

**PRESS RELEASE**

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**GRUPO SIMEC ANNOUNCES RESULTS OF OPERATIONS FOR THE TWELVE-MONTH PERIOD ENDED DECEMBER 31, 2022.**

GUADALAJARA, MEXICO, February 13th, 2023- Grupo Simec, S.A.B. de C.V. (NYSE: SIM) (“Simec”) announced today its results of operations for the twelve-month period ended December 31, 2022 and December 31, 2021.

Twelve-Month Period Ended December 31, 2022 compared to Twelve-Month Period Ended December 31, 2021

*Net Sales*

Net sales decreased 1% by the combination shipments of finished steel products and a higher average sales price by 10% compared the same period of 2021, the sales decreased from Ps. 55,620 million in the twelve-month period ended December 31, 2021 to Ps. 55,112 million in the same period of 2022. Shipments of finished steel products decreased 10% to 2 million 255 thousand tons in the twelve-month period ended December 31, 2022 compared to 2 million 504 thousand tons in the same period of 2021. Total sales outside of Mexico on the twelve-month period ended December 31, 2022 decreased 8% to Ps. 25,468 million compared with Ps. 27,576 million in the same period of 2021. Total sales in Mexico increased 6% from Ps. 28,044 million in the twelve-month period ended December 31, 2021 to Ps. 29,644 million in the same period of 2022. The decrease of 1% in sales is due to a higher average sales price and lower volume of shipments.

*Cost of Sales*

Cost of sales increased 2% from Ps. 39,968 million in the twelve-month period ended December 31, 2021 to Ps. 40,753 million in the same period of 2022. Cost of sales as a percentage of net sales represented, 74% for 2022 and 2021 72%. The average cost of finished steel produced in the twelve-month period ended December 31, 2022 compared to the same period of 2021 increased 13% mainly due to scrap cost and to higher costs of some supplies at year end.

*Gross Profit*

Gross profit of the Company in the twelve-month period ended December 31, 2022 was of Ps. 14,359 million compared to Ps. 15,652 million in the same period of 2021. Gross profit as a percentage of net sales represented 26% and 28% for the 2022 and 2021 periods respectively.

*Operating Expenses*

Selling, general and administrative expenses increased 18% from Ps. 2,043 million in the twelve-month period ended December 31, 2021 to Ps. 2,401 million in the same period of 2022. Selling, general and

administrative expenses as a percentage of net sales represented 4% during the twelve-month period ended December 31, 2021 and 4% in the same period of 2022.

*Other Expenses (Income) net*

The company recorded other net expenses of Ps. 77 million in the twelve-month period ended December 31, 2021 compared to other net income of Ps. 87 million in the same period of 2022.

*Operating Income*

Operating income decreased 11% from Ps. 13,532 million for the twelve-month period ended December 31, 2021 to Ps. 12,045 million in the same period of 2022. Operating income as a percentage of net sales represented 22% and 24% for the 2022 and 2021 periods respectively.

**EBITDA**

The EBITDA of the Company decreased 11% from Ps. 14,707 million in the twelve-month prior ended December 31, of 2021, as a result a net income of Ps. 9,444, plus minority stake of Ps. 2 million, plus income taxes of Ps. 4,390, less comprehensive financial cost of Ps. 304 million, plus depreciation of Ps. 1,175 million. to Ps. 13,162 million in the same period of 2022 as a result a net income of Ps. 8,639, less minority stake of Ps. 2 million, plus income taxes of Ps. 3,278 million, plus comprehensive financial cost of Ps. 130 million, plus depreciation of 1,117 million.

Consolidated Million	<b>Twelve-month period ended December 31,</b>	
	<b>2022</b>	<b>2021</b>
<b>Net income (loss)</b>	<b>8,639</b>	<b>9,444</b>
Loss attributable to noncontrolling interests	(2)	2
<b>Net income (loss)</b>	<b>8,637</b>	<b>9,446</b>
Depreciation and amortization	1,117	1,175
Income taxes	3,278	4,390
Financial results income (loss)	130	(304)
<b>EBITDA</b>	<b>13,162</b>	<b>14,707</b>
<b>Items to reconciled adjusted EBITDA</b>		
Equity results and other results in associates and joint ventures	0	0
Dividends received and interest from associates and joint ventures (i)	0	0
Impairment and disposal of non-current assets	0	0
<b>Adjusted EBITDA</b>	<b>13,162</b>	<b>14,707</b>

### *Comprehensive Financial Cost*

Comprehensive financial cost in the twelve-month period ended December 31, 2022 represented a net expense of Ps. 130 million compared with a net income of Ps. 304 million in the same period of 2021. The net interest was an income of Ps. 296 million in 2022 compared with a net expense of Ps. 21 million in the twelve-month period ended December 31, 2021. As a result, we registered a net exchange loss of Ps. 618 million in the twelve-month period ended December 31, 2022 compared with a net exchange profit of Ps. 325 million in the same period of 2021, other financial income was recorded for Ps. 192 million for the period.

