



AUTLAN[®]

COMPAÑÍA MINERA AUTLÁN, S.A.B. DE C.V.

Arq. Pedro Ramírez Vázquez # 200-10, Col. Valle Oriente
San Pedro Garza García, N.L., Mexico 66260

**Shares representative of the Company's Share Capital
"B" Series
Mexican Stock Exchange
Ticker symbol: AUTLANB**

The securities of the Issuer are registered in the National Securities Registry and are listed on the Mexican Stock Exchange, S.A.B. de C.V. The inscription of the securities does not imply certification of their worth, nor of the solvency of the Issuer or of the accuracy or veracity of the information contained in this report, nor does it validate the acts that, in its case, have been carried out in contravention of laws.

Annual Report and Audited Financial Statements 2021

that are presented in accordance with the general provisions applicable to the
Issuers of securities and other market participants

Year ended December 31, 2021

(the figures of the Audited Financial Statements have been revised to match with the figures presented here)

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I. GENERAL INFORMATION

1. Glossary of terms and definitions

For the purposes of this Annual Report, the following terms shall have the meaning attributed to them, in singular or plural form:

| | |
|---|--|
| <i>“Autlán, “the Company” or “the Issuer”</i> | Compañía Minera Autlán, S.A.B. de C.V. |
| <i>“Autlán Holding”</i> | Autlán Holding, S.A.P.I. de C.V. |
| <i>“BMV”</i> | Mexican stock exchange, S.A.B. de C.V. |
| <i>“CCMA, LLC”</i> | American company that is exclusive distributor of the Company for export sales in the United States of America and Canada. |
| <i>“Cegasa”</i> | Cegasa Portable Energy SLU, a company dedicated to the production of electrolytic manganese dioxide. |
| <i>“CEMSA”, or “CEM”</i> | Mexican Energy Company, S.A. de C.V. |
| <i>“Unsecured Stock Certificates”</i> | It means the stock certificates that may be issued by the Issuer under the dual Program of Unsecured Stock Certificates. |
| <i>“Senior Trust Bonds”</i> | It means the senior trust bonds issued by the Irrevocable Trust of Issuance, Administration and Payment CIB / 2702 with whom Autlán entered into a Factoring contract of its current and future accounts receivable. |
| <i>“CFE”</i> | Federal Electricity Commission |
| <i>“CIM”</i> | Code of the Canadian Mining Institute. |
| <i>“Sole Circular Letter”</i> | Means the General Provisions applicable to securities issuers and other stock market participants initially published in the Official Journal of the Federation on March 19, 2003, as they have been modified. |
| <i>“CNBV”</i> | It means the National Banking and Securities Commission. |
| <i>“Issuance”</i> | It means the Issuance of the Shares among the large investing public. |
| <i>“Dollar”, “Dollars” o “US\$”</i> | It means Dollars, legal tender in the United States of America. |
| <i>“Dumping”</i> | It is the international practice of commerce in which a company sets a lower price for the exported goods than for the same goods sold in the country. |
| <i>“EMD”</i> | Electrolytic Manganese Dioxide. |
| <i>“Financial statements”</i> | The audited consolidated financial statements of Compañía Minera Autlán, S.A.B de C.V. as of December 31, 2021, 2020 and 2019, together with their respective notes, which are appended to this report. |
| <i>“GFM”</i> | Grupo Ferrominero, S.A. de C.V. |

| | |
|---|--|
| "IFD" | Derivative financial instruments. |
| "IFRS" | International Financial Reporting Standards |
| "Indeval" | S.D. Indeval Institución para el Depósito de Valores, S.A. de C.V. |
| "INPC" | The National Consumer Price Index. |
| "IPC" | The Price and Quotation Index of the BMV. |
| "VAT" | The Value Added Tax. |
| "ISR" | The Income Tax. |
| "M&A" | Refers to the abbreviations of mergers and acquisitions. |
| "Metallorum", or "Metallorum Holding" | Metallorum Holding, S.A.P.I. de C.V. company dedicated to the extraction of precious metals which was acquired and merged by Autlán. |
| "PROFEPA" | The Federal Attorney's Office for the Protection of the Environment. |
| "RNV" | National Registry of Securities |
| "First Dual Program of Unsecured Stock Certificates" | It means the preventive registration in the RNV, in accordance with the method of Issuance of short and long-term bond certificates (dual) of the Issuer, with revolving character for up to Ps \$ 1,500'000,000.00 (one thousand five hundred million Pesos 00/100 National Currency), authorized by the CNBV on December 11, 2014. |
| "PPA" | Refers to the acronym of power purchase agreement . |
| "SE" | Ministry of Economy. |
| "Second Dual Program of Unsecured Stock Certificates" | It means the preventive registration in the RNV, in accordance with the method of Issuance of short and long-term bond certificates (dual) of the Issuer, with revolving character for up to Ps \$ 3,000'000,000.00 (three million Pesos 00/100 National Currency), authorized by the CNBV on January 22, 2020. |
| "SFM Holding" | controlling shareholder of the now defunct company Metallorum Holding and current minority shareholder of Autlán. |
| "SEMARNAT" | Secretariat of Environment and Natural Resources. |
| "Spot" | It is the price at which a certain asset is traded in the spot market or physical market. |
| "EBITDA" | Operating income plus depreciation and amortization. The EBITDA does not measure financial performance under IFRS and should not be considered as a substitute for net sales measured in terms of operating performance, nor for cash flows generated by operations measured in terms of liquidity. |

2. Executive Summary

Compañía Minera Autlán, S.A.B. de C.V. Compañía Minera Autlán, SAB de CV (Autlán) is a Mexican company that is listed on the Mexican Stock Exchange and has a commercial presence in five continents. Throughout its more than 65 years of history, Autlán has developed with great experience in the production and commercialization of manganese ore and ferroalloys within its "Autlán Manganese" Division, supporting a unique industry in the country.

In the same way, and with a desire to integrate into the value chain to control one of its most important inputs, through its "Autlán Energía" Division it has ventured into the generation of renewable electricity mainly for self-supply, but with plans to be an important part of the company's income.

During 2018, as part of the company's strategic plan, Autlán and Metallorum reached an agreement in which Autlán acquired 100% of the share capital. With this acquisition by merger, Autlán incorporates a new operation dedicated to the extraction of precious metals, mainly gold, and creates the "Autlán Metallorum" Division.

In addition, in 2020 Autlán acquired Cegasa Portable Energy, SLU, a company established in the Basque Country with a significant share in the European electrolytic manganese dioxide market. This operation contributes, on the one hand, to our growth in the battery industry and, on the other, to the diversification of income sources towards non-steel operations. In addition, it represents the first step towards the geographic expansion of operations outside of Mexico serving the European Union market. With this acquisition, the Autlán EMD Division was born

The company currently has 4 Mining Units (3 manganese and 1 gold), 3 manganese ferroalloy plants and a hydroelectric plant operating in the States of Hidalgo, Puebla, Veracruz, Durango and Sonora. In addition, Autlán has an electrolytic manganese dioxide (EMD) plant located in the Basque Country, Spanish Autonomous Community. The Company has a direct employment base of more than 2,200 people.

The markets in which Autlán operates are made up of the iron and steel industry, the precious metals industry, the dry and alkaline batteries, ceramics, micronutrients for animals, and fertilizers.

Today, its focus is on developing effective strategies to be a more valuable company under a strengthened corporate identity, betting on the growth and diversification of the company, always acting in a sustainable way. With this, Autlán advances with its long-term strategic growth plan, reiterating its commitment to the development of Mexico.

The representative shares of Autlán are publicly listed on the BMV. As of December 31, 2021, Autlán Holding controlled 58.63% of the representative shares of Autlán, SFM Holding SAPI de CV held 23.31% and the remaining 18.06 % is in the hands of the investing public.

The commercial name of the Company is "Autlán" and the corporate offices of the Company are located at Arq. Pedro Ramírez Vázquez # 200-10, Col. Valle Oriente, in San Pedro Garza García, N.L. 66260, Mexico and phone number of the Company is +52 (81) 8152-1500.

RECENT EVENTS

- a) On January 30, 2019, Verum Calificadora de Valores assigned corporate ratings by granting a 2/M rating for the short term and A-/M rating with a stable outlook for the long term. Likewise, the rating for the issuance of Senior Stock Bonds with the ticker symbol AUTLNCB 17 was raised from AA / M (e) to AA + / M (e) with a stable outlook.
- b) During 2019, we participated in the Mexican debt market through six issuances of short-term Unsecured Stock Certificates under the First dual Program of Unsecured Stock Certificates that together totaled \$ 500 million pesos. The destination of the emissions with ticker codes "AUTLAN00119", "AUTLAN00219", "AUTLAN00319", "AUTLAN00419", "AUTLAN00519" and "AUTLAN00619" were for corporate purposes in general, including payment of liabilities, working capital requirements and / or investment projects.
- c) In the month of July 2019, the cancellation of 15,000,000 (fifteen million) series "B" shares that were common, ordinary and without expression of par value, took effect, each one representing the variable part of Autlán's capital stock, that were held in the company's own possession.

- d) On September 12, 2019, the contract for the provision of services of Market Maker with UBS Casa de Bolsa, SA de CV was terminated
- e) On October 24, 2019, HR Ratings ratified corporate ratings with a HR2 rating for the short term and HR A- with a stable outlook for the long term. Likewise, it ratified the qualification for the dual program of short-term stock certificates with a HR2 rating and the rating for the issuance of trust stock certificates with ticker symbol AUTLNCB 17 from HR AA- (E) to HR AA (E) with stable outlook.
- f) At the end of 2019, Autlán informed the investing public that it contracted an amortizable unsecured loan for \$30.0 million with a term of seven years with Banco Santander México, seeking to continue improving its debt profile. The resources were used to refinance debt with the same bank, as well as support for working capital for future investments.
- a) On January 14, 2020, the temporary closure of the Gómez Palacio de Autlán ferroalloy plant was announced due to difficult conditions in the steel market. The situation of the Covid-19 pandemic made it difficult to resume its activities throughout the year, however, Autlán's operational flexibility has allowed it to meet current demand with the Teziutlán and Tamós plants by adjusting production levels to the market while keeping operating costs low.
- b) In January 2020, the Second Program of Short- and Long-Term Stock Certificates was authorized with a revolving character for up to \$ 3,000 million pesos, by the National Banking and Securities Commission. Under this program, it participated in the Mexican debt market through five issuance of Unsecured Stock Certificates that together totaled \$ 551.2 million pesos. The destination of the emissions with ticker codes "AUTLAN00120", "AUTLAN00220", "AUTLAN00320", "AUTLAN00420" and "AUTLAN00520" were for corporate purposes in general, including payment of liabilities, working capital requirements and / or projects of investment.
- c) On February 10, 2020 of the same year, Autlán purchased Cegasa Portable Energy, located in Spain company dedicated to the production of Electrolytic Manganese Dioxide (EMD). Alongside with Autlán's strategic plan, this operation contributes to the growth of the Manganese Division in the battery industry and to diversify their sources of income to non - steel applications .
- d) In February 2020, Autlán informed the investing public that it contracted an amortizable unsecured loan for \$ 16.0 million with a seven-year term with Banco del Bajío. The resources were used to refinance debt with the same bank, as well as support for working capital for future investments.
- e) During 2020, Autlán received two awards that distinguish its efforts for social commitment and for transparent communication through its different channels. These were, firstly, the Ethics and Values in Industry Award, awarded by the Confederation of Industrial Chambers (CONCAMIN, its initials in Spanish) and recognized as a case of success in the application of ethical principles in corporate operations and business; and the AMCO Award, granted by the Mexican Association of Communicators, which awarded the 2019 Annual Report highlighting the company as an organization with excellent corporate communication practices.
- f) The pandemic caused by the COVID-19 virus has come to revolutionize the way companies work, forcing them to react in an agile, effective and modern way. Such was the case in Autlán that, with the experience of being in a cyclical industry where it is necessary to adapt to market conditions quickly, an awareness and prevention plan was used to safeguard the health and well-being of our employees and took timely actions to maintain financial stability.

In addition to the sanitary measures recommended by the authorities regarding distancing, hand washing and the use of face masks, the company has reduced face-to-face meetings, trips and other collective activities.

Regarding the social responsibility of the company, support has been provided to give preventive materials and guidance to prevent the contagion and spread of the virus in the communities near our operations.

As part of the measures adopted, it was possible to maintain adequate levels of liquidity, investments (CAPEX) were rationalized, working capital was optimized and a cost and expense reduction program was implemented in all our operations.
- g) On December 9, 2020, it was reported that Mr. Pedro Rivero González was appointed as Deputy General Director, who in addition to his current functions as Vice President of Operations and from this designation, would join the General Director to the general supervision of all the areas of the organization.
- h) On February 2, 2021, the resumption of operations was announced at the ferroalloy plant located in Gomez Palacio, Durango, since the steel market showed signs of recovery.

- i) During 2021, four Unsecured Stock Certificates were issued under the "Second Dual Program of Unsecured Stock Certificates" totaling \$571.2 million pesos. The destination of the emissions with ticker codes "AUTLAN00121", "AUTLAN00221", "AUTLAN00321" and "AUTLAN00421" were for corporate purposes in general, including payment of liabilities, working capital requirements and / or projects of investment.
- j) On April 5, 2021, Mr. Pedro Rivero González assumed the General Management of the company, replacing Oscar Maldonado Charles, who continued to be linked to the organization as a new member of the Board of Directors.
- k) On June 21, 2021, the Market Maker program began with Casa de Bolsa Santander, S.A. de C.V., Grupo Financiero Santander México, with the aim of promoting the liquidity of Autlán's shares, establishing reference prices and contributing to the stability and continuity of share prices.
- l) On August 6, 2021, a syndicated loan was contracted for \$80 million dollars for a term of six years with J.P. Morgan acting as lead arranger. The purpose of the resources obtained was to refinance existing credits, among them the Trust Stock Certificates "AUTLNCB17" and improve our debt profile.
- m) On October 7, 2021, the cash dividend equivalent to 7.2 million dollars approved at the Ordinary General Shareholders' Meeting was paid.

SUBSEQUENT EVENTS

- n) On January 27, an Unsecured Stock Certificate was issued under the "Second Dual Program of Unsecured Stock Certificates" for an amount of \$200 million pesos. The destination of the issue with ticker symbol "AUTLAN00122" was for corporate purposes in general, including payment of liabilities, working capital requirements and/or investment projects.
- o) In April, the Mexican Supreme Court of Justice resolved the constitutionality of the Electricity Industry Bill.

FINANCIAL SUMMARY 2021

The financial information presented below with respect to each of the three fiscal years ending in 2021 , 2020 and 2019 comes from the consolidated financial statements. The financial information presented is derived from, and should be read in conjunction with, the consolidated financial statements audited by independent public accountants , as well as their respective notes, which can be consulted in the annexes . The audited consolidated financial statements of the Company for the periods 2021, 2020 and 2019 have been prepared in accordance with the IFRS issued by the International Accounting Standards Board.

Adoption of the Dollar as a Functional and Reporting Currency

According to IFRS, the functional currency must be determined based on the currency of the economic environment in which the Issuer and its subsidiaries predominantly operate, which in the case of Autlán means the dollar. For this, the figures dictated here reported for the quarters and the years 2021, 2020 and 2019 and 201 in August have been prepared taking into account this change.

Rounding effect

Certain amounts and percentages included in this annual report have been rounded to facilitate its presentation. The figures expressed in percentages included in this annual report have been calculated based on these figures before rounding. For this reason, certain percentage amounts in this annual report may vary from those obtained by performing the same calculations using figures from the Consolidated Financial Statements. Other amounts included in this annual report may not match due to rounding.

FINANCIAL SUMMARY

(millions of dollars)

| INCOME STATEMENT | 2021 | 2020 | 2019 |
|--|-------------|-------------|-------------|
| Net sales | 450.4 | 346.2 | 420.1 |
| Cost of sales | 355.8 | 283.9 | 341.9 |
| Gross Profit | 94.6 | 62.4 | 78.2 |
| Operating profit | 31.1 | 10.1 | 22.8 |
| Profit (loss), net controlling | 3.5 | (14.8) | (12.3) |
| EBITDA | 121.2 | 68.0 | 79.3 |
| | | | |
| BALANCE SHEET | 2021 | 2020 | 2019 |
| Current assets | 268.4 | 225.6 | 265.7 |
| Non-current assets | 542.2 | 606.6 | 599.7 |
| Total assets | 810.5 | 832.2 | 865.4 |
| Short-term debt | 45.1 | 103.8 | 89.6 |
| Suppliers | 88.9 | 94.6 | 120.6 |
| Short-term related parties | 0.6 | 0.5 | 0.5 |
| Short-term lease liabilities | 6.7 | 7.7 | 8.0 |
| Other current liabilities | 47.4 | 36.9 | 45.5 |
| Current liabilities | 188.1 | 243.5 | 264.2 |
| Long-term debt | 145.6 | 88.6 | 88.9 |
| Long-term lease liabilities | 7.8 | 9.8 | 10.1 |
| Other long-term liabilities | 126.7 | 140.9 | 141.2 |
| Long-term liabilities | 280.2 | 239.3 | 240.3 |
| Total liabilities | 468.2 | 482.8 | 504.5 |
| Stockholders' equity | 342.3 | 349.4 | 361.0 |
| Liability and capital | 810.5 | 832.2 | 865.4 |
| | | | |
| (Loss) basic and diluted earnings per share in dollars | \$0.010 | \$-0.044 | \$-0.037 |

Autlán's net sales as of December 31, 2021 were 30% higher than those of 2020, registering an amount of \$450.4 million dollars. This was achieved due to the increase in the demand for manganese ferroalloys, which allowed the amount sold to increase by 10% compared to 2020. In addition, the sale of manganese nodules to convert them into ferroalloys was reduced, taking advantage of the rise in prices experienced by these products. At the end of December 31, 2020, they were 18% lower than those of 2019, registering an amount of \$346.2 million dollars. This is explained by the slowdown that the steel industry has suffered since mid 2019, coupled with the negative effects of the COVID-19 pandemic that also affected the production of ounces of gold due to the temporary stoppage of operations as it was not considered an essential activity by the authorities during the second quarter of 2020.

The accumulated cost of sales of 2021 represented 79% of sales against 82% of 2020. This decrease in participation is due to operational efforts to keep costs low and take advantage of the good price level of manganese ferroalloys. The accumulated cost of sales of 2020 represented 82% of sales against 81% of 2019. This percentage occurs because the costs of the main inputs (imported mineral, coke, etc.) did not fall in the same proportion (they do so with a time lag) as the sale prices, which are just beginning to recover.

In the accumulated of the year, the operating profit reached \$31.1 million dollars, increasing compared to 2020 by \$21.0 million dollars. For its part, in 2020 this operating profit decreased by \$12.7 million dollars compared to the 2019 result.

At the level of operating cash flow (EBITDA), an amount of \$121.2 million dollars was recorded, reaching a record figure for the last twelve years, with an EBITDA margin of 27% on sales. In this field, Autlán Manganese's participation was 77%, while Metallorum contributed compensating 22%, reducing the level of operation during the last months of the year to focus on the exploration and formulation of a new life plan for the mine. In 2020, an amount of \$68.0 million was registered with

an EBITDA margin of 20% on sales. The comprehensive financing result for that year was \$20.7 million dollars, \$9.1 million dollars less than what was recorded in 2019.

Finally, the financial result led to the recording of a consolidated net profit in fiscal year 2021 of \$3.5 million dollars, reversing the losses of \$14.8 million from the previous fiscal year and \$12.3 million pesos in fiscal year 2019.

At the close of 2021 the cash line and its equivalents, it registered a balance of \$67.8 million, \$8.7 million more than the closing of the previous year. The balance in 2020 was \$59.1 million dollars, \$4.7 million dollars more than the end of 2019.

The balance in the client portfolio was \$83.3 million dollars, showing an increase of 75%, maintaining a healthy behavior without presenting risks, which is due to the higher value of sales due to better volumes and prices. Inventories of raw materials and finished products fell by 1% in the year, due to efforts to optimize our working capital. In contrast, in 2020 the balance in the client portfolio was \$47.6 million dollars, showing an increase of 11% compared to 2019 and with a healthy behavior in the period. Raw material and finished product inventories fell 19% in the year.

Regarding the company's liabilities, the balance of suppliers at the end of 2021 reached a figure of \$88.9 million dollars, being \$5.8 million dollars less than the \$94.6 million dollars reached in 2020, which in turn decreased by \$26.0 million dollars compared to the 2019 figure. Autlán focused on maintaining a strong balance sheet and improving its profile by refinancing short-term debt. Working capital needs were covered through the issuance of short-term Stock Certificates on the Mexican Stock Exchange, as well as refinancing through a syndicated loan, strengthening the long-term capital structure and maintaining very healthy leverage levels. Bank and stock market debt decreased by \$1.6 million during 2021 and increased by \$13.8 million in 2020.

As of 2019, the IFRS 16 accounting standard came into force, which denominates leases as part of the debt, even with the above. Even with the foregoing, the Net Debt to EBITDA leverage ratio for 2021, 2020 and 2019 stood at 1.1, 2.2 and 1.8 times, respectively.

The company's stockholders' equity decreased by 2% due to the result for the year, registering a stockholders' equity value of \$342.3 million dollars. On the other hand, in 2020 the company's stockholders' equity decreased by 4%, reaching the figure of \$349.4 million dollars for the result of the year.

AUTLAN IN THE MEXICAN PUBLIC MARKET

Autlán participates in the capital and debt market in Mexico. Autlán's share is listed on the Mexican Stock Exchange under the ticker "AUTLANB".

The value of the share as of December 31, 2021 was \$13.26 pesos per share, which represented an increase of 25% against the closing price of 2020.

Autlán has been active in the short-term debt market under the second dual program of revolving short- and long-term stock certificates for a total authorized amount of up to \$3,000 million pesos. In addition to the above, the company started a market maker program, contributing to the stability and continuity of share prices, as well as promoting its liquidity.

3. Risk factors

Investing in Autlán shares involves risks. The risks described below, as well as the additional information contained in this annual report, should be carefully considered before making the decision to acquire shares. Any of the risks described below may significantly affect the Company's operations, business plans, financial condition, or results of operations. In such cases, the price or liquidity of the shares could be reduced and some or all of the invested amounts would be lost. The risks described below correspond to those that we currently believe could adversely affect. Additional risks that are currently unknown or not considered relevant as of this date, could also adversely affect Autlán's operations, results, and financial condition.

For the purposes of this section of the annual report, when it is indicated that a risk will have or could cause an adverse effect on the Issuer, it means that the risk could cause, without limitation, an unfavorable effect on business, financial situation, liquidity and results of the Issuer's operations or in the share value.

Information other than the historical information included in this report reflects the operational and financial perspective in relation to future events, and may contain information on financial results, economic situations, trends and uncertain events. The expressions "believes", "expects", "estimates", "considers", "anticipates", "plans" and other similar expressions identify such estimates. When evaluating these estimates, the potential investor should take into account the factors described in this section and other warnings contained in this Report. Risk Factors describe non-financial circumstances that could cause actual results to differ significantly from those expected based on future estimates.

Volatility in Metal Prices

The Company's financial performance may be affected by trends in reference or spot prices in the market for the metals it produces. Historically, these prices have been subject to wide fluctuations and are affected by numerous factors beyond the Company's control, including international economic and political conditions, supply and demand levels, inventory levels held by producers, world steel production and others, inventory carry costs and currency exchange rates. It is important to mention that the contract prices vary from the reference spot prices in the international market and that the company seeks to reduce the impact of this volatility by differentiating itself from its competition through services that add value to its products and that it can provide to its customers in the national market.

Regulations and Concessions

Under Mexican Law, mineral resources belong to the Nation, and a concession granted by the Mexican Federal Government is required to explore or exploit such mineral resources. Autlán's rights to explore and exploit mineral resources derive from mining concessions that have been granted by the Ministry of Economy (SE) in accordance with the Mining Law and its Regulations. The holder of a mining concession, in addition to acquiring the rights to explore and exploit mineral resources, is obliged, among other things, to pay the mining rights semi-annually, comply with all ecological and safety standards, as well as allow inspections and Submit information to the Ministry of Economy (SE).

The concessions may end if the obligations of the concessionaire are not fulfilled. As of December 31, 2021, 2020 and 2019, Autlán is up to date with all its obligations as a concessionaire. Likewise, for the Puebla hydroelectric plant we have a water concession and permits for the generation of energy and the use of water in the hydroelectric plant.

As for concessions, the Company needs various administrative permits to act within the legal framework, among others, Permits for Storage and Use of Explosives and Environmental Impact Manifestations, are some of the authorizations that Autlán must manage with the corresponding authorities. In the same way as the concessions, the Company must comply with the obligations indicated in each permit to maintain their validity, as of December 31, 2021, 2020 and 2019, Autlán is in order with the obligations of these permits.

Environmental Regulations

Mining and industrial companies in Mexico are subject to state and federal laws and regulations that protect the environment, mining operations, health and safety, and other matters. In accordance with the foregoing, although the Company complies with all applicable laws and regulations, and has received the operating licenses required to operate in all its facilities, as well as made the pertinent environmental impact statements, and complies with all the conditions in question, cannot assure that the stricter application of current or additional laws and regulations will have no effect on business, operations, properties, financial results or other conditions. To date, the Company has no breach of these regulations.

Proven and Probable Reserves Data

The information provided on the proven and probable mineral reserves are estimates based on standard evaluation methods generally used in the international mining industry and assumptions of production costs and market prices. No assurance can be given that current reserves will conform to geological, metallurgical and other expectations or that the estimated volumes and grade of ore will be as recovered. Reserves data are not indicative of future operating results.

