Grupo Lamosa

Grupo Lamosa, S.A.B. de C.V.

HR Ratings® | **Credit Rating Agency**

Corporates
November 3, 2025
A NRSRO Rating

Grupo Lamosa (G)	Private Placement
HR BBB (G)	**HR BBB (G)**
Stable Outlook	**Stable Outlook**
	P4952@AA9

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Information Disclosure Form

Rule 17g-7

The Rating Action Commentary (RAC) associated with this disclosure form is an integral part of the form.

1. **Symbol, Number, or Score in the Rating Scale used by HR Ratings as required by Paragraph (a)(1)(ii)(A) of Rule 17g-7:**

Entity/Instrument	Rating Action	Rating Type	Rating Code
Grupo Lamosa Global	Ratified	Long Term Rating	HR BBB (G) / Stable Outlook
Private Placement	Ratified	Long Term Rating	HR BBB (G) / Stable Outlook

2. **Version of the Procedure or Methodology used to determine the credit rating as required by Paragraph (a)(1)(ii)(B) of Rule 17g-7:**

The rating assigned by HR Ratings to the Company is based in accordance with the following methodologies established by the rating agency:

- General Methodological Criteria, October 2024.
  https://www.hrratings.com/docs/metodologia/General_Methodological_Criteria_2024.pdf

3. Main assumptions and principles used in constructing the procedures and methodologies to determine the credit rating as required by Paragraph (a)(1)(ii)(C) of Rule 17g-7

Local and Global Scales

Any credit rating for a borrower or debt instrument is initially assigned on a Local Scale. HR Ratings Local Scale represents the different rating levels in which the results of a rating process can be categorized as set out in the appropriate methodology. This rating on the scale reflects the results of standardized processes, which are applicable in any political jurisdiction. The global scale considers the risks associated with the sovereign in question and faced by the borrower or debt instrument. This includes the convertibility, degradation and transferability risks for each country in a global scenario.

HR Ratings will use the global rating of the applicable sovereign, as an indicator for country risk, to convert the local credit ratings for borrowers and/or debt instruments into global credit ratings. The applicable sovereign rating may refer to one particular sovereign or a group of sovereigns depending on the case. In general terms, the downgrade will be equal to the difference, in terms of notches, between HR AAA (G) and the applicable sovereign's global rating. However, in some cases it may be appropriate not to take as a basis for the downgrade only the difference in the applicable sovereign's global rating from HR AAA (G). For example, when HR Ratings judges that the global credit rating of an applicable sovereign, or sovereigns, implies a greater or lesser degree of country risk for purposes of the conversion of local rated entities and debt. Also, when the analysis for a specific debtor or debt instrument suggests that its characteristics are such that its rating on the global scale should receive a modified rating differential.

A set of factors is used to determine the applicable jurisdiction or sovereign for assigning a global scale rating. The simplest case is that of a borrower operating in only one country and using only that country's currency. In such cases the global rating of sovereign of the country in which the borrower operates will be used as the basis for conversion. In other cases, an entity may have substantial operations in several jurisdictions, it would be appropriate to determine a weighted average of relevant sovereigns and apply a weighted sovereign differential notch to make the local to global conversion.

4. Potential limitations of the credit rating as required by Paragraph (a)(1)(ii)(D) of Rule 17g-7

- HR Ratings does not validate, guarantee or certify the accuracy, correctness or completeness of any information and is not responsible for any errors or omissions or for results obtained from the use of such information.
- Ratings and/or opinions assigned by HR Ratings are based on an analysis of the creditworthiness of an entity, issue or issuer, and do not necessarily imply a statistical likelihood of default.
- The credit ratings do not opine on the liquidity of the issuer´s securities or stock.
- The credit ratings do not consider the possible loss severity on an obligation default.
- The credit ratings are not an opinion of the market value of any issuer´s securities or stock, or the possibility that this value suffer a deterioration.

5. **Information on the uncertainty of the credit rating as required by Paragraph (a)(1)(ii)(E) of Rule 17g-7**

The Analysis Committee noted no material limitations on the reliability, accuracy and quality of the data relied on in determining the credit rating.

