

Quarterly Earnings Release 3Q24

Mexico City, October 28, 2024



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Conference Call

Tuesday, October 29, 2024
10:00 a.m. Mexico City
12:00 p.m. New York

Dial-in

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TRAXIÓN REPORTS QUARTERLY REVENUES OF Ps. 7,530 MILLION, A 17.9% INCREASE; EBITDA GREW 18.7% TO Ps. 1,394 MILLION, WITH AN 18.5% MARGIN. ONCE AGAIN, THESE FIGURES ARE THE HIGHEST IN THE COMPANY'S HISTORY.

- Consolidated revenue reached Ps. 7,530 million, a 17.9% increase compared to 3Q23.
- Consolidated adjusted EBITDA totaled Ps. 1,394 million, an 18.7% growth compared to 3Q23.
- Adjusted EBITDA margin was 18.5%, a 10 basis-point expansion compared to 3Q23.
- CapEx in 3Q24 reached Ps. 1,021 million, in line with TRAXIÓN's investment plan.
- Average fleet in operation during 3Q24 was 11,342 power units.
- Net debt to EBITDA ratio was 2.15x at the end of 3Q24.
- TRAXIÓN received its 2024 Corporate Sustainability Assessment (CSA) rating from Standard & Poor's. The Company scored 58 points (up 6 points), placing it in the top 8% of the highest-rated companies globally, ranking 25th out of a universe of 315 companies worldwide.
- On October 10, TRAXIÓN informed investors that it had signed an agreement to acquire Solística, an integrated logistics services company, subsidiary of Grupo FEMSA. Solística operates an asset-light model offering 3PL and freight brokerage services, with operations in Mexico, Brazil, and Colombia, and holds a leading position in its business lines, particularly in northern Mexico. The transaction is subject to customary regulatory approvals, expected to be obtained in the first quarter of 2025. The agreed transaction price is approximately Ps. 4,060 million, on a debt-and-cash-free basis, and will be paid in cash. TRAXIÓN expects to close the transaction using a mixture of cash on hand and existing credit facilities, while remaining with a leverage below 2.5x net debt to EBITDA upon closing.

Disclaimer – The information disclosed in this press release may contain statements with estimates regarding the future of Grupo TRAXIÓN, S.A.B. of C.V. and its subsidiaries (collectively "TRAXIÓN" or the "Company"), which are not historical facts and represent the current opinion of the TRAXIÓN administration based on the information available to the Company. Such statements are subject to certain risks and factors made based on assumptions. The words "anticipated", "believe", "estimate", "expect", "plan", and other similar expressions, related or not with the Company, seek to give estimates or forecasts. Different factors may cause the results implicit in the statements to be materially different with respect to any future result or event of, or related to, TRAXIÓN that may be included expressly or implicitly within said statements. Also, if the assumptions used in the statements turn out to be incorrect, the actual results may vary materially from those described herein as anticipated, believed, estimated or expected. TRAXIÓN assumes no obligation to update the statements or information presented within this release.

The figures presented in this report have been prepared in accordance with International Financial Reporting Standards (IFRS) and are expressed in nominal millions of Mexican Pesos (MXN), unless otherwise specified.

MESSAGE FROM THE EXECUTIVE PRESIDENT

Dear fellow investors,

I am pleased to share again record financial results with you. As these show, TRAXIÓN continues to move forward in executing its expansion plan, aligned with its strategic goals and expectations. Demand remained solid throughout our three business lines. Revenues reached Ps. 7,530 million, with Adjusted EBITDA totaling Ps. 1,394 million and an 18.5% margin, meeting our expectations and supported by additional strong financial and operational results.

A key milestone was reached on October 10, when we announced an agreement to acquire Solística, Grupo FEMSA's logistics services subsidiary, in a transaction valued at Ps. 4,060 million, significantly expanding our presence, particularly in northern Mexico. Solística has two key business lines: 3PL warehouse management and freight mobility with third-party fleets. Both lines are an excellent fit with ours and offer a great opportunity for expansion and growth through a fully asset-light model. The transaction is subject to regulatory approvals, which we expect to obtain in the first quarter of 2025.

This transaction will be transformational for our Logistics and Technology segment. With Solística's operations integrated into our platform, this division will become TRAXIÓN's largest revenue generator, realizing the vision we established in 2021 when the business line was created. This integration will position us as one of the most relevant players in Mexico's logistics industry. Thanks to our scale, institutional strength, competitive edge, and high entry barriers, we are well positioned to pursue commercial, operational and financial synergies that will drive further growth and allow us to seize new opportunities.

We are also continuing our geographic expansion within the United States. In the third quarter of 2024, we began operations of our new 3PL cross-dock facility in San Diego, California.

Meanwhile our efficiency program is progressing well, and we expect to see the most significant results reflected in our figures for the last quarter of 2024 and throughout 2025. We continue to implement various initiatives across the Company, which support growth and improve profitability metrics, translating into greater sustainable long-term value.

