

OUR CONFIDENCE IN THE FUTURE IS

UN WAVE RING



Employment, investment and sustainability
Annual Report 2020



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LETTER TO THE SHAREHOLDERS

In 2020, we faced unprecedented challenges that we were able to overcome through our ***unwavering*** commitment to maintain our investment levels, sources of employment, sustainability actions, and the support to all the communities where we are present.

For Grupo México, it was a year of significant achievements, a year to be innovative, resilient, and able to protect our workers and their families, as well as to give continuity and greater efficiency to our operations, which turned out to be essential to overcome the onslaught of the pandemic and drive the economic recovery. **Our confidence in the future was and is *unwavering*.**

Our investments in the last ten years surpassed US\$20 billion, which enabled us to consolidate this year as the largest industrial conglomerate in México, with world-class assets and presence in four countries: México, Perú, the US, and Spain.

During 2020, **Grupo México's** shares appreciated by 62% in MXN and 54% in USD, given the expectation of better market returns, productive capacity growth through investment, division-wide operating efficiency, financial discipline, higher metals prices, and the industrial and commercial reactivation since the fourth quarter.

We confirm our **commitment to the generation of well-paid, highly specialized work** for nearly 30 thousand employees in our three divisions.

Sustainability consolidated as an essential component of our business model; we perfected four corporate policies in this area, focused on occupational health, workplace safety, and care of the environment and the communities.

Despite the complex scenario for this year, we obtained the following results:

- We held our place as the fifth producer of copper in the world.
- We achieved **record figures in the production of copper, molybdenum, and silver.**
- We consolidated as the **best cash-cost in the industry:** -20.5% compared to 2019.
- Our exploration program confirmed that we still have the **largest mining reserves in the world.**
- We completed the Buenavista del Cobre, Cananea, and Toquepala projects in Perú. We will continue our aggressive large-scale investment program in Buenavista Zinc and El Arco, Tía María, Michiquillay, and Los Chancas.
- For yet another year, we were a driving factor behind economic and social development in the countries where we operate.

We maintained uninterrupted operations in over 11 thousand kilometers of railroads in México and the US. Our cargo railway was crucial in guaranteeing the supply and activities of essential industries and businesses, even at the height of the health contingency.

With strict sanitary measures, we achieved an all-time high of 99.5% in the operating efficiency of our oil rigs; we surpassed by 40% the sales levels of our engineering services, and made over 80% progress in the construction of our Fenicias Wind Farm in Nuevo León.

In 2020, with solidarity actions, experience, and an *unwavering* desire to learn, we guaranteed safe environments, **contributed to prevent infection, and helped to strengthen the social and hospital response capacity before the effects of the virus in the countries where we operate were felt.**

Fundación Grupo México donated 611 million pesos in kind for the medical staff and most vulnerable population; we accelerated the delivery of a hospital in Oaxaca and assigned medical professionals from Doctor Vagón to the Cananea General Hospital, in Sonora. In Perú, we donated 18 temporary hospitals and two oxygen plants.

At Grupo México, **we now renew our *unwavering* trust in ourselves and in the countries where we are present,** to keep growing together and to build a better future.



Regards,
Germán Larrea Mota Velasco

GRUPO MÉXICO RESULTS

During 2020, a year full of challenges and adversities, at Grupo México, we maintained a solid balance sheet with a strong cash flow generation and a low leverage profile, a net debt to EBITDA ratio of 0.9x, and a comfortable debt maturities schedule. We maintain our *unwavering* commitment to continue with an important investment program for the company's growth and the development of the countries where we work.

Relevant consolidated figures

Accrued sales during 2020 totaled US\$10.90 billion, a record in Grupo México's history, and 2.1% higher than in 2019.

In the Mining Division, sales totaled US\$8.56 billion, 7.5% higher than in 2019, given higher volumes produced, as well as a favorable price environment for Copper (+2.9%), Silver (27.6%) and Gold (+27.1%).



We invested over US\$20 billion in the last decade, which reflects our *unwavering* trust and commitment to the countries where we are present.



📷 GMXT Railroad Operations Control Center in Guadalajara, Jalisco, México.



As a result of our intense investment program, this year we achieved record EBITDA of US\$5.36 billion

In the Transportation Division, sales declined 12.7% during 2020, reporting US\$2.16 billion, mainly due to lower volumes transported as a result of the COVID-19 pandemic.

In the Infrastructure Division, net sales accrued US\$528 million, a 9.0% decrease, due to the decline in drilling quotas and a decrease in activity in the construction sector.

Despite the difficulties faced, we achieved 8.4% EBITDA, above the figure for 2019.



📷 Fenicias Wind Farm, with a total installed capacity of 168 MW in Nuevo León, México.

GRUPO MÉXICO

Thousands of dollars

| | 4Q | | Variation | | January - December | | Variation | |
|-------------------|-----------|-----------|------------------|-------|--------------------|------------|------------------|-------|
| | 2019 | 2020 | Thousands of USD | % | 2019 | 2020 | Thousands of USD | % |
| Sales | 2,634,663 | 3,216,954 | 582,291 | 22.1 | 10,680,649 | 10,909,181 | 228,531 | 2.1 |
| Cost of Sales | 1,395,348 | 1,473,147 | 77,799 | 5.6 | 5,514,115 | 5,297,736 | (216,379) | (3.9) |
| Operating Profit | 818,845 | 1,314,842 | 495,997 | 60.6 | 3,479,725 | 3,958,016 | 478,291 | 13.7 |
| EBITDA | 1,160,900 | 1,734,915 | 574,015 | 49.4 | 4,945,274 | 5,362,988 | 417,714 | 8.4 |
| EBITDA Margin (%) | 44.1% | 53.9% | | | 46.3% | 49.2% | | |
| Net Profit | 542,209 | 1,077,033 | 534,824 | 98.6 | 1,766,249 | 2,118,435 | 352,185 | 19.9 |
| Profit Margin (%) | 20.6% | 33.5% | | | 16.5% | 19.4% | | |
| Investments/Capex | 290,242 | 402,597 | 112,356 | 38.7 | 1,124,646 | 1,114,693 | (9,954) | (0.9) |
| Employees | 30,263 | 29,169 | (1,094) | (3.6) | 30,263 | 29,169 | (1,094) | (3.6) |

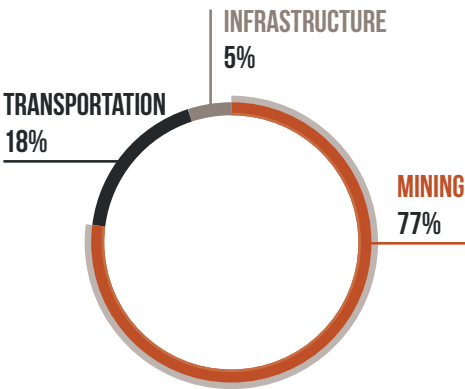
SALES

| | Thousands of USD | | | Volume in Tons | | |
|---------------------------------------|------------------|--------------|--------|----------------|-----------|--------|
| | 2019 | 2020 | Var. % | 2019 | 2020 | Var. % |
| Mining Division | | | | | | |
| Copper | 6,522,655 | 7,094,322 | 9 | 1,094,252 | 1,133,951 | 4 |
| Silver (Thousands of oz.) | 318,760 | 460,290 | 44 | 20,739 | 21,085 | 2 |
| Molybdenum | 549,369 | 510,311 | (7) | 26,849 | 30,259 | 13 |
| Zinc | 277,779 | 249,344 | (10) | 103,668 | 104,752 | 1 |
| Sulfuric acid | 169,239 | 127,694 | (25) | 1,832,662 | 1,732,859 | (5) |
| Gold (ounces) | 67,521 | 83,117 | 23 | 49,163 | 47,734 | (3) |
| Lead | 41,670 | 31,261 | (25) | 21,020 | 19,335 | (8) |
| Others | 18,614 | 9,871 | (47) | - | - | - |
| Transportation Division (cars) | | | | | | |
| | 2,473,004 | 2,158,312 | (13) | 1,887,766 | 1,753,069 | (7) |
| Infrastructure Division | | | | | | |
| | 579,782 | 527,638 | (9) | - | - | - |
| Total Sales* | | | | | | |
| | \$10,680,649 | \$10,909,207 | 2 | - | - | - |

* Considering eliminated sums due to intercompany sales.

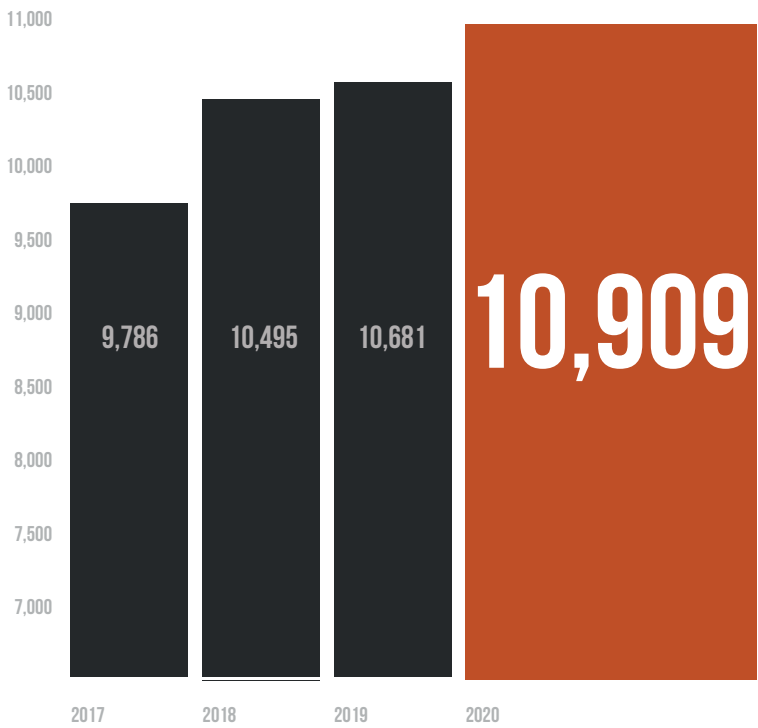
EBITDA

| | 2019 | 2020 | Var. % |
|---------------------|---------|---------|--------|
| Division | | | |
| Mining | 3,564 | 4,155 | 17 |
| Transportation | 1,096 | 944 | (14) |
| Infrastructure | 272 | 267 | (2) |
| Consolidated | | | |
| | \$4,945 | \$5,363 | (8) |

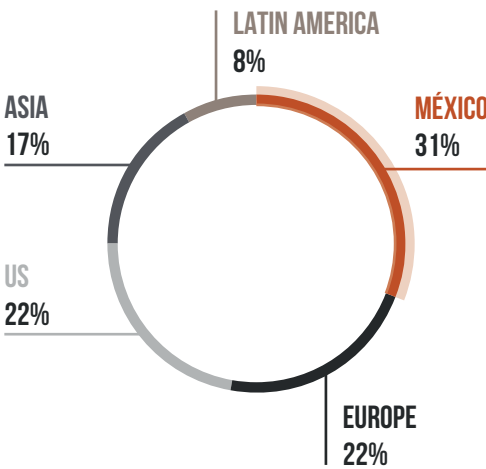


TOTAL SALES

Millions of Dollars



SHARE OF SALES BY CONTINENTS AND COUNTRIES IN 2020



📷 Combined cycle plant with annual capacity for 520 Mw in Nacozari de García, Sonora, México.

Consolidated Debt



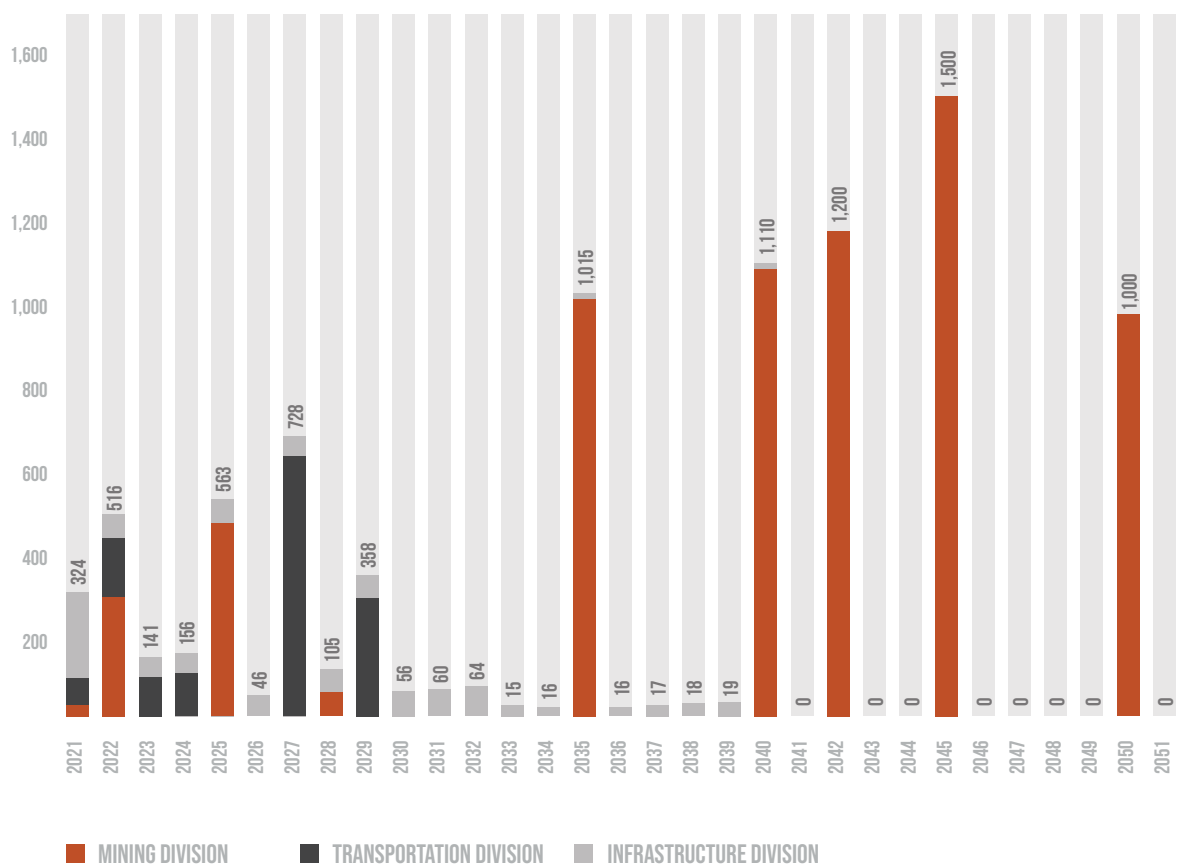
Our total debt amounts to **US\$8.95 billion** and our net debt amounts to **US\$4.9 billion**, resulting in a net debt to EBITDA ratio of **0.9x**.

