

CORPORATE PRESENTATION

AS OF MARCH 2023

OVERCOMING
CHALLENGES TO
ACHIEVE OUR
VISION



MINING BUSINESS

- » The start-up of the **Juanicipio** silver-gold mining unit was completed on schedule during 1Q23, and is in the ramp-up phase, which is expected to reach nameplate capacity in the third quarter of this year. Ore may be further processed at the nearby Saucito and Fresnillo plants as required.
- » Gold production increased, driven by higher ore processing with better grade at Herradura. Silver production decreased, due to lower grades and volumes of ore processed at San Julián (DOB) and Ciénega. Lead content increased with higher ore milling and better grades at Fresnillo and Sabinas, higher volume processed by Juanicipio and better grade at San Julián. Zinc production decreased due to lower ore grades at Velardeña, Capela, San Julián and Saucito.
- » At the Milpillas unit, copper cathode production increased, thanks to the restart of operations in June 2022.

METALS BUSINESS

- » In the **lead-silver circuit**, the Smelter faced unscheduled shutdowns and low melting speed in furnaces caused by an imbalance in the mixtures that entered the production process, affecting lead and silver production.
- » The normalization of the **Zinc Plant** continues.
 - the replacement program of anodes and cathodes in the Electrolysis area is expected to be completed in **July 2023**.

CHEMICALS BUSINESS

- » **Magnesium sulfate** volume increase is attributable to higher production via dams due to better brine concentration, as well as solid market demand.
- » **Magnesium oxide** production decreased due to lower demand because of the risk of an economic recession in the United States.
- » The **ammonium sulfate** by-product declined due to lower availability of sulfuric acid from the Lead Smelter, as well as adjustment for lower demand in the domestic market.

SALES

US\$ 1,413.0 mm
1Q'23

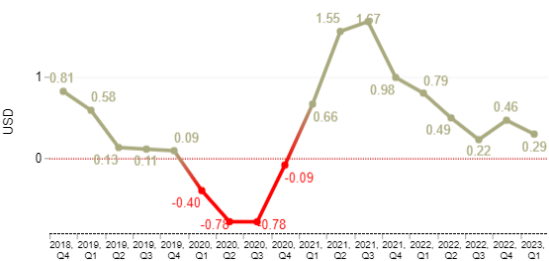
US\$ 5,529.9 mm
LTM

Cash Flow from Operations

-US\$ 42.8 mm
1Q'23

US\$ 572.8 mm
LTM

EPS



EBITDA

US\$ 251.3 mm
1Q'23

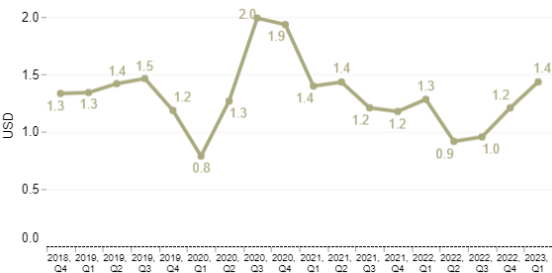
US\$ 919.7 mm
LTM

DEBT RATIOS

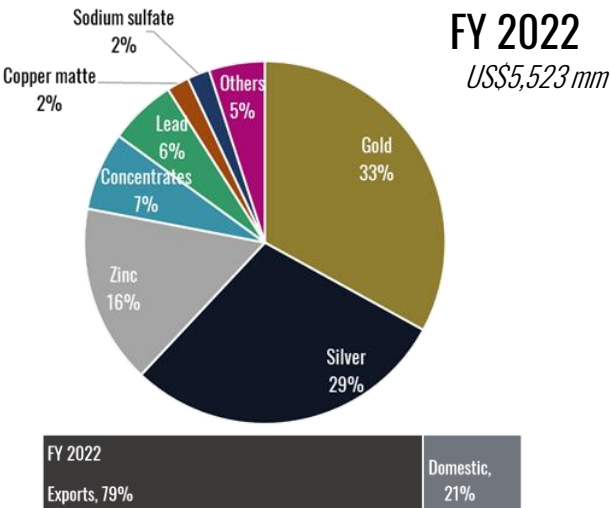
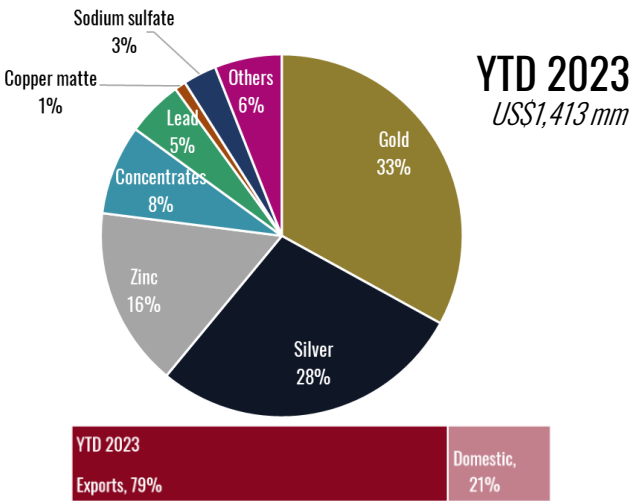
~ 1.77 x Net Leverage Ratio¹

~ 5.01 x Coverage Ratio²

P/BV



REVENUE BY PRODUCT AND MARKET³

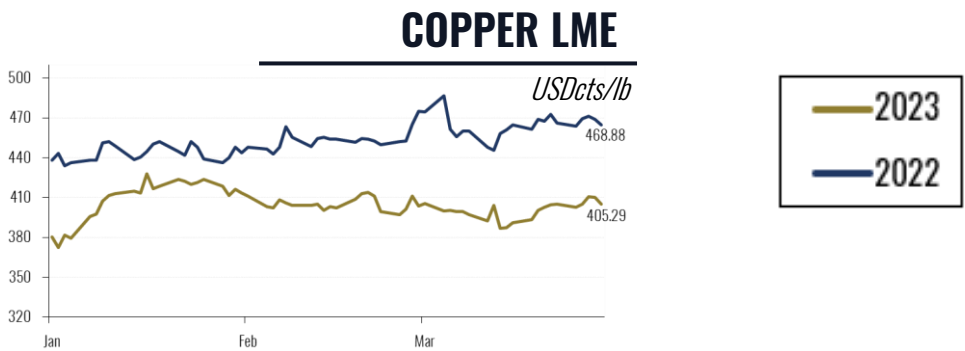
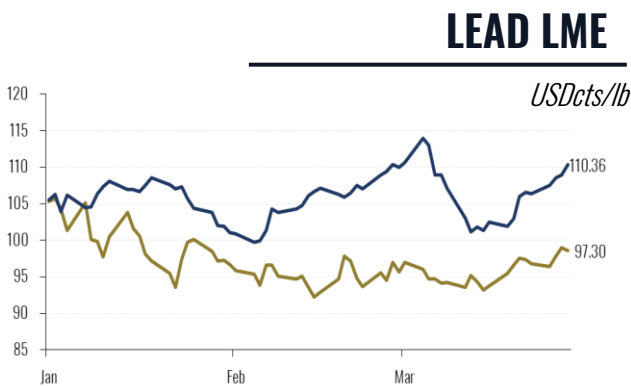
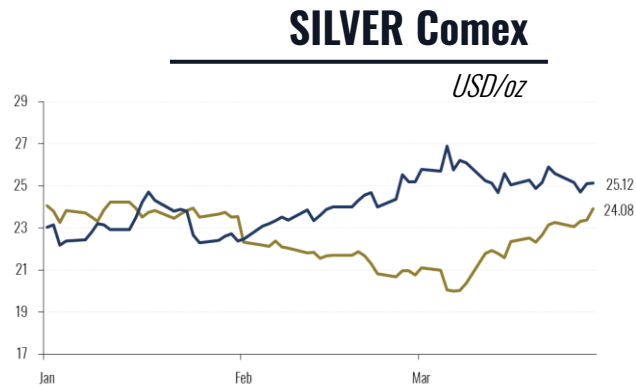
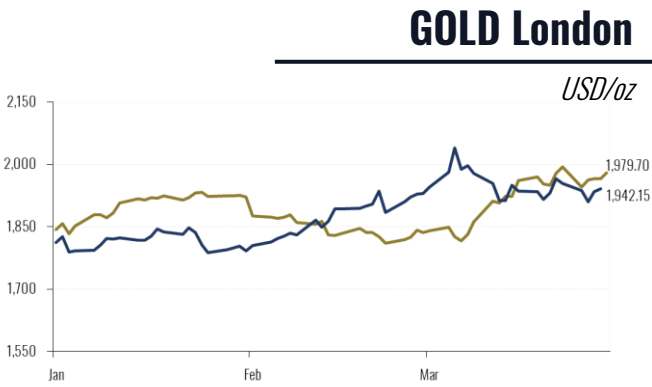