In financial terms, our operating cash flow expanded significantly this quarter to reach Ps. 1,474 million, while our leverage level remained steady compared to the second quarter of this year, alongside an improved cash position.

I want to thank all our stakeholders for their support and reiterate our commitment to creating long-term value.

Sincerely,

Aby Lijtszain

Co-founder and Executive President

FINANCIAL AND OPERATING INDICATORS

Financial Indicators	3Q24	3Q23	Δ%	9M24	9M23	Δ%
Consolidated Revenue	7,530	6,389	17.9%	21,559	18,135	18.9%
Logistics and technology	2,569	2,064	24.5%	7,696	5,869	31.1%
Mobility of cargo	2,277	1,972	15.5%	6,078	5,645	7.7%
Mobility of personnel	2,684	2,353	14.1%	7,785	6,621	17.6%
Total costs	5,874	4,903	19.8%	16,835	13,987	20.4%
General expenses ¹	1,048	843	24.3%	2,958	2,474	19.6%
Consolidated operating income	608	643	(5.4)%	1,766	1,673	5.6%
Depreciation and amortization	648	531	22.0%	1,870	1,655	13.0%
Restructuring expenses	139	-		164	-	
Adjusted consolidated EBITDA²	1,394	1,174	18.7%	3,801	3,328	14.2%
Adjusted EBITDA margin	18.5%	18.4%	10 bps	17.6%	18.4%	(80) bps
Consolidated net income	95	246	(61.4)%	456	430	6.0%
Earnings per share ³	0.17	0.45	(62.8)%	0.80	0.79	2.0%
Total CapEx	1,021	1,123	(9.1)%	2,842	2,478	14.7%
Net operating cash flow	1,474	485	203.9%	3,099	2,118	46.3%
Net Debt / Adjusted EBITDA	2.15x	1.98x				

Operating Indicators	3Q24	3Q23	Δ%	9M24	9M23	Δ%
Kilometers driven (million)	190.4	178.8	6.5%	499.5	520.0	(4.0)%
Mobility of cargo	62.0	62.3	(0.5)%	124.4	186.0	(33.1)%
Mobility of personnel	128.4	116.5	10.2%	375.0	334.0	12.3%
Average Fleet (power units)	11,342	10,287	10.3%	11,108	10,178	9.1%
Mobility of cargo	2,350	2,223	5.7%	2,322	2,241	3.6%
Mobility of personnel	8,672	7,398	17.2%	8,360	7,192	16.2%
Last mile	320	666	(52.0)%	425	745	(42.9)%
Avg. revenue per kilometer (Ps./km.)						
Mobility of cargo	33.87	29.02	16.7%	31.55	29.17	8.1%
Mobility of personnel	20.90	20.19	3.5%	20.76	19.82	4.7%
Avg. cost per kilometer⁴ (Ps./km.)						
Mobility of cargo	27.37	21.93	24.8%	23.48	21.81	7.7%
Mobility of personnel	15.01	14.19	5.8%	14.81	13.82	7.2%
3PL warehouse area (sqm)	747,602	812,612	(8.0)%	749,675	772,176	(2.9)%
Revenue per sqm	263.3	215.7	22.1%	256.2	212.86	20.4%
Cost per sqm	186.10	150.50	23.7%	183.60	148.77	23.4%

1 Includes general expenses and allowance for doubtful accounts in all lines of business.

2 Not including non-recurring expenses for Ps.139 million implemented in all lines of business.

3 To calculate earnings per share, we used the following weighted average number of shares outstanding excluding repurchases: 3Q24: 566,951,304 shares; 3Q23: 545,422,871 shares; 9M24: 567,503,631 shares; and 9M23: 545,422,871 shares.

4 Costs incurred per driven kilometer: wages, maintenance, net fuel, tolls, and other costs, including depreciation and amortization. Storage costs are not included. Figures in millions of pesos except for per share and kilometer data.

QUARTERLY MD&A

TRAXIÓN reports 3Q24 revenues of Ps. 7,530 million, a Ps. 1,141 million expansion, which represents a 17.9% growth compared to 3Q23, primarily driven by a 24.5% increase in the Logistics and Technology segment's revenues. Adjusted EBITDA grew by 18.7% to reach Ps. 1,394 million, representing an 18.5% margin.

The cost of facilities, services, and supplies increased by 31.3%, primarily due to the outsourcing of services in the Logistics & Technology segment as a result of the division's organic growth. The remaining costs performed as expected.

General expenses increased by 24.3%, driven by Ps. 139 million in non-recurring expenses mainly due to the efficiencies program, which led to a 5.4% decline in operating income compared to 3Q23. Consequently, net income reached Ps. 95 million, compared to Ps. 246 million in 3Q23.

The comprehensive financing result reported a Ps. 409 million expense for the period, primarily due to an increase in the debt level required to support business growth.

