

PRIMA UNIÓN PLÁSTICOS, S.A.

FINANCIAL STATEMENTS  
AT MARCH 31, 2025 AND 2024

Guatemala, April 28, 2025

PRIMA UNIÓN PLÁSTICOS, S.A.

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and  
Stockholders of  
**PRIMA UNIÓN PLÁSTICOS, S.A.**

### **Report on the audit of the financial statements:**

#### **Opinion:**

We have audited the accompanying financial statements of PRIMA UNIÓN PLÁSTICOS, S.A., which comprise the balance sheet for the period from January 1 to March 31, 2025 and 2024, and the statements of: income, changes in net equity and cash flows corresponding to the period then ended, and the notes to the financial statements, as well as a summary of the significant accounting policies and other explanatory information. The financial statements have been prepared by the administration, with certain fiscal criteria of accounting of the Income Tax Law of the Republic of Guatemala.

In our opinion, the accompanying financial statements of PRIMA UNIÓN PLÁSTICOS, S.A., for the period ended March 31, 2025 and 2024, have been prepared, in all material respects, according to the accounting requirements established by the Income Tax Law of the Republic of Guatemala (described in Note 2).

#### **Basis for opinion**

We have executed our audit according to the International Standards on Auditing Standards (ISAs). Our responsibilities under such standards are described in detail in the section Auditor's responsibilities on the audit of the financial statements of our report. We are independent from the Company in accordance to ethical requirements that are relevant for our audit of the financial statements in Guatemala – Code of Ethics for Professional Accountants issued by the International Ethics Standards Board (IESBA) of the International Federation Accountants (IFAC) – and we have complied with our other ethical responsibilities according to this code. We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our opinion

#### **Emphasis paragraph:**

Without modifying our opinion, we draw attention to Note 2 to the financial statements, which describes the accounting basis used for the preparation of said statements, which differs in some aspects from the international financial reporting standards as indicated in the Note 19. The financial statements have been prepared with the purpose of serving as a basis for the preparation of the Income tax return for the year and to comply with the legal requirement to present them attached to the same. As a result of this, the financial

statements may not be appropriate for other purpose. Our report is intended for the use of the Company, partners and tax authorities. Our opinion is not modified regarding this matter.

**Responsibilities of management and those charged with governance of the Company for the financial statements.**

Management is responsible for the preparation of the accompanying financial statements in accordance with the fiscal criteria of accounting included in the law of the income tax of Guatemala, Note 2, and the internal control that management deems necessary to allow the preparation of the financial statements being free of material misstatements due to fraud or error.

In the preparation of the financial statements, management is responsible of assessing the ability of the Company to continue operating as a going concern, revealing the matters related to the going concern business and using the going concern basis of accounting, unless management intends to cease operations or has no other realistic alternative but to do so.

Those charged with governance of the Company are responsible to supervise the process of financial information of the Company.

**Auditor's responsibilities for the financial statements audit**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether they are derived from fraud or error, and issue the auditor's report which includes our opinion. Reasonable assurance is a high level of assurance, but it does not guarantee that an audit carried out according to the International Standards on Auditing- ISAs will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are considered material if, individually or as a whole, said misstatements are reasonable expected to affect the economic decisions taken by the users based on the financial statements.

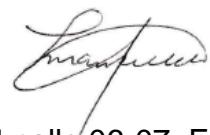
As part of an audit, and according to the International Standard on Auditing - ISAs- we exercise professional judgment, and we maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatements in the financial statements, due to fraud or error, design and execute audit procedures responsive to those risks and obtain sufficient and appropriate audit evidence to provide the bases for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for the one resulting from error as fraud involves collusion, forgery, intentional omissions, misrepresentations or override of the internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures appropriate under the circumstances and not for the purpose to express an opinion on the effectiveness of the internal control of the Company.

- Evaluate the appropriateness of the accounting policies used, and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the accounting bases of the going concern company, and based on the gathered evidence, whether there is a material uncertainty related to events or conditions that may give rise to a significant doubt on the capacity of the Company 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 information disclosure related to the financial statements or, if such disclosure is 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- The auditor's responsibilities are to obtain enough and appropriate audit evidence regarding the financial information of the entities or commercial activities within the Company to express an opinion on the financial statements. We are responsible of the management, supervision and making of the audit engagement of the Company. We are the only responsible for our audit opinion.

We communicated with those charged with governance regarding the expected scope and the moment of conducting the audit and the important audit results, among other matters, including potential significant deficiencies in the internal control that we identified during our audit.

Guatemala, April 28, 2025



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Guatemala, ciudad

*Licda. Lisbet Mansilla de Ortiz*  
CONTADORA PUBLICA Y AUDITORA  
COLEGIADA No. CPA-3748

**MAO**  
Mansilla Ortiz Contadores  
Públicos y Auditores, S.A.

PRIMA UNIÓN PLÁSTICOS, S.A.  
STATEMENT OF FINANCIAL POSITION  
(Expressed in quetzales - Note 3)

|   | AT MARCH 31         |                     |
|---|---------------------|---------------------|
|   | 2025                | 2024                |
| <b>ASSETS</b>   |                     |                     |
| Current assets:   |                     |                     |
| Cash and banks (Note 4)   | Q 11,087,474        | Q 13,644,066        |
| Accounts receivable:  |                     |                     |
| Customers   | 7,549,304           | 6,999,301           |
| Affiliated companies [Note 5 a)]  | 9,759,119           | 4,627,781           |
| (-) Reserve for uncollectible accounts  | (519,253)           | (348,812)           |
| Taxes receivable [Note 10 a)]   | 6,930,509           | 6,586,925           |
| Advances to creditors (Note 6)  | 488,160             | 329,701             |
| Other accounts receivable   | 316,910             | 437,636             |
|   | <u>24,524,749</u>   | <u>18,632,532</u>   |
| Inventories (Note 7)  | 6,248,508           | 5,008,387           |
| Total current assets  | <u>41,860,730</u>   | <u>37,284,984</u>   |
| Non current assets:   |                     |                     |
| Machinery and equipment, computer equipment, furniture and equipment, tools and improvements in leased properties - net- (Note 8) | 10,129,684          | 10,006,144          |
| Other assets (Note 9)   | 250,660             | 285,466             |
| Total non current assets  | <u>10,380,344</u>   | <u>10,291,609</u>   |
| Total assets  | <u>Q 52,241,074</u> | <u>Q 47,576,594</u> |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>   |                     |                     |
| Current liabilities:  |                     |                     |
| Suppliers and creditors (Note 11)   | Q 4,863,220         | Q 3,103,736         |
| Affiliated companies [Note 5 b)]  | -                   | 7,792               |
| Taxes payable [Note 10 b)]  | 1,269,277           | 1,360,431           |
| Bank Loans (Note 12)  | 73,492              | 918,285             |
| Labor benefits payable  | 39,247              | 43,751              |
| Accumulated charges to pay  | 3,030               | 11,016              |
| Total current liabilities   | <u>6,248,265</u>    | <u>5,445,011</u>    |
| Non current liabilities:  |                     |                     |
| Reserve for severance payments (Note 2)   | 274,603             | 225,565             |
| Bank Loans (Note 12)  | -                   | 380,354             |
| Total liabilities   | <u>6,522,868</u>    | <u>6,050,930</u>    |
| Stockholders' equity and accumulated earnings:  |                     |                     |
| Authorized, subscribed and paid in social capital (Note 13)   | 3,992,000           | 3,992,000           |
| Legal Reserve   | 1,905,370           | 1,480,740           |
| Asset revaluation (Note 8)  | 6,948,316           | 6,948,316           |
| Accumulated earnings (Note 14)  | 32,872,520          | 29,104,607          |
| Total stockholders' equity and accumulated earnings   | <u>45,718,206</u>   | <u>41,525,664</u>   |
| Total liabilities, stockholders' equity and accumulated earnings  | <u>Q 52,241,074</u> | <u>Q 47,576,594</u> |

Notes 1 to 19 are an integral part of the financial statements.

PRIMA UNIÓN PLÁSTICOS, S.A.

STATEMENT OF COMPREHENSIVE INCOME

(Expressed in quetzals - Note 3)

|                              | <u>FOR THE QUARTER ENDED MARCH 31</u> |                     |
|------------------------------|---------------------------------------|---------------------|
|                              | <u>2025</u>                           | <u>2024</u>         |
| Income                       | Q 19,247,449                          | Q 17,553,020        |
| Less-cost of sales           | <u>(12,440,830)</u>                   | <u>(10,494,566)</u> |
| Gross profit from sales      | 6,806,619                             | 7,058,454           |
| Operating expenses (Note 15) | <u>(2,048,982)</u>                    | <u>(1,676,247)</u>  |
| Operating earnings           | 4,757,637                             | 5,382,207           |
| Financial expenses (Note 16) | (37,721)                              | (110,996)           |
| Other income (Note 17)       | <u>26,360</u>                         | <u>57,277</u>       |
| Profit before tax ISR        | 4,746,276                             | 5,328,487           |
| (-) Tax ISR [Note 10 c)]     | <u>(1,212,813)</u>                    | <u>(1,344,942)</u>  |
| Net profit the quarter       | <u>Q 3,533,463</u>                    | <u>Q 3,983,546</u>  |

Notes 1 to 19 are an integral part of the financial statements.

PRIMA UNIÓN PLÁSTICOS, S.A.STATEMENT OF CHANGES IN EQUITY  
(Expressed in quetzals - Note 3)

|  | <u>FOR THE QUARTER</u> |                     |
|--|------------------------|---------------------|
|  | <u>MARCH, 31</u>       |                     |
|  | <u>2025</u>            | <u>2024</u>         |
| <u>Authorized, subscribed and paid-in social capital</u>                   |                        |                     |
| Capital subscribed and paid at the beginning and end of the year (Nota 13) | <u>Q 3,992,000</u>     | <u>Q 3,992,000</u>  |
| <u>Accumulated earnings:</u>   |                        |                     |
| Balance at the beginning of the year                                       | <u>Q 29,339,057</u>    | <u>Q 25,121,061</u> |
| Net profit the quarter (Note 14)   | <u>3,533,463</u>       | <u>3,983,546</u>    |
| Balance at the end of the quarter  | <u>32,872,520</u>      | <u>29,104,607</u>   |
| <u>Machinery Revaluation</u>   |                        |                     |
| Balance at the beginning of the year                                       | <u>6,948,316</u>       | <u>6,948,316</u>    |
| Balance at the end of the quarter  | <u>6,948,316</u>       | <u>6,948,316</u>    |
| <u>Legal Reserve</u>   |                        |                     |
| Balance at the beginning of the year                                       | <u>Q 1,905,370</u>     | <u>Q 1,480,740</u>  |
| Balance at the end of the quarter  | <u>1,905,370</u>       | <u>1,480,740</u>    |
| Total stockholders' equity   | <u>Q 45,718,206</u>    | <u>Q 41,525,664</u> |

Notes 1 to 19 are an integral part of the financial statements.

