consumers are made mostly through supermarket chains that use their own distribution networks or through wholesalers who sell the product to smaller grocery stores throughout Mexico. Sales to rural areas are made principally through the government that operates social distribution programs through a network of small stores which supply communities in rural areas with basic food products.

The following table sets forth GIMSA's bulk and retail sales volume of corn flour, and other products for the periods indicated.

	<u>Nine Months</u>		<u>Year Ended December 31,</u>				
	<u>Ended</u>						
	<u>September 30,</u>						
	<u>2024</u>	<u>2023</u>		<u>2022</u>		<u>2021</u>	
	<u>Tons</u>	<u>%</u>	<u>Tons</u>	<u>%</u>	<u>Tons</u>	<u>%</u>	<u>Tons</u>
	<u>(in thousands of tons, except percentages)</u>						
Corn flour:							
Bulk.....	1,313	83	1,758	82	1,707	82	1,682
Retail.....	271	17	387	18	367	18	362
Other.....	2	-	2	-	2	-	3
Total.....	1,586	100	2,147	100	2,076	100	2,047

Mexico's tortilla industry is highly fragmented, consisting of approximately 110,000 *tortillerías*, most of which continue to utilize, the Traditional Method of tortilla production, while some use corn flour and some others mix dough prepared through the Traditional Method and corn flour in various proportions. We estimate that the Traditional Method accounts for approximately two-thirds of all tortillas produced in Mexico and that approximately one-quarter of the corn dough used to produce tortillas in Mexico is made with our nixtamalized corn flour.

GIMSA is aware of the dynamism of the Mexican market. In order to adapt quickly and to anticipate new customers' needs, GIMSA continued diversifying its sales force in specialized teams to be able to satisfy different types of customers, focusing primarily on increasing product availability and achieving higher market coverage. During 2023, we continued working on implementing a comprehensive strategy that includes the following initiatives regarding products, services, and marketing:

- initiatives designed to better serve our current customers and strengthen commercial relations with our existing customers, primarily by offering personalized customer service and sales programs to our customers, as well tailoring special promotions to every type of customer;
- initiatives designed to increase coverage, particularly in regions with low nixtamalized corn flour consumption, developing sales formats which enable us to reach all of our customers, regardless of their size or location;
- achieve higher product availability and proximity to customers, through the opening of more distribution centers and direct delivery to their facilities.
- assistance to customers in the implementation of new operation methods through training and technical assistance, which help them to achieve cost reductions and enable them to increase the profitability of their business; penetration and sales;
- assistance to customers in the development of new higher margin products, reflecting consumers' trends;
- develop specific flours to satisfy the needs and requirements of our clients;
- provide assistance and financing for the acquisition or renewal of equipment for the manufacturing of tortillas and other corn-related products, taking into consideration the type of machinery required by each customer; and

- develop tailor made programs and marketing promotions to attract new customers and increase corn flour consumption in certain market segments.

Competition and Market Position

GIMSA faces competition in the market for raw materials for producing tortillas and other corn-based products on three levels—(i) from corn used by tortilla producers to make dough through the Traditional Method on their premises, (ii) corn dough produced industrially through the Traditional Method and distributed to tortillerías and manufacturers of other corn-based products, and (iii) other corn flour producers, such as Minsa Group, Hari Masa, Cargill, Molinos Anahuac, among others. Our greatest challenge to expand in the corn flour market is the widespread and persistent use of the Traditional Method.

Operations and Capital Expenditures

GIMSA currently owns 18 nixtamalized corn flour mills, all of which are located throughout Mexico, typically within corn growing regions and those of large tortilla consumption. GIMSA has one plant located in Celaya, which has been inactive since February 2006.

Annual total production capacity for GIMSA is estimated at 2 million tons as of September 30, 2024, with an average utilization of 95% in the nine months ended September 30, 2024. The average size of our plants as of September 30, 2024, was approximately 23,788 square meters (approximately 256,052 square feet).

GIMSA's capital expenditures for 2021, 2022, 2023 and for the nine months ended September 30, 2024 were US\$49 million, US\$49 million, US\$60 million and US\$54 million, respectively, and were primarily used to upgrade technology, maintenance, storage capacity expansion and purchase of transportation equipment. GIMSA currently projects total capital expenditures during 2024 of approximately US\$71 million, which will be used primarily for general manufacturing and technology upgrades.

Each of GIMSA's nixtamalized corn flour facilities uses proprietary technology developed by our technology and equipment operations. For more information about our in-house technology and design initiatives, see "Business—Technology and Equipment Operations" and "Summary—Organizational Structure—INTESA."

Seasonality

The demand for nixtamalized corn flour varies slightly with the seasons, with some minor increases during the December holidays.

Raw Materials

Corn is the principal raw material required for the production of nixtamalized corn flour, and constituted 57% of GIMSA's cost of sales for the nine months ended September 30, 2024. We purchase corn primarily from Mexican growers and grain elevators, and from international markets, provided that such corn complies with the quality requirements established in Mexico, usually at international prices based on the Chicago Board of Trade futures. GIMSA's corn purchases are made through Compañía Nacional Almacenadora.

We believe that the diverse geographic locations of GIMSA's production facilities in Mexico enable GIMSA to achieve savings in raw material transportation and handling. In addition, by sourcing corn locally for its plants, GIMSA is better able to communicate with local growers concerning the size and quality of the corn crop and is better able to maintain quality control.

Domestic corn prices in Mexico typically follow trends in the international market. During most periods, the price at which GIMSA purchases corn depends on the price of corn in the international market and the peso-dollar exchange rate. As a result, corn prices are sometimes unstable and volatile. Additionally, in the past, the Mexican government has supported the price of corn. For more information regarding the government's effect on corn prices, see "Risk Factors—Risks Related to Mexico—*Our business operations could be affected by government policies in Mexico*" and "Business— Governmental Regulation."

In addition to corn, other important materials and resources used in the production of nixtamalized corn flour are packaging materials, water, lime, additives and energy. GIMSA believes that its sources of supply for these materials and resources are adequate, although these inputs' costs tend to be volatile.

Distribution

We have our own sales teams that are capable of servicing all sales channels, which allows us to know and serve our clients' needs. GIMSA's products are distributed mainly through independent transport firms and, to a lesser extent, using our own fleet, particularly for small tortilla producing customers. Most of GIMSA's sales are made ex-works at GIMSA's plants.

European Operations

We conduct our European operations principally through our division Gruma Europe, which manufactures tortillas, corn chips, several types of flatbreads and other related products through Mission Foods Europe. Gruma Europe also manufactures corn grits and nixtamalized corn flour, and other related products, through Azteca Milling Europe. In 2000, Gruma Europe opened its first European tortilla and corn chips plant in Coventry, England, marking our entry into the European market. Since then, our operations have expanded to Italy, Russia, Turkey, Ukraine and Spain.

Overview

Main Products

Mission Foods Europe manufactures tortillas, flatbreads (such as naan, pita and chapatti), corn chips and other related products under the MISSION DELI®, MISSION®, DELICADOS® and MEXIFOODS® brands and through private label. Azteca Milling Europe manufactures mainly corn grits and in a lesser extent, nixtamalized corn flour (under the MASECA® brand), as well as byproducts for the manufacture of animal feed. Additionally, Azteca Milling Europe also commercializes corn, especially in Turkey.

Sales and Marketing

The products of Mission Foods Europe are mainly marketed in the retail (domestic and regional supermarket chains and small retailers) and in the food service channels (wholesalers, restaurants, cafeterias, hotels and fast-food chains). Approximately 51% of Mission Foods Europe's sales volume is sold through the retail channel and 49% through the food service channel. Most of the sales volume of Azteca Milling Europe is sold in bulk to beer, snacks, corn chips and taco shell manufacturers.

Competition and Market Position.

We believe Mission Foods Europe is an important manufacturer of tortillas and related products in Europe, our main competitors in the region are Grupo Paulig, General Mills and Aryzta, among others. We believe Azteca Milling Europe is an important producer of nixtamalized corn flour and corn grits in Europe,

among our competitors in the region are DACSA, Codrico Rotterdam and Limagrain/Westhove, in addition to several regional mills.

Operations and Capital Expenditures.

Annual total production capacity for Gruma Europe is estimated at 548 thousand metric tons as of September 30, 2024, with an average utilization of 73% in the nine months ended September 30, 2024. The average size of our plants as of September 30, 2024 was approximately 11,544 square meters (about 124,253 square feet).

Capital expenditures for 2021, 2022, 2023 and for the nine months ended September 30, 2024 were US\$46 million, US\$13 million, US\$10 million, and US\$12 million, respectively, and were primarily used for the automation of the packaging area in the tortilla plant in England, as well as capacity expansions in Spain. Gruma Europe's projected capital expenditures for 2024 are expected to be approximately US\$19 million, mainly for manufacturing and technology upgrades.

Mission Foods Europe has six plants, two plants in England, two plants in Russia and two plants in Spain. Azteca Milling Europe has three plants, which are located in Italy, Ukraine, and Turkey.

Seasonality.

We believe there is no seasonality in our products, however there is a slight sales volume increase during summer.

Raw Materials.

Corn is the main raw material used in our operations of Azteca Milling Europe and is obtained mainly from local farmers. Azteca Milling Europe only purchases corn from farmers and grain elevators that commit to supply varieties of corn approved for human consumption. Azteca Milling Europe tests and monitors its corn purchases to reject purchases for corn not approved for human consumption. In addition, Azteca Milling Europe applies certain testing protocols to incoming raw materials to identify genetically modified organisms not approved for human consumption. Azteca Milling Europe does not anticipate any difficulties in securing adequate corn supplies in the future.

Corn and wheat flour are the main raw materials for the manufacture of Mission Foods Europe's products. Wheat flour is purchased mainly from local producers and nixtamalized corn flour is supplied mainly by our corn mill in Italy.

Distribution.

The vast majority of nixtamalized corn flour and corn grits produced by Azteca Milling Europe is sold to beer, snacks, corn chips and taco shells manufacturers and is delivered directly from our plants to the customer. We also supply customers in several industries like cereals and polenta, among others.

Mission Foods Europe's customers are primarily serviced by a network of distributors and independent transportation firms, additionally part of our sales are delivered directly to customers at our plants.

Central American Operations

In 1972, we entered the Costa Rican market. Our operations since then have expanded into Guatemala and Honduras, as well as Ecuador, which we include as part of our Central American operations.

Overview

Main Products

Gruma Centroamérica produces nixtamalized corn flour, and to a lesser extent, tortillas and snacks. We also cultivate hearts of palm and process rice. We believe we are an important nixtamalized corn flour producer in the region. We sell nixtamalized corn flour under the MASECA®, TORTIMASA®, MASARICA®, JUANA® and MIMASA® brands. In Costa Rica, we sell tortillas under the TORTIRICAS®, DEL FOGON®, LUISANA®, and MISSION® brands, as well as tortilla chips, extruded snacks, potato chips and similar products under the TOSTY®, RUMBA®, BRAVOS®, PAPIOLA® and TRONADITAS® brands. Hearts of palm are produced in Costa Rica and Ecuador under LA CIMA ® brands and are exported to numerous European countries as well as the United States, Canada, Mexico, Argentina, and Chile.

Sales and Marketing

86% of Gruma Centroamérica's sales volume in the nine months ended September 30, 2024 were derived from the sale of nixtamalized corn flour. Gruma Centroamérica nixtamalized corn flour bulk sales are oriented predominantly to wholesale customers, supermarkets, other traditional retailers, small tortilla manufacturers, industrial and agro-industrial clients through direct delivery and distributors. Wholesalers, supermarkets, and other traditional retailers make up the customer base for retail nixtamalized corn flour. Bulk sales volume represented approximately 37% and retail sales represented approximately 63% of Gruma Centroamérica's nixtamalized corn flour sales volume in the nine months ended September 30, 2024.

Competition and Market Position

We believe that we hold a strong position in the nixtamalized corn flour market in Central America. We consider that there is significant potential for growth in Central America as the majority of tortilla manufacturers use the Traditional Method. We believe that we are a principal producer of tortillas and snacks in Costa Rica.

Within the corn flour industry, the brands of our main competitors are: Del Comal, Doña Blanca, Selecta, Capitalina, Maturave, Oro Maya, Bachosa, Instamasa and Doña Arepa. However, our key growth opportunity is to continue creating value for clients with our MASECA® brand and to convert tortilla manufacturers that still use the Traditional Method to our corn flour method.

Operations and Capital Expenditures

We had an annual installed production capacity of 293 thousand tons for corn flour and other products as of September 30, 2024, with an average utilization of approximately 86% during the nine months ended September 30, 2024. We operate one nixtamalized corn flour plant in each of Costa Rica, Honduras, and Guatemala, for a total of three plants throughout the region. In Costa Rica, we also have one plant producing tortillas, one plant producing snacks, one plant processing hearts of palm and one plant processing rice. In Guatemala we have a small plant that produces corn chips and in Ecuador we have a small facility which processes hearts of palm. On average, the size of our plants as of September 30, 2024 was approximately 7,662 square meters (approximately 82,474 square feet).

Capital expenditures for 2021, 2022, 2023 and for the nine months ended September 30, 2024 were US\$5 million, US\$8 million, US\$7 million, and US\$8 million, respectively and were oriented towards technology upgrades and general maintenance. Capital expenditures for 2024 are projected to be US\$15 million, which will be used primarily for capacity expansion for corn flour and general manufacturing and technology upgrades.

Seasonality

Typically, nixtamalized corn flour sales volume is lower during the first and fourth quarters of the year, as compared to the second and third quarter, mainly due to the fluctuation of corn prices in the local market of each country, and in the other categories, the sales volume is higher in the fourth quarter, particularly in Costa Rica, due to an increased consumption of dishes based on nixtamalized corn flour, of tortillas and snacks, due to the proximity to Christmas and New Year.

Raw Materials

Corn is the most important raw material needed in our operations, representing 40% of the cost of sales during the nine months ended September 30, 2024, and is obtained primarily from imports from the United States and from local growers. Price fluctuation and volatility are subject to international and domestic conditions, such as crop results.

Asia and Oceania Operations

We conduct our operations in Asia and Oceania primarily through our Gruma A&O division, which produces tortillas, corn chips, pizza bases, various types of flatbreads and other related products. In 2006, Gruma A&O began operations with the purchase of two plants in Australia and its first tortilla and corn chip plant in China. In 2007 it acquired a plant in Malaysia specializing in the production of flatbreads (wraps, pizza bases, wheat tortilla, pita bread, naan, and chapati), to expand the product portfolio. In 2008 the Australian plants in Melbourne were consolidated into a single plant with modern and automatic equipment to better serve the market, and in 2016 a new plant was built in Malaysia to increase its production capacity and service the local and international market.

Overview

Main Products

Gruma A&O manufactures corn and wheat flour tortillas, wraps, pizza bases, flatbreads (such as naan, pita and chapatti), corn chips and other related products under the MISSION® and ROSITAS® brands and through private labels.

Sales and Marketing

Gruma A&O's products are marketed primarily through retail channels (national and regional supermarket chains and small grocery stores) and the institutional channel (wholesalers, restaurants, cafeterias, hotels and fast-food chains). Approximately 38% of Gruma A&O's sales volume is sold through the retail channel, and 62% through the institutional channel.

We believe that Gruma A&O is a major producer of tortillas and related products in Asia and Oceania.

Competition and Market Position.

Our main competitors in the region are General Mills, True Foods, Eagle Foods, San Diego, Tropicana, Mai Wang, Xi Shi, Kawan, Tyson Foods, and Signature Brand.

Operations and Capital Expenditures.

As of September 30, 2024, we had an installed production capacity of 125 thousand tons, with an average utilization rate of approximately 80% during the nine months ended September 30, 2024. The average size of our plants was approximately 16,000 square meters (approximately 172,000 square feet) as of September 30, 2024. Gruma A&O has three plants, one in Australia, one in Malaysia and one in China.

Capital expenditures for 2021, 2022, 2023 and for the nine months ended September 30, 2024 were US\$14 million, US\$19 million, US\$19 million, and US\$14 million respectively, and were mainly for capacity expansions and building adaptations in Malaysia and Australia. Gruma A&O's estimated capital expenditures for 2024 are expected to be approximately US\$20 million, mainly for the termination of the construction of the tortilla and pizza bases plant in China (Foshan), for capacity expansion in the area, as well as capacity expansions of chips and the construction of a warehouse in Australia.

Seasonality.

We believe there is no seasonality in our products; however, there has been a slight increase in sales in the last four months of the year.

Raw Materials.

At Gruma A&O, wheat flour and corn flour are the main raw materials used in the production of its products. Wheat flour is purchased primarily from local producers and nixtamalized corn flour from our own mills in the United States and Mexico.

Distribution.

Gruma A&O serves its customers primarily through a network of distributors and independent transportation companies, additionally a portion of the sales are delivered to the customers directly at our plants.

Our Strengths

Throughout our history, we have developed a series of competitive strengths upon which we have built a successful business model. We believe that our key competitive strengths are:

Global leadership in tortilla and corn flour segments

We believe GRUMA is a global leader in the tortillas and corn flour industry with a robust brand recognition, diverse market presence and strong customer loyalty in most of the markets in which we operate. We operate 75 plants and employ approximately 25,000 employees in multiple geographies, resulting in US\$6.6 billion in sales and US\$1 billion in EBITDA for the year ended December 31, 2023. We believe we are an important market participant in our primary markets, in the tortilla category in the United States through our MISSION® and GUERRERO® brands and in the corn flour category through our MASECA® brand in the United States, Mexico and Central America. Our brands have a strong presence in Central America, Europe, Asia,

and Oceania. We believe our understanding of customers and consumers' needs and preferences allows us to offer them an attractive mix of high-quality products and superior service.

Diversified portfolio across geographies, categories & distribution channels

With a global footprint, an extensive portfolio of diverse products across multiple categories, and a robust multi-channel sales strategy, we leverage our worldwide reach to drive growth and meet consumer needs in the United States, Mexico, Central America, Europe, Asia & Oceania. Our main categories include corn, wheat tortillas, derivative products (flatbreads, corn chips, salty snacks and taco shells, among others), and corn flour. Tortillas and derivative products are sold through our various channels, which include retail through domestic and regional supermarkets, membership stores, mass merchandisers, among others, food service which includes major chain restaurants, food service distributors, traditional "mom & pops" and quick service restaurants. Corn flour distribution is divided into retail and industrial channels where we sell our products ranging from retail packages to bulk loads. For the year ended December 31, 2023, 93% of our sales and 94% of our EBITDA were generated by our operations located in countries with investment grade ratings, including in the United States and in Europe, highlighting the relevance of our brand across the world. These markets represent important growth engines for our business, given the potential for further penetration of our products in these markets. Demand for our products in the United States has been fostered in part by drivers including its large Hispanic population and its growth dynamics, the adoption of the use of tortillas by non-Hispanics, the popularity of Mexican food, increased consumption of tortillas in non-Mexican dishes such as wraps, and the increasing mainstream nature of burritos, quesadillas, and other tortilla-based dishes.

Strategic operations in markets with strong fundamentals as underscored by our position as a market leader in the United States

Hispanics are the fastest-growing demographic group in the United States, with an annual increase of 2.50% in 2023 compared to 2022, significantly outpacing the 0.02% growth rate of non-Hispanic population during the same period, according to the United States Census Bureau. In the United States, per capita consumption of corn-based products, including tortillas, corn flour, and related items, has been on a steady rise due to the increasing popularity of Mexican cuisine among both Hispanic and non-Hispanic consumers. The Hispanic population increased 28% between 2010 and 2023, accounting for half of total U.S. population growth and 19.4% of total U.S. population, out of which 58% are Mexican. Moreover, the rapid adoption of the use of tortillas by non-Hispanics has created demand from a diverse customer base ranging from consumers focused on wellness to consumers incorporating tortillas and corn flour into their everyday lifestyles. Tortillas, in particular, have grown in popularity, due to their versatility and compatibility with a wide range of dishes. This trend is further driven by the increasing consumer preference for healthier, whole grain, gluten-free, and low-carb options that are available in tortilla form. Our policy of building plants close to markets with high demand and the change in the sales mix towards higher-margin SKUs, combined with healthier food consumption trends, have been the drivers of our success. We have more than 8,800 employees and operate six mills and 21 plants in the United States, generating US\$3.6 billion in sales as of December 31, 2023. As of December 31, 2023, in Mexico we operated 18 mills, four plants and generated US\$2.0 billion in sales, and in Europe we operated three mills, six plants and generated US\$435 million in sales.

Cutting-edge innovation aligned to a consumer-centric approach

We have created an innovative product portfolio aligned to industry trends. Our focus on our end consumers has enabled us to understand their preferences and demands, such as the growing interest in healthier foods and low-calorie options, which has driven the increased popularity of wraps and the growing demand for healthier snacks. Our product offering includes gluten free, organic and low carb foods coupled with products made up of cutting-edge, unique ingredients. Our success has been supported by (i) strong research and

development capabilities and proprietary technology, responding to carefully studied trends, such as the "Better for You" trend, (ii) consumer preference for healthier foods and snacks, (iii) the trend of consumers replacing bread with wraps, (iv) close relationships with retailers, (v) a strong emphasis on quality supporting brand awareness and top line growth, and (vi) new launches, dynamic merchandising and enhanced sales of higher margin products.

Proprietary, state-of-the-art technology

Our proprietary, state-of-the-art technology enables us to hold a leading position in the industry. We design, build, install and maintain our own patent-protected machinery and manufacturing processes for our corn flour, tortilla and tortilla-related products. We believe our proprietary technology affords us advantages over other producers, by improving the yield, quality, consistency, texture, ingredients, sophistication and taste of tortillas, corn flour and other related products. This patented state-of-the-art technology and product innovation has contributed to overall sales growth.

Track record of strong financial performance with a solid capital structure, conservative financial policies and healthy debt maturity profile

We expect to continue to generate sufficient free cash flow to continue growing while maintaining conservative leverage ratios. We have implemented initiatives oriented toward emphasizing our top priority of improving profitability and cash flow generation and strengthening our financial structure with continuous prudent leverage ratios, strong interest coverage and ample liquidity. We have strengthened our business strategy, leveraged our capabilities developed during years of expansion and optimized investments, producing positive results across all the regions where we operate. We expect these initiatives will be the foundation for resuming more consistent and profitable growth in the future.

Strong corporate governance with experienced management focused on sustainability and responsible growth

We have a strong commitment to maintain high standards of corporate governance and ESG initiatives. Our Board of Directors is comprised of eleven members, out of which seven are independent. Our governance committees oversee internal audit, sustainability, operations, legal and financial risks. We remain focused on reducing our greenhouse gas emissions, maximizing energy efficiency, and prioritizing a circular economy model. We aim to develop the communities we are part of, including programs such as Southern State Support Brigade (BASE), Fundación Gruma, and sport and recreational events.

Our Strategy

Our strategy is to focus on our core business—nixtamalized corn flour and tortilla—as well as to expand our product portfolio towards the flatbreads category in general and flavored corn chips, with an emphasis on healthier alternative products with higher added value. We will continue taking advantage of the increasing popularity of Mexican food and, more importantly, tortillas, in the U.S., European, Asian and Oceania markets. We will also continue taking advantage of the adoption of tortillas by the consumers of several regions of the world for the preparation of different recipes other than Mexican food.

Our strategy includes the following key elements:

Expand in the Tortilla Market in the United States

We believe that the size and growth of the tortilla market in the United States continues to offer us significant opportunities for expansion, mainly in the retail channel, including the opportunity to continuously innovate our products and place emphasis on healthier alternatives with greater added value based on the preferences of our customers. This focus is driven by the continued growth potential we see in this segment. Through our MISSION® and GUERRERO® brands, we aim to strengthen our leading position in the United States tortilla market by focusing on innovation and product diversification. We are leveraging our extensive distribution network to increase retail penetration, particularly in mainstream supermarkets and food service channels. This allows us to meet the rising demand for tortillas among both Hispanic and non-Hispanic consumers, who increasingly incorporate tortillas into their consuming trends, beyond Mexican dishes.

Expand in the Tortilla, Flatbread and Flavored Corn Chips Markets in Europe, Asia and Oceania

We believe that markets in other continents such as Europe, Asia and Oceania offer us significant opportunities. We believe our current operations will enable us to better serve our customers in those regions, with fresher products, putting an emphasis on healthier alternatives and with greater added value, and the ability to respond quickly to their needs. We aim to leverage the growing global popularity of Mexican cuisine while catering to local tastes. To drive growth, we will emphasize local production and distribution to ensure freshness and quick response to consumer needs. We will allocate capital to expand production capacities, particularly in tortilla and flatbread lines, while also exploring new flavored corn chip offerings tailored to local tastes in these markets.

Maintain our MISSION® and GUERRERO® Tortilla Brands as the First and Second National Brands in the United States and position our MISSION® brand in Other Regions of the World

We intend to achieve this by increasing our efforts at building brand name recognition through constant product innovation, with an emphasis on healthier and greater added value alternatives, and by expanding our presence in more supermarket chains.

Encourage Transition from the Traditional Cooked-Corn Method to the Nixtamalized Corn Flour Method as Well as New Uses for Nixtamalized Corn Flour

We pioneered the nixtamalized corn flour method for tortilla production and other corn-based products to the market. We continue to view the transition from the Traditional Method to the nixtamalized corn flour method of making tortillas, tortilla chips, and other corn-based products as the primary opportunity for increased nixtamalized corn flour sales. We see an opportunity for further potential growth and we are also working to expand the use of nixtamalized corn flour in the manufacture of different types of products. Additionally, we are committed to expanding the uses of nixtamalized corn flour beyond traditional tortillas. We see an opportunity to innovate and develop new applications for our corn flour in various products, such as corn chips, snacks, and other food items, which align with evolving consumer preferences for healthier and convenient food options. To achieve this, we are investing in research and development to create specialized flour types tailored to different customer needs, and we are supporting our clients with technical training to maximize the benefits of using nixtamalized corn flour.

Invest in our Core Business and Focus on Optimizing Operational Matters

We intend to focus our capital expenditures program on our core business to enable us to meet future demand, consolidate our leading position in the industry, and continue to generate returns above our cost of capital for our shareholders. We continue to invest in growth projects while maintaining a strong financial position with a clear focus on prudent capital allocation.

Continue Investing in Product Development and Innovation

We will continue to focus on diversifying our product portfolio, particularly with products aligned with consumer health trends, such as gluten-free and low-carb options. We intend to keep investing in research and development to enhance product quality and introduce offerings that can meet evolving consumer trends.

Technology and Equipment Operations

We have developed our own technology operations since our founding. Since March 2014, our technology and equipment operations has been conducted principally through INTESA. Prior to this date, our technology and equipment operations had been conducted mainly through INTASA. On March 21, 2014, INTASA was merged into Gruma, S.A.B. de C.V., and ceased to exist. See "Summary—Organizational Structure."

The principal activity of INTESA is to provide research and development, equipment, and construction services to the food industry, specifically with respect to tortillas and other corn-based products. Through TECNOMAIZ, we also engage in the design, manufacture and sale of machines for the production of tortillas and tortilla chips, which are sold under the TORTEC® and RODOTEC® trademarks. Through CIASA, we also design and manufacture equipment for corn masa flour such as corn milling machinery, and provide engineering, design and construction services. We manufacture or purchase corn tortilla-making machines for sale to tortilla manufacturers and for use in "in-store tortillerías," located inside supermarkets, as well as modern and high-capacity machines for the production of corn and wheat flour tortillas.

We continuously engage in research and development activities that focus on, among other things: increasing the efficiency of our own nixtamalized corn flour, corn/wheat tortilla and corn chips production technology; maintaining high product quality; developing new and improved products and manufacturing equipment; improving the shelf life of certain corn and wheat products; improving and expanding our information technology system; engineering, plant design and construction and compliance with environmental regulations. We have 20 U.S. patents in force and effect, and 1 patent in process in the United States as of this date. None of our patents in force in the United States are due to expire in 2024.

We have carried out proprietary technological research and development for corn milling and tortilla production as well as all engineering, plant design and construction through INTESA. We invested US\$8 million, US\$10 million, US\$14 million and US\$9 million on research and development in the years ended December 31, 2021, 2022 and 2023 and the nine months ended September 30, 2024, respectively.

Governmental Regulation

Mexican Regulation

Governmental Initiatives Supporting Corn Supply

Mexico's Ministry of Agriculture and Rural Development ("SADER") (formerly the Ministry of Agriculture, Livestock, Rural Development, Fisheries and Food (*Secretaría de Agricultura, Ganadería, Desarrollo Rural, Pesca y Alimentación*, or *SAGARPA*), supports and promotes a target income for growers via the Mexican Food Safety Department (*Seguridad Alimentaria Mexicana* or *SEGALMEX*) through their "Guaranteed Price Program" which intends to assist disadvantaged growers with a stimulus price for corn, beans, rice and bread wheat harvests. The Guaranteed Price Program has national coverage and is focused on eligible growers in accordance with the rules of operation published by SEGALMEX in the Federal Official Gazette (*Diario Oficial de la Federación* or *DOF*).

There are two support schemes for growers:

- Small growers managed by SEGALMEX:
 - Growers with a surface area of less than 5 hectares are eligible for this program.
 - Guarantees a minimum price and grants freight stimulus.
 - This program is focused on meeting DICONSA's (or *Tiendas del Bienestar*, effective as of January 2025) needs for corn sales in its rural stores. If there is budget and surplus, they sell the product at market value.
 - The income from corn sales is directly deposited to the growers.
- Medium growers managed by SEGALMEX
 - In the event of issues with profitability or trade, SEGALMEX will establish an emergent support scheme by publishing the rules of operation in the DOF.
 - This program is intended to ensure an income through a risk management instrument ("RMI"). Such incentive is a stimulus for the purchase of hedges and seeks that the growers acquire a RMI and benefit from the price increase of grains in the futures market.
 - The stimulus for the purchase of hedges is directly deposited to the grower.

In recent years, GIMSA has been purchasing corn through private contracts directly with suppliers outside of ASERCA's agricultural program (previously in force) and SEGALMEX. GIMSA will continue to use this purchasing system in the future since there is limited participation of large growers that conform the commercial agriculture in federal programs.

To the extent that this or other similar programs are introduced, modified or cancelled by the Mexican government, we may be required to incur additional costs in purchasing corn for our operations, which could result in an increase to our product prices to reflect these additional costs.

Decrees to replace glyphosate use and genetically modified corn

On December 31, 2020, the Mexican government published a decree by which several actions were required to be taken by agencies and entities within the Federal Public Administration in order to gradually replace the use, acquisition, distribution, promotion and importation of glyphosate and agrochemicals containing glyphosate as active ingredient, with sustainable alternatives considered as culturally adequate that allow maintaining production and result to be safe for human consumption, the biocultural diversity in Mexico and the environment. To that effect, a transition period to achieve the total replacement of glyphosate was established, which ended on January 31, 2024.

The decree also ordered that biosecurity authorities, in accordance with the applicable regulations, based on glyphosate-free corn supply sufficiency criteria, will revoke and abstain from granting authorizations for the use of genetically modified corn in the Mexicans' diet, until such corn has been totally replaced on a date that may not be later than January 31, 2024, in accordance Mexican with self-sufficiency food policies.

Subsequently, on February 13, 2023, the Mexican government published a new decree by which the abovementioned decree of December 31, 2020, was abrogated. This new decree, among other points: (i) continues entrusting various agencies and entities of the Federal Public Administration with the development of an alternative to glyphosate; (ii) establishes a new transition period until March 31, 2024, to achieve the total substitution of glyphosate for another agrochemical safe for human health, the country's biocultural diversity and the environment, deadline for agencies and entities of the Federal Public Administration to revoke and refrain from granting new permits or authorizations for the importation, production, distribution and use of glyphosate; (iii) maintains the prohibition that came into force on January 1, 2021 with the 2020 decree on this subject matter, for agencies and entities of the Federal Public Administration to acquire, use, distribute, promote and import glyphosate or agrochemicals that contain it as an active ingredient in their programs, but now additionally including genetically modified corn in this prohibition; (iv) maintains the instruction to the agencies and entities of the Federal Public Administration to revoke and refrain from granting new permits for the release into the environment of genetically modified corn seeds, which came into effect on January 1, 2021, with the 2020 decree on this subject matter; (v) instructs agencies and entities of the Federal Public Administration to revoke and refrain from granting new authorizations for the use of genetically modified corn for human consumption (defined as corn intended for human consumption through nixtamalization or flour production), effective as of the entry into force of this decree and, therefore, eliminating the transition period that expired on January 31, 2024, as contemplated in the 2020 decree on this subject matter; (vi) instructs the agencies and entities of the Federal Public Administration to carry out actions for the gradual substitution of genetically modified corn for animal feed and corn for industrial use for human consumption (defined as corn intended for human consumption, after industrialization, other than nixtamalization or flour production), based on supply sufficiency criteria, consistent with food self-sufficiency policies and in accordance with scientific principles, guidelines or relevant international recommendations, without setting a deadline to achieve it. The decree clarifies that, until such total substitution is achieved, that the Federal Commission for the Protection against Sanitary Risks (*Comisión Federal para la Protección contra Riesgos Sanitarios* or "COFEPRIS") may grant authorizations for the use of genetically modified corn for use in animal feed and industrial use for human food referred to above, being the responsibility of whoever uses it in Mexico that it does not end up being used for nixtamalization or flour production; and (vii) instructs COFEPRIS to integrate a joint research protocol so that, under its coordination, the pertinent studies on the consumption of genetically modified corn and its possible damage to health are carried out. To this date, the amendments to the applicable regulations in connection with the subject matter of this decree, which are mandated by the decree, have not been published. On March 26, 2024, a joint statement between the Ministry of Economy and the Ministry of Agriculture and Rural Development, as well as COFEPRIS, was published on the Federal Government's websites, informing that, due to the unfulfillment of the conditions for the replacement of the use of glyphosate in Mexican agriculture, at the moment, the new decree would not be implemented, in the section that sets forth the prohibition for the use of glyphosate by the Government in its programs, and establishes a transition period for replacing its use, sale, distribution, and importation to the country by private entities by March 31, 2024.

The last decree of February 13, 2023, could result in an increase on the cost of corn used for nixtamalization and corn flour production in Mexico, as well as present challenges in the procurement of such corn. However, until the amendments to the applicable regulations related to the subject matter of the decree are known, which are ordered by the decree, we cannot fully assess the impact this may have in our business, financial condition, results of operations, and projections.

Environmental Regulations

Our Mexican operations are subject to Mexican federal, state and municipal laws and regulations relating to the protection of the environment. The principal federal environmental laws are the General Law of Ecological Equilibrium and Protection of the Environment (*Ley General de Equilibrio Ecológico y Protección al Ambiente*, or "Mexican Environmental Law"), which is enforced by the Ministry of the Environment and Natural Resources

(*Secretaría de Medio Ambiente y Recursos Naturales*, or "SEMARNAT"), the Mexican Climate Change Law (*Ley General de Cambio Climático*) and the Mexican Federal Law of Governmental Fees (*Ley Federal de Derechos*). Under the Mexican Environmental Law, each of our facilities engaged in the production of nixtamalized corn flour and tortillas is required to obtain an operating license from state environmental authorities upon initiating operations, and then periodically submit a certificate of operation to maintain the operating license. Furthermore, the Mexican Federal Law of Governmental Fees requires that Mexican manufacturing plants pay a fee for water consumption and the discharge of residual waste water to drainage, whenever the quality of such water exceeds mandated thresholds. Also, regulations have been issued concerning hazardous substances and water, air and noise pollution. In particular, Mexican environmental laws and regulations, including the Mexican Climate Change Law, require that Mexican companies file periodic reports with respect to air and water emissions and hazardous wastes. Additionally, they also establish standards for waste water discharge. We must also comply with zoning regulations as well and rules regarding health, working conditions and commercial matters. SEMARNAT and the Federal Bureau of Environmental Protection can bring administrative and criminal proceedings against companies that violate environmental laws, as well as close non-complying facilities.

We consider we are currently in compliance in all material respects with all applicable Mexican environmental regulations. The level of environmental regulation and enforcement in Mexico has increased in recent years. We expect this trend to continue and to be accelerated by international agreements between Mexico and the United States. To the extent that new environmental regulations are issued in Mexico, we may be required to incur additional remedial capital expenditures to comply. Management is not aware of any pending regulatory changes that would require additional remedial capital expenditures in a significant amount.

Antitrust Regulations

The Mexican Antitrust Law (*Ley Federal de Competencia Económica*) and the related regulations regulate free competition, antitrust matters, monopolies and monopolistic practices, and requires that certain mergers and acquisitions are subject to the Mexican antitrust authority, COFECE's approval if certain thresholds are met in connection with such transactions. The Mexican Antitrust Law grants the government the authority to establish price controls for products and services of national interest through Presidential decree when there are no effective competition conditions in the corresponding market.

On May 23, 2014, a new Mexican Antitrust Law was published in the Mexican Official Gazette (*Diario Oficial de la Federación*) and became effective on July 7, 2014. This law was issued in order to implement the amendment to article 28 of the Mexican Constitution regarding antitrust matters, whereby the Mexican government was entitled to establish a new Mexican Federal Antitrust Commission (*Comisión Federal de Competencia Económica*, or COFECE), which regulates access to essential materials, and order any divestiture of assets, rights, ownership interests or shares of economic firms, as necessary to eliminate any anti-competitive effects. Mergers and acquisitions and other transactions that may restrain trade or that may result in monopolistic or anti-competitive practices or combinations must be approved by the Federal Economic Competition Commission.

The current administration has proposed constitutional reforms aimed at eliminating certain constitutionally autonomous entities such as the COFECE. The proposed changes would transfer the functions of these agencies to the Mexican Federal Government, effectively dissolving their independent status. As of the date of this offering memorandum, it is uncertain as to whether this proposed reform will be enacted and if so, how that would affect antitrust regulation in Mexico.

The Mexican Antitrust Law and any amendment thereto may potentially limit our business operations, combinations, mergers, and acquisitions and may subject us to greater scrutiny in the future due to our market presence.

See "Legal Proceedings – Operations in Mexico— *COFECE Investigation and Preliminary Opinion*".

Anti-Money Laundering Regulations

The Mexican Federal Law to Prevent and Identify Operations with Resources from Illegal Sources (*Ley Federal para la Prevención e Identificación de Operaciones con Recursos de Procedencia Ilícita*) was published in the Mexican Official Gazette on October 17, 2012 and became effective on July 17, 2013. The purpose of this law is to prevent and detect operations carried out with funds obtained from illicit activities and prohibiting payments using cash for certain types of activities above certain amounts. Under this law, persons carrying out activities that are deemed as "vulnerable" are required to identify their clients and counterparties in such activities, to keep a detailed file in connection therewith, and under certain circumstances to report those activities to the Mexican Authorities. Most of the activities are deemed as "vulnerable" only when they exceed certain thresholds set forth in the law or regulations, and reporting of such activities is generally subject to higher thresholds. Certain activities are considered "vulnerable" per se, regardless of the total amount of the transaction; examples of such regulated activities are: granting of loans, granting credit facilities and guarantees, leasing real estate properties and receive donations, among others.

Failure to comply with this law may result in monetary and criminal sanctions. We believe we are currently in compliance in all material respects with this law and we do not believe it will have a material adverse effect on our business operations.

Food Matters Regulations

On April 17, 2024, the decree issuing the General Law on Adequate and Sustainable Foods (*Ley General de la Alimentación Adecuada y Sostenible* or "LGAAS") was published in the Official Gazette of Mexico, becoming effective the following day. This law aims to establish principles and foundations to guarantee the right to adequate food, promote sustainable food environments, and support the production and consumption of nutritious and innocuous foods. Likewise, it creates the National Intersectoral System for Health, Food, Environment, and Competitiveness (*Sistema Intersectorial Nacional de Salud, Alimentación, Medio Ambiente y Competitividad* or "SINSAMAC") to promote policies that guarantee the right to food.

The LGAAS establishes, among other things, that the right to food comprises the availability, physical access, and economic access to food, so that individuals are able to feed themselves adequately; therefore, the State's authorities must ensure the accessibility of food, from production to distribution, as well as the balance between people's income and the cost of food, having the State's authorities the need to develop specific programs and concrete actions to guarantee such right.

Furthermore, the LGAAS sets forth certain provisions regarding the labeling of pre-packaged foods, requiring consumer information, among other things, when products contain ingredients directly derived from the use of genetically modified organisms. The LGAAS does not describe the form, specifications, or parameters to comply with this obligation.

U.S. Federal and State Regulations

Gruma Corporation is subject to regulation by various federal, state and local agencies, including the Food and Drug Administration, Department of Labor, the Occupational Safety and Health Administration, the Federal Trade Commission, the Department of Transportation, the Environmental Protection Agency and the Department of Agriculture. We believe that we are in compliance in all material respects with all environmental and other legal requirements. Our food manufacturing and distribution facilities are subject to periodic inspection

by various federal, state and local agencies, and the equipment utilized in these facilities must generally be governmentally approved prior to operation.

European Regulation

We are subject to regulation in each country in which we operate in Europe. We believe that we are currently in compliance with all applicable legal requirements in all material respects.

Tax Reform in Spain

On December 30, 2020, the 2021 Budget Law was published in the Spanish Official Gazette, consisting of a series of amendments to the Corporate Tax provisions, including the reform of the Foreign Securities Holding Entities (ETVE) regime, which, as of January 1, 2021, indirectly taxes 5% of dividends and capital gains received by taxpayers subject to the regime. Previously, this type of income was exempt in its entirety.

In addition, on July 10, 2021, the Spanish Official Gazette published the "Law 11/2021 of July 9 on Measures to Prevent and Combat Tax Fraud", which has already entered into force. The new Law aims to combat tax fraud by strengthening measures to prevent and combat tax evasion and avoidance, introducing stricter regulations and increased penalties and facilitate authoritative action by providing tax authorities with enhanced tools and powers to enforce compliance.

To date, the new law has not had a significant impact on our operations we do not foresee this changing in the future.

For the year ended December 31, 2022, the Budget Law introduced a new corporate tax measure requiring companies with annual revenue exceeding €20 million to have a minimum taxable base of 15%. Companies affected by this measure are restricted from applying most tax credits to reduce their taxable basis, with the exception of tax credits for foreign income, which can still be applied by companies affected by this measure. However, this reform has not had a significant impact on our operations in Spain.

Central American Regulation

Gruma Centroamérica is subject to regulation in each country in which they operate. We believe that Gruma Centroamérica is currently in compliance with all applicable legal requirements in all material respects.

Asia and Oceania Regulation

We are subject to regulation in each country in which we operate in Asia and Oceania. We believe that we are currently in compliance with all applicable legal requirements in all material respects.

Employees

As of September 30, 2024, we had a total of 25,059 employees, including 16,132 unionized and 8,927 non-unionized full- and part-time employees. Of this total, we employed 11,119 persons in Mexico, 8,847 in the United States, 2,193 in Central America and Ecuador, 1,072 in Asia and Oceania, and 1,828 in Europe. Total employees for 2021, 2022 and 2023 were 22,492, 23,506 and 24,135, respectively. Of our total employees as of September 30, 2024, approximately 35% were white-collar and 65% were blue-collar.

In Mexico, workers at each of our plants are covered by a separate contract, under which salary revisions take place once each year. Non-salary provisions of these contracts are revised bi-annually. During 2024, we renewed more than 27 collective bargaining agreements with seven unions that represent our workers.

In the United States, we have five collective bargaining agreements that represent a total of 995 workers at five separate facilities (Mountain Top, Pueblo, Tempe, Henderson and Madera). We renewed such agreements on March 28, 2024, March 27, 2022, March 28, 2023, June 3, 2023 and June 30, 2024, respectively.

In England, we have one collective bargaining agreement covering ten employees in the Seaham facility, which is renewed every 24-36 months.

In Italy, we are covered by a national labor agreement for industrial food staff. This agreement is reviewed every 36 months.

In Spain, we have two collective labor agreements covering all of the plants located in Fuenlabrada and Borox. These agreements are reviewed every 24 to 36 months.

In Australia, we have a collective bargaining agreement covering 294 employees at our facility, which is renewed every four years.

In China, we have a collective bargaining agreement covering 369 employees at our facility, which is renewed every three years.

We believe our current, individual and collective labor relations are sound.

Legal Proceedings

Operations in Mexico

COFECE Investigation and Preliminary Opinion

On October 7, 2024, the Investigative Authority of COFECE notified GRUMA of its preliminary investigative opinion (the "Preliminary Opinion") regarding the investigation that it initiated in November 2022 of the markets for the distribution and commercialization of corn, as well as for the production, commercialization, and distribution of corn flour and related services within Mexico (the "Investigated Markets"). In its Preliminary Opinion, the Investigative Authority of COFECE determined, preliminarily, that "there are no conditions of effective competition in the markets for the production, commercialization, and distribution of white and blue corn flour in bulk for the commercial manufacture of corn flour tortillas, with a regional geographic dimension ("Relevant Markets"), due to the probable existence of a barrier to competition and free market access."

In its Preliminary Opinion, the Investigative Authority of COFECE proposed, subject to what is ultimately a decision by COFECE's Board of Commissioners, several corrective measures aimed at eliminating the competition barriers that it alleges to have preliminarily identified, in order to solve the alleged lack of effective competitive conditions in the Relevant Markets, including its proposal to order the divestiture of five of the 18 nixtamalized corn flour mills in Mexico which are indirectly owned by GRUMA, located in the cities of Chalco, Culiacan, Rio Bravo, Veracruz, and Celaya (the "Relevant Assets"), through their sale in a maximum term of two years, pursuant to an execution schedule that would commence once and if a resolution is issued by COFECE's Board of Commissioners confirming the Investigative Authority's proposed corrective measures, and the same becomes effective after all means of defense available to GRUMA in accordance with applicable law have been exhausted.

Moreover, in its Preliminary Opinion, COFECE's Investigative Authority proposed ordering corrective measures in connection with certain marketing strategies, to be adopted by GIMSA and its subsidiaries, also pursuant to a proposed execution schedule which would commence once and if a resolution is issued by COFECE's Board of Commissioners confirming the Investigative Authority's proposed corrective measures, and the same becomes effective after all means of defense available to GRUMA in accordance with applicable law have been exhausted.

The requirement to comply with the proposed corrective measures related to the divestment of the Relevant Assets and the marketing strategies to be adopted by GIMSA are subject to the issuing of certain resolutions by COFECE's Board of Commissioners and subject to GRUMA having exhausted all legal actions and remedies available under applicable law. The Preliminary Opinion and the corrective measures proposed thereby are preliminary in nature and are based on the information that the Investigative Authority of COFECE had access to during its investigation; therefore, under the applicable law, GRUMA is entitled to, within 45 business days following the effectiveness of the notification of the Preliminary Opinion, make all representations it deems convenient and file before COFECE's Board of Commissioners, any pertinent claims, objections, and evidence with respect to the contents of such Preliminary Opinion, all of which shall be analyzed by COFECE's Board of Commissioners, who may order the presentation of additional evidence and upon such evidence being presented, if applicable, will establish a term for delivery of closing arguments, in order to be able to issue its resolution, which could confirm, modify or reject the Preliminary Opinion's proposed corrective measures. Throughout this process, the Company has the right to present alternative solutions to the divestiture or other adequate and economically feasible measures to address the competition concerns identified by COFECE's Investigative Authority.

With the firm conviction that the Company's actions have always adhered to the applicable law, GRUMA has cooperated openly and in good faith with COFECE since the beginning of the investigation of the Investigated Markets, and will continue to cooperate in the same manner in order to present, within the applicable legal term, the arguments and evidence to dispute the preliminary conclusions of the Investigative Authority and/or to find alternative measures acceptable to COFECE's Board of Commissioners and that satisfy the concerns expressed in the Preliminary Opinion by the COFECE's Investigative Authority that may be confirmed by its Board of Commissioners, in order to protect the interests of GRUMA's shareholders, employees, customers, and consumers, for which purpose the Company will also undertake all legal actions available to it.

Considering the preliminary nature of the measures proposed by the Investigative Authority in its Preliminary Opinion, it is not currently possible to predict the outcome of COFECE's Board of Commissioner's final resolution and the result of the legal proceedings that may result therefrom, nor the effect that the foregoing would have on GRUMA's business, financial situation, operation results, and/or projections.

Discontinued Operations in Venezuela

On May 12, 2010, the Venezuelan government published in the Official Gazette of Venezuela decree number 7,394 (the "Expropriation Decree"), which announced the forced acquisition of all assets, property, and real estate of MONACA. The Venezuelan government expressed to the Company's representatives that the Expropriation Decree extends to DEMASECA.

As stated in the Expropriation Decree and in accordance with the Venezuelan Expropriation Law (the "Expropriation Law"), the transfer of legal ownership can occur either through an "Amicable Administrative Arrangement" or a "Judicial Order." Neither method of transfer of titles was completed as of the date of the Disposition of the investment in Venezuela. Therefore, the expropriation was not carried out during the time the Company held its investment in Venezuela.

The Company's interests in MONACA and DEMASECA were held through two Spanish companies: Valores Mundiales, S.L. ("Valores Mundiales") and Consorcio Andino, S.L. ("Consorcio Andino", and collectively the "Investors").

Venezuela and the Kingdom of Spain are parties to a Treaty on Reciprocal Promotion and Protection of Investments dated November 2, 1995 (the "Investment Treaty"), under which the Investors have the right to settle investment disputes by means of arbitration before the International Centre for Settlement of Investment Disputes ("ICSID"). On November 9, 2011, the Investors, MONACA, and DEMASECA validly provided formal notice to Venezuela that an investment dispute had arisen as a consequence of the Expropriation Decree and related measures adopted by Venezuela. In that notification, the Investors, MONACA, and DEMASECA also agreed to submit the dispute to ICSID arbitration if the parties were unable to reach an amicable agreement.

On January 22, 2013, as part of a criminal proceeding unrelated to MONACA and DEMASECA against a third party where precautionary measures were issued for the securing of the assets of that third party which included MONACA and DEMASECA, the Venezuelan government issued a resolution appointing special administrators for MONACA and DEMASECA, and granting them the broadest authorities to execute actions for the continuity and non-interruption of the operation of the companies and the broadest administrative authorities to guarantee the safekeeping, custody, use and conservation of the companies' assets. As a result we concluded that we lost control of our Venezuelan subsidiaries, MONACA and DEMASECA, on January 22, 2013, in accordance with IFRS. As a result of such loss of control, we ceased the consolidation of the financial information of MONACA and DEMASECA beginning on January 22, 2013 and reported any effects retroactively.

Following the notice of the investment dispute on November 9, 2011, on May 10, 2013, Valores Mundiales and Consorcio Andino (the "Claimants") commenced an arbitration proceeding against Venezuela before ICSID. The objective of the request for arbitration was to seek compensation for the damages caused by Venezuela's breach of the Investment Treaty. On July 25, 2017, the tribunal ruled the arbitration in favor of the Claimants and concluded that certain measures adopted by Venezuela's government resulted in a breach of certain provisions of the Investment Treaty. As a result of this decision issued by the arbitration tribunal, Venezuela was ordered to pay US\$430.4 million (plus interest at a compound rate of LIBOR +2% as of January 22, 2013 until the amount is paid) to the Claimants in damages and losses resulting from Venezuela's breach of certain provisions of the Investment Treaty, as well as US\$5.9 million for legal expenses incurred by the Claimants during the arbitration (collectively, the "Award").

On November 22, 2017, Venezuela filed a request for annulment of the award issued by the arbitration tribunal and a stay of enforcement while the action was pending resolution. The annulment request was registered on December 7, 2017, resulting in a suspension of the enforcement of the award. On September 6, 2018, the annulment committee constituted to resolve the awards annulment proceedings lifted the provisional suspension of the enforcement of the award, allowing the Investors to commence legal action for the recognition and enforcement of the award in different jurisdictions.

On December 21, 2021, the annulment committee notified the parties of its resolution in the award's annulment proceeding initiated by Venezuela, which resolved to reject the request for annulment of the award, to order Venezuela to pay the Investors US\$2.3 million for costs, and order Venezuela to pay the ICSID US\$0.7 million for the costs of the annulment proceeding. Venezuela has no legal recourse against this resolution, so the award became final.

Disposition of Investment in Venezuela

On August 7, 2023, as a result of the previously described legal matters, along with the ongoing deterioration of the Company's investment in Venezuela caused by the economic and social situation in the country, the Company disposed of its investment in Venezuela by entering into a stock purchase agreement between a third party and Valores Mundiales and Consorcio Andino, whereby all of the shares of capital stock of MONACA and DEMASECA were sold for US\$22 million and US\$3 million, respectively, on an "as is" basis, with the third party's full knowledge of the legal matters discussed above and the acknowledgment and assumption of their assets and liabilities, with no representations or warranties by the sellers.

Arbitration Award Status

Regarding the Award, the Investors retain full ownership and entitlement to the Award, despite the sale of all of the shares of MONACA and DEMASECA, and would receive any benefits resulting from the Award.

On January 8, 2019, the Investors filed a complaint in the Federal District Court in Washington, D.C., requesting recognition of the Award. Venezuela was given notice of the claim for recognition of the Award and had the right to answer to the claim until September 24, 2019. Venezuela did not respond. As a result, on October 21, 2019, the Investors requested that the Federal District Court judge issue a judgment in favor of the Investors. On March 3, 2020, representatives of Venezuela appeared in the proceedings, answered the claim, and presented their objections to the passing of a judgment in absentia. On March 16, 2020, the Investors asked the Court to grant a summary judgment motion against Venezuela. Venezuela argued against the motion and in favor of a judgment against recognition of the Award. On November 17, 2020, the judge ordered the suspension of the proceeding of the recognition of the Award until the annulment proceeding (described above) was resolved. Since the annulment proceeding was resolved in favor of the Investors in December 2021, the judge resumed the proceeding for the recognition of the Award in January 2022. On August 3, 2022, the judge to whom the case was delegated recommended to the District Court judge to deny Venezuela's request for a summary judgment and to grant the Investor's motion for summary judgment. On May 22, 2023, the District Court issued a judgment in favor of the Investors, recognizing the Award for an amount of US\$618.6 million, which included total damages, attorney's fees, and costs awarded to the Investors in the arbitration proceeding, plus interest at the rate set forth in the Award (the "District Court Judgment"). As of September 30, 2024, the amount of the Judgment (including interest) was US\$660.4 million.

On June 20, 2023, Venezuela appealed the Judgment, and on December 8, 2023, after exhausting that procedural process, the United States Court of Appeals for the District Court of Columbia Circuit confirmed the Judgment. Venezuela did not file a writ of certiorari with the Supreme Court of the United States within the allotted time, so the Judgment is now final.

On June 7, 2023, the Investors registered the Judgment in the Federal District Court of Delaware (the "Delaware Court"). On June 29, 2023, the Investors filed a motion with the Delaware Court to obtain a writ of attachment against the shares of a wholly-owned Delaware subsidiary of the national oil company of Venezuela, Petroleos de Venezuela, S.A. ("PDVSA"). The Delaware Court granted the Investors' motion on November 1, 2023, which made them part of a group of judicially recognized creditors of Venezuela and PDVSA who have obtained liens against the shares of PDVSA's subsidiary in Delaware and are participating in a judicially supervised process to auction off those shares for the total or partial satisfaction of their judgments. On December 1, 2023, Venezuela filed an appeal of the Delaware Court's decision subject to certain conditions. Since those conditions were not met, Venezuela voluntarily withdrew its appeal on March 1, 2024. On March 5, 2024, the U.S. Court of Appeals for the Third Circuit dismissed Venezuela's appeal.

It is not possible to predict the results of the proceedings for the recognition and enforcement of the Award that the Investors commenced in the United States, or that they may commence in other jurisdictions, nor the ramifications that costly and prolonged legal disputes could have on the operations or the financial position of the Company, or the likelihood of collecting the Award. Therefore, the impact of the Award in the Company cannot be reasonably assessed at this time.

The Investors, together with their legal counsel, will adopt the appropriate measures to preserve and defend their legal and economic interests. See Note 27 of our audited consolidated financial statements as of and for the years ended on December 31, 2023 and 2022.

In the ordinary course of our business, we have been involved in various disputes and litigation. While the results of any such disputes cannot be predicted with certainty, we do not believe that there are any pending or threatened actions, suits or proceedings against or affecting us which, if determined adversely to us, would in our view, individually or in the aggregate, materially harm our business, financial condition or results of operations.

MANAGEMENT

Our management is vested in our board of directors. Our day to day operations are handled by our executive officers.

Our bylaws require that our board of directors be composed of a minimum of five and a maximum of twenty- one directors, as decided at our Ordinary General Shareholders' Meeting. Pursuant to the LMV, at least 25% of the members of the board of directors must be independent. In addition, under Mexican law, any holder or group of holders representing 10% or more of our capital stock may elect one director.

The board of directors, which was elected at the Ordinary General Shareholders' Meeting held on April 26, 2024 currently consists of 11 directors, one of whom is female (9% of the Board of Directors), and seven of our directors are independent within the meaning of LMV. At said meeting, Mr. Juan A. González Moreno was ratified as Chairman of our board of directors and Mr. Carlos Hank González was ratified as Vice Chairman. The following sets forth the current members of our board of directors, their ages, years of service, principal occupations, outside directorships, other business activities and experience, their directorship classifications as defined in the Code of Best Corporate Practices issued by a committee formed by the *Consejo Coordinador Empresarial*, or Mexican Entrepreneur Coordinating Board. The terms of their directorships are for one year or for up to thirty additional days if no designation of their substitute has been made or if the substitute has not taken office.

The address for each of our directors and executive officers is Calzada del Valle, 407 Ote., Colonia del Valle, 66220 San Pedro Garza García, Nuevo León, México.

Our Board of Directors

The following table sets forth our current directors, as appointed by our shareholders:

<u>Name</u>	<u>Age</u>
Juan A. González Moreno ⁽¹⁾	67
Carlos Hank González ⁽¹⁾	53
Homero Huerta Moreno ⁽²⁾	62
Laura Dinora Martínez Salinas ⁽²⁾	41
Jesús Oswaldo Garza Martínez ^(3, A, B)	68
Gabriel A. Carrillo Medina ^(3, A, B)	68
Everardo Elizondo Almaguer ^(3, A, B)	80
Thomas S. Heather Rodríguez ^(3, A, B)	69
Javier Martínez-Ábrego Gómez ⁽³⁾	82
Joseph Woldenberg Russell ⁽³⁾	58
Alberto Santos Boesch ⁽³⁾	53

(1) Shareholder, Related Board Member
(2) Related Board Member
(3) Independent Board Member
(A) Audit Committee
(B) Corporate Governance Committee

Juan A. González Moreno. Mr. González is Chairman of our board of directors and Chief Executive Officer of GRUMA. He has served as a member of our board of directors for 30 years. He is also a member of the board of directors of Grupo Financiero Banorte, Banco Mercantil del Norte, Fundación Gruma, Consejo Mexicano de Hombres de Negocios, Fondo Ambiental Metropolitano de Monterrey, and Museo del Acero. Prior

to his current position, he held several positions in GRUMA, including Managing Director of Special Projects of Gruma Corporation, Chief Executive Officer of Azteca Milling, Vice President of the Central and Eastern Regions of Mission Foods, Chief Sales Officer and Vice President of Sales of Azteca Milling and Chief Executive Officer of Gruma Asia & Oceania.

Carlos Hank González. Mr. Hank has served as a Vice Chairman of our board of directors for 11 years. He is also the Chairman of the board of Grupo Financiero Banorte and Banco Mercantil del Norte, Chief Executive Officer of Grupo Hermes and Automotriz Hermer, and Chairman of the Banorte Foundation. He is also a member of the boards of directors of Grupo Hermes, Cerrey, Grupo Televisa and the BMV. Prior to his current position, he was Chief Executive Officer of Grupo Financiero Interacciones, Interacciones Casa de Bolsa, Banco Interacciones, Grupo Industrial Hermes, Automotriz Hermer, and Deputy Chief Executive Officer of Grupo Financiero Banorte.

Homero Huerta Moreno. Mr. Huerta is our Chief Administrative Officer. He has served as a member of our board of directors for 11 years. Prior to his current position, he held several positions within GRUMA, including Corporate Internal Audit Vice President, Management Information Systems Vice President, Controller Vice President of Gruma Corporation and Finance and Administrative Vice President for Gruma Venezuela.

Laura Dinora Martínez Salinas. Ms. Martínez Salinas has served as a member of our board of directors for three years. She is also a partner at Martínez Salinas Abogados, S.C. Prior to her current position, she had several positions in local and international law firms, mainly with a focus on securities and financial matters.

Gabriel A. Carrillo Medina. Mr. Carrillo has served as a member of our board of directors for 11 years. He is the Chairman of Mail Rey and Detecno. Prior to his current position, he was Chairman of the Asociación de Casas de Bolsa de Nuevo León and Club Deportivo San Agustín, and held several positions within Casa de Bolsa Interacciones, including Chief Financial Officer.

Everardo Elizondo Almaguer. Mr. Elizondo has served as a member of our board of directors for 10 years. He is an Economics Professor at Escuela de Graduados en Administración Pública (EGAP) of the Instituto Tecnológico y de Estudios Superiores de Monterrey (ITESM), a columnist of Reforma/El Norte, and Chairman of Centro de Estudios Sociales del Noreste A.C. He is also a member of the boards of directors of Grupo Financiero Banorte, Compañía Minera Autlán, Rassini, Cemex, and Afore XXI Banorte, as well as External Advisory Council of the Universidad Autónoma de Nuevo León (UANL). Prior to his current position, he was the Economic Studies Director of Grupo Industrial Alfa, Economic Studies Director of Grupo Financiero Bancomer and Deputy Director of Banco de México.

Jesus Oswaldo Garza Martínez. Mr. Garza Martínez has served as a member of our board of directors for 8 years. He is also the advisor to the Chief Executive Officer of Grupo Financiero Afirme and a financial consultant. He is a member of the board of directors of Grupo Financiero Afirme and Aseguradora Afirme, Banco de Inversion Afirme, and Fondos de Inversion Afirme. Prior to his current position, he was a Director of Grupo Financiero Banorte, Casa de Bolsa Banorte, Banorte-IXE Tarjetas, Seguros Banorte and Afore XXI Banorte, Chairman of Centro Bancario del Estado de Nuevo León, Regional Director of Banco de México, Commercial Chief Executive Officer of Banco Mercantil del Norte, Professor at the Graduate School of Banking at LSU, and held several executive positions at Banco Bilbao Vizcaya, Casa de Bolsa Probusa and Valores Finamex.

Thomas S. Heather Rodríguez. Mr. Heather has served as a member of our board of directors for 11 years. He is counsel at Creel, García-Cuellar, Aiza y Enríquez, S.C. He is also a member of the boards of directors of Grupo Financiero Banorte, Afore XXI Banorte, and Grupo Televisa. Prior to his current position, he had over 40 years of professional practice, and was also an arbitrator in international courts and fellow of the American College of Bankruptcy. Additionally, he served as Director and Manager of Satélites Mexicanos and a member of

the boards of directors of Grupo Financiero Banorte, JP Morgan, Bank of America Mexico, Hoteles Nikko, Grupo Bimbo, and Grupo Modelo, as well as a collaborator in the Ethics and Law Committees of the Consejo Coordinador Empresarial, arbitrator in international courts and fellow of the American College of Bankruptcy.

Javier Martínez-Ábrego Gómez. Mr. Martínez-Ábrego Gómez has served as a member of our board of directors for 9 years. He is also the Chairman and Chief Executive Officer of Grupo Motomex. He is a member of the board of directors of Grupo Motomex. Prior to his current position, he has been a businessman for over 65 years.

Joseph Woldenberg Russell. Mr. Woldenberg has served as a member of our board of directors for eight years. He is Chairman of the Board of Directors and Executive President of Tubacero. He is also a member of the board of directors of: Planigrupo LATAM, CitiBanamex North Region, HSBC Consejo Consultivo de Negocios, Canacero, Caintra, Silica Desarrollos, Divanz Capital, and W International Group, UDEM, Development Committee ITESM, Horno3 Steel Museum and Centro Cultural Rosa de los Vientos. Prior to his current position, he served as Vice-Chairman of Aceros Generales and was Deputy Chief Executive Officer Managing Director of Tubacero.

Alberto Santos Boesch. Mr. Santos has served as a member of our board of directors for eleven years. He is Chairman of the board and Chief Executive Officer of Ingenios Santos, S.A. de C.V. He is also a member of the board of directors of Axtel, BBVA México, Interpuerto Monterrey, Development Committee of ITESM, Instituto Nuevo Amanecer, Renace, Red de Filantropía de Egresados y Amigos del Tec, Committee of the Consulting Board of the Facultad de Ciencias Políticas y Administración Pública of UANL, Unidos por el Arte Contra el Cancer Infantil (UNAC), and a member of Patronato del Hospital Metropolitano. Prior to his current position, he was Chairman of Empresas Santos, Vice Chairman of Grupo Tres Vidas Acapulco, Councilor of San Pedro Garza García, Nuevo León, Chairman of Aeropuerto del Norte, Director of Arena Monterrey and a member of the board of directors of DIF de Nuevo Leon and Museo Nacional de Energía y Tecnología, En Nuestras Manos, and Fundación Santos y De la Garza Evia.

Homero Huerta Moreno, member of our board of directors, is the cousin of Juan A. González Moreno. Carlos Hank González, member and vice-chairman of our board of directors, is the nephew of Juan A. González Moreno.

Secretary

The secretary of the board of directors is Mr. Rodrigo Martínez Villarreal. Mr. Martínez Villarreal is not a member of the board of directors.

Our Audit and Corporate Governance Committees

As required by the LMV and our bylaws, members of our audit and corporate governance committees were selected from members of the board of directors. Consequently, as required by the LMV and our bylaws, a chairman for each committee was elected by the General Ordinary Shareholders' Meeting held on April 26, 2024, from among the members appointed by the board.