Operating cash flow registered an increase of Ps. 989 million, primarily explained by improved working capital management.

The Logistics and Technology segment increased by Ps. 505 million to reach Ps. 2,569 million, representing a 24.5% growth compared to 3Q23, in line with the Company's expansion plans. General expenses for the segment increased due to the reorganization of the last-mile business.

This was primarily due to: (i) an approximately 60% growth in revenues from TRAXPORTA, our digital broker and marketplace, which accounted for around 19% of the segment's revenues; (ii) an approximate 18% increase in revenues from contract logistics services (3PL & 4PL), representing about 43% of the segment's revenues; and (iii) progress in the reconfiguration of the B2B last-mile business, which contributed approximately 30% to the segment's revenues.

Logistics & Technology	3Q24	3Q23	Δ%	9M24	9M23	Δ%
Revenue	2,569	2,064	24.5%	7,696	5,869	31.1%
Costs	2,248	1,881	19.5%	6,899	5,231	31.9%
General expenses	383	188	103.7%	872	666	30.9%
Operating income	(62)	(5)	-	(75)	(28)	167.9%
Adjusted EBITDA ⁵	216	176	22.7%	582	474	22.8%
EBITDA margin	8.4%	8.5%	(12) bps	7.6%	8.1%	(51) bps
Last-mile fleet (units)	320	666	(52.0)%	425	745	(42.9)%
3PL warehouse area (sqm)	747,602	812,612	(8.0)%	749,675	772,176	(2.9)%
Average revenue per sqm (Ps.) ⁶	263.3	215.7	22.1%	256.2	212.86	20.4%
Average cost per sqm (Ps.)	186.1	150.5	23.7%	183.6	148.77	23.4%

The Mobility of Cargo segment recorded a Ps. 305 million increase, totaling Ps. 2,277 million, a 15.5% growth compared to 3Q23. This was primarily due to a 16.7% increase in revenue per kilometer, resulting from the growth in dedicated and specialized cargo services, which typically yield higher revenue per kilometer, as well as a favorable foreign exchange impact on revenues from services denominated in U.S. dollars.

The costs associated with this segment increased by 24.0%. This was primarily due to operational adjustments within dedicated and spot services, particularly for cross-border and specialized cargo routes, which required fleet movements. These maneuvers typically do not generate revenue and are expected to normalize in the coming months.

⁵ Not including non-recurring expenses for Ps. 100 million for 3Q24 and 125 for 9M24.

⁶ The average income and cost per square meter do not consider certain operations from the pharma division, as their maturity level could temporarily distort the figures.

TRAXIÓN

LIFE IN MOTION

Mobility of Cargo	3Q24	3Q23	Δ%	9M24	9M23	Δ%
Revenue	2,277	1,972	15.5%	6,078	5,645	7.7%
Costs	1,698	1,369	24.0%	4,382	4,139	5.9%
General expenses	299	298	0.3%	984	828	18.8%
Operating income	280	305	(8.2)%	712	678	5.0%
Adjusted EBITDA ⁷	488	431	13.2%	1,278	1,179	8.4%
EBITDA margin	21.4%	21.9%	(42) bps	21.0%	20.9%	14 bps
Mileage (million)	62.0	62.3	(0.5)%	124.4	186.0	(33.1)%
Average fleet (power units)	2,350	2,223	5.7%	2,322	2,241	3.6%
Average revenue per km (Ps.)	33.87	29.02	16.7%	31.55	29.17	8.1%
Average cost per km. (Ps.)	27.37	21.93	24.8%	23.48	21.81	7.7%

The **Mobility of Personnel segment** increased by Ps. 331 million to reach Ps. 2,684 million, which represents a 14.1% growth compared to the same period in 2023. This growth is primarily due to an average fleet increase of 1,274 units and a 10.2% expansion in kilometers traveled.

Costs rose mainly due to the launch of new businesses, including the start of operations in certain cities. This resulted in pre-operating costs tied to the division's natural growth, with adjusted EBITDA increasing by 12.2%. These new operations reflect recent investments, though their full benefits have yet to be realized.

Mobility of Personnel	3Q24	3Q23	Δ%	9M24	9M23	Δ%
Revenue	2,684	2,353	14.1%	7,785	6,621	17.6%
Costs	1,927	1,653	16.6%	5,554	4,616	20.3%
General expenses	352	304	15.8%	1,040	911	14.2%
Operating income	405	396	2.3%	1,191	1,094	8.9%
Adjusted EBITDA ⁸	679	605	12.2%	1,945	1,699	14.5%
EBITDA margin	25.3%	25.7%	(41) bps	25.0%	25.7%	(68) bps
Mileage (million)	128.4	116.5	10.2%	375.0	334.0	12.3%
Average fleet (power units)	8,672	7,398	17.2%	8,360	7,192	16.2%
Average revenue per km (Ps.)	20.90	20.19	3.5%	20.76	19.82	4.7%
Average cost per km. (Ps.)	15.01	14.19	5.8%	14.81	13.82	7.2%