**PRIMA UNIÓN PLÁSTICOS, S.A.**

**STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED MARCH 31, 2025 AND 2024**  
(Expressed in quetzals - Note 3)

|   | 2025                | 2024                |
|---|---------------------|---------------------|
| <b>Cash flow in operating activities:</b>                             |                     |                     |
| Net profit for the year   | Q 3,533,464         | Q 3,983,546         |
| Reconciliation between the net profit and entries not requiring cash: |                     |                     |
| Depreciations and amortizations                                       | 955,849             | 804,767             |
| Uncollectible accounts  | 204,379             | 33,263              |
| Employment benefits   | 13,659              | 15,465              |
|   | <u>4,707,351</u>    | <u>4,837,041</u>    |
| <b>Changes in net assets and liabilities:</b>                         |                     |                     |
| Decrease in assets and increase in liabilities:                       |                     |                     |
| Suppliers   | 4,158,417           | -                   |
| Other accounts receivable   | 3,482,948           | -                   |
| Inventory   | 1,399,473           | 3,235,885           |
| Income tax  | 537,393             | -                   |
| Taxes receivable  | 498,072             | 441,191             |
| Taxes payable   | -                   | 194,644             |
| Anticipated spendings   | -                   | 37,814              |
|   | <u>10,076,303</u>   | <u>3,909,534</u>    |
| Increase in assets and decrease in liabilities:                       |                     |                     |
| Customers   | (6,812,641)         | (1,108,774)         |
| Taxes payable   | (156,871)           | -                   |
| Accumulated charges to pay  | (13,626)            | (6,037)             |
| Anticipated spendings   | (9,963)             | -                   |
| Suppliers   | -                   | (1,094,558)         |
| Other accounts receivable   | -                   | (3,300)             |
|   | <u>(6,993,101)</u>  | <u>(2,212,668)</u>  |
| Net cash from operating activities                                    | <u>7,790,553</u>    | <u>6,533,907</u>    |
| <b>Cash flow in investing activities:</b>                             |                     |                     |
| Increase in property, plant and equipment                             | (428,534)           | (24,681)            |
| Net cash applied in investing activities                              | <u>(428,534)</u>    | <u>(24,681)</u>     |
| <b>Cash flow in financing activities:</b>                             |                     |                     |
| Payments of loans   | (302,689)           | (371,863)           |
| Dividend payment  | (3,291,991)         | -                   |
| Exchange differential   | -                   | (6,750)             |
| Cashed used in financing activities                                   | (3,594,679)         | (378,613)           |
| Net increase (decrease) in cash                                       | 3,767,340           | 6,130,613           |
| Cash at the beginning of the year                                     | 7,320,134           | 7,513,452           |
| Cash at the end of the quarter  | <u>Q 11,087,474</u> | <u>Q 13,644,066</u> |

Notes 1 to 19 are an integral part of the financial statements.

PRIMA UNIÓN PLÁSTICOS, S.A.  
NOTES TO THE FINANCIAL STATEMENTS  
MARCH 31, 2025 AND 2024

NOTE 1 – HISTORY AND OPERATIONS

PRIMAUNIÓNPLÁSTICOS, S.A., was constituted as a corporation on March 14, 2016, according to the laws of the Republic of Guatemala, for an indefinite period. Its fiscal year is the natural one.

Its main activity is the manufacture, transformation, import, export, distribution and commercialization of plastic materials and products. Purchase, sale, import and export of industrial machinery for the plastic industry.

The Company is domiciled in the city of Guatemala. It may open branches in any other place of the Republic of Guatemala or abroad.

The Company is part of a group of companies which have common partners and are under the same administration. Such companies make significant transactions among them and with third parties.

The companies which are part of the group are:

- Unión, S.A.
- Prima Plastics Limited.

NOTE 2 –PREPARATION BASES AND ACCOUNTING POLICIES

The accompanying financial statements have been prepared, in all material respects, according to the accrual basis of accounting mentioned in the Income Tax Law, applying the accounting policies and practices included in said Law. The most important accounting policies and procedures used by the Company in the preparation of its financial statements are summarized below:

Accounting basis—The accounting basis used by the Company for the registration of its operations is the accrual basis which recognizes assets, liabilities, income and expenses when the rights are earned or when the corresponding obligations are incurred.

Recognition of income—Income from ordinary activities, which results from the production, distribution and sale of plastic chairs and tables, is recognized in the results of the year when the sale is made.

Recognition of expenses—Expenses are recognized when the same are incurred.

Cash—Cash includes the balances in cash and banks. The balances in banks are available at sight. There was no restriction limiting the use of said balances.

Customers—Customers' balances do not bear interests and are registered at their billing value less the corresponding deductions of the negotiation.

Accounts receivable and estimate for uncollectible accounts—Accounts receivable are registered at cost. The Company applies the policy stipulated by the Law, for uncollectible accounts, regarding the creation of a provision which cannot exceed 3% of the debit balances from commercial accounts and documents receivable, at the closing of each of the annual periods of taxation; provided that said balances are originated from the ordinary course of business and are not guaranteed by pledges or mortgages.

Machinery and equipment, computer equipment, furniture and equipment, tools, vehicles and improvements in leased properties—net—Machinery and equipment, computer equipment, furniture and equipment, tools, vehicles and improvements in leased properties are valued at the acquisition cost. The corresponding depreciation is calculated by the straight line method based on their estimated useful lives and according to the Income Tax Law. The depreciation percentages are as follows:

|                                   |     |
|-----------------------------------|-----|
| Machinery and equipment           | 20% |
| Furniture and equipment           | 20  |
| Computer equipment                | 33  |
| Tools                             | 25  |
| Vehicles                          | 20  |
| Improvements in leased properties | 33  |

Expenses related to repairs and maintenance, which do not restore the asset and increase its useful life, are charged to the operations of the year.

Assets and liabilities expressed in foreign currency—These are presented at their value equivalent in quetzals, using the exchange rate in effect at the end of the year (see Note 3), and the exchange differential, resulting between the dates of payment or collection and the date of registration, is operated in the results.

Transactions in foreign currency—Transactions are registered at their equivalent value in quetzals, using the exchange rate in effect when the transaction is carried out. Earnings and losses derived from adjustments of balances expressed in foreign currency are included in the determination of the results of the year.

Recognition of expenses—Expenses are recognized when they are incurred.

Inventories - Inventories are valued at the average cost of acquisition. Their costs do not exceed their net realizable value. These are registered at the lowest amount between the cost and the selling price less the termination and selling costs.

Related parties- A related party is a person or an entity that is related to the Entity due to one or more of the following factors:

- a) A person or an entity is member of the key personnel of the Company or its controlling entity; if it exercises control or exerts a significant influence or voting power on the same.
- b) If a person or entity together with the Company are:
  - i. Members of the same group,
  - ii. If it is an associate,
  - iii. If the entity together with the Company constitute a joint business of a third entity,
  - iv. One of the entities is part of a joint business of a third entity, and the other entity is an associate of the third entity,
  - v. If the entity constitutes a plan of post-employment benefits of the employees of the Company or an entity which is a related party of the same,
  - vi. If the Company is controlled by a person identified in a),
  - vii. A person or a family member close to that company exerts significant influence over the Company,
  - viii. A member of the key personnel of the administration of the Company or its controlling entity or a relative of that member exerts control over the Company or has significant voting power over it.

Commercial suppliers and creditors - These are obligations based on common credit conditions, and the same do not accrue interest. The amounts, regarding suppliers, expressed in foreign currency are converted according to the exchange rate in effect at the end of the year. Earnings or losses related to the exchange differential resulted from the foreign currency conversion is registered in other expenses or other income, as appropriate.

Severance payments – These are compensations accruing in favor of the employees according to the length of service and provisions of the Work Code. The same may be paid to them in the event of dismissal, or to their relatives in case of death. At March 31, 2025 and 2024, there was one provision regarding this concept for Q274,603 and Q225,565, respectively.

Provisions- A provision is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation which can be reasonably estimated.

Taxation-the income tax is based on the 25% over the fiscal profit.

### NOTE 3 - MONETARY UNIT AND EXCHANGE RATES

The accounting records are maintained in quetzals, denoted by the symbol "Q" as shown in the financial statements. The quetzal is the official currency of Guatemala.

The exchange rate is freely determined among the banking market participants. At March 31, 2025 and 2024, it was Q7.71 and Q7.79, at the date of this report, it was Q7.69 to US\$1.

According to the Law of Free Foreign Currency, the disposal, possession, contracting, remittance, transfer, purchase, sale, collection or payment of and with foreign currency are free; also foreign currency tenure, deposits and bank accounts may be freely maintained.

The reference exchange rate of the quetzal is calculated and published daily by Bank of Guatemala –Central Bank-.

### NOTE 4 - CASH AND BANKS

Cash balances at March 31, are broken-down as shown next:

|                                   | 2025 |            | 2024 |            |
|-----------------------------------|------|------------|------|------------|
|                                   | Q    | 11,000     | Q    | 11,000     |
| <u>Petty cash</u>                 |      |            |      |            |
| <u>Banks-national currency:</u>   |      |            |      |            |
| Industrial                        |      | 5,248,092  |      | 6,876,335  |
| <br><u>Banks-foreign currency</u> |      |            |      |            |
| Industrial                        |      | 3,603,404  |      | 3,587,554  |
| BAC Reformador                    |      | 385,706    |      | 673,270    |
| Banco Promerica                   |      | 1,839,271  |      | 2,495,908  |
|                                   |      | 5,828,381  |      | 6,756,731  |
|                                   | Q    | 11,087,474 | Q    | 13,644,066 |

During 2025 and 2024 these accounts accrued interest for Q5,851 and Q6,631 respectively, the same was registered in other income (Note17).

At March 31, 2025 and 2024, the cash in Banks included foreign currency balances for US\$640,849 and US\$867,176, expressed at an exchange rate of Q7.71 and Q7.79, respectively.

### NOTE 5 -AFFILIATED COMPANIES

This account was integrated by the balances of companies that will be mentioned further on, and the stockholders of one company are also stockholders

of the others, without a company owning shares of the other companies. In addition, one of such companies may exert control or influence over the operations of the other companies.

The Company, as part of a group of affiliated companies (Note 1) and, as such, makes significant transactions of the same nature with these companies.

Due to these relationships, it is likely that the terms of such transactions are not the same which would be agreed among totally independent companies under free competition conditions.

At March 31, this account was integrated as shown next:

a) Receivables:

|             | 2025             | 2024             |
|-------------|------------------|------------------|
|             | <u>Q</u>         | <u>Q</u>         |
| Unión, S.A. | <u>9,759,119</u> | <u>4,627,781</u> |

b) Payables:

|             | 2025     | 2024     |
|-------------|----------|----------|
|             | <u>Q</u> | <u>Q</u> |
| Unión, S.A. | -        | 7,792    |
|             | <u>Q</u> | <u>Q</u> |

#### NOTE 6- OTHER ACCOUNTS RECEIVABLE

Other accounts receivable, at March 31, were as shown next:

|                               | 2025           | 2024           |
|-------------------------------|----------------|----------------|
|                               | <u>Q</u>       | <u>Q</u>       |
| Advances to Foreign suppliers | 476,611        | 259,538        |
| Others accounts               | 11,245         | 16,163         |
| Advance to Employees          | 304            | 54,000         |
|                               | <u>Q</u>       | <u>Q</u>       |
|                               | <u>488,160</u> | <u>329,701</u> |

At March 31, 2025 and 2024, accounts advances to foreign suppliers were US\$61,485 and US\$33,317, at an exchange rate of Q7.71 and Q7.79, respectively.

#### NOTE 7 - INVENTORIES.

Inventories, at cost, at March 31, which is lower than the net realizable value, are classified as described below:

|                  | 2025                      | 2024                      |
|------------------|---------------------------|---------------------------|
| Raw material     | Q 3,938,310               | Q 3,490,416               |
| Finished product | <u>2,310,198</u>          | <u>1,517,970</u>          |
|                  | <u><u>Q 6,248,508</u></u> | <u><u>Q 5,008,387</u></u> |

The valuation formula at which the inventories were costed was the weighted average cost.