Notes: 1/Net Leverage Ratio is defined as Net Debt/EBITDA for LTM. 2/Coverage Ratio is defined as EBITDA/Int Expense for LTM. 3/Includes Hedging results.

- » In the **first quarter of 2023**, average metal prices were lower than those recorded during the same period of the previous year, except for gold, which maintained its value.
- » Even though in the first months of the year metals prices were favored compared to the close of 2022 due to the industrial reactivation in China, the weakness of the dollar and lower inflation data in the United States, this was not enough to recover the levels of **1Q22**, a period in which the uncertainty generated by the geopolitical conflict in Ukraine boosted prices of precious metals as a refuge, and of base metals due to the sanctions against Russia and the stoppage of European smelters due to the high cost of energy. Thus, **1Q23 price variations compared to 1Q22** were **gold (+0.7%)**, **silver (-6.7%)**, **lead (-8.3%)**, **copper (-10.7%)** and **zinc (-16.8%)**.

	1Q'23	1Q'22	%Chng
Inflation rate for the Period (%):	1.51	2.43	
Exchange Rate (peso-dollar):			
Close	18.1052	19.9942	-9.4
Average	18.7020	20.5229	-8.9

Notes: Inflation rate: Mexican Consume Price Index (NCPI)



OPERATIVE RESULTS

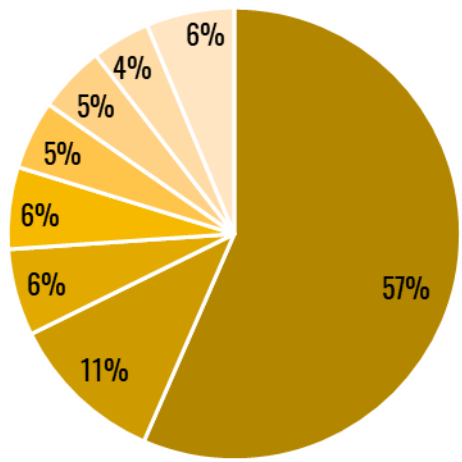


CONTRIBUTION BY MINE TO 2023 METAL PRODUCTION¹



GOLD

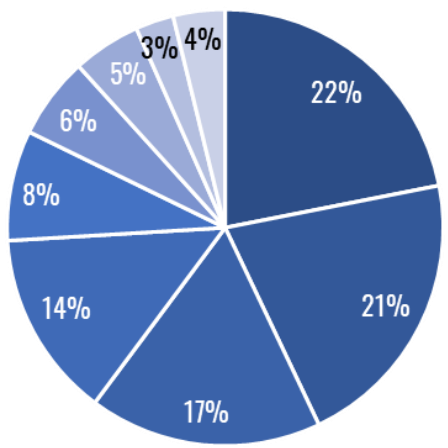
187,091 Oz



- Herradura
- Saucito
- San Julián
- Noche Buena
- Cienega
- Tizapa
- Fresnillo
- Others

SILVER

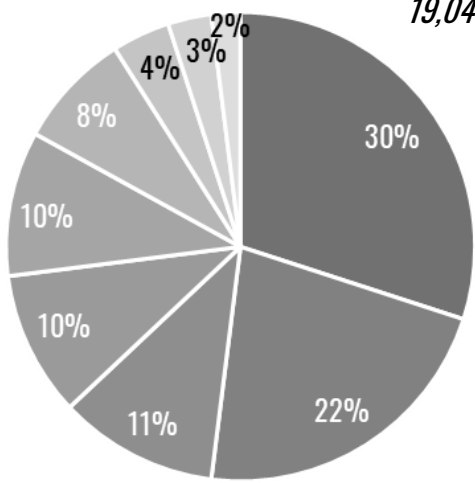
16,075 kOz



- Fresnillo
- San Julián
- Saucito
- Juanicipio
- Tizapa
- Cienega
- Sabinas
- Capela
- Others

LEAD

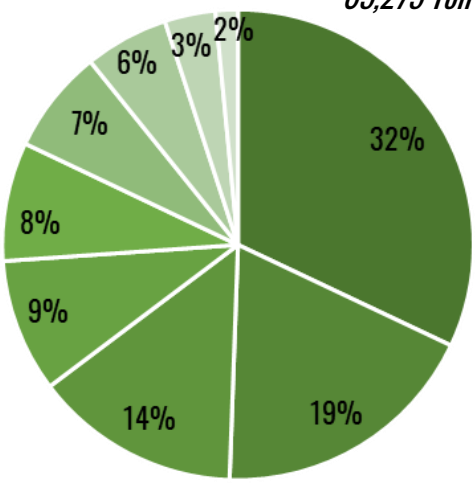
19,041 Ton



- Fresnillo
- Saucito
- Tizapa
- San Julián
- Sabinas
- Juanicipio
- Cienega
- Capela
- Velardeña

ZINC

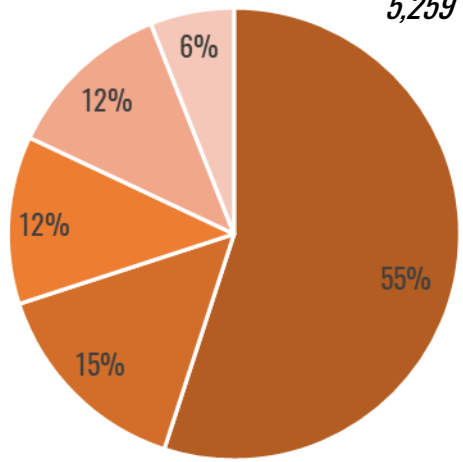
65,275 Ton



- Velardeña
- Fresnillo
- Tizapa
- Saucito
- Capela
- Sabinas
- San Julián
- Juanicipio
- Cienega

