



30  
YEARS



**EARNINGS**

**RESULTS**

4<sup>th</sup> Quarter 2024

# Webcast Results 4Q24

**Date: Tuesday 28<sup>th</sup> of January 2025**

**Time: 08:00 am MXT (09:00 am EST)**

**Qualitas Controladora S.A.B. de C.V.** cordially invites you to its conference call to discuss the results of the fourth quarter and full year 2024.

Hosted by:

Mr. Jose Antonio Correa, Chief Executive Officer QC

Mr. Roberto Araujo, Chief Financial Officer QC

Zoom webcast ID: 896 1399 3353

[https://us06web.zoom.us/webinar/register/WN\\_xrTQQ\\_6TSkiRIISSBUeu-g](https://us06web.zoom.us/webinar/register/WN_xrTQQ_6TSkiRIISSBUeu-g)

This report and the presentation are also available at:

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

# Qualitas reports 4Q24 & 2024 results

**Mexico City, January 27th, 2025** – Qualitas Controladora, S.A.B. de C.V. (“Qualitas”, “Q”, or “the company”) (BMV: Q\*), announces its unaudited financial results for the fourth 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

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- During the fourth quarter of the year, written premiums continued its growth, increasing 27.4%- or \$4,496 million-pesos vs 4Q23. This growth was mainly driven by higher than anticipated growth in our multi-annual policies. On a cumulative basis, written premium grew 28.9% for the year.
- We reached a historical all-time high of +5.7 million insured units at the end of the year, an increase of 400 thousand units vs 2023.
- Quarterly earned premiums grew by 17.7% compared to 4Q23 and 23.4% on a cumulative basis. In line with historical behavior and cyclicity, constituting reserves for \$4,373 million during the quarter, which represents \$2,000 million more than in 4Q23.
- The quarterly loss ratio stood at 66.0%, primarily driven by the establishment of reserves in the U.S. subsidiary and on a cumulative basis, the loss ratio was 66.3%. In our Mexican subsidiary, quarterly and year to date loss ratio stood at 63.2% and 64.4%, respectively, having reached the required inflection point, as well as the desired loss rate within the objective range.
- The quarterly combined ratio closed at 90.8%, and on a cumulative basis at 92.2%. Demonstrating that in 2024 the ratio is within the target range of 92% to 94%. Focusing solely on Mexico, quarterly combined ratio closed at 87.4%, and on cumulative basis at 90.0%
- The quarterly comprehensive financial income stood at \$1,557 million and \$4,933 million for the year. The investment portfolio reached a quarterly ROI of 11.5% and 9.6% in cumulative terms. By the end of the period, the portfolio reached \$48,582 million, 87% allocated in fixed income with a duration of 1.8 years.
- Quarterly net result stood at \$1,378 million, representing a growth rate of 22.4%. On a cumulative basis, net result grew by 35.7%. The 12-month EPS was \$12.9, and the 12-month ROE stood at 22.2%.
- By year-end, there are ~5.8 million shares under treasury with a remaining share buyback fund of more than \$468 million pesos.
- Regulatory capital requirement stood at \$5,473 million, with a solvency margin of \$17,541 million, equivalent to a solvency ratio of 421%



5,737,056  
Insured Units



32.9%\*  
Market Share,  
leading since  
2007



7.4%  
2024 Net  
Margin



\$12.9  
12M EPS



575  
Service  
offices: 229  
ODQs: 346



7,040  
Employees



+28.9%  
Written Premium  
2024 vs 2023



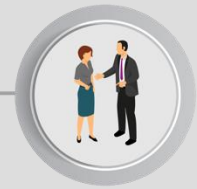
22.2%  
12M ROE



2.8  
P/BV



13.6  
P/E



\$48,582  
Invested Assets,  
Float MM MXN



~23,500  
Agents



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

# Financial highlights 4Q & 12M

Income Statement	Quarterly			Year to date		
	4Q24	4Q23	Δ %/bp 24 vs 23	2024	2023	Δ %/bp 24 vs 23
Written premiums	20,897	16,402	27.4%	69,276	53,726	28.9%
Net written premiums	20,883	16,402	27.3%	69,202	53,597	29.1%
Earned premiums	16,510	14,030	17.7%	61,193	49,591	23.4%
Acquisition cost	4,436	3,507	26.5%	15,205	11,936	27.4%
Loss cost	10,903	9,917	9.9%	40,559	35,174	15.3%
<b>Technical result</b>	<b>1,172</b>	<b>606</b>	<b>NA</b>	<b>5,429</b>	<b>2,482</b>	<b>NA</b>
Operating expenses	734	374	96.5%	2,765	1,556	77.7%
<b>Underwriting result</b>	<b>438</b>	<b>233</b>	<b>NA</b>	<b>2,664</b>	<b>926</b>	<b>NA</b>
Comprehensive financial income	1,557	1,097	41.9%	4,933	3,961	24.5%
Investment income	1,397	973	43.6%	4,335	3,502	23.8%
Income Taxes	617	204	NA	2,453	1,096	NA
<b>Net result</b>	<b>1,378</b>	<b>1,126</b>	<b>22.4%</b>	<b>5,144</b>	<b>3,791</b>	<b>35.7%</b>
<b>Cost ratios</b>						
Acquisition ratio	21.2%	21.4%	(14)	22.0%	22.3%	(30)
Loss ratio	66.0%	70.7%	(465)	66.3%	70.9%	(465)
Operating ratio	3.5%	2.3%	124	4.0%	2.9%	110
Combined ratio	90.8%	94.3%	(355)	92.2%	96.1%	(385)
Combined ratio adjusted*	97.3%	98.3%	(99)	95.6%	98.1%	(249)
<b>Profitability ratios</b>						
Return on investments	11.5%	10.0%	145	9.6%	9.4%	17
ROE for the period	22.6%	21.5%	110	22.9%	21.7%	122
12M ROE	22.2%	18.4%	374	22.2%	18.4%	374