Extraction Costs

As the extraction of the mineral progresses, the distances to the primary equipment such as the breaker, among others, becomes longer. As a result, you could face increasing extraction costs over time at different extraction points.

Energy Industry Risks

The Atexcaco Hydroelectric Power Plant is strategically located in the State of Puebla due to the good topographic conditions and abundant rainfall, which allow transforming the natural force of water, potentiating its effect through engineering, in order to obtain 36 megawatts (MW) of electrical energy that is sent to our electrical substation, where the electricity is transformed into useful energy that is delivered to the CFE network. However, the collection of water for the generation of electricity may be affected by the period of low water (low water) which in turn depends on weather factors not controlled by the Company.

Mining Industry Risks

The manganese and other metals mining, beneficiation and smelting industry is generally subject to several risks and obstacles, including industrial accidents, labor disputes, unexpected or unusual geological conditions, changes in environmental regulations, environmental and climatic changes and other natural phenomena such as earthquakes. These conditions can result in damage or destruction of mining farms or productive facilities, accidents to personnel and death, environmental damage, delays in mining, monetary losses and possible legal problems. The Company is insured against typical damages of the mining industry in Mexico and in amounts that the Company believes are adequate, but may not provide adequate coverage in certain circumstances.

Relationship with the Steel Industry

Most of Autlán's products are sold and marketed to the steel industry whose industrial processes demand substantial quantities of our products. If technological and / or scientific developments introduce new processes for the production of steel that do not require such substantial quantities of our products, the demand for these would be reduced and the Company's sales would be negatively impacted.

Dependence on Certain Clients

All exports from Autlán to the United States of America are made through CCMA, LLC. If the Company and CCMA, LLC terminate their business relationship, exports to the United States of America could be temporarily affected. The concentration of risk with respect to accounts receivable is important, since, as of December 31, 2021, 60% of the total portfolio of accounts receivable, is concentrated in six clients (61% and 76% in 2020 and 2019, respectively). In addition, the Company maintains reserves for impairment based on the expected recovery of accounts receivable.

Dependence on Certain Inputs

The Company requires purchases of high-grade manganese ore, reducers and other imported materials to be able to produce some of its products, so the volatility that the price of these inputs may have could cause reductions in the Company's margins.

Energy Costs

Energy costs, including the cost of electricity and natural gas, have a significant influence on the Company's operations. Autlán is subject to the negative effects of increases in energy prices. After the inauguration of the Atexcaco Hydroelectric Plant in October 2011, Autlán supplies between 25% and 30% of its electrical energy requirements in a sustainable way, acquiring the energy generated by Compañía de Energía Mexicana, SA de CV at a discount from the price of CFE. In this way, we managed to mitigate the increases in the price of this input, allowing us to be even more competitive. In addition to the CEM supply, Autlán purchases energy from third parties at a discount on the CFE rate to mitigate increases in the price of electricity.

In early 2014 Autlán announces that it takes control of CEM during the last quarter of 2013 and in late 2017 and it acquired it 100%. The Company continues to work on developing projects for the self-generation of electric, solar and wind energy

with the objective of meeting at least 75% of its requirements in the medium term, in addition to seeking substitute fuels for natural gas to minimize the risk of increases in the prices of these energies.

Derivative financial operations

Autlán uses financial derivative instruments ("FDI") in order to cover its risk in the event of an appreciation of the peso, an increase in interest rates and/or the volatility of the price of gold, for which it uses FDI of the type options of Type of Exchange, Forwards and Swaps of Interest Rate, as well as Forwards and collars without cost for the price of gold and other inputs relevant to our operation such as gas. The Company has designated derivative financial instruments as hedging for accounting purposes. However, the economic intention of all instruments is to hedge its exposure to the aforementioned risks. The established policy to hedge exchange risk is to enter into derivative instruments contracts to hedge up to 60% of budgeted income in foreign currency, approximately equivalent to the amount of costs and expenses denominated in pesos. The maximum period of coverage is up to twelve months and instruments such as collars, forwards, swaps and options can be used.

By using DFI, the company seeks to hedge its financial risks; however, it is exposed to credit risk known as 'counterparty risk'. This credit risk arises when the Company's counterpart does not comply with the obligations determined within the contract established for the DFI operation.

Therefore, the Company minimizes the credit risk in its positions with DFI, carrying out these transactions with recognized financial intermediaries that enjoy excellent moral and credit quality; most of these operations are carried out in private or over-the-counter markets and with international financial institutions, although it also works with national institutions.

Tax Reforms

The 2014 Tax Reform that came into effect on January 1, 2014 may have various impacts on the company, among which the following stand out:

1. It limits deductions on contributions to pension funds and exempt salaries, car rental, consumption in restaurants and social security payments; likewise, it eliminates the immediate deduction in fixed assets and exploration expenses in the mining sector.
2. It modifies the mechanics to accumulate the income derived from the sale on time and generalizes the procedure to determine the gain on the sale of shares.
3. It establishes an applicable income tax rate for 2014 and the following years of 30%; unlike the previous LISR that established a rate of 30%, 29%, and 28% for 2013, 2014 and 2015, respectively.
4. The tax consolidation regime is eliminated.

In 2015, a mining tax is decreed whose rate is 7.5% to the profit between certain income from alienation or sale derived from the extractive activity and certain expenses considered as deductible in terms of what is established in the LISR.

In the 2020 tax reform that came into effect on January 1, 2020, it could have the impact regarding the non-deductibility of the interest payable on the adjusted tax profit modality indicated in article 28, section XXXII of the Income Tax Law.

The Labor Reform initiative for 2021 contemplates the prohibition of the subcontracting of personnel, only allowing specialized services or the execution of specialized works.

Likewise, the initiative contemplates the right of workers to PTU, which will have a maximum limit of three months of the worker's salary or the average participation received in the last three years. The amount that is most favorable to the worker will be applied.

Risks of the Company's strategies

The Company's strategies may, at certain times, not be fulfilled due to external factors such as the cyclicity and volatility of the industry in which it participates.

Financial Risk (financing) and Financial Position

The volatility of the steel industry, manganese and precious metals can cause periods of high flow generation, as well as affect this same line in the opposite way. For this reason, high leverage represents a risk, unless the company has a strong cash position to meet commitments. Autlán's financial position has been very healthy and has improved in recent years.

Risks due to non-compliance with the payment of bank, stock market or restructuring liabilities

If the Company defaults on the payment of bank, stock market or restructuring liabilities, there is a risk that the listing of its securities will be suspended on the BMV, so the shareholder could have the liquidity of his or her investment stopped while the suspension lasts. As of December 31, 2021 there is no default in the payment of bank, stock or restructuring liabilities.

Competitive risk

Although the Company's market position in Mexico is very important, there is a risk of entry by foreign competitors; many of whom enter our country under unfair conditions; however, the company takes timely steps to try to counter these imports and unfair trade practices. In Spain, the electrolytic manganese dioxide plant is the second most important in the European continent, for which Autlán strives to continue with the efficiency of its operations in the face of the possibility of new and more aggressive competitors.

Dependence on key personnel

The success of a company is largely supported by its staff. The strategic initiatives that Autlán has proposed require committed collaborators capable of making a significant contribution to the Company's key actions. In this sense, within the framework of constant concern for the development and growth of our staff, we have made considerable progress with the "High Performance Teams" program, through which workers organize themselves into teams, manage their indicators and operate in what we call its "Basic Management Unit". Under this dynamic, Autlán workers have a greater participation in the management of their processes, generating a very important cultural change, which is mainly reflected in the attitude of the staff towards work.

Credit risks that require to retain certain proportions in the financial structure

The Company has to keep some proportions in its financial structure as part of obligations assumed with its creditors. In case of non-compliance with any of these obligations, the creditors could demand the payment of the loan; although by contract there are times to remedy said breach. It is important to mention that the company is current in the payment of all its financial obligations at the close of 2021.

Economic situation

Our operations are carried out mainly in Mexico and an important part of our sales are national. Therefore, our operations could be affected by the general conditions of the Mexican economy. In the past, Mexico has experienced periods of slow or negative growth, fiscal deficits, high inflation, and significant currency fluctuations, which directly affect the results of operations, our financial capacity and liquidity. In addition, from 2020 operations began in the Basque Country, Autonomous Spanish Community. The peculiarities of the Spanish environment have similarities with the Mexican economic environment, such as the recent decelerated growth. Furthermore, currently Spain has one of the highest rates unemployment

Exchange Fluctuations

The value of the peso has been subject to significant fluctuations against the dollar and this volatility may continue forward. The exchange rate plays a key role in the Company's results since 100% of sales are denominated in dollars and approximately 60 % of costs and expenses are in pesos. In such a way that an appreciation in the value of the peso with respect to the dollar produces an increase in the equivalent in dollars of the costs and expenses that the Company pays in pesos. However, the opposite effect would favor the Company's results.

The following table shows, for the periods indicated, the exchange rate to settle obligations determined in foreign currency (FIX) on the settlement date at the end of the period and average, expressed in nominal pesos per dollar.

Peso/Dollar Parity 2019-2021 ⁽¹⁾

| Year ended As of December 31 | Parity | Parity |
|---------------------------------|---------------|------------------------|
| | End of period | Average ⁽²⁾ |
| 2019 | 18.8452 | 19.2618 |
| 2020 | 19.9487 | 21.4961 |
| 2021 | 20.5835 | 20.2818 |

(1) Source: Banco de Mexico / Exchange to settle certain obligations in foreign currency.

(2) Average daily rates

With the recent acquisition of Cegasa, exposure to exchange rate volatility risk increased due to the fact that in the region where the Autlán EMD unit operates, the official currency is the euro. By having sales in dollars and paying certain costs and expenses in euros, the same effect occurs as with the Mexican peso. However, unlike the Mexican peso, the behavior of the euro has historically been more stable against the dollar. The following table shows, for the periods indicated, the exchange rate to revalue the balance of the Bank of Mexico to the end of the period and average, expressed in euros nominal dollar.

Euro/Dollar Parity 2019-2021 ⁽¹⁾

| Year ended As of December 31 | Parity | Parity |
|---------------------------------|---------------|------------------------|
| | End of period | Average ⁽²⁾ |
| 2019 | 0.8909 | 0.8939 |
| 2020 | 0.8174 | 0.8726 |
| 2021 | 0.8793 | 0.8474 |

(1) Source: Banco de México / Exchange rate for balance sheet revaluation

(2) Average monthly rates

The Company seeks to hedge the risk and exposure to the exchange rate through the use of DFIs known as hedging. The use of these derivatives may represent a risk if the exchange rate shows high volatility, which can translate into additional losses or gains for the Company depending on the coverage used and the movement of the exchange rate.

Inflation

The annual inflation rate according to changes in the INPC was 7.36 % in 2021, 3.15% at 2020 in September and 2.83 % in 2019. Mexico's current level of inflation has more than doubled in the last year. The increase in inflation rates could negatively affect our company, the financial conditions and the results of the operation, affecting the purchasing power of the consumer, reflecting in the demand for our products and services, and if inflation exceeds our increase in prices. . Our prices and revenues will be affected in "real" terms.

The inflation percentages are presented below, as follows:

Inflation as of December 31

| Year ended | Annual | Last 3 years |
|------------|--------|--------------|
| 2019 | 2.83% | 15.10% |
| 2020 | 3.15% | 11.19% |
| 2021 | 7.36% | 13.87% |

With the activities that began this year in the Basque Country through Autlán EMD, inflation in Spain becomes a relevant indicator. Although the country has had a stable annual inflation rate according to official agencies, this year the inflationary effect was greater as indicated:

Inflation as of December 31

| Year ended | Annual |
|------------|--------|
| 2019 | 0.8% |
| 2020 | -0.5% |
| 2021 | 6.6% |

Political Events

The Government of Mexico has a great influence on many aspects of the Mexican economy. The actions that the Government takes regarding the economy and regulation of certain industries, including mining, energy, currency, interest

rates and taxes, could significantly affect private sector companies, including ours. In addition, these actions could affect market conditions, prices and investment performance in Mexico.

In addition to internal political factors, global politics have a great influence on the Autlán operation. Frequent changes in trends and power relations, public policies and regulations directly affect global metal prices, taxes derived from the operation, among other factors.

On the other hand, the mining industry in Spain has undergone great changes in recent years due to the economic ups and downs the country has gone through. On the one hand, coal mining, which in previous decades was very important, has fallen while that of metals and derivatives has witnessed a great boom. The Spanish government has participated in support for national mining companies, especially those in sectors that are experiencing difficulties, providing support and subsidies for projects. However, many of these have been removed, making it a risk to undertake similar programs in the long term.

The maintenance and improvement of our productive capacity requires significant investments, without being able to ensure that the expected return on these investments is achieved.

In the ordinary course of business, it is contemplated to implement expansion and improvement plans in existing facilities. There is the possibility that the expected return on investments will not be obtained, particularly if certain adverse events occur, including changes in the product markets, inaccurate projections, including projections in relation to future market demands, projections based on which decisions related to the timing or form of said investments have been made are inaccurate, or that sufficient resources cannot be obtained to make any necessary investment expenses. The foregoing could have a material adverse effect on the results of operations, including costs for the impairment of the Company's assets. Likewise, there is the possibility that current projects will not be completed in a timely manner or in full, due to factors such as the inability to obtain financing, regulatory changes, lack of compliance or availability of contractors and subcontractors and logistics problems. which could impede or hinder the implementation of the business strategy, which in turn could adversely affect the business, operating results and financial condition of Autlán.

Labor disputes could affect our operating results

Various collective bargaining agreements have been entered into with different unions. Collective bargaining agreements are renegotiated every year with respect to wages and every two years with respect to other terms. Approximately 63% of total employees are represented by unions. The inability to successfully negotiate the renewals could have an adverse effect on the Company and its results of operations. Likewise, if adverse financial situations are faced, difficulties could arise in complying with the conditions established in said contracts, which could have a negative impact on Autlán's business and operating results.

We occasionally experience pressure from unions to increase employee benefits, which could affect the results. Similarly, we cannot guarantee that relationships with unionized workers will be free from individual or collective disputes. A collective dispute together with a temporary interruption or prolonged strike of the workers could have a negative impact on the business and operating results and could spread to the different plants in which they have operations.

The Issuer is exposed to unfair competition practices from its competitors

Foreign competitors of the Issuer could engage in unfair trade practices, including dumping, which could result in Issuer's clients choosing to purchase the products of said competitors instead of Autlán's products. The foregoing could in turn result in a decrease in the Company's income and, therefore, a negative effect on its operating results.

The Company's sales could decline if global demand for steel and other metal alloys decreases

Ferrous alloys are a very important input to produce steel and other metallic alloys; in fact, producers of steel and steel products are the main consumers of ferro-alloys. Should the demand for steel decline globally or in the main markets in which the Company's products are marketed, there would also be a decrease in the demand for said products, which could in turn result in a decrease in the Company's income and, therefore, a negative effect on its operating results.

The mining licensing of the Company could be revoked in certain circumstances

According to applicable laws, mineral resources belong to the Nation and licensing from the Federal Government are required to explore and exploit mineral potential. The licenses owned by the Issuer and its subsidiaries in relation to its operations, development projects and exploration prospects could be revoked by the Federal Government in certain circumstances, including those in which the Issuer does not reach the minimum levels of expenditure (or the corresponding penalty is not paid to the competent authorities), if certain fees are not paid to the Federal Government, or if environmental or safety standards are not met. The revocation of one or more licenses for the extraction, exploration or other licenses of the Issuer and its subsidiaries could have a material adverse effect on its operating results and financial condition and could impede the development or continued operation of a mine or project.

The Company's activities are subject to environmental risks as a result of the extraction and production processes

The processes of extraction and production, as well as the use of chemical substances and explosives within the mining units and ferroalloy plants of the Company, imply certain environmental risks that could generate impacts to the environment. These risks could subject the Company to the imposition of sanctions, however, it has an environmental management system to identify all environmental aspects and generate mitigation actions for those significant aspects that could generate a negative impact on the environment in the matter of water, air, or soil. The Company has established preventive measures to eliminate the environmental risks inherent to its production processes and has emergency response procedures in case of any environmental contingency.

The Issuer's production depends on the suppliers and external contractors providing the equipment, the raw material and the services

The Company relies on suppliers and external contractors for the supply of equipment and raw materials used in, and the provision of services necessary for, the development, construction and continuous operation of its mines, and the processing of minerals. Any delay or non-compliance of its suppliers or external contractors, or the inability of the Company to obtain the necessary equipment, raw materials or services (including as a result of strikes or work stoppages), could affect the production capacity of the Issuer, which in turn could have a material adverse effect on its results of operations and financial condition.

Social risks

The operations of the mining units, ferroalloy plants, and hydroelectric power plant of the Company are carried out around a series of communities that are highly influenced by the existence of the Company. In the search for effective communication, open dialogue and early detection of social conflicts, the Company has established a Communication and Community Service System that allows the formalization of all the concerns and requests of external stakeholders directly associated with the operation, with the purpose of diminishing latent risks of nonconformities that could manifest in conflicts on the part of the communities. Through this system, the relationship of the communities with the Company is formalized, and together they feed back to reach common solutions and avoid social conflicts.

IT risks

Like any company that has its processes interconnected by public and private networks together, the company is exposed to the risks that electronic media have today. Some may be contagion of computer viruses or hacking attacks. Although there are preventive measures and safety systems, they could fail and there is a risk of systems crashing in the time corrective measures are applied.

In addition to external risks, there is the risk that users have not properly tested their backup copies, risks of deterioration of computer equipment due to age or electric shocks or simply due to lack of care in the use of the equipment assigned to users.

Epidemic and Pandemic Risks

The Company is exposed to risks beyond its control, such as epidemics and pandemics. Prevention measures to stop the increase in infections can lead to a slowdown in the economy of the country and / or the countries in which Autlán has an operational and / or commercial presence. For Autlán it may represent a decrease in sales due to lower production levels

having to decrease the number of staff within the facilities to care for human capital and communities surrounding the operations.

4. Other Securities

The shares representing the share capital of the Issuer are registered in the RNV maintained by the CNBV and in the list of securities authorized to be listed on the BMV under the ticker symbol "AUTLANB".

In view of the foregoing, the Issuer is obliged to provide the CNBV, the BMV and the investing public with the financial, economic, accounting, legal and administrative information referred to in the Sole Circular, with the periodicity established therein, that is to say, quarterly and annually. In all cases, the end of the current year is compared with the end of the previous year, except for the quarterly Income Statement, which is compared against the same quarter of the previous year. In compliance with its aforementioned obligations, and as regards the last 3 fiscal years, the Issuer has delivered in a complete and timely manner the reports on relevant events and periodic information referred to above.

In 2019, six issues of the dual Program of Unsecured Stock Certificates were carried out, the characteristics of which are explained in the following table :

| Ticker symbol | Amount | Term | Rate |
|----------------------|-------------------|-------------|---------------------|
| AUTLAN 00119 | MXN \$100,000,000 | 196 days | TIE 28 days + 0.70% |
| AUTLAN 00219 | MXN \$100,000,000 | 364 days | TIE 28 days + 0.85% |
| AUTLAN 00319 | MXN \$100,000,000 | 224 days | TIE 28 days + 0.70% |
| AUTLAN 00419 | MXN \$200,000,000 | 336 days | TIE 28 days + 0.80% |
| AUTLAN 00519 | MXN \$100,000,000 | 364 days | TIE 28 days + 0.80% |
| AUTLAN 00619 | MXN \$100,000,000 | 364 days | TIE 28 days + 0.65% |

The issues had a rating of F2 (Mex) from Fitch Ratings and HR2 from HR Ratings.

In 2020, five issues of the Second Dual Program of Unsecured Stock Certificates were carried out, the characteristics of which are explained in the following table:

| Ticker symbol | Amount | Term | Rate |
|----------------------|-------------------|-------------|---------------------|
| AUTLAN 00120 | MXN \$100,000,000 | 364 days | TIE 28 days + 0.48% |
| AUTLAN 00220 | MXN \$200,000,000 | 364 days | TIE 28 days + 0.50% |
| AUTLAN 00320 | MXN \$91,196,200 | 364 days | TIE 28 days + 0.95% |
| AUTLAN 00420 | MXN \$40,000,000 | 364 days | TIE 28 days + 0.95% |
| AUTLAN 00520 | MXN \$120,000,000 | 364 days | TIE 28 days + 1.00% |

The issues had a rating of F2 (Mex) from Fitch Ratings and HR2 from HR Ratings.

In 2021, four issues of the Second Dual Program of Unsecured Stock Certificates were carried out, whose characteristics are explained in the following table:

| Ticker symbol | Amount | Term | Rate |
|----------------------|-------------------|-------------|---------------------|
| AUTLAN 00121 | MXN \$121,176,000 | 364 days | TIE 28 days + 1.00% |
| AUTLAN 00221 | MXN \$200,000,000 | 364 days | TIE 28 days + 0.95% |
| AUTLAN 00321 | MXN \$100,000,000 | 364 days | TIE 28 days + 0.70% |
| AUTLAN 00421 | MXN \$150,000,000 | 364 days | TIE 28 days + 0.50% |

The issues had a rating of F2 (Mex) from Fitch Ratings and HR2 from HR Ratings.

5. Significant changes to the Securities Rights Registered in the RNV

In the month of July 2019, the cancellation of 15,000,000 (fifteen million) series "B" shares that were common, ordinary and without expression of par value, took effect, each one representing the variable part of Autlán's capital stock, that were held in the company's own possession.

In 2020 there were no changes to the rights of the Securities that the Company has registered in the RNV.

On August 17, 2021, the Trust Stock Certificates "AUTLNCB17" were amortized in advance.

6. Destination of the Funds

There are no pending resources for applying derivatives of the issuances of Stock Certificates under the Program of Unsecured Stock Certificates and the Program of Senior Trust Bonds (CBF's).

7. Public-Type Documents

All public information on the Company is available to investors in the page of Internet of the Mexican Stock Exchange (www.bmv.com.mx), as well as on the page of Internet of the Company or may be requested to:

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II. THE ISSUER

1. History and Development of Compañía Minera Autlán, S.A.B. de C.V.

Autlán was incorporated in Mexico City on October 5, 1953, in accordance with the laws of the United Mexican States. The original duration of the Issuer was fifty years, which was later modified to have an indefinite duration; similarly, in 2006 its name was changed to Compañía Minera Autlán, SAB de CV and it adopted the public stock company regime to comply with the provisions of the Securities Market Law promulgated that same year, as it is a listed company on the BMV since January 21, 1975. The commercial name of the Company is "Autlán" and our corporate offices are located at Arq. Pedro Ramírez Vázquez # 200-10, Col. Valle Oriente, in San Pedro Garza García, N.L. 66260, Mexico, with phone number +52 (81) 8152-1500.

We were constituted with the purpose of exploiting manganese resources located in the State of Jalisco. Subsequently, we started operations in the State of Hidalgo in the mines of Molango and Nonolaco, in the years of 1960 and 1964, respectively, having operated since 1968 a rotary pelletizing furnace in the first of the mines, which, to date, is unique in its kind to benefit manganese. In 1973, the first ferroalloy production plant was acquired in Teziutlán, with which Autlán became a vertically integrated company as it has its main raw material, which is manganese, and manufactures the final products, which are ferroalloys, an indispensable and irreplaceable input for the steel market. In 1976, the construction of the largest ferroalloy plant that the Company currently has, that is, the Tamós plant in the State of Veracruz, was completed. Finally, in 1993, thanks to the acquisition of Ferroalloys of Mexico, S.A. of C.V., we acquired the Gómez Palacio ferroalloy plant, located in the State of Durango. These operations are part of what is currently the Autlán Manganese division.

In order to further strengthen its competitive position and in accordance with its medium-term strategic plan at that time to grow in energy projects, it took control of CEMSA as of the last quarter of 2013. With this acquisition, one of the main inputs, that is, electricity, was integrated into the Company's production chain, thereby creating the Autlán Energy Division, with the intention of developing projects in this field to supply Autlán and third parties.

In December 2014, authorization was obtained for the First Dual Program of Unsecured Stock Certificates with a validity of five years. Under this Program, ten different issuance of Stock Certificates were made, totaling \$1,175 million pesos in the five years.

In October 2015, as part of its strategic mining diversification plans, Autlán acquired 10% of GFM Minería, now Metallorum, which owns the Minera Columbia precious metals mine in Sonora. This confirms the commitment to transform Autlán into a successful model, focused on diversification and market growth. Subsequently, in 2018 it was possible to finance the acquisition of the remaining 90% of Metallorum, today Autlán Metallorum, and refinance the total debt that this company had, improving conditions in terms of cost and term.

2017 stood out as the second best year in Autlán's history in net sales, EBITDA and net profit, thanks to the excellent results achieved by the company in terms of productivity, reduction of operating and financial costs and increase in capacity. Likewise, Autlán was able to take advantage of the rapid recovery of its environment by capitalizing on the increase in prices and the efficiencies achieved and translating them into very positive results.

That same year, Autlán entered the long-term debt market in Mexico for the first time through the Mexican Stock Exchange, with which it prepaid the total balance of its debt that was due in 2019. This refinancing is part of the strategic plan of Autlán with which it reduces its financial cost and improves its debt profile to continue strengthening its healthy capital structure in addition to ensuring the potential to finance its investment projects.

As a consequence of the improvement in Autlán's operational and financial position reflected in higher profitability, the reduction of liquidity risk due to the debt restructuring, and a positive outlook for the industry, among others, the rating agencies Fitch Ratings and HR Ratings they upgraded Autlán's short-term rating to HR2 and F2 (mex).

