JAVER ANNOUNCES 4Q23 AND YEAR-END 2023 RESULTS REACHING RECORD FIGURE IN EBITDA, AS WELL AS EXPANSION IN MARGINS AND GROWTH IN MAIN INDICATORS.

Monterrey, Nuevo Leon, Mexico – February 1st, 2024 – Servicios Corporativos Javer S.A.B. de C.V., (BMV: JAVER) ("Javer" or "the Company"), announced today its financial results for the fourth quarter ("4Q23") and the twelve-month period ("12M23") ended December 31, 2023. All figures presented in this report are expressed in thousands of nominal Mexican pesos (Ps.), unless otherwise stated.

Highlights:

- In 4Q23, 2,823 **units** were sold and a total of 12,201 homes were registered in 12M23. A slowdown has been experimented in units' volume in both comparisons, however, the sales mix has been aimed at displacing higher value houses, being the residential segment the one which registered growth in both periods.

- **Net revenues** grew 2.1% in 4Q23, reaching Ps.2,214.7 million. Cumulatively, revenues increased 9.4% compared to 12M22, reaching a total of Ps.8,904.2 million. The upward variations are due to the improvement in the sales mix and the increase in the average sales price, which in turn had a growth of 12.0% in 4Q23 and 9.7% in 12M23, thus registering an average sales price of Ps.780 thousand during the quarter and Ps.725 thousand cumulatively, reaching the company's goal of exceeding the barrier of Ps.700 thousand in 2023.

- **EBITDA** continues to rise with double-digit growth in its quarterly and accumulated comparable, exceeding the company's expectation according to its annual guidance for 2023. As of 4Q23, EBITDA increased by 28.9%, a total of Ps.426.6 million against Ps.330.8 million in 4Q22, which represented that the EBITDA margin expanded by 4.0 p.p. to 19.3%. In 12M23, EBITDA increment was 22.5%, reaching Ps.1,472.4 million compared to the Ps.1,202.3 million reported in 12M22. The aforementioned also caused the expansion of the accumulated EBITDA margin by 1.7 p.p. to 16.5%.

- **Net income** rose 431.3% in 4Q23 and 115.4% in 12M23, recording a total of Ps.215.3 million and Ps.564.5 million, respectively. The upward variations are mainly due to the increase in both periods of net revenues and margin, as well as a lower comprehensive financing cost.

- **Free cash flow (FCF)** was positive on a cumulative basis due to the improvement in the Company's results, generating a total of Ps.320.3 million in 12M23, and decreased compared to its annual comparison mainly due to the greater investment in land bank. In 4Q23, the FCF was Ps.88.4 million negative, derived from the investment made in inventories for some project's continuity that started during the quarter and in preparation for the 2024 pipeline.

MESSAGE FROM THE CEO

Mr. Rene Martinez, Chief Executive Officer of the Company commented, "The year-end 2023 leaves us with an extremely positive financial statement and the best framework to conclude the celebrations of our 50th anniversary. The financial and operating results stand out significantly compared to those observed in previous year. Growths of 28.9% and 22.5% in EBITDA were achieved for the three- and twelve-month periods compared to those recorded in 2022, along with a substantial increase in the Net Income of both periods.

Throughout the year, our product mix and unit sales prices for each displaced prototype continue to strengthen, displaying a 9.7% improvement in the average sales price for the twelve-month period, reaching Ps.725 thousand per home. The gross margin presents an improvement of 210 basis points, going from 28.5% in 2022 to 30.6% in year-end 2023, due to the improvement in sales price and the cost containment of main inputs.

It is important to highlight that during the year a total of 11 new projects were opened in Aguascalientes, Jalisco, Nuevo Leon, Puebla, Queretaro, and the State of Mexico, which contributed 1,669 homes, representing 13.7% of the total units sold, and for the year 2024 it is expected that these projects titled more than 2,600 houses.

