

## GISSA ANNOUNCES CAPACITY EXPANSION AT DRAXTON AND IMPROVEMENT OF FINANCIAL POSITION

Saltillo, Mexico, July 22, 2021 – Grupo Industrial Saltillo, S.A.B. de C.V. (BMV: GISSA) (the “Company”) (“GIS”) announces, that at the Board of Directors’ meeting held today, a capacity expansion project for the Draxton plant in San Luis Potosi, S.L.P. was approved.

The investment of US\$30 million will be used to build a new foundry line to manufacture brackets and calipers, parts for the braking systems, aligning Draxton’s focus on these types of auto parts, which are 100% compatible with hybrid and electric vehicles. The CapEx includes production facility, machinery and equipment, to add 30,000 tons of casting capacity per year.

Manuel Rivera, CEO of GIS, said: “A better outlook of the automotive industry for the rest of the year and for 2022, in addition to the new contracts awarded to meet growing demand in North America, have led us to make this announcement today about this significant investment, to consolidate our leadership position in the region.”

We expect to start operations in the last quarter of 2022.

At the end of the second quarter, the Company also refinanced the Senior Term Loan Facility issued by Comerica Bank to Evercast, S.A. de C.V. (“Evercast”) subsidiary, a business unit of GISSA’s automotive segment (joint venture with ZF), which casts and machines ductile iron for braking system parts.

The successful refinancing of the remaining balance of US\$31.4 million includes:

- Three-year extension, new maturity date in December 2026
- Principal installments deferral, originally scheduled for 2021 and 2022 (US\$5.4 million and US\$10.4 million, respectively)
- Applicable margin reduction from LIBOR +2.50% to LIBOR +1.90%
- Revolving credit facility two-year extension, to March 2024

Moreover, on July 15<sup>th</sup> GIS made early payments on the syndicated loan of US\$13.6 million.

As a result, the Company will not have debt payments in 2021 and 2022.

These actions, aligned to GIS’s financial strategy, confirm our objective to reduce leverage, improve maturity profile, and achieve flexibility to analyze strategic opportunities for growth and value creation for our shareholders.

### About Grupo Industrial Saltillo

Grupo Industrial Saltillo manufactures and sells Auto Parts (iron or aluminum foundry and machining), Construction (floors and ceramic coatings), and Housewares (tableware and kitchenware products).

Grupo Industrial Saltillo has 6,500 talented employees at 18 production units, with operations in Mexico, Spain, the Czech Republic, Poland, Italy, and China, as well as a market and distribution presence in the USA.

This release may contain certain forward-looking statements and information about Grupo Industrial Saltillo S.A.B. de C.V. and its subsidiaries (collectively, the “Company”) that are subject to risks and uncertainties that may cause the Company’s results to differ materially from management’s current expectations. These risks and uncertainties include, but are not limited to: development and marketing of new products; demand and acceptance of the Company's products; competitors' products and prices; economic conditions in the markets and geographic regions where the Company sells its products; and foreign currency fluctuations.

**For additional information, please visit [www.gis.com.mx](http://www.gis.com.mx), or contact:**

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