



Qualitas

30
YEARS



EARNINGS

RESULTS

3rd Quarter 2024

Webcast Results 3Q24

Date: Friday 18th of October 2024
Time: 08:00 am MXT (10:00 am EST)

Qualitas Controladora S.A.B. de C.V. cordially invites you to its conference call to discuss the results of the third quarter of 2024.

Hosted by:

Mr. Jose Antonio Correa, Chief Executive Officer QC
Mr. Roberto Araujo, Chief Financial Officer QC

Zoom webcast ID: 880 7555 0860

https://us06web.zoom.us/webinar/register/WN_m9v100b0Qsq30A4bJBbwHA

This report and the presentation are also available at:

<https://qinversionistas.qualitas.com.mx/informacion-financiera/reporte-trimestral>

Qualitas reports 3Q24 results

Mexico City, October 17th, 2024 – Qualitas Controladora, S.A.B. de C.V. (“Qualitas”, “Q”, or “the company”) (BMV: Q*), announces its unaudited financial results for the third quarter of 2024.

The figures in this document are stated in millions of Mexican pesos unless specified otherwise and may vary due to rounding and/or consolidation purposes.

Highlights

- During the third quarter of the year, written premiums continued its positive trend from previous quarters, increasing 23.9% or \$3,115 million pesos vs 3Q23. On a cumulative basis, they grew 29.6%. This growth was mainly driven by our traditional segment.
- We reached a historical all-time high of 5.7 million insured units at the end of September 2024, an increase of 356 thousand year to date.
- Quarterly earned premiums grew by 20.1% compared to 3Q23 and 25.6% on a cumulative basis. In line with historical behavior and seasonality, we constituted reserves for \$814 million during the quarter, which represents \$548 million more than in 3Q23.
- The quarterly loss ratio stood at 69.2%, driven by an increase in claims costs, rainy season, and the reserves' constitution in the US subsidiary. On a cumulative basis, the loss ratio was 66.4%. In our Mexican subsidiary, quarterly and year to date loss ratio stood at 67.6% and 64.9%, respectively.
- The quarterly combined ratio closed at 95.6%, and on a cumulative basis at 92.9%, showing that so far, in 2024 the ratio within our target range of 92% to 94%.
- The quarterly comprehensive financial income stood at \$1,183 million, representing an ROI of 8.7%. YTD comprehensive financial income was \$3,377 million. By the end of period, the portfolio reached \$48,963 million, 87% allocated in fixed income with a duration of 1.6 years.
- Quarterly net result stood at \$1,145 million, representing a growth rate of 12.0%. On a cumulative basis, net result grew by 41.3%. The 12-month EPS was \$12.2, and the 12-month ROE stood at 22.4%.
- By the end of the quarter, we held 4,955,102 shares under treasury with a remaining share buyback fund of \$587.8 million pesos.
- Regulatory capital requirement stood at \$5,303 million, with a solvency margin of \$15,799 million, equivalent to a solvency ratio of 398%.



5,693,674
Insured Units



33.1%*
Market Share,
leading since
2007



7.8%
9M24 Net
Margin



\$12.2
12M EPS



578
Service
offices: 230
ODQs: 348



6,982
Employees



+29.6%
Written Premium
9M24 vs 9M23



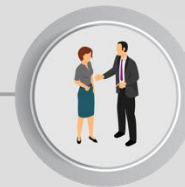
22.4%
12M ROE



2.6
P/BV



12.6
P/E



\$48,963
Invested Assets,
Float MM MXN



~22,900
Agents



*Market share in Mexico by the end of June 2024, AMIS.

Financial highlights 3Q & 9M

	Quarterly			Year to date		
Income Statement	3Q24	3Q23	Δ %/bp 24 vs 23	9M24	9M23	Δ %/bp 24 vs 23
Written premiums	16,151	13,036	23.9%	48,379	37,324	29.6%
Net written premiums	16,135	13,021	23.9%	48,318	37,195	29.9%
Earned premiums	15,321	12,756	20.1%	44,683	35,562	25.6%
Acquisition cost	3,661	2,857	28.1%	10,769	8,429	27.8%
Loss cost	10,601	9,129	16.1%	29,657	25,257	17.4%
Technical result	1,060	770	NA	4,257	1,875	NA
Operating expenses	608	453	34.3%	2,031	1,182	71.8%
Underwriting result	451	317	NA	2,226	693	NA
Comprehensive financial income	1,183	1,023	15.6%	3,377	2,865	17.9%
Investment income	1,018	905	12.4%	2,939	2,529	16.2%
Income Taxes	489	317	NA	1,836	892	NA
Net result	1,145	1,023	12.0%	3,767	2,666	41.3%
Cost ratios						
Acquisition ratio	22.7%	21.9%	75	22.3%	22.7%	(37)
Loss ratio	69.2%	71.6%	(238)	66.4%	71.0%	(465)
Operating ratio	3.8%	3.5%	29	4.2%	3.2%	103
Combined ratio	95.6%	97.0%	(134)	92.9%	96.9%	(400)
Combined ratio adjusted*	97.1%	97.5%	(46)	95.0%	98.1%	(303)
Profitability ratios						
Return on investments	8.7%	9.7%	(102)	8.8%	9.2%	(40)
ROE for the period	20.5%	20.9%	(36)	20.5%	20.9%	(38)
LTM ROE	22.4%	16.8%	558	22.4%	16.8%	558

* Adjusted combined ratio refers to the sum of the acquisition, loss, and operating costs, divided by earned premiums and it is presented for comparison reasons with international ratios.

