

# CORPORATE PRESENTATION

AS OF DECEMBER 2023

OVERCOMING  
CHALLENGES TO  
ACHIEVE OUR  
VISION



## MINING

- » **Juanicipio's beneficiation plant** worked at its nominal capacity through the quarter. This favored the volume of ore processed as well as **silver, lead** and **zinc** production.
- » Lower **gold** production, mainly attributable to Noche Buena's closure process and lower ore availability in the mined areas at Herradura.
- » Milpillas' **copper cathode** production increased, thanks to the restart of operations by mid 2022.

## METALS

**Gold** production decreased mainly due to lower production at Noche Buena and Herradura. **Silver** and **lead** production increased due to the higher volume of concentrates and other materials treated in the smelter-refinery circuit. Additionally, lead was favored by the consumption of inventories at the Smelter plant.

In the **Zinc** plant, as reported in the previous quarter, the operation of electrolysis module 2 was temporarily suspended, therefore the production capacity was limited from 350,000 to 270,000 tons per year. The purpose of this decision is to improve the efficiency of the circuit and allow us to make the required repairs, as well as the corrections to the design flaws that are being identified in the expansion of the plant, to reach its design capacity in the medium term.

## CHEMICALS

- » The production of **sodium sulfate** decreased due to lower demand from the detergent sector and logistical problems in railroad distribution.
- » **Magnesium oxide** production declined due to lower demand due to the economic slowdown in Europe and China, while **magnesium sulfate** contracted, affected by the domestic agricultural sector and strong competition from Chinese products.
- » The production of the by-product **ammonium sulfate** was decreased given the high cost of ammonia which has affected profitability margins. Hence, strategies have been implemented to reduce its production and the most profitable options to substitute its production are being analyzed.



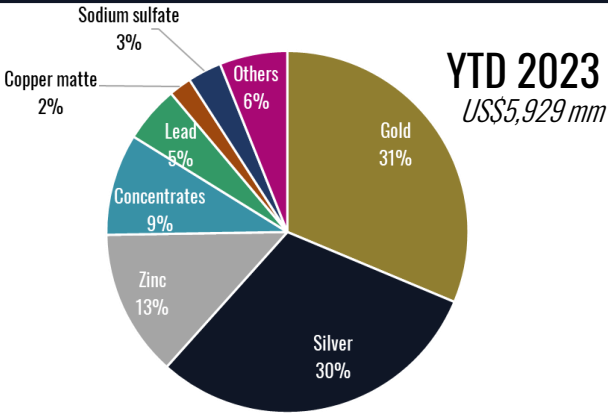
SALES

US\$ 5,929.0 mm  
FY2023

EBITDA

US\$ 768.2 mm  
FY 2023

REVENUE BY PRODUCT AND MARKET<sup>3</sup>



YTD 2023  
Exports, 79%  
Domestic, 21%

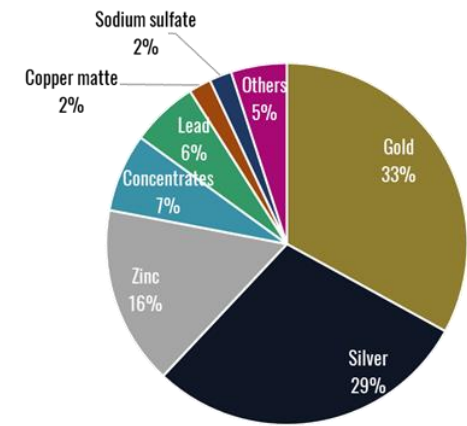
Cash Flow from Operations

US\$ 475.9 mm  
FY 2023

DEBT RATIOS

~ 2.2 x Net Leverage Ratio<sup>1</sup>

~ 4.1 x Coverage Ratio<sup>2</sup>



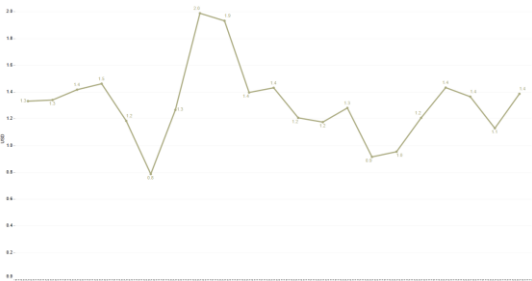
FY 2022  
US\$5,523 mm

FY 2022  
Exports, 79%  
Domestic, 21%

EPS



P/BV



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.

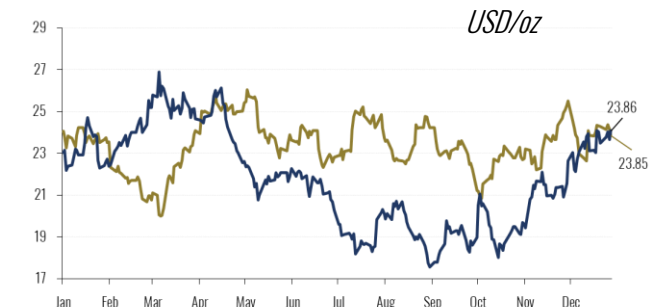
» Average prices of most metals increased in 4Q23 versus 4Q22: **Gold** (+12.4%) and **silver** (+9.3%) stood out, followed by **copper** (+2.0%) and **lead** (+1.2%). However, **zinc** experienced a marked decrease in its price (-16.7%).

» Prices were favored by the uncertainty of the new Middle East conflict that arose in October, in addition to the change in market expectations regarding the reduction of interest rates in the short term. However, the economic slowdown limited a greater rebound in base metals, and reports of high inventories continued to affect zinc.