In finance, 2018 was a year in which important achievements were made that allowed the company to have sufficient resources for its growing operation, meet its financial commitments, and make investments and acquisitions to strategically strengthen itself by expanding its capabilities and diversifying its sources of income.

In 2019, Autlán's finances remained strong, despite facing a series of events that caused uncertainty and volatility in markets worldwide. At the same time, the company's investment thesis of diversifying sources of income by venturing into precious metals was being put to the test for the first time in a full year. This year, the decline in the Mexican steel sector had a significant impact on the revenues and flow generation of the Autlán Manganese Division, however, this decline was partially offset by the growth of Autlán Metallorum, whose higher volume sold coupled with higher Gold prices made it possible to soften the low part of the steel cycle, thus validating that the growth and diversification strategy worked when the performance of the Mexican steel industry was very modest. Additionally, during this year the Autlán Energía division began selling electricity to new self-supply customers, increasing revenue diversification.

During 2019, we continued working to have a strong balance sheet and to improve the company's debt profile, managing to refinance part of the short-to-long-term debt, reaching to extend the duration of the loan, in addition to improving the cost of the loan debt.

In February 2020, as part of the strategy of Autlán, the acquisition of Cegasa Portable Energy (Cegasa) company located in the Basque Country, Autonomous Spanish Community, was completed. Cegasa, hereinafter Autlán EMD, has more than 60 years of operation and is the second largest producer of Electrolytic Manganese Dioxide (EMD) in the European Union.

Around those same dates, the situation of the Covid-19 pandemic began to make the economic and industrial environment difficult for many companies both in Mexico and in the world. For Autlán, the main difficulties came on the one hand from the slowdown in the steel industry that decreased the demand for ferro-alloy products, and on the other hand, the temporary stoppage of precious metals operations after decreeing non-essential activity by the Mexican government during the second quarter of 2020. However, Autlán managed to overcome these difficulties by making use of its ability to adapt to the cyclical changes that the industry normally presents through a strategy of operational flexibility. This included temporarily shutting down operations at the Gómez Palacio ferro-alloy plant, which together with a cost reduction strategy allowed us to maintain margins and face the drastic changes that occurred during that year.

Subsequently, the situation of the pandemic forced to take greater health and prevention measures to safeguard the health of each of the people who are part of Autlán. For the company, the safety and integrity of its employees is a priority; proof of this are the programs to prevent accidents at the facilities and the constant investment in new equipment and material that minimizes the exposure of personnel to potential risks. Therefore, it was a priority to adapt the spaces with the new measures as soon as the problem of the Covid-19 pandemic began to become more notable in our continent. As a result, staff in corporate offices were kept working remotely throughout the year. In the operating plants, the personnel were provided with all the necessary material and protocols for healthy distance, limb sanitation, and continuous temperature monitoring were established. In turn, sanitization of all areas is carried out constantly both in the offices and in the operational areas to avoid the spread of a potential contagion.

The year 2021 stood out for the recovery from the effects of the pandemic, allowing Gómez Palacio to resume operations. At the global environment level, there was a recovery in the price of manganese ferroalloys. Thanks to the company's ability to adapt, it was possible to culminate with record numbers in both sales and margins, in addition to the return to the face-to-face work modality in the Monterrey and Mexico City offices, applying the measures against the pandemic.

SUBSEQUENT EVENTS

During the first quarter of 2022, the prices of manganese ferroalloys have remained at a high level, which the company has taken advantage of.

Hereunder, we describe schematically the main investments made by Autlán in the past 3 years:

| | |
|--------------------|--|
| <p>2019</p> | <p>The investment program in Autlán Manganese focused on continuing to optimize mining operations, as well as conducting further geological exploration to increase reserves. Substantial progress was made in a highly innovative and state-of-the-art project that will place us as pioneers in the world to improve quality and reduce costs in manganese nodules (STEINERT PROJECT).</p> <p>Regarding manganese derivatives from the Nonoalco mining unit, Phase I began to modernize the plant, which will substantially improve the use of various by-products, generate less waste and give Autlán competitiveness and quality, to enter new markets not related to the steel industry.</p> |
|--------------------|--|

| | |
|--------------------|--|
| | <p>Regarding the ferro-alloy plants, an ambitious program was started to promote and improve the operating processes of the three ferro-alloy plants under the guidelines of safety, ecology, and productivity.</p> <p>The Autlán Energía division focused on completing the new overland electricity transmission line. Likewise, it maintained its efforts to optimize its efficiency, through complete maintenance programs and the incorporation of highly sophisticated equipment to achieve automation with state-of-the-art technology in all operations of the Atexcaco Central. As a result of the above, in 2019 the plant's productive capacity was increased by 9%.</p> <p>For the Autlán Metallorum Division, efforts were made for geological exploration to increase gold reserves and various projects were completed to fully respond to the regulatory requirements set by Mexican law. We carried out new practices and methods both in operation and in the laboratory, which allowed significant cost savings. In 2019, with an investment of \$8 million dollars, we carried out the construction of the Lluvia 4 leaching switchyard with an area of 19 hectares and a capacity for 9 million tons.</p> |
| <p>2020</p> | <p>The environment and the focus on taking care of the company's liquidity did not prevent Autlán from continuing with its "Autlán 3.0" strategic growth plan.</p> <p>The investment program in Autlán Manganese focused on maintaining the furnaces of the ferro-alloy plants, updating them in accordance with environmental regulations and monitoring. In addition, the installation and start-up of the new mineral processing and magnetic separation plant was completed, being the first manganese company in the world to apply this technological innovation.</p> <p>As for Autlán Metallorum, it complied with its equipment maintenance plan to ensure efficient operation and reinforced investment in geology and mining planning in new areas with the aim of continuing to increase resources and reserves.</p> <p>The Autlán Energía Division, according to its operational plan, started the automated control of the Hydroelectric Plant and broadly covered its maintenance program.</p> <p>The acquisition of Cegasa, now Autlán EMD, mentioned at the beginning of this report allows us to enter the alkaline battery market. During the year, it continued with its investment plan, as well as the consolidation of synergies with the Autlán Manganese operations.</p> |
| <p>2021</p> | <p>During the year 2021, efforts and resources of \$23.6 million were allocated. The resources were allocated to preventive maintenance that ensures the performance of productive assets in all the company's divisions, as well as initiatives aimed at improving efficiency by reducing costs and increasing production capacities. Likewise, in the manganese and precious metals mining operations, the exploration and preparation of our mines were the pillar of the investments made, with the objective of increasing the resources and reserves of our minerals. On the other hand, technology projects continued to improve the productivity and efficiency of the pelletization plant.</p> <p>In the area of sustainability, work was done to improve the Naopa highway as part of our ongoing commitment to be a force for positive development in the regions where we operate. In addition, activities aimed at improving the environment and the communities were carried out as part of the social responsibility program followed by the company.</p> <p>At the beginning of 2021, an intensive exploration campaign began, mainly in the Naopa open-pit mine, with the aim of increasing reserves, as well as investing in the rehabilitation of areas within the underground mine to generate access to new mineral deposits. The safety projects in mines and plants continued, focusing on the acquisition of anchoring and meshing mechanization equipment for stopes and roads during the first quarter of the year, and then prioritizing the company's asset safety.</p> <p>During the third quarter, an important part of the flow was allocated to increase Manganese ore resources and reserves, in view of a good future for the Naopa mine and the underground mine,</p> |

| | |
|--|--|
| | <p>developing and preparing both mines. For its part, investments in ferroalloys focused on furnace maintenance, in addition to the preparation of the network code for the planned increase in capacity as part of the company's organic growth.</p> <p>At Autlán Metallorum, efforts continued in exploration with the aim of continuing to increase the life of the mine and the development of new fronts that will allow production to resume in the short term. On the other hand, in Autlán Energía, the investments made were directed to the maintenance of the plant, mainly the plant control system, an update was made in protection schemes and compliance with the manual "Information and Communication Technologies" (ICTs).</p> <p>Finally, at Autlán EMD, the investments made were aimed at preventive maintenance of the plant.</p> |
|--|--|

2. Business Description

a. Main activity

Autlán is a vertically integrated company dedicated mainly to the exploration, extraction, benefit, production and sale of manganese minerals, the production and commercialization of ferroalloys as well as the generation of electric power. We are the only producer of manganese nodules in the world and the largest producer and largest producer of manganese ferroalloys in North and Central America, as well as the main producer of manganese minerals on an industrial scale in North Central America and, according to information provided by the International Manganese Institute (IMnI).

The closeness and strategic position of our facilities in relation to that of our clients in the North American market has allowed us to develop an important market share in the region. Likewise, in Mexico we differentiate ourselves from our foreign competitors by providing additional services such as just-in-time deliveries and technical advice, among others, which allows our clients to optimize their working capital.

The use of precalcined manganese nodules in our ferroalloy furnaces allows us to reduce electricity consumption, which, together with the generation of electric power, increases Autlán's competitiveness in terms of costs.

Autlán acquired all of Metallorum in 2018, thus venturing into the precious metals industry through the Autlán Metallorum Division, seeking to grow the product portfolio to reach new customers and regions.

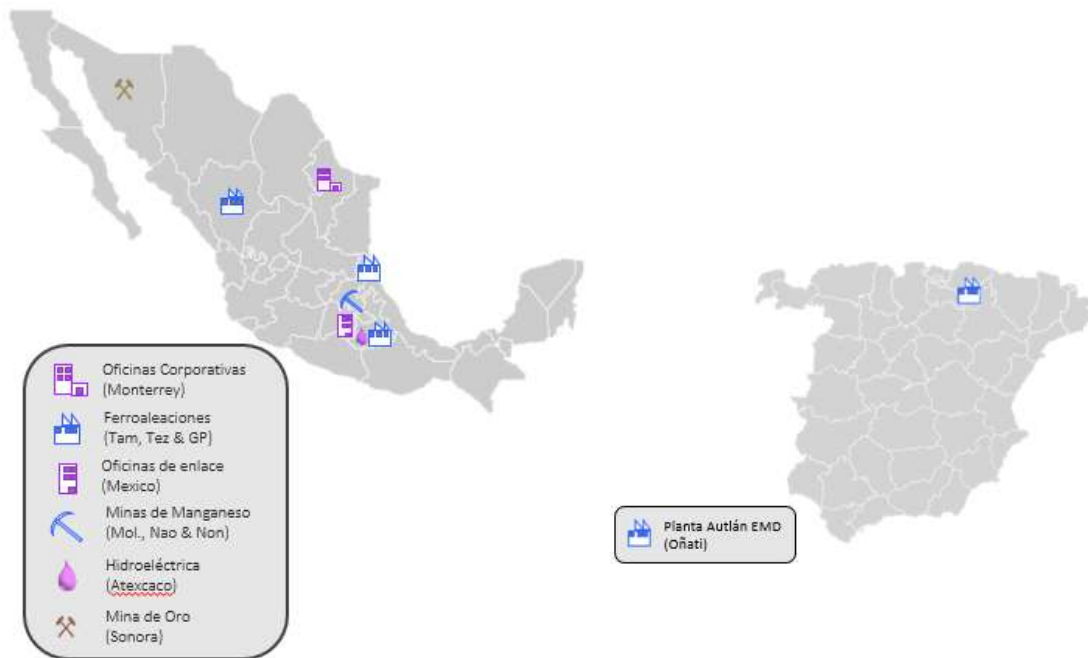
In 2020, Autlán expanded into the electrolytic manganese dioxide (EMD) market with the acquisition of Cegasa Portable, now called Autlán EMD Energy. EMD is a key input in the manufacture of alkaline batteries, so this operation contributes to the growth of the Manganese Division in the battery industry and diversifies its source of income towards non-steel applications.

Operational Activities and Product Distribution

We have an underground manganese mine (Molango) and two open-pit mines (Nonoalco and Naopa), all located in the State of Hidalgo. We also have three ferroalloy plants, which are located in Tamós, in the State of Veracruz, Teziutlán, in the State of Puebla and Gómez Palacio, in the State of Durango. Regarding the Energy Division, it has a hydroelectric plant in the State of Puebla, while in relation to Autlán Metallorum, it has an open-pit gold mine in Magdalena de Kino, in the State of Sonora. The recent acquisition of Cegasa, now Autlán EMD, added a plant located in the municipality of Oñati in the Basque Country, Spanish Autonomous Community focused on the production of electrolytic manganese dioxide.

The geographical location of Autlán's plants and production units, as well as the location of its offices, is shown below on a map.

Location of Autlán in Mexico



The main products we sell are manganese carbonates and nodules, high carbon ferromanganese, refined ferromanganese, silico-manganese, battery grade manganese dioxide, electrolytic manganese dioxide, ceramic grade manganese dioxide, manganous oxide, gold and silver and copper by-products.

The operations of manganese mining is carried out in the mines of Molango, Naopa and Nonoalco, located in the manganiferous district in the state of Hidalgo. This district covers an area of approximately 1,250 square kilometers and contains the most important metallurgical-grade manganese ore deposits in North America, according to the US Geological Survey (Mineral Commodity Summaries, February 2014), which in turn constitute almost all proven manganese reserves in Mexico based on Camimex Annual Reports.

The acquisition by public offer of the concession of the manganese mining lot called "Xilitla" of 6,066.8 hectares in the State of Hidalgo in 2011 allowed us to increase our manganese reserves in the country, with which we will be able to strengthen and increase the current production levels

Autlán carries out geological and mining planning studies as an ordinary part of its operation, making an internal update to its mine life and its resources and reserves on a semiannual basis. This is done through traditionally accepted methodologies of geology, geophysics, drilling and modeling using market software packages. The most recent mine life update made in December 2021 shows a figure of 10.9 million tons of total resources, of which 6.9 million tons are determined as reserves, which represents 6 years of mine life at current production rate. Additionally, 4.0 million tons of potential carbonates are available, and an increase of 14.0 million tons of reserves is estimated in the coming years.

In the Autlán Metallorum Division, the main asset is the mine known as "Columbia Unit" or "Lluvia de Oro", an open pit mine with a metallurgical process of leaching in patios, which is dedicated to the exploitation and metallurgical recovery gold, silver by-product and other minerals in smaller proportions. The Columbia Unit is located 16 kilometers from the municipality of Magdalena de Kino, in the State of Sonora, and has three main fronts with economic mineral resources: Crestón, Gold Ridge and Columbia. During 2021, the level of operation was reduced to allow refocusing the priority of this Division towards exploration and formulation of a new life of mine plan. We are working with the support of specialized experts to interpret the ore bodies in our potential mining pits, with the natural risks of this activity, which will lead us to an optimal design of this mineralized deposit.

In parallel, the areas adjacent to the current operation already described have been studied and, due to the positive results obtained in surface sampling, geological work has been started in these areas to verify the inferred resources. With this, it is intended to work on several potential mining fronts and have greater flexibility to resume operations in the medium term.

The operations of the new Autlán EMD division, focused on the production of electrolytic manganese dioxide, are carried out at the plant located in the municipality of Oñati in the Basque Country, Autonomous Spanish Community. The Oñati plant has been in operation for more than 60 years and is the second largest producer of EMD in Europe, a key input for the production of alkaline batteries.

Competitive advantages

Among the Company's competitive advantages, we can highlight the proximity and strategic position of our facilities in relation to those of its clients in the North American market, which has allowed it to develop an important market share in the region. Now with the acquisition of Cegasa in Europe, Autlán expands said proximity with its European market, facilitating the distribution of inputs produced in this plant to customers of that region.

Likewise, in Mexico the Company differentiates itself from its foreign competitors by offering its clients an exclusive and comprehensive service such as personalized technical support and just-in-time deliveries, which allows its clients to optimize their working capital.

Due to its vertical integration, it has managed to reduce its operating costs by being self-generators of electrical energy and having its own source of manganese, which, after benefiting the mineral and producing nodules, becomes a particular raw material in the production of ferroalloys compared to the use of manganese in its natural form, as it is a semi-reduced product (MnO), so it requires less consumption of electricity, coke and electrodes to complete the smelting, allowing a more stable operation of the furnaces and generating less gases during the operation.

Additionally, it has operational flexibility to deal with market changes very quickly, which allows it to have a faster response speed and gain market share.

In order to ensure the profitability and growth of the Company in the long term, it has outlined a series of projects for the next five years which will allow it to increase its manganese reserves, generate significant savings in electricity consumption, and replace the consumption of high-grade imported minerals and reduce dependence on a single sector (the steel industry).

Recently, Autlán has ventured into new business markets such as precious metals, electricity and electrolytic manganese dioxide. This gives added value to the Company by diversifying its income and reducing dependence on the steel sector. In addition, participating in the long-life battery industry that is seen could be promising, following the manifestation of interest from manufacturers of batteries for electric vehicles to replace or mix high-cost elements such as cobalt and nickel with manganese, which could mean a growth potential for this market in the coming years.

Strategies

From 2021, Autlán undertakes a new strategic plan with a term of 4 years, based on 3 pillars: Mine Life, Operational Excellence, and Innovation and Diversification, with the aim of Maximizing the value of the company.

Strategic Plan: 2021-2025



The first pillar corresponds to Mine Life, which seeks to optimize the resources and reserves of the mines, as well as to increase their useful life.

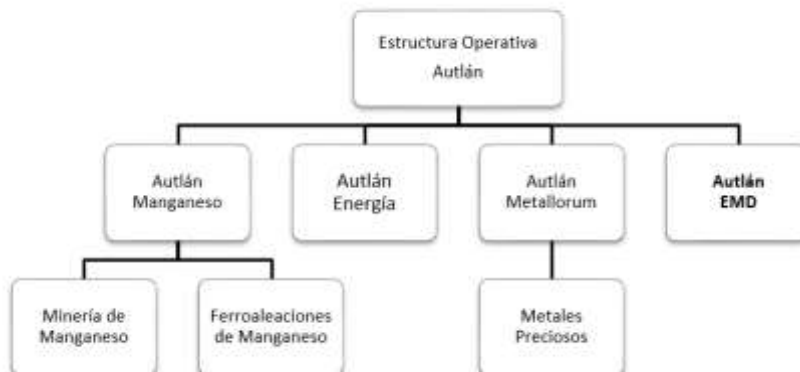
Operational Excellence, as the second pillar, focuses on maintaining sustainable and efficient operations through a culture of work and continuous competitive improvement. Likewise, promote the growth of capacity of each of the lines of business.

Finally, the third pillar of Innovation and Diversification seeks to develop and take advantage of new products and by-products, the above with flexible and efficient operations that allow promoting the use of state-of-the-art tools.

All of the above with the effort to maintain Corporate Social Responsibility, creating awareness in the work environment about the importance of saving our planet, applying this culture in 100% environmental and social projects, reducing the environmental footprint and implementing a circular economy.

Operations

As has been mentioned, Autlán has a growth plan, with which it has diversified its sources of income and consequently its operating structure. After the acquisition of Cegasa, the operating structure was as follows:



Autlán Manganese Division

Manganese Mining

This division accounted for approximately 5%, 11% and 7% of the sales of the Company for the years ended December 31, 2021, 2020 and 2019, respectively. It has three mining units which are described in the following paragraph. All of its mines and plants have obtained the ISO-9001-2008 and ISO 14001: 2004 quality certifications.

Autlán operates two open pit mines and one underground. In an open pit mine, the mining process consists of removing the inert material and exploiting the mineral, manganese dioxide or manganese carbonates are extracted and later transported to a processing plant where they are crushed and processed to remove the undesired substances.

On the other hand, in an underground mine, manganese carbonates are exploited through a mining system called "cut and fill", in which the inert material is used to fill the exploited areas, according to the structural characteristics of the rock that surrounds the mineral. The carbonates mined for commercial sale are processed until they reach the degree of granulometry required by the client. The ore is crushed, washed and classified under very rigid specifications. Most of the carbonate production volume is sent directly to the mine's industrial zone to be crushed, then calcined and pelletized in a cement-type rotary kiln that uses natural gas as fuel. This process removes volatile substances and increases the manganese content.

Mining Units:

Molango Unit

The underground mine in Molango is made up of tunnels with an approximate extension of 85 kilometers. The exploitation of manganese began in the Molango mines in 1960. The mining method involves drilling, exploding, loading and transporting the ore to landfills or backhoes where the material falls by gravity to crushers.

Naopa Unit

The Naopa mine is an open pit mine, in which drills, trucks, and loaders are used in the mining process. This mining unit came into operation in 2014, required an investment of close to \$50 million, and today it represents 60% of the Company's manganese carbonate production volume. This additional volume guarantees the supply of mineral and allows us to have a greater quantity of manganese nodules for export, so its start-up has resulted in an increase in our sales and a lower operating cost than that of the underground mine.

Nonoalco Unit

The Nonoalco mine is located in the State of Hidalgo, approximately 190 kilometers from Pachuca. It covers an area of approximately twenty-one square kilometers, of which three square kilometers are currently in operation. It is an open pit mine from which different kinds of manganese dioxides are extracted. It started operations in 1964; later, in 1999, the mining process was modernized and a spiral plant was installed.

The following table shows the number of employees at each of the mines:

| Manganese Mining | Molango | Naopa | Nonoalco |
|-------------------------|----------------|--------------|-----------------|
| Total employees | 708 | 102 | 112 |

Manganese Mining Operations

Once the manganese carbonate is extracted from the mines, it is hauled by a conveyor belt to the outside and with trucks it is taken to the processing plant located in the industrial complex in which the ore is processed to produce manganese nodules. Due to the remote location of Molango, we have developed a community that houses its employees and includes

the facilities of a small clinic, primary and secondary school, sports facilities and a training center, which are managed by them

The mining license granted by the Federal Government to Autlán with respect to the Molango and Naopa mines, consist of licensing for the exploration and exploitation of approximately 75,821.7 hectares. Each of the licenses is for a period of fifty years and are renewable for a similar period.

Manganese Mining products

Manganese carbonates

The mineral called manganese carbonate is characterized by its homogeneity in the distribution of its size and its consistency in the chemical analysis. It is extracted from our Molango and Naopa mines with a content of 24%, it is crushed and receives a screening to be later conducted to a rotary kiln through dosing bands for the production of manganese nodules. Another application of manganese carbonate is for the production of manganese sinter in the Tamós plant. The process is different from that of pelleting, but the result is similar, which increases the content of manganese ore at a lower cost when natural gas prices are very high. It is also used so that the producers of pig iron can raise the manganese content and allows the slag to be fluidized avoiding the formation of scales.

Manganese nodules

The nodule is a particular raw material in the production of ferroalloys, as it is a semi-reduced product (MnO), so it requires a lower consumption of electricity, coke and electrodes to complete the reduction, which allows a more stable operation of the kilns and generates less gases during the operation. The manganese carbonate is fed to the furnace where the drying stage of the material begins (the contained moisture begins to evaporate), to subsequently give rise to the preheating stage of the material where the temperature inside the furnace gradually begins to increase. Then comes the calcination stage, which involves a chemical process of transformation of the carbonates to metal oxides, and finally the stage of the pelletizing where the physical change of the material occurs. Pelletizing is a unique process in the world, according to information provided by the IMnI, and consists of overheating the calcined material until it reaches a pasty state so that with the rotation of the furnace it rolls and agglomerates to form a product as spherical as possible, reaching temperatures in the interior of the kiln between 1250-1350 ° C, which produces a unique product called manganese nodule, which now concentrates a manganese content of 37%.

In the year 2021, 86 % of the production of manganese nodules was used by its ferroalloy plants while the rest was exported to different countries of the world. The processing plant began operations in Molango in 1968 and was designed to process between 1,500 and 1,600 tons of ore per day.

Battery-Grade Manganese Dioxide

This product is used in the manufacture of dry batteries due to the depolarizing power it has during the process of continuous generation of electrical energy inside the battery. In addition, it is special for the manufacture of ecological batteries without mercury and of long duration due mainly to its high content of oxygen, an ideal granulometric distribution that provides greater surface area, low content of manganese I, manganese III and heavy metals and to the mineralogical species of high electrochemical activity that it presents.

To produce manganese dioxide, the Company processes the manganese dioxide mined through the washing and grinding of the ore. The ground ore is packed in bags of various sizes ranging from 25 kilos to one ton, depending on the needs of customers. The Nonoalco facilities include storage warehouses of approximately 20,600 square meters in which packed manganese dioxide is stored for sale. We transport by truck the finished product from the Nonoalco facilities to the port of Tampico, in the State of Tamaulipas, for its subsequent shipment to the European, Asian, African and South American markets or by truck to the Central American market.

Ceramic-Grade Manganese Dioxide

Manganese dioxide is processed in the Nonoalco mining facilities; It is used as a pigment for the baked clay, mainly for the coloring of face bricks, as well as strengthening in the mechanical resistance in the production of brick, tile and special ceramic products. This product is sent directly by trucks to end users in Mexico.

Manganous oxide

We have developed and processed in Nonoalco a manganous oxide used as an additive in animal feed as it is an essential element in numerous physiological functions, mainly in the growth and skeletal development. It belongs to the trace minerals (E5) according to the classification of the European Parliament and the Council of the European Union. In the agricultural area it is used as a raw material in the manufacture of fertilizers since manganese is one of the 10 micronutrients essential for plant development. In the chemical-pharmaceutical industry it is used as a base product for the preparation of vitamin supplements, as reagents for laboratory analysis and as catalysts for its solubility in acids and insolubility in water.

Manganese Ferroalloys

The operations of the Ferroalloy Division represented 82%, 67% and 70% of our total sales during 2021, 2020 and 2019 respectively. We make sales to our domestic customers directly, to our international clients through our own marketing department and through our commercial partner CCMA, LLC. We also have a commercial warehouse through which we make sales to our smallest domestic customers.

We are the predominant supplier of manganese ferroalloys in Mexico, according to internal estimates based on information published by the Ministry of Finance and Public Credit. In the United States of America, we have become an important foreign supplier and the market leader in some of its products such as silico-manganese according to the IMnI.

