



Annual Report - 2022

TENACITY AND CONFIDENCE

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Letter to Shareholders

The year 2022 was marked by high economic and social volatility, which posed challenges for governments and companies. Grupo México faced this scenario with firm decisions and with the conviction that our long-term investments and a vision of sustained growth support our strength, even in the face of fortuitous circumstances.

Capital expenditures during 2022 totaled US\$1.54 billion, translating into a 10.3% increase over the previous year. In addition, at the Group level, sales for 2022 totaled US\$13.87 billion. Our financial stability has allowed us to achieve high cash flow to take advantage of growth opportunities and explore new businesses. Moreover, Grupo México ranked among the most attractive dividend yields at approximately five percent in the copper industry worldwide and on the Mexican Stock Exchange.

With this vision, Grupo México's Mining Division has focused on boosting its growth through various projects that, by 2030, will allow us to double copper and by product production with a competitive cost profile. In the face of the conditions of metal price contractions recorded in 2022, the Mining Division reported revenues of US\$10.96 billion with an outstanding recovery in the last quarter of the year.

On the other hand, despite a decrease in transported volumes, our Transportation Division experienced a 7.5 percent increase in total annual revenues, reaching US\$2.71 billion. In this division, it is worth noting the operating and service efficiency. An example of this was the increase of train

speed by 3.3 percent. Excellence in our operations and the highest standards in providing logistics solutions have been key to the strength of Grupo México Transportes.

In addition, the Infrastructure Division stood out for reporting higher revenues in its six business lines, through higher energy generation, the continued operation of the six oil rigs, increases in capacity and fares in the highways business line, as well as more activities in the Engineering and Construction firms. The Infrastructure Division achieved sales growth of 19 percent over 2021.

These results have been accompanied by equally relevant achievements in an essential area of our business model: sustainability. This year, Grupo México improved its performance in the Corporate Sustainability Assessment of rating agency S&P Global and consolidated its position among the top nine companies in the mining sector with the best rating. In addition, in the Carbon Disclosure Project evaluation (Climate), Grupo México maintained a B rating, which positions us above the average for the mining and metals industry.

Aware of the fundamental role of copper in the transition to sustainable energy, our "La Caridad" mine and the Metallurgical Complex located in Nacozari, Sonora, received The Copper Mark certification, which guarantees the responsible production of copper.

At Grupo México, we know that our achievements are only possible thanks to the persistence and professionalism of our almost 30 thousand direct employees, with whom we maintain our commitment to be a source of well-paid and highly specialized jobs in the four countries where we operate.



**An employee at underground mine
Charcas, San Luis Potosí.**

Through Fundación Grupo México, we support health, environmental, social, and cultural causes. In 2022, we witness the consolidation and outstanding results of flagship programs: Mexicanos Sembrando donated more than three million trees this year. By the other hand, this year, TOPS Mexico Magazine recognized Grupo México as the company most committed to Mexicans' health, thanks to initiatives such as Dr. Vagón and Hearing Without Borders.

The year 2022 was not an easy one; Grupo México faced important challenges that it overcame thanks to the experience, stability and solidity acquired over the years. The diversification of our businesses and a focus on investment and proximity to our stakeholders remain key to our consolidation.

We work with tenacity, determination and confidence in the countries where we operate, driven by the desire to be a decisive factor in the creation of better opportunities and a sustainable future.

**Sincerely yours,
GERMÁN LARREA MOTA VELASCO**

Grupo México Results

Analysis and discussion of results

2022 represented major global challenges and an adverse macroeconomic environment that generated strong periods of volatility and uncertainty in the markets. Grupo México has demonstrated its sound position in the face of the complex global environment and external risks by continuing with its investment and growth plans, focusing on the generation of long-term value.

This year, we maintained a solid balance sheet with strong cash flow generation and low leverage, net debt to EBITDA of 0.4x, and a very convenient debt maturity schedule.

The recovery we saw in virtually all business units during the fourth quarter of the year is proof of Grupo México's resilience, given the diversification of its businesses and its sustained investment plans over the years.

► **We reached an
accrued EBITDA
of US\$7.13 billion**



Rehabilitation of the Ojinaga Presidio bridge, Chihuahua.

Consolidated relevant figures of Grupo México

In the Mining Division, we obtained revenues of US\$10.96 billion in 2022, a 9.3% decrease vs. the previous year, mainly due to a drop in prices during the year (-5.4%), as well as a decrease in production during 2022. Reversing this trend, the Mining Division achieved 28.8% higher revenues than in the last quarter of the year. Copper and Molybdenum prices also showed a recovery of 4.6% and 33.3%, respectively.

Meanwhile, in the Transportation Division, sales totaled US\$2.71 billion, 7.5% higher than in 2021, despite the impact on some of our segments generated by the decrease in volumes of U.S. railroads, the excess demand of fleet in U.S. grain export routes, and the congestion of U.S. railroads since the Covid-19 pandemic.

Lastly, in the Infrastructure Division, we achieved US\$664 million in accrued net revenues, a 19.1% increase vs. the previous year.

- We have a team of 30,086 highly trained employees

Grupo México

THOUSANDS OF DOLLARS

	Fourth Quarter		Variation		January - December		Variation	
	2021	2022	Thousands of USD	%	2021	2022	Thousands of USD	%
Revenues	\$ 3,776,282	\$ 3,787,672	\$ 11,390	0.3	\$ 14,776,718	\$ 13,870,313	\$ (906,404)	(6.1)
Cost of sales	\$ 1,461,947	\$ 1,667,298	\$ 205,350	14.0	\$ 5,565,003	\$ 6,445,020	\$ 880,017	15.8
Operating Profit	\$ 1,840,201	\$ 1,623,929	\$ (216,272)	(11.8)	\$ 7,466,589	\$ 5,650,444	\$ (1,816,146)	(24.3)
EBITDA	\$ 2,195,748	\$ 2,089,024	\$ (106,724)	(4.9)	\$ 8,932,617	\$ 7,138,944	\$ (1,793,673)	(20.1)
EBITDA Margin (%)	58.1%	55.2%			60.5%	51.5%		
Net Profit	\$ 951,124	\$ 872,305	\$ (78,819)	(8.3)	\$ 3,705,873	\$ 2,855,530	\$ (850,343)	(22.9)
Profit Margin (%)	25.2%	23.0%			25.1%	20.6%		
Investments	\$ 343,610	\$ 511,024	\$ 167,414	48.7	\$ 1,361,907	\$ 1,542,361	\$ 180,453	13.3
Employees	29,707	30,086	379	1.3	29,707	30,086	379	1.3

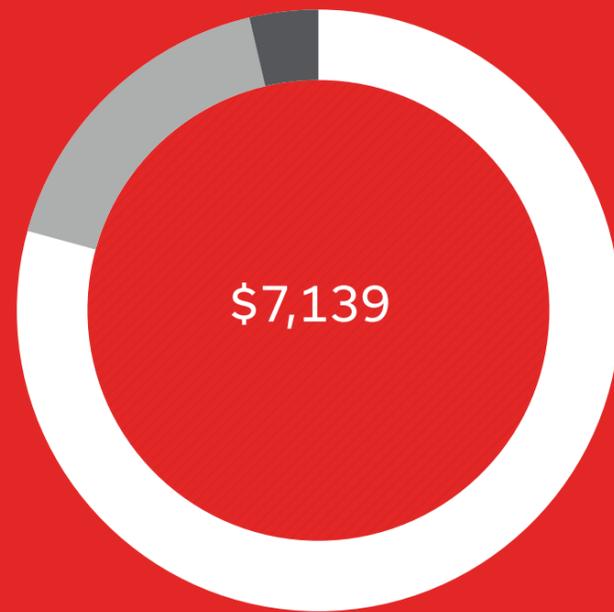
Sales by Division

MILLIONS OF DOLLARS



EBITDA by Division

MILLIONS OF DOLLARS



Copper anode casting wheel, Metallurgical Complex, Esqueda, Sonora.



Didactic nursery, San Luis Potosí,
San Luis Potosí.

- In 2022, copper sales represented 77.2% of AMC's total income and 67.5% of Grupo México's total income

