

MEXICO & USA LABOR COST ARBITRAGE

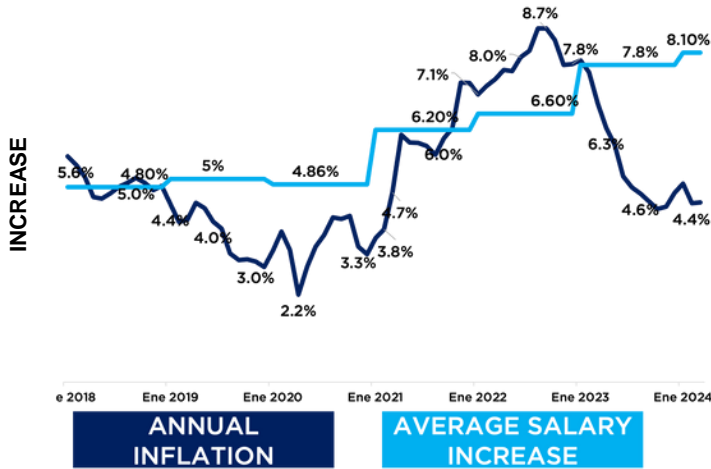
PRODENSA



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MEXICO

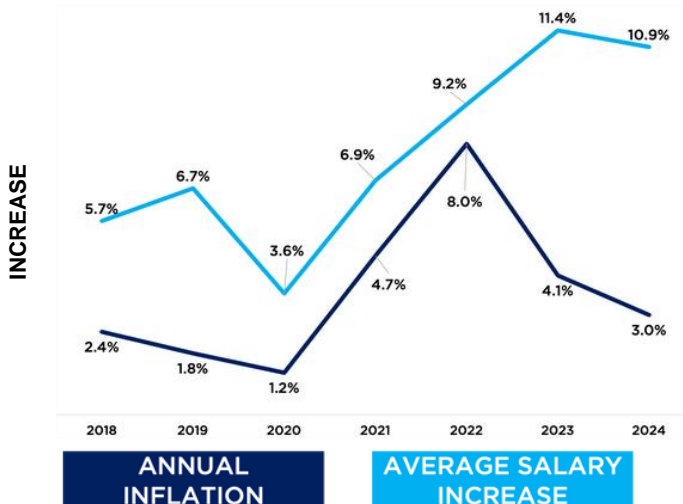


Mexico's labor cost trends typically follows inflation trends, for compensation of the rising cost of living. Nonetheless, for the past 2 years the trend has reverted, due to recent aggressive salary increase raises made by the left wing political party, this has led to a gap between inflation and salary increase. In the medium term, salary increases will readjust with the inflation trend.

The following chart displays the salary increase outlook for the following years.

MEXICO	2026-2027	2028-2030	2030-2035
Salary Increase forecast	9-10%	8%	3-4%

UNITED STATES

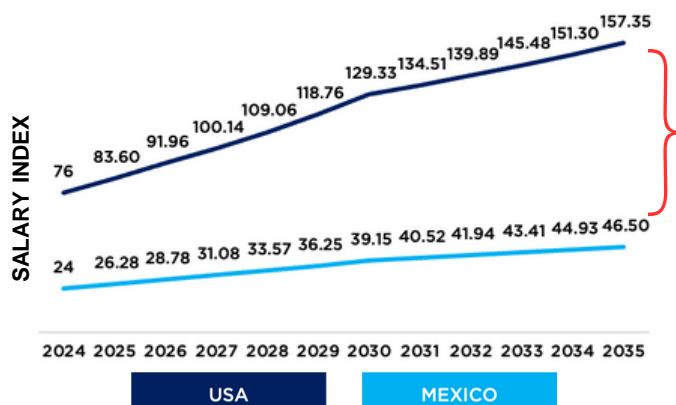


In the past years, salaries have risen at a faster pace due to labor shortages, increased cost of living, and government stimulus measures post-pandemic. Additionally, wage pressures in high-demand sectors and state-level minimum wage adjustments have accelerated salary growth beyond inflation. In the medium term, as labor market conditions stabilize and inflation moderates, salary increases are expected to realign with broader economic trends.

The following chart displays the salary increase outlook for the following years.

USA	2026-2027	2028-2030	2030-2035
Salary Increase forecast	9-11%	8-9%	3-4%

ARBITRAGE FORECAST



Mexico's labor cost currently stands at approximately 26% of that in the United States.

Given current trends, this gap is expected to widen slightly over the coming years, with a projected increase of 1-2% as per the established forecast. In absolute terms, U.S. salaries will experience a substantial increase due to arithmetic growth factors.



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