Inventories were insured against fire and theft by means of a policy for a total of Q.10,000,000.

#### NOTE 8 – MACHINERY AND EQUIPMENT, COMPUTER EQUIPMENT, FURNITURE AND EQUIPMENT, TOOLS AND IMPROVEMENTS IN LEASED PROPERTIES-NET

At March 31, these assets and its corresponding accumulated depreciation were as shown on the following page:

2025

| ASSETS                  | FIXED ASSETS            |                  |                         |  | DEPRECIATION<br>RATE |
|-------------------------|-------------------------|------------------|-------------------------|--|----------------------|
|                         | BALANCE AT<br>DEC-31-24 | ADDITIONS        | BALANCE AT<br>MAR-31-25 |  |                      |
| Machinery and equipment | Q 20,453,832            | Q 423,033        | Q 20,876,865            |  | 20%                  |
| Computer equipment      | 8                       | -                | 8                       |  | 33%                  |
| Furniture and equipment | 191,796                 | 13,700           | 205,496                 |  | 20%                  |
| Vehicles                | 140,000                 | -                | 140,000                 |  | 20%                  |
| Tools                   | 8,236                   | -                | 8,236                   |  | 25%                  |
|                         | <u>Q 20,793,872</u>     | <u>Q 436,733</u> | <u>Q 21,230,605</u>     |  |                      |

#### ACCUMULATED DEPRECIATION

| ASSETS                  | BALANCE AT<br>DEC-31-24 | CREDITS          | BALANCE AT<br>MAR-31-25 | NET<br>BALANCE      |
|-------------------------|-------------------------|------------------|-------------------------|---------------------|
| Machinery and equipment | 9,993,079               | 941,447          | 10,934,526              | 9,942,339           |
| Computer equipment      | -                       | -                | -                       | 8                   |
| Furniture and equipment | 132,858                 | 7,230            | 140,088                 | 65,408              |
| Vehicles                | 11,666                  | 7,000            | 18,666                  | 121,334             |
| Tools                   | 7,340                   | 301              | 7,641                   | 595                 |
|                         | <u>Q 10,144,943</u>     | <u>Q 955,978</u> | <u>Q 11,100,921</u>     | <u>Q 10,129,684</u> |

2024

| ASSETS                  | FIXED ASSETS         |                 |                      | DEPRECIATION RATE |
|-------------------------|----------------------|-----------------|----------------------|-------------------|
|                         | BALANCE AT DEC-31-23 | ADDITIONS       | BALANCE AT MAR-31-24 |                   |
| Machinery and equipment | Q 17,481,451         | Q 29,879        | Q 17,511,330         | 20%               |
| Computer equipment      | 8                    | -               | 8                    | 33%               |
| Furniture and equipment | 176,340              | 3,003           | 179,342              | 20%               |
| Tools                   | 8,236                | -               | 8,236                | 25%               |
|                         | <u>Q 17,666,035</u>  | <u>Q 32,881</u> | <u>Q 17,698,916</u>  |                   |

| ASSETS                  | ACCUMULATED DEPRECIATION |                  |                      | NET BALANCE         |
|-------------------------|--------------------------|------------------|----------------------|---------------------|
|                         | BALANCE AT DEC-31-23     | CREDITS          | BALANCE AT MAR-31-24 |                     |
| Machinery and equipment | 6,777,774                | 797,022          | 7,574,796            | 9,936,534           |
| Computer equipment      | -                        | -                | -                    | 8                   |
| Furniture and equipment | 104,922                  | 6,817            | 111,739              | 67,603              |
| Tools                   | 6,115                    | 123              | 6,238                | 1,998               |
|                         | <u>Q 6,888,811</u>       | <u>Q 803,962</u> | <u>Q 7,692,773</u>   | <u>Q 10,006,144</u> |

| DEPRECIATION EXPENSE                         | 2025             | 2024             |
|--|------------------|------------------|
| Cost of production                           | Q 913,126        | Q 775,571        |
| Depreciation of operating expenses (Note 16) | 42,852           | 28,392           |
|  | <u>Q 955,978</u> | <u>Q 803,962</u> |

### \*\* MACHINERY REVALUATION

As of March 31, 2022, the revaluation made to 9 production machines was recorded, carried out by the company Ingeniería, Consultoría y Avalúos, S.A, whose revaluation report reflected a revalued amount of Q6,948,316. The tax originated by said revaluation was of Q689,536

The distribution of the accumulated depreciation of revalued assets is made up as follows:

| Machinery                          | Base amount | Acumulated Depreciation | Book value as of 31/03/2024 | Depreciation expense 2025 |
|------------------------------------|-------------|-------------------------|-----------------------------|---------------------------|
| Asset revaluation                  | 6,948,316   | 4,863,821               | 2,084,495                   | 347,416                   |
| Tax originated by said revaluation | 689,536     | 468,997                 | 220,539                     | 34,477                    |

During 2025 and 2024 the machinery was insured against theft and fire.

### NOTE 9 -OTHER ASSETS

Other assets at March 31, were as shown below:

|                                | 2025             | 2024             |
|--------------------------------|------------------|------------------|
|                                | Q                | Q                |
| Guarantee deposits             | 192,786          | 194,791          |
| Guarantee deposits "Casa U"    | 3,200            | 3,200            |
| Improvements to Other Property | 54,674           | 87,474           |
|                                | <u>Q 250,660</u> | <u>Q 285,466</u> |

#### NOTE 10 -TAXES: INCOME TAX-ISR, SOLIDARITY TAX-ISO AND OTHER TAXES

At March 31, taxes receivable and payable, and the calculation thereof, were the following:

a) Receivables:

|   | 2025               | 2024               |
|---|--------------------|--------------------|
|   | Q                  | Q                  |
| VAT accumulated tax credit                  | 2,601,137          | 3,299,056          |
| VAT withholdings                            | 1,170,369          | 1,170,369          |
| VAT tax credit exports                      | 1,533,274          | 1,354,876          |
| VAT on local activities pending liquidation | 529,496            | 529,496            |
| Account receivable to SAT                   | 856,720            | -                  |
| Solidarity tax                              | 239,513            | 233,128            |
|   | <u>Q 6,930,509</u> | <u>Q 6,586,925</u> |

b) Payables:

|  | 2025               | 2024               |
|--|--------------------|--------------------|
|  | Q                  | Q                  |
| Provisión income tax [Note 10 c)]                | 1,212,813          | 1,344,942          |
| Income tax withholdings to third parties         | 11,889             | 11,984             |
| Income tax withholdings related to non residents | 3,388              | -                  |
| VAT on special invoices                          | 819                | 114                |
| Income tax withholdings for employees            | 1,195              | 1,096              |
| Income tax on special invoices                   | 341                | 47                 |
| VAT Withholdings payable                         | 38,831             | 2,249              |
|  | <u>Q 1,269,276</u> | <u>Q 1,360,431</u> |

In 2024, Prima Unión Plásticos, S.A. was named VAT Withholdings agent.

c) Income tax calculation related to lucrative activities:

|   | 2025             | 2024             |
|---|------------------|------------------|
|   | Q                | Q                |
| Usefulness of the exercise                  | 4,746,276        | 5,328,487        |
| Less-other net capital income of income tax | <u>(5,851)</u>   | <u>(6,631)</u>   |
| Income from lucrative activities            | 4,740,425        | 5,321,856        |
| Add-non deductible expenses                 | 110,411          | 57,247           |
| Add-costs and capital income                | 416              | 664              |
| Taxable income                              | Q 4,851,251      | Q 5,379,767      |
| Percentage of income tax                    | 25%              | 25%              |
| Income tax [Note 10 b)]                     | <u>1,212,813</u> | <u>1,344,942</u> |

ISO:

This tax entered into effect on January 1, 2009. This is applicable to individuals and legal entities, as well as other entities dedicated to mercantile and agricultural activities in the national territory, obtaining a gross margin higher than 4% of their gross income.

This tax should be quarterly paid during the calendar year, and may be credited to ISR payments, be them monthly, quarterly or annually, until the exhaustion of the balance during the three following calendar years. Alternatively, ISR may be covered first and credited to ISO payments during the same calendar year.

The tax remainder that is not credited according to the procedures established by the law will be considered as an expense deductible for income tax purposes, on the period of annual definitive liquidation in which the three years of payment are complete.

The tax rate is 1% on:

- a) The fourth part of the amount of the net assets or
- b) The fourth part of the gross revenues, whichever is higher.

When the net assets are more than four times higher than the gross income, the tax base mentioned in b) will be applied.

The financial statements of the previous fiscal year will be taken as a base in both cases. The IUSI (real estate property tax) paid during the same quarter, should be deducted from the determined tax based on the assets.

This tax should be paid during the calendar month following each quarter; on the contrary, it will not be creditable to ISR.

STATUTE OF LIMITATIONS:

Pursuant to the Tax Code of Guatemala, the statute of limitations for the tax authorities to make adjustments to tax payers elapses in four years beginning on

the date when the tax returns were due for filing. The income tax returns filed by the Company for the years 2021 to 2024 are pending review by the tax authorities.

#### NOTE 11 -SUPPLIERS AND CREDITORS

Accounts payable to suppliers and creditors, at March 31, were as shown next:

Foreign suppliers are listed below:

|           | 2025               | 2024               |
|-----------|--------------------|--------------------|
| Suppliers | Q 3,853,816        | Q 1,956,327        |
| Creditors | 1,009,404          | 1,147,409          |
|           | <u>Q 4,863,220</u> | <u>Q 3,103,736</u> |

At March 31, 2025 and 2024, accounts payable to foreign suppliers were US\$499,752 and US\$251,080 at an exchange rate of Q7.71 and Q7.79 to US\$1, respectively.

#### NOTE 12 - BANK LOANS

During January 2021 and July 2022, the company signed a bank credit agreement with Banco Industrial, S.A., with under the following conditions:

| Original amount    | Term    | Interest rate | Purpose            | Maturity    | Balance at March 31 |                    |
|--------------------|---------|---------------|--------------------|-------------|---------------------|--------------------|
|                    |         |               |                    |             | 2024                | 2024               |
| \$ 350,000         | 4 years | 7.75%         | Purchase machinery | Apr-30-2025 | Q 73,492            | Q 1,298,639        |
|                    |         |               |                    |             | <u>Q 73,492</u>     | <u>Q 1,298,639</u> |
| Current amount     |         |               |                    |             | March 31, 2025      | March 31, 2024     |
| Non current amount |         |               |                    |             | Q 73,492            | Q 918,285          |
|                    |         |               |                    |             | -                   | 380,354            |
|                    |         |               |                    |             | <u>Q 73,492</u>     | <u>Q 1,298,639</u> |

#### NOTE 13 -AUTHORIZED, SUBSCRIBED AND PAID IN SOCIAL CAPITAL

At March 31, 2025 and 2024, the authorized, subscribed and paid in social capital was integrated as follows:

|  |                     |
|--|---------------------|
| Authorized social capital was composed of 15,000 common and nominative shares, with a nominal value of Q1,000 each | Q 15,000,000        |
| Less-shares pending subscription: 11,008   | <u>(11,008,000)</u> |
| Authorized, subscribed and paid in social capital composed of 3,992 shares Q1,000 each                             | <u>Q 3,992,000</u>  |

At March 31, the book value of the shares was as it appears below:

|                                     | 2025                | 2024                |
|-------------------------------------|---------------------|---------------------|
| Paid in capital                     | Q 3,992,000         | Q 3,992,000         |
| Net profit of the quarter (Note 14) | <u>32,872,520</u>   | <u>29,104,607</u>   |
|                                     | <u>Q 36,864,520</u> | <u>Q 33,096,607</u> |
| Divided by the number of shares     | 3,992               | 3,992               |
| Book value of each share            | <u>Q 9,235</u>      | <u>Q 8,291</u>      |

#### NOTE 14 - ACCUMULATED EARNINGS

At March 31, the accumulated earnings re shown below:

|                                      | 2025                | 2024                |
|--------------------------------------|---------------------|---------------------|
| Balance at the beginning of the year | Q 29,339,057        | Q 25,121,061        |
| Net profit of the quarter            | <u>3,533,463</u>    | <u>3,983,546</u>    |
|                                      | <u>Q 32,872,520</u> | <u>Q 29,104,607</u> |

Legal Reserve – The Guatemalan Code of Commerce establishes that every company must form a reserve called legal, which is formed by separating a minimum of 5% from the net profits of each year. This reserve is not distributed, but until the end of the partnership; however, it can be capitalized when it exceeds 15% of the paid-in capital at the close of the immediately preceding fiscal year.