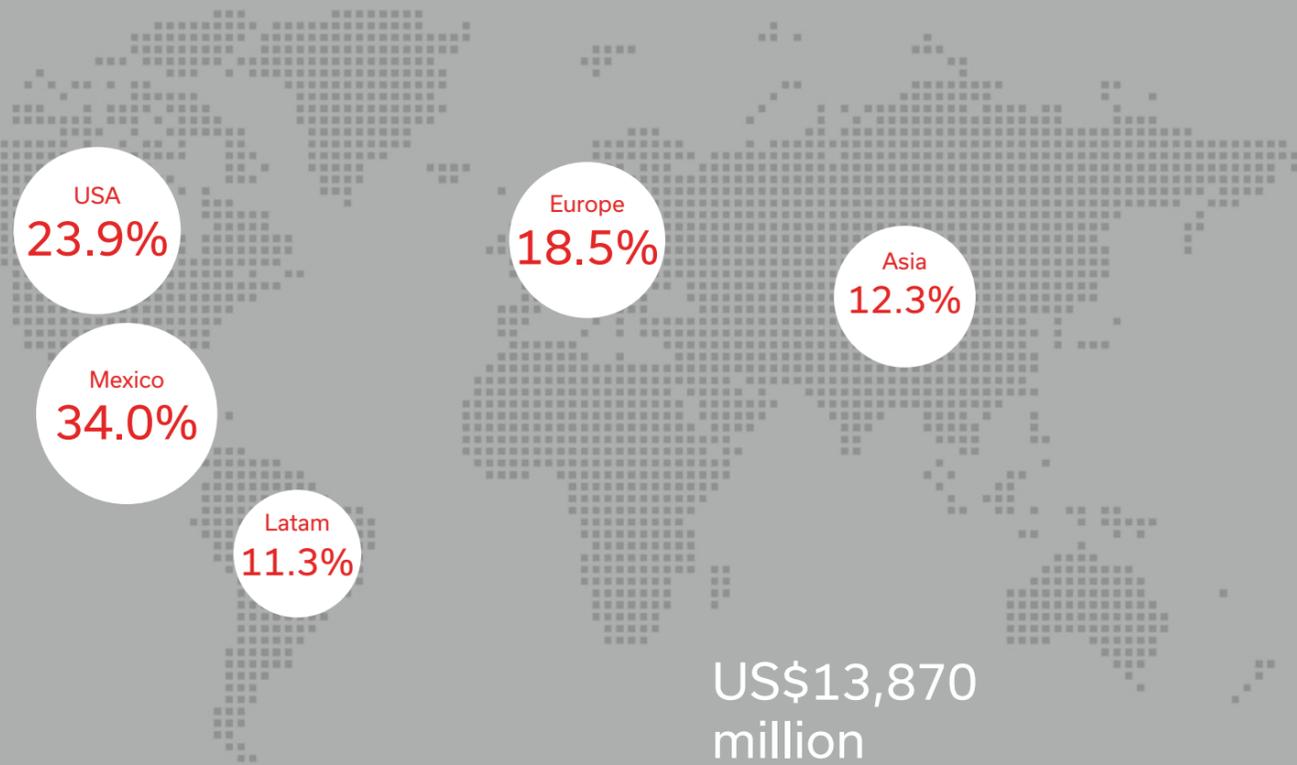
Sales by Division

THOUSANDS OF DOLLARS

Product	Volume in Tons			Thousands of USD		
	2021	2022	Var. %	2021	2022	Var. %
Mining Division						
Copper	1,058,348	985,438	(7)	\$ 9,979,352	\$ 8,469,984	(15)
Silver (thousands of ounces)	20,115	19,830	(1)	\$ 494,982	\$ 419,642	(15)
Molybdenum	30,319	26,266	(13)	\$ 1,053,077	\$ 1,192,674	13
Zinc	91,570	101,140	10	\$ 289,522	\$ 374,228	29
Sulfuric acid	1,642,942	1,800,940	10	\$ 144,482	\$ 374,109	159
Gold (ounces)	42,428	52,763	24	\$ 76,181	\$ 93,348	23
Lead	18,014	17,353	(4)	\$ 37,598	\$ 36,951	(2)
Others				\$ 12,661	\$ 7,183	(43)
Transportation Division (cars)	1,908,423	1,890,970	(1)	\$ 2,480,759	\$ 2,646,993	7
Infrastructure Division				\$ 208,124	\$ 255,202	23
Total Revenues				\$ 14,776,738	\$ 13,870,313	(6)

*Grupo México's Divisions carry out transactions with affiliated entities; intercompany billing for the presentation of Grupo México's consolidated financial statements is eliminated; therefore, there is a difference between the consolidated figures and those reported by each Division separately.

Share of continents and countries in sales



Capital Investments

During 2022, Grupo México continued with its investment and growth plans, focusing on generating long-term value, even when the environment was uncertain, with an investment of US\$1.54 billion—an increase of 13.3% versus 2021.

Mining
US\$1,085
million

Transportation
US\$376
million

Infrastructure
US\$81
million

Our investment program for 2023 is approximately US\$1.83 billion in different projects that will be sources of economic growth, job creation, and well-being for the countries where we operate.



Combined cycle power plants with a capacity of 530 MW, Nacoziari, Sonora.



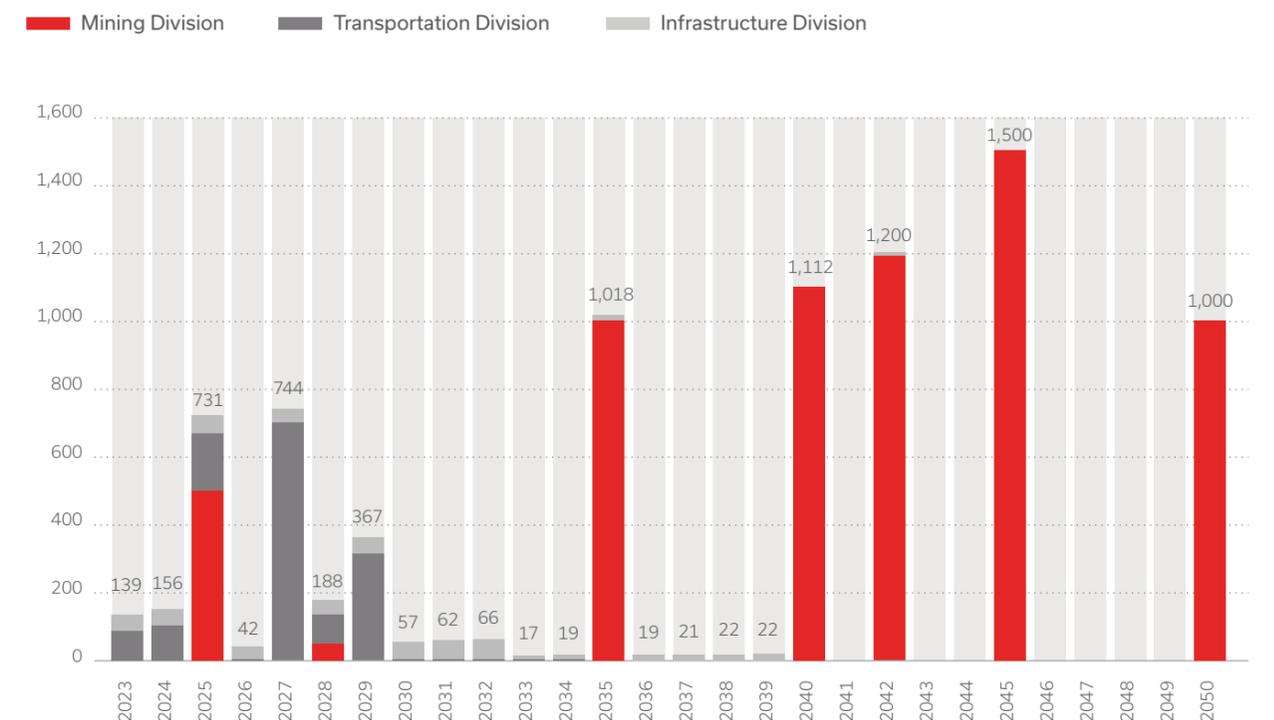
Railway Operations Team,
Torreón, Coahuila.

Consolidated Debt

80% of the debt contracts are dollar-denominated, and 20% are peso denominated. 96% of the debt has a fixed rate. Moreover, Grupo México has an extremely comfortable maturity schedule with payments below US\$1 billion annually until 2035.

Grupo México Maturities

AS AT DECEMBER 31, 2022





Employees at Fencias Wind Farm, Nuevo Leon.

Grupo México Stock performance and dividend payments

Despite the drop in prices and production, and high-cost inflation faced by the sector worldwide, during 2022, Grupo México reaffirmed its commitment to return to shareholders through the payment of dividends. During this year, the dividend yield remained at an appealing level for investors.

Grupo México ended the year as the third largest company on the Mexican Stock Exchange (BMV) in terms of Market Capitalization, as well as the fourth most traded stock.

As a result of a volatile and uncertain environment with a complex global macroeconomic outlook, Grupo México's stock fell 22% in pesos during the year, largely mirroring the 14% drop in the price of copper and the 8% drop in the Mexican stock market index.