Balance Sheet	2024	2023	Δ %/bp 24 vs 23
Assets	100,723	81,586	23.5%
Investments & Real Estate	52,574	40,402	30.1%
<i>Invested assets or float**</i>	48,963	38,072	28.6%
Technical reserves	55,167	45,232	22.0%
Total liabilities	77,330	61,529	25.7%
Stockholders' equity	23,393	20,056	16.6%

**Invested assets or float: investments in debt + overnights + loans portfolio.

Written Premiums

Line of business	3Q24	3Q23	Δ %/bp 24 vs 23	9M24	9M23	Δ %/bp 24 vs 23
Traditional	10,455	8,471	23.4%	32,363	24,266	33.4%
<i>Individual</i>	6,231	5,109	21.9%	18,824	14,657	28.4%
<i>Fleets</i>	4,224	3,361	25.7%	13,539	9,610	40.9%
Financial institutions	4,826	3,797	27.1%	13,426	10,597	26.7%
Foreign subsidiaries	870	759	14.7%	2,559	2,401	6.6%
Total	16,151	13,036	23.9%	48,379	37,324	29.6%

Written premiums by foreign subsidiaries may include differences due to the exchange rate effect.

During the third quarter of 2024, written premiums were \$16,151 million, 23.9% vs. same period last year. On a cumulative basis, premiums reached \$48,379 million, equivalent to a 29.6% growth. During the first 9 months of the year, marginal changes in rates remain.

In line with recent years, the performance in written premiums was mainly driven by the traditional segment, with an increase of 23.4% compared to the third quarter of 2023. Within this segment, the fleet business stood out with a quarterly increase of 25.7%. For the first 9 months of 2024, the traditional segment grew 33.4%, while the fleet segment was 40.9% above the same period in 2023.

The quarterly growth of 27.1% in underwriting through financial institutions is linked to new car sales. The industry maintains its momentum, growing 10.6% during the first nine months of 2024 vs 9M23, including light vehicles and heavy equipment. According to AMDA estimates, vehicle sales are expected to grow by approximately 11%. Important to consider that AMDA does not record yet all existing brands in the market, particularly Chinese ones, so the actual figures could be higher than those currently reported.

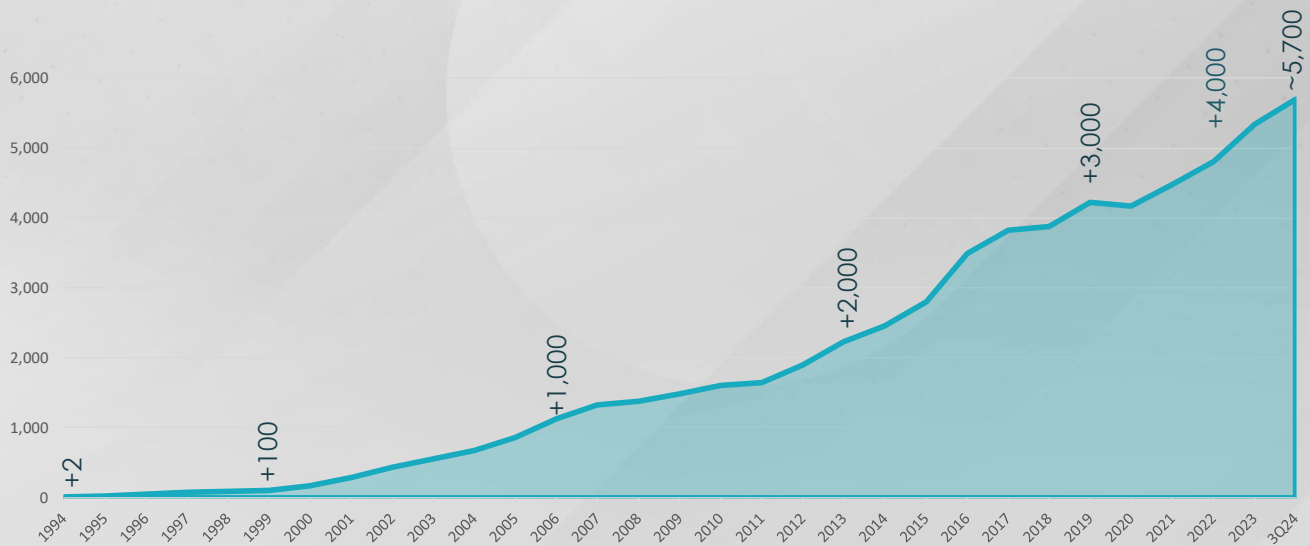
Regarding the operations from international subsidiaries, these reported an increase of 14.7% vs 3Q23 and 6.6% year to date in written premiums. Considering only the operations of our subsidiaries in LATAM, their quarterly and cumulative written premiums increased by 43.6% and 25.5%, respectively.

Insured Units

During 3Q24, once again, we achieved an all-time high in insured units, closing the quarter with ~5.7 million, maintaining a solid compound annual growth trend of 7.7% over the last 5 years. This translates into an increase of 325 thousand units or 6.1% more compared to the same quarter of the previous year, and 356 thousand units or 6.7% compared to the 2023 year-end.