82% of the debt contracts are dollar-denominated, and 18% are peso-denominated; 94% of the debt has a fixed rate. Furthermore, our maturities calendar has payments worth under US\$1.0 billion annually up to 2035.



Grupo México maintains a solid balance sheet and strong free cash flow generation.

GRUPO MÉXICO MATURITIES AS AT DECEMBER 31, 2020



 Hoppers loaded with polyethylene in Nachital de Lázaro Cárdenas, Veracruz, México.

Capital Investments

In 2020, we invested US\$1.11 billion in the three divisions. Growth project investments have been smaller than expected as a result of the COVID-19 pandemic.

- Mining: US\$628 million
- Transportation: US\$269 million
- Infrastructure: US\$218 million

During 2021, we have scheduled the investment of \$2.15 billion in different projects in the three division which, we believe, will enable the economic reactivation and generation of employment insofar as the pandemic allows.



Consolidated net profit was **20% greater than in 2019**, totaling **US\$2.12 billion**.



In 2020, we were the company that paid the most taxes in México and Perú.

We have paid US\$13 billion in taxes in the last 10 years.

Performance of Grupo México's stock

Thanks to the operating efficiency displayed in all our divisions, the expansion projects, the increase in copper prices, and the sound fundamentals of the metal, Grupo México's stock appreciated by over 62% in peso terms in 2020, thus surpassing market returns.

GMEXICO STOCK PRICE AND DISCOUNT TO ITS SUM OF THE PARTS



Despite the price growth during the year, Grupo México continued to trade at a huge discount.

 Drilling rig for blasting in Cananea, Sonora, México.



We maintain the *unwavering* conviction that constant investment growth, the excellence of our technical staff, and the state-of-the-art technology that we use enable us to provide sound results to our shareholders.



Dividend payments per share

During 2020, Grupo México paid 3.45 mexican pesos per share, a sum 8% higher than a year earlier, and maintained the annualized dividend yield above 5%, despite the sharp hike in the stock price. Grupo México continues to build a solid track record of transferring value to its shareholders through dividend payments.

ANNUAL DIVIDEND RETURNS

| 2018 | 2019 | 2020 |
|------|------|------|
| 6.1% | 6.6% | 5.2% |



Fuel terminal at Cadereyta, Nuevo León.

Natural hedging in US dollars

89% of our sales are in US dollars, so we have a natural hedge in that currency, with a positive result against the dollar's appreciation.

| | Sales | | Cost of Sales | | |
|----------------|-------|-----|---------------|-----|-------|
| | USD | MXN | USD | MXN | SOLES |
| Mining | 100% | – | 58% | 28% | 14% |
| Transportation | 55% | 45% | 27% | 73% | – |
| Infrastructure | 74% | 26% | 39% | 61% | – |
| Weighted total | 89% | 11% | 50% | 40% | 10% |



Tender with Liquefied Natural Gas for our hybrid locomotives emitting 60% less greenhouse gases into the atmosphere, compared to traditional diesel locomotives.

Credit Profile

Rating agencies noted Grupo México's position as one of the largest copper producers worldwide, with one of the lowest extraction costs in the industry, the largest reserves, and the longest mine life, as well as a sustained growth profile and strategic synergies within its three divisions.

Moreover, they emphasized the diversification of revenue sources through the Group's three divisions and GMXT's leadership position in the railroad industry.



Grupo México Transportes is a pioneer in the use of liquefied natural gas for railroad transportation to reduce polluting emissions even further.

A traditional locomotive removes 300 trucks from the highways, reducing traffic and carbon emissions.



During 2020, rating agencies Fitch and S&P confirmed the Group's BBB+ rating, with a stable outlook.

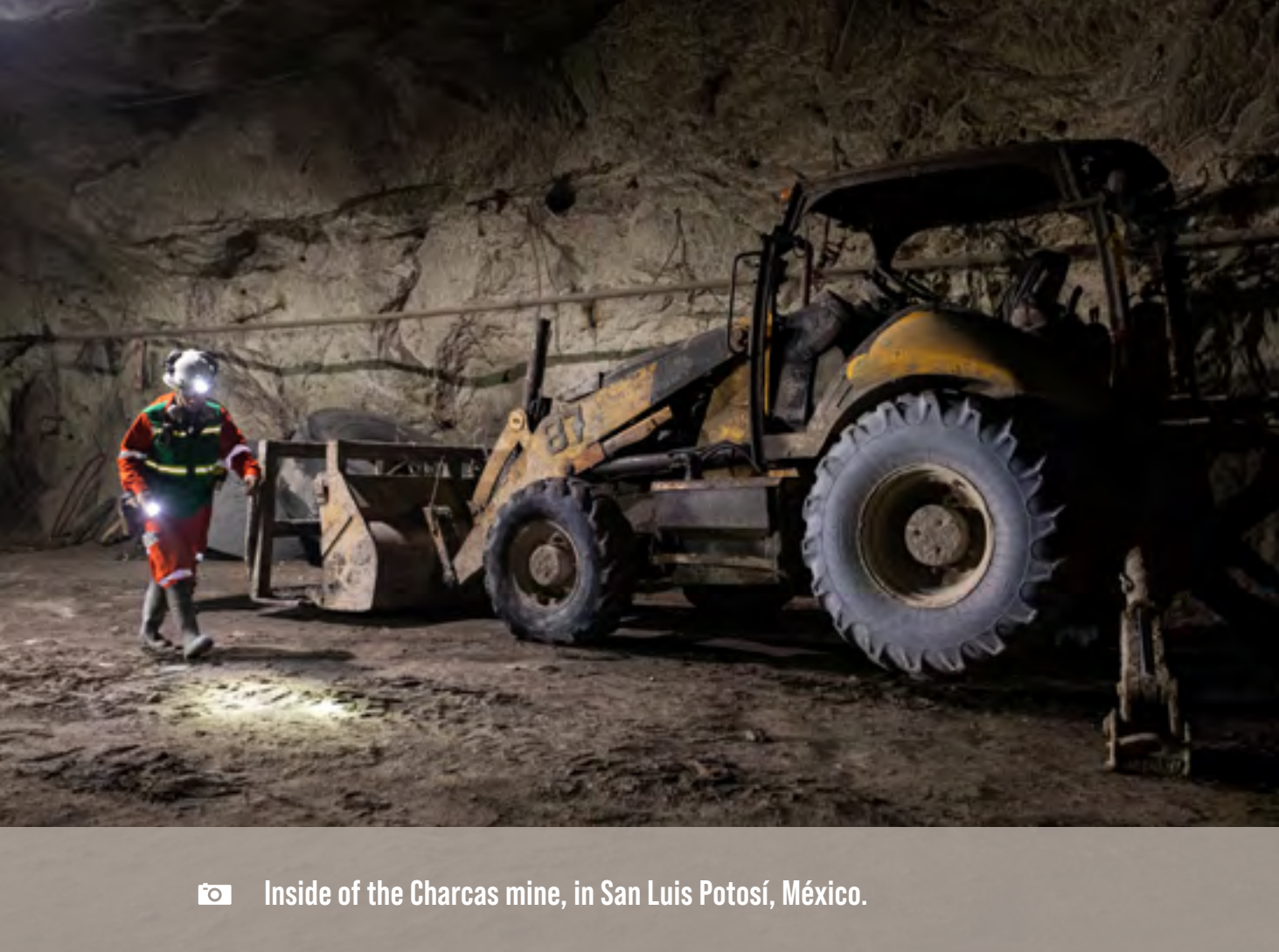
HIGHLIGHTS

| | | 2017 | 2018 | 2019 | 2020 | Real Var. % 2020/2019 | |
|------------------------------------|-----------------------|-----------|-----------|-----------|-----------|--------------------------|------|
| Volume Sold * | | | | | | | |
| Copper | (tons) | 1,024,952 | 1,001,388 | 1,094,252 | 1,133,951 | 4 | |
| Zinc | (tons) | 107,572 | 106,483 | 103,668 | 104,752 | 1 | |
| Silver | (thousands of ounces) | 16,843 | 19,477 | 20,739 | 21,085 | 2 | |
| Silver | (ounces) | 54,223 | 55,938 | 49,163 | 47,734 | (3) | |
| Molybdenum | (tons) | 21,358 | 22,055 | 26,849 | 30,259 | 13 | |
| | | | | | | | |
| Average Price (USD) | | | | | | | |
| Copper | (COMEX) | (pound) | 2.80 | 2.93 | 2.72 | 2.80 | 3 |
| Zinc | (LME) | (pound) | 1.31 | 1.33 | 1.16 | 1.03 | (11) |
| Silver | (COMEX) | (ounce) | 17.03 | 15.65 | 16.16 | 20.62 | 28 |
| Gold | (LF) | (ounce) | 1,257.13 | 1,269.14 | 1,392.17 | 1,769.59 | 27 |
| Molybdenum (MW DEALER OXIDE) | (pound) | 8.21 | 11.94 | 11.35 | 8.69 | (23) | |
| | | | | | | | |
| Transportation Division Statistics | | | | | | | |
| Net ton kms | (millions of tons) | 59,078 | 64,809 | 65,444 | 62,823 | (4) | |
| Cars loaded | (millions of units) | 1,730 | 1,962 | 1,888 | 1,753 | (7) | |
| | | | | | | | |
| Balance (millions of USD) | | | | | | | |
| Current Assets | | 4,859 | 4,789 | 5,908 | 7,325 | 24 | |
| Fixed Assets | | 16,786 | 17,146 | 17,084 | 17,100 | 0 | |
| Total Assets | | 25,745 | 25,805 | 27,566 | 28,608 | 4 | |
| Banking Liabilities | | 8,550 | 8,384 | 9,377 | 8,952 | (5) | |
| Total Liabilities | | 12,185 | 12,196 | 13,320 | 13,364 | 0 | |
| Total Shareholder Capital | | 13,560 | 13,609 | 14,246 | 15,244 | 7 | |
| | | | | | | | |
| Balance (millions of USD) | | | | | | | |
| Total Sales | | 9,786 | 10,495 | 10,681 | 10,909 | 2 | |
| Cost of Sales | | 5,010 | 5,419 | 5,514 | 5,298 | (4) | |
| Taxes Incurred | | 1,591 | 983 | 1,268 | 1,370 | 8 | |
| EBITDA | | 4,531 | 4,889 | 4,945 | 5,363 | 8 | |
| Net profit | | 1,522 | 1,147 | 1,766 | 2,118 | 20 | |

| | 2017 | 2018 | 2019 | 2020 | Real Var. % 2020/2019 |
|--|---------|---------|---------|---------|--------------------------|
| Cash Flow (millions of USD) | | | | | |
| Generated by Operations | 2,821 | 3,008 | 2,714 | 3,761 | 39 |
| Dividends Paid | (673) | (1,352) | (1,591) | (1,328) | (17) |
| Taxes Paid | 1,239 | 1,716 | 1,843 | 1,589 | (14) |
| Applied in Financial Activities | 1,669 | (186) | 777 | (476) | 161 |
| Used in Investments | (1,500) | (1,686) | (1,125) | (1,115) | (1) |
| Flow after investments and financial activities | 422 | (290) | 1,011 | (1,127) | (11) |
| | | | | | |
| Financial Ratios | | | | | |
| Operating Margin | 34% | 34% | 33% | 37% | 11 |
| EBITDA Margin | 46% | 47% | 46% | 49% | 6 |
| Current assets to current liabilities (times) | 2.0 | 2.6 | 2.6 | 3.3 | 23 |
| Total liabilities to total assets | 47% | 47% | 48% | 47% | (3) |
| Debt/Shareholders' Equity total +debt | 39% | 38% | 40% | 37% | (7) |
| EBITDA/Interest (times) | 8.91 | 9.85 | 8.96 | 9.75 | 9 |
| Personnel employed | 30,477 | 31,596 | 30,263 | 29,169 | (4) |
| | | | | | |
| Annual inflation | | | | | |
| México | 7% | 5% | 3% | 3% | - |
| United States | 2% | 2% | 2% | 1% | (50) |
| Perú | 2% | 2% | 2% | 2% | - |
| | | | | | |
| Average exchange rate | | | | | |
| México (pesos/dollar) | 18.93 | 19.24 | 19.26 | 21.50 | 12 |
| Perú (soles/dollar) | 3.26 | 3.28 | 3.34 | 3.50 | 5 |

Stated in accordance with US Generally Accepted Accounting Principles (US GAAP)

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



📷 Inside of the Charcas mine, in San Luis Potosí, México.



We have an *unwavering* will to generate well-paid jobs with a high training level.



We are a primary company contributing over 200 thousand indirect jobs and 30 thousand direct jobs.




In the countries where we operate, in the last 10 years, we have generated economic revenues of approximately US\$77 billion.



📷 Fuel storage terminal in Cadereyta, Nuevo León, México.



