

ANNUAL REPORT 2022

Driving Tomorrow's Resources



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GET TO KNOW AUTLÁN

Our mission applied across
five business segments

What We Do

We are more than just a mining and steel-related company. We use natural resources responsibly to transform them into products and services of excellence, caring for people's safety, protecting the environment and complying with the current legal framework.

Our Purpose

We strive to transcend by contributing to the well-being and growth of our stakeholders. What do we mean by transcend? We mean that, through positive actions, as we grow as an organization, so do our employees, their families, our communities, society, our environment and even the country.

Our Mission

Our roadmap is based on three fundamental pillars:

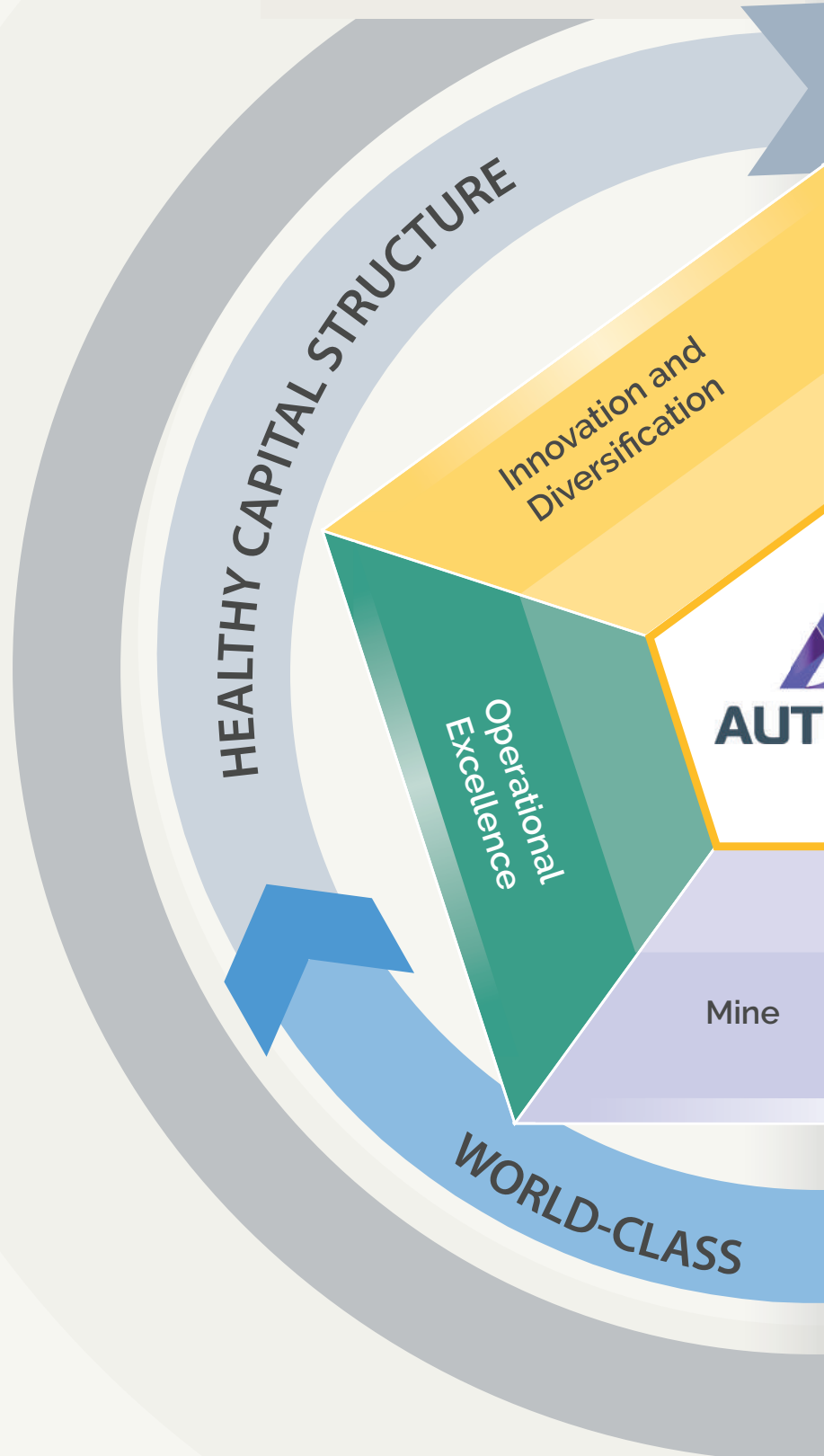
- 1.- To be a world-class company.
- 2.- To maintain a healthy capital structure.
- 3.- To continue to operate as one of the world's lowest-cost producers.

Our Legacy

We want to be remembered as a sustainable company that generated a positive impact on its environment for future generations.

Our DNA

Discipline, efficiency and effectiveness.






Long-term value for all our stakeholders

-  Customers
-  Suppliers
-  Employees
-  Shareholders
-  Government
-  Communities