Regarding Free Cash Flow, for the fifth consecutive year, we have had a positive FCF generation, this after the interest payment and the purchase of land bank, which continues to leverage the solid capital structure that the Company has. The levels of gross debt and net debt in relation to EBITDA are in the order of 1.67x and 1.01x, respectively, achieving the enhancement and solidification of our balance sheet.

During the fourth quarter, the Ordinary General Shareholders' Meeting decreed an additional dividend payment in the year for a total amount of Ps.300 million, which was paid in November. The total annual dividend was Ps.430 million, which represents a dividend per share of Ps.1.5131, also considering the distribution that was made in the past month of August.

As a result of the foregoing, we are pleased to inform you that during the past month of November, the rating agency Verum, in its annual process, revised the corporate rating upwards to "AA-" from "A+", and in past December Fitch Ratings modified the company outlook from "Stable" to "Positive", maintaining the national scale rating at "A".

Moving now to the expectation for 2024, during this year the Company will face several relevant challenges. From the operational side, will be working on the opening of 14 new projects in the different states where we have presence, we will also follow up on the improvement of the optimal product mix to end the year with an average sales price on the barrier of Ps.800 thousand per home, and we will continue with negotiations to look-up for efficiencies, with continuous improvement of processes, and with technological innovation. On other issues distinct from operation, we will be putting special attention to all that relevant external events that could have some impact on the business operation, in consideration that 2024 will be a year of federal and local elections.

If the economy remains in similar conditions to those experimented in 2023, we hope to have a year 2024 continuing with the positive inertia of recent years, consolidating our business model, with an approximately 10% growth in net revenues and double digit-growth in EBITDA, and with positive generation of free cash flow".

UNITS SOLD AND NET REVENUES

In 4Q23, a total of 2,823 homes were titled. Comparatively to 4Q22, **units sold** perform a slowdown of 9.3%, due to the decrease in sales of the middle-income units, which were reduced in 13.5%. On their behalf, residential homes sales increased in 13.3% in 4Q23. However middle-income homes continue to be the most important segment, representing 80.4% of the sales mix.

In accumulated terms, a total of 12,201 units were displaced in 12M23, result that was practically in line with the 12,247 units displaced in 12M22. Likewise, in this period the middle-income segment units decreased by 3.0%, while those corresponding to the residential segment increased by 16.1%. Of the total titled units, 83.7% belong to middle-income segment and 16.3% to residential segment.

The variations reached in both periods have been the result of the strategy followed by the Company in order to seek to maximize profits by changing the products mix offered.

As of 4Q23, **net revenues** were Ps.2,214.7 million, which represented an increase of 2.1% compared to the Ps.2,168.2 million recorded in 4Q22. The previous result derives from the improvement in the mix of products offered and the increase in housing prices.

The income received in the quarter came in a 59.7% from the housing sale corresponding to the middle-income segment, 39.7% from residential homes sales and finally 0.6% from commercial lots. Likewise, middle-income segment housing net revenues decreased by 1.0%, while those belonging to the residential segment rose by 5.9%.

Accumulated net revenues in 12M23 grew 9.4% to Ps.8,904.2 million from Ps.8,140.2 million in 12M22. Revenues in said period were composed by 63.0% of the middle-income housing segment sales, 36.4% of the residential segment and 0.6% of commercial lots. For its part, the middle-income segment grew by 8.1%, while the residential segment increased by 11.4%.

Regarding **commercial lot sales**, during 4Q23 and 12M23 revenues of Ps.13.4 million and Ps.56.1 million were reported, respectively.

The **average sales price** in 4Q23 and 12M23 maintains the upward trend, managing to exceed the barrier of Ps.725 thousand in accumulated terms, while in the quarter it reached an average price of almost Ps.780 thousand.

The aforementioned represented that during 4Q23 the growth in the average price was 12.0%, driven mainly by a higher average price in middle-income housing units, which was 14.4% over according to its quarterly comparison, derived from a greater supply of projects in the upper price range of that segment.