The current audit and corporate governance committees are comprised of Thomas S. Heather Rodríguez, Gabriel A. Carrillo Medina, Everardo Elizondo Almaguer, and Jesús Oswaldo Garza Martínez, all of whom are independent directors: Thomas S. Heather serves as the Chairman of each committee and Everardo Elizondo Almaguer serves as the Financial Expert of each committee.

Our Main Executive Officers

The following table lists the names, ages, positions, years of service and the years as executive officers of our main executive officers:

Name	Age	Position	Years with GRUMA	Years as Executive Officer
Juan A. González Moreno	67	Chief Executive Officer	44	21
Raúl Cavazos Morales	64	Chief Financial Officer	37	12
Homero Huerta Moreno	62	Chief Administrative Officer	39	23
Francisco Martínez Saldivar	64	Chief Operating Officer	11	8
Rodrigo Martínez Villarreal	46	General Counsel	16	6

Certain information with respect to our executive officers that has not been disclosed in "Our Board of Directors," above is set out below:

Juan A. González Moreno. See "—Our Board of Directors."

Raúl Cavazos Morales. Mr. Cavazos is our Chief Financial Officer. He has served in that position for 12 years and has been at GRUMA for 37 years. Prior to his current position, he held several positions within GRUMA, including Chief Financial Officer of GIMSA, Chief Treasury Officer and Vice President of Corporate Treasury.

Homero Huerta Moreno. See "—Our Board of Directors."

Francisco Martínez Saldivar. Mr. Martínez is our Chief Operating Officer. He has served in that position for 8 years and has been at GRUMA for 11 years. Prior to his current position, he served as Chief Procurement Officer, National Manager of Corn Procurement and Vice President of Corn Procurement at Azteca Milling; Vice President of Corn Procurement in the US, Mexico, Central America, Asia and Oceania.

Rodrigo Martínez Villarreal. Mr. Martínez is our General Counsel. He has served in that position for 6 years and has been at Gruma for 16 years. Prior to his current position, he served as Legal Vice President at Gruma, Corporate Counsel at Cemex, and was a foreign associate at Milbank, Tweed, Hadley & McCoy.

Homero Huerta Moreno, our Chief Administrative Officer, is the cousin of Mr. Juan A. González Moreno.

Compensation of Directors and Senior Management

For 2023, the aggregate amount of compensation paid to all directors, alternate directors, executive officers and audit and corporate governance committee members was US\$20.2 million.

We offer an Executive Bonus Plan that applies to managers, vice presidents, and executive officers. The variable compensation under this plan can range from 21% to 50% of annual base compensation, depending upon the employee's level, his individual performance and the results of our operations.

Share Ownership

Juan A. González Moreno and Carlos Hank González are the only that beneficially own more than 1% of GRUMA's outstanding shares. In addition, based on information available to us as of April 26, 2024, Ms. Graciela Moreno Hernández, the widow of the late Mr. Roberto González Barrera, and certain of her descendants own,

directly and through trusts, 190,453,154 shares, representing approximately 52.21% of our outstanding shares. See "Principal Shareholders."

PRINCIPAL SHAREHOLDERS

The following table sets forth certain information regarding the beneficial ownership of our capital stock as of April 26, 2024, which consists entirely of Series B, class I, no par value shares ("Series B Shares"), according to the information on record obtained from our shareholders meeting held on such date and the information available to us. Ms. Graciela Moreno Hernández, the widow of the late Mr. Roberto González Barrera, and certain of her descendants (the "Primary Shareholder Group") are the only shareholders we know collectively to beneficially own more than 10% of our capital stock. The Primary Shareholder Group does not have different or preferential voting rights with respect to those shares they own. As of April 26, 2024, our Series B Shares were held by more than 1,031 record holders in Mexico.

	Number of B Shares	Percentage of Outstanding Shares
Primary Shareholder Group ⁽¹⁾	190,453,154 ⁽¹⁾	52.21%
Other shareholders	174,310,452	47.79%
Total	364,763,606 ⁽²⁾	100.0%

(1) The shares beneficially owned by the Primary Shareholder Group include 150,229,259 shares held indirectly by the Primary Shareholder Group through a trust.

(2) As of April 26, 2024, our issued capital was comprised of 365,394,275 issued Series B Shares with no par value), of which 364,763,606 shares were fully subscribed and paid and 630,669 were held in treasury.

The Primary Shareholder Group controls approximately 52.21% of our outstanding shares and therefore has the power to elect a majority of our 11 directors. In addition, under Mexican law, any holder or group of holders representing 10% or more of our capital stock may elect one director for each 10% of capital stock held.

We cannot assure that the Primary Shareholder Group will continue to hold their shares or act together for purposes of control. Additionally, the Primary Shareholder Group may pledge all or part of its shares in us to secure any future borrowings. If such were the case, and the Primary Shareholder Group were to default on its payment obligations, the lenders could enforce their rights with respect to such shares, and the Primary Shareholder Group could lose its controlling interest in us, resulting in a change of control. A change of control could trigger a default in some of our credit agreements, which could then trigger a default in our other debt documents. Such a default could have a material adverse effect upon our business, financial condition, results of operations and prospects.

We are not aware of any significant changes in the percentage of ownership of any shareholders which held 5% or more of our outstanding shares during the past three years.

RELATED PARTY TRANSACTIONS

The transactions set forth below were made in the ordinary course of business, on substantially the same terms as those prevailing at the time for comparable transactions with other persons, and did not involve more than the normal risk of collectability or present other unfavorable features.

Transactions with Subsidiaries

We periodically enter into short-term credit arrangements with our subsidiaries, where we lend or borrow funds at market interest rates depending on the subsidiaries projected cash requirements or surpluses.

As of December 31, 2023, GIMSA had an outstanding balance owed to GRUMA of US\$8.9 million with a 11.41% interest rate. As of September 30, 2024, GRUMA had an outstanding balance owed to GIMSA for US\$ 17.7 million with an 10.44% interest rate. In addition, GIMSA and GRUMA have an intercompany loan, which as of December 31, 2023, had an outstanding balance owed to GRUMA Corporation of US\$50 million with a 6% interest rate. As of September 30, 2024, the balance was US\$50 million with a 5.90% interest rate.

Royalty Fee Agreements

On January 31, 2020, we entered into an agreement with GIMSA in connection with the trademark MASECA®, through which GRUMA granted GIMSA a license to exclusively use the trademark MASECA® in Mexico for a term of three years. As consideration, GRUMA collected from GIMSA a royalty for the following three years equivalent to Ps.465 million per year. Therefore, on February 24, 2020, GIMSA paid GRUMA Ps.1,395 million. On December 30, 2022, a new license agreement was entered into by the parties, through which GRUMA granted GIMSA a license to exclusively use the trademark MASECA® in Mexico for a term of three years, commencing on January 1, 2023. As consideration, GRUMA will collect from GIMSA a monthly royalty for the duration of the term equivalent to 3% of GIMSA's net sales. In turn, in order to support GIMSA in its efforts to promote the MASECA® trademark in Mexico, GRUMA will reimburse GIMSA all of the marketing expenses related to the trademark during the term of the agreement.

On January 1, 2014, we entered into an agreement with Azteca Milling, L.P. in connection with the trademarks MASECA®, AGROINSA®, TORTIMASA®, among others (the "Licensed Trademarks"), through which GRUMA granted Azteca Milling L.P. an exclusive continuing license to use the Licensed Trademarks worldwide, other than within Mexico, Guatemala, Honduras, Costa Rica, Panama, Belize and Ecuador for an indefinite term. On December 1, 2017, the parties modified the agreement by amending the territory and the royalty and agreed that the same license would be used exclusively in the United States of America and its territories, and as consideration, Azteca Milling, L.P. would pay GRUMA a fixed net royalty for the following seven years, equivalent to US\$108 million to GRUMA. Therefore, on December 19, 2017, Azteca Milling, L.P. paid US\$108 million to GRUMA. Further, on January 1, 2022, the parties agreed that in addition to the fixed net royalty, a monthly fee equal to 2.1% of the net sales of the products would be paid to GRUMA through November 30, 2024; and JUANA® and SELECTA® were added to the Licensed Trademarks.

In turn, in order to support Azteca Milling, L.P. in its efforts to promote the Licensed Trademarks, GRUMA will reimburse Azteca Milling for all marketing and publicity expenses related to such trademarks within the United States of America.

For more information about related party transactions, please see Note 29 to our Annual Audited Financial Statements.

DESCRIPTION OF THE NOTES

We will issue US\$500,000,000 in aggregate principal amount of 5.390% Senior Notes due 2034 (the "2034 Notes") and US\$300,000,000 in aggregate principal amount of 5.761% Senior Notes due 2054 (the "2054 Notes" and together with the 2034 Notes, the "Notes") pursuant to each of the indentures (each, an "Indenture" and collectively, the "Indentures") to be entered into between the Company and The Bank of New York Mellon, as Trustee (the "Trustee," which term includes any successor as Trustee under each of the Indentures). The registrar, paying agents and transfer agents (the "Registrar," "Paying Agents" and "Transfer Agents," respectively) are appointed in accordance with each of the Indentures and, initially, are set forth on the inside back cover page hereof. In this "Description of the Notes," references to the "Company" refer only to Gruma, S.A.B. de C.V. and not to any of its Subsidiaries. Following the date of issuance of the Notes, a copy of each of the Indentures will be available for inspection during normal business hours at the offices of the Trustee or any of the other Paying Agents set forth on the inside back cover page hereof. The Trustee or any Paying Agent shall also act as Transfer Agent and Registrar in the event that the Company issues certificates for the Notes in definitive registered form as set forth in "—Form, Denomination and Title."

The following summaries of certain provisions of the Notes and each of the Indentures do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all the terms and conditions of the Notes and each of the Indentures, including the definitions therein of certain terms. As used herein, the term "Holder" means the person in whose name a Note is registered in the register (the "Register") which the Company shall cause the Registrar to maintain.

General

The Notes will be senior unsecured obligations of the Company. The Company will initially issue US\$500,000,000 aggregate principal amount of the 2034 Notes and US\$300,000,000 aggregate principal amount of the 2054 Notes. The Company will be entitled to, without the consent of the Holders, issue additional Notes of a series under the corresponding Indenture on the same terms and conditions of the Notes of the same series being offered hereby (other than the original issue date and interest commencement date) in an unlimited aggregate principal amount (the "Additional Notes"). The Notes and the Additional Notes of a series, if any, will have the same terms and conditions, for all purposes of the corresponding Indenture, including waivers, amendments, and offers to purchase, as the existing Notes of the same series so that the further issue would be consolidated and form a single series with the existing Notes of the same series provided that if any such Additional Notes of a series are not fungible with the existing Notes of the same series for U.S. federal income tax purposes, such Additional Notes of the same series will have a separate CUSIP number. Unless the context otherwise requires, for all purposes of each of the Indentures and this "Description of the Notes," references to the Notes of a series include any Additional Notes of the same series actually issued.

The 2034 Notes will bear interest at the rate per annum shown on the front cover of this offering memorandum from the later of December 9, 2024 or from the most recent Interest Payment Date on which interest has been paid or provided for, payable semi-annually, in arrears, on June 9 and December 9 of each year, commencing June 9, 2025 to the person in whose name such Note (or any predecessor Note) is registered at the close of business on the preceding May 25 or November 24, as the case may be. Interest on the 2034 Notes will be computed on the basis of a 360-day year of twelve 30-day months.

The 2054 Notes will bear interest at the rate per annum shown on the front cover of this offering memorandum from the later of December 9, 2024 or from the most recent Interest Payment Date on which interest has been paid or provided for, payable semi-annually, in arrears, on June 9 and December 9 of each year, commencing June 9, 2025 to the person in whose name such Note (or any predecessor Note) is registered at the close of business on the preceding May 25 or November 24, as the case may be. Interest on the 2054 Notes will be

computed on the basis of a 360-day year of twelve 30-day months.

The Notes will constitute direct senior unsecured obligations of the Company and will rank at least *pari passu* in priority of payment with all other present and future unsecured and unsubordinated indebtedness of the Company. See "Risk Factors—Holding company structure and related risks."

Maturity and Optional Redemption

The 2034 Notes will mature on December 9, 2034. The redemption price at the maturity date is 100% of the then outstanding principal amount of such 2034 Notes.

The 2054 Notes will mature on December 9, 2054. The redemption price at the maturity date is 100% of the then outstanding principal amount of such 2054 Notes.

The Company will give not less than 10 days' nor more than 60 days' notice of any optional redemption to Holders of the Notes of a series, which notice will be irrevocable and will be given to Holders of Notes of such series and published in Singapore as described in "—Notices" below.

On and after the redemption date, interest on the Notes of a series or any portion of the Notes of such series called for redemption will cease to accrue (unless the Company defaults in the payment of the redemption price and accrued interest). By 11:00 a.m. (New York time) on the Business Day prior to the redemption date, the Company will deposit with the Trustee funds sufficient to pay the redemption price and accrued interest, to but excluding the redemption date, on the Notes of a series subject to redemption. If the redemption date falls after a record date but on or prior to the corresponding interest payment date, the Company will pay accrued interest to the holder of record of such Notes of such series on the corresponding record date, which may or may not be the person who will receive payment of the redemption price (which will exclude such accrued interest). If less than all of the Notes of a series are to be redeemed, the Notes of such series to be redeemed will be selected by lot or by such method in accordance with the procedures of The Depository Trust Company ("DTC").

Optional Redemption With "Make-Whole" Amount or at Par

Prior to September 9, 2034 (the date that is three months prior to the maturity date of the 2034 Notes) (the "2034 Notes Par Call Date"), the Company may redeem the 2034 Notes at its option, in whole or in part, at any time and from time to time, at a redemption price (expressed as a percentage of principal amount and rounded to three decimal places) equal to the greater of:

(1) (a) the sum of the present values of the remaining scheduled payments of principal and interest thereon discounted to the redemption date (assuming the 2034 Notes matured on the 2034 Notes Par Call Date) on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 20 basis points less (b) interest accrued to the redemption date, and

(2) 100% of the principal amount of the 2034 Notes to be redeemed,

plus, in either case, accrued and unpaid interest thereon to, but excluding, the redemption date.

Prior to June 9, 2054 (the date that is six months prior to the maturity date of the 2054 Notes) (the "2054 Notes Par Call Date"), the Company may redeem the 2054 Notes at its option, in whole or in part, at any time and from time to time, at a redemption price (expressed as a percentage of principal amount and rounded to three decimal places) equal to the greater of:

(1) (a) the sum of the present values of the remaining scheduled payments of principal and interest thereon discounted to the redemption date (assuming the 2054 Notes matured on the 2054 Notes Par Call Date) on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 25 basis points less (b) interest accrued to the redemption date, and

(2) 100% of the principal amount of the 2054 Notes to be redeemed, plus,

in either case, accrued and unpaid interest thereon to, but excluding, the redemption date. On or after either the 2034 Notes Par Call Date or the 2054 Notes Par Call Date, as applicable, the Company may redeem the Notes of a series, in whole or in part, at any time and from time to time, at a redemption price equal to 100% of the principal amount of the Notes of such series being redeemed plus accrued and unpaid interest thereon to the redemption date.

“Treasury Rate” means, with respect to any redemption date, the yield determined by the Company in accordance with the following two paragraphs.

The Treasury Rate shall be determined by the Company after 4:15 p.m. (New York City time) (or after such time as yields on U.S. government securities are posted daily by the Board of Governors of the Federal Reserve System), on the third business day preceding the redemption date based upon the yield or yields for the most recent day that appear after such time on such day in the most recent statistical release published by the Board of Governors of the Federal Reserve System designated as “Selected Interest Rates (Daily) - H.15” (or any successor designation or publication) (“H.15”) under the caption “U.S. government securities–Treasury constant maturities–Nominal” (or any successor caption or heading). In determining the Treasury Rate, the Company shall select, as applicable: (1) the yield for the Treasury constant maturity on H.15 exactly equal to the period from the redemption date to either the 2034 Notes Par Call Date or the 2054 Notes Par Call Date, as applicable (the “Remaining Life”); or (2) if there is no such Treasury constant maturity on H.15 exactly equal to the Remaining Life, the two yields – one yield corresponding to the Treasury constant maturity on H.15 immediately shorter than and one yield corresponding to the Treasury constant maturity on H.15 immediately longer than the Remaining Life – and shall interpolate to either the 2034 Notes Par Call Date or the 2054 Notes Par Call Date, as applicable, on a straight-line basis (using the actual number of days) using such yields and rounding the result to three decimal places; or (3) if there is no such Treasury constant maturity on H.15 shorter than or longer than the Remaining Life, the yield for the single Treasury constant maturity on H.15 closest to the Remaining Life. For purposes of this paragraph, the applicable Treasury constant maturity or maturities on H.15 shall be deemed to have a maturity date equal to the relevant number of months or years, as applicable, of such Treasury constant maturity from the redemption date.

If on the third business day preceding the redemption date H.15 or any successor designation or publication is no longer published, the Company shall calculate the Treasury Rate based on the rate per annum equal to the semi-annual equivalent yield to maturity at 11:00 a.m. (New York City time) on the second business day preceding such redemption date of the United States Treasury security maturing on, or with a maturity that is closest to either, the 2034 Notes Par Call Date or the 2054 Notes Par Call Date, as applicable. If there is no United States Treasury security maturing on either the 2034 Notes Par Call Date or the 2054 Notes Par Call Date, as applicable, but there are two or more United States Treasury securities with a maturity date equally distant from either the 2034 Notes Par Call Date or the 2054 Notes Par Call Date, as applicable, one with a maturity date preceding either the 2034 Notes Par Call Date or the 2054 Notes Par Call Date, as applicable, and one with a maturity date following either the 2034 Notes Par Call Date or the 2054 Notes Par Call Date, as applicable, the Company shall select the United States Treasury security with a maturity date preceding either the 2034 Notes Par Call Date or the 2054 Notes Par Call Date, as applicable. If there are two or more United States Treasury securities maturing on either the 2034 Notes Par Call Date or the 2054 Notes Par Call Date, as applicable, or two or more United States Treasury securities meeting the criteria of the preceding sentence, the Company shall select from among these two or more United States Treasury securities the United States Treasury security that is trading closest to par based upon the average of the bid and asked prices for such United States Treasury securities at 11:00 a.m. (New York City time). In determining the Treasury Rate in accordance with the terms of this paragraph, the semi-annual yield to maturity of the applicable United States Treasury security shall be based upon the average of the bid and asked prices (expressed as a percentage of principal amount) at 11:00 a.m. (New York City time) of such United States Treasury security, and rounded to three decimal places.

The Company's actions and determinations in determining the redemption price shall be conclusive and binding for all purposes, absent manifest error.

Optional Redemption Upon Tax Event

The Notes of a series may be redeemed at the option of the Company in whole, but not in part, at any time, at a redemption price equal to 100% of the then-outstanding principal amount, together with accrued but unpaid interest to, but not including, the date fixed for redemption and any required Additional Amounts, if, as a result of any change in, or amendment to, the laws (or any rules, regulation of rulings promulgated thereunder) of a Relevant Jurisdiction or any political subdivision thereof or any taxing authority therein or any change in the application, administration or official interpretation of such laws, rules, regulations or rulings, including the holding of a court of competent jurisdiction, the Company has, will or would become obligated to pay Additional Amounts in connection with payments on the Notes of such series in respect of Taxes imposed at a rate of deduction or withholding in excess of 4.9% (the "Maximum Withholding Rate"), which change or amendment becomes effective on or after the later of the date of the corresponding Indenture and the date that the Relevant Jurisdiction became a Relevant Jurisdiction and such obligation cannot be avoided by the Company taking reasonable measures available to it, *provided* that no such notice of redemption shall be given earlier than 60 days prior to the earliest date on which the Company would be obliged to pay Additional Amounts in respect of Taxes assessed at a rate above the Maximum Withholding Rate were a payment in respect of the Notes of such series then due.

Prior to the giving of any notice of redemption pursuant to the preceding paragraph, the Company shall deliver to the Trustee (i) a certificate stating that the Company is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Company to so redeem have occurred and (ii) an opinion of legal counsel of recognized standing in the Relevant Jurisdiction, who may be, in any event an employee of or counsel of the Company, to such effect based upon such statement of facts (an "Opinion of Counsel"). The trustee shall not be responsible for calculating any redemption price under each of the Indentures.

The Company may at any time purchase Notes in the open market or otherwise at any price.

Payment

All payments on the Notes will be made exclusively in such coin or currency of the United States as at the time of payment shall be legal tender for the payment of public and private debts.

Initially, the Trustee will act as Paying Agent and Registrar for the Notes. The Company may change the Paying Agent and Registrar without notice to holders. The notes of a series shall be issued in global form and payments of principal and premium, if any, and interest and any Additional Amounts on the Notes of such series will be made to DTC in its capacity as the registered holder under the corresponding Indenture.

Should any definitive Notes of a series be issued, payments in respect of principal on Notes of such series will be made only against surrender of such Notes of such series at the office of the Trustee in New York City or at the office of the Paying Agent and Registrar in New York City. Payment in respect of interest on each Interest Payment Date with respect to any 2034 Note will be made to the person in whose name such 2034 Note is registered at the close of business on the May 25 or November 24 immediately preceding such Interest Payment Date by U.S. dollar check drawn on a bank in The City of New York or, for Holders of at least US\$1,000,000 of Notes of such series, by wire transfer to a dollar account maintained by the payee with a bank in the United States or in Europe, provided that a written request from such Holder to such effect designating such account is received by the Trustee or the Paying Agent no later than 30 calendar days immediately preceding such Interest Payment Date. Payment in respect of interest on each Interest Payment Date with respect to any 2054 Note will be made to the person in whose name such 2054 Note is registered at the close of business on the May 25 or November 24 immediately preceding such Interest Payment Date by U.S. dollar check drawn on a bank in The City of New

York or, for Holders of at least US\$1,000,000 of Notes of such series, by wire transfer to a dollar account maintained by the payee with a bank in the United States or in Europe, provided that a written request from such Holder to such effect designating such account is received by the Trustee or the Paying Agent no later than 30 calendar days immediately preceding such Interest Payment Date.

Unless such designation is revoked, any such designation made by such Holder with respect to such Notes of such series will remain in effect with respect to any future payments with respect to any Note of such series payable to such Holder. The Company will pay any administrative costs imposed by banks in connection with making payments by wire transfer.

Notwithstanding the foregoing, any interest or Additional Amount which is payable, but which is not punctually paid or duly provided for, on any Interest Payment Date (“Defaulted Interest”) shall cease to be payable to the Holder registered on such date, and shall be payable, at the election of the Company, either (i) to the person in whose name such Note is registered at the close of business on a special record date to be fixed by the Trustee not more than 15 nor less than 10 days prior to the date fixed by the Company for payment thereof or (ii) in any other lawful manner not inconsistent with the rules of any applicable securities exchange if deemed practicable by the Trustee.

If any payment in respect of a Note is due on a day that is not at any place of payment a Business Day then, at each such place of payment, such payment need not be made on such day but may be made on the next succeeding day that is at such place of payment, a Business Day, with the same force and effect as if made on the date for such payment, and no interest will accrue for the period from and after such date.

Each Indenture will provide that any money or securities paid or delivered by the Company to the Trustee for any payment with respect to the Notes which remains unclaimed for two years after the date such payment was due or such securities were deliverable, will be repaid or delivered to the Company upon its request and thereafter the Holder will look only to the Company for payments thereof as an unsecured subordinated creditor, and the Company shall not be liable to pay any taxes or other duties in connection with such payments; provided, however, that unless otherwise provided by applicable law, the right to receive payment of principal of any Note, to the extent of any cash redemption, will become void at the end of 10 years from the relevant date thereof or such shorter period as may be prescribed by applicable law.

Subject to certain limitations set forth in each of the Indentures, the Company reserves the right at any time to vary or terminate the appointment of the Trustee or any Paying Agent in certain circumstances and to appoint another Trustee or additional or other Paying Agents and to approve any change in the specified offices through which any Paying Agent acts, *provided* that so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, it will appoint and maintain a Paying Agent and Transfer Agent in Singapore. Notice of any such termination or appointment and of any changes in the specified office or offices of the Paying Agents will be given to the Holders as described under “—Notices.” For the avoidance of doubt, The Bank of New York Mellon’s capacities hereunder are limited to that of Trustee, Paying Agent, Registrar and Transfer Agent solely in the United States and do not include Singapore.

Additional Amounts

All payments made by the Company in respect of the Notes of a series to the Holders of such series will be made free and clear of and without deduction or withholding for or on account of any present or future taxes, duties, fines, levies, imposts, assessments or other governmental charges imposed or levied by or on behalf of Mexico or any other jurisdiction in which the Company or any successor of the Company is organized or incorporated or doing or deemed to be doing business or the Company's or any successor's paying agent is located (each, a "Relevant Jurisdiction") or, in each case, any political subdivision thereof or any authority therein or thereof having power to tax ("Taxes") unless the deduction or withholding of such Taxes is required by law. In the event that any Taxes are required to be so deducted or withheld, the Company will (i) pay such additional amounts ("Additional Amounts") as will result in the payment to Holders of the Notes of a series of the net

amounts that would otherwise have been received by them in respect of payments on such Notes of such series in the absence of such Taxes, (ii) deduct or withhold such Taxes, and (iii) remit the full amount so deducted or withheld to the relevant taxing or other authority. Notwithstanding the foregoing, no such Additional Amounts shall be payable for or on account of:

(a) any Taxes which would not have been imposed or levied on a Holder but for the existence of any present or former connection between the Holder or beneficial owner of the Note and any Relevant Jurisdiction (or any political subdivision or taxing authority thereof or therein), including such Holder or beneficial owner (i) being or having been a citizen or resident thereof, (ii) maintaining or having maintained a permanent establishment therein, or (iii) being or having been present or engaged in trade or business therein, except for a connection solely arising from the mere ownership of, or receipt of payment under, such Note or the exercise of rights under such Note or the corresponding Indenture;

(b) except as otherwise provided, any estate, inheritance, gift, sales, transfer, or personal property or similar tax, assessment or other governmental charge imposed with respect to the Notes;

(c) any Taxes that are imposed or levied by reason of the delay or failure by the Holder or beneficial owner of such Note to comply with any certification, identification, information, documentation, declaration or other reporting requirement which is required or imposed by a statute, treaty, regulation, general rule or administrative practice as a precondition to exemption from, or reduction in the rate of, the imposition, withholding or deduction of any Taxes, provided that at least 60 days prior to (i) the first payment date with respect to which the Company shall apply this clause (c) and (ii) in the event of a change in such certification, identification, information, documentation, declaration or other reporting requirement, the first payment date subsequent to such change, the Company shall have notified the Trustee in writing that the Holders of a series or beneficial owners of the Notes of such series will be required to provide such certification, identification, information or documentation, declaration or other reporting;

(d) the presentation of such Note (where presentation is required) for payment on a date more than 30 days after the date on which such payment became due and payable or the date on which payment thereof is duly provided for, whichever occurs later, except to the extent that the Holder or the beneficial owner of such Note would have been entitled to Additional Amounts in respect of such Taxes on presenting such Note for payment on any date during such 30-day period;

(e) any Taxes in excess of the Maximum Withholding Rate that are imposed or levied by reason of the delay or failure by the Holder or beneficial owner of such Note timely to comply (subject to the conditions set forth below) with the written request by or on behalf of the Company to provide information, documentation or other evidence concerning the nationality, residence or identity of the Holder or beneficial owner of such Note that is necessary from time to time to determine the appropriate rate of deduction or withholding of Taxes applicable to such Holder or beneficial owner, provided that at least 60 days prior to the first payment date with respect to which the Company shall apply this clause (d), the Company shall have notified the Trustee in writing that such Holders of a series or beneficial owners of the Notes of such series will be required to provide such information, documentation or other evidence;

(f) any Taxes that are payable other than by withholding or deduction;

(g) to the extent any Tax required to be withheld or deducted under (i) section 1471 through 1474 of the Internal Revenue Code of 1986, as amended ("FATCA") and any current or future regulations or official interpretations thereof, (ii) any treaty, law, regulation or other official guidance enacted by any foreign government implementing FATCA or relating to an intergovernmental agreement between the United States and any other jurisdiction implementing FATCA, or (iii) any agreement between the Company and the United States or any authority thereof implementing FATCA;

(h) by or on behalf of a Holder that is a fiduciary, a partnership, a limited liability company or a

person other than the sole beneficial owner of any payment, to the extent that a beneficiary or settlor with respect to such fiduciary, a member of such partnership, an interest holder in such limited liability company or the beneficial owner of the payment would not have been entitled to the Additional Amounts had the beneficiary, settlor, member, interest holder or beneficial owner been the holder of the Note; or

- (i) any combination of items (a), (b), (c), (d), (e), (f), (g) or (h) above.

Notwithstanding the foregoing, the limitations on the Company's obligation to pay Additional Amounts set forth in clauses (c) and (e) above shall not apply if the provision of the certification, identification, information, documentation, declaration or other evidence described in such clauses (c) and (e) would be materially more onerous, in form, in procedure or in the substance of information disclosed, to a Holder or beneficial owner of a Note (taking into account any relevant differences between U.S. and Mexican law, regulation or administrative practice) than comparable information or other applicable reporting requirements imposed or provided for under U.S. federal income tax law (including the U.S.-Mexico Income Tax Treaty), regulation (including temporary or proposed regulations) and administrative practice.

In addition, the limitations on the Company's obligation to pay Additional Amounts set forth in clauses (c) and (e) above shall not apply if Article 166 Section II(a) of the Mexican Income Tax Law providing for a reduced 4.9% withholding rate on interest payments (or a substantially similar successor of such article) is in effect, unless (i) the provision of the certification, identification, information, documentation, declaration or other evidence described in clauses (c) and (e) is expressly required by statute, regulation, general rules or administrative practice in order to apply Article 166 Section II(a) (or a substantially similar successor of such article), the Company cannot obtain such certification, identification, information, or satisfy any other reporting requirements, on its own through reasonable diligence and the Company otherwise would meet the requirements for application of Article 166 Section II(a) (or such successor of such article). In addition, clauses (c) and (e) above shall not be construed to require that any Holder or beneficial owner of a Note register with the Mexican Ministry of Finance and Public Credit (*Secretaría de Hacienda y Crédito Público*) for the purpose of establishing eligibility for an exemption from or reduction of Taxes.

The Company, upon written request, will provide the Trustee with documentation evidencing the payment of Taxes. Copies of such documentation will be made available to any Holder or any Paying Agent, as applicable, upon written request therefor.

In the event that Additional Amounts actually paid with respect to the Notes of a series are based on rates of deduction or withholding of Taxes in excess of the appropriate rate applicable to the Holder or beneficial owner of such Notes of such series, and, as a result thereof, such Holder or beneficial owner is entitled to make a claim for a refund or credit of such excess, then such Holder or beneficial owner shall, by accepting the Notes of such series, be deemed to have assigned and transferred all right, title and interest to any such claim for a refund or credit of such excess to the Company. However, by making such assignment, the Holder or beneficial owner makes no representation or warranty that the Company will be entitled to receive such claim for a refund or credit and incurs no other obligation with respect thereto.

All references in the offering memorandum to payments in respect of the Notes of a series shall include any Additional Amounts payable by the Company in respect of such payments.

Repurchase at the Option of Holders Upon a Change of Control Triggering Event

Upon the occurrence of a Change of Control Triggering Event, each Holder of Notes of a series will have the right to require the Company to repurchase all or any part of such Holder's Notes of such series pursuant to the offer described below (the "Change of Control Offer") at a purchase price (the "Change of Control Purchase Price") equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to the purchase date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date) and any Additional Amounts payable in respect thereof.

Within 30 days following any Change of Control Triggering Event, the Company shall send a notice to each Holder as described in "—Notices" below, with a copy to the Trustee, stating:

- that a Change of Control Triggering Event has occurred and a Change of Control Offer is being made pursuant to the covenant entitled "Repurchase at the Option of Holders Upon a Change of Control Triggering Event" and that all Notes timely tendered will be accepted for payment;
- the Change of Control Purchase Price and the purchase date, which shall be, subject to any contrary requirements of applicable law, a Business Day no earlier than 10 days nor later than 60 days from the date such notice is mailed (such specified date, the "Change of Control Payment Date");
- the circumstances and relevant facts regarding the Change of Control Triggering Event; and
- the procedures that Holders of Notes of a series must follow in order to tender their Notes of such series (or portions thereof) for payment, and the procedures that Holders of Notes of such series must follow in order to withdraw an election to tender Notes of such series (or portions thereof) for payment.

On the Business Day immediately preceding the Change of Control Payment Date, the Company will deposit with the Paying Agent funds in an amount equal to the Change of Control Purchase Price in respect of all Notes of such series or portions thereof so tendered.

The Company will not be required to make a Change of Control Offer following a Change of Control Triggering Event if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the corresponding Indenture applicable to a Change of Control Offer made by the Company and purchases all Notes of such series validly tendered and not withdrawn under such Change of Control Offer.

The Company will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of Notes of such series pursuant to a Change of Control Offer. To the extent that the provisions of any securities laws or regulations conflict with the provisions of the covenant described above, the Company will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this covenant by virtue of such compliance.

The Company's obligation to make an offer to repurchase the Notes of a series as a result of a Change of Control Triggering Event may be waived or modified at any time prior to the occurrence of such Change of Control Triggering Event with the consent of the Holders of at least a majority in aggregate principal amount of outstanding Notes of such series, although the premium payable upon a Change of Control Triggering Event may not be reduced without the consent of the Holder of each Note. See "—Amendments, Supplements and Waivers."

Covenants

For so long as any of the Notes remains outstanding or any amount remains unpaid on any of the Notes, the Company will, and will cause each of its Subsidiaries to, comply with the terms of the covenants described below.

Limitation on Liens

The Company shall not, and shall not permit any of its Material Subsidiaries to, create any Lien upon or with respect to any of its present or future Properties securing Debt, unless the Company shall have made or caused to be made effective provision whereby the Notes are at least equally and ratably secured, except for the following:

- (i) any Lien on any Property (or, in the case of Debt secured by accounts receivable or inventory,

class of Property) existing on the date of the corresponding Indenture;

(ii) any Lien on any Property securing all or any part of the purchase price of Property (including inventories) acquired or any portion of the cost of construction, development, alteration or improvement of any Property or Debt incurred or assumed solely for the purpose of financing all or any part of the cost of acquiring or constructing, developing, altering or improving such Property, which Lien attached solely to such Property during the period that such Property was being constructed, developed, altered or improved or concurrently with or within 270 days after the acquisition, construction, development, alteration or improvement thereof;

(iii) any Lien securing Debt for the purpose of financing all or part of the cost of the acquisition, construction or development of a project; *provided* that the lenders of such Debt expressly agree to limit their collateral in respect of such Debt to assets (including Capital Stock of the project entity) and/or revenues of such project; and *provided, further*, that the Lien is incurred before, or within 180 days after the completion of, that acquisition, construction or development and does not apply to any other property or assets owned by us or any Subsidiary;

(iv) Liens on Property of any Subsidiary of the Company existing prior to the time such Subsidiary became a Subsidiary of the Company which (a) do not secure Debt exceeding the aggregate principal amount of Debt subject to such Lien prior to the time such Subsidiary became a Subsidiary of the Company, (b) do not attach to Property other than that attached pursuant to such Lien prior to the time such Subsidiary became a Subsidiary of the Company, and (c) were not created in connection with, or in contemplation of, such Subsidiary becoming a Subsidiary of the Company;

(v) any Lien on any Property existing thereon at the time of acquisition of such Property and not created in connection with, or in contemplation of, such acquisition;

(vi) Liens on accounts receivable or inventories to secure Debt constituting working capital borrowings not exceeding in the aggregate the greater of (a) US\$650 million (or the equivalent thereof in other currencies) and (b) 40% of the total consolidated amount of accounts receivable and inventories of the Company and its consolidated Subsidiaries;

(vii) Liens on the Property of a Subsidiary, which only secures indebtedness owed by the Subsidiary to another Subsidiary or to the Company;

(viii) Liens securing the Notes;

(ix) Liens on specific items of inventory or other goods and proceeds of any Person arising in the ordinary course of business securing such Person's obligations in respect of bankers' acceptances issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;

(x) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale of goods, or otherwise arising on goods in favor of suppliers of such goods, in each case in the ordinary course of business;

(xi) Liens (i) of a collection bank arising under Section 4-210 of the UCC on items in the course of collection and (ii) attaching to commodity trading accounts or other commodities brokerage accounts incurred in the ordinary course of business, including Liens encumbering reasonable customary initial deposits and margin deposits;

(xii) Liens on insurance policies and the proceeds thereof securing financing of the premiums with respect thereto;

(xiii) Liens consisting of an agreement to dispose of any Property permitted to be disposed of under the covenant "Limitation on Consolidation, Merger or Transfer of Property";

(xiv) any customary encumbrance or restriction on the equity interests in a joint venture, including customary rights of first refusal, "tag-along" and "drag along" rights, transfer restrictions and put and call arrangements with respect to the Equity Interests of any joint venture pursuant to any joint venture or similar agreement;

(xv) Liens that are contractual rights of set-off (i) relating to the establishment of depositary relations with banks or other financial institutions, (ii) related to pooled deposit or sweep accounts of the Company or any of its Subsidiaries to permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business or (iii) relating to purchase orders and other agreement entered into with supplier or customers of the Company or any of the Subsidiaries in the ordinary course of business;

(xvi) the modification, replacement, renewal or extension of any Lien permitted by clauses (ii) and (iv) above; provided that such Lien does not extend to any additional Property other than (A) after acquired Property that is affixed or incorporated into the Property covered by such Lien and (B) the proceeds and products thereof; and

(xvii) in addition to the foregoing Liens, Liens securing Debt of the Company or any Subsidiary and/or securing Guarantees by the Company or any Subsidiary of, or in respect of, any other Person's Debt not exceeding in the aggregate principal amount at any time of determination 20% of the Consolidated Net Tangible Assets of the Company.

Limitation on Sale-Leaseback Transactions

The Company shall not, and shall not permit any Subsidiary to, enter into a Sale-Leaseback Transaction with respect to any Property unless at least one of the following conditions is satisfied:

(i) the lease is between the Company and a Subsidiary or between Subsidiaries; *provided, however,* that any subsequent transfer of such lease or any subsequent issuance or transfer of any Capital Stock which results in any such Subsidiary ceasing to be a Subsidiary shall be deemed to constitute the entering into of such Sale-Leaseback Transaction by the parties thereto;

(ii) the Company or such Subsidiary could create a Lien under the covenant "—Limitations on Liens" on the Property to secure Debt in an amount at least equal to the Attributable Debt in respect of such Sale-Leaseback Transaction; or

(iii) the Company or such Subsidiary shall apply or cause to be applied, in the case of a sale or transfer for cash, an amount equal to at least 75% of the net proceeds thereof, to (x) the retirement, within twelve months after the effective date of such Sale-Leaseback Transaction, of Debt of the Company ranking at least *pari passu* in priority of payment with the Notes and owing to a Person other than the Company or an affiliate of the Company or (y) to the purchase, construction or improvement of Property used by the Company or any Subsidiary in the ordinary course of business; and in the case of a sale or transfer otherwise than for cash, the Property received by the Company or such Subsidiary shall be used or useful in the ordinary course of business of the Company or any Subsidiary;

The foregoing restrictions shall not apply to transactions providing for a lease for a term, including any renewal thereof, of not more than three years.

Limitation on Consolidation, Merger or Transfer of Property

The Company shall not merge, consolidate or amalgamate with or into, or convey, transfer or lease its

Property substantially as an entirety to any Person, unless, immediately after giving effect to such transaction:

(i) the resulting, surviving or transferee Person (if not the Company) shall be a Person organized and existing under the laws of Mexico, the United Kingdom, any member of the European Union, the United States of America (or any State thereof or the District of Columbia) or, if such Person is treated as a disregarded entity for U.S. federal income tax purposes, its regarded owner is a corporation organized and existing under the laws of the United States of America (or any State thereof or the District of Columbia), and such Person shall expressly assume, by an indenture supplemental to the corresponding Indenture, executed and delivered to the Trustee, all the obligations of the Company under the Notes and such Indenture;

(ii) immediately after giving effect to such transaction (and treating any Debt which becomes an obligation of the resulting, surviving or transferee Person or any Subsidiary as a result of such transaction as having been incurred by such Person or such Subsidiary at the time of such transaction), no Default or Event of Default shall have occurred and be continuing; and

(iii) the Company shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such transaction and such supplemental indenture, if any, comply with the corresponding Indenture.

Reporting Requirements

The Company shall provide the Trustee with the following:

(i) an English language version of its annual audited consolidated financial statements prepared in accordance with IFRS, promptly upon such statements becoming available but not later than 180 days after the close of its fiscal year.

(ii) an English language version of its unaudited quarterly condensed consolidated financial statements prepared in accordance with IFRS, promptly upon such statements becoming available but not later than 90 days after the close of the applicable quarterly fiscal period (it being recognized that no quarterly financial statements need be prepared or provided for the fourth quarter of the fiscal year);

(iii) simultaneously with the delivery of each set of financial statements referred to in clause (i) and (ii) above, an Officers' Certificate of a Responsible Officer of the Company stating whether an Event of Default or Default exists on the date of such certificate and, if an Event of Default or Default exists, setting forth the details thereof and the action which the Company is taking or proposes to take with respect thereto; and

(iv) not later than five (5) Business Days upon a Responsible Officer of the Company becoming aware of the existence of an Event of Default or Default, an Officers' Certificate of an officer of the Company setting forth the details thereof and the action which the Company is taking or proposes to take with respect thereto.

In addition, so long as the Notes are listed on the SGX-ST, the Company will make available the information specified in subparagraphs (i) and (ii) above at the specified office of the Singapore Paying Agent for the Notes if so required.

Delivery of such reports, information and documents to the Trustee is for informational purposes only and shall be deemed to be in compliance with the foregoing covenants, however, the Trustee's receipt of such shall not constitute constructive or actual notice to the Trustee of any information contained therein or determinable from information contained therein, including the Company's compliance with any of its covenants hereunder (as to which the Trustee is entitled to rely exclusively on Officer's Certificates).

Available Information/Listing

The Company shall take all action necessary to provide information to permit resales of the Notes pursuant to Rule 144A under the Securities Act, including furnishing to any Holder of a Note or beneficial interest in a Global Note, or to any prospective purchaser designated by such Holder, upon request of such Holder, financial and other information required to be delivered under Rule 144A(d)(4) (as amended from time to time and including any successor provision) unless, at the time of such request, the Company is subject to the reporting requirements of Section 13 or Section 15(d) of the Exchange Act or is exempt from such requirements pursuant to Rule 12g3-2(b) under the Exchange Act (as amended from time to time and including any successor provision). Although the Company presently intends to have the Notes listed and quoted on the Official List of the SGX-ST. However, the Company is under no obligation to do so, and it cannot guarantee or make assurance that the Notes will be accepted for listing by the SGX-ST. Any such listing may be discontinued at any time in the Company's sole discretion. The Bank of New York Mellon shall have no responsibility in connection with any listing of the Notes hereunder.

Other Covenants

Each of the Indentures contains certain other covenants relating to, among other things, the maintenance of corporate existence and maintenance of books and records.

Events of Default

Each of the Indentures will provide that each of the following events constitutes an Event of Default with respect to its series.

(i) default in the payment of the principal of or premium, if any, on any Note after any such principal or premium becomes due in accordance with the terms thereof, whether at maturity, upon redemption or otherwise; or default in the payment of any interest, Additional Amounts or other amounts in respect of the Notes if such default continues for 30 days after any such interest, Additional Amounts or other amount becomes due in accordance with the terms thereof;

(ii) failure to observe or perform any other covenant or agreement contained in the Notes or the Indenture, and such failure continues for 90 days after notice specifying such failure and requiring it to be remedied has been sent to the Company by the Trustee, or sent to the Company and the Trustee by the Holders of at least 33% of the outstanding aggregate principal amount of the Notes;

(iii) the Company or any of its Material Subsidiaries shall fail to pay when due (whether at maturity, upon redemption or acceleration or otherwise) the principal of any Debt in excess, individually or in the aggregate of US\$100 million (or the equivalent thereof in other currencies), if such failure shall continue for more than the period of grace, if any, applicable thereto and the period for payment has not been expressly extended;

(iv) a decree or order by a court having jurisdiction shall have been entered adjudging the Company or any of its Material Subsidiaries as bankrupt, insolvent, in *concurso mercantil* or in *quiebra*, or approving as properly filed a petition seeking reorganization, bankruptcy, insolvency, *concurso mercantil* or in *quiebra* of or by the Company or any of its Material Subsidiaries and such decree or order shall have continued undischarged or unstayed for a period of 120 days; or a decree or order of a court having jurisdiction for the appointment of a receiver or liquidator or *síndico*, *conciliador*, *visitador* or similar official or any thereof or for the liquidation or dissolution of the Company or any of its Material Subsidiaries, shall have been entered, and such decree or order shall have continued undischarged and unstayed for a period of 120 days; *provided, however*, that any Material Subsidiary may be liquidated or dissolved if, pursuant to such liquidation or dissolution, all or substantially all of its assets are transferred to the Company or another Material Subsidiary of the Company; or

(v) the Company or any of its Material Subsidiaries shall institute any proceeding to be adjudicated as voluntarily bankrupt, insolvent, in *concurso mercantil* or in *quiebra*, or shall consent to the filing of a bankruptcy, insolvency, *concurso mercantil* or in *quiebra* proceeding against it, or shall file a petition or answer or consent seeking reorganization or *concurso mercantil*, or shall consent to the filing of any such petition, or shall consent to the appointment of a receiver or liquidator or *sindico, conciliador, visitador* or similar official of it or its Property.

If an Event of Default specified in clause (iv) or (v) above shall occur and be continuing, the maturity of all outstanding Notes shall automatically be accelerated and the principal amount of (and premium, if any, on) the Notes, together with accrued interest and any unpaid Additional Amounts thereon, shall be immediately due and payable. If any other Event of Default shall occur and be continuing, the Trustee or the Holders of not less than 33% of the aggregate principal amount of the Notes then outstanding may, by written notice to the Company (and to the Trustee if given by Holders), declare the principal amount of (and premium, if any, on) the Notes, together with accrued interest and any unpaid Additional Amounts thereon, immediately due and payable. The right of the Holders to give such acceleration notice shall terminate if the event giving rise to such right shall have been cured before such right is exercised. Any such declaration may be annulled and rescinded by written notice from the Trustee at the direction of the Holders of a majority of the aggregate principal amount of the Notes then outstanding if all amounts then due with respect to the Notes are paid (other than amount due solely because of such declaration) and all other defaults with respect to the Notes are cured.

In the event of a declaration of acceleration because an Event of Default set forth in subparagraph (iii) above has occurred and is continuing, such declaration of acceleration shall be automatically annulled if the default in payment in respect of the Debt which is subject of such Event of Default shall have been cured or rescinded within 60 days thereof and the Company has delivered a notice of such cure or rescission to the Trustee and no other Event of Default has occurred before or during such 60 day period which has not been cured or waived.

Subject to the provisions of the Indenture relating to the duties of the Trustee, in case the Company shall fail to comply with its obligations under the Indenture or the Notes and such failure shall be continuing, the Trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request or direction of any of the Holders, unless such Holders shall have offered to the Trustee indemnity satisfactory to it. The Holders of a majority in aggregate principal amount of the outstanding Notes will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee, to the extent such does not conflict with the provisions of the Indenture or applicable law.

No Holder of any Note will have any right to institute any proceeding with respect to the Indenture or the Notes or for any remedy thereunder, unless such Holder has previously given to the Trustee written notice of a continuing Event of Default and unless also the Holders of at least 33% in aggregate principal amount of the outstanding Notes shall have made a written request to the Trustee to institute proceedings in respect of such Event of Default in its own names as Trustee, such Holder or Holders have offered to the Trustee indemnity satisfactory to it, the Trustee for 60 days after receipt of such notice has failed to institute any such proceeding and no direction inconsistent with such request shall have been given to the Trustee during such 60-day period by the Holders of a majority in principal amount of the outstanding Notes. However, such limitations do not apply to a suit individually instituted by a Holder of a Note for enforcement of payment of the principal of, premium, if any, on, interest on or any Additional Amounts with respect to such Note on or after respective due dates expressed in such Note.

Defeasance

The Company may at any time terminate all of its obligations with respect to the Notes of a series ("defeasance"), except for certain obligations, including its obligations to the Trustee, those regarding any trust established for a defeasance, to replace mutilated, destroyed, lost or stolen Notes of such series and to maintain agencies in respect of Notes of such series. The Company may at any time terminate its obligations under certain covenants set forth in an Indenture, and any omission to comply with such obligations shall not constitute a Default with respect to the Notes of such series issued under such Indenture ("covenant defeasance"). In order to exercise either legal defeasance or covenant defeasance, the Company must irrevocably deposit in trust, for the benefit of the Holders of the Notes of a series, with the Trustee money or U.S. government obligations, or a combination thereof, in such amounts as in the opinion of a certified public accounting firm will be sufficient to pay the principal of, premium, if any, on and interest (including Additional Amounts, if any) on the Notes of such series when such payments are due or to the redemption date specified by the Company in accordance with the terms of each Indenture and comply with certain other conditions, including, in the case of the legal defeasance option, the delivery to the Trustee of an Opinion of Counsel stating that (i) the Company has received from, or there has been published by, the U.S. Internal Revenue Service a ruling, or (ii) since the issue date there has been a change in the applicable United States federal income tax law, in either case to the effect that, and based thereon such Opinion of Counsel shall confirm that, the Holders will not recognize income, gain or loss for United States federal income tax purposes as a result of such defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such legal defeasance had not occurred.

Notices

All notices to Holders of (a) definitive Notes of a series shall be deemed to have been given upon the mailing by first class mail, postage prepaid, of such notices to Holders of such Notes of such series at their registered addresses as recorded in the Note Register and (b) global Notes will be given to them by electronic delivery of such notices to DTC in accordance with its applicable procedures. In addition, from and after the date the Notes of a series are admitted to listing on the SGX-ST and to trading on the Official List of the SGX-ST and so long as it is required by the rules of such exchange, all notices to Holders of Notes of such series will be published by the Company in English on the website of the SGX-ST, www.sgx.com. The Trustee shall upon request of the Company forward to each registered Holder of Notes of a series the reports received by the Trustee as described under "—Covenants—Reporting Requirements."

Amendments, Supplements and Waivers

Each Indenture may be amended by the Trustee and the Company, without the consent of the Holders of the corresponding series, for certain specified purposes, including for the purpose of curing any ambiguity or defect, or of curing, correcting or supplementing any defective provision contained therein or in any manner which may be deemed necessary or desirable and which the Company determines shall not adversely affect the interests of any of the Holders of the Notes of such series in any material respect, to all of which each Holder of the Notes of such series shall, by acceptance thereof, be subject; to conform the text of the corresponding Indenture or the Notes of such series to any provision of this "Description of the Notes" to the extent that such provision in this "Description of the Notes" was intended to be a verbatim recitation of a provision of such Indenture or the Notes of such series; to provide for the assumption of the Company's obligations under the corresponding Indenture and the Notes of such series as permitted under such Indenture; to add guarantees of the Notes of such series; and to secure the Notes of such series.

Other modifications and amendments to each Indenture or to the terms and conditions of the Notes of a series may also be made, and future compliance therewith or past default by the Company (other than a default in the payment of any amount, including in connection with a redemption, due on the Notes of such series or in respect of covenant or provision which cannot be modified and amended without the consent of the Holders of all

Notes of such series so affected) may be waived, with the consent of the Holders of at least a majority in aggregate principal amount of outstanding Notes of such series; and *provided, however*, that no such modification or amendment to such Indenture or to the terms and conditions of the Notes of such series may, without the consent of the Holder of each Note of such series so affected: change the Stated Maturity of the principal of, or any installment of interest with respect to, any Note or reduce the principal amount of or interest, with respect to, any Note; change cash prices at which the Notes of such series may be redeemed by the Company or the dates of redemption; reduce the premium payable upon a Change of Control Triggering Event or, at any time after a Change of Control Triggering Event has occurred, change the time at which a Change of Control Offer relating thereto must be made or at which the Notes of such series must be repurchased pursuant to such Change of Control Offer; change the obligation of the Company to pay Additional Amounts as described above; change the currency in which, or change the required place at which, payment with respect to principal of, or premium or interest with respect to, the Notes of such series is payable; reduce the above-stated percentage of principal amount outstanding of Notes of such series required to modify or amend the corresponding Indenture or the terms or conditions of the Notes of such series or to waive any future compliance or past default; or make any change to the provisions of such Indenture or the Notes of such Series that adversely affects the ranking of such Notes.

The consent of the Holders of Notes is not necessary to approve the particular form of any proposed amendment. It is sufficient if such consent approves the substance of the proposed amendment.

Governing Law and Submission to Jurisdiction

The Notes and each of the Indentures will be governed by, and construed in accordance with, the laws of the State of New York.

The Company has submitted to the exclusive jurisdiction of the Federal courts of the United States for the Southern District of New York and the courts of the State of New York in the Borough of Manhattan, The City of New York, and of any competent court in place of its corporate domicile for purposes of all legal actions and proceedings instituted in connection with its obligations with respect to the Notes. The Company has designated Corporation Service Company as agent for service of process upon whom process may be served in respect of any such proceedings. The laws of Mexico require service of process to be made personally upon the Company or an agent for service of process in order for a foreign judgment to be enforceable by a Mexican court. Because service of process by mail does not constitute personal service under the laws of Mexico, if, for the purpose of proceedings outside Mexico, service of process is made by mail, a final judgment issued in connection with such proceedings may not be enforced in the courts of Mexico. Therefore, for such purposes, the Company will have granted on or prior to the issue date of the Notes an irrevocable power of attorney for lawsuits and collections (*poder especial irrevocable para pleitos y cobranzas*) under the laws of Mexico in favor of Corporation Service Company.

Currency Indemnity

U.S. dollars are the sole currency of account and payment for all sums payable by the Company under or in connection with the Notes, including damages. Any amount received or recovered in a currency other than dollars (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of the Company or otherwise) by any Holder of a Note in respect of any sum expressed to be due to it from the Company shall only constitute a discharge to the Company to the extent of the dollar amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If that dollar amount is less than the dollar amount expressed to be due to the recipient under any Note, the Company shall indemnify it against any loss sustained by it as a result. In any event, the Company shall indemnify the recipient against the cost of making any such purchase.

For the purposes of this paragraph, it will be sufficient for the Holder of a Note to certify in a satisfactory manner (indicating the sources of information used) that it would have suffered a loss had an actual purchase of

dollars been made with the amount so received in that other currency on the date of receipt or recovery (or, if a purchase of dollars on such date had not been practicable, on the first date on which it would have been practicable, it being required that the need for a change of date be certified in the manner mentioned above). These indemnities constitute a separate and independent obligation from the Company's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Holder of a Note and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note. Neither the Trustee nor the Paying Agent shall have any responsibility to obtain any exchange rates or to otherwise effect any foreign currency changes.

Replacement of Notes

In the event that any Note shall become mutilated, defaced, destroyed, lost or stolen, the Company will execute and, upon the Company's request, the Trustee will authenticate and deliver a new Note, of like tenor (including the same date of issuance) and equal principal amount, registered in the same manner, and bearing interest from the date to which interest has been paid on such Note, in exchange and substitution for such Note (upon surrender and cancellation thereof) or in lieu of and substitution for such Note. In the event that such Note is destroyed, lost or stolen, the applicant for a substitute Note shall furnish to the Company and the Trustee such security or indemnity as may be required by them to hold each of them harmless, and, in every case of destruction, loss or theft of such Note, the applicant shall also furnish to the Company and the Trustee satisfactory evidence of the destruction, loss or theft of such Note and of the ownership thereof. Upon the issuance of any substituted Note, the Company may require the payment by the registered holder thereof of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other fees and expenses (including the fees and expenses of the Trustee) connected therewith.

Trustee

Each of the Indentures contains provisions for the indemnification of the Trustee and for its relief from responsibility. The obligations of the Trustee to any Holder of Notes of a series are subject to such immunities and rights as are set forth in each of the Indentures.

The Company and its affiliates may from time to time enter into normal banking and trustee relationships with the Trustee and its affiliates.

The Trustee and any of its affiliates may hold Notes in their own respective names.

Certain Definitions

The following is a summary of certain defined terms used in each of the Indentures. Reference is made to each of the Indentures for the full definition of all such terms as well as other capitalized terms used herein for which no definition is provided.

For purposes of the following definitions and each of the Indentures generally, all calculations and determinations shall be based upon the latest internally available annual or quarterly consolidated financial statements of the Company and its Subsidiaries prepared in accordance with IFRS (as defined herein).

"Additional Amounts" has the meaning set forth under "—Additional Amounts."

"Attributable Debt" means, with respect to a Sale-Leaseback Transaction, as at the time of determination, the present value (discounted at the rate per annum equivalent to the interest rate inherent in such lease (as determined in good faith by the Company in accordance with generally accepted financial practice) of the total net obligations of the lessee for rental payments (excluding any amounts required to be paid by the lessee for maintenance and repairs, insurance, taxes and similar items) during the remaining term of the lease included in such Sale-Leaseback Transaction (including any period for which such lease has been extended).

"Business Day" means any day other than a Saturday, a Sunday or a day on which banking institutions in the Borough of Manhattan, The City of New York, Mexico or, with respect to any payment on the Notes, if there is a Paying Agent in Singapore, in Singapore or, with respect to any place of payment, in such place of payment, are authorized or obligated by law, executive order or regulation to close.

"Capital Stock" means, with respect to any Person, any shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interests (however designated) in such Person.

"Change of Control" means the occurrence of the following: (i) any event as a result of which the Permitted Holders shall cease, in the aggregate, to control, directly or indirectly, the power to direct or cause the direction of the Company's management and policies, whether through the ownership of voting securities, by contract or otherwise, (ii) the adoption of a plan relating to the Company's liquidation or dissolution or (iii) the direct or indirect sale, transfer, conveyance or other disposition in one or a series of related transactions, of all or substantially all of the Company's and its Subsidiaries' properties or assets taken as a whole to any "person" or "group" (as such terms are used for purposes of Sections 13(d) and 14(d) of the Exchange Act) other than the Permitted Holders, the Company or any of its Subsidiaries whether or not otherwise in compliance with the Indenture.

"Change of Control Offer" has the meaning set forth under "—Repurchase at the Option of Holders Upon a Change of Control Triggering Event."

"Change of Control Payment Date" has the meaning set forth under "—Repurchase at the Option of Holders Upon a Change of Control Triggering Event."

"Change of Control Purchase Price" has the meaning set forth under "—Repurchase at the Option of Holders Upon a Change of Control Triggering Event."

"Change of Control Triggering Event" means the occurrence of both a Change of Control and a Ratings Decline.

"Consolidated Net Tangible Assets" means, as of any date of determination, the total assets appearing on the Company's most recent internally available consolidated balance sheet, less goodwill and other intangibles (other than patents, trademarks, copyrights, licenses and other intellectual property) shown on the Company's most recently internally available consolidated balance sheet.

"Debt" means, with respect to any Person (without duplication): (i) any obligation of such Person for borrowed money; and (ii) any amendment, supplement, modification, deferral, renewal, extension or refunding of any liability of the types referred to in clause (i) above. For the purpose of determining any particular amount of Debt under this definition, Guarantees of Debt otherwise included in the determination of such amount shall not be included.

"Exchange Act" means the U.S. Securities Exchange Act of 1934, as amended, or any successor statute or statutes thereto.

"Fitch" means Fitch Ratings Inc.

"Guarantee" means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Debt or other obligation of any Person and any obligation, direct or indirect, contingent or otherwise, of such Person (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Debt or other obligation of such Person (whether arising by virtue of partnership arrangements, or by agreement to keep-well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise) or (ii) entered into for purposes of assuring in any other manner the obligee of such Debt or other obligation of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part); provided, however, that the term "Guarantee" shall not include endorsements for collection or deposit in the

ordinary course of business. The term "Guarantee" used as a verb has a corresponding meaning. The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guarantying Person in good faith.

"IFRS" means International Financial Reporting Standards as issued by the International Accounting Board as in effect from time to time.

"Lien" means any mortgage, pledge, lien, security interest or other charge or encumbrance, including any equivalent right created or arising under the laws of Mexico.

"Material Subsidiary" means any Subsidiary of the Company which, as of any date of determination, either (i) had assets which, as of the date of the Company's most recent quarterly consolidated balance sheet, constituted at least 10% of the Company's total assets on a consolidated basis as of such date or (ii) had revenues for the twelvemonth period ending on the date of the Company's most recent quarterly consolidated statement of income which constituted at least 10% of the Company's total net sales on a consolidated basis for such period.

"Permitted Holders" means (i) Graciela Moreno Hernández, (ii) a parent, brother or sister of Graciela Moreno Hernández and/or of the deceased Roberto Gonzalez Barrera, (iii) the spouse or a former spouse of any individual referenced in clause (i) or (ii), (iv) the lineal descendants of any person referenced in clauses (i) through (iii) and the spouse or a former spouse of any such lineal descendant, (v) the estate, heir or any guardian, custodian or other legal representative of any individual referenced in clauses (i) through (iv), (vi) any trust or other investment vehicle established principally for the benefit of any one or more of the individuals (or their respective heirs) referenced in clauses (i) through (v), and (vii) any Person in which a majority of the equity interests are owned, directly or indirectly, by any one or more of the Persons referenced in clauses (i) through (vi).

"Person" means any individual, corporation, limited liability company, limited or general partnership, joint venture, association, joint stock company, trust, unincorporated association or governmental or any agency or political subdivision thereof.

"Property" means any asset, plant, facility, revenue or other property, whether tangible or intangible, real or personal, including any right to receive income.

"Ratings Decline" means that, at any time during the period (the "Trigger Period") commencing on the first public announcement by the Company of any Change of Control (or pending Change of Control) and ending 60 days following consummation of such Change of Control (which Trigger Period shall be extended following consummation of a Change of Control for so long as the rating of the Notes is under publicly announced consideration for possible downgrade by S&P or Fitch (or any other rating agency) or a substitute or successor of any thereof), the then-applicable rating of the Notes is decreased by either S&P or Fitch (or any other rating agency) or a substitute or successor of any thereof; provided that any such ratings decline is in whole or in part in connection with such Change of Control. The Trustee shall not be responsible for monitoring the ratings of the Notes.

"Redeemable Stock" means any Capital Stock that by its terms or otherwise is required to be redeemed by the Company on a Stated Maturity date or that is required to be redeemed by the Company at the option of the Holder thereof.

"Responsible Officer" means the chief executive officer, the president, the chief financial officer or the treasurer of the Company, or, in each case, any other officer having substantially the same authority and responsibility.

"S&P" means Standard & Poor's Ratings Services.

"Sale-Leaseback Transaction" means an arrangement relating to Property now owned or hereafter acquired whereby the Company or a Subsidiary transfers such property to a Person and the Company or a Subsidiary leases it from such Person.

"Stated Maturity" means, with respect to (i) any security, the date specified in such security as the fixed date on which the principal of such security is due and payable, including pursuant to any mandatory redemption provision (but excluding any provision providing for the repurchase of such security at the option of the holder thereof upon the happening of any contingency unless such contingency has occurred) and (ii) any installment of interest on any security, the date specified in such security as the fixed date on which such installment of interest is due and payable.

"Subsidiary" means, with respect to any Person, any other Person as to which a majority of the total voting power of shares of Capital Stock (or, if such other Person is not a corporation, other ownership interests) is, as of the date of determination, beneficially owned or held, directly or indirectly, by such Person and/or one or more other Subsidiaries thereof. The term "voting power" means, in turn, power to vote in the election of directors or members of the governing body of such other Person.

"Trustee" means the party named as such in the Indenture until a successor replaces it and, thereafter, means the successor.

"Voting Stock" means Capital Stock of any Person, the holders of which are ordinarily, in the absence of contingencies, entitled to vote for the election of directors (or persons performing similar functions) of such Person, even if the right to vote has been suspended by the happening of such a contingency.

BOOK-ENTRY, DELIVERY AND FORM

The notes are being offered and sold to qualified institutional buyers in reliance on Rule 144A ("Rule 144A notes"). Notes also may be offered and sold in offshore transactions in reliance on Regulation S ("Regulation S notes"). Notes were issued at the closing of this offering only against payment in immediately available funds.

Rule 144A notes initially will be represented by one or more notes in registered, global form without interest coupons (collectively, the "Rule 144A global notes"). Regulation S notes initially will be represented by one or more notes in registered, global form without interest coupons (collectively, the "Regulation S global notes" and, together with the Rule 144A global notes, the "global notes").

The global notes will be deposited upon issuance with the Trustee as custodian for DTC, in New York, New York, and registered in the name of DTC or its nominee, in each case, for credit to an account of a direct or indirect participant in DTC as described below. Through and including the 40th day after the later of the commencement of this offering and the closing of this offering (such period through and including such 40th day, the "restricted period"), beneficial interests in the Regulation S global notes may be transferred only to a Regulation S person or a person that takes delivery through a Rule 144A global note in accordance with the certification requirements described below. Beneficial interests in the Rule 144A global notes may not be exchanged for beneficial interests in the Regulation S global notes at any time except in the limited circumstances described below. See "—Exchanges Between Regulation S Notes and Rule 144A Notes."

Except as set forth below, the global notes may be transferred, in whole and not in part, only to another nominee of DTC or to a successor of DTC or its nominee. Beneficial interests in the global notes may not be exchanged for notes in certificated form except in the limited circumstances described below. See "—Exchange of Global Notes for Certificated Notes." Except in the limited circumstances described below, owners of beneficial interests in the global notes will not be entitled to receive physical delivery of notes in certificated form.