Presence

► Mexico


Hidalgo

-  Molango Unit
-  Naopa Unit
-  Nonoalco Unit

Puebla

-  Teziutlán Plant
-  Atexcaco Hydroelectric Power Plant

Veracruz

-  Tamós Plant

Durango

-  Gómez Palacio Plant

Sonora

-  Metallorum

Nuevo León

-  Corporate Headquarters

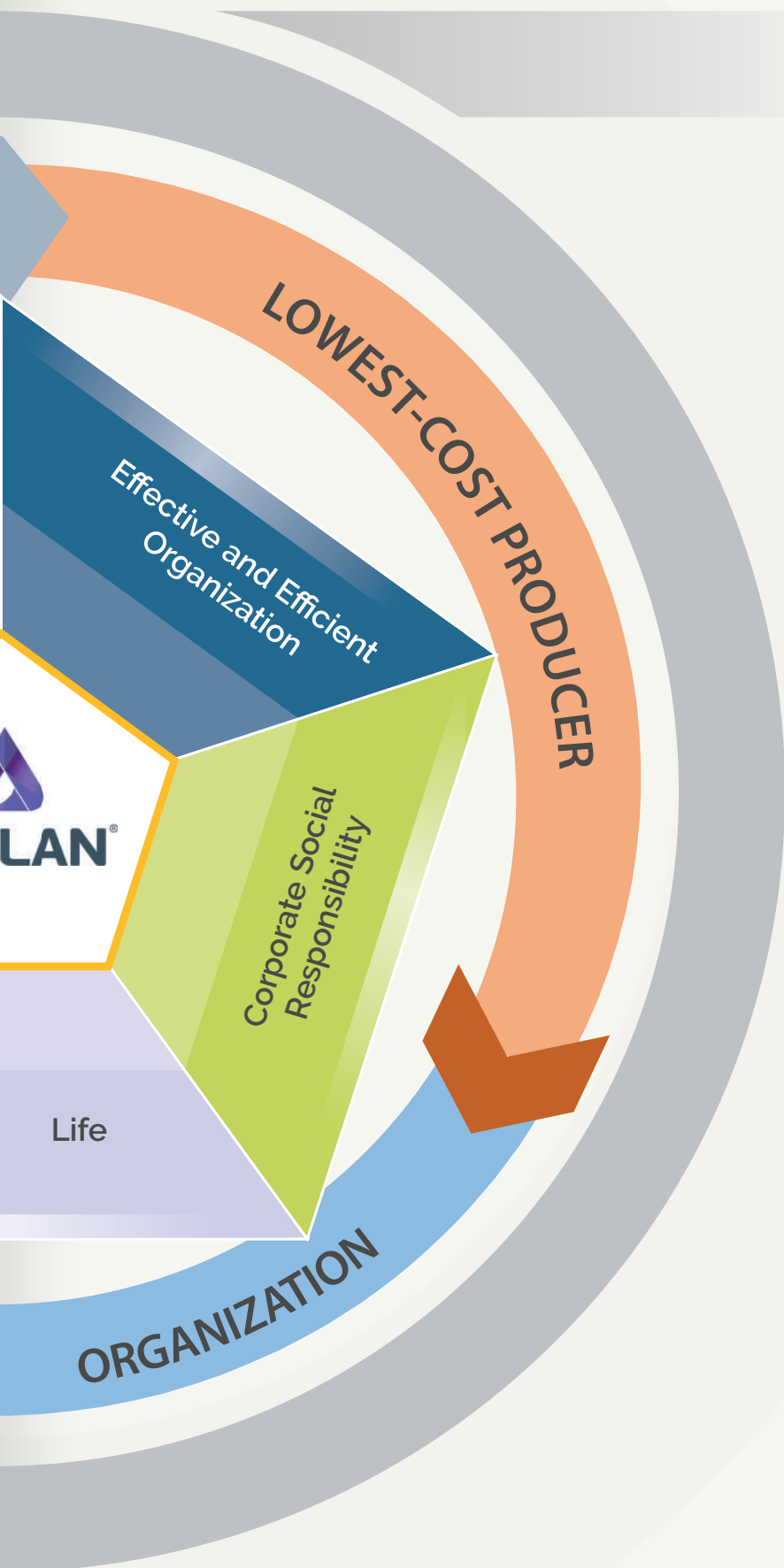
Mexico City

-  Liaison Office

► Spain

Basque Country

-  Oñati Plant





Salient Figures

Millions of US dollars

December 31st

P & L**2021****2022**

Net sales	450.4	624.2
Operating income	31.1	73.8
Operating margin	6.9%	11.8%
Net revenues	3.5	27.7
Net margin	0.8%	4.4%
EBITDA*	121.2	214.2
EBITDA margin	26.9%	34.3%

*Operating Income + Depreciation and Amortization.

BALANCE**2021****2022**

Current assets	268.4	375.7
Total assets	810.5	820.3
Debt with cost	205.3	203.9
Net debt	137.4	87.2
Total liabilities	468.2	467.9
Stockholders' equity	342.3	352.4
Total liabilities and equity	810.5	820.3

MESSAGE FROM THE CHAIRMAN OF THE BOARD

Without fear of being wrong, 2022 represented a milestone in Autlán's history, primarily due to the following three synchronized axes: 1) The company's financial structure was made significantly more robust, with record results in many areas; 2) Its operations were conducted with best practices at all levels; and 3) Its social, environmental and economic commitment to Mexico and Spain was consolidated with measurable actions.

The synergy that Autlán has developed -mainly around manganese steel applications- enabled it to face a complex year with determination and precision, and ride out the global economic slowdown and the health challenges that the pandemic still continues to exert.

The entire world experienced a particularly difficult 2022 in the political, economic and public health fields. The unexpected Russian invasion of Ukraine dramatically changed the outlook for the year, with a marked decline in Gross Domestic Product growth worldwide, a meteoric rise in energy prices and high inflation rates, which spiraled out of control in many countries.

Europe -including the countries of the Commonwealth of Independent States (CIS) and Ukraine- has been one of the most affected regions in all senses, directly impacting the manganese and steel industries. Nevertheless, China, the United States and other parts of the world have also suffered the ravages of a turbulent year.

Mexico was no exception, with highly affected industrial sectors -such as construction- and uncertainties in many areas. In particular, the decline in domestic consumption obliged the steel sector to look for business opportunities outside the country.

The synergy that Autlán has developed -mainly around manganese steel applications- enabled it to face a complex year with determination and precision.





Autlán's performance in 2022 was very robust, with record levels in sales and production of nodules and ferroalloys, an exceptional EBITDA and, in general, favorable operational results.

Despite this complex environment, Autlán is still standing and betting on manganese as its flagship business, given the versatility and essentiality of this element for daily life, combined with the good prospects that are opening up for it in businesses different from the current ones.

This said, I am pleased to report that Autlán's performance in 2022 was very robust, with record levels in sales and production of nodules and ferroalloys, an exceptional EBITDA and, in general, favorable operational results, driven by discipline in costs and expenses, the creativity of our work team and the company's firm commitment to minimizing the social and environmental impact of our operations.

I have no doubt at all Autlán represents the best value offer in its category. Being considered one of the world's lowest cost producers of manganese ferroalloys is a source of pride for Mexico. A competitive supply of this input promotes the development of the country and, in particular, that of the steel industry, with which we are closely linked and with which we indirectly participate in sectors such as construction, automotive, oil, and machinery and equipment, to name just a few.

**Autlán is
committed to
the economic
development
of the locations
where it
operates.**

Moreover, the essentiality of manganese in many other applications enables our presence in industries such as dry and alkaline batteries, ceramics, animal micronutrients and fertilizers, among many others.

In short, Autlán is committed to the economic development of the locations where it operates and we will continue to make every effort to maintain this source of job opportunities.

Our actions have been recognized by serious institutions, such as CONCAMIN (the Mexican Federation of Industrial Chambers). In 2022, this organization gave Autlán its Ethics and Values Award for the third consecutive year, and for the first time the Outstanding Practice Award for our Social Investment Platform, which promotes projects aligned with the U.N. Sustainable Development Goals (SDGs) in the state of Hidalgo.

These two honors recognize Autlán as a success story in the application of ethical practices in operations and local communities.

Additionally, I cannot ignore the fact that some of our employees have also been recognized for their excellence. One of them is Gustavo Cárdenas, our CFO, who was named by Forbes magazine as one of the best CFOs in Mexico.

With all of the above, I am convinced that the company is prepared to face the challenges that the future will bring. Autlán continues to invest its energies in strengthening its ferroalloy production capacity, but also has its sights set on new markets.

2023 presents us with a perspective full of uncertainties and challenges, but I would like to recognize, once more, the outstanding quality of our people in Mexico and Spain. I feel very proud to have such capable and committed colleagues who have made Autlán the great company that it is today.

I would also like to express my gratitude to our directors, our Union, the members of our communities, and our clients, suppliers and shareholders for continuing to believe in Autlán. United we are stronger.

José A. Rivero
Chairman of the Board of Directors

MESSAGE FROM THE CEO

If I had to describe Autlán's performance in 2022 in a single sentence, I would say that it was a year of great opportunities, which we knew how to leverage in an environment marked by numerous contrasts and challenges.

Thanks to the company's discipline in costs and expenses, and appropriate capital expenditures, combined with the creativity of our work team and the favorable trend in the international prices of the commodity markets in which we participate, I am pleased to report that Autlán's 2022 performance was outstanding, with an exceptional EBITDA and record sales, which for the first time exceeded US\$600 million dollars.

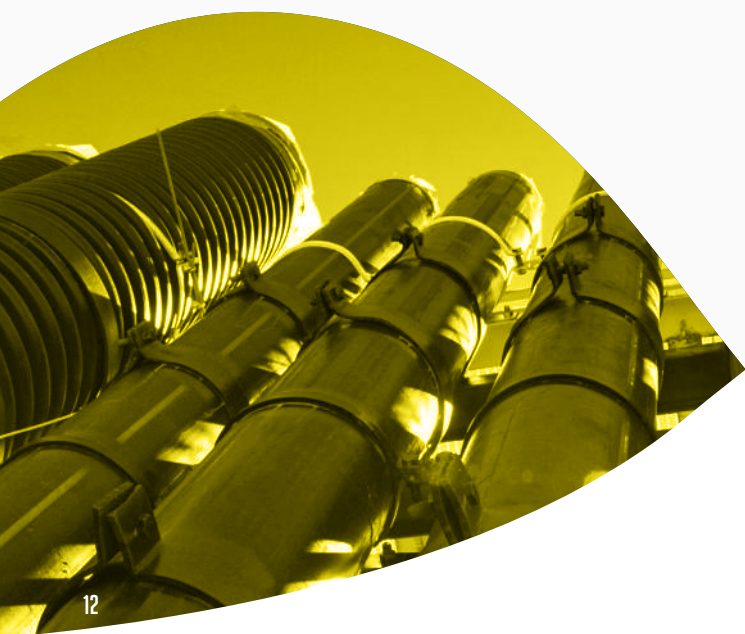
These results were mainly generated by Autlán's Manganese Division, which achieved historically high volumes in the production of manganese nodules and ferroalloys.