## GOLD London



## SILVER Comex



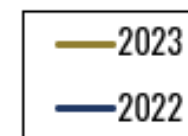
## LEAD LME



## ZINC LME SHG



## COPPER LME



	4Q'23	4Q'22	%Chng	2023	2022	%Chng
Inflation rate for the Period (%):	1.73	1.53		4.66	7.82	
Exchange Rate(peso-dollar):						
Close	16.8935	19.3615	-12.7			
Average	17.5814	19.6969	-10.7	17.7665	20.1254	-11.7



# OPERATING RESULTS



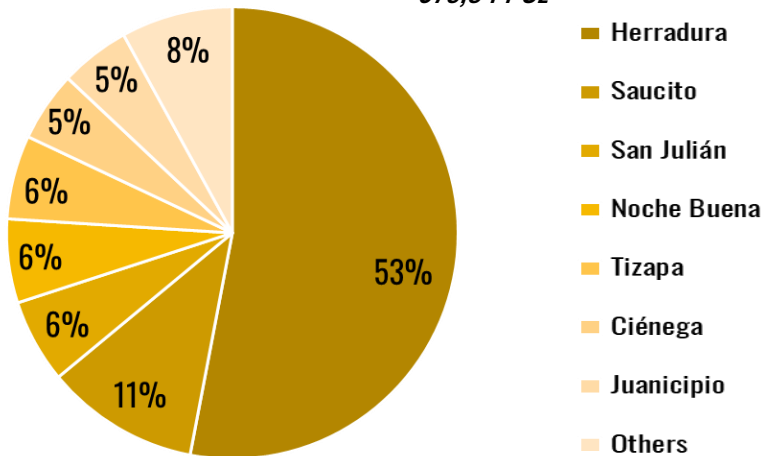