Total Costs	3Q24	3Q23	Δ%	9M24	9M23	Δ%
Fuel	884	818	8.1%	2,531	2,339	8.2%
% revenues	11.7%	12.8%		11.7%	12.9%	
Labor	1,408	1,248	12.8%	4,191	3,587	16.9%
% revenues	18.7%	19.5%		19.4%	19.8%	
Tolls	242	237	2.2%	738	683	8.1%
% revenues	3.2%	3.7%		3.4%	3.8%	
Fleet maintenance	351	325	7.9%	1,078	923	16.8%
% revenues	4.7%	5.1%		5.0%	5.1%	
Facilities, services, and utilities	2,418	1,841	31.3%	6,671	5,043	32.3%
% revenues	32.1%	28.8%		30.9%	27.8%	
Depreciation and amortization	571	434	31.6%	1,626	1,412	15.2%
% revenues	7.6%	6.8%		7.5%	7.8%	
Total Costs	5,874	4,903	19.8%	16,835	13,987	20.4%
% revenues	78.0%	76.7%		78.1%	77.1%	

⁷ Not including non-recurring expenses for Ps. 17 million.

⁸ Not including non-recurring expenses for Ps. 14 million.

TRAXIÓN

LIFE IN MOTION

Comprehensive Financial Result	3Q24	3Q23	9M24	9M23
Interest expense	(457)	(366)	(1,228)	(1,103)
Foreign Exchange income (loss), net	33	22	70	(57)
Effect on financial instruments	11	8	34	45
Interest income	13	21	48	48
Other	(9)	(10)	(27)	(30)
Comprehensive Financial Result	(409)	(325)	(1,103)	(1,097)

Cash Flows from Operating Activities	3Q24	3Q23	Δ\$	9M24	9M23	Δ\$
Consolidated net income	95	246	(151)	456	430	26
Income taxes	105	73	32	207	147	60
Depreciation and amortization	648	531	117	1,870	1,655	215
Accounts receivable	16	25	(9)	40	53	(13)
Interest expense	464	375	89	1,251	1,129	122
Other financial costs	(23)	(28)	5	(78)	(89)	11
Loss (gain) from equipment sales	10	(17)	27	52	3	49
Foreign exchange loss (gain) not executed	53	10	43	27	(32)	59
Cash Flow before working capital	1,368	1,215	153	3,825	3,296	529
Working capital	106	(730)	836	(726)	(1,178)	452
Net Cash Flows from Operating Activities	1,474	485	989	3,099	2,118	981

CapEx	3Q24				9M24				
	Segment	Expansion	Renovation	Total	%	Expansion	Renovation	Total	%
	Mobility of Cargo	112	262	374	36.7%	311	409	720	25.3%
	Logistics and Technology	21	-	21	2.0%	111	-	111	3.9%
	Mobility of Personnel	626	-	626	61.3%	2,011	-	2,011	70.8%
	Total	759	262	1,021		2,433	409	2,842	

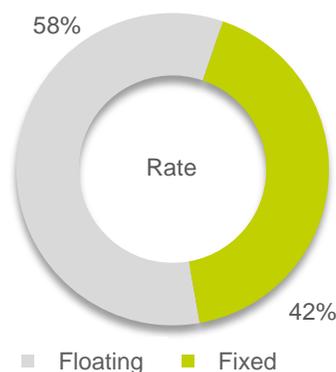
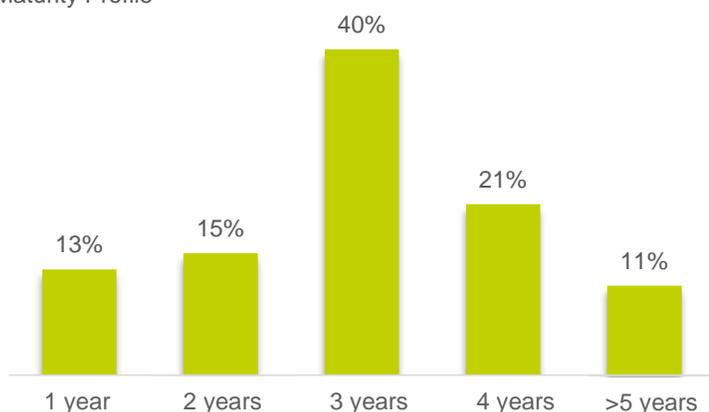
DEBT PROFILE

Debt Breakdown	3Q24	3Q23	Δ\$	Δ%
Short-term debt	1,485	949	536	56.5%
Short-term capital leases	63	106	(43)	(40.6)%
Long-term debt	10,623	8,714	1,909	21.9%
Long-term capital leases	28	91	(63)	(69.2)%
Total debt	12,199	9,860	2,339	23.7%
Cash ⁹	1,362	1,320	42	3.2%
Net Debt	10,837	8,540	2,297	26.9%

⁹ Includes cash, cash equivalents, and investments in stocks.