Rule 144A notes (including beneficial interests in the Rule 144A global notes) will be subject to certain restrictions on transfer and will bear a restrictive legend as described under "Transfer Restrictions." Regulation S notes will also bear the legend as described under "Transfer Restrictions." In addition, transfers of beneficial interests in the global notes will be subject to the applicable rules and procedures of DTC and its direct or indirect participants (including, if applicable, those of Euroclear and Clearstream), which may change from time to time.

Depository Procedures

The following description of the operations and procedures of DTC, Euroclear and Clearstream is provided solely as a matter of convenience. These operations and procedures are solely within the control of the respective settlement systems and are subject to changes by them. We take no responsibility for these operations and procedures and urge investors to contact the system or their participants directly to discuss these matters.

DTC has advised us that DTC is a limited purpose trust company created to hold securities for its participating organizations (collectively, the "participants") and to facilitate the clearance and settlement of transactions in those securities between participants through electronic book entry changes in accounts of its participants. The participants include securities brokers and dealers (including the initial purchasers), banks, trust companies, clearing corporations and certain other organizations. Access to DTC's system is also available to other entities such as banks, brokers, dealers and trust companies that clear through or maintain custodial relationship with a participant, either directly or indirectly (collectively, the "indirect participants"). Persons who are not participants may beneficially own securities held by or on behalf of DTC only through the participants or

the indirect participants. The ownership interests in, and transfers of ownership interests in, each security held by or on behalf of DTC are recorded on the records of the participants and indirect participants.

DTC has also advised us that, pursuant to procedures established by it:

- (1) upon deposit of the global notes, DTC will credit the accounts of participants designated by the initial purchasers with portions of the principal amount of the global notes; and
- (2) ownership of these interests in the global notes will be shown on, and the transfer of ownership of these interests will be effected only through, records maintained by DTC (with respect to the participants) or by the participants and the indirect participants (with respect to other owners of beneficial interests in the global notes).

Investors in the global notes who are participants in DTC's system may hold their interests therein directly through DTC. Investors in the Rule 144A global notes who are not participants may hold their interests therein indirectly through organizations (including Euroclear and Clearstream) which are participants in such system. Euroclear and Clearstream will hold interests in the global notes on behalf of their participants through customers' securities accounts in their respective names on the books of their respective depositories, which are Euroclear Bank S.A./N.V., as operator of Euroclear, and Citibank, N.A., as operator of Clearstream. All interests in a global note, including those held through Euroclear or Clearstream, may be subject to the procedures and requirements of DTC. Those interests held through Euroclear or Clearstream may also be subject to the procedures and requirements of such systems. The laws of some states require that certain persons take physical delivery in definitive form of securities that they own. Consequently, the ability to transfer beneficial interests in a global note to such persons will be limited to that extent. Because DTC can act only on behalf of participants, which in turn act on behalf of indirect participants, the ability of a person having beneficial interests in a global note to pledge such interests to persons that do not participate in the DTC system, or otherwise take actions in respect of such interests may be affected by the lack of a physical certificate evidencing such interests.

Except as described below, owners of interests in the global notes will not have notes registered in their names, will not receive physical delivery of notes in certificated form and will not be considered the registered owners or "holders" thereof under the Indentures for any purpose.

Payments in respect of the principal of, and interest and premium and additional interest, if any, on a global note registered in the name of DTC or its nominee will be payable to DTC in its capacity as the registered holder under the Indentures. Under the terms of the Indentures, the Issuer and the Trustee will treat the persons in whose names the notes, including the global notes, are registered as the owners of the notes for the purpose of receiving payments and for all other purposes. Consequently, neither the Issuer, the Trustee, the transfer agent, registrar, the paying agent nor any agent of the Issuer, nor the Trustee has or will have any responsibility or liability for:

- (1) any aspect of DTC's records or any participant's or indirect participant's records relating to or payments made on account of beneficial ownership interest in the global notes or for maintaining, supervising or reviewing any of DTC's records or any participant's or indirect participant's records relating to the beneficial ownership interests in the global notes; or
- (2) any other matter relating to the actions and practices of DTC or any of its participants or indirect participants.

DTC has advised us that its current practice, upon receipt of any payment in respect of securities such as the notes (including principal and interest) is to credit the accounts of the relevant participants with the payment

on the payment date unless DTC has reason to believe it will not receive payment on such payment date. Each relevant participant is credited with an amount proportionate to its beneficial ownership of an interest in the principal amount of the relevant security as shown on the records of DTC. Payments by the participants and the indirect participants to the beneficial owners of notes will be governed by standing instructions and customary practices and will be the responsibility of the participants or the indirect participants and will not be our responsibility or that of DTC or the Trustee. Neither the Issuer nor the Trustee will be liable for any delay by DTC or any of its participants in identifying the beneficial owners of the notes, and the Issuer and the Trustee may conclusively rely on and will be protected in relying on instructions from DTC or its nominee for all purposes.

Subject to the transfer restrictions set forth under "Transfer Restrictions," transfers between participants in DTC will be effected in accordance with DTC's procedures, and will be settled in same-day funds, and transfers between participants in Euroclear and Clearstream will be effected in accordance with their respective rules and operating procedures.

Subject to compliance with the transfer restrictions applicable to the notes described herein, cross-market transfers between the participants in DTC, on the one hand, and Euroclear or Clearstream participants, on the other hand, will be effected through DTC in accordance with DTC's rules on behalf of Euroclear or Clearstream, as the case may be, by its respective depository; however, such cross market transactions will require delivery of instructions to Euroclear or Clearstream, as the case may be, by the counter-party in such system in accordance with the rules and procedures and within the established deadlines (Brussels time) of such system. Euroclear or Clearstream, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its respective depository to take action to effect final settlement on its behalf of delivering or receiving interests in the relevant global note in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Euroclear participants and Clearstream participants may not deliver instructions directly to the depositories for Euroclear or Clearstream.

DTC has advised us that it will take any action permitted to be taken by a holder of notes only at the direction of one or more participants to whose account DTC has credited the interests in the global notes and only in respect of such portion of the aggregate principal amount of the notes as to which such participant or participants has or have given such direction. However, if there is an event of default under the notes, DTC reserves the right to exchange the global notes for legended notes in certificated form, and to distribute such notes to its participants.

Although DTC, Euroclear and Clearstream have agreed to the foregoing procedures to facilitate transfers of interests in the Rule 144A global notes and the Regulation S global notes among participants in DTC, Euroclear and Clearstream, they are under no obligation to perform or to continue to perform such procedures, and may discontinue such procedures at any time. Neither the Issuer nor the Trustee nor any of their respective agents will have any responsibility for the performance by DTC, Euroclear or Clearstream or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Exchange of Global Notes for Certificated Notes

A global note is exchangeable for definitive notes in registered certificated form ("certificated notes") if:

- (1) DTC (a) notifies the Issuer that it is unwilling or unable to continue as depository for the global notes and DTC fails to appoint a successor depository or (b) has ceased to be a clearing agency registered under the Exchange Act;

- (2) the Issuer, at its option, notifies the Trustee in writing that it has elected to cause the issuance of the certificated notes; or
- (3) there has occurred and is continuing a Default or Event of Default with respect to the notes.

In addition, beneficial interests in a global note may be exchanged for certificated notes upon prior written notice given to the Trustee by or on behalf of DTC in accordance with each of the Indentures. In all cases, certificated notes delivered in exchange for any global note or beneficial interests in global notes will be registered in the names, and issued in any approved denominations, requested by or on behalf of the depository (in accordance with its customary procedures) and will bear the applicable restrictive legend referred to in "Transfer Restrictions," unless that legend is not required by applicable law.

Exchange of Certificated Notes for Global Notes

Certificated notes may not be exchanged for beneficial interests in any global note unless the transferor first delivers to the Trustee a written certificate (in the form provided in the Indentures) to the effect that such transfer will comply with the appropriate transfer restrictions applicable to such notes. See "Transfer Restrictions."

Exchanges Between Regulation S Notes and Rule 144A Notes

Beneficial interests in the Regulation S global notes may be exchanged for beneficial interests in the Rule 144A global notes of the same series only if:

- (1) such exchange occurs in connection with a transfer of the notes pursuant to Rule 144A; and
- (2) the transferor first delivers to the Trustee a written certificate (in the form provided in each of the Indentures) to the effect that the notes are being transferred to a person:
 - (A) who the transferor reasonably believes to be a qualified institutional buyer within the meaning of Rule 144A;
 - (B) purchasing for its own account or the account of a qualified institutional buyer in a transaction meeting the requirements of Rule 144A; and
 - (C) in accordance with all applicable securities laws of the states of the United States and other jurisdictions.

Beneficial interest in a Rule 144A global note may be transferred to a person who takes delivery in the form of an interest in the Regulation S global note, whether before or after the expiration of the restricted period, only if the transferor first delivers to the Trustee a written certificate (in the form provided in each of the Indentures) to the effect that such transfer is being made in accordance with Rule 903 or 904 of Regulation S.

Transfers involving exchanges of beneficial interests between the Regulation S global notes and the Rule 144A global notes will be effected in DTC by means of an instruction originated by the DTC participant and approved by the Trustee through the DTC Deposit/Withdraw at Custodian system. Accordingly, in connection with any such transfer, appropriate adjustments will be made to reflect a decrease in the principal amount of the Regulation S global note and a corresponding increase in the principal amount of the Rule 144A global note or vice versa, as applicable. Any beneficial interest in one of the global notes that is transferred to a person who takes delivery in the form of an interest in the other global note will, upon transfer, cease to be an interest in such

global note and will become an interest in the other global note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interest in such other global note for so long as it remains such an interest. Transfers between Regulation S and Rule 144A notes will need to be done on a delivery free of payment basis and separate arrangements will need to be made outside of DTC for payment.

TRANSFER RESTRICTIONS

The notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the notes are being offered hereby only (a) to "qualified institutional buyers" (as defined in Rule 144A under the Securities Act), or QIBs, in compliance with Rule 144A under the Securities Act and (b) in offers and sales that occur outside the United States to persons other than U.S. persons ("non-U.S. purchasers," which term shall include dealers or other professional fiduciaries in the United States acting on a discretionary basis for non-U.S. beneficial owners (other than an estate or trust)), in offshore transactions meeting the requirements of Rule 903 of Regulation S. As used herein, the terms "offshore transactions," "United States" and "U.S. person" have the respective meanings given to them in Regulation S.

Each purchaser of notes will be deemed to have represented and agreed with us and the initial purchasers as follows:

- (1) It is purchasing the notes for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is (a) a QIB, and is aware that the sale to it is being made in reliance on Rule 144A under the Securities Act or (b) a non-U.S. purchaser that is outside the United States (or a non-U.S. purchaser that is a dealer or other fiduciary as referred to above);
- (2) It understands that the notes are being offered in a transaction not involving any public offering in the United States within the meaning of the Securities Act, that the notes have not been and will not be registered under the Securities Act, and that the notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except as set forth below;
- (3) It shall not resell or otherwise transfer any of such notes except:
 - to us or any of our subsidiaries;
 - pursuant to a registration statement which has been declared effective under the Securities Act;
 - within the United States to a QIB in compliance with Rule 144A under the Securities Act;
 - outside the United States to non-U.S. purchasers in offshore transactions meeting the requirements of Rule 903 or Rule 904 of Regulation S under the Securities Act; or
 - pursuant to another available exemption from the registration requirements of the Securities Act;
- (4) It agrees that it will give notice of any restrictions on transfer of such notes to each person to whom it transfers the notes;
- (5) It understands that the certificates evidencing the notes (other than the Regulation S global notes) will bear a legend substantially to the following effect unless otherwise determined by us:

THE SECURITIES EVIDENCED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE

OR OTHER SECURITIES LAWS, AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN ACCORDANCE WITH THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF OR OF A BENEFICIAL INTEREST HEREIN, THE HOLDER OF THIS SECURITY BY ITS ACCEPTANCE HEREOF (1) REPRESENTS THAT IT, AND ANY ACCOUNT FOR WHICH IT IS ACTING, (A) IS A "QUALIFIED INSTITUTIONAL BUYER" (WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT) OR (B) IS NOT A U.S. PERSON AND IS ACQUIRING THIS SECURITY IN AN "OFFSHORE TRANSACTION" PURSUANT TO RULE 903 OR 904 OF REGULATION S AND, WITH RESPECT TO (A) AND (B), EXERCISES SOLE INVESTMENT DISCRETION WITH RESPECT TO SUCH ACCOUNT, (2) AGREES FOR THE BENEFIT OF THE COMPANY THAT IT WILL NOT OFFER, SELL, PLEDGE OR OTHERWISE TRANSFER THIS SECURITY OR ANY BENEFICIAL INTEREST HEREIN, EXCEPT (A) (I) TO THE COMPANY OR ANY SUBSIDIARY THEREOF, (II) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BECOME EFFECTIVE UNDER THE SECURITIES ACT, (III) TO A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT, (IV) IN AN OFFSHORE TRANSACTION COMPLYING WITH THE REQUIREMENTS OF RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT OR (V) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT (IF AVAILABLE), AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND OTHER JURISDICTIONS, AND (3) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. AS USED HEREIN, THE TERMS "OFFSHORE TRANSACTION," "UNITED STATES" AND "U.S. PERSON" HAVE THE RESPECTIVE MEANINGS GIVEN TO THEM BY REGULATION S UNDER THE SECURITIES ACT.

PRIOR TO THE REGISTRATION OF ANY TRANSFER IN ACCORDANCE WITH CLAUSE 2(A)(V) ABOVE, THE COMPANY, UPON NOTICE TO THE TRUSTEE, RESERVES THE RIGHT TO REQUIRE THE DELIVERY OF SUCH LEGAL OPINIONS, CERTIFICATIONS, OR OTHER EVIDENCE AS MAY REASONABLY BE REQUIRED IN ORDER TO DETERMINE THAT THE PROPOSED TRANSFER IS BEING MADE IN COMPLIANCE WITH THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. NO REPRESENTATION IS MADE AS TO THE AVAILABILITY OF ANY EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THIS LEGEND SHALL ONLY BE REMOVED AT THE OPTION OF THE ISSUER.

- (6) If it is a non-U.S. purchaser acquiring a beneficial interest in a Regulation S global note offered pursuant to this offering memorandum, it acknowledges and agrees that, until the expiration of the 40 day "distribution compliance period" within the meaning of Regulation S, any offer, sale, pledge or other transfer shall not be made by it in the United States or to, or for the account or benefit of, a U.S. person, except pursuant to Rule 144A to a QIB taking delivery thereof in the form of a beneficial interest in a U.S. global note, and that each Regulation S global note will contain a legend to substantially the following effect:

THE SECURITIES EVIDENCED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE OR OTHER SECURITIES LAWS. PRIOR TO EXPIRATION OF THE 40-DAY DISTRIBUTION COMPLIANCE PERIOD (AS DEFINED IN REGULATION S ("REGULATION S")) UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE

"SECURITIES ACT")), THIS SECURITY MAY NOT BE REOFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES (AS DEFINED IN REGULATION S) OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, A U.S. PERSON (AS DEFINED IN REGULATION S), EXCEPT TO A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT IN A TRANSACTION MEETING THE REQUIREMENTS OF THE INDENTURE REFERRED TO HEREIN.

- (7) It acknowledges that the foregoing restrictions apply to holders of beneficial interests in the notes, as well as holders of the notes;
- (8) It acknowledges that we will not be required to accept for registration of transfer any notes acquired by it, except upon presentation of evidence satisfactory to us that the restrictions set forth herein have been complied with; and
- (9) It acknowledges that we, the trustee, the initial purchasers and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements and agrees that if any of the acknowledgments, representations or agreements deemed to have been made by its purchase of the notes are no longer accurate, it shall promptly notify us, the trustee and the initial purchasers. If it is acquiring the notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and it has full power to make the foregoing acknowledgments, representations and agreements on behalf of each such account.

TAXATION

General

The following summary contains a description of certain United States and Mexican federal income tax consequences of the purchase, ownership and disposition of the notes by holders that are non-resident of Mexico for tax purposes.

This summary is based upon federal tax laws of the United States and Mexico as in effect on the date of this offering memorandum, including the provisions of the income tax treaty between the United States and Mexico, which we refer to in this offering memorandum as the "US-Mexico Tax Treaty," all of which are subject to change. This summary does not purport to be a comprehensive description of all the U.S. or Mexican federal income tax considerations that may be relevant to a decision to purchase, hold or dispose of the notes. The summary does not address any tax consequences under the laws of any state, municipality or locality of Mexico or the United States or the laws of any taxing jurisdiction other than the federal laws of Mexico and the United States.

Prospective investors should consult their own tax advisors as to the Mexican and United States tax consequences of the purchase, ownership and disposition of notes, including, in particular, the effect of any foreign (non-Mexican and non-U.S.), state, municipal or local tax laws.

Mexico has also entered into or is negotiating several double taxation treaties with various countries that may have an impact on the tax treatment of the purchase, ownership or disposition of notes. Prospective purchasers of notes should consult their own tax advisors as to the tax consequences, if any, of the application of any such treaties.

Mexican Federal Tax Considerations

The following summary contains a description of the principal Mexican federal income tax consequences of the purchase, ownership and disposition of notes by a Non-Mexican Holder (as defined below). This summary is not a comprehensive description or an opinion of all the tax considerations that may be relevant to a decision to purchase, hold or dispose of the notes. In addition, it does not describe any tax consequences (1) arising under any laws other than the federal tax laws of Mexico (including the laws of any state or municipality within Mexico that are not discussed in this summary) or under any treaty for the avoidance of double taxation entered into by Mexico, or (2) that are applicable to a resident of Mexico for tax purposes. This summary is based on the Mexican Income Tax Law (*Ley del Impuesto sobre la Renta*), its regulations and the administrative general rules contained in the Administrative Tax Regulations for 2024 (*Resolución Miscelánea Fiscal para 2024*) in effect on the date of this offering memorandum, which is subject to change, possibly with retroactive effect, or to new or different interpretations, which could affect the continued validity of this general summary.

Potential investors should consult with their own tax advisors regarding the particular consequences of the purchase, ownership or disposition of the notes under the federal laws of Mexico (and the laws of any state or municipality of Mexico) or any other jurisdiction or under any applicable double taxation treaty to which Mexico is a party.

A "Non-Mexican Holder" is a holder of the notes who is not a resident of Mexico for tax purposes and that does not hold the notes through a permanent establishment for tax purposes in Mexico to which income in respect of the notes is attributable. Tax residency is a highly technical definition that involves the application of a number of factors that are specified in the Federal Fiscal Code. Under the Federal Fiscal Code, an individual is a resident of Mexico for tax purposes if the individual has established his or her home in Mexico. In the event the

individual also has a home in another jurisdiction different from Mexico, the individual will be deemed a resident of Mexico for tax purposes when his or her "center of vital interests" is in Mexico. A "center of vital interests" is deemed to exist in Mexico if, among other considerations: (1) more than 50% of an individual's total income, in any calendar year, qualifies as Mexican source income, or (2) when an individual's principal center of professional activities is located in Mexico. Mexican residents for tax purposes who file a change of tax residence to a country or jurisdiction that does not have a comprehensive tax information exchange agreement and a tax treaty that provides for the assistance in to facilitate cooperation in the assessment and collection of taxes with Mexico and in which his/her income is subject to a preferred tax regime pursuant to the provisions of the Mexican Income Tax Law, will be considered Mexican residents for tax purposes during the year of filing of notice of residence change and during the following five fiscal years. Mexican nationals are deemed Mexican residents for tax purposes, unless such nationals can demonstrate otherwise. A legal entity (including foreign legal arrangements treated as legal entities for Mexican tax purposes) is a resident of Mexico for tax purposes if the main administration of its business or the place of effective management is in Mexico.

If a legal entity or an individual is deemed a resident of Mexico for tax purposes or is a Non-Mexican resident with a permanent establishment in Mexico for Mexican tax purposes, any and all income earned by such Mexican resident or any income attributable to that permanent establishment of such Non-Mexican resident, as the case may be, will be subject to Mexican income taxes, in accordance with applicable tax laws.

Furthermore, according to the Mexican Income Tax Law (*Ley del Impuesto sobre la Renta*), non-residents without a permanent establishment in Mexico (or whose income is not attributable to a permanent establishment) should be subject to income tax in Mexico only on their Mexican sourced income. Interest payments shall be deemed sourced in Mexico when the capital is placed or invested in Mexico, and/or when interest payments are made by a resident of Mexico for tax purposes or by a non-resident with a permanent establishment in Mexico.

Accordingly, interest paid by residents of Mexico for tax purposes to non-residents will generally be subject to an income tax withholding, at rates that vary depending on the nature of the payor, the beneficial owner of the interest and/or the characteristics of the transactions that give rise to the interest. The applicable withholding tax rates contemplated under the Mexican Income Tax Law range from 4.9% to 40% (applicable in specific cases to entities who are residents in preferential tax regimes).

Payments of Interest

Pursuant to the Mexican Income Tax Law and other applicable rules and regulations thereunder, payments of interest on the notes (including original issue discount, which is deemed to be interest for Mexican tax purposes) to a Non-Mexican Holder will be generally subject to a Mexican withholding tax assessed at a rate of 4.9%, if, as expected, the following requirements are met:

- the issuance of the notes (including the principal characteristics of the notes) is notified to the CNBV pursuant to Article 7 of the LMV and Articles 24 Bis and 24 Bis 1 of the General Regulations Applicable to Issuers and Other Market Participants (*Disposiciones de Carácter General Aplicables a las Emisoras de Valores y a Otros Participantes del Mercado de Valores*) the business day following the issuance of the notes;
- the notes, as expected, are placed outside of Mexico through banks or brokerage houses, in a country with which Mexico has in force a treaty for the avoidance of double taxation which is in effect (which currently includes the United States of America); and
- we timely comply with the informational requirements specified from time to time by the Mexican tax authorities under their general rules, including, after completion of the transaction described in this offering memorandum, the filing with the Mexican Tax Administration Service (*Servicio de*

Administración Tributaria or "SAT"), fifteen business days after the placement of the notes, certain information regarding such placement and this offering memorandum (including the general characteristics of the notes).

If any of the above mentioned requirements is not met, the applicable withholding tax will be 10.0% or higher. If the effective beneficiaries, whether acting directly or indirectly, individually or jointly with related parties, that receive more than 5% of the interest paid under the notes (i) are persons who own, directly or indirectly, individually or with related parties, 10% of our voting stock or (ii) are corporations or other entities, of which 20% or more of the voting stock is owned, directly or indirectly, jointly or severally, by persons related to us, then the Mexican withholding tax rate applicable to payments of interest under our notes may increase to the maximum applicable rate according to the law (currently 35%). For these purposes, persons will be related if:

- one person holds an interest in the business of the other person;
- both persons have common interests; or
- a third party has an interest in the business or assets of both persons.

As of the date of this offering memorandum, the US-Mexico Tax Treaty is not expected to have any effect on the Mexican tax consequences described in this summary, because, as described above, under the Mexican Income Tax Law, we expect to be entitled to withhold taxes in connection with interest payments under the notes at a 4.9% rate.

Payments of interest on the notes made by us to non-Mexican pension and retirement funds will be generally exempt from Mexican withholding tax provided that:

- the fund is the beneficial owner of such interest payment;
- the fund is duly established pursuant to the laws of its country of establishment; and
- the fund is exempt from taxes in its country of residence.

Holders or beneficial owners of the notes may be requested to, subject to specified exceptions and limitations, provide certain information or documentation necessary to enable us to apply the appropriate Mexican withholding tax rate on interest payments under the notes made by us to such holders or beneficial owners. Additionally, the Mexican Income Tax Law provides that, in order for a foreign holder to be entitled to the benefits under the treaties for the avoidance of double taxation entered into by Mexico, it is necessary for the foreign holder to meet the procedural requirements established in such law. In the event that the specified information or documentation concerning the holder or beneficial owner, if requested, is not timely provided, we may withhold Mexican tax from interest payments on the notes to that holder or beneficial owner at the maximum applicable rate in effect, and our obligation to pay Additional Amounts relating to those withholding taxes will be limited as described under "Description of the Notes—Additional Amounts."

Mexican Value Added Tax

There is no Mexican Value Added Tax, issue, registration or similar taxes payable by a foreign holder with respect to the notes.

Mexican Financial Transaction Tax

Under current Mexican tax laws, there are no Mexican estate, gift, inheritance, succession or similar taxes generally applicable with respect to the acquisition, ownership or disposition of the Notes by a Non-Mexican

Holder, nor any Mexican stamp, issue, registration or similar taxes. Gratuitous transfers of the Notes in certain circumstances may result in the imposition of Mexican income taxes upon the recipient.

Payments of Principal

Under Mexican Income Tax Law and other applicable rules and regulations thereunder, payments of principal on the notes made by us to foreign holders will not be subject to any Mexican withholding tax, provided however, that any difference between the original issue price and the principal amount paid will be treated as interest, as described under "Payments of Interest".

Taxation of Capital Gains

Under the Mexican Income Tax Law, capital gains resulting from the sale or other disposition of the notes by a foreign holder to another foreign holder are not taxable in Mexico. Gains resulting from the sale of the notes by a foreign holder to a Mexican resident for tax purposes or to a foreign holder deemed to have a permanent establishment in Mexico for tax purposes, will be subject to the Mexican taxes pursuant to the rules described above with respect to interest payments.

Taxation of Make-Whole Amount

Under the Mexican Income Tax Law, the payment of the make-whole amounts as a result of the optional redemption of the notes will be subject to the Mexican taxes pursuant to the rules described above with respect to interest payments. See "Description of the Notes—Maturity and Optional Redemption—Optional Make-Whole Redemption."

U.S. Federal Income Tax Considerations

The following is a general summary of certain U.S. federal income tax consequences of the ownership and disposition of the notes. This summary is limited to holders of the notes that purchase the notes at the original issuance, at their "issue price" (as defined below) and who hold the notes as capital assets (within the meaning of the Internal Revenue Code of 1986 (the "Code")).

This summary is based upon provisions of the Code its legislative history, existing final, temporary, and proposed U.S. Department of Treasury ("Treasury") regulations, administrative pronouncements of the Internal Revenue Service (the "IRS"), and rulings and judicial decisions in effect as of the date hereof. These authorities may change, perhaps retroactively, so as to result in United States federal income tax consequences different from those summarized below. This summary does not address all aspects of U.S. federal income taxation that may be relevant to a particular holder or to certain types of holders subject to special treatment, such as persons subject to certain U.S. federal income tax laws regarding expatriates, dealers in securities or foreign currency, banks or other financial institutions, insurance companies, tax-exempt organizations, real estate investment trusts, regulated investment companies, partnerships, pass-through entities or persons that hold the notes through partnerships or pass through entities, "U.S. Holders" (as defined below) whose functional currency is not the U.S. Dollar, or persons who hold the notes as part of a "straddle," "hedge," "conversion transaction," "synthetic security" or other integrated investment.

In addition, this summary does not address alternative minimum tax consequences, any U.S. federal estate or gift tax consequences, any state or local tax consequences, any tax consequences under the special timing rules prescribed under section 451(b) of the Code, or the indirect effects on holders of interests in a holder of the notes. This summary also does not describe any tax consequences arising under the laws of any taxing jurisdiction other than the U.S. federal government.

Each investor should consult its own tax advisor with respect to the U.S. federal, state, local and foreign tax consequences of the ownership and disposition of the notes.

As used in this section, the term "U.S. Holder" means a beneficial owner of the notes that is for U.S. federal income tax purposes: (i) a citizen or individual resident of the United States; (ii) a corporation, or other entity treated and taxable as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of the United States or any state thereof (including the District of Columbia); (iii) any estate the income of which is subject to U.S. federal income tax regardless of its source; or (iv) any trust if (A) a court within the United States is able to exercise primary supervision over its administration and one or more U.S. persons have the authority to control all substantial decisions of the trust or (B) the trust has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

If a partnership (or other entity treated as a partnership for U.S. federal income tax purposes) holds notes, the tax treatment of a partner generally will depend upon the status of the partner and the activities of the partnership. A partner in a partnership that acquires or holds the notes should consult its own tax advisors as to the U.S. federal, state, local and foreign tax consequences of the ownership and disposition of the notes.

If you are considering the purchase of notes, you should consult your own tax advisors concerning the particular United States federal income tax consequences to you regarding ownership of the notes, as well as the consequences to you arising under the laws of any other taxing jurisdiction.

Contingent Payment Debt Obligations

Certain debt instruments that provide for one or more contingent payments are subject to U.S. Treasury regulations governing contingent payment debt instruments. A payment is not treated as a contingent payment under these regulations if, as of the issue date of the debt instrument, the likelihood that such payment will be made is remote and/or the payments are incidental. In certain circumstances as set forth in the Description of the Notes, we may redeem the notes in advance of their stated maturity, in which case we may pay amounts on the notes that are in excess of the stated interest or principal of the notes. We intend to take the position that the possibility that any such payment will be made is remote and/or the payments are incidental and therefore the notes are not subject to the rules governing contingent debt instruments. Our determination that these contingencies are remote and/or incidental is binding on you unless you disclose your contrary position to the IRS in the manner that is required by applicable U.S. Treasury regulations. Our determination is not, however, binding on the IRS. It is possible that the IRS might take a different position from that described above, in which case the timing, character and amount of taxable income in respect of the notes may differ adversely from that described herein. U.S. Holders are urged to consult their own tax advisors regarding the potential application of the contingent payment debt instrument rules and the consequences thereof to the notes. The remainder of this discussion assumes that the notes will not be treated as contingent payment debt instruments.

Stated Interest

The amount of stated interest payments (including amounts withheld in respect of Mexican withholding taxes) and Additional Amounts (as defined under "Description of Notes—Additional Amounts") on a note will generally be taxable to you as ordinary income at the time it is paid or accrued in accordance with your method of accounting for tax purposes.

Subject to certain conditions and limitations, withholding taxes imposed by a Relevant Jurisdiction, if any, withheld from interest payments on the notes may be treated as foreign taxes eligible for a credit against a U.S. Holder's U.S. federal income tax liability. These generally applicable limitations and conditions may include new requirements adopted by the IRS in 2021, and any tax imposed by a Relevant Jurisdiction may need to satisfy these requirements in order to be eligible to be a creditable tax for a U.S. Holder. In the case of a U.S. Holder that is either (i) eligible for, and properly elects, the benefits of an income tax treaty between the United States and a Relevant Jurisdiction (a "Tax Treaty"); or (ii) consistently elects to apply a modified version of these rules under temporary guidance that was issued in December 2023 and complies with specific requirements set forth in such guidance (for tax years ending before such temporary guidance is modified or withdrawn), the tax imposed by a

Relevant Jurisdiction on interest generally will be treated as meeting the new requirements and therefore as a creditable tax. In the case of all other U.S. Holders, the application of these requirements to the tax on interest imposed by a Relevant Jurisdiction is uncertain, and we have not determined whether these requirements have been met. If the tax on interest imposed by a Relevant Jurisdiction is not a creditable tax for a U.S. Holder or the U.S. Holder does not elect to claim a foreign tax credit for any foreign income taxes paid or accrued in the same taxable year, the U.S. Holder may be able to deduct the tax imposed by a Relevant Jurisdiction in computing such U.S. Holder's taxable income for U.S. federal income tax purposes.

Interest income (including taxes withheld by a Relevant Jurisdiction, if any, from the interest payments and any Additional Amounts) of a U.S. Holder generally will constitute foreign source "passive category income" for purposes of the foreign tax credit. A U.S. Holder may be denied a foreign tax credit for foreign taxes imposed with respect to the notes where a minimum holding period requirement is not met during which the U.S. Holder is not protected from risk of loss. The temporary guidance discussed above also indicates that the Treasury and the IRS are considering proposing amendments to the December 2021 regulations. The rules governing foreign tax credits are complex. U.S. Holders are urged to consult with their tax advisors regarding the availability of foreign tax credits or deductions with respect to withholding taxes imposed by a Relevant Jurisdiction.

Sale, Exchange and Retirement of Notes

Your adjusted tax basis in a note will, in general, be your acquisition cost for that note increased by any accruals of original issue discount and reduced (but not below zero) by payments, if any, you have previously received (other than payments of qualified stated interest) on such note and the amount of any amortizable bond premium applied to reduce interest on the note. Unless a non-recognition provision of U.S. federal income tax law applies, upon the sale, exchange, retirement or other disposition of a note, you will recognize gain or loss equal to the difference between the amount you realize upon the sale, exchange, retirement or other disposition (i.e. the sum of cash plus the fair market value of all other property received, including any make-whole amount, but less an amount equal to any accrued interest that you did not previously include in income, which will be taxable as ordinary interest income, as described above in "Stated Interest") and the adjusted tax basis of the note. Such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the holding period for such note is more than one year. Long-term capital gains recognized by individuals and certain other non-corporate U.S. Holders generally are eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations.

Under the new foreign tax credit requirements adopted by the IRS in December 2021 (as described above), a U.S. Holder generally may not be entitled to a foreign tax credit for any tax imposed by a Relevant Jurisdiction on the sale, taxable exchange, redemption or other taxable disposition of the notes, except in the case of a U.S. Holder that is either (i) eligible for, and properly elects, the benefits of a Tax Treaty; or (ii) consistently elects to apply a modified version of these rules under temporary guidance that was issued in December 2023 and complies with specific requirements set forth in such guidance (for tax years ending before such temporary guidance is modified or withdrawn). In the case of any gain from the disposition of the notes that is subject to income tax imposed by a Relevant Jurisdiction, a U.S. Holder who is not able to treat any gain (upon which the tax is imposed) as foreign source income under a Tax Treaty may not be able to benefit from the foreign tax credit for such income tax imposed by a Relevant Jurisdiction (because the gain from the disposition would be U.S. source), unless the U.S. Holder can apply the credit (subject to applicable limitations) against U.S. federal income tax payable on other income from foreign sources in the appropriate category. However, a U.S. Holder should be able to treat such gain as foreign source under a Tax Treaty if such holder is considered a resident of the United States for purposes of, and otherwise meets the requirements of, a Tax Treaty, in which case such gain may be classified under a separate category for income resourced by treaty for foreign tax credit limitation purposes. If the tax imposed by a Relevant Jurisdiction is not a creditable tax or claimed as a credit by the U.S. Holder pursuant to a Tax Treaty, the tax would generally reduce the amount realized on the sale, exchange, or retirement, or other taxable disposition of the notes, even if the U.S. Holder has elected to claim a foreign tax credit for other

taxes in the same year. The temporary guidance discussed above also indicates that the Treasury and the IRS are considering proposed amendments to the December 2021 regulations.

A U.S. Holder may be eligible for a deduction in computing its taxable income for such income tax even if the U.S. Holder is not able to claim a credit (provided that the U.S. Holder elects to deduct, rather than credit, all of its applicable foreign income taxes for the relevant taxable year). U.S. Holders should consult their own tax advisors as to the U.S. tax and foreign tax credit implications of a sale or other taxable disposition of a note. The rules governing foreign tax credits are complex. U.S. Holders are urged to consult with their tax advisors regarding the availability of foreign tax credits or deductions with respect to taxes imposed by a Relevant Jurisdiction.

Medicare Contribution Tax on Unearned Income

Certain U.S. Holders who are individuals, estates or trusts are subject to an additional 3.8% tax on, among other things, interest on the notes and capital gain from the sale or other taxable disposition of the notes. U.S. Holders are urged to consult their tax advisors regarding the effect, if any, of the Medicare tax on their ownership and disposition of the notes.

Backup Withholding and Information Reporting

Generally, information reporting requirements will apply to all payments we make to a U.S. Holder and the proceeds from a sale of a note paid to a U.S. Holder unless such U.S. Holder is an "exempt recipient" (such as a corporation). To avoid the imposition of backup withholding, a U.S. Holder should (i) provide its taxpayer identification number, (ii) certify that it is not subject to backup withholding, and (iii) otherwise comply with the applicable requirements of the backup withholding rules.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against a holder's United States federal income tax liability, provided the required information is furnished to the IRS.

U.S. Holders who are individuals (and certain specified U.S. entities) may be required to disclose information about their notes on IRS Form 8939 – "Statement of Specified Foreign Financial Assets" if the aggregate value of their notes and their other "specified foreign financial assets" exceeds \$50,000 on the last day of the taxable year, or \$75,000 at any time during the taxable year. Significant penalties can apply if a U.S. Holder fails to disclose its specified foreign financial assets.

U.S. Holders are urged to consult with their tax advisors about any reporting or filings obligations that apply as a result of the acquisition, holding or disposition of the notes. Failure to comply with certain reporting obligations could result in the imposition of substantial penalties.

PLAN OF DISTRIBUTION

GRUMA and the initial purchasers named below have entered into a purchase agreement with respect to the 2034 notes and the 2054 notes. Subject to certain conditions, each initial purchaser has severally agreed to purchase the principal amount of 2034 notes and the principal amount of 2054 notes, indicated in the following table.

Initial Purchasers	Principal Amount of 2034 Notes	Principal Amount of 2054 Notes
BBVA Securities Inc.	\$ 125,000,000	\$ 75,000,000
BofA Securities, Inc.	125,000,000	75,000,000
J.P. Morgan Securities LLC.	125,000,000	75,000,000
Scotia Capital (USA) Inc.....	125,000,000	75,000,000
Total.....	\$ 500,000,000	\$ 300,000,000

The initial purchasers are committed to take and pay for all of the notes being offered, if any are taken. The initial offering price for each series of notes is set forth on the cover page of this offering memorandum. After the notes are released for sale, the initial purchasers may change the offering price and other selling terms. The offering of the notes by the initial purchasers is subject to receipt and acceptance and subject to the initial purchasers' right to reject any order in whole or in part.

The notes have not been and will not be registered under the Securities Act. Each initial purchaser has agreed that it will only offer or sell the notes (A) in the United States to qualified institutional buyers in reliance on Rule 144A under the Securities Act, or (B) outside the United States to non-U.S. persons in offshore transactions in reliance on Regulation S under the Securities Act. Terms used above have the meanings given to them by Rule 144A and Regulation S under the Securities Act.

In connection with sales outside the United States, the initial purchasers have agreed that they will not offer, sell or deliver the notes to, or for the account or benefit of, U.S. persons (i) as part of the initial purchasers' distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering or the date the notes are originally issued. The initial purchasers will send to each dealer to whom it sells such notes during such 40-day period a confirmation or other notice setting forth the restrictions on offers and sales of the notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, with respect to notes initially sold pursuant to Regulation S, until 40 days after the later of the commencement of the offering or the date the notes are originally issued, an offer or sale of such notes within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

GRUMA has agreed in the purchase agreement, subject to certain exceptions, that for a period of 30 days after the date of this offering memorandum, neither it, nor any of its subsidiaries or other affiliates over which it exercises management or voting control, nor any person acting on its behalf will, without the prior written consent of the initial purchasers (which consent may not be unreasonably withheld), directly or indirectly, sell, offer, announce the offering of, or file any registration statement under the Securities Act in respect of, any of its U.S. Dollar-denominated debt securities offered or sold in the international capital markets, except for the notes sold to the initial purchasers pursuant to the purchase agreement.

The notes are a new issue of securities with no established trading market. GRUMA has been advised by the initial purchasers that the initial purchasers intend to make a market in the notes but are not obligated to do so and may discontinue market making at any time without notice. No assurance can be given as to the liquidity of the trading market for the notes.

Application is expected to be made to have the notes listed and quoted on the Official List of the SGX-ST. GRUMA cannot assure you that this application will be accepted.

In connection with the offering, the initial purchasers may purchase and sell the notes in the open market. These transactions may include short sales and purchases on the open market to cover positions created by short sales. Short sales involve the sale by the initial purchasers of a greater principal amount of notes than they are required to purchase in the offering. The initial purchasers must close out any short position by purchasing notes in the open market. A short position is more likely to be created if the initial purchasers are concerned that there may be downward pressure on the price of the notes in the open market after pricing that could adversely affect investors who purchase in the offering.

Similar to other purchase transactions, the initial purchasers' purchases to cover the syndicate short sales may have the effect of raising or maintaining the market price of the notes or preventing or retarding a decline in the market price of the notes. As a result, the price of the notes may be higher than the price that might otherwise exist in the open market.

Neither we nor any of the initial purchasers make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the notes. In addition, neither we nor any of the initial purchasers make any representation that the representatives will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

GRUMA has agreed to indemnify the several initial purchasers against certain liabilities in connection with this offering, including liabilities under the Securities Act.

Delivery of the notes is expected on or about December 9, 2024, which will be the third business day following the date of pricing of the notes ("T+3") against payment for the notes. Under Rule 15c6-1 under the Securities Exchange Act of 1934, as amended, trades in the secondary market generally are required to settle in one business day, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade notes prior to the date that is one business day preceding the settlement date will be required, by virtue of the fact that the notes initially settle in T+3, to specify an alternate settlement arrangement at the time of any such trade to prevent a failed settlement. Purchasers of the notes who wish to trade the notes during such period should consult their own advisors.

The initial purchasers and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Some of the initial purchasers and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for us for which they received or will receive customary fees and expenses. Affiliates of certain initial purchasers are lenders under either the revolving credit facilities or other long-term facilities that will be repaid with proceeds from this offering. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Indebtedness" and "Use of Proceeds."

In the ordinary course of their various business activities, the initial purchasers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. If any of the initial purchasers or their affiliates has a lending relationship with us, certain of those initial purchasers or their affiliates routinely hedge, and certain other of those initial purchasers or their affiliates may hedge, their credit exposure to us consistent with their customary risk management policies. Typically, these initial purchasers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially

the notes offered hereby. Any such credit default swaps or short positions could adversely affect future trading prices of the notes offered hereby. The initial purchasers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Sales Outside the United States

European Economic Area

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

In the EEA, this offering memorandum is only for distribution to, and it is only directed at, non-retail investors (being persons who are not "retail investors" as defined in this section titled "Notice to Prospective Investors in the European Economic Area") and any investment or investment activity to which this offering memorandum relates is available only to, and will be engaged in only with, non-retail investors. Any person in the EEA who is a "retail investor" should not act or rely on this offering memorandum or its contents. Each person in the EEA who purchases any of the notes will be deemed to have represented and warranted that they are a non-retail investor.

United Kingdom

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

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

References in this section titled "United Kingdom" to UK legislation include any successor legislation to that legislation.

Mexico

The notes have not been and will not be registered with the Mexican National Securities Registry (*Registro Nacional de Valores*) maintained by the CNBV, and may not be offered or sold publicly in Mexico or otherwise subject to brokerage activities in Mexico. The notes may be offered and sold in Mexico, on a private placement basis, solely to investors that qualify as institutional or qualified investors, pursuant to the private placement exemption set forth in Article 8 of the Mexican Securities Market Law (*Ley del Mercado de Valores*) and regulations thereunder. The information contained in this offering memorandum is solely the responsibility of the Issuer and has not been reviewed or authorized by the CNBV and may not be publicly distributed in Mexico.

Switzerland

This offering memorandum is not intended to constitute an offer or solicitation to purchase or invest in the notes described herein. The notes may not be publicly offered, directly or indirectly, in, into or from Switzerland within the meaning of the Swiss Financial Services Act ("FinSA") and no application has or will be made to admit the notes to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this offering memorandum nor any other offering or marketing material relating to the notes constitutes a prospectus pursuant to FinSA, and neither this offering memorandum nor any other offering or marketing material relating to the notes may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this offering memorandum nor any other offering or marketing material relating to the offering nor the notes have been or will be filed with or approved by any Swiss regulatory authority. The notes are not subject to the supervision by any Swiss regulatory authority (e.g., the Swiss Financial Markets Supervisory Authority FINMA), and investors in the notes will not benefit from protection or supervision by any such authority.

Chile

The notes being offered will not be registered under the Securities Market Law (*Ley de Mercado de Valores*) in the Securities Registry (*Registro de Valores*) or in the Foreign Securities Registry (*Registro de Valores Extranjeros*) of the Chilean Financial Markets Commission (*Comisión para el Mercado Financiero*, or the "CMF") and, therefore, the notes are not subject to the supervision of the CMF. As the securities are unregistered in Chile, we are not required to disclose public information about the notes in Chile. Accordingly, the notes cannot and will not be publicly offered to persons in Chile unless they are registered in the corresponding

Securities Registry. The notes may only be offered in Chile in circumstances that do not constitute a public offering under Chilean law or in compliance with General Rule (*Norma de Carácter General*) No. 336 of the CMF, dated June 27, 2012 ("CMF Rule 336"). Pursuant to the Securities Market Law, a public offering of securities is an offering that is addressed to the general public or to certain specific categories or groups thereof. Considering that the definition of public offering is quite broad, even an offering addressed to a small group of investors may be considered to be addressed to a certain specific category or group of the public and therefore be considered public under applicable law. However, pursuant to Rule 336, the notes may be privately offered in Chile to certain "qualified investors" (*Inversionistas Calificados*) identified as such therein (which in turn are further described in General Rule No. 216 of the CMF, dated June 12, 2008).

CMF Rule 336 requires the following information to be provided to prospective investors in Chile:

- (1) Date of commencement of the offer: December 2, 2024. The offer of the notes is subject to CMF Rule 336;
- (2) The subject matter of this offer are securities not registered with the Securities Registry (*Registro de Valores*) of the CMF, nor with the Foreign Securities Registry (*Registro de Valores Extranjeros*) of the CMF, due to the notes not being subject to the oversight of the CMF;
- (3) Since the notes are not registered in Chile there is no obligation by the issuer to make publicly available information about the notes in Chile; and
- (4) The notes shall not be subject to public offering in Chile unless registered with the corresponding Securities Registry of the CMF.

Canada

The notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions, and Ongoing Registrant Obligations. Any resale of the notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this offering memorandum (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the initial purchasers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Hong Kong

The notes may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap.32, Laws of Hong Kong), (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap.32, Laws of Hong

Kong). No advertisement, invitation or document relating to the notes may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) and any rules made thereunder.

Japan

The notes have not been and will not be registered in Japan pursuant to Article 4, Paragraph 1 of the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948 of Japan, as amended) (the "FIEA") and each initial purchaser has agreed that it will not offer or sell any notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan in effect at the relevant time.

Singapore

Each initial purchaser has acknowledged that this offering memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each initial purchaser has represented, warranted and agreed that it has not offered or sold any notes or caused the notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any notes or cause the notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this offering memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the notes, whether directly or indirectly, to any person in Singapore other than: (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "SFA")) pursuant to Section 274 of the SFA; (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA; or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Singapore Securities and Futures Act Product Classification—Solely for the purposes of its obligations pursuant to Sections 309B(1)(a) and 309B(1)(c) of the SFA, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the notes are "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Colombia

The notes may not be offered, sold or negotiated in Colombia, except under circumstances which do not constitute a public offering of securities under applicable Colombian securities laws and regulations. Furthermore, foreign financial entities must abide by the terms of Decree 2555 of 2010 to offer privately the notes to their Colombian clients.

Dubai International Financial Centre

This offering memorandum relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority ("DFSA"). This offering memorandum is intended for distribution only to

persons of a type specified in the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this offering memorandum nor taken steps to verify the information set forth herein and has no responsibility for the offering memorandum. The notes to which this offering memorandum relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the notes offered should conduct their own due diligence on the notes. If you do not understand the contents of this offering memorandum you should consult an authorized financial advisor.

Peru

The notes and the information contained in this offering memorandum are not being publicly marketed or offered in Peru and will not be distributed or caused to be distributed to the general public in Peru. Peruvian securities laws and regulations on public offerings will not be applicable to the offering of the notes and therefore, the disclosure obligations set forth therein will not be applicable to the Issuer or the sellers of the notes before or after their acquisition by prospective investors. The notes and the information contained in this offering memorandum have not been and will not be reviewed, confirmed, approved or in any way submitted to the *Superintendencia del Mercado de Valores* (Peruvian capital market regulator, the "SMV") nor have they been registered with the SMV's *Registro Público del Mercado de Valores* (Securities Market Public Registry). Accordingly, the notes cannot be offered or sold within Peruvian territory except to the extent any such offering or sale qualifies as a private offering under Peruvian law and regulations and complies with the provisions on private offerings set forth therein.

Italy

The offering of the notes has not been registered pursuant to Italian securities legislation and, therefore, no notes may be offered, sold or delivered, nor may copies of this offering memorandum or of any other document relating to the notes be distributed in the Republic of Italy, except:

- (a) to qualified investors (*investitori qualificati*) as defined in Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the "*Financial Services Act*") and Article 34-ter, first paragraph, letter b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time ("Regulation No. 11971"); or
- (b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Article 34-ter of Regulation No. 11971.

Any offer, sale or delivery of the notes or distribution of copies of this offering memorandum or any other document relating to the notes in the Republic of Italy under (a) or (b) above must be:

- i. made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the "*Banking Act*"); and
- ii. in compliance with Article 129 of the Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy; and
- iii. in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or any other Italian authority.

In accordance with Article 100-bis of the Financial Services Act, where no exemption from the rules on public offerings applies under (a) and (b) above, the subsequent distribution of the notes on the secondary market in Italy must be made in compliance with the public offer and the prospectus requirement rules provided under the Financial Services Act and Regulation No. 11971.

Failure to comply with such rules may result in the sale of such notes being declared null and void and in the liability of the intermediary transferring the financial instruments for any damages suffered by the investors.

Taiwan

The notes have not been and will not be registered with the Financial Supervisory Commission of Taiwan pursuant to relevant securities laws and regulations and may not be sold, issued or offered within Taiwan through a public offering or in circumstances which constitutes an offer within the meaning of the Securities and Exchange Act of Taiwan that requires a registration or approval of the Financial Supervisory Commission of Taiwan. No person or entity in Taiwan has been authorized to offer, sell, give advice regarding or otherwise intermediate the offering and sale of the notes in Taiwan.

Brazil

The offer and sale of the notes have not been and will not be registered with the Brazilian Securities Commission (*comissão de valores mobiliários*, or "CVM") and, therefore, will not be carried out by any means that would constitute a public offering in Brazil under CVM Resolution No 160, dated July 13, 2022, as amended ("CVM Resolution 160"), or unauthorized distribution under Brazilian laws and regulations. The notes will be authorized for trading on organized non-Brazilian securities markets and may only be offered to Brazilian professional investors (as defined by applicable CVM regulation), who may only acquire the notes through a non-Brazilian account, with settlement outside Brazil in non-Brazilian currency. The trading of these notes on regulated securities markets in Brazil is prohibited.

ENFORCEMENT OF CIVIL LIABILITIES AND SERVICE OF PROCESS

We are a publicly traded variable stock corporation (*sociedad anónima bursátil de capital variable*) incorporated under the laws of Mexico, with its principal place of business (*domicilio social*) in Monterrey, Nuevo León, Mexico. In addition, most of our directors, executive officers and controlling persons named herein are non-residents of the United States and substantially all of the assets of such non-resident persons and a significant portion of all of our assets are located in Mexico or elsewhere outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon such persons or us or to enforce against them or us in courts of any jurisdiction outside of Mexico, if any judgments predicated upon the laws of jurisdictions other than Mexico, including any judgment predicated substantially upon the civil liability provisions of United States federal and state securities laws or other laws of the United States.

No treaty exists between the United States and Mexico for the reciprocal enforcement of judgments issued in the other country. Generally, Mexican courts would enforce final judgments rendered in the United States if certain requirements were met, including the review in Mexico of the U.S. judgment to ascertain compliance with certain basic principles of due process and the non-violation of Mexican law or public policy (*orden público*), provided that U.S. courts would grant reciprocal treatment to Mexican judgments. Additionally, there is doubt as to the enforceability, in original actions in Mexican courts, of liabilities predicated, in whole or in part, on U.S. federal securities laws and as to the enforceability in Mexican courts of judgments of U.S. courts obtained in actions predicated on the civil liability provisions of U.S. federal securities laws or under the notes or the indentures. See "Risk Factors—Risks related to the Notes—It may be difficult to enforce civil liabilities against us or our directors, executive officers and controlling persons."

Although our obligations to pay U.S. Dollars outside Mexico are valid, in the event that proceedings are brought in Mexico seeking to enforce our obligations in respect of the notes, we would not be required to discharge such obligations in a currency other than the Mexican Peso. Pursuant to Mexican law, an obligation in a currency other than the Mexican Peso, which is payable in Mexico, may be satisfied in Mexican currency at the rate of exchange in effect on the date on which payment is made. Such rate of exchange is currently determined by the Mexican Central Bank (*Banco de México*) each business day in Mexico and published the following banking-business day in the Mexican Federal Official Gazette (*Diario Oficial de la Federación*).

In connection with the issuance of the notes, we have appointed Corporation Service Company at 80 State Street, Albany, New York 12207-2543 as our authorized agent upon whom process may be served in connection with any action instituted in any United States federal or state court having subject matter jurisdiction in the Borough of Manhattan in New York arising out of or based upon the indentures governing each series of notes. See "Description of the Notes."

LISTING AND GENERAL INFORMATION

Clearing Systems

Application will be made to have the notes accepted for clearance through Euroclear and Clearstream. In addition, application has been made to have the notes accepted for trading in book-entry form by DTC. For the Rule 144A 2034 notes, the ISIN number is US400131AH13 and the CUSIP number is 400131 AH1. For the Regulation S 2034 notes, the ISIN number is USP4948KAH88 and the CUSIP number is P4948K AH8. For the Rule 144A 2054 notes, the ISIN number is US400131AJ78 and the CUSIP number is 400131 AJ7. For the Regulation S 2054 notes, the ISIN number is USP4948KAJ45 and the CUSIP number is P4948K AJ4.

Listing

Application is expected to be made to the Official List of the SGX-ST, for the notes to be listed and quoted on the Official List of the SGX-ST. Copies of our by-laws, the Indentures, as may be amended or supplemented from time to time, the registration rights agreement, our published annual audited consolidated financial statements and any published interim unaudited consolidated financial statements will be available at our expense at our principal executive offices, as well as at the offices of the trustee, registrar, paying agent and transfer agent, as such addresses are set forth in this offering memorandum. We do not publish non-consolidated financial statements. To the best of our knowledge, the auditor's reports included herein have been accurately reproduced.

The notes have not been and will not be listed in the BMV or registered with the Mexican National Securities Registry (*Registro Nacional de Valores*) and therefore the notes may not be publicly offered or sold, or otherwise be the subject of brokerage activities in Mexico, except pursuant to a private placement exemption set forth under Article 8 of the LMV.

Authorization

We have obtained all necessary consents, approvals and authorizations in connection with the issuance and performance of the notes.

On October 23, 2024, our board of directors authorized the issuance of the notes.

No Material Adverse Change

Except as disclosed in this offering memorandum, there has been no material adverse change in our and our subsidiaries' financial position or prospects taken as a whole since September 30, 2024.

Litigation

Except as disclosed in this offering memorandum, we have not been involved in any litigation, administrative proceedings or arbitration proceedings relating to claims or amounts that are material in the context of this offering and we are not aware that any such litigation, administrative proceeding or arbitration is pending or threatened.

LEGAL MATTERS

The validity of the notes will be passed upon for us by Baker & McKenzie LLP, our United States counsel, and for the initial purchasers by Davis Polk & Wardwell LLP, United States counsel to the initial purchasers. Certain matters of Mexican law relating to the notes will be passed upon for us by Ritch, Mueller y Nicolau, S.C. our special Mexican counsel, and for the initial purchasers by Creel, García-Cuellar, Aiza y Enríquez S.C., special Mexican counsel to the initial purchasers.

INDEPENDENT ACCOUNTANTS

The financial statements as of December 31, 2022 and 2023 and for each of the three years ended December 31, 2021, 2022 and 2023 included in this offering memorandum have been audited by PricewaterhouseCoopers, S.C., an independent registered public accounting firm, as stated in their report(s) appearing herein.

INDEX TO FINANCIAL STATEMENTS

The Annual Consolidated Financial Statements and Reports of Independent Registered Public Accounting Firm set out herein have been reproduced from the Company's annual report and contain page references to pages set forth in such annual report. The Annual Consolidated Financial Statements and Reports of Independent Registered Public Accounting Firm have not been specifically prepared for inclusion in this Offering Memorandum. The Company does not incorporate the information in its annual report into this offering memorandum and you should not consider it part of this offering memorandum.

Unaudited Condensed Consolidated Interim Financial Statements as of September 30, 2024

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GRUMA, S.A.B. DE C.V. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS
AS OF SEPTEMBER 30, 2024

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

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2024

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GRUMA, S.A.B. DE C.V. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
AS OF SEPTEMBER 30, 2024 AND DECEMBER 31, 2023
(In thousands of U.S. dollars)
(Notes 1 - 4)

	Note	As of September 30, 2024 (unaudited)	As of December 31, 2023 (audited)
A s s e t s			
Current:			
Cash and cash equivalents.....		\$ 498,091	\$ 350,046
Derivative financial instruments.....	10	15,125	4,082
Accounts receivable, net.....		652,937	664,963
Inventories.....		995,672	1,010,372
Recoverable income tax.....		50,248	38,882
Prepaid expenses.....		31,480	34,874
Total current assets.....		<u>2,243,553</u>	<u>2,103,219</u>
Non-current:			
Long-term notes, accounts receivable and other assets.....		35,533	35,199
Property, plant and equipment, net.....	6	1,892,421	1,955,512
Right-of-use assets, net.....		322,046	327,385
Intangible assets, net.....		187,828	194,092
Deferred tax.....		65,852	67,687
Total non-current assets.....		<u>2,503,680</u>	<u>2,579,875</u>
Total Assets.....		<u><u>\$ 4,747,233</u></u>	<u><u>\$ 4,683,094</u></u>
L i a b i l i t i e s			
Current:			
Short-term debt.....	7	\$ 409,957	\$ 411,172
Short-term lease liability.....		63,297	58,103
Trade accounts payable.....		283,463	329,785
Derivative financial instruments.....	10	4,746	14,079
Provisions.....		24,464	24,426
Income tax payable.....		24,781	30,188
Other current liabilities.....		417,105	350,417
Total current liabilities.....		<u>1,227,813</u>	<u>1,218,170</u>
Non-current:			
Long-term debt.....	7	1,064,292	1,115,681
Long-term lease liability.....		304,027	306,754
Provision for deferred taxes.....		75,157	85,606
Employee benefits obligations.....		81,313	76,970
Provisions.....		47,114	34,267
Other non-current liabilities.....		1,441	2,368
Total non-current liabilities.....		<u>1,573,344</u>	<u>1,621,646</u>
Total Liabilities.....		<u>2,801,157</u>	<u>2,839,816</u>
E q u i t y			
Controlling interest:			
Common stock.....		366,373	370,437
Reserves.....		(417,154)	(347,207)
Retained earnings.....		1,994,022	1,817,207
Total controlling interest.....		<u>1,943,241</u>	<u>1,840,437</u>
Non-controlling interest.....		2,835	2,841
Total Equity.....		<u>1,946,076</u>	<u>1,843,278</u>
Total Equity and Liabilities.....		<u><u>\$ 4,747,233</u></u>	<u><u>\$ 4,683,094</u></u>

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

GRUMA, S.A.B. DE C.V. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED INTERIM INCOME STATEMENTS
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2024 AND 2023
AND FOR THE THREE-MONTH PERIODS ENDED SEPTEMBER 30, 2024 AND 2023
(In thousands of U.S. dollars, except the amounts per share)
(Notes 1 - 4)

	Note	For the nine-month periods ended September 30,		For the three-month periods ended September 30,	
		2024 (unaudited)	2023 (unaudited)	2024 (unaudited)	2023 (unaudited)
Net sales.....		\$ 4,931,636	\$ 4,936,127	\$ 1,623,438	\$ 1,693,807
Cost of sales.....		(3,043,845)	(3,196,744)	(983,230)	(1,074,998)
Gross profit.....		1,887,791	1,739,383	640,208	618,809
Selling and administrative expenses.....		(1,235,634)	(1,147,469)	(418,381)	(392,311)
Other income (expenses), net.....		8,613	(29,335)	6,059	(6,330)
Operating income.....		660,770	562,579	227,886	220,168
Financing cost, net.....		(77,340)	(111,212)	(26,706)	(35,718)
Income before income tax.....		583,430	451,367	201,180	184,450
Income tax expense.....		(206,942)	(164,243)	(72,627)	(69,468)
Consolidated net income from continuing operations.....		376,488	287,124	128,553	114,982
Income from discontinued operations.....		-	24,827	-	24,827
Consolidated net income.....		\$ 376,488	\$ 311,951	\$ 128,553	\$ 139,809
Attributable to:					
Controlling interest		\$ 376,523	\$ 308,606	\$ 128,679	\$ 136,195
Non-controlling interest.....		(35)	3,345	(126)	3,614
		<u>\$ 376,488</u>	<u>\$ 311,951</u>	<u>\$ 128,553</u>	<u>\$ 139,809</u>
From continued operations:					
Basic and diluted earnings per share (dollars).....		<u>\$ 1.03</u>	<u>\$ 0.77</u>	<u>\$ 0.35</u>	<u>\$ 0.30</u>
From discontinued operations:					
Basic and diluted earnings per share (dollars).....		<u>\$ -</u>	<u>\$ 0.07</u>	<u>\$ -</u>	<u>\$ 0.07</u>
From continued and discontinued operations:					
Basic and diluted earnings per share (dollars).....		<u>\$ 1.03</u>	<u>\$ 0.84</u>	<u>\$ 0.35</u>	<u>\$ 0.37</u>
Weighted average shares outstanding (thousands).....		<u>364,823</u>	<u>370,007</u>	<u>364,823</u>	<u>370,007</u>

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

GRUMA, S.A.B. DE C.V. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED INTERIM
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2024 AND 2023
AND FOR THE THREE-MONTH PERIODS ENDED SEPTEMBER 30, 2024 AND 2023
(In thousands of U.S. dollars)
(Notes 1 - 4)

	For the nine-month periods		For the three-month periods	
	ended September 30,		ended September 30,	
	2024	2023	2024	2023
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Consolidated net income.....	\$ 376,488	\$ 311,951	\$ 128,553	\$ 139,809
Other comprehensive income:				
Items that will be subsequently reclassified to profit or loss:				
Cumulative translation adjustments.....	(130,715)	33,854	(46,982)	(46,344)
Cash flow hedges.....	3,605	(45,275)	9,048	(10,455)
Other.....	4,974	189	(205)	188
Income taxes.....	37,353	741	13,750	20,866
	(84,783)	(10,491)	(24,389)	(35,745)
Other comprehensive income, net of tax.....	(84,783)	(10,491)	(24,389)	(35,745)
Total comprehensive income.....	\$ 291,705	\$ 301,460	\$ 104,164	\$ 104,064
Total comprehensive income for the period attributable to:				
Controlling interest.....	\$ 291,711	\$ 298,244	\$ 104,347	\$ 100,152
Non-controlling interest.....	(6)	3,216	(183)	3,912
	\$ 291,705	\$ 301,460	\$ 104,164	\$ 104,064
Total comprehensive income for the period attributable to shareholders arises from:				
Continuing operations.....	\$ 291,711	\$ 276,775	\$ 104,347	\$ 78,683
Discontinued operations.....	-	21,469	-	21,469
	\$ 291,711	\$ 298,244	\$ 104,347	\$ 100,152

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

GRUMA, S.A.B. DE C.V. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2024 AND 2023
(In thousands of U.S. dollars)
(Notes 1 – 4)

	Common stock		Reserves					Total equity
	Number of shares (thousands)	Amount	Cumulative translation adjustments	Cash flow hedges and other reserves (Note 10-C)	Retained earnings and other reserves (Note 8)	Total controlling interest	Non-controlling interest	
Balances as of January 1, 2023	370,309	\$ 371,274	\$ (421,850)	\$ (34,120)	\$ 1,518,635	\$ 1,433,939	\$ (354)	\$ 1,433,585
Transactions with shareholders:								
Dividends declared (5.40 pesos per share).....	-	-	-	-	(110,594)	(110,594)	-	(110,594)
Purchase of own shares.....	(426)	(296)	-	-	(5,360)	(5,656)	-	(5,656)
	(426)	(296)	-	-	(115,954)	(116,250)	-	(116,250)
Costs of cash flow hedging transferred to the carrying value of inventory purchased during the period, includes taxes of (\$7,227).....	-	-	-	44,901	-	44,901	-	44,901
	(426)	(296)	-	44,901	(115,954)	(71,349)	-	(71,349)
Comprehensive income:								
Net income of the period.....	-	-	-	-	308,606	308,606	3,345	311,951
Net investment hedge and translation adjustments, includes taxes of (\$7,695).....	-	-	26,288	-	-	26,288	(129)	26,159
Cash flow hedges, includes taxes of \$8,436.....	-	-	-	(36,839)	-	(36,839)	-	(36,839)
Other	-	-	-	-	189	189	-	189
Comprehensive income of the period.....	-	-	26,288	(36,839)	308,795	298,244	3,216	301,460
Balances as of September 30, 2023 (unaudited)	369,883	370,978	(395,562)	(26,058)	1,711,476	1,660,834	2,862	1,663,696
Balances as of January 1, 2024	369,129	370,437	(333,723)	(13,484)	1,817,207	1,840,437	2,841	1,843,278
Transactions with shareholders:								
Dividends declared (5.04 pesos per share).....	-	-	-	-	(107,163)	(107,163)	-	(107,163)
Purchase of own shares (Note 9).....	(5,661)	(4,064)	-	-	(97,519)	(101,583)	-	(101,583)
	(5,661)	(4,064)	-	-	(204,682)	(208,746)	-	(208,746)
Costs of cash flow hedging transferred to the carrying value of inventory purchased during the period.....	-	-	-	19,839	-	19,839	-	19,839
	(5,661)	(4,064)	-	19,839	(204,682)	(188,907)	-	(188,907)
Comprehensive income:								
Net income of the period.....	-	-	-	-	376,523	376,523	(35)	376,488
Net investment hedge and translation adjustments, includes taxes of \$42,307.....	-	-	(88,437)	-	-	(88,437)	29	(88,408)
Cash flow hedges, includes taxes of (\$4,954).....	-	-	-	(1,349)	-	(1,349)	-	(1,349)
Other	-	-	-	-	4,974	4,974	-	4,974
Comprehensive income of the period.....	-	-	(88,437)	(1,349)	381,497	291,711	(6)	291,705
Balances as of September 30, 2024 (unaudited)	363,468	\$ 366,373	\$ (422,160)	\$ 5,006	\$ 1,994,022	\$ 1,943,241	\$ 2,835	\$ 1,946,076

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

GRUMA, S.A.B. DE C.V. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED INTERIM
STATEMENTS OF CASH FLOWS
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2024 AND 2023
(In thousands of U.S. dollars)
(Notes 1 - 4)

	Note	For the nine-month periods ended September 30,	
		2024 (unaudited)	2023 (unaudited)
Operating activities:			
Income before taxes		\$ 583,430	\$ 451,367
Derivative financial instruments.....	10	(188)	15,741
Foreign exchange (gain) loss from working capital.....		(11,255)	1,736
Net cost of the period for employee benefit obligations.....		15,779	9,005
Allowance for doubtful accounts.....		1,540	1,505
Items related with investing activities:			
Depreciation and amortization.....		177,917	165,884
Impairment of long-lived assets.....		-	4,667
Interest income.....		(12,845)	(6,240)
Gain in sale of property plant and equipment.....		(6,871)	(4,048)
Items related with financing activities:			
Foreign exchange loss (gain) from lease liability.....		2,889	(2,025)
Interest expense.....		93,062	111,971
		843,458	749,563
Accounts receivable.....		(20,283)	2,541
Inventories.....		(79,241)	(28,938)
Prepaid expenses.....		955	2,763
Trade accounts payable.....		(13,787)	(108,636)
Accrued liabilities and other accounts payables.....		104,110	14,846
Income taxes paid.....		(196,150)	(158,927)
Payments of employee benefits obligations.....		(1,277)	(983)
		(205,673)	(277,334)
Net cash inflow from operating activities		637,785	472,229
Investing activities:			
Acquisitions of property, plant and equipment.....		(164,577)	(154,603)
Sale of property, plant and equipment.....	6	12,724	9,431
Sale of subsidiaries shares.....		-	24,827
Interests collected.....		12,845	6,240
Other.....		(2,535)	(9,068)
Net cash outflow from investing activities		(141,543)	(123,173)
Cash to be used in financing activities		496,242	349,056
Financing activities:			
Proceeds from debt.....	7	429,444	875,786
Payment of debt.....	7	(415,697)	(928,817)
Payment of lease liability.....		(49,658)	(42,891)
Interests paid.....		(72,117)	(90,935)
Interests paid on lease liability.....		(14,081)	(13,311)
Purchase of own shares.....	9	(102,114)	(5,977)
Dividends paid.....	8	(82,191)	(84,100)
Net cash outflow from financing activities		(306,414)	(290,245)
Net increase in cash and cash equivalents.....		189,828	58,811
Effects of cumulative translation adjustment on cash and cash equivalents.....		(41,783)	(4,650)
Cash and cash equivalents at the beginning of the period		350,046	283,864
Cash and cash equivalents at the end of the period		\$ 498,091	\$ 338,025

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

GRUMA, S.A.B. DE C.V. AND SUBSIDIARIES
NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL
STATEMENTS
AS OF SEPTEMBER 30, 2024 AND DECEMBER 31, 2023
(In thousands of U.S. dollars, except where otherwise indicated)

1. ENTITY AND OPERATIONS

Gruma, S.A.B. de C.V. (GRUMA) is a Mexican company with subsidiaries located in Mexico, the United States of America, Central America, Europe, Asia and Oceania, together referred to as the “Company”. The Company’s main activities are the production and sale of corn flour, tortillas and related products.