COPPER*

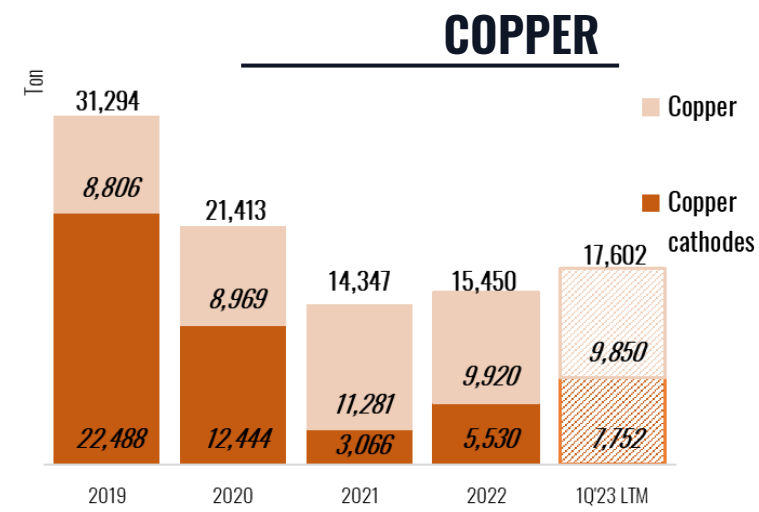
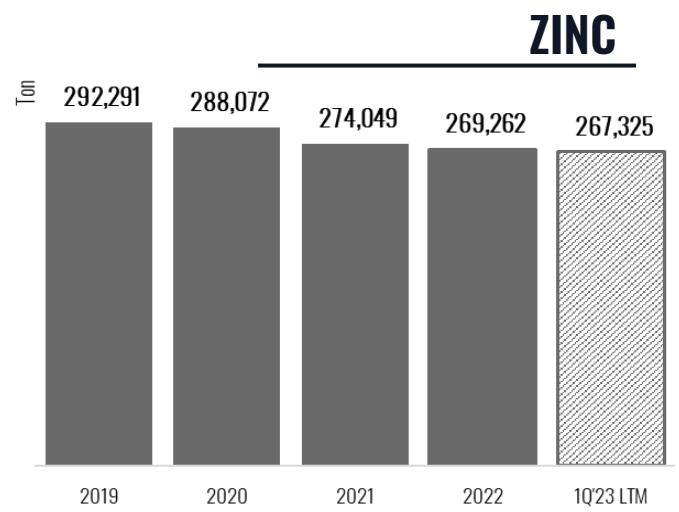
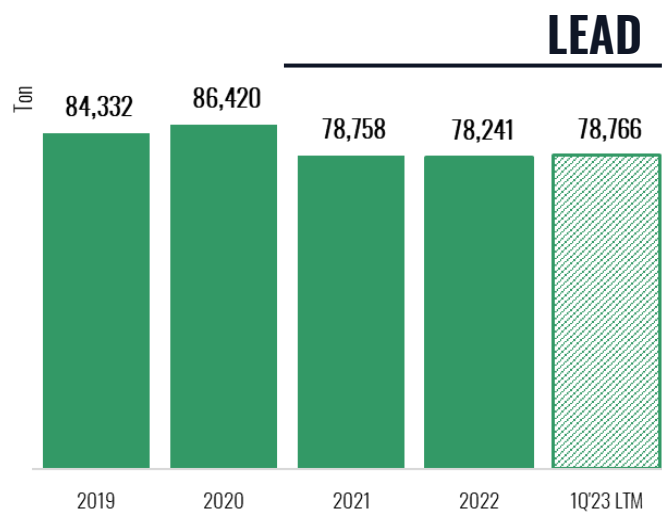
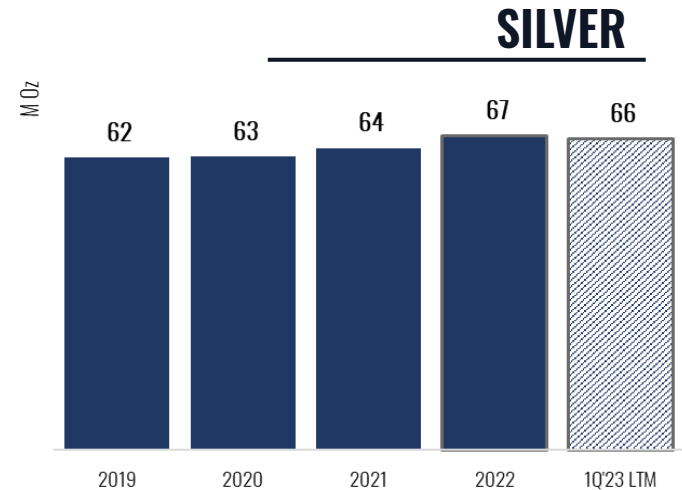
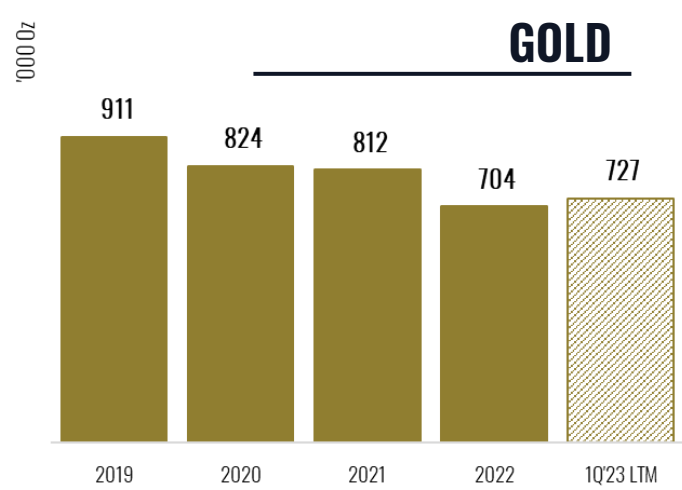
5,259 Ton



- Milpillas*
- Sabinas
- Capela
- Velardeña
- Tizapa

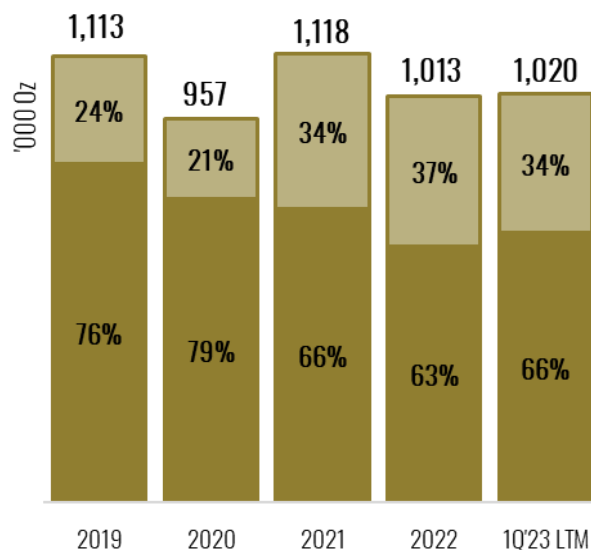
Notes: 1/ Includes 100% of Fresnillo plc payable production, */Copper cathodes

