Notice: this document is an English translation of a Spanish-language document and is provided for information purposes only. In the event of any discrepancy, the text of the original Spanish language document shall prevail. The Spanish-language document is available on the following websites: https://www.orbia.com/investor-relations/ and www.bmv.com.mx

ANNUAL REPORT 2021

SUBMITTED PURSUANT TO THE GENERAL PROVISIONS APPLICABLE TO ISSUERS OF SECURITIES AND OTHER MARKET PARTICIPANTS

FOR THE YEAR ENDING 31 DECEMBER 2021

Orbia Advance Corporation, S.A.B. de C.V.

Financial figures presented in millions of US dollars ($)
Avenida Paseo de la Reforma 483, piso 47,
Colonia Cuauhtémoc,
Alcaldía Cuauhtémoc,
Ciudad de México, 06500
Tel. **+52 55** 5366 4000

Orbia Advance Corporation, S.A.B. de C.V. securities listed on the Bolsa Mexicana de Valores, S.A.B.de C.V. (**Mexican Stock Exchange**).

I. Orbia Advance Corporation, S.A.B. de C.V.- ("Orbia", the "Company" or "Issuer") lists Series One, Class "I" and "II" shares representing the fixed part of its capital stock without right of withdrawal and the variable part of its capital stock, respectively. The shares confer the same corporate and patrimonial rights to their holders.

Ticker Symbol: ORBIA*

The ORBIA "*" Series shares (sole) are registered in the National Securities Registry (RNV - acronym in Spanish) and are listed on the Bolsa Mexicana de Valores, S.A.B. de C.V. They are traded in BMV and on the Bolsa Institucional de Valores, S.A. de C.V.

The credit risk rating assigned to the ORBIA by Standard & Poor's is 'BBB-' on a global scale and 'mxAA/mxA-1+ on a short- and long-term national scale, respectively, with a stable outlook.

The credit risk rating by Moody's is 'Baa3' on a long-term global scale with a stable outlook.

Registration in the National Securities Registry does not imply certification of the quality of the securities, the solvency of the Issuer or the accuracy or veracity of the information contained in the Annual Report, nordoes it validate any acts that may have been carried out in contravention of the laws.

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Bolsa Mexicana
ORBIA

I**I. Orbia Advance Corporation, S.A.B. de C.V,** has in circulation debt instruments denominated in Dollars and Euros at an international level, which are described below:

As of December 31, 2021, some financings and the Senior Notes or International Bonds issued in 2012, 2014 and 2017, as well as the Bonds Linked to Sustainability in 2021, are guaranteed by the Company's subsidiaries called Mexichem Brasil Industria de Transformação Plástica Ltda., Mexichem Derivados, S.A. de C.V., Mexichem Resinas Vinílicas, S.A. de C.V., Mexichem Flúor, S.A. de C.V., Mexichem Resinas Colombia, S.A.S., Mexichem Soluciones Integrales, S.A. de C.V., Mexichem Compuestos, S.A. de C.V., Mexichem UK Limited, Mexichem Ecuador, Mexichem Fluor, Inc., Mexichem Fluor Comercial, S.A. de C.V.

Sustainable Bonds 2026

Debt series	Sustainability-Linked Bonds amounting to $600 million U.S. dollars.
Date of issue	2021-05-11
Due date	2026-05-11
Issuance term	5 years
Interest / Yield calculation procedure.	Annual Fixed Rate 1.875%.
Periodicity in the payment of interest.	Payable semi-annually on May 11 and November 11.
Place and method of payment of interest and principal.	At 10:00 am. New York time, no later than one business day prior to each Payment Date on any applicable Series Note, the Company will deposit with the paying agent a sum sufficient to pay principal and interest.
Subordination of titles, if any	Does not apply
Amortization and early amortization / early maturity, if any.	ND
Warranty, if any.	Guarantors: Mexichem Brasil Industria de Transformación Plástica Ltda, Mexichem Derivados, S.A. de C.V., Mexichem Resinas Vinílicas, S.A. de C.V., Mexichem Flúor, S.A. de C.V., Mexichem Resinas Colombia, S.A.S., Mexichem Soluciones Integrales, S.A. de C.V., Mexichem Compuestos, S.A. de C.V., Mexichem UK Limited., Mexichem Ecuador, Mexichem Fluor, Inc., Mexichem Fluor Comercial, S.A. de C.V.
Trustee, if any-	Deutsche Bank Trust Company Americas
Qualification granted by a qualifying institution:	Fitch Ratings: BBB Moody’s: Baa3 Standard & Poor´s: BBB-
Common Representative	Does not apply
Depositary	Does not apply
Tax Regime	Does not apply
Remarks	Does not apply

Sustainable Bonds 2031

Debt series	Sustainability-Linked Bonds amounting to $500 million U.S. dollars.
Date of issue	2021-05-11
Due date	2031-05-11
Issuance term	10 years
Interest / Yield calculation procedure.	Annual Fixed Rate 2.875%.
Periodicity in the payment of interest.	Payable semi-annually on May 11 and November 11.
Place and method of payment of interest and principal.	At 10:00 am. New York time, no later than one business day prior to each Payment Date on any applicable Series Note, the Company will deposit with the paying agent a sum sufficient to pay principal and interest.
Subordination of titles, if any	Does not apply
Amortization and early amortization / early maturity, if any.	ND
Warranty, if any.	Guarantors: Mexichem Brasil Industria de Transformación Plástica Ltda, Mexichem Derivados, S.A. de C.V., Mexichem Resinas Vinílicas, S.A. de C.V., Mexichem Flúor, S.A. de C.V., Mexichem Resinas Colombia, S.A.S., Mexichem Soluciones Integrales, S.A. de C.V., Mexichem Compuestos, S.A. de C.V., Mexichem UK Limited., Mexichem Ecuador, Mexichem Fluor, Inc., Mexichem Fluor Comercial, S.A. de C.V.
Trustee, if any-	Deutsche Bank Trust Company Americas
Qualification granted by a qualifying institution:	Fitch Ratings: BBB Moody's: Baa3 Standard & Poor´s: BBB-
Common Representative	Does not apply
Depositary	Does not apply
Tax Regime	Does not apply
Remarks	Does not apply

Senior Notes 2027

Debt series	Senior Notes 2027 amounting to $500 million U.S. dollars.
Date of issue	2017-10-04
Due date	2027-10-04
Issuance term	10 years
Interest / Yield calculation procedure	Annual Fixed Rate 4.0%
Periodicity in the payment of interest	Payable semi-annually on April 4 and October 4.
Place and method of payment of interest and principal	At 10:00 am. New York time, no later than one business day prior to each Payment Date on any applicable Series Note, the Company will deposit with the paying agent a sum sufficient to pay principal and interest (including any amounts under Section 4.7).
Subordination of titles, if any	Does not apply
Amortization and early amortization / early maturity, if any	At the option of the Company, in whole or in part, on any Interest Payment Date, by notifying the Holders not less than 30 days or more than 60 days of said redemption.
Warranty: if applicable	Guarantors: Mexichem Brasil Indústria de Transformação Plástica Ltda, Mexichem Derivados, S.A. de C.V., Mexichem Resinas Vinílicas, S.A. de C.V., Mexichem Flúor, S.A. de C.V., Mexichem Resinas Colombia, S.A.S., Mexichem Soluciones Integrales, S.A. de C.V., Mexichem Compuestos, S.A. de C.V., Mexichem UK Limited., Mexichem Ecuador, S.A., Mexichem Fluor, Inc., Mexichem Fluor Comercial, S.A. de C.V.
Trustee, if any	Deutsche Bank Trust Company Americas
Qualification granted by a rating institution.	Fitch Ratings: BBB. Moody's Investor Services: Baa3 Standard & Poor's: BBB-
Common Representative	Does not apply
Depositary	Does not apply
Tax Regime	Does not apply
Remarks	Does not apply

Senior Notes 2042

Debt series	Senior Notes 2042 amounting to $400 million U.S. dollars.
Date of issue	2012-09-19
Due date	2042-09-19
Issuance term	30 years
Interest / Yield calculation procedure	Annual Fixed Rate 6.75%
Periodicity in the payment of interest	Payable semi-annually on March 19 and September 19.
Place and method of payment of interest and principal.	No later than 10:00 a.m. (New York City time), not later than one business day prior to any payment date, the Company will irrevocably deposit with the Trustee or Paying Agent sufficient money to pay said principal and interest.
Subordination of titles, if any.	Does not apply.
Amortization and early amortization / early maturity, if any.	Each Series of Bonds may be redeemed, at the option of the Company, in whole or in part, on any Interest Payment Date, by notifying the Holders not less than 30 days or more than 60 days (such notice must be irrevocable), at a Redemption Price, calculated by the Company, equal to the greater of (i) 100% of the principal amount of the relevant Series of Notes and (ii) the sum of the present values of the remaining scheduled payments of principal and interest thereon (excluding accrued interest at the redemption date) discounted at the Redemption Date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus (a) 50 basis points for the 2022 Bonds, and (b) 50 basis points for the 2042 Bonds, plus, in each case, accrued interest at the date of redemption and any additional Amounts payable with respect thereto.
Warranty, if any.	Guarantors: Mexichem Brasil Industria de Transformación Plástica Ltda., Mexichem Derivados, S.A. de C.V., Mexichem Resinas Vinílicas, S.A. de C.V., Mexichem Flúor, S.A. de C.V., Mexichem Resinas Colombia, S.A.S., Mexichem Soluciones Integrales, S.A. de C.V., Mexichem Compuestos, S.A. de C.V., Mexichem UK Limited, Mexichem Ecuador.
Trustee, if any.	Deutsche Bank Trust Company Americas.
Qualification granted by a qualifying institution:	Fitch Ratings: BBB Moody's: Baa3 Standard & Poor's: BBB-
Common Representative	Does not apply
Depositary	Does not apply
Tax Regime	Does not apply
Remarks	Does not apply

Senior Notes 2044

Debt series	Senior Notes 2044 amounting to $750 million U.S. dollars.
Date of issue	2014-09-17
Due date	2044-09-17
Issuance term	30 years
Interest / Yield calculation procedure.	Fixed Annual Rate of 5.875%.
Periodicity in the payment of interest.	Payable semi-annually on March 17 and September 17.
Place and method of payment of interest and principal.	No later than 10:00 a.m. (New York City time), not later than one business day prior to any payment date, the Company will irrevocably deposit with the Trustee or Paying Agent sufficient money to pay said principal and interest.
Subordination of titles, if any.	Does not apply.
Amortization and early amortization / early maturity, if any.	At the option of the Company, in whole or in part, on any Interest Payment Date, by notifying the Holders not less than 30 days or more than 60 days of said redemption.
Warranty, if any.	Guarantors: Mexichem Brasil Industria de Transformación Plástica Ltda, Mexichem Derivados, S.A. de C.V., Mexichem Resinas Vinílicas, S.A. de C.V., Mexichem Flúor, S.A. de C.V., Mexichem Resinas Colombia, S.A.S., Mexichem Soluciones Integrales, S.A. de C.V., Mexichem Compuestos, S.A. de C.V., Mexichem UK Limited, Mexichem Ecuador, Mexichem Fluor, Inc., Mexichem Fluor Comercial, S.A. de C.V.
Trustee, if any.	Deutsche Bank Trust Company Americas.
Qualification awarded by a qualifying institution:	Fitch Ratings: BBB Moody's: Baa3 Standard & Poor´s: BBB-
Common Representative	Does not apply
Depositary	Does not apply
Tax Regime	Does not apply
Remarks	Does not apply

Senior Notes 2048

Debt series	Senior Notes 2048 amounting to $500 million U.S. dollars.
Date of issue	2017-10-04
Due date	2048-01-15
Issuance term	30 years
Interest / Yield calculation procedure.	Fixed Annual Rate of 5.50%.
Periodicity in the payment of interest.	Payable semi-annually on April 4 and October 4.
Place and method of payment of interest and principal.	No later than 10:00 a.m. (New York City time), not later than one business day prior to any payment date, the Company will irrevocably deposit with the Trustee or Paying Agent sufficient money to pay said principal and interest.
Subordination of titles, if any.	Does not apply.
Amortization and early amortization / early maturity, if any.	At the option of the Company, in whole or in part, on any Interest Payment Date, by notifying the Holders not less than 30 days or more than 60 days of said redemption.
Warranty, if any.	Guarantors: Mexichem Brasil Industria de Transformación Plástica Ltda, Mexichem Derivados, S.A. de C.V., Mexichem Resinas Vinílicas, S.A. de C.V., Mexichem Flúor, S.A. de C.V., Mexichem Resinas Colombia, S.A.S., Mexichem Soluciones Integrales, S.A. de C.V., Mexichem Compuestos, S.A. de C.V., Mexichem UK Limited., Mexichem Ecuador, Mexichem Fluor, Inc., Mexichem Fluor Comercial, S.A. de C.V.
Trustee, if any.	Deutsche Bank Trust Company Americas.
Qualification awarded by a qualifying institution:	Fitch Ratings: BBB Moody’s: Baa3 Standard & Poor´s: BBB-
Common Representative	Does not apply
Depositary	Does not apply
Tax Regime	Does not apply
Remarks	Does not apply

Policies related to changes of control, corporate restructuring (including mergers, acquisitions and spin-offs), sale and/or constitution of liens on essential assets of the Issuer, during the term of the broadcast debt:

As of December 31, 2021, some financing and the Senior Notes or International Bonds issued in the years 2012, 2014, 2017, as well as the Sustainable Bonds issued during 2021, establish certain restrictions, among which are restrictions on the encumbrance or mortgage of properties, the sale and subsequent lease of assets and limitations on the consolidation, merger or transfer of assets of the Issuer.

Prohibited activities outlined in the provisions of current financing of the Company include those that are usual for this type of corporate financing, such as:

(i) Control change: credit acceleration clauses in case of change of Control, in accordance with the Applicable Legislation.

(ii) Corporate restructuring: certain restrictions focused on limiting the consolidation, merger and/or transfer of various assets of the Issuer.

(iii) Essential assets: various restrictions related to the granting or imposition of liens on certain properties, as well as the imposition of liens on the assets of the Company.

Table of Contents

1. GENERAL INFORMATION

a) Glossary of terms and definitions

The terms used in this Annual Report and listed below shall have the meanings given below. They shall apply equally to the singular and plural forms, which shall be used throughout this document to refer to this glossary:

Hydrochloric acid: An aqueous hydrogen chloride solution, which is the second most commonly used acid in the chemicals industry after sulfuric acid. It is used to descale metals, make cleaning products, and as a neutralizer, reduce and intermediate in organic and inorganic synthesis in the chemical industry**.**

Hydrofluoric acid or HF: A chemical compound produced by mixing calcium fluoride (fluorite) withsulfuric acid mainly used to produce refrigerant gases and fluoropolymers.

Phthalic anhydride: The chemical product used as a raw material to produce plasticizers for plastics, mainly PVC (polyvinyl chloride). It is also used to manufacture polyester resins, alkyd resins, polyols and pigments. Orbia produces phthalic anhydride at its Altamira petrochemical complex.

ANIQ: Acronym for National Association of the Chemical Industry (Asociación Nacional de la Industria Química) in Mexico.

AMEA: Acronym for the Africa, Middle East and Asia region.

AMANCO: Acronym for Mexichem Amanco Holding, S.A. de C.V., a holding company of PVC pipe producers andLatin America's leader in water conduction systems.

APAC: Acronym for the Asia-Pacific region.

ASTM: Acronym for the American Society for Testing Materials.

International Bonds, Notes or "Senior Notes": Debt instruments issued by the Company in Dollars in different international markets and not registered in the RNV. (See Section II of the Cover of this Annual Report) Senior Notes have a preferential payment priority over the rest of the Company's unsecured sovereign debt and are unconditionally secured by certain subsidiaries of the Company**.**

BMV: Acronym for Bolsa Mexicana de Valores, S.A.B. de C.V. (the Mexican Stock Exchange)

Building & Infrastructure (Wavin): Business group that is redefining the pipes and fittings industry today thanks to the creation of innovative solutions with longer shelf life and less installation work. This group, with customers in five continents, also develops sustainable technologies for water management systems, as well as home waterheating and cooling systems.

Camesa: Grupo Industrial Camesa, S.A. de C.V.

Stock Exchange Certificates or CEBURES: The negotiable instruments placed for public investorson the Mexican stock market, representing the individual participation of their holders in a collective debt oflegal entities or trust property.

CFE: Acronym for the Federal Electricity Commission (Comisión Federal de Electricidad), which is the agency in charge of generating, transmitting, distributing, and marketing electricity in Mexico.

Single Issuer Circular: The general provisions applicable to issuers of securities and other participants in the CNBV-issued securities market.

Clinker: An intermediate cement product made by mixing limestone, clay and calcined iron oxide ina kiln at about 1,450 degrees Celsius. One metric ton of clinker is used to make approximately 1.1 metric tons of gray Portland cement.

Chlorine: A pale green, gaseous chemical element belonging to the halogen group. Chlorine is used mainly to manufacture PVC, paint, insecticides, paper and dyes, as well as to kill bacteria in water.

CNBV: Acronym for the National Banking and Securities Commission (Comisión Nacional Bancaria y de Valores), a decentralized agency of the Ministry of Finance and Public Credit that supervises and regulatesfinancial institutions and issuers of securities o ensure their stability and proper functioning in Mexico.

Compounds: Physical mixtures of different materials made to achieve combinations of properties that cannot be obtained from the original materials. In the case of Orbia, at least one of the components in the compounds is polymer matrices, mainly PVC, but polyolefins, styrenes, and engineering plastics can also be used.

Acid grade concentrate or acid grade fluorite: Fluorite mineral (calcium fluoride) from which impurities are removed through a process of selective milling / flotation to comply with a chemical specification of calcium fluoride, 97% minimum content; silica (SiO2), 1.1% maximum content; calcium carbonate (CaCO3), 1.2% maximum content. It also complies with a physical particle size specification. Acid grade concentrate is used to manufacture HF (base for producing refrigerants), aluminum trifluoride, ceramics, propellants, nonstick coatings, among others.

Control (Control Group): The ability of a person or group of persons to perform any of the following acts:

a) Make, directly or indirectly, decisions at general meetings of shareholders, partners or equivalentbodies, or appoint or remove a majority of the directors, administrators or equivalent of a legal entity.

b) Maintain ownership of rights, directly or indirectly, to vote in respect of more than fifty percent of a legal entity's share capital.

c) Directing, either directly or indirectly, the administration, strategy, or major policies of a legal entity,whether through ownership of securities, by contract or by any other means.

Copolymer: The result of a two-monomer polymerization. The most common polymerization in the vinyl industry is the combination of vinyl chloride monomer with vinyl acetate monomer. The products obtained from this polymerization are called copolymers because two different types of monomer are linked. Copolymers impart different properties to homopolymers, the main one being a reduction in the softening point of a product for better processing and greater flexibility. It is used mainly to make floor tiles, packagingsheets and carpet bases.

Cracker: The system in which different petrochemical products are separated using steam at very high temperatures.

Coupon: The interest paid to bondholders on the face value of the bond.

Dollars: The legal tender of the United States, which is the Company's functional and reporting currency.

Data Communications (Dura-Line): Business group operating with the conviction that each organization, community and inhabitantof the planet deserves the chance to benefit as much as possible from modern technology. The Company produces over 400 million meters of essential and innovative infrastructure a year, including conduits, FuturePath, cables-in-conduit and fittings, which create the physical routes for fiber optics and other network technologies that connect cities, homes and people. Dura-Line is the global leader in the manufacture anddistribution of these products in a highly dynamic industry.

EBITDA: Acronym for earnings before interest, taxes, depreciation and amortization.

ECU: Acronym for electrochemical unit consisting of one unit of chlorine and 1.1 units of caustic soda.

EDC: Acronym for ethyl dichloroethane. It is a chlorinated hydrocarbon. It is a colorless liquid with a chloroform-like odor. The most common use of this is in the production of vinyl chloride, which is used to make polyvinyl chloride (PVC).

USA.: Acronym for the United States of America.

EMEA: Acronym for the Europe, Middle East and Africa region.

Ethylene: A gaseous, colorless and flammable hydrocarbon. It is widely used in the petrochemical industryas a raw material for manufacturing polyethylene and PVC resins, as well as ethylene oxide.

Euro or €: The legal tender of the European Union.

Eurostat: The Eurostat Economist Intelligence Unit.

Exploration: Work performed in the ground to identify mineral deposits, and to quantify and assess anyeconomically exploitable reserves they contain.

Exploitation: Work to prepare and develop the area comprising mineral deposits, as well as work to separate and extract mineral products in the deposits.

Fluorite: The trade name of the mineral calcium fluoride. It is an important industrial mineral composed of calcium and fluorine (CaF2). It is used in a wide variety of chemical, metallurgical, and ceramic processes.

Fluorita de México or FDM: Fluorita de México, S.A. de C.V.

Fluorocarbons: Chemical compounds containing carbon-fluorine bonds.

Aluminum Fluoride or AlF3: Aluminum trifluoride, an inorganic compound used in the electrolytic production of aluminum to lower its melting point, and as a flux.

Phosphates: Phosphoric acid salts or esters used in various industries, such as soap, soft drinks, food and water treatment.

Geosynthetics: Materials composed primarily of polymers such as polypropylene, polyester, polyamide and polyethylene that are transformed into sheets, mantles or three-dimensional structures to beused in contact with soils or other geotechnical materials for different purposes in the world of construction,such as road works, hydraulic works, erosion control systems and environmental activities, among others. The most common types of geosynthetics used in engineering are geotextiles, geogrids, geomembranes, geonets, geocomposites and mantles for erosion control.

Metallurgical grade: Fluorite ore selected for its calcium fluoride content and subjected to reduction in size and classification, defined in accordance with customer requirements, and used to produce steel andcement.

GRI: The Global Reporting Initiative, an organization created in 1997 by the Coalition of Environmentally Responsible Economies (CERES) and the United Nations Environment Programme (UNEP). The GRI developed the "Sustainability Reporting Standards" to improve the quality, rigor and usefulness of sustainability reports to be comparable to that of financial reports based on the triple bottom line of economic, social and environmental factors. In2016, the GRI launched the first global standards for sustainability reporting that allow all organizations to publicly report on their economic, environmental and social impacts and to show how they contribute to sustainable development.

Business group: The Company's divisions made up of one or more of the Company's businesses, as defined separately, with the shared commonality of solutions offered to meet macro demands such as water and food supply.

GWP or GWP Index: Acronym for Global-warming potential which is a relative measure of how much heat can be trapped by a given greenhouse gas, compared to a reference gas, usually carbon dioxide.

Sodium hypochlorite: A clear, slightly yellow (amber), aqueous solution with a characteristic penetrating and irritating odor, containing sodium hydroxide and sodium carbonate. It is widely used for cleaning products.

HDPE: Acronym for high density polyethylene. It is a commonly used thermoplastic and the most used of the three polyethylene's for a wide range of applications.

HIS-PVC: Acronym for suspension PVC resin with high-impact suspension-PVC properties.

Homopolymer: The product generated by combining or polymerization of several molecules ofa single type or monomer and which may have different characteristics in accordance with their chemical nature. In the case of PVC resins, the monomer used for polymerization is vinyl chloride (VCM), whose molecules, when joined together, produce what is called a homopolymer (many molecules of a monomer of the same type chemically linked to each other).

ICIS: Acronym for the Independent Chemical Information Service.

IFRS: Acronym for the International Financial Reporting Standards as adopted by the International Accounting Standards Board.

IHS Markit: Provider of information and analysis for the chemical and petrochemical sectors, among others.Formerly called CMAI and SRI.

Ingleside: Ingleside Ethylene LLC.

Invenergy: Invenergy Clean Power LLC.

ISO 9001: A standard developed by the International Standard Organization that applies to quality management systems (QMS), focusing on every aspect of quality management that a company needs tohave to manage and improve the quality of its products or services.

ISO 14001: A standard developed by the International Standard Organization specifying the requirements for an environmental management system (EMS), to allow an organization to formulate its policies andobjectives considering legal requirements and significant environmental impacts. It applies to environmental aspects that an organization can control and can expect to influence. It does not establish specific environmental performance criteria.

ISR: Income Tax.

JV or Joint Venture: means co-investment joint businesses.

Kaluz: means Kaluz, S.A. de C.V.

Fluorinated Solutions (Koura): World leader in the development, manufacture and supply of fluorinated products and solutions. It is the largest producer of Fluorite in the world and has a leading position in the industry of hydrofluoric acid, aluminum trifluoride ($AlF3$), refrigerant gases and medical propellants. Fluorinated Solutions has also started supplying fluorinated products to the energy storage industry. Fluorine plays a critical role in a wide range of industries, including automotive, chemical, semiconductor, communications, construction, and pharmaceuticals, among others. It has also become relevant as a key feedstock for various decarbonization solutions, such as lithium-ion batteries, renewable energy, and low-GWP refrigerants for mobile and stationary applications**.**

LMV: Acronym for the Securities Market Act.

LIBOR: Acronym for the London Interbank Offered Rate.

Mexico: The United Mexican States.

Metspar: A key raw material in steel production, that, when added to slag, becomes a competitive solution in removing impurities (such as sulfur) bringing benefits to high-end stainless steel. Metspar is a valuable additive in the production of clinker for the cement industry, increasing productivity and product yield.

Business: The organization of several companies and/or functions of the Company that together manufacture and market products, services and solutions under criteria of vertical integration, lower volatilityof their raw materials, a focus on specialty products and higher profitability. Each Orbia business has a clearmission and the resources to be more responsive, act quickly and be closer to its customers.

Precision Agriculture (Netafim): Business group that helps the world grow more with less. Netafim's state-of-the-art irrigation systems, services and digital agricultural technologies allow farmers to achieve significantly higher yields and better-quality food while using less water, fertilizers and other supplies. By helping them to grow more with less, Netafim enables farmers from across the world to feed the planet more efficiently and sustainably.

OECD: Acronym for the Organization for Economic Co-operation and Development.

ORBIA*: The stock ticker symbol for the Company's shares on the BMV.

Orbia, the Issuer, the Company, the Entity, the Company or the Group: means Orbia Advance Corporation, S.A.B. de C.V. and its subsidiaries.

OxyChem: Occidental Chemical Corporation.

PEMEX: Petróleos Mexicanos and/or any of its subsidiaries.

Pemex TRI (formerly Pemex Petroquímica or PPQ): Pemex Transformación Industrial is a subsidiary company of Petróleos Mexicanos. Its main purpose is the refining, transformation, processing, import, export, marketing, retail, preparation and sale of hydrocarbons, petroleum products, natural gas andpetrochemicals.

Peso, Pesos or Mexican Pesos: The legal tender in Mexico.

GDP: Gross Domestic Product.

Plastisol: A mixture of an emulsion-type resin (PVC), a plasticizer and other additives in a viscous liquid state (paste) at room temperature that has visco-elastic properties and, depending on the reference resin used, may behave like a dilatant or pseudoplastic. It is usually whitish in color, but this depends to a large extent on the additives used.

PMV: Petroquímica Mexicana de Vinilo, S.A. de C.V. which was a joint venture between Orbia and PEMEX until November 16, 2018, and is now a subsidiary of the Company.

Polymer Solutions: Business group that is as universal and dynamic as the materials it produces. It focuseson the production of general and special PVC resins, and other vinyl polymers with a wide range of applications, creating solutions that support its customers' everyday life, such as pipes, cables, floors, autoparts, household appliances, clothing, packaging and medical devices.

PROFEPA: The Federal Attorney for Environmental Protection, a decentralized administrative body of theMexican federal government's Ministry of the Environment and Natural Resources (SEMARNAT).

Stock Exchange Certificates Program: refers to (i) the program for issuing and placing a revolving Stock Exchange Certificates program for an amount of up to ten billion Mexican pesos or the equivalent in UDIs,authorized by the CNBV on March 15, 2012, through official notice number 153/8167/2012, for a term of upto 5 years and (ii) the program for issuing and placing revolving stock for an amount of up to 10,000 millionMexican pesos or the equivalent in UDIs authorized on November 3, 2017, by the CNBV through official document number 153/10875/2017, for 5 years (maturity date: November 3, 2022). These certificates were cancelled during 2021.

Basis point: A common unit of measure for interest rates and other percentages in finance. One basis point is equal to 1/100th of 1%.

PVC or Polyvinyl Chloride: A thermoplastic resin obtained from the polymerization of vinyl chloride. PVC can be produced using four different processes: suspension, emulsion, mass and solution. PVC resins areused mainly in the construction industry for cable and wire insulation, door and window frames, water and sewer ducts and pipes, floors, tiles, etc. It is also used to make, among other things, dolls, balls and inflatabletoys. In the automotive industry, it is used in door panels, dashboards, seat upholstery, moldings, electricalcables, air and oil filters, automotive sealants and harnesses. In the textile industry, it is used to make synthetic leather and canvases. In the packaging industry, it is used to manufacture cylinders and bottles for purifiedwater and cleaning products, films for food wrappers, sheeting for medicine packaging. In the medical sector,it is the main material used to make bags for serum and blood, as well as other accessories for healthcare.

Quimir: Quimir, S.A. de C.V., a subsidiary of Orbia, part of the Polymer Solutions business group, which produces industrial and food phosphates.

Reais, "Real" or "R$": means the legal tender of Brazil.

Regulation S: means Regulation S under the US Securities Act.

Rule 144-A: means Rule 144-A under the US Securities Act.

Refrigerants: gases used for refrigeration and air conditioning. They are compounds or mixtures of organicchemical compounds containing mainly hydrogen, carbon, fluorine and chlorine.

Credit risk: the possibility of loss of different economic agents due to non-compliance with the payment obligations contracted by the counterparty that requested monetary resources.

RNV or Registry: means the National Securities Registry of the CNBV.

PVC Resins or Vinyl Resins: plastic resins produced by polymerization of vinyl monochloride (VCM).

Extender Resins: PVC resins used in Plastisols as an additive with two functions: to help lower viscosity and reduce formulation costs without affecting Plastisol properties.

Roskill Consulting: Global metals and minerals research company.

Brine: An aqueous solution saturated with sodium chloride or common salt.

SEC: US Securities and Exchange Commission, the US federal agency in charge of regulating the country's financial markets.

Petrochemical sector: The predominant sector of companies and/or public and/or private entities engagedin the manufacture and marketing of petroleum products and/or natural gas.

Chemical sector: The predominant sector of companies and/or public and/or private entities manufacturingchemical products in general.

Senior Notes: means A type of bond that takes precedence over other debts in the event that the company declares bankruptcy and is forced into liquidation.

Caustic soda: The trade name of sodium hydroxide, NaOH, which is widely used in the alumina, soap and detergent industry and the chemical industry in general.

Suspension: The system in which small particles of a solid or liquid are suspended within a liquid or gas. Inthe case of PVC resins, this refers to the production process in which vinyl monochloride (VCM) is suspended in small droplets in water to polymerize and produce PVC resins.

T-Bill: Treasury Bond of the United States of America: A Treasury bill is a short-term debt obligation of the US government, backed by the Department of the Treasury with a maturity of one year or less.

Holder(s): The holders and/or owners of the various securities issued by the Company, including but not limited to outstanding shares, Stock Exchange Certificates, Sustainable Bonds and/or Senior Notes.

TIIE: Acronym for Interbank Interest Rate of Equilibrium, which is published by Banco de México and servesas a reference for credit contracting in Mexico.

TPA: Acronym for metric tons per year (one metric ton is equal to 1,000 kilograms or 2,204.6 pounds).

UDIS: Investment Units, adjusted by the inflation rate recognized by Banco de México.

European Union or EU: The EU is a unique economic and political union comprising 27 European countriescovering a large part of the continent, including Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic,Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain and Sweden.

VCM or MCV: stands for vinyl chloride monomer. It is an important chemical intermediate used almost exclusively to produce polyvinyl chloride (PVC) resins.

Vestolit: Vestolit, GmbH, a subsidiary of Orbia, part of the Polymer Solutions Group and specializing in the manufacture and marketing of resins and derivatives.

WVA: stands for World Vinyl Analysis of IHS Markit Chemical World Analysis - Vinyls.

b) Executive Summary

This summary does not purport to contain all the information that may be relevant for making investment decisions regarding the securities mentioned herein. Investors should therefore read the whole Annual Report, including financial information and related notes before making an investment decision. This summary has been prepared in accordance with and subject to the detailed information and financial statements contained in this Annual Report. It is recommended that special attention be paid to the "Risk Factors" section of this Report in order to assess an investment decision in the securities issued by Orbia (*See section 5 "Capital Markets", item b, "Stock Market Performance*" of this Annual Report).

The Company publishes its financial statements in Dollars. Unless otherwise specified, references in this Annual Report to "$", "Dollars" or "dollars" shall be understood in United States dollars, and references to "Peso" or "Pesos" shall be understood in Mexican pesos.

The audited consolidated financial statements as of December 31, 2021, 2020, and 2019 and for the yearsthen ended have been prepared in accordance with IFRS. The accounting standards comprise various provisions known as IAS (International Accounting Standard), IFRIC (International Financial Reporting Interpretations Committee) and SIC (Standard Interpretation Committee).

The figures included in this Annual Report have been rounded to millions of dollars (except as otherwise indicated), whereas the figures presented in the Company's financial statements that form part of this Annual Report have been rounded to thousands of dollars (unless otherwise indicated) for convenience ofpresentation. The percentage figures in this Annual Report have not, in all cases, been calculated based on those rounded figures, but instead are based on the amounts before rounding. For this reason, the percentage figures in this Annual Report may vary from those obtained by making the same calculations using the figures in the financial statements. Certain figures shown as totals in certain tables may not be the arithmetic sum of the figures preceding it, as a result of rounding.

This Annual Report includes forward-looking statements. Such statements are subject to certain known andunknown risks, uncertainties and other factors, some of which are beyond the issuer's control, and could cause the results, performance or achievements expressed or implied in such forward-looking statements to differ materially from actual results. Forward-looking statements feature terms such as "considers," "expects," "forecasts," "projects," "plans," "estimates," "anticipates," and other similar expressions and are contained, among others, in the *"Executive Summary," "Risk Factors," "Discussion and Analysis of FinancialPosition and Operating Results by Management"* and *"Business Overview"* sections.

As a result of the new strategy and global reorganization undertaken by Orbia, and the need to re-launch anidentity and image consistent with the mission, vision, philosophy and worldwide presence of the Company,on August 26, 2019, the Extraordinary General Shareholders' Meeting of Mexichem, S.A.B. de C.V., decidedto approve the change of its corporate name to ORBIA ADVANCE CORPORATION, S.A.B. de C.V., as such, the investing public should consider that for the purposes of this Annual Report, the new corporate name is used even for events, information, stock quotes, and circumstances that occurred before August 26, 2019.

1. **The Company**

Orbia is a Mexican shareholding business corporation, domiciled in Mexico City. Its main address is Avenida Paseo de la Reforma 483, piso 47, Colonia Cuauhtémoc, Alcaldía Cuauhtémoc, Ciudad de México, Código Postal 06500. Mexico.

Driven by purpose and unified by values, Orbia chooses to work on the toughest challenges; from field to table, ground to home, mine to market and lab to everyday life, we rely on our collective ingenuity and our integrated supply chain to transform basic and advanced materials into greener, smarter, more efficient solutions.

The Orbia businesses and affiliated commercial brands have a collective focus on ensuring food security, reducing water scarcity, connecting communities to data infrastructure, reinventing the future of cities and homes and expanding access to health and wellness with basic and advanced materials. The Company's business groups are Precision Agriculture, Building & Infrastructure, Fluorinated Solutions, Polymer Solutions and Data Communications that collectively seek human-centered solutions for global challenges. Orbia has commercial activities in more than 110 countries and operations in 50, with offices in Mexico City, Boston, Amsterdam and Tel Aviv.

The Company's strategy is to 1) harness the power of material, science and innovation to serve customer needs, address critical world problems, and provide sustainability solutions; 2) invest in growth, leveraging our uniquely advantaged positions to bring differentiated and value-added solutions to market; 3) maximize the value of integration across Orbia and the value chains in which we participate; and 4) create value as good stewards of capital and disciplined operators.

Each business group is discussed in more detail below:

i) Polymer Solutions (Vestolit and Alphagary, represented 39% of Orbia's sales in 2021). Polymer Solutions is as universal and dynamic as the materials it produces. It focuses on the production of general and special PVC resins and other vinyl polymers with a wide variety of applications, generating solutions that support the daily lives of its customers such as pipes, cables, floors, auto parts, appliances, clothing, packaging and medical devices.

ii) Building and Infrastructure (Wavin, represented 33% of Orbia's sales in 2021). This Business Group is redefining today's pipe and fittings industry by creating innovative solutions with longer life and less installation work. This group, with clients on five continents, also develops sustainable technologies for water management systems, as well as systems for heating and cooling water in homes.

iii) Precision Agriculture (Netafim, represented 13% of Orbia's sales in 2021). Precision Agriculture helps the world to grow more with less. Precision Agriculture's cutting-edge digital farming technologies, services and irrigation systems enable farmers to achieve significantly higher yields and better-quality food while using less water, fertilizer and other inputs. By helping farmers grow more with less, Precision Agriculture enables farmers around the world to feed the planet more efficiently and sustainably.

iv) Data Communications (Dura-Line, represented 11% of Orbia's sales in 2021). Data Communications operates under the belief that every organization, every community, and every inhabitant on the planet deserves the chance to benefit to the fullest from modern technology. The Company annually produces more than 400 million meters of essential and innovative infrastructure, including conduit, FuturePath, cables-in-conduit and accessories, which create the physical pathways for fiber optics and other network technologies that connect cities, homes and people. Data Communications is the world leader in the manufacture and distribution of such products in a highly dynamic industry. Data Communications is the world leader in conduit and a leading company in HDPE based products for cable and fiber optics, as well as pressurized pipes from natural gas and other solutions.

v) Fluorinated Solutions (Koura, represented 8% of Orbia's sales in 2021). Fluorinated Solutions provides products, technologies and other applications of fluorinated materials that support modern life in countless ways. With the world's largest fluorite mine, solid knowledge and vast production experience, this group develops value-added chemicals, as well as propellants and advanced materials used in a wide range of applications, including automotive, infrastructure, health and medicine, HVAC and food cold chain.

For more information on market shares see Section 2, "The Issuer", item b, "Business Description" for each business group, of this Annual Report.

In 2021, Orbia's net revenues of $8,783 million increased 37% as compared to 2020. Primary drivers of the year over year increase included high PVC prices in Polymer Solutions and higher demand in Building & Infrastructure.

In 2021, Orbia's EBITDA of $2,047 million increased 55% as compared to 2020 and EBITDA margin increased approximately 280 basis points to 23.3%. The increase in EBITDA was largely driven by Polymer Solutions and Building & Infrastructure.

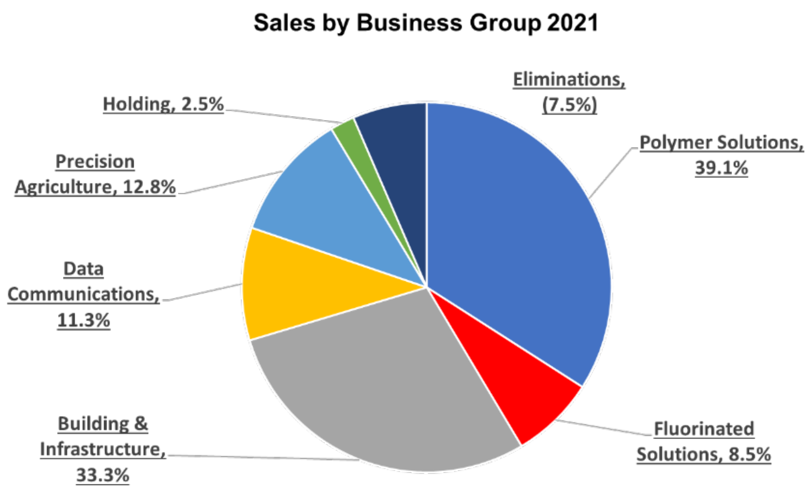
In 2020, Orbia's net sales were $6,420 million. Revenue decreased by 8% from the previous fiscal year due to the adverse impact of the COVID-19 pandemic, mainly in the second quarter, which was not fully compensated by the strong recovery in the second half.

In 2020, EBITDA was $1,318 million, a decrease of 3% from 2019 due to the adverse impact of the COVID-19 pandemic. This impact was mitigated by the sustained recoveryduring the last half of the year, led by Polymer Solutions and Building & Infrastructure, complemented by costmanagement initiatives in all the businesses. EBITDA margin increased 100 basis points to 20.5%.

In 2019, Orbia's net revenues of $6,987 million decreased by 3% as compared to 2020.The decrease was driven primarily by challenging market conditions in Polymer Solutions, which caused lower prices for caustic soda and PVC, lower sales in Building & Infrastructureand Data Communications, and Fluorinated Solutions being affected by illegal imports of refrigerant gases to Europe.

The 2019 EBITDA was $1,365 million, 2% lower than that achieved in 2018, due to a reduction in sales, partially offset by a better product mix in both Data Communications and Precision Agriculture and lower raw material costs. In 2019, the EBITDA margin was 19.5%, or 14 basis points better than the level achieved in 2018.

The following graphs show the breakdown of the percentage share by business group in total sales for the year 2021, after inter-company eliminations within Orbia.



	Year Ended 31st December:		
	Sales (1)		
Business group	**2021**	**2020**	**2019**
Polymer Solutions	3,438	2,171	2,334
Building & Infrastructure	*2,922*	2,071	2,239
Data Communications	*994*	732	749
Precision Agriculture	*1,126*	972	1,063
Fluorinated Solutions	744	698	805
Controller	215	184	97
Eliminations	(656)	(408)	(300)
Total Orbia Sales	**8,783**	**6,420**	**6,987**

(1) Figures in millions

The products manufactured and marketed by Orbia's five business groups hold leading market positions in the markets of countries where the Company has a presence.

2. Select Financial Information

The consolidated financial statements have been prepared based on the International Financial Reporting Standards (IFRS) or IFRS (International Financial Reporting Standards, for its acronym in English) and have been prepared on the basis of historical cost, except for the revaluation of certain long-term assets and financial instruments that are valued at their fair values.

The following tables present selected financial information of Orbia for each of the periods indicated. This information should be read together with the Company's audited financial statements as of December 31, 2021, 2020, and 2019, including the related disclosures, that are attached to this Report.

Consolidated statements of income (Figures in millions of US Dollars)	2021	2020	2019
Continuous operations:			
Net sales	**$8,783**	**$$6,420**	**6,987**
Cost of sales	6,156	4,651	5,114
Gross profit	**2,627**	**1,769**	**1,873**
Selling and development expenses	573	507	539
Administrative expenses	600	508	468
Other costs, net	6	33	43
Exchange gain	(78)	(102)	(49)
Exchange loss	110	104	68
Interest expense	248	239	272
Interest income	(16)	(10)	(14)
Change in fair value of redeemable non-controlling interest	28	10	18
Monetary position profit	4	1	-
Participation in the results of associates	(1)	(1)	(4)
Income before income taxes	1,154	479	533
Income taxes	381	151	206
Income from continuing operations	773	328	327
discontinued operations:			
Income (loss) from discontinued operations, Net	-	(10)	-
Consolidated net income for the year	**772**	**319**	**327**
Consolidated net income for the year:			
Controlling interest	657	195	207
Noncontrolling interest	115	124	120
Continuous operations:	**$772**	**$319**	**$327**
Earnings per share of the controlling interest	$0.33	$0.10	$0.10
Weighted average number of shares outstanding	1,992,657,096	2,024,791,839	2,067,362,601

Consolidated statements of financial position	As of December 31:		
(Figures in millions of US dollars)	**2021**	**2020**	**2019**
Assets			
Current assets:			
Cash and cash equivalents	$782	$875	$586
Accounts receivable, net	1,595	1,325	1,352
Accounts receivable from related parties	1	5	5
Inventories, Net	1,292	861	834
Advance payments	50	60	65
Derivative financial instruments	3	20	0
Assets held for sale	3	10	9
Total current assets	**3,724**	**3,156**	**2,852**
Non-current assets:			
Property, machinery and equipment, Net	3,051	3,186	3,349
Right-of-use assets	346	323	337
Investment in shares of associates	40	39	3. 4
Other assets, Net	104	69	89
deferred taxes	174	200	126
Employee benefit asset	17	13	14
Intangible assets, Net	1,617	1,734	1,766
Goodwill	1,514	1,491	1,492
Total non-current assets	**6,862**	**7,055**	**7,205**
Total assets	**10,587**	**10,211**	**10,057**
Liabilities and stockholders' equity			
Current liabilities:			
Bank loans and current portion of long-term debt	240	495	322
Providers	1,046	788	679
Letters of credit to suppliers	459	538	585
Accounts payable to related parties	1	1	101
Other accounts payable and accrued liabilities	521	467	478
dividends payable	1	3	134
Provisions	29	33	52
Employee benefits	226	160	128
Short-term lease liabilities	86	82	78
Derivative financial instruments	34	14	13
Liabilities associated with assets held for sale	-	6	6
Total current liabilities	**2,643**	**2,588**	**2,577**

Consolidated statements of financial position	As of December 31:		
(Figures in millions of US dollars)	2021	2020	2019
Non-current liabilities:			
Bank loans and long-term debt	3,280	3,131	3,129
Employee benefits	221	274	229
Long-term provisions	17	21	-
Other long-term liabilities	41	31	36
Redeemable non-controlling interest	316	274	264
Derivative financial instruments	17	95	67
deferred taxes	318	314	335
Long-term finance leases	281	263	267
Long-term income tax	49	42	35
Total non-current liabilities	**4,539**	**4,444**	**4,385**
Total liabilities	**7,182**	**7,032**	**6,963**
Stockholders' equity:			
Contributed capital			
Social capital	256	256	256
Premium on issuance of shares	1,475	1,475	1,475
Update of share capital	24	24	24
	1,755	**1,755**	**1,755**
Earned Capital			
Accumulated utilities	966	1,108	1,059
Redeemable non-controlling interest	(241)	(227)	(227)
Reserve for acquisition of own shares	851	400	296
Other comprehensive income	(594)	(543)	(508)
	981	**738**	**620**
Total controlling interest	**2,737**	**2,493**	**2,375**
Total non-controlling interest	668	687	719
Total Stockholders' Equity	**3,404**	**3,180**	**3,094**
Total liabilities and stockholders' equity	**$10,587**	**$10,211**	**$10,057**

Financial indicators
(Figures in millions of US dollars)

Indicators	2021	2020	2019
Investments in property, plant and equipment	286	204	261
Depreciation and amortization for the year	598	598	542
EBITDA	2,047	1,318	1,365
Accounts receivable turnover (days)	48	53	51
Average supplier payment term (days)	61	61	48
Inventory turnover (days)	63	66	60

3. Information on the performance of the securities issued by Orbia in the stock market.

During the last three fiscal years included in this Annual Report, ORBIA* shares have been part of the BMV's Price and Quotation Index ("IPC"). Due to the significant daily trading volume of the Company's shares in the Mexican stock market, as of March 2022, the shares remain in the HIGHLY TRADED category. (See section 5,"Equity Market" item b, "Performance of shares in the Stock Market", of this Annual Report).

Additionally, ORBIA* shares are part of relevant indices such as:

Sustainability Index of the Mexican Stock Exchange
FTSE4Good Emerging Markets Sustainability Index
S&P/BMV-INDU RT
S&P/BMV-INDU
S&P/BMV-CONST RT
S&P/BMV IRT MidCap
S&P/BMV IRT CompMx
S&P/BMV IRT
S&P/BMV IPC MidCap
S&P/BMV IPC CompMx
S&P/BMV IPC
S&P/BMV INMEX
S&P/BMV DIBOL
S&P/BMV DDBOL
MSCI EM
BURSA OPTIMO RT

4. Outstanding events in the period 2021-2019.

2021:

- On January 7, 2021, Orbia announced that, as it had reported on several occasions, in the ordinary course of business, the Company continually explores opportunities to create value for its shareholders, including potential alliances, mergers, acquisitions, sales and other strategic transactions. Accordingly, Orbia evaluated value creation opportunities, including the possible sale and/or strategic alliances in relation to its Polymer Solutions (Vinyl Business). Orbia did not enter into any binding contract to carry out any specific transaction and has no current plans to do so.

- In early 2021, Orbia announced a partnership with the Resilient Cities Network (R-Cities), the world's leading network of cities. Through the Building & Infrastructure, Precision Agriculture and Data Communications groups, Orbia will work with R-Cities members to develop innovative solutions to current challenges such as transportation infrastructure, water supply, urban food systems and connectivity, which can improve the quality of urban life. These initiatives will contribute to the Company's progress towards three Sustainable Development Goals.

- On January 19, 2021, Orbia announced the appointment of Sameer S. Bharadwaj as the new General Director effective February 1, 2021, after Daniel Martínez-Valle resigned from said position by mutual agreement with the Board of Directors. Management.

- On February 25, 2021, Orbia informed the investing public that CAPEX would be between $350 to 400 million for the year.

- On March 15, 2021, Orbia reported that Precision Agriculture signed a definitive agreement for the acquisition of Gakon Horticultural Projects, the Dutch leader in turnkey greenhouse projects. The acquisition is synergistic, combining the global presence and expertise of Precision Agriculture and Gakon's greenhouse technology. Gakon brings unique experience in all aspects of greenhouse project execution, greenhouse manufacturing capabilities and a proven track record in key verticals.

- In April 2021, the Company entered into an agreement to purchase all of the shares of Gakon Holding B.V and Gakon S.p.z.o (Gakon).

- On May 6, 2021, Orbia Advance Corporation, S.A.B. of C.V. carried out the issuance and placement of Bonds Linked to Sustainability in the international capital markets: it issued $600 million dollars in senior notes maturing in 2026 (5 years) at an annual rate of 1.875%, and $500 million dollars in senior notes maturing in 2031 (10 years) at an annual rate of 2.875%. The issue received a Baa3 credit rating from Moody's, BBB- from S&P and BBB from Fitch Ratings.

- Orbia applied the resources obtained to prepay existing debt and for general corporate purposes. With this, Orbia's debt profile improved significantly by extending the average maturity of the Company's credit liabilities to 14 years, with no significant maturities before 2026.

- On May 13, 2021, Orbia announced the acquisition of a majority stake in Shakun Polymers Private Limited ("Shakun"), a private, family-owned company that is a market leader in the production of compounds for the wire and cable markets in the Indian subcontinent, Middle East, Southeast Asia and Africa. The acquisition took place on June 22, 2021. Shakun's product development focuses on halogen-free flame retardant compounds and PVC-based compounds for power and data cables. In addition, Shakun's semiconductive and cross-linkable compounds extend Alphagary's product portfolio and offer a platform for growth to meet customer requirements, which should bring synergies to the operations of the Polymer Solutions group. Orbia has fully consolidated Shakun’s results into the Polymer Solutions business group.

- On May 26, 2021, the Company made an advance payment of $328 million of its $70 million issuance of Senior Notes, which would otherwise mature on September 19, 2022. These notes paid an annual interest rate of 4.875% in semi-annual installments.

- On June 10, 2021, Orbia made the total early amortization of the ORBIA 12 Stock Certificates (formerly "MEXCHEM 12") dated March 21, 2012. The early amortization price was $3,068,891,451.23 M.N.

- On July 21, 2021, at the Issuer's General Ordinary Shareholders' Meeting, the Board of Directors accepted the resignation of the Director, Anil Menon, and agreed to appoint Mihir A. Desai, a prominent economist from Brown University and Harvard University, to replace him.

- On August 23, 2021, Orbia announced the appointment of James P. Kelly as Senior Vice President of Finance (Chief Financial Officer). Mr. Kelly commenced his duties at Orbia on August 30, 2021, and is located at Orbia's corporate headquarters in Boston, Massachusetts. Mr. Kelly replaced Edgardo Guillermos Carlos, who announced his resignation on June 17, 2021.

- On August 23, 2021, Orbia reported that it made the first issuance of Euro Commercial Paper for an amount of €30 million (thirty million euros), through the placement of promissory notes, at a cost of 0.35%, with a maturity date up to September 23, 2021. The notes were issued under the Euro Commercial Paper Program established by Orbia on June 2, 2021, for an amount of up to €750 million (seven hundred and fifty million Euros) with issues that will be valid for less than one year and will not be listed on any stock exchange (the “Program”).

- Orbia carried out the repurchase of shares for an amount of $37 million. In accordance with the approval granted by its shareholders, Orbia also cancelled 90 million treasury shares.

- On September 21, 2021, Orbia completed the prepayment of the remainder of its senior note of $750 million due in 2022.

- On November 1, 2021, Orbia’s Fluorinated Solutions business acquired Silatronix, a Madison, Wisconsin-based Company. Silatronix has expertise in fluorosilane additives for Lithium-ion batteries and has an industry-wide reputation for developing innovative solutions that deliver improved battery safety and performance in a range of applications, from electric vehicles to stationary, grid-scale storage.

2020:

- On January 10, 2020, the Company informed the investing public that, as part of its strategy, it continuously seeks business opportunities, as well as options for acquisitions, sales, mergers and any other financial transactions that allow it to maximize shareholder value. In this context, the Company announced that it was in the process of analyzing divestiture options or strategicalliances with third parties for its Polymer Solutions business, without there being certainty or approval on the completion of any transaction at the time.

- On March 5, 2020, the Company notified its agent bank with which it had entered into a $1.5 billion Revolving Line of Credit agreement on June 21, 2019, that the line of credit would be reduced by $500 million, leaving a remaining available balance of $1 billion. The revolving line of credit bears monthly interest at LIBOR plus 1.05%. The loan principal is repayable in a single installment upon maturity on June 21, 2024. On March 27, 2020, the Entity drew down the remaining full amount of the available line of credit, which was repaid during 2020 as follows: $400 million on September 30, $350 million on October 30, $175 million on November 30 and $ 75 million on December 30.

- In March 2020, the World Health Organization ("WHO") declared Coronavirus disease ("COVID-19") a global pandemic. Orbia took comprehensive measures to protect employees, customers and communities from the risks associated with the COVID-19 pandemic, including those summarized below:

- It maintained strict health and safety measures at all its operating sites.
- It introduced staggered back-to-work protocols, when applicable, for essential sites and facilities.
- It continued restricting all non-essential business travel, as well as promoting remote working for a large section of employees at a global level.
- It continued using digital tools to work efficiently and drove innovation while improving digital infrastructure to adapt, increase volume and satisfy customer needs.
- It increased online training and learning, while extending remote medical support and healthcare access to all employees.
- It implemented the employee assistance program in certain regions to offer medical and psychological support, which will continue after the COVID-19 pandemic.

The majority of Orbia’s facilities and plants remained in operation through the pandemic, and the supply chain was practically unaffected. The Company also adapted its production processes, streamlining prototype creation periods to supply essential medical equipment and materials, including the thousands of inhalers that use its propellants or adaptable critical care equipment, rapid COVID-19 test devices, sanitation tents and health evaluations; as well as medical grade personal protective equipment manufactured with its plastics.

The most significant effects on Orbia´s financial performance included a decrease in sales resulting from a decline in demand mainly during the months of April and May 2020. Orbia also made use of lines of credit as precautionary measures in the face of the uncertainty resulting from the COVID-19 emergency.

- On May 29, 2020, Orbia informed the investing public that, due to the impact of the COVID-19 pandemicon the world economy and capital markets, it had decided to pause efforts related to a possible divestitureor other strategic option for its Polymer Solutions business. The Company stated that it had decided to wait for a stable environment that would allow it to maximize its shareholder value in a potential transaction, adding that the Company believes that Polymer Solutions is a solid business with aunique global position and strong cash flow generation and that will continue to drive its sustainable and profitable growth.

- On September 16, 2020, the Company set up a U.K. Commercial Paper Program for £300 million PoundsSterling through the issuance of promissory notes with the Bank of England and Her Majesty’s Treasury (HM Treasury) under the Covid Corporate Financing Facility. These promissory notes expired on May 18, 2021; the annual cost of the equivalent line in US dollars was 0.74%, and they were not listed on any stock exchange. The Company gained access to this financing option offered by the Bank of England during the COVID-19 pandemic due to its operations and presence in the United Kingdom. This trade paper program reduced the Company’s overall cost of financing and the uncertainty caused by the pandemic.

- On November 18, 2020, Orbia completed its first corporate venture capital transaction through an investment in SeeTree, a leading start-up in the agricultural technology sector with a focus on tree cultivation. SeeTree uses military grade telecommunications, surface sensors, artificial intelligence and machine learning in an integrated manner to prevent pests in trees and to maximize productivity at a lowcost. Precision Agriculture is partnering with SeeTree to incorporate the company’s advanced technology into its solutions offering. This investment represents a significant step for Orbia and Precision Agriculture towards driving the development of conscious and profitable agriculture.

- On December 31, 2020, the Company recorded a reserve of $25 million in connection with the investigation of Vestolit GmbH by the European Union competition authorities. On January 15, 2021, a fine of €22.367 million was paid to the European Union competition authorities, putting an end to the matter.

- In April 2020, to better enable operational and financial decision making and analysis, the Company redefined its business group structure from Vinyl, Fluor and Fluent, to Building and Infrastructure, Data Communications, Precision Agriculture, Fluorinated Solutions and Polymer Solutions.

2019:

- On August 26, 2019, at the Company’s Shareholder’s Meeting, the Shareholder’s approved the change of the Company’s corporate name to Orbia Advance Corporation, S.A.B. de C.V. to reflect the new strategy and global reorganization and restructuring undertakenby the Company, and to align its image in accordance with its mission, vision and philosophy.

- On June 24, 2019, the Company informed the investing public that it had signed the renewal of itsrevolving credit line for $1,500 million dollars, with a 5-year maturity and upgrading different clauses and conditions in line with its investment grade rating based on the Standard & Poor´s ratings ('BBB-' global scale and 'MXAA/MXA-1+' national scale), Fitch Ratings ('BBB' global scale and 'AA+(mex)' national scale) and Moody´s ('Baa3' global scale). The revolving credit can be used for anycompany purpose, including acquisitions, debt refinancing and the financing of commercial transactions, among others. This arrangement replaced a 2014 arrangement with a term of 5 years with a syndicate of 10 of the most globally renowned banks.

5. Subsequent events (2022)

- On February 1, 2022, Orbia's Building and Infrastructure business, Wavin, acquired 67% of the shares of Vectus Industries Limited "Vectus", a privately held manufacturer of plumbing and drainage pipes and the market leader in water storage tanks in India for $132 million paid in $108 million of cash and $24 million of other consideration at closing, subject to customary working capital and net indebtedness adjustments.

  With this acquisition, Orbia's Building and Infrastructure businesses will operate at the forefront of India's quickly growing water management industry, supplying customers in the residential, commercial, industrial, infrastructure and agricultural sectors.

  The Company began consolidating Vectus's results as of February 1, 2022.

c) Risk Factors

When deciding whether to invest in securities issued by Orbia, investors must carefully consider, analyze, and evaluate all the information contained in this Annual Report, and in particular, the risk factors described below, which could have a material adverse effect on Orbia's performance and profitability, its financial situation, or the results of its operations and its liquidity.

The risks and uncertainties described below are not an exhaustive list. Additional risks and uncertainties of which the Company's management have no knowledge could also affect business operations. Any of the following risks, should they arise, could adversely and materially affect the business, it results of its operations, prospects and financial condition. In such a case, the market price of the Company's CEBURES (Stock Exchange Certificates, if any are outstanding), Senior Notes and the shares of ORBIA* may decline and investors may lose all or part of their investment.

(a) **Risk Factors related to Orbia's business**

The cyclical nature of the global chemical industry can decrease business results and margins

Some industries in which the Company operates, including the markets in which the Company competes, are cyclical. Such industries are sensitive to changes in supply and demand and are affected by the political and economic conditions prevailing in the different countries and regions of the world in Orbia has a presence. This cyclical trendcan reduce the Company's net sales and margins, especially:

- Unfavorable economic changes in business and the general economy may cause demand for the Company's products to fall; particularly those in the residential, commercial or industrial construction industry being strongly tied to the stability or instability that prevails in each country;

- Considering the competitive environment in which Orbia operates, lower demand can put pressure onthe prices of its products;

- The market dynamics of supply and demand for both its products and its raw materials, and the otherraw materials that affect them, may result in fluctuations in the prices of some or all of its products or its raw materials, which could affect its sales or margins

Due to the cyclical nature of the global chemical industry, historically the international chemical market hasexperienced changing periods of limited supply, which has caused prices to increase and profit margins to increase, followed by an expansion of production capacity, resulting in oversupply with lower prices and profit margins. Orbia sets prices for the products the Company sells based on international market prices. The chemical industries in Europe and Latin America have become increasingly integrated with the global chemical industry for a variety of reasons, including increased demand and consumption of chemicals in these regions, as well as the continued integration of regional and global product markets. The Issuer's net sales and gross margins are tied to global industry conditions that it cannot control. The Company is particularly sensitive to the economic cycles that affect the construction, infrastructure, agricultural and automotive industries.

Throughout history, demand has been vulnerable to such circumstances. This vulnerability can lead to significant changes in the Issuer's quarterly operating results or its annual results, limiting its ability to forecast its operating performance, cash flows and financial position.

The Company's operations are heavily dependent on the energy and petrochemical industries.

The energy and petrochemical industries, including the markets in which the Company operates, are cyclical and have historically undergone periods of slowdown and sometimes recession. The demand for some of its products and services, as well as the supply of some of its raw materials depend on the level of investment by companies in the energy industry, which in turn depends in part on the overall price levels of oil, natural gas and other energy sources. Oil prices have been highly volatile in recent years. A continued decline in its customers' investments in this industry, whether due to a decrease in oil or natural gas prices, could cause delays in its customers' projects, and thus demand for some of its products and services or a lack of supply of some of the raw materials and cause pressure on the expected prices of its products or costs of its raw materials, which in turn could have a material adverse effect on Orbia's operating results, cash flows and financial position.

Some of Orbia's customers or suppliers also depend on oil and natural gas production levels. Interruptions or decreases in the production of such supplies, due to various circumstances beyond the Company's control, including adverse weather conditions, accidents, decreased access to the financial system, labor contingencies, work stoppages, strikes, or others, may cause delays in customers' investment projects or increases in the production costs of it's the Company's raw materials which may impact the Company's results from operations, cash flows and financial position.

The Company's inability to meet market needs due to lack of development of new products, production technologies, access to new technologies, or development of substitutes could adversely affect its competitive position.

The markets for many of the products produced by the Company require continuous improvements in quality and performance. To remain competitive, the Company must develop and market products that meet market needs in a timely manner. Additionally, rapid changes in the marketplace may shorten the life cycle of the Company's existing products, thus impairing the Company's ability to recover its investments in those products. If the Company is unable to keep pace with technological improvements and market demand, its operating results and financial position could be adversely and significantly affected.

In addition, development of new technologies could result in the creation of new products or raw materials that will replace those we currently produce or use. If the Company is unable to compete with such new products or access new needed raw materials, its results of operations could be adversely and materially affected.

The Issuer's success in the industries in which it operates depends largely on improvements in the products it develops, implements and that are accepted in the marketplace. its ability to adapt quickly and to develop new products and technologies that can be updated according to the evolution of the industry and to offer reasonable prices to its customers will determine its competitiveness within the markets in which it operate and to this effect the Company invested in research and development activities. However, competitors may develop disruptive products or technologies that are superior, or they may develop more efficient or effective methods for providing related products and services, or they may adapt more quickly than the Company to new products or related technologies or changing customer demands. If Orbia's products and technologies are not able to gain market acceptance because it fails to innovate them or because its competitors offer more attractive products, this may adversely affect its business, financial position and operating results.

The Company's business is subject to risks generally associated with international commercial operations and its net earnings and sales could be adversely affected by the economic conditions and outlook in the countries in which we operate

Orbia markets its products in more than 110 countries. The Company participates in manufacturing and other commercial activities on six continents. As a result, the Company is, and will continue to be, subject to the risks generally associated with international manufacturing and distribution, the adverse economic conditions and other political, social and regulatory conditions in the countries where it conducts business that may impact the demand for its products and, ultimately, its net earnings and sales, including:

- Government regulations on manufacturing and/or foreign investment activities;
- Modifications to policies on customs or trade tariffs on import or export from and to countries;
- Changes in social, political and economic conditions;
- Freight delays;
- Blackouts or shortages of electricity and other public services;
- Restrictions on currency conversion and volatility in foreign exchange markets;
- Restrictions on skilled labor and changes in local working conditions;
- Restrictions related to the sale of products, including trademarks, in connection with third party intellectual property rights;

- Difficulties in complying with contractual obligations in jurisdictions outside of Mexico, as well as in
- collecting accounts abroad;
- Environmental regulations;
- Tax reforms and other laws and regulations;
- Recessionary conditions or negative or slow economic growth rates;
- Changes in local or international interest rates that affect the exchange rate; and
- Austerity measures and reduction or elimination of subsidies and incentives to the industries in which we operate.