5,693,674 Insured Units

CAGR of the last 5 years: 7.7%



Light vehicle sales grew by 10.5% year to date, compared to same period 2023, having sold a total of 1,079,413 units; meanwhile, heavy equipment sales increased by 11.3% compared to 9M23; this resulted in a 10.6% increase in the total number of new units sold during the third quarter of 2024.

Insured units are distributed as follows:

	3Q24	2Q24	Δ%	3Q23	Δ%
Mexico	5,440	5,360	1.5%	5,132	6.0%
<i>Automobiles</i>	3,543	3,485	1.6%	3,327	6.5%
<i>Trucks</i>	1,349	1,323	2.0%	1,286	4.9%
<i>Tourists</i>	155	165	(5.9%)	175	(11.1%)
<i>Motorcycles</i>	393	387	1.7%	344	14.1%
El Salvador	39	37	6.0%	32	20.0%
Costa Rica	124	124	(0.1%)	112	10.2%
USA	30	33	(7.1%)	29	4.3%
Peru	60	56	7.4%	63	(4.5%)
Insured vehicles	5,694	5,610	1.5%	5,369	6.1%

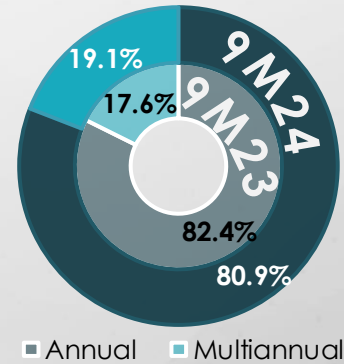
All percentage changes are compared to 3Q24, in thousands of units.

Earned Premiums

During the third quarter, earned premiums closed at \$15,321 million, which represents a 20.1% increase vs 3Q23. Cumulatively, they reached \$44,683 million, with a growth of 25.6%.

This growth is explained by the solid performance in underwriting, the current mix of our portfolio, and therefore, the actuarial reserve constitution that aligns with the historical seasonality previously mentioned.

By September-end, 80.9% of the portfolio underwriting was constituted by annual policies and 19.1% by multiannual policies.



Acquisition cost

The acquisition cost closed the quarter at \$3,661 million, with an acquisition ratio of 22.7%. This ratio is within the historical and target range; however, it reflects the growth of our multiannual policies related to financial institution underwriting which is linked to the behavior of new car sales in Mexico.

It is important to highlight that there have been no changes in the commissions paid to agents and/or financial institutions, and that they are related to sales volume; and in the case of agents, they are also related to the profitability of their portfolios.

Loss cost

The quarterly loss cost was impacted by three main factors: 1) Increase in the average cost of claims, 2) Rainy and hurricane season, in line with expectations for the third quarter, and 3) the constitution of additional reserves in the US subsidiary related to litigation processes from previous years.

General inflation in Mexico continues its stabilization trend, closing the quarter at 4.6%, while the core inflation stood at 3.9%. On the other hand, spare parts, repairs, and labor inflation stood at 6.4%. This resulted in a 5.6% increase in the average cost of claims handled compared to the same period last year.

Regarding the quarterly claims' frequency, it stood at 7.3%, around the same level as 3Q23. Thefts of insured vehicles in Mexico experienced a peak, in line with historical behavior during election years, increasing by 1.0% for the industry and 3.0% for Qualitas during the first nine months of 2024. Qualitas recovered 41.4% of its stolen units in 9M24, exceeding the average recovery rate from the rest of the industry. Robberies accounted for approximately 15% of the company's total claims cost, consistent with the proportion during 3Q23.

All the above resulted in a quarterly loss cost and loss ratio of \$10,601 million and 69.2% respectively. On a cumulative basis, the claims cost stands at \$29,657 million, which corresponds to a ratio of 66.4%.

Operating expenses

Operating expenses for the quarter stood at \$608 million, reaching an operating ratio of 3.8%, equivalent to an increase of 29 bp compared to the same period last year. While for the first 9 months, operating expenses amounted to \$2,031 million with a ratio of 4.2%.

The increase in these expenses includes provisions for incentives for service offices, which are tied to their growth and profitability, as well as a cumulative increase of 57.6% in the provision for employee profit sharing, linked to the company's performance.

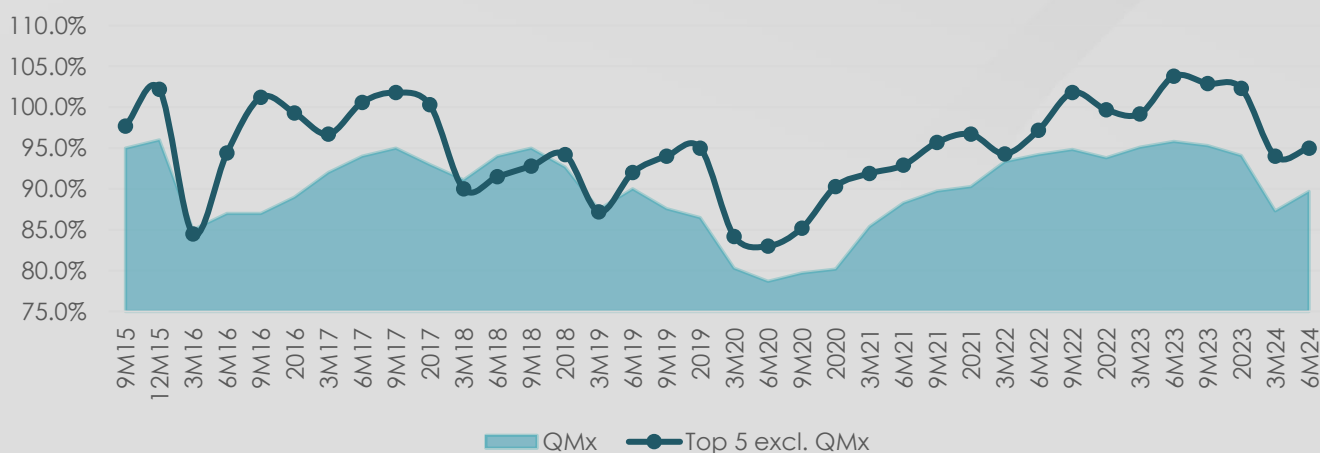
By regulation, the employees' profit-sharing provision is included in the operating expenses. If we were to exclude its effect, the operating ratio would have closed the quarter at 3.3% and 3.1% on a cumulative basis.