HISTORICAL MINE PRODUCTION

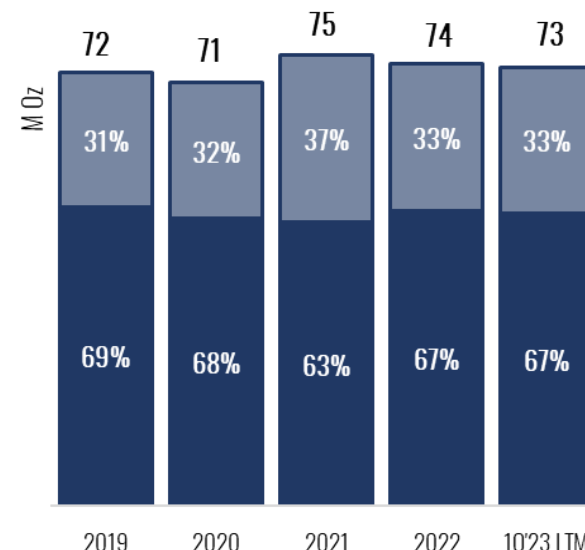


HISTORICAL REFINED PRODUCTION

GOLD



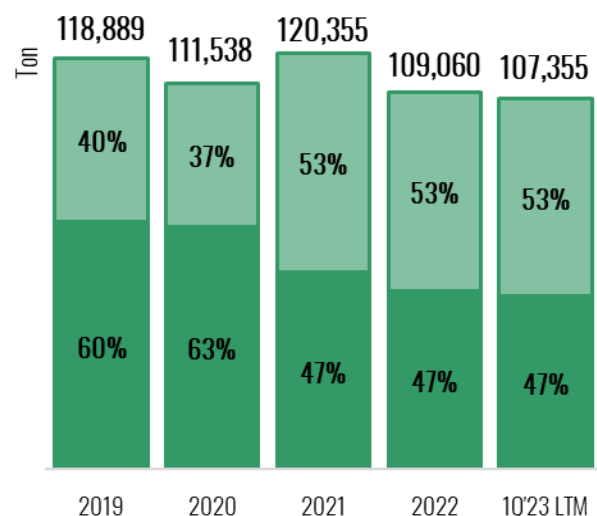
SILVER



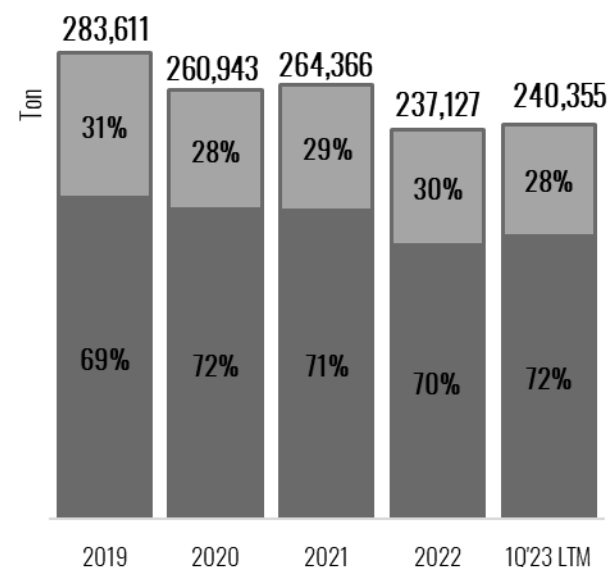
Contribution to refined production from:



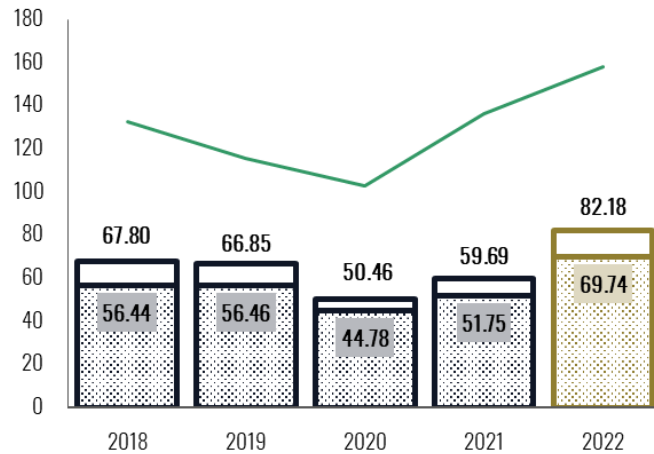
LEAD



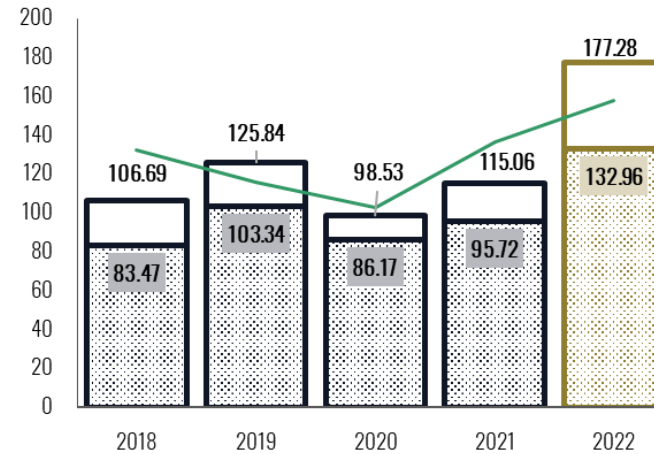
ZINC



Tizapa



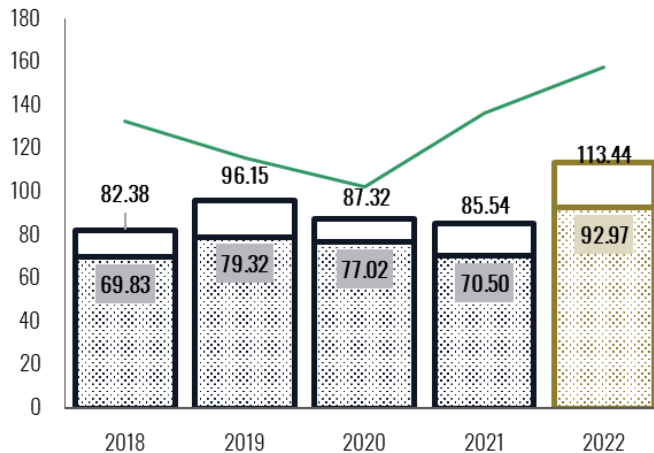
Sabinas



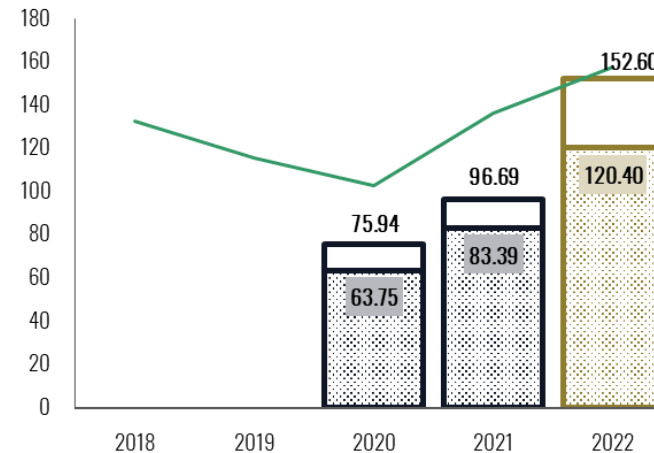
CC1¹
 AISC²

— Zinc price (US cents/lb)