GRUMA is a publicly held corporation (*Sociedad Anónima Bursátil de Capital Variable*) organized under the laws of Mexico. The address of its registered office is Calzada del Valle 407 in San Pedro Garza García, Nuevo León, Mexico. GRUMA is listed on the Mexican Stock Exchange.

These condensed consolidated interim financial statements were authorized by the Chief Administrative Office of the Company on November 29, 2024.

2. BASIS OF PREPARATION

The condensed consolidated interim financial statements for the nine month and three month periods ended September 30, 2024 and 2023 were prepared in accordance with IAS 34 – Interim Financial Reporting. These condensed consolidated interim financial statements must be read in conjunction with the annual audited consolidated financial statements as of December 31, 2023 and 2022 and for the years ended December 31, 2023 and 2022 (“Annual Audited Financial Statements”), which have been prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

3. ACCOUNTING POLICIES

The accounting policies used to prepare the Company’s condensed consolidated interim financial statements for the nine-month and three-month periods ended September 30, 2024 and 2023 are consistent with those used to prepare the Annual Audited Financial Statements in accordance with IFRS, except for the adoption of the amendments to IAS 1, Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants.

As a result of the adoption of the amendments to IAS 1, starting January 1, 2024 the Company changed its accounting policy for the classification of borrowings: “Borrowings are classified as current liabilities unless at the end of the reporting period, the Company has a right to defer settlement of the liability for at least 12 months after the reporting period”. This new policy did not result in a change in the classification of the Company’s borrowings. The Company did not make retrospective adjustments as a result of adopting the amendments to IAS 1.

4. CURRENCY TRANSLATION OF ENTITIES

The financial statements of the Company’s entities are measured using the currency of the main economic environment where each entity operates (functional currency). The condensed consolidated interim financial statements are presented in American dollars, currency that corresponds to the presentation currency of the Company. Therefore, volatility in the exchange rates of entities whose functional currency is different from the presentation currency may have a significant impact in the condensed consolidated interim financial statements.

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The closing exchange rates used to prepare the consolidated statement of financial position are as follows:

Per American dollar	As of September 30, 2024	As of December 31, 2023
Mexican Peso.....	19.6290	16.8935
Euro.....	0.8959	0.9046
Pound sterling	0.7477	0.7841
Swiss franc	0.8406	0.8399
Australian dollar.....	1.4486	1.4652
Chinese yuan	7.0101	7.0827
Malaysian ringgit.....	4.1255	4.5940
Costa Rica colon.....	522.87	526.88
Ukrainian hryvnia.....	41.1664	37.9824
Russian ruble.....	92.7126	89.6883
Turkish lira.....	34.0900	29.4382

5. SEGMENT INFORMATION

The Company's reportable segments are strategic business units that offer different products in different geographical regions. These business units are managed separately because each business segment requires different technology and marketing strategies.

The Company's reportable segments are as follows:

- **Corn flour and packaged tortilla division (United States):**
Manufactures and distributes more than 20 varieties of corn flour that are used mainly to produce and distribute different types of tortillas and tortilla chip products in the United States. The main brands are MASECA for corn flour and MISSION and GUERRERO for packaged tortillas.
- **Corn flour division (Mexico):**
Engaged principally in the production, distribution and sale of corn flour in Mexico under MASECA brand. Corn flour produced by this division is used mainly in the preparation of tortillas and other related products.
- **Corn flour and packaged tortilla and other (Europe):**
Manufactures and distributes varieties of flour that are used to produce different types of tortillas, flat breads, grits and other in the same category in Europe. The main brands are MASECA for corn flour and MISSION for packaged products.
- **Other segments:**
This section represents those segments whose amounts on an individual basis do not exceed 10% of the consolidated total of net sales, operating income and assets. These segments are:
 - a) Corn flour, hearts of palm, rice, and other products (Central America).
 - b) Packaged tortillas (Mexico).
 - c) Wheat flour tortillas and snacks (Asia and Oceania).

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- d) Technology and equipment, which conducts research and development regarding flour and tortilla manufacturing equipment, produces machinery for corn flour and tortilla production and is engaged in the construction of the Company's corn flour manufacturing facilities.
- e) Balanced feed for livestock (Mexico)

There is no significant seasonality in the Company's products, however certain products tend to experience a slight volume increase during the summer and winter months.

All inter-segment sales prices are market-based. The Chief Executive Officer evaluates performance based on operating income of the respective business units.

Segment information for the nine-month period ended September 30, 2024 (unaudited):

	Corn flour and packaged tortilla division (United States)	Corn flour division (Mexico)	Corn flour and packaged tortilla division (Europe)	Other segments	Eliminations and corporate expenses	Total
Net sales to external customers.....	\$ 2,737,195	\$ 1,247,813	\$ 340,993	\$ 605,635	\$ -	\$ 4,931,636
Inter-segment net sales.....	4,789	136,234	531	136,946	(278,500)	-
Operating income.....	450,684	116,406	30,972	54,999	7,709	660,770
Depreciation and amortization.....	111,374	36,812	10,576	28,022	(8,867)	177,917
Total assets.....	1,953,536	1,231,535	530,671	1,000,082	31,409	4,747,233
Total liabilities.....	738,046	169,070	166,723	215,735	1,511,583	2,801,157
Expenditures paid in the period for fixed assets.....	46,398	53,727	12,168	58,611	(6,327)	164,577

Segment information for the three-month period ended September 30, 2024 (unaudited):

	Corn flour and packaged tortilla division (United States)	Corn flour division (Mexico)	Corn flour and packaged tortilla division (Europe)	Other segments	Eliminations and corporate expenses	Total
Net sales to external customers.....	\$ 915,952	\$ 387,385	\$ 117,644	\$ 202,457	\$ -	\$ 1,623,438
Inter-segment net sales.....	1,480	46,015	216	49,564	(97,275)	-
Operating income.....	152,947	39,876	13,446	21,492	125	227,886
Depreciation and amortization.....	38,647	11,876	3,662	9,206	(3,286)	60,105

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Segment information for the nine-month period ended September 30, 2023 (unaudited):

	Corn flour and packaged tortilla division (United States)	Corn flour division (Mexico)	Corn flour and packaged tortilla division (Europe)	Other segments	Eliminations and corporate expenses	Total
Net sales to external customers.....	\$ 2,749,648	\$ 1,287,359	\$ 333,165	\$ 565,955	\$ -	\$ 4,936,127
Inter-segment net sales.....	5,527	133,320	511	138,767	(278,125)	-
Operating income.....	409,151	77,113	17,601	33,496	25,218	562,579
Depreciation and amortization.....	103,149	34,639	10,464	25,896	(8,264)	165,884

Segment information for the three-month period ended September 30, 2023 (unaudited):

	Corn flour and packaged tortilla division (United States)	Corn flour division (Mexico)	Corn flour and packaged tortilla division (Europe)	Other segments	Eliminations and corporate expenses	Total
Net sales to external customers.....	\$ 937,483	\$ 450,737	\$ 112,391	\$ 193,196	\$ -	\$ 1,693,807
Inter-segment net sales.....	1,994	47,862	215	46,431	(96,502)	-
Operating income.....	150,721	35,858	8,288	10,737	14,564	220,168
Depreciation and amortization.....	35,308	12,965	3,506	9,225	(2,710)	58,294

Segment information as of December 31, 2023 (audited):

	Corn flour and packaged tortilla division (United States)	Corn flour division (Mexico)	Corn flour and packaged tortilla division (Europe)	Other segments	Eliminations and corporate expenses	Total
Total assets.....	\$ 1,914,307	\$ 1,348,059	\$ 545,391	\$ 953,186	\$ (77,849)	\$ 4,683,094
Total liabilities.....	755,926	217,460	157,458	202,278	1,506,694	2,839,816
Expenditures paid in the year for fixed assets....	87,063	59,715	10,006	63,673	(9,451)	211,006

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6. PROPERTY, PLANT AND EQUIPMENT

Changes in property, plant and equipment for the nine-month period ended September 30, 2024 were as follows:

	Property, plant and equipment
At December 31, 2023.....	
Cost.....	\$ 3,858,203
Accumulated depreciation.....	(1,902,691)
Net book value.....	<u>\$ 1,955,512</u>
For the nine-month period ended September 30, 2024 (unaudited)	
Opening net book value.....	1,955,512
Cumulative translation adjustment.....	(91,904)
Additions (a).....	155,912
Disposals/derecognition	(5,325)
Depreciation charge of the period.....	(122,986)
Assets leased, net of depreciation.....	8,665
Other.....	(7,453)
Closing net book value.....	<u>1,892,421</u>
At September 30, 2024 (unaudited)	
Cost.....	3,792,134
Accumulated depreciation.....	(1,899,713)
Net book value.....	<u>\$ 1,892,421</u>

(a) As of September 30, 2024, additions include \$108,041 of construction in progress, \$46,666 of machinery and equipment, and \$1,205 of land and buildings.

For the nine-month and three-month periods ended September 30, 2024 and 2023, depreciation expense was recognized in:

	For the nine-month periods ended September 30,		For the three-month periods ended September 30,	
	2024	2023	2024	2023
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Cost of sales.....	\$ 94,643	\$ 90,615	\$ 32,382	\$ 32,047
Selling and administrative expenses...	28,343	26,992	9,608	9,449
	<u>\$ 122,986</u>	<u>\$ 117,607</u>	<u>\$ 41,990</u>	<u>\$ 41,496</u>

At September 30, 2024, the Company has commitments to purchase machinery and equipment in the United States for approximately \$7,000, and in Mexico for approximately \$812.

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7. DEBT

The relevant debt transactions contracted by the Company during the nine-month period ended September 30, 2024 is as follows:

On April 22, 2024, the Company obtained a committed revolving line of credit for \$125,000, which was used to prepay the \$125,000 term loan from The Bank of Nova Scotia with maturity on September 27, 2027. The Committed line of credit was granted by Scotiabank Inverlat, S.A. with maturity on September 27, 2027 with an option to extend for one additional year and with an interest rate of one month SOFR plus 110 basis points. As of September 30, 2024, this line of credit was fully drawn.

The outstanding debt contracts contain a number of restrictions, mainly regarding compliance with financial ratios and delivery of financial information, which if not complied with or remedied within a certain period to the satisfaction of the creditors, could be considered as a cause for early termination.

Financial ratios are calculated according with the formulas established in the debt contracts. The main financial ratios are the following:

- Interest coverage ratio, defined as the ratio of consolidated earnings before interest, tax, depreciation and amortization (EBITDA) of the last twelve months to consolidated interest charges of the last twelve months, should not be less than 2.5 times.
- Net Leverage ratio, defined as the ratio of consolidated net debt to consolidated EBITDA of the last twelve months, should be no greater than 3.5 times.

As of September 30, 2024 and as of December 31, 2023, the Company was in compliance with the financial covenants, as well as with the delivery of the required financial information.

The table below details the changes in the Company's debt arising from financing activities:

For the nine-month period ended September 30, 2024	
(unaudited):	
Opening balance at January 1, 2024.....	\$ 1,526,853
Proceeds from debt.....	429,444
Payment of debt.....	(415,697)
Effect of changes in foreign exchange rates.....	161,241
Debt issuance costs.....	(11)
Cumulative translation adjustments.....	(229,289)
Other non-cash changes.....	1,708
Balance at September 30, 2024 (unaudited).....	<u>\$ 1,474,249</u>

As of September 30, 2024 and December 31, 2023, short-term debt only includes the current portion of long-term debt.

As of September 30, 2024, the Company has contracted committed lines of credit for \$890,000, from which \$765,000 are available and require the quarterly payment of unused fees from 0.20% to 0.33%, which are recognized as part of the financial expenses of the period.

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The following tables show the remaining contractual maturities of financial liabilities of the Company:

At September 30, 2024 (unaudited):

	<u>Less than a year</u>	<u>From 1 to 3 years</u>	<u>From 3 to 5 years</u>	<u>More than 5 years</u>	<u>Total</u>
Short and long term debt.....	\$ 410,063	\$ 595,125	\$ 471,185	\$ -	\$ 1,476,373
Interest payable from short and long term debt.....	72,007	106,590	12,455	-	191,052
Trade accounts.....	283,463	-	-	-	283,463
Short and long term lease liability.....	72,142	119,512	73,913	245,150	510,717
Derivative financial instruments.....	4,746	-	-	-	4,746
	<u>\$ 842,421</u>	<u>\$ 821,227</u>	<u>\$ 557,553</u>	<u>\$ 245,150</u>	<u>\$ 2,466,351</u>

At December 31, 2023 (audited):

	<u>Less than a year</u>	<u>From 1 to 3 years</u>	<u>From 3 to 5 years</u>	<u>More than 5 years</u>	<u>Total</u>
Short and long term debt.....	\$ 411,837	\$ 469,932	\$ 649,822	\$ -	\$ 1,531,591
Interest payable from short and long term debt.....	95,208	137,079	55,864	-	288,151
Trade accounts.....	329,785	-	-	-	329,785
Short and long term lease liability.....	69,977	114,549	72,288	262,137	518,951
Derivative financial instruments.....	14,079	-	-	-	14,079
	<u>\$ 920,886</u>	<u>\$ 721,560</u>	<u>\$ 777,974</u>	<u>\$ 262,137</u>	<u>\$ 2,682,557</u>

8. DIVIDENDS

The Shareholders' Meeting held on April 26, 2024 approved a cash dividend for a total of \$107,163, to be settled in 4 payments. Dividends paid during the nine-month period ended September 30, 2024 amounted to a total of \$82,191.

9. PURCHASE OF OWN SHARES

The Shareholders' Meeting held on April 26, 2024 approved to increase the reserve to repurchase the Company's own shares up to \$356,615 (Ps.7,000,000 thousand), as the maximum amount for the reserve for the acquisition of own shares. This reserve is included in retained earnings.

The movements of the reserve for acquisition of Company's own shares during the nine-month period ended September 30, 2024 and for the year ended December 31, 2023 are as follows:

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	At September 30, 2024 (unaudited)	At December 31, 2023 (audited)
Balance at the beginning of the year	\$ 321,562	\$ 268,885
Increase in the reserve during the period.....	81,957	71,737
Purchase of Company's own shares during the period..	(101,583)	(19,060)
Balance at the end of the period.....	<u>\$ 301,936</u>	<u>\$ 321,562</u>

10. FINANCIAL INSTRUMENTS

A) FINANCIAL INSTRUMENTS BY CATEGORY

At September 30, 2024 and at December 31, 2023, the Company's financial instruments are as follows:

	At September 30, 2024 (unaudited)	At December 31, 2023 (audited)
Financial assets at amortized cost:		
Cash and cash equivalents	\$ 498,091	\$ 350,046
Accounts receivable	561,604	566,623
Long term notes, receivable and other assets	25,062	25,121
Financial assets at fair value through profit or loss:		
Short-term derivative financial instruments	5,982	119
Financial assets at fair value with changes in other comprehensive income:		
Short-term derivative financial instruments	9,143	3,963
Total Financial Assets	<u>\$ 1,099,882</u>	<u>\$ 945,872</u>
Financial liabilities at amortized cost:		
Short-term debt	409,957	411,172
Short-term lease liability	63,297	58,103
Trade accounts payable	283,463	329,785
Long-term debt	1,064,292	1,115,681
Long-term lease liability	304,027	306,754
Other liabilities, excludes non-financial liabilities	105,390	86,960
Financial liabilities at fair value with changes in other comprehensive income:		
Short-term derivative financial instruments(*)	8,758	26,947
Short-term derivative financial instruments compensated(*)	(4,012)	(12,868)
Total Financial Liabilities	<u>\$ 2,235,172</u>	<u>\$ 2,322,534</u>

(*) As of September 30, 2024 and as of December 31, 2023, the financial liability recognized for futures contracts is presented offset with the amount of margin calls required to the Company on these contracts.

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B) FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of cash and cash equivalents, accounts receivable, trade accounts payable and other current financial liabilities approximate their fair value, due to their short maturity. In addition, the net book value of accounts receivable represents the expected cash flow to be received.

The financial instruments that present material differences between the book values and the fair values are as follow:

	At September 30, 2024 (unaudited)	
	Carrying amount	Fair value
Financial Assets:		
Long term notes receivable and other assets	\$ 30,020	\$ 30,560
Financial liabilities:		
10-year Bonds	399,894	399,300
Short and long-term debt	1,074,355	994,442

The fair values as of September 30, 2024 were determined by the Company as follows:

- The market value of the 10-year bonds is determined on the basis of the actual quotations of these instruments on the reference market. This fair value is classified as level 1 in the fair value hierarchy.
- The fair value for the rest of the long-term debt was based on the present value of the cash flows discounted at interest rates based on readily observable market inputs. This fair value is classified as level 2 in the fair value hierarchy. The average discount rate used was 10.12% at September 30, 2024.
- Fair value of long-term notes receivable is classified as level 2 in the fair value hierarchy and was based on the present value of future cash flows using a discount rate of 7.65% at September 30, 2024.

C) DERIVATIVE FINANCIAL INSTRUMENTS

The Company entered into short-term hedge transactions through commodity futures, swaps and options to hedge a portion of its requirements of corn, wheat, soy oil, natural gas and diesel. These financial instruments are denominated in the same price reference as the highly probable forecasted transactions of purchases of corn, wheat and fuels, therefore, the hedge ratio is one to one.

The weighted average strike price of open position of corn options at September 30, 2024, amounted to \$4.37 dollars per bushel (buy puts), \$3.70 dollars per bushel (sell puts) and \$5.00 dollars per bushel (sell calls).

The Company entered into foreign exchange forward transactions to hedge the Mexican Peso to U.S. dollar foreign exchange risk related to the price of corn purchases in Mexico. These instruments are denominated in the same currency as the highly probable forecasted transactions of inventory purchases, therefore, the hedge ratio is one to one.

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The following derivate financial instruments were recognized in the Company's balance sheet:

	At September 30, 2024	
	(unaudited)	
	Notional Amount	Fair Value (Thousand dollars)
Current Assets:		
Corn futures (a) (b) (*).....	6,965,000 Bushels	\$ 1,263
Wheat futures (a).....	5,265,000 Bushels	642
Natural gas futures (a).....	3,000,000 Mmbtu	128
Soybean oil futures (a).....	10,980,000 Pounds	157
Corn options (b) (**).....	24,040,000 Bushels	1,317
Corn swaps (a).....	16,675,000 Bushels	4,719
Exchange rate forwards (a).....	91,100 Thousands USD	6,899
<u>Total current assets of derivate financial instruments.....</u>		<u>\$ 15,125</u>
Current Liabilities:		
Wheat futures (a) (c).....	2,820,000 Bushels	\$ 1,996
Soybean oil futures (a) (c).....	30,360,000 Pounds	1,296
Natural gas futures (a) (c).....	680,000 Mmbtu	720
Natural gas swaps (a).....	5,980,000 Mmbtu	1,106
Diesel swaps (a).....	6,460,000 Gallons	2,150
Exchange rate forwards (a).....	24,000 Thousands USD	1,490
<u>Subtotal.....</u>		<u>8,758</u>
<u>Margin calls (c)</u>		<u>(4,012)</u>
<u>Total current liabilities of derivate financial instruments.....</u>		<u>\$ 4,746</u>
<u>Total assets net of derivate financial instruments</u>		<u>\$ 10,379</u>

(a) Cash flow hedging: For cash flow hedge transactions, changes in the fair value of the derivative financial instrument are included as other comprehensive income in equity, based on the evaluation of the hedge effectiveness.

(b) Fair value hedge: Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

(c) Financial assets and financial liabilities are offset and the net amount is presented in the condensed consolidated statement of financial position when the right to offset the recognized amounts is legally enforceable and there is an intention to settle them on a net basis or to realize the asset and settle the liability simultaneously. The amount of \$4,012 thousand dollars represents only those margin calls required to the Company that are offset for purposes of the financial statements.

(*) Corn futures are comprised of fair value hedge of \$2,172 thousand dollars and cash flow hedging of (\$909) thousand dollars.

(**) Correspond to short positions.

GRUMA, S.A.B. DE C.V. AND SUBSIDIARIES
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Reserve for cash flow hedges

The following table presents a reconciliation by risk category of the equity components and the analysis of the items of other comprehensive income, net of taxes, that come from cash flow hedges:

	<u>Cash flow hedges reserve and others</u>		
	<u>Cash flow hedges and hedge cost</u>	<u>Exchange rate hedge</u>	<u>Total</u>
Opening balance at January 1, 2024	\$ (13,824)	\$ 340	\$ (13,484)
Changes in fair value of the unsettled hedging instruments.....	18,632	7,211	25,843
Realized (losses) gains initially recorded as a component of other comprehensive income of the settled hedging instruments..	(45,094)	12,526	(32,568)
Reclassified to inventory.....	19,839	-	19,839
Reclassified to income statement in the cost of sales	11,282	(952)	10,330
Income tax (current/deferred)	(4,954)	-	(4,954)
Closing balance at September 30, 2024 (unaudited)	<u>\$ (14,119)</u>	<u>\$ 19,125</u>	<u>\$ 5,006</u>

D) FAIR VALUE HIERARCHY

A three-level hierarchy is used to measure and disclose fair values. An instrument's categorization within the fair value hierarchy is based on the lowest level of significant input to its valuation. The following is a description of the three hierarchy levels:

- Level 1— Quoted prices for identical instruments in active markets. The data used in the Company's financial statements to measure fair value include the corn and wheat market price quotes from the Chicago Board of Trade.
- Level 2— Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets.
- Level 3— Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

This hierarchy requires the use of observable market data when available. The Company considers relevant and observable market prices in its valuations where possible.

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Assets and liabilities measured at fair value are summarized below:

	At September 30, 2024		
	(unaudited)		
	Level 1	Level 2	Total
<i>Assets:</i>			
Plan assets – seniority premium fund.....	\$ 3,106	\$ -	\$ 3,106
Derivative financial instruments–exchange rate...	-	6,899	6,899
Derivative financial instruments–corn.....	2,190	6,036	8,226
	<u>\$ 5,296</u>	<u>\$ 12,935</u>	<u>\$ 18,231</u>
<i>Liabilities:</i>			
Derivative financial instruments – exchange rate.	\$ -	\$ 1,490	\$ 1,490
Derivative financial instruments –wheat (*).....	1,996		1,996
Derivative financial instruments – soybean oil (*)	1,296		1,296
Derivative financial instruments – fuel (*).....	720	3,256	3,976
	<u>\$ 4,012</u>	<u>\$ 4,746</u>	<u>\$ 8,758</u>

(*) As of September 30, 2024 in the Consolidated statement of financial position, the financial liability recognized for futures contracts is presented offset with the amount of margin calls required to the Company on this contracts for an amount of \$4,012

Derivative financial instruments - exchange rate

Exchange rate derivative financial instruments were recorded at fair value, which was determined using future cash flow discounted to present value. Significant data used to determine the fair value of these instruments is as follows:

	At	At
	September	December
	30, 2024	31, 2023
	(unaudited)	(audited)
Forward exchange rate	\$ 19.63	\$ 16.89
Discount rate.....	7.65%	8.07%

During the period, there were no transfers between Levels 1 and 2.

11. GLOBAL MINIMUM TAX

In October 2021, the Organization for Economic Cooperation and Development (OECD) published a statement indicating that 137 countries and jurisdictions, which conform the Inclusive Framework on Base Erosion and Profit Shifting (BEPS), agreed on a two-pillar solution to address the tax challenges arising from the digitalization and globalization of the economy, and to define a timeline for its implementation.

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On December 20, 2021, the OECD released the Global Anti-Base Erosion (GloBE) Model Rules for the implementation of Pillar Two, which aims to establish a global minimum tax base for corporate income taxes that countries can use to protect their tax bases. This is to ensure that global profits of multinational companies are taxed at a minimum rate of 15% in one or more countries. Under Pillar Two regulation, when the holding company resides in a jurisdiction that has not adopted these rules into its domestic legislation, the responsibility for calculating the global minimum tax will fall on the subsequent jurisdiction with respect to each of the entities it holds, if those entities are located in countries that have implemented the Pillar Two Rules.

The GloBE Model Rules for Pillar Two were implemented by some countries within the Inclusive Framework during 2023 and 2024. Mexico has not yet started the legislative process to incorporate the rules of Pillar Two into its tax legislation, neither has been a statement on a tentative adoption date; however, this process is expected to happen during 2025.

On December 22, 2022, the European Parliament published in the official journal the directive with the guidelines for the transposition of the global minimum tax, so that the countries within this geopolitical entity adopt it. Pillar Two is currently in the legislative process to be implemented in Spain, where the Company holds indirectly many entities operating in different jurisdictions.

The Company's management continues the process of analyzing the Pillar Two rules; however, it is estimated that the impact will not be material. The Company has applied the mandatory exception to not recognize and disclose information about deferred tax assets and liabilities derived from the Pillar Two income tax as stated in the IAS 12 amendments issued in May 2023.

12. CONTINGENCIES

The Company and its subsidiaries are subject to litigation arising during the normal course of business. It is the Company's policy to accrue for amounts related to these legal matters if it is probable that a liability has been incurred and an amount is reasonably estimable. In the opinion of management, the resolution of these matters will not have a material adverse effect on the Company's consolidated financial statements.

13. SUBSEQUENT EVENTS

MEXICAN FEDERAL ECONOMIC COMPETITION COMMISSION (COFECE) INVESTIGATION AND PRELIMINARY OPINION

On October 7, 2024, COFECE notified GRUMA of its preliminary investigative opinion (the "Preliminary Opinion") regarding an investigation that was initiated in November 2022 of certain markets in connection with the distribution and commercialization of corn, as well as for the production, commercialization, and distribution of corn flour and related services within Mexico (the "Investigated Markets"). In the Preliminary Opinion, COFECE determined preliminarily, that "there are no conditions of effective competition in the markets for the production, commercialization, and distribution of white and blue corn flour in bulk for the commercial manufacture of corn flour tortillas, with a regional geographic dimension ("Relevant Markets"), due to the probable existence of a barrier to competition and free market access."

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In its Preliminary Opinion the Investigative Authority of COFECE proposed several corrective measures aimed at eliminating the competition barriers that it alleges to have preliminarily identified, in order to solve the alleged lack of effective competitive conditions in the Relevant Markets, highlighting its proposal to divest 5 of the 18 nixtamalized corn flour mills in Mexico which are indirectly owned by GRUMA, located in the cities of Chalco, Culiacan, Rio Bravo, Veracruz, and Celaya (the “Relevant Assets”), by their sale in a maximum term of 2 years, pursuant to an execution schedule that would commence once a resolution issued by COFECE’s plenary meeting, if any, becomes effective.

Moreover, in its Preliminary Opinion, COFECE’s investigating authority proposed corrective measures in connection with certain marketing strategies, to be adopted by Grupo Industrial Maseca, S.A. de C.V. and its subsidiaries (GIMSA), also pursuant to a proposed execution schedule which would commence once a resolution issued at COFECE’s plenary meeting, if any, becomes effective.

The requirement to comply with the proposed corrective measures related to the divestment of the Relevant Assets and the marketing strategies to be adopted by GIMSA are subject to the issuing of certain resolutions at COFECE’s plenary meeting and subject to GRUMA having exhausted all legal actions and remedies available under applicable law. The Preliminary Opinion and the corrective measures proposed thereby are preliminary in nature and are based on the information that the Investigative Authority of COFECE had access to; therefore, under the applicable law, GRUMA is entitled to, within 45 business days following the effectiveness of the notification of the Preliminary Opinion, make all representations it deems convenient and file before COFECE’s plenary meeting, any pertinent claims, objections, and evidence with respect to the contents of such Preliminary Opinion, all of which shall be analyzed by COFECE’s plenary meeting, who may order the presentation of additional evidence and upon such evidence being presented, if applicable, the plenary meeting will establish a term for delivery of closing arguments, in order to be able to issue its resolution. Throughout this process, the Company has the right to present alternative solutions to the divestiture or other adequate and economically feasible measures to solve the competition concerns identified by COFECE’s Investigative Authority.

With the firm conviction that the Company’s actions have always adhered to the applicable law, GRUMA has cooperated openly and in good faith with COFECE since the beginning of the investigation of the Investigated Markets, and will continue to cooperate in the same manner in order to present, within the applicable legal term, the arguments and evidence to dispute the preliminary conclusions of the Investigative Authority and/or to find alternative measures acceptable to COFECE’s plenary meeting and that satisfy the concerns expressed in the Preliminary Opinion by the Investigating Authority of COFECE that may be confirmed by its plenary meeting, in order to protect the interests of GRUMA’s shareholders, customers, and consumers, for which purpose the Company will also undertake all legal actions available to it.

Considering the preliminary nature of the measures proposed by the Investigative Authority in its Preliminary Opinion, it is not currently possible to predict the outcome of COFECE’s plenary meeting’s final resolution and the result of the legal proceedings that may result therefrom, nor the effect that the foregoing would have on the operating income and financial position of the Company.

GRUMA, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2023 AND 2022

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

CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2023 AND 2022

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Independent Auditors' Report

To the stockholders and board members of
Gruma, S. A. B. de C. V.

Opinion

We have audited the consolidated financial statements of Gruma, S. A. B. de C. V. and its subsidiaries (the Company), which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statements of income, of comprehensive income, of changes in equity and of cash flows for the year then ended and the notes to the consolidated financial statements, comprising material accounting policy information 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 at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS (International Financial Reporting Standards) Accounting 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 Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) and the ethical requirements of the Code of Professional Ethics of the Mexican Institute of Public Accountants that are relevant to our audit of consolidated financial statements in México. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the ethical requirements of the Code of Professional Ethics of the Mexican Institute of Public Accountants. 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 key audit matter

1. *Assessment of impairment in goodwill*

As mentioned in Notes 3-H and 12 to the consolidated financial statements, the Company annually estimates the recoverable value of its cash generating units (CGUs) associated with goodwill to evaluate said goodwill for impairment.

We have focused on this matter mainly for the following reasons: 1) the importance of the carrying amount of goodwill (\$169 million of american dollars at December 31, 2023); 2) that the estimate of the recoverable value of the CGUs for which goodwill has been recognized involves significant Management judgments, including considering possible changes in the economic context where the CGUs relating to goodwill operate.

Our audit effort particularly involved the CGUs in the United States of America and Spain, due to their relevance. We focus on the significant judgments relating to the future results of the business, income growth rates and discount rates applied to the projected future cash flows.

Regarding the CGUs in the United States of America and Spain, we have performed sensitivity tests and discussed their results with Management. We also evaluated the degree in which the assumptions would need to change to recognize an impairment in order to define the nature and the extent of the procedures applied to each CGU based on their risk level, as follows:

We performed an understanding of the processes followed by Management to determine the projections of future cash flows; we also evaluated whether Management had made the projections in line with the established processes and how it exercises timely supervision, and whether the determined projections are consistent with the budgets approved by the Board of Directors.

We compared actual results for the current year with the figures budgeted for this year in the previous fiscal year, to evaluate whether any assumption included in the projections may be considered very optimistic or unrealistic, in conformity with the Company's history.

We compared the models applied in determining the recoverable value of assets with the methods used and recognized for the valuation of assets with similar characteristics.

We challenged and compared, with the support of our appraisers, the significant judgments and assumptions used by Management in the projections relating to its:

- Long-term income growth rates, by comparing them with the historical growth trend of the CGU and the growth rates expected in the industry; and
- The discount rate, when evaluating the cost of capital for the Company and comparable companies, also considering the factors specific to the territory.



Other Information

Management is responsible for the other information. The other information comprises the annual report presented to Comisión Nacional Bancaria y de Valores (CNBV), which is expected to be made available to us after the date of this auditor's report. The other information does not include the consolidated financial statements or this independent auditors' report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available 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.

When we read the other information not yet received, we will issue the report required by the CNBV and if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and, if required, describe the issue in our report.

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.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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



- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Company and subsidiaries 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.

The engagement partner on the audit resulting in this independent auditor's report is stated below.

PricewaterhouseCoopers, S.C.

[Spanish original version signed by:]

C.P.A. Felipe Córdova Otero
Audit Partner

Monterrey, N. L., April 3, 2024.

GRUMA, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2023 AND 2022
(In thousands of american dollars)
(Notes 1, 2 and 3)

A s s e t s	<u>Note</u>	<u>2023</u>	<u>2022</u>
Current:			
Cash and cash equivalents.....	6	\$ 350,046	\$ 283,864
Derivative financial instruments.....	20	4,082	5,178
Accounts receivable, net.....	7	664,963	636,739
Inventories.....	8	1,010,372	969,816
Recoverable income tax.....		38,882	27,092
Prepaid expenses.....		34,874	31,299
Total current assets.....		<u>2,103,219</u>	<u>1,953,988</u>
Non-current:			
Long-term notes, accounts receivable and other assets.....	9	35,199	14,177
Property, plant and equipment, net.....	10	1,955,512	1,821,815
Right-of-use assets, net.....	11	327,385	333,189
Intangible assets, net.....	12	194,092	189,016
Deferred tax.....	13	67,687	74,471
Total non-current assets.....		<u>2,579,875</u>	<u>2,432,668</u>
Total Assets.....		<u>\$ 4,683,094</u>	<u>\$ 4,386,656</u>
L i a b i l i t i e s			
Current:			
Short-term debt.....	14	\$ 411,172	\$ 146,971
Short-term lease liability.....	11	58,103	49,107
Trade accounts payable.....	15	329,785	446,795
Derivative financial instruments.....	20	14,079	34,731
Provisions.....	16	24,426	16,312
Income tax payable.....		30,188	28,654
Other current liabilities.....	17	350,417	308,445
Total current liabilities.....		<u>1,218,170</u>	<u>1,031,015</u>
Non-current:			
Long-term debt.....	14	1,115,681	1,461,605
Long-term lease liability.....	11	306,754	318,305
Provision for deferred taxes.....	13	85,606	43,737
Employee benefits obligations.....	18	76,970	58,580
Provisions.....	16	34,267	36,225
Other non-current liabilities.....		2,368	3,604
Total non-current liabilities.....		<u>1,621,646</u>	<u>1,922,056</u>
Total Liabilities.....		<u>2,839,816</u>	<u>2,953,071</u>
E q u i t y			
Controlling interest:			
Common stock.....	19	370,437	371,274
Reserves.....		(347,207)	(455,970)
Retained earnings.....	19	1,817,207	1,518,635
Total controlling interest.....		<u>1,840,437</u>	<u>1,433,939</u>
Non-controlling interest.....		2,841	(354)
Total Equity.....		<u>1,843,278</u>	<u>1,433,585</u>
Total Equity and Liabilities.....		<u>\$ 4,683,094</u>	<u>\$ 4,386,656</u>

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

GRUMA, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In thousands of american dollars, except the amounts per share)
(Notes 1, 2 and 3)

	<u>Note</u>	<u>2023</u>	<u>2022</u>
Net sales.....	5	\$ 6,576,230	\$ 5,596,621
Cost of sales.....	21	<u>(4,242,620)</u>	<u>(3,617,119)</u>
Gross profit.....		2,333,610	1,979,502
Selling and administrative expenses.....	21	(1,514,344)	(1,351,299)
Other expenses, net.....	22	<u>(41,671)</u>	<u>(18,060)</u>
Operating income.....		777,595	610,143
Comprehensive financing cost, net.....	24	<u>(147,646)</u>	<u>(100,088)</u>
Income before income tax.....		629,949	510,055
Income tax expense.....	25	<u>(222,126)</u>	<u>(190,865)</u>
Consolidated net income from continuing operations.....		407,823	319,190
Income from discontinued operations.....	27	<u>24,827</u>	<u>-</u>
Consolidated net income.....		<u>\$ 432,650</u>	<u>\$ 319,190</u>
Attributable to:			
Controlling interest		\$ 429,452	\$ 319,222
Non-controlling interest.....		3,198	(32)
		<u>\$ 432,650</u>	<u>\$ 319,190</u>
From continued operations:			
Basic and diluted earnings per share (dollars).....		<u>\$ 1.10</u>	<u>\$ 0.85</u>
From discontinued operations:			
Basic and diluted earnings per share (dollars).....		<u>\$ 0.06</u>	<u>\$ -</u>
From continued and discontinued operations:			
Basic and diluted earnings per share (dollars).....		<u>\$ 1.16</u>	<u>\$ 0.85</u>
Weighted average shares outstanding (thousands).....		<u>369,909</u>	<u>373,564</u>

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

GRUMA, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In thousands of american dollars)
(Notes 1, 2 and 3)

	Note	2023	2022
Consolidated net income		\$ 432,650	\$ 319,190
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Remeasurement of employment benefit obligations.....	18	(3,137)	1,875
Income taxes.....	13	727	(240)
		<u>(2,410)</u>	<u>1,635</u>
Items that will be subsequently reclassified to profit or loss:			
Cumulative translation adjustments.....		120,784	5,275
Cash flow hedges.....	20	(60,347)	35,456
Other.....		346	376
Income taxes.....	13	(14,416)	(23,680)
		<u>46,367</u>	<u>17,427</u>
Other comprehensive income, net of tax.....		<u>43,957</u>	<u>19,062</u>
Total comprehensive income		<u>\$ 476,607</u>	<u>\$ 338,252</u>
Total comprehensive income for the period attributable to:			
Controlling interest.....		\$ 473,412	\$ 337,498
Non-controlling interest.....		3,195	754
		<u>\$ 476,607</u>	<u>\$ 338,252</u>
Total comprehensive income for the period attributable to shareholders arises from:			
Continuing operations.....		\$ 451,943	\$ 337,498
Discontinued operations.....		21,469	-
		<u>\$ 473,412</u>	<u>\$ 337,498</u>

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

GRUMA, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In thousands of american dollars)
(Notes 1, 2 and 3)

	Common stock (Note 19-A)		Reserves					Total equity
	Number of shares (thousands)	Amount	Cumulative translation adjustments (Note 19-C)	Cash flow hedges and other reserves (Note 20-C)	Retained earnings and other reserves (Note 19-B)	Total controlling interest	Non-controlling interest	
Balances as of January 1, 2022.....	381,032	\$ 377,854	\$ (415,559)	\$ 56,931	\$ 1,418,103	\$ 1,437,329	\$ (1,108)	\$ 1,436,221
Transactions with shareholders:								
Dividends declared (5.40 pesos per share).....	-	-	-	-	(98,296)	(98,296)	-	(98,296)
Purchase of own shares.....	(10,723)	(6,580)	-	-	(122,405)	(128,985)	-	(128,985)
	(10,723)	(6,580)	-	-	(220,701)	(227,281)	-	(227,281)
Costs of cash flow hedging transferred to the carrying value of inventory purchased during the year, includes taxes of \$42,718.....	-	-	-	(113,607)	-	(113,607)	-	(113,607)
	(10,723)	(6,580)	-	(113,607)	(220,701)	(340,888)	-	(340,888)
Comprehensive income:								
Net income of the year.....	-	-	-	-	319,222	319,222	(32)	319,190
Net investment hedge and translation adjustments, includes taxes of (\$10,780).....	-	-	(6,291)	-	-	(6,291)	786	(5,505)
Remeasurement of employment benefit obligations, includes taxes of (\$240).....	-	-	-	-	1,635	1,635	-	1,635
Cash flow hedges, includes taxes of (\$12,900).....	-	-	-	22,556	-	22,556	-	22,556
Other	-	-	-	-	376	376	-	376
Comprehensive income of the year.....	-	-	(6,291)	22,556	321,233	337,498	754	338,252
Balances as of December 31, 2022.....	370,309	371,274	(421,850)	(34,120)	1,518,635	1,433,939	(354)	1,433,585
Transactions with shareholders:								
Dividends declared (5.40 pesos per share).....	-	-	-	-	(110,594)	(110,594)	-	(110,594)
Purchase of own shares.....	(1,180)	(837)	-	-	(18,222)	(19,059)	-	(19,059)
	(1,180)	(837)	-	-	(128,816)	(129,653)	-	(129,653)
Costs of cash flow hedging transferred to the carrying value of inventory purchased during the year, includes taxes of (\$23,821).....	-	-	-	62,739	-	62,739	-	62,739
	(1,180)	(837)	-	62,739	(128,816)	(66,914)	-	(66,914)
Comprehensive income:								
Net income of the year.....	-	-	-	-	429,452	429,452	3,198	432,650
Net investment hedge and translation adjustments, includes taxes of (\$32,660).....	-	-	88,127	-	-	88,127	(3)	88,124
Remeasurement of employment benefit obligations, includes taxes of \$727.....	-	-	-	-	(2,410)	(2,410)	-	(2,410)
Cash flow hedges, includes taxes of \$18,244.....	-	-	-	(42,103)	-	(42,103)	-	(42,103)
Other	-	-	-	-	346	346	-	346
Comprehensive income of the year.....	-	-	88,127	(42,103)	427,388	473,412	3,195	476,607
Balances as of December 31, 2023.....	369,129	\$ 370,437	\$ (333,723)	\$ (13,484)	\$ 1,817,207	\$ 1,840,437	\$ 2,841	\$ 1,843,278

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

GRUMA, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In thousands of american dollars)
(Notes 1, 2 and 3)

	Note	2023	2022
Operating activities:			
Income before taxes		\$ 629,949	\$ 510,055
Derivative financial instruments.....	20 and 22	15,601	13,669
Foreign exchange loss from working capital.....		7,453	2,883
Net cost of the year for employee benefit obligations.....		19,249	15,919
Allowance for doubtful accounts.....		2,145	3,716
Damaged, slow-moving and obsolete inventory.....		9,018	12,420
Items related with investing activities:			
Depreciation and amortization.....		224,029	196,558
Impairment of long-lived assets.....		4,667	2,147
Interest income.....		(9,192)	(4,041)
Gain in sale of property plant and equipment.....	22	(807)	(1,741)
Items related with financing activities:			
Derivative financial instruments.....	20 and 24	-	(2,175)
Foreign exchange loss (gain) from debt.....		6	(10)
Foreign exchange gain from lease liability.....		(2,845)	(1,281)
Interest expense.....		142,890	95,968
		<u>1,042,163</u>	<u>844,087</u>
Accounts receivable.....		2,426	(232,628)
Inventories.....		44,258	(232,977)
Prepaid expenses.....		(6,279)	1,322
Trade accounts payable.....		(143,900)	15,132
Accrued liabilities and other accounts payables.....		27,023	82,071
Income taxes paid.....		(212,409)	(163,635)
Payments of employee benefits obligations.....		(12,303)	(13,106)
		<u>(301,184)</u>	<u>(543,821)</u>
Net cash inflow from operating activities		<u>740,979</u>	<u>300,266</u>
Investing activities:			
Acquisitions of property, plant and equipment.....	5 and 10	(211,006)	(297,515)
Sale of property, plant and equipment.....		6,060	152
Acquisition of intangible assets.....	12	(88)	(654)
Sale of subsidiaries shares.....	27b)	24,827	-
Interests collected.....		9,192	4,041
Other.....		(12,524)	(4,384)
		<u>(183,539)</u>	<u>(298,360)</u>
Net cash outflow from investing activities		<u>(183,539)</u>	<u>(298,360)</u>
Cash to be used in financing activities		<u>557,440</u>	<u>1,906</u>
Financing activities:			
Proceeds from debt.....	14	988,889	2,110,723
Payment of debt.....	14	(1,156,188)	(1,708,842)
Payment of lease liability.....		(58,069)	(45,483)
Interests paid.....		(124,764)	(75,034)
Interests paid on lease liability.....		(17,867)	(16,786)
Derivative financial instruments paid.....		-	(1,126)
Purchase of own shares.....		(19,380)	(131,330)
Dividends paid.....		(111,730)	(97,500)
		<u>(499,109)</u>	<u>34,622</u>
Net cash (outflow) inflow from financing activities		<u>(499,109)</u>	<u>34,622</u>
Net increase in cash and cash equivalents.....		58,331	36,528
Effects of exchange rate changes on cash and cash equivalents.....		7,851	(7,632)
Cash and cash equivalents at the beginning of the year		<u>283,864</u>	<u>254,968</u>
Cash and cash equivalents at the end of the year		<u>\$ 350,046</u>	<u>\$ 283,864</u>

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

GRUMA, S.A.B. DE C.V. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2023 AND 2022
(In thousands of american dollars, except where otherwise indicated)

1. ENTITY AND OPERATIONS

Gruma, S.A.B. de C.V. (GRUMA) is a Mexican company with subsidiaries located in Mexico, the United States of America, Central America, Europe, Asia and Oceania, together referred to as the “Company”. The Company’s main activities are the production and sale of corn flour, tortillas and related products.

GRUMA is a publicly held corporation (*Sociedad Anónima Bursátil de Capital Variable*) organized under the laws of Mexico. The address of its registered office is Calzada del Valle 407 in San Pedro Garza García, Nuevo León, Mexico. GRUMA is listed on the Mexican Stock Exchange.

The consolidated financial statements were authorized by the Chief Administrative Office of the Company on April 3, 2024.

2. BASIS OF PREPARATION

The consolidated financial statements of Gruma, S.A.B. de C.V. and Subsidiaries for all the periods presented have been prepared in accordance with the accounting International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The accounting IFRS also include the International Accounting Standards (IAS) in force, as well as all the related interpretations issued by the IFRS Interpretations Committee, including those previously issued by the Standing Interpretations Committee.

The Company adopted the following standard and amendments that were effective starting January 1, 2023, which had no impact on the Company’s financial position or results of operations:

- IFRS 17, Insurance Contracts.
- Amendments to IAS 8, Definition of Accounting Estimates.
- Amendments to IAS 12, International Tax Reform – Pillar Two Model Rules. (see Note 25D)
- Amendments to IAS 12, Deferred tax related to assets and liabilities arising from a single transaction.
- Amendments to IAS 1, Disclosure of accounting policies. In accordance with this amendment, the Company's Management revised the Summary of Material Accounting Policies note and made updates to the information disclosed in certain instances.

A) BASIS OF MEASUREMENT

The consolidated financial statements have been prepared based on historical cost, except for the fair value of certain financial instruments as described in the policies shown below (see Note 3-K).

The preparation of financial statements requires that management make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results could differ from those estimates. The key factors in the estimates and assumptions remain the same as those applied in the previous year.

GRUMA, S.A.B. DE C.V. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2023 AND 2022
(In thousands of american dollars, except where otherwise indicated)

B) FUNCTIONAL AND PRESENTATION CURRENCY

The functional currency of GRUMA, parent company, is in Mexican pesos. The presentation currency of the consolidated financial statements is the american dollar.

In these financial statements and its notes, when reference is made to dollars or "\$", it refers to thousands of american dollars, also, when reference is made to "Ps.", it means thousands of Mexican pesos.

C) USE OF ESTIMATES AND JUDGMENTS

The relevant estimates and assumptions are reviewed on a regular basis. The revisions of accounting estimates are recognized in the period in which the estimate is reviewed and in any future period that is affected.

In particular, the information for assumptions, uncertainties from estimates, and critical judgments in the application of accounting policies, that have the most significant effect in the recognized amounts in these consolidated financial statements are described below:

- The assumptions used for the determination of fair values of financial instruments (Note 20).
- The assumptions and uncertainties with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income (Notes 13 and 25).
- The key assumptions in impairment testing for long-lived assets used for the determination of the recoverable amount for the different cash generating units (Notes 10 and 12).
- The actuarial assumptions used for the determination of employee benefits obligations (Note 18).

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

A) BASIS OF CONSOLIDATION

a. Subsidiaries

The subsidiaries are all entities (including structured entities) over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are incorporated in the consolidated financial statements starting on the date on which the control begins, until the date such control ceases.

Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated. Subsidiaries' accounting policies have been changed where necessary to ensure consistency with the policies adopted by the Company.

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(In thousands of american dollars, except where otherwise indicated)

As of December 31, the main subsidiaries included in the consolidation are:

	2023	2022
Gruma Corporation and subsidiaries.....	100.00	100.00
Grupo Industrial Maseca, S.A. de C.V. and subsidiaries.....	100.00	100.00
Gruma International Foods, S.L. and subsidiaries.....	100.00	100.00
Mission Foods México, S. de R.L. de C.V.....	100.00	100.00

At December 31, 2023 and 2022, there are no significant restrictions on the investment of the subsidiaries mentioned above.

B) FOREIGN CURRENCY

a. Foreign currency transactions

Transactions that are realized in a different functional currency of each consolidated entity are translated using the exchange rates effective at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated at year-end exchange rates. The differences that arise from the translation of foreign currency transactions are recognized in the income statement.

b. Currency translation of entities

Currency translation of entities for subsidiaries with non-hyperinflationary economies

The financial statements of the Company’s entities are measured using the currency of the main economic environment where each entity operates (functional currency). The consolidated financial statements are presented in american dollars, currency that corresponds to the presentation currency of the Company.

The financial position and results of the entities that have a functional currency which differs from the Company’s presentation currency are translated as follows:

- Assets and liabilities are translated at the closing rate of the year.
- Income and expenses are translated at average exchange rates when it has not fluctuated significantly during the period.
- Equity is translated at the effective exchange rate in the date when the contributions were made and the earnings were generated.
- All resulting exchange differences are recognized in other comprehensive income as a separate component of equity denominated “Cumulative translation adjustments”.

GRUMA, S.A.B. DE C.V. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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(In thousands of american dollars, except where otherwise indicated)

Currency translation of entities for subsidiaries with hyperinflationary economies

Previous to the translation to american dollars, the financial statements of entities whose functional currency is from an hyperinflationary environment, are adjusted by the inflation factor in order to reflect the changes in purchasing power of the local currency. Subsequently, assets, liabilities, equity, income, costs, and expenses are translated to the presentation currency at the closing rate at the end of the period. To determine the existence of hyperinflation, the Company evaluates the qualitative characteristics of the economic environment, as well as the quantitative characteristics established by IFRS of an accumulated inflation rate equal or higher than 100% in the past three years.

The Company presents the hyperinflation effects and reporting currency translation in equity in the item cumulative translation adjustments, because it is considered that the combination of both effects meets the definition of exchange difference in accordance with IAS 21.

The Company applies hedge accounting to foreign exchange differences originated between the functional currency of a foreign subsidiary and the functional currency of GRUMA. Exchange differences resulting from the translation of a financial liability designated as hedge for a net investment in a foreign subsidiary, are recognized in “other comprehensive income” as a separate component denominated “Cumulative translation adjustments” while the hedge is effective. See Note 3-K for the accounting of the net investment hedge.

The closing exchange rates used to prepare the consolidated statement of financial position are as follows:

Per american dollar	As of December 31, 2023	As of December 31, 2022
Mexican Peso.....	16.8935	19.3615
Euro.....	0.9046	0.9340
Pound sterling	0.7841	0.8281
Swiss franc	0.8399	0.9236
Australian dollar.....	1.4652	1.4677
Chinese yuan	7.0827	6.9646
Malaysian ringgit.....	4.5940	4.4040
Costa Rica colon.....	526.88	601.99
Ukrainian hryvnia.....	37.9824	36.5686
Russian ruble.....	89.6883	70.3375
Turkish lira.....	29.4382	18.6983

c. Recognition of the effects of inflation in countries with hyperinflationary economies

The Company recognizes the effects of inflation in the financial information of its subsidiaries when they operate in a hyperinflationary economy.

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The main procedures to apply the effects of inflation to the financial information of the subsidiary are the following:

- Non-monetary assets such as property, plant and equipment, intangible assets and inventories that are not registered in actual values at the date of the statement of financial position, as well as equity components, are restated by applying the corresponding inflation factors since the acquisition or contribution date.
- Items of the statement of comprehensive income are restated by applying the inflation factors, except for depreciation and amortization, and the cost impact of the inventories at the time of consumption.
- Gain or loss of monetary assets held is presented in income statement and is determined by applying the inflation factor of the period to the difference between monetary assets and liabilities.

Turkey

Starting April 2022, Turkey is considered a hyperinflationary economy due mainly to the accumulated inflation in the last 3 years that surpassed the 100%. The downturn of the economic condition and the foreign exchange controls, support the conclusion that, for accounting purposes, is a hyperinflationary economy. From that date, the financial information of the subsidiary located in Turkey has been adjusted to recognize the cumulative effects of inflation with retroactive effects from January 1, 2022. These effects did not represent a significant impact in the consolidated accounts of the Company.

C) CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash and short term highly liquid investments with original maturities of less than three months. These items are recognized at historical cost, which do not differ significantly from its fair value.

D) ACCOUNTS RECEIVABLE

Trade receivables are initially recognized at fair value and subsequently valued at amortized cost using the effective interest rate method, less provision for impairment. The Company has determined that the amortized cost does not represent significant differences with respect to the invoiced amount from short-term trade receivables, since the transactions do not have relevant associated costs.

Allowances for doubtful accounts or impairment represent expected future credit losses. The recognition of these losses is obliged since the moment the trade receivable is recognized.

E) INVENTORIES

Inventories are measured at the lower of cost and net realizable value. Cost is determined using the average cost method. The net realizable value is the estimated selling price of inventory in the normal course of business, less applicable variable selling expenses. The cost of finished goods and production in process includes raw materials, direct labor, other direct costs and related production overheads. Cost of inventories could also include the transfer from comprehensive income within equity of any gains or losses on cash flow hedges for purchases of raw materials.

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F) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are valued at acquisition cost, less accumulated depreciation and recognized impairment losses. Cost includes expenses that are directly attributable to the asset acquisition.

Subsequent costs, including major improvements, are capitalized and are included in the carrying value of the asset or recognized as a separate asset, only when it is probable that future economic benefits associated with the specific asset will flow to the Company and the costs can be measured reliably. Repairs and maintenance are recognized in the income statement when incurred. Major improvements are depreciated during the remaining useful life of the related asset. Replacement and spare parts that the Company expects to use in more than one year and are attributable to a specific machine should be recognized within Property, plant and equipment. Leasehold improvements are depreciated in accordance with the useful life of the improvement component or the remaining lease term. Land is not depreciated.

Costs of borrowings, general and specific, of qualifying assets that require a substantial period of time (over one year) for acquisition or construction, are capitalized as part of the acquisition cost of these assets, until such time as the assets are substantially ready for their intended use or sale.

Depreciation is calculated over the asset cost less residual value, considering its components separately. Depreciation is recognized in income using the straight-line method and applying annual rates that reflect the estimated useful lives of the assets. The estimated useful lives are summarized as follows:

	Years
Buildings.....	25 – 50
Machinery and equipment.....	5 – 25

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

Gains and losses from sale of assets result from the difference between revenues of the transaction and the book value of the assets, which is included in the income statement as other expenses, net.

G) INTANGIBLE ASSETS

a. Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Company's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill is tested annually for impairment and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to the operating segment.

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b. Intangible assets with finite useful lives

Intangible assets with finite useful lives are carried at cost less accumulated amortization and impairment losses. Amortization is calculated using the straight-line method over the estimated useful lives of the assets. Estimated useful lives are as follows:

	Years
Non-compete agreements.....	3 – 20
Patents and trademarks.....	3 – 20
Customer lists.....	5 – 20
Software for internal use.....	3 – 7

c. Intangible assets with indefinite useful lives

Intangible assets with indefinite useful lives are not amortized, but subject to impairment tests on an annual basis or whenever the circumstances indicate that the value of the asset might be impaired.

d. Research and development

Research costs are expensed when incurred.

Costs from development activities are recognized as an intangible asset when such costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits will be obtained, and the Company pretends and has sufficient resources in order to complete the development and use or sell the asset. The amortization is recognized in income based on the straight-line method during the estimated useful life of the asset.

Development costs that do not qualify as intangible assets are recognized in income when incurred.

H) IMPAIRMENT OF LONG-LIVED ASSETS

The Company performs impairment tests for its property, plant and equipment, right-of-use assets and intangible assets with finite useful lives, when certain events and circumstances suggest that the carrying value of the assets might not be recovered. Intangible assets with indefinite useful lives and goodwill are subject to impairment tests at least once a year.

An impairment loss is recognized for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount of an asset or cash-generating unit is the higher of an asset’s fair value less costs to sell and value in use. To determine value in use, estimated future cash flows are discounted at present value, using a discount rate after tax that reflect time value of money and considering the specific risks associated with the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating unit) and in some cases they are grouped to evaluate them at the operating segment level.

Impairment losses on goodwill are not reversed. For other assets, impairment losses are reversed if a change in the estimates used for determining the recoverable amount has occurred. Impairment losses are reversed to the extent that the book value does not exceed the book value that was determined, net of depreciation or amortization, if no impairment loss was recognized.

GRUMA, S.A.B. DE C.V. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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(In thousands of american dollars, except where otherwise indicated)

I) LONG-LIVED ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Long-lived assets are classified as held for sale when (a) their carrying amount is to be recovered mainly through a sale transaction, rather than through continuing use, (b) the assets are held immediately for sale and (c) the sale is considered highly probable in its current condition.

For the sale to be considered highly probable:

- Management must be committed to a sale plan.
- An active program must have begun in order to locate a buyer and to complete the plan.
- The asset must actively be quoted for its sale at a price that is reasonable to its current fair value; and
- The sale is expected to be completed within a year starting the date of classification.

Non-current assets held for sale are stated at the lower of carrying amount and fair value less costs to sell.

Discontinued operations are the operations and cash flows that can be clearly distinguished from the rest of the entity, that either have been disposed of or have been classified as held for sale, and:

- Represent a line of business or geographical area of operations.
- Are part of a single coordinated plan to dispose of a line of business or geographical area of operations, or
- Is a subsidiary acquired exclusively with a view to resale.

J) FINANCIAL INSTRUMENTS

a. Financial assets

(i) Classification

The Company classifies its financial assets in the following categories:

- Those to be measured at amortized cost.
- Those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss).

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

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Company classifies a financial asset to be measured at amortized cost if the asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest.

GRUMA, S.A.B. DE C.V. AND SUBSIDIARIES
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(In thousands of american dollars, except where otherwise indicated)

The Company classifies a financial asset to be measured at fair value through other comprehensive income if the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest.

(ii) Recognition

Regular purchases and sales of financial assets are recognized in the balance sheet on the trade date, which is the date when the Company commits to purchase or sell the instrument. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or the Company has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Company measures a financial asset at fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are recognized as expense.

After initial recognition, the Company measures financial assets at amortized cost or at fair value with changes in other comprehensive income or in results of the year.

(iv) Impairment

The Company applies the simplified approach, which requires expected lifetime losses to be recognized from initial recognition of the trade receivables and long-term notes and accounts receivable.

To measure the expected credit losses, the assets have been grouped based on shared credit risk characteristics and the days past since their initial recognition. The expected loss rates are based on the payment profiles of sales over a period of 12 months before December 31, 2023 and 2022, respectively, and the corresponding historical credit losses experienced within this period.

Accounts receivable and long-term receivables are canceled when there is no reasonable expectation of collection.

b. Financial liabilities

(i) Classification

The Company classifies its financial liabilities to be measured at amortized cost, except for the liabilities from derivative financial instruments that are measured at fair value through profit or loss.

Debt and financial liabilities

Debt and financial liabilities that are non-derivatives are initially recognized at fair value, net of transaction costs directly attributable to them; subsequently, these liabilities are recognized at amortized cost. The difference between the net proceeds and the amount payable is recognized in the income statement during the debt term, using the effective interest rate method.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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Financial liabilities at fair value through profit or loss.

Financial liabilities at fair value through profit or loss include financial liabilities for trading (derivative financial instruments).

(ii) Derecognition

Financial liabilities are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in income.

c. Offsetting of financial instruments

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

K) DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

Derivative financial instruments are initially recognized at fair value and are subsequently re-measured at their fair value; the transaction costs are recognized in the income statement when incurred. Derivative financial instruments are classified as current, except for maturities exceeding twelve months.

Fair value is determined based on recognized market prices. When not quoted in markets, fair value is determined using valuation techniques commonly used in the financial sector. Fair value reflects the credit risk of the instrument and includes adjustments to consider the credit risk of the Company or the counterparty, when applicable.

The method for recognizing the resulting gain or loss depends on whether the derivative is designated as a hedge and the nature of the item being hedged.

For derivative financial instruments that are entered into to hedge certain risks and do not qualify for hedge accounting, the changes in the fair value of such instruments are recognized immediately in the income statement as Other expenses, net or Comprehensive financing cost, net, according to the nature of the hedged item.

The derivative financial instruments that the Company designates and qualifies as accounting hedges, are classified as follows:

- Hedges of the fair value of recognized assets or liabilities or a firm commitment (fair value hedge);
- Hedges of a particular risk associated with a recognized asset or liability or a highly probable forecast transaction (cash flow hedge); or
- Hedges of a net investment in a foreign operation (net investment hedge).

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The Company documents at the inception of the transaction the relationship between hedging instruments and hedged items, including objectives, strategies for risk management and the method for assessing effectiveness in the hedge relationship. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

a. Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with changes in the fair value of the hedged asset or liability that are attributable to the hedged risk, see Note 20-C.

b. Cash flow hedges

For cash flow hedge transactions, changes in the fair value of the derivative financial instrument are included as other comprehensive income in equity, based on the evaluation of the hedge effectiveness, see Note 20-C.

When option contracts are used to hedge forecast transactions, the Company designates only the intrinsic value of the options as the hedging instrument. Gains or losses related to the effective portion of the change in the intrinsic value of the options are recognized in other comprehensive income within equity. Changes in the time value of options that are related to the hedged item (aligned time value) are recognized in other comprehensive income within equity. The intrinsic value of options on foreign currency transactions is determined by reference to the spot exchange rate of the relevant market. The spread between the contracted strike price and the discounted market spot rate is defined as time value. When material, the value is discounted.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in the cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognized immediately in income as other expenses, net.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognized when the forecasted transaction is ultimately registered in the income statement. However, when the forecasted transaction recognizes a non-financial asset or non-financial liability, the cumulative gains or losses recognized in other comprehensive income are transferred from equity and included in the initial measurement of the non-financial asset or non-financial liability.

c. Net investment hedge

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized in the income statement. Gains and losses accumulated in equity are included in the income statement when the foreign operation is partially disposed of or sold, see Note 19-C.

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L) TRADE ACCOUNTS AND OTHER ACCOUNTS PAYABLES

These balances represent the liabilities for goods and services provided to the Company before the end of the year that have not been paid. The amounts are not guaranteed and are generally paid within 30 days of recognition. Suppliers and other accounts payable are presented as current liabilities unless the balance is not payable within 12 months after the reporting period.