Leverage Ratios	3Q24
Total Debt / LTM EBITDA ¹⁰	2.42x
Net Debt ¹¹ / LTM EBITDA	2.15x
Total Debt / Equity	0.85x

Maturity Profile



ESG - SUSTAINABILITY

At TRAXIÓN, our comprehensive and robust ESG strategy is based on four guiding principles: Governance, People, Planet, and Profitability, which has been recognized for numerous years by various ESG rating platforms. We invite you to find out more in the section below.

We seek to mitigate our environmental impact and our contribution to climate change by offering resource-efficient transportation and logistics solutions. To achieve our goals:

- We constantly renew our fleet and carry out exhaustive maintenance programs to always keep our units in optimal condition.
- We promote the use of state-of-the-art technology in processes, fleets, and warehouses (both our own and the ones we outsource). This includes the latest telemetry systems, which allow us to monitor fleet fuel consumption and driving habits of operators, which have significant direct impacts on our fuel performance.
- We constantly train our operators in fuel-efficient driving, and their compensation is partially linked to adequate fuel performance.
- We work with our suppliers to conduct trials on more eco-friendly engines, technologies, and fuels.

The implementation of these strategies has resulted in continuous improvements in the fleet's fuel efficiency, which directly leads to lower carbon dioxide emissions, the main greenhouse gas that contributes to global warming and climate change. In addition, our fleet has the latest model engines, which reduces our overall emissions.

As a result, in 2024, all our business units in the Mobility of Cargo Segment, Auto Express Frontera Norte (AFN), Grupo SID Carga (SUVI), Transportadora Egoba, Autotransportes El Bisonte (El Bisonte), and Muebles y Mudanzas (MYM) were awarded the "Good Environmental Performance" (AFN y SUVI) and "Excellent Environmental Performance" (Egoba and El Bisonte) by the Ministry of the

⁸ Total debt and Adjusted EBITDA for the last 12 months, based on the definition of debt as determined by the syndicated credit.

⁹ Includes the effect of derivative financial instruments.

Environment and Natural Resources' (SEMARNAT) voluntary Clean Transportation program. They were recognized for having jointly reduced 60 thousand tons of carbon dioxide (CO₂), equivalent to 10% of TRAXION's Scope 1 and 2 emissions, due to the aforementioned efficiency strategies and actions.

In this regard, the most relevant metrics are those related to fuel consumption and utilization and their Greenhouse Gas (GHG) emissions:

Indicator ¹²	Unit	2018	2019	2020	2021	2022	2023	1Q24	2Q24	3Q24
Fuel performance ¹³	km/l	3.45	3.57	3.70	3.49	3.48	3.49	3.54	3.46	3.46
Fuel consumption intensity	l/km	0.29	0.28	0.27	0.29	0.29	0.29	0.28	0.29	0.29
Scope emissions intensity ¹⁴	tCO ₂ eq/1,000 km	0.84	0.83	0.80	0.79	0.79	0.80	0.79	0.80	0.80

We aligned our Integrated Report with leading ESG disclosure frameworks and standards: Sustainability Accounting Standards Board (SASB), Task Force on Climate-related Financial Disclosures (TCFD), and Global Reporting Initiative (GRI). We are therefore prepared to report in accordance with the standards of the International Sustainability Standards Board (ISSB).

The 2023 Integrated Report, published in August, incorporates an optimized structure along with new indicators and data on topics such as diversity and inclusion, biodiversity, Scope 3 Greenhouse Gas Emissions, and criteria air pollutants. You can view the report at the following links: https://api.traxion.global/assets/assets/IA_Traxion_2023_ingles.pdf

We seek to maximize our contribution to the Sustainable Development Goals (SDGs) and are committed to implementing the 10 Principles of the United Nations Global Compact. We report and disclose ESG information through two of the leading international reporting platforms: **Standard & Poor's Corporate Sustainability Assessment (S&P-CSA)** and the **Carbon Disclosure Project (CDP)**; as well as **Bloomberg ESG**.

TRAXIÓN is part of the **S&P/BMV Total Mexico ESG** index, placing us among the most prestigious companies recognized for their ESG efforts and achievements in Mexico. We are also part of the **Dow Jones Sustainability MILA Pacific Alliance** regional index, which rates the ESG performance of leading companies in Chile, Colombia, Mexico, and Peru. TRAXIÓN is one of only four transportation companies included in the index.

TRAXIÓN is certified under the **ISO 37001 "Anti-Corruption Management System"** standard and, in September, obtained **ISO 37301 "Compliance Management System"** certification for the first time, reaffirming our commitment to compliance and integrity.

ESG Ratings:

In the third quarter, we achieved a **score of 58 in the 2024 S&P Corporate Sustainability Assessment (CSA), a 6-point increase from 2023, placing us in the top 8% of the highest-rated companies in the industry globally**, ranking 25th out of 315, and 30 points above the industry¹⁵ average. The questionnaire enables benchmarking of the company's performance across a broad range of ESG criteria relevant to the growing number of sustainability-focused investors, according to the world's most recognized sustainability index database.