Ferroalloy Plants

Tamós Plant

Tamós is our largest and most important ferroalloy plant. It is strategically located in the Municipality of Pánuco, in the State of Veracruz, due to its proximity to the Gulf of Mexico for export and proximity to the Molango Unit, from which the main source of manganese for the production of ferroalloys comes. The plant was built in the mid-1970s and covers an area of approximately 4.5 hectares. In order to take advantage of the large amount of "fine" materials of coke, manganese ore and ferroalloys that are generated by movement of materials, at the end of the decade mentioned, the briquette plant was built. It currently has five electric arc furnaces and is composed of several interrelated plants: Special Ferroalloy Plant, MOR Plant (Manganese Oxygen Refining or "MOR"), Briquette Plant and Manganese Sinter Plant.

Teziutlán Plant

These facilities are located in the State of Puebla. Built in 1950, it is our oldest plant which we acquired as part of our vertical integration plans in 1973 when acquiring Ferroalloys Teziutlán, S.A. of C.V. The Teziutlán plant was originally designed to produce high carbon ferromanganese. Today it has four electric kilns focused on the production of silicomanganese.

Gómez Palacio Plant

This plant is located in the State of Durango, near one of our main domestic customers. The plant was built in 1958 and was acquired by Autlán in September 1993 as part of the acquisition of Ferroaleaciones de México, S.A. de C.V. Due to the size and versatility of its kilns, it allows us to close and restart the operation of this plant for silico-manganese production with relative ease depending on market conditions.

The following table shows the main figures corresponding to each of our plants:

| Ferroalloys | Tamós | Teziutlán | Gómez Palacio |
|------------------------------------|--|------------------|----------------------|
| Total capacity (mVA ¹) | 121,750 | 51400 | 24000 |
| Number of kilns | 5 | 4 | 2 |
| Products | Silico-manganese, Ferromanganese High Carbon, Ferromanganese Medium Carbon, Ferromanganese Medium Carbon Nitrogenated, Ferromanganese Low Carbon, MOR Powder | Silico-manganese | Silico-manganese |
| Personnel | 651 | 264 | 105 |

mVA: megavolt amperes

Products

The typical mix of our products in volume is 60% Silicomanganese, 20% Ferromanganese Refined and 20% Ferromanganese High Carbon. However, we have the operational flexibility that allows us to adapt to the needs of the market and direct our sales towards those products that have greater profitability. In recent years, the mixture has been 62% Silicomanganese, 15% Ferromanganese High Carbon and 16% Refined Ferromanganese (Ferromanganese Medium Carbon, Ferromanganese Low Carbon and Ferromanganese Medium Carbon Nitrogenated).

Silicomanganese (SiMn)

Silico-manganese results from the melting of manganese nodules together with coke as a reducing agent and quartz in electric arc-furnaces submerged at temperatures of 1,300 ° C. This product is commonly used in mini-mills due to its strong deoxidizing effect of silicon and manganese desulfurization (main elements of this ferroalloy). Among its most common applications are seamless tubes, structural wire rod, rebar, cold rolled sheet, hot rolled sheet and, to a lesser extent, for the manufacture of slab and structural plates.

High carbon ferromanganese (FeMn AC)

It results from the joint casting of manganese nodules with coke and scorifiers in submerged arc furnaces at temperatures of 1,300 ° C. The coke reacts with the mineral oxides, leaving the carbon dioxide and the purified metals in liquid form. The molten metal is poured into molds, which are crushed when hardened, so that it is possible to give the required dimensions according to the customer's specifications. The manganese in this ferroalloy improves the mechanical properties and the hardenability of steels by deoxidizing and degassing it, as well as eliminating nitrogen and other harmful elements. Among its uses include the manufacture of abrasion resistant steels, bars, structural profiles, hot rolled sheet, slab and plate.

Medium carbon ferromanganese (FeMn MC)

This ferroalloy is used in fine steels of high strength and ductility in which the carbon content is critical, such as cold rolled sheet, welding wire, automotive grade, slab and low carbon steel plate. It has a maximum carbon content of 1.5%, it is processed from high carbon ferromanganese in our MOR Plant in Tamós, Veracruz.

We have developed a technology that has significantly modified and improved the MOR process. MOR technology was purchased through a license to Union Carbide Corporation, in 1980 the MOR Plant was built with a capacity of 25,000 tons per year of half coal, through the research and development department it was possible to produce ferromanganese under carbon making technical adjustments that allowed to improve the process.

Autlán produces a derivative of this product which is characterized by its nitrogen content. The ferro-manganese medium carbon nitrogen is required mainly in the manufacture of steel for the automotive industry and for structural plate of high strength and high weldability.

Low carbon ferromanganese (FeMn BC)

It is distinguished by containing even lower carbon content than medium carbon ferromanganese. It is mainly used for the production of austenitic grade stainless steels resistant to high temperatures, among other special steels. This ferroalloy is also produced in our MOR Plant in Tamós, Veracruz.

Autlán Energy Division

The energy operations are carried out at the Atexcaco hydroelectric plant, located in the municipality of Atexcaco in the State of Puebla. The plant has two 18 MW turbines. Hydro generated 230 GWh, 204 GWh and 207 GWh power, satisfying 19%, 21 % and 19 % of the total demand for Autlán in 2021, 2020 and 2019 respectively.

Similarly, during the year 2019, actions were implemented for the maintenance and modernization of the equipment of what is the most important private hydroelectric plant in the country.

The hydroelectric plant operates with 33 employees.

Additionally, the electric power agreements entered into with different self-supply partners amounted to \$ 1.8 million dollars during 2021.

The amount saved by the Company as a result of being self-sufficient was approximately \$9.2, \$5.1, and \$6.2 million dollars in the years ended December 31, 2021, 2020 and 2019, respectively.

During the first quarter of 2017, Iberdrola México began supplying electricity with a discount on CFE rates. The Energy Supply Contract is for approximately 150 GWh/year for a term of 3 years with the option of annual renewal. The current validity is March 2023.

During the last quarter of 2021, Contour Global began supplying electricity with a discount on CFE rates. The Energy Supply Contract is for approximately 300 GWh/year the first year, and for 100-150 GWh/year the second year. Only 2 years of supply are foreseen.

In 2020, the new Automatic Control System and the Water Use System were implemented, optimizing the use of the precious liquid to maximize the generation of electricity from renewable sources.

Autlán Metallorum Division

As of the second half of 2018, Autlán added the precious metals division to its portfolio. The operations of this division are performed in Magdalena de Kino in the state of Sonora where the Minera Columbia Unit is, an open pit mine with metallurgical leaching process switchyards, dedicated to the metallurgical exploitation and recovery of gold, silver by-products and other minerals in smaller proportions. The Unit has different fronts with economic mineral resources: Crestón, Gold Ridge , Pozo, Satellite, Papalote, Columbia , Rio and Campamento .

This division represented 3%, 14% and 22% of the company's total revenues in 2021, 2020 and 2019 respectively.

In 2021, the Division's priority was refocused on exploration and formulation of a new mine life plan. At the same time, studies began in the areas adjacent to the current operation, and thanks to the results obtained, geology work began in those areas to check the inferred resources. With this it is intended to work on several potential mining fronts and have greater flexibility to resume operations in the medium term.

At the end of 2021, Minera Columbia Unit had 61 employees.

Autlán EMD Division

In accordance with our strategic plan, the company consolidates its presence in the electrolytic manganese dioxide market and contributes to the growth of Autlán's Manganese Division in the battery industry and diversifies its sources of income towards non-steel chemical applications. Additionally, with this acquisition, Autlán is geographically expanded in the search for new markets in the European Union.

Located in the Guipúzcoa province in the Autonomous Community of the Basque Country, the Oñati plant has been in operation for more than 60 years and is the second largest producer of EMD in Europe. Throughout its history, it has obtained quality certifications such as ISO 9001 and ISO 14001 thanks to its innovative operation.

In 2021, a production of 11,115 metric tons of electrolytic manganese dioxide was recorded, while in 2020, the first year of management of the consolidated plant in February of that year, a production of 10,543 metric tons was recorded.

Production

The following table shows Autlán's production statistics for the indicated periods:

| Production | 2021 | 2020 | 2019 |
|--------------------------------------|-------------|-------------|-------------|
| <i>Carbonates (thousand mt)</i> | 938 | 912 | 835 |
| <i>Nodules (thousand mt)</i> | 459 | 485 | 445 |
| <i>Oxides Mn (thousand mt)</i> | 14 | 15 | 13 |
| <i>Ferroalloys (thousand mt)</i> | 240 | 203 | 224 |
| <i>Energy (GW)</i> | 230 | 201 | 204 |
| <i>Gold (thousand oz equivalent)</i> | 8.0 | 30 | 68 |
| <i>EMD (thousand mt)</i> | 11.1 | 11.0* | NA |

* Includes only Feb-Dec 2020

Raw Materials and Suppliers

Manganese Mining

The main raw materials of Manganese Mining are natural gas, diesel and gasoline, explosives, the main suppliers are shown below:

| Supplier | Raw material | Source | Dependence |
|---|---------------------|---------------|-------------------|
| <i>Pemex</i> | Gas natural | Mexico | Yes |
| <i>MGA</i> | Contractor | Mexico | No |
| <i>Energéticos Internacionales</i> | Diesel | Mexico | No |
| <i>Mining Explorations and Developments</i> | Contractor | Mexico | No |
| <i>Komatsu</i> | Spare parts | Mexico | No |

Mining input prices have low volatility.

Manganese Ferroalloys

The main raw materials for the Ferroalloys Division are manganese ore, electric power, and coke. The main suppliers are shown below:

| Supplier | Raw material | Source | Dependence |
|----------------------|---------------------|---------------|-------------------|
| <i>CFE</i> | Electric power | Mexico | Yes |
| <i>Iberdrola</i> | Electric power | Spain | No |
| <i>Comilog</i> | High-grade Mn | Gabon | No |
| <i>Milpa</i> | Metallurgical Coke | Colombia | No |
| <i>Mid Continent</i> | Metallurgical Coke | United States | No |

Energy Division

The main raw materials in the Energy Division are spare parts and workshops:

| Supplier | Raw material | Source | Dependence |
|--|---------------------|---------------|-------------------|
| <i>Andritz Hydro S.A. de C.V.</i> | Turbine, boards | France | Yes |
| <i>Weg México S.A. de C.V.</i> | Spare parts | Brazil | Yes |
| <i>Potencia Industrial S.A. de C.V.</i> | Maintenance | Mexico | No |
| <i>Schneider Electric México, S.A. de C.V.</i> | Boards | Mexico | Yes |
| <i>Global Hydro</i> | Runner | Austria | Yes |
| <i>Global Hydro</i> | Automatization | Austria | Yes |
| <i>Eduardos Murphy Arteaga</i> | Dynamic | Mexico | Yes |
| | Balancing | | |
| <i>Asmi, S.A. de C.V.</i> | Machining | Mexico | No |
| | | | |
| <i>Voltrak</i> | Electric | Mexico | No |
| | Transmission | | |
| | Line | | |

Autlán Metallorum Division

The main raw materials in Autlán Metallorum Division are Diesel and Cyanide.

| Supplier | Raw material | Source | Dependence |
|-------------------------------------|---------------------|---------------|-------------------|
| <i>Energéticos Internacionales</i> | Diesel | Mexico | No |
| <i>CYPLUS IDESA S.A.P.I. DE C.V</i> | Cyanide | Germany | No |
| <i>CFE</i> | Electric power | Mexico | Yes |
| <i>Layne de México</i> | Contractor | Mexico | No |

EMD Division

The main raw materials in the EMD Division are

| Supplier | Raw material | Source | Dependence |
|--------------------------------------|------------------------------|---------------|-------------------|
| <i>RIVERBED PTE LTD</i> | Manganese and Mno | Singapore | No |
| <i>BRENNTAG QUIMICA SA</i> | Sulphuric Acid | Spain | No |
| <i>ACIDEKA, S.A.</i> | Soda Carbonate/Sulfuric Acid | Spain | No |
| <i>IBERCERAS SPECIALTIES, S.L.U.</i> | IBERCER SD-2616 Perlas | Spain | No |
| <i>DGIL</i> | Big Bags | Spain | No |

The Company has programs supporting suppliers through operations through the chain system production under the program sponsored factoring by Nacional Financiera, SNC, Institución de Banca de Desarrollo (NAFIN) and the E-factoring system to obtain financing from finance institutions under the factoring program sponsored by EFactor Network, SA de CV (EFactor). Through this program, the Entity receives the goods and services directly from the suppliers, and subsequently pays the qualified financial institutions within the credit term granted by the suppliers to the company, complying with the contractually established factoring terms. To date, these supplier support programs continue for up to US\$16,032 under the factoring program sponsored by Nafinsa and US\$28,017 under the factoring program sponsored by EFactor.

b. Distribution Channels

Our marketing strategy is to establish long-term relationships with our customers throughout the world, based on the supply of high-quality products at competitive prices and the provision of an efficient service.

For the Manganese Division, in the domestic market, sales are made directly to customers with a specialized sales force of their own, and we have a commercial warehouse through which we make sales to our smallest domestic customers. For the purpose of marketing our products abroad, they use their sales force for all countries, except for the United States of America and Canada, where they market their products through their commercial partner CCMA, LLC.

Likewise, we provide a high level of advice and service to our clients according to industry standards. The proximity of our clients' facilities to our mines and plants, the scheduled visits we can offer our clients, the technical services we provide through specialized personnel, and the periodical publications and communications that we send to our current and potential clients allow us to maintain a continuous communication and a close relationship with our costumers.

For the Autlán Metallorum Division, total sales in the United States of America go to marketers and refiners.

For the Autlán EMD Division, sales are made directly to customers located in Poland, Belgium, Germany and Spain.

c. Patents, licenses, trademarks and other contracts

The strong recognition of our brands is crucial for the development of our business. Autlán has registered approximately eighteen brands in Mexico before the Mexican Institute of Industrial Property. Our Mexican brands are valid for ten years, renewable for equal periods. To date all our brands are in force and none of them is about to expire.

Below is a table with the main brands of which we are holders:

| BRAND | REGISTRATION NO. | TYPE | CLASSES | PRODUCT/SERVICE |
|---------------------|--|-------------|----------------|--|
| (Design) | 1565221 1565224 | Unnamed | 40 | Material treatment |
| Autlán (and Design) | 1565226 1546121 1546120 | Mixed | 40 | Material treatment |
| (Design) | 872491 1546031 | Unnamed | 25 | Clothing, footwear, headgear. |
| Autlán (and Design) | 1546032 1582919 | Mixed | 25 | Clothing, footwear, headgear. |
| Autlán | 1544701 1544702 | Nominative | 25 | Clothing, footwear, headgear. |
| Autlán | 1503886 | Nominative | 35 | Advertising; business direction; business administration; Office work Marketing of products and / or services (commercial intermediary), such as: metals, minerals, ferroalloys, clothing, footwear, headgear. |
| Autlán (and Design) | 1573744 1552671 1574243 1552670 | Mixed | 35 | Advertising; business direction; business administration; Office work Marketing of products and / or services (commercial intermediary), such as: metals, minerals, ferroalloys, clothing, footwear, headgear. |
| (Design) | 1574241 1574239 | Unnamed | 35 | Advertising; business direction; business administration; Office work Marketing of products and / or services (commercial intermediary), such as: metals, minerals, ferroalloys, clothing, footwear, headgear. |
| Autlán (and Design) | 1565225 1546118 1565227 1546119 | Mixed | 6 | Common metals and their alloys; metal building materials; metal transportable constructions; metallic materials for railways; non-electric wires and cables of common |

| | | | | |
|----------|--------------------|------------|----|--|
| | | | | metal; hardware store, small items of metal hardware; metal pipes and tubes; security boxes; products of common metals not included in other classes; minerals |
| (Design) | 1565220 1565223 | Unnamed | 6 | Common metals and their alloys; metal building materials; metal transportable constructions; metallic materials for railways; non-electric wires and cables of common metal; hardware store, small items of metal hardware; metal pipes and tubes; security boxes; products of common metals not included in other classes; minerals |
| Autlán | 1503936 | Nominative | 40 | Material treatment |
| Autlán | 1503937 | Nominative | 6 | Common metals and their alloys; metal construction materials; metal transportable constructions; metallic materials for railways; metallic cables and wires, non-electric; metal locksmith and ironmongery items; pipes and metal pipes; safes; metal products not included in other classes; metal minerals. |

As of this date, we have no patents registered in Mexico or abroad.

All our plants and units have the necessary operating licenses issued by the General Directorate of Environmental Regulation of the Ministry of the Environment and Natural Resources.

Regarding commercial contracts, we have an indefinite term contract with our distributor for the United States of America and Canada, CCMA, LLC, without there being any indication or justified reason to terminate this contract.

In addition, Autlán and its subsidiaries are party to various credit agreements entered into with various financial institutions.

d. Main clients

For the Autlán Manganese division, the main customers are producers of steel smelters and to a lesser extent the ceramic industries and batteries and does not depend disproportionately on any of them individually. It is important to mention that the exports of manganese ferroalloys to the United States of America and Canada are carried out through its exclusive distributor: CCMA, LLC. In the event that your business relationship with CCMA, LLC is terminated for whatever reason, exports to the United States of America and Canada may be temporarily affected.

The main clients of the Autlán Manganese division are Altos Hornos de México, S.A.B. de C.V., ArcelorMittal Mexico S.A. de C.V., CCMA, LLC, DeAcero, S.A.P.I. de C.V., Grupo Simec, Ternium, S.A. de C.V., Steel Tubes of Mexico, S.A. de C.V., and Gerdau, S.A. de C.V., among others.

For the Autlán Metallorum Division, the main client is Auramet International LLC, a specialized dealer in precious metals. It is also sold to refiners such as Asahi Refining USA Inc and Metalor Technologies SA.

With respect to Autlán EMD, its main customers are Panasonic Energy Belgium, Varta Consumer Batteries and Panasonic Energy Poland, who are located on the European continent.

e. Applicable legislation and tax situation

Mining Legislation

Under Mexican law, mineral resources belong to the Mexican nation and a Federal Government concession is required to explore and / or exploit mineral reserves. The Company's rights over mineral deposits derive from the concessions granted by the Ministry of Economy in accordance with the Mining Law and its regulations. Mining concessions are liable to be canceled or suspended if the obligations of their holders pursuant to the conditions of the respective concession titles or pursuant to the relevant law are not fulfilled.

The Mining Law establishes the facts that can cause the concession to be annulled, canceled, suspended (or an insubsistence of the rights thereof is verified) such as the expiration of the term of the concession, the exploitation of minerals not subject to the application of the Mining Law, the non-compliance of the exploitation or exploration works with the provisions of the Mining Law and its regulations, the non-payment of mining fees and the disposal of radioactive minerals, among others.

Autlán considers that it is, in general terms, in compliance with the legislation that is applicable to us.

Environmental legislation

Its operations are subject to state and federal laws and regulations regarding the protection of the environment, including those corresponding to the pollution of water, air, soil, noise, and hazardous waste management and special handling, stipulated by SEMARNAT, CONAGUA and PROFEPA are the agencies in charge of monitoring compliance and application of environmental laws and can exercise administrative and criminal acts to the detriment of companies that violate environmental regulations, ranging from the closure of the facilities to the revocation of operating licenses. In Autlán, year after year, in a process of continuous improvement, they focus on having full compliance with the legislation that is applicable to them.

Tax Legislation

It is subject to the payment of income tax on profits, by deducting authorized deductions from the income obtained. Monthly ISR payments are made on account of the annual tax. For fiscal year 2019 the applicable income tax rate is 30%. Dividends and / or utilities to pay to its shareholders, individuals and residents abroad, are subject to pay 10% income tax except those that are enacted under the balance in the account tax earnings (CUFIN) that it has as of December 31, 2013. In addition to this, it is subject to the payment of a mining tax that levies the profits obtained from the extractive activity.

During 2016 a benefit is granted to companies that are exclusively dedicated to power generation, which consists of creating a Tax Profit Account for investment in renewable energies, established in article 77-A of the Tax Law on the rent.

It is also subject to the payment of VAT. VAT is an indirect tax that you pass on to your customers. The current VAT rate is 16% on the value of the services or goods that it sells.

In addition to the above taxes and duties under Mexican tax regulation is subject to the tax regulations in other countries where it operates.

Special Mining Law

Article 268 of the Federal Law of Rights establishes that, as of 2014, the holders of mining concessions and allotments will pay the Special Mining Right ("DESM") annually, applying the rate of 7.5% to the positive difference that results to reduce the income derived from the alienation or sale of the extractive activity, the deductions allowed in this article.

The income referred to in the preceding paragraph will be determined considering the cumulative income that the mining concessionaire or assignee has in accordance with the LISR, with the exception of:

- Favorable interests.
- Annual adjustment for cumulative inflation.
- Amounts received in cash as loans, contributions for future capital increases and capital increases greater than \$ 600,000 pesos.

Likewise, they may reduce the deductions authorized in accordance with the LISR and the requirements of the Federal Tax Code (CFF) , with the exception of the following:

- Investments, that is, the deduction of real estate, machinery and equipment, except investments in prospecting and exploration and land.
- Interest paid.
- Annual adjustment for deductible inflation.
- Contributions and uses, paid for the mining activity.

During February 2013, the Company defended itself against said rights, arguing that the provision was unconstitutional.

However, the Supreme Court of Justice (SCJ) resolved a general criterion in declaring the constitutionality of the law, the date has not been resolved in a particular way.

Also as of December 31, 2021, 2020, 2019, 2018, 2017 and 2016, the Company's management based on the opinion of its external legal advisors determined the deferred DESM considering the real estate, machinery and equipment of the fully identified operating units with the extractive activity.

Currently for the DESM current or caused due to the recent pronouncements of the Supreme Court of Justice of the Nation (SCJN) related to this issue and that are against individuals, the Autlán Administration is waiting for said Jurisdictional Organ issue final judgment.

By virtue of the entry into force of the aforementioned right, and the established determination mechanism, the payment of the right for the purposes of the Company's financial statements will be treated as a tax on income. As of the date of issuance of the financial statements, the Company has evaluated the accounting balances of liabilities and assets that could generate the payment of DESM and determined a deferred tax liability for \$ 3,179 thousand dollars.

For the fiscal year 2021, 50% of the payment of mining rights (Mining Concessions) referred to in Article 263 of the Federal Law of Rights, on the DESM, will be creditable.

Extraordinary Mining Law

Minera Columbia de Mexico is subject to the Extraordinary Right on Mining and article 270 of the Federal Law of Rights that establishes that the holders of mining concessions and assignments will pay the Extraordinary Right on Mining ("DEXSM") annually, applying the rate of 0.5 % to the income derived from the sale of gold, silver and platinum.

Regulation in matters of economic competition

It is subject to laws and regulations on economic competition in relation to the conduct of its business and, above all, acquisitions that it decides to carry out. As of the date of this annual report, it considers that it is in compliance with the laws and regulations on competition matters, regulations and none of its recent acquisitions is being reviewed by the Federal Economic Competition Commission in Mexico, or by other agencies or authorities in the matter of other jurisdictions.

In the event that you decide to carry out acquisitions of assets or companies, implement associations or joint ventures with other economic agents, or enter into certain types of contracts, it may be necessary to obtain, as a condition for this, a favorable resolution from the Federal Economic Competition Commission. and / or other authorities of the matter in other jurisdictions. In the event that you do not obtain the aforementioned favorable resolutions, or obtain them subject to compliance with onerous or unforeseen conditions, you may not be able to perfect the aforementioned operations, or be subject to the imposition of fines or the obligation to divest or sell assets. As opportunities to expand your business continue, it is possible we may face increased scrutiny from antitrust regulators in Mexico or abroad.

f. Human Resources

As of December 31, 2021, Autlán had 2,231 employees; of which 2,106 were permanent and 125 were temporary. Autlan has its various collective bargaining agreements with the National Union of Miners, Metalworkers and Allied Workers of the Mexico, a national union representing workers in the mining and metallurgical industries covering most workers in Autlan, plant and temporary. As is common in Mexico, Autlán renegotiates salaries every year and other terms every two years.

The Company's management and unionized employees have had a historically stable employment relationship. The administration believes that there is a cooperative environment in Autlán; no strike has occurred in the history of the Company for reasons attributable to the company, with the exception of a two-hour work stoppage in 1978.

| | 2021 | 2020 | 2019 |
|-------------------------|-------|------|------|
| Personnel Plant | 2106 | 2226 | 2235 |
| Casual Personnel | 125 | 145 | 110 |
| Total | 2,231 | 2371 | 2345 |

g. Environmental Performance

In 2021 Sustainability and Communities dedicated its efforts to continue fulfilling the company's core objective of promoting the sustainable development of the communities where we have a presence. Our team was key to the continuity and achievement of the milestones expressed in this section. In particular, we went further in meeting the UN Sustainable Development Goals (SDGs), forging strategic alliances with a greater number of actors with whom we share convictions and, in certain cases, agendas to care for the environment and promote regional development. Regarding the fight against climate change, an issue in which Autlán has joined forcefully, we continue with the identification of greenhouse gas emissions now under the GHG Protocol methodology, one of the most used globally. With it we will lay the foundations for our commitment to reduce emissions during 2022. In addition, we have found spaces for collaboration with government authorities in the Sierra Alta de Hidalgo that have resulted in sustainable projects; such is the case of the Concurrent Funds Program of the National Forestry Commission (CONAFOR) with which, through mechanisms of Payment for Environmental Services (PSA), we have preserved 2,585 hectares of mesophilic forest, benefiting 10 agrarian nuclei and promoting the 2nd Carbon Sink in the State of Hidalgo that has projected to generate up to 1,000,000 carbon credits during its useful life. Autlán is proud to announce that it is the largest sponsor in Mexico within this Federal program.