However, the outlook for Autlán Metallorum and Autlán EMD was extremely challenging, so we made a special effort to strengthen and support these divisions. Nevertheless, our precious metals operations managed to make progress with exploration and grow our mineral resources.

In parallel, our EMD division, in the midst of the pronounced energy crisis that was particularly marked in Europe, was able to improve its product quality and we are working on improving its financial structure.

The achievements of 2022 are definitely not a result of chance, but come from focused efforts across many fields. Autlán has seriously committed to taking care of its tangible and intangible assets. Commodity price volatility is something that we know and understand, something that can only be leveraged if we are well positioned.

During 2022 we successfully updated our organizational structure and cared for the reputation of the Autlán brand.



Among the many other actions of the year, I would like to highlight our historical record of manganese ferroalloy production, the Silver Helmet award given to our Tamós Plant by the Mexican Mining Chamber for its remarkable results in industrial safety, and the capture of value in "Compañía de Energía Mexicana" (CEM, by its initials in Spanish) that, with great creativity, faced the drought of the year and obtained Clean Industry recognition from PROFEPA (the Mexican Environmental Protection Agency), as well as ISO 45001 certification.

In other areas, I would like to underscore the deleveraging achieved by the finance department, the resolution of our commercial team in its negotiations with clients, the successful updating of our organizational structure and the preservation of Autlán's brand reputation. Additionally, I would like to note the temporary antidumping duties imposed by the Mexican authorities on HC FeMn from India, whose unfair competition had strongly affected the Mexican market.

At Autlán, we are convinced that no business can be considered successful if it ignores its impact on nature and society. For this reason, during 2022 we worked to minimize our environmental impact and improve the areas surrounding our operations, as can be seen in the work we have carried out on the roads of the state of Hidalgo.

The Silver Helmet award was given to our Tamós Plant by the Mexican Mining Chamber for its remarkable results in industrial safety.





As for 2023, the current economic and market prospects lead us to assume that it will be another challenging year, so Autlán will gather all its strength and focus on its four basic objectives: Operational Excellence, Innovation, Social Responsibility and Human Capital.

In order to maintain our Operational Excellence, we will continue to reduce costs and expenses with great financial discipline, without losing our focus on growing our ferroalloy and sinter production capacities and expanding our manganese and precious metals mining projects.

Autlán's Socially Responsible Company agenda is one of our top priorities, not only for the good of the company but also for our own lives. Manganese is instrumental in decarbonization and that is why we seek to innovate its inclusion in rechargeable batteries, while gold will continue to be a stabilizing factor in difficult times.

And with regard to Human Capital, I would like to emphasize that our permanent goal is to operate with the best talent available, for which we will continue to create a work environment full of opportunities, without forgetting that productivity will continue to be a basic condition for operating efficiently at all levels.

I wish to conclude by reaffirming our commitment to our communities and the industries we supply, pursuing the construction of more synergies and promoting creativity to overcome all the challenges that come our way.

Pedro Rivero
CEO

OUTSTANDING RESULTS

Exceptional EBITDA

In 2022, EBITDA was US\$214.2 million.

US\$214.2

Million

EBITDA

Record sales of manganese ferroalloys.

Safety Merits

CAMIMEX awarded our Tamós Plant with the Silver Helmet Award for the fourth time.



The Ferroalloys Division achieved the lowest accident rate in its entire history.

Growth

During 2022, we reached historic manganese ferroalloy production volumes.

Social Commitment

Recognized by CONCAMIN with the Ethics and Values Award for the third consecutive year.

Economic Outlook

2022 will go down in history as a year characterized by major economic, health and political events that profoundly impacted the manganese market and its related industries.

The economic slowdown in China, the war between Russia and Ukraine and the pandemic depressed world crude steel production, which declined 4% annually to the lowest volume in the last three years. China stopped growing and Europe was one of the regions most affected by the energy crisis. The United States also succumbed, with steel production falling 6% year-over-year, and Mexico was no exception, posting a 2% reduction in annual steel production.

Hot-rolled sheet prices left behind the meteoric rise of the previous year and closed 2022 with an annual decline of 60%.

With regard to manganese ores, the world market was subject to various conjunctural and speculative factors, which prevented the price from falling to the extent of other commodities.

During the first half of the year, benchmark prices in China were supported by the significant rise in maritime freight costs, as well as a certain astringency in the supply of high-content ore, driving them to levels not seen since 2018.

However, market fundamentals weighed more heavily in the second half of the year, reflecting the undeniable weakness of steel production in China and resulting in year-end manganese prices 8% below the previous year.



Source: WSA



Source: CANACERO



Manganese ferroalloy spot prices behaved quite differently, at least in the US market.

At the beginning of the year, Russia's military attacks in Ukraine caused great fear of a global shortage of silico-manganese and ferro-manganese, given the leading role of Ukrainian producers and other European plants. Coupled with the above, demand in the American market remained quite healthy during the first half of the year, resulting in prices reaching the highest levels in history during those months.

The second half of the year was very unusual, since, despite the risk of a shortage of Ukrainian material fading, unfair and aggressive competition from India intensifying, and steel production in the United States contracting significantly, prices remained in very high ranges due to the absence of spot operations.

Towards the end of 2022, several downward corrections were observed; however, these failed to prevent all average ferroalloy prices from registering an annual growth in excess of 30%.

In what corresponds to the domestic EMD market in China, EXW prices were affected by a lower demand as a result of the reduction in the economic activity of the nation, so the profits that had been reported in 2021 fell gradually until the end of the year, with a price in December 2022 1% lower in annual terms.

\$

MANGANESE ORE BENCHMARK PRICES

5.90	JANUARY
5.81	FEBRUARY
6.40	MARCH
8.22	APRIL
8.22	MAY
8.00	JUNE
7.60	JULY
7.30	AUGUST
6.02	SEPTEMBER
5.05	OCTOBER
4.80	NOVEMBER
4.70	DECEMBER

\$US / MTU CIF
CHINA 46% Mn

Source: The Tex Report

Our Performance

During 2022, we moved forward with our commitment to post outstanding results, increasing productivity and maximizing the value of the organization.

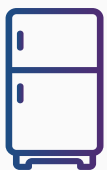
Manganese, key element for the present and future



Construction



Automotive



Home Appliances



Energy



Batteries

The company was founded in 1953 and has been consistently recognized as a trusted supplier for its business services, advanced technology and high-quality products.