GMEXICO share price vs. Average Copper Price - Comex

JANUARY - DECEMBER 2022



ANNUAL DIVIDEND YIELD



*Equivalent average price in Mexican pesos

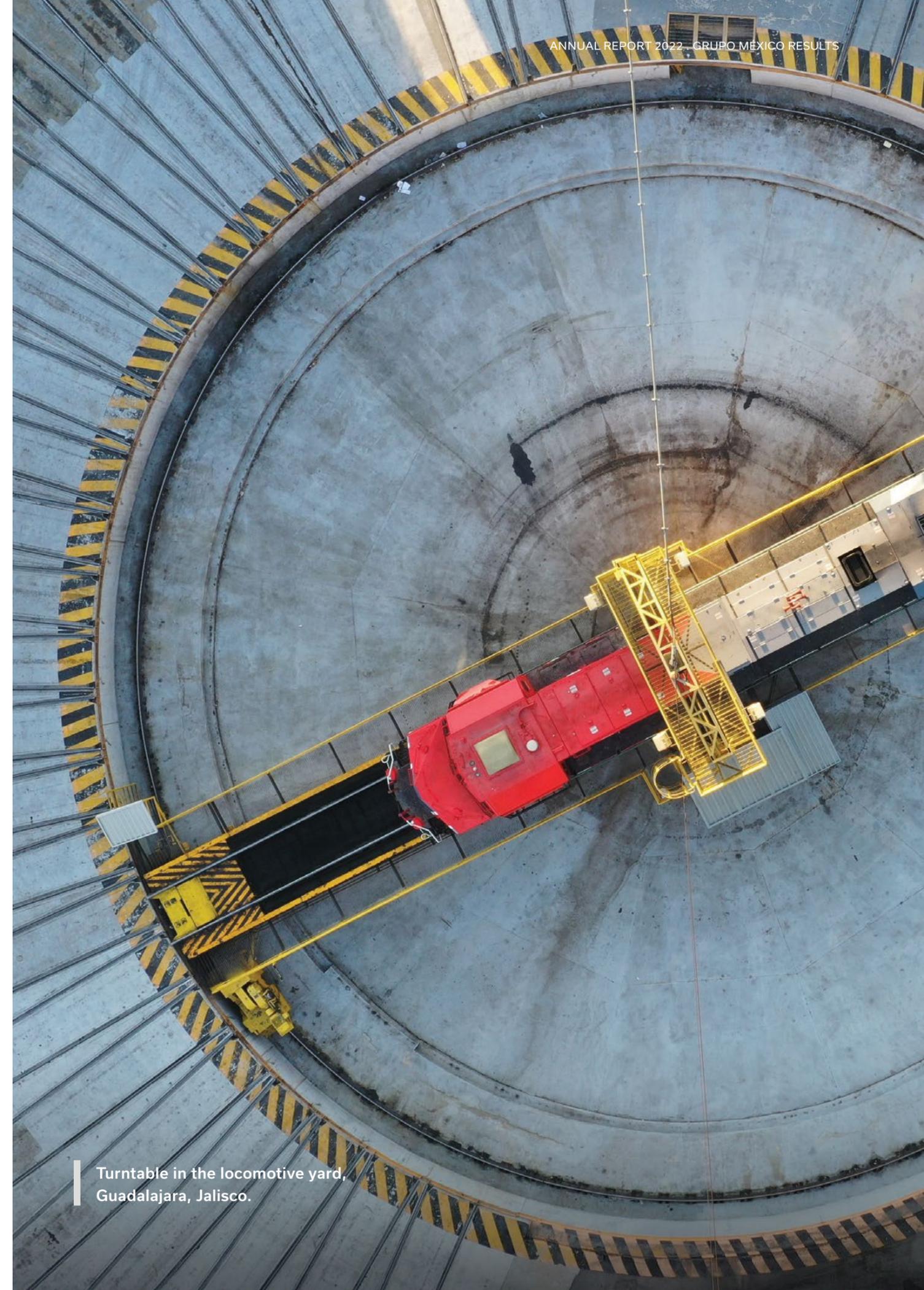
Natural hedging in US dollars

Although 2022 was a year of high volatility in the foreign exchange market, at Grupo México we remain in a privileged position to cope with exchange rate fluctuations.

Division	Revenues		Cost of sales		
	Dollars	Pesos	Dollars	Pesos	Soles
Mining	100%		56%	35%	9%
Transportation	54%	47%	23%	77%	
Infrastructure	77%	23%	75%	25%	
Weighted	90%	10%	50%	43%	7%

- Rating agencies Fitch and S&P confirmed Grupo México's credit rating at BBB+, with a stable outlook

	Moody's	Standard & Poors	Fitch
Grupo México			
International Rating		BBB+	BBB+
Americas Mining Corporation			
International Rating		BBB+	BBB+
Southern Copper Corporation			
International Rating	Baa1	BBB+	BBB+
Issuance Rating	Baa1	BBB+	BBB+
Minera México			
International Rating	Baa1	BBB+	BBB+
Secured Bond	Baa1	BBB+	BBB+
México Generadora de Energía			
International Rating	Baa2	BBB+	
Issuance Rating	Baa2	BBB+	
GMEXICO Transportes			
Local Long-Term Rating		mxAAA	AAA(mex)
International Rating			BBB+
Ferromex			
Local Long-Term Rating		mxAAA	AAA(mex)



Turntable in the locomotive yard, Guadalajara, Jalisco.

Data highlights

	2019	2020	2021	2022	Var. % 2022 / 2021
Volumes Sold *					
Copper (tons.)	1,094,252	1,133,951	1,058,348	985,438	(7)
Zinc (tons.)	103,668	104,752	91,570	101,140	10
Silver (thousands of ounces)	20,739	21,085	20,115	19,830	(1)
Gold (ounces)	49,163	47,734	42,428	52,763	24
Molybdenum (tons.)	26,849	30,259	30,319	26,266	(13)
Average price (dollars)					
Copper (COMEX) (pound)	\$ 2.72	\$ 2.80	\$ 4.24	\$ 4.01	(5)
Zinc (LME) (pound)	\$ 1.16	\$ 1.03	\$ 1.36	\$ 1.58	16
Silver (COMEX) (pound)	\$ 16.16	\$ 20.62	\$ 25.18	\$ 21.76	(14)
Gold (LF) (pound)	\$ 1,392.17	\$ 1,769.59	\$ 1,799.58	\$ 1,800.80	0
Molybdenum (MW DEALER OXIDE) (pound)	\$ 11.35	\$ 8.69	\$ 15.85	\$ 18.76	18
Transportation Division					
Net tons-kilometers (million tons)	65,444	62,823	69,252	62,811	(9)
Carloads (thousands of units)	1,888	1,753	1,908	1,891	(1)
Balance sheet (millions of dollars)					
Current Assets	\$ 5,908	\$ 7,375	\$ 10,312	\$ 10,099	(2)
Fixed Assets	\$ 17,084	\$ 17,100	\$ 16,970	\$ 17,342	2
Total Assets	\$ 27,566	\$ 28,608	\$ 30,359	\$ 30,334	(0)
Bank Liabilities	\$ 9,377	\$ 8,952	\$ 8,782	\$ 8,396	(4)
Total Liabilities	\$ 13,320	\$ 13,364	\$ 13,584	\$ 12,547	(8)
Total Shareholders' Equity	\$ 14,246	\$ 15,244	\$ 16,775	\$ 17,787	6
Income Statement (millions of dollars)					
Total Revenues	\$ 10,681	\$ 10,909	\$ 14,777	\$ 13,870	(6)
Cost of Sales	\$ 5,514	\$ 5,298	\$ 5,565	\$ 6,445	16
Taxes Incurred	\$ 1,268	\$ 1,370	\$ 2,554	\$ 1,893	(26)
EBITDA	\$ 5,945	\$ 5,363	\$ 8,933	\$ 7,139	(20)
Net Profit	\$ 1,766	\$ 2,118	\$ 3,706	\$ 2,856	(23)

	2019	2020	2021	2022	Var. % 2022 / 2021
Cash Flow (millions of dollars)					
Generated by the Operation	\$ 2,714	\$ 3,761	\$ 5,627	\$ 4,136	(26)
Dividends Paid	\$ (1,591)	\$ (1,328)	\$ (2,872)	\$ (2,461)	(14)
Taxes Paid	\$ 1,843	\$ 1,589	\$ 2,964	\$ 3,336	13
Applied to Financial Activities	\$ 777	\$ (476)	\$ (228)	\$ (572)	151
Used in Investments	\$ (1,125)	\$ (1,115)	\$ (1,362)	\$ (1,542)	13
Cash flow after Investing and Financing Activities	\$ 1,011	\$ 1,127	\$ 1,165	\$ (439)	(138)
Financial Ratios					
Operating Margin	33%	37%	51%	41%	(19)
EBITDA Margin	46%	49%	60%	51%	(15)
Current Assets to Current Liabilities (times)	2.6	3.3	2.2	2.4	8
Total Liabilities to Total Assets	48%	47%	45%	41%	(8)
Debt / Total Stockholders' Equity + Debt	40%	37%	34%	32%	(7)
EBITDA/Interest (times)	8.96	9.75	16.24	13.32	(18)
Employees	30,263	29,169	29,707	30,086	1
Annual Inflation					
Mexico	3%	3%	7%	8%	14
United States	2%	1%	7%	6%	(14)
Peru	2%	2%	6%	8%	33
Average Exchange Rate					
Mexico (pesos/dollar)	19.26	21.50	20.28	20.12	(1)
Peru (soles/dollar)	3.34	3.50	3.88	3.84	(1)

Expressed by U.S. Generally Accepted Accounting Principles (US GAAP).

* Throughout the report, tons are metric and ounces are troy.



MINING

DIVISION

For five consecutive years, our copper production has exceeded one million tons

Aerial view of the open pit of Toquepala, Peru.



Through Corporate Volunteering, we benefited more than 40 institutions, directly impacting more than 8,000 people.

Americas Mining Corporation (AMC)

THOUSANDS OF DOLLARS

	January - December		Variation	
	2021	2022	Thousands of USD	%
Revenues	\$ 12,087,854	\$ 10,968,118	\$ (1,119,737)	(9.3)
Cost of sales	\$ 4,456,391	\$ 5,304,370	\$ 847,978	19.0
Operating Profit	\$ 6,506,597	\$ 4,542,736	\$ (1,963,861)	(30.2)
EBITDA	\$ 7,587,212	\$ 5,652,726	\$ (1,934,486)	(25.5)
EBITDA Margin (%)	62.8%	51.5%		
Net Profit	\$ 3,676,297	\$ 2,456,863	\$ (1,219,435)	(33.2)
Profit Margin (%)	30.4%	22.4%		
Investments	\$ 934,601	\$ 1,084,765	\$ 150,164	16.1

The Mining Division is represented by its subsidiary AMC, whose main affiliates are Southern Copper Corporation (SCC) in Mexico and Peru, ASARCO in the US, and Minera Los Frailes in Spain.