In the 2023 Carbon Disclosure Project (CDP) Climate Change assessment, our rating increased by two levels, from "C" to "B." This rating is at the "Management - Taking Coordinated Action on Climate Issues" level, four levels above the global average for the transportation sector and two levels above both the global and North American regional averages. **In the third quarter of 2024, we completed our 2024 questionnaire response, with our rating expected in early 2025.** CDP is the world's most recognized international environmental disclosure platform, providing relevant information to investors, companies, and governments. We invite you to view our scorecard at the following link: https://43725142.fs1.hubspotusercontent-na1.net/hubfs/43725142/docs-sostenibilidad/CDP_Scorecard_2023_ES.pdf

¹⁰ Calculations as of 4Q22, including data from Medistik.

¹¹ The performance and intensity indicators are based on our diesel consumption, which annually accounts for 95% of our total energy consumption. In addition, our efficiency strategies focus on diesel consumption.

¹² SCOPE 1- Diesel, gasoline, and natural gas, based on 2022 calorific powers.

¹³ Relative positions are not yet final as the platform will continue to rate participating companies throughout the remainder of the year.

In the **2023 EcoVadis** sustainability assessment, we obtained a score of 60/100, increasing by 4 points, earning us the EcoVadis Silver Medal for the second time. This places us in the top 25% of the companies evaluated in our sector. EcoVadis evaluates the sustainability of suppliers from more than 90,000 companies worldwide. The assessment focuses on four topics: environment; ethics; labor practices and human rights; and sustainable procurement. The assessment certificate is available at: https://43725142.fs1.hubspotusercontent-na1.net/hubfs/43725142/docs-sostenibilidad/EcoVadis_Certificado_2023_ESP.pdf

Progress in gender diversity:

During the second quarter, we enthusiastically announced the **addition of two more women to TRAXIÓN's Board of Directors**, reaching 20% female representation on this body (3 out of 15 members). This aligns with our strong commitment to gender diversity and anticipates meeting the goal set in 2022 for 2025.

We are implementing a **program to increase the number of women in operational positions**, specifically addressing the challenges present at every stage of the talent attraction, development, and retention process. By the end of the second quarter of 2024, TRAXIÓN had contributed to the training of nearly 60 female operators with no prior experience, either directly or in partnership with third parties.

Progress in Climate Change, Clean Technologies, and Alternative Fuels:

In the third quarter, we completed our **first assessment of TRAXIÓN's impact on nature, using the Task Force on Nature-related Financial Disclosures (TNFD) methodology**. The analysis concluded that the primary impact of our operations is related to global warming and climate change. You can view the final report of the assessment at the following link: https://43725142.fs1.hubspotusercontent-na1.net/hubfs/43725142/TNFD_Risk_assessment.pdf

Aligned with TRAXIÓN's strategy and commitment to sustainability and the planet, we are continuously evaluating the market availability and techno-economic feasibility of alternative fuels for our operations, with a special focus on **biomethane and hydrogen**. In the third quarter, we continued **testing biomethane in a personnel transport bus**. Biomethane has the same chemical composition as natural gas but does not emit additional carbon into the atmosphere, thus contributing to the reduction of global warming.

Throughout the first quarter of 2024, **we began trials with Mexico's first 100% electric zero-emission bus for school and personnel transportation**.

We are introducing zero-emission electric vans into our last-mile fleet. This makes our pharmaceutical company, Medistik, the first logistics operator in Mexico to employ a refrigerated electric van for the transportation of healthcare supplies, validated under the industry's most rigorous protocols.

Reporting Frameworks and Standards



Transparency and Ratings



ANALYST COVERAGE

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ABOUT TRAXIÓN

TRAXIÓN is the leading transportation and logistics company in Mexico. It offers a one-stop solution through the broadest and most diverse service portfolio in the country. TRAXIÓN's platform operates three main business segments: Mobility of Cargo, Logistics and Technology, and Mobility of Personnel. The Company has 10 highly recognized brands for their leadership in different sector niches. TRAXIÓN was founded in 2011 and ended the 3Q24 with an average fleet of 11,342 power units, 747,602 square meters of 3PL logistic warehousing space, national reach, more than 1,300 clients, and over 21,000 employees. TRAXIÓN's most important competitive advantages include: an experienced and committed management team, the use of the latest technology, being the only consolidator in a highly fragmented industry and the only institutional company in a sector dominated by family-owned companies, a diverse portfolio comprised of premium services, long-term partnerships with clients and suppliers, and an anticipated market outlook.