\* 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	107,900	87,688	23.0%
Investments & Real Estate	52,094	42,178	23.5%
<i>Invested assets or float**</i>	48,582	39,689	22.4%
Technical reserves	59,446	48,642	22.2%
Total liabilities	83,208	66,244	25.6%
Stockholders' equity	24,692	21,445	15.1%

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

# Written Premiums

Business line	4Q24	4Q23	Δ %/bp 24 vs 23	2024	2023	Δ %/bp 24 vs 23
Traditional	14,479	10,849	33.5%	46,861	35,156	33.3%
<i>Individual</i>	7,336	6,058	21.1%	26,048	20,692	25.9%
<i>Fleets</i>	7,143	4,792	49.1%	20,813	14,464	43.9%
Financial institutions	5,625	4,565	23.2%	19,051	15,162	25.6%
Foreign subsidiaries	800	801	(0.2%)	3,358	3,202	4.9%
<b>Total</b>	<b>20,897</b>	<b>16,402</b>	<b>27.4%</b>	<b>69,276</b>	<b>53,726</b>	<b>28.9%</b>

Written premiums by foreign subsidiaries may include differences due to the exchange rate effect. Variation in 2023 figures reported due to changes in the consolidation of intercompany operations.

During the fourth quarter of 2024, written premiums were \$20,897 million, 27.4% vs same period last year, representing a historic record on quarterly emission. This growth was mainly driven by a higher-than-expected underwriting of multi-year policies in fleets. On a cumulative basis, premiums reached \$69,276 million, equivalent to a 28.9% growth.

In line with recent years, the performance in annual written premiums was mainly driven by the traditional segment, which represented ~68% of the total written premium, an increase of 33.5% compared to the fourth quarter of 2023. Within this segment, the fleet business stood out with a quarterly increase of 49.1%. For the 12 months of 2024, the traditional segment grew 33.3%, while the fleet segment was 43.9% above the same period in 2023. It is important to highlight the growth performance in the underwriting of multi-year policies, especially in December.

The quarterly growth of 23.2% in underwriting through financial institutions is linked to new car sales. The industry maintains its momentum, although with a clear slowdown compared to 2023, growing 10.3% in 2024 vs 2023, including light vehicles and heavy equipment. 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, they reported a decrease of 0.2% vs 4Q23, but a cumulative growth of 4.9% in 2024 vs 2023. Considering only the operations of our LATAM subsidiaries, their quarterly and cumulative written premiums increased by 31.5% and 27.2%, respectively in line with our strategy.

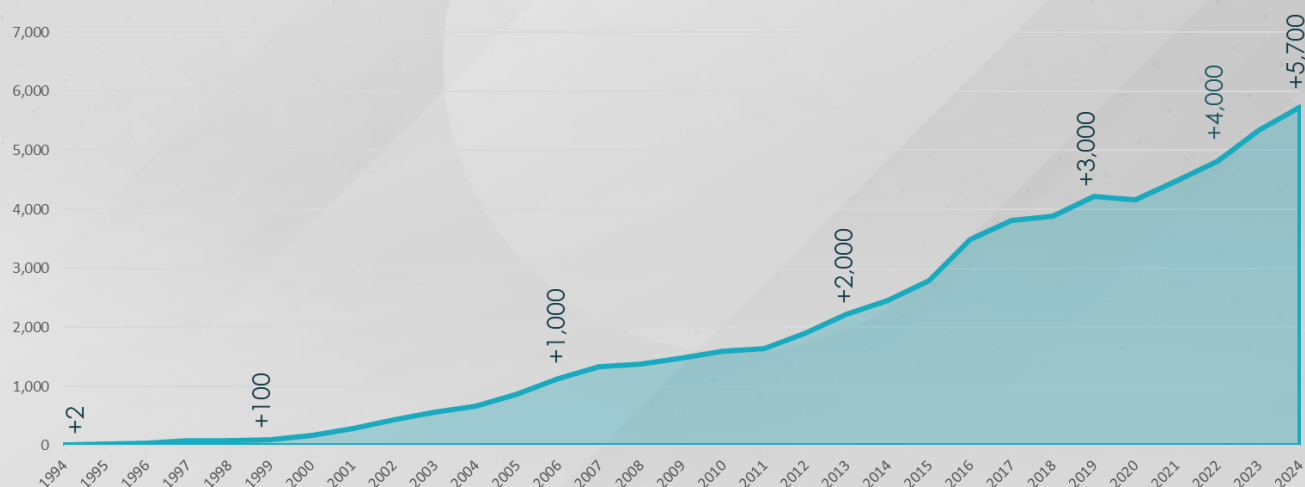
As previously mentioned, our subsidiary in the U.S. has a strategy focused on changing the composition of its portfolio. The portfolio has decreased the domestic business from 31% to just 5% this last year, while the border/binational business represents 69% and the remaining balance includes the PPA business.

# Insured Units

During 2024, the insured units historical record was once again surpassed, closing the year with +5.7 million. This translates into an increase of 400 thousand units or 7.5% more compared to the previous year, and 43 thousand units or ~1% compared to the immediate previous quarter. We are keeping a solid compound annual growth trend of 8.0% over the last 5 years.

## 5,737,056 Insured Units

CAGR of the last 5 years: +8.0%



Light vehicle sales grew by +9.8% this year when compared 2023 full year, having sold a total of 1,496,797 units; meanwhile, heavy equipment sales increased by +16.6% compared to 2023. This resulted in a +10.3% increase in the total number of new units sold during 2024.