In order to help our neighboring communities care for and preserve the environment, within the community investments, it was established as a requirement that the community itself reforest trees native to the region, with which 19,500 trees were planted in the Alta Hidalguense area and more than 10,000 trees in Puebla.

The following table shows the performance indicators for each of our divisions where they are measured: water footprint, electricity and fuel consumption, carbon footprint and waste management.

| Component | Metallorum | Manganese Mining | Ferroalloys | Hydroelectric power station |
|--|--|--|---|---|
| WATER FOOTPRINT | 42% reduction in water consumption compared to 2020 | 25% of consumption was reused water in 2021 Operation of 5 treatment plants | Reuse of 111, 865.94 m3 of water Operation of 2 treatment plants | Positive impacts given the infrastructure of sand traps, which allow the water to be filtered and eliminate some solids from its composition. |
| CONSUMPTION OF ELECTRICAL ENERGY AND FUELS | 71.1% reduction in fossil fuel consumption versus 2020 | 1.1% increase in global energy consumption compared to 2020. | 10% reduction in electricity consumption versus 2020 44% of the electricity consumed comes from renewable sources. | 25,495.42 TONs of CO2 equivalent were avoided thanks to the generation of 229,996.1800 MWh of clean energy and various reforestation actions. |
| CARBON FOOTPRINT | Reduction of 61.9% of emissions equivalent to 7971.41 TON OF CO2 equivalent compared to 2020 | No reductions or increases | 26% reduction in CO2 equivalent emissions compared to 2020 | Reuse of 372 TON of sand generated in the process Recycling of 172,605 kg of waste. Program operation for the dissemination |

| | | | | |
|--|--|---|---|-----------------------------------|
| WASTE MANAGEMENT | 72% reduction in the generation of hazardous waste and recycling of 4,316 Kg | 6.5% reduction in the generation of hazardous waste. Program operation for the dissemination and awareness of waste management | 25% reduction in hazardous waste generation versus 2020. Implementation of the program for dissemination and awareness of waste management | and awareness of waste management |
| (1) The reductions are due to an exploration stage implemented at the site | | | | |

Throughout the year we maintained solid relationships of trust with our communities, which have enabled our social license. Autlán has a communication and service system for the communities within our area of influence, SINERGIA, with which we have provided timely attention to their main concerns, prioritizing dialogue as a solution tool. In this regard, in 2021, 57 concerns were registered, a figure that compares favorably with the 130 concerns of last year.

For Autlán, the well-being of the communities is a priority; This has prompted us to reinforce our learning curve and adapt to the changing environment. As a result of these efforts, our Molango, Naopa and Nonoalco mining units currently have social responsibility agreements, representing a total annual investment of \$11.6 million pesos per year. These agreements seek to familiarize communities with the Sustainable Development Goals, align projects with them and join in reducing the inequality gap, protect the planet and ensure prosperity for all.

Regarding social investment, in 2021 support in kind was allocated for a value of \$19.7 million pesos. This investment made it possible to positively impact 49 communities in Hidalgo, 18 in Puebla, and 3 in Sonora. In other words, the resources benefited a total of 25,517 inhabitants in Hidalgo, 110,514 in Puebla, and 4,745 in Sonora. In addition, the Fund for Sustainable Development benefited 13 communities in Hidalgo and a total of 6,576 people with an investment of \$1.3 million pesos in materials. For its part, our Social Investment Platform, inaugurated last year, was strengthened in 2021 by incorporating more innovative mechanisms for participation and environmental care. The executed projects benefited 36 communities in Hidalgo and a total of 11,780 people with an investment of \$3.6 million pesos. It is worth highlighting the work related to road infrastructure, with an amount of \$2.2 million pesos allocated to road refinement.

This is how Autlán reflects another year of collaborative work between the different levels of government, the communities in the area of influence, NGOs and academies with the aim of being an active citizen in promoting the sustainable development of the environments in which we operate

h. Market Information

National Market

Its primary focus on the domestic market, which represented in 2021 a 73% of its sales amount, is to meet the demand for manganese ferroalloys and steel manufacturers in Mexico. It supplies ferroalloys to various integrated steel producers, as well as semi-integrated steel producers and smelters. To a lesser extent, its domestic market is also made up of the ceramic and micro-nutrient industries.

It is the main Mexican producer of ferroalloys and the representative of the ferroalloy and manganese mining industries in Mexico, therefore, in Mexican territory it does not have any competitor in this division because they are the only Mexican producers of ferroalloys (according to Camimex, annual reports 2014 -2018). However, it faces competition from imports of similar products to theirs. We consider that we compete favorably based on better service and commitment to the customer, through just-in-time deliveries that are safer and at competitive prices.

In relation to mining products for the steel industry, its most important clients are steel companies integrated with BOF (Blast-Off Furnace), such as Altos Hornos de México, SAB de CV, which uses carbonate to fluidize slag. in the pig iron production process to avoid explosions. As for ferroalloys, our customers can be blast furnace steel industries and electric arc furnaces.

Export Market

Autlán exports its products to the United States of America, Europe, Latin America, Africa and Asia, although the US market is its main market. We consider that we compete favorably in the United States of America on the following basis: the proximity of their mines and plants to the US market, the practice of manufacturing the products according to the specifications of the customer, the ability to deliver adequate and "just in time", the advice and technical services to its clients, the high quality of its products and the offering of competitive prices.

The clients abroad for the Autlán Manganese Division are CCMA, LLC., Acerías Paz del Río, ADM Alliance Nutrition, Amsted Rail Company, ArcelorMittal, DSM Nutritional Products, Energizer, Eramet, Exiros, Gerdau, Glencore, Million Link, Nucor, Nutivit, Pestell Minerals and Ingredients, Poortershaven, Rayovac, SDI, Sideralloys and Andec, Steel Dynamics, Sterling Steel, Syandard Burham, Ternium, Timken, Tronex .

For Nonoalco's mining products, it sells (i) battery grade manganese dioxide to dry battery producers such as Energizer Egypt, Energizer Indonesia, Rayovac Guatemala, among others; (ii) ceramic grade manganese dioxide to the national brick and ceramic industry, such as Laminados de Barro, SA de CV, Ladrillera Santa Clara, SA de CV and Ladrillera Mecanizada, SA de CV; and (iii) manganous oxide to fertilizer and micronutrient chemical industries such as Pestell Minerals and Ingredients, Poortershaven and Nutrivit, among others.

For the Autlán Metallorum Division, the main client is Auramet International LLC, a specialized dealer in precious metals. It is also sold to refiners such as Asahi Refining USA Inc and Metalor Technologies SA.

With regard to Autlán EMD, its main customers are Panasonic Energy Belgium, Varta Consumer Batteries and Panasonic Energy Poland.

Autlán is the only producer of manganese nodules which has the benefit of a lower consumption of electrical energy compared to the use of manganese in its natural form.

Down below, the main producers of manganese ore and ferroalloys worldwide are shown.



i. Corporate Structure

GFM is the former controller of Autlán, in July 1993 it made a successful offer to acquire the shares and control of the Company from Nacional Financiera (Nafinsa), in the process of privatization of public companies implemented by the Federal Government. Nafinsa had acquired control of the Company as a result of the award of the shares of the Company that were given as collateral for the loans that the Company had with Nafinsa and that it had not been able to pay.

As part of the organizational restructuring of GFM (Autlán's last holding company until that date), on August 14, 2014 it was agreed at the ordinary and extraordinary general shareholders' meeting to partially divide the assets, liabilities and capital of GFM by subsisting as the parent company. The shares corresponding to GFM went to Autlán Holding, S.A.P.I. of C.V., one of the spun-off companies who became the current holding company of Autlán. The split took effect as of October 18, 2014.

At the Annual General Ordinary and Extraordinary Shareholders' Meeting held on April 25, 2018, the merger of Metallorum Holding was agreed, with the consequent increase in the variable portion of Autlán through the issuance of 78,524,000 ordinary, nominative, Series "B" shares. SFM Holding, which was the majority shareholder of Metallorum and other minority shareholders opted to exchange Metallorum shares for new shares of Autlán.

In the Ordinary Annual General Meeting of Shareholders of April 2019, it was agreed to cancel 15,000,000 million Series "B" shares, common, ordinary and without expression of par value, each one representing the variable part of Autlán's capital stock that were owned by the company.

As of December 31, 2021, the Company had 335,431,016 shares. The following table identifies the major shareholders of Autlan and its stake as of December 31, 2021:

| Shareholders | Certificate Number | % of Ownership |
|---------------------|---------------------------|-----------------------|
| Autlán Holding | 196,656,682 | 58.63% |
| SFM Holding | 78,203,465 | 23.31% |
| Other Shareholders | 60,570,869 | 18.06% |
| TOTAL | 335,431,016 | 100.00% |

As part of the Company's share repurchase program, as of December 31, 2021, the balance of shares in treasury was 12,619,177 shares.

As of December 31, 2021, the main subsidiaries of the Issuer are:

| SUBSIDIARY NAME | OWN% | PRODUCTS/SERVICES |
|--|-------------|---|
| Service Companies and Others | | |
| Compañía Recuperadora de Escorias, S.A. de C.V. | 100% | Recovery of slags and / or metals contained in their forms in industrial waste. |
| Inmobiliaria y Operadora Turística Sterra, S.A. de C.V. | 100% | Sale, administration, possession, leasing of all kinds of real estate; as well as, practice acts and operations of hotel and restaurant services. |
| Compañía de Energía Mexicana, S.A. de C.V. | 100% | Generation of Electric Power to satisfy the set of self-sufficiency needs of its partners in accordance with the Law of the Public Service of Electric Power and its Regulations. |
| Industrial de Minas Molango, S.A.P.I. de C.V. | 99% | Practicing those acts and operations tending to buy, sell, lease, manage, acquire, exploit and in general, negotiate in any way, with properties or mining businesses of any kind and with mines of all kinds of metals, metalloids and minerals. |
| Servicios Administrativos Autlán, S.A. de C.V. SOFOM ENR | 99% | Administration of the accounts receivable portfolio. |
| Industrial de Ferroaleaciones Autlán, S.A. de C.V. | 99% | Leasing of fixed assets. |
| Autlán Energía, S.A. de C.V. and Subsidiaries | 99% | Holder of shares of subsidiary companies of the energy division. |

| | | |
|--|------|--|
| Minera Columbia México, S.A.P.I. de C.V. | 100% | Precious metal related projects. |
| Metallorum Administración, S.A.P.I. de C.V. | 100% | Provision of administrative services. |
| GFM Resources Limited | 100% | Raise funds in Canada through the TSX Venture Exchange to use them in mining exploration in Mexico. |
| Manganorum International S.A.P.I. de C.V. y Subsidiarias | 100% | Promote, encourage, create and organize all kinds of commercial and civil companies in the country and abroad. |
| Trading Companies | | |
| Atlán Metal Services, S.A. de C.V. | 99% | Marketing of national and foreign products for the steel industry |
| GFM Trading de México, S.A. de C.V. | 100% | Purchase or participate in the capital or assets of other Commercial Companies. |

j. Description of its Main Assets

The following table shows the main assets of the Issuer and its subsidiaries as of December 31, 2021. As of this date, with the exception of the Hydroelectric power station, none of the assets mentioned have been granted as collateral for own or third-party obligations, so they are free of encumbrances. All assets presented are owned by the Issuer or its subsidiaries, and are in good operating condition. We have insurance policies for all our assets that provide us with coverage equal to or greater than the usual in the industry.

| Plant or Unit/Asset | Location | Capacity Tons per year | Characteristics | Products Elaborated |
|------------------------|----------|---|--|---------------------|
| Tamós Plant | | | | |
| Kiln 9 | Veracruz | 57,481 | Submerged arc electric furnace, semi-closed type Japan Metals & Chemical Co. brand with 3 paste electrodes of 61.02 "diameter. | Ferroalloys |
| Kiln 10 | Veracruz | 62,436 ** 47,577 **MOR production | Submerged arc electric furnace, semi-closed type Japan Metals & Chemical Co. brand with 3 paste electrodes of 61.02 "diameter. | Ferroalloys |
| Kiln 11 | Veracruz | 24,520 | Brazilian electric furnace of submerged arc type semi-closed with 3 electrodes of electrode paste of 37.40 "in diameter. | Ferroalloys |
| Kiln 12 | Veracruz | 26,329 | Demag electric submerged arc furnace, semi-closed type with 3 paste electrodes of 39.37 "diameter. | Ferroalloys |
| Kiln 13 | Veracruz | 26,001 | Demag electric submerged arc furnace, semi-closed type with 3 paste electrodes of 39.37 "diameter. | Ferroalloys |
| Sinter Plant | Veracruz | 120,000 | Processing plant for carbonates and manganese fines to benefit the manganese ore. | Manganese Sinter |
| Teziutlán Plant | | | | |
| Kiln 5 | Puebla | 16,381 | Submerged electric arc furnace, open type with 3 graphite electrodes of 24 "diameter. | Ferroalloys |

| | | | | |
|---|----------|------------------|---|-------------------|
| Kiln 6 | Puebla | 15,998 | Submerged electric arc furnace, open type with 3 "soderberg" electrodes of 28.11 "diameter. | Ferroalloys |
| Kiln 7 | Puebla | 15,325 | Submerged electric arc furnace, open with 3 "soderberg" electrodes of 28.11 "diameter. | Ferroalloys |
| Kiln 8 | Puebla | 24,532 | Demag electric furnace with submerged arc, with 3 paste electrodes 39.37 "in diameter. | Ferroalloys |
| Gómez Palacio Plant | | | | |
| Kiln 15 | Durango | 22,134 | Mannesmann Demag Electric furnace open type of submerged arc, with 3 paste electrodes, 39.37" in diameter. | Ferroalloys |
| Kiln 16 | Durango | 16,607 | Mannesmann Demag Electric furnace open type of submerged arc, with 3 electrodes of paste of 35.43 "diameter. | Ferroalloys |
| Molango Unit | | | | |
| Pelletizing furnace | Hidalgo | 500,000 tpa | Fuller Traylor Rotary furnace, total length 377.29 feet. | Manganese nodules |
| Compañía de Energía Mexicana | | | | |
| Hydroelectric power station | Atexcaco | 36MW (megawatts) | It has two 17MW turbines working with a compensated energy delivery of 237 GWh / year | Energy |
| Columbia Unit | | | | |
| ADR Plant | Sonora | 147,269 oz | Gold Recovery Plant | Doré Bars |
| SART Plant | Sonora | 2120 | Copper Recovery Plant | Copper |
| Caterpillar 775G Truck | Sonora | 1089744 | Equipment for hauling various materials considering origin and destination. | Soil movement |
| Truck, Komatsu Brand, Model HD465-7E0 | Sonora | 957,687 | Equipment for hauling various materials considering origin and destination. | Soil movement |
| A Truck, Make Komatsu, Model HD605-7E0 | Sonora | 876,511 | Equipment for hauling various materials considering origin and destination. | Soil movement |
| Hydraulic Excavator, CAT Brand, Model 390 | Sonora | 4,164,942 | Equipment for loading of various materials considering origin and destination. | Soil movement |
| Loader, Komatsu Brand, Model WA600-6 | Sonora | 3,446,184 | Extraction and loading of various materials to haulage units. | Soil movement |
| Drilling machine, Sandvik brand. | Sonora | 345,071 | Geometric drilling equipment for wells or holes, suitable based on the geometry of the pit that results in the generation of blast templates and material for sampling. | Soil movement |

| | | | | |
|------------------------------|--------|-----------------|---|--------------------------------|
| Komatsu PC 800 Excavator | Sonora | 4,108,440 | Equipment for loading of various materials considering origin and destination. | Soil movement |
| Autlán EMD | | | | |
| Reduction Plant | Oñati | 14,269 tpa | 1 ANIVI brand dryer, 1 ANIVI brand ball mill, 1 ANIVI brand kiln and 1 ELINO brand kiln | Manganese Oxide |
| Dissolution Station | Oñati | 336,384 m3/year | 3 dissolution tanks, 2 aerators, 2 decanters and 1 installation for the treatment of mud, PENNEVIS brand | Manganese sulphate |
| Electrolysis Station | Oñati | 12,500 tpa | 2 ATRECI brand rectifiers, 1 INGETEAM brand rectifier, 62 PPA brand electrolysis tanks, 1 EIT GETXO brand head transport train and 1 anode striking station | Electrolytic Manganese Dioxide |
| Washing Station | Oñati | 12,500 tpa | 4 scrubbers with lung tanks and washing pumps, 1 TURBO brand crushers | Electrolytic Manganese Dioxide |
| Grinding and Bagging Station | Oñati | 41,610 tpa | 1 LOESCHE brand ceramic roller mill, AFFSA and DONALDSON brand filters and 1 PAYPER brand bagging machine for big bags and paper sacks | Electrolytic Manganese Dioxide |

In addition to its own assets mentioned in the table above, the Issuer has representative offices in Mexico City , these are rented and it is not the owner of the assets. It also has its corporate offices located in San Pedro García García, Nuevo León , which it rents out to a subsidiary.

All the assets presented in the previous table have an annual maintenance plan through which they seek to modernize and renew them. In recent years, through these modernizations and minimal investments, the production capacity of the furnaces has been increasing significantly. All the equipment is constantly being maintained and improvements are being sought to make its operation more efficient and productive.

The depreciation of assets is calculated based on the method that best reflects the pattern in which the economic benefits of the assets will be consumed by the Company, during their remaining estimated useful lives, as follows:

Buildings and facilities (1) 11 years
Industrial machinery and equipment (1) (2) 8 years
Furniture and equipment 2 years
Transport equipment 2 years
Computer equipment 2 years

(1) A weighted average of the useful lives of the components is presented.

(2) Except for ovens and their components where the units produced method is used.

Spare parts that meet the definition of property, plant and equipment, are classified as real estate, machinery and equipment within the category of Industrial machinery and equipment.

k. Judicial, Administrative or Arbitration Proceedings

As of December 31, 2021, there are no legal proceedings against or initiated by us, which if resolved unfavorably to the Issuer could have a material adverse effect on its results of operations or its financial situation. In addition, to this date, we maintain a good relationship with our suppliers with the aim of not putting our operations at risk. In the ordinary course of our business, we are part of various administrative and judicial processes in tax matters. In the opinion of the administration, none of these processes, complaints or pending investigations should have a material adverse effect on our financial condition or the results of our operation.

To the best of our knowledge, none of our shareholders, directors and senior officers is part of any judicial proceeding that could adversely affect our results of operations or financial situation. On the other hand, neither we, nor our subsidiaries are part of any tax procedure that could adversely affect our results of operations or financial situation

I. Shares representing Share Capital

As of the date of this annual report, our subscribed and paid share capital is divided into ordinary shares, without expression of nominal value, Series "B", with full voting rights, representing the fixed and variable part of the capital stock, as applicable, which are distributed as follows:

| Portion of the share capital | Number of Shares | Share capital (Thousands of dollars) |
|---|--------------------|---|
| Minimum Fixed Capital | 106,656,929 | \$ 5,847 |
| Variable capital | 228,774,087 | \$81,194 |
| Total shares issued | 335,431,016 | \$87,041 |
| Shares repurchased as of December 31, 2021 ⁽¹⁾ | 12,619,177 | 6759 |

(1) Shares repurchased financed by the total equity of the Issuer, for which reason they are outstanding in own possession and may not be represented or voted in shareholders' meetings or exercise social or economic rights of any kind, as long as they are the property of the Issuer.

All our shares belong to Series "B" and grant their holders the same corporate and economic rights.

Autlán does not have open positions in derivative instruments that can be settled in kind with underlying shares.

m. Dividends

In accordance with Mexican legislation and Autlán's bylaws, subject to the satisfaction of the quorum requirements, the favorable vote of most of the shareholders present at a general meeting of shareholders determines the declaration, amount and payment of dividends. Dividends can only be paid: (i) retained earnings included in the financial statements previously approved by the general shareholders' meeting; (ii) if the accumulated losses of previous years had been fully paid or absorbed; and (iii) after the allocation of at least 5% of our profits for the legal reserve, up to an amount equivalent to 20% of the paid-in capital stock. The payment of dividends may be limited by the clauses of the debt instruments that we celebrate in the future as well as by our subsidiaries, which may negatively affect our ability to make dividend payments.

The dividend policy is recommended by the Board of Directors and approved by the general shareholders' meeting. As a result of the foregoing, there may be years in which the Company does not distribute dividends and others in which, at the proposal of the Board of Directors, the payment of dividends is decreed by the shareholders' meeting. The dividend policy recommended by the Board of Directors will depend on several factors, including operating results, financial conditions, cash flow requirements, business perspective, taxes, financial terms and conditions that could limit the payment of dividends and other factors to be taken into consideration.

Our main shareholders currently have and will continue to have the power to determine issues related to the payment of dividends.

Autlán's ability to make dividend payments, or of any other nature, is limited by certain restrictions contained in certain contracts that are applicable to them.

Paid Dividends

In fiscal years 2021 and 2019, Autlán decreed the payment of a dividend in cash, in 2020 no dividend payment was decreed.

| | 2021 | 2020 | 2019 |
|----------------------------|----------|------|----------|
| Dividend in cash per share | \$0.4538 | - | \$0.3416 |

III. FINANCIAL INFORMATION

1. Selected Financial Information

The financial information presented below with respect to each of the three fiscal years that ended in 2021, 2020 and 2019 derives from the consolidated financial statements. The financial information presented is derived from, and should be read in conjunction with, the consolidated financial statements audited by independent public accountants, as well as their respective notes, which can be consulted in the annexes.

Adoption of the dollar as a functional currency

According to IFRS, the functional currency must be determined based on the currency of the economic environment in which the issuer and its subsidiaries operate predominantly, which in the case of Autlán means the dollar. Due to this situation, the figures reported here have been prepared taking into account the change in the adoption of the dollar as a functional currency.

As of 2016, Autlán changes its reporting currency from pesos to dollars, the aforementioned being due to the fact that the environment in which the Company operates is mostly handled in US currency, so the financial statements expressed in dollars reflect the results and the financial situation of the company more adequately.

The audited consolidated financial statements of the Company for the periods 2021, 2020 and 2019 have been prepared in dollars in accordance with IFRS issued by the International Accounting Standards Board.

Rounding effect

Certain amounts and percentages included in this annual report have been rounded to facilitate its presentation. The figures expressed in percentages included in this annual report have been calculated based on these figures before rounding. For this reason, certain percentage amounts in this annual report may vary from those obtained when performing the same calculations using figures from the Financial Statements. Other amounts included in this annual report may not match due to rounding.

Compañía Minera Autlán S.A.B. de C.V. And Subsidiaries Selected Consolidated Financial Information (thousands of dollars, except earnings per share)

| | Fiscal years ended as of December 31 | | |
|---|---|--------|--------|
| | 2021 | 2020 | 2019 |
| Information on the Income Statement: | | | |
| Net sales | 450357 | 346240 | 420128 |
| Cost of sales | 355761 | 283884 | 341905 |
| Gross Profit | 94596 | 62356 | 78223 |
| Operating costs | 63498 | 52231 | 55429 |

| | | | |
|--|-------------|--------------|--------------|
| Operating result | 31098 | 10125 | 22794 |
| Total net financial expenses | -19233 | -20745 | -29856 |
| Profit before income taxes | 11865 | -10620 | -7062 |
| Income taxes | 8347 | 4210 | 5215 |
| Consolidated net profit | 3518 | -14830 | -12277 |
| (Loss) Net profits per share basic and diluted | \$0.010 | -\$0.044 | -\$0.037 |

| Balance Sheet information | 2021 | 2020 | 2019 |
|---|------------------|------------------|------------------|
| Cash and cash equivalents | \$65,924 | \$53,040 | \$47,880 |
| Restricted cash | 1,903 | 6,094 | 6,555 |
| Clients, net | 83,328 | 47,635 | 43,019 |
| Accounts receivable from related parties | 381 | 422 | 268 |
| Inventories, net | 90,548 | 91,477 | 113,271 |
| Other current assets | 26,297 | 26,937 | 54,693 |
| Total current assets | 268,381 | 225,605 | 265,686 |
| Investment in associates | 1,367 | 1,161 | - |
| Real estate, machinery and equipment, net | 287,788 | 305,113 | 299,987 |
| Mining properties | 119,396 | 160,994 | 175,871 |
| Assets by right of use | 12,319 | 16,364 | 23,796 |
| Goodwill | 34,574 | 35,472 | 23,815 |
| Intangible asset | 58,963 | 59,923 | 50,622 |
| Derivative financial instruments | 611 | - | 43 |
| Deferred taxes | 17,175 | 18,237 | 20,020 |
| Other assets | 9,972 | 9,362 | 5,594 |
| Total assets | \$810,546 | \$832,231 | \$865,434 |
| Short-term debt | 45,092 | 103,792 | 89,616 |
| Short term debt | 6,708 | 7,738 | 7,969 |
| Suppliers | 88,871 | 94,643 | 120,608 |
| Accounts payable to related parties | 625 | 507 | 526 |
| Derivative financial instruments | - | 477 | - |
| Customer prepayments | 1,682 | 6,478 | 8,297 |
| Other current liabilities | 45,079 | 29,914 | 37,170 |
| Total current liabilities | 188,057 | 243,549 | 264,186 |
| Long-term debt | 145,629 | 88,571 | 88,924 |
| Liability for long-term leasing | 7,826 | 9,780 | 10,136 |
| Deferred taxes | 101,098 | 117,137 | 118,044 |
| Reserve for ecological rehabilitation | 10,009 | 7,477 | 7,128 |
| Employee benefits | 15,594 | 16,335 | 16,034 |
| Total liabilities | 468,213 | 482,849 | 504,452 |
| Stockholders' equity | 342,333 | 349,382 | 360,982 |
| Total liabilities and stockholders' equity | \$810,546 | \$832,231 | \$865,434 |

| Other financial information | 2021 | 2020 | 2019 |
|--|-------------|-------------|-------------|
| Depreciation and amortization | 90,067 | 57,885 | 56,543 |
| EBITDA | 121,165 | 68,009 | 79,337 |
| Gross margin | 21% | 18% | 19% |
| Operating margin | 7% | 3% | 5% |
| Net margin | 1% | -4% | -3% |
| Total Debt | 190,721 | 192,363 | 178,540 |
| Dividends paid | 7190 | - | 15,000 |
| Earnings per share | \$0.010 | -\$0.044 | -\$0.037 |
| Average collection period (days)* | 55 | 51 | 44 |
| Inventory days (days)* | 124 | 148 | 145 |
| Days of accounts payable (days)* | 133 | 154 | 154 |
| Rotation of accounts receivable (times)* | 6.6 | 7.1 | 8.3 |
| Inventory rotation (times)* | 3.0 | 2.5 | 2.5 |
| Rotation of accounts payable (times)* | 2.8 | 2.4 | 2.6 |

* Unaudited indicators

Quarterly Information 2021

Below are the quarterly results for 2021 in millions of dollars

| | 1Q21 | 2Q21 | 3Q21 | 4Q21 |
|-------------------------|-------------|-------------|-------------|-------------|
| Net sales | 91.8 | 98.7 | 124.5 | 135.3 |
| Cost of sales | -78.2 | -75.7 | -81.9 | -119.9 |
| Gross profit | 13.6 | 23.1 | 42.6 | 15.4 |
| Operating income | 0.8 | 9.1 | 24.4 | -3.3 |
| EBITDA | 15.7 | 22.8 | 37.6 | 45.1 |
| Net Controlling Utility | -2.5 | -4.2 | 12.9 | -2.6 |

2. Financial Information by Business Line, Geographic Zone and Export Sales

Transactions between segments are determined on the basis of prices comparable to those that would be used with or between independent parties in comparable transactions. The Entity operates based on several operating segments that are grouped into a reportable business segment. These segments have been determined considering that the types of products, nature of the production processes, the methods used to distribute the products and customers are homogeneous. As of July 1, 2018, Autlán has the precious metals segment and 2020 with Electrolytic Manganese Dioxide

Sales presented in the income statement for \$450,357 for the fiscal year ended December 31, 2021, \$346,240 in 2020 and \$420,128 in 2019 correspond to sales mainly of ferroalloys.