#### NOTE 15 -OPERATING EXPENSES

The following page shows the operating expenses executed during the first quarter of 2025 and 2024:

|                                      | 2025               | 2024               |
|--------------------------------------|--------------------|--------------------|
|                                      | Q                  | Q                  |
| Leases                               | 383,310            | 374,547            |
| Outsourcing                          | 290,570            | 311,919            |
| Maintenance and repairs              | 219,685            | 46,231             |
| Uncollectible accounts               | 204,379            | 33,263             |
| Transportation costs                 | 153,316            | 71,803             |
| Salaries and benefits                | 131,357            | 120,707            |
| General expenses                     | 114,151            | 27,650             |
| Security services                    | 96,324             | 78,052             |
| Professional services                | 86,355             | 69,581             |
| Travel expenses                      | 85,175             | 84,158             |
| Taxes and contributions              | 58,725             | 78,175             |
| Supplies and miscellaneous materials | 58,132             | 64,773             |
| Depreciation                         | 42,852             | 28,392             |
| Insurance and bonds                  | 41,611             | 40,078             |
| Water, electricity and telephone     | 37,236             | 183,712            |
| Advertising and selling expenses     | 28,932             | 41,280             |
| Amortization                         | 8,200              | 8,200              |
| Fuel and lubricants                  | 5,844              | 7,107              |
| Courses and trainings                | 2,826              | 2,526              |
| Employer fee                         | -                  | 4,093              |
|                                      | <u>Q 2,048,982</u> | <u>Q 1,676,247</u> |

#### NOTE 16 – FINANCIAL EXPENSES

During the quarter under review, the following financial expenses were executed:

|                                       | 2025            | 2024             |
|---------------------------------------|-----------------|------------------|
|                                       | Q               | Q                |
| Interest related to loans             | 5,352           | 30,279           |
| Loss in foreign exchange differential | 28,949          | 79,566           |
| Sundry expenses                       | 3,421           | 1,151            |
|                                       | <u>Q 37,721</u> | <u>Q 110,996</u> |

#### NOTE 17 -OTHER INCOME

Other income obtained during the first quarter of 2025 and 2024, was originated from the following concepts:

|                            | 2025            | 2024            |
|----------------------------|-----------------|-----------------|
|                            | Q               | Q               |
| Exchange differential      | -               | 38,372          |
| Sundry income              | 20,509          | 12,273          |
| Interest received (Note 4) | 5,851           | 6,631           |
|                            | <u>Q 26,360</u> | <u>Q 57,277</u> |

#### NOTE 18 - APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the Administration Board and were authorized for their publication.

NOTE 19 - ASPECTS IN WHICH THE ACCOUNTING POLICIES APPLIED BY THE COMPANY DIFFER FROM THE INTERNATIONAL FINANCIAL REPORTING STANDARD FOR PYMES

| ACCOUNTING BASIS   | ACCOUNTING BASIS OF GENERAL PURPOSE  |
|--|--|
| The one that is derived from the Income Tax Law  | International Financial Reporting Standard-IFRS.   |
| <p><b>1. <u>Valuation and recognition of financial instruments:</u></b></p> <p>These are valued at the historical cost. The value impairment is not recognized until the moment of its liquidation, except for the commercial accounts receivable to which a maximum reserve of 3% of the value of the total balances is applied, without taking into consideration whether or not there is evidence of impairment or the amount of the actual value impairment.</p> | <p>At the end of each reporting period, the financial instruments will be measured at the amortized cost using the effective interest method.</p> <p>Debt instruments, classified as current assets or current liabilities, are measured to the amount not deducted from the cash or other consideration which is expected to be paid or received, unless the agreement constitutes a financing transaction. If the agreement constitutes a financing transaction, the Entity should measure the debt instrument to the present value of future payments deducted at a market interest rate for a similar debt instrument.</p> <p>At the end of each reporting period, an assessment should be made to verify if there is objective evidence of value impairment of the financial assets that are measured at cost or amortized cost. When there is objective evidence of value impairment, the Entity will recognize immediately a loss due to value impairment in the results.</p> |

| ACCOUNTING BASIS   | ACCOUNTING BASIS OF GENERAL PURPOSE  |
|--|--|
| The one that is derived from the Income Tax Law  | International Financial Reporting Standard-IFRS.   |
| <p>2. <u>Names of the financial statements.</u></p> <p>a) Balancesheet<br/>b) Statement of income<br/>c) Statement of changes in equity<br/>d) Statement of cash Flow</p>  | <p>e) Statement of financial position.<br/>f) Statement of comprehensiveincome<br/>g) Statement of changes in equity<br/>h) Statement of cash flow</p>   |
| <p>3. <u>Property, plant and equipment:</u></p> <p>The recognition of assets is registered at the cost value less the depreciation based on the estimated useful life of the assets.</p> <p>There is no scrap value, and losses due to impairment in the value of the same are not recognized.</p>   | <p>IFRS for PYMES stipulates that assets should be recognized at their cost less their accumulated depreciation less their value of impairment.</p> <p>The Company does not make an objective assessment of the impairment of its fixed assets.</p>      |
| <p>4. <u>Benefits due to termination of contract – liabilities related to severance payments</u></p> <p>The income tax law allows the creation of a reserve for severance payments due to termination of contract, at the rate of 8.33% of annual remunerations.</p> <p>Even when this compensation is payable to employees only in the event of unjustified dismissal, the law allows said compensation to be constituted by the total number of remunerations paid each year, without taking into consideration whether or not there is a payment obligation, as the related employment contracts were not terminated.</p> | <p>The standard requires that provisions which can be reliably valued and result in future economic benefits are registered.</p> <p>The company does not create provisions related to this concept as it makes payments to its employees every year.</p> |
| 5. <u>Classification of obligations according to maturity</u>  |  |

| ACCOUNTING BASIS  | ACCOUNTING BASIS OF GENERAL PURPOSE   |
|---|---|
| <p>The one that is derived from the Income Tax Law</p> <p>The law classifies liabilities related to labor fringe benefits as Christmas bonus and bonus 14, together with severance payments, which have a period higher than one year.</p>  | <p>International Financial Reporting Standard-IFRS.</p> <p>IFRS for PYMES requires that these are classified as current and noncurrent obligations.</p>   |
| <p>6. <u>Inventories</u></p> <p>Under no circumstances, the Company does not recognize any reserve for the recognition of the value impairment of the inventories, as it is not allowed by the Income Tax Law.</p> <p>Any loss due to impairment is registered until the time of sellingor removing the inventory of the affected assets.</p> | <p>At the end of each reporting period, the Entity should assess whether the inventories are impaired, that is, if the book value is not completely recoverable; for example, due to damage, obsolescence or decreasing selling prices.If an inventory entry is impaired, the Entity should measure the inventory at the selling price less the costs of termination and sale, and a loss due to value impairment should be recognized.</p>                           |
| <p>7. <u>Impairment of assets different from inventories</u></p> <p>Such impairment is recognized until the time when the asset is settled or disposed, or when it is removed from the assets.</p>  | <p>Any value impairment should be immediately recognized in the results, reducing the book value of the affected asset until its recoverable amount is obtained.</p> <p>In order to recognize losses due to impairment, on a timely basis, the Company should assess, during each reporting date, whether there is an indicator of value impairment of any asset.</p> <p>If an indicator existed, the Company should estimate the recoverable amount of the same.</p> |

| ACCOUNTING BASIS  | ACCOUNTING BASIS OF GENERAL PURPOSE  |
|---|--|
| The one that is derived from the Income Tax Law   | International Financial Reporting Standard-IFRS.   |
|   | The recoverable amount of an asset or a cash generating unit is the highest value between its fair value less costs of sales and its value in use.   |
| <p>8. <u>Short term benefits to employees – remunerated absences</u></p> <p>These are registered in the results when the same are paid.</p> | <p>The cost of all the benefits for employees to which they are entitled, as a result of services rendered to the Entity during the reporting period, should be recognized as an expense of the period and as an obligation.</p> <p>An entity will recognize the expected cost of the remunerated absences with cumulative rights as employees render their services which increase their rights to future remunerated absences.</p> <p>The Entity will measure the expected cost related to the remunerated absences with cumulative rights for the additional amount not discounted that the Entity expects to pay due to unused rights accumulated at the end of the reporting period. The Entity will present this amount as a current liability at the date of the reporting period.</p> <p>Person or entity related to the company due to zero or more bills, such as:</p> |

| ACCOUNTING BASIS   | ACCOUNTING BASIS OF GENERAL PURPOSE  |
|--|--|
| The one that is derived from the Income Tax Law  | International Financial Reporting Standard-IFRS.   |
| <p>9. <u>Relatedparties:</u></p> <p>It results from operations among a Guatemalan resident and a foreign company when:</p> <p>a) It owns more than 25% of the capital.</p> <p>b) Five or less people revoke or control both related parties.</p> <p>c) When legal people who are Guatemalan residents or foreigners belong to a smaller business group.</p> <p>d) When it is an exclusive distributor in Guatemala or abroad.</p> <p>e) A Guatemalan resident has a permanent establishment abroad..</p> <p>f) A permanent establishment in Guatemala, and its headquarters is abroad.</p> | <p>1. Member of the same group</p> <p>2. When it is an associate</p> <p>3. When they have a joint business</p> <p>4. If the company is controlled by a person, company or relative or key personnel of the management.</p> |

\* \* \* \* \*



PRIMA UNIÓN PLÁSTICOS, S.A.

FINANCIAL STATEMENTS  
AT DECEMBER 31, 2024 AND 2023

Guatemala, January 17, 2025

PRIMA UNIÓN PLÁSTICOS, S.A.

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors and  
Stockholders of  
**PRIMA UNIÓN PLÁSTICOS, S.A.**

### **Report on the audit of the financial statements:**

#### **Opinion:**

We have audited the accompanying financial statements of PRIMA UNIÓN PLÁSTICOS, S.A., which comprise the balance sheet at December 31, 2024 and 2023, and the statements of: income, changes in net equity and cash flows corresponding to the years then ended, and the notes to the financial statements, as well as a summary of the significant accounting policies and other explanatory information. The financial statements have been prepared by the administration, with certain fiscal criteria of accounting of the Income Tax Law of the Republic of Guatemala.

In our opinion, the accompanying financial statements of PRIMA UNIÓN PLÁSTICOS, S.A., for the years ended December 31, 2024 and 2023, have been prepared, in all material respects, according to the accounting requirements established by the Income Tax Law of the Republic of Guatemala (described in Note 2).