Insured units are distributed as follows:

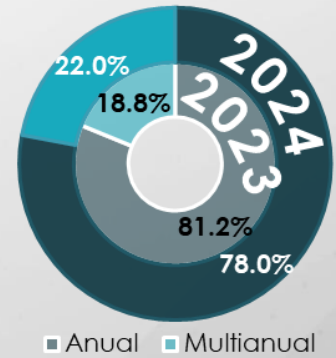
	4Q24	3Q24	Δ%	4Q23	Δ%
Mexico	5,482	5,440	0.8%	5,102	7.4%
<i>Automobiles</i>	3,594	3,543	1.5%	3,296	9.1%
<i>Trucks</i>	1,337	1,349	(0.9%)	1,272	5.1%
<i>Tourists</i>	154	155	(0.8%)	179	(14.0%)
<i>Motorcycles</i>	396	393	0.8%	355	11.6%
El Salvador	40	39	3.6%	32	25.4%
Costa Rica	128	124	3.0%	118	8.5%
USA	27	30	(9.8%)	35	(21.0%)
Peru	60	60	(0.4%)	51	17.7%
<b>Insured vehicles</b>	<b>5,737</b>	<b>5,694</b>	<b>0.8%</b>	<b>5,337</b>	<b>7.5%</b>

All percentage changes are compared to 4Q24, in thousands of units.

# Earned Premiums

During the fourth quarter, earned premiums closed at \$16,510 million, which represents a 17.7% increase vs 4Q23. Cumulatively, they reached \$61,193 million, with a growth of 23.4%.

This growth is explained by the strong performance in policy underwriting, the current mix of our portfolio, and, consequently, the actuarial reserve allocation, which aligns with historically observed cyclicity. Furthermore, due to the increase in multi-year policies issued, the annual actuarial reserve allocation increased by 99.9%.



By December-end, 78% of the portfolio underwriting was constituted by annual policies and 22% by multiannual policies.

# Acquisition cost

The acquisition cost closed the quarter at \$4,436 million, with an acquisition ratio of 21.2%; \$15,205 million during 2024, with a yearly ratio of 22.0%. This ratio is within the historical and target range, once again reflecting the accelerated growth through the traditional segment, which implies lower commissions payment.

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

Loss cost and loss ratio for 4Q24 was \$10,903 million and 66.0%, respectively. In terms of the year 2024, our loss cost came to \$40,559 million, resulting in a 66.3% loss ratio, reflecting a notable improvement of 4.7 percentage points compared to the previous year.

Although in the last quarter of 2024 we did not experience extraordinary hurricanes and heavy rains were less intense compared to the third quarter, other factors influenced the previous result. Primarily, the establishment of reserves in the U.S. subsidiary related to litigation from previous years, for which we have updated its strategy.

Nevertheless, in our main subsidiary, Mexico, the loss ratio for the quarter was 63.2%, a decrease of 4.4 percentage points compared to the same period last year, and 64.4% for the full year, showing a notable improvement of 4.8 percentage points year-over-year. Confirming that we have reached the required inflection point, as well as the desired loss rate within the target range 62% to 65%.





Regarding the quarterly claims' frequency, it stood at 7.4%, slightly below 2023. Thefts of insured vehicles in Mexico experienced a peak, in line with historical behavior during election years, increasing by 1% for the industry and 3% for Qualitas during the year 2024. Qualitas recovered 40.1% of its stolen units in 2024, in line with 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 4Q23.

General inflation in Mexico continues its stabilization trend, closing the quarter at 4.2%, while the core inflation stood at 3.61%. On the other hand, spare parts, repairs, and labor inflation stood at 7.0%. This resulted in a 4.2% increase in the average cost of claims handled compared to the same period last year. To mitigate the adverse effects of these cost increases, we have adjusted the rates to keep the claims ratio of the portfolio within the target range.

## Operating expenses

Operating expenses for the quarter stood at \$734 million, reaching an operating ratio of 3.5%, equivalent to an increase of 124 bp compared to the ratio of the same period last year. While for the year 2024, operating expenses amounted to \$2,765 million with a ratio of 4.0%.

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 50.3% in the provision for employee profit sharing, linked to the company's performance.

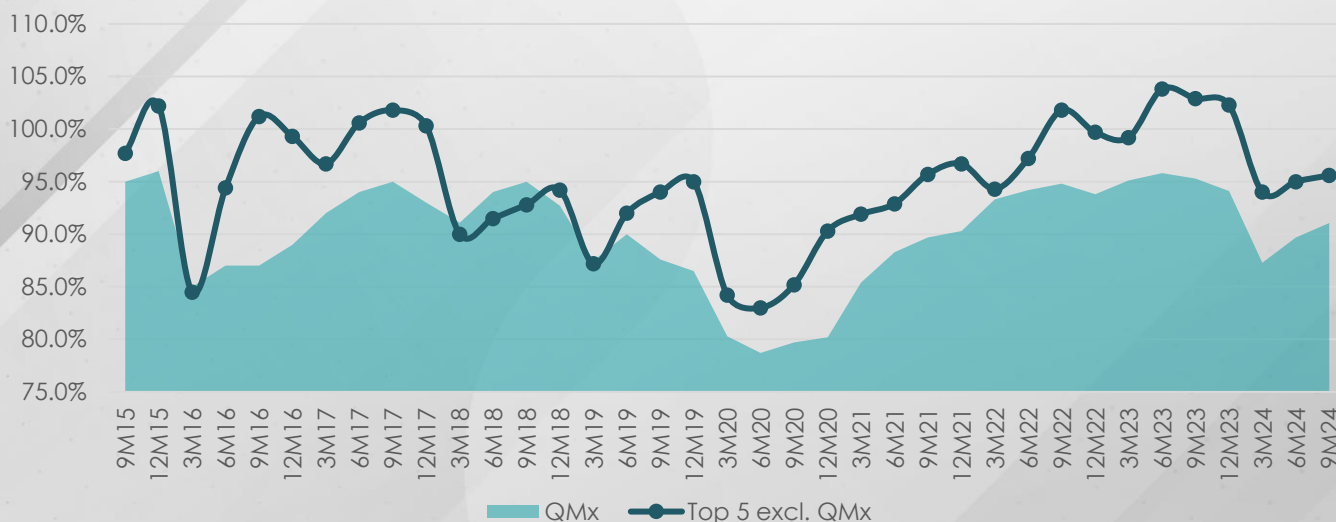
By regulation, the employees' profit-sharing provision is included in the operating expenses. If we were to exclude its effect, the operating ratio would have closed the quarter at 2.7% and 3.0% on a cumulative basis.