The following is the opening of sales for the last three years 2021, 2020 and 2019 in thousands of dollars:

| Year 2021 | Mining | | Energy | Precious Metals | Manganese dioxide | Interdivision | Total |
|---------------------------|--------------------|--|---------------|------------------------|--------------------------|----------------------|--------------|
| | Ferroalloys | Manganese metallurgical mining prod | | | | | |
| Sales to national clients | \$ 300,350 | \$ 20,781 | \$16,992 | \$ - | \$ - | \$ (13,861) | \$324,352 |
| Sales to foreign clients | \$ 68,240 | \$ 21,645 | - | \$15,411 | \$20,709 | - | \$126,045 |
| Total sales | \$ 368,590 | \$ 42,516 | \$16,992 | \$15,411 | \$20,709 | \$ (13,861) | \$450,357 |

| Year 2020 | Mining | | Energy | Precious Metals | Manganese dioxide | Interdivision | Total |
|---------------------------|-------------|-------------------------------------|-----------|-----------------|-------------------|---------------|------------|
| | Ferroalloys | Manganese metallurgical mining prod | | | | | |
| Sales to national clients | \$ 172,083 | \$ 11,322 | \$11,609 | \$ - | \$ - | \$ (9,748) | \$185,266 |
| Sales to foreign clients | \$ 61,247 | \$ 32,048 | - | \$49,447 | \$18,232 | - | \$160,974 |
| Year 2019 | Mining | | Energy | Precious Metals | Manganese dioxide | Interdivision | Total |
| | Ferroalloys | Manganese metallurgical mining prod | | | | | |
| Sales to national clients | \$ 239,577 | \$ 7,029 | \$ 13,672 | - | - | \$(11,114) | \$ 249,164 |
| Sales to foreign clients | \$ 53,062 | \$ 24,440 | - | \$ 93,462 | - | - | \$ 170,964 |
| Total sales | \$ 292,639 | \$ 31,469 | \$ 13,672 | \$ 93,462 | - | \$(11,114) | \$ 420,128 |

Energy sales that are between intercompanies, are eliminated with the cost of sales when consolidating.

3. Relevant Credit Information

The documents payable in the short term are integrated as follows

| | 2021 | 2020 | 2019 |
|--|-------|----------|---------|
| Note payable in dollars with Scotiabank, monthly interest at the Libor rate plus 4.0% and maturing on January 25, 2021. | - | \$12,500 | \$7,800 |
| Note payable in dollars contracted with Actinver, monthly interest at the TIIE rate plus 2.75% and maturing on April 17, 2021. | - | 7,519 | 2,123 |
| Short-term Unsecured Stock Certificates issued on Friday, February 01, 2019 in pesos, interest at the TIIE variable rate 28 days plus 0.85%. | - | - | 5,306 |
| Short-term Unsecured Stock Certificates issued on Thursday, April 11, 2019 in pesos, interest at the TIIE variable rate 28 days plus 0.80%. | - | - | 10,613 |
| Short-term Unsecured Stock Certificates issued on Friday, August 16, 2019 in pesos, interest at the TIIE variable rate 28 days plus 0.80%. | - | - | 5,306 |
| Short-term Unsecured Stock Certificates issued on Thursday, November 21, 2019 in pesos, interest at the TIIE variable rate 28 days plus 0.65%. | - | - | 5,306 |
| Short-term Unsecured Stock Certificates issued on Friday, January 31, 2020 in pesos, interest at the TIIE variable rate 28 days plus 0.48%. | - | 5,013 | - |
| Short-term Unsecured Stock Certificates issued on Thursday, March 12, 2020 in pesos, interest at the TIIE variable rate 28 days plus 0.50%. | - | 10,026 | - |
| Short-term Unsecured Stock Certificates issued on Friday, August 14, 2020 in pesos, interest at the TIIE variable rate 28 days plus 0.95%. | - | 4,548 | - |
| Short-term Unsecured Stock Certificates issued on Friday, August 21, 2020 in pesos, interest at the TIIE variable rate 28 days plus 0.95%. | - | 2,005 | - |
| Short-term Unsecured Stock Certificates issued on Thursday, November 19, 2020 in pesos, interest at the TIIE variable rate 28 days plus 1.00%. | - | 6,015 | - |
| Short-term Unsecured Stock Certificates issued on Thursday, January 28, 2021 in pesos, interest at the TIIE variable rate 28 days plus 1.00%. | 5,887 | - | - |
| Short-term Unsecured Stock Certificates issued on Wednesday, March 03, 2021 in pesos, interest at the TIIE variable rate 28 days plus 0.95%. | 9,717 | - | - |
| Short-term Unsecured Stock Certificates issued on Friday, August 13, 2021 in pesos, interest at the TIIE variable rate 28 days plus 0.70%. | 4,858 | - | - |
| Short-term Unsecured Stock Certificates issued on Thursday, November 18, 2021 in pesos, interest at the TIIE variable rate 28 days plus 0.50%. | 7,287 | - | - |

| | | | |
|---|-----------------|-----------------|-----------------|
| Note payable in dollars with Afirme, monthly interest at TIEE rate plus 3.5% and maturing on January 31, 2021. | - | 2,481 | 2,653 |
| Note payable in dollars with Santander, monthly interest at Libor rate plus 3.25% and maturing on June 19, 2021. | - | 10,000 | 5,000 |
| Note payable in dollars with Banco del Bajío, monthly interest at Libor rate plus 3.75% and maturing on January 09, 2021. | - | - | 10,000 |
| Note payable in dollars with Intercam, monthly interest at Libor rate plus 3.0% and maturing on January 24, 2021. | - | - | 4,000 |
| Note payable in dollars with Banco del Bajío, monthly interest at Libor rate plus 4.5% and maturing on March 20, 2021. | - | 3,000 | 3,000 |
| Note payable in dollars with Santander, monthly interest at Libor rate plus +3.35% and maturing on June 19, 2021. | - | 3,000 | - |
| Other notes payable denominated in euros | 3,593 | 1,733 | - |
| | <u>\$31,342</u> | <u>\$67,840</u> | <u>\$61,107</u> |

As of December 31, 2021, 2020 and 2019, long-term debt in thousands of dollars is composed as follows:

| | 2021 | 2020 | 2019 |
|---|----------------|----------------|----------------|
| Simple credit agreement dated December 7, 2019 (the "Agreement") for Ps \$ 685 million pesos, with partial maturities from May 2021 to November 2031, at the ordinary interest rate of TIEE 28 days + 4.0 %. ⁽²⁾ | \$23,450 | \$26,856 | \$29,999 |
| Simple credit agreement with Industrial and Commercial Bank of China (ICBC) dated September 24, 2020 for Ps \$ 400 million pesos, with monthly repayments and maturity on September 26, 2022 at a rate of TIEE 28 days + 3.25%. | - | 10,852 | 14,309 |
| Simple credit agreement with Santander dated December 26, 2019 for US \$ 30.0 million with monthly repayments and maturity on December 26, 2026 at a 1M + 3.9% Libor rate. ⁽³⁾ | 24,238 | 27,730 | 30,000 |
| Syndicated credit agreement with JP Morgan dated August 6, 2021 for US\$80.0 million dollars with quarterly amortizations and maturity on August 17, 2027 at a rate of 3M libor + 4.6%. ⁽¹⁾ | 77,625 | - | - |
| Simple credit agreements with Hewlett Packard for US\$191.3 and US\$199.9 thousand dated May 3, 2021 and July 15, 2021, respectively. The loans have monthly repayments and maturity of 5 years, at a fixed rate of 4.46% each. | 322 | - | - |
| Simple credit agreement with Komatsu at a rate of 6% and monthly repayments maturing in 2023. | 1,822 | - | - |
| Simple credit agreement with Caterpillar for US\$2,182 thousand at a fixed rate of 6.5% with monthly repayments due in June 2024. | 1,374 | - | - |
| Irrevocable trust agreement for issuance, administration and payment No. CIB / 7702 with CI Banco in its fiduciary capacity for the securitization of collection rights, through a program for the placement of Senior Trust Bonds with a revolving nature held on March 13, 2017 that accrues interest at the TIEE rate 28 days plus 2.8% and maturing on March 13, 2022. ⁽³⁾ | - | 22,517 | 40,683 |
| Simple credit agreement with Banco del Bajío dated February 14, 2020 for US \$ 16.0 million with monthly repayments and maturity on February 14, 2027 at a 1M + 4.08% Libor rate. | 13,018 | 15,077 | - |
| Simple credit agreement with BBVA dated April 24, 2020 for US\$0.5 million euros with monthly repayments and maturity on April 24, 2025 at a fixed rate of 1.15%. | 568 | 736 | - |
| Simple credit agreement with Bankoia dated February 7, 2020 for US \$ 3.3 million euros with quarterly repayments and maturity on February 7, 2027 at a + 1.5% Euribor rate | 2,840 | 3,636 | - |
| Simple credit agreement with Bankia dated February 7, 2020 for US \$ 3.2 million euros with quarterly repayments and maturity on February 7, 2027 at a + 2% Euribor rate | 2,765 | 3,532 | - |
| Simple credit agreement with Caja Rural de Navarra dated February 7, 2020 for US \$ 2.0 million euros with quarterly repayments and maturity on February 7, 2027 at a fixed rate of 1.8%. | 1,725 | 2,206 | - |
| Simple credit agreement with Santander dated February 7, 2020 for US \$ 3.3 million euros with quarterly repayments and maturity on February 7, 2027 at a + 1.9% Euribor rate . | 2,849 | 3641 | - |
| Simple credit agreement with Caja Laboral Popular dated February 7, 2020 for US \$ 1.5 million euros with quarterly repayments and maturity on February 7, 2027 at a + 1.75% Euribor rate. | 1,293 | 1,654 | - |
| Other credits denominated in euros | 5,490 | 6,086 | 2,442 |
| Subtotal | <u>159,379</u> | <u>124,523</u> | <u>117,433</u> |

| | | | |
|-------------------------|------------------|-----------------|-----------------|
| Minus - current portion | <u>(13,750)</u> | <u>(35,952)</u> | <u>(28,509)</u> |
| Long-term debt | <u>\$145,629</u> | <u>\$88,571</u> | <u>\$88,924</u> |

- (1) Syndicated credit agreement for a term of 6 years in which J.P. Morgan acted as lead arranger, exclusive coordinator and administrative agent. This credit is guaranteed with the portfolio and future flows of certain clients of the Autlán division, through an Irrevocable Issuance, Administration and Payment Trust CIB/2702, assigning the account receivable and future flows of said clients with maturity in 2027 as estate to the trust. This trust is consolidable within the financial information of the Entity.
- (2) This credit agreement is guaranteed with all the goods, rights and other assets, present and future, that are the property of CEM. As of December 31, 2021, these assets show a book value of \$ 75,363.
- (3) This credit is guaranteed through an Irrevocable Issuance, Administration and Payment Trust agreement CIB / 2702, for the securitization of collection rights through a program of placement of revolving Senior Trust Bonds (CBF's), assigning the account receivable and future flows due in 2022 as equity to the trust. This trust is consolidable within the financial information of the Entity.

As of December 31, 2021, 2020 and 2019, there were cash deposits (restricted cash), which ensured the next maturity of capital and financing interest that the Entity maintained at those dates. As of December 31, 2021, 2020 and 2019, deposits amounted to \$ 1,903, \$ 6,094, \$ 6,555, respectively.

Debt contracts contain restrictions, mainly in terms of compliance with financial reasons and delivery of financial information, which if not met or remedied within a specified period to the satisfaction of creditors, could be considered as a cause for early maturity. As of December 31, 2021, 2020 and 2019, Autlán and its subsidiaries satisfactorily comply with said restrictions and commitments.

Obligations for financial leases are effectively guaranteed because property rights over the asset are granted to the lessor in the event of default.

Comments and Analysis of the Administration on the Results of Operation and Financial Situation of the Company

Results of Operations in 2021, 2020 and 2019

Production

In 2021, the international environment was marked by signs of economic recovery, as health and vaccination indicators improved, which generated unique conditions in the steel and manganese markets. The world steel industry showed an interesting performance, reaching all-time highs in steel prices, which were directly correlated with the prices of raw materials.

In Mexico, the production of raw steel reached a figure of 18.4 million tons in 2021, which meant an increase of 10% over 2020. It is worth noting that this favorable environment allowed us to consolidate sales of ferroalloys and manganese derivatives in our usual markets and open new ones, which naturally influenced the company's financial results.

For their part, the spot prices of manganese ferroalloys in the American market climbed to levels not seen since the peak of 2008, driven by tight supply volumes and strong demand. It should be noted that, in some ferroalloys, spot prices exceeded the records of 2008.

Although it is true that the economic context was propitious, it is important to emphasize that the results obtained by Autlán are a consequence of the vision, drive and tenacity of our personnel, as well as of a process of internal transformations to respond to the challenges, in addition to taking advantage of the opportunities presented.

Regarding Autlán Manganese, important efforts were dedicated in geology to increase our resources and reserves in the Naopa Unit. Likewise, progress continued in the implementation of new innovation procedures to operate more efficiently. In this sense, it should be mentioned that complex repairs were carried out in the pelletization furnace at the Molango Unit.

In ferroalloys, after having been on a technical stoppage for some time, the operations of the Gómez Palacio Plant were resumed; Durango, at the end of January, starting Furnaces 15 and 16, allowing the plant to work at its ideal capacity. Also, 2021 was the second-best year in the production of manganese ferroalloys, surpassing the figures of 2017.

Additionally, the company intensified actions to promote care for the environment, reinforcing our existing commitments, but also increasing our reforestation campaigns, knowing that it is one of the proven ways to reduce the environmental footprint. These efforts have made it possible to reforest more than 3,000 hectares of land, which far exceeds the ecological footprint of our international operations.

For Autlán Energía, overcoming the challenges required by the energy sector is proof of its commitment to Mexico and to the efficient use of water resources. For this reason, the Atexcaco Hydroelectric Power Plant; in Puebla, incorporates sustainable technologies to our business model to contribute towards a society with low CO2 emissions in the environment.

For its part, 2021 turned out to be a year of contrasts for the Power Plant, registering a shortage of rain during the first five months of the year, to later reach record levels of energy generation in the second half of the year.

Undoubtedly, these events implied an ambitious reconversion process in Autlán Energía, with the purpose of boosting productivity, exploring new projects, maintaining a healthy coexistence with the communities, among other infrastructure improvements that will allow us to respond to future challenges.

Precious metals operations in the state of Sonora faced a particularly difficult year. Autlán Metallorum is experiencing a moment of transformation and its time will come again under another configuration. That is the objective that is sought as Administration, that said division of precious metals have greater opportunities and better conditions.

On the other hand, Autlán EMD is going through a process of adaptability in the midst of operational and energy adversities. However, the work team was willing to seek solutions by obtaining requirements from new clients, renegotiating with existing ones and, also, materializing additional financing to overcome the difficult times caused by the energy crisis that Europe is experiencing.

In the final balance of the year, the conditions of Autlán EMD were positive due to the growing demand for EMD in 2021, which has accelerated in the world, beginning to feel its effects with significant increases in international EMD prices.

For Autlán, the challenge is to continue growing in Spain so that Autlán EMD is perceived as a strategic company in the town of Oñati, triggering not only employment opportunities, but also promoting innovation to raise industrial competitiveness in the Basque Country.

Results

Autlán's net sales as of December 31, 2021 were 30% higher than those of 2020, registering an amount of \$450.4 million dollars. This was achieved due to the increase in the demand for manganese ferroalloys, which allowed the amount sold to increase by 10% compared to 2020. In addition, the sale of manganese nodules to convert them into ferroalloys was reduced, taking advantage of the rise in prices experienced by these products. Autlán Metallorum sales decreased to \$15.4 million dollars, due to a reduction in the level of operation to focus on exploration and formulation of a new plan for the mine, while Autlán EMD contributed \$20.7 million dollars in its second year under company management. At the end of December 31, 2020, sales were 18% higher than those of 2019, with \$346.2 million dollars. This is explained by the slowdown that the steel industry has suffered since mid 2019, coupled with the negative effects of the COVID-19 pandemic that also affected the production of ounces of gold due to the temporary stoppage of operations as it was not considered an essential activity by the authorities during the second quarter of 2020.

Cost of sales

The cost of sales increased by \$71.9 million dollars and administrative and general expenses rose 20% compared to those registered in the previous year, which is due to operational efforts to keep costs low and take advantage of the good level of manganese ferroalloys prices. The cost of sales in 2020 represented 82% of sales compared to 81% in 2019 due to the fact that the main inputs (imported ore, coke, etc.) did not decrease in cost in the same proportion (they do so with a lag over time) than sales prices, consequently affecting profit margins.

Gross profit

Gross profit for the year was \$ 94.6 million, a gross margin of 21%, compared with the \$ 62.4 million dollars recorded in 2020. Gross profit in 2019 was \$ 78.2 million dollars.

Operating Income and Income before financial, taxes, depreciation and amortization (EBITDA)

In the accumulated of the year 2021, the operating profit reached \$31.1 million dollars, exceeding by \$21.0 million dollars the figure of 2020 and by \$8.3 million dollars the profit of 2019.

At the operating flow level (EBITDA), an amount of \$121.2 million dollars was recorded with an EBITDA margin of 26.9% on sales, widely exceeding the amount of \$68.0 million dollars with a margin of 19.6% in 2020 and the amount of \$79.3 million dollars with a margin of 18.9% of 2019.

Financial expenses

The comprehensive financing result was \$19.2 million dollars, decreasing by \$1.5 million dollars compared to 2020 and \$10.6 million dollars compared to 2019. This was mainly due to the lower interest paid due to the drop in rates and lower financial expenses in general.

Net Profit

Finally, the increase in the operating result and the financial result led to registering a consolidated net income in fiscal year 2021 of \$3.5 million dollars compared to the net loss of \$14.8 million dollars at the end of 2020 and \$12.3 million dollars at the end of 2019.

Investments

During the year 2021, efforts and resources of \$23.6 million were allocated. The resources were allocated to preventive maintenance that ensures the performance of productive assets in all the company's divisions, as well as initiatives aimed at improving efficiency by reducing costs and increasing production capacities. Likewise, in the manganese and precious metals mining operations, the exploration and preparation of our mines were the pillar of the investments made, with the objective of increasing the resources and reserves of our minerals. On the other hand, technology projects continued to improve the productivity and efficiency of the pelletization plant.

In the area of sustainability, work was done to improve the Naopa highway as part of our ongoing commitment to be a force for positive development in the regions where we operate. In addition, activities aimed at improving the environment and the communities were carried out as part of the social responsibility program followed by the company.

At the beginning of 2021, an intensive exploration campaign began, mainly in the Naopa open-pit mine, with the aim of increasing reserves, as well as investing in the rehabilitation of areas within the underground mine to generate access to new mineral deposits. The safety projects in mines and plants continued, focusing on the acquisition of anchoring and meshing mechanization equipment for stopes and roads during the first quarter of the year, and then prioritizing the company's asset safety.

During the third quarter, an important part of the flow was allocated to increase Manganese ore resources and reserves, in view of a good future for the Naopa mine and the underground mine, developing and preparing both mines. For its part, investments in ferroalloys focused on furnace maintenance, in addition to the preparation of the network code for the planned increase in capacity as part of the company's organic growth.

At Autlán Metallorum, efforts continued in exploration with the aim of continuing to increase the life of the mine and the development of new fronts that will allow production to resume in the short term. On the other hand, in Autlán Energía, the investments made were directed to the maintenance of the plant, mainly the plant control system, an update was made in protection schemes and compliance with the manual "Information and Communication Technologies" (ICTs).

Finally, at Autlán EMD, the investments made were aimed at preventive maintenance of the plant.

n. Financial Situation, Liquidity and Capital Resources

Autlán's total debt as of December 31, 2021 was \$ 190.7 million, with a balance of cash and cash equivalents at the end of the year of \$ 67.8 million, resulting in a net debt of \$ 122.9 million. As of December 31, 2020, Autlán's net debt was \$ 133.3 million, while at the end of 2019, the net debt was \$ 124.1 million.

Autlán focused on improving its debt profile by refinancing short and [sic] term debt. The foregoing was achieved through the syndicated loan led by JP Morgan and through the issuance of short-term Stock Certificates on the Mexican Stock Exchange, obtaining better financial costs while maintaining very healthy leverage levels. The ratio of leverage Net Debt to 2021 EBITDA, registers 1.1x (times). The foregoing, even with the incorporation of leases by the new IFRS 16 accounting standard.

As of December 31, 2021, 2020 and 2019, the entity has lines of credit authorized for working capital for a total of \$ 291 million, \$ 71 million and \$ 86 million, respectively, having disposed of \$ 31.3 million, \$ 67.8 million and \$ 61.1 at that date million, respectively.

Obligations for financial leases are effectively guaranteed because property rights over the asset are granted to the lessor in the event of default.

| | Exercises completed as of December 31 <i>(millions of dollars)</i> | | |
|-------------------|--|--------------|--------------|
| | 2021 | 2020 | 2019 |
| Short-term debt | 45.1 | 103.8 | 89.6 |
| Long-term debt | 145.6 | 88.6 | 88.9 |
| Total Debt | 190.7 | 192.4 | 178.5 |

Below, some financial reasons of Autlán are presented:

| Financial Reasons | As of December 31 | | |
|---------------------------------------|--------------------------|-------------|-------------|
| | 2021 | 2020 | 2019 |
| Current Assets to Current Liabilities | 1.43 | 0.93 | 1.00 |
| Total Liability to Total Assets | 58.0% | 58.0% | 58.3% |
| Total Liability to Total Equity | 1.37 times | 1.38 times | 1.40 times |

The ratio of current assets to current liabilities in 2021 increased compared to 2020 mainly due to the decrease in short-term debt.

The ratio of total liabilities to total assets remained the same with 2020, due to the similar level of long-term debt during 2021.

The Company's self-regulatory policies include policies that govern the treasury, such as the investment and share buy-back policy. At the end of year 2021 there are no relevant transactions not recorded in the balance sheet or in the income statement that have to be mentioned in this report.

o. Internal control

The Company's Administration is responsible for preparing the financial statements and all the information contained in this report, in accordance with the amendments to the Rules for Public Companies and Other Participants of the Mexican Stock Market, issued by the CNBV as of January 27, 2009, its financial statements as of fiscal year 2012 are under the IFRS accounting regulatory framework.

The Company has established an internal control system in order to provide, among other things, the reasonable reliability of financial information, the efficiency and effectiveness of operations, and compliance with applicable laws and regulations.

The policies and procedures established are authorized by the general management and the functional directions in charge of fulfilling the organizational and business purposes. Likewise, there is a process of continuous improvement aimed at strengthening and making the disclosure of financial information transparent.

Additionally, the company has an internal audit department whose main functions are; the planning, coordination and direction of activities aimed at the permanent review of the efficiency with which the internal control system established in the organization is operating and supporting the audit committee in all activities, maintaining a monitoring system of the deficiencies detected in the audit to determine the corrective measures for their solution.