### *Income Taxes*

The Company have recorded an expense net tax of Ps. 3,278 million in the twelve-month period ended December 31, 2022 (including the expenses of deferred tax of Ps. 39 million) compared with a net expense tax of Ps. 4,390 million in the same period of 2021 (including the tax deferred expense of Ps. 571 million).

### *Net Income (loss)*

As a result of the foregoing, net income decreased by 9% from Ps. 9,444 million net profits in the twelve-month period ended December 31, 2021 to Ps. 8,639 million a result net income in the same period of 2022.

### *Liquidity and Capital Resources*

As of December 31, 2022, Simec's total consolidated debt consisted of U.S. \$302,000 of 8 7/8% medium-term notes ("MTN's") due 1998, Ps. 5.8 million (accrued interest on December 31, 2022 was U.S. \$694,987 or Ps. 13.5 million). As of December 31, 2021, Simec's total consolidated debt consisted of U.S. \$302,000 of 8 7/8% medium-term notes ("MTN's") due 1998, Ps. 6.2 million (accrued interest on December 31, 2021 was U.S. \$671,437, or Ps. 13.8 million).

### Comparative fourth quarter 2022 vs third quarter 2022

### *Net Sales*

Net sales decreased from Ps. 13,433 million in the third quarter of 2022 to Ps. 11,100 million for the fourth quarter of 2022. Sales in tons decreased from 541 thousand ton in the third quarter of 2022 to 535 thousand ton in the fourth quarter of the same period, a decreased of 1%. Total sales outside of Mexico for the fourth quarter of 2022 decreased 29% from Ps. 6,559 million in the third quarter to Ps. 4,657 million in the four quarter of 2022. Sales in Mexico decreased to Ps. 6,443 million in the fourth quarter of 2022 compared Ps. 6,874 million in the third quarter of 2022 and decreased of 6%. Prices of finished products sold in the fourth quarter of 2022 decreased 16% compared with the third quarter of the same period.

### *Cost of Sales*

Cost of sales decreased to Ps. 8,510 million in the fourth quarter of 2022 compared to Ps. 10,271 million for the third quarter of 2022. With respect to sales, in the fourth quarter of 2022, the cost of sales represented 77% in the fourth quarter of 2022, compared to 76% in the third quarter of the same period. The average cost of sales by ton decreased of 16% in the fourth quarter of 2022 versus the third quarter of 2022.

### *Gross Profit*

Gross profit of the Company for the fourth quarter of 2022 decreased 18% to Ps. 2,590 million compared to Ps. 3,162 million in the third quarter of 2022. The gross profit as a percentage of net sales for the third and fourth quarter of 2022 was of 24% and 23% respectively.

### *Operating Expenses*

Selling, general and administrative expenses increased 14% to Ps. 676 million in the fourth quarter of 2022 compared to Ps. 595 million for the third quarter of 2022. Selling, general and administrative expenses as a percentage of net sales for the third and fourth quarter of 2022 was of 4% and 6% respectively.

### *Other Expenses (Income) net*

The company recorded other net income of Ps. 80 million in the fourth quarter of 2022 compared to other net income of Ps. 5 million for the third quarter of 2022.

### *Operating (Loss) Income*

Operating income was of Ps. 1,994 million in the fourth quarter of 2022 compared to an operating income of Ps. 2,572 million in the third quarter of 2022. The operating income as a percentage of net sales represented 18% and 19% for the third quarter and fourth quarter periods respectively.

### **EBITDA**

The *EBITDA* was Ps. 2,857 million in the third quarter of 2022 as a result a net income of Ps. 1,940 million, less minority stake of Ps. 1 million, plus income taxes of Ps. 798 million, less comprehensive financial cost of Ps. 165 million, plus depreciation of Ps. 285million, compared to Ps. 2,277 million for the fourth quarter of 2022, as a result a net profit of Ps. 602 million, less minority stake of Ps. 2 million,

plus income taxes of Ps. 1,328 million, plus comprehensive financial cost of Ps. 66 million, plus depreciation of Ps. 283 million.