The Analysis Committee noted no lack of information on the scope of historical data that would have better informed any credit rating listed in this disclosure form.

6. **Use of third-party due diligence services as required by Paragraph (a)(1)(ii)(F) of Rule 17g-7**

HR Ratings did not consider third-party due diligence information for the rating.

7. **Use of servicer or remittance reports to conduct surveillance of the credit rating as required by Paragraph (a)(1)(ii)(G) of Rule 17g-7**

HR Ratings did not use Servicer or Remittance Reports for the rating.

8. **Description of types of data about any obligor, issue, security or money market instrument relied upon for determining credit rating as required by Paragraph (a)(1)(ii)(H) of Rule 17g-7**

Among the main information used for the rating is:
- Quarterly Financial Statements for first quarter 2016 (1Q16) to the third quarter 2024 (3Q24) reported to Bolsa Mexicana de Valores (BMV) by the Company.
- Annual Audited information for 2018 to 2023 elaborated by Deloitte reported to Bolsa Mexicana de Valores (BMV) by the Company.
- Earnings release for 2018 to third quarter 2024 (3Q24) reported by the Company.
- Projections, budget, and guidelines provided by the Company.
- Operational information (volumes and price), costs and expenses by location as of 3Q24 provided by the Company.
- Debt's amortization calendar as of 3Q24 provided by the Company.
- Debt's breakdown and main characteristics as of 3Q24 provided by the Company.
- Depreciation and amortization breakdown as of 3Q24 provided by the Company.

9. **Overall assessment of quality of information available and considered in determining credit rating as required by Paragraph (a)(1)(ii)(I) of Rule 17g-7**

The quality of the information provided by the Company is considered to be consistent with the quality observed in the ratings that use a similar methodology.

10. Information relating to conflicts of interest as required by Paragraph (a)(1)(ii)(J) of Rule 17g-7

The aforementioned rating was solicited by the entity or issuer, or on its behalf, and therefore, HR Ratings has received the corresponding fees for the rating services provided. The following information can be found on our website at www.hrratings.com: (i) The internal procedures for the monitoring and surveillance of our ratings and the periodicity with which they are formally updated, (ii) the criteria used by HR Ratings for the withdrawal or suspension of the maintenance of a rating, (iii) the procedure and process of voting on our Analysis Committee, and (iv) the rating scales and their definitions.

11. Explanation or measure of potential volatility to the credit rating as required by Paragraph (a)(1)(ii)(K) of Rule17g-7

1. Factors that are reasonably likely to lead to a change in the credit rating:

   - **Increase of FCF.** In the event that the Company maintains a FCF above our estimates and this led to an average Years of Payment metric below 1.8 years from 2024 to 2027 (vs. 3.5 years in our base scenario), this could lead to a positive minimum impact on the rating.
   - **Decrease of DSCR.** In the event that the Company presents lower FCF or an increase in the debt service, leading to an average DSCR metric below 1.4x from 2024 to 2027 (vs. 2.1x in our base scenario for the same period), this could lead to negative minimum impact on the rating.
   - **Lack of Committed Facilities.** In the event that the Company ceases to have the coverage generated by its committed credit lines, and this results in projected DSCR levels falling below the level indicated above, the rating could be downgraded.

2. The magnitude of the change that could occur under different market conditions determined by HR Ratings to be relevant to the rating:

   - **Sovereign Debt.** Any change positive or negative to the Sovereign rating for Mexico, and its outlook would be reflected directly in the global rating of Grupo Lamosa. If the Sovereign rating decreases one notch this could result in a negative minimum impact on the rating.

   NOTE: The Credit Analysis Committee must convene to review and discuss the changes that could occur under different market conditions. All the ratings issued by HR Ratings must be approved by the Credit Analysis Committee in accordance with the applicable methodology and the information available at the time. However, the magnitude of a potential change in the rating that could reasonably occur as a result of the impact of the factors listed above are characterized by the following summary chart:

Rating change impact	Number of notches
Minimum	(0-1)
Moderate	(2 - 3)
Strong	>3

12. Historical performance and expected probability of default and expected loss in event of default as required by Paragraph (a)(1)(ii)(L) of Rule 17g-7

The historical performance of each rating listed in the disclosure form, click on the link in the ratings table presented on the first page.