In addition, the Company also has two intermediate bodies which meet periodically to review the results and the good performance of the Company and are the following:

Audit Committee: whose main functions, among others, are the evaluation of the performance of the external auditors and their reports; evaluate the scope and the preliminary and definitive results of the internal and external audits of accounting and fiscal type practiced to the Company; review the financial statements, reports of an accounting and fiscal nature to be submitted to the consideration of the shareholders or the Board of Directors; supervising the administrative, accounting and internal control policies of Autlán, being able to propose to the Board of Directors changes to them and verify their compliance. It is also responsible for supervising the existence of policies, procedures and controls to the self-regulatory regime applicable to the Directors, managers, attorneys-in-fact and employees of the Issuer; as well as preparing an annual report on its activities and presenting it to the Board of Directors.

Corporate Practices Committee: Which is in charge of performing, among others, the following functions; Recommend to the Board of Directors regarding the determination of salaries, bonuses and other benefits, which shall correspond to the main officers of the Company; Design, propose, establish and implement training plans for personnel; Suggest to the Board of Directors the appointments and removals of executive personnel; The development, evaluation and monitoring of those projects and programs assigned by the Board of Directors, approval of operations between related parties; and periodically report to the Board of Directors on its activities and the exercise of its functions.

4. Estimates, provisions or critical book reserves

Fair value estimation:

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments at fair value through profit or loss, which are measured at fair value.

Below are the fair values of financial instruments based on their category:

| | December 31 | | |
|---|-------------|----------|----------|
| | 2021 | 2020 | 2019 |
| Financial assets | | | |
| Cash and cash equivalents (1) | \$65,924 | \$53,040 | \$47,880 |
| Restricted cash (1) | 1,903 | 6,094 | 6,555 |
| Clients-net (1) | 83,328 | 47,635 | 43,019 |
| Accounts receivable related parties (1) | 381 | 422 | 268 |
| Measured at fair value: | | | |
| Derivative financial instruments (2) | 611 | - | 43 |
| Financial liabilities: | | | |
| Measured at amortized cost | | | |
| Suppliers (1) | 88,871 | 94,643 | 120,608 |
| Bank loans (3) | 31,342 | 67,840 | 61,107 |
| Customer prepayments | 1,682 | 6,478 | 8,297 |
| Accounts payable to long-term related parties (3) | 625 | 507 | 526 |
| Short-term financial leases (4) | 6,708 | 7,738 | 7,969 |
| Debt (3) | 159,379 | 124,523 | 117,433 |
| Long-term financial leases (4) | 7,826 | 9,780 | 10,136 |

- (1) The book value of cash and cash equivalents, restricted cash, accounts receivable and short-term financial liabilities, approximates their fair value because they are short-maturing instruments.
- (2) Instruments measured at fair value, which are located within Level 2 of the fair value hierarchy.
- (3) The fair value is calculated using a discount rate determined by the average of the market rates that reflect the credit risk of the Entity and are considered level 2 within the fair value classification. The fair value of bank loans and debt as of December 31, 2021, 2020 and 2019 is \$ 150,992, \$ 120,083 and \$ 121,094, respectively, which are based on discounted cash flows using a rate of 5.83%, 4.52% and 5.64%, respectively.
- (4) The value of these liabilities is measured through amortized cost

In the application of accounting policies, the Company's management makes judgments, estimates and assumptions about certain amounts of the assets and liabilities of the financial statements. Estimates and associated assumptions are based on experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and related assumptions are continually reviewed. Changes to accounting estimates are recognized in the period in which the estimate is modified, or future periods if the revision affects both current and future periods.

Functional currency

The functional currency is defined as the currency of the primary economic environment in which the Company operates. Management uses its professional judgment in determining the functional currency of its subsidiaries and considers as part of the analysis, factors such as the currency that mainly influences sales prices, costs, financing funds and in which cash flows are held. cash generated by the operation.

Determination of income taxes

As part of the fiscal analysis carried out by the Company, it is determined annually by projections if there will be enough fiscal profits based on estimates of future operations, to conclude on the probability of recovery of deferred tax assets arising from deductible temporary differences, as well as losses and other tax credits.

Estimation of useful lives and residual values of buildings, machinery and equipment and intangibles

The Company reviews the estimated useful life and the residual values of property, machinery and equipment and intangibles at the end of each annual period. During the period, it was not determined that life and residual values should be modified since, according to the evaluation of the Company's management, useful lives and residual values reflect the economic conditions of the Company's operating environment. However, these estimates must be reviewed at each date of the statement of financial position and any change in them could affect the results of the Company.

Mining licensing

The Company's mineral reserves are based on the best estimate of the product that can be economically and legally extracted from the mining properties. Estimates are developed after considering a number of factors, including quantities, ore quality, production techniques and recovery rates, international price forecast and production costs.

The Company's estimates are supported by geological studies conducted by independent consultants to determine the quantity and quality of each ore deposit. Significant judgment is required to generate an estimate based on available geological data and requires the use of reasonable assumptions, including:

Estimates of future production - which include proven and probable reserves, resource estimates and expansions; The prices of the expected future commodities, based on the current market price, the guaranteed prices and the Company's evaluation of the long-term average price; production costs, investment costs; Estimates of mineral reserves may vary from one period to another. This may affect the financial results of the Company because the charges for depreciation of assets and their recoverable value may vary.

Impairment of long-lived assets

The carrying amount of long-lived assets is reviewed for impairment in the event that situations or changes in circumstances indicate that it is not recoverable. If there are indications of impairment, a review is carried out to determine whether the book value exceeds its recovery value and if it is impaired.

The Entity annually reviews the circumstances that caused an impairment loss arising from the cash generating units to determine if these circumstances have been modified and have generated reversal conditions. In the positive case, the recoverable value is calculated and, if applicable, the reversal of the previously recognized impairment. Intangible assets with an indefinite life are tested for impairment at least annually.

If a loss due to impairment of goodwill has been recorded, no reversal procedure is applied. On the other hand, the Company's management makes certain critical judgments, which are detailed below:

Contingencies

The Company is subject to contingent transactions or events on which it uses professional judgment in the development of estimates of probability of occurrence, the factors considered in these estimates are the legal situation at the date of the estimate, and the opinion of the legal advisors

IV. ADMINISTRATION

External Auditors

For the appointment of the external auditors, as well as for additional services to the external audit of basic financial statements, the firm submits to the Administration its proposal of fees for audit and additional services, to be reviewed by the Administration and subsequently made a recommendation to the Audit Committee regarding the hiring of the firm. The Audit Committee authorizes and recommends its approval to the Board of Directors. The Audit Committee signs the contract letter of the firm. In 2021, additional audit services focused on IT-related procedures and financial situation. These services totaled \$ 154 thousand dollars.

In the last three years no opinions have been issued with a reservation, a negative opinion or refusal to issue an opinion about the Issuer's financial statements.

The Company's auditors report to the Ordinary Annual General Meeting of Shareholders the reasonableness of the financial statements presented by the General Director and the Board of Directors and generally review the activities of the Company. In addition, they are authorized to attend the Shareholders' meetings or meetings of the Board of Directors (without voting rights).

The years 2021, 2020 and 2019 were audited by Galaz, Yamazaki, Ruiz Urquiza, S.C. (Deloitte).

On the other hand, the actuarial calculation in accordance with IFRS (IAS19) "Benefit to employees" was carried out by an independent expert.

5. Transactions with Related Persons and Conflict of Interest

Transactions with related parties are composed mainly of commissions and other administrative and technical services rendered, market prices and market conditions are based on transfer pricing studies that the Company performs for its correct application.

Transactions with related parties are the following:

| | December 31 | | |
|------------------------|--------------------|-------------|-------------|
| | 2021 | 2020 | 2019 |
| Sales commissions | \$7,451 | \$5,362 | \$4,599 |
| Real state acquisition | - | 5751 | - |
| Other services | (256) | - | - |
| Paid interests | (35) | - | - |
| Provision of services | - | - | 152 |
| Transport services | 1,481 | 1,299 | 1,114 |

| | | | |
|-------------------------|-------|-------|-------|
| Leasing services | 385 | 840 | 1,001 |
| Administrative services | 2,895 | 2,998 | 4,474 |
| Other | 47 | (81) | 334 |

The goods and services are acquired from the last controller, associates and from Companies controlled by key personnel of the administration under normal commercial terms and conditions. Compensation of key personnel

The key personnel includes the directors (executives and non-executives). The compensation paid to these executives for their services is shown below:

| | | | |
|--|----------------|----------------|----------------|
| | 2021 | 2020 | 2019 |
| Salaries and other short-term benefits | <u>\$2,152</u> | <u>\$2,084</u> | <u>\$2,640</u> |

Balances resulting from the acquisition and provision of services and other transactions:

| | December 31 | | |
|---|--------------------|--------------|--------------|
| | 2021 | 2020 | 2019 |
| Accounts payable to related parties: | | | |
| Servicios Logísticos Lacus, S. A. P. I. de C.V. | \$371 | \$324 | \$171 |
| AE Power, S. A. de C. V. | - | 98 | 97 |
| Energía y Proyectos Eólicos, S. A. de C. V. | 10 | - | - |
| Total | <u>\$381</u> | <u>\$422</u> | <u>\$268</u> |
| Accounts payable to related parties: | | | |
| SFM, Holding, S. A. P. I. de C. V. | \$28 | \$49 | \$240 |
| Servicios Financieros Mexicanos, S. A. de C. V. | 27 | - | 38 |
| Productos Exclusivos Buena Fe, S. A. de C. V. | 3 | 23 | 9 |
| AE Power, S. A. de C. V. | 28 | 95 | 132 |
| LYNX servicios aéreos, S. A. de C. V. | - | 115 | 90 |
| BF Administración, S. A. de C. V. | - | 66 | - |
| Compañía de Alojamiento y Excursiones, S.P.R.R.L. de C.V. | 31 | - | - |
| Energía y Proyectos Eólicos, S. A. P. I. de C. V. | 498 | - | - |
| Inmobiliaria Sterra, S. A. P. I. | 10 | 159 | 17 |
| Total | <u>\$625</u> | <u>\$507</u> | <u>\$526</u> |

All the parties related to which balances receivable and payable are held, arise from the control relationship by Autlán shareholders over the corresponding entity.

Accounts receivable from current related parties arise mainly from transactions for services and are payable in the short term. These accounts receivable have no guarantees and do not generate interest. No provisions have been made for these accounts receivable from related parties. The fair value of accounts payable as of December 31, 2021 is \$ 381, as of December 31, 2020 is \$ 422. and as of December 31, 2019 is \$ 268.

6. Administrators and Shareholders

Autlán is a company in which values are promoted at all levels of the organization. It has a Code of Ethics applicable to all employees, directors and stakeholders of the Company, which contains the guidelines for the expected behavior of people towards our authorities, communities, customers, suppliers and among employees, respecting our values such as they are safety, respect and honesty.

The Code of Ethics comprises the general principles on conduct within the organization, with government institutions maintaining political neutrality in the Company's public relations, respect for our communities and the environment, as well as honesty and integrity when dealing with clients and suppliers.

In the General Assembly at the Annual Shareholders' Meeting held on March 26, 2021, the members of the Board of Directors were appointed for the period April 2021 - April 2022. The Board of Directors is made up of the following people:

| <u>BOARD MEMBERS</u> | <u>ALTERNATE DIRECTORS</u> |
|---|-----------------------------------|
| José Antonio Rivero Larrea <i>Chairman</i> | María Guadalupe González Martínez |
| José Antonio Rivero González | María Elena Rivero González |
| Esteban Rivero González | |
| Oscar Maldonado Charles | |
| Fernando Canales Clariond | Francisco Canales Stelzer |
| Francisco Garza Zambrano | Francisco Garza Ayala |
| Antonio Elosúa González | Patricio Morales Sada |
| Everardo Elizondo Almaguer | |
| Dionisio Garza Sada | Pablo Garza Sada |
| Ricardo Sada Villarreal | |
| Pedro Reynoso de la Garza | Pedro Reynoso Ennis |

Mr. Juan Pablo del Río Benítez is re-elected as Secretary of the Board of Directors.

Board of Directors

Board members

José Antonio Rivero Larrea
Chairman
Estate related

Mr. Rivero is Chairman of the Board of Directors since 1993, is a founding member and Chairman of the Board of Directors of Autlán Holding, S.A.P.I. of C.V. current Autlán controller. Mr. Rivero is a graduate of the Instituto Tecnológico y de Estudios Superiores de Monterrey (ITESM) with a degree in administrative computer systems and holds a master's degree in business administration from the same institution.

Mr. Rivero has been president of the Mining Chamber of Mexico (Camimex), President of the International Manganese Institute (IMnI) based in Paris and Treasurer of the National Chamber of the Iron and Steel Industry (Canacero) and is currently a Life Member of the Board of Directors of Camimex.

José Antonio Rivero González
Estate related

Member of the Autlán Board of Directors. He is CEO of Metallorum Holding since 2016. Mr. Rivero is an active member of CAINTRA and other civil organizations

Esteban Rivero González
Estate related

Member of the Board of Directors of Autlán since 2015. He graduated from the Monterrey Institute of Technology and Higher Education (ITESM) with a degree in Computer Systems Management and holds an MBA from the Kellogg School of Management. Mr. Rivero has held various executive positions at Autlán since his incorporation in 2003 and currently serves as the Commercial and Energy Director of the station. He also participates as a member of the Board in several institutions that include the University of Monterrey (UDEM) as well as the ITESM Campus Tampico.

| | |
|--|---|
| Oscar Maldonado Charles | General Manager of Autlán for 8 years, leaving the management in April 2021. In addition, he has previous experience in the Mexican steel industry for more than 4 decades, highlighting companies such as Hylsa and Grupo IMSA, where he was General Manager with work centers in Mexico and abroad. |
| Fernando Canales Clariond <i>Independent</i> | Member of the Board of Directors of Autlán since 2011. Mr. Canales was Secretary of Economy and Energy during the presidency of Vicente Fox. |
| Francisco Garza Zambrano <i>Independent</i> | Member of the Board of Directors of Autlán since 2008. Mr. Garza has held various management positions in CEMEX, as President of CEMEX United States, President of CEMEX Venezuela, President of CEMEX Panama and President of CEMEX Mexico. |
| Antonio Elosúa González <i>Independent</i> | Member of the Board of Directors of Autlán since 2002. He is the CEO U-Calli, S.A. de C.V. |
| Dionisio Garza Sada <i>Independent</i> | Dionisio Garza Sada is currently CEO of Grupo Topaz, a holding company for Jaguar E&P, Talisis and Urbain. Additionally, he is the Board Chairman of the Universidad Regiomontana. He has a degree in Engineering from Stanford University and an MBA from Harvard Business School. |
| Everardo Elizondo Almaguer <i>Independent</i> | Member of the Board of Directors of Autlán since 2009. Mr. Elizondo is a former Deputy Governor of Banco de México. |
| Ricardo Sada Villarreal <i>Independent</i> | Ricardo Sada is a consultant in finance, organization and human capital. He graduated from ITESM and completed an MBA at the University of Texas. During his career he served as Treasury Director at Alfa, as well as at Hylsa/Ternium. Currently, he also serves as an advisory member in other organizations in Mexico. |
| Pedro Reynoso de la Garza <i>Independent</i> | Pedro Reynoso de la Garza has been an alternate director of the company for more than 10 years. He is an Industrial Engineer with postgraduate studies in Australia and the United States. CEO of Prestadora FINPLA, a real estate development company. He is a member of the board of other companies in Mexico and the United States. |

Alternate Directors

The alternate directors of the Autlán Board of Directors serve in their positions for one year.

María Guadalupe González Martínez
María Elena Rivero González
Francisco Canales Stelzer
Francisco Garza Ayala
Patricio Morales Sada
Pablo Garza Sada
Pedro Reynoso Ennis

Secretary (Non-member)

Juan Pablo del Río Benítez

Graduated in Law from the Universidad Anáhuac in 1992. He specialized in commercial law (postgraduate) at the Escuela Libre de Derecho, 1993-1994 period.

Founding partner of the law firm DRB Consultores Legales, SC

He has concentrated his professional practice in the areas of corporate, commercial, financial, foreign investment, mergers and acquisitions, securities and corporate financing.

He is the Secretary (not a member) of the Board of Directors and external legal advisor to various companies, including: Compañía Minera Autlán, SAB de CV, Mexichem, SAB de CV, Elementia, SAB de CV, Grupo Pochteca, SAB de CV, Grupo Hotelero Santa Fe, SAB de CV, Banco Ve por Más, SA, Grupo Financiero Ve por Más, SA de CV, Airports Mexicanos del Pacífico, SAPI de CV, Grupo Finaccess, SAPI de CV, Sabormex, SA de CV and Cía. Cerillera La Central, SA de CV Cerillera La Central, S.A. de C.V.

He is a member of the Regulatory Committee of the Mexican Stock Exchange, the Barra Mexicana Colegio de Abogados and the Center for International Legal Studies.

Assistant Secretary (Non-member)

Almaquio Basurto Rosas

Mr. Basurto has been the deputy secretary of the Council of Autlán since 2002. He is a founding partner of DRB Consultores Legales, S.C., lawyers specialized in corporate, financial and stock market matters.

Independent Auditors

Agustín Martínez

Mr. Martínez is a partner of the firm Galaz, Yamazaki, Ruiz Urquiza, SC, Member of Deloitte Touche Tohmatsu Limited and was the external auditor of the Company for fiscal year 2021.

The Board of Directors of the Company is integrated as follows: 64% of Independent Members and 36% of Patrimonial and / or Related Directors.

For the years ended December 31, 2021, 2020 and 2019, the compensation and benefits received by the company's main officers amounted to \$56,716, \$49,686 and \$43,175 thousand dollars, respectively, an amount composed of basic salary and benefits of law and supplemented by a variable compensation program that is basically based on the Autlán results. There is no agreement or program to involve employees in the capital of Autlán.

At the Ordinary Annual General Shareholders' Meeting held on March 26, 2021, agreed to grant emoluments to owners and alternate members of the Board of Directors and its Secretary or Assistant Secretary, of a fifty pesos gold coin (a centenario) or its equivalent in pesos and the amount of \$ 20,000.00 (Twenty Thousand Pesos 00/100 MN), for each meeting of the Board of Directors they attend. Regarding the meetings of the Audit Committee and the Corporate Practices Committee, the emoluments corresponding to the President of each Committee will be a coin of fifty gold pesos (a centenario) or its equivalent in pesos and the amount of \$ 20,000.00 (Twenty Thousand Pesos 00 / 100 MN) for each Committee meeting they attend; and the members as well as its Secretary or Assistant Secretary, will be a fifty gold peso coin (one centenary) or its equivalent in pesos and the amount of \$ 10,000.00 (Ten Thousand Pesos 00/100 MN) for each meeting of the Committee they attend. .

In accordance with the Securities Market Law, the Board of Directors must deal with the following matters:

- I. Establish the general strategies for conducting the business of the Company and moral persons that it controls.
- II. Monitor the management and conduct of the Company and the legal entities it controls, considering the relevance of the latter in the financial, administrative and legal situation of the Company, as well as the performance of the relevant officers.
- III. Approve, with the prior opinion of the committee that is competent:
 - a) The policies and guidelines for the use or enjoyment of the assets that integrate the assets of the Company and of the legal entities that it controls, by persons related under the terms of the Securities Market Law.
 - b) The operations, each individually, with related parties, that the Company or the legal entities that it controls hold in accordance with the provisions of the Securities Market Law.
 - c) The operations executed, either simultaneously or successively, which due to their characteristics can be considered as a single operation and which are intended to be carried out by the Company or the legal entities it controls, during a fiscal year, when they are unusual or non-recurring, or, the amount represents, based on figures corresponding to the close of the immediately preceding quarter in any of the following cases:
 1. The acquisition or transfer of assets with a value equal to or greater than 5% of the consolidated assets of the Company.
 2. The granting of guarantees or the assumption of liabilities for a total amount equal to or greater than 5% of the consolidated assets of the Company.
Investments in debt securities or in banking instruments are excepted, provided they are carried out in accordance with the policies approved by the Board itself.
 - d) The appointment, election and, if applicable, dismissal of the General Director of the Company and its full compensation, as well as the policies for the appointment and full compensation of the other senior officers in the terms of the Securities Market Law.
 - e) The policies for the granting of mutual loans or any type of credits or guarantees to related persons under the terms of the Securities Market Law.
 - f) Waivers for a Director, relevant manager or person with power of command, under the terms of the Securities Market Law, take advantage of business opportunities for themselves or in favor of third parties, which correspond to the Company or to the legal entities that this control or in which it has a significant influence, in the terms of the Securities Market Law. The waivers for transactions whose amount are less than that mentioned in paragraph c) above, may be delegated to any of the committees of the Company in charge of the functions related to auditing or corporate practices.
 - g) The guidelines on internal control and internal audit of the Company and of the legal entities that control the terms of the Securities Market Law.
 - h) The accounting policies of the Company, in accordance with accounting principles recognized or issued by the National Banking and Securities Commission through general provisions.
 - i) The financial statements of the Company.
 - j) The hiring of the legal entity that provides the services of external audit and, where appropriate, of additional or complementary services to those of external audit.
When the determinations of the Board of Directors are not in accordance with the opinions provided by the corresponding committee, the aforementioned committee must instruct the CEO to reveal such circumstance to the investing public, through the stock exchange in which the shares of the Company are listed. or the debenture bonds that represent them, adjusting to the terms and conditions that said stock exchange establishes in its internal regulations.
- IV. Submit to the General Stockholders meeting held on the occasion of the close of the fiscal year:
 - a) The reports referred to in Article 43 of the Securities Market Law.
 - b) The report prepared by the CEO in accordance with the provisions of Article 44 section XI of the Securities Market Law, together with the opinion of the external auditor.
 - c) The opinion of the Board of Directors on the content of the report of the CEO referred to in the previous paragraph.
 - d) The report referred to in Article 172, subsection b) of the General Law of Commercial Companies, which contains the main accounting and information policies and criteria followed in the preparation of financial information.
 - e) The report on the operations and activities in which it has intervened in accordance with the provisions of the Securities Market Law.
- V. Follow up on the main risks to which the Company and the legal entities it controls are exposed to, identified based on the information presented by the committees, the CEO and the entity that provides the external audit services,

- as well as the accounting systems, internal control and internal audit, registration, filing or information, of these and that, which may be carried out through the committee that exercises the functions of Audit.
- VI. To approve the information and communication policies with the shareholders and the market, as well as with the relevant Directors and executives, under the terms of the Securities Market Law, in order to comply with the provisions of said law.
 - VII. Determine the corresponding actions in order to correct the irregularities that are known to you and implement the corresponding corrective measures.
 - VIII. Establish the terms and conditions to which the CEO will adjust in the exercise of his powers of acts of ownership.
 - IX. To order the CEO to disclose to the public relevant events of which he is aware. The foregoing, without prejudice to the obligation of the CEO referred to in Article 44 section V of the Securities Market Law.
 - X. Other than the Securities Market Law establishes.

The Board of Directors will be responsible for overseeing compliance with the agreements of the Stockholders' meetings, which may be carried out through the committee that exercises the Audit functions.

The members of the Board of Directors will perform their duties seeking to create value for the benefit of the Company, without favoring a particular shareholder or group of shareholders. For this purpose, they must act diligently by adopting reasoned decisions and complying with the duties of diligence, loyalty and responsibility referred to in Sections A, B and C of the Securities Market Law and the others applicable to them by virtue of the Securities Market Law, the Law General of Mercantile Societies or the corporate bylaws of the Company.

For the period from April 2021 to April 2022, the following Intermediate Bodies were established:

AUDIT COMMITTEE

| | |
|--------------------------------|------------------------|
| Mr. Ricardo Sada Villarreal | President |
| Mr. Antonio Elosúa González | Member |
| Mr. Pedro Reynoso de la Garza | Member |
| Mr. Juan Pablo del Río Benítez | Secretary (Non-Member) |

COMMITTEE OF CORPORATE PRACTICES

| | |
|--------------------------------|------------------------|
| Mr. Antonio Elosúa González | President |
| Mr. Ricardo Sada Villarreal | Member |
| Mr. Pedro Reynoso de la Garza | Member |
| Mr. Juan Pablo del Río Benítez | Secretary (Non-Member) |

The Company is controlled by Autlán Holding, which owns 58.63% of the shares with voting rights of the Issuer. (See "Corporate Structure")

The following persons maintain, through Autlán Holding, a significant influence with respect to the Issuer:

| Shareholder of Autlán Holding | Percentage of the Share Capital of Autlán Holding |
|-------------------------------|---|
| José Antonio Rivero Larrea | 99.99% |

The following persons are indirect shareholders of the Issuer and maintain a controlling power in Autlán:

| Shareholder of Autlán Holding | Percentage of the Share Capital of Autlán Holding |
|-------------------------------|---|
| José Antonio Rivero Larrea | 99.99% |

In 2018, the company's share structure was modified by the merger with Metallorum.

SFM Holding represents 23.31 % of the Issuer's shares.

The following persons maintain, through SFM Holding, a significant influence with respect to the Issuer:

| Shareholder of SFM Holding | Percentage of the Share Capital of SFM Holding |
|----------------------------|--|
| José Antonio Rivero Larrea | 99.99% |

The following persons are indirect shareholders of the Issuer and maintain a controlling power in Autlán:

| Shareholder of SFM Holding | Percentage of the Share Capital of SFM Holding |
|----------------------------|--|
| José Antonio Rivero Larrea | 99.99% |

No director or relevant director of the Issuer holds a direct and individual shareholding greater than 1% and less than 10% of the Issuer's share capital.