Some of the countries in which Orbia operates have experienced political and social instability in the past and interruptions or cessation of operations may occur at any of the production facilities or distribution networks in those countries. Additionally, other potential economic risks include: inflation and monetary policies to support it, high energy and raw material prices, supply disruptions, global economic deceleration and potential recession in Europe, economic deceleration ahead of expectations in some markets, volatility in financial markets, the impact of financial and economic sanctions against Russia, the political uncertainty and geopolitical risks around the world.

The foregoing factors, as well as government regulations applicable to foreign investment and/or the import, export or sale of products and market protectionist measures could adversely affect sales and operations results, and in the past have caused distributors, intermediaries and customers to reduce their spending and to delay or stop purchasing products, which could have an adverse effect on net sales, operating results, and cash flows.

Orbia faces intense competition from other suppliers of similar products

The markets for Orbia products are highly competitive. The Company generally has no or limited control over the prevailing pricing on international markets of the chemical products it sells that are treated with basic products or raw materials, such as chlorine, caustic soda, resin and fluorite compounds, and fluorite. The competitiveness of these products is based on price, performance, product quality, product delivery, and customer service. It is difficult to protect the Company's market position for many of its basic products by differentiating them by being of standardized quality, and the Company may not be able to pass on the cost and price increases associated with those products to customers. In many cases, the competitive environments for its various chemicals may vary significantly at any time, and its ability to adjust the product mix based on market conditions may be limited due to inherent restrictions on production processes. Orbia's competitors include larger companies or those well positioned within international chemical markets, including those in Europe and Latin America, or companies that have greater competitive advantages due to a combination of several factors, such as greater access to financial resources, benefits derived from integration and economies of scale, availability of raw materials at lower costs, diversification and risk management. Its main competitors have received considerable capital investments, which have enabled them to obtain and maintain a significant market share. Such situations, as well as increased competition, may have adverse effects on its operating results, cash flow or financial condition.

Fluctuations in the prices of the principal raw materials, including natural gas, electric power, sulfur, ethane, ethylene, resins, among others, may adversely affect the Company's business and operating results.

In recent years, the prices of electricity, natural gas, sulfur, ethane, ethylene, resins, among other raw materials and supplies, have experienced significant fluctuations in local and international markets. These fluctuations cause variations in production and sales costs, which in turn are reflected in the margins of the products the Company manufactures and markets. In addition, prices of petroleum and petroleum products have been volatile, affecting the selling price of products such as ethylene, VCM and PVC, as well as their production and sales costs.

Although Orbia generally transfers any price increase in raw materials to its customers, it is not always possible to do so, so future fluctuations in the prices of electric power, natural gas, ethane, ethylene and sulfur, resins, among others, which it uses in manufacturing processes and which have recently experienced volatility, could result in variations in the cost of the supplies the Company uses to produce its products, while variations in the price of oil could, as they have done in the past, impact the prices of some of its products, which in turn could negatively affect our operating results and financial position.

Any interruption in the supply of raw materials could affect Orbia's operations

Orbia's ability to achieve its strategic objectives continues to depend, in a large part, on the successful, timely and cost-effective acquisition of electric power and raw materials such as natural gas, ethane, ethylene, electricity, VCM, PVC, Polyethylene and other plastic resins. Currently, the Issuer relies on a limited number of suppliers for the production and delivery of these supplies. Management cannot ensure the stability of the gas supply, nor the availability of supplies at reasonable prices or that suppliers will continue to supply them. Therefore, in the event of any interruption, discontinuance or other disruption in the markets or the supply of raw materials or electric power, including a substantial increase in the costs thereof, could adversely affect the Company's financial condition and operating results. Similarly, a decrease in the supply of certain raw materials, or in the number of raw material suppliers, may result in an increase in the prices paid for the supply of these raw materials, in which case the operating results and financial position could also be adversely affected.

Production capacity improvements, maintenance and investment in acquired companies, generally require significant expenditures and the Company cannot guarantee it will achieve the expected return on these.

Orbia has recently made significant capital investments related to the maintenance of its production capacities, environmental protection and safety, worker and facility safety, efficiency and modernization of its plants. For example, during the years 2021, 2020, and 2019, the Company made investments in assets of $286 million, $204 million, and $261 million, respectively.

In addition, the Company has acquired or established and plans to continue acquiring or establishing companies or joint ventures to increase its production capacity, although the current strategy is aimed at organic business growth, complemented by potential one-off and complementary acquisitions.

For more information on acquisitions, see "Select Financial Information. Establishment and acquisition of new businesses.

Orbia may not be able to obtain the expected return on its investments if unfavorable conditions arise in its product markets. Decisions regarding the timing or manner in which such investments are executed are based on future projections of market demand and other factors that may be inaccurate, and it may not obtain sufficient resources to make certain necessary investments, which could have an adverse effect on the Company's operating results, including expenses due to impairment of assets. Furthermore, the Company may not be able to meet its financing obligations if it does not obtain the expected return on its investments.

Current projects may not be completed on time or at all due to factors such as the inability to obtain financing, regulatory changes, lack of compliance or availability of contractors and subcontractors and logistical problems, which could have a material adverse effect on the operating results of the Company including the impairment of assets,

Orbia is exposed to the risk of possible expropriation or nationalization of the assets in some of the countries in which it operates.

Orbia is exposed to the potential risk of expropriation or nationalization of its assets located in the different countries in which it operates.

Some of the countries in which it operates have been subject to volatile political conditions in the recent past and the Company cannot guarantee that local governments will not impose retroactive changes that could affect its business or eventually force it to renegotiate existing contracts with such governments. These events could materially affect the Company financial position and operating results.

The Issuer's customer base has a certain degree of dependence on certain large customers and the loss of all or part of the business with some important customers may adversely affect its operating results

In 2021, Orbia's top ten customers combined accounted for 10.9% of its total net sales. The largest singlecustomer accounted for 2.1% of the total net in the same year. Because Orbia's profitability depends on maintaining a high-capacity utilization rate, the loss of all or a substantial portion of an important customer or end user's sales volume could have a negative effect on its sales or operating results. In the event that any of its major customers face financial difficulties, this could affect the operating results by reducing sales or resulting in the inability to collect accounts and recover the investment made in its production facilities. In addition, a consolidation of Orbia's customers could reduce net sales and profitability, particularly if one of its most important customers were to be acquired by a company relatedto any of its competitors.

Accordingly, any negative financial impact resulting from the loss of sales from Orbia's major customers could adversely affect the Company's operating results and financial position.

Inability to effectively manage growth could adversely affect the Company's business, operating results and financial position.

As a result of the acquisition of new companies and organic growth, the Issuer's EBITDA, has undergone a growth rate of up to double digits. In addition, the operating income and cash flows have increased substantially, which provides the Company's management with flexibility to continue to grow. This has resulted, and will continue to result, in a significant effort in the Company administrative, operational and financial infrastructure.

The integration of Orbia's new businesses and their operations is a complex and demanding process. Prior to each acquisition, the acquired companies operated independently, with their own business plans, corporate culture, locations, employees and systems. Any integration of another business with Orbia's own could involve significant difficulties, costs and delays, including: (1) de-concentration of the management of day-to-day operations; (2) a possible incompatibility of corporate cultures; and (3) the inability to achieve planned synergies, in addition to costs and delays in implementing common systems and processes.

Similarly, the Company believes that additional growth will be required to expand the scope of its operations and the size of its customer base. Orbia's success will depend in part on the ability of its key executives to effectively manage this growth.

To manage the business and grow effectively, Orbia must continue to improve its operational, financial and administrative processes, controls, systems and procedures, as well as its reporting systems and procedures. In addition, hiring new staff will increase costs, which could make it difficult, in the short term, to offset such expenses against revenues. If it is unable to manage its growth effectively, expenses will increase more than expected, revenues may decrease or increase at a slower rate than anticipated, and it may not be able to implement its business strategy, which could affect its operations, financial position and results.

Orbia has recently made and may make important acquisitions that, if not properly integrated, could adversely affect its operating results

Orbia has recently made significant acquisitions, and may consider making additional important acquisitions, to continue its growth. For more information regarding these acquisitions, see the section "Investments made in the last three fiscal years".

Acquisitions themselves involve risks, including the following:

- Acquired businesses may not achieve the expected results;
- Changes in the economic context with a growth expectation within the markets where the acquired companies are present;
- Failure to achieve expected synergies and not achieving the expected savings;
- Increases in costs, supplies and energy;
- Difficulties encountered in the integration of operations, technologies and control systems;
- Possible inability to hire or retain key personnel for acquired operations;
- Possible inability to achieve the expected economies of scale;
- Unforeseen liabilities;
- Exercising minority rights in transactions that are not 100% acquired; and
- Unforeseen economic competition and regulatory considerations.

The Company faces, and may face in the future, difficulties in the integration of operations, accounting systems and internet technology systems of some of its acquired companies. If the Company is unable to successfully integrate or manage the acquired operations, it may not achieve the expected cost savings, increased revenues and levels of integration necessary to offset the significant expenses associated with the integration of the acquired companies. This could result in lower profitability or impairment charges.

Orbia is exposed to product risks that could cause harm to third parties

The Company may be exposed to risks or damages derived from civil liability before third parties, resulting from the use of its products, as well as litigation of the resulting judicial process, regardless of whether said products are used in a manner contrary to what is indicated. instructions. The Company may also be exposed to damages related to the use of its products in medical-grade applications and for the beverage and food and beverage industries.

Orbia has tailored market standard insurance coverage for this type of product risk. However, the safety measures taken to prevent product risks and insurance coverage may not be adequate to mitigate the risk of all damages that may occur, in which case the Company's operating results or its financial condition could be adversely affected.

Impacts related to climate change could result in additional regulatory or legal requirements, as well as investments not foreseen by the Company

The Company has carried out different analyses to determine the degree of vulnerability of its operations with the possible effects of climate change.

The effects of climate change identified within the different areas where it operates or has market share are: desertification and drought, rising sea levels, changes in rainfall patterns, decreased water availability, deforestation and disease, all phenomena that could affect operating results and financial position, among other factors, due to the need for additional investments to adapt operations to the new conditions, the increase in the price of supplies and energy, the closure of affected operations and relocation of suppliers, protection measures as a result of natural phenomena (for example: construction of dikes in marine installations, flood or fire protection) and the relocation of facilities to sites with more favorable conditions and higher environmental regulatory requirements.

Natural disasters, production hazards, extreme weather and other events could adversely affect the Company's operations

Natural disasters, such as storms, hurricanes and earthquakes, could disrupt operations, damage infrastructure or adversely affect the Company's production plants. In addition, Orbia is vulnerable to acts of vandalism or revolts that could affect the infrastructure and/or its distribution network. Any of these events could increase its expenses or investments and/or result in a force majeure event under some of its contracts and consequently affect its operating results and financial position.

Orbia's operations are subject to hazards such as fires, explosions and other accidents related to the manufacture, storage and transportation of chemicals. These hazards can range from personal injury to loss of life, property damage and/or destruction of equipment and assets, as well as environmental damage. A material incident at one of its plants or storage facilities could result in the temporary suspension of operations and could result in significant compensatory costs and loss of net sales revenue.

Extreme weather events can also have a serious impact on the Company's logistics. Its production facilities could be isolated and be unable to receive or ship products by land or sea. Furthermore, the flow of materials could be interrupted in places away from the location of the Issuer's productive facilities, but that are strategic for the transport of goods (for example: closed ports in the USA due to hurricanes or inaccessible borders due to floods in Europe). The Intergovernmental Panel on Climate Change (IPCC) estimates that extreme weather events will increase in number and intensity. As a result, Orbia's operating sites are exposed to hurricanes, cyclones, tropical storms or other events derived from climate change, and if they are affected by such events, the Company's operating results and financial position could be affected.

Orbia has insured its plants against damage caused by accidents or other similar incidents, as well as indirect damage resulting therefrom, such as a business interruption. However, if losses are incurred as a result of these events, they may exceed the limits of the insurance policies, or if they do not exceed them, they may not be fully recovered. Damages that significantly exceed the limits of insurance policies, damages that cannot be recovered for any reason, even if they are within the limits of the insurance policies, or were not foreseeable or covered by them, could have a material adverse effect on operations, operating results, financial position and outlook. In addition, even if the Company receives payment for insurance policies as a result of a loss, facilities could suffer production interruptions while repairs are being completed, which could materially and adversely affect the operating results, financial position and outlook

Labor disputes could affect Orbia's operating results

At the end of fiscal year 2021, approximately 56% of the Company's employees were subject to collective bargaining agreements with labor unions. Over the past three years, it has had no major labor disputes at its plants and has been able to maintain a positive relationship with the unions. However, it cannot guarantee that there will be no temporary suspension, nor that a strike will not take place, before, during the term of, or upon expiration of collective bargaining agreements as a result of political or economic conditions, or for any other reason. In addition, it is unable to estimate the adverse effects that, if any, such temporary suspensions or strikes would have on the Issuer's sales, operating results or financial position. Any temporary suspension, strike or other labor event could have a material adverse effect on its activities, operating results or financial position.

Orbia is a holding company and does not have significant assets other than the shares in its subsidiaries; as a result, it may not be able to meet its obligations

Orbia is a holding company with no independent operations or substantial assets other than the net worth of its operating companies. It is therefore dependent on the operating results of its subsidiaries. The ability to meet its debt and other obligations depends on the generation of cash flow from its subsidiaries and their ability to make such cash available in the form of interest payments, debt payments, as dividends or otherwise. Each of its subsidiaries is a separate legal entity and, under certain circumstances, legal and contractual restrictions may limit its ability to obtain cash from its subsidiaries. In addition, under Mexican law, Mexican subsidiaries may only pay dividends from retained earnings after a legal reserve has been created and all losses from prior tax years have been absorbed. In addition, the distribution of dividends may be taxable unless they are made from a profit and loss account that has already been subject to tax. If it does not receive distributions from its subsidiaries, the Company may be unable to make the required principal and interest payments on its debt or to pay other obligations. Any adverse change in the financial position or operating results of its subsidiaries could affect its financial position.

Inability to raise enough capital to finance acquisitions or expansions could delay or impede the implementation of the Company's business strategy

The Issuer expects that the expansion and continued development of its operations will require significant amounts of capital to finance investments and operating expenses, including working capital requirements, which may not be obtained in full or at least not on acceptable terms.

In addition, its operations may not generate enough cash flow to meet its cash needs, or capital requirements may vary significantly from those planned. In such cases, additional funding may be required ahead of schedule, or some of the new development and expansion plans may be delayed, or the Company may miss market opportunities. Future lending instruments, such as credit lines, may contain restrictive clauses and may require us to pledge assets to secure payments on such credit lines. The inability to obtain additional capital and/or to obtain it on satisfactory terms may delay or prevent Orbia's expansion and adversely affect its operating results, cash flow and financial position.

Orbia is subject to certain restrictive covenants limiting what may or may not be performed by virtue of its credit agreements, which could limit its future business activities

As of December 31, 2021, the Issuer had cost bearing debt totaling $3,887 million ($3,520 million for purposes of covenants contained in debt contracts and $367 million in leases), with a series of lines of credit and issuances of securities in the local and international markets. Pursuant to the agreements governing long-term credit facilities, the Company is obligated to comply with certain covenants that limit its operations and financial decisions. Compliance with its obligations under the credit agreements could limit the ability to undertake future acquisitions including future financing or refinancing of debt, which could have a negative impact on the Company's operations, operating results and financial position.

The Company's ability to sell additional shares in order to raise capital for the expansion of its business will depend, in part, on the market price of its shares, and failure to meet market expectations with respect to its business could have a negative effect on the market price of our shares and limit its ability to sell them

Orbia's ability to self-finance through capital depends, in part, on the market price of its shares, which in turn depends on multiple market conditions and other factors that could change at any time, including:

- Interest from investors;
- Financial development;
- Analyst reports regarding us and the economic, political and social environment in Mexico, or the countries where it operates;
- General conditions in the capital and debt markets, which depend largely on the cash flows of its operations;
- Other factors such as changes in government regulations or tax laws;
- Judicial or administrative proceedings in any jurisdiction in which the Company operates that could have an adverse effect on its financial position or income; and

The inability to self-finance through capital, due to any of the above circumstances or any other circumstance, may affect its future plans and projects and may also have a negative impact on its operating results or financial position. Furthermore, failure to meet market expectations in terms of our future earnings and cash distributions could adversely affect the market value of our shares and, as a result, its ability to self-finance through capital. Thus, should the Company be unable to obtain the necessary capital, its operating results could be adversely affected.

Orbia has hedges to mitigate the risk associated with fluctuations in interest rates and/or foreign exchange rates using swaps.

Orbia is exposed to interest rate risk, because a portion of its debt is at a variable interest rate, as well as foreign exchange risk, because it has debt and investments in currencies other than the Dollar. The Company's vulnerability to interest rates is primarily concentrated in the Interbank Equilibrium Interest Rate (TIIE) and LIBOR, which are reference rates used for financial liabilities, whereas the Company's exchange rate exposure is primarily due to debt and investments denominated in currencies other than the U.S. Dollar. A stress test is used to determine the Company's exposure to fluctuations in interest rates based on total financial debt linked to floating rates that are not hedged, and exchange rates based on the amounts of principal debt and investments in assets denominated in currencies other than the U.S. Dollar. Hedging transactions are regularly evaluated to ensure that they are aligned with interest rates and related risks thereby guaranteeing the most effective hedging strategy is in place, however the Company cannot guarantee that.

Had the TIIE and LIBOR interest rates increased 100 basis points in each reporting period and all other variables remained constant, pre-tax earnings for the years 2021, 2020, and 2019 would have decreased by $1 million, $2 million, and $4 million, respectively. The Company's exposure to Libor and TIIE interest rates on its long-term loans is insignificant, since most of the bank loans and long- term are at a fixed interest rate.

Orbia performs sensitivity analysis for a 10% increase or decrease in US Dollars, against the relevant foreign currencies. The sensitivity analysis only includes monetary items denominated in a currency other than the functional and reporting currency and adjusts their conversion at the end of the period with a fluctuation of 10%. In this way, by weakening the foreign currency (other than the Dollar) by 10% with respect to the main currencies, the greatest negative effect in terms of results in 2021, 2020, and 2019 would have been in euros per ($76) million, $107 million, and $123 million, respectively. Second, the effect would have been in Pesos ($21) million, $20 million, and $24 million for the years 2021, 2020 and 2019, respectively.

The Company cannot assure that the stress tests and hedges it performs are sufficient to cover possible contingencies derived from the stress scenarios considered, or from significant fluctuations in interest rates and exchange rates, which would adversely affect its financial position and operating results.

In addition, transactions with financial derivatives involve certain risks other than currency and interest rate risks, such as counterparty risk (collection risk), risks posed by unusual transactions in underlying or benchmark assets, and risks arising from the need to increase the collateral provided, among others. Such events may results in a material adverse effect to the Company's operating results and financial position.

Market practices and documentation of derivative financial instruments in Mexico may differ from those in other countries. The execution and enforcement of these types of operations depends on the Company's ability to develop adequate management and control systems and to hire and retain qualified personnel. These factors could further increase the risks associated with such operations and, as a result, could have a material adverse effect on Orbia's operating results and financial position.

The Company may not be able to protect its intellectual property rights

The Company may not be able to prevent third parties from using its patents and trademarks without its authorization or from otherwise infringing on its intellectual property rights. The intellectual property laws of the various jurisdictions in which Orbia operates and the enforcement of such laws by the authorities in such jurisdictions may not be efficient, which may affect the Company's ability to protect its rights over its intellectual property. The Company cannot guarantee that it will be successful if it tries to enforce its intellectual property rights. Because the Company believes that its patents and trademarks are one of its competitive advantages, if management is unable to enforce these intellectual property rights, the business could be adversely and substantially affected. In addition, any legal proceedings to enforce Orbia's intellectual property rights could be expensive and accordingly could adversely affect the Company's operating results.

The Company employs and develop technologies that may infringe on certain third-party intellectual property rights

Although the Company takes measures to ensure that it does not infringe upon third party intellectual property rights, management cannot guarantee that Orbia's processes and products do not infringe, or have not infringed at any time, on the intellectual property rights of third parties. Additionally, the Company cannot guarantee that third parties will not take any legal action for possible infringement on their intellectual property rights which may be successful.
Any legal action or proceeding by third parties could:

- Take a substantial amount of time to be resolved;
- Require the diversion of the attention of technical and administrative personnel, as well as the diversion of financial resources f to defend the Company against such actions;
- Require the development of products and services that do not violate third party intellectual property rights, or that adapt to royalty schemes or licensing contracts; and
- Require the use of any product or process that violates third-party rights to cease.

As a result, if any or all of these events were to occur, Orbia's operating results and financial condition could be adversely affected.

Higher financial compensation may be required to pay employees for technological innovation

In some of the countries in which Orbia operates, inventions conceived by any employee during his or her employment by a company will be considered an "invention service" and will belong to the employer, as is the case, for example, with the Israeli Patent Law 5727-1967. Thus, the employee who develops an "invention service" may be entitled to receive royalties derived from the profits generated by the employer as a result of the commercialization of said "invention service", unless such employee waives his or her right to receive royalties. Although the Company's employees generally agree to waive such claims, we may face claims for royalties or other compensation relating to "invention service" from employees who do not waive their right. As a result of such claims, we would be required to pay royalties or additional compensation to employees, or be forced to litigate such claims, which could adversely affect our business and operating results.

The Company is subject to legal and administrative proceedings in certain countries in which we operate, the results of which could adversely affect its business

Orbia is the plaintiff or defendant in multiple judicial or administrative proceedings regarding it its routine operations in various foreign jurisdictions. The Company is fully committed to complying with applicable laws and regulations in the jurisdictions in which it operates.

However, in the event that such proceedings are initiated and/or the outcome thereof is not in the Company's interests, and the Company is unable to protect its interests, Orbia's operations, operating results or financial position may be adversely affected.

The costs of breach of environmental, health and safety laws, as well as any contingencies arising in relation to such laws, may increase, adversely affecting Orbia's operations, operating results, cash flows or financial position.

Orbia produces, distributes and transports hazardous materials as part of its operations, which involves risks of leaks and spills that could potentially affect both people and the environment. The Company also produces, distributes and sells products that are dangerous or have certain levels of global warming potential that may be restricted in the future. As a result, the Company is subject to various laws and regulations relating to environmental protection, health and safety, among other factors, that govern the generation, storage, handling, use, repair, disposal, transport, emission and discharge of hazardous materials on land, in the air or in water, as well as the health and safety of our employees. In addition, chemical producers are sometimes subject to unfavorable trade perceptions as a result of the environmental impact of their businesses, which could have an adverse effect on the Company's operating results, cash flow and financial position.

Given the nature of Orbia's products, the Company is required to obtain permits from government authorities for certain operations. The Company cannot guarantee that it has, or will always fully comply with such laws, regulations and permits. If the Company violates or breach these laws, regulations or permits, regulators may fine or otherwise sanction the company. The Company could also be responsible for any consequences arising from human exposure to hazardous substances or other environmental damage.

Environmental protection laws are complex, change frequently, and tend to become stricter over time. Although the Company has budgeted for the capital requirements and operating expenses necessary to continue to comply with environmental, health and safety laws, management cannot guarantee that the latter will not change or become stricter in the future, or that regulations applied in certain countries or regions will also be applied and/or adjusted in other countries or regions due to the adoption of international treaties. Subsequent changes in or additions to existing laws or regulations, or the enforcement or application of such laws or regulations, could cause the Company to incur significant unforeseen capital expenditures, which could affect future profitability or financial position. Therefore, the Company cannot guarantee that the expense of complying with, or the expenses arising from, stricter or different interpretations of applicable and future safety, health and environmental laws, as well as the Company's responsibilities arising from past or future releases of, or exposure to, hazardous substances, will not adversely affect Orbia's business, operating results, cash flow or financial position.

Climate risks

Orbia has been an official sponsor of the Task Force on Climate-related Financial Disclosures (TCFD) since 2019, and the Company has established ambitious climate commitments to contribute to the decarbonization of the planet.

In 2019, the Company completed its first climate-focused risk assessment, including 12 sites across 3 business groups in six countries. The main findings of the analysis were the following:

Physical risks: The physical risk of Orbia's priority sites is low to medium. This is due to exposure to weather events such as cyclones, floods, fires, extreme temperatures and water stress.

The analysis was not limited to physical facilities; it also considered the impact on logistics and the flow of raw materials.

As an example of the above, in September 2017, as a result of Hurricane Harvey, certain subsidiaries of the Polymer Solutions business group declared Force Majeure in relation to the supply of all their PVC resin suspensions, copolymers and emulsions produced in Mexico, Colombia and USA because its main supplier of vinyl chloride (VCM) and other raw materials had declared Force Majeure.

Market, technological and regulatory risks: In addition to the direct effects of meteorological phenomena, other impacts on the business were analyzed regarding government or commercial regulations, new market rules or the emergence of technologies. Using a 2030 horizon, a greater exposure to these risks were projected, with some high business risks derived from a transition to a low-carbon economy. They are likely to include market pressure to use low-carbon materials, broader regulation of global carbon prices, or increases in the cost of resources, primarily electricity and water by 2030. Higher water stress scenarios, for example, could affect water costs. for the Company's operations. Such scenarios, in turn, can impact the supply chain or production processes from a continuity and cost standpoint.

Orbia has used the results of this analysis to develop specific risk mitigation strategies for its businesses. These plans include reducing the Company's carbon exposure, which complements the Company's commitment to set science-based targets for emissions reductions and achieve net-zero operations by 2050.

In the event that the Orbia does not comply with legal provisions regarding the prevention of corruption, bribery and money laundering, the Company could be subject to significant fines and its reputation and operations could be adversely affected.

The Company operates in several countries and is subject to complex regulatory frameworks, enforcement of which is becoming increasingly strict. The Issuer's corporate governance practices and the processes it uses to ensure compliance with the legal provisions to which it is subject may be insufficient to prevent violations of applicable laws, regulations and accounting or corporate governance standards. The Company may be affected by violations of its code of ethics, its anti-corruption policies and its business conduct protocols, as well as instances of fraudulent conduct and corrupt or dishonest practices by its employees, contractors or other representatives. Failure to comply with applicable laws and regulatory measures could damage the Company's reputation, lead us to incur significant fines or penalties and adversely affect the Company's operations, its ability to access the financial markets and, therefore, its financial position.

The use of social networks could adversely affect and impact the Company's reputation

The use of social networking platforms and similar media, including blogs, social networking sites and other forms of communication via the internet, which allow individual access to a wide audience and interested persons and their influence as agents of perception and opinion, has grown at a phenomenal rate worldwide. Inappropriate and/or unauthorized use of certain social media platforms may result in trademark damage or leakage of information that could have legal implications, including the improper dissemination and/or disclosure of personal data. In addition, negative or inaccurate comments or information involving the Company sent through social networks could damage Orbia's reputation, brand image and goodwill.

Consumers value readily available information about retailers, manufacturers and their assets and services, and often act on that information without further research, verification or considering its veracity. Easy access to information on social networking platforms and mobile devices is virtually immediate, as is its impact. Social networking platforms and mobile devices immediately publish the content that their subscribers and participants input, often without filtering or reviewing the accuracy of content. The opportunities to spread information, including false or inaccurate information, are virtually unlimited. Information that concerns Orbia, or that could seriously affect Orbia, may be transmitted through such platforms and devices at any time. This information could be inaccurate and harmful to the Company and could damage the business. This damage could be immediate and the Company may not have the opportunity to alter it or even correct it. These platforms may also be used to disclose trade secrets or put other valuable assets at risk, and in both cases, damage or affect the Company's business, operating results and financial position.

Changes in information technology could adversely affect the Company' s operations

If Orbia's information systems are unstable or obsolete, this could negatively affect the Company's business by reducing the flexibility of its customer value propositions or increasing operational complexity. Any such consequences could have a material adverse effect on the Company's business and operating results.

Orbia's operations could be affected by a failure, interruption or collapse of its IT (Information technology) system

The efficient execution of Orbia's operations is based on the implementation of IT-related processes and systems, which are used to effectively manage data, communications, network connectivity and other operational and business processes. Although the Company constantly improves its IT systems and protect its data with advanced security measures, system errors, interruptions or security breaches, such as computer viruses or theft of information or data, may occur. These failures, interruptions or collapses could have a material adverse effect on the Company's operating results or financial position.

Security failures in Orbia's information system and technological systems and processes could materially affect its subsidiaries, affiliates, suppliers and customers, as well as restrict or adversely affect access to the Company's networks and operating systems, or expose the Company to significant legal, financial, operational and reputational consequences

The execution of Orbia's business requires the use and storage of personally identifiable information (PII) from customers, employees and business partners. This information may include, but is not limited to, data, names, addresses, telephone numbers, e-mail addresses, contact preferences, tax identification numbers, and account payment information. Because of Orbia's profile and the amount of PII Orbia handles in its business, and the amount of strategic industrial and technological information stored in the Company's different internal systems, the Company's vulnerable to cyber-attacks and database infiltration.

The Company requires usage of usernames and passwords in order to access its IT systems. The Company also uses authentication and encryption technology designed to secure the transmission and storage of data and to restrict access to data and accounts. These security measures are potentially subject to third party failures or human errors, alterations, incorrect password control or other irregularities. For example, outsiders may attempt to fraudulently persuade employees or customers to disclose usernames, passwords or other sensitive information that could be used to gain access to the Company's IT systems, directly affect the Treasury Department and extract sensitive or confidential information for illegal transactions or extract information that could expose the Company to the risk of claims of violation of current General Data Protection Regulations (GDPR). E-mails with executable attachments containing malicious software that, due to their complexity, are difficult to block and modify the delivery pattern, could lead to database infiltration.

Orbia invests a significant amount of resources on network security, data encryption and other security measures to protect its systems and data, but these security measures cannot provide absolute protection. If the Company is victims of infiltration of its internal systems and are unable to protect sensitive or strategic data, such infiltration could cause a material adverse change in the Company's business, relationships with business partners and customers, and its operating results and financial position.

Cyber-attacks or other disruptions to Orbia's network or information systems could have an adverse effect on the business

Cyber-attacks and disruptions to networks and systems, including the introduction of computer viruses, malicious code, denial of service, faulty software and other disruptions or unauthorized access to company systems, have increased in frequency, range and impact in recent years. The preventive actions Orbia takes to reduce the risk of cyber incidents and to protect its network and information may not be enough to stop a massive cyber-attack in the future. The costs associated with a potential massive cyber- attack on Orbia's systems include increased expenses associated with strengthening cyber security measures and decreased losses associated with disruption of our services, lawsuits, and damage to our reputation.

Cyber-attacks or other disruptions to our security network or information systems could cause equipment failure or disrupt our operations. Such failures, even when they occur over a short period of time, could cause significant losses or declines in the market price of Orbia's shares. In addition, potential losses from cyber-attack events and disruptions to our network could exceed the Company's insurance coverage. Furthermore, cyber-attacks may lead to the distribution, without the Company's consent, of valuable financial information and confidential data of our customers and business, resulting in failures to protect the privacy of our customers and business, which could have adverse effects on our operating results, reputation or financial position.

Orbia's contracting model for high-density polyethylene (HDPE) products involves certain risks related to customer retention, which could have a material adverse effect on the Company's financial and business situation

Orbia sells a substantial amount of high-density polyethylene (HDPE) products under short-term contractual orders. In addition, the Company has long-term contracts, particularly with agreements for voice and data telecommunications products in the U.S., Europe and India, among others. Most of the Company's agreements contain terms and conditions relating to pricing, including any type of resin transfer provision, and in general Orbia's customers are not required to purchase a minimum volume, and contracts can generally be terminated without cause and at short notice. As a result, customers have the ability to discontinue or substantially reduce the purchase of our products at any time. The loss of customers representing a significant volume of sales, as well as a significant decrease in customer orders for any reason, changes in manufacturing practices, transfer of part of the business to competitors, an economic recession or the inability to adapt services to the needs of our customers, can have a material adverse effect on the Company's financial position.

The operations of the Precision Agriculture, Data Communications and Building & Infrastructure business groups depend on the agriculture, telecommunications and construction industries, respectively

Orbia's Building & Infrastructure, Data Communications and Precision Agriculture business groups largely depend on the viability of the construction, infrastructure, telecommunications and agricultural industries, respectively. A slowdown in the growth of these industries in the countries in which Orbia operates, or a negative change in the economic and demographic factors that influence these industries, could have a material adverse effect on the Company's results of operations, cash flows and financial position.

Changes in investment levels in the voice and data telecommunications industry could affect the production and sales of products in Data Communications

The different investments required by telecommunications industry participants to implement fiber optic and broadband communication systems greatly influence this industry, including the markets in which Orbia's Data Communications Business competes. Investment in this industry depends on a variety of factors, including:

- Local and federal regulation on foreign investment in telecommunications;
- Consumer demand for fiber optics, broadband and wireless networks for products and services;
- Regulatory decisions that limit the installation of new networks and improvements to the existing network;

- The rights of way, and permits from local and state governments, in the countries where we operate, required to access the construction of new networks;
- The evolution and acceptance of new standards in the industry;
- Pressures related to competition in the sector, including prices;
- The annual budget cycles;
- Investments in private company projects and their investment cycles;
- The impact on industry consolidation;
- Access to financing and the general economic conditions of the market;
- Price levels;
- Existence, creation or improvement of alternative products, new technologies, etc., and;
- Political stability.

The lack of investment in voice and data telecommunications, due to any of these or other factors, could have a material adverse effect on the Data Communication business group's sales, results of operations and financial condition.

Precision Agriculture's sales are highly dependent on the dynamism of the agricultural industry, including government support to this sector.

The sales of Orbia's Precision Agriculture business are cyclical and depend largely on the need for agricultural production of irrigated crops which, in turn, depends on many factors, including total global crop production, profitability of agricultural production, including return on investment for the end users of products, agricultural product prices, farm incomes,availability of financing for farmers, government subsidies for farmers, government policies and support for agricultural infrastructure, water supply and transport, regular rainfall and regional climate change. The rend of government support for farms, financial aid and policies regarding the ability to use water for agricultural irrigation can affect the demand for Orbia's irrigation products and irrigation system solutions. As farm incomes decline, producers may postpone investments, including the purchase of our products, or lookfor less expensive irrigation alternatives.

In addition, uncertainty or changes in government subsidies, policies and government support for agriculture may adversely affect Precision Agriculture's business, financial position or operating results.

Conditions in Israel could affect Precision Agriculture's business operations

Precision Agriculture is incorporated under the laws of Israel and its main offices and three of its production plants, including all manufacturing facilities for drip irrigation products, are located there. Precision Agriculture operations in Israel depend on imported raw materials and the company also exports a significant amount of its products from this country. In addition, all its information and data are in Israel. Since the creation of the State of Israel in 1948, there have been multiple military conflicts in which Israel and surrounding countries have been involved, including opposing Islamic military operations, as well as incidents of terrorist acts and other attacks, including the Second Lebanon War during the summer of 2006 and Israeli military campaigns in Gaza during December 2008, November 2012 and the summer of 2014.

Political, economic and security conditions in Israel can directly affect Precision Agriculture's operations. This could be adversely affected by hostilities involving the State of Israel, including terrorist attacks or any other hostility or threat to Israel, the interruption or reduction of treaties between Israel and its trading allies, a significant increase in inflation or a significant reduction in economic and financial conditions in Israel. Any present or future conflict, terrorist attack or tension within Israel's borders or political instability in the region may disrupt international business activities, adversely affecting Precision Agriculture's business and could damage the Company's financial condition and operating results. In addition, these military conflicts could cause damage the business's production plants in Israel.

Although Israeli law obliges its government to pay the reinstatement value derived from damages caused by terrorist attacks or acts of war, there can be no assurance that the policy of that government will be maintained, or will be sufficient, to compensate the Company for all expenses it may incur. In addition, indirect damages may not be covered. Any loss or damage in which Precision Agriculture has been involved, and which has not been paid by the Israeli government, could have an adverse effect on the Company. Certain countries, as well as certain companies and organizations continue or plan to participate in the boycott of Israeli companies, companies with significant operations in Israel, and others. Current and future boycotts, economic strikes or blockades, restrictive laws, policies or practices involving Israel or Israeli businesses, or citizens could adversely affect Precision Agriculture's business, financial condition or future operating results.

A decrease in prices or agricultural activity caused by weather or other conditions, crop diseases and natural disasters could lead to a decrease in demand for our products and adversely affect the Precision Agriculture business, financial condition or operating results

The Precision Agriculture business needs farmers to have funds available to buy its products. Crop prices are a factor in boosting sales of the business's products. Several factors influence crop prices and profitability, including weather, financial markets and water, as well as other supplies. Weather conditions, especially before the planting season, can significantly affect the purchasing decisions of consumers of irrigation equipment, projects and services in the locations in which Precision Agriculture operates. Natural disasters, such as regional floods, hurricanes or other storms, and droughts, along with crop diseases, can have significant effects on the demand for seasonal irrigation. Drought conditions, which generally positively affect the demand for long-term irrigation equipment, can adversely affect demand if water sources are not available, governments impose water restriction policies, or if farms reduce land for cultivation. Extreme weather conditions over an extended period of time or consecutive seasons, for example due to climate change, could reduce the availability of funds for farmers to purchase the Precision Agriculture technology and adversely affect its business, financial position or operating results.

Orbia's operations could be disrupted or affected as a result of the key management team's duty to perform military service

Some of the employees in the countries in which we operate are required to report for reserve duty, depending on age and rank within the armed forces. In addition, they may be called to the active reserve service at any time, in emergency circumstances for extended periods of time. For example, Precision Agriculture's operations could be interrupted by the absence, for a significant period, of one or more of its key employees as a result of military service. Thus, any duty of the management team or key personnel to perform military service or to report for active reserve service at any time could cause disruption to the operation of the business and potentially adversely affect operating results or financial position.

The activities of key joint venture partners could have a material adverse effect on the Company' s business.

In the course of business, Orbia enters into strategic partnerships with third parties.

Specifically, Orbia has a 50:50 strategic alliance joint venture with OxyChem for production of ethylene in a company called Ingleside Ethylene, LLC located in Ingleside, Texas, US,

Additionally, Orbia owns 80% of the capital stock of its Precision Agriculture business, Netafim, with the remaining 20% owned by Kibbutz Hatzerim. Kibbutz Hatzerim will retain the remaining 20% of Precision Agriculture's capital stock.

Orbia cannot make any guarantees as to how OxyChem, Kibbutz Hatzerim, or any of its other strategic partners, may act in the future which and accordingly, the action of such partners may adversely affect Orbia's business and operating results.

Orbia's agreements executed with OxyChem, ethane, ethylene and VCM suppliers may be insufficient to meet all of the Company operational and commercial needs, which may affect production costs due to increases in the price of our raw materials or lack of production capacity

The supply contracts entered into with OxyChem, ethane and/or ethylene suppliers or other VCM suppliers may not be sufficient to meet all of the Company's operational and commercial needs, which could have an effect on production costs due to an increase in the price of raw materials or the services required, or due to a lack of production capacity at Orbia's plants that prevents the Company from absorbing costs efficiently, as well as the loss of opportunities to sell products due to lack of access to the raw material used to manufacture them. Ethane is a raw material used to produce ethylene, which in turn is used in the production of VCM, the raw material necessary for the manufacture of PVC. Variations in PVC, caustic soda and/or ethane prices in the future could affect the Company's operating results and hinder or delay the recovery of the Company's investment in Ingleside.

The Company's mining concessions may be subject to being declared invalid, cancellation, suspension, expropriation or revocation, pursuant to applicable legal provisions and/or the Company may not be able to renew its existing concessions, which could have a material adverse effect on its operations and financial position

The Company owns the rights to several renewable mining concessions, mostly located in Mexico. In Fluorinated Solutions, there are several mining concessions that expire gradually from 2029 to 2061, which are renewable pursuant to the provisions of the Mining Act in Mexico. Fluorinated Solutions will take the necessary steps, pursuant to the deadlines established by law, to ensure the renewal of the concessions that are due to expire soon. However, the Company cannot guarantee that such renewals will be granted. Furthermore, and pursuant to Mexican legislation, Fluorinated Solutions is obligated to verify the investments in exploration and exploitation of these concessions, which to date have been carried out in a timely manner. PMV has a mining concession for the salt dome in Veracruz that expires in 2043.

Under Mexican law, mineral resources belong to the Mexican nation, and the Federal Government may grant concessions to individuals to explore and exploit mineral reserves. The Company's mining rights derive from concessions granted by the Ministry of Economy. The Company's mining operations are mostly located in Mexico and are subject to the regulations and supervision of the respective governmental agencies. Mexican law stipulates that the Federal Government is entitled to declare the rights to the concessions awarded null, cancelled, suspended or void, and such concessions may be subject to additional conditions, or they may not be renewed upon expiration in the event that certain legal grounds are triggered.

Accordingly, the concessions the Company has in Mexico may be revoked without the right to compensation if the Company is unable to comply with the terms and conditions set forth in the concessions. In addition, the lots of land comprising the mining concessions in Mexico, as well as the related assets of our concessions, could be expropriated in the public interest, with a right to compensation, which could be limited to or less than the market value of the assets. In the event of a dispute regarding the amount of compensation, the Company may request the judicial authority determine such amount. The compensation shall be covered by the State in Mexican pesos, even if payment in kind is agreed. Pursuant to the Expropriation Act, the government will pay compensation within a period of 45 business days from the declaration of expropriation in pesos or through the payment of another asset. The Mining Act and its regulations do not set forth that, if a competent court decides to cancel a concession, the State must pay compensation to the concession holder. If the rights to Orbia's concessions are cancelled, terminated, suspended or revoked and the Company is unable to ensure fair compensation, the Company's operating results and financial position could be adversely affected.

Similarly, Mexican law sets forth that mining concessions will last fifty years, from the date of their registration in the Public Mining Registry and may be extended for the same amount of time subject to certain conditions. Although the Company plans to apply for such renewals and will comply with all the conditions necessary to obtain them, the Company cannot guarantee that the concessions will be renewed because the renewal of concessions is subject to the government's discretion. The Company's inability to renew any of its concessions could have a material adverse effect on its operations, operating results, financial position and outlook.

Under the terms and conditions of the concessions, the Company is required to comply with certain obligations under the Mining Act. Non-compliance may result in administrative sanctions imposed by the Ministry of the Economy or cancellation of the concessions. This could result in a material adverse effect on Orbia's operations, operating results, financial position and outlook.

To summarize, in the event of a possible expropriation of mining lots or assets used for the exploitation of mining concessions, or if the rights contained in concessions are declared null, cancelled, suspended or revoked, or if Orbia is unable to renew the concessions, or it would not be possible to receive adequate or timely compensation, the Company's operating results and financial position may be adversely affected.

The volume of fluorite reserves and production rate may be different than expected

The amount of fluorite reserves in Orbia's mines are determined under standards and practices established for the mining industry, using geological and engineering data to measure the estimated amounts of fluorite deposits that can be economically recovered and processed by mining.

The Company has prepared estimates of proven and probable reserves applying methods of evaluation and assumptions generally used by the mining industry. Although Orbia believes the findings of such studies to be reasonable, they are subject to several uncertainties beyond the Company's control that could have a negative impact on future levels of fluorite production. Fluorite bodies may not conform to standard geological expectations, and estimates may change as new data becomes available. Because fluorite bodies do not contain grades of purity or uniform types of minerals, mineral extraction rates may vary at any time.

Management cannot guarantee that estimates of the Company's fluorite reserve quantities will not differ substantially from the quantities of minerals that will be definitively recovered. In addition, fluctuations in market prices and changes in operating and capital costs may cause some of the fluorite reserves to be economically unviable for exploitation. Should this occur, the Company may be unable to obtain enough raw materials to meet its production targets and other commitments, which would have a material adverse effect on the Company's business and operating results.

Illegal imports of refrigerant gases to Europe affect sales of Fluorinated Solutions

The European Union revised the F-GAS Regulation in 2014 to gradually reduce the use of hydrofluorocarbons, a family of synthetic chemical products commonly used in refrigeration, air conditioning equipment, fire protection, aerosols and plastic foams. Due to the decrease in supply and the rise in price as a result of the application of import taxes to the region, the illegal trafficking of these products to meet demand through imports from China directly or through Russia, the Ukraine, Turkey and Albania have occurred.

The illegal import of refrigerant gases to Europe has decreased the downstream business of the Fluorinated Solutions for its highest added-value fluor products, and consequently, has decreased that business's revenues in Europe.

Due to environmental and health risks, the European Union authorities have taken actions to combat the illegal traffic of refrigerant gases. However, the Company cannot estimate how much longer, nor in what quantities, illegal imports to Europe will continue. The results of the Fluorinated Solutions business group will likely therefore continue to be affected.

(b) **Risk Factors relating to Mexico and other countries in which the Company has its main operations.**

The Company's financial position and operating results are exposed to general economic conditions in the countries in which it operates. Orbia has a presence in various markets such as construction, refrigerants, agriculture/irrigation, industry, automotive, consumer, telecommunications (voice and data), energy, and urban and rural infrastructure, among others. The Company actively contributes to the development of Mexico and the countries in which it has an industrial and commercial presence through its subsidiaries, by focusing on each of its strategic sectors and channeling its products to intermediate or end consumers. As a result, Orbia has manufacturing and marketing assets and operations in several countries in the Americas, including: Mexico, Argentina, Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, the U.S., Guatemala, Honduras, Nicaragua, Panama, Peru, and Venezuela. In addition, the Company has operations in Europe, Africa and Asia as a result of the acquisitions of Polymer Building & Infrastructure, Data Communications, Precision Agriculture y Fluorinated Solutions. Orbia has 119 production plants distributed in 50 countries with a commercial presence in more than 110 countries. Consequently, Orbia's activities, financial situation and operating results are subject, to a great extent, to the general situation of the economies of the countries in which it operates and to the purchasing power of their populations.

Epidemics in the countries where we carry out our production and commercial operations or pandemics that affect all countries could interrupt operations by suspending activities, breaking supply chains or blocking product distribution chains

Orbia's global operations expose the Company to risks associated with public health crises and outbreaks of epidemics, pandemics, or contagious diseases, such as the current outbreak of a novel strain of coronavirus ("COVID-19"). The COVID-19 pandemic and the associated containment efforts have had a serious adverse impact on the global economy, including significant disruptions to supply chains and product distribution.

The current pandemic, or any future global health crisis, could materially affect the Company's ability to adequately staff and maintain its operations, including in the event government authorities impose mandatory closures, work-from-home orders and social distancing protocols, and seek voluntary facility closures and impose other restrictions to mitigate the further spread of disease. A global health crisis could also disrupt the Company's supply chain and materially and adversely impact the Company's ability to secure supplies for its facilities and to provide personal protective equipment for employees, which could materially and adversely affect its operations.

For example, the COVID-19 pandemic is having a negative impact on the cost and availability of global transportation and on the availability of semi-conductor chips for the automotive industry. It has also contributed to increased costs and decreased availability of labor and materials for construction projects, which may result in increased costs or delays to the Company's capital projects. There may also be long-term effects on Orbia's customers in, and the economies of, affected countries. Even if a virus or other illness does not spread significantly, the perceived risk of infection or health risk may materially affect Orbia's business.

Any of the foregoing within the countries in which the Company or its customers and suppliers operate could severely disrupt Orbia's operations and could have a material adverse effect on its business, results of operations, cash flows and financial condition.

To the extent the COVID-19 pandemic or other widespread health epidemic adversely affected or affects our business and financial results, it may also have the effect of heightening many of the other risks that could adversely affect our business such as risks associated with industry capacity utilization, volatility in the price and availability of raw materials, material adverse changes in customer relationships including any failure of a customer to perform its obligations under agreements with us, IT security systems risks, and risks associated with worldwide or regional economic conditions.

Changes in governmental policies in Mexico and other major countries in which the Issuer operates could adversely affect the Company's operations, operating results, financial position and outlook

The Mexican Federal Government, as well as the governments of other major countries where the Issuer operates, including the USA, Brazil, Germany, the United Kingdom and India, among other countries, have exerted and continue to exert significant influence over the economies of their respective countries, or the political community in which they operate. Of net sales to third parties by destination in 2021 classified by geographic area, the Company generated 36% in Europe, 33% in North America, including 21% in the USA and 11% in Mexico, 19% in South America and 12% in other countries

Accordingly, the actions and policies of the governments of the countries in which the Company operates could have a material impact on the Company, and more generally on the market conditions, prices and returns of the Company's securities currently traded on the local and international markets.

There can be no guarantee that changes in the policies of the governments of the countries in which the Company operates will not adversely affect the Company’s operations, operating results, financial position and outlook.

The economic, political and social conditions in Mexico, the USA, Germany, the United Kingdom, Colombia, Brazil and India may adversely affect the Company's operations

The Company's financial performance may be significantly affected by the economic, political and social conditions in the markets in which it operates. Several countries in Latin America, including Mexico, Brazil and Colombia, and in Asia, including India, and recently the United Kingdom, have suffered major economic, political and social crises. The Company cannot predict whether changes in government will result in reforms of government policies and, if so, whether such reforms will affect the Company's operations.

The Company is subject to exchange controls in some of the countries in which it operates

The Company is currently subject to exchange controls in some of the countries in which it operates, such as Venezuela, Brazil, Argentina, India, South Africa and China, among others. These controls restrict access to foreign currencies and limit the possibility of transferring funds outside such countries, including funds for interest or principal payments on outstanding debt. In addition, these controls affect Orbia’s capacity to receive dividends and other distributions from subsidiaries in these countries.

If the Company is prohibited from transferring funds outside of the aforementioned countries or is subject to similar restrictions in other countries in which it operates, Orbia’s operating results and financial position could be adversely affected.

Political, geopolitical and economic developments around the world, and particularly in the countries in which the Company operates or to which it sells its products and/or services, could adversely affect the Company's business plans, financial position and operating results

Orbia is subject to the political, geopolitical and economic developments in the countries in which it operates. Such events may include imposition of trade measures such as new tariffs, economic sanctions from developed countries on other countries for political reasons, and the termination or suspension of international agreements, as well as geopolitical event such as acts of terrorism, military or armed conflicts, such as the Russian invasion of Ukraine, or global pandemics, as discussed earlier.

Any such event may have a material adverse impact on the Company’s operations, operating results and financial condition.

Events in Mexico or other countries could adversely affect the Mexican and other Latin American economies, the market value of the securities in which Orbia trades, and its operating results

The market value of securities of Mexican companies is affected by economic and market conditions in both developed and emerging countries. Although in such countries they may differ significantly from those presented in Mexico, adverse economic conditions could expand regionally or investors' reactions to events in any of these countries could have an adverse effect on the market value of securities of Mexican issuers. In recent years, for example, the prices of Mexican debt and equity securities have on occasion undergone substantial declines as a result of events in Mexico or in other countries and markets.

Furthermore, in recent years, there has been a greater correlation between economic conditions in Mexico and the economic conditions in the U.S. and the European Union as a result of free trade agreements which resulted in increased economic activity between these parties. Accordingly, the Mexican economy continues to be strongly influenced by the US and European economies and, therefore, the termination of free trade agreements, or a deterioration in economic conditions in, or delays in the recovery of, the economy in the US or Europe, could affect the economy in Mexico and Latin America. These events could have a material and adverse effect on the Company's results of operations and income, which could affect its liquidity, financial situation and/or the market price of the securities issued by the Company.

Inflation and government measures to restrict inflation and/or reactivate economies may adversely affect the economies of the countries in which the Company operates, as well as the Company's business, its operations and the market prices of its securities.

In the past, Mexico and certain countries in which the Company operates, including Argentina, Brazil and Colombia, have experienced high rates of inflation. Although many of these countries have maintained low inflation rates in the recent past, except for Argentina, there is no guarantee that this trend will continue. Measures taken by the governments of these countries to control inflation have often included maintaining a restrictive monetary policy with high interest rates, which has restricted the availability of credit and reduced economic growth. Inflation, actions to combat it and public speculation of possible additional measures have contributed significantly to a lack of economic certainty in many of these countries, and increased volatility in stock markets.

These countries could experience high levels of inflation in the future. Periods of high inflation could reduce the growth rate of their economies, which could result in a reduction in demand for the Company's products and a reduction in sales. Inflation may increase some of Orbia’s expenses and costs, which it may not be able to pass on to its customers and, as a result, may reduce its margins and net income. In addition, high inflation generally leads to local increases in interest rates and, as a result, the costs of repaying debt contracted at variable rates may increase, resulting in a decrease in net income. Consequently, inflation and its effects on local interest rates may lead to reduced liquidity in the local capital and loan market, which could affect the Company’s ability to refinance its debt in such markets. Any reduction in sales or net income, and any deterioration in Orbia’s financial performance, could affect the Company's liquidity and financial position.

Foreign exchange fluctuations of the currencies of the countries in which the Company operates, compared to the U.S. Dollar could adversely affect the Company.

Because Orbia’s consolidated financial statements are presented in U.S. dollars, the Company must translate revenues and expenses, as well as assets and liabilities, into U.S. dollars at exchange rates in effect during or at the end of each reporting period. Therefore, increases or decreases in the value of the U.S. dollar against other currencies in countries where Orbia operates will affect the Company’s results of operations and the value of balance sheet items denominated in foreign currencies. Due to the geographic diversity of the Company’s operations, weaknesses in some currencies might be offset by strengths in others over time. Furthermore, the Company has exposure to foreign currency movements because certain foreign currency transactions need to be converted to a different currency for settlement. These conversions can have a direct impact on the Company’s cash flows.

In addition, the Company exposed to adverse changes in interest rates.

The Company manages both these risks through normal operating and financing activities and, when deemed appropriate, through the use of derivative instruments. The Company cannot be certain, however, that it will be successful in reducing the risks inherent in exposures to foreign currency and interest rate fluctuations.

Antitrust laws in Mexico and other countries in which Orbia operates may limit the Company’s ability to expand our operations

In Mexico and in the countries where Orbia operates, antitrust laws and related regulations could adversely affect the Company’s ability to acquire, sell, and execute joint ventures. The approval of the Federal Economic Competition Commission in Mexico, and of the authorities of each country on this matter, is required for acquisitions, sales or significant joint ventures to be carried out. Failure to obtain antitrust authority approvals could result in fines, mandatory divestiture of assets, termination of key acquisition contracts, or the inability to continue business acquisitions or conclude those already agreed upon. The Company continues to expand its operations and may face stricter audits by the competent competition authorities in the various countries in which we operate or in the countries which we intend to enter.

Orbia currently has a relevant position in most of the markets in which it operates in both Latin America and Europe, according to data published by IHS Markit WVA, IHS Markit Chlor-alkali Market Report, Eurostat Economist Intelligence Unit, and market studies conducted by Orbia. Therefore, as the Company’s operations and market position increase, the risks of limitations from antitrust regulations related to future acquisitions increases, which could have a material adverse effect on the Company's financial and operating results and ability to grow.

Breach or the imposition of stricter government regulations could adversely affect the Company

The Company is subject to various federal, state and municipal laws and regulations in the countries in which it operates, including those relating to mining, manufacture, use and handling of hazardous materials, environmental protection, workplace safety and consumer protection. Concessions, permits, licenses and authorizations from various government authorities must be obtained, conserved and renewed on a regular basis in order to carry out projects and operations. At all times, the Company seeks to comply with these laws and regulations. Failure to comply with the foregoing would result in fines, plant closures, cancellation of licenses, revocation of authorizations or concessions or other restrictions on the Company’s ability to operate, which could have an adverse impact on its financial position.

Regulations governing the chemical industry have become more restrictive over time. The Company cannot be sure that new and more restrictive regulations will not be adopted or be applicable, or that there won't be stricter interpretations of current laws and regulations. Any such event may require incurring additional expenses to meet these new requirements in so far as possible, which would increase the Company’s costs of operation.

The Mexican Congress and the legislative authorities of the countries in which Orbia has a presence may approve legislation that results in increases in tax obligations

In recent years, the Mexican government and some of the governments of the countries in which the Company operates have implemented various reforms to the tax laws applicable to companies, including Orbia. Should the Mexican government or any of the governments of the countries in which Orbia operates carry out tax law reforms that result in significant increases in tax obligations, Orbia may be required to pay higher amounts pursuant to such changes, which could have a significant negative impact on our operating results.

In December 2019, the Mexican government enacted several reforms to the federal tax laws, which - subject to specific provisions - entered into force on January 1, 2020. The most relevant points include: (1) the income tax rate for corporations was kept at 30%; (2) new provisions were included to implement international guidelines, such as the recommendations issued by the Organization for Economic Cooperation and Development (OECD), among others; (3) the powers of the Mexican tax authorities were strengthened; (4) a general anti-abuse rule and new transparency obligations for taxpayers and tax advisors were included; (5) additional limitations on the deductibility of interest were included; (6) tax deductions for payments made to entities resident in a low tax jurisdiction were limited; (6) additional rules are included that strengthen the applicable "Preferential Tax Regime" regime.

The Company's business, financial position and operating results could be adversely affected by the abovementioned changes.

The Company cannot conclude with certainty of what all the final outcomes of such reforms and potential changes to the tax laws of the countries in which it operates could be on its business, and furthermore, some governments may make significant changes to their tax policies in response to their weakened economies. Adverse or unanticipated taxation of the Company's business may have a material adverse impact on the Company's financial position and operating results.

In addition, taxation in several of the jurisdictions in which the Company operates or does business is often complex and subject to interpretation. The tax position of the authorities could differ from the Company's current or historical tax position, which could result in the payment of higher taxes on items for which the Company was not previously taxed, in addition to the conduct of audits of previous years and tax payments, as well as the imposition of additional taxes. Some of these actions and evaluations could be exhaustive and could result in the imposition of material sanctions, fines and/or updates. A focused analysis of each of the jurisdictions in which the Company operates is required to evaluate the various fiscal positions of the authority in turn, and thus be able to take the necessary actions. The various unfavorable resolutions taken by the authorities, the payment of additional taxes, the imposition of penalties, the payment of fines, sanctions, expenses or restatements resulting from changes and updates in the tax and fiscal position of the various authorities in any of the jurisdictions in which the Company does business could materially and adversely affect its operating results, financial position and cash flow.

IFRS differ in several respects from U.S. financial reporting standards or many of the Financial Reporting Standards that apply in the countries in which Orbia operates or in which our securities are traded

In Mexico, the USA and other countries, securities laws and regulations have been enacted to promote full and accurate disclosure of corporate information to investors. However, the Company is not required to comply with most of the securities laws in force in the USA or other countries and, therefore, the information reported may differ from and be presented in a manner that differs from the information available to companies operating or trading in the USA or other countries that are required to report their information according to securities listing standards pursuant to such regulations. The Company's financial statements are prepared in accordance with IFRS, which differ from United States Generally Accepted Accounting Principles in various respects.

(c) **Risk Factors related to Securities Issued by the Company.**

The market price of outstanding shares can fluctuate significantly

Volatility in the market price of ORBIA* shares could prevent investors from being able to sell their shares at the same price or at a higher price than they paid for them. The market price and market liquidity of ORBIA* shares could be significantly affected by several factors, some of which are beyond the Company's control and cannot be directly related to the Company's performance. These factors include, but are not limited to:

- Changes in the market valuation of companies offering similar products;
- Economic, regulatory, political and market conditions in Mexico, the U.S., Europe and other countries;
- Industry conditions or trends;
- Emergence of technological innovations that could make products and services less attractive or obsolete;
- The introduction of new products and services by the Company or its competitors;
- Historical and projected quarterly and annual operating results;
- Differences between actual or expected results and analysts' and investors' expectations;

- Announcements by the Company or third parties and events affecting operations;
- Announcements, results or actions taken by competitors;
- Perceptions of the Company investors or of the services it provides;
- Changes in financial or economic estimates by securities analysts;
- Environmental events, consumer perceptions of environmental issues and compliance with environmental laws;
- The announcement of significant operations or capital commitments made by the Company;
- Changes in laws or regulations;
- Currency devaluations and imposition of capital controls;
- Incorporation or departure of key management personnel; or
- Future sales of shares.

In addition, the securities markets and, in particular, the securities markets of companies in Mexico and Latin America have experienced extreme fluctuations in prices and volumes that have often been unrelated to, or disproportionate to, the operating performance of these companies. Broad market and industry factors could materially and adversely affect the price of Shares, regardless of actual operating performance.

Relatively low liquidity and high volatility of the Mexican stock market could cause share prices and trading volumes to fluctuate significantly

Orbia´s shares are listed on the Mexican Stock Exchange. Although the Mexican Stock Exchange is one of the largest stock exchanges in Latin America in terms of market capitalization value, it remains relatively small, liquid and volatile compared to other foreign stock markets, such as in Europe and the USA. Although the public participates in securities transactions through the Mexican Stock Exchange, a significant portion of these transactions are carried out on behalf of institutional investors. These market characteristics could limit Shareholders' ability to sell their shares and could adversely affect the market price of the shares. The trading volume of securities issued by companies incorporated or operating in emerging markets tends to be lower than the trading volume of securities issued by companies incorporated or operating in more developed countries.

Under Mexican law, shareholders' rights may be more limited, different or vague than in other jurisdictions

The corporate affairs of the Company are governed by the provisions of its articles of association and Mexican law, which may differ from the legal principles that would apply if it were incorporated in any jurisdiction in the USA, such as the states of Delaware or New York, or in any jurisdiction other than Mexico. For example, under Mexican law, the protection afforded to minority shareholders and the fiduciary duties of directors and officers are, in some respects, lesser than or different to those in the USA or other jurisdictions. In particular, the legal regime of the fiduciary duties of directors in Mexico is not as comprehensive or developed as it is in the USA. In addition, the criteria for determining the independence of directors differ from the criteria applicable under the other laws.

The rights of holders of the outstanding shares who protect their interests in connection with any act by the Board of Directors, the Company or any of its members or its principal officers due to breach of their duty of loyalty may be limited or vaguer than the rights granted in other jurisdictions. In particular, any action against the Company's officers and directors can only be initiated by holders of at least 5% of the outstanding shares, as opposed to a single shareholder or group of shareholders and are derivative actions on behalf of the Company rather than the affected shareholders. In addition, rules and guidelines on related party transactions and conflicts of interest may not be as well defined in Mexico as they are in the USA, leaving the shareholders at a possible disadvantage. Furthermore, the duties of loyalty and diligence of directors and officers are defined only in the LMV and have not been interpreted or defined by the competent courts to date; consequently, the judicial interpretation of the meaning and scope of such duties is uncertain. Recently several reforms were published in Mexico that allow for the institution of class actions, however, the procedures for instituting such actions have not been defined. To date, there has not been a sufficient number of claims relating to breach of fiduciary duties, whether through class actions or derivative actions, to give rise to legal claims based on breaches of fiduciary duties or to assist in predicting the outcome of a potential claim. As a result of the foregoing, minority shareholders of the Company have greater difficulty in practice in deciding whether to exercise their rights against the Company or its directors, officers or controlling shareholders than they would have as shareholders of a company incorporated in the United States.

There can be no guarantee that Orbia will be able to pay or maintain cash dividends, and its dividend policies are subject to change. Payment and the amount of dividends are subject to decision by shareholders

The Company's Board of Directors must submit its audited consolidated annual financial statements for the previous fiscal year at Orbia's Annual General Shareholders' Meeting for approval. Once shareholders approve the Company's audited consolidated annual financial statements, shareholders allocate the net income for the previous fiscal year.

The dividend policy is recommended by the Board of Directors and approved by the Company's Shareholders' Meeting. While Orbia's principal shareholders continue to own a majority of the shares representing the Company's capital stock, such shareholders may determine whether dividends will be paid and the amount of such dividends. As a result of the foregoing, there may be years in which the Company does not distribute dividends and others in which a substantial portion of Orbia’s earnings is distributed. If the latter occurs, the Company's growth potential could be limited.

Orbia’s dividend payment policy also depends on the generation of profits, flow generation, and projected investments in its different business groups. There are several factors that may affect the availability and intervals of cash dividend payments to Orbia’s shareholders. The amount of cash available for dividend payments may be affected by various factors, including operating results, financial position, future capital requirements, contractual or legal restrictions stipulated in Orbia’s current or future financings, those of its subsidiaries, and the ability to obtain resources from its subsidiaries, as well as many other variables. Cash available for dividend payments can vary significantly from estimates. Even when the Company intends to pay such dividends, there can be no guarantee that the Company will be able to pay or maintain cash dividends or that dividends will increase in the future. The results could differ significantly from the estimates informing the Board of Directors’ recommendation to the Shareholders' Meeting to pay dividends or adjust the dividend policy.