Consolidated Million	Comparative fourth quarter vs third quarter 2022	
	4Q 2022	3Q 2022
<b>Net income (loss)</b>	<b>602</b>	<b>1,940</b>
Loss attributable to noncontrolling interests	(2)	(1)
<b>Net income (loss)</b>	<b>600</b>	<b>1,939</b>
Depreciation and Amortization	283	285
Income taxes	1,328	798
Financial results income (loss)	66	(165)
<b>EBITDA</b>	<b>2,277</b>	<b>2,857</b>
<b>Items to reconciled adjusted EBITDA</b>		
Equity results and other results in associates and joint ventures	0	0
Dividends received and interest from associates and joint ventures (i)	0	0
Impairment and disposal of non-current assets	0	0
<b>Adjusted EBITDA</b>	<b>2,277</b>	<b>2,857</b>

#### *Comprehensive Financial Income (Cost)*

Comprehensive financial cost for the fourth quarter for 2022 was a net expense of Ps. 66 million compared with a net income of Ps. 165 million for the third quarter of 2022. The net interest income the fourth quarter was Ps. 192 million compared with a net income of Ps. 104 million in the third quarter of 2022. At same time we registered an exchange net profit of Ps. 30 million in the third quarter of 2022 compared with an exchange net loss of Ps. 420 million in the fourth quarter of 2022. other financial income was recorded for Ps. 31 million in the third quarter compared to Ps. 162 million in the fourth quarter of 2022

#### *Income Taxes*

Income Taxes for the third quarter of 2022 had an expense net tax of Ps. 798 million (including an expenses tax deferred for Ps. 60 million) compared to an expense of Ps. 1,328 million for the fourth quarter of 2022, (including an income tax deferred of Ps. 8 million).

#### *Net Income (loss)*

As a result of the foregoing, the Company recorded a net profit of Ps. 602 million in the fourth quarter of 2022 compared to Ps. 1,940 million of net income in the third quarter of 2022.

Comparative fourth quarter 2022 vs fourth quarter 2021

### *Net Sales*

Net sales decreased 14% from Ps. 12,884 million for the fourth quarter of 2021 to Ps. 11,100 million for the fourth quarter of 2022. Sales in tons of finished steel in the fourth quarter of 2021 were 550 thousand tons versus 535 thousand tons in the fourth quarter of 2022. Total sales outside of Mexico decreased 26% from Ps. 6,279 million for the fourth quarter of 2021 to Ps. 4,657 million in the fourth quarter of 2022. Sales in Mexico decreased 2% from Ps. 6,605 million in the fourth quarter of 2021 to Ps. 6,443 million in the fourth quarter of 2022. The average sales prices of finished products sold in the fourth quarter of 2022 decreased 11%, compared to the same period of 2021.

### *Cost of Sales*

Cost of sales decreased 7% from Ps. 9,145 million in the fourth quarter of 2021 compared to Ps. 8,510 million for the fourth quarter of 2022. With respect to sales, the cost of sales represented 77% during the fourth quarter of 2022 and 71% during the fourth quarter of 2021. The average cost of steel products decreased 4% in the fourth quarter of 2022 versus the fourth quarter of 2021.

### *Gross Profit*

Gross profit for the fourth quarter of 2022 decreased 31% from Ps. 3,739 million in the fourth quarter of 2021 compared to Ps. 2,590 million in the fourth quarter of 2022. The gross profit as a percentage of net sales represented 29% for the fourth quarter of 2021 compared to 23% of the fourth quarter of 2022.

### *Operating Expenses*

Selling, general and administrative expenses increased 23% from Ps. 551 million in the fourth quarter of 2021 compared to Ps. 676 million for the fourth quarter of 2022. Selling, general and administrative expenses as a percentage of net sales represented 4% for the fourth quarter of 2021 and 6% for the fourth quarter of 2022.

### *Other Expenses (Income) net*

The company recorded other expense net of Ps. 27 million in the fourth quarter of 2021 compared with other income net of Ps. 80 million for the fourth quarter of 2022.

### *Operating (Loss) Income*

Operating income was of Ps. 1,994 million in the fourth quarter of 2022 compared to an operating profit of Ps. 3,161 million in the fourth quarter of 2021. The operating income as a percentage of net sales in the fourth quarter of 2022 was 18%, compared to an operating income of 25% in the fourth quarter of 2021.

### *EBITDA*

The EBITDA was Ps. 3,450 million in the fourth quarter of 2021 as a result a net profit of Ps. 1,154 million, plus minority stake of Ps. 1 million, plus income taxes of Ps. 2,085 million, less comprehensive

financial cost of Ps. 79 million, plus depreciation of Ps. 289 million, compared to a profit of Ps 2,277 million in the fourth quarter of 2022 as a result a net profit of Ps. 602 million, less minority stake of Ps. 2 million, plus income taxes of Ps. 1,328 million, plus comprehensive financial cost of Ps. 66 million, plus depreciation of Ps. 283 million.