In accumulated terms, the average sales price recorded an increase of 9.7% compared to the price of Ps.661.1 thousand in 12M22, also due to the growth in the average sales price of middle-income housing units, which was 11.5% in the period, as well as by a major volume of titled residential units.

Mortgage Provided Mix: INFONAVIT continues to be the main source of housing mortgages for Javer's customers.

In 4Q23, 88.7% of the units titled were financed through INFONAVIT, considering that this percentage includes the COFINAVIT program. For the 12M23 period, 88.5% of the units were financed through this same financing source.

Significantly, INFONAVIT serves as the leading loans provider for customers who acquired a Javer housing in both quarterly and cumulatively period; however, financial institutions represent the second most relevant source of financing, mainly due to a major supply of mortgage loans provided by banks, especially for those clients who acquire a residential housing considering that the limit of INFONAVIT´s financing amounts could be exceeded.

During 4Q23, **sales through digital media** represented 67% of the total units titled, while in accumulated terms represented 69% of the total volume. For Javer, digital sales continue to be an important commercial arm for the displacement of units with those customers who make a first contact through digital media.

GROSS PROFIT / GROSS MARGIN

Gross profit in 4Q23 was Ps.719.9 million, that is, 18.5% higher than the Ps.607.6 million in 4Q22.

In 12M23, gross profit grew by 17.3%, registering a total of Ps.2,722.6 million compared to Ps.2,321.4 million in 12M22.

The increases in both quarterly and cumulatively are the result of higher revenues received due to the improvement in the sales mix and the increase in the average sales price.

Regarding **gross margin** this expanded 4.5 percentage points on a quarterly basis, going from 28.0% in 4Q22 to 32.5% in 4Q23. In cumulative terms, the gross margin growth was 2.1 percentage points, going from 28.5% in 12M22 to 30.6% in 12M23.

EBITDA / EBITDA MARGIN

Selling, General, and Administrative Expenses (SG&A) for the quarter recorded an amount of Ps.354.2 million compared to Ps.315.1 million in 4Q22. SG&A as percentage of revenues increased by 1.5 percentage points, going from 14.5% in 4Q22 to 16.0% in 4Q23.

In accumulated terms, reported SG&A expenses were Ps.1,419.8 million in 12M23, while in 12M22 expenses totaled Ps.1,258.6 million. SG&A as percentage of accumulated revenues increased by only 0.4 percentage points, going from 15.5% in 12M22 to 15.9% in 12M23. Given the above-mentioned situation, we can mention that expenses practically remained at similar levels to those obtained in the previous year, absorbing only the inflationary effect on fixed expenses and the growth in the variable portion due to the increase in revenues.

Both on a quarterly and accumulated level, **EBITDA** achieved double-digit growth, due to the fact that it was highly favored by the increase recorded in net revenues for both periods, the increase in the average price of displaced homes, as well as the improvement in mix of units sold.

In 4Q23, EBITDA grew by 28.9%, from Ps.330.8 million in 4Q22 to Ps.426.6 million in 4Q23.

In 12M23, EBITDA was Ps.1,472.4 million, registering a record figure in the Company's history, and which, according to its comparison to 12M22, represented an increase of 22.5% against the Ps.1,202.3 million obtained in 12M22.

Regarding the **EBITDA margin**, it expanded by 4.0 percentage points during the quarter, going from 15.3% in 4Q22 to 19.3% in 4Q23. While, cumulatively, the EBITDA margin increased by 1.7 percentage points, going from 14.8% in 12M22 to 16.5% in 12M23.

Likewise, the pre-tax Return on Invested Capital Ratio (ROIC) calculated over a twelve-month period, as of 4Q23 rose 6.1 percentage points compared to the same period of the previous year, going from 28.1% in 4Q22 to 34.2% in 4Q23. Once again, an historical level of the ROIC of the Company was reached.

COMPREHENSIVE FINANCING COST

Comprehensive Financing Cost (CFC) was Ps.88.9 million in 4Q23, which represented a diminishing of 54.4% against the CFC of Ps.195.1 million in 4Q22, mainly benefited by the decrease in interest expenses and banking investments and the net gain from derivative financial instruments.