# CONTRIBUTION BY MINE TO METAL PRODUCTION (2023)<sup>1</sup>



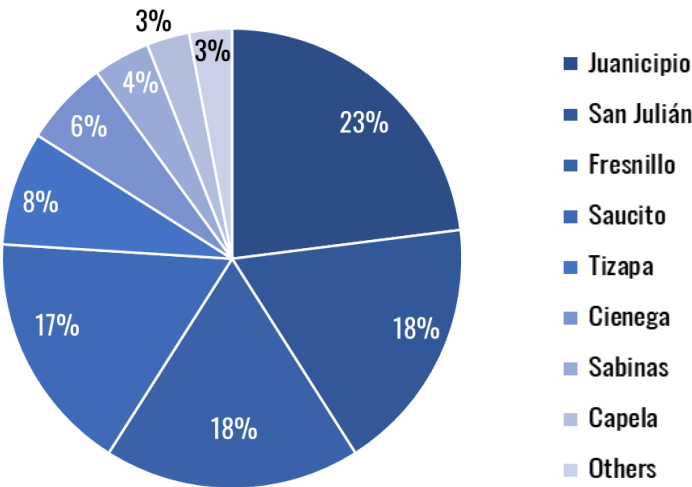
## GOLD

675,844 Oz



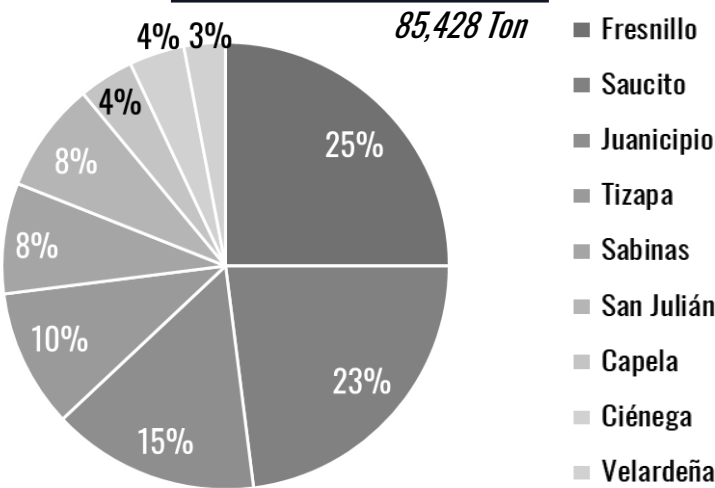
## SILVER

72,398 kOz



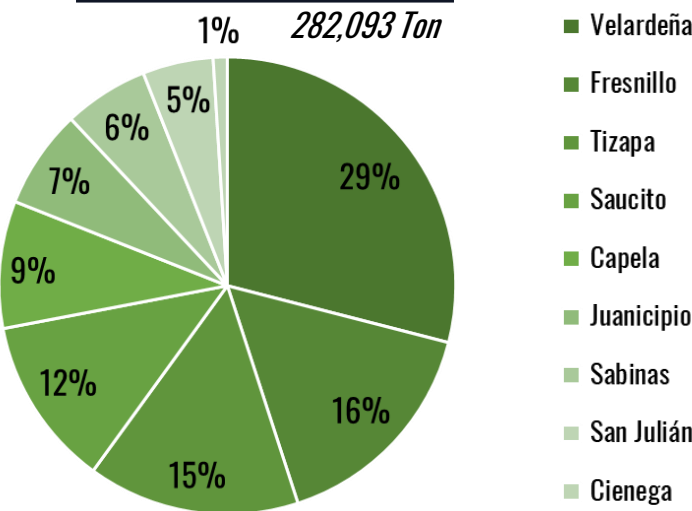
## LEAD

85,428 Ton



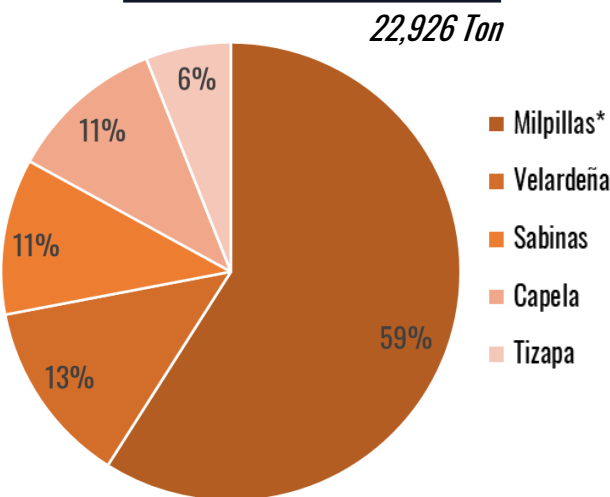
## ZINC

282,093 Ton



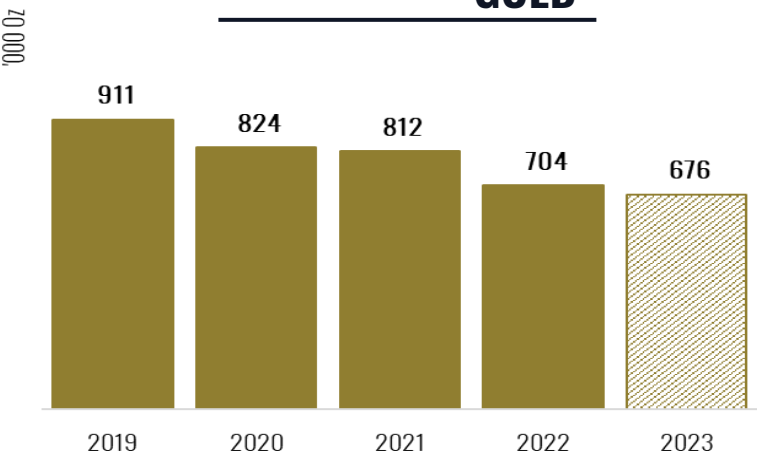
## COPPER\*

22,926 Ton

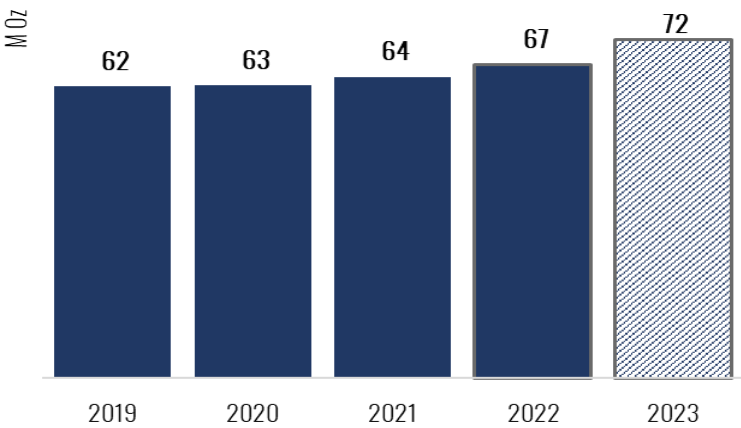


Notes: 1/ Includes 100% of Fresnillo plc payable production, \*/Copper cathodes