Velardeña

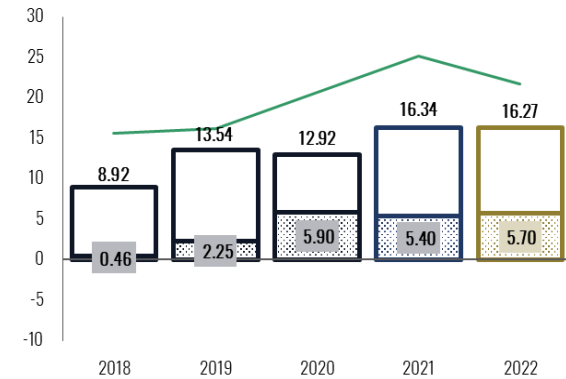


Capela

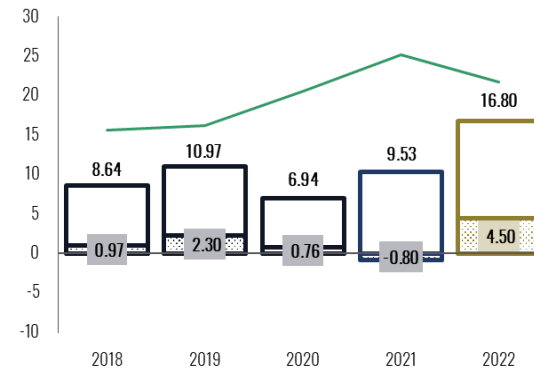


FRESNILLO'S CASH COSTS TRENDS

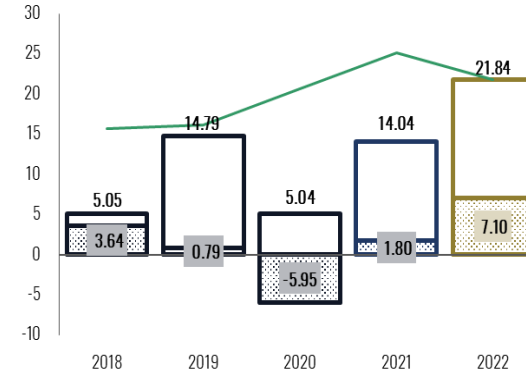
Fresnillo



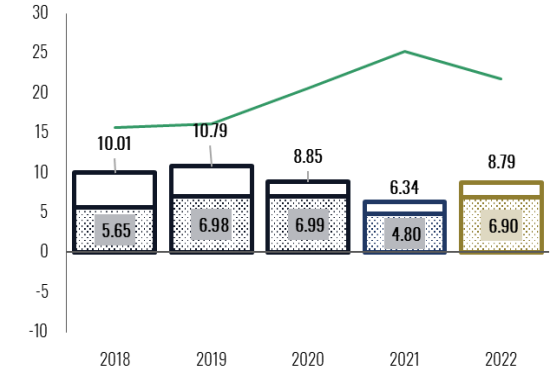
Saucito



San Julián (Veins)

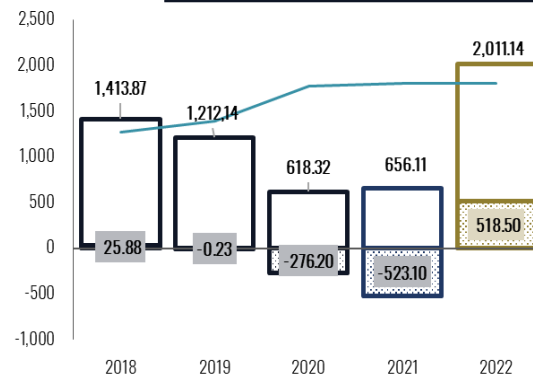


San Julián (DOB¹)

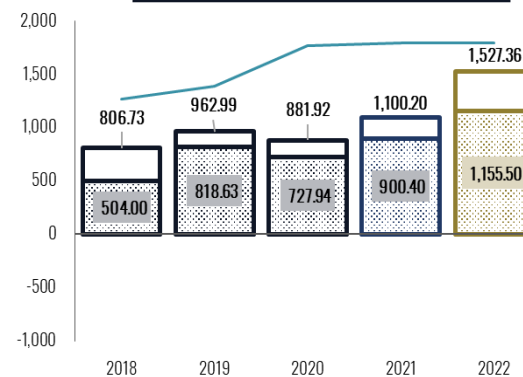


AISC³
 Cash Cost per Ounce²
— Silver US\$/Oz
 — Gold US\$/Oz

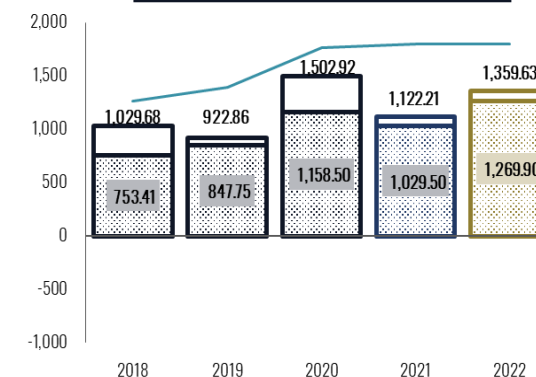
Ciénega



Herradura

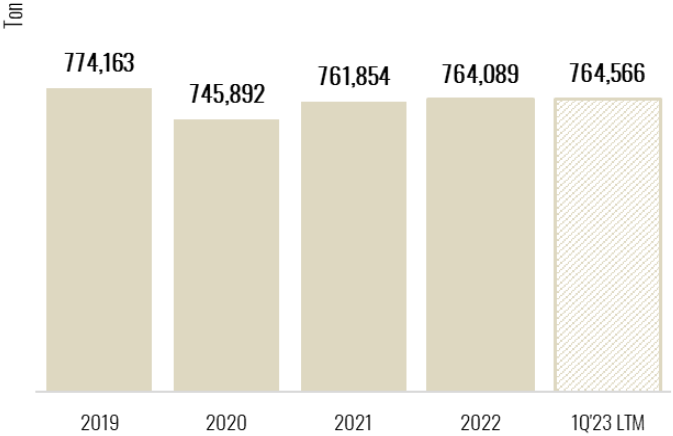


Noche Buena

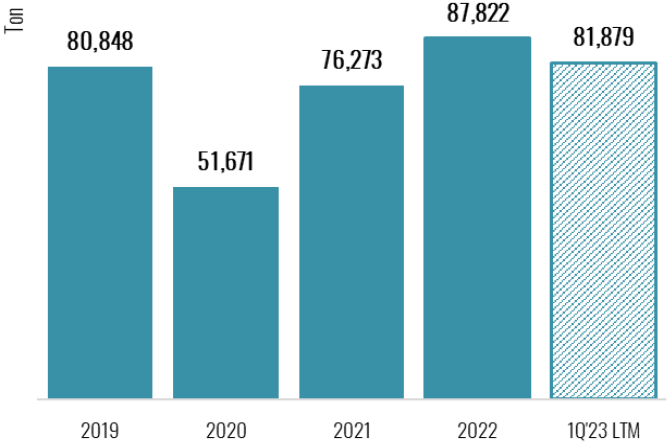


Notes: 1/Disseminated Ore Body. 2/Cash cost = {total cash cost (cost of sales plus treatment and refining charges, less depreciation) - revenue from by-products} / silver or gold ounces sold. 3/cash cost plus on-site general, corporate and administrative costs, community costs related to current operations, capitalized stripping and underground mine development, sustaining capital expenditures and remediation expenses.