 The Ite wetlands in the south of Perú, repaired by Grupo México. Before the Group acquired Southern Peru, this was a tailings deposit.

The wetlands have 1,600 hectares of water bodies, floating herbs, and grasslands, which are home to more than 126 species of birds.



Our commitment to the environment and to the protection of natural resources is *unwavering*.



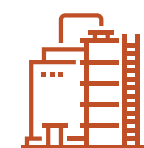
We have seven greenhouses used to reforest and thus mitigate the effects of climate change and help to maintain ecosystem stability.



In the last 10 years, we have invested over US\$3 billion in environmental projects and in the protection of natural resources.



We have invested over US\$1.6 billion in workplace security, healthcare, and community development issues in the last 10 years.



In the last 20 years, we closed and redressed six of our metal smelting and refining plants both in México and in the United States, and built new plants that comply with international environmental standards.



25% of our energy consumption is renewable. Our target is to reach 35% in 2022.

Copper is essential for various industries, as well as for everyday life. Its use provides great benefits for a greener, healthier, and more sustainable future.

MINING DIVISION

AMERICAS MINING CORPORATION (AMC)

Thousands of dollars

| | January - December | | Variation | |
|-------------------|--------------------|-----------|------------------|--------|
| | 2019 | 2020 | Thousands of USD | % |
| Sales | 7,965,608 | 8,566,209 | 600,601 | 7.5 |
| Cost of Sales | 4,278,189 | 4,323,484 | 45,295 | 1.1 |
| Operating Profit | 2,610,338 | 3,173,980 | 563,642 | 21.6 |
| EBITDA | 3,564,166 | 4,155,134 | 590,968 | 16.6 |
| EBITDA Margin [%] | 44.7% | 48.5% | | |
| Net Profit | 1,355,681 | 2,030,178 | 674,497 | 49.8 |
| Profit Margin [%] | 17.0% | 23.7% | | |
| Investments/Capex | 757,696 | 627,951 | (129,745) | (17.1) |

The Mining Division is represented by its subsidiary AMC, whose main affiliates are Southern Copper Corporation (SCC) in México and Perú, ASARCO in the US, and Minera los Frailes in Spain. We are the copper producer with the highest organic growth.

- **Leader in copper mining**
- **Largest copper reserves in the world**
- **Lower production costs worldwide**
- **Portfolio of growth mining projects**

We have 14 mines, 5 metallurgical complexes, as well as exploration projects in México, Perú, the US, Spain, Chile, Ecuador, and Argentina.

In the Mining Division, we have invested in 2020:


- **US\$386 million in México**
- **US\$206 million in Perú**
- **US\$36 million in the US**



In 2020, the sales from the Mining Division totaled US\$8.57 billion, 7.5% more than in 2019.

EBITDA was US\$4.15 billion, which is equivalent to 49% of sales.



 Ball mills for the mineral crushing and grinding process.

MINING

- 1

Ray
Mine and plant
- 2

Hayden
Plant
- 3

Mission
Mine
- 4

Silver Bell
Mine and plant
- 5

Amarillo
Plant
- 6

El Pilar
Copper project and plant
- 7

El Arco
Copper project
- 8

Lima Plant
Mine and plant
- 9

Buenavista del Cobre
Mine and plant
- 10

Metallurgical complex
Plant
- 11

La Granada
Mine and plant, Metallurgical complex
- 12

Pilares
Copper project
- 13

Santa Eulalia
Polymetallic underground mine
- 14

Buenavista Zinc
Zinc project
- 15

Hermosillo offices
Corporate offices
- 16

Guaymas Terminal
Plant
- 17

Chihuahua offices
Corporate offices
- 18

Central workshop
Plant
- 19

Santa Barbara
Polymetallic underground mine
- 20

Chalchihuites
Polymetallic mine project
- 21

San Martín
Polymetallic underground mine
- 22

Charcas
Polymetallic underground mine
- 23

Electrolytic Zinc Refinery
Plant
- 24

Angangueo
Polymetallic mine project
- 25

México City offices
Corporate offices
- 26

Taxco
Polymetallic underground mine
- 1

Chaucha
Copper project
- 2

Tantahuatay
Gold mine
- 3

Lima offices
Corporate offices
- 4

Los Chancas
Copper project
- 5

Tía María
Copper project
- 6

Cuajone
Copper mine
- 7

Toquepala
Copper mine
- 8

Ilo
Metallurgical complex
- 9

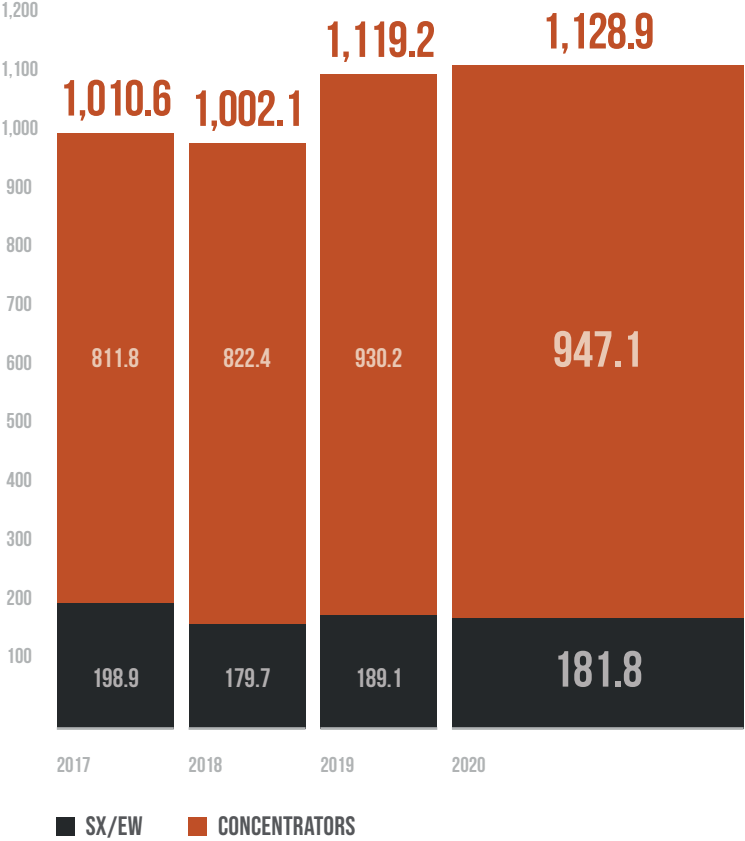
Catanave
Project
- 10

Michiquillay
Copper and gold project



COPPER PRODUCTION

Thousands of Tons



The second largest mine in the world, Buenavista del Cobre



In 2020, we produced over one million 120 thousand tons of copper, 40 thousand tons more than in 2019, mainly due to greater production in the Peruvian mines (+2.3%), higher ore grades and recovery in Cuajone, and greater production in our US plants (1.7%).

We estimate that, by 2024, we will produce over one million 200 thousand tons with the start of operations of our growth projects in México: Pilares, El Pilar, and Buenavista Zinc, and in Perú: Tía María.



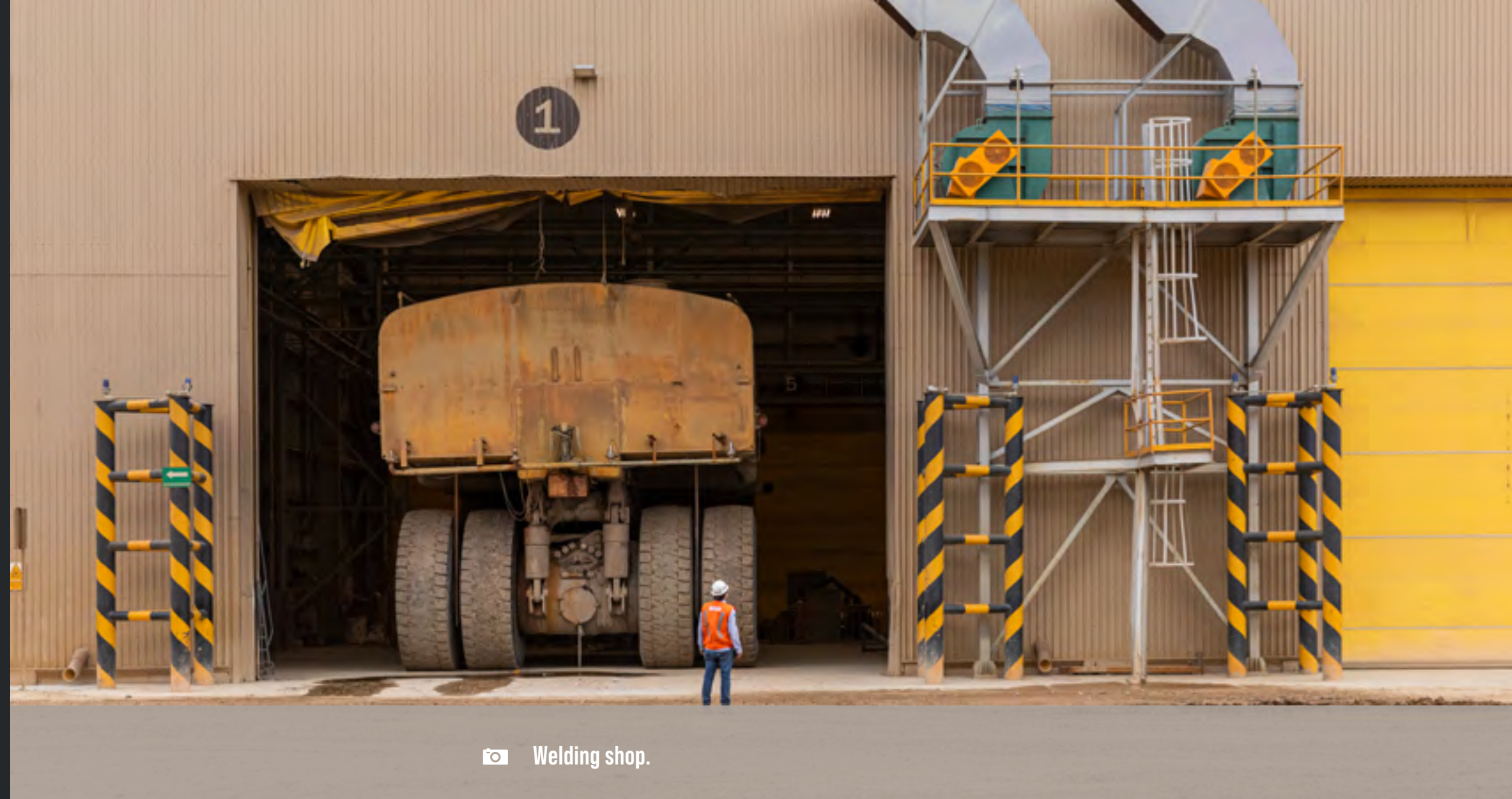
Refining plant in Nacozari de García, Sonora, México with annual production of 708,515 tons of refined copper.



We were the mining company with the most copper production in México and Perú, and the third in the US.



Metal mining pays salaries 16 times higher than the minimum wage.



The best **CASH-COST** throughout the industry worldwide: 85 cents per copper pound.

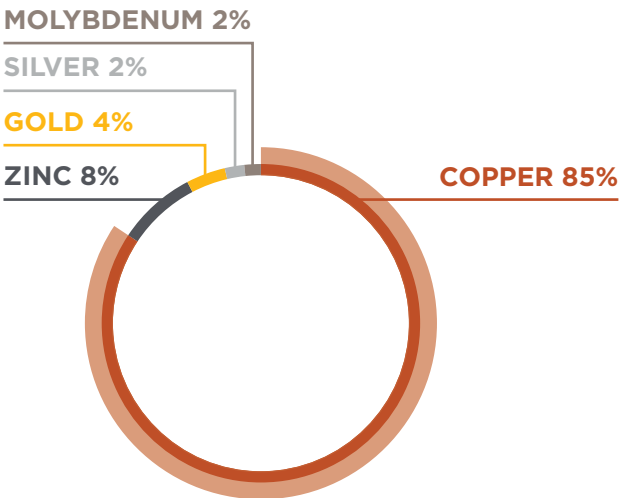


We reduced net *cash-cost* on a global level from \$1.07 dollars to \$0.85 dollars, -20.5% vs. 2019.



Copper sales in 2020 represented 83% of AMC's total sales and 65% of Grupo México's total sales.

What do we produce?



Copper



Wound coils of copper rod at Rod plant, Esqueda, Sonora, México.

USES



Energy

- Safe transmission and generation of electric energy
- Energy storage
- Distribution
- Substations



Clean Energy

- Wind and solar energy (electric energy wind and solar panels)



Manufacturing

- All household appliances
- Hybrid and electric cars
- Electric batteries
- Computers and peripherals
- Cell phones
- Microchips
- Engines



Construction

- Buildings
- Houses
- Industrial facilities
- Pipes
- Drinking water
- Rooftops
- Air conditioning and heating
- Window frames
- Cooling systems
- Surfaces for handrails and door handles



Transportation

- Cars and trucks
- Railroad industry
- Aircrafts
- Maritime transportation
- Aerospace industry

PROPERTIES

- **Malleability**, which makes it possible to create various tools.
- **Conductibility, ductility, heat-resistance**, which make it the perfect material for conveying electric energy and for electronics.
- **Flexibility and corrosion-resistance** make it ideal for plumbing.
- Its unparalleled **antimicrobial properties** have made it an essential material for the healthcare industry: medical and hospital equipment.
- Its various properties, together with its **high recyclability** make it the perfect ally for environmental protection.



Healthcare industry

- Medical and hospital equipment (ventilators, hearing devices, EEGs, MRIs)



Aquaculture

- Nets for fish and seafood farms



Chemical products

- Fertilizers
- Bactericides
- Pest control



Alloys

- With tin and zinc, it produces bronze and other consumer products
- With zinc, it produces brass

USES



Zinc



- **Automotive industry:** galvanization of steel sheets. As zinc oxide, it is used to manufacture tires, paints, etc.