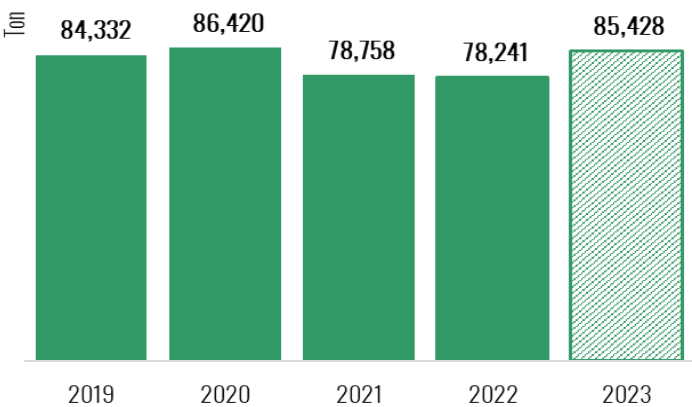
## GOLD



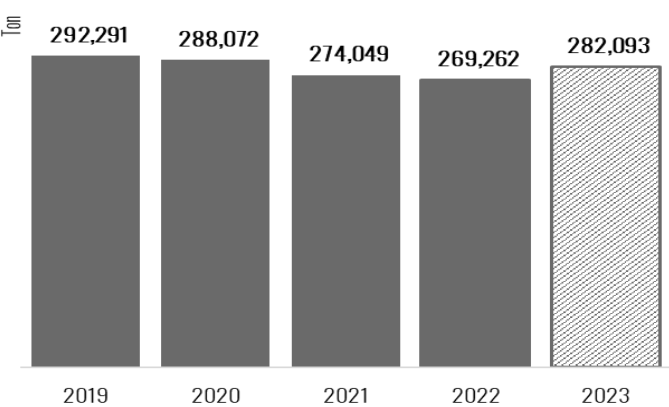
## SILVER



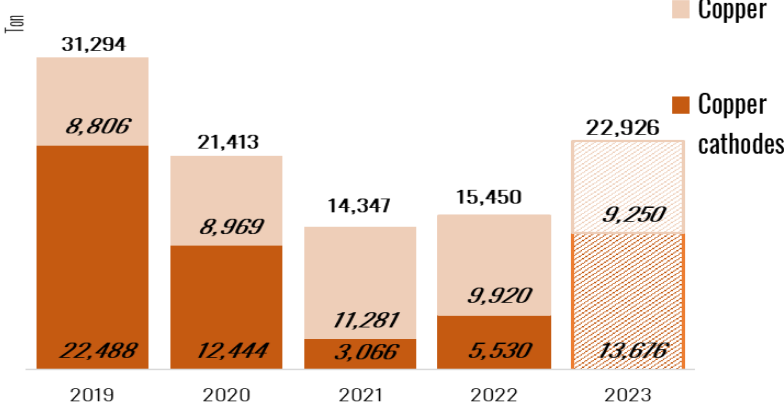
## LEAD



## ZINC



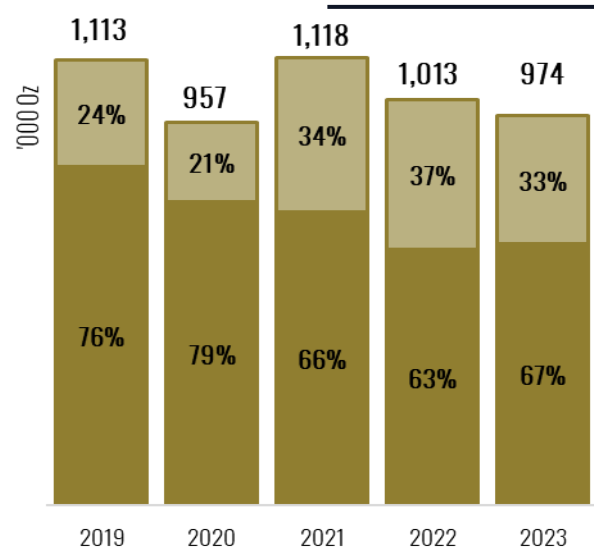
## COPPER



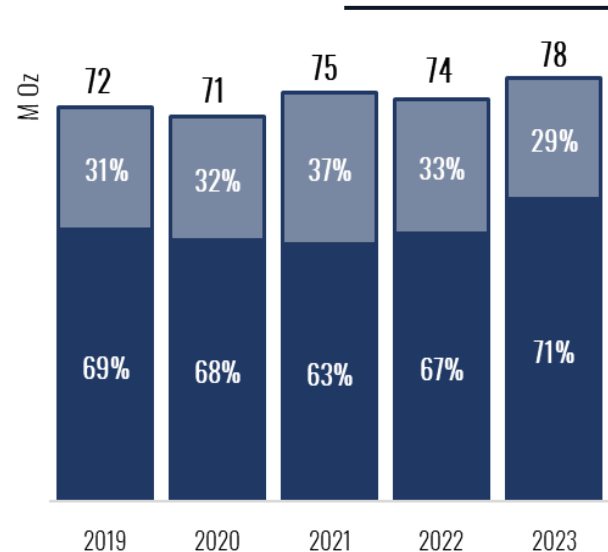
# HISTORICAL REFINED PRODUCTION



## GOLD



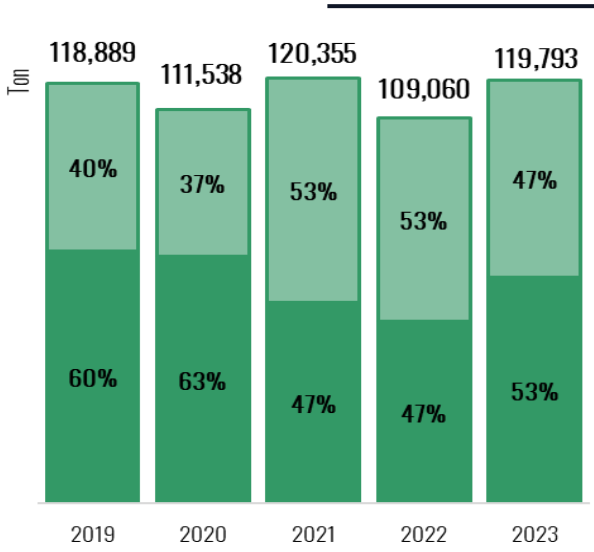
## SILVER



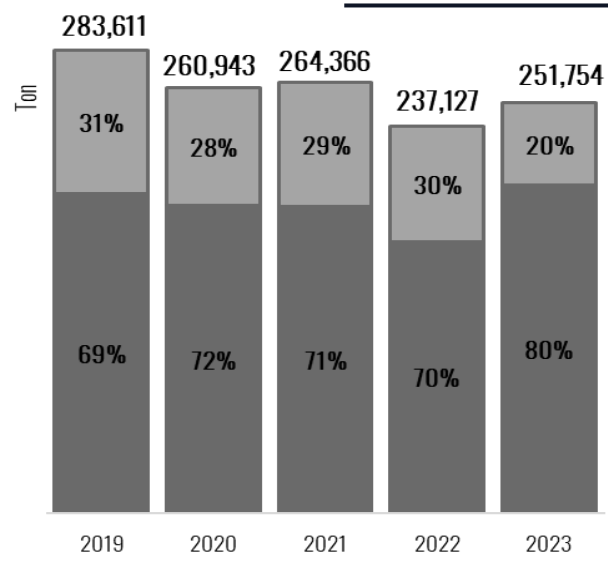
Contribution to refined production from:



## LEAD

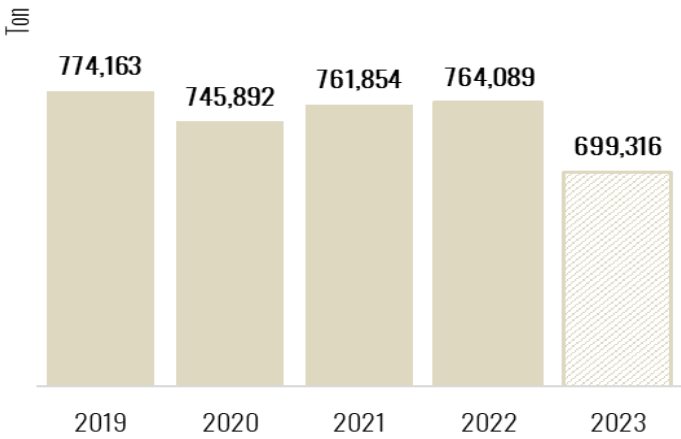


## ZINC

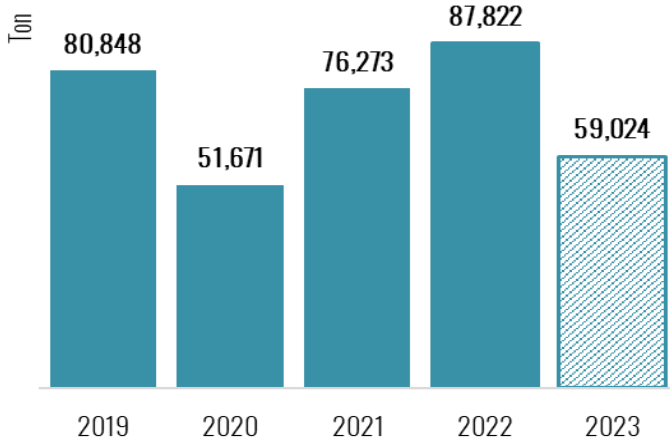




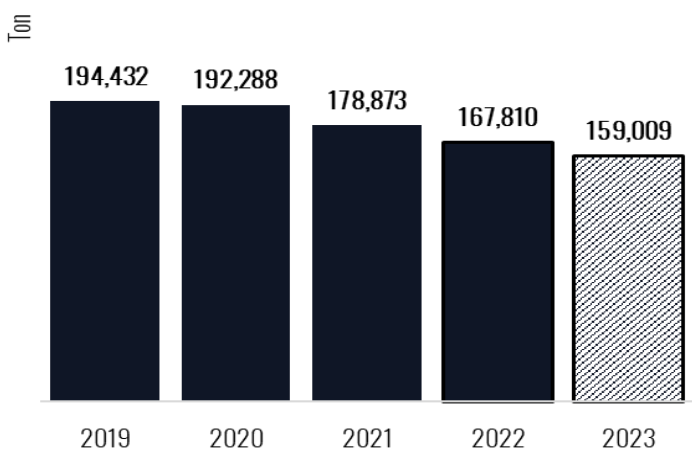
SODIUM SULFATE



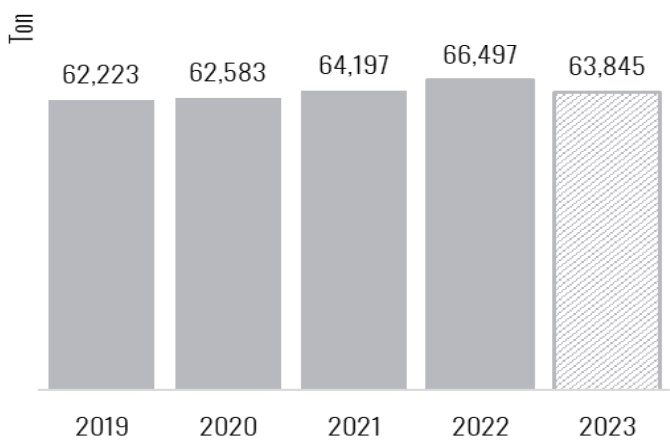
MAGNESIUM OXIDE



AMMONIUM SULFATE<sup>1</sup>



MAGNESIUM SULFATE



Notes: 1/Maquila not included.



# FINANCIAL RESULTS

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# FINANCIAL HIGHLIGHTS – INCOME STATEMENT

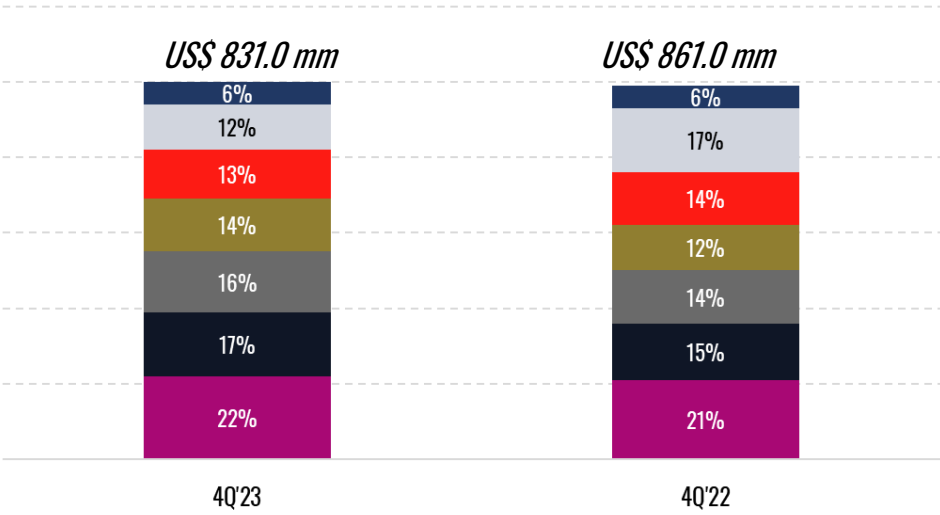


INCOME STATEMENT	4Q'23	4Q'22	% Chg.	2023	2022	% Chg.
+ Gross sales	1,469.8	1,371.3	7.2	5,924.6	5,526.6	7.2
+ Hedging results	1.5	3.5	-57.5	4.4	-3.2	237.7
Net Sales	1,471.3	1,374.7		5,929.0	5,523.4	
- Cost of Sales	1,268.5	1,181.7	7.3	5,120.8	4,490.9	14.0
Gross Profit (Loss)	202.8	193.1	5.1	808.2	1,032.5	-21.7
- General expenses <sup>(1)</sup>	180.9	177.3	2.0	730.6	652.2	12.0
Operating Profit (Loss)	22.0	15.7	39.7	77.6	380.3	-79.6
+ Net Financial Income (Expense)	-22.2	-49.5	55.1	-149.8	-158.4	5.4
+ Profit after Net Financial Income (Expense)	-0.2	-33.8	99.3	-72.2	221.9	-132.5
+ Other Income (Expense)	65.0	14.2	358.8	17.8	-0.8	2327.0
Profit (Loss) before Taxes	64.7	-19.6	430.1	-54.3	221.1	-124.6
+ Taxes	110.0	147.4	-25.3	342.6	103.0	232.5
After Tax Income (Loss)	174.8	127.8	36.8	288.3	324.1	-11.1
Non-Controlling Interest in Net Income and Share of Associates and JV	69.0	50.7	36.1	141.2	140.8	0.3
Controlling Interest in Net Income (Loss)	105.8	77.1	37.1	147.1	183.4	-19.8
Earnings (loss) per share <sup>(2)</sup>	0.27	0.19	37.1	0.37	0.46	-19.8
EBITDA <sup>(3)</sup>	204.8	201.4	1.7	768.2	1,070.9	-28.3

## INCOME STATEMENT HIGHLIGHTS 4Q'2023

- » **Net Sales** grew thanks to higher volumes sold of concentrates, refined silver and copper, as well as better gold and silver prices, whose benefits were offset by lower volumes of gold, zinc, lead and chemical products, lower zinc prices and a lower hedging result.
- » Increase in **cost of sales** attributable to (i) higher metal cost from third party shippers, as well as an (ii) inventory consumption charge, mainly due to Juanicipio's stockpile consumption and depletion of the Noche Buena mine and gold consumption in Herradura's leaching yards, in addition to (iii) the unfavorable effect of the appreciation of the peso against the US dollar on costs incurred in pesos (approximately 50% of production costs). In conjunction, these factors compensated the lower production cost, mainly due to lower electricity prices and consumption, and lower production from Herradura and Noche Buena, offset by higher production cost due to the Juanicipio ramp-up.
- » **Operating expenses** were higher mainly due to the appreciation of the peso.
- » **Other expenses** increased as there was an extraordinary income derived from the cancellation of accumulated accounting reserves on the cost of energy transmission and the recovery of investments in retirement funds.
- » The **provision for income taxes** was less favorable because there was a lower adjustment to accumulated current and deferred taxes due to inflation and the appreciation of the peso against the U.S. dollar.