Underwriting result

9M24, the company had an underwriting profit of \$2,226 million, with an operating margin of 5.0%. The combined ratio for the quarter was 95.6%, representing an improvement of 134 bp compared to 3Q23. On a cumulative basis, the combined ratio was 92.9%, 4 pp lower than 9M23 and within our target range.

According to the latest available figures from AMIS, by June-end of 2024, the auto insurance industry in Mexico, excluding Qualitas México, reported a combined ratio of 96.0%. Notably, Qualitas had a ratio of 89.7%, which is 6.3 pp lower than the rest of the industry.

Mexico combined ratio



Source: Combined ratio; AMIS, information as of June 2024.

Comprehensive Financial Income

During 3Q24, the reference rate in Mexico decreased by 50 bp, standing at 10.5%, compared to 11.25% at the end of 3Q23. The average rate for 28-day CETES for the quarter was 10.7%.

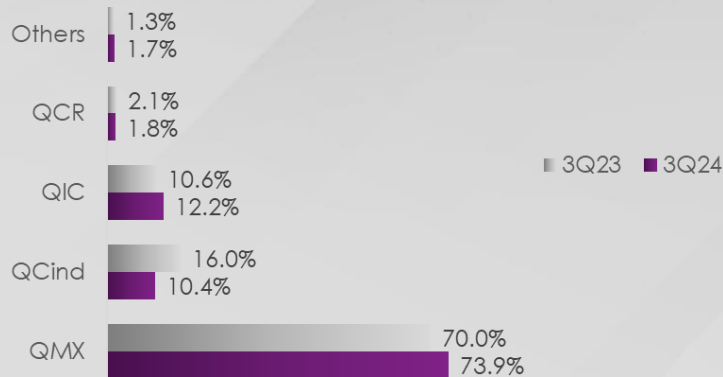
By September-end, 87% of the portfolio was allocated in fixed income and the remaining 13% in equity; the duration of our investment portfolio stood at 1.6 years. It is important to highlight that ~15% of the total portfolio is geographically allocated to comply with the regulatory capital requirements of our international subsidiaries.

Our investment strategy continues to prioritize fixed income due to the benefits of the current interest rate levels, so we aim to increase the portfolio duration to ~1.7 years.

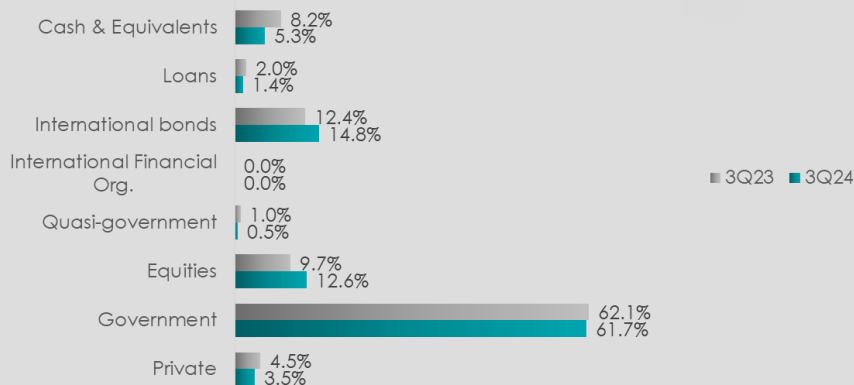
In terms of equity investment, it remains mostly indexed to global ETFs. Considering the above, the quarterly comprehensive financial income closed at \$1,183 million and \$3,377 million in cumulative terms. Our investment portfolio reached an 8.7% quarterly ROI and 8.8% in cumulative terms. It is worth noting that 9M24 unrealized gains amounted for \$1,260 million; considering all positions at mark-to-market, ROI would have been 12.6% for 9M24.