- **Agribusiness:** fodder for cattle.



- **Industry in general:** pressure die casting.

PROPERTIES

- Its **anti-rust and anti-corrosive** properties make it ideal fo **galvanizing steel sheets**, used as a coating for iron and steel to protect them against corrosion.
- **Energy storage;** it can store six times more energy than other battery systems. Moreover, it is 100% recyclable.
- Its **low melting point, malleability, and high resistance** make it apt for **manufacturing in pressure casting**, as well as brass.



Gold



- **Telecommunications:** global positioning system units (GPS).



- **Computer and server equipment.**

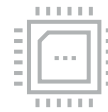


- **Jewelry, minting,** and decorative items.

- **Good heat and electricity conductor**, does not tarnish.
- **Impermeable to moisture and acids;** does not rust.
- It is the most **ductile and malleable element**.



Silver



- **Electronics:** microchips, electronic and photographic equipment.



- **Industrial:** welding alloys.



- **Jewelry, minting,** and decorative items.

- **Thermal and electric conductivity.**
- **Resistant to oxidation.**
- **Malleability and ductility** make it perfect for welding alloys.



Molybdenum



- **Industries and manufacturing:** manufacturing of stainless and resistant steel.



- **Petrochemicals:** catalysts for the oil and gas industry.



- **Chemical products:** materials for the aviation industry, fertilizers, dyes, enamels, reagents and lubricants.

- **Given its thermal conductivity and high melting point**, it is suitable for manufacturing more resistant steels.
- **Super-alloy component.**
- Catalyst in the oil and gas industry.
- It is present in the industries of: aviation, fertilizers, dyes, enamels, reagents, electronics, and lubricants.



Leaching heaps in Cananea, Sonora, México.

PRODUCTION SUMMARY


| MINE | 2017 | 2018 | 2019 | 2020 |
|--------------------------------------|------------|------------|------------|------------|
| Copper Content in Concentrates | 811,771 | 822,395 | 930,156 | 947,086 |
| Copper Leachate Content | 198,859 | 179,666 | 189,090 | 181,841 |
| Total Copper Content | 1,010,630 | 1,002,061 | 1,119,246 | 1,128,927 |
| Zinc Content in Concentrates | 68,665 | 70,778 | 73,922 | 68,930 |
| Lead Content in Concentrates | 20,246 | 22,081 | 22,567 | 20,358 |
| Gold Content in Concentrates [oz.] | 66,863 | 70,196 | 68,698 | 73,186 |
| Silver Content in Concentrates [oz.] | 17,657,006 | 18,303,215 | 21,315,505 | 22,810,470 |
| Molybdenum Content in Concentrates | 21,328 | 21,985 | 26,886 | 30,248 |

* Figures in metric tons except where otherwise stated.

SMELTER AND REFINERY

| | 2017 | 2018 | 2019 | 2020 |
|----------------------------------|------------|------------|------------|------------|
| Copper anodes | 742,620 | 722,071 | 683,698 | 633,801 |
| Refined Electrolytic Copper | 643,122 | 630,390 | 582,736 | 526,674 |
| Refined Copper Cathodes (SX/EWs) | 198,859 | 179,666 | 189,090 | 181,841 |
| Total high-purity refined copper | 841,981 | 810,056 | 771,826 | 708,515 |
| Copper wire rod | 269,834 | 266,180 | 244,070 | 199,427 |
| Refined copper slab | 12,431 | 7,790 | 6,050 | – |
| Refined Zinc and Alloys | 104,402 | 107,536 | 104,977 | 102,440 |
| Refined gold [oz.] | 50,835 | 49,731 | 45,690 | 42,229 |
| Refined silver [oz.] | 13,688,184 | 13,582,751 | 12,587,711 | 13,887,942 |
| Sulfuric Acid | 2,717,210 | 2,716,985 | 2,612,097 | 2,352,409 |
| Cadmium | 608 | 632 | 609 | 640 |
| Lime | 275,683 | 254,596 | 274,056 | 279,626 |



 Pilares, Sonora, México.

Investments



In México we are currently working on several mine projects with an investment of over US\$10.80 billion.



PROJECTS IN MÉXICO 2020

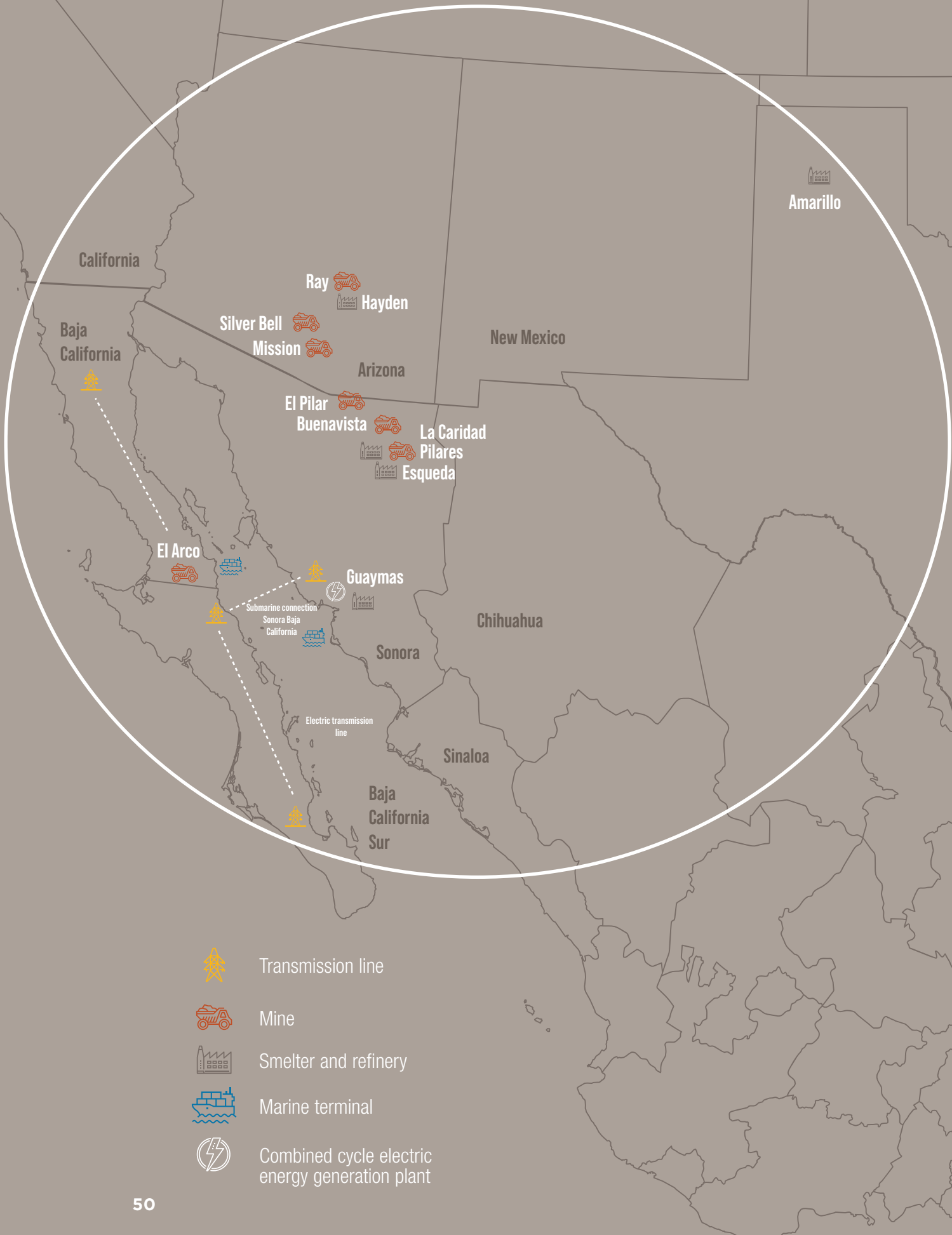
- | | |
|--|---|
| 1 Buenavista Zinc Zinc project | 4 El Arco Copper and gold project |
| 2 Pilares Copper project | 5 Chalchihuites Underground polymetallic mine project |
| 3 El Pilar Copper project | 6 Angangueo Underground polymetallic mine project |



PROJECT SUMMARY

| | Investment (Millions of USD) | Progress | Operation starting date | Jobs | Capacity | Mine years of life |
|-----------------|---------------------------------|---|----------------------------|--------|--|-----------------------|
| Buenavista Zinc | \$413 | <ul style="list-style-type: none"> Detailed engineering in process. Purchase orders for machinery and equipment initiated. | 3Q 2023 | 2,500 | 98,000 Tons of zinc | 15 |
| Pilares | \$159 | <ul style="list-style-type: none"> Completed 10km road. | 2Q 2022 | 1,200 | 38,000 Tons of copper | 10 |
| El Pilar | \$310 | <ul style="list-style-type: none"> The testing of the pilot plant was completed. The results obtained in the pads of the leaching process show copper recovery levels that confirm the sound profitability of the project. | 4Q 2023 | 2,300 | 48,000 Tons of copper | 14 |
| El Arco | \$8,893 | <ul style="list-style-type: none"> One of the largest undeveloped copper deposits in the world. The detailed engineering has been started. Environmental and social impact assessment under development. Exploration and metallurgic testing works have been completed and pilot plant. | 2025 | 6,600 | 190,000 Tons of copper 100,000 Ounces of gold | 35 |
| Chalchihuites | \$650 | <ul style="list-style-type: none"> Exploration concluded. | 4Q 2024 | 2,900 | 48,000 Ounces of zinc eq. | 13 |
| Angangueo | \$400 | <ul style="list-style-type: none"> Basic engineering completed. Environmental impact assessment has been requested. | 2025 | 2,300 | 19,500 Tons of copper | 14 |
| Total | \$10,825 | | | 17,800 | | |

Northern Copper Circuit



Baja California and Sonora

Between 2021 and 2025, the group has scheduled an investment in mining totaling US\$8.89 billion in Sonora and Baja California.

| | |
|--|----------------------------|
| Benefits: | |
| • Refined copper production | 874 thousand tons annually |
| • Gold production | 100,000 ounces annually |
| • Zinc production | 108,000 tons annually |
| • Total jobs | 42,721 |
| • Annual sales | US\$8.84 billion |
| • Annual taxes | US\$1.58 billion |
| • Percentage of national copper production | 89% |

- The project includes, in addition to mines, smelting plants and refineries:**
- A desalinating plant with a capacity of 25 million m3 / year, 100% of industrial consumption.
 - El Barril, Baja California, seaport and expansion of the Guaymas, Sonora, seaport.
 - Electric interconnection between Sonora and Baja California through submarine 500 MW cable and later in Mexicali.
 - Electric transmission line: 230 kV El Barril – La Paz – Los Cabos.
 - Two marine terminals: Sonora and Baja California.

Arizona and Texas

In Arizona and Texas, in the same period, the plan is to invest US\$1.91 billion.

| | |
|---------------------|---------------------|
| • Copper production | 120,000 annual tons |
| • Total jobs | 10,650 |
| • Annual sales | US\$991 million |

| | |
|---------------------------------------|---|
| New copper concentrator at Ray | New copper concentrator at Silver Bell |
| • US\$450 million | • US\$900 million |
| • 50 thousand tons of copper/year | • 70 thousand tons of copper/year |



📷 Panoramic view of Cuajone mine in Moquegua, Perú.

Southern Copper Circuit

- 1** Tía María
Copper projet
- 2** Los Chancas
Copper projet
- 3** Michiquillay
Copper and gold projet
- 4** Tantauatay
Gold mine
- 5** Cuajone
Copper projet
- 6** Toquepala
Copper projet
- 7** Ilo
Metallurgical complex



In Perú, we are working on investments totaling US\$1.10 billion.



📷 Tía María, located in the La Joya desert, to the north of Cocachacra, Islay, Perú.

| PROJECT SUMMARY | Investment (Millions of USD) | Progress | Operation starting date | Jobs | Capacity | Mine years of life |
|---------------------|---------------------------------|---|----------------------------|--------|--|-----------------------|
| Tía María | \$1,750 | <ul style="list-style-type: none">• Basic engineering, exploration and metallurgical testing completed.• Construction permit pending. | 3Q 2024 | 4,800 | 120,000 Tons of copper cathode | 21 |
| Los Chancas | \$2,600 | <ul style="list-style-type: none">• Generation of basic engineering and feasibility study. | 2025 | 5,500 | 148,000 Tons of copper eq. | 20 |
| Michiquillay | \$3,146 | <ul style="list-style-type: none">• Pre-feasibility study under development.• Exploration works underway.• Social impact assessment underway. | 2027 | 6,200 | 269,000 Tons of copper eq. | 40 |
| Toquepala expansion | \$1,350 | <ul style="list-style-type: none">• Two concentrator plants in operation. | In operation | 2,000 | 250,000 Tons of copper | 29 |
| Cuajone expansion | \$1,200 | <ul style="list-style-type: none">• Engineering started. | 2024 | 2,000 | 80,000 Tons of copper | 39 |
| Ilo smelter | \$1,200 | <ul style="list-style-type: none">• Engineering and pre-feasibility assessment started. | 2Q 2025 | 1,500 | 950,000 Tons of concentrates 250,000 Tons of copper | N/A |
| Total | \$11,246 | | | 22,000 | | |



Projects in Spain

Aznalcóllar municipality, Seville province, Andalucía

ZINC

Project progress:

- Feasibility study completed with appealing results.
- New hydrogeologic model prepared, validated by the relevant water authorities.
- We obtained a statement of Greater Public Interest Project from the Junta of Andalusia (Regional Government of Andalusia), ratifying the project's relevance and positive socioeconomic and environmental impact.
- Environmental assessments and securing of initial construction permits are being processed.