## Underwriting result

For 2024, the company had an underwriting profit of \$2,664 million, with an operating margin of 4.4%. The combined ratio for the quarter was 90.8%, representing an improvement of 355 bp compared to 4Q23. On a cumulative basis, the combined ratio was 92.2%, 385 pp lower than 2023 and within our target range.

According to the latest available figures from AMIS, by September-end of 2024, the auto insurance industry in Mexico, excluding Qualitas México, reported a combined ratio of 97.1%. Notably, Qualitas had a combined ratio of 91.1%, which is 6 pp lower than the rest of the industry.

## Mexico combined ratio



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

## Comprehensive Financial Income

During 4Q24, the reference rate in Mexico decreased gradually, standing at 10.0%, compared to 11.25% at the end of 4Q23. The average rate for 28-day CETES for the quarter was 10.9%.

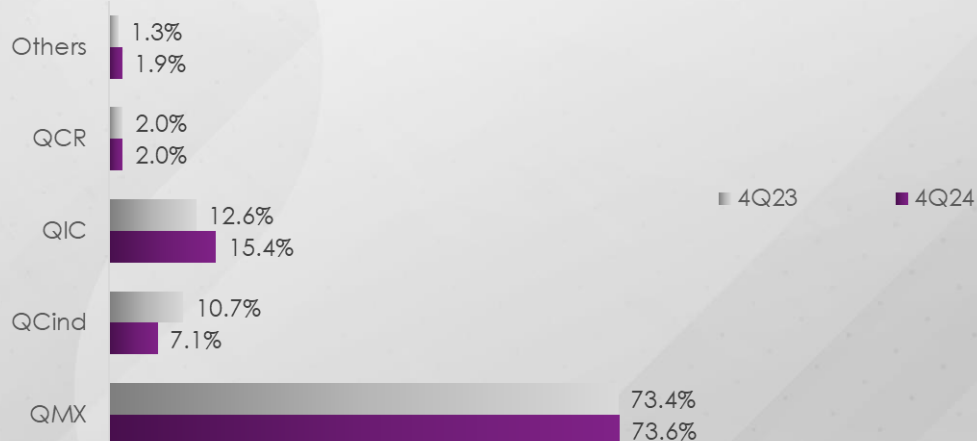
By December-end, 13.1% of the portfolio was allocated in equity and the remaining 86.9% in fixed income. It is important to highlight that ~19% of the total portfolio is geographically allocated to comply with the regulatory capital requirements of our international subsidiaries.

As it had been previously mentioned, our investment strategy throughout the year prioritized fixed income due to the benefits of current interest rate levels, aiming to close the year with a duration of approximately 1.8 years, which was achieved. In terms of equity investment, it remains mostly indexed to global ETFs.

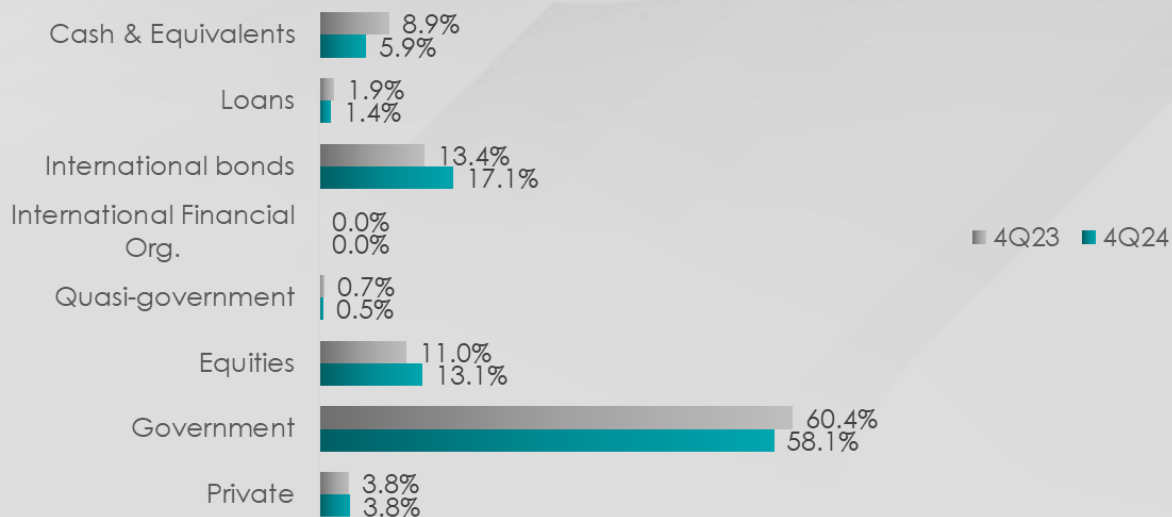
Considering the above, the quarterly comprehensive financial income closed at \$1,557 million and \$4,993 million in cumulative terms. The investment portfolio reached an 11.5% quarterly ROI and 9.6% in cumulative terms. It is worth noting that 2024 unrealized gains amounted to \$956 million. Considering all positions at mark-to-market, ROI would have been 11.7% for 2024.