Portfolio allocation

→ By subsidiary



→ Total



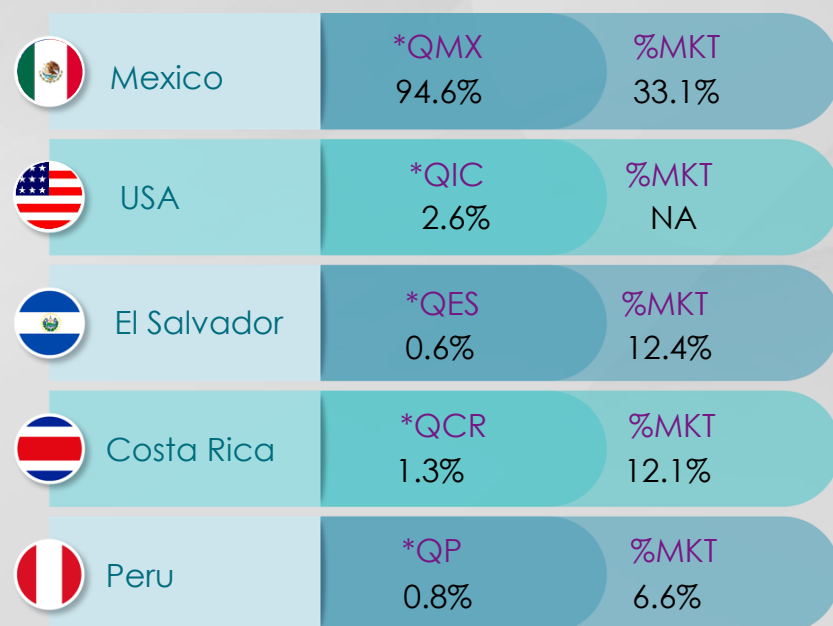
Net Result

Quarterly and cumulative net income reached \$1,145 million and \$3,767 million respectively, a growth of 12.0% or \$123 million and 41.3% or \$1,101 million, respectively.

Tax rate for the quarter was 29.9% and 32.8% for 9M24. In addition, we reported a quarterly net margin of 7.1% and of 7.8% for the 9M24. The 12-month ROE stood at 22.4%, comprised by an operating ROE of 7.9% and a financial ROE of 14.5%.

Subsidiaries as of 3Q24

International subsidiaries (geographic) represented 5.4% of the company's total written premiums:



International subsidiaries had a total underwriting of \$870 million for 3Q24, a growth of 14.7% compared to 3Q23. LATAM subsidiaries had an underwriting of \$445 million during 3Q24, an increase of 43.6% and an underwriting of \$1,375 million in cumulative terms, which represents a 25.5% increase.

In total, international and vertical subsidiaries had an underwriting and sales of \$1,093 million during 3Q24, representing a quarterly increase of 20.3%.

*Percentage as a proportion of quarterly written premium by Qualitas Controladora

In the table below, our subsidiaries underwriting and sales performance:

	Written premium			9M24	9M23	Δ %
	3Q24	3Q23	Δ %			
Q ES	98	68	44.1%	236	179	32.1%
Q CR	212	159	33.3%	778	640	21.6%
Q IC	425	449	(5.3%)	1,184	1,306	(9.3%)
Q P	135	83	62.9%	360	277	30.3%
Vertical*	223	150	48.9%	566	425	32.9%
Total	1,093	909	20.3%	3,124	2,826	10.5%

*Excludes intercompany operations & includes QSalud, Autos y Salvamentos, O&T and Activos

Technical Reserves

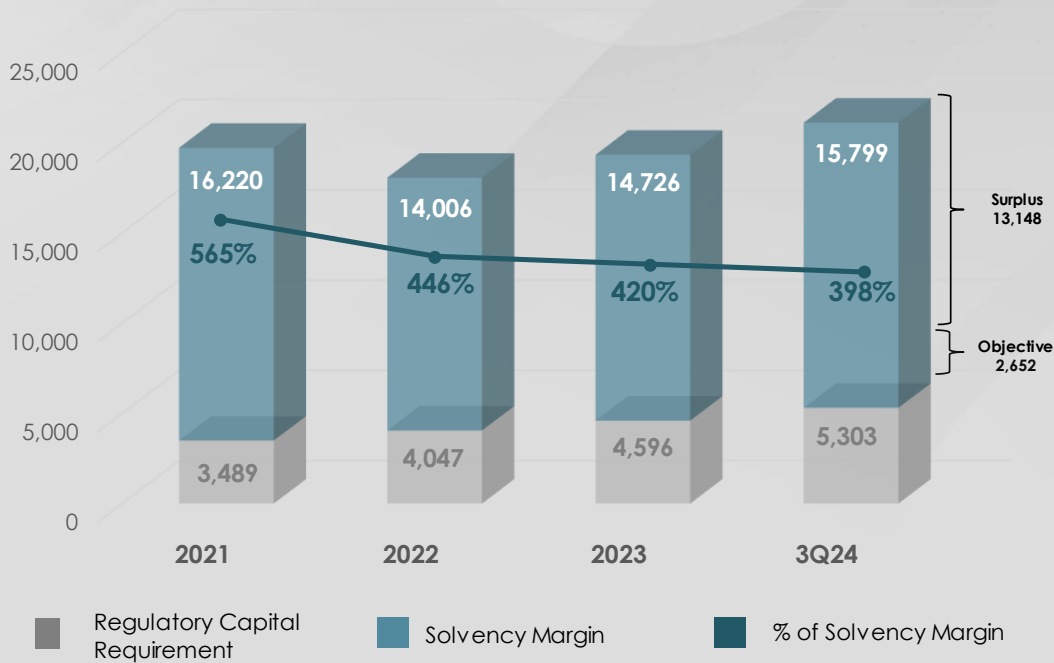
During the first nine months, there was a reserve constitution of \$3,636 million related to the company's underwriting growth and the inherent cyclicality and seasonality of the business. This represents an increase of \$2,003 million compared to the same nine months period of the previous year.

The company's technical reserves stood at \$55,167 million at the end of September 2024, a growth of \$9,934 million vs the same period the previous year.