 Aerial view of the Aznalcóllar municipality, Seville, Spain.



Once in operation, Aznalcóllar will produce Roughly 125 thousand tons of zinc annually over the more than 20 years of the mine's life.



Grupo México is the company with the largest reserves SEC-registered in the US.

Other explorations



CHILE

Cobre Sol Project, Antofagasta

Copper porphyry in the Atacama desert.

- Exploration drilling has begun.

Montonero Project, Atacama

Copper and gold project.

- The pre-feasibility study for the leaching and SX/EW project will be performed.



ECUADOR

Ruta del Cobre Project, Cuenca

Copper and molybdenum porphyry.

- Under exploration since 2014, stage of the exploration program at 50%.



Aerial view of the Río Negro Province and Los Menucos in Argentina.



ARGENTINA

Cañadón del Moro Project, Río Negro

Gold and silver deposit with 7.6 km veins and breccias with a thickness of 6 to 60 meters.

- Silver ore grades of 9.4 oz. per ton.

Esperanza, Los Menucos, Río Negro Project

Gold deposit in exploration program at 20%.



📷 Training in Charcas Underground Mine in San Luis Potosí, México.

Safety and Occupational Health

We ended the year with zero fatalities; accidents and days lost rates decreased by 44% and 78%, respectively, compared to 2019.

Minera México obtained three Silver Helmets out of the six awarded by the Mexican Mining Chamber.



📷 We have three schools in México and seven in Perú, from kindergarden up to middle school, fully funded by the company. Soon, the schools will offer all grades through high school.

Communities

In 2020, our Community Development programs migrated to virtual mode as a result of the pandemic.

- 4,634 workshops were held online.
- 290 thousand social media users, 63% more than in 2019.
- 3,667 students at educational centers sponsored by the company in México and Perú continued their school programs remotely.



Our commitment to build a better country for future generations is *unwavering*.

Water



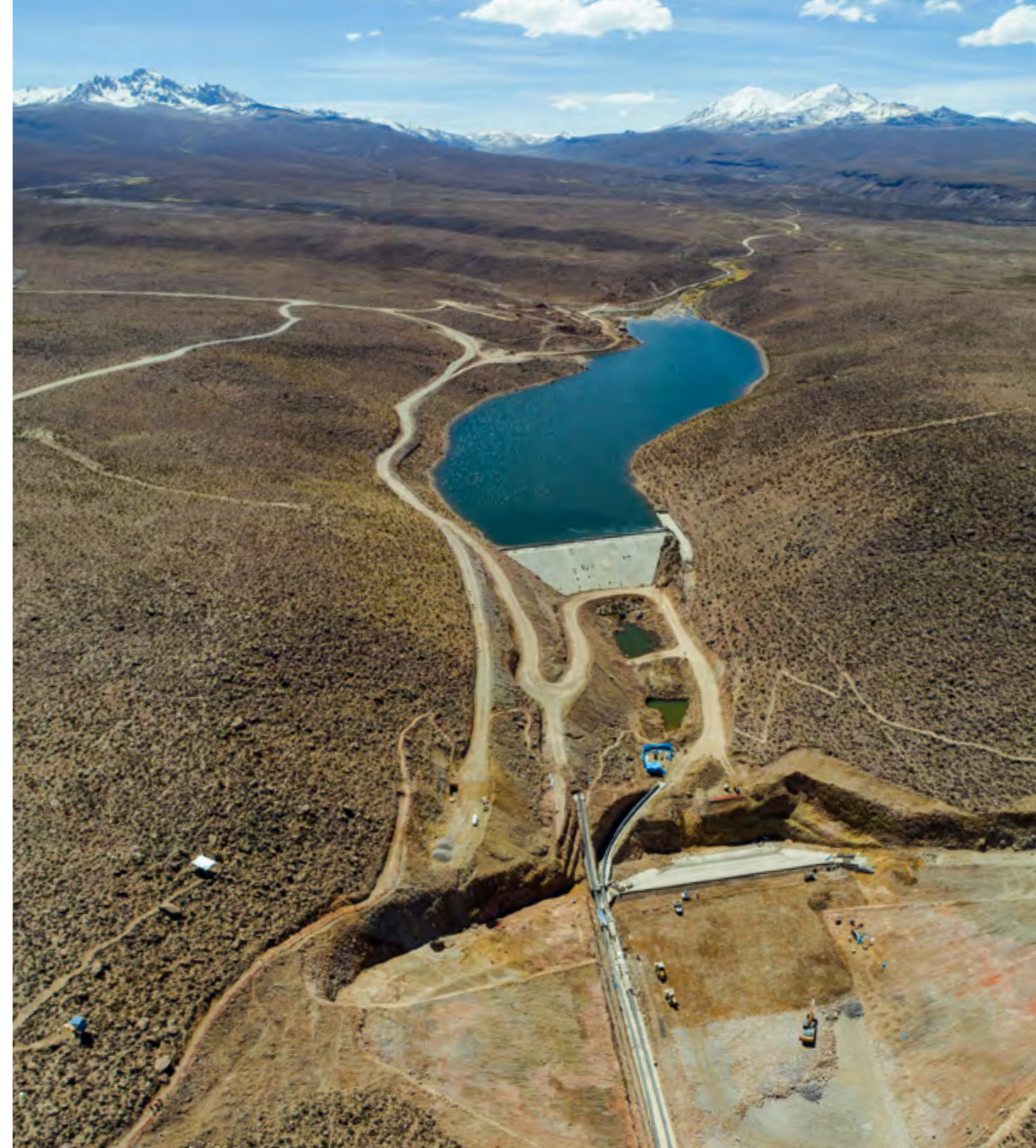
We have invested over US\$100 million in the last five years in projects that foster an increase in the quality and volumes of water available to the neighboring communities of our operations.




We recycle 75% of the water we use in our operations.



In 2020, the Mining Division paid US\$53 million for water rights.



 The Cularjahuira dam was developed together with the Peruvian government to supply water to over one thousand farmers in the Tacna region.



📷 4400 HP locomotive with bulk hoppers.

COVERAGE

24 Mexican states representing 86% of the GDP
and Florida and Texas in the US.

TRANSPORTATION DIVISION

GRUPO MÉXICO TRANSPORTES (GMXT)

Thousands of dollars

| | January - December | | Variation | |
|------------------------|--------------------|-----------|------------------|--------|
| | 2019 | 2020 | Thousands of USD | % |
| Net ton kms (millions) | 65,444 | 62,823 | (2,621) | (4.0) |
| Carloads | 1,887,766 | 1,753,069 | (134,697) | (7.1) |
| Sales | 2,473,004 | 2,158,312 | (314,692) | (12.7) |
| Cost of Sales | 1,331,524 | 1,119,200 | (212,324) | (15.9) |
| Operating Profit | 693,063 | 605,341 | (87,722) | (12.7) |
| EBITDA | 1,096,148 | 944,211 | (151,937) | (13.9) |
| EBITDA Margin (%) | 44.3% | 43.7% | | |
| Net profit | 312,450 | 274,745 | (37,705) | (12.1) |
| Profit Margin (%) | 12.6% | 12.7% | | |
| Investments / Capex | 342,663 | 268,979 | (73,684) | (21.5) |

Grupo Mexico's Transportation Division is represented by its subsidiary GMéxico Transportes, S.A.B. C.V. (GMXT). At GMXT, we provide logistics solutions for safe, efficient, and sustainable ground cargo transportation, that contribute to strengthen the connectivity and competitiveness of the markets where we participate.

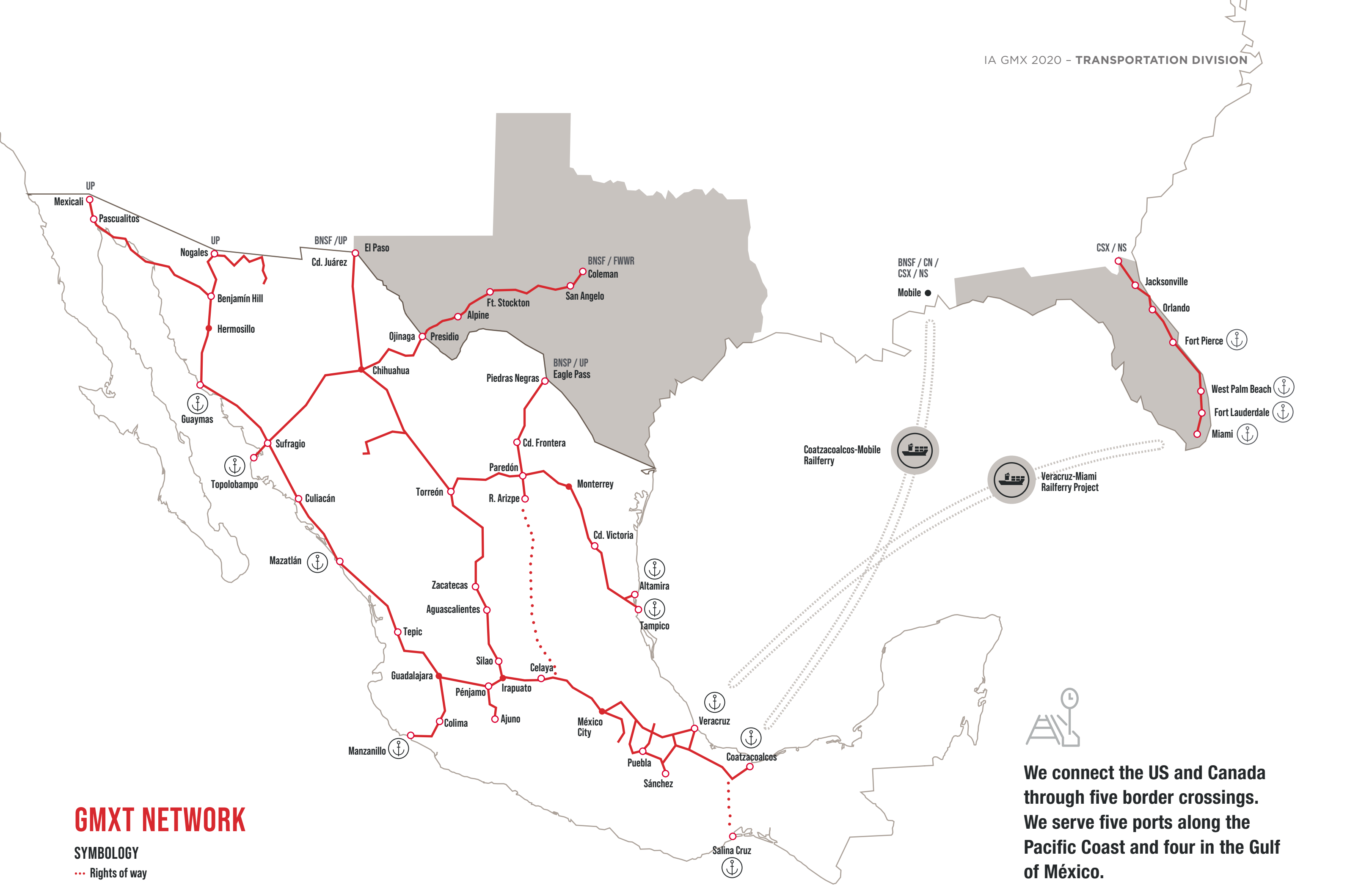
GMXT's main subsidiaries are:

- Ferrocarril Mexicano, S.A. de C.V. Ferromex
- Ferrosur, S.A. de C.V. Ferrosur
- Florida East Coast Railway, L.L.C (FEC)
- Texas Pacífico LP, Inc. (TXPF)
- Intermodal México, S.A. de C.V. (IMEX)

Railroad cargo transportation, an essential activity, worked *unwaveringly* throughout 2020, transporting essential products during the pandemic.

We have increased the percentage of carloads since 1998 by 420%.

📷 Locomotive at the repair and maintenance workshop “Casa Redonda”, Guadalajara, Jalisco, México.



We offer competitive rates,
35% lower than trucks.



Infrastructure crew checking a stretch of railroad on the Pacific to identify and fix defects and risks.

Our network is supported by:

- Over 10,600 highly-trained employees.
- 816 locomotives.
- Over 11,136 km of track.
- Over 27,753 railroad cars.

Since 1998, we have:

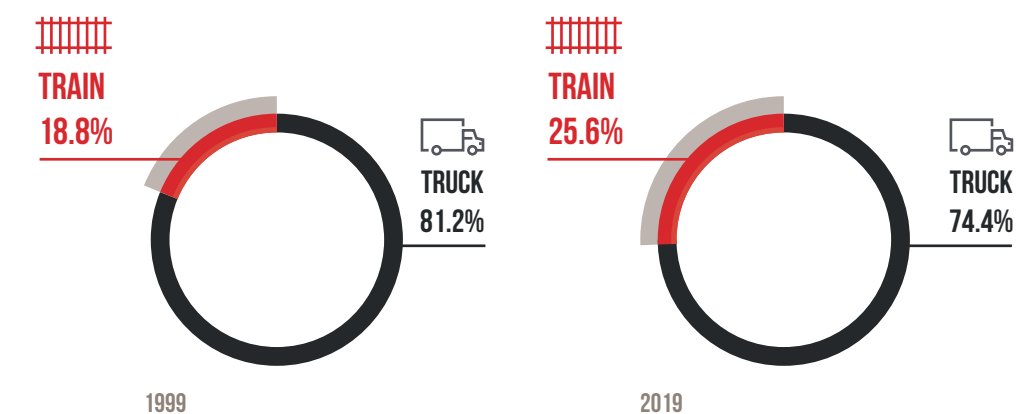
- Quadrupled our cargo capacity.
- Increased the share in the relevant ground cargo transportation vs. trucks.