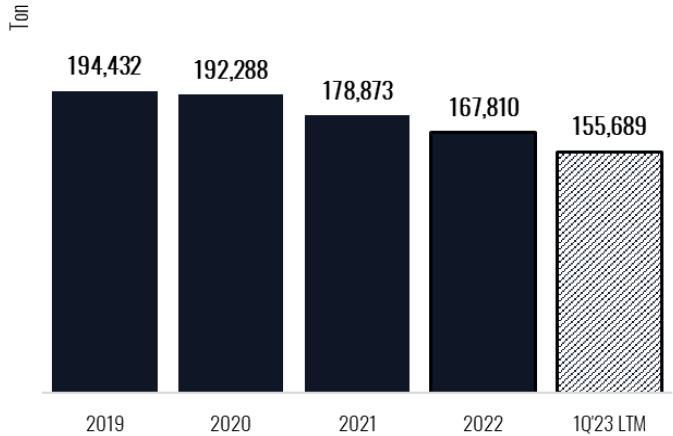
SODIUM SULFATE



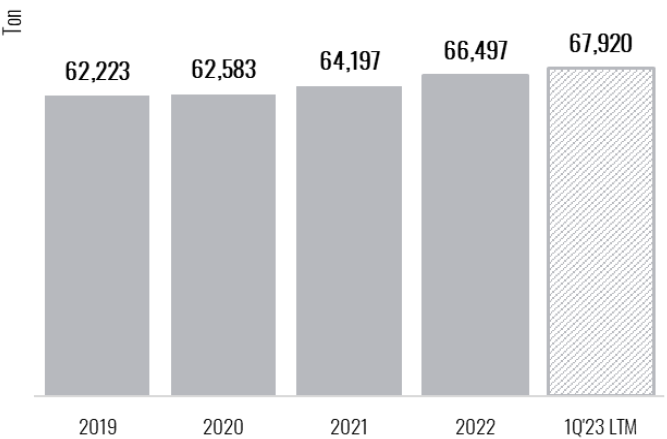
MAGNESIUM OXIDE



AMMONIUM SULFATE¹



MAGNESIUM SULFATE



Notes: 1/Maquila not included.

FINANCIAL RESULTS

FINANCIAL HIGHLIGHTS – INCOME STATEMENT



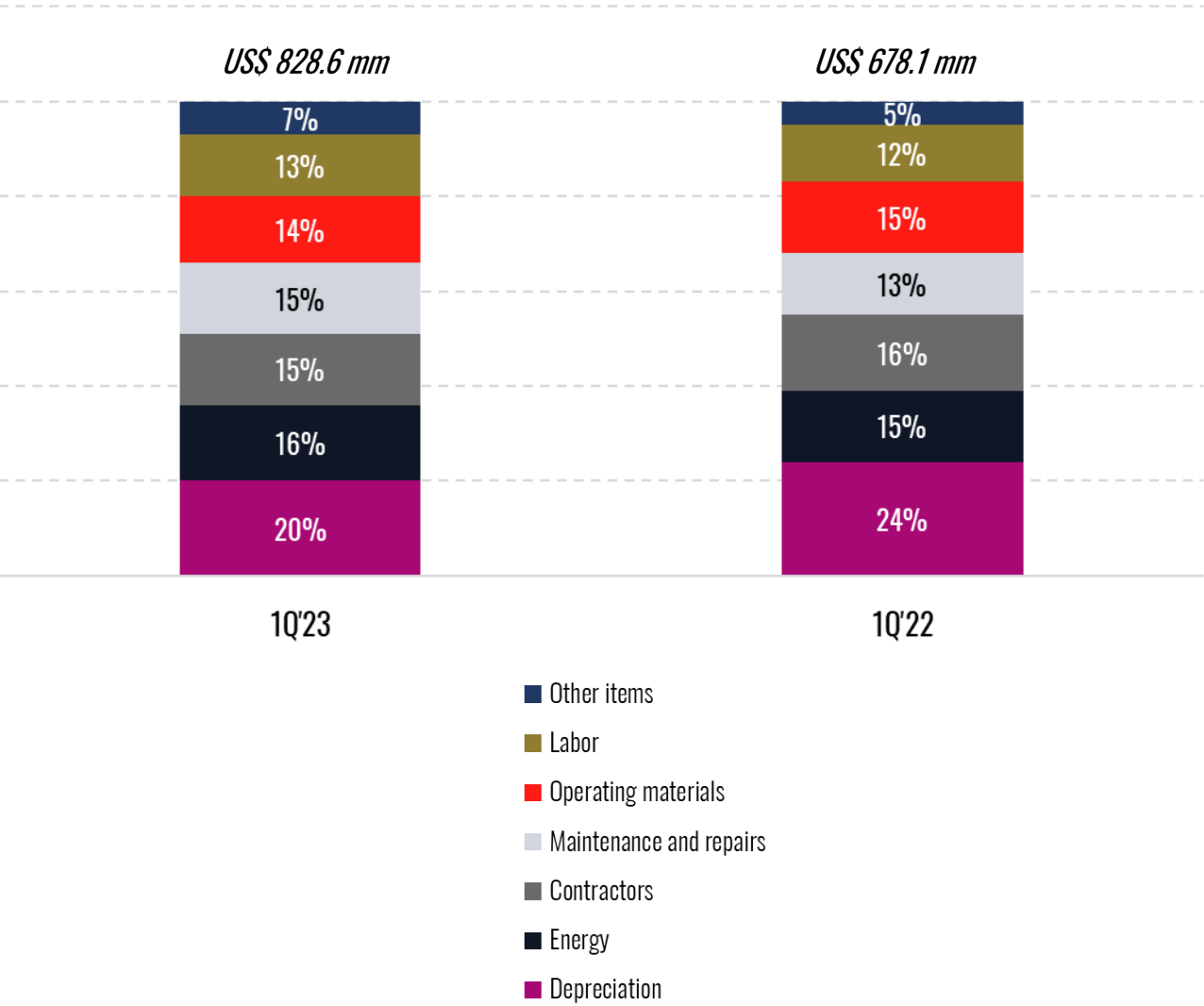
INCOME STATEMENT	1Q'23	1Q'22	% Chg.
+ Gross sales	1,413.1	1,414.1	-0.1
+ Hedging results	0.0	-7.6	99.7
Net Sales	1,413.0	1,406.5	
- Cost of Sales	1,160.4	1,022.8	13.4
Gross Profit	252.6	383.7	-34.2
- General expenses ⁽¹⁾	170.5	143.9	18.5
Operating Profit	82.1	239.8	-65.7
+ Net Financial Income (Expense)	-45.4	-41.1	-10.4
+ Profit after Net Financial Income (Expense)	36.7	198.6	-81.5
+ Other Income (Expense)	-0.9	-2.2	59.1
Profit before Taxes	35.8	196.4	-81.8
+ Taxes	-16.1	-85.6	81.2
After Tax Income	19.7	110.8	-82.2
Non-Controlling Interest in Net Income and Share of Associates and JV	16.3	40.1	-59.3
Controlling Interest in Net Income	3.4	70.7	-95.2
Earnings (loss) per share ⁽²⁾	0.01	0.18	-95.2
EBITDA ⁽³⁾	251.3	402.5	-37.6

INCOME STATEMENT HIGHLIGHTS 1Q'2023

- » **Sales revenues** were similar to those recorded during 1Q22, as the negative effect of lower prices was offset by higher volumes sold –*mainly of concentrates, copper, gold and silver*– as well as a favorable variation in the results of metal hedging.
- » The **strong appreciation of the peso** against the US dollar (8.9% on average) had a negative impact on **production costs** incurred in that currency (approximately 50% of such costs are originated in pesos), together with the costs added by the start-up of **Juanicipio**, the **Milpillas** operation that was not present in 1Q22, the increase in the volume of ore processed by the mines, -especially in Herradura, whose stripping ratio caused a higher volume of material moved to be recorded as production cost, while in 1Q22 a higher volume was capitalized-, and the **inflation** in the basket of inputs for our operations. Similarly, the cost of metal was higher in the quarterly comparison, due to the higher average price of metals in inventories charged to cost and lower treatment revenues.
- » **Operating expenses** were higher mainly due to the appreciation of the peso and inflation.
- » The **provision for income taxes** decreased. The latter resulted from lower taxable income in the period and a favorable adjustment in deferred taxes, mainly due to the effect of inflation in Mexico, which resulted in a benefit of certain assets for tax purposes.