- World's largest copper ore resources
- Lower production costs worldwide
- Copper producer with the highest organic growth
- Best portfolio of growth projects with diversified assets

► We have 14 mines and three metallurgical complexes in Mexico, Peru and the United States



Mining

01 Ray MINE	10 Metallurgical Complex PLANT	19 Santa Barbara POLYMETALLIC UNDERGROUND MINE
02 Hayden PLANT	11 La Caridad MINE	20 Chalchihuites UNDERGROUND POLYMETALLIC MINE PROJECT
03 Mission MINE	12 Pilares COPPER PROJECT	21 San Martin UNDERGROUND POLYMETALLIC MINE
04 Silver Bell MINE AND PLANT	13 Santa Eulalia UNDERGROUND POLYMETALLIC MINE	22 Charcas UNDERGROUND POLYMETALLIC MINE
05 Amarillo PLANT	14 Buenavista Zinc ZINC PROJECT	23 Electrolytic Zinc Refinery PLANT
06 El Pilar COPPER PROJECT	15 Hermosillo Offices CORPORATE OFFICES	24 Angangueo UNDERGROUND POLYMETALLIC MINE PROJECT
07 El Arco COPPER PROJECT	16 Guaymas Terminal PLANT	25 Mexico Offices CORPORATE OFFICES
08 Lime Plant MINE	17 Chihuahua Offices CORPORATE OFFICES	26 Taxco UNDERGROUND POLYMETALLIC MINE
09 Buenavista del Cobre MINE	18 Central Workshop PLANT	



A	Chaucha COPPER PROJECT
B	Tantahuatay GOLD MINE
C	Lima Offices CORPORATE OFFICES
D	Los Chancas COPPER PROJECT
E	Tia Maria COPPER PROJECT
F	Cuajone COPPER MINE
G	Toquepala COPPER MINE
H	Ilo PLANT
I	Catanave COPPER PROJECT
J	Michiquillay GOLD AND COPPER PROJECT
K	Los Frailes POLYMETALLIC PROJECT

› Copper is the third most widely used metal in the world

Products

COPPER

Exceptional chemical and physical properties

High electrical conductivity and corrosion resistance

Excellent malleability and ductility

During 2022, the average price of copper was US\$4.01/lb, 5.4% lower than the 2021 average. Production in 2022 decreased by 7.2% compared to the previous year, reaching 1,006,935 tons, mainly due to lower copper ore grades. For the next years, our mining plans project higher ore grades and increased production, in addition to our organic growth.

› Copper is essential for converting the automotive industry from combustion to electric

Leadership in operating cost and cash cost

Due to our cost and efficiency policy, despite significant increases in some of our main consumables, the net cash-cost was US\$1.02. Thus, we reaffirm the world's best cost in the copper industry.



Strapped cathodes, Buenavista del Cobre mine, Cananea, Sonora.



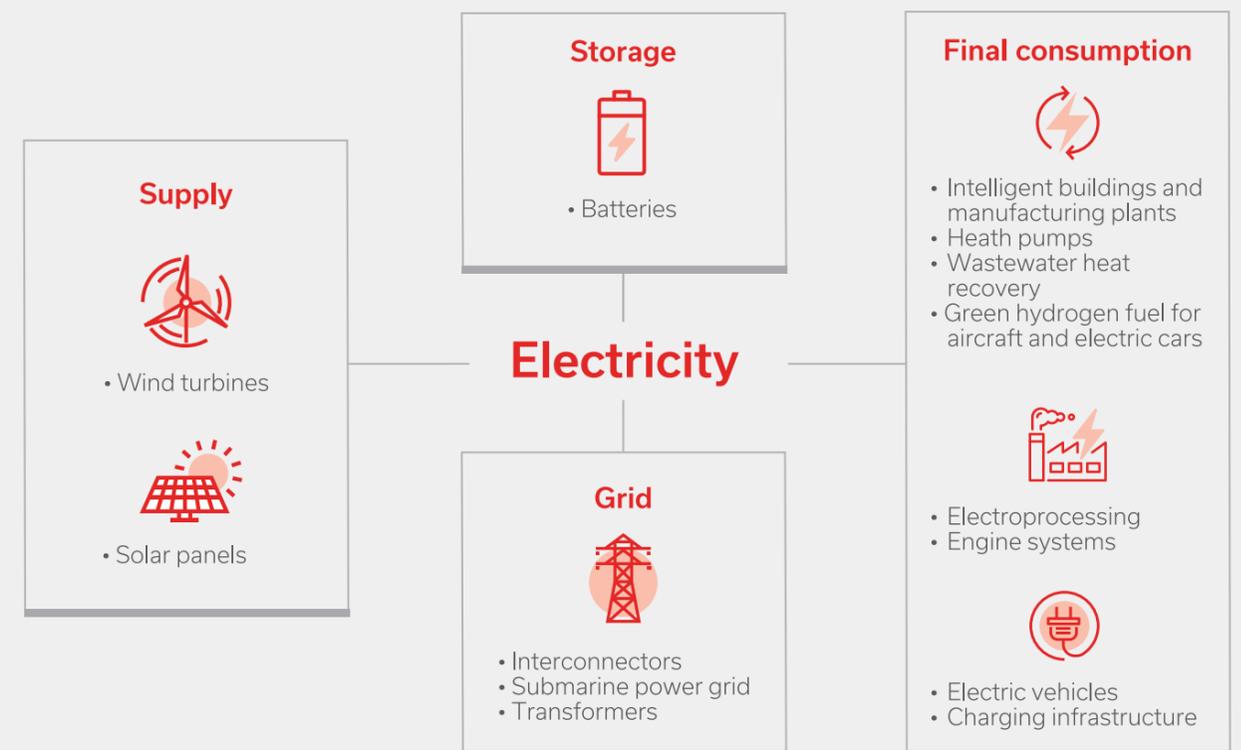
Open pit mine,
Ray, Arizona.

Copper is essential for a clean energy transition. Its highly efficient electrical conductivity makes it ideal for a wide range of technologies directly and indirectly involved in the decarbonization of the economy. These technologies also have the potential to reduce approximately two-thirds of global greenhouse gases (GHG) by 2050.

Thanks to the energy transition, population growth and economic development, global demand for refined copper is expected to double by 2050 with annual consumption of 50 million tons.

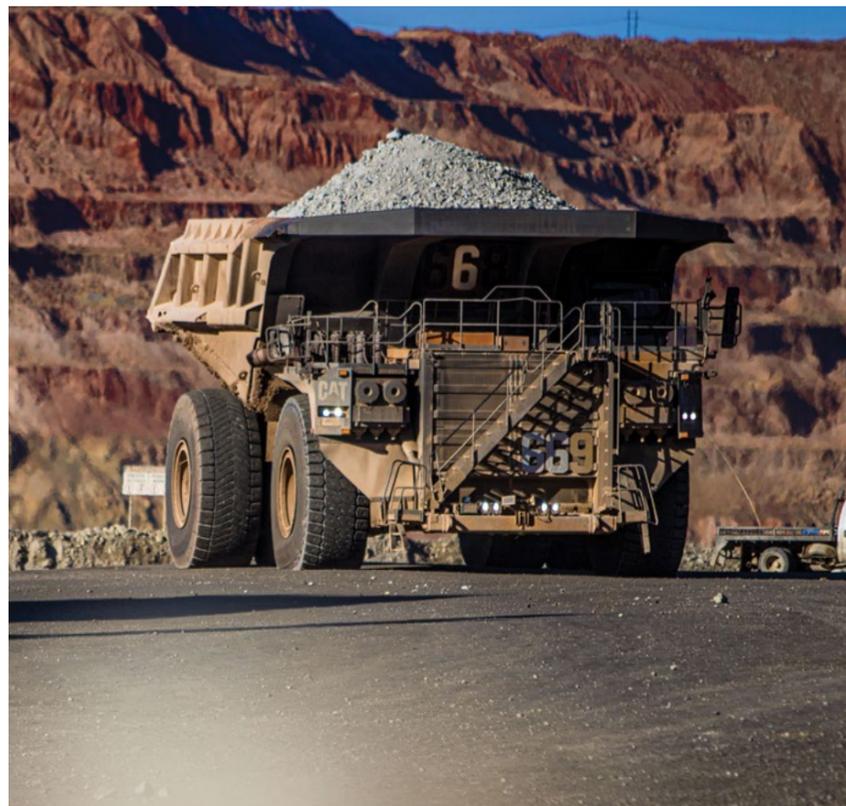
In light of this, the International Copper Association (ICA), of which Grupo México is a member, developed a roadmap to bring the carbon footprint as close as possible to net zero by 2050.

COPPER: ESSENTIAL IN THE DECARBONIZATION OF THE ECONOMY





Employee at Buenavista del Cobre mine, Cananea, Sonora.



Mine truck with a capacity of 400 tons, La Caridad, Sonora.