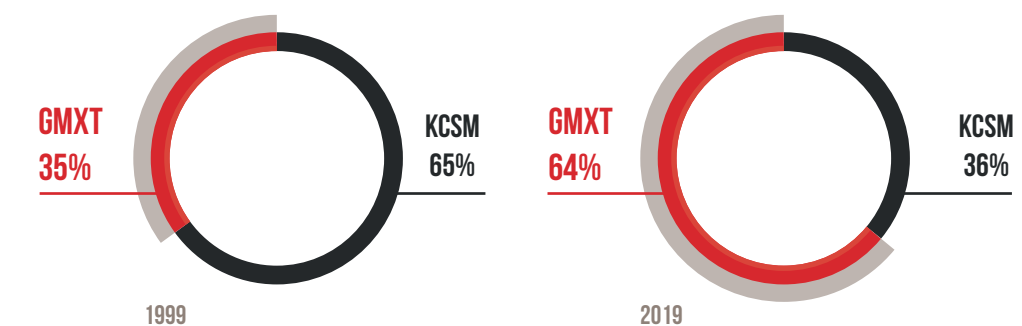
Find out more about GMXT, a leader in cargo transportation.

SHARE OF CARGO TRANSPORTATION IN MÉXICO

Relevant market



Companies



In 2020



Our sales totaled US\$2.16 billion.



We transported 62.82 billion tons-km.



We hauled 1,753,069 cars.



Our EBITDA totaled US\$944 million, with a 43.7% margin, mainly due to operating improvements, which resulted in a 15.9% cost reduction.

In México, track maintenance is paid by the concessionaire, while federal highway maintenance is paid by the government.

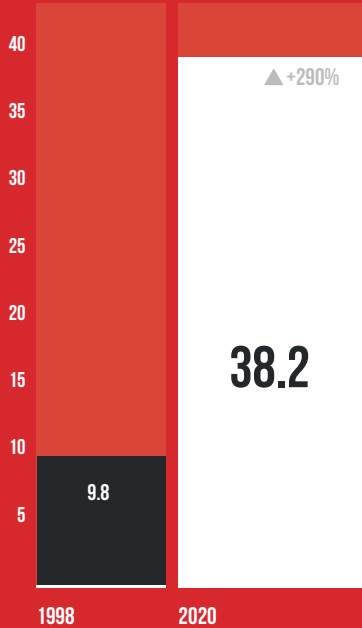


The handbrake is a security device; it is used to: stop the locomotive when there is a downslope, for parking, or when the maintenance crew performs electromechanical tests.

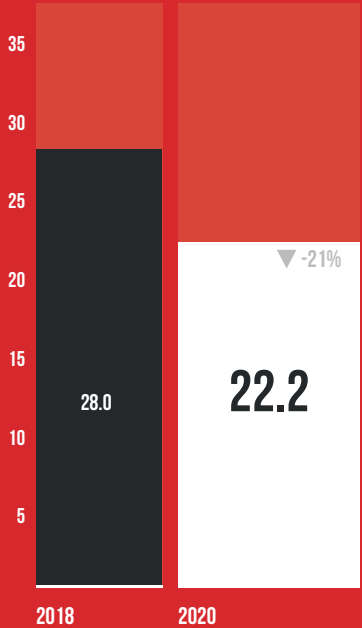
OPERATING METRICS



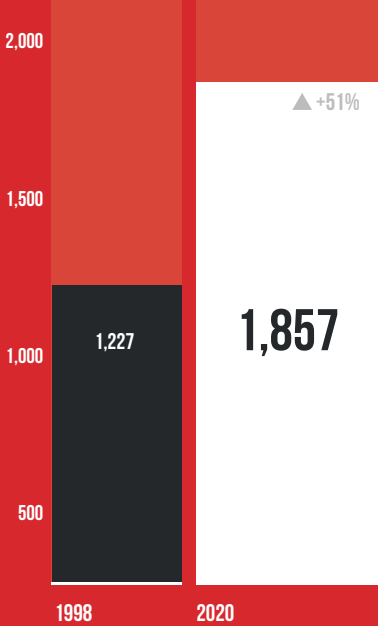
TRAIN SPEED
(Km/hr)



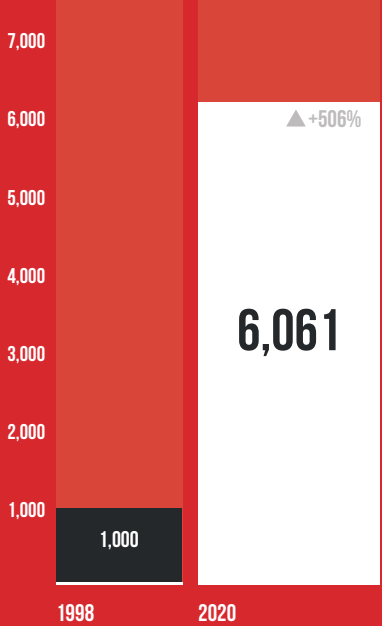
DWELL TIME
(Hours)



TRAIN LENGTH
(Meters)



GROSS TONS PER TRAIN
(Tons)



We transport LP gas from the US and Canada through unit trains to meet the household and industrial needs of the states of Coahuila, Chihuahua, Sinaloa, and Sonora.

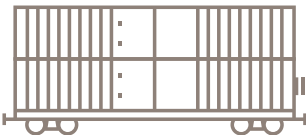
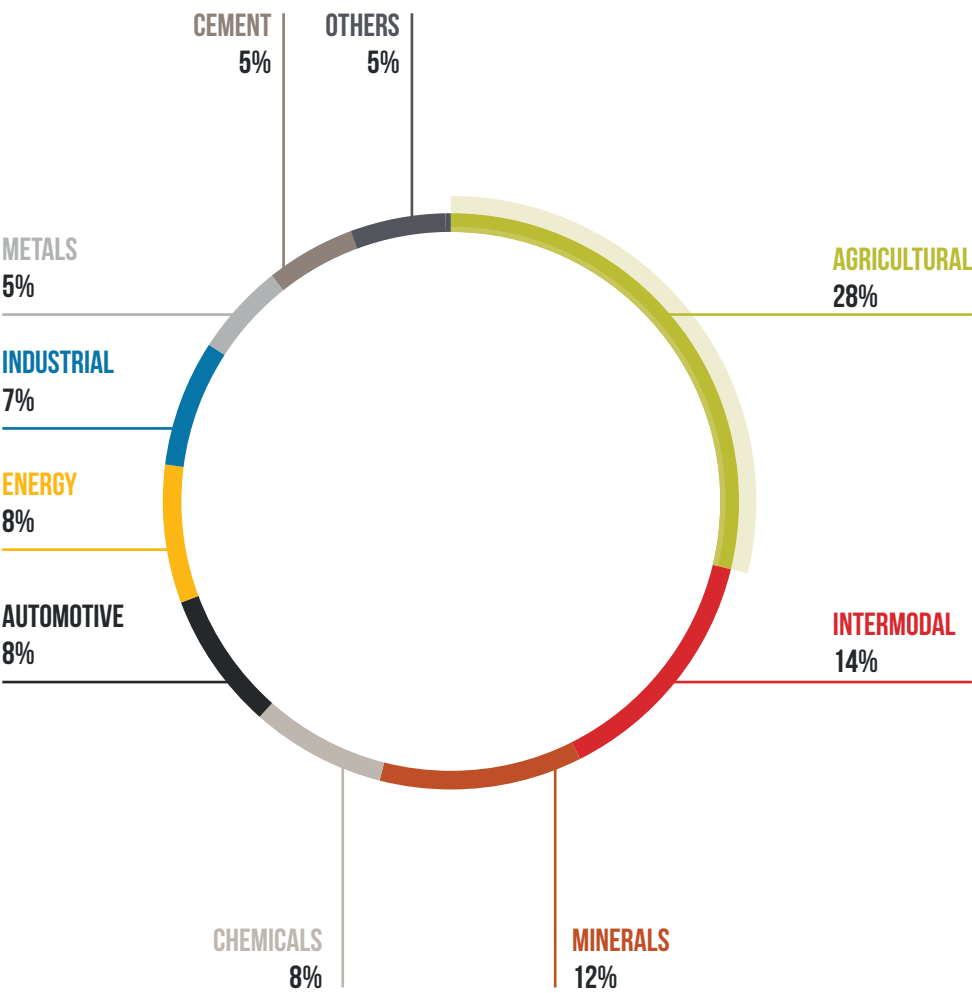
Tank cars in railroad terminal.

Industries served

At GMXT, we provide logistic solutions for all types of industries. Our business portfolio is divided into nine subsegments: agricultural, intermodal, metals, minerals, automotive, chemicals, energy, industry, and cement.



REVENUE DIVERSIFICATION BY PRODUCTS



We transport over 7.2 million finished consumer products per year in over 700 thousand containers for the domestic and international markets.



Our network serves the 12 main automotive plants in México, which represent 80% of the market. We transport 60% of the country’s automotive export cargo.

📷 Automotive train, Puebla, México.

Our Investments

- Reconstruction and modernization of our network.
- Construction of new sidings, yards, and terminals.
- Process and telecommunication automation throughout the network.
- Level crossing signals.
- Bypass construction.

Sustainable Vision

In order to reduce GMXT's carbon footprint by 10% by 2023:

- We started the conversion of hybrid locomotives that use a larger share of gas than diesel.
- Our locomotives have an intelligent system to optimize their performance and fuel management, which also makes the journeys safer.
- We have achieved the maximum reduction in the time locomotives spend in yards, cutting dwell times and energy consumption.
- We optimized railway traffic.



📷 Liquefied natural gas tank car for hybrid, environmentally-friendly locomotives.



In 2020, despite the pandemic, we invested US\$269 million.



40% of our energy consumption comes from our own sources.

Safety and Occupational Health

Operational safety is a priority at every level of our organization, with the goal of operating with zero accidents and ensuring the integrity of our 10,683 employees.



We offered courses to over 600 employees.



During 2020, 8,870 employees received safety and occupational health training, totaling 136,700 man-hours.



We have 37 medical care units across the country, staffed by 25 general practitioners and 140 nurses.



📷 Welding of gondola.



📷 Level crossing, Lagos de Moreno, Jalisco, México.

Aware of the importance of saving lives, and as no public budget had been allocated to level crossing signals, we voluntarily rehabilitated and installed electronic barriers to prevent the crossing of vehicles and pedestrians prior to the passing of the train at the crossings with the highest accident rates, considering that maintenance will be in charge of the federal, state and municipal governments, **since 2018, we have signalized 66 crossroads; thanks to this project, accidents at level crossings have decreased by 36.1%.**

The Chepe Regional train did not suspend its services despite the pandemic. The Chepe Express train reactivated its services in July 2020. Health protocols approved by the governments of Chihuahua and Sinaloa were successfully implemented, **helping us to receive the “Safe Travel” distinction awarded by the WTTC.**



📷 Chepe Express, Chihuahua, México.



OIL RIGS

We ended 2020 with
six operational rigs.

INFRASTRUCTURE DIVISION

MÉXICO PROYECTOS Y DESARROLLOS (MPD)

Thousands of dollars

| | January - December | | Variation | |
|---------------------|--------------------|---------|------------------|---------|
| | 2019 | 2020 | Thousands of USD | % |
| Sales | 579,782 | 527,638 | (52,144) | (9.0) |
| Cost of Sales | 293,671 | 251,789 | (41,882) | (14.3) |
| Operating Profit | 151,404 | 138,717 | (12,688) | (8.4) |
| EBITDA | 272,389 | 266,579 | (5,810) | (2.1) |
| EBITDA Margin (%) | 47.0% | 50.5% | | |
| Earnings before tax | 91,519 | 84,074 | (7,445) | (8.1) |
| Taxes | 46,604 | 32,245 | (14,359) | (30.8) |
| Deferred tax | 249 | 11,770 | 11,521 | 4,629.4 |
| Net Profit | 44,666 | 40,058 | (4,607) | (10.3) |
| Profit Margin (%) | 7.7% | 7.6% | | |

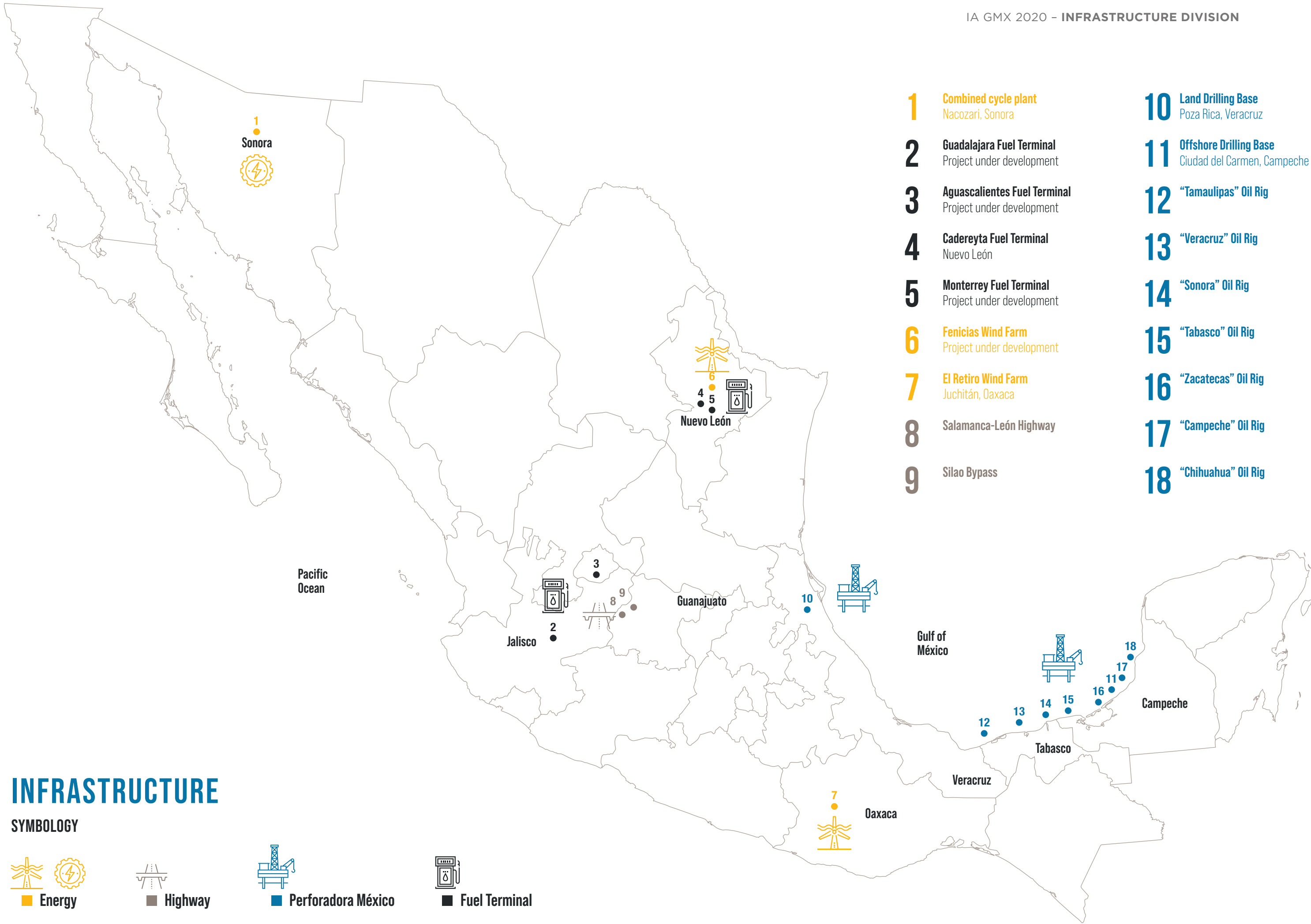
📷 Construction of Fenicias Wind Farm in Nuevo León, México.