Solvency

The regulatory capital requirement stood at \$5,303 million by September's end, with a \$15,799 million solvency margins, equivalent to a solvency ratio of 398%.

Our capital allocation strategy will continue to focus on: 1) strengthening our leadership in Mexico, 2) accelerating the growth of our subsidiaries, and 3) expanding our service to new business lines within the insurance ecosystem.



QUALITAS CONTROLADORA, S.A.B. DE C.V.
Consolidated Balance Sheet as of September 30th 2024 & 2023
 Figures in Mexican pesos

	2024	2023
Assets		
Investments	52,574,206,969	40,401,928,726
Securities and Derivatives Transactions	48,186,467,983	37,201,576,806
Securities	48,186,467,983	37,201,576,806
Government	38,877,469,028	28,672,261,661
Private Companies: Fixed Rate	2,655,383,140	2,572,821,522
Private Companies: Equity	6,015,282,196	5,999,430,770
Foreign	529,362,292.0	0
Dividends Receivable on Capital Securities	-	-
(-) Value Impairment	41,027,540.7	42,937,146.8
Securities given in Loan Investments	-	-
Restricted Securities	149,998,868.0	-
Derivatives	-	-
Overnight	83,346,301	21,430,930
Loans Portfolio (Net)	693,504,483	849,080,097
Current Loan Portfolio	780,140,997	901,901,775
Non-performing Loan	30,578,386	31,105,809
(-) Loan Loss Provisions	117,214,899	83,927,487
Property (Net)	3,610,888,202	2,329,840,892
Investments Related to Labor Obligations	99,049,738	88,922,400
Cash and Cash Equivalents	2,845,990,918	3,580,810,391
Cash and Banks	2,845,990,918	3,580,810,391
Debtors	36,037,889,264	28,679,951,152
Premiums	34,398,830,164	27,428,239,251
Premiums P&C Subsidy	-	-
Federal Agencies Debts	30,970,690	49,874,020
Agents and Claims Officers (Adjusters)	174,235,804	145,850,318
Accounts Receivable	97,708.4	-
Bonds for Claims Debtors	-	-
Other	1,570,104,883	1,177,779,990
(-) Allowance for Doubtful Accounts	136,349,985	121,792,427
Reinsurers and Re-Bonding Companies	218,258,916	305,405,685
Insurance and Bonds Intitutions	44,963,666	21,361,985
Retained deposits	-	-
Amounts Recoverable from Reinsurance	174,274,114	285,655,498
(-) Loan Loss Provisions for Foreign Reinsurers	943,471	1,550,277
Reinsurance and Bonding Brokers	-	-
(-) Provisions for Penalties	35,393	61,520
Permanent Investments	47,220,660	177,241,389
Subsidiary	-	-
Associates	-	-
Other permanent investments	47,220,660	177,241,389
Other Assets	8,900,635,203	8,351,586,218
Furniture and Equipment (Net)	1,378,155,362	1,049,395,262
Foreclosed Assets (Net)	-	-
Miscellaneous	7,231,891,325	7,188,176,850
Amortizable Intangible Assets (Net)	137,857,174	83,483,777
Long-lived Intangible Assets (Net)	152,731,342	30,530,330
Total Assets	100,723,251,668	81,585,845,962

QUALITAS CONTROLADORA, S.A.B. DE C.V.
Consolidated Balance Sheet as of September 30th 2024 & 2023
 Figures in Mexican pesos

	2024	2023
Liabilities		
Technical Reserves	55,166,880,401	45,232,399,288
Unearned Premiums	36,397,414,567	30,191,623,459
Life Insurance	-	-
Accident and Illness Insurance	9,339,182	1,951,000.3
Property and Casualty Insurance	36,388,075,385	30,189,672,459
Rebonding	-	-
In Force Bonding	-	-
Reserve for Outstanding Obligations	18,769,465,834	15,040,775,829
Expired Policies and Claims Occurred Pending of Payment	21,421,335,964	17,724,405,007
Occurred but not Reported and Adjustment Costs assigned to Claims	(3,304,432,404)	(3,349,319,057)
Funds Under Administration	-	-
Deposit Premiums	652,562,275	665,689,879
Contingency Reserve	-	-
Specialized Insurance Reserve	-	-
Catastrophic Risks Reserves	-	-
Reserves Related to Labor Obligations	681,385,002	560,421,039
Creditors	10,183,262,591	7,436,783,625
Agents and Adjusters	3,175,418,827	2,470,980,203
Funds for Losses Management	52,593,929	71,141,093
Bonding for recognition of Liabilities Creditors	-	-
Miscellaneous	6,955,249,836	4,894,662,329
Reinsurers and Re-Bonding Companies	36,922,098	108,975,747
Insurance and Bond Companies	36,922,098	108,975,747
Retained Deposits	-	-
Other	-	157,637
Rebonding and Reinsurance Broker	-	-
Derivatives (Fair Value)	-	-
Funding Obtained	0	0
Debt Issuance	-	-
Subordinated Obligations not exchangeable into shares	-	-
Other Debt Securities	-	-
Financial Reinsurance Agreement	-	-
Other Liabilities	11,261,470,767	8,190,788,804
Provisions for employee profit sharing	553,732,445	380,507,802
Income Tax Provisions	1,848,839,376	1,010,595,267
Other Obligations	7,648,877,937	5,767,506,370
Deferred Credits	1,210,021,010	1,032,179,366
Total Liabilities	77,329,920,860	61,529,368,504
Stockholders' Equity		
Paid-in Capital		
Capital Stock	2,357,002,838	2,358,866,287
Capital Stock	2,386,567,046	2,386,567,046
(-) Non Subscribed Capital Stock	-	-
(-) Non Displayed Capital Stock	-	-
(-) Repurchased Shares	29,564,208	27,700,759
Subordinated Obligations of Mandatory Conversion into Stockholders' Equity	-	-
Earned Capital	-	-
Reserves	2,068,695,417	1,779,038,038
Legal	507,142,999	507,142,999
For Repurchase of shares	700,250,702	592,138,262
Other	861,301,717	679,756,777
Valuation Surplus	1,312,953,377	159,244,427
Permanent Investments	-	-
Retained Earnings	13,453,385,218	13,205,220,814
Net Result	3,759,015,498	2,662,253,201
Translation effect	404,978,479	(135,614,276)
Non Monetary Assets Result	-	-
Remeasurements for Benefits granted to Employees	(22,264,575)	3,810,626
Controlling Interest	23,333,766,253	20,032,819,118
Non-Controlling Interest	59,564,555	23,658,340
Total Stockholders' Equity	23,393,330,808	20,056,477,458
Total Liabilities and Stockholders' Equity	100,723,251,668	81,585,845,962