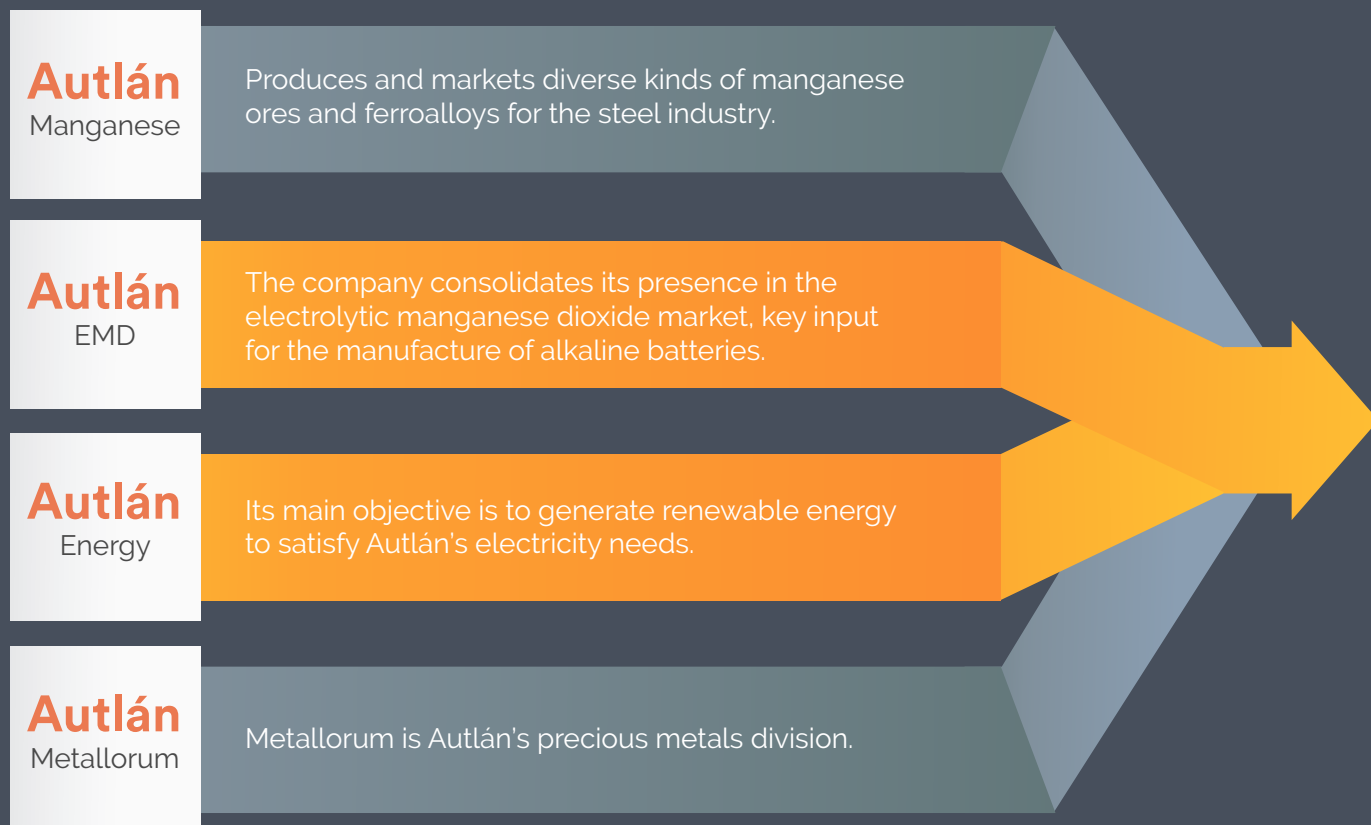
In the manganese sector, Autlán is the largest producer of manganese ferroalloys in the Americas, the leading producer of manganese ore in North America, and one of the few producers of electrolytic manganese dioxide (EMD) in the western world.

Our network of operations begins with the responsible management of mineral resources in order to produce, distribute and market various kinds of manganese ore and ferroalloys, as well as EMD and precious metals, all of which promotes Mexico's economic development and the well-being of our surrounding communities.

For these purposes, Autlán operates with four business units: Autlán Manganese, Autlán EMD, Autlán Energy and Autlán Metallorum. During 2022, we moved forward with our commitment to post outstanding results, increasing productivity and maximizing the value of the organization. Concrete proof of this is the ISO 9001, ISO 14001 and ISO 45001 certifications obtained during the year by all our operating units.

Additionally, the totality of our actions throughout 2022 positioned Autlán as a key company across its markets. A review of the company's operating results is presented below.

Autlán focuses on four business units: Autlán Manganese, Autlán EMD, Autlán Energy and Autlán Metallorum.



Manganese Mining

Within the framework of a challenging year, our Molango, Naopa and Nonoalco mining units in Hidalgo worked resolutely to implement innovative projects and strategies, in order to take full advantage of each stage of the production process and, in this way, make the entire manganese value chain profitable. Under this roadmap, at the end of 2022, we posted the second-highest annual production of manganese nodules in our history.

It is important to note the coordinated work of our Supply Chain and Manganese Mining teams, which enabled the shipment of dust from the collector of the nodulization rotary kiln at the Molango Unit to be used as a raw material in the sintering plant of our Tamós Plant in Veracruz.





Additionally, phase 1.2 of the new manganese oxide concentrator plant at the Nonoalco Unit was completed, increasing the metallurgical recovery from our ore by 38%.

Good results in terms of security were also noteworthy in 2022. In this regard, the Nonoalco Unit met the goal of four consecutive years without accidents, a figure that translates into more than 1,500 days of safe work by our employees. In parallel, the Molango underground mine completed three years without disabling accidents due to rock falls.

Ferroalloys

The coordinated efforts of our three plants contributed to a successful year for our Ferroalloys Division. An example of the above is our record manganese ferroalloy production in 2022, surpassing the previous record of 2018. Additionally, it is important to highlight the finished product certification granted by the CNCP and NYCE (Mexican product standardization and certification institutions) to our Teziutlán and Gómez Palacio plants, respectively.

Several individual milestones also stand out during the year, such as: the third certification of the emissions trading system of the Teziutlán Plant; the approval of the Gómez Palacio Plant's report on greenhouse gases by the Association for Standardization and Certification (ANCE); and the accreditation as a validated testing laboratory of our Tamós Plant's laboratory by the Mexican Accreditation Entity (EMA).

The Nonoalco Unit met the goal of four consecutive years without accidents. In parallel, the Molango underground mine completed three years without disabling accidents due to rock falls.



In terms of operations, the Tamós Plant worked on the automation of its furnace-emptying activities and the mechanization of certain tasks in the finished product area. The Teziutlán Plant made improvements to one of its furnaces and the grinding system was modernized with the installation of a pre-grinder and slat feeders to optimize its functionality and avoid accidents. Similarly, the Gómez Palacio Plant made a historic investment in Furnace 15, enabling the recovery of the emptying channels, among other improvements.

Regarding safety, in 2022 the Ferroalloys Division achieved the lowest accident rate in its entire history. Additionally, CAMIMEX (the Mexican Mining Chamber) awarded the Tamós Plant its Silver Helmet Award for the fourth time for its excellent performance in safety, and the Teziutlán and Gómez Palacio plants met the goal of one year without accidents.

Meanwhile, the ferroalloys plants implemented important health initiatives, obtaining Safe and Healthy Work Environments (ELSSA, for its initials in Spanish) certification from the IMSS

(Mexican Social Security Institute), and partnered with this institution in influenza vaccination campaigns and the application of COVID-19 booster doses.

EMD

Market circumstances for EMD were challenging in 2022 for various reasons. This implied redoubling our efforts and making constant adjustments to operational and business strategies in order to prevent, among other factors, competition from China, the main global competitor, displacing our presence in this market niche.

Undoubtedly, one of the greatest achievements of the year was the strengthening of our relationship ties with different stakeholders. In this regard, there was greater interaction and integration between the teams in Mexico and our Oñati Plant (in the Basque Country), work that will be strengthened over time in order to capitalize on several business opportunities. Similarly, we were able to build a closer relationship with our clients. These actions contributed to making the Oñati Plant an increasingly important supplier for them.



Supply Chain

During 2022, global supply chains were affected by the war between Russia and Ukraine and the complex global environment that caused continuing price volatility in most raw materials. For example, the high demand for thermal coal from Colombia to supply power plants in Europe drove up the prices of metallurgical coke, which remained high throughout the year.

With regard to international logistics, rates for both containerized and bulk freight continued to be elevated throughout the year and, although they fell back in the latter part of 2022, they remained above the 2019 average. Nevertheless, our team negotiated well with suppliers to mitigate the impact on costs and, combined with other efforts, this enabled a historical record in mineral transportation, despite restrictions related to lead times and truck operators across our markets.