In 12M23 CFC was Ps.348.7 million, decreasing by 38.5% compared to Ps.567.2 million in 12M22, due to the same effects of the quarter.

NET INCOME

Net income increased by 431.3% in 4Q23, recording a total of Ps.215.3 million compared to Ps.40.5 million in 4Q22. In accumulated terms, a net income of Ps.564.5 million was obtained in 12M23, representing an increase of 115.4% compared to the Ps.262.0 million obtained in 12M22. The growth is mainly due to higher income gained in both periods, as well as a lower comprehensive financing cost resulting from the debt restructuring that was carried out in October 2022.

Comprehensive income was Ps.83.8 million in 4Q23, higher than the Ps.6.5 million in 4Q22. Cumulatively, comprehensive income was Ps.490.4 million in 12M23, growing 75.8% compared to Ps.278.9 million in 12M22.

FREE CASH FLOW

Free cash flow (FCF) was negative in 4Q23 by Ps.88.4 million, while in 12M23 FCF was generated for Ps.320.3 million.

In the case of 4Q23, the variation against the previous year is mainly due to the investment made in inventories in preparation of the pipeline for 2024 and the monitoring of the projects that started during the period. Cumulatively, the decrease compared to its annual comparison is the result of a greater investment in working capital and land bank.

The free cash flow to the firm (FCFF), that is, without considering interest expenses, was negative by Ps.17.6 million in 4Q23, while in 12M23 it was positive by Ps.614.4 million.

ASSETS / LIABILITIES

Cash, cash equivalents and restricted cash of short and long term were Ps.1,177.4 million as of December 31, 2023.

WORKING CAPITAL

The **working capital cycle** as of December 31, 2023, was 265 days, which represented an increase of 13 days compared to the 251 days reported in the same period of 2022. The growth is due to the increase in investment of work in progress inventories and land bank in preparation for the 2024 pipeline.

DEVELOPMENT PIPELINE

Home Starts as of 4Q23 totaled 2,922, a 4.2% increase compared to the home starts in 4Q22 due to the opening of 4 projects during the quarter and the preparation of the upcoming new openings for beginning of the year.

Home Completions reached 2,824 at the end of 4Q23, which represented a decrease of 10.5% compared to 4Q22, mainly due to a lower absorption of units from some high-volume projects due to the approaching of the closure of themselves.

Finished Home Inventory was integrated by 1,372 units as of December 31, 2023, a rise of 14.7% compared to the inventory registered as of December 31, 2022, and an increment of 1.1% compared to 3Q23 inventory, due to the number of projects inaugurated in 4Q23.

LAND BANK

As of December 31, 2023, the Company's land bank reached a total of 58,314 units, of which 73.1% are land reserves acquired directly by the Company and the remaining 26.9% are land reserves obtained through land trusts.

DEBT AND DERIVATIVE POSITION

As of December 31, 2023, Javer continues to have access to Ps.50.0 million in revolving credit facility and Ps.84.6 million in leasing credit lines. These credit lines can be drawn by the Company if it is in compliance with the covenants established in the syndicated loan contract.

As of December 31, 2023, Total Debt to LTM EBITDA ratio was 1.67x, meanwhile Net Debt to LTM EBITDA was 1.01x. The 4Q23 is the ninth quarter in which the total debt to EBITDA LTM ratio performed a downward trend, while the net debt to EBITDA LTM ratio is at optimal levels given the Company's profitability and liquidity. Regarding the ratio of cash available to debt service, this was 1.61x.

The Company remains exposed to interest rate risk, related to its Syndicated Loan, which matures in 2027. For that reason, the Company has implemented a derivative hedging strategy to convert the interest payment of the variable portion at a weighted average fixed interest rate of 12.10%.

As of December 31, 2023, Javer had US$10.6 million in credit lines available from its derivative financial operations counterparties to carry out the financing of any negative effect on their fair value.