QUALITAS CONTROLADORA S.A.B. DE C.V.
Consolidated Income statement for the third quarter 2024 & 2023

Figures in Mexican pesos

	3Q 2024	3Q 2023
Premiums		
Written	16,151,092,333	13,035,607,836
(-) Ceded	15,946,091	14,323,591
Net Written Premiums	16,135,146,242	13,021,284,245
(-) Net Increase of Unearned Premiums Reserve	813,925,992	265,575,425
Earned Retained Premiums	15,321,220,250	12,755,708,820
(-) Net Acquisition Cost	3,660,619,365	2,856,674,787
Agents Commissions	1,231,178,656	991,437,578
Agents Additional Compensation	445,688,707	357,945,746
Reinsurance and Rebonding Commissions	-	-
(-) Reinsurance Commissions	954,767	1,971,215
Excess of Loss Coverage	6,963,477	2,914,567
Other	1,977,743,292	1,506,348,110
(-) Net Claims Cost and Other Contractual Liabilities	10,601,052,062	9,129,308,880
Claims and Other Contractual Obligations	10,615,676,767	9,132,569,309
(-) Losses on non-proportional reinsurance Claims	14,624,704	3,260,430
Technical Income (Loss)	1,059,548,823	769,725,154
(-) Net Increase in Other Technical Reserves	-	-
Catastrophic Risks Reserve	-	-
Specialized Insurance Reserve	-	-
Contingency Reserve	-	-
Other	-	-
Result of Analog and Related Operations	-	-
Gross Income (Loss)	1,059,548,823	769,725,154
(-) Net Operating Expenses	608,422,194	452,877,950
Administrative and Operating Expenses	51,082,908	(44,003,819)
Employees' compensation and benefits	425,259,984	369,293,687
Depreciation and Amortization	132,079,302	127,588,082
Operating Income (Loss)	451,126,629	316,847,203
Comprehensive Financing Result	1,182,723,977	1,023,203,395
Investments	864,933,041	716,729,436
Sale of Investments	(341,538,119)	58,056,810
Fair Valuation of Investments	457,634,096	155,945,789
Surcharges on Premiums	140,924,057	111,011,803
Debt Issuance	-	-
Financial Reinsurance	-	-
Loan Interests	23,009,932	23,476,081
(-) Preventive Penalties for Amounts Recoverable from Reinsurance	(287,555)	417,366
(-) Preventive Penalties for Credit Risks	7,691,456	29,351,220
Other	24,053,024	7,076,856
Foreign Exchange Rate Fluctuation	21,111,848	(19,324,794)
(-) Monetary Position Result	-	-
Participation in Permanent Investments Result	-	-
Income (Loss) Before Taxes	1,633,850,606	1,340,050,598
(-) Provision for Income Taxes	488,525,980	317,393,846
Income (Loss) Before Discontinued Operations	1,145,324,626	1,022,656,752
Discontinued Operations	-	-
Net Income (Loss)	1,145,324,626	1,022,656,752
Controlling Interest	1,145,135,438	1,021,489,956
Non-Controlling Interest	189,188	1,166,796
Net Income (Loss)	1,145,324,626	1,022,656,752

QUALITAS CONTROLADORA S.A.B. DE C.V.