The Construction Department worked on 28 projects for the Mining, Ferroalloys and Energy Divisions. Of particular note are: the reconstruction of the "Casetas area to Molango Industrial Zone" and "Stages 1+680 to 2+260 Naopa Roads" both in Hidalgo; a new automotive workshop at the Teziutlán Plant; and the engineering of 12 future projects. In addition, the Purchasing and Warehouse Departments successfully managed the company's working capital, increasing consigned items and reducing warehouse turnover to the lowest historical level. Meanwhile, faced with the challenge of the availability and high price of certain items of equipment, we worked in coordination with the different business units to take advantage of existing equipment and spare parts.

Operations concluded the creation of financial and operational models that enrich decision-making for the organic growth of our Autlán Manganese business unit. The record number of 93 investment projects completed in the year is also important to highlight, as well as the optimization of different projects, such as a new plan for the acquisition and use of heavy equipment to consolidate the company's CAPEX.



Commercial

Within the framework of a year marked by armed conflicts, uncertainty and a complex economic panorama, our Commercial Department used its best attributes to drive the commercial results across our business units.

At the individual level, sales of manganese ferroalloys reached record levels. We also successfully faced the challenge of product supply, prioritizing the demand in the domestic market and, in particular, the United States, and grew our market share in order to open up new commercial opportunities for the company.

In the Manganese Mining Division, the Nonoalco Unit consolidated its sales of manganous oxide, exceeding revenues compared to 2021.

For our trading company, the decrease in some clients' production levels, longer maritime shipment transit times and the fluctuation of prices contributed to a challenging year. Nevertheless, increased volumes and revenue were obtained, exceeding the 2021 goal. During the year, we also consolidated our presence in the domestic market, our product portfolio increased, and we were able to expand our procurement sources in new international markets.

Sales of manganese ferroalloys reached record levels. We also successfully faced the challenge of product supply, prioritizing the demand in the domestic market.



The Atexcaco Hydroelectric Power Plant obtained the Clean Industry certification, as well as ISO 45001 certification, endorsing our commitment to caring for the environment, health and occupational safety.

Energy

2022 was a year of significant efforts focused on maximizing the capacity and efficiency of the Atexcaco Hydroelectric Power Plant, located in the state of Puebla. This resulted in achievements such as Autlán Energy's all-time record generation of electricity in October.

Moreover, Clean Industry certification was obtained for the first time in 2022, as well as ISO 45001 certification, endorsing our commitment to caring for the environment, health and occupational safety. It is also important to highlight our compliance with an audit carried out by PROFEPA, the Mexican Environmental Protection Agency.

With regard to continuous improvement, critical equipment at the power plant was modernized in accordance with the guidelines of the energy sector regulatory authorities. Also worthy of note are a number of initiatives we implemented to reduce our environmental impact, such as an online oil filtering system, an automatic lighting-control system in the power house, and the establishment of projects to optimize future water collection, with sustainable technologies that allow a positive impact on the environment.

Metallorum

In our precious metals mining operations located in the state of Sonora, we focused on continuing with an ambitious geological exploration program, which has allowed us to evaluate the structural environment of the mineralization in the area in order to increase Autlán Metallorum's resources and reserves.

As a result, significant advances were obtained in mapping procedures and geological surface sampling, confirming that we are on the right track in our identification of different potential areas to characterize our ore deposits.

It should be noted that Autlán Metallorum continues to implement operational innovation processes to reduce costs and enhance the performance of its different functions, reaffirming its commitment to unite efforts and continue working on the development and exploitation of gold-bearing ores to diversify Autlán's product portfolio.



OUR OPERATIONAL MILESTONES

Safe Company

365

days without accidents
in Teziutlán and Gómez
Palacio operations.

1,500

days without accidents
in our Nonoalco Unit.

Integrated Management System

ISO 9001, ISO 14001 and ISO 45001
certifications in all our operating units
and plants.



We Generate Value

We successfully
faced the supply
of our products,
prioritizing the
demand in the
domestic market.

Efficient Operation

2nd

Highest annual production
of manganese nodules
in our history.

Managerial Efficiency



WE HAVE A UNITED WORK TEAM, SPECIALIZED ACCORDING TO THEIR SPECIFIC AREAS OF EXPERTISE TO SUPPORT THE COMPANY'S ACTIVITIES.

In Human Capital, actions were taken to be more integrated, aligned and collaborate better.

As we have pointed out on many occasions, the success of a company is largely based on its people and their ability to adapt. Autlán boasts a united work team, specialized according to their specific areas of expertise to support the company's activities from the corporate offices and production units, thereby ensuring the best value proposition.


To this end, the Human Capital, Institutional Relations and Corporate Services Departments, the latter comprising the Management and Legal Areas, are responsible for identifying a wide range of opportunities to strengthen Autlán's ties with its main stakeholders, by providing corporate improvements.

The summary below indicates the main achievements of our Human Capital, Corporate Services and Institutional Relations teams in 2022.

Human Capital

In an organization with employees dispersed in different geographical locations, the Human Capital Department led the implementation of actions to improve integration, alignment and collaboration across our operations. In this regard, organizational changes were made in the Energy and Ferroalloys Divisions, and the Innovation and Engineering Department was created to promote research and development in order to explore new business options. Additionally, a succession plan was defined for upper and middle management to ensure the continuity of the company, facilitate the transition of positions and help us to manage a talent development plan.

In the area of health, we faced the effects of the pandemic for the third consecutive year. Nevertheless, we were better prepared for this task due to the strengthening of our health protocols and programs, combined with the implementation of new work schemes. Additionally, we carried out vaccination campaigns to prevent infectious diseases. The IMSS (Mexican Social Security Institute) recognized these efforts by awarding all our plants with the Safe and Healthy Work Environment (ELSSA, for its initials in Spanish) certification.

A full-page background image showing a worker in a heat-reflective suit pouring molten metal from a ladle into a large industrial container. The scene is illuminated by a bright orange glow from the molten metal. The image is divided into three diagonal sections: a dark blue section on the left, a purple section on the right, and a white section at the bottom right.

**We reinforced
our model
triggering 60
improvement projects
and almost 400 rapid
improvements.**



In safety, we reported a reduction in the accident rate to the IMSS -the lowest level of the past seven years- and the Ferroalloys Division achieved the lowest accident rate in its entire history.

Regarding safety, we reported a reduction in the accident rate to the IMSS -the lowest level of the past seven years- and the Ferroalloys Division achieved the lowest accident rate in its entire history. Also noteworthy are the 365 days without accidents obtained by the Gómez Palacio and Teziutlán plants, and the accomplishment of four years without accidents at the Nonoalco Unit in Hidalgo. Working with such high safety standards undoubtedly contributed to the ISO 9001, ISO 14001 and ISO 45001 recertification in all our mining, ferroalloy, EMD and energy units.

During the year, we reinforced our continuous improvement model, triggering 60 improvement projects and almost 400 rapid improvements, including a project to renew our Basic Management Unit (BMU) program. With regard to labor, the implementation of a Labor Culture Diagnosis, the Labor Management Model and training initiatives, such as Autlán EMD's workshop for leadership teams, are particularly noteworthy. Other elements, no less important, include the ratification of all our collective agreements, the revalidation of our Contingency Plan before the Civil Protection Authorities and the updating of the CFDI (electronic invoicing system) to the 4.0 version.

Corporate Services

The Legal Department continued to introduce technological improvements to streamline and enhance the efficiency of the company's mechanisms to approve and safeguard legal documents. To this end, it designed and set up the Legal Vault, a technological solution interconnected with the "Contrata" platform, which enables the safeguarding of documents once approved under the tool. Another significant technological advance of 2022 was the use of eSignature in the signing of 80% of the company's legal instruments.



AUTLAN®

The IT Department completed the migration of all company's information to a renewed ERP System, in order to optimize transactional processes.

The legal area also strengthened its relationship with other departments, through its participation in the conflict, analysis and resolution committees. The Contrata platform is being used as a support tool to this end, enhancing and expediting the analysis and resolution of legal problems. In addition, in order to adopt best practices and following the recommendations of the Code of Principles and Best Practices of Corporate Governance, alternates were eliminated from the Board of Directors in the last Stockholders' Annual Assembly. During the year, all the company's stock market obligations were met, with the timely submitting of financial reports to the BMV and our compliance with the Corporate Practices and Audit Committees, in accordance with the corresponding regulations.