Regarding short- and long-term corporate ratings, on November 17 and December 22, 2023, the rating agencies Verum and Fitch Ratings carried out the annual revision of Javer's credit ratings. Verum increased the long-term ratings from “A+/M” to “AA-/M” and from “1/M” to “1+/M” for the short term. Likewise, the rating agency modified the outlook from “Positive” to “Stable” due to the good evolution of the Company's profitability indicators, the decrease in leverage levels, the solid liquidity position, and the constant generation of cash flow. Additionally, the rating agency Fitch Ratings ratified Javer's global corporate rating at “BB-”, as well as the national scale rating at “A(mex)”. Likewise, it modified the outlook of both ratings to “Positive” from “Stable”.

CORPORATE SOCIAL RESPONSABILITY

During 4Q23, the actions to reach sustainability objectives through programs and actions aligned with the Model of Corporate Social Responsibility were continued. Below are some of the more relevant activities during the quarter:

- Obtention of preliminary EDGE certification for 4 projects, 2 in the State of Mexico, 1 in Jalisco and 1 in Aguascalientes. In total, 1,176 homes were certified, benefiting 10,985 people, and achieving annual savings of 232,612 m^3 of water, 2,901 MWh and 7,742 tons of CO_2 emissions into the atmosphere. With this, there is a total of 3,056 certified homes.

- A campaign was carried out to collect supplies for people who were affected by hurricane Otis in the city of Acapulco, Guerrero. A total of 2,001 supplies were collected.

- The first JAVER Hackathon was held at the University of Tecnologico de Monterrey, in which 35 students from careers like Architecture, Industrial Engineering, Urban Planning and Built Environments participated. The students were given 48 hours to design a sustainable subdivision.

- 6 Christmas volunteer programs were carried out in the states of Aguascalientes, State of Mexico, Jalisco, Nuevo Leon, and Queretaro. 556 people were benefited, from children to elderly adults.

- Donations of more than 1,000 bags to public special education schools (CAM) and community schools, and more than 220 toys to the DIF of Monterrey and Alianza Anticancer Infantil.

- Different activities to strengthen the social structure in communities, such as the visit of Nuevo Leon Firefighters to promote the culture of fire prevention, basketball clinic taught by members of the “Fuerza Regia” team and entrepreneur fairs in the same communities.

- 2,925 kg of recyclable material were collected in the second half of the year, accumulating a total of 7,552 kg in 2023.

- The start of operations of the sixth Javer nursery was carried out, which is in the State of Mexico. A total of 75 plants were propagated and 224 White Cedar seeds were planted, with the aim of preserving this species native to the state.

SERVICIOS CORPORATIVOS JAVER S.A.B. de C.V.
cordially invites you to its
Fourth Quarter 2023
Conference Call & Webcast Presentation in Spanish

Friday, February 2nd, 2024
11:00 a.m. New York Time
10:00 a.m. Mexico City / Monterrey Time

PRESENTERS
René Martínez Martínez, Chief Executive Officer
Felipe Loera Reyna, Chief Financial Officer
Verónica Lozano, IR, CSR, and Planning Director

To access the call, please register at the following link:
http://webcast.investorcloud.net/javer/index.html

If you prefer to participate via telephone, please dial:
+52 558 659 6002 from Mexico
+1 929 205 6099 from U.S. (New York)
Webinar ID: 876 8270 8361

Other international numbers available:
https://us02web.zoom.us/u/knEOJCJkC

About Javer:

Servicios Corporativos Javer S.A.B. de C.V. specializes in the development of affordable entry-level, middle-income, and residential units. The Company started operations in 1973, and its corporate headquarters are in Monterrey, Nuevo León. Javer operates in the states of Aguascalientes, State of Mexico, Jalisco, Nuevo León, Puebla, Quintana Roo, Querétaro, and Tamaulipas. In 2023, the Company reported revenues of Ps. 8,904 million and 12,201 units sold.

JAVER

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