7. Social Statutes and Other Agreements

The latest amendment to the bylaws of Autlán was approved at the Ordinary and Extraordinary Annual General Shareholders' Meeting held on April 27, 2016, which was duly recorded in public deed number 2,457 dated May 5, 2016, granted to the Mr. Mauricio Jorge Méndez Vargas, Head of the Public Notary Number 12 of Monterrey, Nuevo León, with exercise in the First Notary and Registry District in the State of Nuevo León.

The following is a brief summary of the main provisions contained in the bylaws of the Issuer.

Share Capital Decreases

With the exception of the decreases in the Share Capital resulting from the acquisition of Treasury Shares referred to in Article Twelfth of these Bylaws, the Share Capital may be reduced by agreement of the Ordinary or Extraordinary Shareholders' Meeting, as the case may be, in accordance with the provisions of the Article Tenth of the Bylaws of Autlán.

- A) Any reduction of the Share Capital due to the absorption of losses, will be carried out prior resolution of the General Assembly of Shareholders, applying the amount of the reduction to all the shares in the corresponding proportion, but in no case may the Share Capital be reduced to a amount less than that established in the General Law of Commercial Companies, Securities Market Law, or any other applicable law.
- B) The reductions to the Social Capital that affect the Minimum Fixed Capital, must be approved by the Extraordinary General Assembly of Shareholders with the consequent amendment to the Sixth Article of the Autlán Bylaws.
- C) The reductions to the Capital Stock that affect the variable part of the same, will require the approval of the Ordinary General Assembly of Shareholders.
- D) In the event of a reduction in Share Capital, by reimbursement to shareholders, it will be applied to all of them in the corresponding proportion.
- E) The resolutions of the Extraordinary General Assembly of Shareholders that approve to reduce the Minimum Fixed Capital by reimbursement to the shareholders or release granted to them of unrealized exhibitions, will be published in the electronic system established by the Ministry of Economy, in terms of Article 9 of the General Law of Commercial Companies.
- F) In any case, social capital should be reduced so that the series of actions in which this is divided retain the proportions that Article Six of establishing the bylaws of Autlán .

- G) The decreases in Share capital to absorb losses will be carried out proportionally among the shareholders, without it being necessary to cancel shares, by virtue of the fact that the securities that represent them do not express nominal value, unless the Shareholders' Meeting decides otherwise.

In any case, the minutes drawn up on the occasion of the General Shareholders' Meeting that decrees a decrease in Share capital, must be notarized, except in the case of decreases referred to in Article 56 of the Securities Market Law.

Issuing of shares for public offering

Subject to the provisions of Article 53 of the Securities Market Law, the shares issued to represent increases in the share capital and that by resolution of the Assembly decreeing their issuance must be deposited in the Treasury of the Issuer to be delivered as if the subscription is made, they may be offered for subscription and payment by the Board of Directors, in accordance with the powers granted to it by the Shareholders' Meeting that decrees the issuance of said shares.

The preferential subscription right referred to in Article 132 of the General Law of Commercial Companies and the Ninth Article of the corporate bylaws, will not be applicable in the case of capital increases through public offers.

Right of First Refusal

In the capital increases for cash payment, the shareholders will have preference to subscribe the new shares that are issued to represent the increase, in proportion to the number of shares held by them in the respective series at the time of the increase of that amount it is. This right must be exercised within the term established for that purpose by the Shareholders Meeting that decrees the increase, which in no case may be less than 15 (fifteen) calendar days from the date of publication of the corresponding notice in the electronic system established by the Ministry of Economy. Additionally, Autlán may publish the respective notice in a newspaper with the highest circulation of the registered office. However, if all of the shares that make up the share capital are represented at the Assembly that decreed the increase, said period of at least 15 (fifteen) days will begin to run and be counted, if so resolved by said Assembly, as of the date the Assembly is held, and the shareholders will be considered notified of the resolution at that time, so its publication will not be necessary.

In the event that after the expiration of the term during which the shareholders should exercise the right of preference, still remain without subscribing some shares, they may be offered for subscription and payment, under the conditions and terms determined by the Assembly itself of Shareholders that has decreed the capital increase, or in the terms available to the Board of Directors or the delegates designated by the Shareholders Assembly for such purpose or else, will be canceled, as determined by the Shareholders' Meeting that has decreed the respective capital increase.

The shareholders will not enjoy said right of first refusal in the case of: (i) the merger of the Issuer, (ii) the conversion of obligations, (iii) the public offering in the terms of the provisions of Article 53 of the Securities Market Law and Article Eight of the bylaws, (iv) the increase in share capital through payment in kind of the shares issued, or through the cancellation of liabilities by the Issuer, and (v) the issuance of shares acquired by the Company in accordance with the provisions of Article Twelfth of the corporate bylaws.

Change of control provisions

Under the terms of Article 48 of the Securities Market Law, it is established as a measure to prevent the acquisition of shares that give control of the Issuer, by third parties or the shareholders themselves, either directly or indirectly, that each operation of shares in which a person or group of persons intend to accumulate, in one or more transactions, simultaneously or successively, 10% or more of the outstanding shares, even in cases that already have shareholdings of 10% or more, that is, considering representative blocks of each 10%, requires the prior authorization of the Board of Directors in the understanding that for the approval of an accumulation by direct or indirect competitors of the Issuer or its subsidiaries or affiliated companies, it will require approval from at least 85% of the total of the directors appointed by the Shareholders' Meeting.

The foregoing applies in an enunciative manner, but not limited to: (i) the purchase or acquisition by any title or means, of (and) shares representing the Issuer's capital, or (z) other securities or equivalent rights, including, without limitation, ordinary certificates of participation whose underlying value are shares issued by the Company, depository receipts for shares or any other document that represents rights over shares of the Issuer or shares that are issued in the future (the "Equivalent Securities"); (ii) the purchase or acquisition of any kind of rights that correspond to the owners or owners of the shares or shares issued in the future; (iii) any contract, agreement or legal act that seeks to limit or result in the transfer of any of the rights and faculties that correspond to shareholders or holders of shares of the Company, including instruments or derivative financial transactions that are liquidated in kind, as well as the acts that imply the loss or limitation of the voting rights granted by the shares representing the capital stock and including agreements between shareholders; and (iv) purchases or acquisitions that one or more interested parties intend to carry out, acting in concert or linked to each other, in fact or by law, to make decisions as a group, association of persons or consortiums.

The favorable prior written agreement of the Board of Directors will be required, without distinction and without being relevant, if the purchase or acquisition of shares, securities and / or rights, is intended to be carried out directly or indirectly in or out of the stock market, through any other modality or legal act, in one or several transactions of any legal nature, simultaneous or successive, in Mexico or abroad.

A favorable prior agreement in writing by the Board of Directors will also be required for the conclusion of agreements, contracts and any other legal acts of any nature, oral or written, under which mechanisms or association agreements are formed or adopted. of voting, for its exercise in one or several shareholders' meetings of the Company, each time the number of votes grouped together results in a number equal to or greater than any percentage of the total of the shares representing the capital stock that is equal to or greater than 10% or another multiple of 10% of the share capital. Said agreements shall be subject to the provisions of the Securities Market Law and shall not be enforceable against the Company to the detriment of the other shareholders or the economic interests or business of the Issuer. An agreement of this nature shall not be understood as the agreement made by shareholders individually or jointly for (i) the appointment of minority directors or the exercise of other minority rights pursuant to the Securities Market Law; (ii) require the Chairman of the Board of Directors or the Chairman of the Audit and Corporate Practices Committees to call a meeting of shareholders; and (iii) request a one-time deferral, for three calendar days and without the need for a new call, to vote on any matter for which they are not considered sufficiently informed.

Unless the transfer results in an acquisition by a competitor of the Company or its Subsidiaries, the foregoing shall not apply to: (i) transfers by virtue of successions, (ii) transfers to Subsidiaries, and (iii) Transmissions that must be carried out in accordance with a government order. For purposes of which, the term "Subsidiary" means, with respect to any person or trust, the person who directly or indirectly controls, is controlled or is under common control with said person, including any subsidiaries of said person.

Rights of Shareholders

All Autlán shares are "B" series and confer the right to one vote in the assemblies. The holders of shares of series "B" shall have the right to appoint, in a special meeting by majority vote, at least most of the Directors and their alternates. Any minority that represents ten percent of the share capital shall have the right to appoint, in a special meeting, a director and its respective substitute. The series "B" shares will have all the economic or pecuniary rights that correspond to the common shares, including the participation in the profits and the right of preference to subscribe new shares that are issued in the proportion that corresponds to them.

Shareholders holding shares with voting rights, even limited or restricted, for every 10% that they individually or jointly hold of Autlán's share capital, will have the right to:

- 1) Appoint and revoke a member of the board of directors at a general shareholders' meeting. Such appointment may only be revoked by the other shareholders when the appointment of all the other directors is in turn revoked, in which case the substituted persons may not be appointed in such capacity during the twelve months immediately following the revocation date.

- 2) Require the chairman of the board of directors or of the committees that carry out the functions in matters of corporate practices and auditing referred to in this Law, at any time, to convene a general meeting of shareholders, without the percentage indicated in article 184 of the General Law of Commercial Companies is applicable.
- 3) Request that voting on any matter regarding which they are not considered sufficiently informed, for three calendar days and without the need for a new call, be postponed, without the percentage indicated in article 199 of the General Law of Mercantile Companies being applicable.

The shareholders of the variable part of the share capital of a public stock company will not have the right of withdrawal referred to in article 220 of the General Law of Commercial Companies.

Holders of shares with voting rights, even limited or restricted, who individually or jointly hold twenty percent or more of the capital stock, may judicially oppose the resolutions of the general assemblies in respect of which they have the right to vote, without the percentage referred to in article 201 of the General Law of Commercial Companies being applicable.

All Autlán Shareholders with voting rights, even limited or restricted, may vote in the General Shareholders' Meetings that meet to discuss the operations that Autlán intends to carry out or the legal entities that it controls, within a period of one fiscal year, when they represent twenty percent or more of Autlán's consolidated assets based on figures corresponding to the close of the immediately preceding quarter, regardless of the way in which they are executed, whether simultaneous or successive, but which, due to their characteristics, may be considered as a single operation.

Shareholders' meetings

The General Shareholders' Meeting is the supreme organ of the Company. The Meetings will be Ordinary, Extraordinary and Special. The Extraordinary Meetings will be those that meet to deal with any of the matters referred to in Article 182 of the General Law of Commercial Companies, as well as Articles 53 and 108 of the Securities Market Law. The Special Meetings will be the ones that meet to deal with matters that may affect only one category of shareholders. All other Meetings, including those that meet to deal with the matters mentioned in Article 47 of the Securities Market Law, will be Ordinary, and the latter must be held at least once a year within four months of the end of the fiscal year, to know about the matters indicated in Articles 181 of the General Law of Commercial Companies and 56 of the Securities Market Law.

Likewise, the Annual Ordinary General Shareholders' Meeting will be informed of the annual report prepared by the Committee (s) that performs the functions regarding Corporate Practices and Auditing referred to in Article 43 of the Securities Market Law, which must be presented to said Shareholders' Meeting by the Board of Directors through any of its delegates designated for such purpose.

Call for meetings

The call for the Meetings must be made by the Board of Directors, the Committee or Committees that carry out the functions of Corporate Practices and / or Auditing or by the judicial authority, where appropriate, and will be signed by whoever agrees.

At least from the date of the respective call, the shareholders will have at their disposal, (a) at the Autlán offices, the information and documents related to each of the points contained in the agenda of the Shareholders' Meeting. that corresponds, free of charge and immediately, and (b) through the intermediaries of the stock market or in the Company itself, forms of powers prepared by Autlán in the terms of Article 49 of the Securities Market Law for representation of the shareholders in the Assembly in question.

Shareholders with shares with voting rights, even in a limited or restricted manner, for every 10% they individually or jointly hold of the Share capital may request the Chairman of the Board of Directors or the Committee or Committees to perform the functions of Corporate and / or Auditing Practices, at any time, a General Shareholders' Meeting is convened, under the terms indicated in Article 50 of the Securities Market Law, without the percentage indicated by Article 184 being applicable to that effect. of the General Law of Commercial Companies.

Right to attend

To attend the Meetings, the shareholders must obtain from the Secretary or the Treasury of the Company, the corresponding certificate to enter the Assembly, with an anticipation of one day, at least at the date and time indicated for the celebration of the meeting.

In order to obtain proof of admission to the Shareholders' Meeting, shareholders must deposit with the indicated advance the shares held by them in any of the institutions indicated in the corresponding call; in the case of shares deposited in the S.D. Ineval Institución para el Depósito de Valores, S.A. de C.V., the latter must communicate in a timely manner to the Secretary or Treasury of the Issuer the number of shares that each of the depositors maintains, indicating whether the deposit has been made on its own account or that of others, this certificate must be complemented by the list to which refers Article 290 of the Securities Market Law and delivered to the domicile of the Secretary of the Issuer or at the domicile of the latter to obtain proof of income.

Shareholders may be represented at the Meetings by the person or persons they designate by signed power of attorney before two witnesses or by agents with enough general or special power granted in terms of the applicable legislation or through the forms referred to in Article 49 of the Securities Market Law.

Faculties of the Board of Directors

The Board of Directors oversees the strategic management of the Company and is empowered to resolve any matter that is not expressly reserved for the Shareholders' Meeting. Among others, the Board of Directors must deal with the obligations and responsibilities established in article 28 of the Securities Market Law.

Likewise, the Board of Directors shall be responsible, among others, for, but not limited to, the following powers: (i) to monitor compliance with the resolutions of Shareholders' Meetings, which may be carried out through the Audit Committee ; (ii) establish compensation plans for executives and directors, as well as to make decisions regarding any other matter in which the aforementioned persons may have an interest. The Board of Directors reports annually to the Shareholders' Meeting on its activities and resolutions, with the Shareholders' Meeting having the power to evaluate, qualify and, if applicable, approve said report on the operation of the Board of Directors, and may even require additional or complementary reports.

Transactions with securities of Autlán

The Board of Directors, in its session held on February 17, 2015, approved the "Securities Operation Policies carried out by the Directors, Officers and Employees of Autlán and / or its subsidiaries", whose purpose is to publicize the limitations / prohibitions that they have certain persons linked to the Company considering that their shares are listed on the BMV, including the members of the Board of Directors, the General Manager, the relevant Executives and others, to carry out transactions with securities (shares or any class of securities issued by Autlán or credit instruments that represent them, as well as optional securities or derivative financial instruments that have such securities or securities as underlying assets) issued by the Company. The foregoing in compliance with the provisions on the matter issued by the CNBV and published in the Official Journal of the Federation on November 4, 2014.

Although it is the responsibility of the members of the Board of Directors, Relevant Executives and others bound by the aforementioned policy, to comply with it and with the regulations on operation with securities issued by Autlán, including those related to the use of privileged information, the Company has sought to alert such persons to such provisions and regularly informs them of the periods of restriction for the purchase or sale by them of Autlán shares based on the existence of privileged information that has not been communicated to the public.

Limits or Restrictions

There are no statutory clauses or agreements between shareholders that limit or restrict the management of the Company or its shareholders.

V. CAPITAL MARKETS

Shareholding structure

Autlán is currently listed on the BMV under the ticker: AUTLAN B. As of December 31, 2021, the shareholding structure of Autlán was composed of series "B" shares as described in the following tables: (See: "Corporate Structure" and "Representative shares of the Capital")

| | Shares |
|--|--------------------|
| Fixed Capital | |
| Series "B", free subscription shares with full voting rights | 106,656,929 |
| Variable capital | |
| Series "B", free subscription shares with full voting rights | 228,774,087 |
| Total shares | 335,431,016 |
| Balance of shares repurchased as of December 31, 2021 | 12,619,177 |
| Outstanding shares with voting rights | 322,811,839 |

| Shareholders | Certificate Number | % of Ownership |
|---|--------------------|----------------|
| Autlán Holding S.A.P.I. de C.V. | 196,656,682 | 58.63% |
| SFM Holding, S.A.P.I. de C.V. | 78,203,465 | 23.31% |
| Other shareholders | 47,951,692 | 14.30% |
| Redemption fund as of December 31, 2021 | 12,619,177 | 3.76% |
| TOTAL | 335,431,016 | 100.00% |

8. 2. Behavior of the stock in the Stock Market

Annual Behavior

Source: SiBolsa

| Year | Volume | Maximum | Minimum | End |
|------|------------|---------|---------|---------|
| 2021 | 17,007,275 | \$13.48 | \$10.75 | \$13.26 |
| 2020 | 10,462,829 | \$11.04 | \$6.90 | \$10.60 |
| 2019 | 13,199,184 | \$13.95 | \$8.79 | \$9.24 |
| 2018 | 36,153,431 | \$20.39 | \$12.81 | \$14.22 |
| 2017 | 63,195,114 | \$18.71 | \$14.68 | \$17.59 |
| 2016 | 51,536,324 | \$15.80 | \$5.72 | \$15.05 |
| 2015 | 24,007,674 | \$15.69 | \$7.80 | \$7.91 |
| 2014 | 48,646,521 | \$16.77 | \$9.25 | \$15.67 |
| 2013 | 87,847,579 | \$14.39 | \$6.86 | \$10.13 |

Quarterly Behavior

Source: SiBolsa

| Year | Quarter | Volume | Maximum | Minimum | End |
|------|---------|-----------|---------|---------|-------|
| 2021 | IV | 6,697,482 | 13.48 | 12.79 | 13.26 |
| 2021 | III | 3,309,113 | 13.38 | 11.95 | 13.38 |
| 2021 | II | 2,296,832 | 13.4 | 12.31 | 12.77 |
| 2021 | I | 4,703,848 | 13.45 | 10.75 | 13.30 |
| 2020 | IV | 4,819,806 | 11.04 | 9.37 | 10.60 |
| 2020 | III | 2,509,003 | 10.98 | 7.15 | 10.85 |
| 2020 | II | 1,569,921 | 7.60 | 6.90 | 7.60 |

| | | | | | |
|------|-----|------------|-------|-------|-------|
| 2020 | I | 15,64,099 | 9.35 | 7.20 | 7.45 |
| 2019 | IV | 20,52,089 | 9.98 | 8.93 | 9.24 |
| 2019 | III | 30,41,292 | 10.90 | 8.79 | 10.03 |
| 2019 | II | 46,96,768 | 10.90 | 10.20 | 10.68 |
| 2019 | I | 34,09,035 | 13.95 | 10.68 | 10.73 |
| 2018 | IV | 67,23,826 | 16.75 | 12.81 | 14.22 |
| 2018 | III | 59,27,565 | 17.68 | 15.95 | 16.36 |
| 2018 | II | 85,58,257 | 20.39 | 16.88 | 16.92 |
| 2018 | I | 14,943,783 | 18.85 | 17.10 | 18.47 |
| 2017 | IV | 11,546,173 | 18.01 | 16.58 | 17.59 |
| 2017 | III | 14,758,628 | 18.42 | 15.99 | 17.69 |
| 2017 | II | 12,818,800 | 18.71 | 15.47 | 17.21 |
| 2017 | I | 24,071,513 | 18.71 | 14.68 | 18.71 |

Monthly Behavior

Source: SiBolsa

| Year | Month | Volume | Maximum | Minimum | End |
|------|-----------|-----------|---------|---------|-------|
| 2021 | December | 2,468,200 | 13.26 | 12.85 | 13.26 |
| 2021 | November | 2,429,769 | 13.31 | 12.79 | 12.93 |
| 2021 | October | 1,799,513 | 13.48 | 12.90 | 13.33 |
| 2021 | September | 1,821,210 | 13.38 | 11.95 | 13.38 |
| 2021 | August | 881,894 | 12.43 | 12.13 | 12.34 |
| 2021 | July | 606,009 | 12.80 | 12.00 | 12.36 |
| 2021 | June | 686,303 | 12.98 | 12.31 | 12.77 |
| 2021 | May | 460,777 | 13.07 | 12.79 | 12.90 |
| 2021 | April | 1,149,752 | 13.40 | 13.00 | 13.00 |
| 2021 | March | 3,074,993 | 13.45 | 11.70 | 13.30 |
| 2021 | February | 868,710 | 11.83 | 10.88 | 11.60 |
| 2021 | January | 760,145 | 11.10 | 10.75 | 10.81 |
| 2020 | December | 590,726 | 10.60 | 9.37 | 10.60 |
| 2020 | November | 290,916 | 10.90 | 10.06 | 10.40 |
| 2020 | October | 682,457 | 11.04 | 9.90 | 9.90 |
| 2020 | September | 658,503 | 10.89 | 10.49 | 10.85 |
| 2020 | August | 364,876 | 10.98 | 9.51 | 10.85 |
| 2020 | July | 546,542 | 8.76 | 7.15 | 8.76 |
| 2020 | June | 450,683 | 7.60 | 6.98 | 7.60 |
| 2020 | May | 1,025,999 | 7.58 | 6.90 | 6.93 |
| 2020 | April | 1,032,321 | 7.54 | 6.98 | 7.54 |
| 2020 | March | 836,048 | 8.80 | 7.2 | 7.45 |
| 2020 | February | 659,754 | 9.00 | 8.73 | 8.85 |
| 2020 | January | 3,324,004 | 9.35 | 8.79 | 8.79 |
| 2019 | December | 541,897 | 9.40 | 8.93 | 9.24 |
| 2019 | November | 985,849 | 9.70 | 9.00 | 9.00 |
| 2019 | October | 524,343 | 9.98 | 9.37 | 9.71 |

| | | | | | |
|------|-----------|-----------|-------|-------|-------|
| 2019 | September | 698,672 | 10.90 | 9.69 | 10.03 |
| 2019 | August | 1,114,769 | 9.65 | 8.79 | 9.65 |
| 2019 | July | 1,227,851 | 10.69 | 9.29 | 9.29 |
| 2019 | June | 1,199,537 | 10.70 | 10.20 | 10.68 |
| 2019 | May | 2,270,851 | 10.90 | 10.55 | 10.82 |
| 2019 | April | 1,126,380 | 10.82 | 10.45 | 10.82 |
| 2019 | March | 1,749,537 | 12.50 | 10.68 | 10.73 |
| 2019 | February | 703,212 | 12.90 | 12.24 | 12.50 |
| 2019 | January | 956,286 | 13.95 | 12.74 | 12.90 |
| 2018 | December | 602,488 | 14.69 | 12.95 | 14.22 |
| 2018 | November | 3,716,479 | 15.00 | 12.60 | 14.33 |
| 2018 | October | 2,404,859 | 16.80 | 13.79 | 13.99 |
| 2018 | September | 2,291,176 | 17.00 | 15.80 | 16.36 |
| 2018 | August | 1,124,810 | 17.81 | 16.63 | 16.79 |
| 2018 | July | 2,511,579 | 17.48 | 16.40 | 17.09 |
| 2018 | June | 2,097,653 | 18.11 | 16.75 | 16.92 |
| 2018 | May | 3,017,336 | 19.21 | 17.15 | 17.62 |
| 2018 | April | 3,443,268 | 20.81 | 18.39 | 19.20 |
| 2018 | March | 3,520,818 | 18.79 | 17.58 | 18.47 |
| 2018 | February | 5,401,325 | 19.25 | 16.65 | 18.40 |
| 2018 | January | 6,021,640 | 18.20 | 17.08 | 17.62 |
| 2017 | December | 2,387,719 | 18.19 | 17.15 | 17.59 |
| 2017 | November | 2,963,282 | 18.00 | 16.50 | 17.47 |
| 2017 | October | 6,195,172 | 18.50 | 16.83 | 17.94 |
| 2017 | September | 8,607,817 | 19.47 | 16.04 | 17.69 |
| 2017 | August | 3,203,075 | 16.94 | 15.60 | 16.18 |
| 2017 | July | 2,947,736 | 17.80 | 16.00 | 16.33 |
| 2017 | June | 3,341,732 | 17.31 | 15.84 | 17.04 |
| 2017 | May | 4,801,994 | 18.16 | 15.05 | 16.24 |
| 2017 | April | 4,675,074 | 18.81 | 17.52 | 18.21 |
| 2017 | March | 6,787,191 | 18.63 | 15.50 | 18.52 |
| 2017 | February | 8,737,103 | 17.72 | 14.55 | 17.01 |
| 2017 | January | 8,547,219 | 17.43 | 14.36 | 14.64 |

The value of the share as of December 31, 2021 was \$ 13.26 pesos per share.

9. Market Maker

On June 21, 2021, the Market Maker program began with Casa de Bolsa Santander, S.A. de C.V., Grupo Financiero Santander México, with the aim of promoting the liquidity of Autlán's shares, establishing reference prices and contributing to the stability and continuity of share prices.

The service provided by the market maker is to continuously maintain purchase and sale positions for a minimum amount of securities and with prices within the maximum differential established by the Mexican Stock Exchange, its contracting

was given with the purpose of giving us greater marketability and stability in the operation of the Company's shares and thus provide the investing public with greater confidence.

Monthly behavior of the share in the market since the Market Maker was hired:

| Year | Month | Volume | Maximum | Minimum | End |
|-------------|--------------|---------------|----------------|----------------|------------|
| 2021 | December | 2,468,200 | 13.26 | 12.85 | 13.26 |
| 2021 | November | 2,429,769 | 13.31 | 12.79 | 12.93 |
| 2021 | October | 1,799,513 | 13.48 | 12.90 | 13.33 |
| 2021 | September | 1,821,210 | 13.38 | 11.95 | 13.38 |
| 2021 | August | 881,894 | 12.43 | 12.13 | 12.34 |
| 2021 | July | 606,009 | 12.80 | 12.00 | 12.36 |
| 2021 | June 17. | 403,106 | 12.86 | 12.31 | 12.77 |