#### **Basis for opinion**

- a) We have executed our audit according to the International Standards on Auditing Standards (ISAs). Our responsibilities under such standards are described in detail in the section Auditor's responsibilities on the audit of the financial statements of our report. We are independent from the Company in accordance to ethical requirements that are relevant for our audit of the financial statements in Guatemala – Code of Ethics for Professional Accountants issued by the International Ethics Standards Board (IESBA) of the International Federation Accountants (IFAC) – and we have complied with our other ethical responsibilities according to this code. We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our opinion.

b) Without modifying our opinion, we draw attention to Note 2 to the financial statements, which describes the accounting basis used for the preparation of said statements, which differs in some aspects from the international financial reporting standards as indicated in the Note 19. The financial statements have been prepared with the purpose of serving as a basis for the preparation of the Income tax return for the year and to comply with the legal requirement to present them attached to the same. As a result of this, the financial statements may not be appropriate for other purpose. Our report is intended for the use of the Company, partners and tax authorities. Our opinion is not modified regarding this matter.

**Responsibilities of management and those charged with governance of the Company for the financial statements.**

Management is responsible for the preparation of the accompanying financial statements in accordance with the fiscal criteria of accounting included in the law of the income tax of Guatemala, note 2, and the internal control that management deems necessary to allow the preparation of the financial statements being free of material misstatements due fraud or error.

In the preparation of the financial statements, management is responsible of assessing the ability of the Company to continue operating as a going concern, revealing the matters related to the going concern business and using the going concern basis of accounting, unless management intends to cease operations or has no other realistic alternative but to do so.

Those charged with governance of the Company are responsible to supervise the process of financial information of the Company.

**Auditor's responsibilities for the financial statements audit**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether they are derived from fraud or error, and issue the auditor's report which includes our opinion. Reasonable assurance is a high level of assurance, but it does not guarantee that an audit carried out according to the International Standards on Auditing- ISAs will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are considered material if, individually or as a whole, said misstatements are reasonable expected to affect the economic decisions taken by the users based on the financial statements.

As part of an audit, and according to the International Standard son Auditing - ISAs- we exercise professional judgment, and we maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatements in the financial statements, due to fraud or error, design and execute audit procedures responsive to those risks and obtain sufficient and appropriate audit evidence to provide the bases for our

opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for the one resulting from error as fraud involves collusion, forgery, intentional omissions, misrepresentations or override of the internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures appropriate under the circumstances and not for the purpose to express an opinion on the effectiveness of the internal control of the Company.
- Evaluate the appropriateness of the accounting policies used, and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the accounting bases of the going concern company, and based on the gathered evidence, whether there is a material uncertainty related to events or conditions that may give rise to a significant doubt on the capacity of the Company 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 information disclosure related to the financial statements or, if such disclosure is 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- The auditor's responsibilities are to obtain enough and appropriate audit evidence regarding the financial information of the entities or commercial activities within the Company to express an opinion on the financial statements. We are responsible of the management, supervision and making of the audit engagement of the Company. We are the only responsible for our audit opinion

We communicated with those charged with governance regarding the expected scope and the moment of conducting the audit and the important audit results, among other matters, including potential significant deficiencies in the internal control that we identified during our audit.

Guatemala, January 17, 2025



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Edificio Vasanta, nivel 7 oficina 704  
Ciudad de Guatemala, Guatemala

**MAO**  
Mansilla Ortiz Contadores  
Públicos y Auditores, S.A.

Licda. Lisbet Marivel Mansilla de Ortiz  
CONTADORA PUBLICA Y AUDITORA  
COLEGIADA No. CPA-3748

PRIMA UNIÓN PLÁSTICOS, S.A.

STATEMENT OF FINANCIAL POSITION  
AT DECEMBER 31, 2024 y 2023  
 (Expressed in quetzals - Note 3)

|   | 2024                | 2023                |
|---|---------------------|---------------------|
| <b>ASSETS</b>   |                     |                     |
| Current assets:   |                     |                     |
| Cash and banks (Note 4)   | Q 7,320,134         | <u>Q 7,513,452</u>  |
| Accounts receivable:  |                     |                     |
| Customers   | 4,403,318           | 6,042,818           |
| Affiliated companies (Note 5)   | 6,092,464           | 4,475,490           |
| (-) Reserve for uncollectible accounts  | (314,873)           | (315,549)           |
| Taxes receivable [Note 10 a)]   | 7,428,581           | 7,306,512           |
| Other accounts receivable (Note 6)  | 679,116             | 326,401             |
|   | <u>18,288,605</u>   | <u>17,835,672</u>   |
| Inventories (Note 7)  | 7,647,981           | 8,244,271           |
| Prepaid expenses  | 306,948             | 475,451             |
| Total current assets  | <u>33,563,668</u>   | <u>34,068,846</u>   |
| Non current assets:   |                     |                     |
| Machinery and equipment, computer equipment, furniture and equipment, tools and improvements in leased properties - net- (Note 8) | 10,648,930          | 10,777,216          |
| Other assets (Note 9)   | 258,730             | 294,480             |
| Total non current assets  | <u>10,907,660</u>   | <u>11,071,696</u>   |
| Total assets  | <u>Q 44,471,328</u> | <u>Q 45,140,542</u> |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>   |                     |                     |
| Current liabilities:  |                     |                     |
| Suppliers and creditors (Note 11)   | Q 669,863           | Q 4,184,367         |
| Affiliated companies (Note 5)   | 34,940              | 21,720              |
| Taxes payable [Note 10 b)]  | 888,755             | 1,444,182           |
| Labor benefits payable  | 37,752              | 42,360              |
| Accumulated charges to pay  | 16,656              | 17,052              |
| Bank Loans (Note 12)  | 376,181             | 1,295,176           |
| Total current liabilities   | <u>2,024,147</u>    | <u>7,004,857</u>    |
| Non current liabilities:  |                     |                     |
| Bank Loans (Note 12)  | -                   | 382,076             |
| Reserve for compensation (Note 2)   | 262,439             | 211,491             |
| Total non current liabilities   | <u>262,439</u>      | <u>593,567</u>      |
| Total liabilities   | <u>2,286,586</u>    | <u>7,598,424</u>    |
| Stockholders' equity and accumulated earnings:  |                     |                     |
| Authorized, subscribed and paid in social capital (Note 13)   | 3,992,000           | 3,992,000           |
| Asset revaluation (Note 8)  | 6,948,316           | 6,948,316           |
| Legal reserve   | 1,905,370           | 1,480,740           |
| Accumulated Profit (Note 14)  | 29,339,056          | 25,121,061          |
| Total stockholders' equity and accumulated earnings   | <u>42,184,742</u>   | <u>37,542,118</u>   |
| Total liabilities, stockholders' equity and accumulated earnings  | <u>Q 44,471,328</u> | <u>Q 45,140,542</u> |

Notes 1 to 19 are an integral part of the financial statements.

PRIMA UNIÓN PLÁSTICOS, S.A.

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023  
 (Expressed in quetzals - Note 3)

|                              | 2024                | 2023                |
|------------------------------|---------------------|---------------------|
| Income                       |                     |                     |
| Less-cost of sales           | Q 54,690,018        | Q 60,148,129        |
| Gross profit from sales      | <u>(34,156,835)</u> | <u>(35,508,177)</u> |
| Operating expenses (Note 15) | <u>20,533,183</u>   | <u>24,639,952</u>   |
| Operating profit             | <u>(8,677,015)</u>  | <u>(6,961,232)</u>  |
| Financial expenses (Note 16) | <u>11,856,168</u>   | <u>17,678,720</u>   |
| Other income (Note 17)       | <u>(210,167)</u>    | <u>(301,207)</u>    |
| Profit before tax            | <u>118,433</u>      | <u>88,958</u>       |
| Income Tax - ISR             | Q 11,764,434        | Q 17,466,471        |
| Net profit for the year      | <u>Q 8,492,595</u>  | <u>Q 13,028,432</u> |

Notes 1 to 19 are an integral part of the financial statements.

PRIMA UNIÓN PLÁSTICOS, S.A.

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023  
 (Expressed in quetzals - Note 3)

| <u>Authorized, subscribed and paid-in social capital</u>                   | <u>2024</u>         | <u>2023</u>         |
|--|---------------------|---------------------|
| Capital subscribed and paid at the beginning and end of the year (Nota 13) | Q 3,992,000         | Q 3,992,000         |
| <u>Accumulated profits:</u>  |                     |                     |
| Balance at the beginning of the year                                       | Q 25,121,061        | Q 12,744,050        |
| Net profit for the year  | 8,492,595           | 13,028,432          |
| Dividends declared   | (3,849,970)         | -                   |
| Less-transfer to legal reserve for the year                                | (424,630)           | (651,421)           |
| Balance at the end of the year (Note 14)                                   | <u>29,339,056</u>   | <u>25,121,061</u>   |
| <u>Legal reserve:</u>  |                     |                     |
| Balance at the beginning of the year                                       | Q 1,480,740         | Q 829,319           |
| Transfer to legal reserve for the year                                     | 424,630             | 651,421             |
| Balance at the end of the year   | <u>1,905,370</u>    | <u>1,480,740</u>    |
| <u>Asset revaluation</u>   |                     |                     |
| Balance at the beginning of the year                                       | Q 6,948,316         | Q 6,948,316         |
| Increase (Note 8)  | -                   | -                   |
| Balance at the end of the semester   | Q 6,948,316         | Q 6,948,316         |
| Total stockholders' equity   | <u>Q 42,184,742</u> | <u>Q 37,542,118</u> |

Notes 1 to 19 are an integral part of the financial statements.

PRIMA UNIÓN PLÁSTICOS, S.A.

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2024 AND 2023  
(Expressed in quetzals - Note 3)

|   | 2024               | 2023               |
|---|--------------------|--------------------|
| <b>Cash flow in operating activities:</b>                             |                    |                    |
| Net profit for the year   | Q 8,492,595        | Q 13,028,432       |
| Reconciliation between the net profit and entries not requiring cash: |                    |                    |
| Depreciation  | 3,259,073          | 3,187,291          |
| Uncollectible accounts  | (676)              | 155,732            |
| Exchanged diferencial for payments loans                              | -                  | (30,527)           |
| Labor benefits payable  | 46,340             | 57,292             |
|   | <u>11,797,332</u>  | <u>16,398,221</u>  |
| <b>Changes in net assets and liabilities:</b>                         |                    |                    |
| Decrease in assets and increase in liabilities:                       |                    |                    |
| Customers   | 22,526             | -                  |
| Taxes payable   | 2,323,683          | 2,011              |
| Suppliers and creditors   | 588,768            | 1,679,918          |
| Inventory   | 168,503            | -                  |
| Prepaid expenses  | 98,861             | -                  |
| Other accounts receivable   | 1,172,404          | -                  |
| Income tax  | <u>3,103,480</u>   | <u>2,953,194</u>   |
| Increase in assets and decrease in liabilities:                       |                    |                    |
| Taxes receivable  | (2,993,657)        | (798,772)          |
| Inventory   | -                  | (2,644,741)        |
| Suppliers and creditors   | (3,501,284)        | -                  |
| Other accounts receivable   | (352,715)          | -                  |
| Accumulated charges to pay  | (396)              | (42,086)           |
| Customers   | -                  | (5,191,064)        |
| Prepaid expenses  | (417,064)          | -                  |
|   | <u>(6,848,052)</u> | <u>(9,093,728)</u> |
| Net cash from operating activities                                    | <u>8,052,761</u>   | <u>10,257,688</u>  |
| <b>Cash flow in investing activities:</b>                             |                    |                    |
| Increase in property, plant and equipment                             | (3,095,037)        | (731,858)          |
| Net cash applied in investing activities                              | <u>(3,095,037)</u> | <u>(731,858)</u>   |
| <b>Cash flow in financing activities:</b>                             |                    |                    |
| Dividends declared  | (3,849,970)        | -                  |
| Payments of loans   | (1,301,072)        | (7,086,653)        |
| Cashed used in financing activities                                   | (5,151,042)        | (7,086,653)        |
| Net increase (decrease) in cash                                       | (193,319)          | 2,439,177          |
| Cash at the beginning of the year                                     | 7,513,452          | 5,074,275          |
| Cash at the end of the year   | Q 7,320,134        | Q 7,513,452        |

Notes 1 to 19 are an integral part of the financial statements.