📷 Aerial view of the Salamanca-León highway, in the Bajío, México area.

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

- **Perforadora México**
- **México Generadora de Energía**
 - Combined cycle plant in La Caridad, Sonora
 - El Retiro Wind Farm in Juchitán, Oaxaca
 - Fenicias Wind Farm, Nuevo León (under construction)
- **Construction**
- **Engineering**
- **Salamanca - León Highway / Silao Bypass**
- **Fuel storage**
 - Cadereyta, Nuevo León
 - Monterrey, Nuevo León (project under development)
 - Guadalajara, Jalisco (project under development)
 - Aguascalientes, Aguascalientes (project under development)



The investment in the new Fenicias Wind Farm totals US\$250 million.



Find out more about the Wind Farm.



Despite the difficulties resulting from the pandemic, we invested US\$218 million in 2020.

- **US\$127 million:** construction of the new Fenicias Wind Farm in the north of the country (total investment of US\$250 million), expected to start operations in the first quarter of 2021.
- **US\$13 million:** highway projects (Salamanca-León and Silao Bypass).
- **US\$6 million:** initial investment in Fuel Terminals.
- The rest was invested in the various business lines of the division.

For 2021, investments totaling US\$228 million are scheduled, mainly in:

- **US\$90 million:** Fuel Storage terminals in the various strategic points across México.
- **US\$77 million:** conclusion of the construction of the Fenicias Wind Farm.
- **US\$12 million:** highway projects.
- **Construction of the Playa del Carmen - Tulum tranche of the Mayan Train.**



New Fenicias Wind Farm with 4 MW capacity per wind turbine.

Perforadora México

- **Sales:** US\$172 million.
- **EBITDA:** US\$85 million.
- Historic operating efficiency at 99.5%.
- Uninterrupted operation of our oil rigs.

MARINE DRILLING

- On our six rigs, we work in what is known as ‘shallow water’ and we operate at ‘depth’, ranging from 20 to 90 meters.

LAND DRILLING

- **Sales:** US\$6 million.
- We completed the land drilling contract for geothermal wells at the San Pedro Dome, Nayarit.
- We executed three service contracts for land cementations for various private clients.

SUSTAINABILITY

- The Clean Industry certificates issued by the Federal Environmental Protection Agency (PROFEPA) were renewed for all the offshore platforms.
- We received the Self-management and Health at Work Program (PASST) level 2 acknowledgment from the Ministry of Labor and Social Welfare (STPS).
- We obtained the certificate of compliance with standard NOM-035-STPS (Psycho-social risk factors).
- We have international Environment certification ISO 14001 and and Occupational Health and Safety certification ISO 45001.



Veracruz Oil Rig control panel.

Energy



US\$230 million, 2% more than in 2019



US\$122 million in EBITDA, 4% more than in 2019

EL RETIRO WIND FARM:

- **Wind turbines:** 37
- **Capacity:** 74MW
- **EBITDA margin:** 24% more than in 2019
- **Energy generated:** 171,778 MWh, 7% more than in 2019

NEW FENICIAS WIND FARM, NUEVO LEÓN (UNDER CONSTRUCTION):

- **Wind turbines:** 42
- **Capacity:** 168 MW for the supply of electric energy in our mining and metallurgical operations in IMMSA
- **Project progress:** 83%
- **Investment to date:** US\$177 million (71% of the project's total cost)
- **Start of operations:** first quarter of 2021



📷 Wind Farm in Juchitán, Oaxaca, México.

- We achieved the goal of zero accidents among our in-house staff and contractors.
- Since 2019, we achieved the Clean Industry certifications.
- We have successfully passed Ecuador's audit of principles, which includes environmental topics and evaluates the interaction with our neighboring communities, seeking the promotion and protection of human rights.

The Energy division ended the year with a “zero” accidents index during 2020.



COMBINED CYCLE PLANT GENERATION IN LA CARIDAD, SONORA.



US\$217 million
Sales Generator Plant, 4% higher than in 2019



US\$112 million in EBITDA



3,437 GWh
Total production

- In the Caridad generator plant, we obtained the *Great Place to Work*® certification, which assesses the work environment for employees as it relates to the company's performance.
- We have been recognized as a Safe Company (PASST, level 3) issued by the STPS.
- We have the national Clean Industry certificate (PROFEPA).



In terms of Health and Safety,
the Caridad plant has achieved
a record of seven years without
incapacitating accidents.

 Combined cycle plant in La Caridad, Sonora, México.



📷 Tailings dam at Buenavista del Cobre, Sonora, México.

Construction



Income
US\$77 million

EBITDA
US\$23 million

Revenues came mainly from the works hired throughout the year with the Ministry of Communications and Transportation (SCT), Buenavista del Cobre, Mexicana de Cobre and Ferromex.

MAIN WORKS

- Celaya, Guanajuato, Railway Bypass for Ferromex, expected to be completed in 2021.
- New tailings dam at Buenavista del Cobre, Sonora, estimated completion date March 2021.
- With Mexicana de Cobre in Nacozari, Sonora, we concluded the superelevation of the curtain of Tailings Dam no. 7, as well as the additional construction works for the access road to the curtain and the spillway.
- Construction of the road to haul materials from the Pilares Mine to the La Caridad Mine; estimated delivery by March 2021.
- Expansion of Agua Prieta lime plant in Sonora. We are working on developing the detailed engineering, and soon we will start construction of the crushing and storage areas. It is estimated to be completed in September 2021.
- With Operadora de Infraestructura del Bajío, we carried out maintenance works on the Salamanca-León Highway. We estimate completion by August 2021.

SUSTAINABILITY

We have valid certifications until 2022: Quality ISO 9001:2015, Environmental ISO 14001:2015, and Occupational Safety and Health ISO 45001:2018.

Throughout 2020, the results of the index on incapacitating occupational accidents continued to improve, achieving a result of 0.31. This figure is well below the average published by OSHA (5.4), and represents a 6% improvement in our performance; on the other hand, the severity rate decreased by 59%.

Highways



US\$34 million in Income

WE CURRENTLY HAVE TWO HIGHWAY CONCESSIONS:

1) Salamanca-León Highway: Both tranches are in operation.



| | |
|-----------------------------------|---|
| 9,955 vehicles | 17,138 units |
| Daily traffic, 23% lower vs. 2019 | Daily traffic equivalent by type of vehicle |

2) Silao Bypass: Tranche 2, spanning 11.6 km, started operations in September 2019.



| | |
|-----------------------------------|---|
| 1,574 vehicles | 1,785 units |
| Daily traffic, 12% lower vs. 2019 | Daily traffic equivalent by type of vehicle |



 Aerial view of the Salamanca-León highway.



📷 Assembly of a wind turbine in the Fenicias Wind Farm in Nuevo León, México.

Engineering

- Diversification of our client portfolio.
- Our workforce grew 36%, with 533 employees by the end of 2020.
- We obtained the *Great Place to Work*® certification, which is in charge of assessing the work environment for employees with regard to the company's performance.

In Engineering, we achieved 40% higher sales than in 2019, and we had the highest production in the company's history.

Fuel Storage



Over 715,000 liters shipped daily at the Cadereyta terminal (4 thousand 500 barrels or 6.8 gasoline and diesel tank cars), 10% of the total demand in Monterrey.

We are developing two fuel storage terminals (Monterrey and Guadalajara, with capacities for 375 thousand and 505 thousand barrels, respectively), and a shipping terminal in Aguascalientes, with capacity for 12 thousand 500 daily barrels, which have contracts for 10 years, and 100% of their capacity allocated. They will become operational in 2022.

Our operations adhere to the Industrial Safety, Operational Safety and Environmental Protection System (SASISOPA), overseen by the Safety, Energy, and Environment Agency (ASEA). Thus, we ensure the protection of our personnel and care of the environment.



 Fuel storage terminal in Cadereyta, Nuevo León, México.

Ongoing commitment

In 2020, we donated over 1.9 million trees to municipalities in 20 states of México.

FUNDACIÓN GRUPO MÉXICO

Fundación Grupo México (FGM) is a non-profit organization whose mission is to develop innovative and sustainable programs to contribute to the strengthening of the communities and Civil Society Organizations.

We work through four axes:

- **Health**
- **Environment**
- **Support to Institutions**
- **Education and Culture**

This year, the Foundation prioritized the COVID-19 pandemic and devoted significant human and financial resources to support various institutions and communities where we are present, as well as vulnerable groups to mitigate the impact of the pandemic.

The Foundation was confirmed as a member of the Mexican Network of the United Nations Global compact, the largest corporate social responsibility network in the world, involving companies in all sectors and of all sizes.



During January and February, Dr. Vagón served 14,201 patients in communities across Oaxaca and Veracruz.



📷 Dr. Vagón in Atoyac, Veracruz, México.

Health

Dr. Vagón, the Health Train, provides medical services, medicines, and treatment free of charge along three lines of action:

- **Disease prevention**
- **Early detection**
- **Early treatment**

Given the COVID-19 pandemic and in observance of the health recommendations, **The Health Train suspended operations in March to prevent COVID infections.**

We appreciate and acknowledge the great work of our partners: Fundación Farmacias del Ahorro, Fundación MVS Radio, Audiotech, FUCAM, LAPI, Essilor and Grupo QP360.

SINCE ITS BEGINNINGS, DR. VAGÓN HAS PROVIDED:



1,518,306
patients
with care



284,076 lab
and clinical
tests



174,474 attendants
to workshops



594,603 free
medicines



51,497
eyeglasses



2,185 hearing
aids



17,842
mammograms



250 Vasectomies¹
867 IUDs¹

¹Started services in 2019



📷 Professional medical team before Caleb's surgery.



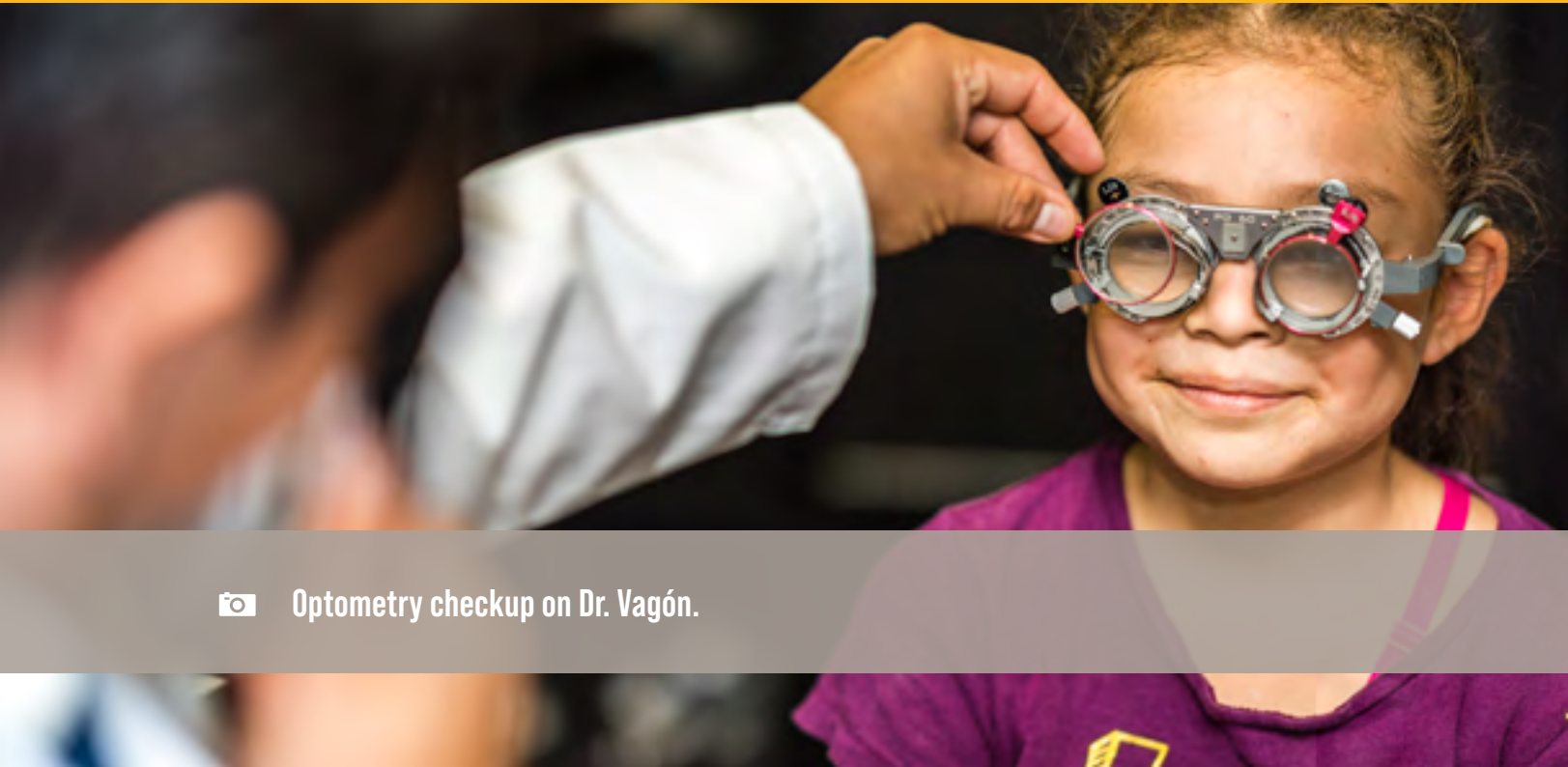
ESCUCHAR
SIN FRONTERAS

Hearing Without Borders

Over the last few months of this year, we finished putting together what is now known as the Hearing Without Borders program.