## Portfolio allocation

### → By subsidiary



### → Total



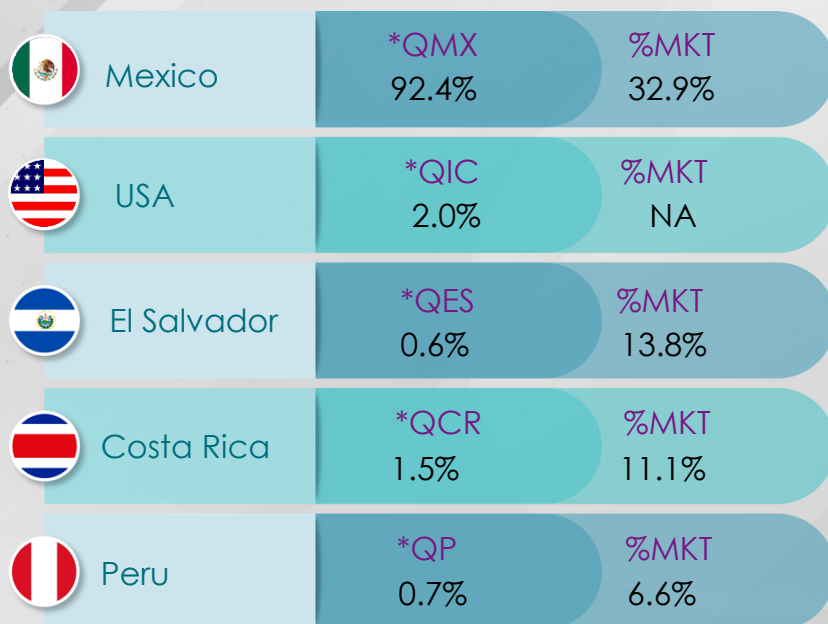
## Net Result

Quarterly and cumulative net income reached \$1,378 million and \$5,144 million respectively, a growth of 22.4% or \$252 million and 35.7% or \$1,353 million, respectively.

Tax rate for the quarter was 30.9% and 32.3% for 2024. In addition, we reported a quarterly net margin of 6.6% and of 7.4% for the 2024. The 12-month ROE stood at 22.2%, comprised by an operating ROE of 7.8% and a financial ROE of 14.5%.

# Subsidiaries as of 4Q24

International subsidiaries (geographic) represented 4.8% of the company's total written premiums:



International subsidiaries had a total underwriting of \$800 million for 4Q24, a decrease of 0.2% compared to 4Q23.

LATAM subsidiaries had an underwriting of \$589 million during 4Q24, an increase of 31.5% and an underwriting of \$1,963 million in cumulative terms, which represents a 27.2% increase.

In total, international and vertical subsidiaries had an underwriting and sales of \$1,308 million during 4Q24, representing a quarterly increase of 25.5%.

\*Percentage as a proportion of annual written premium by Qualitas Controladora

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

	Written premium			2024	2023	Δ %
	4Q24	4Q23	Δ %			
Q ES	147	117	24.9%	383	296	29.3%
Q CR	290	206	40.7%	1,068	846	26.3%
Q IC	211	354	(40.4%)	1,395	1,659	(15.9%)
Q P	152	124	22.3%	513	401	27.8%
Vertical*	509	241	111.1%	1,920	666	188.0%
<b>Total</b>	<b>1,308</b>	<b>1,042</b>	<b>25.5%</b>	<b>5,278</b>	<b>3,869</b>	<b>36.4%</b>

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

# Technical Reserves

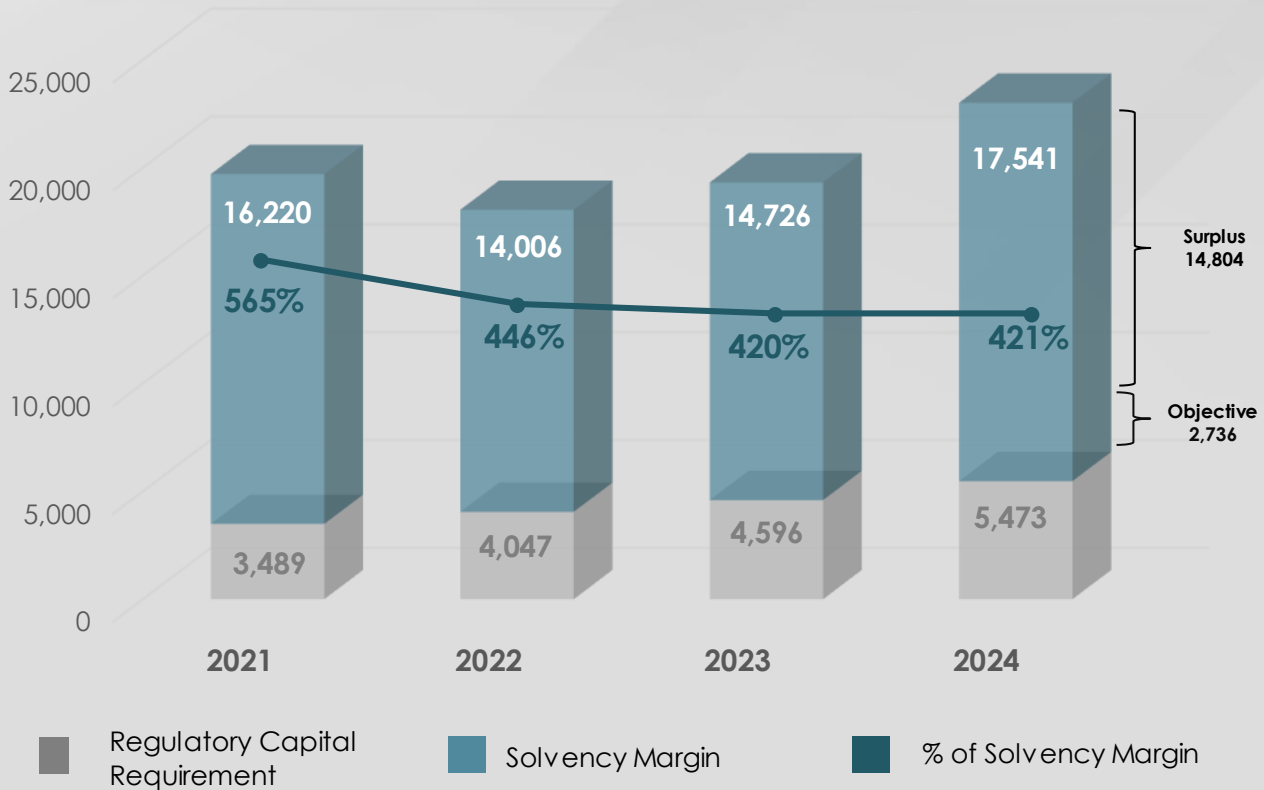
During 2024, there was a reserve constitution of \$8,009 million related to the company's underwriting growth and the inherent cyclicality and seasonality of the business. This represents an increase of \$4,003 million compared to the same twelve-month period of the previous year. There was an important increase in technical reserves in 4Q24 due to the number of multi-year policies issued, even after accounting for the seasonality of the month of December.