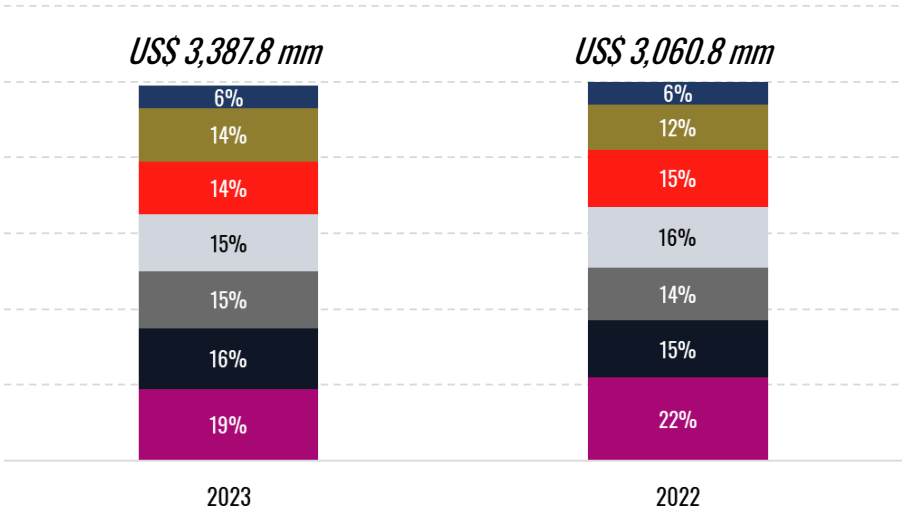
COST OF PRODUCTION BREAKDOWN



- Other items
- Labor
- Operating materials
- Energy
- Maintenance and repairs
- Contractors
- Depreciation

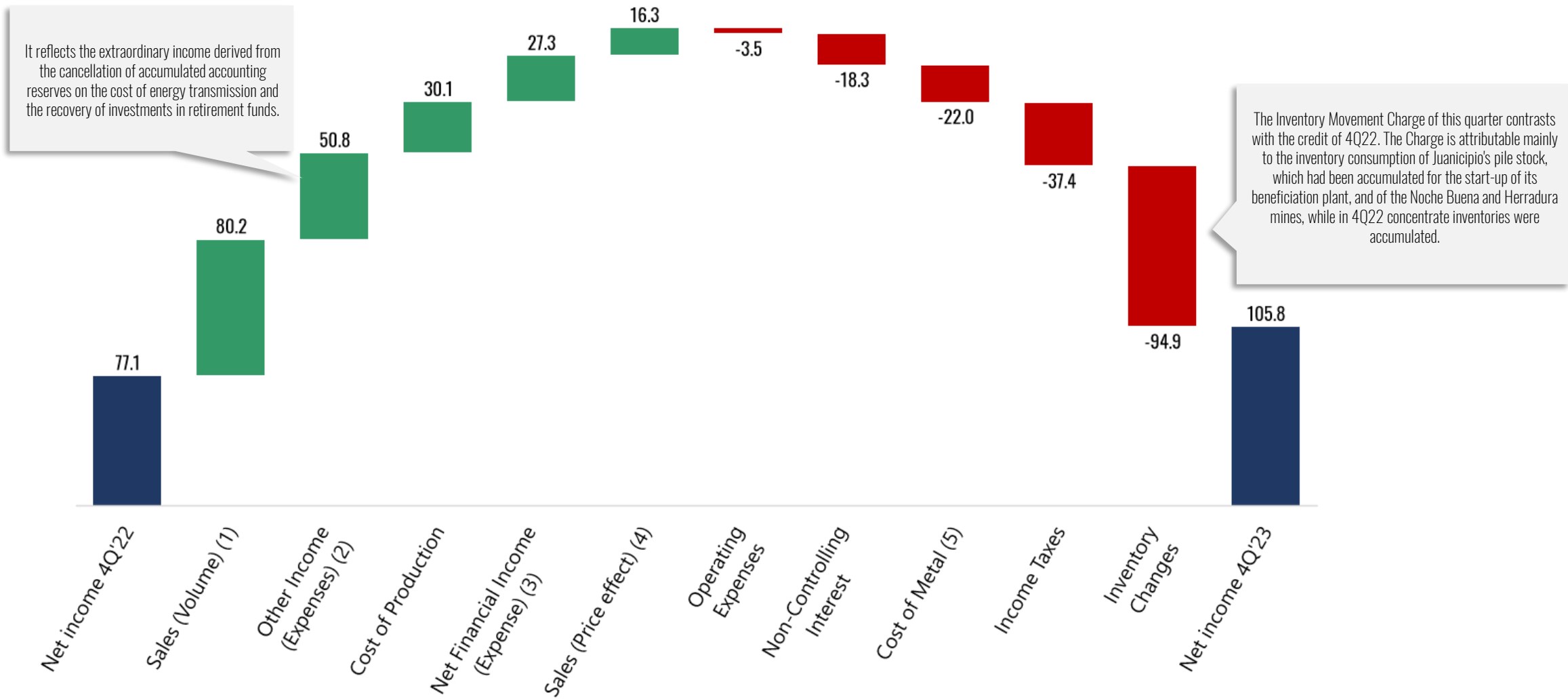
Notes:

- » Lower Production Cost in 4Q'23 is derived from:
- i. lower electricity consumption and prices
  - ii. lower volume of ore deposited and processed at Herradura
  - iii. closure process at Noche Buena
- Which offset:
- i. higher costs associated with the Juanicipio ramp-up; and
  - ii. the adverse effect of the appreciation of the peso against the US dollar