The Company has established supplier financing programs, through which they can discount their documents with different financial institutions. The balance payable derived from these programs is recognized within Trade accounts payable in the consolidated balance sheet, without generating a payment obligation with the financial institution. The financial cost of these operations is by the suppliers. This supplier program is presented as an operating activity in the statement of cash flows.

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

M) LEASES

Contracts with counterparties celebrated by the Company, in which the transfer of the right to control the use of an identified asset for a certain term in exchange for a consideration, are classified as leases. There is control if the Company obtains the economic benefits from the use of the asset and has the right to direct and decide on the use of the asset during the term of the lease.

The Company applies the lease accounting model, which consists in the recognition of all leases within the statement of financial position. Contracts celebrated by the Company for more than a 12-month term and whose underlying asset has a value greater than five thousand American dollars are recognized as leases.

For contracts that contain both lease and non-lease components, the Company, in its capacity as lessee, allocates the component value as follows:

- When there is an observable individual price for each component, it is separated and allocated according to the specific individual prices of the components, and applies for all assets of that class.
- When there is no individual price for some or all the components, the components will not be separated and are accounted for as a single lease component, and applies to all assets of that class.

The term of a lease is determined based on the non-cancellable period of the lease contract, plus the optional renewable periods agreed in such contract, if the Company is reasonably certain to extend by considering factors such as: improvements made to the leased asset, penalties for not extending the contract, determination of high costs to be incurred for the replacement of the leased asset, among others; and that the extension option can only be exercised by the Company.

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

- a) Fixed lease payments, minus lease incentives receivable;
- b) Variable lease payments that are based on an index or a rate;
- c) Amounts expected to be payable by the group under residual value guarantees;
- d) The exercise price of a purchase option if the group is reasonably certain to exercise that option;
and
- e) Payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

For leases, the Company recognizes, at the beginning of the contract, a liability equivalent to the present value of the lease payments agreed in the contract, discounted using the incremental interest rate. After the start date, the lease liability is measured by increasing its carrying value to reflect the accrued interest and decreasing its carrying value to reflect the lease payments made.

The incremental interest rate is determined using the interest rates of comparable bonds of companies with similar credit ratings as the Company, plus the Company's credit risk factor and the risk factor from the country where the asset is located. The above mentioned is considering a similar lease contract and similar security.

For property, plant and equipment leases containing terms of variable payments in which lease payments are modified during the term of the lease, possible future increases in variable lease payments are considered as part of the lease liability. Until effective, the lease liability is reassessed, and the right-of-use asset is adjusted.

The interest expense of a lease liability is recognized monthly by applying the incremental interest rate the term of the lease.

At the beginning of the lease contract, the right-of-use asset is recognized at cost. The cost of the asset includes the present value of the lease payments agreed in the contract and the initial direct costs incurred by the Company, such as restorations or dismantling; after that date, the carrying value of the right-of-use asset is measured decreasing the accumulated depreciation and the accumulated impairment losses.

The Company applies the straight-line method for the depreciation of the right-of-use assets, which begins on the start date of the lease.

The right-of-use assets are normally depreciated in a straight line during the shortest period between the useful life of the asset and the lease term. If the Company has reasonable certainty to exercise a purchase option, the right-of-use asset depreciates over the useful life of the underlying asset.

The Company recognizes in income the payments for short-term leases or those in which the underlying asset is of low value, applying the straight-line method during the lease period.

For full or partial termination of lease contracts, the Company as lessee will recognize the new measurement of the lease liability adjusting the book value of the right-of-use asset resulting from the lease termination and the related gains or losses will be recognized in income of the year.

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The Company applies impairment tests to the right-of-use assets when there are indications that the carrying value of the assets may not be recovered. See Note 3-H.

N) EMPLOYEE BENEFITS

a. Post-employment benefits

In Mexico, the Company has the following defined benefit plans:

- Single-payment retirement plan, when employees reach the required retirement age, which is 60.
- Seniority premium, after 15 years of service.

The Company has established trust funds to meet its obligations for the seniority premium. Employees do not contribute to these funds.

The liability recognized in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation, less the fair value of plan assets. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability (asset). The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated cash outflows using discount rates in accordance with IAS 19, that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past service costs are recognized immediately in the income statement.

In the United States, the Company has saving and investment plans that incorporate voluntary employees 401(k) contributions with matching contributions of the Company in this country. The Company's contributions are recognized in the income statement when incurred.

b. Termination benefits

Termination benefits are payable when employment is terminated by decision of the Company before the normal retirement date.

The Company recognizes termination benefits as a liability at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the Company recognizes restructuring costs that represents a provision and involves the payment of termination benefits. Termination benefits that do not meet this requirement are recognized in the income statement in the period when incurred.

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c. Short term benefits

Short term employee benefits are measured at nominal base and are recognized as expenses as the related service is provided. If the Company has the legal or constructive obligation to pay as a result of a service rendered by the employee in the past and the amount can be estimated, an obligation is recognized for short term bonuses or profit sharing.

O) PROVISIONS

Provisions are recognized when (a) the Company has a present legal or constructive obligation as a result of past events; (b) it is probable that an outflow of resources will be required to settle the obligation; and (c) the amount has been reliably estimated.

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

P) REVENUE RECOGNITION

The Company produces and sells corn flour, packaged tortilla and other related products such as flat bread, snacks and corn grits. The Company serves wholesale and retail markets, as well as institutional markets. Sales are recognized when control of the products has transferred, being when the products are delivered to the customers, and there is no unfulfilled obligation that could affect the customer's acceptance of the products, the risks of loss and obsolescence have been transferred to the customer, and the customer has accepted the products in accordance with the sales contract.

Revenue from sales is recognized based on the price specified in the contract, net of discounts, volume rebates and returns. Volume rebates are estimated, using the expected value method, and revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur.

A refund liability is recognized for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. No element of financing is deemed present as the sales are made with a short-term credit.

A receivable is recognized when the products are delivered as this is the point in time that the consideration is unconditional.

The payments made to customers, which represent a modification of the transaction price, are presented as a decrease of revenue.

Q) INCOME TAXES

The tax expense of the period comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

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The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet 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. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized from the analysis of the balance sheet considering temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred income tax is determined using tax rates that have been approved or substantially approved at the date of the balance sheet and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized for tax loss carry-forwards not used, tax credits and deductible temporary differences, only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. In each period-end deferred income tax assets are reviewed and reduced to the extent that it is not probable that the benefits will be realized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset if the entity has a legally enforceable right to set off assets against liabilities and are related to income tax levied by the same tax authority on the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

R) EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the year, excluding ordinary shares purchased by the Company and held as treasury shares. Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares, which include convertible debt and share options.

For the years ended December 31, 2023 and 2022, the Company had no dilutive instruments issued.

S) SEGMENT INFORMATION

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses relating to transactions with other components of the same entity. Operating results from an operating segment are regularly reviewed by the entity's chief executive officer to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

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4. RISK AND CAPITAL MANAGEMENT

A) RISK MANAGEMENT

The Company is exposed to a variety of financial risks: market risk (including currency risk, interest rate risk and commodity price risk), credit risk, liquidity risk and climate change risk. The Company's risk management policy focuses on the risks that prevents or endangers the accomplishment of its financial objectives, seeking to minimize the potential adverse effects on its financial performance. The Company uses derivative financial instruments to hedge some of these risks.

Currency risk

The Company operates internationally and thus, is exposed to currency risks for foreign currency operations, mainly with the american dollar. Currency risks arise from commercial operations, recognized assets and liabilities and net investments in foreign subsidiaries.

The following tables detail the exposure of the Company to currency risks at December 31, 2023 and 2022. The tables show the foreign currency exposure of the Company's financial instruments expressed in american dollars.

At December 31, 2023:

	Amounts in thousands of american dollars				
	American dollar	Sterling pound	Euros	Costa Rica colons and others	Total
Monetary assets:					
Current ⁽¹⁾	\$ 166,563	\$ -	\$ 38,650	\$ 226	\$ 205,439
Non-current.....	10,077	-	-	-	10,077
Monetary liabilities:					
Current.....	(430,836)	(195)	(340)	(26)	(431,397)
Non-current ⁽²⁾	(725,613)	-	-	-	(725,613)
Net position.....	<u>\$ (979,809)</u>	<u>\$ (195)</u>	<u>\$ 38,310</u>	<u>\$ 200</u>	<u>\$ (941,494)</u>

At December 31, 2022:

	Amounts in thousands of american dollars				
	American dollar	Sterling pound	Euros	Costa Rica colons and others	Total
Monetary assets:					
Current ⁽¹⁾	\$ 104,463	\$ 39	\$ 6,015	\$ 405	\$ 110,922
Non-current.....	2,886	-	-	-	2,886
Monetary liabilities:					
Current.....	(87,531)	(12)	(621)	(3)	(88,167)
Non-current ⁽²⁾	(1,109,794)	-	-	-	(1,109,794)
Net position.....	<u>\$ (1,089,976)</u>	<u>\$ 27</u>	<u>\$ 5,394</u>	<u>\$ 402</u>	<u>\$ (1,084,153)</u>

(1) Approximately 28% and 29% of this balance corresponds to accounts receivable for 2023 and 2022, respectively.

(2) The currency risk for debt denominated in american dollars reside in companies that are not located in the United States of America. However, this debt generates an economic hedge on Gruma's investment in its subsidiaries in the United States of America (Gruma Corporation and Subsidiaries).

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For the years ended December 31, 2023 and 2022, the effects of exchange rate differences on the Company's monetary assets and liabilities were recognized as follows:

	2023	2022
Exchange differences arising from foreign currency liabilities accounted for as a hedge of the Company's net investment in foreign subsidiaries, recorded directly to equity as an effect of foreign currency translation adjustments (Note 19-C).....	\$ 156,954	\$ 65,501
Exchange differences, net, arising from foreign currency transactions recognized in the income statement (Note 24).....	(4,614)	(1,592)
	\$ 152,340	\$ 63,909

Considering that GRUMA's functional currency is the Mexican peso, the exposure related to monetary assets and liabilities in foreign currency as of December 31, 2023 and 2022, and assuming an increase or decrease of 10% in the Peso/U.S. dollar exchange rates while keeping constant the rest of the variables such as interest rates, the effect after taxes in the Company's consolidated results will be an increase or a decrease of \$8,604 and \$638, respectively.

Interest rate risk

The variations in interest rates could affect the cash flow and interest expense of financial liabilities bearing variable interest rates and could also modify the fair value of financial liabilities bearing fixed interest rates.

For the Company, interest rate risk is mainly derived from debt financing transactions, including debt securities, bank and vendor credit facilities and leases. These financing transactions generate exposure to interest rate risk, principally due to changes in relevant base rates (mainly SOFR and TIEE) that are used to determine the interest rates applicable to the borrowings.

At a global level, a reform of reference interest rates was carried out, including the replacement of certain interbank reference rates (IBOR) with alternative rates reference close to being risk-free. From December 2021, the authority that regulates the London interbank rate (LIBOR) began the elimination of some of its rate terms. Starting 2022 the main banking institutions began to provide new financing at variable rate only based on SOFR rates. Likewise, the LIBOR rates of the most common maturities were no longer published as of June 30, 2023, which was the deadline for migrating variable-rate financing referenced to current IBOR rates.

During 2023, the Company's Treasury managed the transition plan for IBOR rates. The Treasury signed amending agreements to establish the migration of LIBOR rates to SOFR in line with market practices for the existing contracts, without a material impact to recognize. Likewise, the new financing and credit lines with variable rates contracted during 2022 and 2023 have already been negotiated with interest rates based on SOFR. In this way, as of June 2023, all debt contracted with a variable rate uses SOFR rates as a reference. (See Note 14).

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The following table shows, at December 31, 2023 and 2022, the Company's debt at fixed and variable rates:

	Amounts in thousands of american dollars	
	2023	2022
Debt at fixed interest rate.....	\$ 797,983	\$ 793,324
Debt at variable interest rate.....	728,870	815,252
Total.....	\$ 1,526,583	\$ 1,608,576

For variable rate debt, an increase in interest rates will increase interest expense. A hypothetical increase of 100 basis points in interest rates on debt at December 31, 2023 and 2022 will have an effect on the results of the Company of \$7,289 and \$8,153, respectively, considering debt and interest rates at that date, and assuming that the rest of the variables remain constant.

Commodity price risk

The availability and price of corn, wheat and other agricultural commodities and fuels, are subject to wide fluctuations due to factors outside of the Company's control, such as weather, plantings, government (domestic and foreign) farm programs and policies, changes in global demand and supply due to population growth and global production of similar and competitive crops, as well as fuels.

The Company hedges a portion of its production requirements through commodity futures, swaps and options contracts in order to reduce the risk created by price fluctuations and supply of corn, wheat, natural gas, and soy oils which exist as part of ongoing business operations (see Note 20-C). The contracting hedges of purchases that exceed the maximum production requirements for a period longer than 18 months, requires the authorization of the Board of Directors in accordance with the Company's corporate policies.

Credit risk

The Company's regular operations expose it to defaults when customers and counterparties are unable to comply with their financial commitments. The Company seeks to mitigate this risk by entering into transactions with a diverse pool of counterparties. However, the Company continues to remain subject to unexpected third party financial failures that could disrupt its operations.

The Company is also exposed to risks in connection with its activities of cash management and obtaining debt and temporary investments, and any disruption that affects its financial intermediaries could also adversely affect its operations.

The Company's exposure to risk due to trade receivables is limited given the large number of its customers located in different parts of Mexico, the United States, Central America, Europe, Asia and Oceania. For this reason, there is not a significant concentration of credit risk. However, the Company still maintains allowances for doubtful accounts. Risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

Since most of the clients do not have an independent rating of credit quality, the Company's management determines the maximum credit risk for each one, considering its financial position, past experience, and other factors. Credit limits are established according with the policies set by the Company, which also includes controls that assure its compliance.

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Default results when the counterparties do not make their contractual payments within the agreed period.

During 2023 and 2022, the established credit limits were met and, consequently, management does not expect any important losses from trade accounts receivable.

Cash and cash equivalents are invested in highly liquid investments, with non-trading purposes and low risk, mainly in government repos, bank repos and directly with financial institutions of recognized prestige, and receivable in the short term. The Company do not invest in stock markets.

The Company faces credit risk from potential defaults of their counterparts with respect to the derivative financial instruments used. Substantially none of these financial instruments are guaranteed. Additionally, when the Company enters into hedge contracts for exchange rates, interest rates and/or commodities, it minimizes the risk of default by the counterparts by contracting derivative financial instruments only with major national and international financial institutions using contracts and standard forms issued by the *International Swaps and Derivatives Association, Inc.* ("ISDA") and operations standard confirmation formats.

Liquidity risk

The Company funds its liquidity and capital resource requirements through a variety of sources, including:

- cash generated from operations;
- committed and uncommitted short-term and long-term lines of credit;
- medium- and long-term debt contracting;
- offerings in Bond markets; and
- sales of its equity securities and those of its subsidiaries and affiliates from time to time.

Factors that could decrease the sources of liquidity include a significant decrease in the demand for, or price of, our products, or a considerable increase in the cost of raw materials, which could limit the amount of cash generated from operations. The Company's liquidity is also affected partially by factors such as the volatility of currencies, changes in interest rates, and a decrease of the corporate credit rating, which could further impair the liquidity and increase costs with respect to new debt and cause a negative impact in stock price.

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The following tables show the remaining contractual maturities of financial liabilities of the Company:

At December 31, 2023:

	<u>Less than a year</u>	<u>From 1 to 3 years</u>	<u>From 3 to 5 years</u>	<u>More than 5 years</u>	<u>Total</u>
Short and long term debt.....	\$ 411,837	\$ 469,932	\$ 649,822	\$ -	\$ 1,531,591
Interest payable from short and long term debt.....	95,208	137,079	55,864	-	288,151
Trade accounts and other payables.....	704,628	-	-	-	704,628
Short and long term lease liability.....	69,977	114,549	72,288	262,137	518,951
Derivative financial instruments(*).....	14,079	-	-	-	14,079
	<u>\$ 1,295,729</u>	<u>\$ 721,560</u>	<u>\$ 777,974</u>	<u>\$ 262,137</u>	<u>\$ 3,057,400</u>

(*) As of December 31, 2023 in the Consolidated statement of financial position, the financial liability recognized for futures contracts is presented offset with the amount of margin calls required to the Company on this contracts for an amount of \$12,868.

At December 31, 2022:

	<u>Less than a year</u>	<u>From 1 to 3 years</u>	<u>From 3 to 5 years</u>	<u>More than 5 years</u>	<u>Total</u>
Short and long term debt.....	\$ 146,971	\$ 671,117	\$ 692,089	\$ 103,338	\$ 1,613,515
Interest payable from short and long term debt.....	84,174	145,443	82,766	2,615	314,998
Trade accounts and other payables.....	771,552	-	-	-	771,552
Short and long term lease liability.....	60,379	110,119	72,121	283,485	526,104
Derivative financial instruments(*).....	34,731	-	-	-	34,371
	<u>\$ 1,097,807</u>	<u>\$ 926,679</u>	<u>\$ 846,976</u>	<u>\$ 389,438</u>	<u>\$ 3,260,900</u>

(*) As of December 31, 2022 in the Consolidated statement of financial position, the financial liability recognized for futures contracts is presented offset with the amount of margin calls required to the Company on this contracts for an amount of \$27,560.

The Company expects to meet its obligations with cash flows generated by operations.

Additionally, the Company has access to credit line agreements with various banks to address potential cash needs.

Climate change risk

The Company recognizes the challenge that the climate change represents for the global community and its fundamental role in mitigating this risk. The Company understands that its operating methodologies can have an ecological impact and that its firmly dedicated to operating sustainably. Therefore, it continually explores ways to reduce its carbon footprint, preserve natural resources and reduce waste.

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The Company has outlined an ESG Model divided into four pillars, together with its operating framework, to create value effectively by addressing its relevant topics and taking advantage of risks, obligations and opportunities in the economic, environmental and social fields. The Company's ESG model is divided into four pillars: 1) Business ethics, 2) Defense of human rights, 3) Health, nutrition and food safety, and 4) Team with nature, this last pillar deals with matters related to climate change, identifying physical risks (extreme weather events) and transition risks (political, legal, technological advances, market, reputation, among others).

The Company is evaluating the effects that climate change will have on its estimates, assumptions and projections, as well as the impact that could result on its financial situation and results of operations, and has not identified risks associated with climate change that could adversely and materially affect its operations; and the aforementioned strategies also do not have an impact on the financial condition or results of operations, so there was no material effect on the judgments and estimates used to prepare the financial statements. Nevertheless as management continually evaluates the impact of climate-related matters and tries to anticipate, the effects of climate change could have an impact on the Company's performance and future financial condition.

B) CAPITAL MANAGEMENT

The Company's objectives when managing capital (which includes share capital, borrowings, working capital and cash and cash equivalents) are to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk, to protect the Company's ability to continue as a going concern while taking advantage of strategic opportunities to provide sustainable returns for shareholders.

The Company manages the capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, repurchase shares issued, issue new shares, issue new debt, issue new debt to replace existing debt with different characteristics, or sell assets to reduce debt.

In addition, to monitor capital, debt agreements contain financial covenants which are disclosed in Note 14.

5. SEGMENT INFORMATION

The Company's reportable segments are strategic business units that offer different products in different geographical regions. These business units are managed separately because each business segment requires different technology and marketing strategies.

The Company's reportable segments are as follows:

- **Corn flour and packaged tortilla division (United States):**
Manufactures and distributes more than 20 varieties of corn flour that are used mainly to produce and distribute different types of tortillas and tortilla chip products in the United States. The main brands are MASECA for corn flour and MISSION and GUERRERO for packaged tortillas.

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- **Corn flour division (Mexico):**
Engaged principally in the production, distribution and sale of corn flour in Mexico under MASECA brand. Corn flour produced by this division is used mainly in the preparation of tortillas and other related products.
- **Corn flour and packaged tortilla and other (Europe):**
Manufactures and distributes varieties of flour that are used to produce different types of tortillas, flat breads, grits and other in the same category in Europe. The main brands are MASECA for corn flour and MISSION for packaged products.
- **Other segments:**
This section represents those segments whose amounts on an individual basis do not exceed 10% of the consolidated total of net sales, operating income and assets. These segments are:
 - a) Corn flour, hearts of palm, rice, and other products (Central America).
 - b) Packaged tortillas (Mexico).
 - c) Wheat flour tortillas and snacks (Asia and Oceania).
 - d) Technology and equipment, which conducts research and development regarding flour and tortilla manufacturing equipment, produces machinery for corn flour and tortilla production and is engaged in the construction of the Company's corn flour manufacturing facilities.
 - e) Balanced feed for livestock (Mexico)

All inter-segment sales prices are market-based. The Chief Executive Officer evaluates performance based on operating income of the respective business units. The accounting policies for the reportable segments are the same as the policies described in Note 3.

Segment information as of and for the year ended December 31, 2023 and the year ended in that period:

	Corn flour and packaged tortilla division (United States)	Corn flour division (Mexico)	Corn flour and packaged tortilla division (Europe)	Other segments	Eliminations and corporate expenses	Total
Net sales to external customers.....	\$ 3,637,803	\$ 1,735,700	\$ 434,841	\$ 767,886	\$ -	\$ 6,576,230
Inter-segment net sales.....	7,723	188,789	646	190,938	(388,096)	-
Operating income.....	565,159	111,073	24,010	54,076	23,277	777,595
Depreciation and amortization.....	138,929	47,072	14,119	34,952	(11,043)	224,029
Total assets.....	1,914,307	1,348,059	545,391	953,186	(77,849)	4,683,094
Total liabilities.....	755,926	217,460	157,458	202,278	1,506,694	2,839,816
Expenditures paid in the year for fixed assets	87,063	59,715	10,006	63,673	(9,451)	211,006

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Segment information as of and for the year ended December 31, 2022 and the year ended in that period:

	Corn flour and packaged tortilla division (United States)	Corn flour division (Mexico)	Corn flour and packaged tortilla division (Europe)	Other segments	Eliminations and corporate expenses	Total
Net sales to external customers.....	\$ 3,190,405	\$ 1,321,559	\$ 420,195	\$ 664,462	\$ -	\$ 5,596,621
Inter-segment net sales.....	6,317	150,033	588	160,786	(317,724)	-
Operating income.....	440,935	115,633	8,529	35,764	9,282	610,143
Depreciation and amortization.....	125,681	60,484	13,934	30,535	(34,076)	196,558
Total assets.....	1,918,446	1,227,622	526,385	839,098	(124,895)	4,386,656
Total liabilities.....	749,080	317,210	173,062	179,897	1,533,822	2,953,071
Expenditures paid in the year for fixed assets....	156,400	48,861	13,146	81,512	(2,404)	297,515

A summary of information by geographic segment for the years ended December 31, 2023 and 2022 is presented below:

	2023	%	2022	%
<u>Net sales to external customers:</u>				
United States.....	\$ 3,637,803	55	\$ 3,190,405	57
Mexico.....	1,881,467	29	1,421,937	25
Europe.....	434,841	7	420,195	8
Central America.....	364,969	6	322,617	6
Asia and Oceania.....	257,150	4	241,467	4
	<u>\$ 6,576,230</u>	<u>100</u>	<u>\$ 5,596,621</u>	<u>100</u>
<u>Expenditures paid in the year for fixed assets:</u>				
United States.....	\$ 87,063	41	\$ 156,400	53
Mexico.....	87,882	43	101,317	34
Europe.....	10,006	5	13,146	4
Central America.....	6,957	3	7,946	3
Asia and Oceania.....	19,098	9	18,706	6
	<u>\$ 211,006</u>	<u>100</u>	<u>\$ 297,515</u>	<u>100</u>
<u>Identifiable assets</u>				
United States.....	\$ 1,914,307	41	\$ 1,918,446	44
Mexico.....	1,701,270	36	1,463,375	33
Europe.....	545,391	12	526,385	12
Central America.....	228,877	5	191,062	4
Asia and Oceania.....	293,249	6	287,388	7
	<u>\$ 4,683,094</u>	<u>100</u>	<u>\$ 4,386,656</u>	<u>100</u>

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include:

	At December 31, 2023	At December 31, 2022
Cash at bank.....	\$ 343,831	\$ 280,145
Short-term investments (less than 3 months).....	6,215	3,719
	<u>\$ 350,046</u>	<u>\$ 283,864</u>

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7. ACCOUNTS RECEIVABLE

Accounts receivable comprised the following:

	<u>At December 31, 2023</u>	<u>At December 31, 2022</u>
Trade accounts and notes receivable.....	\$ 571,277	\$ 555,872
Accounts receivable with Venezuelan companies.....	-	5,145
Recoverable value-added tax.....	98,340	72,252
Other debtors.....	7,874	18,895
Allowance for doubtful accounts.....	(12,528)	(10,280)
Impairment of accounts receivable with Venezuelan companies.....	-	(5,145)
	<u>\$ 664,963</u>	<u>\$ 636,739</u>

The age analysis of accounts receivable is as follows:

	<u>Total</u>	<u>Not past due date balances</u>	<u>Past due balances</u>		
			<u>1 to 120 days</u>	<u>121 to 240 days</u>	<u>More than 240 days</u>
Accounts receivable.....	\$ 579,151	\$ 475,118	\$ 94,351	\$ 2,424	\$ 7,258
Allowance for doubtful accounts..	(12,528)	(3,296)	(1,774)	(1,123)	(6,335)
Total at December 31, 2023.....	<u>\$ 566,623</u>	<u>\$ 471,822</u>	<u>\$ 92,577</u>	<u>\$ 1,301</u>	<u>\$ 923</u>

	<u>Total</u>	<u>Not past due date balances</u>	<u>Past due balances</u>		
			<u>1 to 120 days</u>	<u>121 to 240 days</u>	<u>More than 240 days (*)</u>
Accounts receivable.....	\$ 574,767	\$ 465,023	\$ 96,119	\$ 1,774	\$ 11,851
Allowance for doubtful accounts..	(10,280)	(2,306)	(1,245)	(696)	(6,033)
Total at December 31, 2022.....	<u>\$ 564,487</u>	<u>\$ 462,717</u>	<u>\$ 94,874</u>	<u>\$ 1,078</u>	<u>\$ 5,818</u>

(*) Accounts receivable with Venezuelan companies refer to discontinued operations and were not included in the age analysis of accounts receivable for 2022.

For the years ended December 31, 2023 and 2022, the movements on the current and non-current allowance for doubtful accounts (Note 9) are as follows:

	<u>2023</u>	<u>2022</u>
Beginning balance	\$ (11,265)	\$ (9,659)
Allowance for doubtful accounts.....	(2,145)	(3,716)
Receivables written off during the year.....	1,659	2,441
Cumulative translation adjustments.....	(1,059)	(331)
Ending balance.....	<u>\$ (12,810)</u>	<u>\$ (11,265)</u>

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8. INVENTORIES

Inventories consisted of the following:

	At December 31, 2023	At December 31, 2022
Raw materials, mainly corn and wheat.....	\$ 663,274	\$ 647,487
Finished products.....	141,690	121,410
Materials and spare parts.....	174,050	175,129
Production in process.....	12,405	14,573
Advances to suppliers.....	3,654	3,028
Inventory in transit.....	15,299	8,189
	<u>\$ 1,010,372</u>	<u>\$ 969,816</u>

For the years ended December 31, 2023 and 2022, the cost of raw materials consumed and the changes in the inventories of production in process and finished goods, recognized as cost of sales amounted to \$2,368,542 and \$1,923,043, respectively.

For the years ended December 31, 2023 and 2022, the Company recognized \$9,018 and \$12,420, respectively, for inventory that was damaged, slow-moving and obsolete.

9. LONG-TERM NOTES, ACCOUNTS RECEIVABLE AND OTHER ASSETS

Long-term notes, accounts receivable and other assets are as follows:

	At December 31, 2023	At December 31, 2022
Long-term notes receivable.....	\$ 9,957	\$ 7,712
Guarantee deposits.....	15,106	7,123
Other.....	10,418	327
Allowance for long-term doubtful accounts.....	(282)	(985)
	<u>\$ 35,199</u>	<u>\$ 14,177</u>

At December 31, 2023 and 2022, long-term notes receivable are denominated in pesos, maturing from 2025 to 2033 and bearing monthly interests at an annual average fixed rate of 16% for 2023 and 2022.

10. PROPERTY, PLANT AND EQUIPMENT

Changes in property, plant and equipment for the years ended December 31, 2023 and 2022 were as follows:

	Land and buildings	Machinery and equipment	Leasehold improvements	Construction in progress	Total
At December 31, 2021...					
Cost.....	\$ 667,668	\$ 2,262,674	\$ 183,777	\$ 155,965	\$ 3,270,084
Accumulated depreciation.....	(224,843)	(1,320,746)	(76,814)	-	(1,622,403)
Net book value.....	<u>442,825</u>	<u>941,928</u>	<u>106,963</u>	<u>155,965</u>	<u>1,647,681</u>

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	<u>Land and buildings</u>	<u>Machinery and equipment</u>	<u>Leasehold improvements</u>	<u>Construction in progress</u>	<u>Total</u>
For the year ended					
December 31, 2022					
Opening net book value...	442,825	941,928	106,963	155,965	1,647,681
Exchange differences.....	4,688	9,868	734	1,344	16,634
Additions.....	40,779	57,089	56	193,031	290,955
Disposals/derecognition (Note 22).....	(56)	(2,239)	-	(358)	(2,653)
Depreciation charge of the year.....	(14,494)	(120,052)	(6,913)	-	(141,459)
Transfers.....	5,481	43,661	778	(49,920)	-
Assets leased, net of depreciation.....	-	6,560	-	-	6,560
Other	11,639	(8,103)	5,504	(4,799)	4,241
Impairment.....	-	(144)	-	-	(144)
Closing net book value...	<u>490,862</u>	<u>928,568</u>	<u>107,122</u>	<u>295,263</u>	<u>1,821,815</u>
At December 31, 2022					
Cost.....	735,763	2,343,523	190,918	295,263	3,565,467
Accumulated depreciation.....	<u>(244,901)</u>	<u>(1,414,955)</u>	<u>(83,796)</u>	<u>-</u>	<u>(1,743,652)</u>
Net book value.....	<u>490,862</u>	<u>928,568</u>	<u>107,122</u>	<u>295,263</u>	<u>1,821,815</u>
For the year ended					
December 31, 2023					
Opening net book value...	490,862	928,568	107,122	295,263	1,821,815
Exchange differences.....	23,865	55,383	2,163	8,575	89,986
Additions.....	3,020	62,476	231	135,982	201,709
Disposals/derecognition (Note 22).....	(683)	(3,801)	-	(679)	(5,163)
Depreciation charge of the year.....	(15,753)	(133,441)	(7,209)	-	(156,403)
Transfers.....	17,119	103,438	101,906	(222,463)	-
Assets leased, net of depreciation.....	-	9,297	-	-	9,297
Other.....	-	(4,305)	1,098	(2,522)	(5,729)
Closing net book value...	<u>518,430</u>	<u>1,017,615</u>	<u>205,311</u>	<u>214,156</u>	<u>1,955,512</u>
At December 31, 2023					
Cost.....	790,407	2,555,316	298,324	214,156	3,858,203
Accumulated depreciation.....	<u>(271,977)</u>	<u>(1,537,701)</u>	<u>(93,013)</u>	<u>-</u>	<u>(1,902,691)</u>
Net book value.....	<u>\$ 518,430</u>	<u>\$ 1,017,615</u>	<u>\$ 205,311</u>	<u>\$ 214,156</u>	<u>\$ 1,955,512</u>

For the years ended December 31, 2023 and 2022, depreciation expense was recognized as follows:

	<u>2023</u>	<u>2022</u>
Cost of sales.....	\$ 120,915	\$ 110,493
Selling and administrative expenses.....	35,488	30,966
	<u>\$ 156,403</u>	<u>\$ 141,459</u>

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At December 31, 2023 and 2022, property, plant and equipment included idle assets with a carrying value of approximately \$3,466 and \$3,077, respectively, resulting from the temporary shut-down of the productive operations of various plants in Mexico, mainly in the corn flour division.

For the year ended December 31, 2023 the Company did not recognized impairment losses from fixed assets, and for the year ended December 2022, the Company recognized impairment losses from fixed assets of \$144, in other expenses, net.

The impairment loss for 2022 corresponds to the subsidiary Grupo Industrial Maseca. S.A. de C. V. and subsidiaries, which is within the Corn flour México segment.

11. LEASES

Leases information where the Company acts as a lessee is as follows.

A) AMOUNTS RECOGNIZED IN THE BALANCE SHEET

As of December 31, 2023 and 2022, the consolidated balance sheet presents the following amounts related to leases:

	<u>At December 31, 2023</u>	<u>At December 31, 2022</u>
Right-of-use assets:		
Land.....	\$ 134	\$ 106
Buildings.....	288,906	301,798
Machinery and equipment.....	38,345	31,285
	<u>\$ 327,385</u>	<u>\$ 333,189</u>
Lease liabilities:		
Short term.....	\$ 58,103	\$ 49,107
Long term.....	306,754	318,305
	<u>\$ 364,857</u>	<u>\$ 367,412</u>

The additions to right-of-use assets in 2023 and 2022 are \$54,212 and \$115,369, respectively.

The following table presents the changes in the Company's lease liabilities:

	<u>2023</u>	<u>2022</u>
Beginning balance.....	\$ 367,412	\$ 319,080
New contracts.....	54,212	115,369
Lease payments.....	(75,936)	(62,269)
Foreign currency exchange effect.....	(2,845)	(1,281)
Financia expenses.....	17,867	16,786
Full or partial termination of contracts ^(a)	(2,027)	(23,673)
Cumulative translation adjustments.....	6,174	3,400
Ending balance.....	<u>\$ 364,857</u>	<u>\$ 367,412</u>

(a) During fiscal year 2022, a cancellation of a lease contract liability is included for an amount of \$16,647 due to the Company acquired the property originally leased. The Company made this purchase of the property for an amount of \$35,000. This cancellation of the lease did not generate penalties for the Company.

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B) AMOUNTS RECOGNIZED IN THE INCOME STATEMENT

For the years ended December 31, 2023 and 2022, the consolidated income statement presents the following amounts related to leases:

	2023	2022
Depreciation expense of the right-of-use assets:		
Land.....	\$ 173	\$ 163
Buildings.....	46,095	41,877
Machinery and equipment.....	17,365	12,181
	\$ 63,633	\$ 54,221
Interest expense.....	\$ 17,867	\$ 16,786
Gain for foreign currency exchange effect.....	(2,845)	(1,281)
Short-term lease expense.....	22,241	26,055
Lease expense for low value assets	2,404	2,851
Expenses related to variable lease payments not included in the lease liability.....	100	17

Total cash flow from leases for the years ended December 31, 2023 and 2022 amounted to \$100,681 and \$91,192, respectively.

C) DESCRIPTION OF LEASE ACTIVITIES

The Company, as a lessee, enters into various lease contracts related to facilities and equipment. Lease terms are negotiated on an individual basis and contain a wide range of terms and conditions. Lease agreements do not impose compliance with any financial ratios. Leased assets cannot be sold or used as collateral to obtain debt.

D) VARIABLE LEASE PAYMENTS

Certain lease agreements contain terms of variable payments that depend on a price index, so the rent payable is modified during the term of the lease. Possible future increases in variable lease payments are considered as part of the lease liability until effective; at that time, the lease liability is reassessed, and the right-of-use asset is adjusted.

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12. INTANGIBLE ASSETS

Changes in intangible assets for the years ended December 31, 2023 and 2022 were as follows:

	Intangible assets acquired					Total
	Goodwill	Covenants not to compete	Patents and trade- marks	Customer lists	Software for internal use and other	
At December 31, 2021...						
Cost.....	\$ 166,771	\$ 22,781	\$ 8,226	\$ 13,202	\$ 40,382	\$ 251,362
Accumulated amortization.....	-	(22,781)	(5,099)	(9,133)	(20,301)	(57,314)
Net book value.....	<u>166,771</u>	<u>-</u>	<u>3,127</u>	<u>4,069</u>	<u>20,081</u>	<u>194,048</u>
For the year ended December 31, 2022						
Opening net book value...	166,771	-	3,127	4,069	20,081	194,048
Exchange differences.....	(2,712)	-	(171)	(212)	592	(2,503)
Additions.....	-	-	-	-	654	654
Amortization charge.....	-	-	(72)	(637)	(471)	(1,180)
Impairment.....	(2,003)	-	-	-	-	(2,003)
Closing net book value...	<u>162,056</u>	<u>-</u>	<u>2,884</u>	<u>3,220</u>	<u>20,856</u>	<u>189,016</u>
At December 31, 2022						
Cost.....	162,056	23,105	4,843	8,623	37,739	236,366
Accumulated amortization.....	-	(23,105)	(1,959)	(5,403)	(16,883)	(47,350)
Net book value.....	<u>162,056</u>	<u>-</u>	<u>2,884</u>	<u>3,220</u>	<u>20,856</u>	<u>189,016</u>
For the year ended December 31, 2023						
Opening net book value...	162,056	-	2,884	3,220	20,856	189,016
Exchange differences.....	11,339	-	(33)	29	2,745	14,080
Additions.....	-	-	-	-	88	88
Amortization charge.....	-	-	-	(667)	(3,758)	(4,425)
Impairment.....	(4,667)	-	-	-	-	(4,667)
Others.....	-	-	650	(650)	-	-
Closing net book value...	<u>168,728</u>	<u>-</u>	<u>3,501</u>	<u>1,932</u>	<u>19,931</u>	<u>194,092</u>
At December 31, 2023						
Cost.....	168,728	26,481	4,926	8,558	32,653	241,346
Accumulated amortization.....	-	(26,481)	(1,425)	(6,626)	(12,722)	(47,254)
Net book value.....	<u>\$ 168,728</u>	<u>\$ -</u>	<u>\$ 3,501</u>	<u>\$ 1,932</u>	<u>\$ 19,931</u>	<u>\$ 194,092</u>

At December 31, 2023 and 2022, only trademarks and goodwill, are considered indefinite-lived intangible assets.

For the years ended December 31, 2023 and 2022, amortization expense was recognized as follows:

	2023	2022
Selling and administrative expenses.....	\$ 3,993	\$ 878
Financial expenses.....	432	302
	<u>\$ 4,425</u>	<u>\$ 1,180</u>

Research and development costs of \$13,557 and \$10,001 that did not qualify for capitalization were recognized in the income statement for the years ended December 31, 2023 and 2022, respectively.

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Goodwill acquired in business combinations is allocated at acquisition date to the cash-generating units (CGU) that are expected to benefit from the synergies of the business combinations. The carrying values of goodwill allocated to the CGU or a group of CGU are as follows:

<u>Cash-generating unit</u>	<u>At December 31, 2023</u>	<u>At December 31, 2022</u>
Mission Foods Division (1).....	\$ 60,451	\$ 60,451
Gruma España (2).....	38,755	37,535
Gruma Corporation.....	12,594	10,989
Rositas Investments Pty, Ltd (2).....	10,067	10,049
Semolina A.S (2).....	7,893	1,335
Azteca Milling, L.P (1).....	7,363	12,030
NDF Azteca Milling Europe SRL (2).....	6,314	6,044
Grupo Industrial Maseca, S.A. de C.V.....	5,838	5,094
Gruma Reino Unido (2).....	5,302	5,135
Agroindustrias Integradas del Norte, S.A. de C.V (3).....	5,110	4,459
Gruma Centroamérica (2).....	2,488	2,488
Soltse Mexico (2).....	1,812	2,311
Molinos Azteca de Chiapas, S.A. de C.V (3).....	1,667	1,454
Harinera de Yucatán, S.A. de C.V (3).....	1,118	975
Harinera de Maíz de Mexicali, S.A. de C.V (3).....	1,031	900
Molinos Azteca, S.A. de C.V (3).....	528	461
Harinera de Maíz de Jalisco, S.A. de C.V (3).....	397	346
	<u>\$ 168,728</u>	<u>\$ 162,056</u>

(1) Subsidiary of Gruma Corporation

(2) Subsidiary of Gruma International Foods, S.L.

(3) Subsidiary of Grupo Industrial Maseca, S.A. de C.V.

On June 2023, the Company recognized a non-monetary charge in the operating results, in “other expenses, net” of \$4,667 due to the goodwill impairment associated with the business segment of “Azteca Milling, L.P.” associated with corn flour and packaged tortilla division United States business segment.

On March 2022, the Company recognized a non-monetary charge in the operating results, in “other expenses, net” of \$2,003 due to the goodwill impairment associated with the business segment of "Altera, LLC" located in Ukraine and associated with the European corn flour and packaged tortilla business segment. (See Note 30).

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In 2023 and 2022, the discount rates and growth rates used by the Company to determine the discounted cash flows of the CGU are the following:

Cash-generating unit	After-tax discount rates		Growth rates	
	2023	2022	2023	2022
Mission Foods Division.....	5.5%	4.6%	1.8%	1.8%
Gruma Spain.....	7.4%	7.9%	1.8%	2.3%
Gruma UK.....	7.0%	6.9%	1.7%	1.6%
Azteca Milling, L.P.....	6.9%	6.0%	1.8%	1.8%
Gruma Corporation.....	5.5%	4.6%	1.8%	1.8%
Rositas Investment PTY, LTD.....	6.4%	5.9%	2.1%	2.4%
NDF Azteca Milling Europe SRL.....	8.0%	8.6%	1.0%	1.1%
Grupo Industrial Maseca, S.A. de C.V.....	7.1%	6.7%	1.8%	2.1%
Semolina A.S.....	10.8%	11.6%	3.1%	1.3%
Agroindustrias Integradas del Norte, S.A. de C.V.	8.4%	8.1%	1.8%	2.1%
Gruma Centroamérica.....	10.0%	17.5%	3.2%	3.2%
Solntse Mexico.....	14.5%	14.4%	0.9%	0.3%
Molinos Azteca de Chiapas, S.A. de C.V.....	8.4%	8.1%	1.8%	2.1%
Harinera de Yucatán, S.A. de C.V.....	8.4%	8.1%	1.8%	2.1%
Harinera de Maíz de Mexicali, S.A. de C.V.....	8.4%	8.1%	1.8%	2.1%
Molinos Azteca, S.A. de C.V.....	8.4%	8.1%	1.8%	2.1%
Harinera de Maíz de Jalisco, S.A. de C.V.....	8.4%	8.1%	1.8%	2.1%

The discount rate used reflects the Company's specific risks related to its operations. The long-term growth rate used is consistent with projections included in industry reports.

With respect to the determination of the recoverable amount of CGUs, the Company's management considered that a possible change of an increase of 100 basis points in the discount rate after taxes and a decrease of 10% in the long-term growth rates, in independent analysis, will not cause that the CGU's carrying value to materially exceed their value in use and separately. The recovery amount of cash-generating units has been determined based on calculations of the values in use. These calculations use cash flow projections based on financial budgets approved by the Company's management for a 5-year period.

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13. DEFERRED TAX ASSETS AND LIABILITIES

A) COMPONENTS OF DEFERRED TAX

The principal components of deferred tax assets and liabilities are summarized as follows:

	(Asset) Liability	
	At December 31, 2023	At December 31, 2022
Net operating loss carryforwards and other tax credits.....	\$ (55,990)	\$ (74,610)
Lease liability.....	(94,022)	(94,415)
Customer advances.....	(76)	-
Allowance for doubtful accounts.....	(1,252)	(685)
Liability provisions.....	(53,428)	(45,579)
Employee benefits obligations.....	(13,250)	(9,828)
Prepayment for trademarks license with affiliates.....	(2,753)	(6,241)
Intangible assets, net and others.....	-	(5,361)
Derivative financial instruments.....	-	(22,188)
Other.....	(2,551)	(1,605)
Deferred tax asset.....	<u>(223,322)</u>	<u>(260,512)</u>
Property, plant and equipment, net.....	59,548	62,704
Right-of-use asset, net.....	84,325	85,548
Prepaid expenses.....	986	1,249
Customer advance.....	-	31
Intangible assets, net and others.....	8,267	-
Investment in subsidiaries.....	85,858	79,945
Derivative financial instruments.....	1,413	-
Other.....	844	301
Deferred tax liability.....	<u>241,241</u>	<u>229,778</u>
Net provision for deferred tax.....	<u>\$ 17,919</u>	<u>\$ (30,734)</u>

At December 31, 2023 and 2022, the Company did not recognize a deferred income tax asset of \$31,357 and \$27,010, respectively, from the tax losses of its subsidiaries in Mexico, since sufficient evidence was not available to determine that these tax loss carryforwards will be realized during their amortization period. Additionally, as of December 31, 2023 and 2022, the Company did not recognize from its foreign subsidiaries a deferred tax asset derived from its tax losses of \$36,754 and \$27,126, respectively.

At December 31, 2023 and 2022, the undistributed taxable income of subsidiaries in México amounted to \$229,288 and \$181,470, respectively. No deferred income tax has been recognized for this undistributed taxable income, since the Company has the ability to control the time for its reversal and it is probable that in the near future these temporary differences will not reverse. If the Company had not chosen this option, the deferred tax liability of these items would have amounted to \$68,787 and \$54,441 of December 31, 2023 and 2022, respectively.

At December 31, 2023 and 2022, the Company recognized a deferred income tax liability of \$85,858 and \$79,945, respectively, from undistributed taxable income generated as of 2018 by the Company's subsidiaries in the United States (Gruma Corporation and subsidiaries) at a reduced rate for the effects of tax credits generated by the distributed profits. The reversal of this tax amount is made at the moment in which the subsidiaries distribute such profits to the Company through dividends.

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The changes in the temporary differences during the year were as follows:

	Balance at January 1, 2023	Recogni- zed in income	Recognized in other compre- hensive income	Reclassifi- cations and others	Cumulative translation adjustments	Balance at December 31, 2023
Net operating loss carryforwards and other tax credits.....	\$ (74,610)	\$ (6,712)	\$ 40,594*	\$ (5,348)	\$ (9,914)	\$ (55,990)
Lease liability.....	(94,415)	2,396	-	-	(2,003)	(94,022)
Customer advances.....	-	(104)	-	(31)	59	(76)
Allowance for doubtful accounts..	(685)	(204)	-	(249)	(114)	(1,252)
Liability provisions	(45,579)	(5,035)	-	(139)	(2,675)	(53,428)
Employee benefits obligations...	(9,828)	(1,166)	(727)	-	(1,529)	(13,250)
Prepayment for trademarks license with affiliates.....	(6,241)	3,814	561	-	(887)	(2,753)
Intangible assets and others.....	(5,361)	14,354	-	(8,267)	(726)	-
Derivative financial instruments..	(22,188)	-	-	22,188	-	-
Others.....	(1,605)	(701)	2	-	(247)	(2,551)
Deferred tax asset.....	(260,512)	6,642	40,430	8,154	(18,036)	(223,322)
Property, plant and equipment...	62,704	(1,910)	-	(831)	(415)	59,548
Right-of-use asset.....	85,548	(2,979)	-	-	1,756	84,325
Prepaid expenses.....	1,249	(508)	-	-	245	986
Customer advance.....	31	-	-	31	(62)	-
Intangible assets, net and others.	-	-	-	8,267	-	8,267
Investment in subsidiaries.....	79,945	2,872	(8,495)	-	11,536	85,858
Derivative financial instruments.	-	16,056	8,573	(22,188)	(1,028)	1,413
Others.....	301	266	-	252	25	844
Deferred tax liability.....	229,778	13,797	78	(14,469)	12,057	241,241
Net provision for deferred taxes	<u>\$ (30,734)</u>	<u>\$ 20,439</u>	<u>\$ 40,508</u>	<u>\$ (6,315)</u>	<u>\$ (5,979)</u>	<u>\$ 17,919</u>

* Corresponds to the deferred income tax on net investment hedge of foreign subsidiaries.

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	Balance at January 1, 2022	Recogni- zed in income	Recognized in other compre- hensive income	Reclassifi- cations and others	Cumulative translation adjustments	Balance at December 31, 2022
Net operating loss carryforwards and other tax credits.....	\$ (96,079)	\$ 11,776	\$ 13,756	\$ -	\$ (4,063)	\$ (74,610)
Lease liability.....	(83,258)	(9,272)	-	-	(1,885)	(94,415)
Customer advances.....	(7)	36	-	(31)	2	-
Allowance for doubtful accounts..	(605)	(39)	-	-	(41)	(685)
Liability provisions.....	(41,769)	(5,882)	-	3,931	(1,859)	(45,579)
employee benefits obligations....	(8,711)	(753)	240	-	(604)	(9,828)
Prepayment of trademarks license with affiliates.....	(16,514)	10,061	(102)	-	314	(6,241)
Intangible assets and others.....	-	-	-	(5,361)	-	(5,361)
Derivative financial instruments..	-	-	-	(22,188)	-	(22,188)
Others.....	(981)	(574)	(19)	-	(31)	(1,605)
Deferred tax asset.....	<u>(247,924)</u>	<u>5,353</u>	<u>13,875</u>	<u>(23,649)</u>	<u>(8,167)</u>	<u>(260,512)</u>
Property, plant and equipment...	71,266	(5,079)	-	(3,922)	439	62,704
Right-of-use asset.....	75,882	7,977	-	-	1,689	85,548
Prepaid expenses.....	1,506	(326)	-	2	67	1,249
Customer advance.....	-	-	-	31	-	31
Intangible assets, net and others.	175	(4,761)	-	5,358	(772)	-
Investment in subsidiaries.....	64,305	13,552	(2,855)	-	4,943	79,945
Derivative financial instruments.	11,424	(4,441)	(29,325)	22,188	154	-
Others.....	283	-	-	(1)	19	301
Deferred tax liability.....	<u>224,841</u>	<u>6,922</u>	<u>(32,180)</u>	<u>23,656</u>	<u>6,539</u>	<u>229,778</u>
Net provision for deferred taxes	<u>\$ (23,083)</u>	<u>\$ 12,275</u>	<u>\$ (18,305)</u>	<u>\$ 7</u>	<u>\$ (1,628)</u>	<u>\$ (30,734)</u>

B) TAX LOSS CARRYFORWARDS

At December 31, 2023, the Company had tax loss carryforwards from its subsidiaries in Mexico, which amounted to approximately \$173,773, whose right to be amortized against future earnings expires as detailed below:

Year	Amount
2024.....	\$ 2,483
2025.....	863
2026.....	645
2027.....	966
2028 and thereafter.....	168,816
Total.....	<u>\$ 173,773</u>

Based on the projections prepared by Management of the Company's fiscal results in future years, it has been determined that \$69,250 of tax losses may be used, so they have been recognized for the determination of deferred tax.

At December 31, 2023, the Company had tax loss carryforwards from its foreign subsidiaries, which amounted to approximately \$170,737, for which a deferred tax asset has not been recognized, considering that the projections prepared by the Company's management do not show enough evidence that these tax losses will be recovered.

C) UNCERTAIN TAX POSITIONS

At December 31, 2023 and 2022, the Company has no uncertain tax positions.

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D) TAX EFFECTS FROM OTHER COMPREHENSIVE INCOME

Deferred taxes related to other comprehensive income are comprised of:

	<u>At December 31, 2023</u>	<u>At December 31, 2022</u>
Net Investment hedge.....	\$ 32,660	\$ 10,799
Remeasurement of employment benefit obligations.....	(727)	240
Cash flow hedges reserve.....	8,573	(29,325)
Others.....	2	(19)
Total.....	<u>\$ 40,508</u>	<u>\$ (18,305)</u>

14. DEBT

Debt is summarized as follows:

Short-term:	<u>As of December 31, 2023</u>	<u>As of December 31, 2022</u>
Bank loans.....	\$ 11,837	\$ 135,506
Current portion of bank loans, notes and debt securities.....	399,335	11,465
	<u>\$ 411,172</u>	<u>\$ 146,971</u>
	<u>As of December 31, 2023</u>	<u>As of December 31, 2022</u>
Long-term:		
Bank loans, notes and debt securities.....	\$ 1,515,016	\$ 1,473,070
Current portion of long-term bank loans, notes and debt securities.....	(399,335)	(11,465)
	<u>\$ 1,115,681</u>	<u>\$ 1,461,605</u>

The terms, conditions and carrying values of debt are as follows:

	<u>Currency</u>	<u>Interest rate</u>	<u>Maturity date</u>	<u>As of December 31, 2023</u>	<u>As of December 31, 2022</u>
10-year Senior notes.....	USD	4.88%, (b)	2024	399,512	399,169
Debt securities "Gruma22" (6).	Pesos	VAR. TIIE + 0.29%, (c)	2027	265,822	231,818
Bank Loan.....	USD	2.79%, (a)	2025	249,275	249,064
Club loan.....	USD	VAR. SOFR Daily + 1.11%, (d)	2026	199,331	199,163
Club loan (1).....	USD	VAR SOFR 3M + 1.30%, (a)	2028	139,296	-
Club Loan (4).....	USD	VAR SOFR 1M + 1.00%, (d)	2027	124,420	124,372
Debt securities "Gruma21".....	Pesos	7.00%, (b)	2028	118,032	102,922
Bank Loan.....	Euros	0.95%, (b)	2026	29,294	38,545
Bank Loan.....	Euros	1.53%, (b)	2024	1,871	3,624
Bank Loan.....	Pesos	VAR. TIIE + 0.18%	2023	-	131,704
Revolving Loan.....	USD	VAR. SOFR + 1.00%, (d)	2027	-	124,271
Bank Loans	Turkish Liras	13.55% - 18.10%	2023	-	3,924
Total.....				<u>\$ 1,526,853</u>	<u>\$ 1,608,576</u>

(a) Quarterly interest payments; (b) Semi-annual interest payments; (c) Interest payment every 28 days; (d) Monthly interest payments; the rest of the liabilities pay interest at maturity.

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As of December 31, 2022, short-term debt had an average interest rate of 10.07%, as of December 31, 2023 the Company has no short-term debt. As of December 31, 2023 and 2022, Net Comprehensive Financing Cost included interest expense related to debt amounting to \$126,844 and \$82,119, respectively.

As of December 31, 2023, the annual maturities of long-term debt outstanding were as follows:

<u>Year</u>	<u>Amount</u>
2025.....	\$ 258,754
2026.....	209,298
2027.....	390,259
2028.....	257,370
Total.....	<u>\$ 1,115,681</u>

The relevant debt transactions contracted during the years ended December 31, 2023 and 2022 are as follows:

- (1) On July 31, 2023, the Company obtained a credit for \$140,000, which was used to pay various existing liabilities and for general corporate uses. The loan was granted by BBVA and Banorte in equal parts for a 5-year term, with a variable three-month SOFR rate plus a spread of 130 basis points, payable in a single exhibition upon maturity.
- (2) On July 11, 2023, Gruma Corporation's committed revolving credit facility that matured in May 2024 was refinanced. The maturity was extended to July 11, 2028, and the amount of the facility was increased from \$250,000 to \$265,000 with a variable SOFR rate plus a spread of 125 to 190 basis points depending on the company's net leverage. As of December 31, 2023, the facility was not utilized.
- (3) On July 28, 2022, the Company obtained a committed line of credit for up to \$150,000, which will be used for general corporate purposes. The committed line of credit was granted by BBVA Mexico, S.A., Institucion de Banca Multiple, Grupo Financiero BBVA Mexico for a term of 5 years, with a SOFR rate plus a spread of 100 basis points. As of December 31, 2023, the facility was not utilized.
- (4) On September 27, 2022, the Company obtained a credit facility for \$125,000, which was used to refinance various existing liabilities. The credit was granted by The Bank of Nova Scotia for a term of 5 years, with a variable monthly SOFR rate plus a spread of 100 basis points, payable in a single installment at maturity.
- (5) On September 30, 2022, the Company obtained a committed line of credit for \$100,000, which will used for general corporate purposes. The committed line of credit was granted by Cooperatieve Rabobank U.A. New York Branch and Bank of America, N.A., with a 5-year term, with a SOFR rate plus a 10 basis points adjustment plus a spread of 105 basis points. As of December 31, 2023, the facility was not utilized.

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- (6) On October 10, 2022, the Mexican National Banking and Securities Commission (CNBV) authorized a new revolving short and long-term Debt Securities Program for a total authorized amount of Ps.10,000,000 (\$591,944). As part of this new Program, on October 11, 2022, the Company carried out a public offering of long-term debt securities “GRUMA22” in the local debt market for the amount of Ps.4,500,000 (\$266,375) with a 5-year term and accruing interest at an annual variable rate equal to 28-day TIIE plus a spread of 29 basis points. The Debt Securities were rated “AAA(mex)” on a local scale by Fitch Mexico and “mxAA+” by S&P Global Ratings. The funds from this public offering were used by the Company to prepay the “GRUMA18” Debt Securities maturing in 2023 and to refinance short-term debt.
- (7) As of December 31, 2023, the Company has contracted committed lines of credit for \$765,000, which are available and require the quarterly payment of unused fees from 0.20% to 0.35%, which are recognized as part of the financial expenses for the year.

Existing credit agreements contain a number of restrictions, mainly regarding compliance with financial ratios and delivery of financial information, which if not complied with or remedied within a certain period to the satisfaction of the creditors, could be considered as a cause for early termination. Financial ratios are calculated according with the formulas established in the credit agreements. The main financial ratios contained in the credit agreements are the following:

- Interest coverage ratio, defined as the ratio of consolidated earnings before interest, tax, depreciation and amortization (EBITDA) of the last twelve months to consolidated interest charges of the last twelve months, should not be less than 2.5 times.
- Net Leverage ratio, defined as the ratio of consolidated net debt (determined as the sum of the outstanding principal balance of consolidated indebtedness and guarantees of the Company for obligations with third parties unrelated to the Company’s core business minus cash and cash equivalents), to consolidated EBITDA of the last twelve months, should be no greater than 3.5 times.

As of December 31, 2023 and 2022, the Company was in compliance with the financial covenants, as well as with the delivery of the required financial information.

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The table below details the changes in the Company's debt arising from financing activities:

	Short-term bank loans	Long-term bank loans, notes and debt securities	Total
Balance at January 1, 2022	\$ 54,679	\$ 1,133,695	\$ 1,188,374
Proceeds from debt.....	1,602,335	508,388	2,110,723
Payment of debt.....	(1,513,890)	(194,952)	(1,708,842)
Effect of changes in foreign exchange rates..	(670)	(64,831)	(65,501)
Debt issuance costs.....	-	(1,985)	(1,985)
Cumulative translation adjustments.....	4,517	80,042	84,559
Other non-cash changes.....	-	1,248	1,248
Balance at December 31, 2022	<u>146,971</u>	<u>1,461,605</u>	<u>1,608,576</u>
Proceeds from debt.....	823,889	165,000	988,889
Payment of debt.....	(994,545)	(161,643)	(1,156,188)
Effect of changes in foreign exchange rates..	-	(156,954)	(156,954)
Debt issuance costs.....	-	(108)	(108)
Reclassification to current portion of long term debt.....	399,335	(399,335)	-
Cumulative translation adjustments.....	35,522	206,144	241,666
Other non-cash changes.....	-	972	972
Balance at December 31, 2023	<u>\$ 411,172</u>	<u>\$ 1,115,681</u>	<u>\$ 1,526,853</u>

15. TRADE ACCOUNTS PAYABLE

The Company has financing programs by which suppliers can discount their notes with different financial institutions (Citibanamex, BBVA, HSBC, Santander, Bank of America). The balance payable derived from these programs is recognized within trade accounts payable in the balance sheet. The financial cost for these operations is a charge to suppliers.

	At December 31, 2023	At December 31, 2022
Discounted balance payable by suppliers.....	<u>\$ 38,529</u>	<u>\$ 134,333</u>

16. PROVISIONS

The movements of provisions are as follows:

	Labor provisions	Restoration provision	Tax provision	Legal Provision	Total
Balance at January 1, 2022	\$ 32,140	\$ 9,098	\$ 15	\$ -	\$ 41,253
Charge (credit) to income:					
Additional provisions.....	14,713	4,725	-	4,324	23,762
Unused amounts reserved.....	-	-	-	-	-
Used during the year.....	(12,477)	-	-	-	(12,477)
Cumulative translation adjustments.....	-	-	(1)	-	(1)
Balance at December 31, 2022	<u>34,376</u>	<u>13,823</u>	<u>14</u>	<u>4,324</u>	<u>52,537</u>
Charge (credit) to income:					
Additional provisions.....	19,489	1,889	-	-	21,378
Used during the year.....	(15,839)	-	-	-	(15,839)
Cumulative translation adjustments.....	-	-	-	617	617
Balance at December 31, 2023	<u>\$ 38,026</u>	<u>\$ 15,712</u>	<u>\$ 14</u>	<u>\$ 4,941</u>	<u>\$ 58,693</u>

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The classification of provisions is as follows:

	<u>Labor provisions</u>	<u>Restoration provision</u>	<u>Tax provision</u>	<u>Legal provision</u>	<u>Total</u>
At December 31, 2022:					
Current.....	\$ 11,988	\$ -	\$ -	\$ 4,324	\$ 16,312
Non-current.....	22,388	13,823	14	-	36,225
	<u>\$ 34,376</u>	<u>\$ 13,823</u>	<u>\$ 14</u>	<u>\$ 4,324</u>	<u>\$ 52,537</u>
At December 31, 2023:					
Current.....	\$ 19,485	\$ -	\$ -	\$ 4,941	\$ 24,426
Non-current.....	18,541	15,712	14	-	34,267
	<u>\$ 38,026</u>	<u>\$ 15,712</u>	<u>\$ 14</u>	<u>\$ 4,941</u>	<u>\$ 58,693</u>

Labor provisions

In the United States, when permitted by law, the Company self insures against workers' compensation claims arising from medical expenses incurred due to work accidents or illness. For uncovered risks, the Company estimates the associated liabilities through an actuarial calculation, considering historical information of claims, demographic factors, severity of past events and other actuarial assumptions; to estimate the expected outflows of economic resources and projected timing of the settlement of these claims. At December 31, 2023 and 2022, the discount rate applied was 6.32% and 5.98% respectively. At December 31, 2023 and 2022, the Company has \$2,222 and \$1,241 of expected insurance reimbursements, respectively, that are included in consolidated balance sheet as a component of accounts receivable.

Restoration provision

In the United States, the Company has recognized an obligation to remove equipment and leasehold improvements from certain of its leased manufacturing facilities in order to restore the facilities to their original condition, less normal wear and tear as determined by the terms of the lease. The Company has estimated the expected outflows of economic resources associated with these obligations and the probability of possible settlement dates based upon the terms of the lease. These estimates are used to calculate the present value of the estimated expenditures using a before tax discount rate and taking into account any specific risks associated with these obligations. At December 31, 2023 and 2022 the discount rate applied was 6.43% and 6.46%, respectively.

Legal provision

In Central America, a provision of \$4,941 has been recognized related to the payment of a penalty for an administrative proceeding filed by the Commission for the Promotion of Competition.

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17. OTHER CURRENT LIABILITIES

Other current liabilities include mainly the following:

	At December 31, 2023	At December 31, 2022
Employee benefits payable.....	\$ 104,448	\$ 84,309
Dividends payable.....	59,155	52,210
Promotion and advertising payable.....	27,303	25,190
Deferred income.....	26,427	21,436
Freights.....	13,398	11,169
Other short-term liabilities ^(a)	119,686	114,131
Total.....	<u>\$ 350,417</u>	<u>\$ 308,445</u>

(a) Other short-term liabilities are mainly integrated of accrued expenses payable.

18. EMPLOYEE BENEFITS OBLIGATIONS

Employee benefits obligations recognized in the balance sheet, by country, were as follows:

Country	At December 31, 2023	At December 31, 2022
Mexico.....	\$ 69,686	\$ 52,477
United States.....	4,187	3,498
Other countries.....	3,097	2,605
Total.....	<u>\$ 76,970</u>	<u>\$ 58,580</u>

A) MEXICO

In Mexico, labor obligations recognized by the Company correspond to the single-payment retirement plan and seniority premium. The benefits for the retirement plan and seniority premium are defined benefit plans, based on the projected salary at the date in which the employee is assumed to receive the benefits. Currently, the plan operates under Mexican law, which does not require minimum funding. The plans in Mexico typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk:

- Investment risk. The expected return rate for investment funds is equivalent to the discount rate, which is calculated using a discount rate determined by reference to long-term government bonds; if the return on plan asset is below this rate, it will create a plan deficit. Due to the long-term nature of the plan liabilities, the Company considers appropriate that a reasonable portion of the plan assets should be invested in equity securities to leverage the return generated by the fund.
- Interest risk. A decrease in the interest rate will increase the plan liability; the volatility in interest rates depends exclusively in the economic environment.
- Longevity risk. The present value of the defined benefit plan liability is calculated by reference to the best estimate of mortality of plan participants. An increase in the life expectancy of the plan participants will increase the plan's liability.

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- Salary risk. The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary expectancy of the plan participants will increase the plan's liability.

The reconciliation between the beginning and ending balances of the present value of the defined benefit obligations (DBO) is as follows:

	<u>2023</u>	<u>2022</u>
DBO at beginning of the year.....	\$ 55,152	\$ 49,568
Add (deduct):		
Current service cost.....	3,001	2,807
Financial cost.....	4,872	3,722
Remeasurement for the period.....	2,958	(1,269)
Benefits paid.....	(1,627)	(2,891)
Cumulative translation adjustments.....	8,436	3,215
DBO at end of the year.....	<u>\$ 72,792</u>	<u>\$ 55,152</u>

The reconciliation between the beginning and ending balances of the employee benefit plan assets at fair value for the years 2023 and 2022 is shown below:

	<u>2023</u>	<u>2022</u>
Plan assets at fair value at beginning of the year..	\$ 2,675	\$ 2,864
Add (deduct):		
Return on plan assets.....	293	444
Return on plan assets recognized in other comprehensive income.....	(254)	(801)
Cumulative translation adjustments.....	392	168
Plan assets at fair value at end of the year.....	<u>\$ 3,106</u>	<u>\$ 2,675</u>

The following table shows the reconciliation between the present value of the defined benefit obligation and the plan assets at fair value, and the projected net liability included in the balance sheet:

	<u>At December 31, 2023</u>	<u>At December 31, 2022</u>
Employee benefit (assets) liabilities:		
DBO.....	\$ 72,792	\$ 55,152
Plan assets.....	(3,106)	(2,675)
Employee benefits obligations.....	<u>\$ 69,686</u>	<u>\$ 52,477</u>

The value of the DBO related to the pension plan amounted to \$62,754 and \$46,760 at December 31, 2023 and 2022, respectively, while the value of the DBO related to seniority premiums amounted to \$10,038 and \$8,392, respectively.