Meanwhile, the Administration Department implemented several important projects for the company; the IT Department completed the migration of all company's information to a renewed ERP System, in order to optimize transactional processes; and the Tax Department worked across our operations to comply in a timely manner with all the regulations required by the authorities in this regard, such as REPSE (public registration of contractors) and Carta Porte.

Institutional Relations

With regard to corporate communication, a series of technological tools were implemented that strengthened our internal and external communication projects to position Autlán's institutional image.



In 2022 new business communication protocols were developed to guarantee the dissemination of information to all our stakeholders and key audiences.

New business communication protocols were developed to guarantee the dissemination of information to all our stakeholders and key audiences, in an effort to share the activities that Autlán carries out in its daily operations.

The collaboration between the various work teams that make up Autlán enabled us to keep updated our official communication channels, such as Autlán's LinkedIn, the "Comunidades Autlán" social responsibility blog, our internal magazines and the company's website.

During the year, the company's efforts to eradicate unfair foreign trade practices in the Mexican ferroalloy and European EMD markets continued, through the intervention of the corresponding authorities.

Regarding institutional representation, we continued to strengthen our ties with the Chambers and Associations to which we belong in Mexico and abroad. Within this framework, Autlán continued as a Member of the Boards of Directors of these entities and maintained the chairmanships of various work committees.

The company also served as an important sponsor of the 2022 ALACERO Summit, a steel congress which took place in November in the city of Monterrey, promoting the company's commercial image among the main steel producers of Latin America.

Additionally, we carried out a number of actions to continue cultivating Autlán's good relationship with the authorities, through representation in legislative forums with a view to having a voice in the legal initiatives of greatest interest to the company.

Financial Results

In 2022, we optimized Autlán's finances to ensure the profitability and growth of the company in the long term, met all financial, operational and investment commitments, and paid dividends to our stockholders. Additionally, the company's main financial indicators, such as leverage and liquidity, improved during the year, making its financial position more robust and healthy. These results reflect the efforts and dedication of the entire organization and enabled Autlán to close the year with a positive balance. It should also be noted that the rating agencies improved the company's credit ratings, which is favorable given the usual volatility of our markets.

CONSOLIDATED RESULTS

INCOME STATEMENT

In the first months of the year, the manganese industry benefited from significant increases in the prices of manganese ferroalloys, which reached all-time highs in 2022. Consequently, the consolidated 2022 sales of US\$624.2 million were 39% more than in 2021, which represent a historical record. Additionally, Autlán Metallorum was able to leverage this manganese market positive trend to carry out geological exploration work and initiate various development projects in the precious metals mine located in the state of Sonora, with a view to achieving more efficient results from extraction in the future. During the year, Autlán EMD contributed with US\$22.7 million, diversifying the company's revenue streams.

With regard to costs and expenses, our efforts enabled us to maximize margins, despite the lack of sales volume from the Precious Metals Division and the high energy prices in Europe affecting the operations and profitability of Autlán EMD.

Additionally, during the year, non-productive investments and assets were amortized in an accelerated manner and their values adjusted downwards, which generated an accounting charge in the cost of sales that did not imply cash flow.



US\$214.2

Million

EBITDA

US\$624.2

Million

Net Sales

US\$352.4

Million

Stockholders'
Equity

US\$27.7

Million

Consolidated
Net Income

US\$820.3

Million

Total Assets

**Consolidated
net income of
US\$27.7 million
in fiscal 2022.**



Despite these conditions, the operating margin was 12% of sales, double that of 2021. Accumulated EBITDA for the year reached the second-highest level in the company's history, both in terms of the amount, which was US\$214.2 million, and the sales margin, which was 34.3%. The initiatives implemented to take advantage of the market cycle once again proved the company's ability to adapt quickly to changing conditions.

The comprehensive financing cost for the year was US\$22.7 million, US\$3.4 million more than in 2021, mainly due to the rise in interest rates during the year. Finally, the company posted a consolidated net income of US\$27.7 million in fiscal 2022.

BALANCE SHEET

As of year-end 2022, the line item of cash and cash equivalents was US\$116.7 million, US\$48.9 million more than at the end of 2021. During the year, the company met its financial commitments and operational and investment needs efficiently.

The balance of accounts receivable was US\$75.3 million, 10% below the previous year. Part of this decrease reflects good portfolio management during the year. Raw material and finished product inventories increased US\$32.7 million year-over-year due to the investment made to satisfy production growth and increases in the price of important inputs.

Long-term assets declined 8% due to asset depreciation being greater than the investments made during the year and the early amortization of some capital expenditures, mainly in the Precious Metals Division. Total assets rose 1%, or US\$9.8 million, year-over year, to US\$820.3 million.

Regarding the company's liabilities, accounts payable as of year-end 2022 were 21% less than in 2021, underscoring our commitment to all those who participate in Autlán's production chain.

During the year, we covered working capital needs and rolled over maturing Short-Term Notes ("Certificados Bursátiles") issued on the Mexican Stock Exchange at historically low rates.

The Net Debt to EBITDA leverage ratio as of year-end 2022 was 0.4 times, reflecting a healthy balance sheet and level of indebtedness and improving figures compared to year-end 2021. The company's stockholders' equity was US\$352.4 million at the close of 2022.

AUTLÁN SHARES

Autlán participates in capital and debt markets in Mexico. The company's shares are listed on the Mexican Stock Exchange under the ticker symbol "AUTLANB".

The value of the Autlán share increased during 2022, to \$16.00 pesos per share as of December 31, 2022, representing an annual return of 21%.

During 2022, Autlán participated in the short-term debt market under the dual bond program, with the various issues mentioned at the beginning of this section totaling \$500 million pesos.



We covered working capital needs and rolled over maturing Short-Term Notes ("Certificados Bursátiles") issued on the Mexican Stock Exchange.

Sustainability Report

In 2022, we reformulated many aspects of our sustainability model, defining the guidelines for the establishment of action plans that not only give continuity to what has already been achieved but also redirect our efforts to other areas of the organization, in order to enhance Autlán's adoption of Environmental, Social and Governance (ESG) criteria in accordance with the highest international standards. The company produced a sustainability report based on the standards of the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB) and the Sustainable Development Goals (SDGs). Consequently, a materiality study was carried out where material aspects identified by different interest groups, including our communities, governments, employees, senior management, customers and suppliers, were as follows:


1. Investing in the community and managing community impact.
2. Taking action to reduce emissions and the impact on climate change.
3. Promoting and providing a safe work space for employees.
4. Using water efficiently and promoting biodiversity projects (such as reforestation).
5. Supporting local suppliers.

At the industry level, the most relevant material aspects identified were:

1. Human rights.
2. Environmental compliance.

Regarding the first identified material aspect related to our communities from the study mentioned above, in the state of Hidalgo, during 2022 Autlán promoted the signing of a Framework Agreement between the State Government and the Company for Coordination and Collaboration for the Sustainable Development of the local communities in the manganese district.





Autlán developed the first corporate inventory of emissions of Greenhouse Compounds and Gases for direct emissions.

This initiative is an extension of our Social Investment Platform and increases the annual investment amount to an Investment Fund for the 2030 Agenda for the development of projects and programs that have a positive impact on the Sustainable Development Goals and that are formulated by the 48 communities that make up Autlán's area of influence in five municipalities of the Sierra Alta of Hidalgo.

The technical capabilities of all the Hidalgo State Ministries is added to this equation to support the projects that the communities wish to undertake. Additionally, the communities continue to make decisions in a transparent and consensual manner in order to assure that the projects are aligned to the goals and indicators of the SDGs. The goals in focus for 2023 include: SDG 4, Quality Education; SDG 6, Clean Water and Sanitation; SDG 7, Affordable and Clean Energy; SDG 8, Decent Work and Economic Growth; and SDG 9, Industry, Innovation and Infrastructure. The fund also contemplates a broader communication strategy to expand its dissemination and promote best practices among the relevant actors.