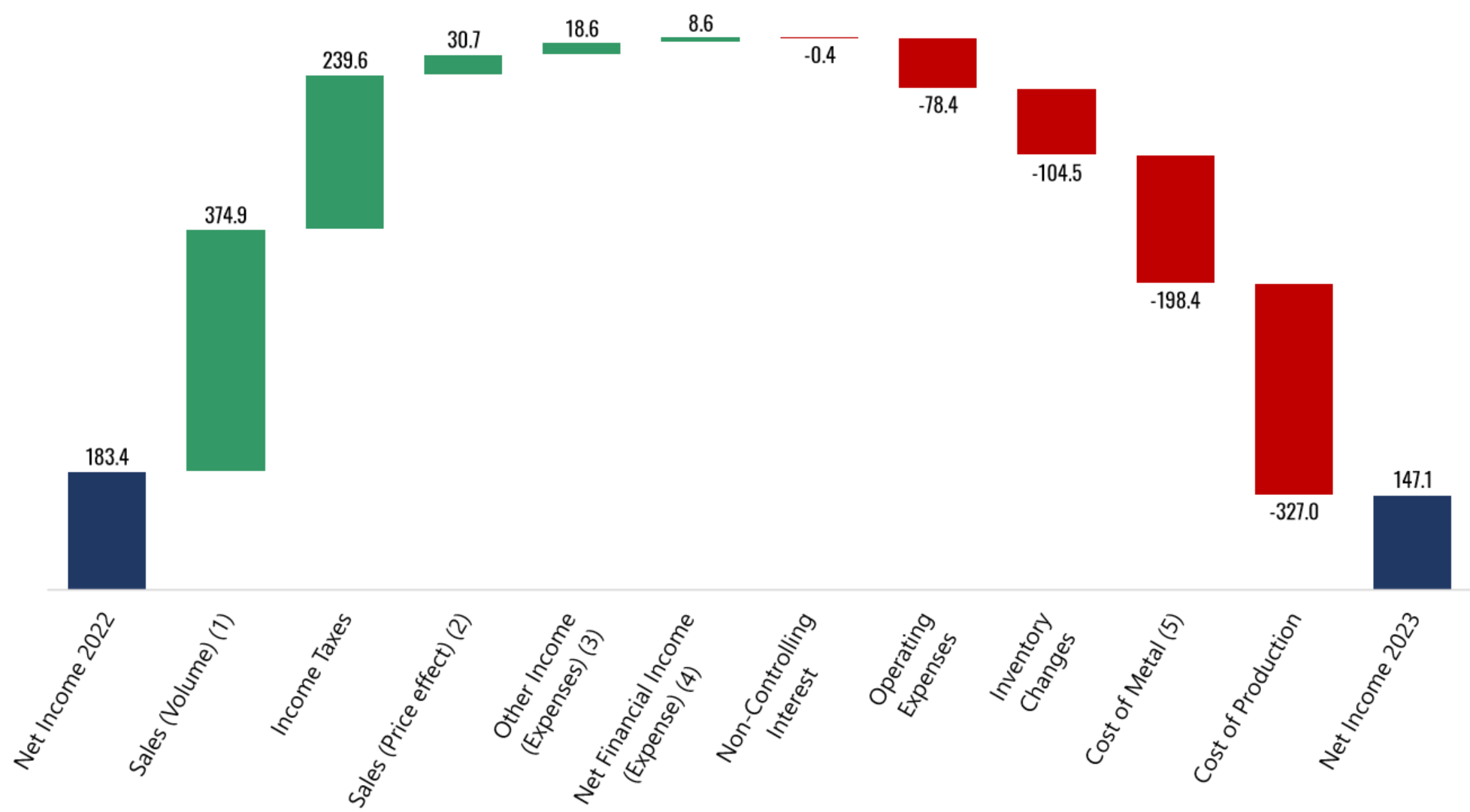


# FINANCIAL HIGHLIGHTS – QUARTERLY NET INCOME ANALYSIS



Notes:1/ Includes variation for other products and services. 2/ Other expenses include impairment losses. 3/ Financial expenses include Exchange result. 4/ Includes variation in hedging results . 5/ Net of Revenue from Treatment Charges, Income on inventories and other items.

# FINANCIAL HIGHLIGHTS – YTD NET INCOME ANALYSIS

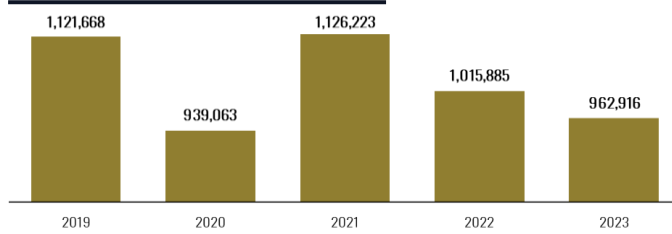


Notes:1/ Includes variation for other products and services. 2/ Includes variation in hedging results . 3/ Other expenses include impairment losses. 4/ Financial expenses include Exchange result . 5/ Net of Revenue from Treatment Charges, Income on inventories and other items.

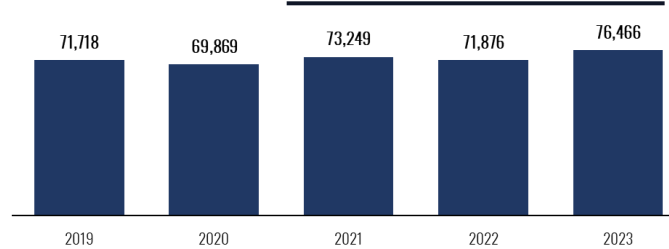


# SALES VOLUME TREND

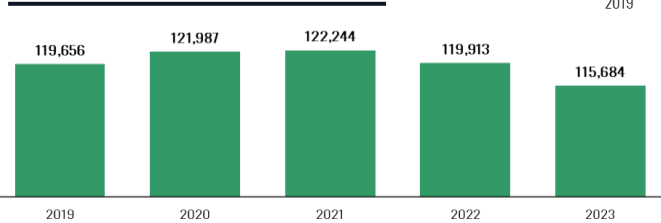
## GOLD (Oz)



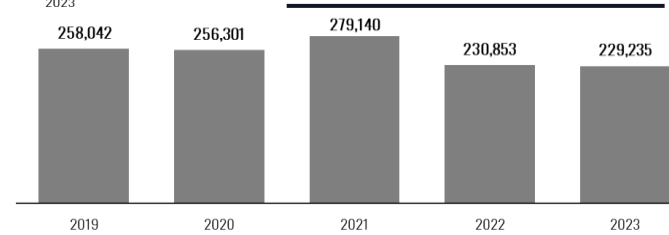
## SILVER (koz)



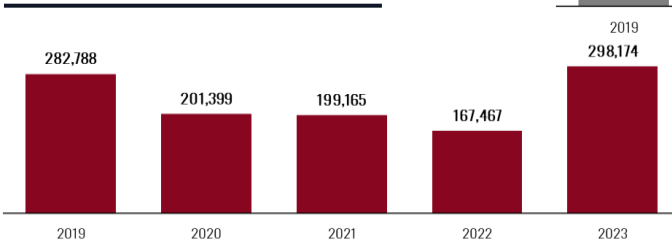
## LEAD (Ton)