Tons of copper produced

	Concentrators	SX/EW	2021	Concentrators	SX/EW	2022
Mexcobre	102,689	25,375	128,064	88,492	23,337	111,829
BVC	341,204	81,845	423,049	338,633	93,287	431,920
SPCC	372,614	25,753	398,367	315,370	26,450	341,820
ASARCO	94,208	32,399	126,607	79,707	32,525	112,232
IMMSA	8,719		8,719	9,134		9,134
Total	919,434	165,372	1,084,806	831,336	175,599	1,006,935
Share and var. % vs. 2021	84.8%	15.2%		82.6%	17.4%	-7.2%

Production summary

Product	Mine			
	2019	2020	2021	2022
Copper Content in Concentrates	930,156	947,086	919,432	831,335
Leached Copper Content	189,090	181,841	165,374	175,600
Total Copper Content	1,119,246	1,128,927	1,084,806	1,006,935
Zinc Content in Concentrates	73,922	68,930	66,958	60,010
Lead Content in Concentrates	22,567	20,358	17,104	16,590
Gold Content in Concentrates (ounces)	68,698	73,186	60,631	65,134
Silver Content in Concentrates (ounces)	21,315,505	22,810,470	20,234,222	19,663,241
Molybdenum Content in Concentrates	26,886	30,248	30,262	26,240

Product	Smelter and Refinery			
	2019	2020	2021	2022
Copper Anodes	683,698	633,801	598,570	637,489
Refined Electrolytic copper	582,736	526,674	502,836	535,394
Refined Copper Cathodes (SX/EWs)	189,090	181,841	165,374	175,600
Total high-purity refined copper	771,826	708,515	668,210	710,994
Copper Production	244,070	199,427	245,003	203,787
Refined Copper Slab	6,050	-	-	-
Refined Zinc and Alloys	104,977	102,440	92,672	99,893
Refined Gold (ounces)	45,690	42,229	42,628	43,307
Refined Silver (ounces)	12,587,711	13,887,942	13,690,329	14,271,702
Sulfuric acid	2,612,097	2,352,409	2,228,926	2,393,615
Cadmium	609	640	526	671
Lime	274,056	279,626	274,403	346,066

* Figures expressed in metric tons except where indicated.

► We are the 2nd largest producer of molybdenum in the world



Molybdenum

INDUSTRY

- Manufacture of stainless and special steels. Catalyst in the oil and gas industry.
- Materials for the aeronautical industry, fertilizers, dyes, enamels, reagents and lubricants.



AVERAGE PRICE IN 2022

US\$18.76 / lb

PRODUCTION

26,240 tons

PROPERTIES

Provides increased alloy hardness and corrosion.



Zinc

INDUSTRY

- Industrial applications and products, but mainly in galvanization.
- In the manufacture of die castings as well as in bronzes.
- Base to obtain zinc oxide used in the manufacture of tires, paints, and cattle feed, among others.



AVERAGE PRICE IN 2022

US\$1.58 / lb

PRODUCTION

60,010 tons

PROPERTIES

Low melting point, malleability and high strength.



Silver

INDUSTRY

- Manufacture of electrical, medical, electronic, and photographic products.
- To a lesser extent, in welding alloys, jewelry, minting, silverware, and catalysts.



AVERAGE PRICE IN 2022

US\$21.76 / oz

PRODUCTION

19,663 thousand ounces

PROPERTIES

Thermal and electrical conductivity and malleability.



Gold

INDUSTRY

- Jewelry and industrial applications.
- Manufacture of electronic products such as telephones, cell phones, global positioning system (GPS) units, televisions and computers, etc.



AVERAGE PRICE IN 2022

US\$1800.80 / oz

PRODUCTION

65,134 ounces

PROPERTIES

Good conductor of heat, electricity and malleability.



Ecological storage of coarse material, at Buenavista del Cobre mine, Cananea, Sonora.

Projects in Mexico

Project	Investment Millions of dollars	Progress	Operation startup date	Jobs	Capacity	Mine years of life
El Arco	\$9,008	<ul style="list-style-type: none"> One of the largest untapped copper deposits in the world The environmental baseline study and the technical information necessary to present the environmental impact statements were completed 	2028	24,300	190,000 tons of copper 100,000 ounces of gold	40
Buenavista Zinc	\$413	<ul style="list-style-type: none"> Engineering completed Purchase of equipment 98% completed 87% progress of construction 	Third Quarter 2023	2,330	100,000 tons of zinc 35,000 tons of copper	15
El Pilar	\$310	<ul style="list-style-type: none"> Basic engineering completed We completed the clearing work and are in the process of stripping the land Tender for the detailed engineering design underway 	Fourth Quarter 2023	2,030	35,000 tons of copper	15
Pilares	\$176	<ul style="list-style-type: none"> Exploitation of the deposit and ore benefits began 	2022	1,200	38,000 tons of copper	20
Total	\$9,907					

Additionally, we have polymetallic underground mine projects in Chalchihuites, Zacatecas and Angangueo, Michoacan.



▶ **Grupo México plans to invest US\$9.00 billion in Sonora and Baja California**

-  Power transmission line
-  Mine
-  Smelter and refinery
-  Maritime terminal
-  Combined cycle power plant

▶ **Grupo México has the largest portfolio of projects for organic growth**

Projects in Peru

Project	Investment Millions of dollars	Progress	Operation startup date	Jobs	Capacity	Mine years of life
Michiquillay	\$3,130	In exploration	2029	6,000	269,000 tons of copper eq.	40
Los Chancas	\$2,811	Environmental permits	2027	5,000	170,000 tons of copper	20
Tia Maria	\$1,514	Social license	2025	2,800	120,000 tons of copper	21
Total	\$7,455					

Projects in Spain

ANDALUSIA

Minera Los Frailes

- We continue to manage environmental evaluations and obtain permits to begin construction.
- Once in operation, it will contribute approximately 125,000 tons per year of total zinc equivalent for more than 20 years of initial mine life.

Explorations

In addition to exploration and drilling programs at existing mines, we are working to locate deposits in other locations. Some of our most important exploration projects are:

MEXICO

Chalchihuites, Zacatecas

- Skarn type deposit.
- Drilling programs conducted between 1980 and 2014 identified 12.6 million tonnes of ore with an average silver content of 110 grams per ton, 2.66% zinc, 0.37% lead, and 0.67% copper.

Bella Union (La Caridad), Sonora

- Breccia-type satellite deposit with copper and molybdenum mineralization located less than one kilometer from the southern limit of the La Caridad pit.
- A total of 61 million tons of copper sulfides with a copper ore grade of 0.67% and 69 million tons of leachable ore with 0.20% copper have been identified.

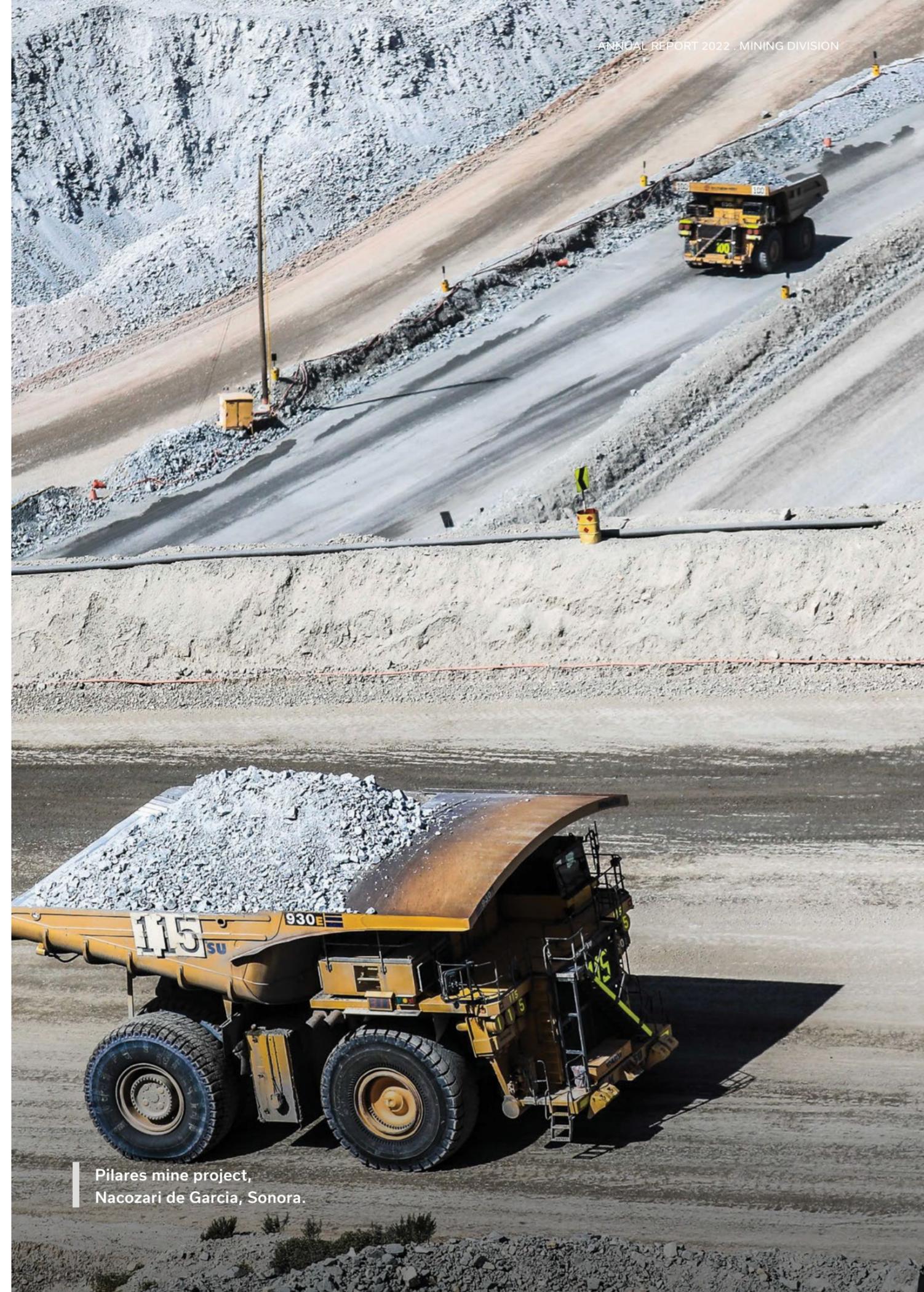
PERU

Los Chancas, Apurimac

- Porphyry copper and molybdenum deposit. 545 million tons of mineralized rock with a copper content of 0.59%, 0.04% molybdenum and 0.039 grams of gold per ton. 181 million tons of leached rock with 0.357% copper content.