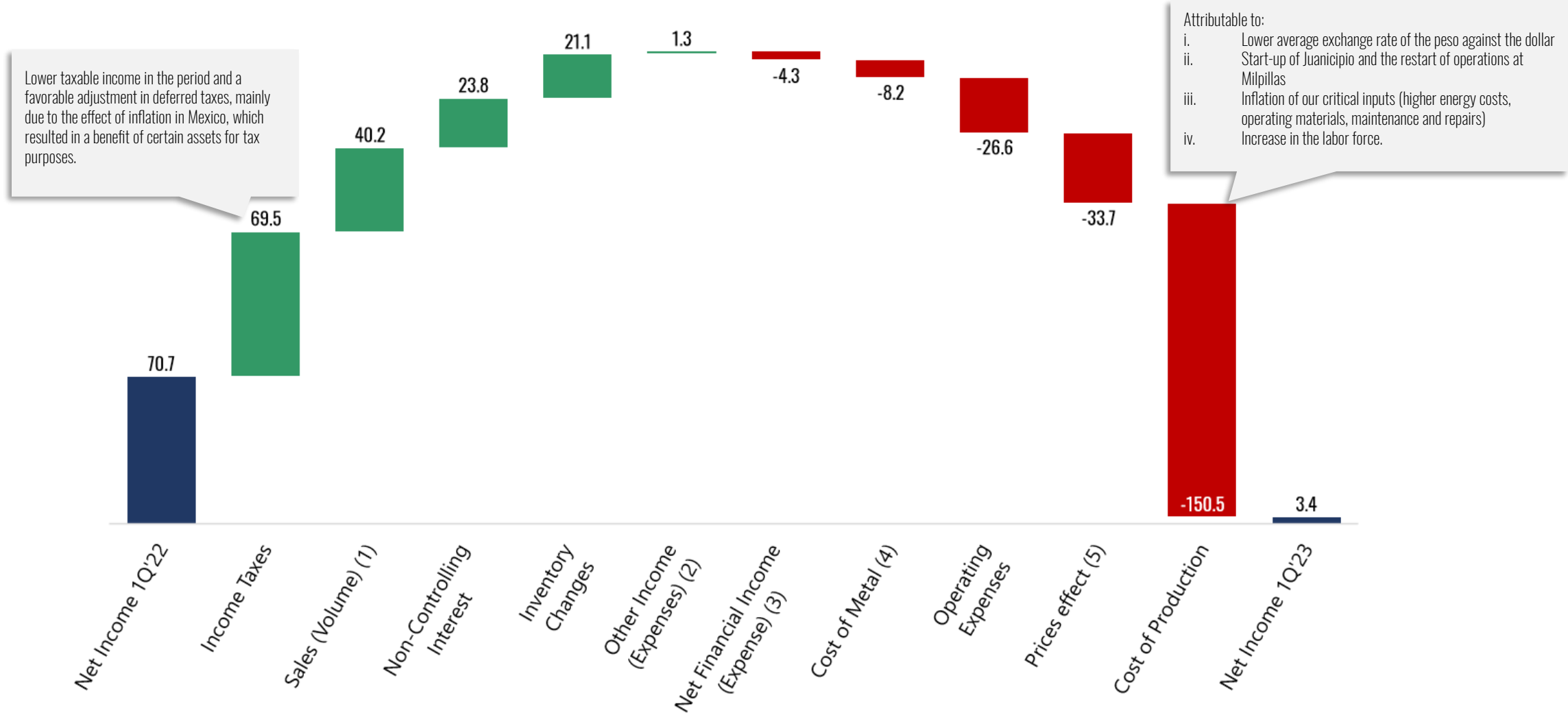
Notes: Figures in millions of US dollars, except earnings per share that are in US dollars. 1/ Administrative, Exploration and Market expenses. 2/ Shares outstanding on December 31, 2022, and March 31, 2023: 397,475,747. 3/ Does not include other income (expense)

COST OF PRODUCTION BREAKDOWN



- » Higher Production Cost in 1Q'23 is derived from:
- i. the lower average exchange rate of the peso against the dollar
 - ii. the start-up of Juanicipio and the restart of operations at Milpillas
 - iii. the inflation of our critical inputs, which has been reflected in higher energy costs, operating materials, maintenance and repairs
 - iv. the increase in the labor force.

FINANCIAL HIGHLIGHTS – QUARTERLY NET INCOME ANALYSIS

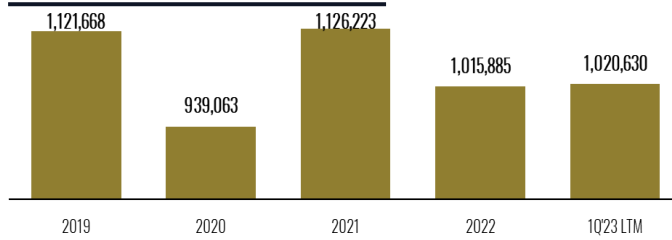


Notes:1/ Includes variation for other (services). 2/Financial expenses include Exchange result. 3/Net of Revenue from Treatment Charges, Income on inventories and other items. 4/Includes variation in hedging results..

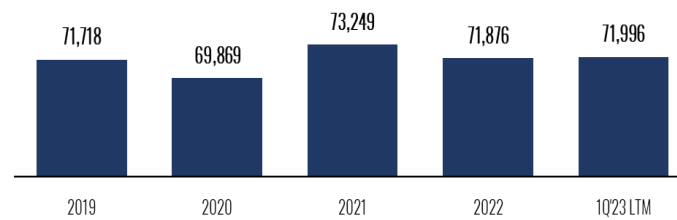
FINANCIAL HIGHLIGHTS



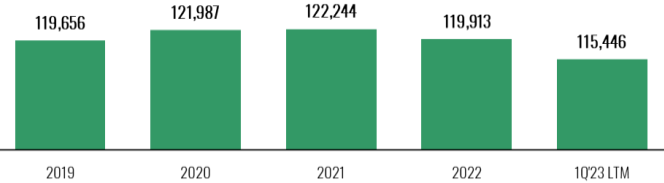
GOLD (Oz)