The company's technical reserves stood at \$59,446 million at the end of December 2024, a growth of \$10,804 million vs the same period the previous year.

# Solvency

The regulatory capital requirement stood at \$5,473 million by December's end, with a \$17,541 million solvency margins, equivalent to a solvency ratio of 421%.

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 December 31st 2024 & 2023**  
 Figures in Mexican pesos

	2024	2023
<b>Assets</b>		
<b>Investments</b>	<b>52,094,166,560</b>	<b>42,178,145,726</b>
<b>Securities and Derivatives Transactions</b>	<b>47,821,536,569</b>	<b>38,849,220,337</b>
<b>Securities</b>	<b>47,821,536,569</b>	<b>38,849,220,337</b>
Government	37,953,816,803	31,808,610,976
Private Companies: Fixed Rate	3,100,091,498	2,189,919,793
Private Companies: Equity	3,604,692,917	4,887,006,966
Foreign	3,191,748,702.6	0
Dividends Receivable on Capital Securities	-	-
(-) Value Impairment	28,813,350.3	36,317,397.6
Securities given in Loan Investments	-	-
Restricted Securities	-	-
<b>Derivatives</b>	-	-
<b>Overnight</b>	103,108,750	31,898,001
<b>Loans Portfolio (Net)</b>	<b>657,044,762</b>	<b>807,768,945</b>
Current Loan Portfolio	765,918,758	884,887,375
Non-performing Loan	30,471,874	31,100,648
(-) Loan Loss Provisions	139,345,870	108,219,078
<b>Property (Net)</b>	3,512,476,479	2,489,258,443
<b>Investments Related to Labor Obligations</b>	101,596,515	91,381,673
<b>Cash and Cash Equivalents</b>	<b>3,278,018,753</b>	<b>3,952,749,737</b>
Cash and Banks	3,278,018,753	3,952,749,737
<b>Debtors</b>	<b>41,715,651,006</b>	<b>31,993,857,568</b>
Premiums	40,089,815,702	30,824,700,244
Premiums P&C Subsidy	-	-
Federal Agencies Debts	82,734,842	32,437,134
Agents and Claims Officers (Adjusters)	184,101,231	150,424,262
Accounts Receivable	-	-
Bonds for Claims Debtors	-	-
Other	1,497,373,433	1,112,419,466
(-) Allowance for Doubtful Accounts	138,374,202	126,123,538
<b>Reinsurers and Re-Bonding Companies</b>	<b>198,637,642</b>	<b>347,446,139</b>
Insurance and Bonds Intitutions	42,466,397	27,876,304
Retained deposits	-	-
Amounts Recoverable from Reinsurance	157,041,432	322,775,143
(-) Loan Loss Provisions for Foreign Reinsurers	839,684	3,151,722
Reinsurance and Bonding Brokers	-	-
(-) Provisions for Penalties	30,503	53,586
<b>Permanent Investments</b>	<b>47,220,660</b>	<b>47,187,789</b>
Subsidiary	-	-
Associates	-	-
Other permanent investments	47,220,660	47,187,789
<b>Other Assets</b>	<b>10,464,341,600</b>	<b>9,077,429,038</b>
Furniture and Equipment (Net)	1,482,667,773	1,167,040,600
Foreclosed Assets (Net)	-	-
Miscellaneous	8,593,150,651	7,573,549,814
Amortizable Intangible Assets (Net)	146,424,358	191,700,925
Long-lived Intangible Assets (Net)	242,098,818	145,137,699
<b>Total Assets</b>	<b>107,899,632,736</b>	<b>87,688,197,669</b>

**QUALITAS CONTROLADORA, S.A.B. DE C.V.**  
**Consolidated Balance Sheet as of December 31st 2024 & 2023**  
 Figures in Mexican pesos