Michiquillay, Cajamarca

- Porphyry copper deposit located in the district of La Encañada, in the province and department of Cajamarca in northern Peru.
- In 2022, all permits were obtained
- Start of exploration activities
- For 2023, we plan to drill 40 thousand meters.



Pilares mine project,
Nacozari de Garcia, Sonora.



1.9
million loads
transported
annually

TRANSPORTATION DIVISION

Aerial view of hoppers and gondolas on Trainship, Coatzacoalcos, Veracruz.

Transportation Division

Grupo México Transportes (GMXT)

THOUSANDS OF DOLLARS

	January - December		Variation	
	2021	2022	Thousands of USD	%
Vol. Transported (Million Tons/Km)	69,252	62,811	(6,440)	(9.3)
Loads transported	1,908,423	1,890,970	(17,453)	(0.9)
Revenues	\$ 2,523,111	\$ 2,712,743	\$ 189,632	7.5
Cost of Sales	\$ 1,310,381	\$ 1,387,791	\$ 77,410	5.9
Operating Profit	\$ 770,559	\$ 857,086	\$ 86,527	11.2
EBITDA	\$ 1,122,660	\$ 1,234,111	\$ 111,451	9.9
EBITDA Margin (%)	44.5%	45.5%		
Net Profit	\$ 369,391	\$ 481,671	\$ 112,280	30.4
Profit Margin (%)	14.6%	17.8%		
Investments	\$ 329,136	\$ 376,487	\$ 47,351	14.4

At GMXT, we provide logistics solutions for safe, efficient and sustainable ground cargo transportation, that contribute to strengthening the connectivity and competitiveness of the markets in which we participate.

GMXT's main subsidiaries are:

- Ferromex
- Ferrosur
- Florida East Coast
- Texas Pacific
- Intermodal México

We are the leading ground cargo transportation company in Mexico, with the widest coverage and connectivity. We have a railroad network of more than 11,137 kilometers of track in 24 states across the Mexican Republic, as well as in the states of Texas and Florida in the United States.



Employee at IMEX Intermodal Terminal, Guadalajara, Jalisco.



GMXT Network

- Ferromex
- ⋯ Right of Way
- Texas Pacífico
- Florida East Coast
- Connections

▶ We have the best connectivity and coverage between Mexico and the U.S.



Locomotives and cars at Fort Lauderdale Terminal, Florida.

Our network is supported by



Employees



Locomotives



Railroad cars

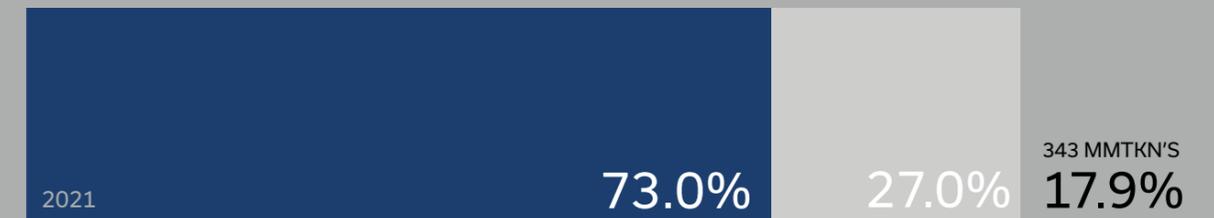
Thanks to our aggressive investment plans and strategy, since the beginning of our operation, we have almost tripled our cargo capacity and ton-kilometers transported.

Market share in ground cargo transportation

(TONS / KILOMETERS)



TRAIN MARKET SHARE



TRAIN MARKET SHARE



▶ We transport 66% of the cargo moved by rail in Mexico

*Source: Railway Statistical Yearbook 2021.

Operating metrics

Train speed (km/hr) 



Car speed (km/hr) 



Cars' dwell time (hours) 



Train length (meters) 



Gross tons per train 



Rehabilitation of Q Line, Ojinaga, Chihuahua



New containers, Mexicali Terminal, Baja California.



► Each train carries an average of 6,290 gross tons

Our business portfolio is divided into nine segments that are essential for economic development:



Farming	Intermodal	Minerals	Industrial	Energy
27%	14%	12%	8%	8%
Chemicals	Automotive	Metals	Cement	Others
8%	8%	6%	5%	4%



Tank cars, Torreon Terminal, Coahuila.



Containers in Mexicali, Baja California.



Intermodal Services

SERVICE IN 53' CONTAINERS	SERVICE IN 40' AND 20' CONTAINERS
<p>DOMESTIC ROUTES</p> <p>Coatzacoalcos ↔ CDMX</p> <p>CDMX ↔ Culiacan Silao ↔ La Paz Guadalajara ↔ Cd. Obregon Coatzacoalcos ↔ Hermosillo Mexicali ↔ Mexicali</p> <p>Hermosillo ↔ Cd. Obregon Culiacan ↔ CDMX Silao ↔ Guadalajara</p>	<p>MARITIME ROUTES</p> <p>Manzanillo ↔ CDMX Hidalgo Guadalajara Silao Monterrey</p> <p>Altamira ↔ Monterrey</p> <p>Veracruz ↔ CDMX Hidalgo Guadalajara Silao</p>
<p>CROSS BORDER ROUTES</p> <p>Monterrey ↔ Chicago</p> <p>Silao ↔ Chicago Memphis</p> <p>Chihuahua ↔ Chicago Detroit</p> <p>Hermosillo ↔ Chicago Detroit</p>	<p>FEC ROUTES</p> <p>Jacksonville ↔ Titusville</p> <p>Jacksonville ↔ Fort Pierce</p> <p>Jacksonville ↔ Fort Lauderdale</p> <p>Jacksonville ↔ Miami</p> <p>Jacksonville ↔ West Palm Beach</p> <p>Miami ↔ Titusville</p> <p>Fort Lauderdale ↔ Titusville</p>
<p>SYMBOLOLOGY</p> <p>●●● Domestic ●●● Cross Border ●●● Maritime ●●● FEC ○ Intermodal Terminal</p>	

• In 2022, we will invest US\$377 million

In recent years, our investments have focused on:

- Track replacement and rehabilitation
- Construction and rehabilitation of slopes, yards and terminals
- Construction of railroad beltways
- Tractive equipment
- Introduction of new operating technologies
- Telecommunications equipment

Sustainable vision

We initiated the conversion of locomotives to use cleaner fuel. The new locomotives are equipped with a state-of-the-art system that optimizes performance and fuel management while making transit safer. This measure, together with equipment replacement and traffic optimization, are key actions to reduce GMXT's carbon footprint.

Maki Medina, assistant,
Torreon Terminal, Coahuila.

Occupational health and safety

We follow three guiding principles:



Operational safety prevails at all levels of our organization, to operate with zero accidents.



More than 1,970 employees received training on risk management and first aid



In 2022, we trained 2,854 employees in occupational health and safety topics, reaching more than 46,664 man-hours



We operate 37 healthcare units distributed across the country, staffed by 25 general practitioners and 140 nurses

In the area of railroad safety, investments were made to incorporate technology for the safe operation of trains. Level crossings were rehabilitated and the signaling and installation of electronic barriers were maintained to stop vehicles and pedestrians from crossing when the train passes.





INFRASTRUCTURE

DIVISION

We build
infrastructure
for Mexico's
development

Wind turbine at Fencias Wind
Farm, Nuevo Leon.

Infrastructure Division

México Proyectos y Desarrollos

THOUSANDS OF DOLLARS

	January - December		Variation	
	2021	2022	Thousands of USD	%
Revenues	\$ 557,772	\$ 664,107	\$ 106,334	19.1
Cost of Sales	\$ 315,023	\$ 391,744	\$ 76,721	24.4
Operating Profit	\$ 86,743	\$ 112,155	\$ 25,412	29.3
EBITDA	\$ 226,744	\$ 267,823	\$ 41,079	18.1
EBITDA Margin (%)	40.7%	40.3%		
Net Profit	\$ 17,282	\$ 36,322	\$ 19,040	110.2
Profit Margin (%)	3.1%	5.5%		
Investments	\$ 98,170	\$ 81,109	\$ (17,061)	(17.4)

Our Infrastructure Division is represented by the subsidiary México Proyectos y Desarrollos, S. A. de C.V. (MPD) and has six lines of business:

1. Oil and gas
2. Energy
3. Highways
4. Construction
5. Fuels
6. Engineering

Construction of the new tailings deposit master work, Buenavista del Cobre, Sonora.



Toll booth
Salamanca-Leon, Guanajuato.

In 2022, the Infrastructure Division achieved 19% growth in revenues, driven by improved results in all its business lines, with accrued revenues of US\$664 million and EBITDA of US\$268 million.