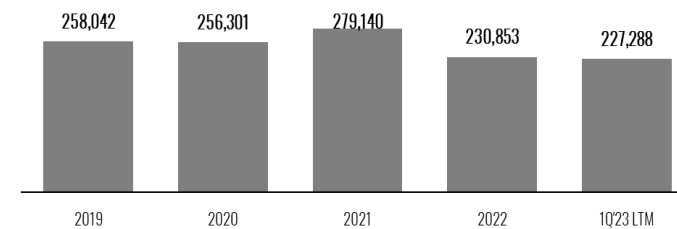
SILVER (koz)



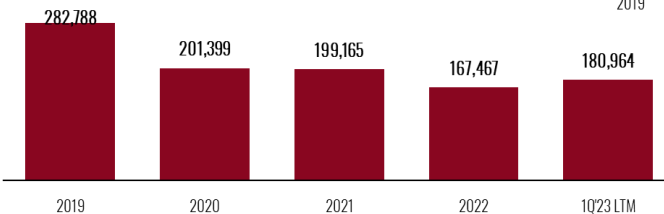
LEAD (Ton)



ZINC (Ton)



CONCENTRATES (Ton)



SALE VOLUMES

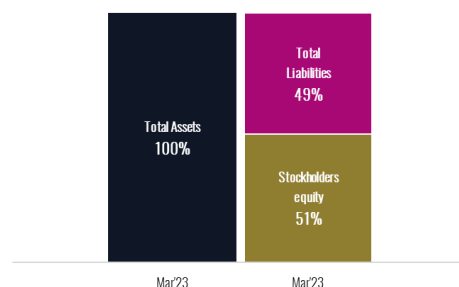
	Units	1Q'23	1Q'22	%Chng
Gold	Oz	255,024	250,279	1.9
Silver	Koz	17,210	17,091	0.7
Lead	Ton	28,141	32,608	-13.7
Zinc	Ton	59,781	63,347	-5.6
Copper	Ton	3,815	604	531.4
Copper matte	Ton	1,682	2,009	-16.3
Concentrates	Ton	48,659	35,162	38.4
Sodium sulfate	Ton	177,514	193,916	-8.5
Magnesium oxide ¹	Ton	14,677	18,230	-19.5
Ammonium sulfate ²	Ton	33,971	36,855	-7.8
Magnesium sulfate	Ton	15,982	14,402	11.0

Notes: 1/ Includes refractory, caustic, electro-fused and hydroxide grades. 2/ Maquila not included.

FINANCIAL HIGHLIGHTS – BALANCE SHEET

BALANCE SHEET	As of:	Mar'23	Dec'22	% Chg.
Current assets		4,441.8	4,143.7	7.2
Inventories		1,909.1	1,880.6	1.5
Trade and other receivables		609.6	598.7	1.8
Cash and cash equivalents		1,458.9	1,468.9	-0.7
Other current assets		464.3	195.5	137.5
Non-current assets		5,859.5	5,898.8	-0.7
Property, plant and equipment		4,661.3	4,710.7	-1.0
Deferred tax asset		735.7	702.9	4.7
Inventories		91.6	91.6	0.0
Other receivables		47.7	44.9	6.2
Other non-current assets		323.1	348.6	-7.3
Total Assets		10,301.3	10,042.5	2.6

BALANCE SHEET	As of:	Mar'23	Dec'22	% Chg.
Current liabilities		1,689.6	1,416.4	19.3
Interest-bearing loans		556.3	376.8	47.6
Other liabilities		521.4	269.8	93.3
Trade and other payables		398.8	488.3	-18.3
Income tax payable		132.1	209.1	-36.8
Lease liabilities		14.6	13.8	6.1
Other provisions		66.4	58.6	13.3
Non-current liabilities		3,315.4	3,337.9	-0.7
Interest-bearing loans		2,526.7	2,531.2	-0.2
Other liabilities		120.4	97.6	23.3
Lease liabilities		95.1	94.2	1.0
Pensions and other post-employment benefit plans		38.9	49.7	-21.7
Deferred tax liability		94.4	132.7	-28.9
Other provisions		439.9	432.4	1.7
Total Liabilities		5,005.0	4,754.3	5.3
Capital and reserves attributable to shareholders of the Company				
Share capital		401.4	401.4	0.0
Non -Controlling Interest		1,226.4	1,214.0	1.0
Retained earnings		3,691.1	3,687.7	0.1
Other reserves		- 22.6	- 14.8	-52.8
Total Capital		5,296.3	5,288.3	0.2
Total equity and liabilities		10,301.3	10,042.5	2.6



DEBT RATIOS¹

~ 1.77x Net Leverage Ratio as of 1Q23

~ 1.34x Net Leverage Ratio as of 2022

FINANCIAL HIGHLIGHTS – CASH FLOW

CASH FLOW	As of:	YTD'23	YTD'22	% Chg.
Profit for the year		19.0	110.3	-83
Cash generated from operations		118.1	94.4	25
Income tax paid		-179.9	-157.4	-14
Net cash from operating activities		-42.8	47.3	-190
Cash flows from investing activities				
Purchase of property, plant and equipment		-114.5	-151.0	24
Proceeds from the sale of property, plant and equipment		1.0	2.7	-61
Interest received		20.0	4.9	304
Proceeds from the repayment of advances and loans granted to third parties		1.2	1.5	-22
Others		-6.2	-16.6	63
Net cash used in investing activities		-98.5	-158.5	38
Cash flows from financing activities				
Interest-bearing loans; Net		169.1	151.5	12
Lease payments		-3.9	-6.7	42
Capital contribution		2.3	0.0	
Interest paid		-68.3	-43.9	-55
Others		25.7	-1.2	2213
Net cash generated (used in)/from financing activities		124.9	99.6	25
Net increase in cash and cash equivalents during the year		-16.4	-11.5	-42
Effect of exchange rate on cash and cash equivalents		6.4	3.1	108
Cash and cash equivalents at 1 January		1,468.9	1,817.1	-19
Cash and cash equivalents at 31 December		1,458.9	1,808.6	-19

CASH FLOW	As of:	YTD'23	YTD'22	% Chg.
Adjustments to reconcile profit for the period to net cash inflows from operating activities:				
Depreciation and amortisation		169.2	162.8	4
Income tax expense / (credit)		16.1	85.6	-81
Net finance cost		27.7	59.7	-54
Foreign exchange loss		18.1	9.6	88
(Gain)/loss on the sale of property, plant and equipment and other assets		1.3	-2.0	167
Non-cash movements and other provisions		17.6	15.1	17
TOTAL		250.0	330.7	-24
Working capital adjustments				
Decrease/(Increase) in trade and other receivables		-277.1	-158.2	-75
Decrease/(Increase) in inventories		-29.1	-130.7	78
(Decrease) / Increase in trade and other payables		174.4	52.6	231
TOTAL		-131.9	-236.3	44
Cash generated from operations		118.1	94.4	25

- » Mauricio García, CFO.
Mauricio_Garcia@penoles.com.mx
- » Investor Relations
Investor_Relations@penoles.com.mx
- www.penoles.com.mx



Disclaimer

This presentation contains certain calculations and forward-looking information regarding to Industrias Peñoles, S.A.B. de C.V. (Peñoles) and its subsidiaries that are based on assumptions made by its management. Such information, as well as the statements with respect to future events and expectations are subject to certain risks, uncertainties and factors that could cause the actual results, performance or achievements of Peñoles to be materially different at any time. Due to such risks and factors, actual results may materially differ from the estimates described herein, for which reason Peñoles does not assume any obligation nor responsibility with respect to such variations or to information provided by official sources.