There is no dividend payment policy. Until 2017, Orbia applied a criterion of paying up to 10% of the EBITDA for the corresponding fiscal year as a dividend, but this is not a formally adopted policy since there is no document setting it forth in writing, rather it was adopted at the request of the controlling shareholder.

In any event, under Mexican law, the Company can only make dividend payments when the losses of previous years have been paid or absorbed and the payment of the respective dividend is expressly approved by the shareholders. In addition, and pursuant to Mexican law, prior to a dividend distribution, at least 5% of the Company's net income must be allocated to the legal reserve fund until such reserve fund equals 20% of Orbia’s capital stock. Additional amounts may be allocated to other reserve funds as determined by the shareholders, including the amount to be allocated to the share repurchase fund. The remaining balance of retained earnings, if any, may be distributed as dividends.

In 2018, an extraordinary dividend of $150 million was declared, payable during the second half of 2018, the sixth and last installment payment was made on February 26, 2020, and an ordinary dividend of $168 million was declared, payable in four installments during the course of 2019, which was paid in full in that fiscal year.

On December 2, 2019, Orbia's shareholders approved the payment of a dividend of $180 million payable in four installments during 2020.

On March 30, 2021, Orbia’s shareholders approved to pay a dividend of $0.10 per share in four installments to be paid throughout the year.

On April 1, 2022, Orbia Shareholders' Meeting approved dividend payments of $300 million payable in four installments during 2022, comprised of an ordinary dividend of $240 million and an extraordinary dividend of $60 million.

If additional shares are issued in the future, shares may be diluted, and the trading price for ORBIA* shares may decrease

As part of Orbia business strategy, future acquisitions or corporate requirements and other expenses may be financed by issuing additional capital stock. Any issuance of Orbia’s capital stock would result in the dilution of the Company’s investors’ equity. In addition, future issues of shares or sales by controlling shareholders, or the announcement of such an issue or sale, could result in a decrease in the market price of the Shares. Accordingly, the market price and market liquidity of ORBIA* shares could be affected by the issuance of additional shares for any of these purposes.

The principal and related shareholders, who control Orbia, may have interests that differ from the rest of the shareholders and the holders of the Notes

At the time of the issuance of this Annual Report, the Company's principal shareholder is Kaluz, which is controlled by the Valle Perochena family which owns approximately 44.83% of the voting capital stock, so it should be considered to be a significantly influential shareholder pursuant to the LMV. The Valle Perochena brothers individually own 0.47%; other shareholders related to the Valle family have 9.27% of the voting capital stock, consequently along with Kaluz they should be considered a group, which will have significant influence over the Issuer, pursuant to the LMV. No governmental institution owns more than 5% of the voting capital stock.

Possible breach of the requirements to maintain a list of securities in the Mexican Stock Exchange or to register them in the National Securities Registry could affect the price of securities.

Orbia, as a result of the registration of its Shares in the RNV and their listing in the BMV, is subject to compliance with various disclosure requirements, among others, in order to maintain such registration and listing. In the event that Orbia is unable to comply with such requirements, the listing of Shares on the BMV could be suspended or even cancelled. In such an event, the market price of the Shares and Notes would be adversely affected.

Lack of a market for outstanding shares or a decrease in the marketability of shares could affect share prices

Orbia's outstanding shares are part of the sample of shares listed on the BMV whose averages are included in the IPC, according to the information on the behavior of ORBIA* shares in the BMV.

In accordance with the Marketability Index of the BMV, as of March 2021, the share was ranked among those that are grouped in the High Marketability category which includes the shares with the most stock exchange activity in the last six months. Since December 2008, ORBIA* has been included in the High Marketability category.

The Company cannot guarantee that the quotation, the volume, the amount traded and the number of transactions executed in the BMV will enable it to maintain the current position of ORBIA* as a High Marketability security, nor that in the face of decrease in the marketability of the share, ORBIA* will remain as part of the sample of the shares that make up the IPC. A lack of volume, amount traded and the number of shares traded could affect the marketability of the Company's shares and this could cause the Issuer to be removed from the sample of shares that make up the IPC, which could negatively impact the Company's share price.

The Company holds significant levels of debt

As of December 31, 2021, the Company's total debt was $3,887 million, comprised of $3,520 of debt contracts for purposes of covenant calculations and $367 million of capitalized leases, and its capital was $3,404 million. The Company's level of debt can have significant consequences for the investor. Among other things, it can:

- Limit the Company's ability to generate sufficient cash flows, or obtain additional financing, for working capital, capital expenditures, acquisitions or other future general corporate purposes;
- Limit the collaterals and guarantees that the Company can offer to obtain additional financing.
- Restrict the Company's ability to pay dividends;
- Require a substantial portion of cash flow from operations to make debt service payments;
- Limit flexibility to plan for or react to changes in operations and industry conditions;
- Limit the Company's ability to carry out additional acquisitions;
- Place the Company at a competitive disadvantage compared to its less leveraged competitors; and
- Increase the Company's vulnerability to the effects of the adverse economic conditions inherent to the industry.

There can be no guarantee that the Company will continue to generate cash flows in sufficient amounts to service its debt, meet its working capital and capital expenditure requirements or carry out its expansion plans. If sufficient operating cash flow cannot be generated, or in the event that additional loans or financing cannot be requested, it will probably be necessary to sell assets, reduce capital expenditures, refinance all or a portion of existing debt, or obtain additional financing through equity or debt issuances. If this happens, there can be no guarantee that the debt will be refinanced, that assets will be sold or that additional financing will be obtained on terms that are acceptable to the Company. In addition, the capacity to incur additional debt will be limited as stipulated in the credit line agreements. (See section 3, "Financial Information," item c) Relevant Credit in this Annual Report).

Additionally, the Company may incur additional debt in the future. The modalities under which the Notes and Sustainable Bonds were issued allow Orbia and its existing and future Subsidiaries to incur additional debt, as do the vehicles that govern the Company's existing debt. If the Company incurs additional debt, the above risks could be exacerbated.

Lack of market for notes

The secondary market for Notes and the Sustainable Bonds is limited and there is a possibility that such a market will not develop. There are several factors to which the price at which Notes are traded is subject, such as the level of general interest rates and market conditions for similar instruments. The liquidity of the Notes and the Sustainable Bonds may be adversely affected if such a secondary market does not develop and the Holders thereof may not be able to dispose of their Notes and the Sustainable Bonds in the market. There can be no guarantee that a secondary market will develop for Notes and the Sustainable Bonds or that, if one does develop, that it will provide liquidity to Holders. For this reason, Holders should be prepared to hold on to the Notes and the Sustainable Bonds until their maturity and assume all risks arising therefrom. Neither Orbia nor the corresponding placement intermediaries are obligated to generate a secondary market for the Notes and the Sustainable Bonds, nor do they guarantee that such a market will develop, therefore the Holders assume the risk that in the future there may not be buyers for such securities.

The contractual documents that govern the Notes, the Sustainable Bonds and the instruments that regulate the existing debt impose significant operating and financial restrictions, which could prevent capitalization on business opportunities presented to Orbia.

The contractual documents that constitute and regulate the Notes, the Sustainable Bonds and the instruments that govern Orbia´s existing debt, contain restrictions that limit the Company's ability to take certain actions in the future and to participate in certain transactions, either directly or through its subsidiary companies. Furthermore, under some of the current debt agreements Orbia has entered into, the Company is required to maintain specific financial ratios and confirm its compliance at any time. Events beyond the control of the Company may affect its ability to comply with these obligations and mean that it may not be able to adhere to these limitations and verify compliance. Failure to perform any of these obligations could result in an event of breach, which could, in turn, cause the immediate and accelerated maturity of all amounts due under such contracts or securities. The restrictions set forth in the contracts and securities that constitute their debt could limit the Company's ability to take advantage of attractive growth opportunities for currently unforeseen business, particularly if they were limited to increasing debt or making investments in order to take advantage of such opportunities.

The contracts and securities governing the debt, including the Notes and the Sustainable Bonds, contain cross default provisions that may cause all debt issued under such instruments to become due and payable immediately as a result of a default event set forth in another unrelated debt instrument

The instruments governing the Notes and the Sustainable Bonds contain certain obligations and the contracts or securities governing other loans also contain obligations and, in some cases, require Orbia and its subsidiaries to comply with and demonstrate compliance with certain financial ratios. Any breach of these obligations could result in an event of default on the corresponding contract or security, which in turn could result in the related debt or other credits established under different instruments becoming immediately due and payable. In such an event, Orbia would need to obtain financial resources from alternative sources, which it may do under favorable or unfavorable conditions, at the necessary time, or it may not obtain any resources at all. Alternatively, any default event could require Orbia to sell assets or reduce its operations to satisfy its obligations to its creditors. Past events could affect the Company's ability to grow, its financial position or operating results.

Orbia may not be able to obtain the financial resources necessary to finance the consequences of a change of control offer set forth in the terms of the instruments governing the Notes and Sustainable Bonds.

Pursuant to the provisions of the contractual documents of the Notes and the Sustainable Bonds, if an event occurs that triggers a change of control (as defined in such documents), Orbia will be obligated to offer to purchase each series of Notes and the Sustainable Bonds at a price equivalent to 101% of the principal value of each series of Notes, plus accrued and unpaid interest at the time of purchase. Such events could affect the company's ability to grow and its financial position or operating results. In the event of a change of control, Orbia will need to refinance a significant amount of its debt, including the Notes or Bonds, as well as other loans under other contracts or lines of credit. Orbia may not have sufficient financial resources available to make the obligatory purchase of the Notes under such circumstances, and the Company would therefore be in breach of this obligation, which in turn would trigger a cross default provision as set forth by any other debt instrument. Any debt that Orbia owes in the future may also place restrictions on the repurchase of the Notes due to the aforementioned change of control.

The debt payment guarantees by Orbia's subsidiaries may not be immediately enforceable

Each series of Notes and Sustainable Bonds, as well as other financing, are fully and unconditionally guaranteed jointly and severally by certain subsidiaries of Orbia. These guarantees provide creditors with the basis for filing a direct payment claim against such subsidiaries; however, such guarantees may not be immediately enforceable under applicable law.

Pursuant to applicable law, in the event that any of these subsidiaries is subject to a bankruptcy or insolvency proceeding, any payment of the guarantee granted to Orbia could be considered a fraudulent payment and declared null and void because the other creditors of said subsidiary would not be given equal treatment. If any of these events should occur, the likelihood of payment of the Notes or the Sustainable Bonds, or other financing when applicable, and their respective market value would be materially adversely affected. In addition, pursuant to the Bankruptcy Act and other applicable legislation in Mexico, if Orbia or any of its guarantor subsidiaries or guarantors are declared bankrupt, the payment obligations for Orbia loans or loans its guaranteeing subsidiaries (i) would be converted into Mexican pesos and from pesos to Investment Units or UDIs (units adjusted to the official inflation rate recognized by Banco de México), and would no longer be adjusted to the exchange rate of the Mexican peso to the U.S. Dollar, after the first conversion (ii) payment would be made at the same time as all other creditors' claims; (iii) would be subject to the result of recognition of priority or preferential obligations; and (iv) payment of the Notes, the Sustainable Bonds, or other financing would be subject to preferential payment of certain obligations including tax, labor and social security debts and credits with specific collateral, which would take precedence over any other claims, including claims of any investor with respect to the Notes and the Sustainable Bonds or such collateral. Furthermore, the validity of each guarantee is subject to the existence and validity of the principal obligation being guaranteed. Because of the foregoing, its performance is not separate from the guaranteed principal obligation.

A federal court, or in the absence thereof, any other court, may rule in favor of such a determination if it finds, among other factors, that a guarantor subsidiary exercises its guarantee or grants a lien (or, in some jurisdictions, where such guarantor is obligated to make payments under the pledged assets):

- and such guarantor subsidiary would have received compensation less than the reasonable equivalent or a reasonable value compared to that which it would have received for granting its guarantee or for the granting of a lien;

- and/or such guarantor subsidiary:

    1. was (or was declared) insolvent due to the granting of the guarantee;
    2. was or was about to conduct a deal or transaction in which its assets constituted unreasonably small capital for conducting its business;
    3. intended to incur, or considered that it would incur, obligations that were beyond its capacity to pay at the time of maturity;
    4. It was a defendant in a damage proceeding, or already had a judgment issued against it for damages and, in any event, after the judgment became final, the judgment was not complied with.

If an attempt was made to legally enforce the guarantees, enforcement could be subject to a court ruling, and because the guarantee had been granted for the direct benefit of the Company, and only indirectly for the benefit of the guarantor, the obligations of the guarantor in turn could be incurred for less than their fair value or fair compensation. A court could therefore invalidate the obligations under the guarantees and related agreements and subordinate them to the other debts of the guarantor in turn or take other actions harmful to the holders of the Notes and the Sustainable Bonds.

Although courts in different jurisdictions measure insolvency differently, in general, a company would be considered insolvent if the sum of its debts, including contingent and unpaid debts, exceeds the fair value of its assets, or if the current value of its assets is less than the amount that would be required to pay the liabilities of its debts, including contingent and unpaid debts, as they become payable.

If the guarantees cannot be exercised under the above conditions, the Notes and the Sustainable Bonds would be subordinated to all the liabilities, including the accounts payable, of the guarantor subsidiaries. A court may also issue a judgment against the holders of the Notes ordering them to reimburse any amounts paid to them under such guarantees or to exercise the proceeds of the guarantees. If any guarantee or lien were invalidated, the holders of the Notes or the Sustainable Bonds would no longer have a direct claim against the guarantor subsidiary, but would retain their rights against the Company and any other guarantor subsidiary, even though there was no guarantee that the assets of the respective subsidiaries would be sufficient to pay the Notes or the Sustainable Bonds in full.

The provisions of Mexican law may make it difficult for holders of Notes and Sustainable Bonds to convert the amounts paid by the Company to the holders in Mexican pesos into U.S. dollars or to achieve recognition of the full value of such payments

Orbia is obligated to pay the Notes and other credits in U.S. dollars. However, under Mexico's Monetary Act, payment obligations in Mexico in foreign currencies, either by agreement or by order of a judge, may be made in Mexican pesos at the exchange rate at the time and place of payment or of the corresponding court. Pursuant to the foregoing, Orbia will be obligated to pay loans taken out in currencies other than Mexican pesos, as set forth by Mexico's Monetary Act, and the Company cannot guarantee that the amounts paid will be converted by the beneficiary into U.S. dollars or that, if converted, such amount paid will be sufficient to acquire dollars in the same amount of the principal, interest, or additional payments derived from such instruments or loans in currencies other than Mexican pesos.

Holders of the Notes and Sustainable Bonds may be limited in their ability to institute proceedings or lawsuits against the Company in Mexican courts

Orbia and some of its guarantor subsidiaries are companies incorporated under the laws of Mexico. Almost all of its directors and key executives, as well as the directors and key executives of many of its guarantor subsidiaries are Mexican citizens and residents. A significant percentage of the Company's assets and those of some of its guarantor subsidiaries are in Mexico, and a very significant percentage of the Company's sales and those of some of the guarantor subsidiaries originate from sources in Mexico. Therefore, it could eventually be difficult for holders of Notes and other debt instruments taken out by Orbia in currencies other than the Mexican peso to serve process and bring legal proceedings or lawsuits against the Company or its guarantor subsidiaries outside of Mexico or against its directors or key executives or to enforce judicial rulings issued by courts or tribunals outside of Mexico's jurisdiction, in all matters relating to civil obligations under laws of jurisdiction outside of Mexico, including proceedings instituted pursuant to the civil provisions of U.S. securities laws or other US laws.

Charging interest on interest may not be enforceable in Mexico

Mexican law does not permit charging interest on interest and, as a result, the accrual of interest in the event of default on ordinary interest payments on the Notes, the Sustainable Bonds and other loans taken out by Orbia may not be enforceable in Mexico.

The payment of the Notes and the Sustainable Bonds, as well as the related guarantees, may be structurally subordinated with respect to the debt obligations of the guarantor subsidiaries as well as subsidiaries who are not guarantors of Orbia, in the same way other debt that does not have the same guarantee structure would be structurally subordinated to that which does

The Notes constitute part of Orbia's guaranteed debt and their payment preference is equal to that of other debts, but they could be structurally subordinated with respect to the payment of other guaranteed credit obligations and also structurally subordinated to debts contracted by the guarantor and non-guarantor subsidiaries. Although the holders of the Notes and the Sustainable Bonds have a direct right to claim payment, this right is not guaranteed over the assets and properties of Orbia or of the guarantor subsidiaries; therefore, the payment of the Notes and the Sustainable Bonds is subordinated with respect to the debt of Orbia and its subsidiaries that have a specific applicable guarantee for payment up to the value of such assets. In addition, under Mexican law, the payment obligations of the Notes are subordinated to certain preferences established by law, including wage and salary claims, guaranteed obligations, social security, workers' housing funds, taxes, fees for and expenses of lawsuits. Similar legal preferences may apply in other jurisdictions where subsidiary guarantors have been incorporated. In the event of Orbia's liquidation, such legal payment preferences will prevail over any other claim, including those of any holder of the Notes and the Sustainable Bonds.

A decrease in Orbia's credit risk rating and/or its loans could adversely affect its ability to access credit markets

If any of the credit ratings are downgraded by the rating institutions, or if the current ratings are subject to negative reviews by the rating agencies, the Company's ability to access the credit markets could be seriously affected and the associated costs of financing could increase. Changes in credit ratings could also affect the price of the Company's securities, including the Notes and the Sustainable Bonds.

d) Other Securities

The securities that Orbia has registered in the RNV and trades in the BMV are:

i. Ordinary, nominal, without stating a nominal value, freely subscribed shares representing the capital stock of Orbia Advance Corporation, S.A.B. de C.V., and which grant full corporate and patrimonial rights to all holders of such shares, listed under the ticker symbol ORBIA*, and;

ii. *Senior Notes*

On September 19, 2012, Orbia Advance Corporation, S.A.B. de CV, issued and placed "Senior Notes" for a total amount of $1,150 million, in two blocks: one of $750 million, with a term of ten years with a fixed rate coupon of 4.875% and another of $400 million, at a thirty-year term with a fixed coupon rate of 6.75%. In both blocks of "Senior Notes" Interest is paid semi-annually on March 19 and September 19 from its issue date and until its maturity on September 19, 2022, and September 19, 2042, respectively. The "Senior Notes" have been listed on the Luxembourg Stock Exchange and for trading on the market called "Euro MTF Market". These "Senior Notes" have not been registered in the National Securities Registry, nor have they been authorized by the National Banking and Securities Commission, nor have they been registered according to the regulations of the "U.S. Securities Act of 1933" or US Securities Act, which governs securities operations in that country, were only offered to buyers considered qualified investors as defined by "Rule 144-A" or Rule 144-A of the US Securities Law, in that country, and outside the US, to persons not resident in said country, under "Regulation S" under the same US Securities Law.

For this issue of both the $400 million Senior Note due in 2042 and the $750 million Senior Note due in 2022, Fitch Ratings gave the rating 'BBB-', Standard & Poor's 'BBB-' and Moody's 'Ba1' with a stable outlook. The $750 million Senior Note due in 2022 have been fully amortized.

On September 17, 2014, the Company issued and placed "Senior Notes" for a total amount of $750 million for a term of thirty years, which accrue a fixed annual rate of 5.875%, payable semi-annually on March 17. and September 17 from their issue date and until their maturity on September 17, 2044. The "Senior Notes" have been listed on the Luxembourg stock exchange and for trading on the market called "Euro MTF Market". These "Senior Notes" have not been registered in the National Securities Registry, nor have they been authorized by the National Banking and Securities Commission, nor have they been registered according to the regulations of the "U.S. Securities Act of 1933" or US Securities Act, which governs securities operations in that country, were only offered to buyers considered qualified investors as defined by "Rule 144-A" or Rule 144-A of the US Securities Law, in that country, and outside the US, to persons not resident in said country, under "Regulation S" under the same US Securities Law.

The credit risk rating granted for this issue by Standard & Poor's was 'BBB-', by Fitch Ratings 'BBB', and by Moody's 'Baa3'.

On October 4, 2017, Orbia issued and placed "Senior Notes" for a total amount of $1,000 million in two tranches, $500 million for a term of ten years (with maturity on October 4, 2027) and $500 million for a term of thirty years, with maturity on January 15, 2048, which accrue a fixed annual rate of 4.0% and 5.50%, respectively, payable semi-annually on April 4 and October 4, for the first tranche and on December 15. January and July 15 for the second tranche. The "Senior Notes" have been listed on the Luxembourg Stock Exchange and for trading on the market called "Euro MTF Market". These "Senior Notes" have not been registered in the National Securities

Registry, nor have they been authorized by the National Banking and Securities Commission, nor have they been registered according to the regulations of the “U.S. Securities Act of 1933” or the US Securities Act, which governs securities operations in the same country, were only offered to buyers considered qualified investors as defined by “Rule 144-A” or Rule 144-A of the US Securities Act, in that country, and outside the US, to persons not resident in said country, under "Regulation S" under the same US Securities Act.

The credit risk rating assigned for this issue maturing on October 4, 2027, are: Standard & Poor's 'BBB-', Fitch Ratings 'BBB', and Moody's ' Baa3'.

The credit risk ratings assigned for the issue maturing on January 15, 2048, are: Standard & Poor's 'BBB-', by Fitch Ratings 'BBB' and Moody's 'Baa3'.

On May 11, 2021, ORBIA announced the successful closing of its inaugural issuance of Sustainability-Linked Bonds in the amount of $600 million in senior notes due May 2026 bearing interest at an annual rate of 1.875%, and $500 million in senior notes due May 2031 bearing interest at an annual rate of 2.875% (the “Notes”).

These issues received a credit rating of 'Baa3' by Moody's, 'BBB-' by Standard & Poor's and 'BBB' by Fitch Ratings.

iii. Orbia reported that on August 23, 2021, it made the first issue of Euro Commercial Paper for an amount of €30 million (thirty million euros), through the placement of the respective notes (promissory notes), at an over cost of 0.35%, with a maturity date of up to September 23, 2021. The notes were issued under the Euro Commercial Paper Program established by Orbia on June 2, 2021, for an amount of up to €750 million (seven hundred and fifty million Euros) with issues that will be valid for less than one year and will not be listed on any stock exchange (the “Program”).

These issues received a credit rating of 'A-3' by Standard & Poor's and 'F3' by Fitch Ratings.

Orbia is up to date on the submittal, during the last three fiscal years, of all the legal, operational, administrative, and financial information that it is required to submit, by virtue of the fact that the outstanding shares are registered in the RNV and listed on the BMV. Similarly, the Issuer is up to date on the submittal during the last three fiscal years of all the legal, operational, administrative and financial information that it is obliged to submit pursuant to the contracts for the issuance of international debt to the agent (Deutsche Bank National Trust Co and CI Banco, S.A. Institución de Banca Múltiple), as well as the revolving credit to the agent bank MUFG (Bank of Tokyo).

The Issuer provides information to the investing public on an annual basis, which includes the reports presented to the Ordinary General Shareholders' Meeting approving the results of the previous year, the resolutions of the shareholders' meetings, quarterly information, information on repurchase fund operations and notices of relevant events.

e) Significant Changes to the Rights of the Securities Registered in the Registry

In the last three fiscal years, the securities held by the Company registered in the Registry have not undergone significant changes to the rights they confer on their holders.

f) Destination of Funds

During 2021, 2020, and 2019 fiscal years, the Company did not register securities in the RNV. Nor are there resources pending application as a result of securities issuances carried out in previous years. (*See Section 1, "General Information", item d, "Other Securities", of this Annual Report*).

g) Public Documents

Investors may verify the public documents and information submitted by the Company to the CNBV and the BMV, at the BMV’s offices located at Avenida Paseo de la Reforma número 255, Colonia Cuauhtémoc, C.P. 06500, México, Distrito Federal, or on its website: www.bmv.com.mx, or on the CNBV website at the following website: www.cnbv.gob.mx.

Orbia has provided the CNBV and the BMV with the information required by the LMV, the Sole Issuer Circular (CUE), the internal regulations of the BMV, and other applicable provisions, therefore such information is available to investors.

Copies of the above documentation and this Annual Report may be obtained upon request from any investor by contacting the Company’s Director of Investor Relations, Gerardo Lozoya Latapí gerardo.lozoya@orbia.com, telephone number(52) 55 5366 4084 or Diana Echemendía Echeverría diana.echemendia@orbia.com, telephone number (52) 55 5366 4483, Address: Avenida Paseo de la Reforma 483, piso 47, Colonia Cuauhtémoc, Alcaldía Cuauhtémoc, Ciudad de México, 06500, México, or on Orbia’s website: www.orbia.com.

2. THE ISSUER

a) History and Development

i. Company Name and trade name of the Issuer

Orbia or the Company, as it is commercially known, was originally incorporated under the name of Grupo Industrial Camesa, S.A. and in 1984 adopted the variable capital corporation regime. On April 27, 2005, the Company changed its name to Mexichem, S.A. de C.V. and on December 6, 2006, it adopted the regime of publicly-traded variable capital corporation.

At the Company's Shareholders' Meeting held on August 26, 2019, it was decided to approve the change of its corporate name to Orbia Advance Corporation, S.A.B. de C.V. This change reflects the new strategy and global reorganization undertaken by the Company, which implies the re-branding of its identity and image in accordance with its mission, vision and philosophy.

ii. Date and Place of Incorporation and Duration of the Issuer

The Company was incorporated by means of public deed number 34,080, dated June 30, 1978, issued by Notary Public number 112 in and for the Federal District, the first official transcript of which was recorded in the third book of the Commerce Section of the Public Registry of Property and Commerce for the Federal District, in volume 1066, on page 190 and under number 212. The duration of the Company is indefinite.

iii. Address and telephone numbers of main office

Avenida Paseo de la Reforma 483, piso 47, Colonia Cuauhtémoc, Alcaldía Cuauhtémoc, Ciudad de México, 06500, México
Telephone no.: + 52 55 5366 4000
Web address: www.orbia.com

iv. Historical Events

1953
Orbia's origins date back to 1953, when the company Cables Mexicanos, S.A., a manufacturer of wire rope, was incorporated. It later changed its name to Aceros Camesa, S.A. de C.V.

1978
A holding company called Grupo Industrial Camesa, S.A. de C.V. (GICSA) was incorporated, which controlled Aceros Camesa, S.A. de C.V. and its subsidiaries. GICSA shares were listed in the BMV in the same year it was incorporated.

1986
GICSA acquired the company Compañía Minera las Cuevas, S.A. de C.V., whose main activity consisted of the exploitation of fluorite mines in the state of San Luis Potosí.

1997
Grupo Empresarial Privado Mexicano (GEPM), held by the Valle family, acquired GICSA, which in turn acquired a 50.4% stake in Química Pennwalt, S.A. de C.V., a company that produces chlorine, caustic soda, hydrochloric acid, resins, PVC compounds and other derivatives. The French chemical group Elf Atochem held 49.3% of the shares in Química Pennwalt, S.A. de C.V.

2003
GICSA acquired 100% of the Mexichem, S.A. de C.V. shares.

2004
In May 2004, Química Flúor, S.A. de C.V., a producer of hydrofluoric acid, was acquired, and the company's operations were integrated with that of Compañía Minera Las Cuevas, S.A. de C.V. Through this acquisition, the Company became the largest integrated producer of hydrofluoric acid in the Americas.

In December 2004, the Company acquired Grupo Primex, S.A. de C.V., the market leader in Mexico and Latin America in the production of PVC resins and compounds, as well as of phthalic anhydride. Through this acquisition, the Company positioned itself as the leading producer of PVC resins in Mexico and the third- ranking producer in Latin America.

2005
In order to focus on the chemical business, the Company sold its wire rope business in June 2005.

That same year, the Company changed its corporate name from Grupo Industrial Camesa, S.A. de C.V. to Mexichem, S.A. de C.V. in order to strengthen the strategic positioning achieved by the Group in the chemical sector. The Group's strategic vision was focused on this sector and sought consolidation and vertical integration of its production chains, which is why it only acquired companies related to its value chains (which are now business groups).

2006
Química Flúor, S.A. de C.V. and Mexichem Flúor, S.A. de C.V. merged, with Mexichem Flúor, S.A. de C.V. surviving.

The company began its international expansion in February 2006 with the acquisition of Bayshore Group, a business that produces PVC compounds in the United States.

2007
In order to consolidate its PVC business, in February 2007 the Company acquired Amanco Holding, Inc., a PVC pipe producer and leader in Latin America in water conveyance systems. Through this acquisition, Orbia formed the Fluent business group, which existed until the 2019 tax year, after which the Company decided to separate into three business groups.

In March that same year, the Company acquired the PVC resin manufacturer Petroquímica Colombiana, S.A. (PETCO).

In June 2007, the Company acquired a 50% share of C.I. Geon Andina, S.A., a producer of PVC compounds, located in Colombia.

2008
In January 2008, the Company acquired 70% of the capital of DVG Industria e Comercio de Plásticos Ltda. (Plastubos), a Brazilian company specializing in the production of rigid PVC pipes for drinking water and drainage, for the housing, infrastructure, irrigation and electricity markets. Subsequently, the Company exercised the call option on the remaining 30%.

In April 2008, the Company acquired 100% of the shares representing the capital stock of Fluorita de Río Verde, S.A. de C.V., along with the production plants located in the municipalities of Río Verde, San Luis Potosí and Álamos de Martínez, Guanajuato, as well as the mining concessions to exploit the Fluorita "Lilia II" and "La Esperanza" mines. This company produces Fluorite concentrates, which are used for consumption by Mexichem Flúor, in its plant located in Matamoros, Tamaulipas.

In June 2008, the Company acquired 100% of the shares representing the capital stock of Quimir, S.A. de C.V., a Mexican company that produces and markets industrial and food phosphates.

Also, in June 2008, the Company acquired Geotextiles del Perú, S.A., securing Orbia's position as a leader in the geotextiles market and at the same time it expanded its offering of other geosynthetic solutions in the Peruvian market.

That same month, the Company acquired the Brazilian company Fiberweb Bidim Industria e Comercio de Nao-Tecidos Ltda., which manufactures and sells nonwoven products for Geotextiles.

In November 2008, the company acquired Colpozos, S.A., located in Cali, Colombia, which alongside its well drilling, construction, maintenance and repair activities for water extraction, it designs, builds and installs water management solutions in applications such as pumping and irrigation systems.

2009
On March 31, 2009, the Company acquired 100% of the capital stock of Tubos Flexibles, S.A. de C.V., a Mexican company that produces PVC pipes and fittings.

In August 2009, the Issuer's capital stock was increased by 153,600,000 new shares, representing an increase in capital of $2,258 million Mexican pesos. In September 2009, a 60,000 MT per year capacity aluminum fluoride plant was inaugurated at the Mexichem Flúor, S.A. de C.V. facilities located in Matamoros, Tamaulipas. A $60 million investment was made in this plant.

In September 2009, the first placement of Stock Exchange Certificates issued by Orbia was made in the Mexican debt market for $2,500 million Mexican pesos, for a 5-year term with a 28 Day Interbank Equilibrium Interest Rate (28 Day TIIE) plus 2.44 basis points under the ticker symbol MEXCHEM 09. The funds obtained were used to refinance debt and change its maturity profile, with only 15% of its total debt remaining in the short term. On July 20, 2011, Orbia decided to exercise its right to accelerate all of the Stock Exchange Certificates of this first placement by paying the holders the amount set forth in the corresponding instrument plus the premium for accelerated amortization stipulated therein.

In October 2009, the Company acquired the remaining 50% of the shares in C.I. Geon Andina, S.A., a company that produces PVC compounds, located in Colombia.

During the month of November 2009, the first placement of Senior Notes in the amount of $350 million over 10 years at an annual rate of 8.75% was made. The funds obtained were used for general corporate purposes, including working capital and possible future acquisitions. An amount of $267.1 million was prepaid in September 2012 and settled in November 2019 upon maturity.

2010

In January 2010 Amanco del Perú, S.A. (now Mexichem Perú, S.A.) increased its share of the capital stock of Plastisur, S.A., a PVC pipe manufacturer, from 25% to 98.45%. Plastisur merged with Tuberías y Geosistemas del Perú, S.A., a subsidiary of the Company, immediately after Orbia increased its equity interest.

In March 2010, the Company acquired the Refrigerants division of Ineos Group with a presence in the United Kingdom, the United States, Canada, Japan and Taiwan. Through this acquisition, Orbia strengthened its global presence in the refrigerant gas market for the automotive, medical, and construction sectors.

In June 2010, the Fluorinated Solutions business group, inaugurated Hydrofluoric Acid plant II in the city of Matamoros, Tamaulipas, which has a capacity of 30,000 MT per year and an investment of $40 million. This investment was financed with the Company's own funds and bank loans.

In October 2010, Orbia acquired 100% of the shares of Policyd, S.A. de C.V. (a manufacturer of PVC resins) and 100% of the shares of Plásticos Rex, S.A. de C.V. (a manufacturer of PVC pipes). Included in the payment to the seller for this transaction were all the assets, rights and property necessary for the operation of the Santa Clara Plant, owned by the Company, located in the municipality of Santa Clara, Estado de México. Policyd, S.A. de C.V. merged in October 2010 with Mexichem Resinas Vinílicas, S.A. de C.V. and Plásticos Rex, S.A. de C.V. merged with Mexichem Soluciones Integrales, S.A. de C.V. in June 2011.

2011

On January 7, 2011, Orbia acquired 100% of the shares representing the companies AlphaGary Corporation and AlphaGary Limited, PVC compound producers located in the United States and the United Kingdom, respectively. This acquisition, which brought new technologies, gave Orbia the potential to research and develop new products.

On August 31, 2011, the Issuer signed a revolving line of credit for $1,000 million for a term of three years, under a Club Deal format, at a rate of LIBOR plus 90 basis points, which allowed the Company to increase its financial flexibility and take advantage of opportunities that arose in its markets to consolidate its strategic growth plans while improving its debt repayment profile.

On September 2, 2011, the Company offered and placed the second issue of Stock Exchange Certificates under the Program with the ticker symbol MEXCHEM 11 (as it had not yet changed its corporate name as of that date nor upon the issue's maturity), for an amount of $2,500 million Mexican pesos. The principal was due in a single payment on September 2, 2016, paying a gross interest rate equivalent to TIIE plus 60 basis points. The funds were used to pay the bridge loan used to accelerate the payment of the issue of MEXCHEM 09 Stock Exchange Certificates, therefore, the issue did not increase the total amount of active debt, but it did strengthen the financial structure, reduce the financial cost and modify its long-term maturity profile.

In December 2011, Plastubos, which was acquired in 2008, merged with Mexichem Brasil Industria de Transformação Plástica Ltda.

2012

In January 2012, the Company acquired 100% of the shares of Fluorita de México, S.A. de C.V., a company located in the municipality of Múzquiz, Coahuila. Through this acquisition, Mexichem gained access to Fluorita's high-purity mining concessions.

On March 15, 2012, the CNBV authorized the expansion of the Stock Exchange Certificates Program for an amount of up to 10,000 million Mexican pesos or its equivalent in UDIS and for a term of up to 5 years as of the date of such expansion. Orbia therefore publicly offered and placed on September 9, 2011, 25,000,000 Stock Exchange Certificates, and on March 21, 2012, 20,000,000 Stock Exchange Certificates of the MEXCHEM 11 issue, so that this issue would reach a new total of 45,000,000,000 Stock Exchange Certificates with a par value of 100.00 Mexican pesos each. The principal was accelerated in a single payment on September 23, 2014.

On March 21, 2012, Orbia made the third issue of Stock Exchange Certificates (ORBIA 12) under the Program, for 30,000,000 Stock Exchange Certificates, with a par value of $100.00 Mexican pesos each, with the maturity date of March 9, 2022, through a single payment, for a term of approximately 10 years, paying a gross annual interest rate of 8.12%, which will remain fixed during the term of this third issue.

In May 2012, Orbia acquired, through a public offering, 95.7% of the shares of Wavin, B.V., a company located in the Netherlands. This company produces plastic pipe systems. It has operations in 18 European countries. In March 2013, the Company acquired the remaining 4.3% of Wavin, B.V. shares.

At Orbia's Ordinary and Extraordinary General Shareholders' Meetings held on April 30 and May 18, 2012, respectively, shareholders approved the payment of a dividend of $136 million (1,800 million Mexican pesos), payable from the Company's CUFIN account. This dividend was paid, according to each shareholder's choice, either (i) in kind through the delivery of one Issuer Share for every 45 Shares of the corresponding shareholder, or (ii) in cash at the rate of $1.00 Mexican peso per Share. In order to facilitate the payment of this dividend, the shareholders authorized a capital increase of up to 40,000,000 Shares. As a result, at the May 18, 2012, Shareholders' Meeting, shareholders approved the issuance of 28,029,771 Shares at a subscription price of $45.00 Mexican pesos for each new Share. The corresponding funds were used to pay the dividend to the shareholders who elected to receive the cash payment. The remaining 11,970,229 shares were issued as payment of the dividend in kind to the shareholders who decided to receive payment in Shares.

On September 14, 2012, Orbia announced the results of its cash redemption offer for a total of $350 million Pesos on debt instruments at an 8.75% rate due in 2019 (the "Redemption Offer"). In addition, consent was requested from the holders of debt instruments in order to make modifications to the terms and conditions of such securities. The Redemption Offer and consent expired on September 13, 2012, and on the expiration date, $267.1 million of the outstanding amount of the debt instruments (or 76.32% of those securities) accepted the offer and gave their consent. The Redemption Offer was settled on September 19, 2012, paying a consideration of $1.245 Mexican pesos for each Mexican peso of par value plus unpaid accrued interest on the settlement date.

On September 19, 2012, Orbia successfully finalized the transaction for the issuance of long-term debt instruments, and due to the excess demand for this issue (over 17 times), it was decided to increase the initial amount of the debt instruments to be issued, with a resulting value of $1,150 million. The issuance was made in two blocks: one of $750 million for a 10-year term with a fixed rate coupon of 4.875% and another of $400 million for a 30-year term with a fixed rate coupon of 6.75%.

The Company used the proceeds from the issuance of $1,150 million for corporate purposes and, in general, primarily to prepay debt as follows: (i) up to $600 million for the prepayment of its revolving credit dated August 26, 2011, and (ii) up to $436 million to repay long-term debt, of which $333 million (principal of $267 million and premium of $65 million) has been used to repurchase debt instruments maturing in 2019, through the Redemption Offer that expired on September 13, 2012, $38.0 million ($484 million Mexican pesos) to repay the loan taken out with BBVA Bancomer and $65 million to pay a loan from Bancolombia, S.A., and prepaid interest and fees of $16 million. The remaining balance of $97.8 million was left in the Company's cash.

On October 9, 2012, Orbia concluded its primary public offering of shares; through which it increased its authorized variable capital stock by issuing 260,000,000 Single Series, Class "II" shares with a price of 60.00 Mexican pesos per share (par value of $1.3192 Mexican pesos per share and the differential generated a premium on share subscription); the amount of funds obtained was $1,211 million ($15,600 million Mexican pesos), which are presented net of placement expenses and their income tax effect of $1,185 million.

2013

In March 2013, Orbia reached an agreement with PolyOne Corporation to acquire 100% of its specialty PVC resin operations in the United States, assets consisting of two production plants and a research and development center. Through this acquisition, Orbia entered the specialized resin products market with higher margins. The approximate value of this acquisition was $250 million.

During 2013 Orbia signed the joint venture agreement with Oxy to build an Ethylene Cracker in Texas, USA. This is part of the vertical integration strategy to capture the competitive advantage of shale gas in North America.

During 2013 PMV, the strategic alliance between Orbia and Pemex began operations in the last quarter of 2013, in line with the plan to increase the capacity of VCM from around 120 thousand tons/year to more than 400 thousand tons/year.

2014
On June 30, 2014, the Company took out a $1,500 million five-year revolving line of credit with a rate of LIBOR plus 95 basis points at 1.35 basis points; this range depends on the utilization level and the rating assigned by S&P and Fitch. With this revolving credit, Orbia increased its financial flexibility to take advantage of the opportunities that arise in its markets to consolidate its strategic growth plans.

On September 17, 2014, the issuance of a $750 million 30-year Senior Note under Rule 144-A / Reg S with a spread of 270 basis points on U.S. Treasury bonds was completed. The Senior Note was payable on maturity. The proceeds were mainly used to refinance the "MEXICHEM 11" issue maturing in 2016 and to fund acquisitions.

On September 19, 2014, Orbia acquired 100% of the shares of Dura-Line Holding Inc. from CHS Capital. Dura-Line, based in Knoxville, Tennessee, USA, has a strong presence in the telecommunications market in several countries and regions around the world. This includes the United States, India, Europe, South Africa and others. This acquisition was valued at $630 million.

On September 23, 2014, Orbia accelerated all the "MEXCHEM 11" stock certificates.

In December 2014, Orbia acquired 100% of the shares of Vesto PVC Holding GmbH (Vestolit). Vestolit is the only European producer of high-impact suspension PVC resin (HIS-PVC) and the second largest producer, also in Europe, of PVC paste and the sixth largest European producer of PVC resins. Vestolit is in Marl, Germany. Its total installed PVC capacity is 415 thousand tons per year. This acquisition strengthened the Company's position in the European market. Additionally, this acquisition gave Orbia access to new technologies and best practices that have improved the operations of its Polymer Solutions business group. Vestolit was acquired for a total of $219 million euros in cash and assumed liabilities. As of December 1, 2014, Vestolit was consolidated into the Vinyl Business Group for accounting purposes.

On December 31, 2014, Mexichem UK Ltd. acquired from E.I. Du Pont de Nemours and Company the exclusive worldwide rights for the distribution and sale of pharmaceutical grade HFC-227ea/P, for the regulated medical and pharmaceutical market for medical propellants. This transaction supports the Company's strategy with a focus on global growth through participation in specialty products. The product is used to safely release various medicines in aerosol form, including fixed-dose inhalers for the treatment of asthma. The product will be sold under the ZEPHEX® brand, owned by the Issuer, the world's leading brand of medical propellants with approximately 75% of the market for medical inhalers produced worldwide. The acquisition price was $4.1 million.

2015
On May 12, 2015, Orbia inaugurated a new manufacturing plant in Hyderabad, India. The plant produces high pressure ducts and pipes for the water, telecommunications (voice and data) and gas markets. The new plant is Orbia’s fourth plant in India, along with two others located in Goa and one in Neemrana, near Delhi. The location of the Hyderabad plant in southern India will provide Orbia with a strategic location to export to Southeast Asia, serve customers in southern India, and capture new business opportunities in the region. The opening of the plant is part of Orbia’s ongoing strategy to become a global, vertically integrated chemical company with a focus on specialty products and solutions. An investment of $3.4 million was made in the plant.

2016
On October 26, 2016, the Company announced the acquisition of Gravenhurst Plastics Ltd. (GPL) in Temiskaming, Ontario, Canada in order to reinforce its global growth model in value-added specialty products. GPL supplies high-density polyethylene (HDPE) piping and ducts for fiber optics as well as construction products in the Canadian market. The transaction was consolidated into the Fluent business group and had a value of $13 million paid in cash.

On November 28, 2016, Orbia announced the acquisition in the United Kingdom of 100% of the shares of Vinyl Compounds Holdings Ltd. (VCHL), a leading supplier of PVC compounds serving a wide range of industries including: building and construction, pipe and profile manufacturing, footwear and consumer goods. The Derbyshire-based PVC composite manufacturer, VCHL, generated annual revenues of approximately $40 million at the time of acquisition. Orbia consolidated VCHL's operations under its Compounds business unit, a leading supplier of PVC compounds, which is part of the Polymer Solutions business group. This acquisition had a value of £24 million pounds sterling, equivalent to $30 million paid in cash.

2017
In February 2017, the 50/50 joint venture formalized on October 31, 2013, between the Issuer and Occidental Chemical Corporation (OxyChem), the Ingleside Ethylene LLC, began operations on time and on budget of the ethylene cracker in the OxyChem complex located in Ingleside, Texas, USA. During the second quarter of 2017, the Cracker began

commercial operations. The Cracker has a production capacity of 1.2 billion pounds (550,000 metric tons) of ethylene per year and provides OxyChem with a continuous source of ethylene for the production of vinyl monochloride (VCM), which the Company uses to produce polyvinyl chloride (PVC resins) used to make PVC pipes, among other products. The total amount invested during 2017 and 2016 alone was $62 million and $350 million respectively (based on asset accounting and not cash flow). The joint venture also includes the gas pipeline and storage plant in Markham, Texas, USA.

On March 23, 2017, the Company announced that the U.S. International Trade Commission (ITC) found that imports of refrigerant gas R-134a were causing material damage to the R-134a production industry in the United States. The decision was the result of a year-long investigation by the U.S. Department of Commerce, which found that imports of R-134a from China were entering the United States at prices below fair value. On February 22, 2017, the Department of Commerce announced that imports from China of R-134a engaged in dumping practices and imposed anti-dumping duties of between 148.79% and 167.02%.

In August 2017, Mexichem Soluciones Integrales Holding, S.A. de C.V. (MSIH), an Orbia subsidiary, reached an agreement to acquire: i) voting shares representing 80% of the subscribed and paid-in capital stock of Netafim, ii) all non-voting shares representing approximately 0.4% of the subscribed and paid-in capital of Netafim, and iii) certain loans granted by some of the shareholders of Netafim, Bluedrip S.ar.l, and Netafim Hatzerim Holdings, Cooperative Association Limited, in favor of Netafim.

On September 27, 2017, Orbia successfully completed the $1,000 million 144ª / Reg S bond offering. The offering consists of two tranches: $500 million 4.00% fixed rate bonds due in October 2027 and $500 million 5.50% fixed rate bonds due in January 2048. The proceeds of the offering were used primarily to finance the acquisition of Netafim, L.T.D. (Netafim).

On December 20, 2017, Orbia announced the decision of PVM shareholders not to rebuild its VCM production capacity. As a result, the VCM business, the assets and liabilities associated with the production of ethylene and the ancillary services associated with VCM and ethylene were classified on that date as discontinued operations in its consolidated financial statements and other statements. Thus, all impacts and recognized revenues related to the incident at the VCM plant are reported as discontinued operations. In 2018, $22.8 million of revenue was recorded in the same item of discontinued operations for complements to the estimates made by Orbia the previous year. In addition, PMV's decision not to rebuild the VCM plant resulted in the additional cancellation of $196 million related to the assets of the Ethylene plant and ancillary services related to the VCM and Ethylene plants, which were also listed as discontinued operations.

2018

On January 22, 2018, Orbia announced that it acquired Sylvin Technologies Inc. (Sylvin), which is a manufacturer specializing in PVC compounds based in Denver, Pennsylvania, USA. for $39 million free of cash and debt. Sylvin, on the date of the announcement, had a 30-year history serving a wide range of industries including: cable, electrical, industrial, automotive, medical and food product industries. Orbia consolidated Sylvin into the Polymer Solutions business group under the Compounds business unit. By combining Sylvin's customer-oriented business model, its strong work force, and application development capabilities with Orbia's global compound business, they will be able to offer greater added value to their U.S. customers. Sylvin's key raw materials are PVC resins, plasticizers, and stabilizers, which should result in synergies with the operations of Orbia’s Polymer Solutions business group.

On February 7, 2018, Orbia completed the acquisition of 80% of the shares of Netafim LTD (Netafim), a leading Israeli company in micro irrigation solutions, after obtaining all government authorizations and fulfilling the prerequisites required in the Share Purchase Agreement signed in August 2017. The price paid for the acquisition was $1,424 million. Kibbutz Hatzerim will retain the remaining 20% of Netafim's capital stock. This transaction represented a significant step forward in Orbia’s long-term strategy to position itself as a world leader in specialized products and solutions, serving high-growth markets. Orbia consolidated Netafim in the Fluent business group.

The acquisition was mainly financed as follows: (i) cash of $239 million, (ii) new short-term loan of $200 million, and (iii) cash flows from the issuance of a long-term bond of $985 million.

On July 6, 2018, Orbia announced that in line with its strategy of consolidating key businesses, it reached an agreement for the acquisition of 44.09% of the shares representing the capital stock held by Pemex in Petroquímica Mexicana de Vinilo, SA de CV. (PMV), through its subsidiary PPQ Cadena Productiva, S.L., after approval by the Boards of Directors of both Pemex and Orbia. The transaction amount was approximately $159.3 million, which is within the valuation ranges of comparable companies and prior transactions in the petrochemical sector. Orbia completed the acquisition on November 16, 2018, meaning that, from that date, PMV was exclusively a subsidiary of Orbia and its activity, as of that date until the date of this Annual Report, only consisted of the operation of the chlorine-soda plant.

2019

On June 24, 2019, the Company informed the investing public that it had signed the renewal of its revolving credit for $1,500 million dollars, with 5-year maturity and upgrading different clauses and conditions in line with its investment grade rating based on the Standard & Poor´s ratings ('BBB-' global scale and 'MXAA/MXA-1+' national scale), FitchRatings ('BBB' global scale and 'AA+ (mex)' national scale) and Moody´s ('Baa3' global scale). The credit could be used for any company purpose, including acquisitions, debt refinancing and the financing of commercial transactions, among others. This arrangement replaced the one that was signed in 2014 for a term of 5 years with a syndicate of 10 of the most globally renowned banks.

At the Company's Shareholders' Meeting held on August 26, 2019, shareholders approved the change of corporate name to Orbia Advance Corporation, S.A.B. de C.V reflecting the new strategy and global reorganization undertaken by the Company, to align its image in accordance with its mission, vision and philosophy.

For the Company's management, the fiscal year marked the culmination of the implementation of a multi- year growth strategy based on acquisitions, which significantly increased the Company’s global footprint and market penetration.

The Company defined and announced a new name, purpose, and strategy to reflect its r ability to meet the most pressing global challenges and its commitment to advance life around the world.

The Company reorganized into five business groups focused on providing customer-driven solutions through the verticals of Data Communications (Dura-Line), Precision Agriculture (Netafim), Building & Infrastructure (Wavin), Fluorinated Solutions (Koura) and Polymer Solutions (Vestolit and Alphagary). The Company also started to implement its "play-to-win" strategy to capitalize on organic growth opportunities and generate greater operational and financial performance.

2020

On January 10, 2020, the Company informed the investing public that, as part of its strategy, it continuously seeks business opportunities, as well as options for acquisitions, sales, mergers and any other financial transactions that allow it to maximize shareholder value. In this context, the Company announced that it was in the process of analyzing divestiture options or strategicalliances with third parties for its Polymer Solutions business, without there being certainty or approval on the completion of any transaction at the time.

On March 5, 2020, the Company notified its agent bank with which it had entered into a $1.5 billion Revolving Line of Credit agreement on June 21, 2019, that the line of credit would be reduced by $500 million, leaving a remaining available balance of $1 billion. The revolving line of credit bears monthly interest at LIBOR plus 1.05%. The loan principal is repayable in a single installment upon maturity on June 21, 2024. On March 27, 2020, the Entity drew down the remaining full amount of the available line of credit, which was repaid during 2020 as follows: $400 million on September 30, $350 million on October 30, $175 million on November 30 and $ 75 million on December 30.

In March 2020, the World Health Organization ("WHO") declared Coronavirus disease ("COVID-19") a global pandemic. Orbia took comprehensive measures to protect employees, customers and communities from the risks associated with the COVID-19 pandemic, including those summarized below:

- It maintained strict health and safety measures at all its operating sites.
- It introduced staggered back-to-work protocols, when applicable, for essential sites and facilities.
- It continued restricting all non-essential business travel, as well as promoting remote working for a large section of employees at a global level.
- It continued using digital tools to work efficiently and drove innovation while improving digital infrastructure to adapt, increase volume and satisfy customer needs.
- It increased online training and learning, while extending remote medical support and healthcare access to all employees.
- It implemented the employee assistance program in certain regions to offer medical and psychological support, which will continue after the COVID-19 pandemic.

The majority of Orbia’s facilities and plants remained in operation through the pandemic, and the supply chain was practically unaffected. The Company also adapted its production processes, streamlining prototype creation periods to supply essential medical equipment and materials, including the thousands of inhalers that use its propellants or adaptable critical care equipment, rapid COVID-19 test devices, sanitation tents and health evaluations; as well as medical grade personal protective equipment manufactured with its plastics.

The most significant effects on Orbia´s financial performance included a decrease in sales resulting from a decline in demand mainly during the months of April and May 2020. Orbia also made use of lines of credit as precautionary measures in the face of the uncertainty resulting from the COVID-19 emergency.

On May 29, 2020, Orbia informed the investing public that, due to the impact of the COVID-19 pandemicon the world economy and capital markets, it had decided to pause efforts related to a possible divestitureor other strategic option for its Polymer Solutions business. The Company stated that it had decided to wait for a stable environment that would allow it to maximize its shareholder value in a potential transaction, adding that the Company believes that Polymer Solutions is a solid business with aunique global position and strong cash flow generation and that will continue to drive its sustainable and profitable growth.

On September 16, 2020, the Company set up a U.K. Commercial Paper Program for £300 million PoundsSterling through the issuance of promissory notes with the Bank of England and Her Majesty's Treasury (HM Treasury) underthe Covid Corporate Financing Facility. These promissory notes expired on May 18, 2021; the annual cost of the equivalent line in US dollars was 0.74%, and they were not listed on any stock exchange. The Company gained access to this financing option offered by the Bank of England during the COVID-19 pandemic due to its operations and presence in the United Kingdom. This trade paper program reduced the Company's overall cost of financing and the uncertainty caused by the pandemic.

On November 18, 2020, Orbia completed its first corporate venture capital transaction through an investment in SeeTree, a leading start-up in the agricultural technology sector with a focus on tree cultivation. SeeTree uses military grade telecommunications, surface sensors, artificial intelligence and machine learning in an integrated manner to prevent pests in trees and to maximize productivity at a lowcost. Precision Agriculture is partnering with SeeTree to incorporate the company's advanced technology into its solutions offering. This investment represents a significant step for Orbia and Precision Agriculture towards driving the development of conscious and profitable agriculture.

On December 31, 2020, the Company recorded a reserve of $25 million in connection with the investigation of Vestolit GmbH by the European Union competition authorities. On January 15, 2021, a fine of €22.367 million was paid to the European Union competition authorities, putting an end to the matter.

In April 2020, to better enable operational and financial decision making and analysis, the Company redefined its business group structure from Vinyl, Fluor and Fluent, to Building and Infrastructure, Data Communications, Precision Agriculture, Fluorinated Solutions and Polymer Solutions.

2021

On January 7, 2021, Orbia announced that, as it had reported on several occasions, in the ordinary course of business, the Company continually explores opportunities to create value for its shareholders, including potential alliances, mergers, acquisitions, sales and other strategic transactions. Accordingly, Orbia evaluated value creation opportunities, including the possible sale and/or strategic alliances in relation to its Polymer Solutions (Vinyl Business). Orbia did not enter into any binding contract to carry out any specific transaction and has no current plans to do so.

In early 2021, Orbia announced a partnership with the Resilient Cities Network (R-Cities), the world's leading network of cities. Through the Building & Infrastructure, Precision Agriculture and Data Communications groups, Orbia will work with R-Cities members to develop innovative solutions to current challenges such as transportation infrastructure, water supply, urban food systems and connectivity, which can improve the quality of urban life. These initiatives will contribute to the Company's progress towards three Sustainable Development Goals.

On January 19, 2021, Orbia announced the appointment of Sameer S. Bharadwaj as the new General Director effective February 1, 2021, after Daniel Martínez-Valle resigned from said position by mutual agreement with the Board of Directors. Management.

On February 25, 2021, Orbia informed the investing public that CAPEX would be between $350 to 400 million for the year.

On March 15, 2021, Orbia reported that Precision Agriculture signed a definitive agreement for the acquisition of Gakon Horticultural Projects, the Dutch leader in turnkey greenhouse projects. The acquisition is synergistic, combining the global presence and expertise of Precision Agriculture and Gakon's greenhouse technology. Gakon brings unique experience in all aspects of greenhouse project execution, greenhouse manufacturing capabilities and a proven track record in key verticals.

In April 2021, the Company entered into an agreement to purchase all of the shares of Gakon Holding B.V and Gakon S.p.z.o (Gakon).

On May 6, 2021, Orbia Advance Corporation, S.A.B. of C.V. carried out the issuance and placement of Bonds Linked to Sustainability in the international capital markets: it issued $600 million dollars in senior notes maturing in 2026 (5 years) at an annual rate of 1.875%, and $500 million dollars in senior notes maturing in 2031 (10 years) at an annual rate of 2.875%. The issue received a Baa3 credit rating from Moody's, BBB- from S&P and BBB from Fitch Ratings.

Orbia applied the resources obtained to prepay existing debt and for general corporate purposes. With this, Orbia's debt profile improved significantly by extending the average maturity of the Company's credit liabilities to 14 years, with no significant maturities before 2026.

On May 13, 2021, Orbia announced the acquisition of a majority stake in Shakun Polymers Private Limited ("Shakun"), a private, family-owned company that is a market leader in the production of compounds for the wire and cable markets in the Indian subcontinent, Middle East, Southeast Asia and Africa. The acquisition took place on June 22, 2021. Shakun's product development focuses on halogen-free flame retardant compounds and PVC-based compounds for power and data cables. In addition, Shakun's semiconductive and cross-linkable compounds extend Alphagary's product portfolio and offer a platform for growth to meet customer requirements, which should bring synergies to the operations of the Polymer Solutions group. Orbia has fully consolidated Shakun's results into the Polymer Solutions business group.

On May 26, 2021, the Company made an advance payment of $328 million of its $70 million issuance of Senior Notes, which would otherwise mature on September 19, 2022. These notes paid an annual interest rate of 4.875% in semi-annual installments.

On June 10, 2021, Orbia made the total early amortization of the ORBIA 12 Stock Certificates (formerly "MEXCHEM 12") dated March 21, 2012. The early amortization price was $3,068,891,451.23 M.N.

On July 21, 2021, at the Issuer's General Ordinary Shareholders' Meeting, the Board of Directors accepted the resignation of the Director, Anil Menon, and agreed to appoint Mihir A. Desai, a prominent economist from Brown University and Harvard University, to replace him.

On August 23, 2021, Orbia announced the appointment of James P. Kelly as Senior Vice President of Finance (Chief Financial Officer). Mr. Kelly commenced his duties at Orbia on August 30, 2021, and is located at Orbia's corporate headquarters in Boston, Massachusetts. Mr. Kelly replaced Edgardo Guillermos Carlos, who announced his resignation on June 17, 2021.

On August 23, 2021, Orbia reported that it made the first issuance of Euro Commercial Paper for an amount of €30 million (thirty million euros), through the placement of promissory notes, at a cost of 0.35%, with a maturity date up to September 23, 2021. The notes were issued under the Euro Commercial Paper Program established by Orbia on June 2, 2021, for an amount of up to €750 million (seven hundred and fifty million Euros) with issues that will be valid for less than one year and will not be listed on any stock exchange (the “Program”).

Orbia carried out the repurchase of shares for an amount of $37 million. In accordance with the approval granted by its shareholders, Orbia also cancelled 90 million treasury shares.

On September 21, 2021, Orbia completed the prepayment of the remainder of its senior note of $750 million due in 2022.

On November 1, 2021, Orbia’s Fluorinated Solutions business acquired Silatronix, a Madison, Wisconsin-based Company. Silatronix has expertise in fluorosilane additives for Lithium-ion batteries and has an industry-wide reputation for developing innovative solutions that deliver improved battery safety and performance in a range of applications, from electric vehicles to stationary, grid-scale storage.

Subsequent events (2022)

On February 1, 2022, Orbia’s Building and Infrastructure business, Wavin, acquired 67% of the shares of Vectus Industries Limited “Vectus”, a privately held manufacturer of plumbing and drainage pipes and the market leader in water storage tanks in India for $132 million paid in $108 million of cash and $24 million of other consideration at closing, subject to customary working capital and net indebtedness adjustments.

With this acquisition, Orbia’s Building and Infrastructure businesses will operate at the forefront of India’s quickly growing water management industry, supplying customers in the residential, commercial, industrial, infrastructure and agricultural sectors.

The Company began consolidating Vectus’s results as of February 1, 2022.

v. General business strategy

(See item b) "General Business Description", "Business Strategy" Section of Chapter 2 ": The Issuer" in this Annual Report).

Driven by purpose and unified by values, Orbia chooses to work on the toughest challenges; from field to table, ground to home, mine to market and lab to everyday life, we rely on our collective ingenuity and our integrated supply chain to transform basic and advanced materials into greener, smarter, more efficient solutions.

The Orbia businesses and affiliated commercial brands have a collective focus on ensuring food security, reducing water scarcity, connecting communities to data infrastructure, reinventing the future of cities and homes and expanding access to health and wellness with basic and advanced materials. The Company's business groups are Precision Agriculture, Building & Infrastructure, Fluorinated Solutions, Polymer Solutions and Data Communications that collectively seek human-centered solutions for global challenges. Orbia has commercial activities in more than 110 countries and operations in 50, with offices in Mexico City, Boston, Amsterdam and Tel Aviv.

The Company's strategy is to 1) harness the power of material science and innovation to serve customer needs, address critical world problems, and provide sustainability solutions; 2) invest in growth, leveraging our uniquely advantaged positions to bring differentiated and value-added solutions to market; 3) maximize the value of integration across Orbia and the value chains in which we participate; and 4) create value as good stewards of capital and disciplined operators.

Each business group is discussed in more detail below:

i) Polymer Solutions (Vestolit and Alphagary, represented 39% of Orbia's sales in 2021). Polymer Solutions is as universal and dynamic as the materials it produces. It focuses on the production of general and special PVC resins and other vinyl polymers with a wide variety of applications, generating solutions that support the daily lives of its customers such as pipes, cables, floors, auto parts, appliances, clothing, packaging and medical devices.

ii) Building and Infrastructure (Wavin, represented 33% of Orbia's sales in 2021). This Business Group is redefining today's pipe and fittings industry by creating innovative solutions with longer life and less installation work. This group, with clients on five continents, also develops sustainable technologies for water management systems, as well as systems for heating and cooling water in homes.

iii) Precision Agriculture (Netafim, represented 13% of Orbia's sales in 2021). Precision Agriculture helps the world to grow more with less. Precision Agriculture's cutting-edge digital farming technologies, services and irrigation systems enable farmers to achieve significantly higher yields and better-quality food while using less water, fertilizer and other inputs. By helping farmers grow more with less, Precision Agriculture enables farmers around the world to feed the planet more efficiently and sustainably.

iv) Data Communications (Dura-Line, represented 11% of Orbia's sales in 2021). Data Communications operates under the belief that every organization, every community, and every inhabitant on the planet deserves the chance to benefit to the fullest from modern technology. The Company annually produces more than 400 million meters of essential and innovative infrastructure, including conduit, FuturePath, cables-in-conduit and accessories, which create the physical pathways for fiber optics and other network technologies that connect cities, homes and people. Data Communications is the world leader in the manufacture and distribution of such products in a highly dynamic industry. Data Communications is the world leader in conduit and a leading company in HDPE based products for cable and fiber optics, as well as pressurized pipes from natural gas and other solutions.

v) Fluorinated Solutions (Koura, represented 8% of Orbia's sales in 2021). Fluorinated Solutions provides products, technologies and other applications of fluorinated materials that support modern life in countless ways. With the world's largest fluorite mine, solid knowledge and vast production experience, this group develops value-added chemicals, as well as propellants and advanced materials used in a wide range of applications, including automotive, infrastructure, health and medicine, HVAC and food cold chain.

Summary of Corporate and Structural Changes

The Company has implemented the corporate restructuring of some of its subsidiary businesses in order to align, integrate and optimize the productive processes of its value chains, and has appointed the management team in charge of these businesses. The following are the most significant changes that have allowed the Company to create process synergies and efficiencies:

In 2019 the Company reorganized into five business groups focused on providing customer-driven solutions through the verticals of Data Communications (Dura-Line), Precision Agriculture (Netafim), Building and Infrastructure (Wavin), Fluorinated Solutions (Koura) and Polymer Solutions (Vestolit and Alphagary).

On May 17, 2019, Mr. Sheldon Hirt was appointed Vice President, General Counsel at Orbia. Also, on August 5, 2019, Mr. Edgardo Carlos was appointed Orbia’s Chief Financial Officer.

On January 19, 2021, Orbia announced the appointment of Sameer S. Bharadwaj as the new General Director effective February 1, 2021, after Daniel Martínez-Valle resigned from said position by mutual agreement with the Board of Directors.