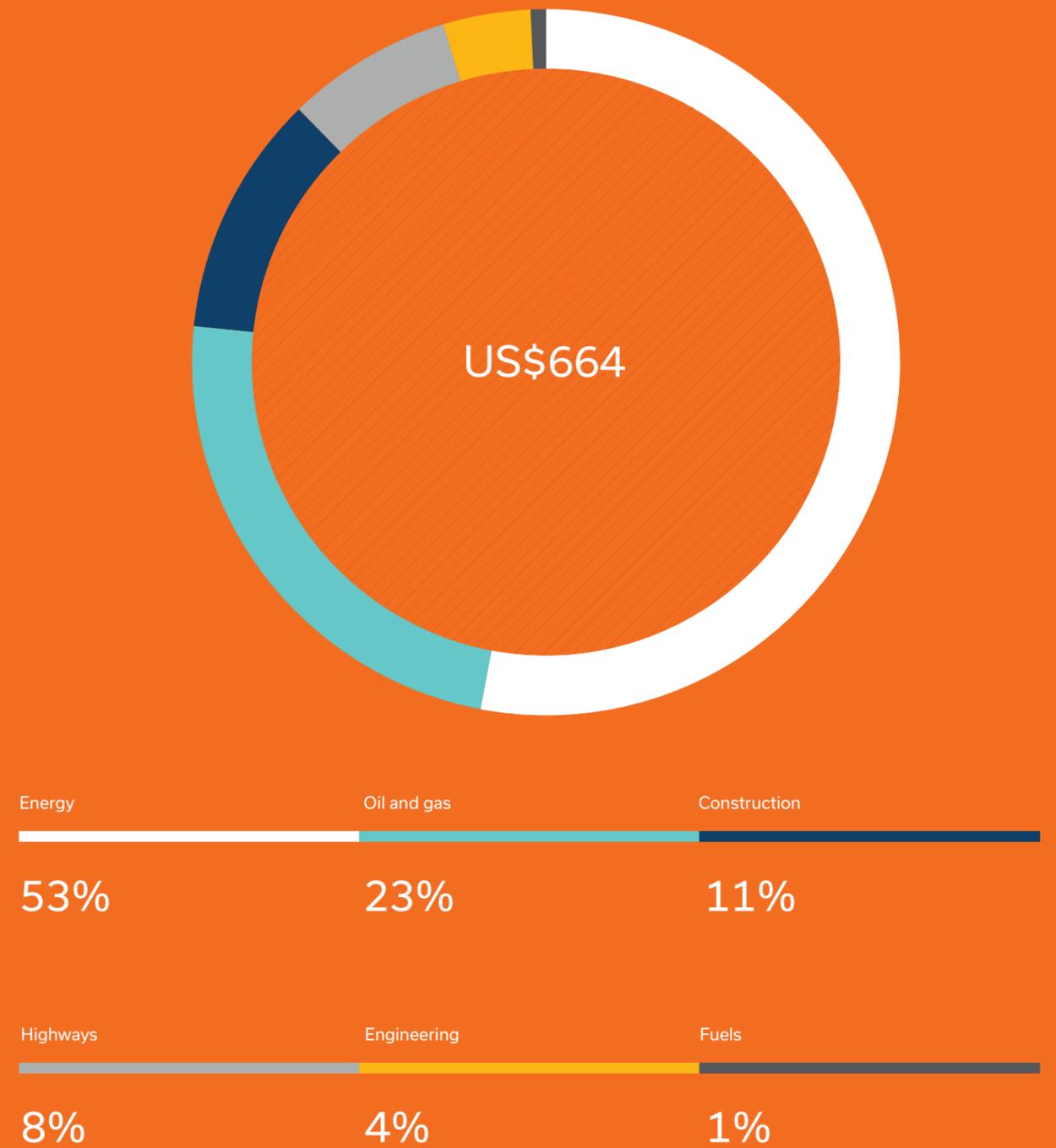
In 2023, we will invest US\$117 million mainly in:

- Renewable energies
- Fuel terminals
- Highways
- Acquisition of construction equipment

To be an efficient and competitive company, our business lines have international certifications, such as quality (ISO 9001), environment (ISO 14001), road safety (ISO 39001:2012), and occupational health and safety (ISO 45001).

Likewise, we focus on the well-being and development of our team and work environments. Thanks to this, for the third consecutive year in the Engineering subsidiary and the La Caridad Generation Plant, as well as for the first time in the Oil, Construction and Corporate subsidiaries, we obtained the Great Place to Work global certification.

Revenues by line of business



› In 2022, we invested US\$81 million



- 01 Combined cycle plants
- 02 Cadereyta Fuel Terminal
- 03 Fenicias Wind Farm
- 04 El Retiro Wind Farm
- 05 Salamanca-Leon Highway
- 06 Silao Bypass
- 07 Land drilling rig
- 08 "Tamaulipas" rig
- 09 "Veracruz" rig
- 10 "Tabasco" rig
- 11 "Zacatecas" rig
- 12 Offshore drilling rig
- 13 "Campeche" rig
- 14 "Chihuahua" rig

Infrastructure

-  Energy
-  Highways
-  Oil and gas
-  Fuel storage terminal
-  Construction firm
-  Engineering



Aerial view of Modular Rig, Veracruz, Gulf of Mexico.

Oil and gas



million
(+8% vs 2021)



million
(+13% vs 2021)

Our six rigs have operated uninterrupted throughout the year, with an average accumulated efficiency of 99.4%

Rig	Productivity 2022	Contract term
Campeche	99.3%	December 2024
Tabasco	99.9%	
Chihuahua	99.7%	
Zacatecas	99.8%	
Veracruz (Modular)	99.1%	
Tamaulipas (Modular)	99.6%	

➤ We reduced the accident rate by 78% vs. the previous year

- › The La Caridad plant has achieved a record of nine years (+3,300 days) without lost-time injuries

Energy



million
(+15% vs. 2021)



million
(+8% vs. 2021)

FENCIAS WIND FARM, NUEVO LEON

Operation of this farm is expected to begin during the third quarter of 2023.



million



production
capacity

This farm will supply electric energy to IMMSA's mining and metallurgical operations.

SOLAR ENERGY

The purpose of this company is to develop clean energy generation projects located as close as possible to the consumption site. In 2022, we completed seven photovoltaic panel projects: five for the Toll Roads and two for Minera Mexico's Tamosura Park. These projects will replace 80% to 100% of grid energy consumption with green energy.



Fencias Wind Farm,
Nuevo Leon.



Toll booth
Salamanca-Leon, Guanajuato.

Highways



million
(+21% vs 2021)



million
(+34% vs 2021)

We have two highway concessions in Guanajuato:

1) Salamanca-Leon Highway:

The equivalent daily traffic by type of vehicle was 21,917 units, 16% more than in 2021.

2) Silao Bypass:

During 2022, the equivalent daily traffic increased 32% vs. the previous year with 3,528 units.



Silao Bypass,
Guanajuato.



Construction of airfield,
Cananea, Sonora.

Construction



million
(+37% vs 2021)



million
(+37% vs 2021)

Since 2007, we have maintained the certification of our integrated management system. In 2022, the system was recertified until 2025 for Quality (ISO 9001:2015), Environment (ISO 14001:2015) and Occupational Health and Safety (ISO 45001:2018).

MAIN WORKS

- In March 2022, we carried out earthmoving and stripping work at the Pilares mine in the La Caridad mining complex
- In April 2022, the expansion of the Lime Plant in Agua Prieta, Sonora, was completed
- In October 2022, we completed the construction of the Cananea Airfield
- At the Buenavista del Cobre mine, we continue with the construction of stage 3 of the New Tailings Deposit Curtain
- In Altamira, Tamaulipas, the construction of the Fuel Storage Terminal for OTM and Valero is 75% complete

- **We achieved better results than in 2021 due to the start-up of new works and the continuity of projects, with more than 2.5 million hours of work**



Construction of Fuel Storage Terminal with a capacity of 1.1 million barrels, Altamira, Tamaulipas.

Fuels

BELVEDERE LOGISTICS PROJECT, USA

Railroad logistics services project to transport fuels, which includes engineering, construction and operation of four terminals, with possible expansion to three more terminals with capacities of 300,000 to 900,000 barrels. Construction is planned to begin in the third quarter of 2023.

Engineering



million
(+2% vs 2021)



thousand
hours worked

We remain committed to the development of the country's energy infrastructure. An example of this is the construction of the Fuel Storage Terminal for Valero in Altamira, Tamaulipas, with an investment of more than US\$143 million, as well as the construction of the Puerto Mexico Chemical Terminal for Braskem in Coatzacoalcos, Veracruz, with an investment of more than US\$400 million.