PRIMA UNIÓN PLÁSTICOS, S.A.  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024, AND 2023

NOTE 1 – HISTORY AND OPERATIONS

PRIMA UNIÓN PLÁSTICOS, S.A., was constituted as a corporation on March 14, 2016, according to the laws of the Republic of Guatemala, for an indefinite period. Its fiscal year is the natural one.

Its main activity is the manufacture, transformation, import, export, distribution and commercialization of plastic materials and products. Purchase, sale, import and export of industrial machinery for the plastic industry.

The Company is domiciled in the city of Guatemala. It may open branches in any other place of the Republic of Guatemala or abroad.

The Company and Unión, S.A., have is part of a group of companies which have common partners and are under the same administration. Such companies make significant transactions among them and with third parties.

The companies which are part of the group are:

- Unión, S.A.
- Prima Plastics Limited.

NOTE 2 – PREPARATION BASES AND ACCOUNTING POLICIES

The accompanying financial statements have been prepared, in all material respects, according to the accrual basis of accounting mentioned in the Income Tax Law, applying the accounting policies and practices included in said Law. The most important accounting policies and procedures used by the Company in the preparation of its financial statements are summarized below:

Accounting basis – The accounting basis used by the Company for the registration of its operations is the accrual basis which recognizes assets, liabilities, income and expenses when the rights are earned or when the corresponding obligations are incurred.

Recognition of income – Income from ordinary activities, which results from the production, distribution and sale of plastic chairs and tables, is recognized in the results of the year when the sale is made.

Recognition of expenses – Expenses are recognized when the same are incurred.

Cash – Cash includes the balances in cash and banks. The balances in banks are available at sight. There was no restriction limiting the use of said balances.

Customers – Customers' balances do not bear interests and are registered at their billing value less the corresponding deductions of the negotiation.

Accounts receivable and estimate for uncollectible accounts – Accounts receivable are registered at cost. The Company applies the policy stipulated by the Law, for uncollectible accounts, regarding the creation of a provision which cannot exceed 3% of the debit balances from commercial accounts and documents receivable, at the closing of each of the annual periods of taxation; provided that said balances are originated from the ordinary course of business and are not guaranteed by pledges or mortgages.

Machinery and equipment, computer equipment, furniture and equipment, tools and improvements in leased properties-net – Machinery and equipment, computer equipment, furniture and equipment, tools and improvements in leased properties are valued at the acquisition cost. The corresponding depreciation is calculated by the straight-line method based on their estimated useful lives and according to the Income Tax Law. The depreciation percentages are as follows:

|                                   |     |
|-----------------------------------|-----|
| Machinery and equipment           | 20% |
| Furniture and equipment           | 20  |
| Computer equipment                | 33  |
| Tools                             | 25  |
| Improvements in leased properties | 33  |

Expenses related to repairs and maintenance, which do not restore the asset and increase its useful life, are charged to the operations of the year.

Assets and liabilities expressed in foreign currency - These are presented at their value equivalent in quetzals, using the exchange rate in effect at the end of the year (see Note 3), and the exchange differential, resulting between the dates of payment or collection and the date of registration, is operated in the results.

Transactions in foreign currency – Transactions are registered at their equivalent value in quetzals, using the exchange rate in effect when the transaction is carried out. Earnings and losses derived from adjustments of balances expressed in foreign currency are included in the determination of the results of the year.

Inventories - Inventories are valued at the average cost of acquisition. Their costs do not exceed their net realizable value. These are registered at the lowest amount between the cost and the selling price less the termination and selling costs.

Related parties - A related party is a person or an entity that is related to the Entity due to one or more of the following factors:

- a) A person or an entity is member of the key personnel of the Company or its controlling entity; if it exercises control or exerts a significant influence or voting power on the same.
- b) If a person or entity together with the Company are:
  - i. Members of the same group,
  - ii. If it is an associate,
  - iii. If the entity together with the Company constitute a joint business of a third entity,
  - iv. One of the entities is part of a joint business of a third entity, and the other entity is an associate of the third entity,
  - v. If the entity constitutes a plan of post-employment benefits of the employees of the Company or an entity which is a related party of the same,
  - vi. If the Company is controlled by a person identified in a),
  - vii. A person or a family member close to that company exerts significant influence over the Company,
  - viii. A member of the key personnel of the administration of the Company or its controlling entity or a relative of that member exerts control over the Company or has significant voting power over it.

Commercial suppliers and creditors - These are obligations based on common credit conditions, and the same do not accrue interest. The amounts, regarding suppliers, expressed in foreign currency are converted according to the exchange rate in effect at the end of the year. Earnings or losses related to the exchange differential resulted from the foreign currency conversion is registered in other expenses or other income, as appropriate.

Provisions - A provision is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation which can be reasonably estimated.

Severance payments - These are compensations accruing in favor of the company's employees according to the length of service and provisions of the Work Code. The same may be paid to them in the event of dismissal, or to their relatives in case of death, and in the event of resignation. At December 31, 2024 and 2023, there was one provision regarding this concept for Q262,439 and Q211,491.

Taxation - the income tax is based on the 25% over the fiscal profit.

In September 2019, the company was classified as maquila in the temporary admission regime, for this reason, it was exempted from the payment of VAT and customs taxes on the import of raw materials, which are acquired for the manufacture of products sold outside Guatemala and for the acquisition of machinery used in the production process.

### NOTE 3 - MONETARY UNIT AND EXCHANGE RATES

The accounting records are maintained in quetzals, denoted by the symbol "Q" as shown in the financial statements. The quetzal is the official currency of Guatemala.

The exchange rate is freely determined among the banking market participants. At December 31, 2024 and 2023, it was Q7.71 and Q7.83, at the date of this report, it was Q7.71 to US\$1.

According to the Law of Free Foreign Currency, the disposal, possession, contracting, remittance, transfer, purchase, sale, collection or payment of and with foreign currency are free; also, foreign currency tenure, deposits and bank accounts may be freely maintained.

The reference exchange rate of the quetzal is calculated and published daily by Bank of Guatemala –Central Bank-.

### NOTE 4 - CASH AND BANKS

Cash balances at December 31, are broken-down as shown next:

|                                 | 2024 |           | 2023 |           |
|---------------------------------|------|-----------|------|-----------|
|                                 | Q    | 11,000    | Q    | 11,000    |
| Petty cash                      |      |           |      |           |
| <u>Banks-national currency:</u> |      |           |      |           |
| Industrial                      |      | 3,912,882 |      | 1,942,123 |
| <u>Banks-foreign currency</u>   |      |           |      |           |
| Industrial                      |      | 1,975,954 |      | 4,537,265 |
| Promerica                       |      | 942,066   |      | 892,474   |
| BAC Reformador                  |      | 478,233   |      | 130,591   |
|                                 |      | 3,396,252 |      | 5,560,329 |
|                                 | Q    | 7,320,134 | Q    | 7,513,452 |

During 2024 and 2023 these accounts accrued interest for Q32,265 and Q16,862, the same was registered in other income (Note 17).

At December 31, 2024 and 2023, the cash in Banks included foreign currency balances for US\$440,714 and US\$710,40, expressed at an exchange rate of 7.71 and Q 7.83

### NOTE 5 - AFFILIATED COMPANIES

This account was integrated by the balances of companies that will be mentioned further on, and the stockholders of one company are also stockholders of the others, without a company owning shares of the other companies. In

addition, one of such companies may exert control or influence over the operations of the other companies.

Due to these relationships, it is likely that the terms of such transactions are not the same which would be agreed among totally independent companies under free competition conditions.

At December 31, this account was integrated as shown next:

a) Receivables:

|             | 2024               | 2023               |
|-------------|--------------------|--------------------|
| Unión, S.A. | <u>Q 6,092,464</u> | <u>Q 4,475,490</u> |

b) Payables

|             | 2024            | 2023            |
|-------------|-----------------|-----------------|
| Unión, S.A. | <u>Q 34,940</u> | <u>Q 21,720</u> |

#### NOTE 6 – OTHER ACCOUNTS RECEIVABLE

As of December 31, other accounts receivable were the following:

|   | 2024             | 2023             |
|---|------------------|------------------|
| Advanced given to suppliers                 | Q 638,018        | Q 290,297        |
| Advances to employees                       | 28,000           | -                |
| Contributions to the solidarity association | 13,098           | 17,106           |
| Consultores de impresión                    | -                | 12,684           |
| BANCASAT                                    | -                | 3,313            |
| RIQUE, S.A.                                 | -                | 2,540            |
| Aseguradora General                         | -                | 460              |
|   | <u>Q 679,116</u> | <u>Q 326,401</u> |

#### NOTE 7 - INVENTORIES

Inventories, at cost, at December 31, which is lower than the net realizable value, are classified as described below:

|                  | 2024               | 2023               |
|------------------|--------------------|--------------------|
| Raw material     | Q 6,020,166        | Q 6,558,439        |
| Finished product | 1,627,815          | 1,685,832          |
|                  | <u>Q 7,647,981</u> | <u>Q 8,244,271</u> |

The valuation formula at which the inventories were costed was the weighted average cost.

Inventories were insured against fire and theft by means of a policy for a total of Q.10,000,000.

Raw material inventories, slow moving, as of December 31, 2024 of more than 91 days, totaled Q2,838,381.