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At December 31, 2023 and 2022, the components of net cost comprised the following:

	<u>2023</u>	<u>2022</u>
Current service cost.....	\$ 3,001	\$ 2,807
Financial cost.....	4,872	3,722
Return on plan assets.....	(353)	111
Net cost for the year.....	<u>\$ 7,520</u>	<u>\$ 6,640</u>

The net cost for the year related to the pension plan amounted \$6,168 and \$5,522 at December 31, 2023 and 2022, respectively, while the net cost related to seniority premiums amounted to \$1,352 and \$1,118, respectively.

The net cost for the year 2023 of \$7,520 (\$6,640 in 2022) was recognized in income as cost of sales for \$512 (\$615 in 2022), selling and administrative expenses for \$2,415 (\$2,456 in 2022) and interest expense for \$4,593 (\$3,570 in 2022).

Remeasurements of the defined benefit obligation recognized in other comprehensive income are comprised of:

	<u>2023</u>	<u>2022</u>
(Losses) on plan assets (excluding amounts included in net cost of the period).....	\$ (14)	\$ (300)
Actuarial gains arising from changes in financial assumptions.....	487	3,639
Actuarial gains (losses) arising from experience adjustments.....	2,664	(5,214)
	<u>\$ 3,137</u>	<u>\$ (1,875)</u>

The total amount recognized in other comprehensive income is described below:

	<u>2023</u>	<u>2022</u>
Balance at the beginning of the year.....	\$ 36,375	\$ 38,250
Remeasurements that occurred during the year...	3,137	(1,875)
Balance at the end of the year.....	<u>\$ 39,512</u>	<u>\$ 36,375</u>

At December 31, 2023 and 2022, plan assets stated at fair value and related percentages with respect to total plan assets were analyzed as follows:

	<u>At December 31,</u> <u>2023</u>		<u>At December 31,</u> <u>2022</u>	
Equity securities, classified by type of industry:	\$ 2,592	83%	\$ 1,970	74%
Consumer industry.....	688		456	
Financial institutions.....	1,904		1,514	
Fixed rate securities.....	514	17%	705	26%
Fair value of plan assets.....	<u>\$ 3,106</u>		<u>\$ 2,675</u>	

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As of December 31, 2023, the funds maintained in plan assets were considered sufficient to face the Company’s short-term needs; therefore, the Company’s management has determined that for the time being there is no need for additional contributions to increase these assets.

The main actuarial assumptions used were as follows:

	<u>At December 31, 2023</u>	<u>At December 31, 2022</u>
Discount rate.....	10.50%	9.50%
Future increase rate in compensation levels.....	4.50%	4.50%
Long-term inflation rate.....	3.50%	3.50%

At December 31 2023 and 2022, the impact in DBO for a decrease of 25 basis points in the discount rate amounts to \$764 and \$679, respectively. This sensitivity analysis is based on the change in the discount rate while keeping constant the rest of the assumptions. In practice, this is unlikely to occur, and changes in some of the assumptions can be correlated. The methods used in preparing the sensitivity analysis did not change from those used in prior years.

The average duration of the benefit obligation at December 31, 2023 and 2022 is 11 years for both years.

The Company does not expect to contribute during the next fiscal year.

B) UNITED STATES

In the United States, the Company has a savings and investment plan that incorporates voluntary employee 401(k) contributions with matching contributions from the Company up to 4% of eligible employees’ salaries. This plan, available to the majority of employees not covered by collective bargaining agreements permits contributions from 1% to 25% of such employees’ annual compensation, as defined in the plan agreement. For the years ended December 31, 2023 and 2022, total expenses related to this plan amounted to \$10,318 and \$9,724, respectively.

Additionally, the Company has established an unfunded nonqualified deferred compensation plan for a selected group of management and highly compensated employees. The plan is voluntary and allows employees to defer a portion of their salary or bonus in excess of the savings and investment plan limitations. The employees elect investment options and the Company monitors the result of those investments and records a liability for the obligation. For the years ended December 31, 2023 and 2022, total expenses related to this plan were approximately \$833 and \$(965) , respectively.

At December 31, 2023 and 2022, the liability recognized for both plans amounted \$4,187 and \$3,498, respectively.

C) OTHER COUNTRIES

In Central America and Europe, the retirement and severance provisions are determined according to the current Labor Legislation of each country. In Central America, at December 31, 2023 and 2022, the liability recognized for this item amounted to \$2,470 and \$2,038, respectively, and the total expenses derived for the same concept were \$531 and \$462, respectively. In Europe, as of December 31, 2023 and 2022, the liability recorded for this concept amounts to \$626 and \$567, respectively, and the total expenses derived for the same concept were \$46 and \$58, respectively.

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19. EQUITY

A) COMMON STOCK

At December 31, 2023, the Company's outstanding common stock consisted of 369,129,459 Series "B" shares, Class I, with no par value, fully subscribed and paid, which can only be withdrawn with stockholders' approval and 997,353 treasury shares.

The Extraordinary General Shareholders' Meeting held on April 21, 2023 approved the cancellation of 5,581,047 ordinary, nominative shares, without expression of nominal value, series "B", Class I, issued by Gruma S.A.B. de C.V. which have been repurchased by the Company.

At December 31, 2022, the Company's outstanding common stock consisted of 370,308,994 Series "B" shares, Class I, with no par value, fully subscribed and paid, which can only be withdrawn with stockholders' approval and 5,398,865 treasury shares.

The Extraordinary General Shareholders' Meeting held on April 22, 2022 approved the cancellation of 18,498,057 ordinary, nominative shares, without expression of nominal value, series "B", Class I, issued by Gruma S.A.B. de C.V. which have been repurchased by the Company.

B) RETAINED EARNINGS

The Income Tax Law established a 10% tax rate on earnings from 2014 and thereafter, for dividend paid to foreign residents and Mexican individuals; additionally, this law stated that for the years 2001 to 2013, the net taxable income would be determined in accordance with the Income Tax Law effective for each year.

Dividends paid are not subject to income tax if paid from the Net Tax Profit Account (CUFIN) and will be taxed at a rate that fluctuates between 32% and 35% if paid from the reinvested Net Tax Profit Account. Dividends paid that exceed CUFIN and reinvested CUFIN are subject to an income tax payable at a rate of 30% if paid in 2024. The tax is payable by the Company and may be credited against the normal income tax payable by the Company in the year in which the dividends are paid or in the following two years. Dividends paid from earnings previously taxed are not subject to any withholding or additional tax payment. As of December 31, 2023 and 2022, CUFIN amounted to \$1,256,219 and \$760,393, respectively.

Legal reserve

The legal reserve must be increased annually by 5% of annual net profits, included within retained earnings, until it reaches a fifth of the fully paid common stock amount.

For the years ended December 31, 2023 and 2022, the legal reserve balance was \$65,898.

Repurchase of common stock

The Shareholders' Meeting held on April 21, 2023 approved to increase the reserve to repurchase the Company's own shares up to \$414,361 (Ps.7,000,000), as the maximum amount for the reserve for the acquisition of own shares. This reserve is included in retained earnings.

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The Shareholders' Meeting held on April 22, 2022 approved to increase the reserve to repurchase the Company's own shares up to \$361,542 (Ps.7,000,000), as the maximum amount for the reserve for the acquisition of own shares. This reserve is included in retained earnings.

The maximum amount of proceeds that can be used to purchase the Company's own shares cannot exceed, in any case, the net earnings of the entity, including retained earnings.

When purchasing of the Company's own shares, the amount of the consideration paid, including the direct costs attributable to such acquisition, is recognized as a decrease in the Company's equity. When the shares are re-placed, the consideration received is recognized within the equity.

The difference between the acquisition cost of the repurchased shares and their stated value is recognized as part of the reserve to repurchase the Company's own shares, which is included within retained earnings from prior years. Stated value of the shares is determined by the quotient resulting from dividing common stock paid by the number of the Company's outstanding shares. The gain or loss on the sale of the Company's own shares is recorded in retained earnings.

The movements of the reserve for acquisition of Company's own shares for the years ended December 31, 2023 and 2022 is as follows:

	2023	2022
Balance at the beginning of the year	\$ 268,885	\$ 182,632
Increase in the reserve during the year	71,737	217,587
Purchase of Company's own shares during the year....	(19,060)	(131,334)
Balance at the end of the year.....	<u>\$ 321,562</u>	<u>\$ 268,885</u>

At December 31, 2023, the Company has purchased 997,353 of its own shares at a market value of \$18,369 as of that date.

C) CUMULATIVE TRANSLATION ADJUSTMENTS

The cumulative translation adjustments consisted of the following as of December 31:

	2023	2022
Balance at beginning of year.....	\$ (446,989)	(\$ 452,264)
Effect of the year from translation adjustments.....	(36,170)	(60,226)
Exchange differences arising from foreign currency liabilities accounted for as a hedge of the Company's net investments in foreign subsidiaries ^(*)	156,954	65,501
Balance at end of year.....	<u>\$ (326,205)</u>	<u>\$ (446,989)</u>

^(*) Gruma maintains a coverage of its net investment abroad (American dollars) against the exchange fluctuation of its bank debt in American dollars. Derived from the above, effectiveness tests were carried out that consisted of the comparison of the critical terms between the hedging instruments and the hedged item, which resulted in a one to one coverage ratio for both years, concluding that the tests did not yield ineffectiveness

At December 31, 2023 and 2022, the debt denominated in American dollars for up to \$1,115,000 and \$1,100,000, respectively, generated a hedge on the investment of Gruma in its subsidiaries in the United States (Gruma Corporation and subsidiaries).

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During 2023 and 2022, Gruma received dividends from its United States subsidiary Gruma Corporation amounting to \$435,000 and \$170,000 respectively.

20. FINANCIAL INSTRUMENTS

A) FINANCIAL INSTRUMENTS BY CATEGORY

At December 2023 and 2022, the Company's financial instruments are as follows:

	2023	2022
Financial assets at amortized cost:		
Cash and cash equivalents	\$ 350,046	\$ 283,864
Accounts receivable	566,623	564,487
Long term notes, receivable and other assets	25,121	14,177
Financial assets at fair value through profit or loss:		
Short-term derivative financial instruments	119	571
Financial assets at fair value with changes in other comprehensive income:		
Short-term derivative financial instruments	3,963	4,607
Total Financial Assets	\$ 945,872	\$ 867,706
Financial liabilities at amortized cost:		
Short-term debt	411,172	146,971
Short-term lease liability	58,103	49,107
Trade accounts payable	329,785	446,795
Long-term debt	1,115,681	1,461,605
Long-term lease liability	306,754	318,305
Other liabilities, excludes non-financial liabilities	86,960	75,421
Financial liabilities at fair value through profit or loss:		
Short-term derivative financial instruments	-	3,192
Financial liabilities at fair value with changes in other comprehensive income:		
Short-term derivative financial instruments(*)	26,947	59,099
Short-term derivative financial instruments compensated(*)	(12,868)	(27,560)
Total Financial Liabilities	\$ 2,322,534	\$ 2,532,935

(*) As of December 31, 2023 and 2022, in the Consolidated statement of financial position, the financial liability recognized for futures contracts is presented offset with the amount of margin calls required to the Company on this contracts for an amount of \$12,868 and \$27,560, respectively.

The Company's exposure to a variety of risks related to financial instruments is described in Note 4.

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B) FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of cash and cash equivalents, accounts receivable, trade accounts payable and other current financial liabilities approximate their fair value, due to their short maturity. In addition, the net book value of accounts receivable represents the expected cash flow to be received.

The financial instruments that present material differences between the book values and the fair values are as follow:

	At December 31, 2023		At December 31, 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial Assets:				
Long term notes receivable and other assets	\$ 29,150	\$ 29,723	\$ 14,177	\$ 14,599
Financial liabilities:				
10-year Bonds	399,512	398,144	399,169	396,292
Short and long-term debt	1,127,341	1,008,967	1,209,407	1,059,468

The fair values at December 31, 2023 and 2022 were determined by the Company as follows:

- The market value of the 10-year bonds is determined on the basis of the actual quotations of these instruments on the reference market. This fair value is classified as level 1 in the fair value hierarchy.
- The fair value for the rest of the long-term debt was based on the present value of the cash flows discounted at interest rates based on readily observable market inputs. This fair value is classified as level 2 in the fair value hierarchy. The average discount rate used was 11.12% in 2023 and 11.25% in 2022.
- Fair value of long-term notes receivable is classified as level 2 in the fair value hierarchy and was based on the present value of future cash flows using a discount rate of 8.44% and 8.07% in 2023 and 2022, respectively.

C) DERIVATIVE FINANCIAL INSTRUMENTS

The Company entered into short-term hedge transactions through commodity futures, swaps and options to hedge a portion of its requirements of corn, wheat, soy oil, natural gas and diesel. These financial instruments are denominated in the same price reference as the highly probable forecasted transactions of purchases of corn, wheat and fuels, therefore, the hedge ratio is one to one. The weighted average strike price of open position of corn options during the fiscal year 2023, amounted to \$6.05 dollars per bushel (buy puts), \$5.50 dollars per bushel (sell calls). The weighted average strike price of open position of corn options during the fiscal year 2022 is \$6.19 dollars per bushel (buy puts) and \$8.37 dollars per bushel (sell calls).

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The Company entered into forward and foreign exchange option transactions to hedge the Mexican peso to U.S. dollar foreign exchange rate risk related to the price of corn purchases in Mexico. These instruments are denominated in the same currency as the highly probable forecasted transactions of inventory purchases, therefore, the hedge ratio is one to one.

The following derivate financial instruments were recognized in the Company's balance sheet:

	2023		2022	
	Notional Amount	Fair Value	Notional Amount	Fair Value
Current Assets:				
Corn futures (b).....	1,440,000 Bushels	\$ 119		\$ -
Corn options (a).....	1,420,000 Bushels	484		-
Wheat swaps (b).....	-	-	600,000 Bushels	571
Corn swaps and options (a).....	-	-	9,780,000 Bushels	15
Natural gas swaps (a).....	-	-	480,000 Mmbtu	1,116
Exchange rate forwards (a).....	47,880 Thousands USD	3,479	37,200 Thousands USD	3,477
Total current assets of derivate financial instruments		<u>\$ 4,082</u>		<u>\$ 5,178</u>
Current Liabilities:				
Soybean oil futures (a,d).....	45,480,000 Pounds	\$ 1,302	25,560,000 Pounds	\$ 2,294
Wheat futures (a,d).....	6,915,000 Bushels	8,549	7,770,000 Bushels	21,452
Wheat swaps (a).....	-	-	1,030,000 Bushels	1,605
Corn swaps (a).....	8,125,000 Bushels	2,415	11,745,000 Bushels	13,467
Natural gas futures (a,d).....	3,470,000 Mmbtu	3,017	3,800,000 Mmbtu	3,814
Natural gas swaps (a).....	4,670,000 Mmbtu	4,973	4,140,000 Mmbtu	6,637
Diesel swaps (a).....	4,780,000 Gallons	1,453	410,000 Gallons	151
Exchange rate forwards (a).....	402,100 Thousands USD	5,238	334,000 Thousands USD	9,679
Exchange rate forwards (c).....	-	-	151,100 Thousands USD	3,192
Subtotal		<u>26,947</u>		<u>62,291</u>
Margin calls (d).....		<u>(12,868)</u>		<u>(27,560)</u>
Total current liabilities of derivate financial instruments..		<u>\$ 14,079</u>		<u>\$ 34,731</u>

(a) Cash flow hedging

(b) Fair value hedge

(c) Trading

(d) As of December 31, 2023 and 2022, in the Consolidated statement of financial position, the financial liability recognized for futures contracts is presented offset with the amount of margin calls required to the Company on this contracts for an amount of \$12,868 and \$27,560, respectively.

In futures contracts associated with commodities that are held in recognized and international markets, the Company is subject to the rules of these markets. These rules include, among others, covering the initial margin to trade futures contracts, as well as the subsequent margin calls (revolving funds, which are required in the presence of variations in the prices of the underlying to be applied against payments) required to the Company.

Financial assets and liabilities recognized for the use of derivative financial instruments are not offset in the financial statements unless the Company has both the legal right and the intention to offset.

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The Company uses derivative financial instruments only for hedging purposes and not as speculative trading. However, when the derivatives do not meet the hedge accounting criteria, they are classified as “trading instruments” for accounting purposes and are recorded at fair value through profit or loss. They are presented as current assets or liabilities since they are expected to be settled within 12 months after the end of the reporting period.

Reserve for cash flow hedges

The following table presents a reconciliation by risk category of the equity components and the analysis of the items of other comprehensive income, net of taxes, that come from cash flow hedges:

	<u>Cash flow hedges reserve and others</u>			
	Cash flow hedges and hedge cost ^(a)	Intrinsic value of options	Exchange rate hedge	Total
Opening balance at January 1, 2022	\$ 56,026	\$ -	\$ 905	\$ 56,931
Changes in fair value of the hedging instrument.....	(36,214)	(14,529)	(9,131)	(59,874)
Deferred hedge costs.....	(24,191)	-	-	(24,191)
Changes in fair value of realized hedging instruments.....	151,323	-	(17,495)	133,828
Reclassified to inventory.....	(169,227)	-	12,902	(156,325)
Reclassified to income statement in the cost of sales	(13,552)	-	(3,479)	(17,031)
Ineffective portion reclassified to other expenses, net.....	2,724	-	-	2,724
Income tax (caused/deferred) ^(b)	22,491	4,359	2,968	29,818
Closing balance at December 31, 2022	<u>(10,620)</u>	<u>(10,170)</u>	<u>(13,330)</u>	<u>(34,120)</u>
Changes in fair value of the hedging instrument.....	28,100	-	3,512	31,612
Deferred hedge costs.....	(7,299)	-	-	(7,299)
Changes in fair value of realized hedging instruments.....	(76,672)	14,529	(35,715)	(97,858)
Reclassified to inventory.....	33,728	-	52,832	86,560
Reclassified to income statement in the cost of sales	21,729	-	(8,531)	13,198
Income tax (caused/deferred) ^(b)	(2,790)	(4,359)	1,572	(5,577)
Closing balance at December 31, 2023	<u>\$ (13,824)</u>	<u>\$ -</u>	<u>\$ 340</u>	<u>\$ (13,484)</u>

^(a) As of December 31, 2023 and 2022, the amount deferred in the costs of hedging reserve includes \$464 and \$14,544 in respect of time value of options, respectively. All of these deferred costs are in respect of transaction-related items, namely forecast inventory purchases.

^(b) As of December 31, 2023 and 2022, the amount of the income tax is composed of \$18,244 and (\$12,900) of the derivative financial instrument in the reserve for cash flow hedges and by (\$23,821) and \$42,718 for the deferred tax of the cash flow hedge transferred to inventories, respectively.

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Amounts recognized in income

In addition to the amounts disclosed in the reconciliation of hedging reserves above, the following amounts were recognized in profit or loss in relation to derivatives:

	2023	2022
Net income (loss) on commodity derivatives that did not qualify as hedge accounting, included in other expenses, net.....	\$ 178	\$ (5,188)
Net loss on foreign currency forwards that did not qualify as hedge accounting, included in other expenses, net.....	(15,670)	(8,724)
Non-effective portion of commodity derivatives, included in other expenses, net.....	(109)	243
Net income on foreign currency forwards that did not qualify as hedge accounting, included in Financing Cost.....	-	2,175
Net loss on interest rate swaps that did not qualify as hedge accounting, included in Financing Cost.....	-	(1,513)

D) FAIR VALUE HIERARCHY

A three-level hierarchy is used to measure and disclose fair values. An instrument's categorization within the fair value hierarchy is based on the lowest level of significant input to its valuation. The following is a description of the three hierarchy levels:

- Level 1— Quoted prices for identical instruments in active markets. The data used in the Company's financial statements to measure fair value include the corn and wheat market price quotes from the Chicago Board of Trade.
- Level 2— Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets.
- Level 3— Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

This hierarchy requires the use of observable market data when available. The Company considers relevant and observable market prices in its valuations where possible.

a. Determination of fair value

When available, the Company generally uses quoted market prices to determine fair value and classifies such items in Level 1. If quoted market prices are not available, fair value is valued using industry standard valuation models. When applicable, these models project future cash flows and discount the future amounts to a present value using market-based observable inputs, including interest rates, currency rates, volatilities, etc. Items valued using such inputs are classified according to the lowest level input or value driver that is significant to the valuation. Thus, an item may be classified in Level 3 even though there may be some inputs that are readily observable. In addition, the Company considers assumptions for its own credit risk and the respective counterparty risk.

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b. Measurement

Assets and liabilities measured at fair value are summarized below:

	At December 31, 2023		
	Level 1	Level 2	Total
<i>Assets:</i>			
Plan assets – seniority premium fund.....	\$ 3,106	\$ -	\$ 3,106
Derivative financial instruments–exchange rate...	-	3,479	3,479
Derivative financial instruments–corn.....	119	484	603
	\$ 3,225	\$ 3,963	\$ 7,188
<i>Liabilities:</i>			
Derivative financial instruments – exchange rate.	\$ -	\$ 5,238	\$ 5,238
Derivative financial instruments –corn.....	-	2,415	2,415
Derivative financial instruments –wheat (*).....	8,549	-	8,549
Derivative financial instruments – soybean oil (*)	1,302	-	1,302
Derivative financial instruments – fuel (*).....	3,017	6,426	9,443
	\$ 12,868	\$ 14,079	\$ 26,947

(*) As of December 31, 2023 in the Consolidated statement of financial position, the financial liability recognized for futures contracts is presented offset with the amount of margin calls required to the Company on this contracts for an amount of \$12,868.

	At December 31, 2022		
	Level 1	Level 2	Total
<i>Assets:</i>			
Plan assets – seniority premium fund.....	\$ 2,675	\$ -	\$ 2,675
Derivative financial instruments–exchange rate...	-	3,477	3,477
Derivative financial instruments–corn.....	-	15	15
Derivative financial instruments–wheat.....	-	571	571
Derivative financial instruments–fuel.....	-	1,116	1,116
	\$ 2,675	\$ 5,178	\$ 7,853
<i>Liabilities:</i>			
Derivative financial instruments – exchange rate..	\$ -	\$ 12,871	\$ 12,871
Derivative financial instruments –corn.....	-	13,467	13,467
Derivative financial instruments –wheat (*).....	21,452	1,605	23,057
Derivative financial instruments – soybean oil (*)	2,294	-	2,294
Derivative financial instruments – fuel (*).....	3,814	6,788	10,602
	\$ 27,560	\$ 34,731	\$ 62,291

(*) As of December 31, 2022 in the Consolidated statement of financial position, the financial liability recognized for futures contracts is presented offset with the amount of margin calls required to the Company on this contracts for an amount of \$27,560.

Derivative financial instruments - exchange rate

Exchange rate derivative financial instruments were recorded at fair value, which was determined using future cash flow discounted to present value. Significant data used to determine the fair value of these instruments is as follows:

	2023	2022
Forward exchange rate	\$ 16.89	\$ 19.36
Discount rate.....	8.44%	8.07%

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Derivative financial instruments - fuel

Fuel derivative financial instruments were recorded at fair value, which was determined using future cash flow discounted to present value, using quoted market prices of fuel listed in the NYMEX Exchange.

Derivative financial instruments – corn and wheat

Corn and wheat derivative financial instruments that qualify as Level 2 were recorded at fair value. Valuation techniques used to value these financial instruments include market quotations or quotations for similar instruments and other, such as the cash flow discount analysis, which is used to determine the fair value of corn and wheat swaps.

During the period, there were no transfers between Levels 1 and 2.

21. EXPENSES BY NATURE

Expenses by nature are presented in the income statement within the captions of cost of sales and selling and administrative expenses and are analyzed as follows:

	<u>2023</u>	<u>2022</u>
Cost of raw materials consumed and changes in inventory (Note 8).....	\$ 2,368,542	\$ 1,923,043
Employee benefit expenses (Note 23).....	1,582,337	1,424,563
Depreciation.....	220,036	195,680
Amortization (Note 12).....	3,993	878
Lease expenses (Note 11).....	24,745	28,923
Research and development expenses (Note 12).....	13,557	10,001
Allowance for doubtful accounts (Note 7).....	2,145	3,716

22. OTHER EXPENSES, NET

Other expenses, net comprised the following:

	<u>2023</u>	<u>2022</u>
Current employees' statutory profit sharing.....	\$ (7,428)	\$ (5,443)
Net gain income from sale of property, plant and equipment	807	1,741
Impairment loss on long-lived assets.....	(4,667)	(2,147)
(Expense) income from recovery of insurance claims, net.....	(1,251)	1,365
Result from derivative financial instruments.....	(15,601)	(13,669)
Loss on cancellation of raw material purchase contracts.....	(15,111)	-
Others	1,580	93
Total.....	<u>\$ (41,671)</u>	<u>\$ (18,060)</u>

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23. EMPLOYEE BENEFIT EXPENSES

Employee benefit expenses are comprised of the following:

	<u>2023</u>	<u>2022</u>
Salaries, wages and benefits (including termination benefits).....	\$ 1,475,770	\$ 1,336,047
Social security contributions.....	87,318	72,597
Employment benefits (Note 18).....	19,249	15,919
Total.....	<u>\$ 1,582,337</u>	<u>\$ 1,424,563</u>

24. COMPREHENSIVE FINANCING COST

Comprehensive financing cost, net is comprised by:

	<u>2023</u>	<u>2022</u>
Debt financial expenses and others (Note 14).....	\$ (136,767)	\$ (91,422)
Financial lease expenses (Note 11)	(17,867)	(16,786)
Financial products	11,121	4,541
Result from derivative financial instruments (Note 20).....	-	2,175
Result from monetary position, net.....	481	2,996
Result from foreign exchange differences, net.....	(4,614)	(1,592)
Comprehensive financing cost, net.....	<u>\$ (147,646)</u>	<u>\$ (100,088)</u>

25. INCOME TAX EXPENSE

A) INCOME BEFORE INCOME TAX

The domestic and foreign components of income before income tax are the following:

	<u>For the years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Domestic.....	\$ (4,918)	\$ 39,567
Foreign.....	634,867	470,488
	<u>\$ 629,949</u>	<u>\$ 510,055</u>

B) COMPONENTS OF INCOME TAX EXPENSE

The components of income tax expense are the following:

	<u>2023</u>	<u>2022</u>
Current tax:		
Current tax on profits for the year.....	\$ (201,188)	\$ (178,708)
Recover of tax due from prior years.....	(499)	118
Total current tax.....	<u>\$ (201,687)</u>	<u>\$ (178,590)</u>

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	2023	2022
Deferred tax:		
Origin and reversal of temporary differences.....	\$ (20,439)	\$ (12,275)
Total deferred tax.....	(20,439)	(12,275)
Total income tax expense.....	\$ (221,126)	\$ (190,865)

Domestic federal, foreign federal and state income taxes in the consolidated statements of income consisted of the following components:

	For the year ended December 31,	
	2023	2022
Current:		
Domestic federal.....	\$ (30,725)	\$ (51,201)
Foreign federal.....	(140,311)	(123,960)
Foreign state.....	(30,651)	(3,429)
	(201,687)	(178,590)
Deferred:		
Domestic federal.....	(24,783)	(17,752)
Foreign federal.....	2,951	5,504
Foreign state.....	1,393	(27)
	(20,439)	(12,275)
Total income taxes.....	\$ (222,126)	\$ (190,865)

C) RECONCILIATION OF FINANCIAL AND TAXABLE INCOME

For the years ended December 31, 2023 and 2022, the reconciliation between statutory income tax amounts and the effective income tax amounts is summarized as follows:

	2023	2022
Statutory federal income tax (30% for 2023 and 2022).....	\$ (188,983)	\$ (153,017)
Inflation effects on tax values.....	(18,802)	(26,110)
Foreign income tax rate differences	(14,671)	(13,417)
Foreign recovery of income taxes for dividends.....	10,391	12,058
Recovery of taxes caused by previous years	499	(118)
Unrecognized tax loss carryforwards of the year.....	(7,172)	(7,602)
Nondeductible expenses and others.....	(3,388)	(2,659)
Effective income tax (35.26% and 37.42% for 2023 and 2022, respectively).....	\$ (222,126)	\$ (190,865)

D) GLOBAL MINIMUM TAX

In December 2021, the Organization for Economic Cooperation and Development issued model rules for the new global minimum tax framework (Pillar Two), and various governments around the world have issued, or are in the process of issuing legislation in this regard. The Company is in the process of evaluating the full impact and has not identified an impact on income tax.

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The Company has applied the mandatory exception to not recognize and disclose information about deferred tax assets and liabilities derived from the Pillar Two income tax as stated in the IAS 12 amendments issued in May 2023.

26. COMMITMENTS

At December 31, 2023 and 2022, the Company has commitments to purchase corn and wheat grains and other raw materials in the United States for approximately \$365,000 and \$362,000, respectively, which will be delivered during 2024 and in Mexico for approximately \$91,991 and \$202,379, respectively, which will be delivered during 2024 and 2025. The Company has concluded that there is no embedded derivative as a result of these contracts.

At December 31, 2023 and 2022, the Company has commitments to purchase machinery and equipment in the United States for approximately \$13,500 and \$29,000, respectively, and in Mexico for approximately \$3,182 at December 31, 2023.

27. DISPOSAL OF INVESTMENT IN VENEZUELA AND ARBITRAL AWARD STATUS

a) Background

On May 12, 2010, the Bolivarian Republic of Venezuela (the “Republic” or “Venezuela’s Government”) published the Decree number 7.394 in the Official Gazette of Venezuela (the “Expropriation Decree”), ordering the forced acquisition of all assets, property and real estate of the Company’s former indirect subsidiary in Venezuela, Molinos Nacionales, C.A. (“MONACA”), through an expropriation proceeding to be initiated and processed with the participation of several governmental agencies of the Republic. Venezuela’s Government stated that the Expropriation Decree was also extended to the Company’s former indirect subsidiary, Derivados de Maíz Seleccionado, DEMASECA, C.A. (“DEMASECA”). The Republic took initial steps to carry out an administrative expropriation procedure in accordance with the Expropriation Decree, but then suspended said procedure indefinitely, therefore the expropriation was not carried out during the time the Company held its investment in said country.

GRUMA’s interests in MONACA and DEMASECA were held through two Spanish companies, Valores Mundiales, S.L. (“Valores Mundiales”), and Consorcio Andino, S.L. (“Consorcio Andino”) (jointly referred to as the “Investors” or the “Claimants”). The Republic and the Kingdom of Spain are parties to an agreement on reciprocal promotion and protection of investments, dated November 2, 1995 (the “Investment Treaty”), under which the Investors have the right to settle investment disputes by means of arbitration before the International Centre for Settlement of Investment Disputes (“ICSID”). On November 9, 2011, the Investors, MONACA and DEMASECA formally notified the Republic about a dispute regarding the aforementioned expropriation procedure and their agreement to submit said dispute to an arbitration proceeding before the ICSID, if the parties were unable to reach an agreement.

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On January 22, 2013, as part of a criminal proceeding unrelated to MONACA and DEMASECA against a third party where precautionary measures were issued for the securing of the assets of said third party which, in an overreached way, included MONACA and DEMASECA, the Republic published the Administrative Providence number 004-13 dated January 21 of the same year (the "Providence") appointing special administrators for MONACA and DEMASECA, and granting them the broadest authorities to execute actions for the continuity and non-interruption of the operation of the companies and the broadest administrative authorities to guarantee the safekeeping, custody, use and conservation of the companies' assets.

Consequently, in accordance with the provisions set forth in the IFRS, the Company determined that as of January 22, 2013, it had lost the power to affect the variable returns of its subsidiaries in Venezuela and concluded that the appointment of special administrators with broad authorities under the Providence had the effect of taking away its control over MONACA and DEMASECA, and as a result, the Company proceeded to deconsolidate both subsidiaries and recognize its investment in Venezuela as a financial asset. Following the provisions set forth in the IFRS, GRUMA performed impairment tests on the financial asset related to MONACA and DEMASECA, and as of December 31, 2015, acknowledged an impairment of \$253,515 (Ps. 4,362,108) corresponding to the total value of said asset.

On May 10, 2013, Valores Mundiales and Consorcio Andino submitted a Request for Arbitration before the ICSID, which was registered on June 11, 2013 under case No. ARB/13/11. The purpose of the arbitration was to seek compensation for the damages caused by Venezuela's breach of the Investment Treaty.

On July 25, 2017, the tribunal ruled the arbitration in favor of Valores Mundiales and Consorcio Andino, by dismissing the jurisdictional objections raised by the Republic and concluding that certain measures adopted by Venezuela's Government had breached provisions of the Investment Treaty (the "Award"). According to the Award issued by the arbitration tribunal, the Republic must pay \$430.4 million to Valores Mundiales and Consorcio Andino as damages and losses resulting from its breach of certain provisions of the Investment Treaty, plus a compound interest rate of Libor +2% as of January 22, 2013, and until the Award's effective payment date. As further detailed in the "Arbitral Award Status" section, as of December 31, 2023, the awarded amount plus interests ascends to more than \$630 million. The arbitration tribunal also ordered the Republic to pay \$5.9 million for legal expenses incurred by the Claimants during the arbitration. Both amounts were not recorded since they are considered a contingent asset under IAS 37.

On November 22, 2017, the Republic filed before the ICSID a request for annulment of the Award issued by the arbitration tribunal and the stay of enforcement of the same while said action was pending resolution. On December 7, 2017, the ICSID registered the Republic's annulment request and provisionally suspended the enforcement of the Award. The Committee that decided on the Award's annulment proceedings was finally constituted on May 23, 2018 ("Annulment Committee").

On June 4, 2018, the Republic formally requested that the Annulment Committee kept the enforcement of the Award suspended during the course of the annulment proceeding. After considering the arguments presented by the parties, on September 6, 2018, the Annulment Committee ordered the lifting of the provisional suspension of the enforcement of the Award, which allowed the Investors to begin legal actions for the recognition and enforcement of the Award in different jurisdictions.

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On December 21, 2021, the Annulment Committee notified the parties of its resolution in the Award's annulment proceeding initiated by the Republic, which was favorable to the Investors, resolving (i) to reject in full the request for annulment of the Award raised by the Republic, (ii) to condemn the Republic to pay the Investors \$2,348 for costs, and (iii) to order the Republic to pay the ICSID \$660 for costs of the annulment proceedings. The Republic has no legal recourse against this resolution of the Annulment Committee; therefore, the Award has become final.

b) Disposal of Investment in Venezuela

The previously described legal matters, along with the ongoing deterioration of the Company's investment in Venezuela caused by the economic and social situation in the country, prompted the Company to reassess the suitability of maintaining said investment; therefore, on August 7, 2023, the Company disposed of it by executing a stock purchase agreement between a third party and its subsidiaries Valores Mundiales and Consorcio Andino, whereby all shares of the capital stock of MONACA and DEMASECA were sold for \$22 million and \$3 million, respectively. The valuation conducted for the price of this transaction took into account certain characteristics thereof; primarily, that the buyer acquired the shares with full knowledge of the legal matters mentioned above, and the recognition and assumption of MONACA and DEMASECA's assets and liabilities, including, but not limited to, those of commercial, tax and labor nature, in the condition they were in, commonly referred to "*as is*", without representations nor warranties by the sellers. In view of the above, the Company no longer holds an investment in Venezuela, and consequently, has no assets subject to the Expropriation Decree.

c) Arbitration Award Status

Regarding the Award, since the aforementioned sale of all the shares of MONACA and DEMASECA does not affect its ownership, it remains property of the Investors, who would receive any benefits resulting from it.

On January 8, 2019, the Investors filed a complaint before the Federal District Court in Washington, D.C., requesting the recognition of the Award. The claim for recognition of the Award was notified to the Republic by consular means on July 26, 2019, granting a period to answer until September 24, 2019, without Venezuela responding. Consequently, on October 21, 2019, the Investors requested the Judge to issue a judgment recognizing the Award considering the Republic's failure to respond. On March 3, 2020, representatives of the Republic appeared in the proceedings, answered the lawsuit and presented their objections to the passing of a judgment in absentia. On March 16, 2020, the Investors asked the Tribunal to issue a summary judgment against Venezuela, to which Venezuela later objected and argued in favor of a judgment against the recognition of the Award. On November 17, 2020, the Judge ordered the suspension of the Award's recognition proceeding until the Award's annulment proceeding initiated by the Republic was resolved. Since the procedure for such annulment of the Award was resolved in December 2021, the Judge resumed the procedure for the recognition of the Award in January 2022. On August 3, 2022, the judge to whom the case was delegated recommended the District Judge to deny Venezuela's request for a summary judgment and to grant the Investors' request for a summary judgment. Venezuela objected this recommendation later that month. In September 2022, the Court notified the parties that the Judge in charge of the case was promoted to the Court of Appeals. The case was reassigned to another judge in February 2023, and on May 22, the Court issued a judgment recognizing the Award in favor of the Investors for an amount of \$618,629, corresponding to the total damages, attorney's fees and costs awarded to the Investors in the arbitration proceedings, plus interests at the rate set forth in the Award (the "Judgement"). The Judgement included

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post-award interests over such amount at the federal statutory rate. As of December 31, 2023, the amount of the Judgement plus interests amounts to \$637,180.

On June 20, 2023, Venezuela appealed the Judgement, and on December 8, 2023, after exhausting that procedural instance, the United States Court of Appeals for the District Court of Columbia Circuit confirmed the Judgement. Venezuela did not file a writ of “*certiorari*” before the Supreme Court of the United States within the term it had to do so; therefore, the Judgement has become final.

On June 7, 2023, the Investors registered the Judgement in the Federal District Court in Delaware. On June 29, 2023, the Investors filed a motion with this Court to obtain a writ of attachment against the shares of a subsidiary incorporated in Delaware, 100% owned by the national oil company and alter ego of the Republic, Petróleos de Venezuela, S.A. (“PDVSA”). The Court granted the Investors the motion on November 1, 2023, thereby making them part of a group of judicially recognized creditors of Venezuela and PDVSA who have obtained liens against the shares of PDVSA’s subsidiary in Delaware and are participating in a judicially supervised process to auction off said shares for the total or partial satisfaction of their judgements. On December 1, 2023, the Republic filed an appeal of the Court’s decision subject to certain conditions. Given that those conditions were not met, the Republic voluntarily withdrew its appeal on March 1, 2024; therefore, on March 5, 2024, the U.S. Court of Appeals for the Third Circuit Dismissed the Republic’s appeal.

It is not possible predict the results of the proceedings for the recognition and enforcement of the Award that the Investors commenced in the United Sates, or that they may commence in other jurisdictions, nor the ramifications that costly and prolonged legal disputes could have on the operations or the financial position of the Company, or the likelihood of collecting the Award. Therefore, the impact of the Award in the Company cannot be reasonably assessed at this time. The Investors, jointly with their legal counsels, will adopt the appropriate measures to preserve and defend their legal and economic interests.

28. CONTINGENCIES

Additionally to the situation mentioned in Note 27, the Company and its subsidiaries are subject to litigation arising during the normal course of business. It is the Company’s policy to accrue for amounts related to these legal matters if it is probable that a liability has been incurred and an amount is reasonably estimable (see Note 16). In the opinion of management, the resolution of these matters will not have a material adverse effect on the Company’s consolidated financial statements.

29. RELATED PARTIES

A) TRANSACTIONS WITH RELATED PARTIES

For the years ended December 31, 2023 and 2022, the Company did not perform transactions with related parties.

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B) KEY MANAGEMENT PERSONNEL COMPENSATION

Key management includes Board members, alternate Board members, officers and members of the Audit Committee and Corporate Practice Committee. The compensation paid to key management for employee services is shown below:

	2023	2022
Salaries and other short-term employee benefits.....	\$ 20,150	\$ 17,208

C) BALANCES WITH RELATED PARTIES

At December 31, 2023 and 2022, the Company had no balances with related parties.

30. IMPACTS OF THE CONFLICT IN UKRAINE

During February 2022, Russian military forces invaded Ukraine. This has resulted in the imposition of sanctions on Russia and Belarus by the United States of America, the United Kingdom, the European Union and other countries, as well as counter sanctions imposed by Russia to such countries. This has caused an abrupt change in the geopolitical situation, with significant uncertainty about the duration of the conflict.

The conflict has also contributed to increase volatility in foreign exchange markets, energy prices, raw materials and other input costs, as well as supply chain tensions and rising inflation in many countries.

At December 31, 2023 and 2022, the Company has assessed the consequences of this conflict in the consolidated financial statements, with the following conclusions:

Assessment of control: In accordance with IFRS 10 "Consolidated Financial Statements" the Company has evaluated and confirms that the changes in the legal and operating environment of its subsidiaries located in Russia and Ukraine have not affected the ability to exercise control over the entities in these countries.

Goodwill impairment: In March 2022, the Company recognized a non monetary impairment charge of \$2,003 in the operating results in "Other expenses, net" due to the goodwill impairment of the cash-generating unit "Altera, LLC" located in Ukraine and associated with the Corn flour and packaged tortilla Europe business segment. This impairment loss reflects a decrease in the recoverable amount of the CGU due to the impact of the Russian invasion in February 2022.

The impact in the operations of the subsidiaries located in Ukraine and Russia at December 31, 2023 and 2022, was not material to consolidated revenues, operating income and consolidated financial position.

The Company will continue to monitor the events resulting from this ongoing conflict, evaluating the options available to try to mitigate a greater risk of loss and we will continue to evaluate the possible impact on the investment in these subsidiaries.

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31. FINANCIAL STANDARDS ISSUED BUT NOT YET EFFECTIVE

Certain new accounting standards and interpretations have been published that are not mandatory for December 31, 2023 reporting periods and have not been early adopted by the Company. These standards are not expected to have a material impact on the Company's financial position or results of operations.

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CONSOLIDATED FINANCIAL STATEMENTS

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Independent Auditors' Report

To the Stockholders and Board members of
Gruma, S. A. B. de C. V.

Opinion

We have audited the accompanying consolidated financial statements of Gruma, S. A. B. de C. V. and subsidiaries (the Company), which comprise the consolidated statement of financial position at December 31, 2022, and the related consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, which include a summary of significant 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 at December 31, 2022, and its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRS) 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 from the Company in accordance with the Professional Ethics Code of Mexican Institute of Public Accountants (*Instituto Mexicano de Contadores Públicos, A. C.*), and with other ethical requirements applicable to our audits of consolidated financial statements in Mexico. We have fulfilled our other ethical responsibilities in accordance with those requirements and that 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 for the current year. These matters were considered in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon; therefore, we do not provide a separate opinion on these matters.



Key audit matter

1. Evaluation of goodwill for impairment

As mentioned in Notes 3-H and 12 to the consolidated financial statements, the Company annually estimates the recoverable value of its cash generating units (CGUs) associated with goodwill to evaluate said goodwill for impairment.

We have focused on this matter mainly for the following reasons: 1) the importance of the carrying amount of goodwill (\$162 million of American dollars at December 31, 2022); 2) that the estimate of the recoverable value of the CGUs for which goodwill has been recognized involves significant Management judgments, including possible changes in the economic context where the CGUs relating to goodwill operate.

Our audit effort particularly involved the CGUs in the United States of America and Spain, due to their relevance. We focus on the significant judgments relating to the future results of the business, income growth rates and discount rates applied to the projected future cash flows.

How our audit addressed the key audit matter

Regarding the CGUs in the United States of America and Spain, we have performed sensitivity tests and discussed their results with Management. We also evaluated the degree in which the assumptions would need to change to recognize an impairment in order to define the nature and the scope of the procedures applied to each CGU based on their risk level, as follows:

We performed an understanding of the processes followed by Management to determine the projections of future cash flows; we also evaluated whether Management had made the projections in line with the established processes and how it exercises timely supervision, and whether the determined projections are consistent with the budgets approved by the Administrative Board.

We compared actual results for the current year with the figures budgeted for this year in the previous fiscal year, to evaluate whether any assumption included in the projections may be considered very optimistic or unrealistic, in conformity with the Company's history.

We compared the models applied in determining the recoverable value of assets with the methods used and recognized for the valuation of assets with similar characteristics.

We challenged and compared, with the support of our appraisers, the significant judgments and assumptions used by Management in the projections relating to its:

- Long-term income growth rates, by comparing them with the historical growth trend of the CGU and the growth rates expected in the industry; and
- The discount rate, when evaluating the cost of capital for the Company and comparable companies, also considering the factors specific to the territory.



2. Risk hedging with financial instruments

As mentioned in Notes 4 and 20 to the consolidated financial statements, the Company entered into basic or standard derivative contracts which do not have complex characteristics and their objective is to hedge the risk carried by price changes and supply of certain inputs. These derivative financial instruments are related mainly to corn options, wheat, soybean and natural gas futures, natural gas, diesel, wheat, and corn swaps and currency forward contracts, carried out mainly in Mexico and the United States of America. Derivative financial instrument assets amount to \$5.1 million american dollars and derivative financial instrument liabilities, to \$34.7 million american dollars.

We have focused on the review of this matter, primarily because of the number of transactions conducted with derivative financial instruments according to the Company's operating needs and that remain open at year end and in view of their importance in the context of financial statements taken as a whole, not only for the valuation of those instruments, but for the effects they could have on the results for the year as well.

Particularly, we have made every audit effort to review the key input data used in the valuation of those instruments, such as the exchange rate value and the values of commodities (corn, wheat, soybean, natural gas, diesel and currency) at the valuation date.

We have applied the following procedures as part of our audit:

- We understood the corporate governance controls relating to the approval of these transactions and the determination of fair value.
- We discussed with the Audit Committee the monitoring of the use of derivative financial instruments by the Company.

On selective test bases:

- We inspected the evidence of authorization of new derivative contracts during the year, by the executives designated for such purposes.
- We obtained confirmations from the counterparties of the existence of instruments whose positions were open as of December 31, 2022.
- With the support of our appraisers, we have independently determined the fair value of a sample of derivative financial instruments using valuation models commonly accepted in the industry and gathering data from market sources, and compared them with the values determined by Management.
- We inspected the financial settlements in gains and losses on termination of derivative contracts.
- We compared the key input data with the exchange rate value and the values of commodities (corn, wheat, soybean, natural gas, diesel and currencies) used in determining the fair value with data from independent and recognized market sources at the valuation date.

Other Information

Management is responsible for the other information. The other information comprises the annual report presented to Comisión Nacional Bancaria y de Valores (CNBV), which is expected to be made available to us after the date of this auditors' report. The additional information does not include the consolidated financial statements nor this auditors' report.

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



In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available 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.

When we read the other information not yet received, we will issue the report required by the CNBV and if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and, if required, describe the issue in our report.

Responsibilities of Management and those charged with Governance for the Consolidated Financial Statements

The Company's Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS 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 relating to going concern issues and using the going concern basis of accounting unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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 taken as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it 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 to prepare the consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures in the notes, and whether the consolidated financial statements fairly present the underlying transactions and events.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements. 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 in the course of 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.



Among the matters that have been communicated to those charged with the Company's governance, we determine those of most significance in the audit of the consolidated financial statements for the current year, which are, consequently, the key audit matters. We describe these matters in this auditors' report, except for those legal or regulatory provisions that prohibit the public disclosure of the matter or if, in extremely infrequent circumstances, we determine that a matter should not be communicated in our report because adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers, S.C.

[Spanish original version signed by:]

Certified Public Accountant Felipe Córdova Otero
Audit Partner

Monterrey, N. L., April 5, 2023

GRUMA, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2022, AND 2021 AND AS OF JANUARY 1, 2021
(In thousands of american dollars)
(Notes 1, 2 and 3)

A s s e t s	Note	2022	2021*	January 1, 2021*
Current:				
Cash and cash equivalents.....	6	\$ 283,864	\$ 254,968	\$ 309,431
Derivative financial instruments.....	20	5,178	47,021	53,375
Accounts receivable, net.....	7	636,739	510,278	497,361
Inventories.....	8	969,816	723,872	598,783
Recoverable income tax.....		27,092	26,511	21,623
Prepaid expenses.....		31,299	31,610	23,303
Total current assets.....		<u>1,953,988</u>	<u>1,594,260</u>	<u>1,503,876</u>
Non-current:				
Long-term notes and accounts receivable.....	9	14,177	11,575	13,497
Property, plant and equipment, net.....	10	1,821,815	1,647,681	1,556,193
Right-of-use assets, net.....	11	333,189	289,292	310,739
Intangible assets, net.....	12	189,016	194,048	198,138
Deferred tax.....	13	74,471	90,267	115,846
Total non-current assets.....		<u>2,432,668</u>	<u>2,232,863</u>	<u>2,194,413</u>
Total Assets.....		<u>\$ 4,386,656</u>	<u>\$ 3,827,123</u>	<u>\$ 3,698,289</u>
L i a b i l i t i e s				
Current:				
Short-term debt.....	14	\$ 146,971	\$ 54,679	\$ 136,359
Short-term lease liability.....	11	49,107	37,538	35,959
Trade accounts payable.....	15	446,795	425,337	311,804
Derivative financial instruments.....	20	34,731	4,650	52,521
Provisions.....	16	16,312	9,852	6,371
Income tax payable.....		28,654	24,992	20,722
Other current liabilities.....	17	308,445	260,575	265,310
Total current liabilities.....		<u>1,031,015</u>	<u>817,623</u>	<u>829,046</u>
Non-current:				
Long-term debt.....	14	1,461,605	1,133,695	1,010,354
Long-term lease liability.....	11	318,305	281,542	298,883
Derivative financial instruments.....	20	-	358	9,079
Provision for deferred taxes.....	13	43,737	67,184	63,112
Employee benefits obligations.....	18	58,580	54,263	54,559
Provisions.....	16	36,225	31,401	37,124
Other non-current liabilities.....		3,604	4,836	8,989
Total non-current liabilities.....		<u>1,922,056</u>	<u>1,573,279</u>	<u>1,482,100</u>
Total Liabilities.....		<u>2,953,071</u>	<u>2,390,902</u>	<u>2,311,146</u>
E q u i t y				
Controlling interest:				
Common stock.....	19	371,274	377,854	387,648
Reserves.....		(455,970)	(358,628)	(391,037)
Retained earnings.....	19	1,518,635	1,418,103	1,391,162
Total controlling interest.....		<u>1,433,939</u>	<u>1,437,329</u>	<u>1,387,773</u>
Non-controlling interest.....		(354)	(1,108)	(630)
Total Equity.....		<u>1,433,585</u>	<u>1,436,221</u>	<u>1,387,143</u>
Total Equity and Liabilities.....		<u>\$ 4,386,656</u>	<u>\$ 3,827,123</u>	<u>\$ 3,698,289</u>

* The comparative financial statements were adjusted for change of presentation currency, see note 2-B.

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

GRUMA, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In thousands of american dollars, except the amounts per share)
(Notes 1, 2 and 3)

	<u>Note</u>	<u>2022</u>	<u>2021*</u>
Net sales.....	5	\$ 5,596,621	\$ 4,623,571
Cost of sales.....	21	<u>(3,617,119)</u>	<u>(2,960,468)</u>
Gross profit.....		1,979,502	1,663,103
Selling and administrative expenses.....	21	(1,351,299)	(1,144,233)
Other (expenses) income, net.....	22	<u>(18,060)</u>	<u>34,855</u>
Operating income.....		610,143	553,725
Comprehensive financing cost, net.....	24	<u>(100,088)</u>	<u>(81,600)</u>
Income before income tax.....		510,055	472,125
Income tax expense.....	25	<u>(190,865)</u>	<u>(169,914)</u>
Consolidated net income from continuing operations.....		319,190	302,211
Loss from discontinued operations.....		<u>-</u>	<u>(31)</u>
Consolidated net income.....		<u>\$ 319,190</u>	<u>\$ 302,180</u>
Attributable to:			
Shareholders.....		\$ 319,222	\$ 302,155
Non-controlling interest.....		<u>(32)</u>	<u>25</u>
		<u>\$ 319,190</u>	<u>\$ 302,180</u>
From continued operations:			
Basic and diluted earnings per share (pesos).....		<u>\$ 0.85</u>	<u>\$ 0.77</u>
From discontinued operations:			
Basic and diluted losses per share (pesos).....		<u>\$ -</u>	<u>\$ -</u>
From continued and discontinued operations:			
Basic and diluted earnings per share (pesos).....		<u>\$ 0.85</u>	<u>\$ 0.77</u>
Weighted average shares outstanding (thousands).....		<u>373,564</u>	<u>390,875</u>

* The comparative financial statements were adjusted for change of presentation currency, see note 2-B.

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

GRUMA, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In thousands of american dollars)
(Notes 1, 2 and 3)

	<u>Note</u>	<u>2022</u>	<u>2021*</u>
Consolidated net income		\$ 319,190	\$ 302,180
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Remeasurement of employment benefit obligations	18	1,875	1,469
Income taxes	13	(240)	(259)
		<u>1,635</u>	<u>1,210</u>
Items that will be subsequently reclassified to profit or loss:			
Cumulative translation adjustments		5,275	(40,792)
Cash flow hedges	20	35,456	98,664
Other		376	(812)
Income taxes	13	(23,680)	(7,662)
		<u>17,427</u>	<u>49,398</u>
Other comprehensive income, net of tax		19,062	50,608
Total comprehensive income		<u>\$ 338,252</u>	<u>\$ 352,788</u>
Total comprehensive income for the period attributable to:			
Controlling interest		\$ 337,498	\$ 352,761
Non-controlling interest		754	27
		<u>\$ 338,252</u>	<u>\$ 352,788</u>
Total comprehensive income for the period attributable to shareholders arises from:			
Continuing operations		\$ 337,498	\$ 352,870
Discontinued operations		-	(109)
		<u>\$ 337,498</u>	<u>\$ 352,761</u>

* The comparative financial statements were adjusted for change of presentation currency, see note 2-B.

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

GRUMA, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In thousands of american dollars)
(Notes 1, 2 and 3)

	Common stock (Note 19-A)		Reserves					Total equity
	Number of shares (thousands)	Amount	Cumulative translation adjustments (Note 19-C)	Cash flow hedges and other reserves (Note 20-C)	Retained earnings and other reserves (Note 19-B)	Total controlling interest	Non-controlling interest	
Balances as of January 1, 2021*	397,297	\$ 387,648	\$ (383,458)	\$ (7,579)	\$ 1,391,162	\$ 1,387,773	\$ (630)	\$ 1,387,143
Transactions with shareholders:								
Dividends declared (5.20 pesos per share).....	-	-	-	-	(102,512)	(102,512)	(39)	(102,551)
Effect of non-controlling interest share purchase	-	-	-	-	-	-	(466)	(466)
Purchase of own shares.....	(16,265)	(9,794)	-	-	(173,100)	(182,894)	-	(182,894)
	(16,265)	(9,794)	-	-	(275,612)	(285,406)	(505)	(285,911)
Costs of cash flow hedging transferred to the carrying value of inventory purchased during the year, includes taxes of \$5,566	-	-	-	(17,799)	-	(17,799)	-	(17,799)
	(16,265)	(9,794)	-	(17,799)	(275,612)	(303,205)	(505)	(303,710)
Comprehensive income:								
Net income of the year.....	-	-	-	-	302,155	302,155	25	302,180
Translation adjustments, includes taxes of \$8,693.....	-	-	(32,101)	-	-	(32,101)	2	(32,099)
Remeasurement of employment benefit obligations, includes taxes of (\$259).....	-	-	-	-	1,210	1,210	-	1,210
Cash flow hedges, includes taxes of (\$16,355)...	-	-	-	82,309	-	82,309	-	82,309
Other	-	-	-	-	(812)	(812)	-	(812)
Comprehensive income of the year.....	-	-	(32,101)	82,309	302,553	352,761	27	352,788
Balances as of December 31, 2021*	<u>381,032</u>	<u>377,854</u>	<u>(415,559)</u>	<u>56,931</u>	<u>1,418,103</u>	<u>1,437,329</u>	<u>(1,108)</u>	<u>1,436,221</u>
Transactions with shareholders:								
Dividends declared (5.40 pesos per share).....	-	-	-	-	(98,296)	(98,296)	-	(98,296)
Purchase of own shares.....	(10,723)	(6,580)	-	-	(122,405)	(128,985)	-	(128,985)
	(10,723)	(6,580)	-	-	(220,701)	(227,281)	-	(227,281)
Costs of cash flow hedging transferred to the carrying value of inventory purchased during the year, includes taxes of \$42,718.....	-	-	-	(113,607)	-	(113,607)	-	(113,607)
	(10,723)	(6,580)	-	(113,607)	(220,701)	(340,888)	-	(340,888)
Comprehensive income:								
Net income of the year.....	-	-	-	-	319,222	319,222	(32)	319,190
Translation adjustments, includes taxes of (\$10,780).....	-	-	(6,291)	-	-	(6,291)	786	(5,505)
Remeasurement of employment benefit obligations, includes taxes of (\$240).....	-	-	-	-	1,635	1,635	-	1,635
Cash flow hedges, includes taxes of (\$12,900)...	-	-	-	22,556	-	22,556	-	22,556
Other	-	-	-	-	376	376	-	376
Comprehensive income of the year.....	-	-	(6,291)	22,556	321,233	337,498	754	338,252
Balances as of December 31, 2022	<u>370,309</u>	<u>\$ 371,274</u>	<u>\$ (421,850)</u>	<u>\$ (34,120)</u>	<u>\$ 1,518,635</u>	<u>\$ 1,433,939</u>	<u>\$ (354)</u>	<u>\$ 1,433,585</u>

* The comparative financial statements were adjusted for change of presentation currency, see note 2-B.

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

GRUMA, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In thousands of american dollars)
(Notes 1, 2 and 3)

	Note	2022	2021*
Operating activities:			
Income before taxes		\$ 510,055	\$ 472,125
Derivative financial instruments.....	20 and 22	13,669	(20,699)
Foreign exchange loss from working capital.....		2,883	1,555
Net cost of the year for employee benefit obligations.....		15,919	16,540
Allowance for doubtful accounts.....		3,716	2,178
Damaged, slow-moving and obsolete inventory.....		12,420	8,383
Items related with investing activities:			
Depreciation and amortization.....		196,558	179,350
Impairment of long-lived assets.....		2,147	2,465
Interest income.....		(4,041)	(1,678)
Gain in sale of fixed assets.....	22	(1,741)	(8,591)
Items related with financing activities:			
Derivative financial instruments.....	20 and 24	(2,175)	804
Foreign exchange gain from debt.....		(10)	(4)
Foreign exchange (gain) loss from lease liability.....		(1,281)	560
Interest expense.....		95,968	66,761
		<u>844,087</u>	<u>719,749</u>
Accounts receivable.....		(232,628)	75,500
Inventories.....		(232,977)	(157,357)
Prepaid expenses.....		1,322	(8,544)
Trade accounts payable.....		15,132	124,702
Accrued liabilities and other accounts payables.....		82,071	(32,488)
Income taxes paid.....		(163,635)	(146,877)
Payments of employee benefits obligations.....		(13,106)	(13,737)
		<u>(543,821)</u>	<u>(158,801)</u>
Net cash inflow from operating activities		<u>300,266</u>	<u>560,948</u>
Investing activities:			
Acquisitions of property, plant and equipment.....	5 and 10	(297,515)	(286,481)
Sale of property, plant and equipment.....		152	35,476
Acquisition of intangible assets.....	12	(654)	(6,069)
Interests collected.....		4,041	1,678
Other.....		(4,384)	(2,768)
		<u>(298,360)</u>	<u>(258,164)</u>
Net cash outflow from investing activities		<u>(298,360)</u>	<u>(258,164)</u>
Cash to be used in financing activities		<u>1,906</u>	<u>302,784</u>
Financing activities:			
Proceeds from debt.....	14	2,110,723	1,010,597
Payment of debt.....	14	(1,708,842)	(957,423)
Payment of lease liability.....		(45,483)	(43,930)
Interests paid.....		(75,034)	(49,199)
Interests paid on lease liability.....		(16,786)	(16,290)
Derivative financial instruments collected.....		(1,126)	(804)
Purchase of own shares.....		(131,330)	(184,492)
Dividends paid.....		(97,500)	(106,096)
		<u>34,622</u>	<u>(347,637)</u>
Net cash inflow (outflow) from financing activities		<u>34,622</u>	<u>(347,637)</u>
Net increase (decrease) increase in cash and cash equivalents.....		36,528	(44,853)
Effects of exchange rate changes on cash and cash equivalents.....		(7,632)	(9,610)
Cash and cash equivalents at the beginning of the year		<u>254,968</u>	<u>309,431</u>
Cash and cash equivalents at the end of the year		<u>\$ 283,864</u>	<u>\$ 254,968</u>

* The comparative financial statements were adjusted for change of presentation currency, see note 2-B.

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

GRUMA, S.A.B. DE C.V. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2022 AND 2021
(In thousands of american dollars, except where otherwise indicated)

1. ENTITY AND OPERATIONS

Gruma, S.A.B. de C.V. (GRUMA) is a Mexican company with subsidiaries located in Mexico, the United States of America, Central America, Europe, Asia and Oceania, together referred to as the “Company”. The Company’s main activities are the production and sale of corn flour, tortillas and related products.

GRUMA is a publicly held corporation (*Sociedad Anónima Bursátil de Capital Variable*) organized under the laws of Mexico. The address of its registered office is Calzada del Valle 407 in San Pedro Garza García, Nuevo León, Mexico. GRUMA is listed on the Mexican Stock Exchange.

The consolidated financial statements were authorized by the Chief Administrative Office of the Company on April 5, 2023.

2. BASIS OF PREPARATION

The consolidated financial statements of Gruma, S.A.B. de C.V. and Subsidiaries for all the periods presented have been prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The IFRS also include the International Accounting Standards (IAS) in force, as well as all the related interpretations issued by the IFRS Interpretations Committee, including those previously issued by the Standing Interpretations Committee.

The Company adopted the following amendments that were effective starting January 1, 2022, which had no impact on the Company’s financial position or results of operations:

- Property, plant and equipment: Proceeds before intended use – Amendments to IAS 16.
- Onerous Contracts - Cost of Fulfilling a Contract – Amendments to IAS 37.
- Annual Improvements to IFRS Standards 2018 – 2020.
- Reference to the Conceptual Framework - Amendments to IFRS 3.

A) BASIS OF MEASUREMENT

The consolidated financial statements have been prepared based on historical cost, except for the fair value of certain financial instruments as described in the policies shown below (see Note 3-K).

The preparation of financial statements requires that management make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results could differ from those estimates. The key factors in the estimates and assumptions remain the same as those applied in the previous year.

GRUMA, S.A.B. DE C.V. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2022 AND 2021
(In thousands of american dollars, except where otherwise indicated)

B) FUNCTIONAL AND PRESENTATION CURRENCY

The functional currency of GRUMA, S.A.B. de C.V., parent company, is in Mexican pesos.

In accordance with the International Accounting Standard 21, "The effects of changes in foreign exchange rates" (IAS 21) and with the approval of the Board of Directors and prior favorable opinion of the Audit Committee, the Company decided to change its presentation currency from the Mexican peso to the american dollar for the consolidated financial statements as of January 1, 2022. This decision considered that: a) the accounting rules allow choosing the presentation currency, based on the measure used by management to control and monitor the financial position and performance of the Company, b) the Company operates internationally, with the american dollar being the main currency in the markets in which it participates; and c) greater ease of analysis is expected for the different users of the consolidated financial information, including comparability with the financial reports of other global entities.

The consolidated financial statements, including comparative figures and the accompanying notes, are presented as if the new presentation currency the american dollar had always been the Company's presentation currency.

Translation adjustments and cumulative translation adjustments have been presented as if the Company had used the american dollar as the presentation currency since January 1, 2010, the initial date of transition to IFRS by the Company. Comparative financial statements and their related notes were retrospectively adjusted for the change in presentation currency by applying the methodology set out in IAS 21, using the closing exchange rates for the consolidated statements of financial position and the closing exchange rates of each month within the respective periods for consolidated income statements, consolidated statements of comprehensive income and consolidated statements of cash flows.

Historic equity transactions were translated at the foreign exchange rate of the transactions and were subsequently carried at historical value.

According to IAS 1 "Presentation of financial statements" the change in policy made by the Company regarding to the change in the presentation currency from Mexican peso to american dollar from January 1, 2022 requires the presentation of a third statement of financial position at the beginning of the immediately preceding period, that is on January 1, 2021.

In these financial statements and its notes, when reference is made to dollars or "\$", it refers to thousands of american dollars, also, when reference is made to "Ps.", it means thousands of Mexican pesos.

C) USE OF ESTIMATES AND JUDGMENTS

The relevant estimates and assumptions are reviewed on a regular basis. The revisions of accounting estimates are recognized in the period in which the estimate is reviewed and in any future period that is affected.

GRUMA, S.A.B. DE C.V. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2022 AND 2021
(In thousands of american dollars, except where otherwise indicated)

In particular, the information for assumptions, uncertainties from estimates, and critical judgments in the application of accounting policies, that have the most significant effect in the recognized amounts in these consolidated financial statements are described below:

- The assumptions used for the determination of fair values of financial instruments (Note 20).
- The assumptions and uncertainties with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income (Notes 13 and 25).
- The key assumptions in impairment testing for long-lived assets used for the determination of the recoverable amount for the different cash generating units (Notes 10 and 12).
- The actuarial assumptions used for the determination of employee benefits obligations (Note 18).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A) BASIS OF CONSOLIDATION

a. Subsidiaries

The subsidiaries are all entities (including structured entities) over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are incorporated in the consolidated financial statements starting on the date on which the control begins, until the date such control ceases.

Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated. Subsidiaries' accounting policies have been changed where necessary to ensure consistency with the policies adopted by the Company.

As of December 31, the main subsidiaries included in the consolidation are:

	<u>2022</u>	<u>2021</u>
Gruma Corporation and subsidiaries.....	100.00	100.00
Grupo Industrial Maseca, S.A. de C.V. and subsidiaries.....	100.00	100.00
Gruma International Foods, S.L. and subsidiaries.....	100.00	100.00
Mission Foods México, S. de R.L. de C.V.....	100.00	100.00

At December 31, 2022 and 2021, there are no significant restrictions on the investment of the subsidiaries mentioned above, except for those described in Note 27.

b. Transactions with non-controlling interest without change of control

The Company applies a policy of treating transactions with non-controlling interest as transactions with equity owners of the Company. When purchases from non-controlling interest take place, the difference between any consideration paid and the relevant interest acquired of the carrying value of net assets of the subsidiary is recognized as equity transactions; therefore, no goodwill is recognized with these acquisitions. Disposals of non-controlling interests result in gains or losses for the Company and are recorded in equity when there is no loss of control.

GRUMA, S.A.B. DE C.V. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2022 AND 2021
(In thousands of american dollars, except where otherwise indicated)

c. Business combinations

Business combinations are recognized through the acquisition method of accounting. The consideration transferred for the acquisition of a subsidiary is measured as the fair value of the assets transferred, the liabilities incurred by the Company with the previous owners and the equity instruments issued by the Company. The cost of an acquisition also includes the fair value of any contingent payment.

The related acquisition costs are recognized in the income statement when incurred.

Identifiable assets acquired, liabilities assumed and contingent liabilities in a business combination are measured at fair value at the acquisition date.

The Company recognizes any non-controlling interest as the proportional share of the net identifiable assets of the acquired entity.

The Company recognizes goodwill when the cost including any amount of non-controlling interest in the acquired entity exceeds the fair value at acquisition date of the identifiable assets acquired and liabilities assumed.

When the entity or entities acquired are, before and after the acquisition, ultimately controlled by the same entity, and such control is not temporary, it is assumed that the entities are under common control and therefore, there is no business combination. Transactions and exchanges between entities under common control are recognized on the basis of the carrying value of assets and liabilities transferred on the date of the transaction, and therefore, goodwill is not recognized.

B) FOREIGN CURRENCY

a. Foreign currency transactions

Transactions that are realized in a different functional currency of each consolidated entity are translated using the exchange rates effective at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated at year-end exchange rates. The differences that arise from the translation of foreign currency transactions are recognized in the income statement.

b. Currency translation of entities

Currency translation of entities for subsidiaries with non-hyperinflationary economies

The financial statements of the Company's entities are measured using the currency of the main economic environment where each entity operates (functional currency). The consolidated financial statements are presented in american dollars, currency that corresponds to the presentation currency of the Company.

GRUMA, S.A.B. DE C.V. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2022 AND 2021
(In thousands of american dollars, except where otherwise indicated)

The financial position and results of the entities that have a functional currency which differs from the Company’s presentation currency are translated as follows:

- Assets and liabilities are translated at the closing rate of the year.
- Income and expenses are translated at average exchange rates when it has not fluctuated significantly during the period.
- Equity is translated at the effective exchange rate in the date when the contributions were made and the earnings were generated.
- All resulting exchange differences are recognized in other comprehensive income as a separate component of equity denominated “Cumulative translation adjustments”.

Currency translation of entities for subsidiaries with hyperinflationary economies

Previous to the translation to american dollars, the financial statements of entities whose functional currency is from an hyperinflationary environment, are adjusted by the inflation factor in order to reflect the changes in purchasing power of the local currency. Subsequently, assets, liabilities, equity, income, costs, and expenses are translated to the presentation currency at the closing rate at the end of the period. To determine the existence of hyperinflation, the Company evaluates the qualitative characteristics of the economic environment, as well as the quantitative characteristics established by IFRS of an accumulated inflation rate equal or higher than 100% in the past three years.

The Company presents the hyperinflation effects and reporting currency translation in equity in the item cumulative translation adjustments, because it is considered that the combination of both effects meets the definition of exchange difference in accordance with IAS 21.

The Company applies hedge accounting to foreign exchange differences originated between the functional currency of a foreign subsidiary and the functional currency of the Company. Exchange differences resulting from the translation of a financial liability designated as hedge for a net investment in a foreign subsidiary, are recognized in “other comprehensive income” as a separate component denominated “Cumulative translation adjustments” while the hedge is effective. See Note 3-K for the accounting of the net investment hedge.

The closing exchange rates used to prepare the consolidated statement of financial position are as follows:

Per american dollar	As of December 31, 2022	As of December 31, 2021
Mexican Peso.....	19.3615	20.5835
Euro.....	0.9340	0.8832
Pound sterling	0.8281	0.7409
Swiss franc	0.9236	0.9138
Australian dollar.....	1.4677	1.3801
Chinese yuan	6.9646	6.3674
Malaysian ringgit.....	4.4040	4.1778
Costa Rica colon.....	601.99	645.25
Ukrainian hryvnia.....	36.5686	27.3120
Russian ruble.....	70.3375	74.2926
Turkish lira.....	18.6983	12.9775

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c. Recognition of the effects of inflation in countries with hyperinflationary economies

The Company recognizes the effects of inflation in the financial information of its subsidiaries when they operate in a hyperinflationary economy.

The main procedures to apply the effects of inflation to the financial information of the subsidiary are the following:

- Non-monetary assets such as property, plant and equipment, intangible assets and inventories that are not registered in actual values at the date of the balance sheet, as well as equity components, are restated by applying the corresponding inflation factors since the acquisition or contribution date.
- Items of the statement of comprehensive income are restated by applying the inflation factors, except for depreciation and amortization, and the cost impact of the inventories at the time of consumption.
- Gain or loss of monetary assets held is presented in income statement and is determined by applying the inflation factor of the period to the difference between monetary assets and liabilities.

Turkey

Starting April 2022, Turkey is considered a hyperinflationary economy due mainly to the accumulated inflation in the last 3 years that surpassed the 100%. The downturn of the economic condition and the foreign exchange controls, support the conclusion that, for accounting purposes, is a hyperinflationary economy. From that date, the financial information of the subsidiary located in Turkey has been adjusted to recognize the cumulative effects of inflation with retroactive effects from January 1, 2022. These effects do not represent a significant impact in the consolidated accounts of the Company.

C) CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash and short term highly liquid investments with original maturities of less than three months. These items are recognized at historical cost, which do not differ significantly from its fair value.

D) ACCOUNTS RECEIVABLE

Trade receivables are initially recognized at fair value and subsequently valued at amortized cost using the effective interest rate method, less provision for impairment. The Company has determined that the amortized cost does not represent significant differences with respect to the invoiced amount from short-term trade receivables, since the transactions do not have relevant associated costs.

Allowances for doubtful accounts or impairment represent expected future credit losses. The recognition of these losses is obliged since the moment the trade receivable is recognized.

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E) INVENTORIES

Inventories are measured at the lower of cost and net realizable value. Cost is determined using the average cost method. The net realizable value is the estimated selling price of inventory in the normal course of business, less applicable variable selling expenses. The cost of finished goods and production in process includes raw materials, direct labor, other direct costs and related production overheads. Cost of inventories could also include the transfer from comprehensive income within equity of any gains or losses on cash flow hedges for purchases of raw materials.

F) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are valued at acquisition cost, less accumulated depreciation and recognized impairment losses. Cost includes expenses that are directly attributable to the asset acquisition.

Subsequent costs, including major improvements, are capitalized and are included in the carrying value of the asset or recognized as a separate asset, only when it is probable that future economic benefits associated with the specific asset will flow to the Company and the costs can be measured reliably. Repairs and maintenance are recognized in the income statement when incurred. Major improvements are depreciated during the remaining useful life of the related asset. Replacement and spare parts that the Company expects to use in more than one year and are attributable to a specific machine should be recognized within Property, plant and equipment. Leasehold improvements are depreciated in accordance with the useful life of the improvement component or the remaining lease term. Land is not depreciated.

Costs of borrowings, general and specific, of qualifying assets that require a substantial period of time (over one year) for acquisition or construction, are capitalized as part of the acquisition cost of these assets, until such time as the assets are substantially ready for their intended use or sale.

Depreciation is calculated over the asset cost less residual value, considering its components separately. Depreciation is recognized in income using the straight-line method and applying annual rates that reflect the estimated useful lives of the assets. The estimated useful lives are summarized as follows:

	Years
Buildings.....	25 – 50
Machinery and equipment.....	5 – 25

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

Gains and losses from sale of assets result from the difference between revenues of the transaction and the book value of the assets, which is included in the income statement as other (expenses) income, net.

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G) INTANGIBLE ASSETS

a. Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Company’s share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill is tested annually for impairment and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to the operating segment.

b. Intangible assets with finite useful lives

Intangible assets with finite useful lives are carried at cost less accumulated amortization and impairment losses. Amortization is calculated using the straight-line method over the estimated useful lives of the assets. Estimated useful lives are as follows:

	Years
Non-compete agreements.....	3 - 20
Patents and trademarks.....	3 - 20
Customer lists.....	5 - 20
Software for internal use.....	3 - 7

c. Intangible assets with indefinite useful lives

Intangible assets with indefinite useful lives are not amortized, but subject to impairment tests on an annual basis or whenever the circumstances indicate that the value of the asset might be impaired.

d. Research and development

Research costs are expensed when incurred.

Costs from development activities are recognized as an intangible asset when such costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits will be obtained, and the Company pretends and has sufficient resources in order to complete the development and use or sell the asset. The amortization is recognized in income based on the straight-line method during the estimated useful life of the asset.

Development costs that do not qualify as intangible assets are recognized in income when incurred.

H) IMPAIRMENT OF LONG-LIVED ASSETS

The Company performs impairment tests for its property, plant and equipment, right-of-use assets and intangible assets with finite useful lives, when certain events and circumstances suggest that the

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carrying value of the assets might not be recovered. Intangible assets with indefinite useful lives and goodwill are subject to impairment tests at least once a year.

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount of an asset or cash-generating unit is the higher of an asset's fair value less costs to sell and value in use. To determine value in use, estimated future cash flows are discounted at present value, using a discount rate after tax that reflect time value of money and considering the specific risks associated with the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating unit) and in some cases they are grouped to evaluate them at the operating segment level.

Impairment losses on goodwill are not reversed. For other assets, impairment losses are reversed if a change in the estimates used for determining the recoverable amount has occurred. Impairment losses are reversed to the extent that the book value does not exceed the book value that was determined, net of depreciation or amortization, if no impairment loss was recognized.

I) LONG-LIVED ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Long-lived assets are classified as held for sale when (a) their carrying amount is to be recovered mainly through a sale transaction, rather than through continuing use, (b) the assets are held immediately for sale and (c) the sale is considered highly probable in its current condition.

For the sale to be considered highly probable:

- Management must be committed to a sale plan.
- An active program must have begun in order to locate a buyer and to complete the plan.
- The asset must actively be quoted for its sale at a price that is reasonable to its current fair value; and
- The sale is expected to be completed within a year starting the date of classification.

Non-current assets held for sale are stated at the lower of carrying amount and fair value less costs to sell.

Discontinued operations are the operations and cash flows that can be clearly distinguished from the rest of the entity, that either have been disposed of or have been classified as held for sale, and:

- Represent a line of business or geographical area of operations.
- Are part of a single coordinated plan to dispose of a line of business or geographical area of operations, or
- Is a subsidiary acquired exclusively with a view to resale.

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J) FINANCIAL INSTRUMENTS

a. Financial assets

(i) Classification

The Company classifies its financial assets in the following categories:

- Those to be measured at amortized cost.
- Those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss).

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

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Company classifies a financial asset to be measured at amortized cost if the asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest.

The Company classifies a financial asset to be measured at fair value through other comprehensive income if the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest.

(ii) Recognition

Regular purchases and sales of financial assets are recognized in the balance sheet on the trade date, which is the date when the Company commits to purchase or sell the instrument. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or the Company has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Company measures a financial asset at fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are recognized as expense.

After initial recognition, the Company measures financial assets at amortized cost or at fair value with changes in other comprehensive income or in results of the year.

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(iv) Impairment

The Company applies the simplified approach, which requires expected lifetime losses to be recognized from initial recognition of the trade receivables and long-term notes and accounts receivable. To measure the expected credit losses, the assets have been grouped based on shared credit risk characteristics and the days past since their initial recognition. The expected loss rates are based on the payment profiles of sales over a period of 12 months before December 31, 2022 and 2021, respectively, and the corresponding historical credit losses experienced within this period.

Accounts receivable and long-term receivables are canceled when there is no reasonable expectation of collection.

b. Financial liabilities

(i) Classification

The Company classifies its financial liabilities to be measured at amortized cost, except for the liabilities from derivative financial instruments that are measured at fair value through profit or loss.

Debt and financial liabilities

Debt and financial liabilities that are non-derivatives are initially recognized at fair value, net of transaction costs directly attributable to them; subsequently, these liabilities are recognized at amortized cost. The difference between the net proceeds and the amount payable is recognized in the income statement during the debt term, using the effective interest rate method.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities for trading (derivative financial instruments).

(ii) Derecognition

Financial liabilities are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in income.

c. Offsetting of financial instruments

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

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K) DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

Derivative financial instruments are initially recognized at fair value and are subsequently re-measured at their fair value; the transaction costs are recognized in the income statement when incurred. Derivative financial instruments are classified as current, except for maturities exceeding twelve months.

Fair value is determined based on recognized market prices. When not quoted in markets, fair value is determined using valuation techniques commonly used in the financial sector. Fair value reflects the credit risk of the instrument and includes adjustments to consider the credit risk of the Company or the counterparty, when applicable.

The method for recognizing the resulting gain or loss depends on whether the derivative is designated as a hedge and the nature of the item being hedged.

For derivative financial instruments that are entered into to hedge certain risks and do not qualify for hedge accounting, the changes in the fair value of such instruments are recognized immediately in the income statement as Other (expenses) income, net or Comprehensive financing cost, net, according to the nature of the hedged item.

The derivative financial instruments that the Company designates and qualifies as accounting hedges, are classified as follows:

- Hedges of the fair value of recognized assets or liabilities or a firm commitment (fair value hedge);
- Hedges of a particular risk associated with a recognized asset or liability or a highly probable forecast transaction (cash flow hedge); or
- Hedges of a net investment in a foreign operation (net investment hedge).

The Company documents at the inception of the transaction the relationship between hedging instruments and hedged items, including objectives, strategies for risk management and the method for assessing effectiveness in the hedge relationship. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

a. Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with changes in the fair value of the hedged asset or liability that are attributable to the hedged risk, see Note 20-C.

b. Cash flow hedges

For cash flow hedge transactions, changes in the fair value of the derivative financial instrument are included as other comprehensive income in equity, based on the evaluation of the hedge effectiveness, see Note 20-C.

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When option contracts are used to hedge forecast transactions, the Company designates only the intrinsic value of the options as the hedging instrument. Gains or losses related to the effective portion of the change in the intrinsic value of the options are recognized in other comprehensive income within equity. Changes in the time value of options that are related to the hedged item (aligned time value) are recognized in other comprehensive income within equity. The intrinsic value of options on foreign currency transactions is determined by reference to the spot exchange rate of the relevant market. The spread between the contracted strike price and the discounted market spot rate is defined as time value. When material, the value is discounted.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in the cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognized immediately in income as other (expenses) income, net.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognized when the forecasted transaction is ultimately registered in the income statement. However, when the forecasted transaction recognizes a non-financial asset or non-financial liability, the cumulative gains or losses recognized in other comprehensive income are transferred from equity and included in the initial measurement of the non-financial asset or non-financial liability.

c. Net investment hedge

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized in the income statement. Gains and losses accumulated in equity are included in the income statement when the foreign operation is partially disposed of or sold, see Note 19-C.

L) TRADE ACCOUNTS AND OTHER ACCOUNTS PAYABLES

These balances represent the liabilities for goods and services provided to the Company before the end of the year that have not been paid. The amounts are not guaranteed and are generally paid within 30 days of recognition. Suppliers and other accounts payable are presented as current liabilities unless the balance is not payable within 12 months after the reporting period.

The Company has established supplier financing programs, through which they can discount their documents with different financial institutions. The balance payable derived from these programs is recognized within Trade accounts payable in the consolidated balance sheet, without generating a payment obligation with the financial institution. The financial cost of these operations is by the suppliers. This supplier program is presented as an operating activity in the statement of cash flows.

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

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M) LEASES

Contracts with counterparties celebrated by the Company, in which the transfer of the right to control the use of an identified asset for a certain term in exchange for a consideration, are classified as leases. There is control if the Company obtains the economic benefits from the use of the asset and has the right to direct and decide on the use of the asset during the term of the lease.

The Company applies the lease accounting model, which consists in the recognition of all leases within the statement of financial position. Contracts celebrated by the Company for more than a 12-month term and whose underlying asset has a value greater than five thousand American dollars are recognized as leases.

For contracts that contain both lease and non-lease components, the Company, in its capacity as lessee, allocates the component value as follows:

- When there is an observable individual price for each component, it is separated and allocated according to the specific individual prices of the components, and applies for all assets of that class.
- When there is no individual price for some or all the components, the components will not be separated and are accounted for as a single lease component, and applies to all assets of that class.

The term of a lease is determined based on the non-cancellable period of the lease contract, plus the optional renewable periods agreed in such contract, if the Company is reasonably certain to extend by considering factors such as: improvements made to the leased asset, penalties for not extending the contract, determination of high costs to be incurred for the replacement of the leased asset, among others; and that the extension option can only be exercised by the Company.

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

- a) Fixed lease payments, minus lease incentives receivable;
- b) Variable lease payments that are based on an index or a rate;
- c) Amounts expected to be payable by the group under residual value guarantees;
- d) The exercise price of a purchase option if the group is reasonably certain to exercise that option;
and
- e) Payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

For leases, the Company recognizes, at the beginning of the contract, a liability equivalent to the present value of the lease payments agreed in the contract, discounted using the incremental interest rate. After the start date, the lease liability is measured by increasing its carrying value to reflect the accrued interest and decreasing its carrying value to reflect the lease payments made.

The incremental interest rate is determined using the interest rates of comparable bonds of companies with similar credit ratings as the Company, plus the Company's credit risk factor and the risk factor from the country where the asset is located. The above mentioned is considering a similar lease contract and similar security.

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For property, plant and equipment leases containing terms of variable payments in which lease payments are modified during the term of the lease, possible future increases in variable lease payments are considered as part of the lease liability. Until effective, the lease liability is reassessed, and the right-of-use asset is adjusted.

The interest expense of a lease liability is recognized monthly by applying the incremental interest rate the term of the lease.

At the beginning of the lease contract, the right-of-use asset is recognized at cost. The cost of the asset includes the present value of the lease payments agreed in the contract and the initial direct costs incurred by the Company, such as restorations or dismantling; after that date, the carrying value of the right-of-use asset is measured decreasing the accumulated depreciation and the accumulated impairment losses.

The Company applies the straight-line method for the depreciation of the right-of-use assets, which begins on the start date of the lease.

The right-of-use assets are normally depreciated in a straight line during the shortest period between the useful life of the asset and the lease term. If the Company has reasonable certainty to exercise a purchase option, the right-of-use asset depreciates over the useful life of the underlying asset.

The Company recognizes in income the payments for short-term leases or those in which the underlying asset is of low value, applying the straight-line method during the lease period.

For full or partial termination of lease contracts, the Company as lessee will recognize the new measurement of the lease liability adjusting the book value of the right-of-use asset resulting from the lease termination and the related gains or losses will be recognized in income of the year.

The Company applies impairment tests to the right-of-use assets when there are indications that the carrying value of the assets may not be recovered. See Note 3-H.

N) EMPLOYEE BENEFITS

a. Post-employment benefits

In Mexico, the Company has the following defined benefit plans:

- Single-payment retirement plan, when employees reach the required retirement age, which is 60.
- Seniority premium, after 15 years of service.

The Company has established trust funds to meet its obligations for the seniority premium. Employees do not contribute to these funds.

The liability recognized in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation, less the fair value of plan assets. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to

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the net defined benefit liability (asset). The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated cash outflows using discount rates in accordance with IAS 19, that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past service costs are recognized immediately in the income statement.

In the United States, the Company has saving and investment plans that incorporate voluntary employees 401(k) contributions with matching contributions of the Company in this country. The Company's contributions are recognized in the income statement when incurred.

b. Termination benefits

Termination benefits are payable when employment is terminated by decision of the Company before the normal retirement date.

The Company recognizes termination benefits as a liability at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the Company recognizes restructuring costs that represents a provision and involves the payment of termination benefits. Termination benefits that do not meet this requirement are recognized in the income statement in the period when incurred.

c. Short term benefits

Short term employee benefits are measured at nominal base and are recognized as expenses as the related service is provided. If the Company has the legal or constructive obligation to pay as a result of a service rendered by the employee in the past and the amount can be estimated, an obligation is recognized for short term bonuses or profit sharing.

O) PROVISIONS

Provisions are recognized when (a) the Company has a present legal or constructive obligation as a result of past events; (b) it is probable that an outflow of resources will be required to settle the obligation; and (c) the amount has been reliably estimated.

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

P) SHARE CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

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Q) REVENUE RECOGNITION

The Company produces and sells corn flour, packaged tortilla and other related products such as flat bread, snacks and corn grits. The Company serves wholesale and retail markets, as well as institutional markets. Sales are recognized when control of the products has transferred, being when the products are delivered to the customers, and there is no unfulfilled obligation that could affect the customer's acceptance of the products, the risks of loss and obsolescence have been transferred to the customer, and the customer has accepted the products in accordance with the sales contract.

Revenue from sales is recognized based on the price specified in the contract, net of discounts, volume rebates and returns. Volume rebates are estimated, using the expected value method, and revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur.

A refund liability is recognized for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. No element of financing is deemed present as the sales are made with a short-term credit.

A receivable is recognized when the products are delivered as this is the point in time that the consideration is unconditional.

The payments made to customers, which represent a modification of the transaction price, are presented as a decrease of revenue.

R) INCOME TAXES

The tax expense of the period comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet 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. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized from the analysis of the balance sheet considering temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred income tax is determined using tax rates that have been approved or substantially approved at the date of the balance sheet and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized for tax loss carry-forwards not used, tax credits and deductible temporary differences, only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. In each period-end deferred income tax assets are reviewed and reduced to the extent that it is not probable that the benefits will be realized.

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Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset if the entity has a legally enforceable right to set off assets against liabilities and are related to income tax levied by the same tax authority on the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

S) EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the year, excluding ordinary shares purchased by the Company and held as treasury shares. Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares, which include convertible debt and share options.

For the years ended December 31, 2022 and 2021, the Company had no dilutive instruments issued.

T) SEGMENT INFORMATION

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses relating to transactions with other components of the same entity. Operating results from an operating segment are regularly reviewed by the entity's chief executive officer to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

4. RISK AND CAPITAL MANAGEMENT

A) RISK MANAGEMENT

The Company is exposed to a variety of financial risks: market risk (including currency risk, interest rate risk and commodity price risk), investment risk in Venezuela, credit risk and liquidity risk. The Company's risk management policy focuses on the risks that prevents or endangers the accomplishment of its financial objectives, seeking to minimize the potential adverse effects on its financial performance. The Company uses derivative financial instruments to hedge some of these risks.

Currency risk

The Company operates internationally and thus, is exposed to currency risks for foreign currency operations, mainly with the american dollar. Currency risks arise from commercial operations, recognized assets and liabilities and net investments in foreign subsidiaries.

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The following tables detail the exposure of the Company to currency risks at December 31, 2022 and 2021. The tables show the foreign currency exposure of the Company's financial instruments expressed in american dollars.

At December 31, 2022:

	Amounts in thousands of american dollars				
	American dollar	Pound sterling	Euros	Costa Rica colons and others	Total
Monetary assets:					
Current ⁽¹⁾	\$ 104,463	\$ 39	\$ 6,015	\$ 405	\$ 110,922
Non-current.....	2,886	-	-	-	2,886
Monetary liabilities:					
Current.....	(87,531)	(12)	(621)	(3)	(88,167)
Non-current ⁽²⁾	(1,109,794)	-	-	-	(1,109,794)
Net position.....	<u>\$ (1,089,976)</u>	<u>\$ 27</u>	<u>\$ 5,394</u>	<u>\$ 402</u>	<u>\$ (1,084,153)</u>

At December 31, 2021:

	Amounts in thousands of american dollars				
	American dollar	Pound sterling	Euros	Costa Rica colons and others	Total
Monetary assets:					
Current ⁽¹⁾	\$ 77,809	\$ 14	\$ 2,087	\$ 388	\$ 80,298
Non-current.....	512	-	-	-	512
Monetary liabilities:					
Current.....	(99,649)	-	(339)	(34)	(100,022)
Non-current ⁽²⁾	(874,693)	-	-	-	(874,693)
Net position.....	<u>\$ (896,021)</u>	<u>\$ 14</u>	<u>\$ 1,748</u>	<u>\$ 354</u>	<u>\$ (893,905)</u>

(1) Approximately 29% and 40% of this balance corresponds to accounts receivable for 2022 and 2021, respectively.

(2) The currency risk for debt denominated in american dollars reside in companies that are not located in the United States of America. However, this debt generates an economic hedge on the Company's investment in its subsidiaries in the United States of America (Gruma Corporation and Subsidiaries).

For the years ended December 31, 2022 and 2021, the effects of exchange rate differences on the Company's monetary assets and liabilities were recognized as follows:

	2022	2021
Exchange differences arising from foreign currency liabilities accounted for as a hedge of the Company's net investment in foreign subsidiaries, recorded directly to equity as an effect of foreign currency translation adjustments (Note 19-C).....	\$ 65,501	\$ (19,576)
Exchange differences, net, arising from foreign currency transactions recognized in the income statement (Note 24).....	(1,592)	(2,111)
	<u>\$ 63,909</u>	<u>\$ (21,687)</u>

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Considering that GRUMA's functional currency is the Mexican peso, the exposure related to monetary assets and liabilities in foreign currency as of December 31, 2022 and 2021, and assuming an increase or decrease of 10% in the Peso/U.S. dollar exchange rates while keeping constant the rest of the variables such as interest rates, the effect after taxes in the Company's consolidated results will be an increase or a decrease of \$638 and \$2,929, respectively.

Interest rate risk

The variations in interest rates could affect the cash flow and interest expense of financial liabilities bearing variable interest rates and could also modify the fair value of financial liabilities bearing fixed interest rates.

For the Company, interest rate risk is mainly derived from debt financing transactions, including debt securities, bank and vendor credit facilities and leases. These financing transactions generate exposure to interest rate risk, principally due to changes in relevant base rates (mainly, LIBOR, SOFR and TIEE) that are used to determine the interest rates applicable to the borrowings.

At a global level, a reform of reference interest rates is being carried out, including the replacement of certain interbank reference rates (IBOR) with alternative rates reference close to being risk-free. From December 2021, the authority that regulates the London interbank rate (LIBOR) began the elimination of some of its rate terms. Additionally, starting 2022 the main banking institutions have begun to provide new financing at variable rate only based on SOFR rates.

Currently, the Company's Treasury manages the transition plan for IBOR rates. The main change for the Company is the modification of the contractual terms of the variable rate debt referenced to the LIBOR rate (See Note 14). The Treasury is working with the applicable financial institutions to document amending agreements to establish the migration of LIBOR rates to SOFR in line with market practices for the existing contracts. Likewise, the new financing and credit lines with variable rates contracted during 2022 have already been negotiated with interest rates based on SOFR.

The amendments in phase 2 considered in the Amendments to IFRS 9, address the issues that arise during the implementation of the benchmark interest rate reform, included in the practical expedient to allow contractual changes that are directly required by the reform and the new base are economically equivalents to the previous base, are treated with prospective effects without immediately impacting the results.

The following table shows, at December 31, 2022 and 2021, the Company's debt at fixed and variable rates:

	Amounts in thousands of american dollars	
	2022	2021
Debt at fixed interest rate.....	\$ 793,324	\$ 946,970
Debt at variable interest rate.....	815,252	241,404
Total.....	<u>\$ 1,608,576</u>	<u>\$ 1,188,374</u>

For variable rate debt, an increase in interest rates will increase interest expense. A hypothetical increase of 100 basis points in interest rates on debt at December 31, 2022 and 2021 will have an effect on the results of the Company of \$8,153 and \$2,414, respectively, considering debt and interest rates at that date, and assuming that the rest of the variables remain constant.

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Commodity price risk

The availability and price of corn, wheat and other agricultural commodities and fuels, are subject to wide fluctuations due to factors outside of the Company's control, such as weather, plantings, government (domestic and foreign) farm programs and policies, changes in global demand and supply due to population growth and global production of similar and competitive crops, as well as fuels.

The Company hedges a portion of its production requirements through commodity futures, swaps and options contracts in order to reduce the risk created by price fluctuations and supply of corn, wheat, natural gas, and soy oils which exist as part of ongoing business operations (see Note 20-C). The contracting hedges of purchases that exceed the maximum production requirements for a period longer than 18 months, requires the authorization of the Board of Directors in accordance with the Company's corporate policies.

Credit risk

The Company's regular operations expose it to defaults when customers and counterparties are unable to comply with their financial commitments. The Company seeks to mitigate this risk by entering into transactions with a diverse pool of counterparties. However, the Company continues to remain subject to unexpected third party financial failures that could disrupt its operations.

The Company is also exposed to risks in connection with its activities of cash management and obtaining debt and temporary investments, and any disruption that affects its financial intermediaries could also adversely affect its operations.

The Company's exposure to risk due to trade receivables is limited given the large number of its customers located in different parts of Mexico, the United States, Central America, Europe, Asia and Oceania. For this reason, there is not a significant concentration of credit risk. However, the Company still maintains allowances for doubtful accounts. Risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

Since most of the clients do not have an independent rating of credit quality, the Company's management determines the maximum credit risk for each one, considering its financial position, past experience, and other factors. Credit limits are established according with the policies set by the Company, which also includes controls that assure its compliance.

Default results when the counterparties do not make their contractual payments within the agreed period.

During 2022 and 2021, the established credit limits were met and, consequently, management does not expect any important losses from trade accounts receivable.

Cash and cash equivalents are invested in highly liquid investments, with non-trading purposes and low risk, mainly in government repos, bank repos and directly with financial institutions of recognized prestige, and receivable in the short term. The Company do not invest in stock markets.

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The Company faces credit risk from potential defaults of their counterparts with respect to the derivative financial instruments used. Substantially none of these financial instruments are guaranteed. Additionally, when the Company enters into hedge contracts for exchange rates, interest rates and/or commodities, it minimizes the risk of default by the counterparts by contracting derivative financial instruments only with major national and international financial institutions using contracts and standard forms issued by the *International Swaps and Derivatives Association, Inc.* ("ISDA") and operations standard confirmation formats.

Investment risk in Venezuela

The recent political and civil instability that has prevailed in Venezuela has represented a risk to the Company's investment in this country. The Company does not have insurance for the risk of expropriation of its investments. See Notes 27 and 28 for additional information.

Liquidity risk

The Company funds its liquidity and capital resource requirements through a variety of sources, including:

- cash generated from operations;
- committed and uncommitted short-term and long-term lines of credit;
- medium- and long-term debt contracting;
- offerings in Bond markets; and
- sales of its equity securities and those of its subsidiaries and affiliates from time to time.

Factors that could decrease the sources of liquidity include a significant decrease in the demand for, or price of, our products, or a considerable increase in the cost of raw materials, which could limit the amount of cash generated from operations. The Company's liquidity is also affected partially by factors such as the volatility of currencies, changes in interest rates, and a decrease of the corporate credit rating, which could further impair the liquidity and increase costs with respect to new debt and cause a negative impact in stock price.

The following tables show the remaining contractual maturities of financial liabilities of the Company:

At December 31, 2022:

	<u>Less than a year</u>	<u>From 1 to 3 years</u>	<u>From 3 to 5 years</u>	<u>More than 5 years</u>	<u>Total</u>
Short and long term debt.....	\$ 146,971	\$ 671,117	\$ 692,089	\$ 103,338	\$ 1,613,515
Interest payable from short and long term debt.....	84,174	145,443	82,766	2,615	314,998
Trade accounts and other payables.....	771,552	-	-	-	771,552
Short and long term lease liability.....	60,379	110,119	72,121	283,485	526,104
Derivative financial instruments(*).....	34,731	-	-	-	34,371
	<u>\$ 1,097,807</u>	<u>\$ 926,679</u>	<u>\$ 846,976</u>	<u>\$ 389,438</u>	<u>\$ 3,260,900</u>

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(*) As of December 31, 2022 in the Consolidated statement of financial position, the financial liability recognized for futures contracts is presented offset with the amount of margin calls required to the Company on this contracts for an amount of \$27,560.

At December 31, 2021:

	<u>Less than a year</u>	<u>From 1 to 3 years</u>	<u>From 3 to 5 years</u>	<u>More than 5 years</u>	<u>Total</u>
Short and long term debt.....	\$ 54,679	\$ 569,995	\$ 470,415	\$ 97,215	\$ 1,192,304
Interest payable from short and long term debt.....	49,679	79,690	23,650	9,280	162,299
Trade accounts and other payables.....	695,764	-	-	-	695,764
Short and long term lease liability.....	47,374	89,221	58,641	288,434	483,670
Derivative financial instruments.....	4,650	358	-	-	5,008
	<u>\$ 852,146</u>	<u>\$ 739,264</u>	<u>\$ 552,706</u>	<u>\$ 394,929</u>	<u>\$ 2,539,045</u>

The Company expects to meet its obligations with cash flows generated by operations. Additionally, the Company has access to credit line agreements with various banks to address potential cash needs.

B) CAPITAL MANAGEMENT

The Company's objectives when managing capital (which includes share capital, borrowings, working capital and cash and cash equivalents) are to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk, to protect the Company's ability to continue as a going concern while taking advantage of strategic opportunities to provide sustainable returns for shareholders.

The Company manages the capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, repurchase shares issued, issue new shares, issue new debt, issue new debt to replace existing debt with different characteristics, or sell assets to reduce debt.

In addition, to monitor capital, debt agreements contain financial covenants which are disclosed in Note 14.

5. SEGMENT INFORMATION

The Company's reportable segments are strategic business units that offer different products in different geographical regions. These business units are managed separately because each business segment requires different technology and marketing strategies.

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The Company's reportable segments are as follows:

- **Corn flour and packaged tortilla division (United States):**
Manufactures and distributes more than 20 varieties of corn flour that are used mainly to produce and distribute different types of tortillas and tortilla chip products in the United States. The main brands are MASECA for corn flour and MISSION and GUERRERO for packaged tortillas.
- **Corn flour division (Mexico):**
Engaged principally in the production, distribution and sale of corn flour in Mexico under MASECA brand. Corn flour produced by this division is used mainly in the preparation of tortillas and other related products.
- **Corn flour and packaged tortilla and other (Europe):**
Manufactures and distributes varieties of flour that are used to produce different types of tortillas, flat breads, grits and other in the same category in Europe. The main brands are MASECA for corn flour and MISSION for packaged products.
- **Other segments:**
This section represents those segments whose amounts on an individual basis do not exceed 10% of the consolidated total of net sales, operating income and assets. These segments are:
 - a) Corn flour, hearts of palm, rice, and other products (Central America).
 - b) Packaged tortillas (Mexico).
 - c) Wheat flour tortillas and snacks (Asia and Oceania).
 - d) Technology and equipment, which conducts research and development regarding flour and tortilla manufacturing equipment, produces machinery for corn flour and tortilla production and is engaged in the construction of the Company's corn flour manufacturing facilities.
 - e) Balanced feed for livestock (Mexico)

All inter-segment sales prices are market-based. The Chief Executive Officer evaluates performance based on operating income of the respective business units. The accounting policies for the reportable segments are the same as the policies described in Notes 2 and 3.

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Segment information as of and for the year ended December 31, 2022 and the year ended in that period:

	Corn flour and packaged tortilla division (United States)	Corn flour division (Mexico)	Corn flour and packaged tortilla division (Europe)	Other segments	Eliminations and corporate expenses	Total
Net sales to external customers.....	\$ 3,190,405	\$ 1,321,559	\$ 420,195	\$ 664,462	\$ -	\$ 5,596,621
Inter-segment net sales.....	6,317	150,033	588	160,786	(317,724)	-
Operating income.....	440,935	115,633	8,529	35,764	9,282	610,143
Depreciation and amortization.....	125,681	60,484	13,934	30,535	(34,076)	196,558
Total assets.....	1,918,446	1,227,622	526,385	839,098	(124,895)	4,386,656
Total liabilities.....	749,080	317,210	173,062	179,897	1,533,822	2,953,071
Expenditures paid in the year for fixed assets....	156,400	48,861	13,146	81,512	(2,404)	297,515

Segment information as of and for the year ended December 31, 2021 and the year ended in that period:

	Corn flour and packaged tortilla division (United States)	Corn flour division (Mexico)	Corn flour and packaged tortilla division (Europe)	Other segments	Eliminations and corporate expenses	Total
Net sales to external customers.....	\$ 2,592,686	\$ 1,104,507	\$ 333,962	\$ 591,410	\$ 1,006	\$ 4,623,571
Inter-segment net sales.....	4,623	120,877	624	122,373	(248,497)	-
Operating income.....	368,898	114,642	27,814	32,169	10,202	553,725
Depreciation and amortization.....	112,587	56,855	13,316	29,788	(33,196)	179,350
Total assets.....	1,655,463	1,113,524	516,875	753,475	(212,214)	3,827,123
Total liabilities.....	624,186	288,821	167,229	173,775	1,136,891	2,390,902
Expenditures paid in the year for fixed assets....	151,668	49,339	46,161	39,465	(152)	286,481

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A summary of information by geographic segment for the years ended December 31, 2022 and 2021 is presented below:

	<u>2022</u>	<u>%</u>	<u>2021</u>	<u>%</u>
<u>Net sales to external customers:</u>				
United States.....	\$ 3,190,405	57	\$ 2,592,686	56
Mexico.....	1,421,937	25	1,192,566	26
Europe.....	420,195	8	333,962	7
Central America.....	322,617	6	264,107	6
Asia and Oceania.....	241,467	4	240,250	5
	<u>\$ 5,596,621</u>	<u>100</u>	<u>\$ 4,623,571</u>	<u>100</u>
<u>Expenditures paid in the year for fixed assets:</u>				
United States.....	\$ 156,400	53	\$ 151,668	53
Mexico.....	101,317	34	69,546	24
Europe.....	13,146	4	46,161	16
Central America.....	7,946	3	5,312	2
Asia and Oceania.....	18,706	6	13,794	5
	<u>\$ 297,515</u>	<u>100</u>	<u>\$ 286,481</u>	<u>100</u>
<u>Identifiable assets</u>				
United States.....	\$ 1,918,446	44	\$ 1,655,463	43
Mexico.....	1,463,375	33	1,197,341	31
Europe.....	526,385	12	516,875	14
Central America.....	191,062	4	158,044	4
Asia and Oceania.....	287,388	7	299,400	8
	<u>\$ 4,386,656</u>	<u>100</u>	<u>\$ 3,827,123</u>	<u>100</u>

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include:

	<u>At December 31, 2022</u>	<u>At December 31, 2021</u>
Cash at bank.....	\$ 280,145	\$ 244,863
Short-term investments (less than 3 months).....	3,719	10,105
	<u>\$ 283,864</u>	<u>\$ 254,968</u>

7. ACCOUNTS RECEIVABLE

Accounts receivable comprised the following:

	<u>At December 31, 2022</u>	<u>At December 31, 2021</u>
Trade accounts and notes receivable.....	\$ 555,872	\$ 448,405
Accounts receivable with Venezuelan companies.....	5,145	5,145
Recoverable value-added tax.....	72,252	60,887
Other debtors.....	18,895	9,923
Allowance for doubtful accounts.....	(10,280)	(8,937)
Impairment of accounts receivable with Venezuelan companies.....	(5,145)	(5,145)
	<u>\$ 636,739</u>	<u>\$ 510,278</u>

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The age analysis of accounts receivable is as follows:

	Total	Not past due date balances	Past due balances		
			1 to 120 days	121 to 240 days	More than 240 days (*)
Accounts receivable.....	\$ 574,767	\$ 465,023	\$ 96,119	\$ 1,774	\$ 11,851
Allowance for doubtful accounts..	(10,280)	(2,306)	(1,245)	(696)	(6,033)
Total at December 31, 2022.....	<u>\$ 564,487</u>	<u>\$ 462,717</u>	<u>\$ 94,874</u>	<u>\$ 1,078</u>	<u>\$ 5,818</u>

	Total	Not past due date balances	Past due balances		
			1 to 120 days	121 to 240 days	More than 240 days (*)
Accounts receivable.....	\$ 458,328	\$ 337,955	\$ 108,840	\$ 1,751	\$ 9,782
Allowance for doubtful accounts..	(8,937)	(1,301)	(1,320)	(463)	(5,853)
Total at December 31, 2021.....	<u>\$ 449,391</u>	<u>\$ 336,654</u>	<u>\$ 107,520</u>	<u>\$ 1,288</u>	<u>\$ 3,929</u>

(*) Accounts receivable with Venezuelan companies refer to discontinued operations and were not included in the age analysis of accounts receivable for 2022 and 2021.

For the years ended December 31, 2022 and 2021, the movements on the current and non-current allowance for doubtful accounts (Note 9) are as follows:

	2022	2021
Beginning balance	\$ (9,659)	\$ (14,506)
Allowance for doubtful accounts.....	(3,716)	(2,178)
Receivables written off during the year.....	2,441	6,780
Cumulative translation adjustments.....	(331)	245
Ending balance.....	<u>\$ (11,265)</u>	<u>\$ (9,659)</u>

8. INVENTORIES

Inventories consisted of the following:

	At December 31, 2022	At December 31, 2021
Raw materials, mainly corn and wheat.....	\$ 647,487	\$ 449,442
Finished products.....	121,410	111,667
Materials and spare parts.....	175,129	137,760
Production in process.....	14,573	9,813
Advances to suppliers.....	3,028	5,213
Inventory in transit.....	8,189	9,977
	<u>\$ 969,816</u>	<u>\$ 723,872</u>

For the years ended December 31, 2022 and 2021, the cost of raw materials consumed and the changes in the inventories of production in process and finished goods, recognized as cost of sales amounted to \$1,923,043 and \$1,783,221, respectively.

For the years ended December 31, 2022 and 2021, the Company recognized \$12,420 and \$8,383, respectively, for inventory that was damaged, slow-moving and obsolete.

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9. LONG-TERM NOTES AND ACCOUNTS RECEIVABLE

Long-term notes and accounts receivable are as follows:

	<u>At December 31, 2022</u>	<u>At December 31, 2021</u>
Long-term notes receivable.....	\$ 7,712	\$ 6,743
Guarantee deposits.....	7,123	4,543
Long-term recoverable value-added tax.....	-	696
Other.....	327	315
Allowance for long-term doubtful accounts.....	(985)	(722)
	<u>\$ 14,177</u>	<u>\$ 11,575</u>

At December 31, 2022 and 2021, long-term notes receivable are denominated in pesos, maturing from 2024 to 2032 and bearing monthly interests at an annual average fixed rate of 16% for 2022 and 2021.

10. PROPERTY, PLANT AND EQUIPMENT

Changes in property, plant and equipment for the years ended December 31, 2022 and 2021 were as follows:

	<u>Land and buildings</u>	<u>Machinery and equipment</u>	<u>Leasehold improvements</u>	<u>Construction in progress</u>	<u>Total</u>
At December 31, 2020					
Cost.....	\$ 618,273	\$ 2,167,530	\$ 188,708	\$ 147,902	\$ 3,122,413
Accumulated depreciation.....	(217,104)	(1,273,843)	(75,273)	-	(1,566,220)
Net book value.....	<u>401,169</u>	<u>893,687</u>	<u>113,435</u>	<u>147,902</u>	<u>1,556,193</u>
For the year ended December 31, 2021					
Opening net book value...	401,169	893,687	113,435	147,902	1,556,193
Exchange differences.....	(9,880)	(18,688)	(457)	(1,145)	(30,170)
Additions.....	1,754	55,510	57	223,482	280,803
Disposals/derecognition (Note 22).....	(14,220)	(13,060)	(983)	(295)	(28,558)
Depreciation charge of the year.....	(13,765)	(108,675)	(6,233)	-	(128,673)
Transfers.....	77,767	134,574	1,445	(213,786)	-
Assets leased, net of depreciation.....	-	5,678	-	-	5,678
Other	-	(4,779)	(301)	(193)	(5,273)
Impairment.....	-	(2,319)	-	-	(2,319)
Closing net book value...	<u>442,825</u>	<u>941,928</u>	<u>106,963</u>	<u>155,965</u>	<u>1,647,681</u>
At December 31, 2021					
Cost.....	667,668	2,262,674	183,777	155,965	3,270,084
Accumulated depreciation.....	(224,843)	(1,320,746)	(76,814)	-	(1,622,403)
Net book value.....	<u>442,825</u>	<u>941,928</u>	<u>106,963</u>	<u>155,965</u>	<u>1,647,681</u>

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	<u>Land and buildings</u>	<u>Machinery and equipment</u>	<u>Leasehold improvements</u>	<u>Construction in progress</u>	<u>Total</u>
For the year ended					
December 31, 2022					
Opening net book value...	442,825	941,928	106,963	155,965	1,647,681
Exchange differences.....	4,688	9,868	734	1,344	16,634
Additions.....	40,779	57,089	56	193,031	290,955
Disposals/derecognition (Note 22).....	(56)	(2,239)	-	(358)	(2,653)
Depreciation charge of the year.....	(14,494)	(120,052)	(6,913)	-	(141,459)
Transfers.....	5,481	43,661	778	(49,920)	-
Assets leased, net of depreciation.....	-	6,560	-	-	6,560
Other.....	11,639	(8,103)	5,504	(4,799)	4,241
Impairment	-	(144)	-	-	(144)
Closing net book value...	<u>490,862</u>	<u>928,568</u>	<u>107,122</u>	<u>295,263</u>	<u>1,821,815</u>
At December 31, 2022					
Cost.....	735,763	2,343,523	190,918	295,263	3,565,467
Accumulated depreciation.....	<u>(244,901)</u>	<u>(1,414,955)</u>	<u>(83,796)</u>	<u>-</u>	<u>(1,743,652)</u>
Net book value.....	<u>\$ 490,862</u>	<u>\$ 928,568</u>	<u>\$ 107,122</u>	<u>\$ 295,263</u>	<u>\$ 1,821,815</u>

For the years ended December 31, 2022 and 2021, depreciation expense was recognized as follows:

	<u>2022</u>	<u>2021</u>
Cost of sales.....	\$ 110,493	\$ 103,070
Selling and administrative expenses.....	30,966	25,603
	<u>\$ 141,459</u>	<u>\$ 128,673</u>

At December 31, 2022 and 2021, property, plant and equipment included idle assets with a carrying value of approximately \$3,077 and \$2,975, respectively, resulting from the temporary shut-down of the productive operations of various plants in Mexico, mainly in the corn flour division.

For the year ended December 31, 2022 and 2021, the Company recognized impairment losses from fixed assets of \$144 and \$2,319, respectively, in other (expenses) income, net.

The impairment loss for 2022 corresponds to the subsidiary Grupo Industrial Maseca. S.A. de C. V. and subsidiaries, which is within the Corn flour México segment and the impairment loss in 2021 correspond to the subsidiary Gruma Corp, which is within the Corn flour and packaged tortilla (United States) segment.

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11. LEASES

Leases information where the Company acts as a lessee is as follows.

A) AMOUNTS RECOGNIZED IN THE BALANCE SHEET

As of December 31, 2022 and 2021, the consolidated balance sheet presents the following amounts related to leases:

	<u>At December 31, 2022</u>	<u>At December 31, 2021</u>
Right-of-use assets:		
Land.....	\$ 106	\$ 27
Buildings.....	301,798	267,604
Machinery and equipment.....	31,285	21,661
	<u>\$ 333,189</u>	<u>\$ 289,292</u>
Lease liabilities:		
Short term.....	\$ 49,107	\$ 37,538
Long term.....	318,305	281,542
	<u>\$ 367,412</u>	<u>\$ 319,080</u>

The additions to right-of-use assets in 2022 and 2021 are \$115,369 and \$56,309, respectively.

The following table presents the changes in the Company's lease liabilities:

	<u>2022</u>	<u>2021</u>
Beginning balance.....	\$ 319,080	\$ 334,842
New contracts.....	115,369	56,309
Lease payments.....	(62,269)	(60,220)
Foreign currency exchange effect.....	(1,281)	560
Financia expenses.....	16,786	16,290
Full or partial termination of contracts ^(a,b)	(23,673)	(27,272)
Cumulative translation adjustments.....	3,400	(1,429)
Ending balance.....	<u>\$ 367,412</u>	<u>\$ 319,080</u>

(a) During fiscal year 2022, a cancellation of a lease contract liability is included for an amount of \$16,647 due to the Company acquired the property originally leased. The Company made this purchase of the property for an amount of \$35,000. This cancellation of the lease did not generate penalties for the Company.

(b) During fiscal year 2021, a cancellation of a lease contract liability is included for an amount of \$19,197 due to the Company exercised the purchase option in the lease contract to acquire the property originally leased. The Company made this purchase of the property for an amount of \$45,013. This cancellation of the lease did not generate penalties for the Company.

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B) AMOUNTS RECOGNIZED IN THE INCOME STATEMENT

For the years ended December 31, 2022 and 2021, the consolidated income statement presents the following amounts related to leases:

	2022	2021
Depreciation expense of the right-of-use assets:		
Land.....	\$ 163	\$ 43
Buildings.....	41,877	37,636
Machinery and equipment.....	12,181	11,327
	\$ 54,221	\$ 49,006
Interest expense.....	\$ 16,786	\$ 16,290
(Gain) loss for foreign currency Exchange effect.....	(1,281)	560
Short-term lease expense.....	26,055	21,764
Lease expense for low value assets	2,851	2,712
Expenses related to variable lease payments not included in the lease liability.....	17	33

Total cash flow from leases for the years ended December 31, 2022 and 2021 amounted to \$91,192 and \$84,729, respectively.

C) DESCRIPTION OF LEASE ACTIVITIES

The Company, as a lessee, enters into various lease contracts related to facilities and equipment. Lease terms are negotiated on an individual basis and contain a wide range of terms and conditions. Lease agreements do not impose compliance with any financial ratios. Leased assets cannot be sold or used as collateral to obtain debt.

D) VARIABLE LEASE PAYMENTS

Certain lease agreements contain terms of variable payments that depend on a price index, so the rent payable is modified during the term of the lease. Possible future increases in variable lease payments are considered as part of the lease liability until effective; at that time, the lease liability is reassessed, and the right-of-use asset is adjusted.

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12. INTANGIBLE ASSETS

Changes in intangible assets for the years ended December 31, 2022 and 2021 were as follows:

	Intangible assets acquired					Total
	Goodwill	Covenants not to compete	Patents and trade- marks	Customer lists	Software for internal use and other	
At December 31, 2020						
Cost.....	\$ 173,784	\$ 23,473	\$ 8,530	\$ 13,924	\$ 35,601	\$ 255,312
Accumulated amortization.....	-	(23,124)	(4,308)	(9,319)	(20,423)	(57,174)
Net book value.....	<u>173,784</u>	<u>349</u>	<u>4,222</u>	<u>4,605</u>	<u>15,178</u>	<u>198,138</u>
For the year ended December 31, 2021						
Opening net book value...	173,784	349	4,222	4,605	15,178	198,138
Exchange differences.....	(7,013)	(56)	(1,095)	399	(566)	(8,331)
Additions.....	146	-	-	3	6,066	6,215
Amortization charge.....	-	(293)	-	(938)	(597)	(1,828)
Impairment.....	(146)	-	-	-	-	(146)
Closing net book value...	<u>166,771</u>	<u>-</u>	<u>3,127</u>	<u>4,069</u>	<u>20,081</u>	<u>194,048</u>
At December 31, 2021						
Cost.....	166,771	22,781	8,226	13,202	40,382	251,362
Accumulated amortization.....	-	(22,781)	(5,099)	(9,133)	(20,301)	(57,314)
Net book value.....	<u>166,771</u>	<u>-</u>	<u>3,127</u>	<u>4,069</u>	<u>20,081</u>	<u>194,048</u>
For the year ended December 31, 2022						
Opening net book value...	166,771	-	3,127	4,069	20,081	194,048
Exchange differences.....	(2,712)	-	(171)	(212)	592	(2,503)
Additions.....	-	-	-	-	654	654
Amortization charge.....	-	-	(72)	(637)	(471)	(1,180)
Impairment.....	(2,003)	-	-	-	-	(2,003)
Closing net book value...	<u>162,056</u>	<u>-</u>	<u>2,884</u>	<u>3,220</u>	<u>20,856</u>	<u>189,016</u>
At December 31, 2022						
Cost.....	162,056	23,105	4,843	8,623	37,739	236,366
Accumulated amortization.....	-	(23,105)	(1,959)	(5,403)	(16,883)	(47,350)
Net book value.....	<u>\$ 162,056</u>	<u>\$ -</u>	<u>\$ 2,884</u>	<u>\$ 3,220</u>	<u>\$ 20,856</u>	<u>\$ 189,016</u>

At December 31, 2022 and 2021, only trademarks and goodwill, are considered indefinite-lived intangible assets.

For the years ended December 31, 2022 and 2021, amortization expense was recognized as follows:

	2022	2021
Selling and administrative expenses.....	\$ 878	\$ 1,670
Financial expenses.....	302	158
	<u>\$ 1,180</u>	<u>\$ 1,828</u>

Research and development costs of \$10,001 and \$7,602 that did not qualify for capitalization were recognized in the income statement for the years ended December 31, 2022 and 2021, respectively.

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Goodwill acquired in business combinations is allocated at acquisition date to the cash-generating units (CGU) that are expected to benefit from the synergies of the business combinations. The carrying values of goodwill allocated to the CGU or a group of CGU are as follows:

<u>Cash-generating unit</u>	<u>At December 31, 2022</u>	<u>At December 31, 2021</u>
Mission Foods Division (1).....	\$ 60,451	\$ 60,451
Gruma Spain (2).....	37,535	39,691
Gruma UK (2).....	5,135	5,430
Azteca Milling, L.P (1).....	12,030	12,030
Gruma Corporation.....	10,989	10,337
Rositas Investments Pty, Ltd (2).....	10,049	10,687
NDF Azteca Milling Europe SRL (2).....	6,044	6,521
Grupo Industrial Maseca, S.A. de C.V.....	5,094	4,791
Semolina, A.S (2).....	1,335	1,928
Agroindustrias Integradas del Norte, S.A. de C.V (3).....	4,459	4,194
Gruma Centroamérica (2).....	2,488	2,488
Soltse Mexico (2).....	2,311	2,186
Altera LLC (2).....	-	2,144
Molinos Azteca de Chiapas, S.A. de C.V (3).....	1,454	1,368
Harinera de Yucatán, S.A. de C.V (3).....	975	918
Harinera de Maíz de Mexicali, S.A. de C.V (3).....	900	847
Molinos Azteca, S.A. de C.V (3).....	461	434
Harinera de Maíz de Jalisco, S.A. de C.V (3).....	346	326
	<u>\$ 162,056</u>	<u>\$ 166,771</u>

- (1) Subsidiary of Gruma Corporation
(2) Subsidiary of Gruma International Foods, S.L.
(3) Subsidiary of Grupo Industrial Maseca, S.A. de C.V.

On March 2022, the Company recognized a non-monetary charge in the operating results, in “other (expenses) income, net” of \$2,003 due to the goodwill impairment associated with the business segment of "Altera, LLC" located in Ukraine and associated with the European corn flour and packaged tortilla business segment. (See Note 30).

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In 2022 and 2021, the discount rates and growth rates used by the Company to determine the discounted cash flows of the CGU are the following:

Cash-generating unit	After-tax discount rates		Growth rates	
	2022	2021	2022	2021
Mission Foods Division.....	4.6%	2.6%	1.8%	1.9%
Gruma Spain.....	7.9%	5.1%	2.3%	2.5%
Gruma UK.....	6.9%	4.4%	1.6%	2.4%
Azteca Milling, L.P.....	6.0%	3.9%	1.8%	1.9%
Gruma Corporation.....	4.6%	2.6%	1.8%	1.9%
Rositas Investment PTY, LTD.....	5.9%	3.8%	2.4%	2.4%
NDF Azteca Milling Europe SRL.....	8.6%	5.5%	1.1%	1.5%
Grupo Industrial Maseca, S.A. de C.V.....	6.7%	4.5%	2.1%	2.2%
Semolina A.S.....	11.6%	8.7%	1.3%	3.6%
Agroindustrias Integradas del Norte, S.A. de C.V.	8.1%	5.9%	2.1%	2.2%
Gruma Centroamérica.....	17.5%	8.0%	3.2%	3.2%
Solntse Mexico.....	14.4%	5.5%	0.3%	2.3%
Alterra LLC.....	26.3%	8.8%	3.8%	3.7%
Molinos Azteca de Chiapas, S.A. de C.V.....	8.1%	5.8%	2.1%	2.2%
Harinera de Yucatán, S.A. de C.V.....	8.1%	5.8%	2.1%	2.2%
Harinera de Maíz de Mexicali, S.A. de C.V.....	8.1%	5.8%	2.1%	2.2%
Molinos Azteca, S.A. de C.V.....	8.1%	5.8%	2.1%	2.2%
Harinera de Maíz de Jalisco, S.A. de C.V.....	8.1%	5.8%	2.1%	2.2%

The discount rate used reflects the Company's specific risks related to its operations. The long-term growth rate used is consistent with projections included in industry reports.

With respect to the determination of the CGU's value in use, the Company's management considered that a possible change of an increase of 100 basis points in the discount rate after taxes and a decrease of 10% in the long-term growth rates, in independent analysis, will not cause that the CGU's carrying value to materially exceed their value in use and separately. The recovery amount of cash-generating units has been determined based on calculations of the values in use. These calculations use cash flow projections based on financial budgets approved by the Company's management for a 5-year period.

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13. DEFERRED TAX ASSETS AND LIABILITIES

A) COMPONENTS OF DEFERRED TAX

The principal components of deferred tax assets and liabilities are summarized as follows:

	(Asset) Liability	
	At December 31, 2022	At December 31, 2021
Net operating loss carryforwards and other tax credits.....	\$ (74,610)	\$ (96,079)
Lease liability.....	(94,415)	(83,258)
Customer advances.....	-	(7)
Allowance for doubtful accounts.....	(685)	(605)
Liability provisions and employee benefits obligations.....	(55,407)	(50,480)
Prepayment for trademarks license with affiliates.....	(6,241)	(16,514)
Intangible assets, net and others.....	(5,361)	-
Derivative financial instruments.....	(22,188)	-
Other.....	(1,605)	(981)
Deferred tax asset.....	<u>(260,512)</u>	<u>(247,924)</u>
Property, plant and equipment, net.....	62,704	71,266
Right-of-use asset, net.....	85,548	75,882
Prepaid expenses.....	1,249	1,506
Customer advance.....	31	-
Intangible assets, net and others.....	-	175
Investment in subsidiaries.....	79,945	64,305
Derivative financial instruments.....	-	11,424
Other.....	301	283
Deferred tax liability.....	<u>229,778</u>	<u>224,841</u>
Net provision for deferred tax.....	<u>\$ (30,734)</u>	<u>\$ (23,083)</u>

At December 31, 2022 and 2021, the Company did not recognize a deferred income tax asset of \$27,010 and \$25,452, respectively, from the tax losses of its subsidiaries in Mexico, since sufficient evidence was not available to determine that these tax loss carryforwards will be realized during their amortization period. These tax losses expire in the year 2032. Additionally, as of December 31, 2022 and 2021, the Company did not recognize from its foreign subsidiaries a deferred tax asset derived from its tax losses of \$27,126 and \$28,684, respectively.

At December 31, 2022 and 2021, the undistributed taxable income of subsidiaries in México amounted to \$181,470 and \$251,266, respectively. No deferred income tax has been recognized for this undistributed taxable income, since the Company has the ability to control the time for its reversal and it is probable that in the near future these temporary differences will not reverse. If the Company had not chosen this option, the deferred tax liability of these items would have amounted to \$54,441 and \$75,380 of December 31, 2022 and 2021, respectively.

At December 31, 2022 and 2021, the Company recognized a deferred income tax liability of \$79,945 and \$64,305, respectively, from undistributed taxable income generated as of 2018 by the Company's subsidiaries in the United States (Gruma Corporation and subsidiaries) at a reduced rate for the effects of tax credits generated by the distributed profits. The reversal of this tax amount is made at the moment in which the subsidiaries distribute such profits to the Company through dividends.

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The changes in the temporary differences during the year were as follows:

	Balance at January 1, 2022	Recogni- zed in income	Recognized in other compre- hensive income	Reclassifi- cations	Cumulative translation adjustments	Balance at December 31, 2022
Net operating loss carryforwards and other tax credits.....	\$ (96,079)	\$ 11,776	\$ 13,756	\$ -	\$ (4,063)	\$ (74,610)
Lease liability.....	(83,258)	(9,272)	-	-	(1,885)	(94,415)
Customer advances.....	(7)	36	-	(31)	2	-
Allowance for doubtful accounts..	(605)	(39)	-	-	(41)	(685)
Liability provisions and employee benefits obligations.....	(50,480)	(6,635)	240	3,931	(2,463)	(55,407)
Prepayment for trademarks license with affiliates.....	(16,514)	10,061	(102)	-	314	(6,241)
Intangible assets and others.....	-	-	-	(5,361)	-	(5,361)
Derivative financial instruments..	-	-	-	(22,188)	-	(22,188)
Others.....	(981)	(574)	(19)	-	(31)	(1,605)
Deferred tax asset.....	<u>(247,924)</u>	<u>5,353</u>	<u>13,875</u>	<u>(23,649)</u>	<u>(8,167)</u>	<u>(260,512)</u>
Property, plant and equipment...	71,266	(5,079)	-	(3,922)	439	62,704
Right-of-use asset.....	75,882	7,977	-	-	1,689	85,548
Prepaid expenses.....	1,506	(326)	-	2	67	1,249
Customer advance.....	-	-	-	31	-	31
Intangible assets.....	175	(4,761)	-	5,358	(772)	-
Investment in subsidiaries.....	64,305	13,552	(2,855)	-	4,943	79,945
Derivative financial instruments.	11,424	(4,441)	(29,325)	22,188	154	-
Others.....	283	-	-	(1)	19	301
Deferred tax liability.....	<u>224,841</u>	<u>6,922</u>	<u>(32,180)</u>	<u>23,656</u>	<u>6,539</u>	<u>229,778</u>
Net provision for deferred taxes	<u>\$ (23,083)</u>	<u>\$ 12,275</u>	<u>\$ (18,305)</u>	<u>\$ 7</u>	<u>\$ (1,628)</u>	<u>\$ (30,734)</u>

	Balance at January 1, 2021	Recogni- zed in income	Recognized in other compre- hensive income	Reclassifi- cations	Cumulative translation adjustments	Balance at December 31, 2021
Net operating loss carryforwards and other tax credits.....	\$ (115,588)	\$ 21,900	\$ (9,654)	\$ 3,913	\$ 3,350	\$ (96,079)
Lease liability.....	(87,619)	3,820	-	-	541	(83,258)
Customer advances.....	(96)	87	-	-	2	(7)
Allowance for doubtful accounts..	(437)	(179)	-	-	11	(605)
Liability provisions and employee benefits obligations.....	(51,344)	(1,083)	259	994	694	(50,480)
Prepayment of trademarks license with affiliates.....	(26,155)	9,877	(964)	-	728	(16,514)
Others.....	<u>(7,188)</u>	<u>(466)</u>	<u>-</u>	<u>6,727</u>	<u>(54)</u>	<u>(981)</u>
Deferred tax asset.....	<u>(288,427)</u>	<u>33,956</u>	<u>(10,359)</u>	<u>11,634</u>	<u>5,272</u>	<u>(247,924)</u>
Property, plant and equipment...	73,252	1,213	-	(3,764)	565	71,266
Right-of-use asset.....	80,743	(4,285)	-	-	(576)	75,882
Prepaid expenses.....	763	780	-	(6)	(31)	1,506
Intangible assets.....	9,944	(4,745)	-	(4,968)	(56)	175
Investment in subsidiaries.....	61,746	2,580	1,925	-	(1,946)	64,305
Derivative financial instruments.	8,814	1,132	4,579	(2,900)	(201)	11,424
Others.....	431	20	-	22	(190)	283
Deferred tax liability.....	<u>235,693</u>	<u>(3,305)</u>	<u>6,504</u>	<u>(11,616)</u>	<u>(2,435)</u>	<u>224,841</u>
Net provision for deferred taxes	<u>\$ (52,734)</u>	<u>\$ 30,651</u>	<u>\$ (3,855)</u>	<u>\$ 18</u>	<u>\$ 2,837</u>	<u>\$ (23,083)</u>

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B) TAX LOSS CARRYFORWARDS

At December 31, 2022, the Company had tax loss carryforwards from its subsidiaries in Mexico, which amounted to approximately \$90,035. Based on projections prepared by the Company's management, is not enough evidence that these tax losses will be recovered, therefore, the Company did not recognize a deferred tax asset. Tax losses that will not be used have the following expiration dates:

<u>Year</u>	<u>Amount</u>
2023.....	\$ 11,605
2024.....	3,080
2025	851
2026	1,233
2027 and thereafter.....	73,266
Total.....	<u>\$ 90,035</u>

At December 31, 2022, the Company had tax loss carryforwards from its foreign subsidiaries, which amounted to approximately \$111,530, for which a deferred tax asset has not been recognized, considering that the projections prepared by the Company's management do not show enough evidence that these tax losses will be recovered.