Consolidated Income statement from January 1st to September 30th 2024 and 2023

Figures in Mexican pesos

	2024	2023
Premiums		
Written	48,378,629,131	37,324,236,567
(-) Ceded	60,146,317	129,655,065
Net Written Premiums	48,318,482,814	37,194,581,503
(-) Net Increase of Unearned Premiums Reserve	3,635,688,133	1,632,943,603
Earned Retained Premiums	44,682,794,681	35,561,637,900
(-) Net Acquisition Cost	10,769,195,003	8,429,346,202
Agents Commissions	3,711,500,528	2,853,806,792
Agents' Additional Compensation	1,320,558,335	1,016,954,903
Reinsurance and Rebonding Commissions	-	-
(-) Reinsurance Commissions	9,029,541	5,012,006
Excess of Loss Coverage	25,182,301	8,416,232
Other	5,720,983,380	4,555,180,281
(-) Net Claims Cost and Other Contractual Liabilities	29,656,794,335	25,257,058,822
Claims and Other Contractual Obligations	29,689,539,348	25,267,727,416
(-) Losses on non-proportional reinsurance	32,745,014	10,668,593
Claims	-	-
Technical Income (Loss)	4,256,805,343	1,875,232,876
(-) Net Increase in Other Technical Reserves	-	-
Catastrophic Risks Reserve	-	-
Specialized Insurance Reserve	-	-
Contingency Reserve	-	-
Other	-	-
Result of Analog and Related Operations	225,000	-
Gross Income (Loss)	4,257,030,343	1,875,232,876
(-) Net Operating Expenses	2,031,222,797	1,182,231,996
Administrative and Operating Expenses	213,058,627	(215,071,120)
Employees' compensation and benefits	1,454,396,077	1,012,507,568
Depreciation and Amortization	363,768,093	384,795,547
Operating Income (Loss)	2,225,807,547	693,000,880
Comprehensive Financing Result	3,376,647,346	2,864,521,641
Investments	2,486,748,818	2,151,333,724
Sale of Investments	(458,185,928)	105,728,082
Fair Valuation of Investments	791,143,012	323,090,869
Surcharges on Premiums	395,072,723	315,332,478
Debt Issuance	-	-
Financial Reinsurance	-	-
Loan Interests	73,638,565	61,591,621
(-) Preventive Penalties for Amounts Recoverable from Reinsurance	(2,208,251)	(641,367)
(-) Preventive Penalties for Credit Risks	1,013,283	32,304,183
Other	43,002,324	20,350,662
Foreign Exchange Rate Fluctuation	44,032,863	(81,242,979)
(-) Monetary Position Result	-	-
Participation in Permanent Investments Result	-	-
Income (Loss) Before Taxes	5,602,454,892	3,557,522,521
(-) Provision for Income Taxes	1,835,516,304	892,011,634
Income (Loss) Before Discontinued Operations	3,766,938,588	2,665,510,887
Discontinued Operations	-	-
Net Income (Loss)	3,766,938,588	2,665,510,887
Controlling Interest	3,759,015,498	2,662,253,201
Non-Controlling Interest	7,923,090	3,257,686
Net Income (Loss)	3,766,938,588	2,665,510,887

Glossary

Acquisition Cost: Includes commissions and compensations paid to agents as well as fees paid to Financial Institutions for the use of their facilities (UOF).

Acquisition Ratio: Acquisition Cost ÷ Net Written Premiums.

AMDA: Mexican Association of Automotive Distributors.

CAGR: Compound Annual Growth Rate = $[(\text{End of Period Figure} / \text{Beginning of Period Figure}) ^ (1 / \text{Number of periods})]$.

Combined Ratio: Acquisition Ratio + Operating Ratio + Loss Ratio.

CNSF: National Insurance & Bonds Commission, the regulator of the insurance sector in México.

Financial Institutions: Financial branch of major automakers and Financial Groups that provide automotive financing.

IBNR: Incurred but not reported reserves.

Loss Cost: Includes costs incurred in the payment of claims: third party liability, theft, repair costs, among others.

Loss Ratio: Loss Cost ÷ Net Earned Premiums.

Multi-annual Policies: Policies with a term greater than 12 months. They are typically issued for the automobiles sold on credit.

Net Earned Premiums: Written premiums registered as income throughout the duration of a policy.

Net Margin: Net income/written premiums.

Net Written Premiums: Written premiums less the portion ceded to reinsurance.

Operating Expenses: Includes expenses incurred in by the company in its regular operations.

Operating Ratio: Operating Expenses ÷ Net Written Premiums.

Operating Margin: operating income/ earned premiums.

Policies' Fees: Administrative fee charged when the policy is issued and recorded as an income in operating expenses.

PTU: Employee profit sharing.

Premium Debtor: Records the portion of sold policies which will be paid in installments

Premiums Surcharge: Financial penalty imposed to policyholders that choose to pay premiums in installments.

Regulatory Capital Requirement: Is the minimum equity level that an insurance company should maintain, according to legal requirements.

Written Premiums: Premiums corresponding to policies underwritten.

Q CR: Qualitas Costa Rica

Q MX: Qualitas Mexico

Q ES: Qualitas El Salvador



Q P: Qualitas Peru

QIC: Qualitas Insurance company.

Solvency Margin: Stockholders' equity – Regulatory Equity Requirement.

Solvency Margin Ratio: Solvency Margin ÷ Regulatory Equity Requirement.

UOF: Fees paid to Financial Institutions for the use of their facilities.

OCRA: (Oficina Coordinadora de Riesgos Asegurados)

About Qualitas:

Qualitas Controladora (Q) is the company with the largest market share in the auto insurance industry in Mexico and has presence in the United States, Peru, Costa Rica, and El Salvador. Its unique business model, based on excellent service and a strict cost control policy, has allowed it to offer a first-quality service under the largest coverage network in the country. Qualitas is listed on the Mexican Stock Exchange under the symbol "Q" (Bloomberg: Q *: MM).

This document may include forward-looking statements that involve risks and uncertainties. Information may include forward-looking statements regarding the company's results and prospects, which are subject to risks and uncertainty. Actual results may differ materially from what is discussed here today, and the company cautions you not to place undue reliance on these forward-looking statements. Qualitas undertakes no obligation to publicly update or revise any forward-looking statements, whether because of new information, future events, or otherwise.

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