On August 23, 2021, Orbia announced the appointment of James P. Kelly as Senior Vice President of Finance (Chief Financial Officer). Mr. Kelly commenced his duties at Orbia on August 30, 2021, and is located at Orbia's corporate headquarters in Boston, Massachusetts. As announced on June 17, 2021, Mr. Edgardo Guillermo Carlos announced his resignation from Orbia, in accordance with agreement with the Board of Directors.

In the Polymer Solutions business group:

The following significant events have impacted the Polymer Solutions business group (formerly the Vinyl business group):

With the acquisition in 2014 of Vestolit and the acquisition in 2016 of Vinyl Compounds Holdings in the United Kingdom, Orbia entered new markets and regions with higher-margin specialty products. With Vestolit in particular, the Company included high impact suspension PVC (HIS-PVC) resin and PVC paste. In the case of Vinyl Compounds Holdings, the Company acquired a leading PVC compounds supplier that deals with a wide range of industries including: building and construction, pipe and fitting manufacturing, footwear and consumer goods.

The acquisition of Mexichem Resinas Vinílicas in Mexico and in Colombia brought with it the production of suspension and emulsion vinyl resins, copolymer, homopolymer, Blender resins and Extender resins.

On January 22, 2018, Orbia announced the acquisition of Sylvin Technologies Inc. a specialized PVC compound manufacturer based in Denver, Pennsylvania, USA, for $39 million free of cash and debt. Sylvin recorded total sales of $29 million in 2017. The company has a 30-year history of serving a wide range of industries including: the cable, electrical, industrial, automotive, medical, and food product industries.

Sylvin's key raw materials are PVC resins, plasticizers and stabilizers, which should bring synergies to the operations of the Polymer Solutions business group. Orbia consolidated Sylvin in the Polymer solutions business group.

On July 6, 2018, Orbia announced that in line with its strategy of consolidating key businesses, it had reached an agreement for the acquisition of 44.09% of the shares representing the capital stock held by Pemex in PMV, through its subsidiary PPQ Cadena Productiva S.L., after the approval by the Boards of Directors of both Pemex and Orbia. The amount of the transaction came to approximately $159.3 million, a value within the valuation ranges of comparable companies and prior transactions in the petrochemical sector. Orbia completed the acquisition on November 16, 2018, so that, as of that date, PMV was exclusively a subsidiary of Orbia and its activity, as of that date, consisted only of operating the chlorine-soda plant.

The joint venture with Oxy incorporated the production of ethylene for the integration of the Polymer Solutions business group.

In February 2021, both Nicholas Ballas and Gautam Nivarthy were appointed Presidents of the Polymer Solutions business group for Vestolit and Alphagary, respectively. Both occupy the role vacated by Sameer S. Bharadwaj when he became Chief Executive Officer of Orbia.

On May 13, 2021, Orbia announced the acquisition of a majority stake in Shakun Polymers Private Limited (Shakun), a private, family-owned company that is a market leader in the production of compounds for the wire and cable markets in the Indian subcontinent, Middle East, Southeast Asia and Africa. The acquisition closed on June 22,, 2021.

Shakun's product development focuses on halogen-free flame retardant compounds and PVC-based compounds for power and data cables. In addition, Shakun's semiconductive and cross linkable compounds extend Alphagary's portfolio, offer a platform for growth and meet customer requirements, which should bring synergies to the operations of the Polymer Solutions group of companies. Orbia consolidated Shakun into the Polymer Solutions business group.

In the Fluorinated Solutions business group:

With the acquisition in 2014 of the license to distribute and sell pharmaceutical grade HFC-227/ea propellant, Orbia managed to position itself closer to the end consumer in this business area.

The acquisition of Química Flúor added hydrofluoric acid to the product portfolio, which is needed to produce multiple specialty products in this business group. The integration strategy for the Fluorinated Solutions business group has allowed the incorporation of aluminum fluoride products to the product portfolio with its plant in Tamaulipas; with the acquisition of Ineos Fluor it burst into the refrigerant market with higher value-added products, and the latest acquisition of Fluorita de México gave it access to the highest purity fluorite worldwide.

In early 2018, Sameer S. Bharadwaj, president of the Compounds business unit (part of the Polymer Solutions business group), also took over as president of the Fluorinated Solutions business group. Sameer participated as a member of the Advisory Board of the Fluorinated Solutions business group from 2010 to 2016 demonstrating in-depth knowledge of the business group.

In February 2021, Gregg Smith was appointed President of the Fluorinated Solutions (Koura) business group, occupying the post vacated by Sameer S. Bharadwaj when he became Chief Executive Officer of Orbia.

In November 2021, Fluorinated Solutions acquired Silatronix, a Madison, Wisconsin-based Company. Silatronix has expertise in fluorosilane additives for Lithium-ion batteries and has an industry-wide reputation for developing innovative solutions that deliver improved battery safety and performance in a range of applications, from electric vehicles to stationary, grid-scale storage.

In the Precision Agriculture business group:

On February 7, 2018, Orbia completed the acquisition of 80% of the shares of Netafim LTD (Precision Agriculture), a leading Israeli company in micro irrigation solutions, after obtaining all government authorizations and fulfilling the prerequisites required in the Share Purchase Agreement signed in August 2017. The price paid for the acquisition was $1,424 million. Kibbutz Hatzerim will retain the remaining 20% of Netafim's capital stock. This transaction represented a significant step forward in Orbia’s long-term strategy to position itself as a world leader in specialized products and solutions, serving high-growth markets.

The Company believes that the acquisition of Precision Agriculture is transformational and will further push its strategy toward specialty solutions, products and services, positioning the Company as an innovative leader in the high-growth market of precision irrigation. By acquiring Precision Agriculture, Orbia has become a leading developer of solutions for addressing two of the mega-trends facing the world: food and water shortages, and responding to the need to increase crop yields and meet the highest sustainability standards with respect to fertilization. Precision Agriculture has a long history at the forefront of creating smart solutions in the irrigation market. This acquisition gives Orbia access to this smart technology, which can be used in water supply and in other sectors, providing a platform from which it can generate smart industrial solutions based on existing production lines that serve the infrastructure, housing, and data communication markets as well as other sectors. The Issuer believes that this acquisition will also strengthen its global presence and impact in key growth markets and allow it to grow in the replacement market and diversify and expand the end markets in which it sells its products.

Gaby Miodownik is President of this acquired company as of March 1, 2020.

On March 15, 2021, Orbia reported that Precision Agriculture, signed a definitive agreement for the acquisition of Gakon Horticultural Projects, the Dutch leader in turnkey greenhouse projects. The acquisition is synergistic, combining the global presence and expertise of Precision Agriculture and Gakon's greenhouse technology. Gakon brings unique experience in all aspects of greenhouse project execution, greenhouse manufacturing capabilities and a proven track record in key verticals.

In April 2021, the Company entered into an agreement to purchase all of the shares of Gakon Holding B.V and Gakon S.p.z.o (Gakon).

In the Data Communications business group:

With the 2014 acquisition of Data Communications (Dura-Line), Orbia established a new Business Group related to development in the telecommunications sector and with excellent positioning in North America, Europe and India.

With the acquisition in 2016 of Gravenhurst Plastic, Inc, a private Canadian plastic tube manufacturer located in Ontario, Orbia entered the Canadian telecommunications market with specialty polyethylene products.

Orbia also included in its portfolio high density polyethylene (HDPE) products in conduit pipe solutions, pipe protectors and pipes for telecommunications (voice and data), as well as in the energy and infrastructure industry.

Peter Hajdu took over as president of the Data Communications business in 2018.

In the Building & Infrastructure business group:

Marteen Roef, who was serving as President of Wavin Europe, took over as President of Building & Infrastructure in 2018.

The acquisition of Wavin in May 2012 added new technologies and products, especially in the following areas:

- Water management and conveyance through roof drainage via siphon, rainwater infiltration/attenuation units and filters.
- Heating and cooling of surfaces by means of roof heating systems and underfloor cooling systems. Indoor heating and cooling solutions.
- High-spec systems for heating and cooling water, as well as high-spec systems for floors and waste containment.
- Water treatment systems.

The Building & Infrastructure Global Leadership Team was established in 2019, bringing together the individual regional units (EMEA, LatAm, APAC) into a global Building & Infrastructure organization, while the regional organizational structure was largely retained.

In June 2020, Building & Infrastructure's global head office was opened at Schiphol Amsterdam and in October 2020 the transformation into a fully global and integrated organization was announced. The Business Group brought together the individual regional units and created a global organization with a global leadership team and global functions.

Bankruptcy

As documented in the Company's audited financial statements, the Company does not fall within any of the circumstances established in Articles 9 and 10 of the Commercial Bankruptcy Act, and has not declared bankruptcy, nor is the Company subject to any bankrupty risk.

Judicial, administrative or arbitration proceedings

Pursuant to the relevant information criteria set forth in Annex N of the Sole Issuer Circular, the Company and its subsidiaries are not, nor are they highly likely in the future to be involved in any relevant judicial, administrative or arbitration proceeding that are different from those which are a normal part of the course of business, and which have, had or could have a significant impact on the operational result or financial position of Orbia or its business groups.

Effect of Laws and Government Regulations on Business Development

The Company's operations are subject to the laws and regulations of the countries in which it operates.

Orbia

The shares representing the Issuer's capital stock are publicly traded on the Mexican Stock Exchange (BMV), and it therefore adheres to the following laws and regulations: (i) Stock Market Act, in Mexico; (ii) the general provisions applicable to security issuers and other securities market participants issued by the National Banking and Securities Commission (CNBV); (iii) the General Provisions applicable to Companies and Issuers Supervised by the National Banking and Securities Commission which contract External Audit Services for Basic Financial Statements; (iv) the Internal Regulations of the BMV, and (v) the General Business Organizations Act.

Business groups

The Company's five business units operate in 50 countries, in all of which they adhere to the following general laws and regulations:

- Regulations of an international, national, and local nature, primarily in financial aspects, monetary policies, access to the currency markets. They must comply with administrative requirements to obtain permissions to operate facilities, plants, to import and export of raw materials and finished products. They must comply with labor regulations at some sites that are influenced by unions and environmental regulations.

- Laws regulating health, safety, environment, unfair competition and monopolies, municipal construction and zoning, local licenses and permits for facilities. With respect to international commerce, customs regulations, control of imports and exports, specifically related to quotas, tariffs and anti-dumping protections, as well as government policies and regulations related to commerce, sales of products, manufacturing operations and relationships with customers, distributors and competitors.

- Finally, all the business groups comply with anti-corruption laws, such as the U.S. Foreign Corrupt Practices Act (FCPA) and other similar laws.

- The COVID-19 pandemic affected the following aspects of the Company’s business:

    - Lockdown restrictions established for non-essential economic activities.
    - Migration of job tasks from the Company’s plants and facilities to remote work.
    - Regulations on safety protocols impacting the Company’s plant operations.
    - Customer performance.
    - Product shipments.

More specifically, some of Orbia’s business groups may be subject to specific laws and government regulations. For more information on these regulations, see part “v. Applicable Legislation and Tax Situation” of Section “b) Business Description” of this section.

Investments Made in the Last Three Fiscal Years

Orbia’s strategy has historically been to grow through acquiring companies with whom they are able to create synergies and in recent years has focused on capital expenditures to encourage organic growth. The Company can maintain high levels of efficiency and low production costs while improving its leadership position in the markets in which it operates. The following table shows its capital expenditures for the periods indicated.

	Year ending December 31:		
Investment Items	**2021**	**2020**	**2019**
Investments in property, plant and equipment (CAPEX)	286	204	261
Proceeds from the sale of machinery and equipment	(18)	(21)	(23)
Investment in other assets and intangible assets	27	31	36
Investment on a permanent basis	48	4	-
Sum	**344**	**218**	**274**

Figures in millions

Furthermore, the Company is constantly making investments in technology in order to penetrate and grow downstream businesses and become closer to consumers to offer them high value-added products, as well as differentiated solutions and services.

Acquisitions and new businesses established during the years ending December 31, 2021,2020 and 2019 included:

1. On February 1, 2022, Orbia’s Building and Infrastructure business, Wavin, acquired 67% of the shares of Vectus Industries Limited “Vectus”, a privately held manufacturer of plumbing and drainage pipes and the market leader in water storage tanks in India for $132 million paid in $108 million of cash and $24 million of other consideration at closing, subject to customary working capital and net indebtedness adjustments.

   With this acquisition, Orbia’s Building and Infrastructure businesses will operate at the forefront of India’s quickly growing water management industry, supplying customers in the residential, commercial, industrial, infrastructure and agricultural sectors.

   The Company has begun consolidating Vectus’s results as of February 1, 2022.

2. On November 1, 2021, Orbia’s Fluorinated Solutions business acquired Silatronix, a Madison, Wisconsin-based Company. Silatronix has expertise in fluorosilane additives for Lithium-ion batteries and has an industry-wide reputation for developing innovative solutions that deliver improved battery safety and performance in a range of applications, from electric vehicles to stationary, grid-scale storage.

3. On May 13, 2021, Orbia announced the acquisition of a majority stake in Shakun Polymers Private Limited ("Shakun"), a private, family-owned company that is a market leader in the production of compounds for the wire and cable markets in the Indian subcontinent, Middle East, Southeast Asia and Africa. The acquisition took place on June 22, 2021. Shakun's product development focuses on halogen-free flame retardant compounds and PVC-based compounds for power and data cables. In addition, Shakun's semiconductive and cross-linkable compounds extend Alphagary's product portfolio andoffer a platform for growth to meet customer requirements, which should bring synergies to the operations of the Polymer Solutions group. Orbia has fully consolidated Shakun’s results into the Polymer Solutions business group.

4. On March 15, 2021, Orbia reported that Precision Agriculture signed a definitive agreement for the acquisition of Gakon Horticultural Projects, the Dutch leader in turnkey greenhouse projects. The acquisition is synergistic, combining the global presence and expertise of Precision Agriculture and Gakon's greenhouse technology. Gakon brings unique experience in all aspects of greenhouse project execution, greenhouse manufacturing capabilities and a proven track record in key verticals.

5. On November 18, 2020, Orbia completed its first corporate venture capital transaction through an investment in SeeTree, a leading start-up in the agricultural technology sector with a focus on tree cultivation. SeeTree uses military grade telecommunications, surface sensors, artificial intelligence and machine learning in an integrated manner to prevent pests in trees and to maximize productivity at a low cost. Precision Agriculture is partnering with SeeTree to incorporate the company's advanced technology into its solutions offering. This investment represents a significant step for Orbia and Precision Agriculture towards driving the development of conscious and profitable agriculture.

The following table shows the acquisitions made from 2019 to 2021, with the sales (in millions of Dollars) by each company prior to its acquisition.

Acquisition date	Company	Product	Business Group
18-Nov-20	SeeTree	Agricultural technology space services and digital agriculture	Precision Agriculture
1-Apr-21	Gakon Horticultural Projects*	Greenhouses	Precision Agriculture
22-Jun-21	Shakun Polymers Private Limited	Compounds	Polymer Solutions
1-Nov-21	Silatronix	Fluorosilane additives for Lithium-ion batteries	Fluorinated Solutions
1-Feb-22	Vectus	Pipelines	Building & Infrastructure

(*) Include Gakon Holding B.V. and Gakon Sp. Z.O.O

Public Offerings

During the last three fiscal years, the Company has not been the subject of any public offering for control of the Company, nor has it made any offer to assume control of other companies whose shares are listed on the Mexican Stock Exchange or on any other foreign stock exchange.

Orbia has not made public offerings of debt or equity in the last three fiscal years.

b) Business Description

Business Strategy

Driven by purpose and unified by values, Orbia chooses to work on the toughest challenges; from field to table, ground to home, mine to market and lab to everyday life, we rely on our collective ingenuity and our integrated supply chain to transform basic and advanced materials into greener, smarter, more efficient solutions.

The Orbia businesses and affiliated commercial brands have a collective focus on ensuring food security, reducing water scarcity, connecting communities to data infrastructure, reinventing the future of cities and homes and expanding access to health and wellness with basic and advanced materials. The Company's business groups are Precision Agriculture, Building & Infrastructure, Fluorinated Solutions, Polymer Solutions and Data Communications that collectively seek human-centered solutions for global challenges. Orbia has commercial activities in more than 110 countries and operations in 50, with offices in Mexico City, Boston, Amsterdam and Tel Aviv.

The Company's strategy is to 1) harness the power of material science and innovation to serve customer needs, address critical world problems, and provide sustainability solutions; 2) invest in growth, leveraging our uniquely advantaged positions to bring differentiated and value-added solutions to market; 3) maximize the value of integration across Orbia and the value chains in which we participate; and 4) create value as good stewards of capital and disciplined operators.

Orbia experienced one of its most challenging years in 2020 due to the COVID-19 pandemic, which continued through the year 2021. Each of its 22,350 plus employees worked responsibly to keep operations running, allowing it to fulfill its customer commitments. The Company worked diligently to protect its work teams' health, safety and wellbeing by applying strict COVID-19 protocols. The Company introduced remote working for almost half its staff and supported its employees and their families, as well as the communities in which it operates, at all times.

Despite the context it faced, Orbia achieved very positive financial results, exceeding the expectations it had at the start of the pandemic. The management team acted quickly and decisively from the start, mobilizing its work teams by leveraging technology, operating its operating facilities always with employee health as the priority, preserving capital, controlling costs and increasing connectivity with its customers.

Orbia's portfolio of businesses showed its resilience, achieving particularly positive financial results in the second part of the year. The core of this performance was the consistent execution of the strategy in addition to the recovery of the markets covered.

During, the years of 2020 and 2021, the Company continued to prioritize customer-centric approaches by analyzing and adopting commercial and operational strategies designed to meet the demand of its markets, capitalize on organic growth opportunities and deliver superior operational and financial performance.

During the year 2021, despite the challenges presented by the COVID-19 pandemic, the Company continued with the implementation of the following strategies:

A purpose-driven global growth model

In 2021, Orbia continued creating innovative solutions for different macro-trends affecting communities and cities across the world, such as:

i) Growing middle class with greater urbanization and population density.
ii) Growing food and water scarcity.
iii) Connectivity, Internet of Things and digitalization.
iv) Climate change.

These macro-trends present challenges for our customers that our businesses seek to identify and mitigate, always with their needs in mind. Thus, the Company decided to put the customer at the center of the strategy in order to develop solutions that are increasingly specialized, technological and innovative.

Commitment to safety, environmental and social responsibility

The Issuer continues to position itself as a leader in Sustainability and Corporate Governance. The following milestones were reached in 2021:

- Environment: The Company continued driving life cycle evaluations. For example, it was found that drip irrigation has a significantly smaller carbon footprint than traditional irrigation methods. In addition, the use of recycled polymers increased at Building & Infrastructure and Precision Agriculture.

- At Fluorinated Solutions, the Company received authorization for its third refrigerant recovery plant in Mihara, Japan. Sulfur oxide emission also decreased by 28% compared to our baseline, on course to achieve the goal of a 60% reduction for 2025.

- In 2021, Fluorinated Solutions developed, communicated, and implemented its organization-wide sustainability program, based on ten foundations and four pillars that focus on community engagement; environmental performance; Sustainable Products and Solutions; and Communications as a Responsible Company.

- Fluorinated Solutions participated in the planning of the board of trustees for the inclusive and participatory construction of the Community Development Plan of La Salitrera, which will be completed in 2022. One of the results derived from this dialogue was the installation of another community extension office in the Ejido Santa Catarina.

- In 2021 at the Fluorinated Solutions mines, water consumption from all sources was 34% lower compared to 2020. We calculate that a single molecule of water is used an average of 6.7 times in the process, maintaining a rate of 84% of reused process water.

- At the Fluorinated Solutions chemical facility in Matamoros, northeastern Mexico, a significant contribution is being made to the city's road infrastructure by establishing partnerships with local authorities to implement a model for sustainable circular management of sulfate by-product of calcium that is used as a road base and stabilizer of sub-bases.

- During 2021, Orbia obtained the following achievements:

    - 10% reduction in GHG Scope 1 & 2 emissions vs. 2019 baseline.

- New Goal to reduce Scope 3 emissions by 30% by 2030.
- 28% increase in renewable energy compared to 2020. Renewable energies now represent 6% of the total electrical consumption.
- The first investment in green hydrogen was made in Verdagy.
- During 2021, Orbia achieved 20% less process waste directed to disposal than 2020.
- In 2021 the Company reducted water withdrawal intensity by 6%.

- Social Responsibility: Orbia made and continues to make an effort at all its businesses to support its stakeholders and their families in overcoming the COVID-19 crisis from a comprehensive perspective that incorporates medical and mental health assistance. During the year 2020, the company made historic contributions to civil society organizations like UNICEF, Doctors Without Borders, CARE and others to support efforts that make a reduction in infections possible as well as population assistance in some of the most vulnerable areas. Orbia joined the Alliance Tent Partnership for Refugees in the fall of 2020 and set up an alliance with Resilient Cities Network, which represents the world's leading urban resilience network.

- In relation to Social Responsibility, the company's achievements during 2021 were as follows:

  - 19% less of total recorded incident rate than 2020 for employee and contractor.
  - 22% women in leadership roles representing 33% of leadership hires.
  - During year 2021, WASH projects provided access to water to more 30,000 people in Brazil, Colombia, Ecuador, Mexico and Peru.

- Corporate Governance: The Company introduced a new ESG incentive as part of the management team's compensation applicable from 2021. The Board also selected two new independent board members, bringing the percentage of independents to 67% and 25% women. The company is working with leading headhunters to hire independent board members with relevant management skills so that they can join as other board members leave in the coming months.

This adds to different efforts that we have been making in recent years and that we summarize below:

- In 2019, Orbia joined the Water Mandate of the United Nations Global Compact, with which a commitment to progress was made in 6 areas regarding water management. Today the Issuer is part of a select group of 175 companies worldwide that have joined said pact.

Finally, the Issuer complies with the new Global Reporting Initiative (GRI) guideline criteria based on the *Materiality Disclosure* requirem*ents* and independent third-party review of relevant indicators. In effect, this independent third party assures the data in the report in accordance with the ISAE 3000 standard for assurance. In addition, the Issuer has begun to align the information in the sustainability report with the requirements of the *Sustainability Accounting Standards Board* (SASB), as well as climate-related risks and opportunities within the Task Force on Climate-related Financial Disclosures (TCFD) framework since 2019. The Issuer has set long-term goals that it monitors year after year.

A continuous focus on highly efficient operations, reducing volatility through vertical integration and improving profitability through resource optimization

The Company's vertical integration strategy has reduced exposure to any price volatility of the main raw materials. Fluorinated Solutions, for example, is 100% integrated from the exploitation of fluorite to the production of refrigerant gases; while since February 2017, the Polymer Solutions business group is approximately 70% integrated with the Ethylene group and has thus achieved significant integration from salt extraction to PVC production, which has allowed and will allow Orbia to improve profitability through better cost management. In addition, Orbia focuses on continuously improving the return on invested capital in order to achieve and maintain it above its weighted average cost of capital.

A continuous focus on the development of specialty and value-added products

The Issuer will continue to use its competitive advantage to develop new and advanced production processes through its 19 research and development centers. These centers develop new products focused on the needs of its customers, making products available to customers in the markets in which they participate. Orbia will also continue to develop and implement its own technologies and processes for its own benefit. For example, the Company has its own technology to produce PVC resins, PVC pipes, compounds, plasticizers and HF purification. These technologies allow it to produce pipes that uniquely meet, the requirements of most infrastructure and construction projects in which we compete. Orbia has developed solutions based on fluor compounds for the cement industry that allow for the optimization of Clinker production, whose benefits are not only economic but also reduce the Company's environmental impact by reducing its carbon footprint.

Polymer Solutions' strategy is focused on expanding the core business as a major global PVC manufacturer, strengthening its position in regional markets and retaining the top position in specialty resins, capturing global demand growth.

The expansion of Polymer Solutions' core business allows it to enter new markets in Asia and Africa and expand specialty resins capacity through access to technology and development capabilities in all segments.

Polymer Solutions will strengthen the low-cost position by capturing additional value through diversified risk and a significantly diverse geographic production footprint, enabling a better position on the PVC industry's cost curve.

By continuing to invest in research and development and leveraging the unique products it offers in specialty resins, Polymer Solutions will continue to develop a best-in-class product portfolio by consistently launching customer-focused products and services.

Orbia's strategy will also be equally focused on sustainability, having developed a portfolio of sustainable products, solutions and business models.

Maintaining an agile and solid financial structure

Orbia seeks to maintain a solid and flexible financial base that will allow it to achieve its growth objectives. The Company operates by seeking to maintain at a net debt/EBITDA ratio of approximately 2.0 in the long-term. If in the past Orbia needed to exceed this ratio due to a project, the project must generate value, make strategic sense with the Company's business, meet the profitability conditions required by its corporate governance bodies, and present a plan to return to levels of around 2.0 net debt/EBITDA in a period of less than 18 months. Orbia will maintain and continue to implement financial strategies, including a conservative debt profile, a conservative hedging structure, as well as strategies to hedge exposure to foreign exchange rates, and thus be able to continue executing its growth strategy.

Implementing a unique business culture

Orbia’s current operations are the result of over 30 business acquisitions that have positioned the Company as a leader in different countries, regions, and markets, through the integration of diverse companies and work cultures. In this regard, the Issuer considers that a unified business culture is important for meeting the objectives set by the Company itself and the market. Orbia is proud to establish and spread among its companies its mission, vision, unique values, and strict adherence to its Code of Ethics as part of this organizational culture so that its employees are not only aware of it, but also apply it to their daily lives.

i. Main activity

Orbia is a Mexican shareholding business corporation located in the Americas, Europe and in some countries in Asia and Africa. Orbia is a leading provider of products and solutions in multiple sectors, from the construction, infrastructure, agriculture and irrigation, health, transportation, telecommunications, and energy and petrochemical sectors, among others. It is one of the world's largest producers of plastic pipes, fittings and irrigation droppers, as well as fluorite.

Driven by purpose and unified by values, Orbia chooses to work on the toughest challenges; from field to table, ground to home, to market and lab to everyday life, the Company relies on its collective ingenuity and our integrated supply chain to transform basic and advanced materials into greener, smarter, more efficient solutions.

With a global presence, Orbia employs more than 22,350 people in 50 countries in which it has 119 production plants, concessions for the exploitation of 2 fluorite mines in Mexico, 8 training academies, and 19 research and development laboratories. It generated sales in 2021 of $8,783 million.

With more than 50 years of history and more than 40 years of listing on the Mexican Stock Exchange, Orbia applies a business model based on vertical integration, organic growth and strategic acquisitions through which it has direct access to raw materials and its own technology, allowing it to compete in a global environment. As a result, Orbia offers a wide range of materials, products, solutions, and finished products that contribute to the success of its customers and improve people's quality of life.

Orbia's operations consist of five business groups: Precision Agriculture, Data Communications, Building and Infrastructure, Fluorinated Solutions and Polymer Solutions. Below is a more detailed description of each Business Group:

1. Polymer Solutions Business Group (Vestolit and Alphagary)**.**

This business group consists of six manufacturing processes: (i) basic chemicals including ethylene, chlorine, caustic soda and their derivatives, VCM, EDC and specialty chemicals; (ii) phosphates used in food and beverages, soaps and detergents, fertilizers and food supplements; (iii) the Vinyl Process, which produces general resins used for pipes and fittings, cable, flexible and rigid films, bottles, medical devices, etc.; (iv) specialty resins used for flooring, wallpaper, coatings, among others; (v) the Plasticizer Process that produces phthalic anhydride and a wide variety of plasticizers used in the processing of plastic resin; and (vi) the Compound Process, which produces plastic resins used to produce products with different applications such as medical products, industrial and consumer products, products for the construction industry, among others, and calcium-zinc stabilizer used in the processing of PVC.

The Polymer Solutions group had net sales of $3,438 million in 2021, $2,171 million in 2020, and $2,334 million in 2019, which represented approximately 39%, 34% and 33% of Orbia's total sales in those years. Orbia owns the rights to a salt dome in Mexico with more than 30 years of potential reserves, a 50% share in an ethylene production joint venture in the U.S. and a 25% share in a brine production joint venture in Germany. It operates modern production facilities for chlorine, caustic soda, PVC resins, and compounds. It is the largest producer of specialty resins, and the sixth largest producer of PVC resins in the world.

2. Fluorinated Solutions Business Group

The process of this business group is divided into 3 stages: (i) the Fluorite Process, which consists of the extraction of fluorite, used for the production of hydrofluoric acid in the cement, steel, ceramic and glass industries, (ii) the Hydrofluoric Acid and Aluminum Fluoride process, used for the production of refrigerant gases, downstream and in the aluminum industry and (iii) the Refrigerant and Propellant Gases process, used in air conditioning and medical applications. This business group includes the mining concession for the world's largest fluorite mine with an installed annual production capacity of approximately 1.8 million TPA, representing approximately 18% of the world's annual fluorite requirements. The mine has proven reserves of about 62 million tons (34 years) according to the latest internal estimate. In 2021, 2020, and 2019, this business group's sales were $744 million, $698 million and $805 million, respectively, which represented approximately 8%, 11% and 12% of Orbia's total sales in those years.

3. Building & Infrastructure Business Group

Building & Infrastructure (B&I) is a provider of innovative solutions to the global Construction and Infrastructure industry. Backed by more than 60 years of product development experience, the company is tackling some of the world's toughest challenges relevant to ensuring safe and efficient water supplies, sanitation and hygiene, climate-resilient cities, and a better building performance. Building & Infrastructure is focused on creating positive change in the world by building healthy and sustainable environments and collaborating with city leaders, engineers, contractors and installers to help make cities future-proof and buildings comfortable. and energy efficient. Building & Infrastructure has more than 10,500 employees in 37 countries around the world. Building & Infrastructure is headquartered in Amsterdam, the Netherlands.

The Building & Infrastructure business group is integrated as part of the acquisitions made by Orbia of Wavin in 2012 and Amanco in 2007. Since 2019, this business group has operated under the global leadership of Business & Infrastructure, as a world leader in PVC pipe systems and solutions, while being the market leader in Europe and Latin America.

In 2021, 2020 and 2019 Building & Infrastructure had sales of $2,922 million, $2,071 million and $2,239 million, respectively, which represented approximately 33%, 32% and 32% of Orbia's net sales for each of those years, respectively.

4. Data Communications Business Group

Data Communications operates with the conviction that each organization, community and inhabitant of the planet deserves the chance to benefit as much as possible from modern technology. The Company produces over 400 million meters of essential and innovative infrastructure a year including-conduits, FuturePath, cables-in-conduit and fittings which create the physical routes for fiber optics and other network technologies that connect cities, homes and people. Data Communications is a global leader in the manufacture and distribution of these products in a highly dynamic industry.

The company has positioned itself as a leader in the production and distribution of pipes, fittings and solutions for cable and fiber optics for voice and data transmission, as well as pipes for the transportation and distribution of certain materials, mainly in the U.S. / Canada and AMEA regions.

This group recorded net sales of $994 million, $732 million and $749 million, equivalent to approximately 11%, 11% and 10% of Orbia's total sales for fiscal years 2021, 2020 and 2019, respectively.

5. Precision Agriculture business Group

Netafim is aimed at high growth markets and produces solutions to address two global mega-trends: growing water and food scarcity.

The Company is the global leader in the production and sale of smart micro-irrigation solutions, with 62 subsidiaries and 17 plants located in Israel, Turkey, the Netherlands, Spain, South Africa, Mexico, Brazil, Peru, Chile, China, Colombia, Australia, India and the United States, serving more than 110 countries.

Precision Agriculture offers agriculture, civil engineering and project solutions related to water management, use and control in agricultural, livestock and aquaculture activities. All this allows it to offer the widest variety and diversity of solutions that adapt to customers' needs.

Precision Agriculture's sales in the 2021, 2020 and 2019 periods were $1,126 million, $972 million and $1,063 million, respectively. Precision Agriculture contributed to Orbia's consolidated revenues for the same fiscal years the equivalent of 13%, 15% and 15%, respectively.

Competitive Advantages

Orbia focuses on creating value for its stakeholders, including its shareholders, customers and suppliers, and employees through the development and continuous improvement of its products and services, starting with its basic raw materials. Through vertical integration of the market for products with higher added value, it seeks to obtain better results. The main competitive advantages are as follows:

Vertically integrated operations with direct access to raw materials that create economies of scale and reduce operating expenses

Orbia, a leader in the markets in which it participates, is known for its strategy focused on low-cost production through constant investments in its own state-of-the-art technology; the integration of its basic raw materials in its two main production chains; creation of synergies in logistics, purchasing, systems, treasury, human resources and other functions, and constant development and implementation of cost-efficiency projects. Orbia is one of the largest pipe producers in Europe and Latin America, and it is the leader in the production of PVC resin in Latin America, according to IHS Markit.

In the Polymer Solutions business group, Orbia is partially integrated to its main raw material, ethylene, and thus the production chain is integrated from the extraction of salt to the production of plastic compounds. It has facilities for the production of salt for industrial consumption, ethylene, chlorine, soda, VCM chlorine derivatives, PVC and specialty resins, as well as compounds, in addition to being integrated to one of the main raw materials for the manufacture of plasticizers: phthalic anhydride.

Fluorinated Solutions business group, has its own fluorite mine, making it the only fully integrated global producer of its raw material. This integration gives Fluorinated Solutions an unparalleled competitive advantage, not only in Mexico but also worldwide. Fluorinated Solutions is the only company in the world with a vertically integrated value chain, from the extraction of fluorite, through hydrofluoric acid, to the production and sale of refrigerant gases and medical propellants in the Americas, Europe, and Asia.

The main raw materials of the Building & Infrastructure, Data Communications and Precision Agriculture business groups are PVC resin, polyethylene and, to a lesser extent, propylene. These are supplied at the best price available on the market, either through purchases from third parties or through vertical integration with the Polymer Solutions business group in the case of PVC, which represents an important competitive advantage, particularly in times of shortages such as during the latter half of 2020 and the first half of 2021.

Over the past 19 years, Orbia has acquired companies or formed joint ventures to vertically integrate its operations and increase access to the raw materials needed for its operations.

Leading positions in PVC and plastic pipe markets in Latin America and Europe and the global fluorite market

Orbia is one of the largest pipe producers in Europe and Latin America, a leader in the production of PVC resin in Latin America, according to IHS Markit, and maintains a leading position worldwide. The Company believes that the primary markets for such products in the infrastructure and construction industries could experience sustained growth over the next few years, particularly in the Latin America and Asia Pacific regions.

Of the net sales to third parties by destination in 2021 classified by geographical area the Company generated 36% in Europe, 33% in North America, where the US was 21% and Mexico 11%; in South America 19%; and in other countries 12%. *See Note 25 of the audited consolidated financial statements included in the Appendices for further detail.* In the last seven years, the Company has expanded its operations throughout the Western Hemisphere, the Middle East, and Africa, so it now has production facilities in 10 Latin American countries, in addition to facilities in the United States, Canada, Japan, and China, the United Kingdom, Oman, South Africa and Israel. The emerging markets in which Orbia sells its main products from the Building & Infrastructure and Polymer Solutions business groups, enjoy attractive growth projections in infrastructure and construction due to a significant housing deficit, insufficient infrastructure, lack of access to water and sanitation, electricity and other factors. In developed countries, the greatest challenge is to maintain and improve transport, water, electricity and telecommunications networks extensively.

Thus, the Issuer expects a sustained demand for PVC in the coming years in line with IHS Markit reports (World Analysis 2021 - Vinyl) and estimates an annual growth rate until 2031 at an average of 3.4%.

Additionally, Orbia has a strong presence in the American, European, and Asian markets due to its unique position within the Fluorinated Solutions business group. The Issuer has the concession rights for the exploitation and extraction in Mexico from the world's largest fluorite mine, and has modern plants for the production of HF and refrigerant gases, which allows it to forge solid relationships with strategic market participants. In addition, the proximity to the end fluorochemicals market in the U.S. provides a competitive advantage. The Company frequently enters into long-term dollar-denominated contracts with reputable international customers to sell fluorite and the HF it produces. The Company's global positioning will allow it to explore opportunities in order to supply more value-added products.

Our proven ability to integrate and operate acquired companies throughout the Americas, Europe, the Middle East, Asia and Africa

While since 2003, Orbia has grown rapidly by consolidating 32 finalized business acquisitions, the current management team's strategic focus is centered on organic growth and seeking synergies between the existing businesses.

Successful acquisitions have contributed to the significant growth of Orbia's net sales and EBITDA, making it a leader in the industries in which it operates.

Thus, Orbia's geographical diversification, like its growing focus on added-value and specialty products, has changed the Company's profile considerably, from a company based on commodities and chemical products, to a company increasingly based on innovative and specialty products, which has made it more and more resilient in the face of constant changes in the global economy.

A management team with extensive industry experience

Orbia's key executives have extensive experience in leadership positions in top-tier global companies, with an average of more than 10 years' experience in similar industries and more than 20 years of professional experience. The management team has a proven track record of operating successfully in the industry, and identifying and integrating strategic acquisitions to grow and strengthen the businesses.

Strong relationship with major suppliers and customers through long-term contracts

Orbia has established long-lasting relationships with its main suppliers through long-term product supply contracts, which allow it to ensure the supply of domestic and foreign raw materials and inputs. Orbia has, in turn, defined, according to growth potential and size, the market segments it wishes to participate in and, through the signing of long-term contracts, has positioned itself amongst its suppliers' strategic clients, lending the company a competitive advantage that is difficult for its competitors to match.

Innovation through research, development and patented production processes

Orbia has a product research and development resources with people and facilities that allow it to innovate processes and products that are tailored to its customers' needs. The Company has its own technology for its production processes which places it at the forefront of technology since it has developed in its different production chains, unique designs that give it advantages over its global competitors. The Company's 19 research and technology centers are located in Mexico, the U.S., the Netherlands, Italy, India, the Czech Republic, the United Kingdom and Israel and focus on the development of new products and the alignment of processes to achieve safety and the optimization of its production chain. Additionally, in the Fluorinated Solutions business group, cutting-edge technology for fluorite purification has been developed in the hydrofluoric acid process. This innovation has succeeded in lowering the annual production cost of HF. In total, the Company has more than 500 patented products.

Climate Change Summary

The Company has carried out different analyses to determine the degree of exposure to the possible effects of climate change on its operations.

The effects of climate change identified within the different areas where it operates or has market presence are desertification and drought, rising sea levels, changes in rainfall patterns, decreased water availability, deforestation and disease, all phenomena that could affect operating results and financial position, among other factors, due to the need for additional investments to adapt operations to the new conditions, the increase in the price of supplies and energy, the closure of affected operations and relocation of suppliers, protection measures as a result of natural phenomena (for example: construction of dikes in marine installations, flood or fire protection) and the relocation of facilities to sites with more favorable conditions and higher environmental regulatory requirements.

Please refer to the Risk Factors section for more details regarding the potential business impacts from severe weather events.

Since the Intergovernmental Panel on Climate Change (IPCC) predicts that extreme weather events will tend to grow in intensity and number, Orbia has been designing contingency plans that seek to normalize operations as soon as possible. Redundant transportation options, different routes and logistic means or emergency inventories are some specific areas that are considered in the plans. If Orbia manages to operate with minimal disruption during such events, it will have a clear advantage over the competition, lacking these measures.

In addition to the consideration of the risks derived from climate change that can have negative impacts on operations, climate change also presents certain opportunities that align well with Orbia's business model as follows:

a. Resilient operations and low-impact mitigation:

   - Durability and positioning as a result of consumer preference for companies committed to caring for the environment and social responsibility.
   - We continually identify ways to decarbonize by optimizing manufacturing processes, transitioning to low-carbon and renewable energy sources, and exploring opportunities in carbon capture and hydrogen. In parallel, our sites are adapting to the physical risks of climate change, including changing weather patterns, as well as business interruption and social disruption.

b. Solutions to promote a climate resilient economy:

Orbia's business groups are constantly developing products and services with better environmental performance that help our clients make measurable progress against their own climate change goals. Our solutions contribute to urban and rural resilience and support the transition to a low carbon and circular economy, including materials and products that promote alternative energy, resource efficiency and green buildings. More details are available in our Orbia Sustainable Solutions report.

c. Driving new business for a "net zero" world:

Our culture encourages the exploration of new technologies, companies and strategic acquisition opportunities, investing human and financial capital to support new business models that will have a long-term positive impact. Climate Tech is a focus area of strategic investments made through Orbia Ventures, our corporate venture capital fund.

Integrated Companies

December 31, 2021 **Group**	**Country**	**Equity Stake**
Polymer Solutions (Vestolit and Alphagary):		
Mexichem Derivados, S.A. de C.V.	Mexico	100%
Mexichem Compuestos, S.A. de C.V.	Mexico	100%
Mexichem Resinas Vinílicas, S.A. de C.V.	Mexico	100%
Vestolit GmBH	Germany	100%
Mexichem Specialty Compounds, Inc.	USA	100%
Mexichem Specialty Compounds, Ltd.	United Kingdom	100%
Mexichem Resinas Colombia, S.A.S.	Colombia	100%
Mexichem Speciality Resins, Inc.	USA	100%
C.I. Mexichem Compuestos Colombia, S.A.S.	Colombia	100%
Petroquímica Mexicana de Vinilo, S.A. de C.V.	Mexico	100%
Ingleside Ethylene LLC	USA	50%
Sylvin Technologies Inc.	USA	100%
Fluorinated Solutions (Koura):		
Mexichem Flúor, S.A. de C.V.	Mexico	100%
Mexichem Flúor Comercial, S.A. de C.V.	Mexico	100%
Fluorita de México, S.A. de C.V.	Mexico	100%
Mexichem Flúor Inc.	USA	100%
Mexichem Flúor Canadá Inc.	Canada	100%
Mexichem UK Ltd.	United Kingdom	100%

Group	Country	Equity Stake
Mexichem Flúor Japan Ltd.	Japan	100%
Mexichem Flúor Taiwan Ltd.	Taiwan	100%
Building and Infrastructure (Wavin):		
Mexichem Amanco Holding, S.A. de C.V.	Mexico	100%
Mexichem Soluciones Integrales, S.A. de C.V.	Mexico	100%
Mexichem Guatemala, S.A.	Guatemala	100%
Mexichem Honduras, S.A.	Honduras	100%
Mexichem El Salvador, S.A.	El Salvador	100%
Mexichem Nicaragua, S.A.	Nicaragua	100%
Mexichem Costa Rica, S.A.	Costa Rica	100%
Mexichem Panamá, S.A.	Panama	100%
Mexichem Colombia, S.A.S.	Colombia	100%
Pavco de Venezuela, S.A.	Venezuela	100%
Mexichem Ecuador, S.A.	Ecuador	95%
Mexichem del Perú, S.A.	Peru	100%
Mexichem Argentina, S.A.	Argentina	100%
Mexichem Brasil Industria de Transformação Plástica, Ltda.	Brazil	100%
Wavin Nederland B.V.	Netherlands	100%
Wavin Belgium N.V.	Belgium	100%
Wavin (Foshan) Piping Systems Co. Ltd.	China	100%
Nordisk Wavin A/S	Denmark	100%
Norsk Wavin A/S	Norway	100%
Wavin France S.A.S.	France	100%
Wavin GmbH	Germany	100%
Wavin Hungary Kft.	Hungary	100%
Wavin Ireland Ltd.	Ireland	100%
Wavin Italia SpA	Italy	100%
UAB Wavin Baltic	Lithuania	100%
Wavin Romania s.r.l.	Romania	100%
OOO Wavin Rus	Russia	100%
AB Svenska Wavin	Sweden	100%
Wavin TR Plastik Sanayi Anonim Sirketi	Turkey	100%
Wavin Ltd.	United Kingdom	100%
Warmafl oor (GB) Ltd.	United Kingdom	100%
Data Communications (Dura-Line):		
Dura-Line Holdings, Inc.	USA	100%
Mexichem Canada Limited	Canada	100%
Precision Agriculture (Netafim):		
Netafim, LTD.	Israel	80%
Holdings:		
Mexichem Soluciones Integrales Holding, S.A. de C.V.	Mexico	100%

This section “Main Activity” of the Annual Report describes in detail the topics (ii) Distribution Channels, (iv) Main Customers and (viii) Market Information (numbering is in accordance with the numbering in Annex "N", Instructions for preparing the Annual Report) of the Sole Issuer Circular for each of the business groups and their respective businesses and/or processes and products:

ii. Distribution Channels
iv. Main Customers
viii. Market Information

(a) Polymer Solutions business group (Vestolit and Alphagary)
  (a.1) Salt-Chlorine-Soda-Ethylene-VCM process
  (a.2) Chlorine-Caustic Soda process
  (a.3) Vinyl and Compounds process

(b) Building & Infrastructure business group

(c) Data Communications business group

(d) Precision Agriculture business group

(e) Fluorinated Solutions business group
  (e.1) Fluorite Process
  (e.2) Hydrofluoric Acid (HF) and Aluminum Fluoride (AlF3) Process
  (e.3) Refrigerant Gases and Fluorocarbons Process

(a) Polymer Solutions business group (Vestolit and Alphagary) (formerly Vinyl or Chlor-Vinyl Chain)

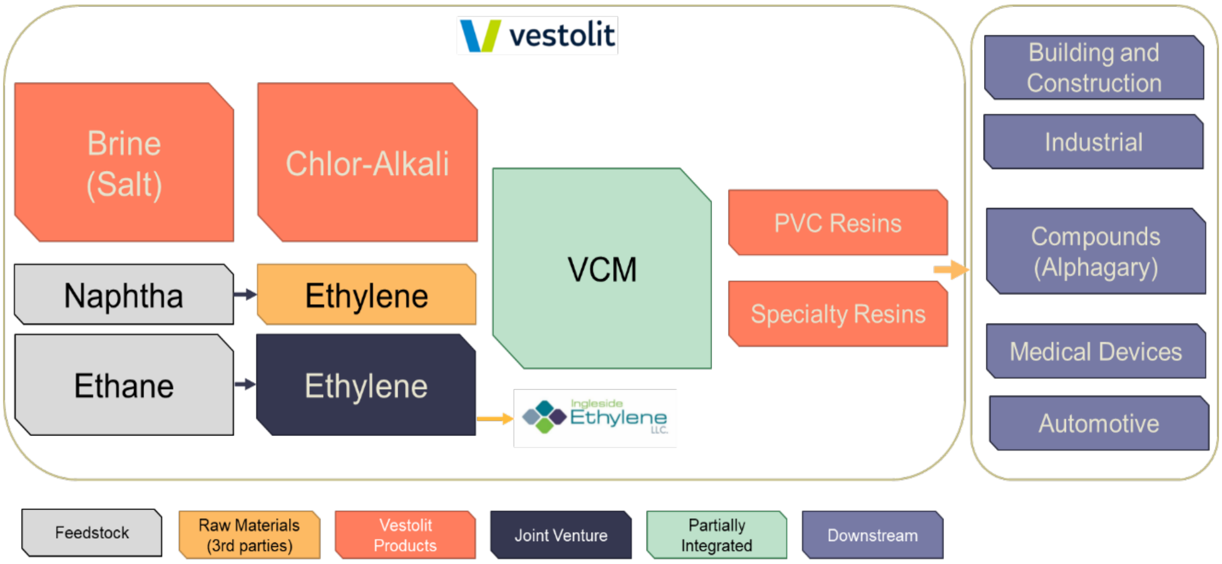
The process begins with the extraction of salt, by injecting water into the salt dome, converting it into brine, which is then transported by pipes to the plant which converts it into chlorine and caustic soda by applying an electric current. Chlorine is combined with ethylene to form vinyl chloride monomer (VCM), which is polymerized to produce polyvinyl chloride (PVC). Currently Orbia is self-sufficient in VCM for its plant in Germany and obtains the necessary VCM for the production of PVC in America from OxyChem, although it also has supply contracts with other suppliers in smaller amounts, a situation that is expected to continue in the future. Ingleside began the ethylene cracker start-up process in February 2017, starting commercial operations in the second quarter of 2017, allowing Orbia to reap the benefits of vertical integration of the Polymer Solutions business group for PVC, which in turn will allow Orbia to reduce its PVC production costs.

PVC is a versatile plastic that has countless everyday uses, such as: pipes for transporting drinking water and for irrigation; coatings for electrical conduction cables; profiles for constructing windows, doors, facades or entire houses; tiles, floors, furniture coverings, automobile parts and household appliances, clothing and footwear, containers and packaging, medical devices, adhesive tapes, and many others.

This business group also produces plastic resin compounds, specially formulated to meet the specific requirements of customers who transform this polymer into end use goods. Compounds incorporate the various additives necessary for the processing of plastic resins, and those required to obtain the functional properties unique to each use.

PVC resins can be combined with other additives to make value-added products such as compounds, pipes and coatings.

The main production chain of the Polymer Solutions business is as follows:



In addition to what is shown in the graph above, the Polymer Solutions business group produces and sells by-products derived from the production of chlorine and caustic soda.

The Polymer Solutions business group has 26 sites with 35 plants operating in Mexico, Colombia, the United States, the United Kingdom, Germany and India, focused on the production of PVC and specialty resins, compounds, VCM (only in Germany) and various derivatives such as chlorine and caustic soda, in addition to the ethylene cracker in a joint venture with OxyChem and the salt mine. Polymer Solutions has 19 ISO 9001 certified sites and 15 ISO 14001 certified sites; in addition to seven certified SARI (Responsible Care) sites and four are Clean Industry certified sites. In 2021, Polymer Solutions sites migrated from ISRS (International Safety Rating System) certification to ISO 45001; Currently, 12 sites are ISO 45001 certified and 10 sites are ISRS. These plants meet strict standards for safety, health and environmental protection throughout the entire manufacturing life cycle.

The Polymer Solutions business group consists of the following subsidiaries:

- Mexichem Derivados, S.A. of C.V. and Mexichem Derivados Colombia, S.A.S. and Petrochemical Mexican Vinyl, S.A. of C.V. that produce chlorine, caustic soda and specialized chlorinated products such as sodium hypochlorite, hydrochloric acid and other specialized chemicals;
- Mexichem Resinas Vinílicas, S.A. de C.V., and Mexichem Resinas Colombia, S.A.S, leaders in Latin America in the production of PVC resins;
- Mexichem Specialty Resins Inc., a leader in the production and marketing of specialty resins;
- Quimir, S.A. de C.V., a producer of industrial and food phosphates;
- Mexichem Compounds, S.A. de C.V., and Mexichem Compuestos Colombia S.A.S., producers of compounds and plasticizers;
- Mexichem Specialty Compounds (formerly Alphagary Corporation and Alphagary Ltd.), manufacturers of PVC and PVC-free compounds;
- Vestolit GmbH, a producer of chlorine, caustic soda and high-impact suspension PVC resin (HIS-PVC) and paste PVC resin;
- Ingleside Ethylene LLC, which began producing ethylene in February 2017 and entered into commercial operation in the second quarter of the same year;
- Vinyl Compounds Holdings Ltd. (VCHL), a leading supplier of PVC compounds.
- Sylvin-Technologies Inc. A specialized manufacturer of PVC compounds.
- Shakun Polymers Private Limited, a leading player in the field of compounding for the wire and cable industry.

From 2019 to date the Polymer Solutions Business Group has made the following acquisitions and executed the following investments:

Shakun Polymers Private Limited. On June 22, Orbia's Polymer Solutions business acquired a majority stake of Shakun Polymers Private Limited (Shakun), a private, family-owned company that is a market leader in the production of compounds for the wire and cable markets in the Indian subcontinent, Middle East, Southeast Asia and Africa. With its investment, Polymer Solutions is expanding its product and regional footprints as Shakun will continue to provide next-generation materials designed to meet the high safety and performance standards in the Asian and African markets.

Shakun's product development focuses on halogen-free flame retardant compounds and PVC-based compounds for power and data cables. In addition, Shakun's semiconductive and cross-linkable compounds extend Alphagary's product portfolio and offer a platform for growth to meet customer requirements, which should bring synergies to the operations of the Polymer Solutions group. Orbia has fully consolidated Shakun's results into the Polymer Solutions business group.

Sales

In 2021, Polymer Solutions business group sales and EBITDA were $3,438 million and $1,134 million, respectively, representing a 58% increase in revenue and a 145% increase in EBITDA, both compared to the previous exercise. In 2020, sales were $2,171 million and EBITDA was $462 million, representing a 7% decrease in sales and a 4.2% increase in EBITDA, compared to the prior year. In 2019, Polymer Solutions had net sales of $2,334 million and EBITDA of $443 million, representing decreases of 5.1% and 16.4%, respectively, compared to the previous year.

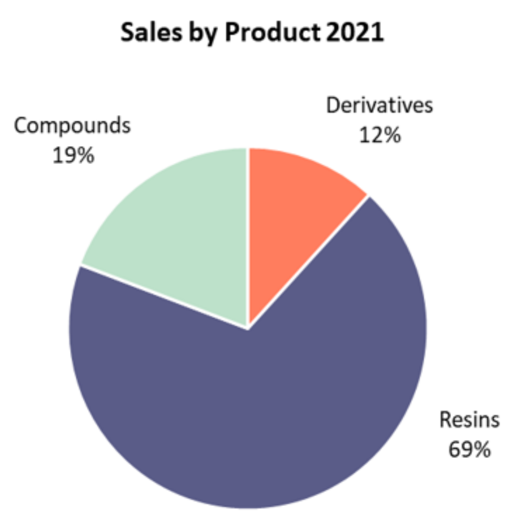
In fiscal years 2021, 2020, and 2019, Polymer Solutions contributed 39%, 34%, and 36% of the Company's net sales as well as 55%, 35%, and 34% of its consolidated EBITDA, respectively.

In 2021, the Polymer Solutions group had an outstanding performance driven by higher PVC market prices due to strong global demand and the tight environment.

The table below shows the Polymer Solutions business group's production and sales volumes for 2021, 2020 and 2019.

	Year ending December 31:					
	Volume Sold (1)			**Sales (2)**		
Polymer Solutions	**2021**	**2020**	**2019**	**2021**	**2020**	**2019**
Derivatives (3)	1,004	937	860	417	350	370
Resins	1,425	1,414	1,515	2,437	1,402	1,486
Compounds	257	226	232	680	466	513
Eliminations	(49)	(43)	(41)	(95)	(47)	(35)
Total, Polymer Solutions	2,638	2,535	2,565	3,438	2,171	2,334

(1) Thousands of tons.
(2) Figures in millions of dollars.
(3) Consolidates the Derivatives sales in the strategic interests of the Issuer.



Information excluding inter-chain transactions within the same business group

(a.1) Salt-Chlorine-Soda-Ethylene-VCM Process

Orbia has plants for the Salt-Chlorine-Soda process in Mexico where it produces chlorine, caustic soda, salt, hydrochloric acid, sodium hypochlorite; in Colombia where it produces sodium hypochlorite; and in Germany where it mostly produces chlorine, caustic soda and VCM. It also has plants that produce industrial and food phosphates. Likewise, in a 50/50 joint venture with OxyChem, the Issuer produces ethylene in a cracker located in Ingleside, Texas.

Products

Chlorine: It is mainly used for the production of long-life products such as VCM, which is the basic raw material for PVC production, titanium dioxide production (raw material for white paints), bleaching of cellulose in the pulp and paper industry, production of agrochemicals, water treatment, disinfection and purification, and chemical and pharmaceutical industry in general.

Caustic soda: It has several applications including: the production of oils, soaps and detergents, regeneration of ionic exchange resins for water treatment, washing of glass bottles, bleaching of cellulose in the pulp and paper industry, production of refined sugar, dyeing of cotton fabrics, production of agrochemicals, manufacture of gelatins, cleaning products in general, among others.

Sodium hypochlorite: It is mainly used for the manufacture of liquid bleach, as a general sanitizer, for the treatment and purification of water, manufacture of industrial catalysts, for bleaching and deinking paper, among others.

Hydrochloric acid: It is used for the production of high fructose which in turn is used as sweetener in the soft drink, candy and brewing industries; it is widely used for drawing and pickling metals, and is used in the pharmaceutical industry for the production of medicines, manufacture of pigments and dyes, and manufacture of ferric chloride, which is used in the lithography industry, among others. It is widely used for the manufacture of plastics and rubber, in the oil industry, and ceramics, among others.

Ethylene: Ethylene is the most important segment of the petrochemical industry and is converted into a large number of final and intermediate products such as plastics, resins, fibers and elastomers, including polyethylene (PE) and polyvinyl chloride (PVC), solvents, coatings, plasticizers and antifreezes, among the most widely used.

VCM: Vinyl chloride monomer is used almost entirely (96-98%) in the manufacture of polyvinyl chloride or polyvinyl chloride resin (PVC), a very versatile product that has applications in the medical and construction sectors, as well as in cable sheathing, piping, rigid and flexible profiling, and toys.

Industrial and food phosphates: Used mainly for the manufacture of detergents, fertilizers, animal feed, ceramics, water treatment, textiles, toothpastes, beverages, sausages, dairy products and bakery.

Plants and Mines (See Section 2, "The Issuer", item x, "Description of its Main Assets" of this Annual Report).

Raw Materials

The main raw materials in the Salt-Chloro-Soda Process are: salt, natural gas and electricity,. In Mexico, these raw materials are obtained through long-term supply contracts, with periodic reviews, with the National Water Commission (water), and the Federal Electricity Commission (electric power). There have been supply agreements with Iberdrola since 2015, contracts have been signed for the supply of electricity to Mexichem Resinas Vinílicas and Quimir since 2015, and in 2019 two contracts were signed for the supply of electricity to PMV and Mexichem Derivados; Pemex Industrial Transformation (natural gas), with the exception of salt, which is extracted from the concession for the exploitation of the salt dome that the Company has.

Sales and Marketing

Orbia has long-term contracts with some customers, for which it has established sales schemes that promote loyalty through discounts for volume acquired during specific periods of time. Long-term contracts represent approximately 70% of chlorine sales and 54% of caustic soda sales; and provide for the use of a price formula based on North American reference prices provided by IHS Markit and ICIS. The remaining volume is sold on the spot market at prices calculated by reference to the prevailing sales price at that time. In Europe, 100% of the chlorine produced is used to produce VCM and derivatives while caustic soda is sold to third parties.

Main Clients

The clients of the Salt-Chloro-Sose-Ethylene-VCM Process are concentrated mainly in the following secondary sectors (1) the petrochemical, secondary chemical, agrochemical and pharmaceutical industries; (2) PVC resin production, plastics processing, (3) soap and detergents, cellulose and paper, matches, and polymers such as polyurethane products for hygiene and cleaning of hospitals and homes, (4) water treatment, bottling, and metal-mechanical industry.

Distribution Channels

The products of the Salt-Chlorine-Soda-Ethylene Process are basic raw materials and are mainly marketed directly to industries as a business-to-business model that use them as inputs to produce other products. Sales are made through the group's sales force to direct customers, inter-company, and distributors, which in turn sell to end customers mainly in the same business to business model.

Distribution Contracts

The sale of Salt-Chlorine-Soda-Ethylene Process products is made directly and through distributors. Almost 7% of sales through distributors are made through service agreements.

Cyclic behavior

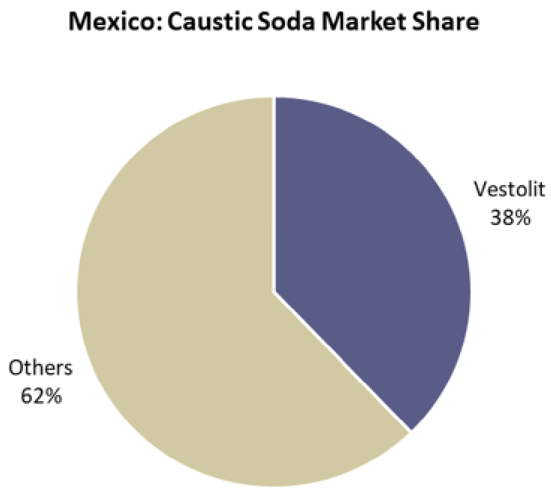
The chemical industry within the scope of raw materials production behaves in accordance with the international economy expansion and contraction cycles, and the supply and demand conditions of the main raw materials, which can have a significant impact on prices.

Competitive Position

The Company maintains its leadership position in the domestic market. Regarding the import of caustic soda, which competes with domestic production, the business has a favorable competitive position because it has a guaranteed supply due to local production as opposed to the supply imported for logistical reasons. However, in the face of a constant soda supply mainly from the U.S., competitiveness could be affected.

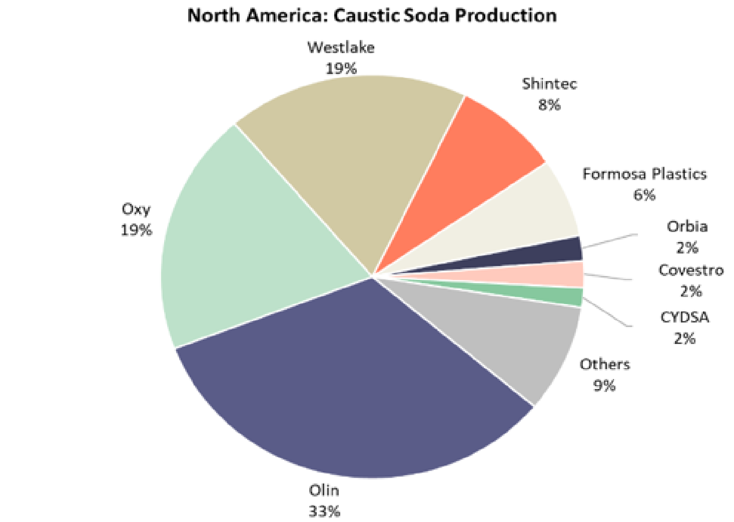
Market Share

The following graph shows Orbia's participation in the caustic soda market in Mexico during 2021:



Source: Orbia market research based on ANIQ and IHS Markit import-export reports.

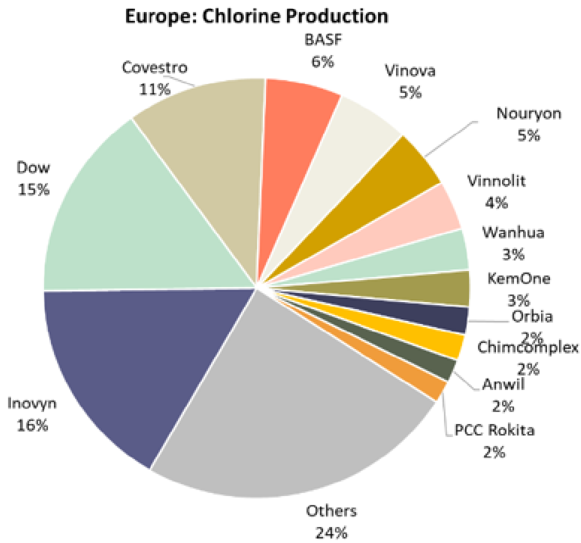
The total capacity in the caustic soda market in North America is 15.9 million metric tons.



Source: IHS Markit

In Europe, caustic soda is mainly consumed and produced locally due to the high cost of transportation and storage. The market is highly fragmented, with local producers competing in specific geographic markets. Orbia competes with integrated producers in the production of caustic soda such as Nourvon, Covestro and Dow Chemicals.

In 2021 the total chlorine capacity in Europe reached 12.1 million tons. The following graph shows the main producers of chlorine, graph based on the IHS Markit report.



Source: IHS Markit

The international market share of these products for Orbia is not substantial since it only exports its excess production.

(a.2) Process Chlorine and Caustic Soda

Raw Materials

Salt-Chlorine-Soda (alkali or chlor-alkali) is a term that refers to the chemistry of chlorine and caustic soda, produced mainly by electrolytic processes. Chlorine and caustic soda are co-products that result from the disintegration of salt into components by means of the electrolysis process. This process produces a fixed ratio of chlorine and caustic soda, which is referred to as an Electrochemical Unit (ECU). An ECU mainly consists of 1 unit of chlorine and 1.1 units of caustic soda. The main materials used in this process are electricity and salt, electricity being the main cost.

Although chlorine is used in many chemical processes, its main use is in the production of vinyl resins for the manufacture of PVC. Caustic soda is used in the production of pulp and paper, organic chemicals, soaps and detergents, textiles, oils and aluminum process.

The chlor-alkali industry is cyclical due to the direct impact of economic growth on demand, where periods of low profitability and low growth are often followed by periods in which attractive margins justify capacity expansion. In general, the demand for chlorine depends on the construction sector, while the demand for caustic soda depends on the manufacturing sector.