	2024	2023
<b>Liabilities</b>		
<b>Technical Reserves</b>	<b>59,446,023,597</b>	<b>48,641,935,596</b>
<b>Unearned Premiums</b>	<b>40,901,012,449</b>	<b>32,511,894,569</b>
Life Insurance	-	-
Accident and Illness Insurance	66,494,187	39,408,963.1
Property and Casualty Insurance	40,834,518,262	32,472,485,606
Rebonding	-	-
In Force Bonding	-	-
<b>Reserve for Outstanding Obligations</b>	<b>18,545,011,149</b>	<b>16,130,041,026</b>
Expired Policies and Claims Occurred Pending of Payment	18,654,323,572	17,089,208,457
Occurred but not Reported and Adjustment Costs assigned to Claims	(627,452,372)	(1,833,827,327)
Funds Under Administration	-	-
Deposit Premiums	518,139,949	874,659,896
<b>Contingency Reserve</b>	-	-
<b>Specialized Insurance Reserve</b>	-	-
<b>Catastrophic Risks Reserves</b>	-	-
<b>Reserves Related to Labor Obligations</b>	657,738,290	584,921,453
<b>Creditors</b>	<b>11,432,335,549</b>	<b>8,447,732,129</b>
Agents and Adjusters	4,090,464,298	2,987,955,232
Funds for Losses Management	34,516,924	45,998,113
Bonding for recognition of Liabilities Creditors	-	-
Miscellaneous	7,307,354,328	5,413,778,784
<b>Reinsurers and Re-Bonding Companies</b>	<b>115,153,049</b>	<b>47,044,326</b>
Insurance and Bond Companies	115,153,049	47,010,618
Retained Deposits	-	-
Other	-	-
Rebonding and Reinsurance Broker	-	-
<b>Derivatives (Fair Value)</b>	-	-
<b>Funding Obtained</b>	<b>0</b>	<b>0</b>
Debt Issuance	-	-
Subordinated Obligations not exchangeable into shares	-	-
Other Debt Securities	-	-
Financial Reinsurance Agreement	-	-
<b>Other Liabilities</b>	<b>11,556,305,803</b>	<b>8,521,878,207</b>
Provisions for employee profit sharing	646,165,263	528,607,663
Income Tax Provisions	2,755,903,993	1,587,404,930
Other Obligations	6,748,955,724	5,329,988,719
Deferred Credits	1,405,280,824	1,075,876,895
<b>Total Liabilities</b>	<b>83,207,556,288</b>	<b>66,243,511,710</b>
<b>Stockholders' Equity</b>		
<b>Paid-in Capital</b>		
<b>Capital Stock</b>	<b>2,351,984,973</b>	<b>2,361,812,319</b>
Capital Stock	2,386,567,046	2,386,567,046
(-) Non Subscribed Capital Stock	-	-
(-) Non Displayed Capital Stock	-	-
(-) Repurchased Shares	34,582,072	24,754,727
<b>Subordinated Obligations of Mandatory Conversion into Stockholders' Equity</b>	-	-
<b>Earned Capital</b>	-	-
<b>Reserves</b>	<b>1,992,468,525</b>	<b>1,883,067,836</b>
Legal	507,142,999	507,142,999
For Repurchase of shares	634,545,158	532,322,030
Other	850,780,368	843,602,807
<b>Valuation Surplus</b>	1,103,549,299	384,196,040
<b>Permanent Investments</b>	-	-
<b>Retained Earnings</b>	13,453,221,559	13,205,151,875
<b>Net Result</b>	5,115,597,877	3,776,021,237
<b>Translation effect</b>	607,859,483	(190,944,532)
<b>Non Monetary Assets Result</b>	-	-
<b>Remeasurements for Benefits granted to Employees</b>	4,630,537	(22,620,056)
<b>Controlling Interest</b>	24,629,312,254	21,396,684,718
<b>Non-Controlling Interest</b>	62,764,193	48,001,241
<b>Total Stockholders' Equity</b>	<b>24,692,076,447</b>	<b>21,444,685,959</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>107,899,632,736</b>	<b>87,688,197,669</b>

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

Figures in Mexican pesos

	4Q 2024	4Q 2023
<b>Premiums</b>		
Written	20,897,463,806	16,401,565,294
(-) Ceded	14,177,496	(741,352)
<b>Net Written Premiums</b>	<b>20,883,286,310</b>	<b>16,402,306,646</b>
<b>(-) Net Increase of Unearned Premiums Reserve</b>	<b>4,372,920,309</b>	<b>2,372,481,237</b>
<b>Earned Retained Premiums</b>	<b>16,510,366,001</b>	<b>14,029,825,409</b>
<b>(-) Net Acquisition Cost</b>	<b>4,435,584,213</b>	<b>3,506,524,095</b>
Agents Commissions	1,592,189,391	1,226,958,164
Agents Additional Compensation	554,442,607	434,173,566
Reinsurance and Rebonding Commissions	-	-
(-) Reinsurance Commissions	2,178,586	4,036,599
Excess of Loss Coverage	9,708,418	3,949,754
Other	2,281,422,383	1,845,479,211
<b>(-) Net Claims Cost and Other Contractual Liabilities</b>	<b>10,902,558,415</b>	<b>9,916,924,885</b>
Claims and Other Contractual Obligations	10,916,650,877	9,920,880,813
(-) Losses on non-proportional reinsurance	14,092,462	3,955,928
Claims	-	-
<b>Technical Income (Loss)</b>	<b>1,172,223,373</b>	<b>606,376,429</b>
<b>(-) Net Increase in Other Technical Reserves</b>	<b>-</b>	<b>-</b>
Catastrophic Risks Reserve	-	-
Specialized Insurance Reserve	-	-
Contingency Reserve	-	-
Other	-	-
<b>Result of Analog and Related Operations</b>	<b>-</b>	<b>-</b>
<b>Gross Income (Loss)</b>	<b>1,172,223,373</b>	<b>606,376,429</b>
<b>(-) Net Operating Expenses</b>	<b>734,235,408</b>	<b>373,702,238</b>
Administrative and Operating Expenses	33,037,695	(326,965,983)
Employees' compensation and benefits	556,945,037	558,083,234
Depreciation and Amortization	144,252,677	142,584,987
<b>Operating Income (Loss)</b>	<b>438,061,465</b>	<b>232,674,191</b>
<b>Comprehensive Financing Result</b>	<b>1,556,802,911</b>	<b>1,096,794,723</b>
Investments	805,912,901	824,394,253
Sale of Investments	290,514,774	114,272,603
Fair Valuation of Investments	239,508,948	42,712,290
Surcharges on Premiums	148,065,035	118,647,395
Debt Issuance	-	-
Financial Reinsurance	-	-
Loan Interests	21,222,016	36,318,927
(-) Preventive Penalties for Amounts Recoverable from Reinsurance	(103,786)	1,601,445
(-) Preventive Penalties for Credit Risks	17,886,324	25,378,979
Other	12,016,654	5,353,327
Foreign Exchange Rate Fluctuation	57,345,122	(17,923,649)
(-) Monetary Position Result	-	-
<b>Participation in Permanent Investments Result</b>	<b>-</b>	<b>-</b>
<b>Income (Loss) Before Taxes</b>	<b>1,994,864,376</b>	<b>1,329,468,913</b>
<b>(-) Provision for Income Taxes</b>	<b>617,035,352</b>	<b>203,525,372</b>
<b>Income (Loss) Before Discontinued Operations</b>	<b>1,377,829,023</b>	<b>1,125,943,541</b>
<b>Discontinued Operations</b>	<b>-</b>	<b>-</b>
<b>Net Income (Loss)</b>	<b>1,377,829,023</b>	<b>1,125,943,541</b>
Controlling Interest	1,356,582,378	1,113,768,035
Non-Controlling Interest	21,246,645	12,175,506
<b>Net Income (Loss)</b>	<b>1,377,829,023</b>	<b>1,125,943,541</b>