C) UNCERTAIN TAX POSITIONS

At December 31, 2022 and 2021, the Company has no uncertain tax positions.

D) TAX EFFECTS FROM OTHER COMPREHENSIVE INCOME

Deferred taxes related to other comprehensive income are comprised of:

	<u>At December 31, 2022</u>	<u>At December 31, 2021</u>
Net Investment hedge.....	\$ 10,799	\$ (8,693)
Remeasurement of employment benefit obligations.....	240	259
Cash flow hedges reserve.....	(29,325)	4,579
Others.....	(19)	-
Total.....	<u>\$ (18,305)</u>	<u>\$ (3,855)</u>

14. DEBT

Debt is summarized as follows:

Short-term:	<u>As of December 31, 2022</u>	<u>As of December 31, 2021</u>
Bank loans.....	\$ 135,506	\$ 42,427
Current portion of long-term bank loans, notes and debt securities.....	11,465	12,252
	<u>\$ 146,971</u>	<u>\$ 54,679</u>

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	As of December 31, 2022	As of December 31, 2021
Long-term:		
Bank loans, notes and debt securities.....	\$ 1,473,070	\$ 1,145,947
Current portion of long-term bank loans, notes and debt securities.....	(11,465)	(12,252)
	\$ 1,461,605	\$ 1,133,695

The terms, conditions and carrying values of debt are as follows:

	Currency	Interest rate	Maturity date	As of December 31, 2022	As of December 31, 2021
10-year Senior notes ^(b)	USD	4.88%	2024	399,169	398,855
Bank Loan ^(a)	USD	2.79%	2025	249,064	248,843
Debt securities “Gruma21” ^(c) ..	Pesos	VAR. TIIE + 0.29%	2027	231,818	-
Club loan ^(a)	USD	VAR. Libor + 1.00%	2026	199,163	198,977
Bank Loans.....	Pesos	VAR. TIIE + 0.18%	2023	131,704	-
Bank Loan ^(d)	USD	VAR. SOFR + 1.00%	2027	124,372	-
Revolving Loan ^(d)	USD	VAR. SOFR + 1.00%	2027	124,271	-
Debt securities “Gruma22” ^(b) ..	Pesos	7.00%	2028	102,922	96,762
Bank Loan ^(b)	Euros	0.95%	2026	38,545	50,949
Bank Loans.....	Turkish Liras	13.55% - 18.10%	2023	3,924	5,990
Bank Loan.....	Euros	1.53%	2024	3,624	5,749
Debt securities “Gruma18”.....	Pesos	TIIE + 0.38%*	2023	-	145,546
Bank Loan.....	Pesos	VAR. TIIE + 0.15%	2022	-	36,437
Bank Loans.....	Euros	3.95%	2022-2027	-	266
Total.....				\$ 1,608,576	\$ 1,188,374

(a) Quarterly interest payments; (b) Semi-annual interest payments; (c) Interest payment every 28 days; (d) Monthly interest payments; the rest of the liabilities pay interest monthly or at maturity.

* Effective rate of 8.52% considering interest rate swap.

As of December 31, 2022 and 2021, short-term debt had an average interest rate of 10.07% and 6.08%, respectively. As of December 31, 2022 and 2021, Net Comprehensive Financing Cost included interest expense related to debt amounting to \$82,119 and \$58,620, respectively.

As of December 31, 2022, the annual maturities of long-term debt outstanding were as follows:

Year	Amount
2024.....	\$ 410,633
2025.....	258,717
2026.....	208,816
2027.....	480,477
2028 and thereafter	102,962
Total.....	\$ 1,461,605

On March 30, 2021, the Company obtained a loan for \$200,000, which was granted jointly by The Bank of Nova Scotia and Bank of America México, SA, Institución de Banca Múltiple, for a term of 5 years, accruing interest at a LIBOR rate plus a spread of 100 basis points and payable in a single installment at maturity. The funds from this loan were used by the Company to repay debt denominated in dollars and pesos.

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On May 19, 2021, as part of its revolving short- and long-term Debt Securities Program for a total authorized amount of Ps.8,000,000 (\$413,191) the Company carried out a public offering of long-term debt securities “GRUMA21” in the local debt markets for Ps.2,000,000 (\$103,298) with a 7 year term and accruing interest at a fixed annual rate of 7.0%. The funds from this public offering were used by the Company to repay long-term debt in pesos maturing in September 2021.

On June 3, 2021, the Company terminated its committed revolving credit facilities for \$250,000 with Rabobank as administrative agent and for \$120,000 with The Bank of Nova Scotia as administrative agent. On the same date, the Company engaged a new committed revolving facility for \$250,000, with Rabobank as administrative agent and equal participation from Rabobank, Bank of America, JP Morgan, The Bank of Nova Scotia and Credit Agricole. The new facility has a floating rate of LIBOR plus 1.15%, an unused fee of 0.32% per year, a term of 5 years, as well as restrictions in line with the other current credits. As of December 31, 2022, the facility was not utilized.

On July 28, 2022, the Company obtained a committed line of credit for up to \$150,000, which will be used for general corporate purposes. The committed line of credit was granted by BBVA Mexico, S.A., Institucion de Banca Multiple, Grupo Financiero BBVA Mexico for a term of 5 years, with a SOFR rate plus a spread of 100 basis points. As of December 31, 2022, \$25,000 was available.

On September 27, 2022, the Company obtained a credit facility for \$125,000, which was used to refinance various existing liabilities. The credit was granted by The Bank of Nova Scotia for a term of 5 years, with a SOFR rate plus a spread of 100 basis points, payable in a single installment at maturity.

On September 30, 2022, the Company obtained a committed line of credit for \$100,000, which will be used for general corporate purposes. The committed line of credit was granted by Cooperatieve Rabobank U.A. New York Branch and Bank of America, N.A., with a 5 year term, with a SOFR rate plus a 10 basis points adjustment plus a spread of 105 basis points. As of December 31, 2022, the facility was not utilized.

On October 10, 2022, the Mexican National Banking and Securities Commission (CNBV) authorized a new revolving short and long-term Debt Securities Program for a total authorized amount of Ps.10,000,000 (\$516,489). As part of this new Program, on October 11, 2022 the Company carried out a public offering of long-term debt securities “GRUMA22” in the local debt market for the amount of Ps.4,500,000 (\$232,420) with a 5-year term and accruing interest at an annual rate equal to TIIE plus a spread of 29 basis points. The Debt Securities were rated “AAA(mex)” on a local scale by Fitch Mexico and “mxAA+” by S&P Global Ratings. The funds from this public offering were used by the Company to prepay the “GRUMA18” Debt Securities maturing in 2023 and to refinance short-term debt.

As of December 31, 2022, the Company has contracted committed lines of credit for \$750,000, out of which \$625,000 are available, and require the quarterly payment of unused fees from 0.10% to 0.35%, which are recognized as part of the financial expenses for the year.

The outstanding loans documentation contains various obligations, mainly regarding compliance with financial ratios and delivery of financial information, which if not complied with or remedied within a certain period to the satisfaction of the creditors, could be considered as a cause for early termination.

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Financial ratios are calculated according with the formulas established in the credit agreements. The main financial ratios contained in the credit agreements are the following:

- Interest coverage ratio, defined as the ratio of consolidated earnings before interest, tax, depreciation and amortization (EBITDA) of the last twelve months to consolidated interest charges of the last twelve months, should not be less than 2.5 times.
- Net Leverage ratio, defined as the ratio of consolidated net debt (determined as the sum of the outstanding principal balance of consolidated indebtedness and guarantees of the Company for obligations with third parties unrelated to the Company's core business minus cash and cash equivalents), to consolidated EBITDA of the last twelve months, should be no greater than 3.5 times.

As of December 31, 2022 and 2021, the Company was in compliance with the financial covenants, as well as with the delivery of the required financial information.

The table below details the changes in the Company's debt arising from financing activities:

	Short-term bank loans	Long-term bank loans, notes and debt securities	Total
Balance at January 1, 2021.....	\$ 136,359	\$ 1,010,354	\$ 1,146,713
Proceeds from debt.....	723,923	286,674	1,010,597
Payment of debt.....	(805,241)	(152,182)	(957,423)
Effect of changes in foreign exchange rates.....	1,099	23,015	24,114
Debt issuance costs.....	-	(1,646)	(1,646)
Cumulative translation adjustments.....	(1,461)	(34,403)	(35,864)
Other non-cash changes.....	-	1,883	1,883
Balance at December 31, 2021.....	54,679	1,133,695	1,188,374
Proceeds from debt.....	1,602,335	508,388	2,110,723
Payment of debt.....	(1,513,890)	(194,952)	(1,708,842)
Effect of changes in foreign exchange rates.....	(670)	(64,831)	(65,501)
Debt issuance costs.....	-	(1,985)	(1,985)
Cumulative translation adjustments.....	4,517	80,042	84,559
Other non-cash changes.....	-	1,248	1,248
Balance at December 31, 2022.....	\$ 146,971	\$ 1,461,605	\$ 1,608,576

15. TRADE ACCOUNTS PAYABLE

The Company has financing programs by which suppliers can discount their notes with different financial institutions (Citibanamex, BBVA, HSBC, Santander, Bank of America). The balance payable derived from these programs is recognized within trade accounts payable in the balance sheet. The financial cost for these operations is a charge to suppliers.

	At December 31, 2022	At December 31, 2021
Discounted balance payable by suppliers.....	\$ 134,333	\$ 155,601

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16. PROVISIONS

The movements of provisions are as follows:

	<u>Labor provisions</u>	<u>Restoration provision</u>	<u>Tax provision</u>	<u>Legal Provision</u>	<u>Total</u>
Balance at January 1, 2021.....	\$ 33,463	\$ 9,968	\$ 64	\$ -	\$ 43,495
Charge (credit) to income:					
Additional provisions.....	11,756	356	9	-	12,121
Unused amounts reserved.....	-	-	(59)	-	(59)
Used during the year.....	(13,079)	(1,226)	-	-	(14,305)
Cumulative translation adjustments.....	-	-	1	-	1
Balance at December 31, 2021.....	<u>32,140</u>	<u>9,098</u>	<u>15</u>	<u>-</u>	<u>41,253</u>
Charge (credit) to income:					
Additional provisions.....	14,713	4,725	-	4,324	23,762
Unused amounts reserved.....	-	-	-	-	-
Used during the year.....	(12,477)	-	-	-	(12,477)
Cumulative translation adjustments.....	-	-	(1)	-	(1)
Balance at December 31, 2022.....	<u>\$ 34,376</u>	<u>\$ 13,823</u>	<u>\$ 14</u>	<u>\$ 4,324</u>	<u>\$ 52,537</u>

The classification of provisions is as follows:

	<u>Labor provisions</u>	<u>Restoration provision</u>	<u>Tax provision</u>	<u>Legal provision</u>	<u>Total</u>
At December 31, 2021:					
Current.....	\$ 9,852	\$ -	\$ -	\$ -	\$ 9,852
Non-current.....	22,288	9,098	15	-	31,401
	<u>\$ 32,140</u>	<u>\$ 9,098</u>	<u>\$ 15</u>	<u>\$ -</u>	<u>\$ 41,253</u>
At December 31, 2022:					
Current.....	\$ 11,988	\$ -	\$ -	\$ 4,324	\$ 16,312
Non-current.....	22,388	13,823	14	-	36,225
	<u>\$ 34,376</u>	<u>\$ 13,823</u>	<u>\$ 14</u>	<u>\$ 4,324</u>	<u>\$ 52,537</u>

Labor provisions

In the United States, when permitted by law, the Company self insures against workers' compensation claims arising from medical expenses incurred due to work accidents or illness. For uncovered risks, the Company estimates the associated liabilities through an actuarial calculation, considering historical information of claims, demographic factors, severity of past events and other actuarial assumptions; to estimate the expected outflows of economic resources and projected timing of the settlement of these claims. At December 31, 2022 and 2021, the discount rate applied was 5.98% and 3.22% respectively. At December 31, 2022 and 2021, the Company has \$1,241 and \$1,225 of expected insurance reimbursements that are included in consolidated balance sheet as a component of accounts receivable.

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Restoration provision

In the United States, the Company has recognized an obligation to remove equipment and leasehold improvements from certain of its leased manufacturing facilities in order to restore the facilities to their original condition, less normal wear and tear as determined by the terms of the lease. The Company has estimated the expected outflows of economic resources associated with these obligations and the probability of possible settlement dates based upon the terms of the lease. These estimates are used to calculate the present value of the estimated expenditures using a before tax discount rate and taking into account any specific risks associated with these obligations. At December 31, 2022 and 2021 the discount rate applied was 6.46% and 4.21%, respectively.

Legal provision

In Central America, a provision of \$4,324 has been recognized related to the payment of a penalty for an administrative proceeding filed by the Commission for the Promotion of Competition (COPROCOM).

17. OTHER CURRENT LIABILITIES

At December 31, 2022 and 2021, Other current liabilities include mainly the following:

	At December 31, 2022	At December 31, 2021
Employee benefits payable.....	\$ 84,309	\$ 70,182
Dividends payable.....	52,210	49,731
Promotion and advertising payable.....	25,190	20,274
Deferred income.....	21,436	15,910
Freights.....	11,169	11,806
Other short-term liabilities ^(a)	114,131	92,672
Total.....	<u>\$ 308,445</u>	<u>\$ 260,575</u>

(a) Other short-term liabilities are mainly integrated of accrued expenses payable.

18. EMPLOYEE BENEFITS OBLIGATIONS

Employee benefits obligations recognized in the balance sheet, by country, were as follows:

Country	At December 31, 2022	At December 31, 2021
Mexico.....	\$ 52,477	\$ 46,704
United States.....	3,498	5,058
Other countries.....	2,605	2,501
Total.....	<u>\$ 58,580</u>	<u>\$ 54,263</u>

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A) MEXICO

In Mexico, labor obligations recognized by the Company correspond to the single-payment retirement plan and seniority premium. The benefits for the retirement plan and seniority premium are defined benefit plans, based on the projected salary at the date in which the employee is assumed to receive the benefits. Currently, the plan operates under Mexican law, which does not require minimum funding.

The plans in Mexico typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk:

- Investment risk. The expected return rate for investment funds is equivalent to the discount rate, which is calculated using a discount rate determined by reference to long-term government bonds; if the return on plan asset is below this rate, it will create a plan deficit. Due to the long-term nature of the plan liabilities, the Company considers appropriate that a reasonable portion of the plan assets should be invested in equity securities to leverage the return generated by the fund.
- Interest risk. A decrease in the interest rate will increase the plan liability; the volatility in interest rates depends exclusively in the economic environment.
- Longevity risk. The present value of the defined benefit plan liability is calculated by reference to the best estimate of mortality of plan participants. An increase in the life expectancy of the plan participants will increase the plan's liability.
- Salary risk. The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary expectancy of the plan participants will increase the plan's liability.

The reconciliation between the beginning and ending balances of the present value of the defined benefit obligations (DBO) is as follows:

	<u>2022</u>	<u>2021</u>
DBO at beginning of the year.....	\$ 49,568	\$ 50,232
Add (deduct):		
Current service cost.....	2,807	3,518
Financial cost.....	3,722	3,246
Remeasurement for the period.....	(1,269)	(1,630)
Benefits paid.....	(2,891)	(4,240)
Cumulative translation adjustments.....	3,215	(1,558)
DBO at end of the year.....	<u>\$ 55,152</u>	<u>\$ 49,568</u>

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The reconciliation between the beginning and ending balances of the employee benefit plan assets at fair value for the years 2022 and 2021 is shown below:

	2022	2021
Plan assets at fair value at beginning of the year..	\$ 2,864	\$ 2,950
Add (deduct):		
Return on plan assets.....	444	152
Return on plan assets recognized in other comprehensive income.....	(801)	(146)
Cumulative translation adjustments.....	168	(92)
Plan assets at fair value at end of the year.....	<u>\$ 2,675</u>	<u>\$ 2,864</u>

The following table shows the reconciliation between the present value of the defined benefit obligation and the plan assets at fair value, and the projected net liability included in the balance sheet:

	At December 31, 2022	At December 31, 2021
Employee benefit (assets) liabilities:		
DBO.....	\$ 55,152	\$ 49,568
Plan assets.....	(2,675)	(2,864)
Employee benefits obligations.....	<u>\$ 52,477</u>	<u>\$ 46,704</u>

The value of the DBO related to the pension plan amounted to \$46,760 and \$42,094 at December 31, 2022 and 2021, respectively, while the value of the DBO related to seniority premiums amounted to \$8,392 and \$7,474, respectively.

At December 31, 2022 and 2021, the components of net cost comprised the following:

	2022	2021
Current service cost.....	\$ 2,807	\$ 3,518
Financial cost.....	3,722	3,246
Return on plan assets.....	111	(152)
Net cost for the year.....	<u>\$ 6,640</u>	<u>\$ 6,612</u>

The net cost for the year related to the pension plan amounted \$5,522 and \$5,636 at December 31, 2022 and 2021, respectively, while the net cost related to seniority premiums amounted to \$1,118 and \$976, respectively.

The net cost for the year 2022 of \$6,640 (\$6,612 in 2021) was recognized in income as cost of sales for \$615 (\$667 in 2021), selling and administrative expenses for \$2,456 (\$2,850 in 2021) and interest expense for \$3,570 (\$3,095 in 2021).

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Remeasurements of the defined benefit obligation recognized in other comprehensive income are comprised of:

	<u>2022</u>	<u>2021</u>
(Losses) return on plan assets (excluding amounts included in net cost of the period).....	\$ (300)	\$ 146
Actuarial gains (losses) arising from changes in financial assumptions.....	3,639	(3,267)
Actuarial (losses) gains arising from experience adjustments.....	<u>(5,214)</u>	<u>1,652</u>
	<u>\$ (1,875)</u>	<u>\$ (1,469)</u>

The total amount recognized in other comprehensive income is described below:

	<u>2022</u>	<u>2021</u>
Balance at the beginning of the year.....	\$ 38,250	\$ 39,719
Remeasurements that occurred during the year...	(1,875)	(1,469)
Balance at the end of the year.....	<u>\$ 36,375</u>	<u>\$ 38,250</u>

At December 31, 2022 and 2021, plan assets stated at fair value and related percentages with respect to total plan assets were analyzed as follows:

	<u>At December 31, 2022</u>		<u>At December 31, 2021</u>	
Equity securities, classified by type of industry:	\$ 1,970	74%	\$ 1,828	64%
Consumer industry.....	456		435	
Financial institutions.....	1,514		1,393	
Fixed rate securities.....	705	26%	1,036	36%
Fair value of plan assets.....	<u>\$ 2,675</u>		<u>\$ 2,864</u>	<u>100%</u>

As of December 31, 2022, the funds maintained in plan assets were considered sufficient to face the Company's short-term needs; therefore, the Company's management has determined that for the time being there is no need for additional contributions to increase these assets.

The main actuarial assumptions used were as follows:

	<u>At December 31, 2022</u>	<u>At December 31, 2021</u>
Discount rate.....	9.50%	7.75%
Future increase rate in compensation levels.....	4.50%	4.50%
Long-term inflation rate.....	3.50%	3.50%

At December 31 2022 and 2021, the impact in DBO for a decrease of 25 basis points in the discount rate amounts to \$679 and \$987, respectively. This sensitivity analysis is based on the change in the discount rate while keeping constant the rest of the assumptions. In practice, this is unlikely to occur, and changes in some of the assumptions can be correlated. The methods used in preparing the sensitivity analysis did not change from those used in prior years.

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The average duration of the benefit obligation at December 31, 2022 and 2021 is 11 and 12 years, respectively.

The Company does not expect to contribute during the next fiscal year.

Labor subcontracting reform:

On April 23, 2021, several provisions were published in the Federal Labor Law, Social Security Law, Law of the Institute of the National Housing Fund for Workers (INFONAVIT), Federal Tax Code, Income Tax Law and Law of the Value Added Tax in order to regulate the subcontracting of personnel.

In general terms, the main aspects are: a) prohibit the subcontracting of personnel, b) incorporate rules into the current legislation that allow legal and individual entities to contract only specialized services or the execution of specialized works, provided that they are not part of the corporate purpose or the predominant economic activity of the beneficiary of the same, c) establish maximum amounts for the payment of Employee's Statutory profit sharing (PTU), and d) creation of the Registry of Providers of Specialized Services and Specialized Works (REPSE) of the Ministry of Labor and Social Welfare (STPS).

These provisions entered into force the day after their publication, except for what refers to the obligations indicated in fiscal matters which entered into force on August 1, 2021 and those of the regulations of Section B), of the Federal Law of Workers to State Service that entered into force in 2022.

The Company carried out an analysis on the application of these new provisions and did not have a material impact on the financial statements.

B) UNITED STATES

In the United States, the Company has a savings and investment plan that incorporates voluntary employee 401(k) contributions with matching contributions from the Company up to 4% of eligible employees' salaries. This plan, available to the majority of employees not covered by collective bargaining agreements permits contributions from 1% to 25% of such employees' annual compensation, as defined in the plan agreement. For the years ended December 31, 2022 and 2021, total expenses related to this plan amounted to \$9,724 and \$8,657, respectively.

Additionally, the Company has established an unfunded nonqualified deferred compensation plan for a selected group of management and highly compensated employees. The plan is voluntary and allows employees to defer a portion of their salary or bonus in excess of the savings and investment plan limitations. The employees elect investment options and the Company monitors the result of those investments and records a liability for the obligation. For the years ended December 31, 2022 and 2021, total (income) expenses related to this plan were approximately \$(965) and \$807, respectively.

At December 31, 2022 and 2021, the liability recognized for both plans amounted \$3,498 and \$5,058, respectively.

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C) OTHER COUNTRIES

In Central America and Europe, the retirement and severance provisions are determined according to the current Labor Legislation of each country. In Central America, at December 31, 2022 and 2021, the liability recognized for this item amounted to \$2,038 and \$1,883, respectively, and the total expenses derived for the same concept were \$462 and \$324, respectively. In Europe, as of December 31, 2022 and 2021, the liability recorded for this concept amounts to \$567 and \$618, respectively, and the total expenses derived for the same concept were \$58 and \$140, respectively.

19. EQUITY

A) COMMON STOCK

At December 31, 2022, the Company's outstanding common stock consisted of 370,308,994 Series "B" shares, Class I, with no par value, fully subscribed and paid, which can only be withdrawn with stockholders' approval and 5,398,865 treasury shares.

The Extraordinary General Shareholders' Meeting held on April 22, 2022 approved the cancellation of 18,498,057 ordinary, nominative shares, without expression of nominal value, series "B", Class I, issued by Gruma S.A.B. de C.V. which have been repurchased by the Company.

At December 31, 2021, the Company's outstanding common stock consisted of 381,031,849 Series "B" shares, Class I, with no par value, fully subscribed and paid, which can only be withdrawn with stockholders' approval and 13,174,067 treasury shares.

The Extraordinary General Shareholders' Meeting held on April 23, 2021, approved the cancellation of 11,285,140 ordinary, nominative shares, without expression of nominal value, series "B", Class I, issued by Gruma S.A.B. de C.V. which have been repurchased by the Company.

B) RETAINED EARNINGS

The Income Tax Law established a 10% tax rate on earnings from 2014 and thereafter, for dividend paid to foreign residents and Mexican individuals; additionally, this law stated that for the years 2001 to 2013, the net taxable income would be determined in accordance with the Income Tax Law effective for each year.

Dividends paid are not subject to income tax if paid from the Net Tax Profit Account (CUFIN) and will be taxed at a rate that fluctuates between 32% and 35% if paid from the reinvested Net Tax Profit Account. Dividends paid that exceed CUFIN and reinvested CUFIN are subject to an income tax payable at a rate of 30% if paid in 2023. The tax is payable by the Company and may be credited against the normal income tax payable by the Company in the year in which the dividends are paid or in the following two years. Dividends paid from earnings previously taxed are not subject to any withholding or additional tax payment. As of December 31, 2022 and 2021, CUFIN amounted to \$760,393 and \$760,381, respectively.

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Legal reserve

The legal reserve must be increased annually by 5% of annual net profits, included within retained earnings, until it reaches a fifth of the fully paid common stock amount.

For the years ended December 31, 2022 and 2021, the legal reserve balance was \$65,898.

Repurchase of common stock

The Shareholders' Meeting held on April 22, 2022 approved to increase the reserve to repurchase the Company's own shares up to \$361,542 (Ps.7,000,000), as the maximum amount for the reserve for the acquisition of own shares. This reserve is included in retained earnings.

The Shareholders' Meeting held on April 23, 2021 approved to increase the reserve to repurchase the Company's own shares up to \$340,078 (Ps.7,000,000), as the maximum amount for the reserve for the acquisition of own shares. This reserve is included in retained earnings.

The maximum amount of proceeds that can be used to purchase the Company's own shares cannot exceed, in any case, the net earnings of the entity, including retained earnings.

When purchasing of the Company's own shares, the amount of the consideration paid, including the direct costs attributable to such acquisition, is recognized as a decrease in the Company's equity. When the shares are re-placed, the consideration received is recognized within the equity.

The difference between the acquisition cost of the repurchased shares and their stated value is recognized as part of the reserve to repurchase the Company's own shares, which is included within retained earnings from prior years. Stated value of the shares is determined by the quotient resulting from dividing common stock paid by the number of the Company's outstanding shares. The gain or loss on the sale of the Company's own shares is recorded in retained earnings.

The movements of the reserve for acquisition of Company's own shares for the years ended December 31, 2022 and 2021 is as follows:

	2022	2021
Balance at the beginning of the year	\$ 182,632	\$ 241,758
Increase in the reserve during the year	217,587	125,361
Purchase of Company's own shares during the year....	(131,334)	(184,487)
Balance at the end of the year.....	<u>\$ 268,885</u>	<u>\$ 182,632</u>

At December 31, 2022, the Company has purchased 5,398,865 of its own shares at a market value of \$72,706 as of that date.

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C) CUMULATIVE TRANSLATION ADJUSTMENTS

The cumulative translation adjustments consisted of the following as of December 31:

	<u>2022</u>	<u>2021</u>
Balance at beginning of year.....	(\$ 452,264)	\$ (411,472)
Effect of the year from translation adjustments.....	(60,226)	(21,216)
Exchange differences arising from foreign currency liabilities accounted for as a hedge of the Company's net investments in foreign subsidiaries ^(*)	65,501	(19,576)
Balance at end of year.....	<u>\$ (446,989)</u>	<u>\$ (452,264)</u>

(*) The Company maintains a coverage of its net investment abroad (American dollars) against the exchange fluctuation of its bank debt in American dollars. Derived from the above, effectiveness tests were carried out that consisted of the comparison of the critical terms between the hedging instruments and the hedged item, which resulted in a one to one coverage ratio for both years.

At December 31, 2022 and 2021, the debt denominated in American dollars for up to \$1,100,000 and \$850,000, respectively, generated a hedge on the investment of the Company in its subsidiaries in the United States (Gruma Corporation and subsidiaries).

During 2022 and 2021, the Company received dividends from its United States subsidiary Gruma Corporation amounting to \$170,000 and \$235,000 respectively.

20. FINANCIAL INSTRUMENTS

A) FINANCIAL INSTRUMENTS BY CATEGORY

At December 2022 and 2021, the Company's financial instruments are as follows:

	<u>2022</u>	<u>2021</u>
Financial assets at amortized cost:		
Cash and cash equivalents	\$ 283,864	\$ 254,968
Accounts receivable	564,487	449,391
Long term notes receivable and other	14,177	10,879
Financial assets at fair value through profit or loss:		
Short-term derivative financial instruments	571	180
Financial assets at fair value with changes in other comprehensive income:		
Short-term derivative financial instruments	4,607	46,841
Total Financial Assets	<u>\$ 867,706</u>	<u>\$ 762,259</u>

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Financial liabilities at amortized cost:

Short-term debt	146,971	54,679
Short-term lease liability	49,107	37,538
Trade accounts payable	446,795	425,337
Long-term debt	1,461,605	1,133,695
Long-term lease liability	318,305	281,542
Other liabilities, excludes non-financial liabilities	75,421	72,085

Financial liabilities at fair value through profit or loss:

Short-term derivative financial instruments	3,192	456
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Financial liabilities at fair value with changes in other comprehensive income:

Short-term derivative financial instruments(*)	59,099	4,194
Short-term derivative financial instruments compensated(*)	(27,560)	-
Long-term derivative financial instruments	-	358

Total Financial Liabilities	<u>\$ 2,532,935</u>	<u>\$ 2,009,884</u>
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(*) As of December 31, 2022 in the Consolidated statement of financial position, the financial liability recognized for futures contracts is presented offset with the amount of margin calls required to the Company on this contracts for an amount of \$27,560.

The Company's exposure to a variety of risks related to financial instruments is described in Note 4.

B) FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of cash and cash equivalents, accounts receivable, trade accounts payable and other current liabilities approximate their fair value, due to their short maturity. In addition, the net book value of accounts receivable represents the expected cash flow to be received.

The financial instruments that present material differences between the book values and the fair values are as follow:

	<u>At December 31, 2022</u>		<u>At December 31, 2021</u>	
	<u>Carrying amount</u>	<u>Fair value</u>	<u>Carrying amount</u>	<u>Fair value</u>
Financial Assets:				
Long term notes receivable and others	\$ 14,177	\$ 14,599	\$ 10,879	\$ 11,566
Financial liabilities:				
10-year Bonds	399,169	396,292	398,855	435,552
Short and long-term debt	1,209,407	1,059,468	789,519	798,159

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The fair values at December 31, 2022 and 2021 were determined by the Company as follows:

- The market value of the 10-year bonds is determined on the basis of the actual quotations of these instruments on the reference market. This fair value is classified as level 1 in the fair value hierarchy.
- The fair value for the rest of the long-term debt was based on the present value of the cash flows discounted at interest rates based on readily observable market inputs. This fair value is classified as level 2 in the fair value hierarchy. The average discount rate used was 11.25% in 2022 and 4.57% in 2021.
- Fair value of long-term notes receivable is classified as level 2 in the fair value hierarchy and was based on the present value of future cash flows using a discount rate of 8.07% and 5.82% in 2022 and 2021, respectively.

C) DERIVATIVE FINANCIAL INSTRUMENTS

The Company entered into short-term hedge transactions through commodity futures, swaps and options to hedge a portion of its requirements of corn, wheat, soy oil, natural gas and diesel. These financial instruments are denominated in the same price reference as the highly probable forecasted transactions of purchases of corn, wheat and fuels, therefore, the hedge ratio is one to one. The weighted average strike price of open position of corn options during the fiscal year 2022, amounted to \$6.19 dollars per bushel (buy puts), \$8.37 dollars per bushel (sell calls). The weighted average strike price of open position of corn options during the fiscal year 2021 is \$5.32 dollars per bushel (buy puts), \$4.74 dollars per bushel (sell puts) and \$7.37 dollars per bushel (sell calls).

The Company entered into forward and foreign exchange option transactions to hedge the Mexican peso to U.S. dollar foreign exchange rate risk related to the price of corn purchases in Mexico. These instruments are denominated in the same currency as the highly probable forecasted transactions of inventory purchases, therefore, the hedge ratio is one to one.

The Company uses derivative financial instruments such as interest rate swaps for the purposes of hedging a portion of its debt, to reduce the Company's exposure to increases in interest rates. The interest rate swap instrument is denominated in the same currency and with the same reference (in this case 28-day TIE rate) as the interest payments scheduled in the stock certificate, therefore, the coverage ratio is one to one.

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The following derivate financial instruments were recognized in the Company's balance sheet:

	2022		2021	
	Notional Amount	Fair Value	Notional Amount	Fair Value
Current Assets:				
Wheat swaps (b)	600,000 Bushels	\$ 571	-	\$ -
Wheat futures (a)	-	-	5,105,000 Bushels	10,337
Wheat swaps (c)	-	-	415,000 Bushels	136
Corn swaps and options (a)	9,780,000 Bushels	15	11,745,000 Bushels	32,874
Corn swaps (a)	-	-	5,905,000 Bushels	2,505
Corn puts (c)	-	-	5,510,000 Bushels	44
Natural gas swaps (a)	480,000 Mmbtu	1,116	-	-
Exchange rate forwards (a)	37,200,000 USD	3,477	35,625,000 USD	627
Soybean oil futures (a)	-	-	12,600,000 Pounds	248
Diesel swaps (a)	-	-	255,695 Gallons	250
Total current assets of derivate financial instruments		<u>\$ 5,178</u>		<u>\$ 47,021</u>
Current Liabilities:				
Soybean oil futures (a,d)	25,560,000 Pounds(*)	\$ 2,294	2,160,000 Pounds	\$ 102
Wheat futures (a,d)	7,770,000 Bushels(*)	21,452	-	-
Wheat swaps (a)	1,030,000 Bushels	1,605	-	-
Corn swaps (a)	11,745,000 Bushels	13,467	-	-
Natural gas futures (a,d)	3,800,000 Mmbtu(*)	3,814	2,970,000 Mmbtu	967
Natural gas swaps (a)	4,140,000 Mmbtu	6,637	3,930,000 Mmbtu	1,448
Natural gas swaps (c)	-	-	180,000 Mmbtu	54
Diesel swaps (a)	410,000 Gallons	151	450,000 Gallons	57
Exchange rate forwards (a)	334,000 Thousands USD	9,679	211,200 Thousands USD	22
Exchange rate forwards (c)	151,100 Thousands USD	3,192	18,500 Thousands USD	402
			3,000,000 Thousands Pesos	
Interest rate swaps (a)	-	-		1,598
Subtotal		<u>62,291</u>		<u>4,650</u>
Margin calls (d)		<u>(27,560)</u>		<u>-</u>
Total current liabilities of derivate financial instruments		<u>34,731</u>		<u>4,650</u>
Non- Current Liabilities:				
Interest rate swaps (a)	-	-	3,000,000 Thousands Pesos	358
Total non-current liabilities of derivate financial instruments		<u>\$ -</u>		<u>\$ 358</u>

(a) Cash flow hedging

(b) Fair value hedge

(c) Trading

(d) As of December 31, 2022 in the Consolidated statement of financial position, the financial liability recognized for futures contracts is presented offset with the amount of margin calls required to the Company on this contracts for an amount of \$27,560.

In futures contracts associated with commodities that are held in recognized and international markets, the Company is subject to the rules of these markets. These rules include, among others, covering the initial margin to trade futures contracts, as well as the subsequent margin calls (revolving funds, which are required in the presence of variations in the prices of the underlying to be applied against payments) required to the Company.

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Financial assets and liabilities recognized for the use of derivative financial instruments are not offset in the financial statements unless the Company has both the legal right and the intention to offset.

The Company uses derivative financial instruments only for hedging purposes and not as speculative trading. However, when the derivatives do not meet the hedge accounting criteria, they are classified as “trading instruments” for accounting purposes and are recorded at fair value through profit or loss. They are presented as current assets or liabilities since they are expected to be settled within 12 months after the end of the reporting period.

Reserve for cash flow hedges

The following table presents a reconciliation by risk category of the equity components and the analysis of the items of other comprehensive income, net of taxes, that come from cash flow hedges:

	Cash flow hedges reserve and others		
	Cash flow hedges and hedge cost ^(a)	Intrinsic value of options	Total hedge reserve
Opening balance at January 1, 2021	\$ (7,579)	\$ -	\$ (7,579)
Changes in fair value of the hedging instrument.....	75,074	-	75,074
Finished operations.....	35,302	-	32,302
Reclassified to inventory.....	(23,365)	-	(23,365)
Reclassified to income statement in the cost of sales	(11,137)	-	(11,137)
Ineffective portion reclassified to other (expense) income, net.....	(575)	-	(575)
Income tax (caused/deferred) ^(b)	(10,789)	-	(10,789)
Closing balance at December 31, 2021	<u>56,931</u>	<u>-</u>	<u>56,931</u>
Changes in fair value of the hedging instrument.....	(45,345)	(14,529)	(59,874)
Finished operations.....	109,637	-	109,637
Reclassified to inventory.....	(156,325)	-	(156,325)
Reclassified to income statement in the cost of sales	(17,031)	-	(17,031)
Ineffective portion reclassified to other (expense) income, net.....	2,724	-	2,724
Income tax (caused/deferred) ^(b)	29,818	-	29,818
Closing balance at December 31, 2022	<u>\$ (19,591)</u>	<u>\$ (14,529)</u>	<u>\$ (34,120)</u>

^(a) The amount deferred in the costs of hedging reserve includes \$14,544 in respect of time value of options. All of these deferred costs are in respect of transaction-related items, namely forecast inventory purchases.

^(b) As of December 31, 2022 and 2021, the amount of the income tax is composed of (\$12,900) and (\$16,355) of the derivative financial instrument in the reserve for cash flow hedges and by \$42,718 and \$5,566 for the deferred tax of the cash flow hedge transferred to inventories, respectively.

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Amounts recognized in income

In addition to the amounts disclosed in the reconciliation of hedging reserves above, the following amounts were recognized in profit or loss in relation to derivatives:

	2022	2021
(Loss) net income on commodity derivatives that did not qualify as hedge accounting, included in other (expenses) income, net.....	\$ (5,188)	\$ 22,756
Net loss on foreign currency forwards that did not qualify as hedge accounting, included in other (expenses) income, net.....	(8,724)	(1,482)
Non-effective portion of commodity derivatives, included in other (expenses) income, net.....	243	(575)
Net income (loss) on foreign currency forwards that did not qualify as hedge accounting, included in Financing Cost.....	2,175	(804)
Net loss on interest rate swaps that did not qualify as hedge accounting, included in Financing Cost.....	(1,513)	-

D) FAIR VALUE HIERARCHY

A three-level hierarchy is used to measure and disclose fair values. An instrument's categorization within the fair value hierarchy is based on the lowest level of significant input to its valuation. The following is a description of the three hierarchy levels:

- Level 1— Quoted prices for identical instruments in active markets. The data used in the Company's financial statements to measure fair value include the corn and wheat market price quotes from the Chicago Board of Trade.
- Level 2— Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets.
- Level 3— Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

This hierarchy requires the use of observable market data when available. The Company considers relevant and observable market prices in its valuations where possible.

a. Determination of fair value

When available, the Company generally uses quoted market prices to determine fair value and classifies such items in Level 1. If quoted market prices are not available, fair value is valued using industry standard valuation models. When applicable, these models project future cash flows and discount the future amounts to a present value using market-based observable inputs, including interest rates, currency rates, volatilities, etc. Items valued using such inputs are classified according to the lowest level input or value driver that is significant to the valuation. Thus, an item may be classified in Level 3 even though there may be some inputs that are readily observable. In addition, the Company considers assumptions for its own credit risk and the respective counterparty risk.

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b. Measurement

Assets and liabilities measured at fair value are summarized below:

	At December 31, 2022		
	Level 1	Level 2	Total
<i>Assets:</i>			
Plan assets – seniority premium fund.....	\$ 2,675	\$ -	\$ 2,675
Derivative financial instruments–exchange rate.....	-	3,477	3,477
Derivative financial instruments–corn.....	-	15	15
Derivative financial instruments–wheat.....	-	571	571
Derivative financial instruments–fuel.....	-	1,116	1,116
	\$ 2,675	\$ 5,178	\$ 7,853
<i>Liabilities:</i>			
Derivative financial instruments – exchange rate.....	\$ -	\$ 12,871	\$ 12,871
Derivative financial instruments –corn.....	-	13,467	13,467
Derivative financial instruments –wheat (*)	21,452	1,605	23,057
Derivative financial instruments – soybean oil (*).....	2,294	-	2,294
Derivative financial instruments – fuel (*)..	3,814	6,788	10,602
	\$ 27,560	\$ 34,731	\$ 62,291

(*) As of December 31, 2022 in the Consolidated statement of financial position, the financial liability recognized for futures contracts is presented offset with the amount of margin calls required to the Company on this contracts for an amount of \$27,560.

	At December 31, 2021		
	Level 1	Level 2	Total
<i>Assets:</i>			
Plan assets – seniority premium fund....	\$ 2,864	\$ -	\$ 2,864
Derivative financial instruments–exchange rate.....	-	628	628
Derivative financial instruments–corn ..	2,505	32,918	35,423
Derivative financial instruments–wheat	10,337	136	10,473
Derivative financial instruments–soybean oil	247	-	247
Derivative financial instruments–fuel....	250	-	250
	\$ 16,203	\$ 33,682	\$ 49,885
<i>Liabilities:</i>			
Derivative financial instruments – exchange rate.....	\$ -	\$ 424	\$ 424
Derivative financial instruments – soybean oil.....	102	-	102
Derivative financial instruments – fuel...	1,024	1,502	2,526
Derivative financial instruments – interest rate	-	1,956	1,956
	\$ 1,126	\$ 3,882	\$ 5,008

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Derivative financial instruments - exchange rate

Exchange rate derivative financial instruments were recorded at fair value, which was determined using future cash flow discounted to present value. Significant data used to determine the fair value of these instruments is as follows:

	<u>2022</u>		<u>2021</u>
Forward exchange rate	\$ 19.36	\$	20.58
Discount rate	8.07%		5.82%

Derivative financial instruments - fuel

Fuel derivative financial instruments were recorded at fair value, which was determined using future cash flow discounted to present value, using quoted market prices of fuel listed in the NYMEX Exchange.

Derivative financial instruments - corn

Corn derivative financial instruments that qualify as Level 2 were recorded at fair value. Valuation techniques used to value these financial instruments include market quotations or quotations for similar instruments and other, such as the cash flow discount analysis, which is used to determine the fair value of corn swaps.

During the period, there were no transfers between Levels 1 and 2.

21. EXPENSES BY NATURE

Expenses by nature are presented in the income statement within the captions of cost of sales and selling and administrative expenses and are analyzed as follows:

	<u>2022</u>		<u>2021</u>
Cost of raw materials consumed and changes in inventory (Note 8).....	\$ 1,923,043	\$	1,783,221
Employee benefit expenses (Note 23).....	1,424,563		1,238,195
Depreciation.....	195,680		177,679
Amortization (Note 12).....	878		1,670
Lease expenses (Note 11).....	28,923		24,509
Research and development expenses (Note 12).....	10,001		7,602
Allowance for doubtful accounts (Note 7).....	3,716		2,178

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22. OTHER (EXPENSES) INCOME, NET

Other (expenses) income, net comprised the following:

	2022	2021
Current employees' statutory profit sharing.....	\$ (5,443)	\$ (4,635)
Net gain income from sale of property, plant and equipment	1,741	8,591
Impairment loss on long-lived assets.....	(2,147)	(2,465)
Income from recovery of insurance claims, net ⁽¹⁾	1,365	10,005
Result from derivative financial instruments.....	(13,669)	20,699
Tax inflation adjustment in relation to the return of income tax from previous years.....	-	2,243
Others	93	417
Total.....	\$ (18,060)	\$ 34,855

⁽¹⁾ In 2021, an amount of \$10,005 is included, corresponding to the income recognized in these year for the claim that occurred during 2019 at the plant located in the Netherlands.

23. EMPLOYEE BENEFIT EXPENSES

Employee benefit expenses are comprised of the following:

	2022	2021
Salaries, wages and benefits (including termination benefits).....	\$ 1,336,047	\$ 1,159,569
Social security contributions.....	72,597	62,086
Employment benefits (Note 18).....	15,919	16,540
Total.....	\$ 1,424,563	\$ 1,238,195

24. COMPREHENSIVE FINANCING COST

Comprehensive financing cost, net is comprised by:

	2022	2021
Bank financial expenses and others (Note 14).....	\$ (91,422)	\$ (64,502)
Financial lease expenses (Note 11)	(16,786)	(16,290)
Financial products	4,541	2,107
Result from derivative financial instruments (Note 20).....	2,175	(804)
Result from monetary position, net.....	2,996	-
Result from foreign exchange differences, net.....	(1,592)	(2,111)
Comprehensive financing cost, net.....	\$ (100,088)	\$ (81,600)

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25. INCOME TAX EXPENSE

A) INCOME BEFORE INCOME TAX

The domestic and foreign components of income before income tax are the following:

	For the years ended December 31,	
	2022	2021
Domestic.....	\$ 39,567	\$ 55,217
Foreign.....	470,488	416,908
	<u>\$ 510,055</u>	<u>\$ 472,125</u>

B) COMPONENTS OF INCOME TAX EXPENSE

The components of income tax expense are the following:

	2022	2021
Current tax:		
Current tax on profits for the year.....	\$ (178,708)	\$ (142,579)
Recover of tax due from prior years.....	118	3,316
Total current tax.....	<u>\$ (178,590)</u>	<u>\$ (139,263)</u>
Deferred tax:		
Origin and reversal of temporary differences.....	\$ (12,275)	\$ (30,651)
Total deferred tax.....	<u>(12,275)</u>	<u>(30,651)</u>
Total income tax expense.....	<u>\$ (190,865)</u>	<u>\$ (169,914)</u>

Domestic federal, foreign federal and state income taxes in the consolidated statements of income consisted of the following components:

	For the year ended December 31,	
	2022	2021
Current:		
Domestic federal.....	\$ (51,201)	\$ (35,616)
Foreign federal.....	(123,960)	(84,092)
Foreign state.....	(3,429)	(19,555)
	<u>(178,590)</u>	<u>(139,263)</u>
Deferred:		
Domestic federal.....	(17,752)	(20,465)
Foreign federal.....	5,504	(9,909)
Foreign state.....	(27)	(277)
	<u>(12,275)</u>	<u>(30,651)</u>
Total income taxes.....	<u>\$ (190,865)</u>	<u>\$ (169,914)</u>

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C) RECONCILIATION OF FINANCIAL AND TAXABLE INCOME

For the years ended December 31, 2022 and 2021, the reconciliation between statutory income tax amounts and the effective income tax amounts is summarized as follows:

	2022	2021
Statutory federal income tax (30% for 2022 and 2021).....	\$ (153,017)	\$ (141,638)
Inflation effects on tax values.....	(26,110)	(21,245)
Foreign income tax rate differences	(13,417)	(7,389)
Foreign recovery of income taxes for dividends.....	12,058	8,423
Recovery of taxes caused by previous years	(118)	3,316
Unrecognized tax loss carryforwards of the year.....	(7,602)	(12,661)
Nondeductible expenses and others.....	(2,659)	1,280
Effective income tax (37.42% and 35.99% for 2022 and 2021, respectively).....	<u>\$ (190,865)</u>	<u>\$ (169,914)</u>

26. COMMITMENTS

At December 31, 2022 and 2021, the Company has commitments to purchase grain and other raw materials in the United States for approximately \$362,000 and \$314,000, respectively, which will be delivered during 2023 and in Mexico for approximately \$202,379 and \$337,394, respectively, which will be delivered during 2023. The Company has concluded that there is no embedded derivative as a result of these contracts.

At December 31, 2022 and 2021, the Company has commitments to purchase machinery and equipment in the United States for approximately \$29,000 and \$70,000, respectively.

27. INVESTMENT IN VENEZUELA

- A) Expropriation Proceedings and other measures by the Bolivarian Republic of Venezuela Government.-** On May 12, 2010, the Bolivarian Republic of Venezuela (the Republic or Venezuela’s Government”) published the Decree number 7.394 in the Official Gazette of Venezuela (the Expropriation Decree), ordering the forced acquisition of all assets, property and real estate of the Company’s indirect subsidiary in Venezuela, Molinos Nacionales, C.A. (MONACA), through an expropriation proceeding to be initiated and processed with the participation of several agencies of the Republic. The Republic stated that the Expropriation Decree also extends to the Company’s indirect subsidiary, Derivados de Maíz Seleccionado, DEMASECA, C.A. (DEMASECA). The Republic took initial steps to carry out an administrative expropriation procedure in accordance with the Expropriation Decree, but then suspended said procedure indefinitely, which is still suspended to this date, therefore the expropriation has not been carried out, but it could still be, as long as the procedure is not revoked or dismissed.

GRUMA’s interests in MONACA and DEMASECA are held through two Spanish companies, Valores Mundiales, S.L. (Valores Mundiales), and Consorcio Andino, S.L. (Consorcio Andino). In 2010, Valores Mundiales and Consorcio Andino (jointly, the “Investors” or the “Claimants”) commenced conversations with the Republic regarding the Expropriation Decree and other measures related to the same, affecting MONACA and DEMASECA. Through the Investors, GRUMA participated in these conversations, in order to resolve the controversy caused by the Expropriation Decree and other measures imposed by the Republic. These conversations ceased without resulting in an agreement with

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the Republic. By virtue of the Expropriation Decree, the Investors are not able to dispose the assets of MONACA and DEMASECA.

Venezuela and the Kingdom of Spain are parties to a Treaty on Reciprocal Promotion and Protection of Investments, dated November 2, 1995 (the Investment Treaty), under which the Investors may settle investment disputes by means of arbitration before the International Centre for Settlement of Investment Disputes (ICSID). On November 9, 2011, the Investors, MONACA and DEMASECA formally notified the Republic about the dispute and their agreement to submit said dispute to ICSID arbitration if the parties were unable to reach an amicable agreement.

On January 22, 2013, as part of a criminal proceeding unrelated to MONACA and DEMASECA against a third party where precautionary measures were issued for the insurance of the assets of said third party which, in an extra-limited way, included MONACA and DEMASECA, the Republic published the Administrative Providence number 004-13 dated January 21 of the same year (the "Providence") appointing special administrators for MONACA and DEMASECA granting them the broadest powers to execute actions for the continuity and non-interruption of the operation of companies and the broadest powers of administration to guarantee the safekeeping, custody, use and conservation of company assets. See section B) of this Note 27.

Consequently, in accordance with the provisions set forth in IFRS, the Company determined that as of January 22, 2013, it had lost the power to affect the variable returns of its subsidiaries in Venezuela and concluded that the appointment of special administrators with broad powers under the Providence had the effect of taking away its control over MONACA and DEMASECA and as a result, the Company proceeded to deconsolidate both subsidiaries and recognize its investment in Venezuela as a financial asset. Following the provisions set forth in IFRS, GRUMA performed impairment tests on the financial asset related to MONACA and DEMASECA and as of December 31, 2015, recognized an impairment of \$253,515 (Ps.4,362,108) corresponding to the total value of said asset.

On May 10, 2013, Valores Mundiales and Consorcio Andino submitted a Request for Arbitration to ICSID, which was registered on June 11, 2013 under case No. ARB/13/11. The purpose of the arbitration was to seek compensation for the damages caused by Venezuela's violation of the Investment Treaty. The tribunal that presided over this arbitration proceeding was constituted in January 2014.

On July 25, 2017, the tribunal decided the arbitration in favor of Valores Mundiales and Consorcio Andino, by dismissing the jurisdictional objections raised by the Republic and concluding that the Republic had violated provisions of the Investment Treaty. According to the Award issued by the arbitration tribunal, the Republic must pay \$430.4 million to Valores Mundiales and Consorcio Andino as damages resulting from its violation of certain provisions of the Investment Treaty, plus compound interest at Libor +2% since January 22, 2013, and until the Award's effective payment date. As of December 31, 2022, the award plus interest amounts to approximately \$591.9 million. The arbitration tribunal also ordered the Republic to pay \$5.9 million for legal expenses incurred by the Claimants during the arbitration. Both, the amount of the award plus interest and the legal expenses incurred by the Claimants, were not recorded since they are considered a contingent asset under IAS 37.

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In the Award, the arbitration tribunal granted most of the Claimants' claims and concluded that the Republic had violated the Investment Treaty by (i) not granting a fair and equitable treatment to the Claimants' investments; (ii) adopting arbitrary measures that hindered the management and evolution of the Claimants' investments; and (iii) preventing the free transfer of funds related to the Claimants' investments. The arbitration tribunal dismissed the indirect expropriation claim submitted by the Claimants, since the tribunal considered, amongst other reasons, that the administrative expropriation procedure ordered by the Expropriation Decree had not been concluded and the special administrators appointed by the Republic did not exercised control over the companies in a substantial way. The Claimants retain their right to commence a new claim against the Republic if the latter continues with the enforcement of the Expropriation Decree and materializes the transfer of the right of ownership of the assets subject to the Expropriation Decree.

On November 22, 2017, the Republic filed before the ICSID a request for annulment of the Award issued by the arbitration tribunal and the stay of enforcement of the same while said action is pending resolution. On December 7, 2017, ICSID registered the Republic's annulment request and provisionally stayed the enforcement of the Award. The Committee that will decide on the Award's annulment proceedings was finally constituted on May 23, 2018 ("Annulment Committee").

On June 4, 2018, the Republic formally requested that the Annulment Committee kept suspended the enforcement of the Award during the course of the annulment proceeding. After considering the arguments presented by the parties, on September 6, 2018, the Annulment Committee ordered the lifting of the provisional suspension of the enforcement of the Award, which allowed the Investors to begin legal actions to recognize and enforce the Award in different jurisdictions.

On December 21, 2021, the Annulment Committee notified the parties of its decision in the annulment proceeding of the Award initiated by the Republic, which was favorable to the Investors resolving (i) to reject in full the request for annulment of the Award raised by the Republic, (ii) to condemn the Republic to pay the Investors \$2,348 for costs, and (iii) order the Republic to pay ICSID \$660 for costs of the annulment proceedings. Against this resolution of the Annulment Committee, the Republic has no appeal, so the Award has become final.

On January 8, 2019, the Investors filed a complaint with the Federal District Court in Washington, D.C. requesting recognition of the Award. The complaint for recognition of the Award was notified to the Republic by consular means on July 26, 2019, granting a period to answer until September 24, 2019, without Venezuela responding. Consequently, on October 21, 2019, the Investors requested the Judge to issue a judgment recognizing the Award considering the Republic's default. On March 3, 2020, representatives of the Republic appeared in the proceedings, answered the lawsuit and presented their objections to the passing of a default judgment. On March 16, 2020, the Investors asked the Tribunal to issue a summary judgment against Venezuela, to which Venezuela later objected and argued in favor of a judgment against the recognition of the Award. On November 17, 2020, the Judge ordered the suspension of the award recognition proceeding until the award annulment proceeding was resolved. Since the procedure for annulment of the Award was resolved on December 2021, the Judge resumed the procedure for the recognition of the Award on January 2022. On August 3, 2022 the judge to whom the case was delegated recommended the District Judge to deny Venezuela's request for a summary judgment and to grant the Investors' request for a summary judgment. Venezuela objected this recommendation later that month. On September 2022, the Court notified the parties that the Judge in charge of the case was promoted to the Court of Appeals. The case has not been reassigned to another Judge, thus the Investors' request remains pending to be resolved, to date.

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Nevertheless, even though future discussions with the Republic could take place from time to time, the Company cannot assure that such discussions will be successful or will result in the Investors receiving adequate compensation, if any, for the violation to the Investment Treaty in the terms dictated in the Award or for the eventual enforcement of the Expropriation Decree or any other measure regarding MONACA, DEMASECA, and/or their respective assets, ordered or sanctioned by the Republic. Additionally, the Company cannot predict the results of the proceedings for the recognition and enforcement of the Award that the Investors commenced or may commence or the ramifications that costly and prolonged legal disputes could have on its results of operations or financial position, or the likelihood of collecting the Award.

On the other hand, the special administrators appointed through the Providence have been resigning their chargers, the last of them resigning at the end of 2018, without the Republic having appointed new special administrators, and since that moment there has been no direct or indirect participation by representatives of the Republic in the decision-making and management of the administration and operation of MONACA and DEMASECA, activities that up to this date are only carried out by MONACA and DEMASECA's management team, which is directed by its local Executive Committee in Venezuela, nevertheless, even if the positions of special administrators are still vacant, the terms of the Providence remain in effect, so the Republic may appoint new special administrators at any time. Although it could be concluded that some of the factual assumptions that were taken in account for the determination under IFRS regarding the loss of control no longer exist or have been mitigated, others as the existence of securing measures over the assets of MONACA and DEMASECA, the Providence, and the Expropriation Decree, still remain, so this does not change the previous conclusions following the IFRS guidelines regarding the loss of power of the Company to affect the variable returns of its subsidiaries in Venezuela and the control of MONACA and DEMASECA. Likewise, the macroeconomic indicators used to determine the devaluation of the investment in Venezuela have continued deteriorating due to the economic and social situation in that country that has been negatively impacted by hyperinflation and significant currency devaluation.

Given that the enforcement of the Award may present material challenges, the impact of the Award in the Company cannot be reasonably assessed at this time. The Investors, jointly with its legal counsel, will adopt appropriate measures to preserve and defend their legal interests.

On September 7, 2022, the companies MONACA and DEMASECA formally requested the Attorney General of the Republic to dismiss the Expropriation Decree, and to this date no formal response has been obtained.

- B) Intervention Proceedings by the Republic.-** Due to a criminal proceeding, not related with MONACA and DEMASECA, initiated in Venezuela by the Republic against Mr. Ricardo Fernández Barrueco, on December 4, 2009, the Eleventh Investigations Court for Criminal Affairs of Caracas issued an order authorizing the precautionary seizure of Mr. Fernández Barrueco's assets, including assets in which he had any kind of interest. Based on the purported indirect minority interest that ROTCH ENERGY HOLDINGS, N.V., (company supposedly linked to Mr. Fernández Barrueco), previously had in MONACA and DEMASECA. MONACA and DEMASECA were included by the Republic amongst the assets of Mr. Fernández Barrueco to be seized and therefore were subject to the aforementioned precautionary measure. As of December 10, 2009, the Autonomous Service of Registries and Notary Publics of Venezuela issued a communication, Circular number 0230-864, which prevents the insertion before the corresponding Mercantile Registry of acts related to the shareholders' meetings of MONACA and DEMASECA, preventing among other things, the sales of assets and updating the board of directors of MONACA and DEMASECA, as well as the payment of dividends,

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if any, to its shareholders. Between 2009 and 2012, the Ministry of Finance of Venezuela, pursuant to the precautionary measures ordered by the court and, for the purposes of enforcing them, appointed several special administrators regarding the assets of Mr. Fernandez Barrueco, including the indirect minority interest that Mr. Fernández Barrueco allegedly owned in MONACA and DEMASECA. On January 21, 2013, the Ministry of Justice and Internal Relations revoked the prior appointments made by the Ministry of Finance of Venezuela and made a new designation of special administrators in particular for MONACA and DEMASECA through the publication of the Providence, granting them the broadest powers to execute actions for the continuity and non-interruption of the operation of companies and the broadest powers of administration to guarantee the safekeeping, custody, use and conservation of the companies' assets.

As a result of the foregoing, MONACA and DEMASECA, as well as Consorcio Andino and Valores Mundiales, as direct shareholders of said companies, filed a petition as aggrieved third-parties to the criminal proceeding the Republic carried against Mr. Fernández Barrueco and that was not related to MONACA and DEMASECA, in order to revert the precautionary measures and all related actions, given that MONACA and DEMASECA were not and are not property of Mr. Fernández Barrueco and therefore should not have been affected by the precautionary measures established in the criminal proceeding against said person. On November 19, 2010, the Eleventh Investigations Court for Criminal Affairs of Caracas ruled that MONACA and DEMASECA are companies wholly owned and controlled by Valores Mundiales and Consorcio Andino, respectively. However, the court kept the precautionary measures issued on December 4, 2009 in effect, without substantiating their decision. An appeal has been filed, which after multiple requests for pronouncement and incidents raised, and after more than eleven years of its interposition, it was admitted on June 15, 2022, by the Eleventh Court of Control and assigned to the Fourth Chamber of the Court of Appeals of the Metropolitan Area of Caracas, who processed it, set the Reports Act and to whom the documentary evidence was presented. The Reports Act was held on January 10, 2023, on which a brief was submitted requesting for the appeal to be declared. The Office of the Attorney-General of the Republic and the Prosecutors of the Public Prosecutor's Office did not appear at the procedural Reports Act, on which they could contradict the evidence provided and the grounds for the appeal, as well as all other claims. Currently, the appeal has been pending resolution as of January 20, 2023, date on which the Attorney General's Office and the Prosecutors of the Public Prosecutor's Office right to observe the Written Reports submitted by the Legal Representative of the companies expired, without them exercising that right.

On July 30, 2014, the Twenty-Eighth Court in Trial Functions ordered the dismissal of the criminal case initiated by the Republic against Mr. Fernández Barrueco and ordered the lifting of all securing measures regarding his assets. This decision became final on July 18, 2017, by decision of the Chamber 1 of the Court of Appeals and its clarification of August 4, 2017, which ratifies the lifting of the measures for securing his assets. This decree of dismissal and the lifting of the securing measures regarding the assets of Mr. Fernández Barrueco, by firm decision, led to the decaying of the securing measures that were established against MONACA and DEMASECA, including the Providence, without as of this date existing any legal basis for such measures to remain in force. Therefore, in addition and regardless of the incident that had been promoted in the aforementioned criminal proceeding as injured third parties, on August 13, 2018, MONACA and DEMASECA requested that the Twenty-Eighth Trial Judge terminate and lift all precautionary measures decreed in the aforementioned criminal proceeding that affect these companies, including the Providence in which special administrators were appointed. MONACA and DEMASECA, continued ratifying this request on several occasions, orally before the Judge and in writing on October 29, 2018, October 3, 2019, August 19, 2021, February 15, 2022, and May 5, 2022, with no response. Finally, on May 17, 2022, the Trial Judge 28 of recognized the multiple requests and allowed the procedure for the admission of

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the appeal to continue, however, the Judge did not issue a decision regarding the request of August 13, 2018. Accordingly, on June 27, 2022, the Fourth Chamber of the Court of Appeals was requested to obtain all legal proceedings related to the request of August 13, 2018. The Court of Appeals favorably agreed to the request and ordered to collect the legal proceedings related to the request of August 13, 2018, which will be resolved jointly with the merits of the appeal against the judgment of November 19, 2010, of the Eleventh Control Judge, which ordered to maintain the securing measures.

Although since the end of 2018, with the resignation of the last special administrator appointed through the Providence and without the Republic having appointed new special administrators, the decision making and management of the administration and operation of MONACA and DEMASECA has been made solely by the management of MONACA and DEMASECA, which is directed by its local Executive Committee in Venezuela, the securing and preventive measures decreed by the Republic against MONACA and DEMASECA, including the Providence, as well as the Expropriation Decree, have generated legal uncertainty and have significantly hindered and made difficult the management and operation of MONACA and DEMASECA, its ability to process loans, enter into contracts, maintain foreign bank accounts, update its Foreign Investment Registry, approve its balance sheet, update its board of directors, obtain its own raw materials, among other acts that are indispensable for the operation of a business, that is why the local Executive Committee of MONACA and DEMASECA, despite its best efforts, is not in the position to ensure the continuity of the business.

The Company and its subsidiaries intend to exhaust all legal remedies available in order to safeguard and protect their legitimate interests.

28. CONTINGENCIES

Additionally to the situation mentioned in Note 27, the Company and its subsidiaries are subject to litigation arising during the normal course of business. It is the Company’s policy to accrue for amounts related to these legal matters if it is probable that a liability has been incurred and an amount is reasonably estimable (see Note 16). In the opinion of management, the resolution of these matters will not have a material adverse effect on the Company’s consolidated financial statements.

29. RELATED PARTIES

A) TRANSACTIONS WITH RELATED PARTIES

For the year ended December 31, 2022 and 2021, the Company did not perform transactions with related parties.

B) KEY MANAGEMENT PERSONNEL COMPENSATION

Key management includes Board members, alternate Board members, officers and members of the Audit Committee and Corporate Practice Committee. The compensation paid to key management for employee services is shown below:

	2022	2021
Salaries and other short-term employee benefits.....	\$ 17,208	\$ 16,188

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C) BALANCES WITH RELATED PARTIES

At December 31, 2022 and 2021, the Company had no balances with related parties.

30. IMPACTS OF THE CONFLICT IN UKRAINE

During February 2022, Russian military forces invaded Ukraine. This has resulted in the imposition of sanctions on Russia and Belarus by the United States of America, the United Kingdom, the European Union and other countries, as well as counter sanctions imposed by Russia to such countries. This has caused an abrupt change in the geopolitical situation, with significant uncertainty about the duration of the conflict.

The conflict has also contributed to increase volatility in foreign exchange markets, energy prices, raw materials and other input costs, as well as supply chain tensions and rising inflation in many countries.

The Company has assessed the consequences of this conflict in the consolidated financial statements, with the following conclusions:

Assessment of control: In accordance with IFRS 10 "Consolidated Financial Statements" the Company has evaluated and confirms that the changes in the legal and operating environment of its subsidiaries located in Russia and Ukraine have not affected the ability to exercise control over the entities in these countries.

Goodwill impairment: In March 2022, the Company recognized a non monetary impairment charge of \$2,003 in the operating results in "Other (expenses) income, net" due to the goodwill impairment of the cash-generating unit "Altera, LLC" located in Ukraine and associated with the Corn flour and packaged tortilla Europe business segment. This impairment loss reflects a decrease in the recoverable amount of the CGU due to the impact of the Russian invasion in February 2022.

The impact in the operations of the subsidiaries located in Ukraine and Russia in the year was not material to consolidated revenues, operating income and consolidated financial position.

The Company will continue to monitor the events resulting from this ongoing conflict, evaluating the options available to try to mitigate a greater risk of loss and we will continue to evaluate the possible impact on the investment in these subsidiaries.

31. FINANCIAL STANDARDS ISSUED BUT NOT YET EFFECTIVE

Certain new accounting standards and interpretations have been published that are not mandatory for December 31, 2022 reporting periods and have not been early adopted by the Company. These standards are not expected to have a material impact on the Company's financial position or results of operations.

ISSUER

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Gruma, S.A.B. de C.V.

US\$500,000,000 5.390% Senior Notes due 2034

US\$300,000,000 5.761% Senior Notes due 2054



OFFERING MEMORANDUM

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