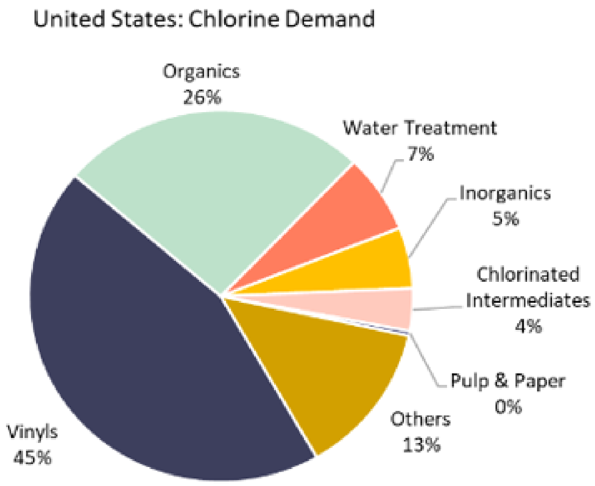
Most chlor-alkali producers are regional, with Dow Chemical Company being a notable exception, as it is a multinational and global company with a strong presence in North America and Europe.

According to an IHS Markit study, 2020 Chlor-Alkali 2022 World Analysis Chlor-Alkali, chlorine consumption is expected to show an annual increase of 2.1% worldwide.

Traditionally, chlorine demand drives the chlor-alkali production rate as chlorine plants are often integrated by facilities producing chlorine derivatives such as vinyl and PVC resins. The demand for chlorine is highly dependent on the demand for vinyl (particularly PVC resin). Since most of the chlor-alkali production is not composed of users of caustic soda, their demand may vary significantly.

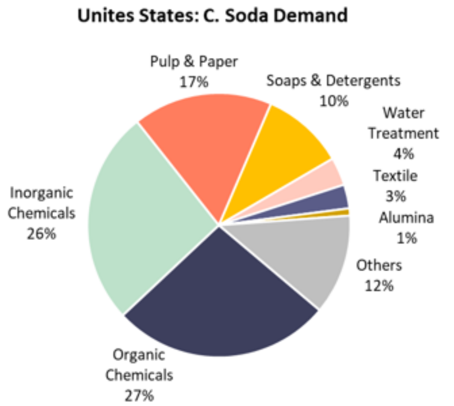
Main Customers

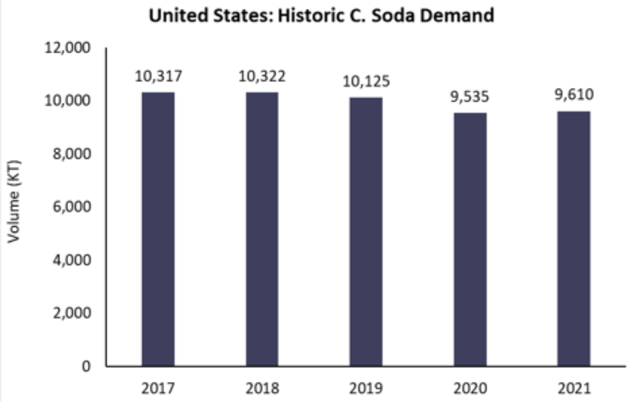
In the US, the production of vinyl, particularly PVC resin, represents the largest use of chlorine in the USA. As shown in the following graph, in 2021, 45% of the chlorine produced in the manufacture of PVC resins. PVC is one of the most versatile polymers and is widely accepted as it can be molded for a variety of uses in the construction industry, including rigid and flexible tubing, tubing connectors, flexible coatings, wire/cable accessories, and more. wire/cable coatings, among other applications.



Fuente: IHS Markit

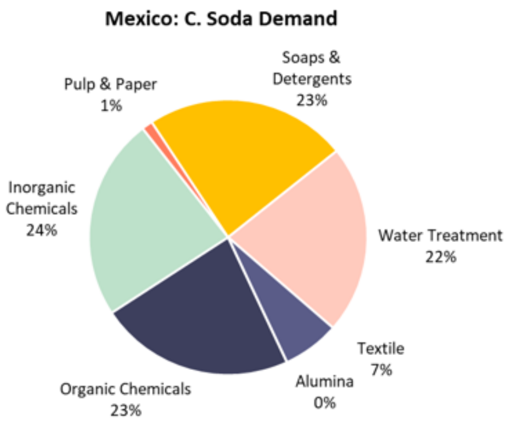
Caustic soda in the USA is used in a large number of industrial applications in the manufacture of organic chemicals (27%) such as propylene oxide and epichlorohydrin, in inorganic chemicals (26%) such as titanium dioxide and aluminum, as well as in the production of pulp and paper (17%). In 2021 the total productive capacity of soda in the US was 14.8 million tons per year and of chlorine 14.0 million tons. of chlorine.

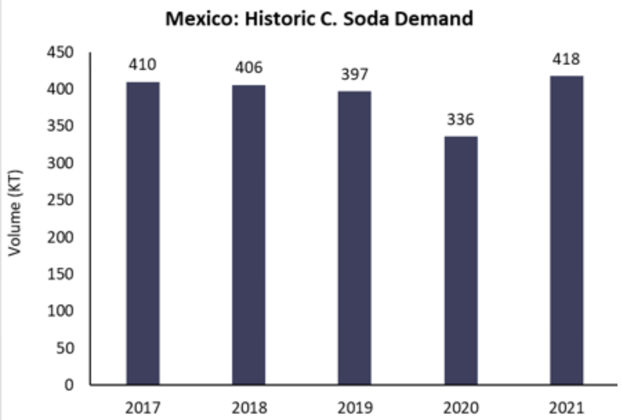




Fuente: IHS Markit

In Mexico, soda has a large number of industrial uses, including organic (23%) and inorganic (24%) chemical products, as well as in the production of soaps and detergents (23%). The total production capacity of soda in Mexico in 2021 was 594,000 tons, and chlorine is 551,000 tons, while the Issuer's production of soda and chlorine, in the same year, in Mexico was 206,000 and 184,000 tons, respectively. In 2021, the demand for chlorine in Mexico was 214 thousand tons, while the demand for soda was 418 thousand tons according to IHS Markit.

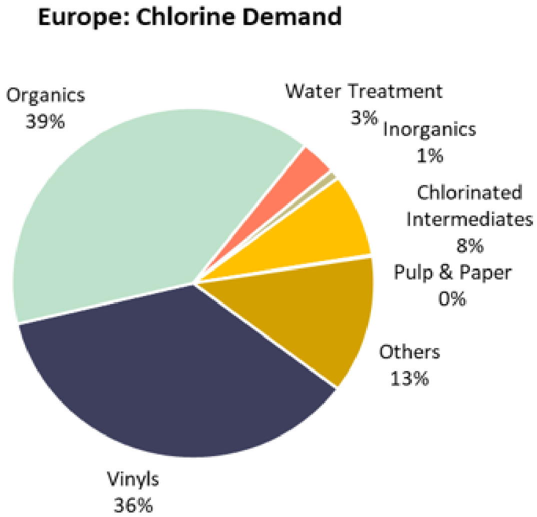




Source: IHS Markit

In the last 20 years there has been a significant change in the use of technologies for chlor-alkali production. Membrane cell technology intensified its use in the mid-1980s, which it has superseded in the 1980s, replacing mercury cell technology because membrane technology inherently brings improved environment and reduces energy costs. In Western Europe, mercury-based chlor-soda production has been converted to membrane cell technology since 2018. Some chlor-soda plants with asbestos-based diaphragm cells are modifying this material for another mercury-free polymer. asbestos and its operation is still in force, it is approved and regulated by their respective corresponding governments. Orbia does not use mercury technology in its mercury technology chlorine processes.

The production of soda in Europe in 2021 reached 9.7 million tons, presenting an increase of 1.6% compared to 2020



Fuente: IHS Markit

Chlorine and caustic soda prices

In North America, buyers of chlorine tend to concentrate, while consumers of caustic soda are generally more fragmented. Some of the largest buyers of chlorine have multi-year supply contracts, which include maximum prices and/or discounts to mitigate price volatility in the Spot Market.

(a.3) Vinyl and Composite Process

Products

The main products of the Vinyl Process are PVC Resins and plastic Compounds used to manufacture pipes and fittings, profiles and floors for the construction industry, as well as upholstery, films, bottles, containers, footwear and applications for the medical field such as bags for blood, dialysis and catheters.

General PVC Resins: It is one of the most versatile and low-cost thermoplastics due to the variety of its end-use forming technologies. It is strong and light, flexible, cost effective and safe. The Vinyl Process serves various applications, mainly for the building and construction sector, pipes and accessories, profiles, wires and cables, window frames, medical devices, containers, among others.

Specialty PVC Resins: These resins are intended to serve core applications of flooring, wallpaper, textile and technical coatings, automotive and artificial leather, as well as other specialty sub-segments where these resins provide unique capabilities.

The following are results of the Vinyl Process:

PVC resins with very diverse applications, mostly for the construction sector, such as cable coatings, window frames, pipes for carrying drinking and sanitary water and in other sectors, such as toys, balls, containers, hoses, chairs, decorative items, house, automotive industry and more.

In the Composites Process, materials are produced for:

Materials for cables, flexible profiles, shoe injections, automotive use, computer circuit holders, injection of accessories for pipes and the like, bottles of purified water, production of containers and packaging by bi-orientation process, containers for edible oils, vinegar, detergents, cleaners, juices, sauces, coffee powder, among others.

Plants (See Section 2, "The Issuer", item x, "Description of its Main Assets", of this Annual Report).

The production capacity of the vinyl and compounds manufacturing process as of December 31,2021 there was an average of 1.8 million tons of PVC resin and 412,000 annual tons of compounds.

Raw Materials

The main raw material used in the Vinyl Process is VCM. Orbia buys VCM from third parties such as Westlake and OxyChem. According to its installed capacity for the production of PVC at the end of 2021 in its Vinyl Process, the

Company required more than 1.8 million tons of VCM for all its plants (1.4 million tons in America and 0.4 million tons in Europe). In America, the Company maintains an integration of approximately 85% to Ethylene, while considering the production capacity of PVC in Germany, its global integration is approximately 65%.

At the production plant in Europe (Germany), the most important raw material purchased from third parties is ethylene, which is purchased through two current supply contracts with prices set monthly, while brine is obtained from SGW and electricity from Evonik Industries.

Sales and Marketing

For the sale of vinyl and composite products, Orbia maintains long-term contracts with its main clients and sales schemes that promote loyalty through discounts for volume acquired in specific periods of time. Long-term contracts are for continuous renewal and provide for the use of price formulas based on international references. Some of these references influence the cost of VCM, which allows Orbia to maintain differentials between the cost of VCM and the price of PVC throughout the cycles. On the other hand, these contracts provide their clients with adequate market conditions and competitive prices. Approximately 45% of PVC Resin sales are made under this scheme, allowing Orbia to have a solid marketing base. The remainder is sold on the Spot Market at the reference price at the time of sale.

Orbia has an important product marketing network to serve the national market and a considerable number of countries with high development potential, gaining a presence in the main regions of the world. The wide diversification in the sale of these products allows Orbia to maximize its income and reduce risks.

Main Customers

PVC products are used by customers in the manufacture of pipes and connections, flexible and rigid profiles, upholstery, flexible and rigid films, bottles and containers, synthetic flooring, blinds, laminated polystyrene, the toy industry, footwear and articles for the medical industry, among others. Including inter-company sales, the Vinyl and Composites business that is part of the Polymer Solutions business group represents 39% of Orbia's total sales and the most important customer represents 1.1%, so there is no dependency on one or more customers, given that the loss of these would not materially adversely affect the results of operations or financial situation.

Distribution Channels

The products of this process are marketed directly to the industries that use them as inputs for the production of other products. All sales of the Composites Process are made through the Company’s sales force in its own branches and through distributors.

Distribution Contracts

The sale of PVC is typically directly to customers, however, there are some distribution contracts for the commercialization of the products mainly in Europe, North America and Asia.

Cyclic behavior

Orbia is the largest producer of polyvinyl chloride (PVC) in Latin America and the sixth largest in the world, as well as the largest producer of specialty resins worldwide. The global PVC market is linked to the construction industry, which depends on the contraction or expansion of the economies of the world's regions and countries.

Global demand for PVC is strong and supply is restricted, leading to high utilization of industry capacity. PVC demand is expected to grow at a CAGR of 3.5% from 2021 to 2026 and then 2.4% through 2031 driven by strong construction and infrastructure activity globally, adding ~17 million tons of demand between now and 2031.

PVC supply additions are limited over the next 5 years in low-cost producing regions such as the USGC and the Middle East. In addition, barriers to entry are high due to the complexity of investing in and operating ethylene/chlor-alkali/VCM/PVC assets.

Competitive Position

The Vinyl Process:

It maintains the strategy of vertically integrating its business to be competitive in the markets it serves, investing in projects that have the purpose of ensuring the national and international competitiveness of its products, as well as the development of specialized and differentiated products.

In the recessionary stages of the national and international economic cycle, demand may be reduced and oversupply generated, affecting the international prices of the products manufactured by the Company. The products manufactured and traded by the Issuer compete in global markets and are therefore subject to the supply and demand trends of such markets and, therefore, to international prices that may affect profit margins, based on the efficiency levels of each producer. The vertical integration strategy has allowed the Company to consume a high percentage of intermediate products for final processes, reducing the impact of a decrease in the prices of basic products.

The supply and co-investment contract with OxyChem, and the acquisition of Policyd (a major resin producer in Mexico) have contributed to a strong position in the PVC market. In addition, with the latest acquisition of Vestolit in Europe, Orbia increased its portfolio of specialty products made to measure with high-impact suspension PVC resins (HIS-PVC). Orbia is the only producer with this technology in Europe and, with the current capacity, it is also the largest producer of specialty resins in the world.

The Company is a leader in the general resins segment in Mexico and Colombia, and is also a leader in the special resins segment in Europe and the U.S. The main competitors in the PVC market in Latin America and Europe are Shin-Etsu, Westlake, Formosa, INEOS, and OxyChem.

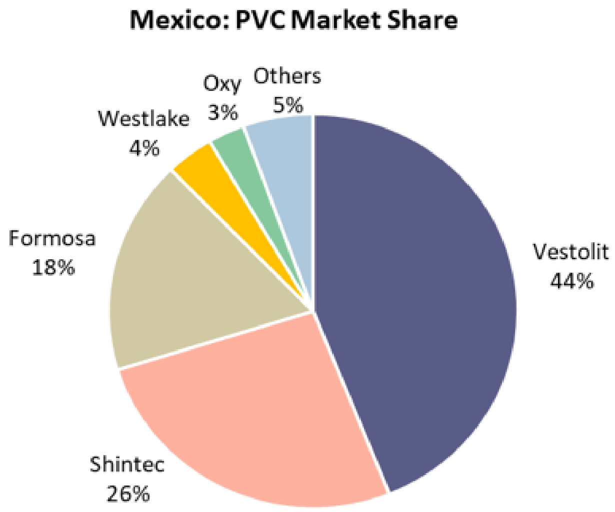
Worldwide PVC resin producers by company in 2021 (Average annual capacity)

Place	Company	Capacity ('000 Tons)	% Market Share
1	Shin-Etsu	4,440	8%
2	Westlake	3,470	6%
3	Formosa Group	3,164	5%
4	INEOS	2,315	4%
5	Xinjiang Zhongtai	1,970	3%
6	Orbia	1,797	3%
7	Oxy	1,683	3%
8	Hubei Yihua	1,350	2%
9	Beiyuan Chemical	1,250	2%
10	Others	37,701	64%
	Total	59,140	100%

Source: IHS Markit

Market Share

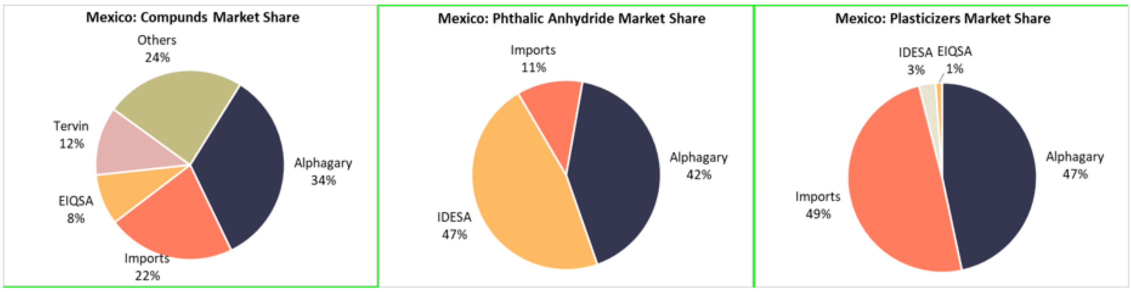
In 2021, Orbia's share of the Mexican PVC resin market was 44%, as shown in the graph below:



Source: IHS Markit y Orbia

The total market capacity of PVC resin in Mexico was 471,000 metric tons in 2021.

Orbia's market share in Mexico for compounds, phthalic anhydride, and plasticizers is shown below.



Source: Orbia market study based on ANIQ import-export reports

General Industry Information

Orbia focuses on the manufacture of products that are used in the construction, housing, infrastructure, telecommunications, water supply, automotive, sewage, and drainage and irrigation industries, among others. In addition, it participates in industries that use chlorine, caustic soda, chlorine derivatives and resins. It also manufactures transformed products, including pipes and fittings for the transportation of fluids such as water and other PVC compounds.

PVC resin

PVC is manufactured by polymerizing VCM, which is formed from the joint reaction of ethylene and chlorine. PVC resin has multiple applications such as pipes and connectors for conveying water (particularly for use in housing and sanitation), profiles, films and sheets, bottles, coating of wires and cables, and floors, among others.

PVC is the third most used plastic in the world after polyethylene and polypropylene. According to IHS Markit, global demand for PVC reached approximately 49.2 million metric tons in 2021, which is largely supplied to the construction sector. Pipes account for more than 45% of all PVC consumption globally. The estimated average annual growth rate of PVC demand until 2031 is an average of 3.4%.

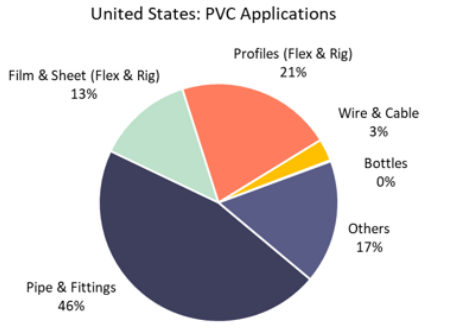
PVC is a versatile plastic that has numerous applications for everyday use, such as: pipes for the transport of drinking water, sewage or water for irrigation, coatings for electrical cables, profiles for the construction of windows, doors, facades or entire houses, tiles, floors, furniture coverings, auto parts and appliances, clothing and footwear, containers and packaging, medical devices, adhesive tapes and many others.

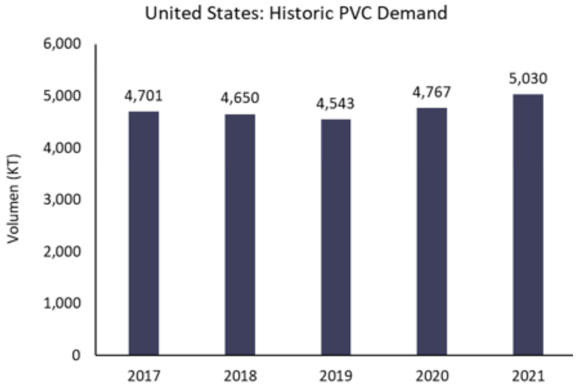
In the PVC production chain, vertical integration is a priority issue that, if not carried out, can lead to the disappearance of non-integrated PVC producers. In addition, the vertical integration of manufactured products can affect this industry. Non-integrated PVC producers are expected to face significant challenges in competing with integrated consumers, who typically have significantly lower production costs.

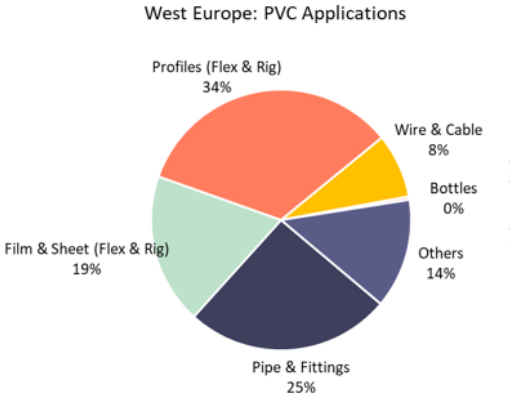
The PVC industry is greatly affected by changes in energy prices, particularly natural gas, from which ethane is derived, which is the main feedstock used to produce ethylene in North America, and crude oil from the from which different types of naphtha and other hydrocarbons are derived, which are the main raw materials used to produce ethylene in Europe and Asia.

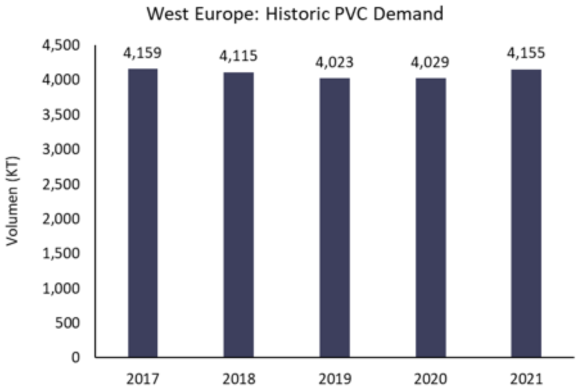
In addition to mature markets for the industry such as the United States and Western Europe, Orbia focuses on markets that are enjoying steady growth in areas such as government investment and infrastructure and construction projects in countries such as Mexico, Colombia, India, Brazil and Turkey.

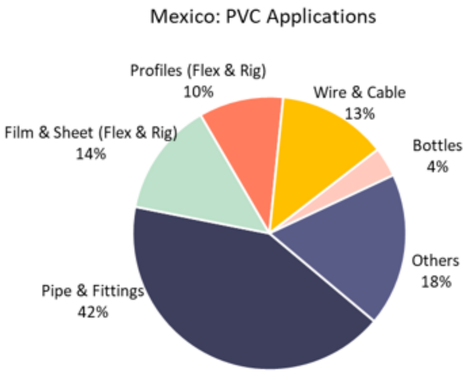
Within PVC applications in Mexico, Colombia, USA, India and Brazil, most of the production is for pipes and accessories, while in Western Europe and Turkey, the most relevant segment is profiles, with pipes and accessories occupying the second place in these countries, as shown in the following graphs.


United States: PVC Applications
Profiles (Flex & Rig) 21%
Film & Sheet (Flex & Rig) 13%
Wire & Cable 3%
Bottles 0%
Others 17%
Pipe & Fittings 46%

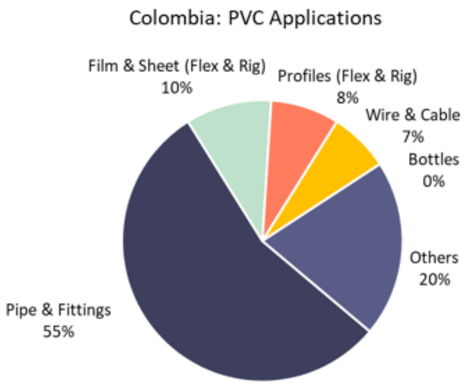

United States: Historic PVC Demand
Volumen (KT)
6,000
5,000
4,000
3,000
2,000
1,000
0
4,701
4,650
4,543
4,767
5,030
2017
2018
2019
2020
2021

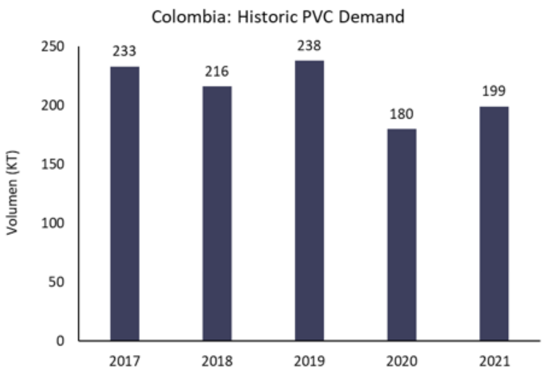

West Europe: PVC Applications
Profiles (Flex & Rig) 34%
Wire & Cable 8%
Bottles 0%
Film & Sheet (Flex & Rig) 19%
Others 14%
Pipe & Fittings 25%

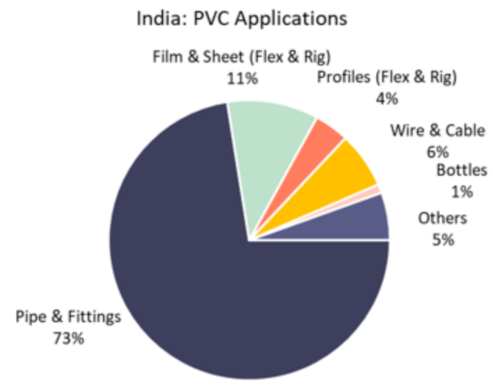

West Europe: Historic PVC Demand
Volumen (KT)
4,500
4,000
3,500
3,000
2,500
2,000
1,500
1,000
500
0
4,159
4,115
4,023
4,029
4,155
2017
2018
2019
2020
2021

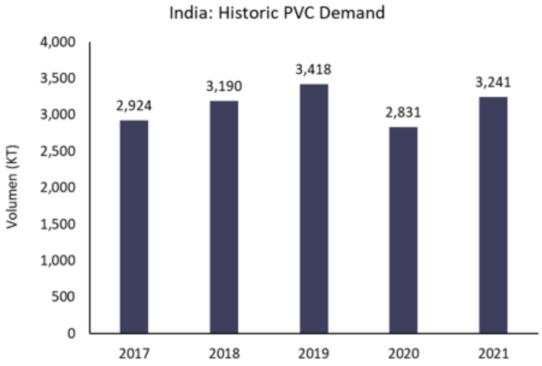

Mexico: PVC Applications
Profiles (Flex & Rig) 10%
Wire & Cable 13%
Film & Sheet (Flex & Rig) 14%
Bottles 4%
Others 18%
Pipe & Fittings 42%

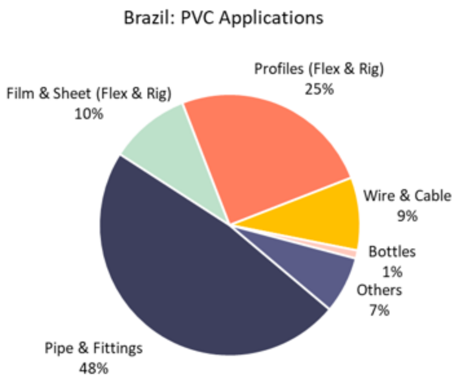

Mexico: Historic PVC Demand
Volumen (KT)
600
500
400
300
200
100
0
506
493
458
440
471
2017
2018
2019
2020
2021

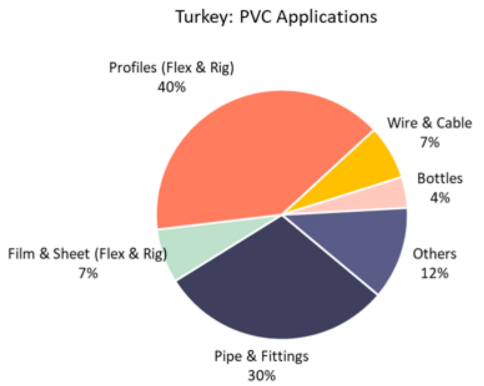

Colombia: PVC Applications
Film & Sheet (Flex & Rig) 10%
Profiles (Flex & Rig) 8%
Wire & Cable 7%
Bottles 0%
Others 20%
Pipe & Fittings 55%

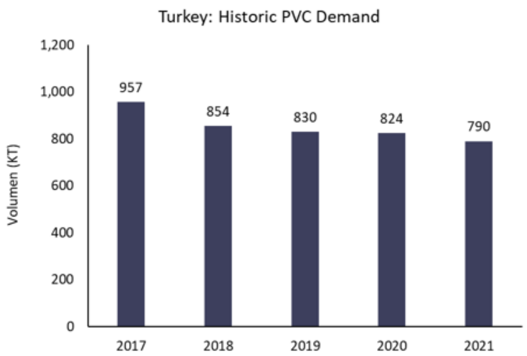

Colombia: Historic PVC Demand
Volumen (KT)
250
200
150
100
50
0
233
216
238
180
199
2017
2018
2019
2020
2021





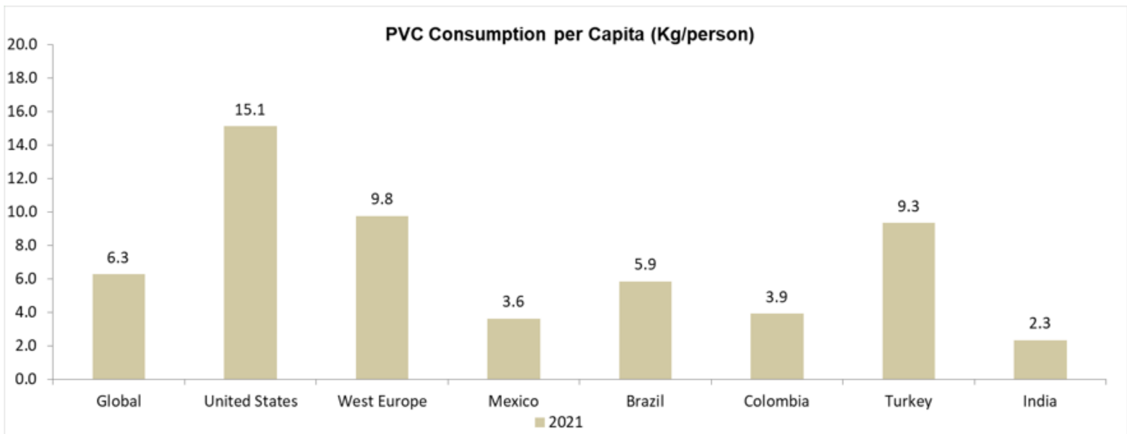






Source: IHS Markit

Orbia focuses on markets with high growth potential, where PVC consumption per capita is increasing, and in mature markets where PVC consumption per capita is stable at high levels. The following graph shows the PVC consumption per capita of the main countries and/or regions where Orbia sells PVC resins:



Fuente: IHS Markit

(b) Building & Infrastructure Business Group

Building & Infrastructure is a global provider of plastic piping systems and innovative solutions for the construction and infrastructure industries, with a broad product portfolio. Specific product segments are used for drainage solutions, stormwater management solutions, potable water solutions, indoor weatherization solutions, and flooring and landfill systems. In order to keep the product portfolio up to date, Building & Infrastructure has a Global Technology and Innovation Center in the Netherlands, including a pilot plant, an accredited laboratory and a design center.

In Europe, Building & Infrastructure operates 24 production plants and 7 Research and Development facilities, with 4,200 employees. Building & Infrastructure is the market leader in Europe, has a broad product portfolio with nearly 32,000 items, has a significant local presence and is committed to innovation and technical support for the solutions it offers. All these elements represent a benefit for its customers.

In Latin America, Building & Infrastructure has 24 production plants that operate with 6,100 employees and in which it manufactures 38,000 articles. It markets its products through its well-positioned brands Pavco, Amanco and Plastigama (all of them now associated with the Wavin brand). Due to its experience and technical specialization, as well as its perception of a high level of quality, Building & Infrastructure is the market leader in Latin America.

In the Asia Pacific region, Building & Infrastructure has relaunched its activities and started new facilities in Indonesia and India in 2020, as a base for future growth and becoming a true global player. In 2021, Building & Infrastructure acquired 2 brownfield production facilities in Neemrana and Hyderabad from Data Communications, expanding its production capacity in the region to overcome import barriers. Building & Infrastructure employs 270 employees throughout the Asia Pacific region.

Sales of the Building & Infrastructure group of businesses during the years 2021, 2020, and 2019 represented 33%, 32% and 35% of consolidated revenues. The Building and Infrastructure Group also contributed 21%, 20% and 20% to Orbia's consolidated EBITDA during the same period. Detailed revenue data by region is shown below.

	Year ending December 31:		
	2021	**2020**	**2019**
Building & Infrastructure business group (1)			
Europe / Asia Pacific	1,606	1,195	1,221
Latin America	1,330	883	1,032
Eliminations	(14)	(7)	(14)
Total Building & Infrastructure	2,922	2,071	2,239

(1) Figures in millions of dollars.

During 2021 Building & Infrastructure continued to execute the strategy, benefiting from the rapid growth of value-added products such as Aquacell, AS+, SiTech+, Tigris K5/M5, to expand both sales and profitability, offsetting sudden price increases of the raw material, through the use of appropriate pricing strategies.

That said, after unusually high volume in the second quarter, record lows in stock availability largely disrupted operations in the third quarter. This situation, combined with the scarcity of raw materials, meant that products could not always be delivered to customers. Beginning in the the second quarter of 2021, Building & Infrastructure benefited from being part of Orbia and from the growing collaboration with other business groups (in this case, Vestolit and Alphagary), as many of the competitors ran out of stock.

Despite this fiercely competitive business environment, key milestones such as market share growth in most markets were achieved. New entrants were also welcomed with the acquisition of another factory in Neemrana, India, which will help accelerate market access for our sustainable products and solutions to serve India's growing urban population.

In 2021, Building & Infrastructure also launched the first "Gear Up 4" global marketing campaign in 25 countries, including Latin America, which aims to create customer loyalty and brand preference among installers. The purpose is to make the change to Wavin products and the concept of the campaign is to "install trust".

Products

The market segments served by Building & Infrastructure business group:

Wavin Hot & Cold Systems: The Hot & Cold business unit is focused on serving five main applications: Potable Water, Fire Sprinkler, Industrial, Radiator Heating Piping Systems, Indoor Gas. All of these systems are inherent in a variety of buildings, in residential, non-residential and commercial buildings. To serve these markets, Building & Infrastructure offers a broad portfolio of pipes and fittings. These systems include flexible, rigid, and semi-rigid piping in various materials, connection techniques, pipe wall constructions, and diameters. APAC, Latam, EMEA countries have different installation habits and legislative requirements. Our objective is to have adequate solutions for the market, but at the same time benefit from economies of scale. That requires extensive market research and a deep understanding of market dynamics. But Building & Infrastructure's offering goes far beyond products. We provide a wide range of additional services such as design and calculation, BIM models, service life assessment tool, drinking water quality and hydraulic performance. Over time it will continue to build smarter ways to manage drinking water in buildings.

Building & Infrastructure's drive and commitment: Today, with more than 2 billion people on earth still without access to fresh water, Building & Infrastructure's goal is to make our solutions available worldwide. The business's approach to innovation is to avoid overly complicated solutions and to remove all barriers to installing them. This also means that we actively share our knowledge to help our customers.

Similarly, the quality of drinking water is of great importance. Therefore, Building & Infrastructure actively contributes to the supply of safe water by raising product standards to the highest level. All Building & Infrastructure systems are made from approved materials and help customers design their systems the right way. By offering high quality systems with the correct design specifications, B&I's customers can limit the risk of bacterial contamination in their water systems during use.

Wavin Indoor Climate Systems: Building & Infrastructure is continually strengthening its position in the indoor climate segment in Europe by expanding the dedicated Building & Infrastructure organization to serve the major European markets.

The company develops, manufactures and sells various systems that provide a better and healthier indoor climate for people with energy reduction as a key factor.

The key systems are:

1. Water-based underfloor heating systems, including pipes, flooring solutions, collectors and distribution systems.
2. A water-based roof cooling system that provides healthy cooling of buildings with low energy consumption and no operating noise (alternative to air conditioning systems).
3. Thermal interface units for District energy (Calefa),
4. Ventilation systems with heat recovery (Ventiza) including units, ducts and accessories to make a complete installation.
5. Various ranges in control systems, including high-end Sentio, which is a sophisticated control system that connects all systems seamlessly.

These systems focus on ease of installation, long-term reliability, and connectivity through control systems that are the key differentiators in the market. Within indoor air conditioning systems, Building & Infrastructure targets the newly built residential market. At the same time, the business is experiencing an increase in the light commercial building business and renovation market, including Precast.

Wavin Soil & Waste: Soil & Waste products contribute to Building & Infrastructure's purpose in two areas: improved construction performance and improved sanitation and hygiene. The product range covers all segments of the value pyramid with low, medium and high specification PP, PE and PVC systems. Its broad product portfolio can cover the most diverse requirements of customers around the world. Whether in a competitively priced market or a high quality project, Building & Infrastructure has a ready solution with a wide range of products, technical support and high levels of service to offer our customers.

The ability to develop value-added products such as PVC allows the business to set trends in markets such as LATAM and APAC. resulting in differentiation from the competition. In EMEA, it B&I is increasing its market position with products such as SiTech+ and AS+ that meet the highest demands. B&I's customers appreciate the fresh designs, performance and quality of our product. Whether for social buildings, multi-family homes in urban settings, or five-star hotels in tourist destinations, the Wavin Soil & Waste portfolio is always the right choice.

Building & Infrastructure is well positioned for the challenges of the future. It is a pioneer in the development of 100% plastic wastewater systems. It has extensive knowledge of the segment that it takes advantage of to develop various applications for its own and industrial constructions. These capabilities are combined with B&I's sound and fire protection expertise to offer a full range of products.

Wavin's Stormwater Management: We live in a changing world. Cities continue to grow as the urbanization trend continues, resulting in increasingly harsher surfaces on the environment. Climate change is having a profound effect with increasingly intense rains and periods of drought. The result of the combination of shorter and sharper rains with more roofs and paved roads is a higher risk of urban flooding; To manage this risk, there is a growing demand for improved stormwater and stormwater drainage solutions.

Building & Infrastructure is a leading global player helping towns and cities manage flood risk, control groundwater depletion, and manage urban heat stress within the urban environment through a broad portfolio of products and technical expertise.

Portfolio: Building & Infrastructure offers a wide range of solutions for surface water management. QuickStream® Siphonic Roof Drain is used for the efficient drainage of large roofs, while gutters, troughs and drainage channels can be used to collect other hard surfaces. Below the surface, Building & Infrastructure offers transportation through X-Stream®, Novafort® and land drainage piping systems with access through Tegra manholes. Water quality can be improved by removing debris, sediment and oils with Tegra Road Gullies and Certaro® filters, while AquaCell® and Q-Bic Plus® can be used to allow collected water to infiltrate back into the ground or stored and released at a controlled rate to avoid overloading the piping system.

Sustainability: Developing systems in plastic means that a project life of up to 100 years can be achieved with the added benefit of being recyclable at end of life. A significant portion of Building & Infrastructure's stormwater portfolio is already produced from 100% recycled plastics from post-industrial applications.

Making cities more liveable and lovable: Building & Infrastructure plays a role in making cities more liveable through the introduction of trees into the urban environment. Trees play an essential role in promoting health and social well-being by helping to reduce the effects of urban heat build-up, eliminating air pollution, encouraging physical activity and reducing stress.

To help trees grow faster and give them a chance to live in harsh urban environments, this business segment offers Wavin TreeTanks®. In these underground boxes, a safe zone is created in which the roots can grow as in the natural environment while collecting water and valuable nutrients to support their growth. The healthy growth of these trees helps rapidly cool temperatures in city centers (heat island effect) making our cities more sustainable.

Wavin Foul Water Systems: Foul Water Systems is one of Building & Infrastructure's foundations and achieved unprecedented results in 2021 in both revenue and profit. Building & Infrastructure Develops, produces, markets and sells plastic pipes, fittings, manholes, manholes and related materials to create a healthy and sustainable underground infrastructure. Its diverse teams with colleagues in Asia Pacific, Latin America and Europe share knowledge and closely cooperate with each other to deliver quality to customers. Tailored to customer requirements, Building & Infrastructure's solutions made of polyvinyl chloride (for example, Novafort in Latin America) and polypropylene (for example, Acaro and Tegra® in Europe) are used as combined sewage for dirty and storm water or installed as separate systems. True black water goes to water treatment facilities, while rainwater, with limited filtering, goes to lakes, canals, and rivers or is used locally to water trees and parks. In this way we contribute to the resilience of the city.

Building & Infrastructure emphasizes sustainable products made from recycled materials, such as its multilayer pipes under the names Recycore®, EcoTP and U3, in countries where legislation allows it. In other countries, it lobbies for the inclusion of recycling to be approved. Durability, reliability and ease of installation are key to their products. And circularity reigns at Building & Infrastructure: any innovation is guided by it.

Foul Water Systems solutions support Building & Infrastructure's commitment to improving sanitation and hygiene around the world.

Sustainability. Building & Infrastructure's holistic sustainability strategy is based on six global programs (of which four are action-focused and two are supportive). Each program has clear goals and ambitions for 2025 in line with Orbia's goals. Its goal is to become an industry leader in sustainability by 2025. Building & Infrastructure focuses on:

1. Innovation (Offer innovative solutions to help our clients adapt to climate change).
2. Circular economy (Contribute to the increase in the use of recycling and the recyclability of products).
3. Environmental Impact (Reduction of the environmental footprint for clients and in our operations).
4. Social inclusion (creating a positive impact on (local) communities and embracing diversity)
5. Reports (Reports on the performance of sustainability programs to stakeholders).
6. Public affairs (active participation in the development of policies to increase the impact of our sustainability activities).

Annually Building & Infrastructure implements between 100 to 200 projects.

Raw Materials

During 2021, for the Building & Infrastructure business in Latin America, approximately 66% of the cost of sales in the manufacture of its products was PVC resin and CPVC resin. The Company buys 55% of this raw material from USA and other regional suppliers where logistics costs or tariffs make sense, while the rest is obtained from the PVC resins subsidiary of the Polymer Solutions business group (Vestolit), of its operations in Mexico and Colombia.

In the case of Building & Infrastructure's business in Europe, 54% of its raw materials are Polyolefins: Polyethylene (PE) and Polypropylene (PP), while the remaining 46% is PVC resin (virgin and recycled) and additives, of which which the Polymer Solutions business group contributes approximately 11%.

Main Customers

Building & Infrastructure's main customers are from the construction and infrastructure industryincluding construction companies, installation companies and underground contractors, as well as municipal governments, cities and gas and water companies that carry out public works. Including inter-company sales, Building & Infrastructure business group represents 33% of Orbia's total sales and the most important customer represents 7.2%.

Distribution Channels

Building & Infrastructure distributes its products to end consumers (installers, contractors and engineers, and specifiers) directly, through distributors, or through businesses specialized in construction, dealers, plumbing specialists, civil engineering specialists or retail DIY businesses.

In Europe, Building & Infrastructure primarily uses indirect distribution; that is, its products are shipped to the wholesalers or retailers, who have both centralized distribution and storage centers, as well as multiple points of retail sale. Building & Infrastructure products are available at approximately 65,000 points of sale in Europe, which include direct and indirect distribution.

In Latin America, B&I's products are distributed through over 50,000 points of sale with more direct contact with the end consumer, as well as through construction companies.

Cyclic behavior

Building & Infrastructure's business performance is influenced by the economic cycles in each of the countries in which we operate, particularly the cycles present in the construction and housing sectors. Additionally, in Europe, there is a seasonal effect related to the winter season during some months of the first and fourth quarters, in which lower levels of sales are generated.

In 2021, the COVID-19 pandemic and industry-wide raw material shortages had a significant impact on Building & Infrastructure's performance throughout the year. The great efforts applied to continue supplying its customers in the best possible way in these challenging circumstances have strengthened its market position in the regions where it operates. Building & Infrastructure made the well-being of its employees and customers a priority by adopting new ways of working, investing in safety measures and providing support to families affected by the Covid-19 virus.

Competitive position

Building & Infrastructure's market leadership has been built on the backing of its very well positioned brands: Wavin (with 66 years of history), Amanco, Pavco, Plastigama, while benefiting from an important track record in product development innovative systems and solutions. Taking innovation as a reference, Building & Infrastructure offers a wide portfolio of products and solutions, such as those aimed at solving so-called "customer pain" with reliable service level performance. The close links established with customers have been reinforced in recent years through proactive commercial campaigns, as well as through the use of digital tools such as Building Information Modeling (BIM) throughout all regions, improving the service to our customers.

Market share

The Building & Infrastructure business in Latin America holds about a **31%** share of the PVC pipe market, based on the company's own estimates, and the company also estimates that, in this region, it holds a significant share of the wholesale markets where it has a presence, since in most of the countries it is the market leader. For the European market, B&I estimates that it holds a market share of 14% for a wide range of applications for the interior and exterior design of buildings, as well as infrastructure.

(c) Data Communications business group (Dura-Line)

Data Communications develops and markets high-density polyethylene (HDPE) products and has positioned itself as a leader in the production and distribution of conduits and accessories, as well as cable and fiber optic conduit solutions for voice and data, and pipes for industries. of infrastructure.

Data Communications has 16 production facilities located in North America, Europe, India and Oman. Its clients are large North American corporations, as well as multinational companies that rely on the high quality of the products and services it offers.

Data Communications has positioned itself mainly in the United States and Canada regions, as well as in the Asia, Middle East and Africa (AMEA) region.

The Data Communications business group contributed 11%, 11% and 12% to Orbia's consolidated revenues in fiscal years 2021, 2020 and 2019, respectively and 7%, 13% 11% of Orbia's consolidated EBITDA. Revenues in millions of USD for all three years are shown below.

	Year ending December 31:		
	2021	**2020**	**2019**
Data Communications Business Group (1)	944	732	749

(1) Figures in millions.

Products

Telecommunications. The Company produces advanced engineered conduit, microduct and cable conduit solutions for the telecommunications (voice and data), electrical engineering and cable television markets, and offers multiple conduit solutions under the Dura-Line brand. Offering a microduct solution primarily for use in broadband and cable TV and telecommunications applications, its SILICORE ducts are made with a high-density polyethylene (HDPE) jacket and a solid polymer shell. The conduit has an outer jacket and a slip-on center that eliminates the need for lubrication, reduces friction and protects the cable before, during and after installation. The Tornado Plus Conduit product is specifically designed to facilitate better installation by creating an air chamber that allows cable to be installed over long distances. The company is a leader in the development and manufacture of small diameter ducts. These patented solutions provide flexibility to the network through the installation of fiber that increases the growth of data networks without the need for additional trenching.

Through its CableCon line of products, Data Communications is the leading provider, both by volume and sales, of pre-installed cable conduit solutions in North America. CableCon is a system in which fiber optic, coaxial or power cables are pre-installed during production at our factory, reducing installation costs for customers. CableCon's consumer growth has been achieved through Data Communications's ability to customize the solutions it offers its customers with products that fit their needs.

The Company has developed a new line of micro-duct solutions designed to be used inside and outside buildings in order to improve network capabilities in companies. Orbia's technology provides a comprehensive solution to meet future growth needs with affordable installation costs. Through the CableCon product, the Company is the leader in driving solutions in North America based on volume and sales.

It also sells a wide range of accessories for users in the telecommunications sector (voice and data) such as connectors, fiber optic woven tapes, cable television, and equipment installation. Accessories are designed to streamline and improve the installation of pipe and duct solutions.

Raw Materials

For Data Communications' US/Canada and AMEA business, the primary raw material is high-density polyethylene resin, the price of which is substantially subject to fluctuating market conditions. Polyethylene resins are traded worldwide. A determinant in the price of resin is the price of oil, which usually experiences volatility. Purchases of this raw material are made from a small number of local suppliers. Generally, these contracts have a duration of between one and two years. The Company has a long-standing business relationship with regional resin suppliers, with an average tenure of eleven years. In terms of prices, contracts with suppliers are based on market prices according to the applicable region.

Main customers

Data Communications business customers belong to the telecommunications and infrastructure industries, which include large and small construction companies, installers, as well as telecommunications and energy companies.

Distribution Channels

Data Communications distributes its products to more than 1,700 customers, both directly and through distributors in more than 50 countries.

Cyclic behavior

Normally, the first and fourth quarters of each year have low sales levels due to the winter in the northern hemisphere. However, weather conditions in recent years have varied in such a way that sales performance may be affected in different ways.

Competitive position

The Data Communication's business main competitive advantages are its presence in regions such as the United States, and countries such as India, Oman and Canada, having an extensive distribution network, as well as greater brand recognition. The business group faces strong international competition in the countries in which it participates.

The competitors in the US/Canada and AMEA are Performance Pipe (a division of Chevron Phillips Chemical Company), LP, Blue Diamond Industries, LLC, JM Eagle, and to a lesser extent small regional manufacturers, in addition to some European companies. such as Gabo Systemtechnik GmbH (dba Gabocom), Emetelle and Hexatronic. In developing countries, the competitive landscape is much more fragmented when compared to the US, Canadian or European markets.

Market share

The Data Communications business group considers that this information is of strategic importance, and it therefore reserves the right to disclose it.

(d) **Precision Agriculture business group (Netafim)**

Precision Agriculture is aimed at high-growth markets and it produces solutions to address two major global trends: the increasing scarcity of food and water.

The Company is a global leader in the production and sale of precision irrigation solutions, with 62 subsidiaries and 17 plants located in Israel, Turkey, The Netherlands, Spain, South Africa, Mexico, Brazil, Peru, Chile, China, Colombia, Australia, India and the United States, serving over 110 countries.

Precision Agriculture offers agricultural, civil engineering and project solutions related to the handling, use and control of water in agricultural, farming and aquacultural activities. All this allows it to offer the widest range and assortment of solutions that adapt to the needs of its customers.

The products operate under the Netafim brand, which is recognized in the key agricultural markets and is a symbol of its proven history as a pioneer and innovator in the agricultural irrigation market. Since the introduction of the world’s first commercial drip irrigation system in 1966, Precision Agriculture has invested years of research into micro-watering to maximize the benefits of the technology. As a result of this investment, we have been pioneers in the key technological advances made in micro-irrigation, such as low-pressure drippers and drippers with pressure compensation. We have become a world leader in advanced micro- irrigation by helping the world “grow more with less”, as demonstrated by our customers who, generally, achieve greater crop yields while using less water, as well as less land and power resources, allowing for reduced use of other inputs like labor, nutrients and crop protection.

Precision Agriculture contributed 13%, 15%, and 17% to Orbia’s consolidated revenues for the years 2021, 2020 and 2019, respectively and 7%, 14% and 13% to EBITDA, respectively during the same periods.

Sales

	Year ending December 31:		
	2021	**2020**	**2019**
Precision Agriculture business Group (1)	1,126	972	1,063

(1) Figures in Millions.

Products

Precision Agriculture’s technologically advanced micro-irrigation solutions consist primarily of drip-based watering solutions, but we also sell sprinklers and micro-sprinkler products. This business provides services primarily to the agricultural market, while certain products are used for landscaping and mining applications.

The broad range of Precision Agriculture’s product portfolio includes drippers, drip lines, strategic system components (such as filters, valves and air valves) and advanced digital technology for agriculture. Advanced digital crop technology offers solutions for watering and fertirrigation, and in 2018, we launched an integrated digital agriculture system to the market that has monitoring, analysis and control capabilities. We also provide end- to-end solutions that include the provision of bulk water, feasibility and design studies, implementation, post- sales support and system maintenance. Also, through our leading presence in the irrigation market, we have built a base of in-depth agricultural knowledge and we offer agronomic services and support to help their end users maximize the productivity of their systems.

Raw Materials

For the Precision Agriculture business, the main raw materials are polyethylene (PE) resins in different grades and products made from PVC resins.

Main Customers

The main customers of the Netafim business group are individual and large corporate farmers. Most of these end users are served and supplied through large and medium sized wholesale distributors. Precision Agriculture’s top ten customers together represent about 2.5% of Orbia’s consolidated total revenue.

Distribution Channels

Precision Agriculture distributes its products directly and through a global network of more than 3,000 distributors in more than 110 countries.

Cyclic behavior

Precision Agriculture's seasonality depends on the climate of the countries in which it operates, with the second quarter of each year being the one with the highest demand, followed by the fourth quarter, while the first and third quarters are weaker. In Europe, an increase in demand for the company's products is observed in the spring months. The countries of the southern hemisphere experience greater demand in the months of September and October, which is the beginning of the spring season there. Finally, in December there is an increase in the demand for its products driven by an increase in sales in the US and India.

Competitive Position

Precision Agriculture's main competitors are Jain Irrigation, Rivulis, Irritec, Toro, Metzer and smaller local competitors in the countries where it is present.

Market Share

Precision Agriculture has an approximate market share in precision irrigation products of 35% in North America, 40% in Latin America, 35% in Europe and 20% in AMEA.

(e) Fluorinated Solutions Business Group (Koura)

Fluorinated Solutions is a world leader in the development, manufacture and supply of fluorinated products and solutions. It is the largest producer of fluorite in the world and has a leading position in the industry of hydrofluoric acid, aluminum trifluoride (AlF3), refrigerant gases and medical propellants. Fluorinated Solutions has also started supplying fluorinated products to the energy storage industry, a key growth segment in the coming years, and is perfectly poised for this. The launch of Koflyte®, a new brand for its next-generation electrolyte additives and co-solvents, the acquisition of Silatronix, a leading battery technology start-up, and Orbia's investment in Ascend Elements, a lithium-ion battery recycler of closed cycle and manufacturer, are the first steps to enter these markets. Fluorine plays a critical role in a wide range of industries, including automotive, chemical, semiconductor, communications, construction, and pharmaceuticals, among others. It has also become relevant as a key feedstock for various decarbonization solutions, such as lithium-ion batteries, renewable energy, and low-GWP refrigerants for mobile and stationary applications.

The value chain of this Business Group originates in calcium fluoride, better known as fluorite, a non-metallic mineral that acts as a flux, among other applications.

Concentrated fluorite (with a minimum concentration of 97%), without impurities, is known as acid grade and is used in the production of hydrofluoric acid, which is obtained through chemical processes using sulfuric acid from sulfur. Fluorinated Solutions competes with China in the production of this acid.

Fluorinated Solutions owns several mining concessions in Mexico. The largest concession is located in the state of San Luis Potosí and has the only known fluorite mineral body in the world. Fluorinated Solutions has the largest proven reserves, equivalent to 1/8 of the world's reserves. Operating from two locations in the state of San Luis Potosí, Fluorinated Solutions's mineral production is three times that of the second largest producer of fluorite.

Environmental and sustainability issues are strongly integrated into Fluorinated Solutions' plans for mineral extraction and processing to ensure that its environmental and social responsibility goals are achieved. The use of screening equipment for Metspar has enabled better utilization of the mineral resource, and significant investments have been made in Acid spar processing to use substantially less water per metric ton produced and go to paste or dry-related instead. of the traditional wet-related practice industry.

Fluorinated Solutions supplies approximately 20% of the worldwide demand for fluorite, either directly or through its distribution network. It is the number one player in the Americas and Europe and has a significant presence in Asia Pacific. Fluorinated Solutions sells fluorite to a variety of customers in different industries, including major manufacturers of fluorinated products, some of the largest steel mills in the world, and several of the largest players in the Latin American cement industry.

Fluorinated Solutions has been a world leader in promoting the use of Metspar for cement companies, since it allows to reduce the clinker content per ton of cement, thus helping the industry to reduce CO2 emissions.

The dynamics of the fluorite market have changed significantly since 2018, as China, the largest producer by country, went from being a net exporter to a net importer of fluorite. This situation has caused an opening of new markets in Asia Pacific and an increase in mineral prices. Although the Covid-19 affected the demand for fluorite in 2020 and the first half of 2021, the market recovered in the second half of 2021.

In the medium and long term, several external analysts and internal projections agree that the total global demand for fluorine will continue to grow faster than GDP due to several megatrends, most notably the transition to clean energy and increased digitalization.

Fluorite in its natural state (whose concentration ranges between 50% and 90%), is used in the steel, cement, glass and ceramic industries, helping to eliminate impurities in the manufacture of steel, improving the structure molecular weight of clinker in cement and, generating energy savings, among the main benefits. This type of fluorite is called metallurgical grade.

Hydrofluoric acid is mainly used in the manufacture of refrigerant gases and propellant gases for air conditioning, refrigerators, freezers and medical applications for the treatment of respiratory diseases. It is also used as an input in the production of gasoline and aluminum fluoride, the pickling of stainless steel, in nuclear fuels, in the manufacture of integrated circuits, in the manufacture of specialized plastics such as fluoropolymers and in the production of fluorinated salts such as lithium salts, which are used in batteries. Fluorinated Solutions is one of the world's leading producers of hydrofluoric acid.

The Company is one of the world's leading suppliers of refrigerant gases, primarily R-134a gas, used primarily in the automotive and refrigeration industries. R-134a gas is also used as propellant gas in medical devices such as inhalers for asthmatics, an application in which Fluorinated Solutions has nearly 75% of the world market. Fluorinated Solutions is committed to the development of refrigerant gases and medical propellants with low global warming potential (LGWP), investing in research and development through joint ventures.

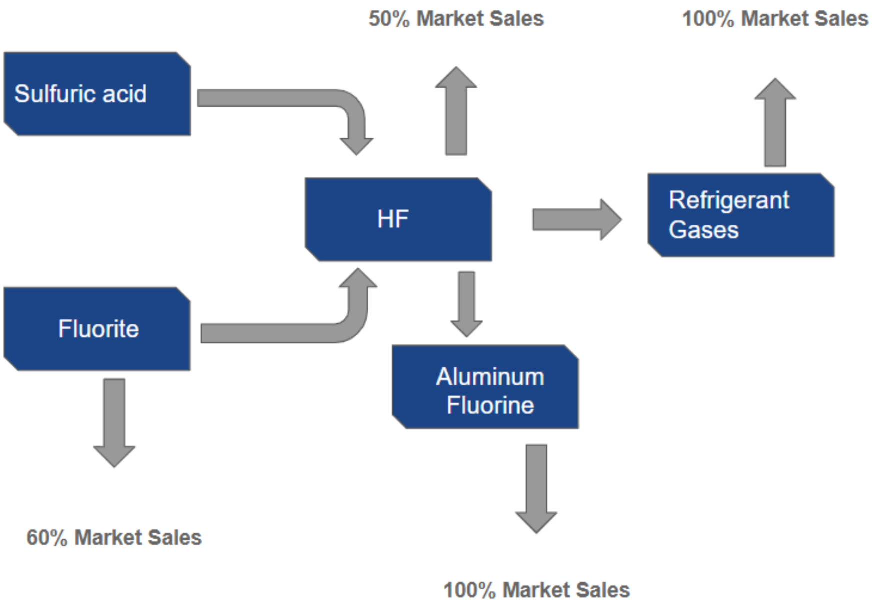
Eight operating plants established in Mexico, the United Kingdom, the United States, Taiwan and Japan were added to Fluorinated Solutions, of which 6 are certified in accordance with ISO-9001, 4 with ISO-14001, 3 with OHSAS 18001, 1 with TS 16949, 1 with Clean Industry Certification by the Federal Attorney's Office for Environmental Protection (Mexico), 1 with Integral Responsibility certification by ANIQ and 3 with ISRS (International Safety Rating System) levels 5 to 7. The 4 chemical process plants of this business group are signatories of the chemical industry's voluntary commitment to Responsible Care.

The oversupply of production in China resulted in an average reduction of 16% in the prices of acid grade fluorite from January 2015 to January 2018. This situation is mainly caused by a worldwide overproduction of aluminum and refrigerant gases, mainly from China. Similarly, from 2015 to early 2018, aluminum prices decreased 6%, so aluminum producers have had to operate below production cost and close several aluminum plants.

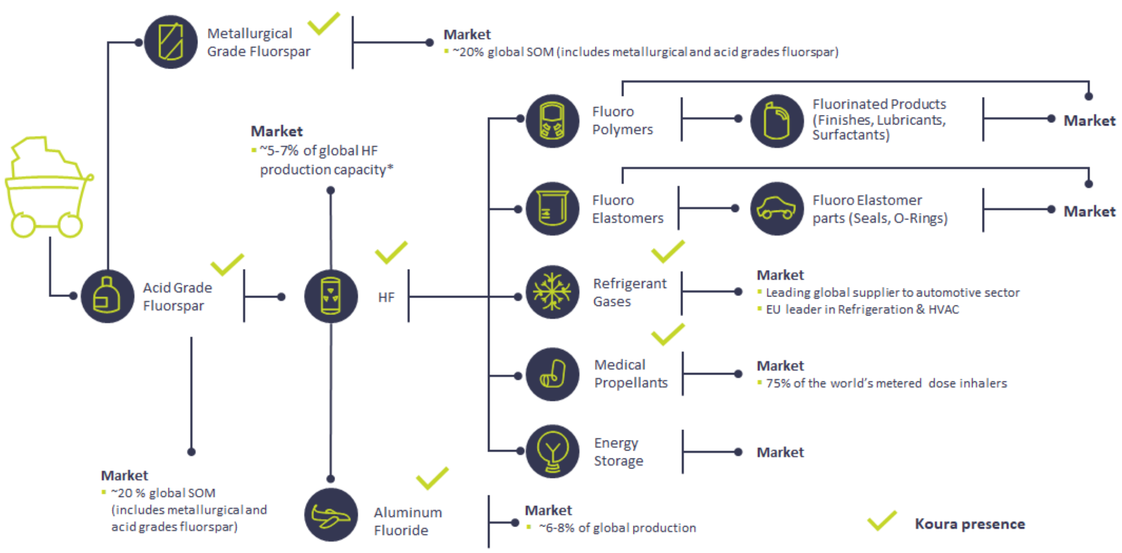
From 2012 to 2016, fluorite prices experienced a steady negative trend. However, the market situation changed dramatically in 2016 when China, the world's largest fluorite producer, significantly reduced its production capacity due to the implementation of new environmental laws. The decrease in Chinese fluorite production resulted in a restructuring of the supply chain and an increase in global prices.

In 2018, fluorite reached prices close to $500, the highest values in 6 years. In 2019, the average fluorite price stabilized at around $350 USD/T. In 2020, the fluorite supply chain was affected by the shutdown of various consumer industries caused by the COVID-19 pandemic. Due to the low demand for refrigerants and other fluoro-compounds, the average prices for fluorite dropped 17% over the course of the year. In the third quarter of 2020, fluorite exports were observed at prices below $250/ USD/T. The average price in 2020 was $300 USD/T.

Orbia is currently the world's largest producer of fluorite and integrated HF, excluding China. In addition, the Company is one of the world's largest producers of hydrofluoric acid (HF), considering the operations in Mexico, and the largest supplier in the U.S. Spot Market.



Fluorine value chain



The Fluorinated Solutions business group is one of the world's largest integrated refrigerant producers. Orbia also continues with its commitment to supply new generation refrigerants, which are more environmentally friendly.

Sales generated by the Fluorinated Solutions business group represented 8%, 11% and 12% during 2021, 2020 and 2019, respectively, of Orbia's consolidated sales. With respect to the Issuer's consolidated EBITDA, Fluorinated Solutions contributed 12%, 19% and 24%, respectively for the years 2021, 2020 and 2019.

Sales

Fluorinated Solutions's volumes and sales in the last three fiscal years have been as follows:

	Years ending December 31:					
	Volume Sold (1)			**Sales**		
Fluorinated Solutions	**2021**	**2020**	**2019**	**2021**	**2020**	**2019**
Acid Grade, Metallurgical Grade Fluorite, Acid Grade, HF and ALF3	1,042	1,052	1,121	421	432	474
Refrigerant and Medical Gases	51	53	57	344	310	379
Eliminations	(26)	(25)	(25)	(21)	(44)	(50)
Fluorinated Solutions Total	**1,075**	**1,080**	**1,152**	**744**	**698**	**805**

(1) Millions of Tons

(e.1) Fluorite Process

The activities of this process focus on the exploitation of fluorite, which is commercialized in two basic presentations: (i) metallurgical grade, used in the production of steel, ceramics, glass and cement; and (ii) acid grade, used in the production of hydrofluoric acid, which is the main raw material for the manufacture of virtually all compounds containing organic and inorganic fluorite, including fluorocarbons, fluoroelastomers as well as aluminum fluoride for the production of aluminum.

Products

Fluorite (metallurgical and acid grade).

Fluorite is produced and consumed in two grades: metallurgical grade and acid grade.

Metallurgical grade, or Metspar, is mineral with a certain natural concentration of fluorine that varies depending on the application. It is a crucial raw material in the production of steel and cement. Metspar enables the removal of impurities, especially sulfur, when added to slag to produce stainless and low carbon steels. It is also a valuable additive in the production of clinker for the cement industry, increasing productivity and product performance. Acid Grade, or Acidspar, has a minimum concentration of 97%, and is obtained through flotation processes from minerals with a lower initial concentration. It is primarily used throughout the world to produce hydrofluoric acid, the chemical precursor to most fluorinated products.

Plants and mines

(See Section 2, "The Issuer", item x, "Description of its Main Assets", of this Annual Report).

Raw materials

The main suppliers of raw materials in Mexico are the National Water Commission (water), Iberdrola and the Federal Electricity Commission (electric energy) and Pemex Transformación Industrial (natural gas).