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

Consolidated Income statement from January 1<sup>st</sup> to December 31st 2024 and 2023

Figures in Mexican pesos

	2024	2023
<b>Premiums</b>		
Written	69,276,092,937	53,725,801,862
(-) Ceded	74,323,813	128,913,713
<b>Net Written Premiums</b>	<b>69,201,769,124</b>	<b>53,596,888,149</b>
<b>(-) Net Increase of Unearned Premiums Reserve</b>	<b>8,008,608,442</b>	<b>4,005,424,840</b>
<b>Earned Retained Premiums</b>	<b>61,193,160,682</b>	<b>49,591,463,309</b>
<b>(-) Net Acquisition Cost</b>	<b>15,204,779,216</b>	<b>11,935,870,297</b>
Agents Commissions	5,303,689,919	4,080,764,956
Agents' Additional Compensation	1,875,000,942	1,451,128,469
Reinsurance and Rebonding Commissions	-	-
(-) Reinsurance Commissions	11,208,127	9,048,605
Excess of Loss Coverage	34,890,719	12,365,986
Other	8,002,405,763	6,400,659,492
<b>(-) Net Claims Cost and Other Contractual Liabilities</b>	<b>40,559,352,750</b>	<b>35,173,983,708</b>
Claims and Other Contractual Obligations	40,606,190,225	35,188,608,228
(-) Losses on non-proportional reinsurance	46,837,476	14,624,521
Claims	-	-
<b>Technical Income (Loss)</b>	<b>5,429,028,716</b>	<b>2,481,609,305</b>
<b>(-) Net Increase in Other Technical Reserves</b>	<b>-</b>	<b>-</b>
Catastrophic Risks Reserve	-	-
Specialized Insurance Reserve	-	-
Contingency Reserve	-	-
Other	-	-
<b>Result of Analog and Related Operations</b>	<b>298,500</b>	<b>-</b>
<b>Gross Income (Loss)</b>	<b>5,429,327,216</b>	<b>2,481,609,305</b>
<b>(-) Net Operating Expenses</b>	<b>2,765,458,205</b>	<b>1,555,934,234</b>
Administrative and Operating Expenses	246,096,322	(542,037,103)
Employees' compensation and benefits	2,011,341,113	1,570,590,802
Depreciation and Amortization	508,020,770	527,380,534
<b>Operating Income (Loss)</b>	<b>2,663,869,011</b>	<b>925,675,071</b>
<b>Comprehensive Financing Result</b>	<b>4,933,450,257</b>	<b>3,961,316,364</b>
Investments	3,292,661,718	2,975,727,977
Sale of Investments	(167,671,154)	220,000,685
Fair Valuation of Investments	1,030,651,960	365,803,159
Surcharges on Premiums	543,137,758	433,979,873
Debt Issuance	-	-
Financial Reinsurance	-	-
Loan Interests	94,860,581	97,910,548
(-) Preventive Penalties for Amounts Recoverable from Reinsurance	(2,312,037)	960,078
(-) Preventive Penalties for Credit Risks	18,899,606	57,683,162
Other	55,018,977	25,703,990
Foreign Exchange Rate Fluctuation	101,377,985	(99,166,628)
(-) Monetary Position Result	-	-
<b>Participation in Permanent Investments Result</b>	<b>-</b>	<b>-</b>
<b>Income (Loss) Before Taxes</b>	<b>7,597,319,268</b>	<b>4,886,991,435</b>
<b>(-) Provision for Income Taxes</b>	<b>2,452,551,657</b>	<b>1,095,537,006</b>
<b>Income (Loss) Before Discontinued Operations</b>	<b>5,144,767,611</b>	<b>3,791,454,428</b>
<b>Discontinued Operations</b>	<b>-</b>	<b>-</b>
<b>Net Income (Loss)</b>	<b>5,144,767,611</b>	<b>3,791,454,428</b>
Controlling Interest	5,115,597,877	3,776,021,237
Non-Controlling Interest	29,169,734	15,433,192
<b>Net Income (Loss)</b>	<b>5,144,767,611</b>	<b>3,791,454,428</b>

# 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, El Salvador and Colombia. Its unique business model, with more than 30 years' experience in the auto insurance business, 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).

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*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.*

## Investor relations contacts:

Andrea González

[angonzalez@qualitas.com.mx](mailto:angonzalez@qualitas.com.mx)

t: +52 (55) 1555 6316

Raquel Leetoy

[rleetoy@qualitas.com.mx](mailto:rleetoy@qualitas.com.mx)

t: +52 (55) 1555 6313



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