Logistics & Technology

Through this segment, TRAXIÓN provides logistics solutions across the supply chain using digital platforms and technology-driven applications and an asset-light focus. Among the services rendered are integrated: 4PL logistics solutions, 3PL warehouse management, last-mile, courier and delivery services, and rail intermodal cargo brokerage. At the end of 3Q24, it operated more than 747,602 square meters of 3PL warehouse, and a last-mile fleet of 320 units.

Mobility of Cargo

This segment provides integrated cargo solutions. Amongst the services rendered are dedicated freight, less-than-truckload, intermodal, refrigerated freight, international cargo and borders transfers, petrochemicals, moving and specialized transportation. We operate 5 leading and renowned brands: Transportadora EGOBA, Muebles y Mudanzas MYM, Grupo SID, Auto Express Frontera Norte, and Autotransportes El Bisonte. TRAXIÓN operates one of the youngest, most modern, and flexible fleets in the industry, with 2,350 power units at the end of 3Q24.

Mobility of Personnel

The mobility of personnel segment provides personnel transportation services to corporations, industrial parks, and hotels, as well as student transportation to schools and universities, and tourism services to groups. Through its subsidiary LIPU, TRAXIÓN operates a centralized platform under dedicated contracts or spot service and the largest and most modern fleet in Mexico composed of an average of 8,672 power units at the end of 3Q24.

TRAXIÓN

LIFE IN MOTION

BALANCE SHEET (Figures in thousands of pesos MXN)

ASSETS	2024	2023	LIABILITIES AND SHAREHOLDERS' EQUITY	2024	2023
Current Assets:			Current liabilities:		
Cash & equivalents	1,361,667	1,379,799	Current portion of long-term debt	1,385,394	986,991
Receivables, net	5,223,035	4,340,114	Current portion of long-term debt securities	100,000	100,000
Related Parties	1,209	-	Obligations under capital leases	62,990	102,477
Income Tax Assets	176,400	234,166	Short-term leasing obligations IFRS 16	501,660	524,475
Other Tax Assets	699,944	940,166	Suppliers	1,810,321	1,629,662
Other Accounts Receivable, Net	570,570	492,173	Creditors	1,158,882	1,326,868
Inventories, Net	207,404	163,412	Other taxes payable	763,266	923,960
Prepayments	491,057	256,840	Provisions	1,504,977	981,306
Short term derivatives	23,220	31,000	Income taxes	125,468	73,859
Total current assets	8,754,506	7,837,670	Employee statutory profit sharing	54,131	87,686
			Advancement from clients	32,286	73,539
			Total current liabilities	7,499,375	6,810,823
Non-current assets:			Non-current liabilities:		
Long-term prepayments	350,257	159,954	Long-term bank debt ¹⁶	8,123,471	6,597,426
Transportation equipment and machinery, net	15,840,675	14,321,811	Long-term debt (bonds payable) ¹⁶	2,500,000	2,500,000
Assets under right of use, net	1,284,317	1,386,262	Long-term obligations under capital leases ¹⁶	27,883	68,510
Permanent investments	280,435	179,373	Long-term leasing obligations IFRS 16	696,350	584,055
Goodwill	5,316,649	5,291,841	Long-term creditors	71,791	60,641
Intangible assets and other assets, net	2,160,190	2,184,147	Derivative financial instruments	-	2,549
Deposits in guarantee	104,693	102,880	Employee benefits	121,992	119,860
Derivative financial instruments	3,613	20,245	Deferred income taxes	1,367,547	1,329,887
Deferred income taxes	555,942	491,028	Total non-current liabilities	12,909,034	11,262,928
Total non-current assets	25,896,771	24,137,541	Total liabilities	20,408,409	18,073,751
			Shareholders' equity:		
			Equity	9,938,941	10,043,319
			Additional paid-in capital	135,944	135,944
			Legal reserve	99,602	85,549
			Actuarial loss	(3,343)	(7,285)
			Earnings from derivative financial instruments	16,504	33,592
			Foreign currency translation effect	(399)	(3,031)
			Other equity accounts	(184,740)	(184,740)
			Retained earnings	4,240,719	3,800,308
			Total Shareholders' equity	14,243,228	13,903,656
			Non-controlling interests	(360)	(2,196)
			Total equity	14,242,868	13,901,460
Total Assets	34,651,277	31,975,211	Total liabilities and equity	34,651,277	31,975,211

¹⁶ Excluding current installments

TRAXIÓN

LIFE IN MOTION

INCOME STATEMENT (Figures in thousands of pesos MXN)