Sales and marketing

Fluorinated Solutions maintains long-term contracts with its main metallurgical-grade and acid-grade fluorite customers, in which sales schemes have been established to promote customer loyalty for specific periods of time. Long-term contracts (between 3 and 5 years) provide for the use of a price formula based on international reference prices, which provides Fluorinated Solutions with long-term stability

Main customers

Flourinated Solutions' main customers are in the iron and steel, glass, ceramics, aluminum, cement and chemical industries (fluorocarbons for refrigeration, propellants, foaming agents, thermoplastic polymers and others). Fluorinated Solutions 10 largest customers represent 5% of Orbia's total sales. No single customer for this process represents more than 1% of the Company's total sales and, therefore, there is no dependence on one or more customers, since the loss thereof would not have a material adverse effect on the Company's results of operations or financial position.

Distribution Channels

Fluorite process products are marketed through distributors worldwide, as well as direct plant deliveries, via rail, ocean, and trucking. All sales are made through the sales force or distributors.

Freight is managed through long-term contracts with trucking, railway and maritime companies, in which a consideration is established represented by a fixed portion (rent) in some cases, and a variable portion in some cases. which includes a price per kilometer or mile traveled, which is linked to the price of fuel, which guarantees a reliable and continuous supply for the operation of the plants.

Distribution contracts

Sales through distributors are made through long-term contracts, who purchase the described fluorite products directly for resale in the markets in which they are present.

Cyclic behavior

The Fluorite process of the Fluorinated Solutions Business Group shows low cyclical behavior on a regular basis.

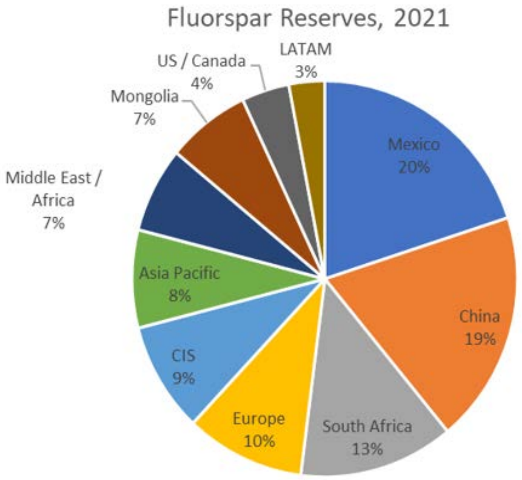
Competitive Position

Fluorinated Solutions produces 1.8 million tons of fluorite in two different locations and with rail access to the cities of Altamira and Tampico, which are worldwide distribution ports. As a point of reference, according to a study performed HCA Consulting, China produces approximately 4.8 million tons in more than 650 mines, currently being the world leader in the production of fluorite; and representing Fluorinated Solutions' greatest competition in the country as a whole.

Competitive strengths of Fluorinated Solutions include its continuous investments in productivity, positive labor union relationships, high quality of ore extracted from its mines requiring lower levels of additional processing and long-term customer contracts.

Market share

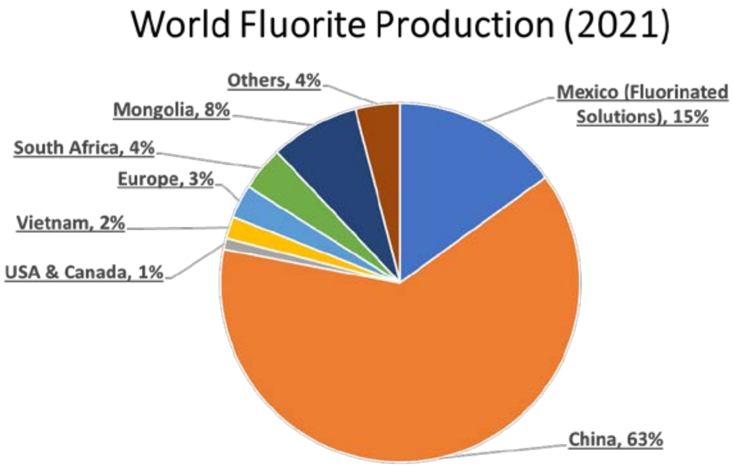
The chart below shows the distribution of fluorite reserves around the world in 2021. Based on data from the USA Geological Survey, Chinese sources, and internal analysis by the Business Intelligence team, global reserves equal approximately 331 million metric tons:



Source: USGS internal report and analysis.

Fluorinated Solutions maintains a significant 18% share of the global fluorite market and exports around 80% of its production worldwide. China has a 63% share of the world market, Mongolia 8% and South Africa 4%, these countries being its biggest competitors. Five countries, China, Mexico, Mongolia, South Africa, Vietnam and Spain consistently account for more than 90% of the world's fluorite production.

China became a net importer of fluorite for the first time in 2017 and it has now maintained this position for three consecutive years.



Source: HCA Consulting and internal analysis (2021)

(e.2) Hydrofluoric Acid (HF) and Aluminum Fluoride (AIF3) Process

Hydrofluoric acid (HF) is produced by reacting fluorite (CaF2) with sulfuric acid. Once produced, the hydrofluoric acid is subjected to various stages of distillation until it reaches a purity of 99.99%, which is necessary to meet the high standards demanded by the market. Sulfuric acid is made by Fluorinated Solutions starting from sulfur, which, once it comes into contact with air at high temperatures and with water, is converted into sulfuric acid. Fluorinated Solutions is one of the largest producers of HF worldwide.

Aluminum fluoride is an essential element for the manufacture of aluminum, and is produced by the reaction of hydrofluoric acid (HF) with aluminum hydroxide. From its Matamoros plant, Fluorinated Solutions supplies several of the main global aluminum producers.

Products

Acid grade fluorite is a mineral with a minimum calcium fluoride concentration of 97%. By making it react with sulfuric acid, which comes from sulfur, hydrofluoric acid is generated; it is mainly used in (1) the manufacture of refrigerant gases and propellant gases for air conditioning, refrigerators, freezers and medical applications for treatment of respiratory diseases, (2) the manufacture of highly specialized plastics known as fluoropolymers, (3) the manufacture of aluminum fluoride, (4) the manufacture of high octane gasolines, (5) cleaning of metallic surfaces such as the pickling of stainless steel, and in other uses to a lesser extent, such as the manufacture of uranium fluoride for the nuclear industry, the manufacture of integrated circuits and fluorinated salts for a wide variety of applications.

Plants

(See Section 2, "The Issuer", item x, "Description of its Main Assets", of this Annual Report).

Fluorinated Solutions owns and operates one of the largest HF plants in the world, located in the city of Matamoros, Tamaulipas, Mexico, with an annual installed capacity of 143,000 tons. The plant is strategically located to have easy access to its main raw materials in Mexico and exports 97% of its production of hydrofluoric acid, mainly to the USA, as well as 100% of its production of aluminum fluoride. The Matamoros plant is operated with the highest technology in compliance with all applicable regulations.

Raw materials

The main raw materials used in the production of HF are acid grade fluorite and sulfur. Fluorite has traditionally been obtained from the San Luis Potosi mine and, to a lesser extent, through purchase from third parties.

Sales and marketing of hydrofluoric acid (HF) and aluminum fluoride

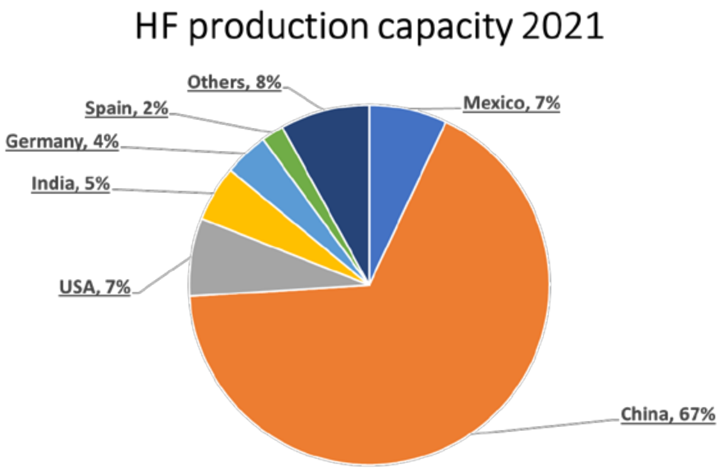
The Issuer has several long-term HF supply contracts with its major customers in North America. Aluminum fluoride is sold to customers through purchase orders or contracts with a term of less than or equal to one year.

Fluorinated Solutions Business Group HF Market Share

The Issuer estimates that global demand for hydrofluoric acid (HF) in 2021 amounted to 2.8 million metric tons, of which approximately 73% was produced in China, 14% in the USA and Mexico, and < 10% in Europe. In 2021, global demand for HF was still affected by closures in consumer industries, but prices recovered compared to the previous year.

Fluorinated Solutions competes in the HF market with Do-Fluoride and other major Chinese producers and Honeywell International and Solvay.

The chart below shows a breakdown of global HF production capacity, with a current total production capacity of approximately 2.8 million metric tons (1.0 million metric tons is held for AIF3 aluminum fluoride production)



Source: Internal Analysis, HCA Consulting 2021), Roskill Consulting Fluorite Report 2021)

(e.3) Refrigerant Gases and Fluorocarbons Process

Fluorocarbons

Fluorinated or fluorocarbon hydrocarbons are aliphatic compounds that have fluorine atoms or a combination of carbon and fluorine in their structure. They have a highly developed industrial application: they are used as anesthetics in medicine, as a propellant gas in aerosols, they are also used as degreasers in metallurgy, as electrical and electronic contact cleaners, but their most important use is as refrigerants in air conditioning systems. and domestic and industrial refrigeration.

Fluorocarbons were originally developed in the 1930s and were widely used for refrigeration, air conditioning, aerosol sprays, foam blowing, fire protection, and solvents. Both pure aqueous solutions and mixtures of fluorocarbons are common in these applications.

Fluorocarbons have unique production processes, but all require HF as a key feedstock. In the last decade, the production and demand of Fluorocarbons has been significantly transformed by environmental legislation, which has focused on eliminating the production of chlorofluorocarbons (CFCs) to protect the ozone layer and ultimately reduce the use of hydrofluorocarbons (HFCs) to reduce global warming. impact of gases in the atmosphere. As the use of HFCs is phased out around the world, new generations of refrigerants are being introduced to accelerate the transition to low-carbon solutions. It is important to distinguish between non-feedstock and feedstock applications of fluorocarbons, as the production of some CFCs, HCFCs and HFCs for feedstock use is still permitted with appropriate measures to minimize environmental impact.

Refrigerants: Fluorocarbons combine good thermodynamic properties (with boiling points below target-typical temperatures, high heat of vaporization, moderate density in liquid form, and high density in gas phase) with a safe nature (low toxicity and flammability) and non-corrosive.

Propellants The total volume of fluorocarbon refrigerants in 2021 was estimated at 900,000 metric tons. China remains the leading producer (73%), followed by the USA (21%).

Fluorinated Solutions has two refrigerant production plants, one in St. Gabriel, Louisiana, and the other in Mihara, Japan, for 134a, an HFC used primarily for automotive and stationary refrigeration. Fluorinated Solutions's refrigerant portfolio is complemented through alliances and supply agreements with other Fluorocarbon producers.

Fluorinated Solutions is one of the world's leading suppliers of refrigerant gases, mostly marketed under the Klea® brand. It sells both directly, especially to OEMs, and through its distribution network, mainly to the aftermarket segment. It is a leader in Europe and a major player in America, Japan and India.

Fluorinated Solutions has one of the largest shares of HFC consumption within the European regulation of fluorinated gases. However, this historic legislation, aimed at progressively reducing the consumption of HFCs, is compromised by significant illegal imports of HFC products. Fluorinated Solutions actively participates in the European Fluorocarbons Technical Committee (EFTCC) as one of the member companies working collectively to fight this illegal HFC business and preserve the intent of F-Gas regulation.

Fluorinated Solutions is committed to the development of Low Global Warming Potential (LGWP) refrigerant gases, investing significantly in research and development to design a new portfolio that will provide a material improvement on currently available products, benefiting industry and the environment alike. mid to long term. Some new LGWP products have already been introduced in 2021, such as Klea ® R473A, R456A, R448A and LFR3, with several more in the pipeline for the next few years.

Covid-19 affected refrigerant gas demand in 2020, but the market recovered in 2021. Demand is expected to remain strong for the next several years, especially as new LGWP products are rolled out.

Medical Propellants: Fluorite-based propellants are used to safely deliver a variety of medications in aerosol form, including use in inhalers for the treatment of asthma. Fluorinated Solutions acquired the exclusive worldwide rights to sell and distribute the product to the regulated medical and pharmaceutical market under its ZEPHEX® brand, the global brand of medical propellant gases contained in around 75% of inhalers produced worldwide.

Fluorine-based propellants are used to safely deliver a variety of medications in aerosol form, including use in MDIs (metered dose inhalers) for the treatment of asthma and other lung diseases. They are produced by purifying certain HFCs to medical grade in accordance with pharmaceutical specifications and cGMP standards.

As the use of HFCs is phased out around the world, new generations of medical propellants are being sought to accelerate the transition to low-carbon solutions. Fluorinated Solutions is leading the industry in this transition to LGWP medical propellants with the development and commercialization of HFA-152a.

The total volume of medical propellants in 2021 was 11,000 metric tons. Fluorinated Solutions supplies 70% of the world's needs for medical propellants. Other producers in China and India also produce medical propellants.

Fluorinated Solutions has a medical grade purification plant for 134a at Runcorn in the UK. This facility is the only one of its kind to have received an FDA audit as well as UK Medicines and Healthcare Products Regulatory Agency (MHRA) inspections for cGMP compliance. Fluorinated Solutions sells medical propellants under its ZEPHEX® brand, supplying most of the world's pharmaceutical companies.

Fluorinated Solutions has been a leader in the introduction of low GWP medical propellants based on HFA-152a, and is working with global pharmaceutical companies on this transition. In 2020, Fluorinated Solutions announced the commissioning of a new Zephex® 152a cGMP medical propellant production facility, also in Runcorn.

The demand for medical propellants increased during Covid-19, as certain MDIs were used in the critical care of Covid-19 patients. The demand remained stable during 2021 and is expected to continue to grow in the following years due to megatrends such as urbanization and the growth of the population with certain medical conditions such as asthma and COPD.

Energy Store: The journey to net-zero emissions is creating one of the biggest business opportunities in the coming years, requiring significant investments in capital, people, and technological development to effectively reduce carbon emissions. Energy storage applications, especially lithium-ion batteries, are critical enabling technologies in the global conversion of fossil fuels to renewable energy sources.

Cobalt, lithium and nickel are some of the critical materials used in cathodes and other key battery cell components. Fluorine is another important element currently used in battery electrolytes and binders; its unique properties make it indispensable in battery technology.

Fluorinated Solutions is developing materials, technologies and solutions that improve battery performance, cost and safety while ensuring a safe and reliable battery supply chain. In December 2021, it launched Koflyte®, a new brand for its next-generation electrolyte additives and co-solvents, facilitating better performance and safety in lithium-ion batteries. A range of Koflyte® products is currently under development and will soon be ready for sale. These include polyfunctional ether compounds for high-energy lithium-ion batteries and cyclic polyether compounds that, when used as co-solvents, can facilitate safe, stable, and energy-efficient cycling of lithium metal anodes with various cathode chemistries.

The launch of Koflyte® has been the latest move for Fluorinated Solutions as it executes a comprehensive energy materials strategy. In November 2021, Fluorinated Solutions announced the acquisition of Silatronix, a leading battery technology startup with unique expertise in fluorosilane additives for lithium-ion batteries. This followed the announcement in October that Fluorinated Solutions and Orbia had led a $70 million investment round in Ascend Elements (formerly known as Battery Resourcer), a recycler and manufacturer of closed-loop lithium-ion batteries.

Plants.

(See Section 2, "The Issuer", item x, "Description of its Main Assets", of this Annual Report).

Raw materials

The main raw material used in the production of refrigerant gases is HF, which comes mostly from the plant in the city of Matamoros for production of refrigerant gases at our plant in St. Gabriel in the state of Louisiana, USA, and is mainly imported from third parties for production of refrigerant gases in the city of Mihara, Japan.

Sales and marketing of refrigerant gases

Fluorinated Solutions sells refrigerants worldwide through regional distributors, key to the aftermarket, mainly without a contract or with a short-term contract. It sells directly to OEM (original equipment manufacturers) on short- term contracts.

Medical thrusters are sold in bulk directly to pharmaceutical companies under contract and packaged for business through agents and distributors without contract.

Main customers:

The Fluorinated Solutions Business Group's represents about 4.3% of Orbia's total sales. No single Fluorinated Solutions customer represents more than 1% of the Company's total sales and, therefore, there is no dependence on one or more customers, since the loss of such customers would not have a material adverse effect on the Issuer's results of operations or financial position.

Distribution Channels

Fluorinated Solutions markets its products directly to customers and with some distributors.

Distribution Contracts

Most sales are made directly to customers and do not have distribution contracts.

Cyclic behavior

The Fluoric Acid Process and Refrigerant Gases market are not cyclic.

Competitive Position

The main competitive advantage of the Hydrofluoric Acid and Refrigerant Gases Process lies in the vertical integration with respect to its main raw material, fluorite, which it obtains from its mines in Mexico, giving it long-term viability by having a guaranteed supply, which differentiates it from the main non-integrated producers dependent on fluorite's external supply.

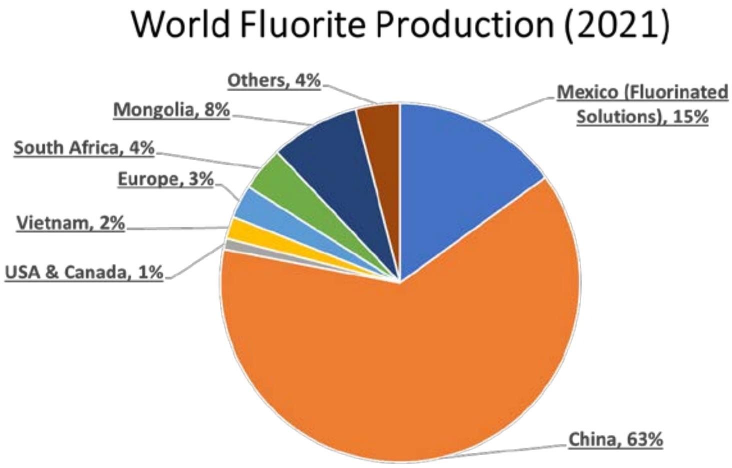
As previously mentioned, China is the main producer of fluorite worldwide, and China's strategy has consisted of using this mineral to manufacture finished products in this industry, such as fluorocarbons and fluoropolymers, thus significantly reducing the supply of ore that is metallurgical or acid grade worldwide.

However, Fluorinated Solutions has a strategic and unique geographic location that gives it access to the North American market (one of the main consumers of hydrofluoric acid and other fluorochemicals in the world), which gives the Company a sustainable competitive advantage that is difficult to match. In addition, Fluorinated Solutions' proximity to such an important market for such products as the North American market represents a significant competitive advantage with respect to the strict transportation regulations applicable to hydrofluoric acid.

Fluor Industry Overview

Fluorochemicals are compounds containing the chemical element fluorine, which obtained by mining and processing fluorite; they are used in refrigerant gases, fluoropolymers and fluoroelastomers.

In 2021, worldwide production of fluorite was approximately 8.4 million metric tons according to USGS and HCA estimates and internal analysis.



Source: HCA Consulting and internal analysis (2021)

In 2021, the leading country in fluorite production was China, accounting for 63% of the world's annual production. Just five countries worldwide (China, Mexico, Mongolia, South Africa and Vietnam) accounted for 92% of production.

The majority of acid grade fluorite is consumed in the production of HF, required for the manufacture of fluorochemicals, followed by use in the production of aluminum and the manufacture of steel. The global consumption of acid-grade fluorite was affected [during 2020 due to the drop in demand for HF and refrigerant gases, caused by industrial closures related to the COVID-19 pandemic].

Fluorinated Solutions is the world's largest fluorite producer, accounting for approximately 96% of Mexico's active production capacity, equivalent to 18% of the world's annual fluorite needs.

HF is the most important chemical derived from fluorite. The world's largest HF production capacity is in China, followed by North America and Western Europe.

Global production capacity of hydrofluoric acid (thousands of metric tons from 2019 to 2021)

	2021	2020	2019
China	2,017	2,017	1,947
North America	220	220	220
Europe	257	257	257
Asia	166.5	166.5	167
Mexico	196	196	196
Rest of the World	131	127	127
Total	**2,988**	**2,984**	**2,914**

Source: Roskill Consulting 2019, HCA Consulting 2021, Internal Analysis.

Do-Fluoride in China, the largest producer of HF in the world, has about 10% of the world's capacity. Excluding China, Fluorinated Solutions was the largest producer of HF in the world during 2021 followed by Honeywell adding the US and German plants. The majority of Fluorinated Solutions production is exported to the US where it is consumed for the production of fluorocarbons and other applications.

General Description of Industrial Processes of the Issuer

Orbia has different technologies for manufacturing its products. In many cases, it uses its own technologies, such as PVC production, fluorite purification, compounds and piping, among others.

The main processes for the manufacture of the Company's most important products by business and business group are explained below:

(a) Polymer Solutions Business Group (Vestolit and Alphagary)

Within the Polymer Solutions business group, the main production processes are Chlorine-Soda and PVC Resin. The processes are described below.

Chlorine-Soda Process
Chlorine and Caustic Soda are obtained mainly by electrolysis of Sodium Chloride (NaCl) in aqueous solution, called the chlor-alkali process. The industry employs three methods: mercury cell electrolysis, diaphragm cell electrolysis and membrane cell electrolysis. Orbia uses diaphragm and membrane electrolysis cells.

Ethylene Process
The industrial process for the production of Ethylene is carried out using ethane from cryogenic units, which is fed to pyrolysis ovens also called Crackers. During the cracking of ethane in the ovens (Crackers) ethylene, hydrogen and other hydrocarbons are produced, products that are subsequently separated at low temperatures for use and to achieve the purification of ethylene to polymer grade.

Orbia in its strategic association with OxyChem in Ingleside has been producing ethylene since February 2017.

VCM Process
VCM is manufactured from chlorine and ethylene. These raw materials are reacted in a catalytic reactor to form an intermediate product called dichloroethane (Ethylene Dichloride or EDC). Purified dichloroethane undergoes thermal decomposition to produce VCM.

VCM is produced at Vestolit's facilities in Germany.

Vinyl Process
In the production of PVC, three basic processes are used worldwide for the polymerization of VCM: by suspension, by emulsion and by mass. Orbia uses only the first two processes, of which approximately 77% of its production is obtained by suspension and 23% by emulsion. Both processes are explained below:

PVC by suspension
This is the most widespread and used process in the world. Using this method, VCM is combined with water in the presence of a suspending agent. Water and VCM are added in a reactor with agitation to form a suspension of VCM in an aqueous phase. Once mixed, this suspension is stable until polymerization begins, which occurs when a VCM-soluble starter is added to the mixture.

PVC by Emulsion
The preparation of PVC Resins by dispersion (including those made by the micro-suspension process) are generally used in the formulation of Plastisols for coatings and molds. In the dispersion polymerization process the VCM, water, emulsifier and catalyst are loaded into a stainless steel reactor where they are stirred. The reaction occurs under moderate pressure and temperature in a reactor with cooling to remove the heat generated during polymerization.

The dispersion resin process is often more complex than suspension technology. The polymerization cycle time can be 2 to 3 times longer than in the suspension process. Catalysts are more water soluble than VCM.

Compounds
Plastic resins are used for the manufacture of Compounds; the resin is combined with other additives through a mixing process in order to obtain a mixture that integrates the appropriate quantities in the entire mixture. From this part of the process, a dry blend is obtained, and it is cooled to a certain temperature and through various steps and processes it is converted into pellets for sale.

(b) Building & Infrastructure business group (Wavin)

Orbia/Building & Infrastructure operates in Europe and LATAM about 50 manufacturing plants that operate extrusion lines, injection molding machines, rotational molding, assembly equipment and dedicated lines for geotextiles.

Although it masters the usual technologies for PVC, PP, PE and other materials, Orbia/Building & Infrastructure is also a world leader in a unique technology for producing pipes that transport drinking water. This extrusion technology is called Biaxial where the pipe undergoes a biorientation of its molecules axially and longitudinally, generating a structure of laminar layers, providing the pipe with significantly greater mechanical resistance compared to conventional pipes and flexibility that makes them practically unbreakable.

Integrating our customers' concerns regarding sustainability, we are also progressively introducing recycled materials in our products, where regulations allow, to further harness the circular approach we seek.

Last but not least, Orbia/Building & Infrastructure operations are innovating by:

- Progressively growing in the space of manufacturing systems incorporating electronics and sensors, paving the future for more technology content.
- Offering customers prefabricated systems, ready for site integration.

(c) Data Communications Business Group (Dura-Line)

The Data Communications business manufactures specialized ducts for the telecommunications sector using its primary raw material, which is polyethylene. The manufacturing process for the telecommunications ducts consists of using virgin polyethylene with certain additives to then run them through a one or two stage extrusion process, depending on the product to be manufactured. These ducts are prepared and customized specifically for customers with telecommunications sector specific requirements.

(d) Precision Agriculture Business Group (Netafim)

This business group manufactures drip irrigation pipes using polyethylene and different additives through an extrusion process, which results in flexible pipes that the drip points are inserted into at specific intervals. The pipes are drilled at each drip point.

(e) Fluorinated Solutions Business Group (Koura)

The different industrial processes of the Fluorinated Solutions Business Group are described below:

Fluorite Process

Fluorite ore is extracted from the mine, along with some impurities such as carbonates and silicates. The ore is crushed and ground to small particle sizes to separate impurities.

The ground material must meet a certain particle size, so it is classified with the help of cyclones, screens and separators, the part that does not meet the required specifications is returned to grinding.

The classified material is conditioned by adding oleic acid, depressants and adjusting the pH. This is done in order to carry out the flotation process, where the fluorite is concentrated and the impurities are separated.

Concentrated fluorite is found in an aqueous medium and it is necessary to separate it. With the help of a settler and rotary filters, the solids are separated from the water, thus obtaining the acid grade fluorite.
The main stages for obtaining fluorite are:

Exploration: This phase consists of locating, evaluating quality and quantifying mineral reserves.

Planning: In this stage, the preparation, development, tumbling, extraction, hauling and manteo, (extraction of ore to the surface by means of double-drum electric winches), as well as services (water, electricity, compressed air, ventilation, workshops, canteens, etc.), mining equipment and operations personnel are all planned for.

Mine Production: Drilling and ore tumbling activities are carried out by means of controlled blasting, extraction by means of specialized equipment from the mined area to the loading bays, hauling by truck to the primary broken area, where the ore is sent to the shafts. of extraction (manteo), to deposit it on the surface to the preparation and crushing plants.

Preparation and Crushing Plants: In these plants, the ore extracted from the mine is received, where it is screened to obtain the metallurgical grade ore in its different sizes and obtain fine by-product (product of -3/4”), which are the raw material premium for processing plants.

Processing Plants: In these plants, the fine material fed to a quality of at least 97% purity in CaF_2 (acid degree) is concentrated.

Hydrofluoric Acid Process

The manufacture of hydrofluoric acid consists of reacting fluorite with sulfuric acid, and from this reaction hydrogen fluoride, better known as hydrofluoric acid, is obtained.

Sulfuric acid is obtained from the oxidation of sulfur into sulfur dioxide SO_2, to convert it into sulfur trioxide SO_3 and subsequently obtain sulfuric acid.

Aluminum Fluoride Process

The production of aluminum fluoride is based on hydrofluoric acid, which evaporates and overheats before being injected in gaseous form into a pair of double bed fluidized reactors. In the reactors, it contacts and reacts with aluminum hydroxide, which is in solid form, to produce aluminum fluoride. This product leaves the reactor in solid form at high temperature (700°C) so it must be cooled before being sent to storage and transport. Aluminum fluoride is used in the production of metallic aluminum.

Refrigerant Gas Process

Refrigerant gases are fluorocarbons that are produced by the fluoridation of trichloroethylene with hydrofluoric acid. Once the reaction takes place, the hydrochloric acid that is produced as a by-product must be removed and the product must be distilled. Fluorocarbons are used in air conditioning equipment for automobiles.

ii. Distribution Channels

See Section 2) "The Issuer", item b, "Description of Business" “Main Activity” for each Business Group, of this Annual Report.

iii. Patents, Licenses, Trademarks and other contracts

a) Patents and Licenses

Orbia holds rights to over 2,250 patents, including current patents and patents in the process of registration.

The Company has more than 4,600 trademarks, including current trademarks and trademarks in the process of registration.

The Company also has technology licenses in Mexico, Brazil, Colombia, the Netherlands and several other countries, which are currently used, or will eventually be used, in its operations. Most of the patents relate to the development of new products and processes for manufacturing and will expire by 2027. Orbia renews the registration of its brands on a regular basis. Although Orbia believes that its patents and trademarks are a valuable asset, thanks to its broad range of products and services, it does not believe that the loss or expiration of any patent or trademark would have a material adverse effect on its results of operations, financial condition or the continuity of its business.

b) Research, Development (R&D) and Innovation

Orbia recognizes the importance of innovation and development to remain a leader in its markets. Investments and actions in R&D are aimed at improving the performance of its products for the benefit of customers and complying with stricter regulations in the different geographic markets where we compete. We maintain 19 research and development centers with a technology center focused on developing technology to create products, improve processes and applications that positively impact the quality of life of users through comprehensive products and solutions.

The Polymer Solutions business group has research and development centers located in the USA (4), Mexico (2), Colombia (1), Germany (1), United Kingdom (2) and India (1) to be completed in April 2022; The Fluorinated Solutions (Fluorine) business group has R&D centers in the United Kingdom (1), the United States (1) and Mexico (1). The Building & Infrastructure business group has an R&D center located in the Netherlands, as well as 8 academies. The Data Communications business group has three R&D centers located in the United States, the Czech Republic and India. Finally, the Precision Agriculture business group has an R&D center in India. The Company opened an innovation lab in San Francisco, California to explore innovative enhancements to our existing products and/or new non-existing products for all business groups.

Orbia has a Technology Committee (Innovation Board) located in the Netherlands in its Building & Infrastructure business to create synergies between Europe and Latin America (focusing on satisfying the global market it serves and transferring technology between both regions. The result has been that Global solutions have been created and a technical team has been executing relevant technological changes in manufacturing processes.

The strategy in the R&D centers is focused on increasing the profitability (rate of return) of the projects and covering customer requirements by geographic region, even if necessary, projects are created in the countries that require it. This approach by region has allowed the research and development centers to better meet the technological needs of customers.

Orbia maintains its strategy of migrating to higher value-added products in its five business groups: in Polymer Solutions with the assets of Mexichem Specialty Resins, Mexichem Specialty Compounds, focused on high-end plastic compounds, and Vestolit, the largest producer of PVC resins. of high impact, for example, the Company is developing a new generation of safer, more durable flexible PVC resins that use less energy to produce final products or the development of better retardant solutions for the production of cables; in Building & Infrastructure, through the

Technological Committee and its R&D centers, generating innovative products such as heating systems controlled digitally through mobile phones (Sentio) or cycle paths made of recycled plastic (PlasticRoad), in the Dura business - Line with high-density polyethylene products through conduit and pressure pipe solutions for telecommunications (voice and data) and energy, while in its Precision Agriculture business through its agricultural solutions NetBeat digital with technologies that allow farmers and farmers controlling their crops through their mobile phone through the installation of systems (NetBeat) that allow the Company to support them with the support of agronomists and technologists who, through said digital technology, advise them on the administration of nutrients, fertilizers and irrigation and in general in the management of their field during the production process; in Fluorinated Solutions (Koura) with the development and commercialization of medical grade propellants and fluorocompounds for the cement industry.

Orbia invested $68.5 million, $61.6 million, and $55.7 million in R&D in 2021, 2020 and 2019, respectively.

Specific innovation at Orbia's businesses include recent developments in Wavin highlighted below.

Innovation on the move: Within Wavin Technology & Innovation, innovation is driven to provide inspiring solutions to the challenges that matter: building healthy and sustainable environments. Its global innovation team is growing rapidly with smart, creative, young and dynamic experts from around the world. The goal is to create change and drive disruptive human-centric innovations with maximum impact towards a better world, together with its customers and R&D/industry partners worldwide. We develop solutions from idea to market launch for your strategic global markets with multi-disciplinary project teams in locations around the world. Building & Infrastructure's customers have a central role in the development journey: inspiring, challenging, improving, validating, and reviewing their solutions under development. They aim for a portfolio of products with minimal environmental impact, based on recycled and/or non-fossil plastics, reduced material content, design for recycling and minimal energy consumption.

At its main facility in Dedemsvaart NL, Building & Infrastructure houses, among others, several well-equipped accredited mechanical, application and analytical laboratories, a Virtual Simulation Laboratory (CAE), field test facilities (a test house and outdoor areas), prototyping facilities, a pilot plant with extrusion and injection molding lines, and much more. The main plastic technologies we use are PP, PE, PVC, PPSU and PB.

In 2021 the business launched several new solutions in the field of mechanical ventilation for a healthy indoor climate (Ventiza). They also brought to market a unique, sustainable, circular climate-smart infrastructure solution, PlasticRoad. Parking spaces have been realized in three different cities in the Netherlands, along with the most sustainable car-sharing parking space in the country. PlasticRoad and Orbia inaugurated the first PlasticRoad pilot in Latin America (Mexico City). A bike/trail proving ground was set up at BuildingG Groningen.

c) Brands

- The trademarks owned by Orbia are registered either directly by the Company or by its subsidiaries in various countries in which it operates or may start operations.

- The main brands under which Orbia markets its products are:

-

Polymer Solutions Business Group	
Line of business	**Brand**
PVC Resins	Primex, Petco, Iztavil
PVC Specialty Resins	Vestolit
Compounds	Provin, Polivisol, Vindex B, Iztablend
Specialty Compounds	Alphagary, Alphaseal, Evoprene, Garaflex y Smokeguard
Plasticizers	MexiFlex, Iztablend, Lugatom
New	Ecotek, Frtek, Vinyltek, Escontek

Building & Infrastructure Business Group	
Line of business	**Brand**
Civil Construction, Infrastructure	Amanco, Pavco, Plastigama, Plastubos
Geosynthetics.	Amanco, Pavco, Bidim
Plastic piping systems and solutions for customers in the civil construction, agriculture and wholesale sectors, plumbing dealers, home developers, large installers, telecommunications companies, utilities and municipalities, architects, specifying engineers.	Amanco, Pavco, Plastigama, Colpozos, Plastubos, Aquacell, AS+, Chemidro, Climasol, Hep 2 O, HepVO, Q-Bic, QBB, Tegra, Tigris, Pilsa, Smartfix, Sitech+, Quickstream, Ekoplastik, Supertemp, Warmafloor, Warmawall, Wavin

Data Communications Business Group	
Line of business	**Brand**
Telecommunications, Energy, Infrastructure.	Dura-Line

Precision Agriculture business Group	
Line of business	**Brand**
Irrigation	Netafim

Fluorinated Solutions Business Group (Koura)	
Line of business	**Brand**
Medical Propellants	Zephex, Respia
Refrigerants	Klea, Arcton
Batteries/Electrolytes	Koflyte

Currently, globalization forces companies to differentiate themselves from others in order to compete in the international market; for this reason, brands are important for the development of the Company, as they are distinctive signs that denote quality of the products marketed under them.

The brands are distinctive signs which allow to identify the diverse products that the Company offers in the market. These brands are fundamental assets to the business and maintaining a good reputation is essential to attracting and retaining customers.

The trademarks listed above are valid at the time of this publication and are periodically renewed.

d) Concessions

Within the Polymer Solutions and Fluorinated Solutions, the Company has rights to several renewable mining concessions. These are valid and subject to being renewed in accordance with the applicable Mining Law of Mexico.

Additionally, Polymer Solutions holds two valid port concessions. One for its operating port in Altamira México and the second one for its operating port in Cartagena, Colombia.

iv. Main Customers

See Section 2) "The Issuer", item b, "Description of Business" “Main Activity” for each Business Group, of this Annual Report.

Orbia's top ten clients combined represented **10.9%** of its consolidated net sales in 2021. Orbia's largest individual customer represented 2.1% of its total net sales in 2021, and so there is no dependence on any one or various customers, since the loss of these would not materially adversely affect the Company's results of operations or financial condition.

v. Applicable Legislation and Tax Situation

The Company’s operations are subject to the laws and regulations of the countries in which it operates.

Orbia

The shares representative of the Issuer’s capital stock are publicly traded on the BMV, and are therefore subject to the following laws and regulations: (i) the Stock Market Act in Mexico; (ii) the General Provisions Applicable to Securities Issuers and Other Participants in the Securities Market issued by the CNBV; (iii) the General Provisions Applicable to Entities and Issuers Supervised by the National Banking and Securities Commission (CNBV) and that Engage Independent Audit Services for their Basic Financial Statements; (iv) the Internal Regulations of the BMV; and (v) the General Business Organizations Act.

Business groups.

The Company’s five business groups operate in 50 countries and are subject to the following general laws and regulations in all of them:

- Regulations of an international, national and local nature, primarily in financial aspects, monetary policies, access to the currency markets. They must comply with administrative requirements to obtain permissions to operate facilities, plants, and to import raw materials and finished products. They must comply with labor regulations at some sites that are influenced by unions and environmental regulations.

- Laws regulating health, safety, environment, unfair competition and monopolies, municipal construction and zoning, local licenses and permits for facilities. With respect to international commerce, customs regulations, control of imports and exports, specifically related to quotas, tariffs and anti-dumping protections, as well as government policies and regulations related to commerce, product sales, manufacturing operations and relationships with customers, distributors and competitors.

- Finally, all of the business groups comply with the laws against corruption such as the U.S. Foreign Corrupt Practices Act (FCPA), and other similar laws.

Specifically, some of Orbia’s business groups may be subject to specific government laws and regulations. Below is a summary of the effects that these laws and regulations have on the development of the Company’s business, for each one of its business groups:

1. Polymer Solutions (Vestolit and Alphagary)

Polymer Solutions' business is subject to environmental laws and government regulations that require it to carry out its supply, transportation and disposal operations of raw materials and finished products in accordance with environmentally friendly standards and care for industrial safety. This regulation is strict and non-compliance can lead to financial losses for the business group.

Considering the nature of the chemicals business, the business group is subject to a multitude of regulatory requirements in 6 main jurisdictions in Germany, USA, Mexico, Asia, India, UK and Colombia. Polymer Solutions' business is subject to environmental laws and government regulations that require it to carry out its activities of supply, transportation and disposal of raw materials and finished products in accordance with standards that respect the environment and protect industrial safety. These rules are strict and violations can lead to financial loss for the business group.

Vestolit operates vinyl resin production sites in North America, South America and Europe, with global sales. Vestolit's business is subject to environmental laws and regulations that require the company to source, store, transport and dispose of its raw materials and products in accordance with ecological and safety standards.

The current administration of Mexico is making and proposing significant changes in various aspects of the Mexican legal framework. The President recently introduced bills to reform the electricity sector, giving priority to the state-owned utility company and virtually banning outsourcing. Both changes have caused concern in the private sector.

2. Fluorinated Solutions (Koura)

Fluorinated Solutions operates mining projects located in Mexico and that are subject to many laws and government regulations on various matters, including, but not limited to: exploration, development, production, payment of taxes and royalties for extraction, environmental aspects, labor standards, maintenance of claims and mining concessions, land use, territorial claims of local inhabitants, use of water, waste disposal, power generation, protection and remediation of the environment, claims for the conservation of historical and cultural resources, industrial safety, occupational health, and the handling and disposal of toxic substances and explosives.

The Group's refrigerant chemicals operations are located in Mexico, the United States, the United Kingdom and Japan. The manufacturing processes of these products are subject to the specific health and safety regulations of each country. Our refrigerant products are also governed by various environmental laws and regulations. Worldwide, many countries have signed the Kigali Amendment to the Montreal Protocol, which addresses climate change, limiting and progressively reducing the impact of global warming caused by this class of products. Regional blocs of countries and some individual countries have also adopted their own regulations in terms of control mechanisms and phase-out schedule. The company also produces a medical propellant that is subject to country-specific medical regulatory controls, such as those of the US Food and Drug Administration. The EU is currently consulting on the definition and possible future control of substances known collectively as PerFluoroAlkySubstances (PFAS). Although Fluorinated Solutions does not produce or use PFAS chemicals as they are commonly defined, the company monitors legislative and regulatory processes that may affect our business to contribute to those processes.

3. Data Communications (Dura-Line)

Data Communications is present and has operations in the AMEA and Asia Pacific regions, as well as in the U.S. and Canada. In the normal course of its business, Data Communications is regulated by the general government laws and standards mentioned in the paragraphs above.

This business group does not report any specific additional standards that affect the development of its operations.

4. Building & Infrastructure (Wavin)

Building & Infrastructure is a company with presence and operations in the EMEA, Asia Pacific, and Latin America regions. In the normal course of business, Building & Infrastructure is subject to the general government laws and regulations listed above at the beginning of this Section.

Due to COVID policies, the company suffered freight disruptions impacting the availability of containers and, therefore, disturbances in the delivery of materials.

During 2020, the Netherlands and Panama issued specific regulations on sustainability that had an effect on the development of this business group. These regulations are listed below:

Netherlands:

- Use of raw materials and “economy without waste or residues” (circular products, discharge / removal and recycling).
- Top / CO2 and compliance with the Paris Climate Agreement (which means 40% less CO2 emissions in the year 2030, compared to the emission of the year 2020). The Netherlands has set its goal to reduce CO2 emissions by 55% by 2030 compared to 2020.
- Nitrogen legislation which impacts the construction industry.
- Health / Reach & Other. Support of the European Union towards the obligation to recycle PVC. (REACH)
- For Hygienic Aspects Within Permitted Limits (WNL), for products that are in contact with drinking water, such as PVC, PE and Tigris).
- Transparency in sustainable production, for example: EPD (Environmental Product Declaration – Environmental Product Declaration), LCA (Life Cycle Assessment – Life Cycle Assessment), MKI (Milieu Kosten Indicator – Environmental Cost Indicator). As well as in the so-called "Eco labelling" or Environmental Labeling.

Panama:

- The President of the Republic and the Minister of the Environment of Panama signed Executive Decree No. 100 of October 20, 2020, which creates the National Program "Reduce Your Footprint", which also regulates Chapter II of Title V of the Single Text of Law 41 of July 1, 1998, which will govern the preparation of national inventories of GHG Greenhouse Gas emissions by sources and absorptions by carbon sinks, in order to execute a strategy for the management and monitoring of the economic and social development of the low-carbon country.

5. Precision Agriculture (Netafim)

Precision Agriculture is an Israeli company with presence and operations in the AMEA, Asia Pacific and Latin America regions. In the regular course of its business, it is subject to general government laws and regulations as described in the preceding paragraphs. However, it is also regulated by specific regulations that have an effect on the operations that Precision Agriculture carries out:

- Agricultural activity is subject to environmental laws or regulations, which may impact the operations of end users and/or the demand for Precision Agriculture products. The adoption of new environmental laws may require Precision Agriculture to remove or recycle its products or impose obligations related to climate change concerns, as well as its final consumers, and the eventual impossibility of recovering the potential costs associated with the development of those regulatory scenarios, and could represent costs and adverse impacts for Precision Agriculture's business

- Compliance with laws that sanction corruption is especially important, as Precision Agriculture operates in countries or regions where laws criminalizing bribery and bribery are strictly enforced, Laws that may conflict with local customs and practices, particularly in markets irrigation of emerging countries.

Tax Situation

Income Tax

Income tax (ISR by its acronym in Spanish) is based on taxable income, which differs from the gain reported in the consolidated income statement and other comprehensive income, due to items of taxable income or expense or deductible in other years and items that are never taxable or deductible. The Company’s current tax liability is calculated using the tax rates enacted or substantially approved at the end of the reporting period by the countries in which the Company and its subsidiaries are located. The following table shows the legal income tax rates applicable for 2021 in each of the countries in which we operate.

Country	%	Country	%
Argentina	**30	Japan	31
Australia	30	Kenya	30
Austria	25	Lithuania	15
Belgium	25	Morocco	31
Brazil	34	Mexico	30
Canada	* 27	Nicaragua	30
Chile	27	Oman	15
China	25	Norway	22
Colombia	31	Panama	25
Costa Rica	30	Peru	30
Denmark	22	Poland	19
Ecuador	25	United Kingdom	19
El Salvador	30	Czech Republic	19
Estonia	20	Romania	16
Finland	20	South Africa	28
France	28	Switzerland	*21
Germany	* 34	Italy	24
Greece	22	Singapore	17
Guatemala	25	Sweden	21
Honduras	25	Taiwan	20
Hungary	9	Turkey	25

Country	%	Country	%
India	****25**	Ukraine	**18**
Indonesia	**22**	Venezuela	**34**
Ireland	**13**	Vietnam	**20**
Israel	**23**	Uruguay	**25**
Slovakia	**21**	Republic of Serbia	**15**
Spain	**25**	Russia	**20**
The Netherlands	**25**	Thailand	**20**
United States of America	**21**	Rwanda	**30**

* Tax rate is a blended effective tax rate comprised of both a federal tax and a local tax. The actual blended rate can vary depending upon the municipality, province, or canton which each have differing tax rates within the particular country.

** Tax rate is based upon progressive rates. The actual effective rate can vary depending upon the amount of taxable income and the corresponding tax brackets that apply.

In the ordinary course of business, Orbia applies various treaties to avoid double taxation and is responsible for making tax withholdings.

vi. Human Resources

Orbia's global headcount at the end of last three years is summarized below:

Personnel	2021	2020	2019
Unionized employees and temps	12,431	12,095	12,426
Non-unionized	9,919	9,593	9,697
Total	**22,350**	21,688	22,123
% Unionized employees and temps	56%	56%	56%
% Non-unionized	44%	44%	44%
Total	**100%**	**100%**	**100%**

Headcount in 2021 largely returned to pre-pandemic levels.

During the last 3 years, there has been no labor conflict with a material impact on the Company's operations. The Company maintains a positive relationship with the unions, which is characterized by mutual understanding and support to achieve significant changes for the Group's companies. Unionized workers of the subsidiary companies are affiliated to the corresponding unions and labor centers in each locality. In addition, each plant has a specific function that coordinates the labor relationships for that site.

Orbia administers its labor relations in accordance with applicable labor legislation in the locations in which it operates and by use of a set of global policies, procedures, and Code of Ethics.

Orbia is aware that in order to become a world-class company, its people play a critical role. Accordingly, the Company has transformed its talent management model to implement best market practices to attract, retain, evaluate, develop, compensate, and recognize its talent. Orbia has a salary structure based on the principles of internal equity based on job specifications and external competitiveness. Specifically, geographic salary market data and macroeconomic indicators are reviewed periodically to ensure that the Company remains competitive.

Certain subsidiaries of the Company have defined benefit plans funded for qualifying employees of its subsidiaries. Defined benefit plans are administered by a fund legally independent of the Entity. There is a pension fund board which is responsible for investment policy in relation to the fund's assets.

In its Code of Ethics, Orbia includes its position regarding diversity, establishing it as an important pillar for the success and strengthening of the Company. The diversity and inclusion policy launched in 2018 aims to create a culture that incorporates different ideas and perspectives to enable its employees to have the opportunity to perform to their fullest capacity. Orbia hopes to achieve this objective by acting in accordance with applicable legislation and fostering communication, dialogue and collaboration.

vii. Environmental Performance

Sustainability Model and Commitment to safety, social and environmental responsibility

At Orbia, sustainability is deeply embedded in our businesses, a core component of our growth strategy, and drives our culture. From how we operate to the highest standards, to how our solutions help address today's pressing challenges, to how our investments are targeted for long-term positive impact. We believe that advancing solutions to improve the quality of life around the world brings business success, as well as social and economic value to all those connected directly or indirectly with our activities. Our purpose-driven approach to addressing the world's most pressing challenges drives our business agenda and our strategic approach to sustainability.

Orbia puts purpose into action as a leader in sustainability, with a science-based commitment to address climate change. It has bold, measurable goals, transparency on our progress, including our alignment of short-term with long-term goals.

Orbia's strategy is based on three pillars, supported by specific action programs, which are transcribed below:

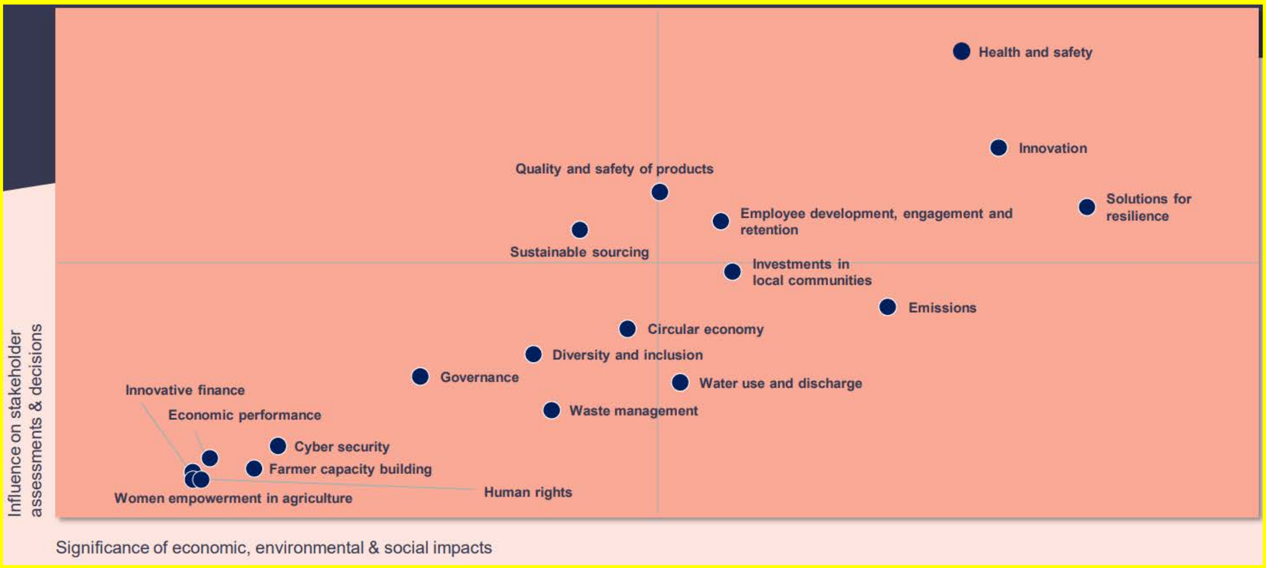
<table>
<tr><td><u>Sustainable solutions</u>
Provide solutions that improve the resilience of people, society and the planet.</td><td>Impactful undertakings to maximize our impact for a net positive future.</td></tr>
<tr><td>Our solutions help solve some of the world's most pressing challenges:
● Increase food availability, using less water, land and energy.
● Build smart, safe, sustainable and regenerative cities.
● Connect and empower communities through better access to data.
● Support innovation to offer advanced health technologies.
Read how our solutions contribute to addressing the UN SDGs here.</td><td>Our investments aim to:
● Support the development of new businesses and technologies through Orbia Ventures.
● Drive the transition to a net-zero emissions world while strengthening our business value through strategic acquisitions.
● Advancing innovative technologies that will have long-term impact by promoting circularity, climate technology, agriculture and food technology, smart cities, and energy storage.</td></tr>
<tr><td colspan="2"><u>Responsible business</u>
Operating according to the highest standards, accountability, responsibility and transparency.
- Corporate Governance and Risk Management
- Ethics and Compliance
- Health and security
- Environment
- people and community
- Stakeholder participation</td></tr>
<tr><td colspan="2"></td></tr>
</table>

Materiality

At the beginning of 2016, Orbia completed its first global materiality analysis, through which it identified the most relevant issues for stakeholders based on their economic, social and environmental impacts. In 2019, given the acquisition of Netafim and the transformation into 5 business groups, a new materiality analysis was carried out at the business group level and then aggregated at the Orbia level.

Below is the materiality matrix. The top 10 material issues identified for Orbia are:

1. Health & Safety
2. Innovation
3. Solutions for resilience
4. Talent development, engagement and retention
5. Investments in local communities
6. Emissions
7. Quality and safety of the products.
8. Sustainable sourcing
9. The circular economy
10. Use and discharge of water



Sustainability strategy and goals

Orbia contributes to sustainable development at a global level through its wide range of products, services and solutions that allow us to solve some of the world's greatest challenges. We are committed to responsible business growth, aligned with compliance with the regulations of all the countries where we have a presence. We continually seek to minimize any risks identified in your production processes and products. Similarly, Orbia works to reduce the environmental footprint of the products and services it offers, generating the greatest value for its stakeholders, with the least possible impact. See the Sustainability Policy for more details about its commitment.

Orbia's long-term sustainability objectives are shown below:

Area of impact	Objective	Target Year
Climate change	Achieve zero net carbon emissions.	2050
	Reduce Scope 1 and 2 GHG emissions by 47%.	2030
	Reduce Scope 3*+ emissions by 30%.	2030
Air emissions	Reduce sulfur oxide (SOx) emissions by 60%.	2025
Environmental management	100% of sites certified with an environmental management system.	2025
Waste	100% of the plants will send zero waste to landfills.	2025
Security	Total Recordable Incident Rate (TRIR) less than 0.2 for employees and contractors.	2025

Additional details regarding Orbia's sustainability initiatives and performance in recent years can be found at the Company's Sustainability Reports included at Sustainability Policies.

In addition, in line with the Company's purpose of promoting life throughout the world, it has identified the United Nations Sustainable Development Goals (SDGs) to which it can contribute as a company. Specifically, the organization has identified which of the 17 SDGs which represent the greatest opportunity for Orbia to make an impact as shown below:

SDG	How Orbia Can Make an Impact
2: Zero Hunger	Our greatest contribution to ensuring global food security is through our precision irrigation systems, which allow farmers to produce more with less water. Through our Precision Agriculture business group, we are the global leader in precision irrigation and fertigation solutions, which enable farmers to grow more food efficiently using less water, as well as other scarce resources.
3: Good Health and Well-Being	We are a world leader in solutions for the health sector. Our fluorine-based products provide propellant gases for metered-dose inhalers. Additionally, our PVC resins are widely used in applications across the spectrum of healthcare infrastructure, facilities and devices.
6: Clean Water and Sanitation	Our broad portfolio of products, services, and technology for the planning, design, construction, monitoring, and maintenance of water and sewage management systems ensures the most efficient use and distribution of water for residential, industrial, and municipal use. We develop innovative solutions for urban drainage and rainwater harvesting that allow better adaptation to climate change. We participate in social responsibility projects with our communities through initiatives such as the Water Funds in Latin America, which allow us to protect and conserve water sources, as well as hydrographic basins. In addition, we have adopted efficient use practices within our operations, where the majority of our plants have closed water cycles.
7: Affordable and Clean Energy	Products, services, projects or technologies that support the development, delivery of renewable energy and alternative fuels or address growing energy demand and minimize impacts on the environment, such as Fluorinated Solutions's low GWP refrigerants and propellants or climate solutions for interiors by Building & Infrastructure.
8: Decent Work and Economic Growth	We are a fair and decent employer for our nearly 22,350 employees around the world. We offer employment opportunities to members of the communities in which we operate, seeking to improve their quality of life and contribute to local economic development. Likewise, we provide our employees with the conditions and environment they need to reach their potential through our talent and leadership development programs.
9: Industry, Innovation and Infrastructure	Our products contribute to the development of reliable, resilient and quality infrastructure that promotes economic development and human well-being. We offer soil management solutions for the structural improvement of road infrastructure works, which significantly reduces the use of inert materials, such as gravel, and increases the quality and life cycle of projects.
11: Sustainable Cities and Communities	We produce materials that contribute to improving construction. PVC is a low-maintenance, long-lasting building material due to its strength and durability. We offer solutions for the installation of fiber optic cable at the intra-urban and inter-urban level, which serve to connect the world and improve access to high-speed and high-performance information technologies.
12: Responsible Consumption and Production	We develop products or services that generate lower net carbon emissions than alternative products. We also invest in processes or technologies that produce substantially lower amounts of greenhouse gas emissions than conventional methods.
13: Climate Action	Products, services, processes and technologies that use the Earth's limited resources sustainably and minimize impacts on the environment. We constantly invest in the decarbonization of our operations.

In 2019, the Company completed its first climate-focused risk assessment, including 12 sites across 3 business groups in six countries. The main findings of the analysis were the following:

Physical risks: The physical risk of Orbia's priority sites is low to medium. This is due to exposure to weather events such as cyclones, floods, fires, extreme temperatures and water stress.

The analysis was not limited to physical facilities; it also considered the impact on logistics and the flow of raw materials.

As an example of the above, in September 2017, as a result of Hurricane Harvey, certain subsidiaries of the Polymer Solutions business group declared Force Majeure in relation to the supply of all their PVC resin suspensions, copolymers and emulsions produced in Mexico, Colombia and USA because its main supplier of vinyl chloride (VCM) and other raw materials had declared Force Majeure.

Market, technological and regulatory risks: In addition to the direct effects of meteorological phenomena, other impacts on the business were analyzed regarding government or commercial regulations, new market rules or the emergence of technologies. Using a 2030 horizon, a greater exposure to these risks were projected, with some high business risks derived from a transition to a low-carbon economy. They are likely to include market pressure to use low-carbon materials, broader regulation of global carbon prices, or increases in the cost of resources, primarily electricity and water by 2030. Higher water stress scenarios, for example, could affect water costs. for the Company's operations. Such scenarios, in turn, can impact the supply chain or production processes from a continuity and cost standpoint.

Orbia has used the results of this analysis to develop specific risk mitigation strategies for its businesses. These plans include reducing the Company's carbon exposure, which complements the Company's commitment to set science-based targets for emissions reductions and achieve net-zero operations by 2050.

Opportunities**:** In addition to the consideration of risks resulting from climate change, opportunities for Orbia were also analyzed, such as solutions for resilience that allow adaptation to climate change or replacementof products by others with lower carbon footprint. Orbia already has a range of products that provide resilience to high rainfall, for example, or solutions to replace water piping systems or installation of fiber optic ducts, without affecting or minimizing the impact on traffic and operation of a city; It is also the leader in precision agriculture, which, due to the higher productivity per hectare and the efficient use of agrochemicals, minimizes the growth of the agricultural frontier and therefore deforestation, while eliminating or minimizing the pollution of rivers and aquifers by runoff and leaching, as well as greenhouse gas emissions. Similarly, we have started an effort to replace propellant and refrigerant gases with others with alower greenhouse effect. These are just a few examples of what the Issuer is doing at present, and as a result of the climate risk study, we estimate that the adoption of products and solutions that take into accountthe opportunities of a more carbon-regulated context and that allow the Company to face the onslaught of climate change will be accelerated.

Water is a fundamental part of the Company's operations, from the consumption of water in the extraction process and in its operations, to the solutions and products we provide for collection, distribution, sanitation and irrigation. Therefore, all but one of Building & Infrastructure, Precision Agriculture and Data Communications plants have a closed circuit.

Through Precision Agriculture, we offer solutions or precision irrigation systems that help reduce water consumption in the agricultural sector, which, it should be noted, is responsible for about 70% of water consumption.

The Company's Building and Infrastructure group offers solutions for better water management as well as more efficient building solutions. As an example, our range of rainwater management products can prevent flooding or at least minimize impacts, while also contributing to help replenish urban water tables. In addition, our "trenchless" pipe renewal technology helps reduce losses in water distribution networks in large cities.

Fluorinated Solutions is developing products to improve the performance and reusability of power storage batteries.

Awards, Certifications and Distinctions

Orbia is proud of the recognition our sustainability efforts and achievements have received from outside organizations. Details can be found at: https://www.orbia.com/sustainability/esg-indices-and-external-recognition/

Orbia has been a member of the FTSE4Good Sustainability Index since 2015. At the end of 2018, Orbia was selected as a member of the FTSE4Good Emerging Index in its first edition of the sustainability index for emerging markets, after demonstrating good environmental, social and corporate governance practices.

The company was included for the first time in the S&P Sustainability Yearbook 2021, of companies that meet sustainability criteria.

The Issuer is also a member of the Dow Jones Sustainability Index (DJSI) and a member of the S&P/BMV Total México ESG Index of the Mexican Stock Exchange. In 2021, our total score increased by 5%, reflecting a commitment to continually improve our ESG performance across all aspects of our business.

These are some of the awards, recognitions and certifications that Orbia and its business groups received during the year:

Distinctions:

- Member of the S&P Sustainability Yearbook in 2021
- Member of the Dow Jones Sustainability Index (DJSI) MILA since 2019
- Member of the S&P/BMV Total Mexico ESG index of the Mexican Stock Exchange since 2012
- Member of the FTSE4Good index since 2015
- EcoVadis Silver Medal
- Boscars Awards 2020
- The "Forest Conservation Award" granted by Reforestamos México to Orbia in 2020.

- CAMACOL Social Responsibility Award to Pavco Wavin Colombia
- PREAD Recognition District Environmental Excellence Program in Colombia for commitment to environmental management and performance
- Xpossible Colsubsidio Awards to Pavco Wavin Colombia
- Ekos de Oro, for being the most efficient company in the Plastics and Rubber sector in Ecuador
- Green Award in Costa Rica for the use of renewable energy
- Carbon Disclosure Project (CDP) Climate Change score “B”
- Maala Award for Business Diversity 2020
- Latin Trade Index Americas Sustainability Award 2019
- Ideas that Change the World Award 2019

Certifications:

- ISO 14001: Environmental Management Systems
- ISO 50001: Energy Management
- EMAS: Environmental Management System in the European Union
- ESOS (Energy Savings Opportunity Scheme)
- Clean Industry awarded by the Environmental Authority of Mexico
- OHSAS 18001: Occupational Health and Safety Management Systems
- ISO 45001: Occupational Health and Safety
- ISRS (International Safety rating system) International safety rating system
- Certificate in Self-management in Safety and Health, Ministry of Labor and Social Welfare (STPS)
- IQNet SR10 Social responsibility management system in Germany.
- IRAG (SARI initals in Spanish): Comprehensive Responsibility Management System granted by the National Association of the Chemical Industry in Mexico
- Mexico without child labor
- Family-responsible company, awarded by the Ministry of Labor and Social Welfare of Mexico
- Kosher Certificate, granted by Calidad Kosher, S.C.
- ISO 9001: Quality Management Systems
- ISO 22000: Food Safety Management
- NSF: NSF International is an objective, nonprofit, independent product testing and certification agency that sets global performance standards for a wide variety of household and industrial products

Other ESG certifications:

- Carbon Disclosure Project: In 2021, Orbia obtained a B rating (Management Level) for our performance in both Climate Change and Water Security in the CDP evaluation.