Through this program, we assist **children of up to 24 months of age with severe and acute deafness** (loss of hearing), donating surgically-placed cochlear implants. They are also given three years of monitoring with auditory-verbal therapy and calibration of the external processor, in order to achieve spoken language.

Our goal is to support 52
children per year.



📷 Optometry checkup on Dr. Vagón.



 Caleb recovering after the implant surgery.

What is a cochlear implant?

It is an electronic medical device that improves the functioning of a damaged inner ear. Contrary to hearing aids, which amplify sound, cochlear implants perform the task of the damaged parts of the inner ear (cochlea) to send sound signals to the brain.

It is possible to have implants in both ears when the hearing problem affects both ears (bilateral) or in a single ear (unilateral).



Learn more on our web page.

This would not be possible without the commitment, effort and selfless work of

-  **2** Audiologists
-  **3** Surgeons
-  **1** Pediatrician
-  **3** Therapists
-  **2** Psychologists
-  **1** Geneticist
-  **4** Anesthesiologists
-  **1** Ophthalmologist





📷 Nursery in Cananea, Sonora, México.



📷 Reforestation day.

Environment

Mexicanos Sembrando

- We operate seven tree nurseries in México, located in Sonora, Coahuila, Zacatecas, and San Luis Potosí.
- The nurseries produce over six million trees and plants annually.
- 90 different species.
- Goal: To reforest and thus mitigate the effects of climate change and help to maintain the stability of all ecosystems.



Our nurseries save 70% of the water required for their production.



We have reforested 1,900 hectares, generating awareness about the care and protection of the environment among children and teens throughout México.



📷 Associations Network Expo, 2019 Congress.

Support to Institutions

Within the area of Support to Institutions, we have two programs:

Cinemex Awareness and the Network of Entrepreneurial Associations and Foundations, whose goal is to provide Civil Society Organizations (SCO) with tools to strengthen the social work they do in order to have a greater impact on their actions and on the country.

Network of Entrepreneurial Associations and Foundations

The Network promoted trainings, forums, workshops, spaces for engagement, conferences and seminars free of charge for the participating Civil Society Organizations.

It has 277 allies including Entrepreneurial Foundations, Socially Responsible Enterprises, Social Agencies, Academia, and over four thousand organizations, both in México and abroad.

Institutional Alliances:

- 152 Entrepreneurial Foundations and Companies with Social Activity.
- 98 Social agencies and legal firms.
- 17 Academic Institutions.

 Conference to allies of the Network of Entrepreneurial Associations and Foundations.
**157**

Training sessions: 18 on-site and 139 online, 20% more than in 2019

**437**

Hours of learning

**41**

Allies to professionalize organizations

**13,946**

Employees trained; 163% more than in 2019

**570**

Counseling sessions through the online chat

**89**

Fiscal and legal counseling sessions, channeling them to Centro Mexicano Pro-Bono, Barra Mexicana de Abogados, and Appleseed México



Out of the organizations trained in fundraising, 63% modified and innovated their financial campaigns



The first generation of Fundraising Professionals of the Network was created, in alliance with the National Board for the Normalization and Certification of Work Skills (CONOCER) and La Salle International Foundation

Associations Network Expo

In 2020, the **Expored.org** virtual platform was created, making it possible to achieve a greater impact and international visibility for the first time.

- 40 experts from México, Spain, Colombia, Brazil, Argentina, and Italy.
- 1,221 people attended Expo Red virtually, 869 through the Expored.org platform, and 352 connected through Social Media; 230% more attendants than in 2019.
- 19 hours of training sessions.
- 4 expert panels; 8 master talks.
- Spokespersons gave a pro-bono talk at the event: Karla Iberia Sánchez, Marion Reimers and Ana Claudia Talancón.

Education and Culture

Editorial Fundación Grupo México

Colección Xocoyo

The 2020 edition was dedicated to peanuts (“cacahuate” in spanish), given their relevance in Mexican cuisine and traditions. The book called “Cacahuate, golden seed of our land” will represent México in the Unique Topic category of the Gourmand World Cook Awards to be held in the city of Paris, France, in June 2021.

The resources raised through the sale of this book will be destined to Fundación Vida Plena, I.A.P., an institution providing a better quality of life to low-income senior citizens.



📷 Cover of the Peanuts book, published by Fundación Grupo México.

VOLUNTEER WORK

Día de Reyes Celebration

In January, we held an event at Asilo Primavera I.A.P., to celebrate the *Día de Reyes* with the children who live there. We had 109 children present, who received a gift and ate *Rosca de Reyes* (a ring-shaped cake). This was possible thanks to the generosity of the volunteer employees of Grupo México.

Virtual concert on behalf of indigenous families in the Tarahumara Sierra

As part of the commemoration of the volunteer day, in collaboration with Cáritas Chihuahua and Banco de Alimentos Chihuahua, we organized a virtual concert including the artistic talent of the pianist “from the sierra” Romyne Wheeler.

The concert was broadcast in 12 countries. Thanks to the participation of employees from the various divisions of Grupo México, Cinemex, allies, and public in general, we managed to raise \$599,608 pesos to **purchase groceries that benefited 8,820 families in the Raramuri communities.**

EFICINE

In 2020, we supported the production of three films through the financial aid, EFICINE:

1. El extraño caso del fantasma claustrofóbico
2. La cura es la locura
3. Mi amigo el sol



📷 Delivery of groceries in the Tarahumara Sierra.

APOYAR
ES CUI

Donation of 23 respiratory support ventilators to the Sonora Government.

COVID-19 Actions



Fundación Grupo México had \$611 million pesos to donate in kind to hospitals and vulnerable communities.

At the request of President López Obrador, on April 6, 2020, Grupo México delivered to the federal authorities the Specialty Hospital in Juchitán, Oaxaca, to deal with the pandemic and meet the needs of the population in the region of the Tehuantepec Isthmus.

Once the health contingency is over, the hospital unit will be, as originally planned, a Maternity and Child hospital.



Find out what steps the company took to deal with the pandemic.

At over 200 hospitals, healthcare centers, and vulnerable communities in 21 states across México as well as in Perú, we delivered the following aids and materials:



639
ventilators



318,000 liters
of liquid oxygen



Over 503 thousand
personal protection kits for doctors



120,000 liters
of antibacterial gel and protective gear for the National Guard



Medical equipment
and various materials for COVID hospitals

- 135 monitors
- 160 beds
- 52 resuscitation units



22 temporary
hospital modules in México and Perú, adding to a capacity of 385 beds



107,510
grocery kits and 270 tons of food for vulnerable communities



60,000
meals prepared for doctors



2,150 kits
for the implementation of family vegetable gardens



120,000
quick tests and 10,000 molecular tests



We supported the operation of the Post-COVID-19 Comprehensive Lung Rehabilitation Center



Two ambulances
and two oxygen plants in Perú



Medical and psychological support helpline and WhatsApp 24/7



📷 Delivery of medical equipment to hospitals throughout the COVID-19 contingency.

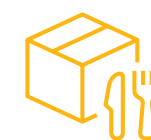
- Through the campaign “If you have, donate; if you need, take; if you want to help, share”, 15 companies and Entrepreneurial Foundations donated over \$6 million pesos in kind to support over 20 thousand people in 15 states across México. This benefit was deployed by 91 organizations from the Network of Associations.



We established prevention protocols and created informative campaigns to care for the health of our 29 thousand employees and their families.



📷 Donation of groceries to vulnerable communities.



We donated 270 tons of perishable foods to over 240 thousand families across the country.

Thanks to Grupo Cinemex, we donated perishable foods to assist the Mexican food bank, Banco de Alimentos de México.

- We contributed to the food security of 10,574 people in a situation of vulnerability through the donation of 1 million pesos in groceries to the following organizations: Yolia Niñas de la Calle, Reinsera a un Mexicano, Asociación Mexicana de Banco de Alimentos, Comedor Santa María, and Fundación Comunitaria Oaxaca.

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Patrimonial Board Member

Xavier García de Quevedo
PRESIDENT
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Antonio del Valle Ruiz
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Rolando Vega Saénz
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Mauricio Ibáñez Campos
Secretary

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Executive President and Chairman of the Board

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Director of Communications and Institutional Relations

Marlene Finny de la Torre
Director of Administration and Finance

Lillie Hernández Minor
Legal Director

Juan Carlos Jaques Garcés
Audit Director

Miguel Valdés Neaves
Administration and Control Director

Mining Division

Americas Mining Corporation

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| Xavier García de Quevedo Topete Executive Vice-president | Rafael Ríos García Director of Security |
| Daniel Chávez Carreón Operations Director | Ernesto Ríos Patrón Director of Engineering and Construction |
| Leonardo Contreras Lerdo de Tejada General Director of ASARCO and IMMSA Director of Supply and Commercial AMC | Raquel Tobar Sáinz Director of New Business and Finance |
| Oscar González Barrón Director of Administration and Control | René Verde Guzmán Director of Information Technology |
| Mauricio Ibáñez Campos Legal Director and Corporate Governance | Raul Jacob Ruisanchez Director of Administration and Finance Southern Peru |
| Jorge Jáuregui Morales Director of Human Resources | Jorge Meza Viveros Director of Operations Southern Peru |
| Jorge Lazalde Psihas Director of Legal and Institutional Relations | |

Southern Copper Corporation

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| Oscar González Rocha Chief Executive Officer | Luis Miguel Palomino Bonilla Independent Board Member |
| Vicente Ariztegui Andreve Independent Board Member | Gilberto Perezalonso Cifuentes Independent Board Member |
| Alfredo Casar Pérez Patrimonial Board Member | Carlos Ruíz Sacristán Independent Board Member |
| Enrique Castillo Sánchez Mejorada Independent Board Member | Jorge Lazalde Psihas Secretary |
| Xavier García de Quevedo Topete Patrimonial Board Member | |

Transportation Division

Grupo México Transportes

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Patrimonial Board Member

Jaime Corredor Esnaola
Patrimonial Board Member

Arturo Elías Ayub
Patrimonial Board Member

Eduardo Joaquín Gallástegui Armella
Patrimonial Board Member

Xavier García de Quevedo Topete
Patrimonial Board Member

Hugo Rafael Gómez Díaz
Patrimonial Board Member

Fernando López Guerra Larrea
Patrimonial Board Member

Carlos Noriega Arias
Patrimonial Board Member

† **Lorenzo Reyes Retana**
Patrimonial Board Member

Roberto Slim Seade
Patrimonial Board Member

Christian Lippert Helguera
Secretary

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Chairman of the Board

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Chief Executive Officer

Fernando López Guerra Larrea
General Director

Isaac Franklin Unkind
General Director of Administration and Finance

Hugo Rafael Gómez Díaz
General Director of Operations

Jorge Manuel Márquez Abreu
General Commercial Director

† **Lorenzo Reyes Retana**
General Projects Director

Infrastructure Division

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Xavier García de Quevedo Topete
Chief Executive Officer

Francisco Zinser González
General Director

Mario Fernando Chávez Galas
General Director of
Administration and Finance

Javier Gómez Aguilar
General Counsel

Ricardo Arce Castellanos
General Director Oil and Gas,
Engineering and Construction

Jorge Agüero Navarro
General Director Highways

Héctor Raúl Huerta Avendaño
General Director of Engineering Services

Julio Francisco Larrea Mena
General Director of Constructora México

Gustavo Ortega Gómez
General Director Energy

José Jaime González Acosta
Director of Operations Oil

Fundación Grupo México

Management Team

Germán Larrea Mota Velasco
Chairman

Jessica Pons Fernández
Deputy Director-General, Environment and
Network of Entrepreneurial Associations
and Foundations

Health
Karla Díaz Castro
Administrative Manager
of Dr. Vagón, the Health Train

Dr. Ricardo Reyes Díaz
Medical Manager
of Dr. Vagón, the Health Train

Aura Patiño Lona
Operations Manager
of Dr. Vagón, the Health Train

Support to Institutions
Lucero Vallejo Durán
Conciencia Cinemex Manager

Education and Culture
Beatriz Crispín Gámez
Education and Culture Manager