#### NOTE 8 – MACHINERY AND EQUIPMENT, COMPUTER EQUIPMENT, FURNITURE AND EQUIPMENT, TOOLS AND IMPROVEMENTS IN LEASED PROPERTIES-NET

At December 31, these assets and its corresponding accumulated depreciation were as shown on the following page:

**2024**

| ASSETS                  | FIXED ASSETS         |                    |             | DEPRECIATION RATE   |
|-------------------------|----------------------|--------------------|-------------|---------------------|
|                         | BALANCE AT DEC-31-23 | ADDITIONS          | WITHDRAWALS |                     |
| Machinery and equipment | Q 17,481,451         | Q 2,972,381        | Q -         | Q 20,453,832        |
| Computer equipment      | 8                    | -                  | -           | 8                   |
| Furniture and equipment | 176,340              | 15,456             | -           | 191,796             |
| Vehicles                | -                    | 140,000            | -           | 140,000             |
| Tools                   | 8,236                | -                  | -           | 8,236               |
|                         | <u>Q 17,666,035</u>  | <u>Q 3,127,837</u> | <u>Q -</u>  | <u>Q 20,793,872</u> |

| ASSETS                  | ACCUMULATED DEPRECIATION |            |                    | NET BALANCE          |
|-------------------------|--------------------------|------------|--------------------|----------------------|
|                         | BALANCE AT DEC-31-23     | DEBITS     | CREDITS            | BALANCE AT DEC-31-24 |
| Machinery and equipment | 6,777,772                | -          | 3,215,307          | 9,993,079            |
| Computer equipment      | -                        | -          | -                  | -                    |
| Furniture and equipment | 105,230                  | -          | 27,628             | 132,858              |
| Vehicles                | -                        | -          | 11,666             | 11,666               |
| Tools                   | 5,817                    | -          | 1,523              | 7,340                |
|                         | <u>Q 6,888,819</u>       | <u>Q -</u> | <u>Q 3,256,123</u> | <u>Q 10,144,942</u>  |
|                         |                          |            |                    | <u>Q 10,648,930</u>  |

**2023**

| ASSETS                  | FIXED ASSETS         |                  |             | DEPRECIATION RATE   |
|-------------------------|----------------------|------------------|-------------|---------------------|
|                         | BALANCE AT DEC-31-22 | ADDITIONS        | WITHDRAWALS |                     |
| Machinery and equipment | Q 16,852,088         | Q 629,363        | Q -         | Q 17,481,451        |
| Computer equipment      | 8                    | -                | -           | 8                   |
| Furniture and equipment | 169,520              | 6,820            | -           | 176,340             |
| Tools                   | 8,236                | -                | -           | 8,236               |
|                         | <u>Q 17,029,852</u>  | <u>Q 636,183</u> | <u>Q -</u>  | <u>Q 17,666,035</u> |

| ASSETS                  | ACCUMULATED DEPRECIATION |            |                    | NET BALANCE          |
|-------------------------|--------------------------|------------|--------------------|----------------------|
|                         | BALANCE AT DEC-31-22     | DEBITS     | CREDITS            | BALANCE AT DEC-31-23 |
| Machinery and equipment | 3,618,831                | -          | 3,158,941          | 6,777,772            |
| Computer equipment      | -                        | -          | -                  | -                    |
| Furniture and equipment | 79,072                   | -          | 26,158             | 105,230              |
| Tools                   | 4,325                    | -          | 1,492              | 5,817                |
|                         | <u>Q 3,702,228</u>       | <u>Q -</u> | <u>Q 3,186,591</u> | <u>Q 6,888,819</u>   |
|                         |                          |            |                    | <u>Q 10,777,216</u>  |

## \*\* MACHINERY REVALUATION

As of March 31, 2022, the revaluation made to 9 production machines was recorded, carried out by the company Ingeniería, Consultoría y Avalúos, S.A, whose revaluation report reflected a revalued amount of Q6,948,316. The tax originated by said revaluation was of Q689,536.

The distribution of the accumulated depreciation of revalued assets is made up as follows:

| Machinery                          | Base amount | Acumulated Depreciation | Book value as of 31-december-2024 | Depreciation expense 2024 |
|------------------------------------|-------------|-------------------------|-----------------------------------|---------------------------|
| Asset revaluation                  | 6,948,316   | 4,516,405               | 2,431,911                         | 1,389,663                 |
| Tax originated by said revaluation | 689,536     | 434,520                 | 255,016                           | 137,907                   |

### Depreciation expense

| DEPRECIATION EXPENSE                         | 2024               | 2023               |
|--|--------------------|--------------------|
| Cost of production                           | Q 2,504,354        | Q 2,569,665        |
| Depreciation of operating expenses (Note 16) | 751,770            | 616,926            |
|  | <u>Q 3,256,124</u> | <u>Q 3,186,591</u> |

During 2024 and 2023 assets were insured against theft and fire for Q12,904,650 and Q15,133,650, respectively.

## NOTE 9 - OTHER ASSETS

Other assets at December 31, were as shown below:

|  | 2024             | 2023             |
|--|------------------|------------------|
| Guarantee deposits                       | Q 195,856        | Q 198,805        |
| Improvements to the production area roof | Q 112,076        | Q 112,076        |
| Amortization (Note )                     | ( 49,202)        | ( 16,401)        |
|  | <u>Q 62,874</u>  | <u>Q 95,675</u>  |
|  | <u>Q 258,730</u> | <u>Q 294,480</u> |

## NOTE 10 - TAXES: INCOME TAX-ISR, SOLIDARITY TAX-ISO AND OTHER TAXES

At December 31, taxes receivable and payable, and the calculation thereof, were the following:

a) Receivables:

|   | 2024               | 2023               |
|---|--------------------|--------------------|
| VAT on imports pending liquidation          | Q 1,698,342        | Q 5,106,531        |
| VAT withholdings                            | 1,170,369          | 1,158,961          |
| VAT accumulated tax credit                  | 2,934,141          | -                  |
| Income Tax quarterly payments               | -                  | -                  |
| Account receivable to SAT                   | 856,720            | -                  |
| VAT on local activities pending liquidation | 529,496            | 529,496            |
| ISO   | 239,513            | 511,524            |
|   | <u>Q 7,428,581</u> | <u>Q 7,306,512</u> |

b) Payables:

|  | 2024             | 2023               |
|--|------------------|--------------------|
| Income Tax payable [Note 10 c)]                  | Q 675,420        | Q 1,429,078        |
| Income tax withholdings to third parties         | 13,384           | 13,378             |
| VAT related to special invoices                  | 551              | 987                |
| ISR withholdings to employees                    | 1,043            | 737                |
| Income tax withholdings on special invoices      | 90               | 110                |
| VAT withholdings payable                         | 4,576            | -                  |
| ISR withholdings on capital income               | 192,499          | -                  |
| Income tax withholdings related to non residents | 1,193            | (108)              |
|  | <u>Q 888,755</u> | <u>Q 1,444,182</u> |

c) Income tax calculation related to lucrative activities:

|   | 2024             | 2023               |
|---|------------------|--------------------|
| Profit before income tax                    | Q 11,761,208     | Q 17,464,784       |
| Earned interests                            | (32,265)         | (16,862)           |
| Less-other net capital income of income tax | -                | -                  |
| Income from lucrative activities            | 11,728,943       | 17,447,922         |
| Add-non deductible expenses (*)             | 1,342,281        | 295,801            |
| Add-costs and capital income                | 3,226            | 1,687              |
| Taxable income                              | 13,074,449       | 17,745,410         |
| Tax rate                                    | 25%              | 25%                |
| Income tax                                  | 3,268,612        | 4,436,353          |
| Income tax - ISR                            | (2,593,192)      | (3,007,275)        |
| Less-Solidarity Tax (ISO)                   | -                | -                  |
| ISR- payable [Note 10 b)]                   | <u>Q 675,420</u> | <u>Q 1,429,078</u> |

(\*) Part of the non-deductible expenses corresponds to the Solidarity Tax which, according to the method applied by the company, is not creditable to Income Tax, for an amount of Q1,012,292

d) Integration of the income tax according to different income categories:2024:

| TYPE OF INCOME  | BASE         | RATE | DETERMINED INCOME TAX |
|---|--------------|------|-----------------------|
| Income tax from income due to lucrative activities [Note 10 c)] | Q 13,074,449 | 25%  | Q 3,268,612           |
| Income tax due to capital income:                               |              |      |                       |
| Interest on investments (Note 17)                               | 32,265       | 10   | 3,226                 |
|   |              |      | <u>Q 3,271,839</u>    |

2023:

| TYPE OF INCOME  | BASE         | RATE | DETERMINED INCOME TAX |
|---|--------------|------|-----------------------|
| Income tax from income due to lucrative activities [Note 10 c)] | Q 17,745,410 | 25%  | Q 4,436,353           |
| Income tax due to capital income:                               |              |      |                       |
| Interest on investments (Note 17)                               | 16,862       | 10   | 1,686                 |
|   |              |      | <u>Q 4,438,039</u>    |

ISO:

This tax entered into effect on January 1, 2009. This is applicable to individuals and legal entities, as well as other entities dedicated to mercantile and agricultural activities in the national territory, obtaining a gross margin higher than 4% of their gross income.

This tax should be quarterly paid during the calendar year, and may be credited to ISR payments, be them monthly, quarterly or annually, until the exhaustion of the balance during the three following calendar years. Alternatively, ISR may be covered first and credited to ISO payments during the same calendar year.

The tax remainder that is not credited according to the procedures established by the law will be considered as an expense deductible for income tax purposes, on the period of annual definitive liquidation in which the three years of payment are complete.

The tax rate is 1% on:

- a) The fourth part of the amount of the net assets or
- b) The fourth part of the gross revenues, whichever is higher.

When the net assets are more than four times higher than the gross income, the tax base mentioned in b) will be applied.

The financial statements of the previous fiscal year will be taken as a base in both cases. The IUSI (real estate property tax) paid during the same quarter, should be deducted from the determined tax based on the assets.

This tax should be paid during the calendar month following each quarter; on the contrary, it will not be creditable to ISR.

#### STATUTE OF LIMITATIONS:

Pursuant to the Tax Code of Guatemala, the statute of limitations for the tax authorities to make adjustments to tax payers elapses in four years beginning on the date when the tax returns were due for filing. The income tax returns filed by the Company for the years 2021 to 2024 are pending review by the tax authorities.

#### NOTE 11 - SUPPLIERS AND CREDITORS

Accounts payable to suppliers and creditors, at December 31, were as shown next:

|                           | 2024     |                | 2023     |                  |
|---------------------------|----------|----------------|----------|------------------|
|                           | Q        | 455,300        | Q        | 425,107          |
| Creditors                 |          | 202,114        |          | 490,221          |
| Punto a Punto, S.A.       |          | 8,479          |          | 12,069           |
| Bueno Punto a Punto, S.A. |          | 3,970          |          | 8,766            |
| Foreign suppliers         |          | -              |          | 3,248,204        |
|                           | <u>Q</u> | <u>669,863</u> | <u>Q</u> | <u>4,184,367</u> |

At December 31, 2023, accounts payable to foreign suppliers were US\$414,999, at an exchange rate of Q7.83 US\$1.

#### NOTE 12 – BANK LOAN

During January 2021 and July 2022, the company signed a bank credit agreement with Banco Industrial, S.A., with under the following conditions:

| Original amount | Term    | Interest rate | Purpose            | Maturity    | Balance at December 31 |                    |
|-----------------|---------|---------------|--------------------|-------------|------------------------|--------------------|
|                 |         |               |                    |             | 2024                   | 2023               |
| \$ 250,000      | 3 years | 7.25%         | Purchase machinery | Jan-31-2024 | Q -                    | Q 65,238           |
| \$ 350,000      | 4 years | 8.00%         | Purchase machinery | Apr-30-2025 | Q 376,181              | Q 1,612,014        |
|                 |         |               |                    |             | <u>Q 376,181</u>       | <u>Q 1,677,252</u> |

|                    | 2024           | 2023             |
|--------------------|----------------|------------------|
|                    | Q              | Q                |
| Current amount     | 376,181        | 1,295,176        |
| Non current amount | -              | 382,076          |
|                    | <u>376,181</u> | <u>1,677,252</u> |

#### NOTE 13 - AUTHORIZED, SUBSCRIBED AND PAID IN SOCIAL CAPITAL

At December 31, 2024 and 2023, the authorized, subscribed and paid in social capital was integrated as follows:

|  |                     |
|--|---------------------|
| Authorized social capital was composed of 15,000 common and nominative shares, with a nominal value of Q1,000 each | Q 15,000,000        |
| Less-shares pending subscription: 11,008   | <u>(11,008,000)</u> |
| Authorized, subscribed and paid in social capital composed of 3,992 shares Q1,000 each                             | <u>Q 3,992,000</u>  |

At December 31, the book value of the shares was as it appears below:

| DESCRIPTION                      | 2024                | 2023                |
|----------------------------------|---------------------|---------------------|
|                                  | Q                   | Q                   |
| Paid in capital                  | 3,992,000           | 3,992,000           |
| Accumulated legal reserve        | 1,905,370           | 1,480,740           |
| Accumulated net profit (Note 14) | <u>29,339,056</u>   | <u>25,121,061</u>   |
|                                  | <u>Q 35,236,426</u> | <u>Q 30,593,801</u> |
| Divided by the number of shares  | 3,992               | 3,992               |
| Book value of each share         | <u>Q 8,827</u>      | <u>Q 7,664</u>      |

#### NOTE 14 - ACCUMULATED PROFITS

At December 31, the accumulated profit are shown below:

|  | 2024                | 2023                |
|--|---------------------|---------------------|
|  | Q                   | Q                   |
| Balance at the beginning of the year         | 25,121,061          | 12,744,050          |
| Net profit for the year before legal reserve | 8,492,595           | 13,028,432          |
| Dividends declared (*)                       | (3,849,970)         | -                   |
| Less-transfer to legal reserve year          | (424,630)           | (651,421)           |
| Balance at the end of the year               | <u>Q 29,339,056</u> | <u>Q 25,121,061</u> |

(\*) As of December 31, 2024, dividends were declared in the amount of Q3,849,970, according to assembly minutes No. AG-2-2004.