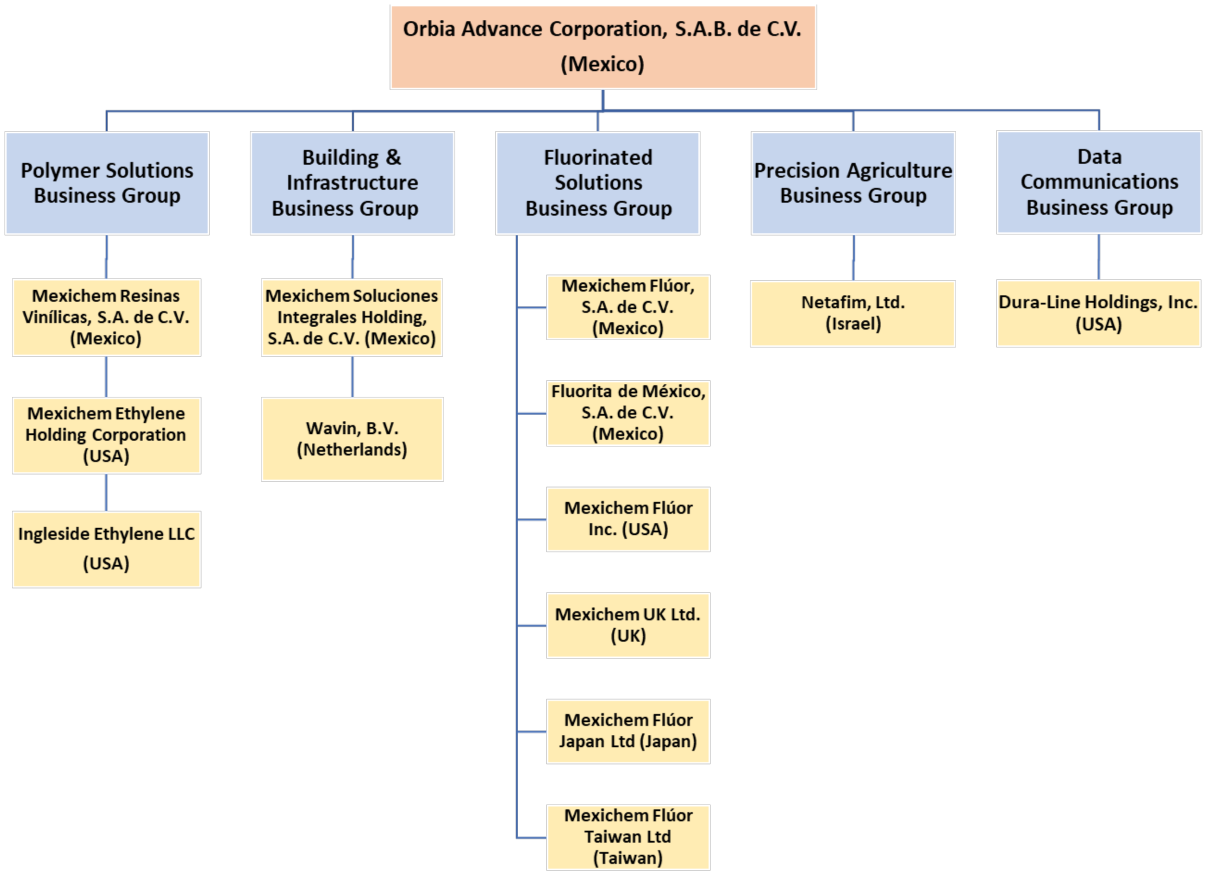
- Ecovadis: Orbia joined the Ecovadis platform in 2019. In the 2020 evaluation, we maintained our silver rating, ranking among the top 18% of companies evaluated. Through this Ecovadis assessment we can understand, compare and share our company's sustainability performance with stakeholders.

viii. Market Information

For more information see Section 2, "The Issuer", item b, " Business Overview", sub-item i "Main Activity" of each business group, in this Annual Report.

ix. Corporate Structure

The Issuer is part of a business group with 228 subsidiaries as of December 31, 2021. The organization chart provided below shows the most important Orbia subsidiaries in yellow, the assets and revenue of which, on an individual basis for each one, exceed 10% of the total consolidated assets and/or 10% of the total consolidated revenue, based on the Company’s audited consolidated financial statements for fiscal year 2021.



The table below shows the shareholding structure of the Issuer's most significant subsidiaries.

No.	Jurisdiction	Business Group	Corporate Name of Subsidiary	Shareholders	Equity Interest in Subsidiaries
1	Mexico	Polymer Solutions	Mexichem Resinas Vinílicas, S.A. de C.V.	Orbia Advance Corporation, S.A.B. de C.V.	99.99999980%
				Mexichem Derivados, S.A. de C.V.	0.00000011%
				Mexichem Servicios Administrativos, S.A. de C.V.	0.00000009%
2	United States	Polymer Solutions	Mexichem Ethylene Holding Corporation	Mexichem Resinas Vinilicas, S.A. de C.V.	100%
3	United States	Polymer Solutions	Ingleside Ethylene LLC	Mexichem Ethylene Holding Corporation	50%
				Oxychem Ingleside Ethylene Holdings, Inc.	50%
4	Mexico	Building & Infrastructure	Mexichem Soluciones Integrales Holding, S.A. de C.V.	Orbia Advance Corporation, S.A.B. de C.V.	99.9999863%
				Mexichem Servicios Administrativos, S. A. de C. V.	0.0000137%
5	Netherlands	Building & Infrastructure	Wavin B.V.	Mexichem Soluciones Integrales Holding, S.A. de C.V.	100%
6	Israel	Precision Agriculture	Netafim, Ltd.	Netafim Hatzerim Holdings (Cooperative Society) Ltd.	20%
				Mexichem Soluciones Integrales Holding, S.A. de C.V.	80%

For more information on "the activities of the subsidiaries" see Section 2, "The Issuer", item b, "General Description of the Business", sub-item i. "Main Activity" for each business group, in this Annual Report.

x. Description of Main Assets

Listed below are the main assets of Orbia's business groups, all of which are free from liens or encumbrances of any kind, since none of them constitute any guarantee of financing, except for those assets that are being acquired through financial lease contracts which serve as a natural guarantee for the fulfillment of the obligation to pay the amount of the respective lease, and which represent a total amount of $367 million. All assets are insured, are in good working condition and there are no environmental issues that affect their use.

The following table shows the information on Orbia's main production plants. In accordance with the provisions of article 33, subparagraph b), numeral 1, of the Single Issuer Circular, the Company has determined that the information on the percentage of utilization of the installed capacity of the Polymer Solutions business plants is strategic, and accordingly has reserved the right to disclosure of this information.

Business group	Process	Country or Region	Number of Plants	Type of Asset	Products	Installed Capacity Thousands of Tons/year	% of use in 2021
Polymer Solutions	Chlorine-Soda	Mexico	1	Mine	Brine	250 (1)	N.D.
Polymer Solutions	Chlorine-Soda	Mexico	2	Plant	Chlorine, Caustic Soda, Derivatives	895	N/A
Polymer Solutions	Chlorine-Soda	Colombia	1	Plant	Chlorine, Caustic Soda, Derivatives	50	N/A
Polymer Solutions	Chlorine-Soda	Germany	2	Plant	Chlorine, Caustic Soda, Derivatives	970	N/A
Polymer Solutions	Chlorine-Soda	Mexico	4	Plant	Phosphates	146	N/A
Polymer Solutions	Ethylene Chloro-Soda	EUA	1	Plant	Ethylene	550	N/A
Polymer Solutions	Vinyl	Mexico	5	Plant	PVC resins	781	N/A
Polymer Solutions	Vinyl	Colombia	3	Plant	PVC resins	500	N/A
Polymer Solutions	Vinyl	EUA	2	Plant	PVC resins	116	N/A
Polymer Solutions	Vinyl	Germany	2	Plant	PVC resins	400	N/A
Polymer Solutions	Vinyl	Mexico	2	Plant	Compounds	68	N/A
Polymer Solutions	Vinyl	Colombia	1	Plant	Compounds	22	N/A
Polymer Solutions	Vinyl	EUA	3	Plant	Compounds	83	N/A
Polymer Solutions	Vinyl	United Kingdom	2	Plant	Compounds	93	N/A
Polymer Solutions	Vinyl	In dia	4	Plant	Compounds	38	N/A
Polymer Solutions	Vinyl	Mexico	2	Plant	Compounds	108	N/A
Building & Infrastructure LatAm	Wavin	Latin America	24	Plant	Pipes and Connections	773	61%
Building & Infrastructure Europe	Wavin	Europe	24	Plant	Pipes and Connections	750	52%
Data Communications US/Canada	Dura-Line	EUA, Canada,	13	Plant	Ducts, HDPE microducts	258	73%
Data Communications AMEA	Dura-Line	India, Oman, South Africa, China	6	Plant	Ducts, HDPE microducts	93	60%
Precision Agriculture	Precision Irrigation	Americas	6	Plant	Pipeline	45 Lines	87%
Precision Agriculture	Precision Irrigation	AMEA	6	Plant	Pipe and drippers	40 Lines	80%
Precision Agriculture	Precision Irrigation	India	2	Plant	Pipeline	23 Lines	29%
Precision Agriculture	Precision Irrigation	APAC (excluding India)	3	Plant	Pipeline	23 Lines	85%
Fluorinated Solutions	Fluorite	Mexico	2	Mines	Acid and metallurgical grade fluorite	>1,700	100%
Fluorinated Solutions	Fluorite	Mexico	3	Plant	Acid Grade Fluorite	>9000	100%
Fluorinated Solutions	HF	Mexico	2(2)	Plant	Hydrofluoric acid	144	64%
Fluorinated Solutions	AlF3	Mexico	1	Plant	Aluminum fluoride	64	95%
Fluorinated Solutions	Refrigerant Gases	EUA.	1	Plant	Fluorinated hydrocarbons and refrigerants	39	69%
Fluorinated Solutions	Refrigerant Gases	Japan	1	Plant	Fluorinated hydrocarbons and refrigerants	21	64%

(1) m^3/hour
(2) A productive unit that includes 2 plants

The following describes the Company's most significant fixed assets with the following plants as part of its Building & Infrastructure, Data Communications and Precision Agriculture business groups.

- ***In Latin America. Building & Infrastructure*** owns and operates 24 plants in 12 countries in Latin America, with a combined installed production capacity of 773,000 tons of PVC extracts, PVC, injected polyethylene products and polyethylene products, using state-of-the-art transformation technologies.

- ***In Europe. Building & Infrastructure*** owns 24 manufacturing plants and sales and distribution points in 25 countries in Europe, with a combined installed production capacity of 750,000 tons. It has procedures in place to comply with the standards established by ISO 9000 and ISO 9001, which are reviewed and certified by independent certifying companies. These plants operate in accordance with regionally established health and safety policies, complying with ISO 12001 and similar standards.

- ***In North America. Data Communications*** owns 13 manufacturing and assembly plants located in the US and Canada. It has procedures in place to comply with ISO 9001 standards, as well as other relevant standards for the competent authorities, which are reviewed and certified by independent companies. Design practices are subject to various regulatory tests to ensure products meet or exceed customer expectations and applicable regulatory requirements.

- ***In EMEA. Data Communications*** owns 4 manufacturing and assembly plants located in Europe, India, and Oman. It has procedures in place to comply with ISO 9001, ISO 14001, OHSAS 18001 standards, Underwriters Laboratory and Bureau of India Standards certifications, as well as other relevant standards for competent authorities, which are reviewed and certified by independent companies. Design practices are subject to various regulatory tests to ensure products meet or exceed customer expectations and applicable regulatory requirements.

- ***Precision Agriculture*** owns 17 manufacturing and assembly plants located in Israel, Turkey, the Netherlands, Spain, South Africa, Mexico, Brazil, Peru, Chile, China, Colombia, Australia, India and the US, with a sold volume of 7 billion meters in fiscal year 2021.

Additionally, in 2021 the Company carried out different permanent investments that are part of maintenance and organic growth which totaled $204 million.

Orbia asserts that there are currently no regulatory measures that affect the use of its assets, which guarantees compliance with all regulatory requirements in all its facilities.

So that Orbia's operations are not suddenly affected, it is a policy to have predictive preventive maintenance programs applied to its assets including machinery y and other equipment. The objective of this is to maintain the facilities in optimal conditions, comply with government standards and regulations in accordance with each country, and if necessary to identify corrective maintenance measures to be executed. The Company allocates approximately 1.7% of its sales to preventive, predictive and corrective maintenance. All these resources have been financed through the Company's own cash flow.

Insurance

Orbia has contracted, at the holding company level, for all the companies that make up the Group, the following coverage usually required and based on the standards for the mining, chemical, petrochemical and industrial industries:

A. Multiple business insurance (assets and business interruption), which covers**:**

- Wide fire coverage, including hydro meteorological risks, earthquake and volcanic eruption covering: building, contents (machinery and equipment), inventories and gross profit.

- Technical branches, covering machinery breakage, electronic equipment, (underground) mobile equipment without circulation plates.

The values declared for this insurance have been reported considering the replacement value for fixed assets and the last purchase price for inventories. Gross profit has been determined based on the approved budget for 2021 and the sums insured vary according to the values of each company.

B. Cargo transport insurance that covers all shipments where there is an insurable interest (purchases, sales, inter-warehouses, etc.).

C. Civil liability insurance that covers damages (including pollution) to third parties in their property and persons, as well as damages caused because of such direct damages.

D. Civil liability insurance for directors and civil servants, which protects such persons against claims by third parties arising from wrongful acts committed in the exercise of their functions.

E. Crime Insurance that covers damages as a result of criminal acts, both internal and external.

F. Credit Insurance whose objective is to cover the risk of non-payment or prolonged default by debtors.

In addition to the aforementioned insurance, each subsidiary has insurance policies according to its particular needs, or to comply with contractual obligations and/or with the applicable legislation in the locality where it is located.

Although management believes that we have adequate and sufficient coverage in accordance with industry practices, there is the possibility that insurance coverage against possible unforeseen losses and other liabilities may not be sufficient in some cases. extremely catastrophic or very unpredictable. Likewise, in the event that the losses derived from a claim exceed the insured limit, the result would have an adverse effect on Orbia's financial results in the form of higher costs which may not be anticipated.
The following companies and their affiliates and/or subsidiaries that are part of Orbia, have, for the most part, contracted similar insurance schemes independently and outside the insurance contracts contracted and controlled at the holding company level: Netafim Ltd, Dura-Line Holdings, Inc., Vestolit GmbH, Wavin BV, Sylvin Technologies, Mexichem Specialty Compounds, Mexichem Brasil Indústria de Transformação Plástica Ltda and Mexichem Trading Comercio, Importacao e Exportacao S/A

xi. Judicial, Administrative or Arbitral Proceedings

With the exception of the information provided in regard to Data Communications, based on the information relevance criteria established in Annex N of the Sole Issuers Circular, the Company and its subsidiaries are not, and there is no high probability that they will be in the future, involved in any relevant proceeding of judicial, administrative or arbitration nature, that are different from those that are a normal part of the course of business and that have, had or could have a significant impact on the operating results or the financial position of Orbia or its business groups.

Notwithstanding the foregoing, in compliance with applicable regulations, internal policies and good practices, the Company and its subsidiaries maintain some reserves to meet the obligations that may arise as a result of the proceedings in which it or its subsidiaries are party.

As far as the Company and its subsidiaries are aware, as of December 31, 2021, none of its shareholders, directors and main officers are part of any judicial, administrative and/or arbitration procedure that could affect the results of the operation or the financial situation of the Issuer in a material adverse manner.

Likewise, neither the Company nor its subsidiaries are part of any tax proceedings that could affect the results of the operation or financial situation of the issuer in a material adverse manner.

xii. Shares representing Capital Stock

As of December 31, 2021, the Company does not have open positions in derivative instruments that can be settled in kind whose underlying assets are ORBIA* shares.

In the fiscal years 2020 and 2019, Orbia did not modify the number or amount of outstanding shares representing its share capital.

At the ordinary shareholders' meeting held on July 21, 2021, the shareholders agreed to cancel 90,000,000 Class II ordinary shares, without par value, which represented the variable part of the Entity's capital stock. On December 24, 2021, the Company canceled 90,000,000 of its own shares, which was authorized at the meeting of July 21, 2021. Said shares were acquired through the use of the resources authorized by the Ordinary General Meeting of Shareholders for the Repurchase Fund. and that the Issuer bought in the stock market, charged to its stockholders' equity.

As of December 31, 2021, the Entity's capital stock is represented by 2,010,000,000 ordinary registered shares with voting rights, issued and outstanding, without par value. In 2020 and 2019, the share capital was represented by 2,100,000,000 shares. The fixed part of the Entity's capital stock is represented by registered Class I shares without withdrawal rights. The variable part of the Entity's capital stock is represented by Class II nominative shares, without par value and may not exceed ten times the minimum fixed capital stock. An analysis of the Entity's capital stock as of December 31, 2021, 2020 and 2019 is as follows:

December 31, 2019, and 2020 **Subscribed capital**	**Number of shares**	**Amount (Millions of dollars)**
Class I	308,178,735	$38
Class II	1,791,821,265	219
Total	**2,100,000,000**	**$257**

December 31, 2021 Subscribed capital	Number of shares	Amount (Millions of dollars)
Class I	308,178,735	$38
Class II	1,701,821,265	219
Total	**2,010,000,000**	**$257**

xiii. Dividends

During the last three years (2019, 2020 and 2021) Orbia has decreed the payment of dividends in cash, as follows:

General Shareholders' Meeting	Dividend Declared in millions of USD	Number of Payments	Payment Dates
Aug-20-18	150	5 payments	Dec. 24, 2018 ($50 million), from May 29, 2019 to Feb. 26, 2020 ($100 million)
Nov-26-18	168	4 payments	Feb. 27, May 29, Aug. 28, Nov. 27, 2019
Dec-2-19	180	4 payments	Feb. 26, May 27, 2020, Aug. 26 and Nov. 25
Mar-30-21	200	4 payments	Apr. 14, 2021, Jul. 14, 2021, Sept. 15, 2021 and Dec 15, 2021

In the Ordinary and Extraordinary Annual Shareholder Meeting held on April 23, 2019, after the explanations offered by the Secretary of the Meeting on the reasons and effects of the respective proposal, the extension of the payment term of the extraordinary dividend declared in the Ordinary Shareholders' Meeting held on August 21, 2018 for the remaining $100 million was approved, so that the payment may be concluded within the 12 (twelve) months following the Shareholders' Meeting held on April 23, 2019. The above with the objective of aligning the Company's cash flows to the current cycle.

During the General Ordinary Stockholders' Meeting of Orbia held on November 26, 2018, it was agreed to pay a dividend equivalent to $168 million to be distributed among the outstanding shares, discounting the amount corresponding to the shares that are in the Company's repurchase fund in each partial payment. The dividend will be paid in Mexican pesos in four equal installments, each equivalent to $42 million during the 12 months following such meeting, for outstanding shares, excluding those shares held by the Company as a result of the share repurchase program on each of the payment dates, at the exchange rate published in the Official Federal Gazette by the Bank of Mexico. On November 27, 2018, the Company notified that each of the four installments will be paid on each of the following four dates: February 27, May 29, August 28 and November 27, 2019.

The Company's shareholders approved, at an Ordinary General Meeting held on December 2, 2019, the payment of a cash dividend in the amount of $180 million, in four payments. The first was on February 26, 2020, the second on May 27, the third on August 26 and the fourth on November 25, 2020.

The Issuer's General Ordinary Shareholders' Meeting held on March 30, 2021, authorized the payment of a cash dividend in the amount of $0.10 dollars per share payable in four installments in 2021, the first of which was made on April 14, 2021.

The declaration, amount and payment of dividends are approved by the Ordinary General Shareholders' Meetings, on the recommendation of the Board of Directors, and dividends may only be paid from profits withheld from accounts previously approved by the shareholders, provided that a legal reserve has been created and any losses from previous fiscal years have been paid or absorbed.

The distribution of Orbia's dividend payments depends on the generation of profits, flow generation and the investments projected in its different business groups. (*See Section 1, "General Information," subsection c, "Risk Factors," subsection c, "Risk Factors Related to Securities Issued by the Company.")*

The amount and payment of Future Orbia dividends, if any, will be subject to applicable law and depend on a variety of factors that may be considered by the Board of Directors or shareholders, including future operating results, financial condition, capital requirements, investments in potential acquisitions or other growth opportunities, legal and contractual restrictions on current and future debt instruments and the ability to obtain funds from subsidiaries. Such factors may limit the ability to pay future dividends and may be considered by the Board of Directors in recommending, or by shareholders in approving, the payment of future dividends.

There is no dividend payment policy. In recent years Orbia has paid a dividend of around 10% of the EBITDA of the corresponding fiscal year, even though it is not a formally adopted policy and there is no document that establishes it.

At the Ordinary Shareholders' Meeting on March 30, 2021, it was agreed to pay a cash dividend to the shareholders of the Company at the rate of USD$ 0.10 (ten cents) per outstanding share with the right to collect dividends, in four partialities payable throughout 2021 that will come from the Company's Net Tax Profit Account.

3. FINANCIAL REPORTING

a) Selected Consolidated Financial Information

The following tables present selected consolidated financial information for Orbia for each of the periods indicated. This information should be read in conjunction with and is subject in its entirety to the complete terms of Orbia's audited financial statements as of December 31, 2021, 2020 and 2019, including the related financial statement disclosures.

The consolidated financial statements of the Company and its subsidiaries for the years ending December 31, 2021, 2020 and 2019 have been prepared in accordance with the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB).

Orbia's functional currency is the U.S. dollar and it publishes its financial statements in this currency. Unless otherwise specified, references in this Annual Report to "$", "Dollars" or "dollars" shall be construed as references to U.S. dollars and references to "Peso", "Pesos" or "Mexican Pesos" shall be construed as references to Mexican pesos. *See notes on the audited financial statements in Section 7, "Annexes", "Consolidated Financial Statements", in this Annual Report.*

The comparability of the financial information presented in the following table, as well as that of the Audited Consolidated Financial Statements, may be affected by certain events that occurred in the years 2021, 2020 and 2019.

The financial figures included in the section of the Annual Report have been rounded to millions of Dollars except for the figures for earning per share and number of shares, which are expressed in units, or when otherwise indicated, while the figures presented in the Company's audited financial statements that are presented in the Annexes of this Annual Report have been rounded to thousands of Dollars (except where otherwise indicated), for convenience of presentation. The percentage figures in this Annual Report have not been, calculated on the base of the figures rounded to millions of Dollars, but rather on the base of such amounts before rounding. For this reason, the percentage figures in this Annual Report may vary from the percentage obtained when performing the same calculations using the financial statement figures. Certain financial figures, such as the totals in certain tables, may not be the result of adding up the figures prior to rounding.

There are factors of an uncertain nature that may make Orbia's past performance, as shown in the financial statements, not indicative of its future performance. Such factors are described in detail in Section 1, *"General Information", item c, "Risk Factors"*.

A few notable events that affect the financial figures that are presented, analyzed and commented on in this section are the following:

(1) Establishment and acquisition of new business -

In the last three years, Orbia established and acquired the businesses outlined below:

2021

During 2021 Orbia made the acquisition of three companies that represented an approximate amount of $64 million dollars, as a whole. In accordance with the provisions of IFRS 3, the disclosure of additional information to that presented in the notes to the audited financial statements and to this Report was not considered relevant.

i. Investment in **Gakon Horticultural Projects** – On April 1, 2021, the Precision Agriculture business segment acquired Gakon Horticultural Projects, the Dutch leader in turnkey greenhouse projects. The acquisition is synergistic, combining the global presence and expertise of Precision Agriculture and Gakon's greenhouse technology. Gakon brings unique experience in all aspects of greenhouse project execution, greenhouse manufacturing capabilities and a proven track record in key verticals.

ii. Investment in **Shakun Polymers Private Limited**. On June 22, 2021, Orbia acquired the majority of the outstanding shares of Shakun Polymers Private Limited (Shakun), a private, family-owned company that is a market leader in the production of compounds for the wire and cable markets in the subcontinent. Indian, Middle East, Southeast Asia and Africa. Shakun's product development focuses on halogen-free flame retardant compounds and PVC-based compounds for power and data cables. With this investment, Polymer Solutions expands Alphagary's product portfolio and regional presence as Shakun will continue to offer next-generation materials designed to meet the high safety and performance standards required in the Asian and African markets. There is a put / call option related to the acquisition under the agreement between the shareholders in respect of the minority or the non-controlling party of shareholders who retain a portion of the capital of Shakun. Orbia believes that this investment will bring synergies to the operations of the Polymer Solutions business group, in which Shakun's operations will be consolidated.

iii. Investment in **Silatronix**, On November 1, 2021, Orbia's Fluorinated Solutions business acquired Silatronix, a Madison, Wisconsin-based Company. Silatronix has expertise in fluorosilane additives for Lithium-ion batteries and has an industry-wide reputation for developing innovative solutions that deliver improved battery safety and performance in a range of applications, from electric vehicles to stationary, grid-scale storage.

2020

i. Investment in **SeeTree** - On November 18, 2020, Orbia completed its first corporate venture capital transaction through an investment in SeeTree, a leading start-up in the agricultural technology sector with a focus on tree farming. SeeTree uses military-grade telecommunications, surface sensors, artificial intelligence and machine learning in an integrated way to prevent tree pests and maximize productivity at a low cost. Precision Agriculture is partnering with SeeTree to bring SeeTree's advanced technology to Precision Agriculture's solution offering. This investment represents a significant step for Orbia and Precision Agriculture, to the extent that it allows us to promote the development of conscious and profitable agriculture.

(2) Subsequent event, not included in the financial information presented:

On February 1, 2022, Orbia’s Building and Infrastructure business, Wavin, acquired 67% of the shares of Vectus Industries Limited “Vectus”, a privately held manufacturer of plumbing and drainage pipes and the market leader in water storage tanks in India for $132 million paid in $108 million of cash and $24 million of other consideration at closing, subject to customary working capital and net indebtedness adjustments.

With this acquisition, Orbia’s Building and Infrastructure businesses will operate at the forefront of India’s quickly growing water management industry, supplying customers in the residential, commercial, industrial, infrastructure and agricultural sectors.

The Company has begun consolidating Vectus’s results as of February 1, 2022.

Consolidated statements of income **(Figures in millions of US Dollars)**	**2021**	**2020**	**2019**
Continuous operations:			
Net sales	**$8,783**	**$$6,420**	**6,987**
Cost of sales	6,156	4,651	5,114
Gross profit	**2,627**	**1,769**	**1,873**
Selling and development expenses	573	507	539
Administrative expenses	600	508	468
Other costs, net	6	33	43
Exchange gain	(78)	(102)	(49)
Exchange loss	110	104	68
Interest expense	248	239	272
Interest income	(16)	(10)	(14)
Change in fair value of redeemable non-controlling interest	28	10	18
Monetary position profit	4	1	-
Participation in the results of associates	(1)	(1)	(4)
Income before income taxes	1,154	479	533
Income taxes	381	151	206
Income from continuing operations	773	328	327
discontinued operations:			
Income (loss) from discontinued operations, Net	-	(10)	-
Consolidated net income for the year	**772**	**319**	**327**
Consolidated net income for the year:			
Controlling interest	657	195	207
Noncontrolling interest	115	124	120
Continuous operations:	**$772**	**$319**	**$327**
Earnings per share of the controlling interest	$0.33	$0.10	$0.10
Weighted average number of shares outstanding	1,992,657,096	2,024,791,839	2,067,362,601

Consolidated statements of financial position	As of December 31:		
(Figures in millions of US dollars)	2021	2020	2019
Assets			
Current assets:			
Cash and cash equivalents	$782	$875	$586
Accounts receivable, net	1,595	1,325	1,352
Accounts receivable from related parties	1	5	5
Inventories, Net	1,292	861	834
Advance payments	50	60	65
Derivative financial instruments	3	20	0
Assets held for sale	3	10	9
Total current assets	**3,724**	**3,156**	**2,852**
Non-current assets:			
Property, machinery and equipment, Net	3,051	3,186	3,349
Right-of-use assets	346	323	337
Investment in shares of associates	40	39	3. 4
Other assets, Net	104	69	89
deferred taxes	174	200	126
Employee benefit asset	17	13	14
Intangible assets, Net	1,617	1,734	1,766
Goodwill	1,514	1,491	1,492
Total non-current assets	**6,862**	**7,055**	**7,205**
Total assets	**10,587**	**10,211**	**10,057**
Liabilities and stockholders' equity			
Current liabilities:			
Bank loans and current portion of long-term debt	240	495	322
Providers	1,046	788	679
Letters of credit to suppliers	459	538	585
Accounts payable to related parties	1	1	101
Other accounts payable and accrued liabilities	521	467	478
dividends payable	1	3	134
Provisions	29	33	52
Employee benefits	226	160	128
Short-term lease liabilities	86	82	78
Derivative financial instruments	34	14	13
Liabilities associated with assets held for sale	-	6	6
Total current liabilities	**2,643**	**2,588**	**2,577**

Consolidated statements of financial position	As of December 31:		
(Figures in millions of US dollars)	**2021**	**2020**	**2019**
Non-current liabilities:			
Bank loans and long-term debt	3,280	3,131	3,129
Employee benefits	221	274	229
Long-term provisions	17	21	-
Other long-term liabilities	41	31	36
Redeemable non-controlling interest	316	274	264
Derivative financial instruments	17	95	67
deferred taxes	318	314	335
Long-term finance leases	281	263	267
Long-term income tax	49	42	35
Total non-current liabilities	**4,539**	**4,444**	**4,385**
Total liabilities	**7,182**	**7,032**	**6,963**
Stockholders' equity:			
Contributed capital			
Social capital	256	256	256
Premium on issuance of shares	1,475	1,475	1,475
Update of share capital	24	24	24
	1,755	**1,755**	**1,755**
Earned Capital			
Accumulated utilities	966	1,108	1,059
Redeemable non-controlling interest	(241)	(227)	(227)
Reserve for acquisition of own shares	851	400	296
Other comprehensive income	(594)	(543)	(508)
	981	**738**	**620**
Total controlling interest	**2,737**	**2,493**	**2,375**
Total non-controlling interest	668	687	719
Total Stockholders' Equity	**3,404**	**3,180**	**3,094**
Total liabilities and stockholders' equity	**$10,587**	**$10,211**	**$10,057**

Net debt to EBITDA:

	As of December 31,		
(Millions of dollars)	**2021**	**2020**	**2019**
Liability with cost	3,520	3,626	3,451
circulating portion	240	495	322
long term debt	3,280	3,131	3,129
Cash and cash equivalents	782	875	586
Net debt**	2,738	2,751	2,865
EBITDA*	2,047	1,318	1,365
Net debt to EBITDA ratio	1.34	2.09	2.10

* For purposes of this calculation, real EBITDA is considered, which only includes EBITDA of businesses acquired as of their date of incorporation in Orbia's consolidation.

Financial indicators
(Figures in millions of US dollars)

Indicators	2021	2020	2019
Investments in property, plant and equipment	286	204	261
Depreciation and amortization for the year	598	598	542
EBITDA	2,047	1,318	1,365
Accounts receivable turnover (days)	48	53	51
Average supplier payment term (days)	61	61	48
Inventory turnover (days)	63	66	60

b) Financial information by business group, geographical area and export sales

The main historical sales indicators by business group are shown below:

Sales by Business Group (1)	2021	%	2020	%	2019	%
Polymer Solutions	3,438	39	2,171	34	2,334	33
Fluorinated Solutions	744	8	698	11	805	12
Building & Infrastructure	2,922	33	2,071	32	2,239	32
Data Communications	994	11	732	11	749	11
Precision Agriculture	1,126	13	972	15	1,063	15
Controlling Entity	215	2	184	3	97	1
Eliminations	(656)	(7)	(408)	(6)	(300)	(4)
Total	**8,783**	**100**	**6,420**	**100**	**6,987**	**100**

Operating income by Business Group (	2021	%	2020	%	2019	%
Polymer Solutions	876	60	224	31	210	25
Building & Infrastructure	183	13	193	27	267	32
Data Communications	283	20	127	18	142	17
Precision Agriculture	102	7	140	19	116	14
Fluorinated Solutions	46	3	89	12	92	11
Controlling Entity	(23)	(2)	(53)	(7)	(3)	(0)
Eliminations	(17)	(1)	0	0	0	0
Total	1,449	100	720	100	823	100

Sales by geographical area of origin, for the years 2021, 2020 and 2019, are presented below:

Net sales by region where customers are located			
	2021	**2020**	**2019**
United States of America	$1,838	$1,382	$1,414
Northwest Europe	1,462	1,040	1,113
Southwest Europe	1,148	839	932
Africa, Middle East and Asia	645	703	796
Mexico	971	633	665
Brazil	653	455	516
Central and Eastern Europe	395	286	285
Colombia	441	271	319
Central America	277	190	226
Peru	231	136	164
Southeast Europe	172	122	142
Ecuador	139	91	105
Canada	96	65	66
Other rest of the world countries	68	55	87
Chile	86	51	47
Argentina	81	45	47
Israel	46	40	42
Other Latin American countries	31	14	22
Venezuela	4	1	1
Total	**$8,783**	**$6,420**	**$6,987**

Sales by destination region			
Region	**2021**	**2020**	**2019**
Europe	3,177	2,286	2,472
North America	2,905	2,081	2,145
South America	1,634	1,050	1,198
AMEA	691	743	838
Others	376	259	335
Total	**8,783**	**6,420**	**6,987**

Figures in millions

c) Relevant Credit Report

Historically, the growth strategy through capital investments and, especially, with the acquisition of companies that offer synergies of vertical integration and add value to the basic raw materials of the Issuer, has been supported by the contracting of long and short-term loans, which have been repaid using the cash flows generated by the operation of the subsidiaries.

Historically, Orbia's credit requirements have driven by acquisition opportunities rather than normal operational factors. That growth strategy has changed under the current management team that is focused on organic growth opportunities.

It has been the Company's policy to reduce its leverage levels once it has utilized its credit to to maintain its net debt to EBITDA ratio of approximately 2.0x Net Debt / EBITDA, to protect the Group's position in potential future recessionary or lower growth cycles. At the end of the 2021 financial year, this ratio stood at 1.34 times.

Leverage Ratios	2021	2020	2019
Total Liabilities/Total Assets	68%	69%	69%
Total Liabilities/Stockholders' Equity (times)	2.11	2.21	2.25
Liabilities with Cost/Stockholders' Equity (times)	1.03	1.14	1.12
Net debt to EBITDA ratio	1.34	2.09	2.10

As of December 31, 2021, the Company's future interest-bearing long-term debt payment obligations, net of related placement expenses, are as follows:

Payable during-	
2022	$240
2023	25
2024	38
2025 and thereafter	2,977
	$3,280

Orbia's treasury function has maintained the policy of maintaining sufficient liquidity to guarantee the necessary financial flexibility to commit to strategic growth projects at the overall Orbia level.

Due to the nature of its operations, Orbia and its subsidiaries maintain bank and investment accounts in both local currencies, for the countries where it has operations, as well as in U.S. dollars.

Both the Company and its subsidiaries have no relevant tax debts as of December 31, 2021.

Orbia’s net outstanding debt as of December 31, 2021 was $2,738 million.

Short-term indebtedness

As of December 31, 2021, Orbia has access to revolving lines of credit with an undrawn balance of $1,000 million.

As of the date of this Annual Report, the Company has uncommitted short-term lines of credit with several banks, which are mainly used to improve its working capital. Credit lines include short-term financing lines and letters of credit, among others, consisting mainly of letters of credit for payment with raw material suppliers.

Orbia's short-term debt represents $240 million at the end of fiscal year 2021.

Financial indebtedness

The table below presents selected information regarding the Company’s outstanding indebtedness as of December 31 of the most recent three fiscal years.

Summary of loan agreements denominated in U.S. dollars, euros and other currencies:	2021	2020	2019
Issuance of a 30-year International Bond for $750 million, bearing semiannual interest at a fixed rate of 5.875%. The loan principal is repayable in a single installment upon maturity in September 2044.	$750	$750	$750
Issuance of a 10-year International Bond for $750 million, bearing semi-annual interest at a fixed rate of 4.875%. The loan principal is repayable in a single installment upon maturity in September 2022. This loan was fully repaid in September 2021.	-	750	750
Issuance of a 10-year International Bond for $500 million, bearing semi-annual interest at a fixed rate of 4.00%. The loan principal is repayable in a single installment upon maturity in October 2027.	500	500	500
Issuance of a 30-year International Bond for $500 million, bearing semi-annual interest at a fixed rate of 5.50%. The loan principal is repayable in a single installment upon maturity in January 2048.	500	500	500
Issuance of a 30-year International Bond for $400 million, bearing semi-annual interest at a fixed rate of 6.75%. The loan principal is repayable in a single installment upon maturity in September 2042.	400	400	400
Issuance of a 5-year International Bond for $600 million, bearing semi-annual interest at a fixed rate of 1.875%. The loan principal is repayable in a single installment upon maturity in May 2026.	600	-	-
Issuance of a 10-year International Bond for $500 million, bearing semi-annual interest at a fixed rate of 2.875%. The loan principal is repayable in a single installment upon maturity in May 2031.	500	-	-
Issuance of Commercial Paper Program for up to € 750 million through the issuance of notes with maturity less than one year. As of December 31, notes have been issued for € 101 million with maturity in March 2022.	115	-	-
Bank of England			
Issuance of Commercial Paper for £300 million. The loan's discount rate is 0.60%, and matured on May 18, 2021.	-	409	-
Rabobank			
5-year bank loan for $75 million, bearing quarterly interest at a variable rate (1-month LIBOR + 1.85%) The loan principal is repayable quarterly, and matures in March 2024.	50	60	70
IFC			
Bank loan for $40 million, bearing interest at a variable rate (1-month LIBOR + 1.95%). The loan matures on June 28, 2024.	29	40	-
Bank loan for 1,520 million Indian rupees, bearing interest at a fixed rate of 8.3275%. The loan matures on June 15, 2029.	20	-	-
Bank loan for 107 million Turkish lira, bearing interest at a fixed rate of 16.45%. The loan matures on June 15, 2024.	6	15	-
MUFG			
5-year bank loan for $50 million, bearing quarterly interest at a variable rate (3-month LIBOR + 2.00%) The loan principal is repayable quarterly, and matures on March 25, 2024. This loan was fully repaid in March 2021.	-	39	46
Scotiabank			
1-year bank loan for $200 million, bearing quarterly interest at a variable rate (1-month LIBOR + 0.496%). The loan principal is repayable in a single installment upon maturity. The Entity repaid $49 million in December 2019. The loan was refinanced by changing the maturity date to June 2020 and with a new variable rate (1-month LIBOR + 0.35%) This loan was repaid in full in June 2020.	-	-	151
Other	55	38	42
Mexican peso denominated loans:			
10-year structured note for 3,000 million, bearing semi-annual interest at a fixed rate of 8.12%. The loan principal is repayable in a single installment upon maturity in March 2022. This loan was fully repaid in June 2021.	-	150	159
Bancomext			
Term loans for 3,000 million and 69,443,000, bearing quarterly interest at the TIIE rate + 0.825% and TIIE rate + 0.71%, respectively. The loan principal is repayable on a semi-annual basis, from September 2017 to March 2021.	-	15	49

Summary of loan agreements denominated in U.S. dollars, euros and other currencies:	2021	2020	2019
Citibanamex			
6-month bank loan for 1,566 million, bearing monthly interest at a variable rate (28-day TIIE + 0.15%) The loan principal was repaid in a single installment upon maturity in May 2020.	-	-	83
BBVA Bancomer	-	-	-
6-month promissory note for 1,000 million Mexican pesos, bearing monthly interest at a variable rate (28-day TIIE + 0.55%). The note's principal is repayable in a single installment upon maturity in June 2022.	49	-	-
	3,573	3,666	3,501
Less - Bank loans and current portion of long-term debt	(240)	(495)	(322)
Less - Debt issue costs	(54)	(40)	(50)
	$3,280	**$3,131**	**$3,129**

Some of the Company’s outstanding debt is subject to certain covenants which are outlined below.

Positive Covenants	Negative Covenants	Causes of Early Maturity
Deliver periodic financial information and information on relevant events	Do not modify the predominant line of business	Failure to pay principal and/or interest
Simultaneously with each delivery of financial statements, issue a certificate by the Company signed by a financial officer certifying that no default has occurred in the contracts	Not to merge or liquidate, or sell “important assets” except that, at the time of this and immediately after it is applied, there is no Default and that the Issuer subsists as a corporation.	Deliver false or incorrect relevant information
Issue a document by the Company signed by a financial officer when it becomes aware of the filing or commencement of any action, lawsuit or proceeding by, or before, any arbitrator or government authority against or that affects a company of the Issuer that is reasonably expected to result in a Material Effect	Neither the Company nor any of its Subsidiaries may carry out sale and leaseback operations, except for temporary term leases, including any renewal thereof, of no more than three years, and with the exception of leases between the Company and a Subsidiary. or between Subsidiaries) unless the net proceeds from the sale and leaseback is at least equal to the fair value of the property.	If the early maturity of any instrument or contract is declared that evidences, or derives in, a debt of the Issuer (or subsidiaries) that, individually or as a whole, amounts to an amount equivalent in any currency to at least US$30 million per a later period greater than 30 (thirty) Business Days
Preserve, renew and maintain in full force and effect its legal existence and the necessary permits to carry out its operations	Do not constitute “encumbrances” except for “permitted encumbrances”	If the Company or any of its "important subsidiaries" initiates a process of insolvency or bankruptcy and that subsists more than 60 days
Use the funds for the agreed destination	No company will pay dividends when there is an Event of Default, or when such payment triggers one.	Failure to comply in an amount greater than $50 million in the payment of principal or interest on a debt
Be up to date with your labor and fiscal obligations, including the payment of taxes.	Do not enter into operations with "affiliates" unless they are in market terms or in certain exceptions.	Failure to comply with any obligation to do or not to do in the corresponding contract or instrument
Maintain a pari passu payment priority with respect to other contracted debts	Not modify its shareholding structure in such a way that it implies that the current majority shareholders of the borrower no longer control 51% (fifty-one percent) of the shares representing the share capital of the borrower.	If the Company does not pay the fees of the Mexican Institute of Social Security, Institute of the National Fund for Workers' Housing (in Mexico) or Retirement Savings System (in Mexico) in an amount greater than $50 million
Maintain register and account books in which the complete and correct entries are of all transactions related to their business and activities		If a change of control occurs
Compliance with applicable legislation		Acceleration of other debt for more than $50 million

Positive Covenants	Negative Covenants	Causes of Early Maturity
The Issuer will keep its assets in good condition to carry out its operations, will insure them and will comply with the necessary payments to the different insurers.		If a judgment is entered against the Company that imposes the payment of an amount greater than $50 million and that subsists more than 30 days
		If any of the obligors sues the banks for the invalidity of the credit
		If the Company or any material subsidiary is unable to pay its debts
		Do not allow the personnel designated by the bank to carry out inspections of its records in order to determine compliance with the obligations

The Company is in compliance with all its covenants as of the date of this Report.

Additionally, some of Orbia's financial instruments include other restrictions including the following:

a) Certain restrictions for the existence of new liens.
b) Maintain a consolidated interest coverage ratio no greater than 3.0 times.
c) Maintain a ratio of net debt to earnings before interest, taxes, depreciation and amortization of around 2.0 times.
d) Ensure and maintain property, machinery and equipment in good operating conditions.
e) Comply with all applicable laws, rules, regulations and provisions.

The Company has assumed the obligations of the companies acquired under the financing operations, as a result of the mergers between them and the Company.

In the last three fiscal years, the securities that the Company has registered in the Registry have not undergone significant changes in the rights granted to their holders.

The *Senior Notes* or International Bonds issued in the years 2021, 2012, 2014 and 2017, establish restrictions on the encumbrance or mortgage of properties, assets or securities of the Issuer or its subsidiaries; they also establish restrictions for the sale and subsequent lease of assets relevant to the operation of the business (except temporarily); likewise, the terms of the *Senior Notes* stipulate limitations to the consolidation, merger or transfer of assets of the Issuer.

Hedging of foreign currency obligations

Orbia is exposed to market, operational and financial risks derived from the use of financial instruments such as interest rate, credit, liquidity and foreign exchange risk, which are managed centrally. The Board of Directors establishes and monitors the policies and procedures to measure and manage these risks.

Exchange risk management -– The Company carries out transactions denominated in foreign currency; consequently, it is exposed to fluctuations in the exchange rate, which are managed within the parameters of the approved policies using, where appropriate, forward exchange rate contracts, when they are considered effective.

The book values of the monetary assets and liabilities denominated in foreign currency to which the Entity is mainly exposed, at the end of the reporting period, are as follows:

	Assets			Liabilities		
	2021	2020	2019	2021	2020	2019
Euros	217	197	150	1,301	1,154	1,360
Brazilian real	623	752	408	358	416	243
Mexican pesos	2,789	2,029	1,817	6,560	6,347	6,854
Colombian pesos	365,372	288,536	230,941	475,322	219,561	186,266
Sterling pounds	79	93	108	114	127	157

Foreign currencies expressed in millions

- *Instruments used*

The Company subscribes, on a "case by case" basis, a variety of derivative financial instruments to manage its exposure to foreign exchange risk and interest rates, and ensures that no derivative instrument can be considered speculative. Orbia utilizes the following instruments:

Principal Only-Swaps Contracts - In accordance with currency swap contracts, the Company agrees to exchange Dollar-Euro cash flows of the principal and a fixed rate in dollars, established in said contracts, which allow the Entity to mitigate the risk of variations in exchange rates due to the exposure generated by its investment in euros due to the acquisition of its subsidiaries in Europe Wavin and Vestolit.

Currency Swaps Contracts (Cross Currency Swaps) – According to the currency swap contracts. Orbia agrees to exchange Peso-Dollar flows calculated on the amounts of the notional amounts and the interest established in said contracts, to cover the exposure of its bank debt and in stock certificates in pesos.

Interest rate swap agreements - In accordance with the interest rate swap agreements that cover bank debt, the Entity agrees to exchange a variable interest rate for a fixed interest rate.

Forwards contracts and Exchange rate forwards and options – Orbia enters into Forwards and Exchange rate options in different currencies other than its functional currency in order to hedge the foreign exchange exposure in balance sheet items and results. The hedged items other than the Entity's functional currency are mainly denominated in: Euro (EUR), Pounds (GBP), Israeli Shekel (ILS), Indian Rupee (INR), South African Rand (ZAR) and Turkish Lira (TRY), among others. These contracts have a maturity period of less than one year.

Orbia is an entity whose functional currency is the US dollar. Orbia has issued: debt in Euro Commercial Paper for £101 million pounds maturing in March 2022.

The following financial instruments have been formally designated as hedging transactions for accounting purposes, as follows:

Swaps:

- 5 Principal Only-Swaps U.S dollar-Euro, designated as hedging relationships on a net investment for subsidiaries in Europe.
- 1 Cross Currency Swap U.S dollar- MXN, to hedge bank debt exposure in Mexican pesos.
- 1 Interest Rate Swap in U.S dollar, to exchange variable interest rate for a fixed interest rate.

Forwards:

- As of December 31, 2021, the Entity has 107 active forward contracts.

Orbia has determined that its hedging strategy is highly effective as of December 31, 2021, 2020 and 2019. The Entity uses the "ratio analysis" method using the hypothetical derivative model to simulate the behavior of the hedged item, in which the changes in the fair value of the hedging instruments are compared with the changes in the fair value of the hypothetical derivative that would result in a perfect hedge of the hedged item.

As of December 31, 2021, 2020 and 2019, the fair value of the Foreign Exchange Swaps represents a liability of $48 million, $102 million and $79 million, respectively. Changes in the fair value of these swap contracts were recognized in other comprehensive income and as gains (losses) on foreign exchange transactions.

See Note 12. c of the audited consolidated financial statements included in the Appendices for further detail.

- *Hedging or trading strategies implemented*

Due to its activities in the national and international spheres, the Company is exposed to risks of foreign exchange fluctuations, volatility of prices of inputs from the chemical industry, as well as financial risks related to the financing of its projects.

The Issuer's policy is to use certain hedges that allow it to mitigate the volatility of the prices of certain raw materials and interest rate and exchange rate risks in financial operations, all of them related to its business.

Derivatives are initially recognized at fair value on the date the derivative contract is signed and are subsequently measured at fair value at the end of the reporting period. The Company designates certain derivatives either as hedges of fair value, of recognized assets or liabilities or firm commitments (fair value hedges), hedges of highly probable forecast transactions, or hedges of foreign currency risk of firm commitments (hedges of cash flows), or hedges of the net investment in a foreign operation.

Note 11 of the Consolidated and Audited Financial Statements included in Section 7, Annexes of this Report, includes details on the fair value of the derivative instruments used for hedging purposes.

Lease financial liabilities

The following tables shows lease activity for the previous two years:

Lease liabilities	Amount
Balance of the lease liability as of January 1, 2019	346
Liabilities from new leases	83
Cash outflow for lease payments	(89)
Effect of currency conversion	6
Balance of the lease liability as of December 31, 2020	345
Liabilities from new leases	141
Provisions	(11)
Cash outflows for lease payments	(97)
Effect of currency conversion	(11)
Balance of the lease liability as of December 31, 2021	367
Short-term lease liability	86
Long-term lease liability	281

Figures in millions

	Leases under IFRS 16 "Leases"		
Maturity analysis	**2021**	**2020**	**2019**
One year	$86	$82	$78
Two years	55	53	56
Three years	42	42	41
Four years	43	35	32
more than four years	141	132	138
	$367	$345	$346

Figures in millions

The Company also recognized the follow expenses related to its leases in the past two fiscal years:

	2021	**2020**
Interest expense for lease liabilities	$18	$14
Expense related to short-term leases	31	25
Expense related to low-value asset leases	1	1
	$49	$40

Figures in millions

d) Management's Discussion of the Results of Operation and Financial Situation of the Issuer

The following discussion is based on and should be read in conjunction with Orbia's audited consolidated financial statements and notes thereto, which have been prepared in accordance with IFRS. This management analysis of the Company's results of operations and financial situation must be read in conjunction with its audited consolidated financial statements for the fiscal years ended December 31, 2021, 2020 and 2019, and their respective explanatory notes included in this Annual Report, as well as with the information included in the sections *"See Section 3, "Financial Information", subsection a, "Selected Financial Information", of this Annual Report.*

This section contains statements regarding future or anticipated events, which are subject to various risks. Actual results could differ materially from the results discussed in this section in the context of future events for various reasons, including those factors indicated in *"Section 1, "General Information, item c, "Risk Factors" of this Annual Report.*

The financial figures contained in this Section have been prepared in accordance with International Financial Reporting Standards ("IFRS" or "IFRS"), with the US dollar as the functional and reporting currency. Unless otherwise specified, figures are reported in millions.

Figures and percentages have been rounded and may therefore not add arithmetically.

i. Operating Results

2021 Fiscal Year. Consolidated Income Statement

During fiscal year 2021 Orbia achieved solid financial results with record numbers in sales and EBITDA. The high levels of performance were achieved in accordance with the corporate purpose of promoting life around the world, in an economic environment still affected by the pandemic and uncertainty. The Company established its focus on execution as well as organic growth and through the acquisitions of its business groups. The outstanding financial results were achieved thanks to the dedication of the 22,000 employees to add value to Orbia's clients and shareholders.

In addition to record highs in revenues and cash flows, Orbia maintained a healthy balance sheet and rewarded its shareholders through dividends and share buybacks.

Consolidated statements of income (Figures in millions of US Dollars)	**2021**	**2020**	**Variation %**
Continuous operations:			
Net sales	**8,783**	**6,420**	**36.8%**
Cost of sales	6,156	4,651	32.3%
Gross profit	**2,627**	**1,769**	**48.5%**
Selling and development expenses	573	507	13.0%
Administration expenses	600	508	18.0%
Other expenses, Net	6	33	(82.5%)
Exchange gain	(78)	(102)	(23.3%)
Exchange loss	110	104	5.9%
Interest expenses	248	239	3.9%
Interest income	(16)	(10)	54.5%
Change in fair value of redeemable non-controlling interest	28	10	186.9%
Monetary position profit	4	1	182.1%
Participation in the results of associates	(1)	(1)	68.7%
Earnings before income taxes	1,154	479	140.8%
Income taxes	381	151	152.8%
Income from continuing operations	773	328	135.2%
Discontinuous operations:			
Income (loss) from discontinued operations, Net	(0)	(10)	(96.1%)
Consolidated net income for the year	**772**	**319**	**142.2%**
Consolidated net income for the year:			
Controlling interest	657	195	237.5%
Noncontrolling interest	115	124	(7.3%)
	772	**319**	**142.2%**

Net Sales

Orbia's revenues grew 37% during 2021, reflecting the recovery of the global economy and a growing demand for the Company's products. The main reasons for the year-on-year increase include the strong results of Polymer Solutions due to higher PVC prices and Building & Infrastructure which benefited from higher demand.

By region, the sales growth in Europe was 39%, North America was 40% and South America was 56%.

The revenue change by business group was as follows:

- Polymer Solutions: 2021 sales grew 58% compared to the prior year to $3,438 million.
- Fluorinated Solutions: 2021 sales grew 7% compared to the prior year to $744 million.
- Building & Infrastructure: 2021 sales grew 41% compared to the prior year to $2,922 million.
- Data Communications: 2021 sales grew 36% compared to the prior year to $994 million.
- Precision Agriculture: 2021 sales grew 16% compared to the prior year to $1,126 million.

Cost of sales

The cost of sales grew 32% in 2021 to $6,156 million, due mainly to the higher cost of raw materials and higher volumes sold, and, to a lesser extent, to increases in freight and labor costs in all business groups.

Gross profit

Due to the significant increase in revenue only partially offset by the smaller increase in cost of sales and operating expenses, Orbia recorded an operating profit of $1,449 million in 2021 which was 101% higher than the prior year, while operating margin grew from 11.2% in 2020 to 16.5% in 2021.

EBITDA

During 2021, EBITDA of $2,047 million increased 55% compared to 2020 and EBITDA margin increased approximately 280 basis points to 23.3%. The increase in EBITDA during 2021 was mainly due to Polymer Solutions and Building & Infrastructure.

Net financial expense and variation in the exchange rate

The net financial cost of 2021 was $265 million, an increase of 15% compared to 2020, derived from foreign exchange losses related to the depreciation of the Turkish Lira, the Mexican Peso and the Colombian Peso, as well as the impact of the valuation of the put options held by the minority shareholders of the operating entities of Netafim and Shakun Polymers. Additionally, the increase includes a non-recurring charge associated with early debt withdrawal during the year.

Income tax

During 2021, taxes were $381 million, an increase of 153% compared to 2020. The full-year tax rate was 33.0%, representing an increase of approximately 160 basis points compared to 2020. The increase in taxes and the tax rate, are mainly due to the impairment of certain tax assets, an increase in profit before taxes, and the geographic mix of profits. In addition to these factors, for the full year, foreign exchange losses incurred in Mexico are included in the Company’s tax calculations, as well as inflationary adjustments in tax profit in Mexico.

Majority net income

During 2021, the Company’s controlling net income increased by 238% compared to 2020 to reach $657 million. The majority net margin incomed increased from 3% in 2020 to 7.5% in 2021. Both increases are driven by the movements in the other income statement line items discussed above.

Fiscal Year 2020. Consolidated Operating Results

Amid the global impact of the COVID-19 pandemic, Orbia's business model demonstrated its resilience, achieving high profitability and robust free cash flow generation.

The Company’s consolidated statements of income for 2020 compared to 2019 are included below.

Consolidated statements of income **(Figures in millions of US Dollars)**	**2020**	**2019**	**Variation %**
Continuous operations:			
Net sales	**6,420**	**6,987**	(8.1%)
Cost of sales	4,651	5,114	(9.1%)
Gross profit	**1,769**	**1,873**	(5.6%)
Selling and development expenses	507	539	(5.9%)
Administration expenses	508	468	8.6%
Other expenses, Net	33	43	(22.9%)
Exchange gain	(102)	(49)	105.8%
Exchange loss	104	68	53.4%
Interest expenses	239	272	(12.3%)
Interest income	(10)	(14)	(28.7%)
Change in fair value of redeemable non-controlling interest	10	18	(47.5%)
Monetary position profit	1	(0)	(1051.0%)
Participation in the results of associates	(1)	(4)	(79.1%)
Earnings before income taxes	479	533	(10.0%)
Income taxes	151	206	(26.6%)
Income from continuing operations	328	327	0.4%
Discontinuous operations:			
Income (loss) from discontinued operations, Net	(10)	(0)	8925.2%
Consolidated net income for the year	**319**	**327**	(2.5%)
Consolidated net income for the year:			
Controlling interest	195	207	(5.8%)
noncontrolling interest	124	120	3.3%
	319	**327**	(2.5%)

Net Sales

Orbia's net sales in 2020 were $6.42 billion. Revenues decreased 8% compared to the previous year, due to the negative impact of the COVID-19 pandemic, mainly in the second quarter, which was not fully offset by the strong rebound in the second half of the year.

The revenue change by business group was as follows:

- Polymer Solutions: Net sales were $2,171 million, down 7% from 2019, due to lower sales volume as a result of the pandemic and the availability of VCM, partially offset by higher derivatives volume, mainly in the cleaning industry.
- Fluorinated Solutions: Net sales totaled $698 million, down 13% from 2019, as a result of the impact of illegal imports in the refrigerant business to Europe and the impact of COVID -19 on global volumes and prices.
- Building & Infrastructure: Revenues from this business group fell 8% to $2,071 million due to the impact of the COVID-19 pandemic in the second quarter, which was partially offset by the recovery in the second half of the year.
- Data Communications: Net sales decreased 2% to $732 million, reflecting project delays due to COVID-19 primarily in Europe, India, the Middle East and Latin America, partially offset by increased sales in USA and Canada.
- Precision Agriculture: Sales of $972 million, down 9% from 2019, mainly due to the impact of COVID, especially during the first half of the year, which was partially offset by strong growth in the US, Middle East, China and Australia in the remainder of the year.

Cost of sales

Cost of sales decreased from $5,114 million in 2019 to $4,651 million in 2020 due mainly to the impact of lower sales as result of the COVID-19 pandemic. As a percentage of sales, cost of sales decreased from 73.2% in 2019 to 72.5% in 2020 or a reduction of 74 basis points as a result of additional cost containment efforts.

During 2021, the Company reclassified certain amounts related to Direct Storage and Shipping of approximately $78 million in 2020 and $85 million in 2019, from the selling, general and administrative expense account to cost of sales.

Gross profit

Gross profit for 2020 decreased to $1,769 million when compared to the figure of $1,873 million in 2019, which represented a decrease of 5.6%.

Operating expenses

Operating expenses remained relatively flat in 2020 vs. 2019.

EBITDA

In 2020, EBITDA totaled $1,318 million, down 3% compared to 2019 due to a sustained recovery starting in Q3 led by Vestolit and Wavin, which was complemented with cost management initiatives across all businesses. EBITDA margin increased 100 basis points, reaching 20.5%.

Net financial expense and variation in the exchange rate

In 2020, net financing costs decreased 16% to $231 million. This reduction was mainly due to a more efficient financing strategy in terms of lower costs, and leverage at the end of 2020 and a significant reduction in interest rates. Additionally, Orbia had additional non-recurring charges related to its lines of credit in 2010 that did not recur in 2020.

Income tax

2020 income taxes were $151 million, down from $206 million in 2019.

Majority net income

In 2020, Orbia's net income decreased 5.8% to $195 million while the majority net margin increased 8 basis points to 3.0%.

Operating results by business group

The following tables show the results of each of our business groups and the reconciliation of these with our consolidated results of operations for the periods mentioned below.

	Year ended December 31, 2021				
Business Group	**Net sales**	**Cost of sales**	**Gross profit**	**Operating expenses**	**EBITDA**
Polymer Solutions	3,438	2,344	1,094	218	1,134
Fluorinated Solutions	744	473	271	88	244
Building & Infrastructure	2,922	2,183	739	456	424
Data Communications	994	765	229	127	134
Precision Agriculture	1,126	804	322	275	146
Controlling Entity	215	106	109	133	(18)
Eliminations	(656)	(519)	(136)	(119)	(17)
Total	**8,783**	**6,156**	**2,627**	**1,178**	**2,047**

	Year ended December 31, 2020				
Business Group	**Net sales**	**Cost of sales**	**Gross profit**	**Operating expenses**	**EBITDA**
Polymer Solutions	2,171	1,764	406	182	462
Fluorinated Solutions	698	407	291	98	254
Building & Infrastructure	2,071	1,565	506	380	261
Data Communications	732	498	235	94	173
Precision Agriculture	972	643	329	240	181
Controlling Entity	184	109	75	128	(14)
Eliminations	(408)	(334)	(74)	(74)	-
Total	**6,420**	**4,651**	**1,769**	**1,048**	**1,318**

	Year ended December 31, 2019				
Business Group	**Net sales**	**Cost of sales**	**Gross profit**	**Operating expenses**	**EBITDA**
Polymer Solutions	2,334	1,900	434	224	443
Fluorinated Solutions	805	434	371	104	325
Building & Infrastructure	2,239	1,718	520	379	272
Data Communications	749	544	205	89	146
Precision Agriculture	1,063	716	347	255	179
Controlling Entity	97	(1)	98	102	-
Eliminations	(300)	(198)	(102)	(102)	-
Total	**6,987**	**5,114**	**1,873**	**1,050**	**1,365**

Polymer Solutions Business Group

	Year ended December 31,	
Polymer Solutions [(1)]	**2021**	**2020**
Net sales	3,438	2,171
Cost of sales	2,344	1,764
Gross profit	1,094	406
Operating expenses	218	182
EBITDA	1,134	462

(1) Figures in Millions of Dollars

Net sales

2021 sales in Polymer Solutions grew 58% to $3,438 million. Polymer Solutions maintained PVC price leverage, resulting from robust demand in the construction industry and a continued tight supply/demand environment. Sales performance in key markets exceeded pre-pandemic levels, complemented by increased compounds prices and the inclusion of the majority interest of Shakun Polymers beginning in the second quarter of 2021.

Cost of sales

Polymer Solutions cost of sales increased 33%, from $1,764 million in fiscal year 2020 to $2,344 million in 2021, and i decreased as a percentage of sales from 81% in 2020 to 68% in 2021, as sales prices outpaced the increase in raw material costs.

Gross profit

The gross profit of the business group increased 169% in 2021 to $1,094 million. while gross margin increased from 19% in 2020 to 32% in 2021 due to higher sales prices that outpaced the increase in raw material costs and higher demand.

Operating expenses

In 2021, the business group's operating expenses increased 20% to $218 million due to higher incentives, however decreased from 8% as a percentage of sales to 6% in 2021 as the operating expenses did not outpace increases in revenues.

EBITDA

Full year 2021 EBITDA of $1,134 million increased 145% and EBITDA margin increased 1,170 basis points to 33.0% compared to 2020 driven by the robust sales growth discussed above.

Fluorinated Solutions Business Group

Fluorinated Solutions (Koura) [1]	Year ended December 31, 2021	2020
Net sales	744	698
Cost of sales	473	407
Gross profit	271	291
Operating expenses	88	98
EBITDA	244	254

(1) Figures in Millions of Dollars

Net sales

Fluorinated Solutions revenues for 2021 were $744 million, an increase of 7% compared to fiscal 2020. The growth in sales reflected an improvement in the product mix and prices of all product lines, especially in refrigerants, hydrofluoric acid and metallurgical grade fluorite.

Cost of sales

The cost of sales of this business group increased 16% in 2021 from $407 million in 2020 to $473 million in 2021. The increase reflected higher costs of raw materials and freight, as well as strategic investments to promote business growth. In 2021, the cost increase exceeded the impact of higher prices and a more favorable product mix.

Gross profit

In 2021, the cost of sales increase exceeded the sales impact of higher prices and a more favorable product mix which caused gross profit to decrease 7% to $271 million and the business groups operating margin to decrease from 42% in 2020 to 36% in 2021.

Operating expenses

Fluorinated Solutions operating expenses decreased 10% in 2021 to $88 million due to lower expenses related to consulting and external services.

EBITDA

Fluorinated Solution's EBITDA decreased 4% to $244 million and EBITDA margin decreased approximately 360 basis points to 32.9% compared to 2020, reflecting the higher raw material and supply chain costs and strategic investments to support the growth of the business.

Building & Infrastructure Business Group

Building & Infrastructure (1)	Year ended December 31, 2021	2020
Net sales	2,922	2,071
Cost of sales	2,183	1,565
Gross profit	739	506
Operating expenses	456	380
EBITDA	424	261
(1) Figures in Millions of Dollars		

Net sales

In 2021, Building & Infrastructure sales were $2,922 million, representing growth of 41% compared to the previous year. The performance was in line with a more normalized market environment, following a period of logistical disruptions and product shortages earlier in the year. Sales volumes during the first half of the year were particularly strong as the business benefited from being able to source PVC through the Polymer Solutions business during this period of raw material shortages. The second half of the year saw a return to a more normalized market environment, with increased availability of PVC.

Cost of sales

For 2021, the cost of sales of the business group increased 39% to $2,183 million compared to $1,565 million in fiscal year 2020 due mainly to higher raw material costs.

Gross profit

Building & Infrastructure gross profit increased 46% to $739 million in 2021., whereas the gross margin of this business group increased from 24% in 2020 to 25% in 2021 as the business group was able to increase sales volumes and prices.

Operating expenses

Building & Infrastructure operating expenses as a percentage of sales decreased from 18% in 2020 to 16% in 2021 as the business group was able to manage costs during this period of sales growth.

EBITDA

2021 EBITDA of $424 million increased 63% and EBITDA margin increased approximately 190 basis points to 14.5% compared to 2020, driven by the strong sales volumes and effective cost management measures discussed above.

Data Communications Business Group

Data Communications (1)	Year ended December 31, 2021	2020
Net sales	994	732
Cost of sales	765	498
Gross profit	229	235
Operating expenses	127	94
EBITDA	134	173
(1) Figures in Millions of Dollars		

Net sales

Data Communications revenues increased 36% in 2021 to$994 million driven by sales growth in North America and Europe due to higher prices reflecting input cost increases, continued strong market demand, enhanced sales coverage and new fiber deployment projects.

Cost of sales

Cost of sales increased 54% in 2021 to $765 million following historically low raw material prices in 2020.