Our credit ratings need to be understood as rankings of the relative creditworthiness of different entities or credits. Creditworthiness takes into consideration both the ability and willingness to meet debt obligations in the manner prescribed in the relevant documentation. Default refers to the noncompliance of previously agreed obligations.

As our ratings measure relative creditworthiness, they do not necessarily reflect any specific statistical probability of default. However, HR Ratings provides to the market participants the default rate for historical default and loss statistics for the class or subclass of the credit rating. Although the default rate is not the expected probability of default or loss given default, we consider it the ratio that could be interpreted by market participants as such. The default rate for each of the asset classes in which HR Ratings provides ratings and for each rating category is publicly available for each calendar year at: https://www.hrratings.com/regulatory_disclosure/transition_matrix.xhtml

13. Assumptions made by HR Ratings in determining announced credit ratings and examples of how assumptions impact the rating as required by Paragraph (a)(1)(ii)(M) of Rule 17g-7

1. Assumptions made in the ratings process that, without accounting for any other factor, would have the greatest impact on the credit rating if proven false or inaccurate:

HR Ratings bases its ratings and/or opinions on information obtained from sources that are believed to be accurate and reliable. The assumption is that the information provided is reliable and credible, however, does not validate, guarantee or certify the accuracy, correctness or completeness of any information and is not responsible for any errors or omissions or for results obtained from the use of such information.

- We consider the Company to reach P$37,789m in 2027 (vs. P$31,572m in 2023) which is equivalent to a $CAGR_{23-27}$ of 4.6%, this is mainly driven by the increase in volume of tiles and adhesives for home construction and remodeling.
- We assume the Company to present an EBITDA margin of 18.5% in 2027, driven using operating leverage being benefited by the consolidation of Baldocer, as well as the sale of high-value tiles.
- For the FCF, we expect the Company to reach P$4,292m in 2027 (vs. P$2,967m in 2023), this increase is based on the EBITDA expansion which will allow to offset working capital requirements driven by the increase of operations.
- Regarding debt, we project the Company to reach total debt of P$11,767m in 2027 (vs. P$15,796m in 2023), this decrease is driven by the amortization of the credit facilities according to its maturity, partially offset by new debt to paydown the second payment associated with the acquisition of Baldocer.
- Our estimates do not consider the Company to acquire additional entities in the forecasted period.

2. Analysis, using specific examples, of how each of the assumptions identified in the preceding paragraph impacts the credit rating:

- If the Company achieves higher revenue and therefore improves FCF generation, this could lead to a higher rating.
- If the Company is not able to maintain the expected gross and EBITDA margin improvements considered within our base scenario, this could decrease the rating.
- If the Company maintains lower FCF than expected and this decrease DSCR metric below 1.4x in the forecasted period, this could lead to a lower rating.
- If the Company is not able to generate cash as expected, requiring to draw additional resources to fund its operations and maintain liquidity, this could increase the debt service pressure and negatively affect the rating.
- In the event that the Company acquires additional entities, and this causes an increase in debt or debt service pressure, this could lead to an average DSCR below 1.4x and result in a lower rating.

14. **Representations, warranties and enforcement mechanisms available to investors as required by Paragraph (a)(1)(ii)(N) of Rule 17g-7**

The reporting of representations, warranties, and enforcement mechanisms does not apply to any of the credit ratings listed in this disclosure form.

Credit Rating Attestation

I, Jesús Pineda, Corporates Manager, have the responsibility for this rating action and, to the best of my knowledge:

- No part of the credit rating was influenced by any other business activities.
- The credit rating was based solely upon the merits of the obligor, security, or money market instrument being rated; and
- The credit rating was an independent evaluation of the credit risk of the obligor, security, or money market instrument

Mexico City, November 3, 2025

/s/ Jesús Pineda
Corporates Manager
HR Ratings de México, S.A. de C.V.

Media Contact

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