Legal reserve - The Guatemalan Code of Commerce establishes that every company must form a reserve called legal, which is formed by separating a minimum of 5% from the net profits of each year. This reserve is not distributed, but until the end of the partnership; however, it can be capitalized when it exceeds 15% of the paid-in capital at the close of the immediately preceding fiscal year.

#### NOTE 15 - OPERATING EXPENSES

The following page shows the operating expenses executed during 2024 and 2023:

| Description                          | 2024               | 2023               |
|--------------------------------------|--------------------|--------------------|
| Leases                               | Q 1,593,583        | Q 1,544,425        |
| Staff services                       | 1,193,151          | 1,174,373          |
| Depreciation (Note 7)                | 751,770            | 616,926            |
| Freight and haulage                  | 509,568            | 413,738            |
| Maintenance and repairs              | 224,644            | 379,115            |
| Travel expenses                      | 376,391            | 350,278            |
| Professional services                | 392,618            | 346,205            |
| Security services                    | 343,890            | 317,664            |
| Water, electricity and telephone     | 512,828            | 313,446            |
| Miscellaneous supplies and materials | 327,829            | 241,531            |
| Incentive bonus                      | 251,829            | 235,557            |
| Taxes and contributions              | 241,477            | 188,240            |
| Insurance and bonds                  | 167,675            | 172,524            |
| Uncollected accounts (customers)     | -                  | 155,732            |
| Salaries                             | 129,230            | 123,993            |
| Advertising and selling expenses     | 178,388            | 91,466             |
| Compensation                         | 60,530             | 68,773             |
| Employee assistance                  | -                  | 55,004             |
| Fuel and lubricants                  | 29,093             | 33,067             |
| Bonus 14                             | 30,903             | 31,684             |
| Bonus                                | 31,860             | 30,417             |
| General expenses                     | 254,686            | 21,044             |
| Amortizations (Note 9)               | 32,801             | 16,401             |
| Employer fee                         | 16,200             | 15,803             |
| Non-deductible expenses (*)          | 1,012,187          | 12,820             |
| Courses and trainings                | 13,883             | 11,004             |
|                                      | <u>Q 8,677,015</u> | <u>Q 6,961,232</u> |

(\*) Part of the non-deductible expenses corresponds to the Solidarity Tax which, according to the method applied by the company, is not creditable to Income Tax, for an amount of Q1,012,292

#### NOTE 16 – FINANCIAL EXPENSES

During the years under review, the following financial expenses were executed:

|  | 2024             | 2023             |
|--|------------------|------------------|
| Interest related to loans                | Q 82,439         | Q 268,026        |
| Loss from the exchange rate differential | 111,945          | 23,766           |
| Bank commissions                         | 10,208           | 5,192            |
| Sundry expenses                          | 2,350            | 4,223            |
| IPF withholding without earned interest  | 3,226            | -                |
|  | <u>Q 210,167</u> | <u>Q 301,207</u> |

#### NOTE 17 - OTHER INCOME

Other income obtained during 2024 and 2023, was originated from the following concepts:

|                            | 2024             | 2023            |
|----------------------------|------------------|-----------------|
| Sundry income              | Q 86,168         | Q 72,096        |
| Interest received (Note 4) | 32,265           | 16,862          |
|                            | <u>Q 118,433</u> | <u>Q 88,958</u> |

#### NOTE 18 - APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the Administration Board and were authorized for their publication.

NOTE 19 - ASPECTS IN WHICH THE ACCOUNTING POLICIES APPLIED BY THE COMPANY DIFFER FROM THE INTERNATIONAL FINANCIAL REPORTING STANDARD FOR PYMES

| ACCOUNTING BASIS   | ACCOUNTING BASIS OF GENERAL PURPOSE  |
|--|--|
| The one that is derived from the Income Tax Law  | International Financial Reporting Standard-IFRS.   |
| <p><b>1. <u>Valuation and recognition of financial instruments:</u></b></p> <p>These are valued at the historical cost. The value impairment is not recognized until the moment of its liquidation, except for the commercial accounts receivable to which a maximum reserve of 3% of the value of the total balances is applied, without taking into consideration whether or not there is evidence of impairment or the amount of the actual value impairment.</p> | <p>At the end of each reporting period, the financial instruments will be measured at the amortized cost using the effective interest method.</p> <p>Debt instruments, classified as current assets or current liabilities, are measured to the amount not deducted from the cash or other consideration which is expected to be paid or received, unless the agreement constitutes a financing transaction. If the agreement constitutes a financing transaction, the Entity should measure the debt instrument to the present value of future payments deducted at a market interest rate for a similar debt instrument.</p> <p>At the end of each reporting period, an assessment should be made to verify if there is objective evidence of value impairment of the financial assets that are measured at cost or amortized cost. When there is objective evidence of value impairment, the Entity will recognize immediately a loss due to value impairment in the results.</p> |

| ACCOUNTING BASIS   | ACCOUNTING BASIS OF GENERAL PURPOSE  |
|--|--|
| The one that is derived from the Income Tax Law  | International Financial Reporting Standard-IFRS.   |
| <p>2. <u>Names of the financial statements.</u></p> <p>a) Balance sheet<br/>b) Statement of income<br/>c) Statement of changes in equity<br/>d) Statement of cash Flow</p>   | <p>e) Statement of financial position.<br/>f) Statement of comprehensive income<br/>g) Statement of changes in equity<br/>h) Statement of cash flow</p>  |
| <p>3. <u>Property, plant and equipment:</u></p> <p>The recognition of assets is registered at the cost value less the depreciation based on the estimated useful life of the assets.</p> <p>There is no scrap value, and losses due to impairment in the value of the same are not recognized.</p>   | <p>IFRS for PYMES stipulates that assets should be recognized at their cost less their accumulated depreciation less their value of impairment.</p> <p>The Company does not make an objective assessment of the impairment of its fixed assets.</p>      |
| <p>4. <u>Benefits due to termination of contract – liabilities related to severance payments</u></p> <p>The income tax law allows the creation of a reserve for severance payments due to termination of contract, at the rate of 8.33% of annual remunerations.</p> <p>Even when this compensation is payable to employees only in the event of unjustified dismissal, the law allows said compensation to be constituted by the total number of remunerations paid each year, without taking into consideration whether or not there is a payment obligation, as the related employment contracts were not terminated.</p> | <p>The standard requires that provisions which can be reliably valued and result in future economic benefits are registered.</p> <p>The company does not create provisions related to this concept as it makes payments to its employees every year.</p> |
| 5. <u>Classification of obligations according to maturity</u>  |  |

| ACCOUNTING BASIS   | ACCOUNTING BASIS OF GENERAL PURPOSE   |
|--|---|
| <p>The one that is derived from the Income Tax Law</p> <p>The law classifies liabilities related to labor fringe benefits as Christmas bonus and bonus 14, together with severance payments, which have a period higher than one year.</p>   | <p>International Financial Reporting Standard-IFRS.</p> <p>IFRS for PYMES requires that these are classified as current and noncurrent obligations.</p>   |
| <p>6. <u>Inventories</u></p> <p>Under no circumstances, the Company does not recognize any reserve for the recognition of the value impairment of the inventories, as it is not allowed by the Income Tax Law.</p> <p>Any loss due to impairment is registered until the time of selling or removing the inventory of the affected assets.</p> | <p>At the end of each reporting period, the Entity should assess whether the inventories are impaired, that is, if the book value is not completely recoverable; for example, due to damage, obsolescence or decreasing selling prices. If an inventory entry is impaired, the Entity should measure the inventory at the selling price less the costs of termination and sale, and a loss due to value impairment should be recognized.</p>                          |
| <p>7. <u>Impairment of assets different from inventories</u></p> <p>Such impairment is recognized until the time when the asset is settled or disposed, or when it is removed from the assets.</p>   | <p>Any value impairment should be immediately recognized in the results, reducing the book value of the affected asset until its recoverable amount is obtained.</p> <p>In order to recognize losses due to impairment, on a timely basis, the Company should assess, during each reporting date, whether there is an indicator of value impairment of any asset.</p> <p>If an indicator existed, the Company should estimate the recoverable amount of the same.</p> |

| ACCOUNTING BASIS  | ACCOUNTING BASIS OF GENERAL PURPOSE  |
|---|--|
| The one that is derived from the Income Tax Law   | International Financial Reporting Standard-IFRS.   |
|   | The recoverable amount of an asset or a cash generating unit is the highest value between its fair value less costs of sales and its value in use.   |
| <p>8. <u>Short term benefits to employees – remunerated absences</u></p> <p>These are registered in the results when the same are paid.</p> | <p>The cost of all the benefits for employees to which they are entitled, as a result of services rendered to the Entity during the reporting period, should be recognized as an expense of the period and as an obligation.</p> <p>An entity will recognize the expected cost of the remunerated absences with cumulative rights as employees render their services which increase their rights to future remunerated absences.</p> <p>The Entity will measure the expected cost related to the remunerated absences with cumulative rights for the additional amount not discounted that the Entity expects to pay due to unused rights accumulated at the end of the reporting period. The Entity will present this amount as a current liability at the date of the reporting period.</p> <p>Person or entity related to the company due to zero or more bills, such as:</p> |

| ACCOUNTING BASIS  | ACCOUNTING BASIS OF GENERAL PURPOSE  |
|---|--|
| The one that is derived from the Income Tax Law   | International Financial Reporting Standard-IFRS.   |
| <p>9. <u>Related parties:</u></p> <p>It results from operations among a Guatemalan resident and a foreign company when:</p> <p>a) It owns more than 25% of the capital.<br/> b) Five or less people revoke or control both related parties.<br/> c) When legal people who are Guatemalan residents or foreigners belong to a smaller business group.<br/> d) When it is an exclusive distributor in Guatemala or abroad.<br/> e) A Guatemalan resident has a permanent establishment abroad..<br/> f) A permanent establishment in Guatemala, and its headquarters is abroad.</p> | <p>1. Member of the same group<br/> 2. When it is an associate<br/> 3. When they have a joint business<br/> 4. If the company is controlled by a person, company or relative or key personnel of the management.</p> |

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