With respect to the second identified material aspect related to climate change, in 2022 Autlán developed the first corporate inventory of emissions of Greenhouse Compounds and Gases in its Ferroalloys, Manganese Mining and Energy Divisions, covering direct emissions (Scope 1), indirect emissions (Scope 2) and indirect emissions from the value chain (Screening - Scope 3), and contemplating 7 out of 15 categories, all based on the Greenhouse Gas Protocol Methodology.

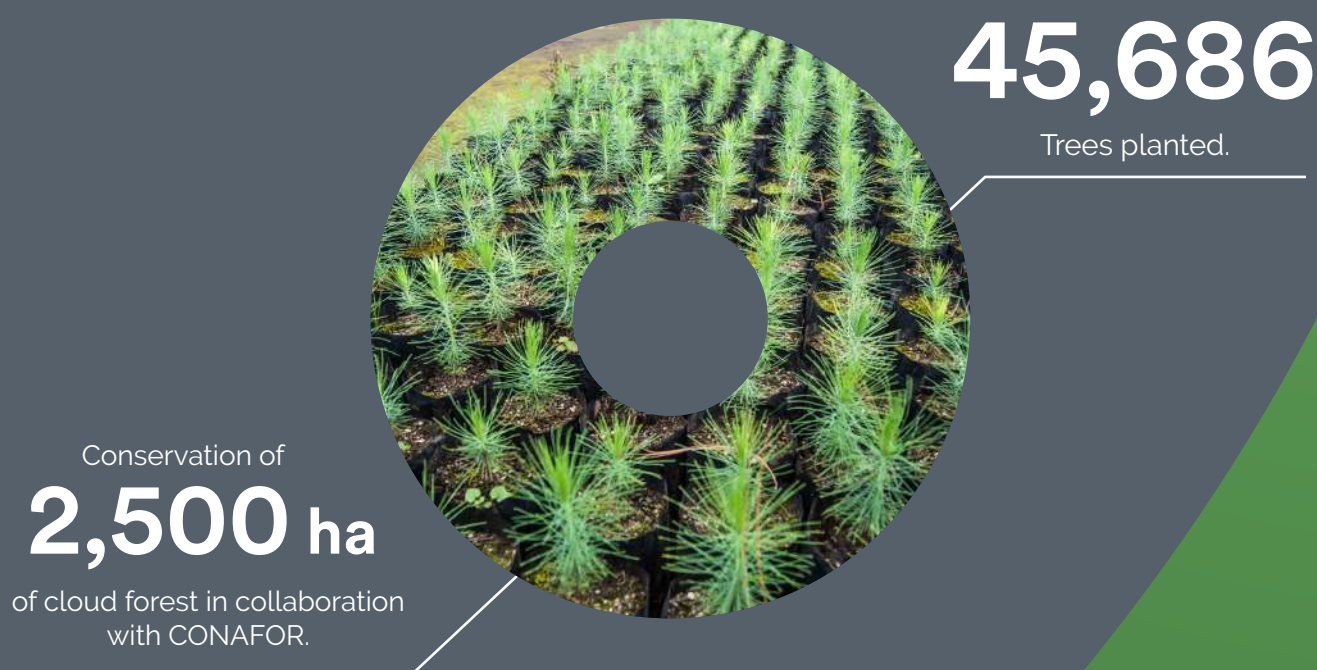
We planted more than 45 thousand trees of native species. Also, more than 42 thousand specimens of trees were donated to certain stakeholders.

On the basis of the information available at the time of the inventory, the results for the three scopes were as follows: Scope 1 emissions represented 52% of the total; Scope 2 emissions represented 22%, reflecting the Atexcaco Hydroelectric Power Plant (which provides multiple business units with clean energy); and Scope 3 emissions represented 26% of total emissions.

Additionally, a carbon portfolio was created, which is currently under evaluation. This action involves the development of a technical-economic feasibility analysis of emission mitigation measures, by business unit and with a time horizon of 2030, so that Autlán can start an effective decarbonization route for its activities. Nine mitigation and/or compensation measures were identified and the feasibility of joining the Science Based Target Initiative and/or obtaining carbon neutrality certification is being analyzed.

With regard to material aspect 3, promoting and providing a safe work space for employees, the company has always strived on guaranteeing the best working conditions. This is something that our entire workforce has committed to and, for this reason, we are proud to report that, in 2022, the Mexican Mining Chamber (CAMIMEX) recognized the Tamós Plant with its Silver Helmet award for its safety standards. Additionally, The Ferroalloys Division reported its historical lowest accident rate to the Mexican Social Security Institute (IMSS) and received the Safe and Healthy Work Environment (ELSSA) certification from the said institution. Also, among many other accomplishments, were the ISO 45001 certification in occupational health and safety for all our units and the achievement of 365 days without accidents in certain operations.

With regard to material aspect 4, during 2022 we planted 45,686 trees of native species distributed across all business units, and donated 42,728 specimens to City Authorities, the Federal Government through the "Sembrando Vida" program, local communities and educational institutions.



Moreover, for the second time, we signed a Collaboration Agreement with the National Forestry Commission (CONAFOR), which involves the use of Concurrent Funds to preserve 2,500 hectares of cloud forest in the Sierra Alta of Hidalgo, benefiting 10 agricultural nuclei. In parallel, the Molango Mining Unit reached 75% progress concerning its "Dust deposit closure project", which involves covering a deposit of material generated by the unit's nodulization rotary kiln and using the material as an input for other metallurgical processes.

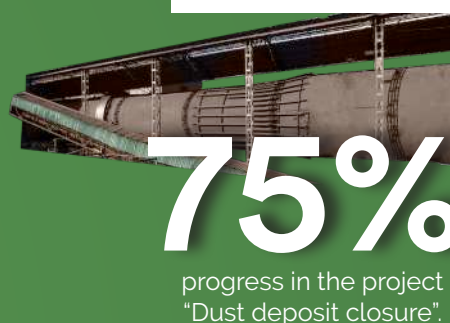
Hydroseeding consists of planting seeds of the region's native species with equipment that uses air and pressurized water to distribute them on hill and mountain slopes and ensure that they germinate. The process stabilizes the ground and prevents soil and dust dispersion into the air and bodies of water, contributing to the preservation of the region's landscape. This initiative is particularly important in light of the environmental, cultural and social value of the land.

Moreover, in the Molango Unit, 97% progress was achieved with the "Piping of tillage water" project, which prevents surface water runoff from coming into contact with the underground mining operations.

Regarding the material aspect related to local suppliers' support, 80% of Autlán's suppliers are currently from the states where we have operations, when, on average, our industry operates with only 30% of them. Additionally, in order to contribute to the development of our suppliers, we began a diagnosis to identify areas of opportunity and consequently generate a program to develop the skills and capabilities of our current suppliers.

Finally, in relation to Human Rights, during the year we developed our Human Rights and Equality, Diversity and Inclusion Policies, as well as a plan for training on these issues to be executed during 2023. With all these initiatives, Autlán endorses its commitment to adhere to the highest international standards in ESG issues, going far beyond what is contained in the legal framework that governs our operations.