## ZINC (Ton)



## CONCENTRATES (Ton)



## SALES VOLUME

	Units	4Q'23	4Q'22	%Chng	2023	2022	%Chng
Gold	Oz	224,864	260,130	-13.6	962,916	1,015,885	-5.2
Silver	Koz	21,148	19,011	11.2	76,466	71,876	6.4
Lead	Ton	27,783	33,321	-16.6	115,684	119,913	-3.5
Zinc	Ton	55,713	60,784	-8.3	229,235	230,853	-0.7
Copper	Ton	3,932	1,220	222.4	14,716	3,653	302.8
Copper matte	Ton	6,012	4,409	36.4	17,191	17,102	0.5
Concentrates	Ton	70,080	35,399	98.0	298,174	167,467	78.0
Sodium sulfate	Ton	172,274	196,441	-12.3	718,009	762,378	-5.8
Magnesium oxide <sup>1</sup>	Ton	11,665	14,456	-19.3	58,264	72,003	-19.1
Ammonium sulfate <sup>2</sup>	Ton	23,155	8,818	162.6	132,943	90,399	47.1
Magnesium sulfate	Ton	13,332	17,433	-23.5	61,023	66,110	-7.7

# FINANCIAL HIGHLIGHTS – BALANCE SHEET

BALANCE SHEET	<i>As of:</i>	Dec'23	Dec'22	% Chg.
<b>Current assets</b>		3,627.1	4,143.7	-12.5
Inventories		1,798.5	1,880.6	-4.4
Trade and other receivables		553.9	598.7	-7.5
Cash and cash equivalents		1,040.2	1,468.9	-29.2
Other current assets		234.6	195.5	20.0
<b>Non-current assets</b>		6,352.1	5,898.8	7.7
Property, plant and equipment		4,660.2	4,710.7	-1.1
Deferred tax asset		1,278.2	702.9	81.8
Inventories		69.8	91.6	-23.9
Other receivables		49.3	44.9	9.8
Other non-current assets		294.7	348.6	-15.5
<b>Total Assets</b>		<b>9,979.3</b>	<b>10,042.5</b>	-0.6

BALANCE SHEET	<i>As of:</i>	Dec'23	Dec'22	% Chg.
<b>Current liabilities</b>		1,129.1	1,416.4	-20.3
Interest-bearing loans		235.5	376.8	-37.5
Trade and other payables		472.4	488.3	-3.3
Income tax payable		99.4	209.1	-52.5
Lease liabilities		14.9	13.8	7.9
Other provisions		67.1	58.6	14.6
<b>Non-current liabilities</b>		3,344.4	3,337.9	0.2
Interest-bearing loans		2,523.3	2,531.2	-0.3
Lease liabilities		95.6	94.2	1.4
Pensions and other post-employment benefit plans		49.7	49.7	-0.1
Deferred tax liability		171.9	132.7	29.5
Other provisions		481.3	432.4	11.3
<b>Total Liabilities</b>		<b>4,473.5</b>	<b>4,754.3</b>	-5.9
<b>Capital and reserves attributable to shareholders of the Company</b>				
Share capital		401.4	401.4	0.0
Non -Controlling Interest		1,295.8	1,214.0	6.7
Retained earnings		3,834.8	3,687.7	4.0
Other reserves		- 26.1	- 14.8	-76.9
<b>Total Capital</b>		<b>5,505.8</b>	<b>5,288.3</b>	4.1
<b>Total equity and liabilities</b>		<b>9,979.3</b>	<b>10,042.5</b>	-0.6
Dividends per share		0.0	0.0	

Notes: : 1/Net Leverage Ratio is defined as Net Financial Debt/EBITDA for LTM. Figures are expressed in millions of US dollars.

# FINANCIAL HIGHLIGHTS – CASH FLOW

CASH FLOW	As of:	2023	2022	% Chg.
Profit for the year		286.5	325.6	-12
Cash generated from operations		553.5	565.6	-2
Income tax paid		-364.2	-228.2	-60
<b>Net cash from operating activities</b>		<b>475.9</b>	<b>663.0</b>	<b>-28</b>
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment		-596.0	-747.5	20
Proceeds from the sale of property, plant and equipment		5.0	12.4	-60
Interest received		75.8	38.2	99
Proceeds from the repayment of advances and loans granted to third parties		28.0	21.5	30
Others		-6.8	-17.1	60
<b>Net cash used in investing activities</b>		<b>-494.0</b>	<b>-692.5</b>	<b>29</b>
<b>Cash flows from investing activities</b>				
Interest-bearing loans: Net		-174.0	-47.3	-268
Lease payments		-22.3	-24.4	9
Dividends paid		-56.4	-102.7	45
Capital contribution		9.7	10.1	-5
Interest paid		-185.6	-159.3	-17
Others		10.7	4.9	118
<b>Net cash generated (used in)/from financing activities</b>		<b>-417.9</b>	<b>-318.5</b>	<b>-31</b>
Net increase in cash and cash equivalents during the year		-436.0	-348.1	-25
Effect of exchange rate on cash and cash equivalents		7.3	-0.1	6453
Cash and cash equivalents at 1 January		1,468.9	1,817.1	-19
Cash and cash equivalents at 31 December		1,040.2	1,468.9	-29

CASH FLOW	As of:	2023	2022	% Chg.
<b>Adjustments to reconcile profit for the period to net cash inflows from operating activities:</b>				
Depreciation and amortisation		690.6	690.6	0
Income tax expense / (credit)		-342.6	-103.0	-233
Net finance cost		126.8	148.5	-15
Foreign exchange loss		25.8	23.1	12
Impairments		0.0	-21.4	
(Gain)/loss on the sale of property, plant and equipment and other assets		12.4	8.1	53
Non-cash movements and other provisions		47.5	113.6	-58
<b>TOTAL</b>		<b>560.5</b>	<b>859.4</b>	<b>-35</b>
<b>Working capital adjustments</b>				
Decrease/(Increase) in trade and other receivables		-89.0	-18.8	-373
Decrease/(Increase) in inventories		89.6	-189.2	147
(Decrease) / Increase in trade and other payables		-7.5	-85.8	91
<b>TOTAL</b>		<b>-6.9</b>	<b>-293.8</b>	<b>98</b>



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