Consolidated Million	Comparative fourth quarter vs fourth quarter	
	2022	2021
<b>Net income (loss)</b>	<b>602</b>	<b>1,154</b>
Loss attributable to noncontrolling interests	(2)	1
<b>Net income (loss)</b>	<b>600</b>	<b>1,155</b>
Depreciation and Amortization	283	289
Income taxes	1,328	2,085
Financial results income (loss)	66	(79)
<b>EBITDA</b>	<b>2,277</b>	<b>3,450</b>
<b>Items to reconciled adjusted EBITDA</b>		
Equity results and other results in associates and joint ventures	0	0
Dividends received and interest from associates and joint ventures (i)	0	0
Impairment and disposal of non-current assets	0	0
<b>Adjusted EBITDA</b>	<b>2,277</b>	<b>3,450</b>

#### *Comprehensive Financial Income (Cost)*

Comprehensive financial cost for the fourth quarter of 2022 was a net expense of Ps. 66 million compared with a net income of Ps 79 million in the fourth quarter of 2021. Net interest income was of Ps. 192 million in the fourth quarter of 2022 compared with a net interest income of Ps. 14 million in the fourth quarter of 2021. At same time we registered a net exchange loss of Ps. 420 million in the fourth quarter of 2022 compared with an exchange profit of Ps. 65 million in the fourth quarter of 2021. other financial income was recorded for Ps. 162 million in the fourth quarter of 2022.

#### *Income Taxes*

The Company recorded an expense net taxes for the fourth quarter of 2022 of Ps. 1,328 million (including an income of deferred tax of Ps. 8 million), compared to an expense net tax of Ps. 2,085 million for the fourth quarter of 2021, (including an expense tax deferred of Ps. 475 million).

*Net Income (loss)*

As a result of the foregoing, the Company recorded a net profit of Ps. 602 million in the fourth quarter of 2022 compared to Ps. 1,154 million of net profit in the fourth quarter of 2021.

(million of pesos)	Jan - Dec '22	Jan - Dec '21	Year 22 vs '21
Sales	55,112	55,620	(1%)
Cost of Sales	40,753	39,968	2%
Gross Profit	14,359	15,652	(8%)
Selling, General and Administrative Expense	2,401	2,043	18%
Other Income (Expenses), net	87	(77)	(213%)
Operating Profit	12,045	13,532	(11%)
EBITDA	13,162	14,707	(11%)
Net income	8,639	9,444	(9%)
Sales Outside Mexico	25,468	27,576	(8%)
Sales in Mexico	29,644	28,044	6%
Total Sales (Tons)	2,255	2,504	(10%)
Cost by ton	18,072	15,962	13%

Quarter					
(million of pesos)	4Q '22	3Q '22	4Q '21	4Q '22 vs 3Q '22	4Q '22 vs 4Q '21
Sales	11,100	13,433	12,884	(17%)	(14%)
Cost of Sales	8,510	10,271	9,145	(17%)	(7%)
Gross Profit	2,590	3,162	3,739	(18%)	(31%)
Selling, General and Adm. Expenses	676	595	551	14%	23%
Other Income (Expenses), net	80	5	(27)	1500%	(396%)
Operating Profit	1,994	2,572	3,161	(22%)	(37%)
EBITDA	2,277	2,857	3,450	(20%)	(34%)
Net Income	602	1,940	1,154	(69%)	(48%)
Sales Outside Mexico	4,657	6,559	6,279	(29%)	(26%)
Sales in Mexico	6,443	6,874	6,605	(6%)	(2%)
Total Sales (Tons)	535	541	550	(1%)	(3%)
Cost per Ton	15,907	18,985	16,627	(16%)	(4%)

Product	Thousands of Tons Jan-Dec 2022	Millions of Pesos Jan-Dec 2022	Average Price per Ton Jan-Dec 2022	Thousands of Tons Jan – Dec 2021	Millions of Pesos Jan- Dec 2021	Average Price per Ton Jan-Dec 2021
<b>Special Profiles</b>	723	20,073	27,763	907	22,459	24,762
<b>Commercial Profiles</b>	1,532	35,039	22,871	1,597	33,161	20,765
<b>Total Tons</b>	2,255	55,112	24,440	2,504	55,620	22,212

Product	Thousands of Tons Oct-Dec 2022	Millions of Pesos Oct-Dec 2022	Average Price per Ton Oct-Dec 2022	Thousands of Tons Jul-Sep 2022	Millions of Pesos Jul-Sep 2022	Average Price per Ton Jul-Sep 2022	Thousands of Tons Oct-Dec 2021	Millions of Pesos Oct-Dec 2021	Average Price per Ton Oct-Dec 2021
<b>Special Profiles</b>	150	3,571	23,807	170	4,706	27,682	193	5,343	27,684
<b>Commercial Profiles</b>	385	7,529	19,556	371	8,727	23,523	357	7,541	21,123
<b>Total Tons</b>	535	11,100	20,748	541	13,433	24,830	550	12,884	23,425

*Any forward-looking information contained herein is inherently subject to various risks, uncertainties and assumptions which, if incorrect, may cause actual results to vary materially from those anticipated, expected or estimated. The company assumes no obligation to update any forward-looking information contained herein.*