	<u>3Q24</u>	<u>3Q23</u>	$\Delta\%$	<u>9M24</u>	<u>9M23</u>	$\Delta\%$
Service Revenues:						
Cargo	2,276,666	1,972,271	15.4%	6,078,268	5,645,060	7.7%
Logistics services	2,568,673	2,064,157	24.4%	7,695,802	5,868,599	31.1%
Personnel	2,684,054	2,353,238	14.1%	7,785,079	6,620,520	17.6%
Total operating revenue	7,529,393	6,389,666	17.8%	21,559,149	18,134,179	18.9%
Total costs	5,873,538	4,903,101		16,835,187	13,986,772	
Gross profit	1,655,855	1,486,565	11.4%	4,723,962	4,147,407	13.9%
General expenses	1,017,822	902,290		2,989,334	2,525,665	
Allowance for doubtful accounts	16,222	25,461		40,403	53,357	
Other (income) expense, net	13,954	(84,511)		(71,838)	(104,610)	
Operating income	607,857	643,325	(5.5)%	1,766,063	1,672,995	5.6%
Comprehensive financial result:						
Interest expense	(456,566)	(365,864)		(1,228,109)	(1,102,620)	
Financial cost of the defined benefit plan	(1,360)	(1,374)		(4,060)	(4,153)	
Other financial costs	(7,258)	(8,949)		(22,680)	(26,153)	
Foreign exchange (loss) gain, net	33,271	22,080		69,603	(56,659)	
Effect of valuation of financial instruments	10,655	8,253		34,181	45,151	
Interest income	13,314	21,285		48,321	47,991	
Comprehensive financial result	(407,944)	(324,569)		(1,102,744)	(1,096,443)	
Profit (loss) before income taxes	199,913	318,756	(37.3)%	663,319	576,552	15.0%
Income taxes:						
Fiscal basis	130,288	70,579		229,157	146,065	
Deferred	(25,662)	2,398		(22,138)	607	
Total income tax	104,626	72,977		207,019	146,672	
Consolidated net income (loss)	95,287	245,779	(61.2)%	456,300	429,880	6.1%

TRAXIÓN

LIFE IN MOTION

CASHFLOWS (Figures in thousands of pesos MXN)

Cash flow from operating activities:	3Q24	3Q23	9M24	9M23
Consolidated net income	95,287	245,779	456,300	429,880
Depreciation and amortization	647,642	531,067	1,870,471	1,654,616
Impairment of accounts receivable and other accounts receivable	16,222	25,461	40,403	53,357
Income taxes	104,627	72,977	207,019	146,672
Unrealized foreign exchange loss (gain)	52,743	10,260	27,113	(32,209)
Interest expense, net	450,510	353,528	1,202,468	1,080,782
Loss (profit) on sale of transportation equipment & machinery	9,990	(16,675)	51,954	2,970
Others	(9,295)	(6,879)	(30,121)	(40,998)
Cash flow before variations in working capital	1,367,726	1,215,518	3,825,607	3,295,070
Receivables	178,107	(873,490)	(923,324)	(1,313,964)
Related-party receivables	(1,209)	-	(1,209)	1,945
Other current assets	(12,251)	79,728	(71,974)	(232,564)
Creditable taxes	(76,378)	(78,189)	(176,241)	(137,270)
Suppliers	(114,191)	337,367	180,659	115,853
Accrued liabilities	200,392	(137,965)	467,724	570,622
Accounts payable to related parties	-	(350)	-	(338)
Advancements from clients	9,101	17,307	(41,253)	2,696
Other taxes payable	(77,955)	(74,326)	(160,694)	(184,693)
Net cash flows from operating activities	1,473,342	485,600	3,099,295	2,117,357
Net cash flows from investing activities:				
Acquisition of transportation equipment & machinery	(1,021,018)	(1,123,168)	(2,840,676)	(2,478,262)
Other assets and liabilities, net	(129,301)	(109,507)	(187,407)	(98,857)
Retribution for business acquisitions	(36,601)	-	(36,601)	-
Other charges (payments) to sell (acquire) capital or debt instruments of other entities	(17,411)	(4,969)	(101,062)	(18,616)
Interest income	13,314	21,285	48,321	47,991
Net cash flows from investing activities	(1,191,017)	(1,216,359)	(3,117,425)	(2,547,744)
Cash flows from financing activities:				
Payments of bank loans	(834,481)	(1,020,713)	(1,740,121)	(4,253,073)
Equity increases	-	2,617,067	-	2,617,067
Stock trading	(37,565)	(94,734)	(104,378)	(321,178)
Payments of capital leases	(25,923)	(70,105)	(80,114)	(132,251)
Settlement of derivative financial instruments	-	(3,231)	(2,549)	(3,231)
Charges of derivative financial instruments	10,654	13,468	34,180	39,827
Bank loans	1,697,461	105,000	3,705,928	4,392,352
Payments of leases	(225,014)	(185,907)	(613,040)	(575,146)
Interest expense	(486,127)	(403,227)	(1,203,936)	(1,141,650)
Net cash flows from financing activities	99,005	957,618	(4,030)	622,717
(Decrease) Increase in cash and equivalents, net	381,330	226,859	(22,160)	192,330
Cash and equivalents at beginning of period	976,309	958,478	1,379,799	996,222
Revaluation effect on cash	4,028	718	4,028	(2,497)
Cash and equivalents at end of period	1,361,667	1,186,055	1,361,667	1,186,055