FUNDACIÓN

GRUPO MÉXICO

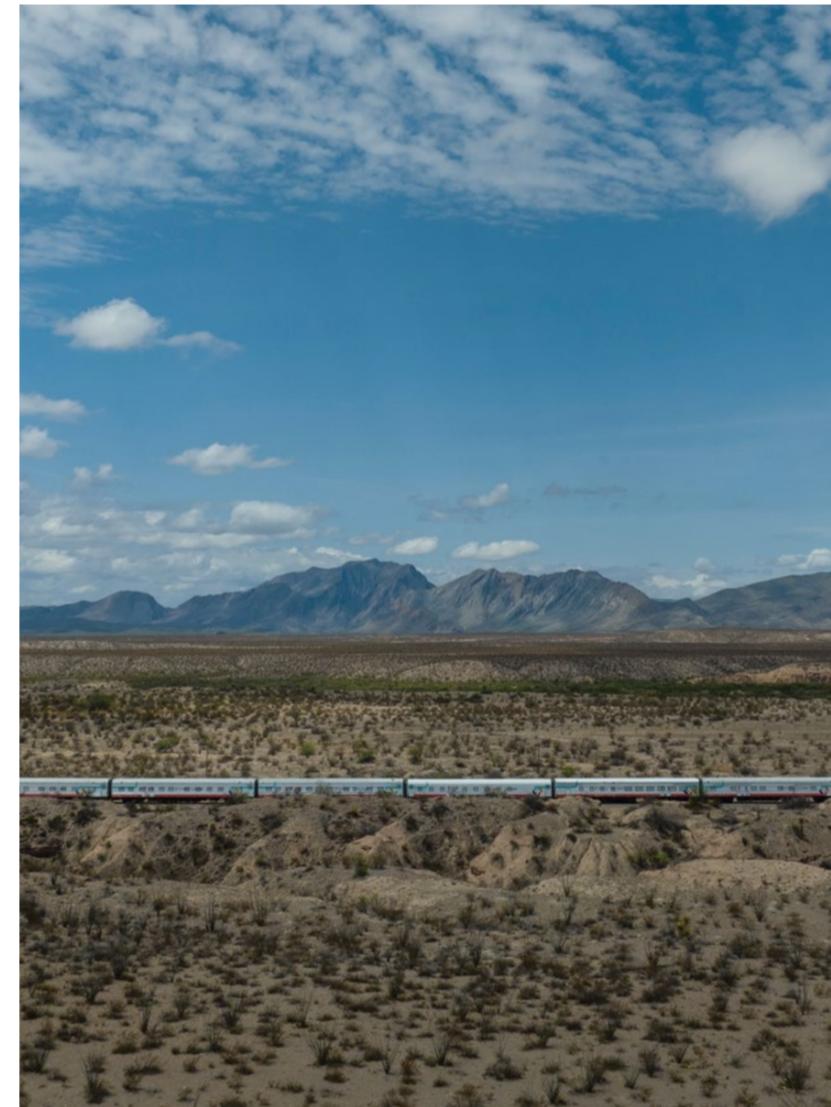
2 million
free consultations
in more than
300 communities

Dr. Vagón, the Health Train,
Tecomán, Colima

Health

Dr. Vagón, the Health Train

Program focused on prevention, early detection and treatment of diseases, bringing free medical services to the least favored and hardest-to-reach communities in Mexico.



Dr. Vagón,
Ojinaga, Chihuahua.



Families enjoying the
Cine Vagón screenings.

Cine Vagón

During 2022, Cine Vagón brought the magic of cinema to the 54 communities visited on the 12 routes of the Health Train, where 172 free movie screenings were offered to more than 23,000 guests.

We performed 8,133 mammograms, identifying 272 patients with radiological suspicion of breast cancer, which is equivalent to three out of every 100 women with such a diagnosis.

In the area of family planning, we generated 3,305 years of couple protection, as a result of 130 vasectomies and the placement of 401 IUDs.

We delivered 116 Health Education Workshops to 1,881 attendees on topics such as:

- Family planning
- Women's health
- Breast self-examination
- Respiratory infections
- COVID-19
- Nutrition

The 800 DRVAGON hotline mainly dealt with the following issues:

- Emotional conditions
- Relationship
- Bullying
- Grieving
- Relationship with family
- COVID-19

Types of medical consultation



Scan the QR code to watch the Dr. Wagon Cineminuto program



Three out of every 100 women were detected with suspected breast cancer.



More than 15,000 eyeglasses were donated.

We appreciate and recognize the great work of our allies:



This year, the "Surgical Certification for Bilateral Implant Technique" was obtained from the Boston Children's Hospital and Cochlear LATAM.

- ◆ Since the end of 2020 to date, we have implanted and provided Auditory-Verbal Therapy to 30 children

Hearing Without Borders

A program that diagnoses, treats and enables children with severe and/or profound hearing loss up to 24 months of age.

In 2022, we contributed to change the lives of 22 children by providing them with a bilateral cochlear implant, support in the process of Auditory-Verbal Therapy and the corresponding audiological follow-up, to have them achieve spoken language and a greater insertion in society.

By 2023, we plan to donate 80 cochlear implants for 40 children, as well as to continue with therapies and audiological follow-ups for children implanted in previous years.



Scan the QR code to watch the Hearing Without Borders Cineminuto program.



Environment

Mexicanos Sembrando

Fundación Grupo México operates seven nurseries in the country, located in San Luis Potosi (3), Sonora (2), Coahuila (2), (1) and Zacatecas (1), which are used for forest restoration, contribute to mitigating the effects of climate change and maintaining ecosystem stability.

In 2022:

+3

million plants donated to 22 States and 155 Municipalities through our allies

+100

Institutions benefited

+3,000

hectares reforested, the equivalent of more than 4,200 soccer fields the size of the Azteca Stadium in Mexico City

- › Our nurseries can produce more than 7.7 million plants

Grupo México's nurseries produce plants of 102 different forestry and ornamental species.





Participation of volunteers in the eleventh annual reforestation day.

Annual reforestation

On the eleventh annual reforestation day in La Siberia, State of Mexico, more than 5,000 stone pine trees were planted on five hectares, thanks to the collaboration of more than 1,000 volunteers. Over the next three years, the planted specimens will be monitored to ensure a survival rate of more than 80%.

Vagón Verde

Since 2015, Fundación Grupo México, in coordination with Grupo México Transportes, has been transporting and donating trees to the communities surrounding the railroads through the exchange of PET bottles for plants.



In 2022, the states of Colima, Jalisco, Michoacán and Veracruz participated in this program, receiving 125,468 plants of 48 different species for reforestation



More than eight thousand PET bottles and more than two thousand plastic caps were exchanged for plants

Support to Institutions

We strengthen, connect, make visible and support the Mexican and Latin American social sector through our programs: The Network of Business Associations and Foundations, Conciencia Cinemex and Social Pitchers.



Red de Asociaciones y Fundaciones Empresariales (Network of Business Associations and Foundations)

The Network strengthens Civil Society Organizations (CSOs), because:

- It is a space for convergence and international networking among various sectors: social, private, academic, public and impact, to share invitations, knowledge and best practices
- The digital professionalization library has more than 700 free cutting-edge training programs
- It offers, through experts, tools for CSOs to learn how to raise funds and make their cause visible

► We are a community of more than 6,000 organizations from 17 countries



Guide for CSOs: Success Stories, highlighting organizational resilience and innovation during the COVID-19 pandemic.

The Network of Associations promoted 8 virtual networking spaces among its CSO partners, called "Jueves de EnREDados" (Networking Thursdays).

RELEVANT ACTIONS 2022

Our digital empowerment actions reached more than 170,000 people through:



trainings



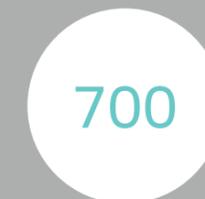
learning hours



national and international speakers



allied institutions, consultants and companies



legal counseling sessions



CSOs that are part of the Network have been supported by Fundación Grupo México



More than 4,000 runners in the 11th Grupo Cinemex Race.



Social Marketing Campaign for Fundación Mexicana de Pie Equino Varo A.C. (Mexican Clubfoot Foundation) benefiting 6,870 individuals.

Conciencia Cinemex 2022

Grupo Cinemex Race

More than 4,000 runners participated in the 11th edition to support the 6,710 children served by the Mexican Clubfoot Foundation, which received a donation for the *Caminando Juntos* project.

Social Marketing Campaigns

Thousands of moviegoers donated to two great causes through the purchase of popcorn at the Cinemex candy bars, achieving the highest collection in the history of our Social Marketing Campaigns with more than 300 thousand popcorn boxes sold, benefiting the Fundación Mexicana del Pie Equino Varo A.C. and Centro de Cuidados Paliativos de México I.A.P.

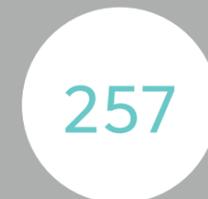
> To visualize the causes, in 2022, we conducted 10 digital billboard campaigns impacting more than 280,000 people

Cineminuto Social

Through the donation of advertising in movie theaters, we help different CSOs to promote their causes and programs, thus gaining visibility and positioning.



benefited organizations



cinemas



spots screened



viewers

Eficine and Efiartes Support for Mexican productions

We receive, evaluate and select Mexican film and theater projects from various production companies to enter them into the Fiscal Stimulus for Film and Theater and promote their production; and in this way, we make an impact through art on our society with the support of Grupo México's companies. More than MXP\$85 million in support for Mexican cinema and theater.

- Four film projects and five theater projects supported
- Three film productions: El Rey de la Fiesta, La Nave, and Lecciones para Canallas
- Two plays completed: La hora de todos and Virginia y La Muerte de la Polilla

Social Pitchers



We carried out the second edition of Social Pitchers, an innovative strategy to strengthen and finance projects of Civil Society Organizations through a pitching contest.



300+ applications to the competition for selection to find the best projects



Three finalist Pitchers: Early Institute A.C., from Mexico City, Hub Impulsor Social A.C., from Oaxaca, and Pro-Mujer con Cáncer de Sinaloa IA.P. (Encauza)



Edition number 12 of our Xocoyo collection: Amaranto, la Alegría de la Vida (Amaranth, the Joy of Life), one year's proceeds from the sale of the book will be donated to: Niños y Adolescentes en Armonía A.C. (NAEA).

Education and Culture

Educa y Aprende Platform

In 2016, to reinforce the programs provided in primary and secondary schools in Mexico, we created the collection of Educational Materials for Health and Life, in which we address topics such as addictions, nutrition, sexuality, mental health, and violence, cybersecurity, inclusive education and a culture of legality.

The digital E-Learning platform *Educa y Aprende* (Educate and Learn), where parents and teachers can find materials and courses in which, through case studies and evaluations, they can learn easily, intuitively and free of charge about the topics in the Collection.



300 teachers use the *Educa y Aprende* platform as a teaching tool in their lessons; 14 new courses are available

Grupo México

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