Molango Unit



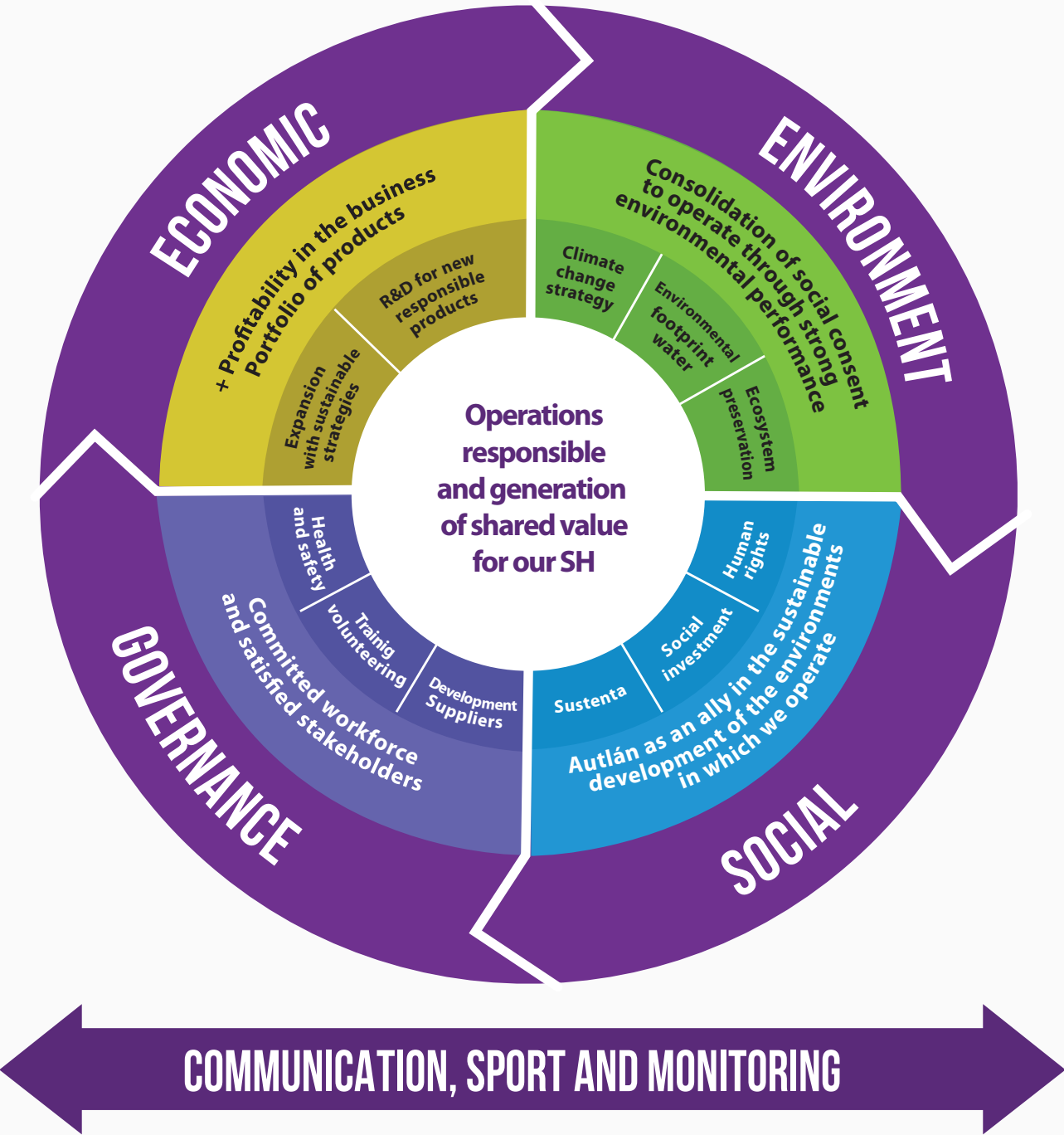
Autlán







trees donated to City Authorities,
the Federal Government, local communities
and educational institutions.



Sustainability Model



Indicator Analysis 2021-2022

	PRECIOUS METALS MINING DIVISION	MANGANESE MINING DIVISION	FERROALLOY DIVISION	ENERGY DIVISION
 <p>Water footprint</p>	<ul style="list-style-type: none"> ▶ 84.2% reduction compared to 2021, corresponding to 202,091 cubic meters. 	<ul style="list-style-type: none"> ▶ Water consumption of 454,316 cubic meters in 2021, and 421,917 cubic meters in 2022, representing a reduction of 32,399 cubic meters, or 7.3%, year-over-year. ▶ Operation of 5 treatment plants, the only ones in the region. 	<ul style="list-style-type: none"> ▶ Water consumption of 585,417 cubic meters in 2021 and 616,506 cubic meters in 2022. ▶ Operation of 3 treatment plants. 	<ul style="list-style-type: none"> ▶ The water used for clean energy generation is returned to the river with enhanced quality, having gone through a cleaning process using sand traps to filter and eliminate solids.
 <p>Electricity and fuel consumption</p>	<ul style="list-style-type: none"> ▶ Electricity consumption of 10.12 MWh in 2021 and 40.53 MWh in 2022. ▶ 23.8% reduction in the consumption of fossil fuels (7,195 liters) compared to 2021. 	<ul style="list-style-type: none"> ▶ 10.47% reduction in electricity consumption compared to 2021, corresponding to 322.86 MWh. ▶ 16.28% reduction in fuel consumption compared to 2021, representing 951,112.63 liters. 	<ul style="list-style-type: none"> ▶ Electricity consumption of 970,585.29 MWh in 2021, with 19.13% corresponding to clean energy from the Atexcaco Hydroelectric Power Plant. ▶ Electricity consumption of 1,405,939.02 MWh in 2022, with 11.16% corresponding to clean energy from the Atexcaco Hydroelectric Power Plant. 	<ul style="list-style-type: none"> ▶ Emission of 88,017.51 tons of CO₂e* was avoided, thanks to the generation of 208,079.23 MWh of clean energy at the Atexcaco Hydroelectric Power Plant.
 <p>CO₂e Carbon footprint</p>	<ul style="list-style-type: none"> ▶ 59.3% reduction in carbon emissions compared to 2021, corresponding to 4,510.6 tons of CO₂e. 	<ul style="list-style-type: none"> ▶ Emission of 393,746.47 tons of CO₂e in 2021 vs. 411,542.48 tons of CO₂e in 2022*. 	<ul style="list-style-type: none"> ▶ Emission of 719,884.48 tons of CO₂e in 2021 vs. 783,264.87 tons of CO₂e in 2022*. 	
 <p>Waste management</p>	<ul style="list-style-type: none"> ▶ 9.3% reduction in waste generation compared to 2021, representing 148.2 kg of waste. 	<ul style="list-style-type: none"> ▶ Waste generation of 246.7 tons in 2021, compared to 499.05 tons in 2022. 	<ul style="list-style-type: none"> ▶ Waste generation of 852.8 tons in 2021, compared to 981.15 tons in 2022. 	<ul style="list-style-type: none"> ▶ Reuse of 422 cubic meters of sand generated during processing in 2021, and reuse of 421 cubic meters in 2022.

* To calculate the tons of CO₂e, the Emission Factor (EF) of electricity reported in 2022 (for the 2021 report) was used. The FE update for the 2022 report is published in March 2023.

Corporate Governance

Board of Directors

José Antonio Rivero
Chairman

María Guadalupe González

José Antonio Rivero Jr.

María Rivero

Antonio Elosúa

Dionisio Garza

Everardo Elizondo

Fernando Canales

Francisco Garza

Kevin O'Kane

Oscar Maldonado

Pedro Reynoso Jr.

Ricardo Sada

Audit Committee

Ricardo Sada

Chairman

Antonio Elosúa

Member

Pedro Reynoso Jr.

Member

Juan Pablo del Río

Secretary (Not Member)

Corporate Practices Committee

Antonio Elosúa

Chairman

Ricardo Sada

Member

Pedro Reynoso Jr.

Member

Juan Pablo del Río

Secretary (Not Member)

This annual report may contain references to the future performance of Autlán, which should only be considered as estimates made in good faith by the Company. The references reflect management's expectations and are based on the assumptions and information available at a given moment in time, so are subject of future events, risks and unknown factors that may affect the Company's results. Communication Team: Juan Bosco Álvarez, Guillermo Recio, Gabriel Martínez and Christian Aparicio.

CORPORATE HEADQUARTERS

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