Gross profit

Data Communications' gross profit decreased 2% in 2021 to $229 million while the gross margin of the business group decreased from 32% in 2020 to 23% in 2021 driven by the lag in pass-through of higher raw material costs, and an unfavorable comparison to a historically low year for raw material cost.

Operating expenses

Data Communications operating expenses grew 35% to $127 million in line with the general sales growth of the business.

EBITDA

2021 EBITDA reflected the lag impact incurred during the first three quarters of the year, during which price adjustments were unable to fully offset the impact of cost increases. These results contrast with the extraordinary levels of the EBITDA margin achieved during 2020, which were due to historically low prices in raw materials.

Precision Agriculture Business Group

	Year ended December 31,	
Precision Agriculture (1)	**2021**	**2020**
Net sales	1,126	972
Cost of sales	804	643
Gross profit	322	329
Operating expenses	275	240
EBITDA	146	181

(1) Figures in Millions of Dollars

Net sales

Precision Agriculture's sales in 2021 increased 16% to $1,126 million, due to growing demand in most parts of the world, with the exception of India, which continues to show weakness due to COVID-19. The recent acquisition of the business group, Gakon Horticultural Projects, also contributed to the growth in sales.

Cost of sales

Cost of sales in 2021 increased 25% to $804 million due to an increase in raw material costs and freight expenses during the year that was not passed through fully in customer prices.

Gross profit

As a result of the increased costs outpacing revenue growth, the Business Group's gross profit decreased by 2% during 2021 to $322 million while gross margin decreased from 34% in 2020 to 29% in 2021.

Operating expenses

Precision Agriculture operating expenses increased 15% to $275 million in 2021 commensurate with the growth in sales and also impacted by non-recurring items including certain provisions recorded in India.

EBITDA

EBITDA was $146 million, decreasing 20% and EBITDA margin decreased 570 basis points to 13% compared to 2020 as the business experienced increasing raw material and transportation costs throughout the year, which have not yet been fully reflected in selling prices. Additionally, EBITDA was impacted by approximately $26 million of one-time charges related to a project in Ethiopia and provisions recorded in India due to sustained pressure from COVID-19 and decisions by local governments to delay certain projects. Excluding non-recurring impacts, the EBITDA margin for the year was 15.2%, representing a decrease of approximately 340 basis points compared to 2020.

Year ended December 31, 2020, compared to year ended December 31, 2019

Polymer Solutions Business Group

PolymerSolutions [1]	Year ended December 31,	
	2020	**2019**
Net sales	2,171	2,334
Cost of sales	1,764	1,900
Gross profit	406	434
Operating expenses [2]	182	224
EBITDA	462	443

(1) Figures in Millions of Dollars

Net sales

In 2020, Polymer Solutions net sales were $2,171 million, a decrease of 7% compared to 2019, due to lower volume as a result of the pandemic and the availability of VCM, partially offset by higher volume of Derivatives, mainly in the cleaning products sector.

Cost of sales

Cost of sales decreased 7.1% to $1,764 million in fiscal year 2020, which was in line with the decrease in sales. ***Gross profit***

The gross profit of this business group as a percentage of sales remained consistent at approximately 19% in both 2020 and 2019.

Operating expenses

Operating expenses decreased 18.5% to $182 million in 2020, as a result of cost containment efforts in the business.

EBITDA

Polymer Solutions' EBITDA was $462 million, increasing 4% compared to 2019. EBITDA margin was 21.3%, increasing 229 basis points, due to higher PVC margins, mainly in the last quarter, as well as lower electricity costs.

Fluorinated Solutions Business Group

Fluorinated Solutions (Koura) [1]	Year ended December 31,	
	2020	**2019**
Net sales	698	805
Cost of sales	407	434
Gross profit	291	371
Operating expenses [2]	98	104
EBITDA	254	325

(1) Figures in Millions of Dollars

Net sales

In 2020, net sales totaled $698 million, down 13%, as a result of the impact of illegal imports on the refrigerant business in Europe and the impact of COVID-19 on global volumes and prices.

Cost of sales

The cost of sales of this business group decreased 6.3% in the year outpacing the decrease in sales despite significant operational improvements.

Gross profit

Gross profit decreased 21.5% in 2020 to $291 million due to the impact of lower net sales discussed above.

Operating expenses

The operating expenses of the Fluorinated Solutions decreased 6.1% during the year as a result of cost containment measures in the business.

EBITDA

The 2020 EBITDA for Fluorinated Solutions was $254 million, a reduction of 22% compared to the figure of $325 million registered in the year 2019. The 2020 EBITDA margin was 36.4%, decreasing 389 basis points. Throughout the year, significant operational improvements were made, and costs were managed in a manner to offset difficult market conditions.

Building & Infrastructure Business Group

	Year ended December 31,	
Building & Infrastructure'	**2020**	**2019**
Net sales	2,071	2,239
Cost of sales	1,565	1,718
Gross profit	506	520
Operating expenses	380	379
EBITDA	261	272
(1) Figures in Millions of Dollars		

Net sales

Net revenues of $2,071 million decreased 8% on the back of severe COVID-19-related impacts in the second quarter, which partially reversed in the second half of 2020.

Cost of sales

Cost of sales decreased $153 million or 9%, generally in line with decrease in new sales. Additionally, the Company reclassified certain amounts related to Direct Storage and Shipping for approximately $78 million in 2020 and $85 million in 2019, from the selling, general and administrative expense account to cost of sales account.

Gross profit

Building & Infrastructure gross profit in 2020 decreased by 2.7% due to lower sale as discussed above.

Operating expenses

Operating expenses remained relatively flat in 2020 when compared to 2019.

EBITDA

EBITDA totaled $261 million, decreasing 4%, while the margin stood was 12.6%, increasing 58 basis points. EBITDA for the second half of 2020 was better than the previous year, due to cost savings, effective price management and the continued change of the product mix towards value-added products.

Data Communications Business Group

Data Communications (1)	Year ended December 31, 2020	2019
Net sales	732	749
Cost of sales	498	544
Gross profit	235	205
Operating expenses	94	89
EBITDA	173	146
(1) Figures in Millions of Dollars		

Net sales

In 2020, net sales decreased 2% to $732 million, reflecting project delays due to the effects of the pandemic in Europe, India, the Middle East and Latin America, partially offset by increased sales in USA and Canada.

Cost of sales

During the first half of 2020, the prices of some raw materials decreased, which, in addition to the cost and expense containment program implemented, helped reduce cost of sales 8.6%.

Gross profit

Gross profit increased 15% driven by the reduction in the cost of sales.

Operating expenses

Data Communications operating expenses increased 6% to $94 million, which included non-cash write-offs associated with the footprint optimization initiative at this business.

EBITDA

2020 EBITDA of $173 million increased 19%, driven by a favorable product mix and lower raw material costs in the first half of the year. EBITDA margin of 23.7% expanded 381 basis points.

Precision Agriculture Business Group

Precision Agriculture	Year ended December 31, 2020	2019
Net sales	972	1,063
Cost of sales	643	716
Gross profit	329	347
Operating expenses	240	255
EBITDA	181	179
(1) Figures in Millions of Dollars		

Net sales

In 2020 Precision Agriculture net sales totaled $972 million, for a decrease of 9%, mainly due to the impact of the COVID-19 epidemic, especially during the first half of the year, which was partly offset by strong growth in the US, Middle East, Africa, China and Australia.

Cost of sales

Cost of sales decreased 10% to $643 million due to the cost of some inputs decreasing in the first half of 2020.

Gross profit

The Precision Agriculture business generated a gross profit of $329 million in 2020, which represented a decrease of 5% driven by the negative impact of COVID-19 in the year 2019.

Operating expenses

Precision Agriculture achieved a 6% reduction in its operating expenses from $255 million in 2019 to $240 million in 2020.

EBITDA

EBITDA amounted to $181 million, increasing 1%, mainly driven by higher gross margins, reflecting commercial and operational excellence initiatives, as well as lower operating expenses. The EBITDA margin was 18.6%, increasing by 178 basis points.

ii. Financial Condition of the Company, Liquidity and Capital Resources

Orbia continued to strengthen its balance sheet during 2021, generating free cash flow of $572 million during the year. The Company's leverage ratio decreased from 2.09 times to 1.34 times, year over year.

Working capital increased by $479 million during the year, reflecting higher sales prices and increased inventory costs. Throughout 2021, Orbia made CAPEX investments of $311 million, an increase of 36% compared to 2020.

The average maturity of the Company's debt is 14.8 years, while the average cost of debt is 4.1%. The next relevant expiration for Orbia is in 2026.

Orbia paid back $365 million to shareholders, through dividends of $199 million and share repurchases of $166 million. In accordance with the approval granted by its shareholders, the Company has canceled 90 million of its shares in treasury during the year 2021.

In 2021 Orbia decreased its loan balance by $94 million when compared to the prior year.

In fiscal year 2021 Orbia covered its liquidity needs using its generation of cash flows from ordinary business operations, financing through loans and the issuance of debt securities in international markets.

Liquidity Ratios	2021	2020	2019
Current assets / short-term liabilities	1.41	1.22	1.11
Current assets - inventories / short-term liabilities	0.92	0.89	0.78
Current assets / total liabilities	0.52	0.45	0.41

The Company has financing needs mainly related to the following objectives:

- Working capital;
- Payment of interest, from time to time, related to the current debt;
- Capital investments related to its operations, construction of new plants, maintenance of facilities and expansion of plants;
- Funds required for the acquisition of companies that align with Orbia's strategy;
- Payment of dividends; and
- Repurchase of shares.

As described above, Orbia's main sources of liquidity have historically been the following:

- Cash generated from the Company's operations;
- Cash from short, medium and long term financing;
- Capital increases; and
- Disposal of assets, property or business of the Company.

Planned sources and uses of cash

At the close of 2021, Orbia has access to a committed Revolving Line of Credit with an available balance of $1,000.

Additionally, the Company has a Commercial Paper Program for up to €750 million, of which as of December 31, 2021 it had drawn down €101 million, for which it can issue €649 million with maturities of less than one year.

Cash Flows

Cash flows generated by (used in) operating activities

In 2021, 2020 and 2019, Orbia's cash flows from operating activities were $1,235, $1,093 and $1,083 million, respectively.

In 2021, cash flows generated by operating activities derived mainly from:

- $1,752 million of income before income taxes, depreciation and amortization;
- A reduction of $563 million due to net changes in working capital;
- $248 million for interest paid; and
- An increase of $202 million in other items.

In 2020, cash flows generated by operating activities derived mainly from:

- $1,077 million of income before income taxes, depreciation and amortization;
- An increase of $92 million due to net changes in working capital;
- $239 million interest paid; and
- An increase of $314 million in other items.

In 2019, cash flows generated by operating activities derived mainly from:

- $1,075 million of income before income taxes, depreciation and amortization;
- A decrease of $(136) million due to net changes in working capital;
- $272 million interest paid; and
- An increase of $128 million in other items.

Cash flows generated by (used in) investing activities

In 2021, 2020 and 2019, cash flows used in investing activities were $(344) million, $(219) million and $(274) million, respectively.

In 2021, the cash flows generated by (used in) investing activities were:

- Acquisition of subsidiaries, net of cash acquired $(48) million;
- The acquisition of machinery and equipment for the amount of $(286) million;
- Investment in other assets and intangibles $(27) million; and
- The sale of machinery and equipment for the amount of $18 million.

In 2020, cash flows generated by (used in) investing activities consisted of:

- The acquisition of machinery and equipment for the amount of $(204) million;
- Investment in other assets and intangibles $(31) million;
- The sale of machinery and equipment for the amount of $21 million; and
- The acquisition of participation in associate $(4) million.

In 2019, cash flows generated by (used in) investing activities consisted of:

- The acquisition of machinery and equipment for the amount of $(261) million;
- Investment in other assets and intangibles $(36) million; and
- The sale of machinery and equipment for the amount of $23 million.

Cash flows generated by (used in) financing activities

In 2021, 2020 and 2019, cash flows generated by (used in) our financing activities were $(962) million, $(562) million and $(894) million, respectively.

In 2021, our main uses of cash flows generated by (used in) financing activities consisted of:

- $(271) million in interest payments;
- $(97) million for lease payments;

- $(200) million in dividend payments;
- $(135) million for distribution to non-controlling interest in capital of subsidiary
- $(166) million for the acquisition of own shares; and
- $(94) million in payment amounts net of credits.

In 2020, the main uses of cash flows generated by (used in) financing activities consisted of:

- $(231) million in interest payments;
- $(89) million for lease payments;
- $(230) million in dividend payments;
- $(142) million for distribution to non-controlling interest in capital of subsidiary
- $(42) million for the purchase of shares; and
- $173 million in net amount of loans obtained.

In 2019, the main uses of cash flows generated by (used in) financing activities consisted of:

- $(276) million in interest payments;
- $(92) million for lease payments;
- $(218) million in dividend payments;
- $(151) million for distribution to non-controlling interest in capital of subsidiary
- $(40) million for the purchase of shares; and
- $(117) million paid in net loan amounts.

Effect of the gain (loss) on the exchange rate of our cash and cash equivalents.

In 2021, 2020, and 2019 the effect of the foreign exchange gain (loss) on our cash and cash equivalents was $(22) million, $(24) million, and $(29) million, respectively.

Contingent asset

As of December 31, 2021, there are no relevant Contingent Assets.

Contingent liability

From time to time, the Entity is a party to certain legal matters, including those discussed below.

Natural Gas Distribution Matter

On April 20, 2021, Dura-Line Corporation's natural gas distribution business stopped the shipment and sales of small diameter natural gas distribution (NGD) pipelines, defined as distribution pipelines. (NGD) 1.5-inch and smaller, sold for use primarily in the United States, for the purpose of investigating a possible quality problem. This issue does not affect larger diameter NGD pipe (ie 2 inches or larger) or Dura-Line Datacom guide products.

The natural gas distribution business, now operated through PolyPipe LLC ("PolyPipe"), and its advisors have conducted a comprehensive analysis of the issue. As part of that analysis, PolyPipe has determined that the affected NGD pipe had short, localized segments where the pipe walls thinned below specification. PolyPipe has further determined that the problem occurred intermittently and estimates that it affected less than 1% of the small diameter NGD pipe produced by Dura-Line at its plant in Gainesville, Texas. PolyPipe has concluded that the issue would impact the amount of time the affected pipe is expected to withstand constant internal gas pressures over the course of its use and that it would impair the performance of the affected pipe if the pipe were to be damaged. subjected to axial load. However, PolyPipe has had no reports of bugs, leaks, or other performance issues associated with this issue.

PolyPipe has informed its NGD customers and relevant regulators and will continue to communicate and collaborate closely with potentially affected parties and others as appropriate and necessary. Polypipe has resumed shipping and selling small diameter NGD pipe at its Erwin, Tennessee facility with improved monitoring, production and quality processes. PolyPipe is allowing its direct and indirect customers to return potentially affected pipe for a refund.
PolyPipe has received compensation claims from certain direct and indirect customers for the costs associated with addressing the problem, including the removal and replacement of potentially affected installed pipe. PolyPipe may receive additional claims for compensation in the future which may result in litigation and could give rise to potential material liability.

Wolkaite Project

Netafim Ltd. is currently involved in a government irrigation project in the Tigray region of Ethiopia called (the Wolkaite project), which is in an advanced stage. The client is the Ethiopian Sugar Corporation (ESC). Due to civil unrest, a state of emergency has been in effect in the region since November 4, 2020.

In late November 2020, Netafim notified ESC, the Lender, insurers and other stakeholders that a force majeure event had occurred as a result of the ongoing civil unrest, suspending Netafim's obligations under the agreement. draft.

Under the original project agreement, if force majeure conditions continue for an extended period, each party would have the right to terminate the agreement.

On July 1, 2021, the parties signed a Memorandum of Understanding (the MOU) that suspended until December 31, 2021, the right to cancel the project agreement due to a force majeure event. in progress.

The MOU also establishes a period for the parties to assess the status of the project and try to reach an agreement to resume the project.

Currently, all parties are cooperating and monitoring the situation. In addition to potential costs resulting from project delays and possible damage to the existing project, it is possible that Netafim may incur additional liabilities in certain scenarios.

Jain antitrust complaint

In 2018, Irrigation Inc., Irrigation Design & Construction LLC. (IDC) and Agri Valley Irrigation LLC. (AVI) ("Jain Parties"), filed antitrust lawsuits in United States federal and state court in California alleging that Orbia's Precision Agriculture business, along with other manufacturers and distributors, participated in a group boycott against Jain Parties in alleged violation of state and federal antitrust laws. Jain dropped his federal case in June 2019, but continued his state antitrust claims, which are currently in the discovery stage. Netafim has filed cross state and federal complaints against Jain. The state trial is scheduled to begin on February 10, 2023. Netafim intends to vigorously enforce its rights and does not anticipate that this matter will result in material liabilities for the Company.

Other issues

In addition to the matters discussed above, Orbia is party to litigation that it considers routine and incidental to the business. The Company does not expect the results of any of these litigation matters to have a material effect on the Entity's business, results of operations, financial condition or cash flows.

Treasury Policies

The Orbia Treasury function maintains as a policy intended to ensure sufficient liquidity to enable the Company to make necessary investments in its operations.

Due to the nature of its operations, Orbia and its subsidiaries maintain bank and investment accounts both in local currency according to the countries in which it operates and in US Dollars.

The Company maintains its cash positions deposited or invested in short-term financial instruments (less than 1 month) in financial entities that meet the characteristics of high credit quality, level of liquidity and profitability. The selection of counterparties and investment instruments adheres to the principles of diversification, prudence, non-speculation, and the guidelines contained in the company's Code of Ethics and those established by agreement of the Finance Committee and the Audit Committee.

Tax debts

Neither the Company nor any of its subsidiaries have outstanding tax obligations as of December 31, 2021.

Research and development

The Company's ability to compete in the Mexican market and in foreign markets depends on its ability to integrate new production processes and new products acquired and developed by third parties, prior to their acquisition, in order to reduce costs and increase profitability of company acquisitions. Orbia has 19 research and development centers, as well as 8 training centers for the development of these activities.

Relevant Transactions not Recorded in the Balance Sheet and Income Statement

As of the date of this Annual Report, the Company has no relevant transactions not recorded in the Balance Sheet or the Income Statement of the Company. Orbia does not consolidate acquired companies until the related transactions have closed, subject to approval by competition authorities, when applicable.

iii. Internal control

Orbia's bylaws provide for the existence of the Audit and Corporate Practices Committees, intermediate corporate bodies constituted in accordance with the Applicable Legislation in order to assist the Board of Directors in the performance of its functions. Through the aforementioned committees and the External Auditor, reasonable assurance is granted that the transactions and acts carried out by the Company are executed and recorded in accordance with the terms and parameters established by the Board of Directors and the governing bodies of Orbia, by the Applicable Legislation and by the different general guidelines, criteria and applicable financial information standards (IFRS).

Corporate governance

Orbia is governed by corporate governance principles that frame its operations and support its results. As a public company listed on the BMV, we adhere to Mexican legislation and, specifically, to the LMV. We also adhere to the principles established in the Code of Principles and Best Practices of Corporate Governance, endorsed by the Business Coordinating Council.

To determine the corporate strategy, define and supervise the implementation of the values and vision that identify us, as well as approve transactions between related parties and those that are carried out in the ordinary course of business in accordance with its bylaws, the Board of Directors is supported by the Audit and Corporate Practices and Corporate Practices and Sustainability Committees. All members of the Audit Committee are independent, whereas the majority of the Sustainability Committee members are independent.

Audit Committee

The functions of the Audit Committee include the following: evaluating the company's internal control and internal audit systems to identify any significant deficiencies; monitor the corrective or preventive measures that are adopted in the event of any non-compliance with the operating and accounting guidelines and policies; evaluate the performance of external auditors; describe and evaluate the services of external auditors, not related to the audit; review the company's financial statements; evaluate the effects resulting from any modification to the accounting policies approved during the fiscal year; follow up on the measures adopted in relation to the observations of shareholders, directors, relevant directors, employees or third parties on accounting, internal control systems and internal and external auditing, as well as any claim related to irregularities in the administration, including methods anonymous and confidential for the management of reports expressed by employees; and to monitor compliance with the agreements of the general meetings of shareholders and the Board of Directors.

Corporate Practices and Sustainability Committee

In February 2020, the Corporate Practices Committee was renamed the Corporate Practices and Sustainability Committee to reflect its mandate to oversee sustainability matters for the Company.

The Corporate Practices and Sustainability Committee is a committee of the Orbia Board of Directors, constituted in compliance with and for the purposes set forth in Articles 25, 42 and 43 of the Securities Market Law (the “Law” or “LMV”) and Article Forty-four of Orbia's Bylaws

The main purpose of the Sustainability and Corporate Practices Committee is to fulfill the responsibilities delegated by the Board and assist the Board in fulfilling its responsibilities to:

1. Consider, evaluate and make recommendations to the Board of Directors on the appropriate size, functions, needs and performance of the Board of Directors and its Committees,
2. Advise and supervise the relevant sustainability strategies, policies and programs of the Company,
3. Consider and supervise corporate governance issues,
4. Determine and monitor the Company's compensation philosophy,
5. Set the compensation of the Chief Executive Officer of the Company ("CEO") and the other executive officers of the Company who report directly to the Chief Executive Officer (the "Executive Leadership Team" or "ELT"),
6. Administer the Company's capital incentive plans, and
7. Overseet of the Company's leadership succession planning and talent development efforts.

Likewise, the Committee will have the functions of proposing to the Board of Directors and the Shareholders' Meeting the candidates to be proposed for the election of members of the Board of Directors. In selecting candidates for election to the Board of Directors, the Committee recognizes the importance of diversity among the members of its Board of Directors, to reflect differences in perspectives, skills, international and industry experience, background, ethnicity, gender and other attributes.

The Committee must be made up of at least three members of the Board of Directors. The Chairman of the Committee is elected by the vote of the Company's Shareholders.

Information for investors

One of the Company's fundamental objectives is to ensure that shareholders and investors have sufficient information to be able to evaluate the performance and progress of the organization. The Company accomplishes this through its Investor Relations function and related information provided on its company website. In addition, the shareholders of the Company have various mechanisms to communicate their opinions, doubts or concerns to the Board of Directors through:

1) Shareholders' Meeting
2) Investor Relations Area
3) Conferences in which the Company participates, the presentation of which can be found on the Orbia website
4) Meetings with analysts, banks, shareholders, investors, rating agencies and financial market participant.

The Company has established guidelines to enable it to meet the following additional objectives:

- Protect and increase the assets of investors
- Issue reliable, timely and reasonable information
- Delegate authority and assign responsibilities to achieve the goals and objectives set
- Document the organization's business practices i
- Provide administrative control methods that help supervise and monitor compliance with policies and procedures

There are defined controls for policies related to marketing as well as operational guidelines related to human resources, treasury, accounting, legal, tax and IT, among others.

Some of the most critical Internal Control Policies and Procedures are briefly described below:

Human Resources

The Company relies on the knowledge, experiences, motivation, skills, attitudes and abilities of its people to achieve its objectives. In this sense, it has policies and procedures that regulate the recruitment, selection, hiring and induction of all personnel; as well as their training, promotion, compensation and assistance. Likewise, it contemplates the aspects related to the control of leave, benefits and payroll. These guidelines comply with the current legal provisions in the jurisdicions in which Orbia does business with the objective to increase the efficiency and productivity of the Company.

Treasury

The objective of the Treasury functions is to establish procedures and mechanisms to capture, protect and disburse the financial resources necessary for the optimal operation of the Company, including credit, loans, leases, debt issuancs, financial and market risk hedging, sales, payment and transfer collections, intercompany financing, and other such activities. It also oversees the procedures and policies for the control of credit to our customers and accounts receivable generated by forward sales, i.e., the origin, management and recording of collection. These policies also include procedures for the administration and recording of accounts payable from suppliers of goods and services purchased by the Company and the various means of payment and collection (checks, electronic transfers, etc.) defining the necessary internal authorization schemes and supporting documentation. Finally, the Treasury function is also primarily responsible for relations with all credit institutions, banking institutions and financial creditors.

Orbia's Treasury policy is to maintain sound finances with sufficient liquidity to guarantee the continuity of day-to-day operations, as well as the necessary investments in the acquisition, improvement, or maintenance of assets that allow it to have the most efficient and modern production technology at low costs and high quality***.***

Due to the nature of its operations, Orbia and its subsidiaries maintain bank and investment accounts both in local currency in the countries it operates and in U.S. Dollars.

Supply Chain

The acquisition of raw materials related to operating processes is carried out on the basis of authorized budgets and programs. These policies allow the Company's purchases to be made at a competitive price and favorable conditions of quality, timeliness of delivery and service. Authorization and responsibility levels are defined for each purchase transaction***.***

IT Systems

Orbia has information systems in the different regions and countries in which it operates, mainly supported by Resource Planning Systems (ERP) that support the different operating processes of each business. Orbia's IT function is responsible for operating these information platforms, with the principles of operational continuity and information security, which determines local and corporate policies and procedures in the different countries in which the organization operates.

Orbia has policies and procedures that promote the correct use and protection of systems, computer programs and information relevant to the organization. The organization has support staff and/or help desk to attend to reports on failures or service requirements for systems.

e) Critical accounting estimates, provisions or reserves

In the application of the accounting policies, the Issuer's Management must make judgments, estimates and assumptions about some amounts of the assets and liabilities of the consolidated financial statements. The estimates and associated assumptions are based on experience and other factors that are considered relevant. Actual results could differ from those estimates.

The underlying estimates and assumptions are reviewed on a regular basis. Revisions to accounting estimates are recognized in the period of the revision and future periods if the revision affects both the current period and subsequent periods.

The critical accounting judgments and key sources of uncertainty when applying the estimates made at the date of the consolidated financial statements, and which have a significant risk of giving rise to an adjustment in the book values of assets and liabilities during the following financial period are as follows:

a. When testing assets for impairment, the Company is required to make estimates of the value in use assigned to its property, plant and equipment, intangible assets, goodwill and cash-generating units, in the case of certain assets. Value in use calculations require Orbia to determine the future cash flows that should arise from the cash-generating units and an appropriate discount rate to calculate present value. The Company uses revenue cash flow projections using estimates of market conditions, pricing, and production and sales volumes.

b. The Issuer uses estimates to determine inventory reserves and accounts receivable. The factors that the Company considers in the inventory reserves are the production and sales volumes and the movements in the demand of some products. The factors that the Company considers in estimating the credit value impairment for accounts receivable is mainly the estimate of expected losses of unsecured accounts, which consists of observing the total exposure to the client and the amount used within its assigned line of credit.

c. The Company periodically evaluates the estimates of its mineral reserves (fluorite and salt), which represent the estimate with respect to the remaining amount not exploited in the mines it owns and that can be produced and sold generating profits. Such estimates are based on engineering evaluations derived from samples and in combination with assumptions about market prices and production costs at each of the respective mines. The Company updates the ore reserve estimate at the beginning of each year.

d. The determination of the discount rate considers the term and behavior of high credit quality corporate bonds. It should reflect a rate at which retirement benefits can be effectively paid. An appropriate process for establishing such a rate is to seek available information on implicit rates in annuity contracts that could be used to settle such an obligation, as well as on rates of high-quality fixed income investments that are available and that are expected to continue during the period of maturation of pension benefits. However, in Mexico there is no established annuity market that we can use for these purposes. The methodology used consists of the construction of a zero coupon government bond curve where each payment flow is discounted with a zero coupon rate. For the first part of the curve, zero coupon bonds with terms less than 1 year (CETES) are considered. For the second part of the curve (terms greater than 328 days) are considered couponed government bonds, which through the "Bootstrapping" methodology are converted to zero coupon bonds ("spot" rates) in a period of 6 months to 30 years. Each payment flow is discounted with the applicable zero "spot" coupon rate according to the time in which the payment is being made; subsequently, a single equivalent rate is calculated such that the present value of the flows is equal to that obtained with the zero coupon rates.

e. Orbia is subject to transactions or contingent events on which it uses professional judgment in the development of estimates of probability of occurrence. The factors considered in these estimates are the current legal situation at the date of the estimate and the opinion of the legal advisors.

f. Control over Ingleside Ethylene LLC - Note 4c mentions that Ingleside Ethylene LLC is a subsidiary of Orbia, which holds a 50% interest. Based on the agreements with the other investor, Orbia makes the decisions related to the control of its production and sale that give it exposure to the variable returns of this subsidiary.

g. The Company makes financial projections of each legal entity where it maintains control in order to determine if the tax assets may be used in the future, in particular the tax losses to be amortized. Based on these projections, tax losses are capitalized or reserved in each jurisdiction where Orbia operates.

h. The Company evaluates the assets subject to lease and defines those that are less than those that are not. Those subject to the registration of rights of use are analyzed to determine the contractual terms of validity and the possibilities of renewal based on economic benefits, the projections of committed payments and the discount rates used by type of asset to determine the amount to be registered.

Main accounting policies

For additional details regarding estimates, provisions or critical accounting reserves applied by the Company, the investing public is recommended to carefully read and analyze Note 4 of the audited consolidated financial statements of Orbia that are included in the Section "Annexes” of this Annual Report.

4. MANAGEMENT

a) External Auditor

The independent external auditors are Deloitte Touche Tohmatsu Limited; Galaz, Yamazaki, Ruiz Urquiza, S.C. (“Deloitte”), with offices in Mexico City, Mexico. Deloitte has provided audit services to Orbia for at least the last 10 fiscal years.

Deloitte has confirmed that it is an independent firm with respect to Orbia, within the meaning of the stock market regulations applicable to the latter (Article 343 of the LMV and Article 6 and other applicable provisions of the "General Provisions Applicable to Entities and Issuers Supervised by the National Banking and Securities Commission that hire services of External Audit of Basic Financial Statements”, known as the Single Circular of External Auditors “CUAE”).

As of the date of this Annual Report, the independent external auditors have not issued qualified or negative opinions, nor have they refrained from issuing any opinion on the Company's financial statements.

The fees paid by Orbia do not represent 10% of Deloitte's annual revenue. The amount that the external auditors have charged related to the audit as of December 31, 2021 for audit services are $5 million dollars, while the other services not related to the audit are approximately $0.6 million dollars, among the main services are those related to legal and tax advice, which represent 10% of the total fees paid.

The additional services not related to the December 31, 2021, audit do not affect the independence of the independent auditor, since they are similar to an audit service that requires them to maintain independence. and where the auditor issues an opinion based on Audit and Attestation Standards. These services are permitted since the independence restrictions refer to services other than audit and attestation services, without intervening in the design or implementation of internal controls over the financial information, which continue to be the Issuer’s responsibility. The appointment/ratification of the independent auditors is submitted annually by management to the Company's Audit Committee, which in turn reports thereon to the Board of Directors.

b) Transactions with Related Persons and Conflicts of Interest

In the past, the Company has entered into, and intends to continue to, enter into certain transactions with related persons or companies, including, but not limited to, the transactions described in this section. The terms of these transactions are reported to, and verified by, the Audit Committee and/or the Corporate Practices and Sustainability Committee, as well as the external auditors, who render their opinion on the transactions reported and follow-up as needed. The Company believes that these transactions are entered into under conditions similar to those it could obtain from unrelated third parties, i.e., representing current market prices.

Relationships and transactions with related parties

The companies Kaluz, Elementia, S.A.B. de C.V., Grupo Financiero Ve por Más, S.A. de C.V., Grupo Pochteca, S.A.B. de C.V., Banco Ve por Más, S.A., Institución de Banca Múltiple, Grupo Financiero Ve por Más, Casa de Bolsa Ve por Más S.A. de C.V., Grupo Financiero Ve por Más and Constructora y Perforadora Latina, S.A. de C.V., as well as subsidiaries of the foregoing, are considered persons or parties related to the Issuer for the purposes of this Report.

All transactions with related persons or parties are carried out under conditions similar to market conditions.

Orbia has several investment securities, trust, and bank and investment contracts with Banco Ve por Más, S.A., Institución de Banca Múltiple, Grupo Financiero Ve por Más y Casa de Bolsa Ve por Más, S.A. de C.V., Grupo Financiero Ve por Más (related parties of Orbia), which generate interest at rates similar to market rates.

Orbia and Kaluz, the Company's main shareholder, maintain an advisory services contract, which establishes that Orbia will pay Kaluz monthly the amount equivalent to the total costs and expenses incurredby Kaluz as a result of providing such services, to which a market margin is added.

An analysis of balances due from and to related parties as of December 31 foreach of the periods presented follows:

	2021	2020	2019
Receivable:			
Pochteca Raw Materials, SA de CV	$454	$1,449	$3,645
Eternit Colombiana, S.A.	116	113	373
Mexalit Industrial SA de CV	-	30	-
Elementia Administrative Services, SA de CV	-	3,369	720
Elementia, SA de CV	247	-	-
Others	242	485	19
	$1,059	$5,445	$4,757
Payable:			
Kaluz, SA de CV	$51	$ -	$99,655
George Fisher Wavin	277	377	-
Pochteca Raw Materials, SA de CV	230	210	538
Others	354	85	340
	$912	$671	$100,533

Figures in thousands of dollars

The Entity had the following transactions with its related parties during each of the periods presented:

	2021	2020	2019
Income from-			
Sales	$4,291	$6,897	$6,163
Administrative services	-	-	3,056
	$4,291	$6,897	$9,219
Expenses per-	**-**		
Administrative services	$517	$4,548	$13,551
Shopping	2,746	2,245	1,723
Leases	1,073	-	-
Others	431	446	314
	$4,767	$7,239	$15,588

Figures in thousands of dollars

c) Directors and Shareholders

In accordance with the corporate bylaws, the Company's administration under the charge of a Board of Directors and a General Director who performs the functions established in the LMV. The Board of Directors will be made up of a maximum of 21 Proprietary Directors, as determined by the Ordinary General Assembly of Shareholders that appoints them and, where appropriate, their respective alternates. Of said members, both owners and alternates, at least 25% must be independent. It should be noted that notwithstanding the foregoing, the Company's Board of Directors in fiscal year 2021 is made up of 12 directors, eight of whom are independent and represent 66.7% of the Board.

The Company exceeds the minimum number of independent members of 25% required by the Mexican Securities Market Law and our bylaws. Also, the Board of Directors has three members of the Board who are women who represent 25%.

The criteria used to identify whether a member is independent, proprietary, or a related Director, as indicated in the Report, is defined in the Code of Principles and Best Practices of Corporate Governance, issued by the Business Coordinating Council.

Likewise, in terms of Article 24 of the LMV, the Alternate Directors of the Independent Directors, have the same character, highlighting that currently the Board of Directors of the Issuer is exclusively made up of proprietary directors. The members of the Board of Directors may be shareholders or persons outside the Company.

The General Assembly of Shareholders both appoints and verifies the independence of the Directors.

The Independent Directors and, where appropriate, their respective alternates, are selected for their experience, capacity and professional prestige, considering their business and/or professional career and their ability to perform their duties free of conflicts of interest, with freedom of criterion and without being subject to personal, patrimonial or economic interests.

During fiscal year 2021, the Board of Directors met seven times:

- January 18. The meeting was attended ("quorum") by 100%.
- February 25. In said session, there was 100% attendance (“quorum”).
- April 27. There was 100% attendance (“quorum”) in said session.
- July 27th. There was 100% attendance (“quorum”) in said session.
- September 28. There was 100% attendance (“quorum”) in said session.

- October 26th. There was 100% attendance (“quorum”) in said session.
- December 16. In said session there was attendance (“quorum”) of 91.66%

During the 2022 fiscal year, the Board of Directors has met on two occasions:

- February 23, 2022. In said session there was 100% attendance (“quorum”).

In addition, the Board of Directors adopted unanimous resolutions by its members, outside of an in-person meeting, on March 4 and June 16, 2021, and additionally, adopted unanimous resolutions jointly with the members of the Corporate Practices and Sustainability Committee on January 19, 2021.

In order for the members of the Board of Directors to better understand the responsibility implied by the performance of their duties, once a year the Secretary of the Board of Directors delivers a report that contains the main obligations, responsibilities and recommendations applicable to the Company as an issuer of securities listed on the BMV derived from the LMV, the Sole Issuer Circular and other applicable legislation. This report also describes the main obligations, responsibilities and powers applicable to the members of Orbia's Board of Directors as a result of those requirements.

The Board of Directors for fiscal year 2022 was designated by the Annual Ordinary General Shareholders' Meeting held on April 1, 2022.

The Board of Director is structured as follows:

Board Members	Position	Types of Members
Juan Pablo del Valle Perochena	Chairman	Non- Independent
Antonio del Valle Perochena	Board Member	Non- Independent
María de Guadalupe del Valle Perochena	Board Member	Non- Independent
Francisco Javier del Valle Perochena	Board Member	Non- Independent
Divo Milán Haddad	Board Member	Independent
Guillermo Ortiz Martinez	Board Member	Independent
Eduardo Tricio Haro	Board Member	Independent
Alma Rosa Moreno Razo	Board Member	Independent
María Teresa Altagracia Arnal Machado	Board Member	Independent
Jack Goldstein Ring	Board Member	Independent
Mark Rajkowski	Board Member	Independent
Mihir Arvind Desahi	Board Member	Independent
Antonio del Valle Ruiz	Honorary Life Chairman*	Non- Independent

*Without being a member of the board

Secretary	
Juan Pablo del Río Benítez	Without being a member of the board
Vice-Secretary	
Sheldon Vincent Hirt	Without being a member of the board

Below are the names of the Company's directors appointed at said General Ordinary Shareholders' Meeting, their professional experience and the year in which they were appointed directors for the first time.

Name: Antonio del Valle Ruiz
Position and type of director: Honorary and Life President of the Board of Directors without being a member of said Board, Patrimonial Related
Member of the Board of Directors since: 2000
Professional experience: Private Accountant, graduated from the Banking and Commercial School, has the degree of Business Executive Director granted by the Pan-American Institute of Senior Business Management (IPADE). He is Honorary President for Life of Kaluz, SA de CV and Grupo Financiero Ve por Más, SA de CV and has been or is a member of several boards of directors, among which are, Telefónicas de México, SA de CV, Industrias Monterrey, SA de CV, Grupo México, SAB de CV, Escuela Bancaria y Comercial and Fundación ProEmpleo.
Mr. Antonio del Valle Ruíz is the father of Messrs. María de Guadalupe, Antonio, Francisco Javier and Juan Pablo del Valle Perochena.

Name: Juan Pablo del Valle Perochena
Position and type of director: Chairman of the Board of Directors, Patrimonial Related
Member of the Board of Directors since: 2002
Professional experience: Industrial Engineer graduated from Universidad Anáhuac, with a Master's degree in Administration from Harvard Business School. Chairman of the Board since 2011. Member of the Board of Directors of JCI Inc in the USA, of Fortaleza Materials, SAB de CV and Elementia Materials, SAB de CV Participates in the following associations: Consultative Committee of Harvard's David Rockefeller Center for Latin American Studies, Kaluz Foundation, Chairman's International Advisory Council of the Americas Society, as well as the Latin American Conservation Council of The Nature Conservancy.
Mr. Juan Pablo del Valle Perochena is the son of Mr. Antonio del Valle Ruíz and is the brother of Messrs. María de Guadalupe, and Antonio and Francisco Javier del Valle Perochena.

Name: Antonio del Valle Perochena
Position and type of director: Patrimonial
Member of the Board of Directors since: 2002
Professional experience: Bachelor of Business Administration, graduated from the Anahuac University where he also completed a Master's degree in Management. In addition, he has a postgraduate degree in Senior Management from the Pan-American Institute of Senior Business Management (IPADE) and a specialization in literature from the Universidad Iberoamericana.
Chairman of the Board of Directors of Grupo Financiero Ve por Más, SA de CV and of Kaluz, the controlling company of Orbia.
Member of the Board of Directors of Banco Ve por Más, SA, Holding Company GEK, SAPI de CV, Afianzadora Sofimex, SA and Byline Bank. In addition, he is part of the Board of Trustees of the National Institute of Medical Sciences and Nutrition "Salvador Zubirán", Pro Bosque de Chapultepec Trust, Colmex Foundation Board of Trustees, Mexican Institute for Competitiveness, AC and as of February 2019 chairs the Mexican Business Council, an organization group that brings together the 60 most important companies with Mexican capital.
Mr. Antonio del Valle Perochena is the son of Mr. Antonio del Valle Ruiz and brother of Messrs. Francisco Javier, Juan Pablo and Mrs. María de Guadalupe.-of the Perochena Valley.

Name: Maria de Guadalupe del Valle Perochena
Position and type of director: Patrimonial
Member of the Board of Directors since: 2005
Professional experience: Degree in Economics, graduated from the Anáhuac University. In addition, she has a postgraduate degree in Senior Management from the Pan-American Institute of Senior Business Management (IPADE).
Member of the Board of Directors of Kaluz, Banco Ve por Más, SA and Holding Company GEK, SAPI de CV She worked in the finance and marketing functions of Banco de Santander and Bital, and supervises the investments of the “Family Office” of the family of the Perochena Valley.
Mrs. María de Guadalupe del Valle Perochena is the daughter of Mr. Antonio del Valle Ruíz and the sister of Messrs. Antonio, Francisco Javier and Juan Pablo del Valle Perochena.

Name: Francisco Javier del Valle Perochena
Position and type of director: Patrimonial
Member of the Board of Directors since: 2021
Professional experience : He has a degree in Business Administration from the Anáhuac University, a master's degree in economics and business from the same university and an AD-2 in Senior Management from the Pan-American Institute of Senior Business Management (IPADE).
Member of the Board of Directors of Fortaleza Materials, SAB de CV and Elementia Materials, SAB de CV).
In 2010 he entered the educational sector founding SAE Institute Latin America, a university specialized in creative media, he is also a member of the Board of Directors of Grupo Financiero Ve por Más, Cuprum, Grupo Interprotección, the Advisory Council of Banamex, the Communication Council and the Pacific Alliance Business Council. Committed to society, he supports different causes, such as sponsorship of high-performance athletes, campaigns and initiatives focused on the care and preservation of the environment, and housing programs.
Mr. Francisco Javier del Valle Perochena is the son of Mr. Antonio del Valle Ruiz and the brother of Messrs. Juan Pablo, María de Guadalupe and Antonio del Valle Perochena.

Name: Divo Milan Haddad
Position and type of director: Independent
Member of the Board of Directors since: 2002
Professional experience: General Director of Strategic Research, Pro-Invest, and Dimmag Invest (Panama Real Estate).
Chairman of the Board of Directors of: Inmobiliaria del Norte, Pro-Invest, (Commercial Real Estate), Dimmag Invest, Círculo de Crédito (Risk Rating Agency), Círculo Laboral (Labor Database), Grupo Aradam (Food Franchise) and Quonia (Spanish Real Estate Company).
Member of the Board of Directors of: NetCapital (Technological School), Orbia, Banco Ve por Más, SA, Grupo Financiero Ve por Más, SA de CV, Fortaleza Materials, SAB de CV and Elementia Materials, SAB de CV).

Name: Guillermo Ortiz Martinez
Position and type of director: Independent
Member of the Board of Directors since: 2010
Professional experience: Graduated from the National School of Economics of the National Autonomous University of Mexico. He later obtained a Master's and Ph.D. in Economics from Stanford University in the United States.
Currently, Dr. Ortiz is a partner and member of the Board of Directors of BTG Pactual, and is also a member of the Group of Thirty, the Council of the Center for Financial Stability, the Institute for Globalization and Monetary Policy at the Federal Reserve Bank of Dallas and the CDPQ Global Economic and Financial Advisory Board, as well as President of the Per Jacobsson Foundation.
He is the founder of GO & Asociados, an economic consulting company created in 2009. Dr. Ortiz was Chairman of BTG Pactual Latin America ex-Brazil from 2016 to 2018 and Chairman of the Board of Directors of Grupo Financiero Banorte-Ixe from 2011 to 2014.

Additionally, he is a member of the Board of the Mexican companies Aeropuertos del Sureste, Orbia and Vitro.
Dr. Ortiz was Governor of the Bank of Mexico between January 1998 and December 2009 and Secretary of Finance and Public Credit between December 1994 and December 1997.

Name: Eduardo Tricio Haro
Position and type of director: Independent
Member of the Board of Directors since: 2008
Professional experience: Zootechnical Agronomist Engineer, graduated from the Monterrey Institute of Technology and Higher Studies.
President of Grupo Lala and Grupo Nuplen. He chairs the executive committee of Aeroméxico.
Member of the Board of Directors of Orbia, Aeroméxico, Televisa, Grupo Financiero Banamex and Aura Solar; and the Mexican Business Council.
Member of the Board of various foundations and philanthropic organizations such as the "Federico Gómez" Children's Hospital of Mexico, Salvador Zubirán National Institute of Medical Sciences and Nutrition, Mexicanos Primero, The Latin America Conservation Council of the Nature Conservancy, among others.

Name: Alma Rosa Moreno Razo
Position and type of director: Independent
Member of the Board of Directors since: 2018
Professional experience: Degree in Economics, graduated from Instituto Tecnológico Autónomo de México. In addition, she has a master's degree in Economics from the Colegio de México and doctoral studies from the University of New York.
She was President of the Tax Administration System from 1999 to 2000. She was Ambassador of Mexico to the United Kingdom of Great Britain and Northern Ireland, from 2001 to 2004, Director of Administration at Grupo Financiero Banorte from 2004 to 2009 and from 2009 in the middle of 2018 would be an official at Pemex.

Name: Maria Teresa Altagracia Arnal Machado
Position and type of director: Independent
Member of the Board of Directors since: 2019
Professional experience: Industrial Engineer from the Universidad Católica Andrés Bello in Venezuela, has a Master's Degree in Business Administration (MBA) from Columbia University and is a member of the International Women's Forum.
She was in charge of Google's operations in Mexico, and currently leads Stripe's Latin American operations, a fintech company, where she is in charge of opening and building the business in Latin America.
She was General Director of Twitter in Mexico, Colombia and Argentina and directed J. Walter Thompson Mexico, Mirum and Clarus.She wasalso founder of IAB in Mexico (Interactive Advertising Bureau) and, President of the Council of the World Internet Project in its local version. She led the Microsoft and Telmex JV, ProdigyMSN. She was a consultant at The Boston Consulting Group and Booz Allen & Hamilton.

Name: Jack Goldstein Ring
Position and type of director: Independent
Member of the Board of Directors since: 2020
Professional experience: Degree in Business Administrator from the Universidad de Los Andes in Colombia and has a Master's Degree in Business Administration from Babson College. He has attended several continuing education courses at Oxford University and Harvard University.
Founder, Managing Partner and Sole Owner of Alfa International (Investment Manager).
He served as CEO and President of Sanford Management, a company dedicated to managing a portfolio of multi-sector companies based mainly in Latin America. He was also President of Filmtex, a major market player in the plastics industry.
He has been an advisor to several companies and charitable foundations, including Bavaria (today SAB Miller), the Colombian-American Chamber of Commerce, the Ministry of Foreign Trade, and the Julio Mario Santo Domingo Foundation. He also served as President of the Genesis Foundation and member of the Advisory Committee of the Banco de la República de Colombia.

Name: Mark Rajkowski
Position and type of director: Independent
Member of the Board of Directors since: 2021
Professional experience: He has a degree in Accounting from Lehigh University in Bethlehem, Pennsylvania, United States. From 2016 to 2020, he was CFO of Xylem, where he helped engineer the company's transformation into a leading global provider of water technology solutions and put sustainability at the heart of the company's strategy. Before joining Xylem, he was Strategic Advisor to West Rock Company, a global specialty chemicals and packaging company that was formed from the merger of Mead Westvaco and Rock Tenn. He was previously Chief Financial Officer of Mead Westvaco, where he led all areas of Finance, Strategy, Corporate Development, IT and Shared Services, and played a key role in executing the company's merger with Rock Tenn in 2015. Previously, he held various Senior financial and operational positions at Eastman Kodak Company, including General Manager of Worldwide Operations for the Film and Digital Imaging Systems Group. He began his career at Price Waterhouse Coopers LLP, where his last position was Managing Partner of the Upstate New York Technology group and Partner of the firm's business advisory

and audit services group. He is also a member of the board of directors of ACCO Brands, one of the world's largest providers of branded academic, consumer and business products.

Name: Mihir Arvind Desai
Position and type of director: Independent
Member of the Board of Directors since: 2021
Professional experience: Ph.D. in Political Economy from Harvard University; He earned an MBA as a Baker Scholar from Harvard Business School and a BA in History and Economics from Brown University. In 1994, he was a Fulbright Scholar in India.
He is the Mizuho Financial Group Professor of Finance at Harvard Business School and Professor of Law at Harvard Law School.
Professor Desai's areas of specialization include fiscal policy, international finance, and corporate finance. His scholarly publications have appeared in leading economics, finance, and law journals. His work has emphasized the proper design of fiscal policy in a globalized environment, the links between corporate governance and the application of tax burdens, and the internal capital markets of multinational companies. His research papers have been cited in The Economist, BusinessWeek, The New York Times, and several other publications. He is a Research Associate in the Public Economics and Corporate Finance Programs at the National Bureau of Economic Research, and served as co-director of the NBER India program.
His professional experience includes working at CS First Boston (1989-1991), McKinsey & Co. (1992), and advising various companies and government organizations. He is also on the Advisory Board of the International Tax Policy Forum and the Oxford University Center for Business Taxation.

Name: Juan Pablo del Rio Benitez
Position and type of director: Secretary without being a member of the Board of Directors
Member of the Board of Directors since: 2008
Professional experience: Graduated in Law from the Universidad Anáhuac in 1992. He specialized in commercial law (postgraduate) at the Escuela Libre de Derecho, period 1993-1994. He is a founding partner of the law firm DRB Consultores Legales.
He has concentrated his professional practice in the areas of corporate, commercial, financial, foreign investment, mergers and acquisitions, securities and corporate financing.
He is non-member Secretary of the Board of Directors and external legal advisor to several companies, including: Orbia, Elementia, Fortaleza Materials, SAB de CV and Elementia Materials, SAB de CV, Compañía Minera Autlán, Grupo Pochteca, Grupo Hotelero Santa Fe, Banco Go for More, Grupo Financiero Go for More, Aeropuertos Mexicanos del Pacífico, Grupo Finaccess, Sabormex y Cía. La Central Match Girl.
He is a member of the Regulatory Committee of the Mexican Stock Exchange, the Mexican Bar Association and the Center for International Legal Studies.

The directors are elected at the Annual Shareholders' Meeting, and their functions last one year, with the Assembly having the power to re-elect them or, if applicable, appoint new members. The appointment date of each Director is included below.

	BOARD OF DIRECTORS	
Member	**Gender**	**Appointment Date**
Antonio del Valle Ruiz Honorary President for Life +	Male	Ordinary General Assembly of Shareholders dated April 28, 2000
Juan Pablo del Valle Perochena	Male	Extraordinary and Ordinary General Meeting of Shareholders dated April 30, 2002
Antonio del Valle Perochena	Male	Extraordinary and Ordinary General Meeting of Shareholders dated April 30, 2002
Mary of Guadalupe of the Perochena Valley	Female	Ordinary General Meeting of Shareholders dated April 27, 2005
Francisco Javier del Valle Perochena	Male	Ordinary Annual General Meeting of Shareholders dated March 30, 2021
Divo Milan Haddad*	Male	Extraordinary and Ordinary General Meeting of Shareholders dated April 30, 2002
William Ortiz Martinez*	Male	Ordinary Annual General Meeting of Shareholders dated April 30, 2010
Eduardo Tricio Haro*	Male	Ordinary Annual General Meeting of Shareholders dated April 29, 2008
Alma Rosa Moreno Razo*	Female	Ordinary Annual General Meeting of Shareholders dated April 23, 2018
Maria Teresa Altagracia Arnal Machado*	Female	Ordinary and Extraordinary Annual General Meeting of Shareholders dated April 23, 2019
Jack Goldstein Ring	Male	Ordinary Annual General Meeting of Shareholders dated April 28, 2020
Mark Rajkowski	Male	Ordinary Annual General Meeting of Shareholders dated April 28, 2020
Mihir Arvind Desai	Male	Ordinary General Assembly of Shareholders dated July 21, 2021

(*) Independent directors.
(+) Without being a member of the Council.

As of 2021 and 2022, 25% of the Directors are women.

Powers of the Board of Directors

The Board of Directors has the legal representation of the Company and enjoys the broadest powers to carry out all the operations inherent to the corporate purpose, except those expressly entrusted to the General Assembly of Shareholders. The Board of Directors is vested with, but not limited to, the following faculties or powers: (i) initiating lawsuits and collections, (ii) administering assets, (iii) exercising acts of ownership, (iv) appointing and removing the General Director, executive directors, managers, officers and attorneys-in-fact, and determining their powers, working conditions, remuneration and guarantees, and confering powers of attorney to directors, managers, officers, attorneys and other persons required to carry out the Company's operations.

The Board of Directors also have various mandates which require it to: (i) monitor compliance with the agreements of the Shareholders' Meetings, which may be carried out through the Audit Committee; (ii) establish compensation plans for executives and directors, as well as to make decisions regarding any other matter in which the aforementioned persons may have an interest. The Board of Directors reports annually to the Assembly of Shareholders on its activities and resolutions, with the Assembly of Shareholders having the power to evaluate, qualify and, if applicable, approve said report on the operation of the Board of Directors, and may even require additional reports.

Furthermore, the Board of Directors is in charge of the strategic management of the Company and is empowered to resolve any matter that is not expressly reserved for the Shareholders' Meeting. Among others, the Board of Directors must deal with the obligations and responsibilities established in article 28 of the LMV.

In accordance with the LMV, the Board of Directors, for the performance of its functions, will have the support of an Audit Committee, Corporate Practices and Sustainability Committee and Finance Committee.

Audit Committee

The Audit Committee is appointed by the Board of Directors of the Company to fulfill the responsibilities delegated by the Board of Directors and to assist it in fulfilling its responsibilities related to matters of: (a) appointment and supervision of the performance of the auditors of the Company, (b) assisting the Board of Directors with respect to (i) ensuring the integrity of the Company's financial statements, (ii) supervising the Company's compliance with legal and regulatory requirements, (iii) evaluating the qualifications and independence of the independent auditor, and (iv) evaluate and monitor the performance of the Company's internal controls and internal audit function; and (c) prepare and deliver said reports and opinions, and carry out other activities, as required by the LMV, other applicable laws and regulations and the Company's Bylaws.

The Audit Committee must be composed of at least three members, all of whom must be independent members of the Board of Directors in accordance with applicable laws and Company policy. The members will be appointed by the Board of Directors acting on the recommendation of the Corporate Practices and Sustainability Committee of the same Board of Directors, and will serve until their successors are duly elected and qualified or until their previous resignation, disqualification, retirement, death or dismissal. The Chairman of the Audit Committee will be elected by majority vote of the Company's Shareholders, and members of the Audit Committee other than the Chairman may be removed by the Board of Directors.

The Audit Committee assists the Board of Directors in fulfilling its oversight responsibilities through the following activities:

Matters Related to Financial Statements and Disclosure

1. Review and discuss the annual audited financial statements, including related disclosures, with management and the Company’s independent auditors, to make its recommendation to the Board of Directors regarding the approval of the Company's audited financial statements.

2. Review and discuss with management and, if the Committee deems it appropriate or necessary, with the Company's independent auditor, the Company's quarterly financial statements prior to the filing of its earnings report and related disclosures.

3. Review and discuss with management the Company's earnings news releases, including the "pro forma" or "adjusted" information, as well as financial information and earnings guidance provided to analysts and rating agencies. This discussion can be done in a general way which consists of discussing the types of information that will be disclosed and the types of presentations that will be made. to enable the Committee to review and approve the Company's press releases and other public statements related to quarterly and annual financial performance.

4. Review, with appropriate members of senior management, the Company's disclosure controls and procedures, including management's conclusions about their effectiveness and any material breaches thereof, and any audit steps taken to light of such breach.

5. Review and discuss with the independent auditors (i) all critical accounting policies and practices to be used (ii) all alternative treatments (and related disclosures) of financial information within International Financial Reporting Standards (IFRS), as well as the ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditors, and (iii) other material written communications between the independent auditors and management, such as any letters from management or list of unadjusted differences.

6. Discuss with management and the independent auditor the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, if any, on the Company's financial statements.

7. Discuss with the independent auditors the matters that need to be discussed with the Audit Committee in accordance with applicable legislation, including the Mexican Securities Market Law and the Mexican Stock Exchange.

8. Assist in the resolution of disagreements, if any, between management and independent auditors related to financial information.

Independent Auditor Matters

1. Issue their opinion and opinion to the Board on the appointment and, where appropriate, replacement of the independent account auditors, who will report directly to the Committee. Review the experience and qualifications of the senior members of the independent audit team, including those of the lead partner.

2. Approve and discuss the scope and approach (including staffing) of all audit services, including assurance letters and statutory audits, and permitted non-audit services including fees and terms. that will be carried out for the Company prior to the performance of said work, and approve and recommend any changes thereto for subsequent approval by the Board.

3. Obtain and review a report from the independent auditor at least annually regarding (a) the independent auditors' internal quality control procedures, (b) any material issues raised by the internal quality control review most recent, or peer review, of the auditors, or by any inquiry or investigation by government or professional authorities within the preceding five years with respect to one or more independent audits conducted by the firm, (c) any steps taken to deal with such matters, and (d) all relationships between the independent auditor and the Company. Assess the qualifications, performance and independence of the independent auditor, including consideration of whether the auditors' quality controls are adequate and whether the provision of permitted non-audit services is consistent with maintaining the auditors' independence, taking into account the opinions of management and internal auditors. auditors

4. Review and consider, as appropriate, the length of tenure of the lead audit partner and review audit partner in providing audit services for the Company, and ensure that new lead audit partners and audit review partner are appointed periodically in accordance with applicable laws and industry practices.

5. Ensure that the independent auditors submit, at least once a year, to the Committee a formal written statement that describes all relationships between the independent auditors and the Company, and actively engage in a dialogue with the independent auditors regarding any disclosed relationships or services that may affect the objectivity and independence of the independent auditors.

6. Review, approve and establish the policies for the hiring by the Company of the employees or former employees of the independent auditors.

7. Discuss with the engagement partner of the independent auditors any significant matters related to the quality and consistency of the audit.

Internal Audit Matters

1. Review the internal audit process to establish the annual internal audit plan and its approach.

2. Discuss annually, with input from the Corporate Vice President and Head of Internal Audit, the budget, organizational structure, responsibilities, and qualifications of the internal audit staff.

3. Discuss and approve the appointment, substitution or removal of the Head of Internal Audit.

4. Review and discuss significant issues or recommendations reported by the internal audit group and management responses to those issues or recommendations. Oversee actions taken by management to resolve such issues. Conceptually, Internal Audit reports directly to the Committee

Internal Controls

Review with management and, as deemed necessary or appropriate with the independent auditor, the Company's internal control over financial reporting, including management's annual evaluation of the adequacy and effectiveness of internal control over financial reporting, any significant deficiency or material weakness in internal controls (including remediation), any fraud (regardless of materiality) involving management or other employees who have a significant role in internal control over financial reporting, and any changes in internal controls that has materially affected or may materially affect internal control over financial reporting. This shall include review of the disclosures made to the Committee by the CEO and CFO of the Company in connection with their periodic certifications, review of the reports of the independent auditor and the Head of Internal Audit related to the adequacy of accounting controls, including any management letter and management responses to recommendations made by the independent auditor or chief internal auditor.

Legal and Tax Matters

1. Review material legal matters involving the Company periodically with the Company's Senior Vice President and General Counsel and the Company's Chief Compliance Officer, it being understood that each individual has express authority to communicate personally with the Chairman of the Compliance Committee or Audit Committee on any such matter as deemed appropriate.

2. Review important tax issues with the company's Chief Financial Officer.

Compliance Issues

1. Review material compliance matters involving the Company periodically with the Senior Vice President and General Counsel and the Vice President and Chief Compliance Officer of the Company, it being understood that each individual has express authority to communicate personally with the Chairman of the Compliance Committee or Audit Committee on any matter, as deemed appropriate.

2. Advise the Board regarding the Company's policies and procedures regarding compliance with applicable laws and regulations and with the Company's Global Ethics and Compliance Standards.

3. Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding compliance, accounting, internal accounting controls or auditing matters, including confidential anonymous submissions made by employees.

4. Review any report of evidence of a "material violation" made to the Committee pursuant to Office of General Counsel Policy by any of the Company's internal or external counsel, and take all necessary or appropriate action to respond.

Risk management

1. Meet periodically with management to discuss the Company's major risk exposures, the potential impact of those risks on financial reporting, and steps taken to ensure that appropriate processes are in place to identify, manage, and control those risks to the Company.

2. Discuss with management significant risk management failures, if any, and management responses to such failures.

3. Monitor and provide risk oversight with respect to such areas of focus as the Board of Directors may assign to the Committee from time to time, including cybersecurity, tax and liquidity management, product integrity and security, risk supplier management, operational business continuity, and crisis management.

Corporate Practices and Sustainability Committee

The Board of Directors, for the performance of its functions, also utilizes a Corporate Practices and Sustainability Committee.

The Committee must be made up of a majority of Independent Directors per Article 25 of the LMV, and by a minimum of three members appointed by the Board of Directors, at the proposal of the President of said corporate body. It's the President will be appointed and removed by the General Assembly of Shareholders, The Chairman of the Board of Directors cannot chair this Committee.

The Corporate Practices and Sustainability Committee assits the Board of Directors in fulfilling it responsibilities via the following activities: is to fulfill the responsibilities delegated by the Board and assist the Board in fulfilling its responsibilities rel

1. Consider, evaluate and make recommendations to the Board of Directors regarding the appropriate size, functions, needs and performance of the Board of Directors and its Committees,

2. Advise and supervise the relevant sustainability strategies, policies and programs of the Company,

3. Consider and supervise corporate governance issues,

4. Determine and monitor the Company's compensation philosophy,
5. Set the compensation of the Company's Chief Executive Officer ("CEO") and other executive officers of the Company who report directly to the Chief Executive Officer (the "Executive Leadership Team" or "ELT"),
6. Administer the Company's capital incentive plans, and
7. Oversee the Company's leadership succession planning and talent development efforts.

Additionally, the Committee proposes candidates for election to the Board of Directors. In selecting candidates for election to the Board of Directors, the Committee recognizes the importance of diversity among the members of its Board of Directors, to reflect differences in perspectives, skills, international and industry experience, backgrounds, ethnicity, gender and other attributes.

Likewise, the Committee will have the following functions and purposes:

Corporate Practices and Government Affairs:

1. Develop and recommend to the Board of Directors the criteria for membership of the Board of Directors, including those set forth in the Company's Principles of Corporate Governance, as amended from time to time
2. 2Cvaluate, in accordance with applicable law and Company policies, the independence of the candidates proposed for election to the Board of Directors;
3. Consider and make recommendations on the appropriate size and needs of the Board of Directors and annually assess the attributes, skills, and mix of experiences and talents of the members of the Board of Directors to optimize the composition of the Board of Directors and support the planning of the succession of Directors;
4. Monitor and make recommendations on the functions, composition and Presidencies of the different committees of the Board of Directors;
5. Make recommendations regarding retirements and resignations of Directors;
6. Oversee the annual self-assessment of the Board of Directors and its committees, including making recommendations on the structure of meetings of the Board of Directors and its committees;
7. Prepare an annual evaluation of the Committee's performance and annually assess the adequacy of its charter, and recommend any proposed changes to the Board of Directors for approval;
8. Consider corporate governance matters and review, at least annually, the Company's Corporate Governance Principles;
9. Consider issues of potential conflicts of interest of members of the Board of Directors and executive officers;
10. Review and approve related person transactions submitted to the Committee for its consideration, and provide a summary of such transactions, including their terms, structure and business purpose, and the Committee's approval decision to the Audit Committee.

Sustainability issues:

1. Review, advise and monitor the Company's sustainability strategy, reporting and performance.

Compensation and Performance Issues:

1. Annually review and approve relevant corporate goals and objectives for compensation of the Chief Executive Officer, evaluate the performance of the Chief Executive Officer in light of those goals and objectives, and determine and approve the level of compensation of the Chief Executive Officer based on this evaluation;
2. In In consultation with the Company's Chief Executive Officer, annually review and approve corporate goals and objectives relevant to the Company's ELT compensation, oversee the evaluation of individual ELT performance in light of those goals and objectives, and determine the individual ELT's compensation levels based on such evaluations;

3. Periodically review, elative to comparable companies, and approve (i) executive compensation, including compensation levels of salaries, bonuses and incentives; (ii) deferred compensation; (ii) executive bonuses; (iii) executive capital compensation (including awards to encourage employment); (iv) executive compensation; (iv) benefits for changes in executive control and (v) other forms of executive compensation;

4. Approve all incentive compensation and deferred compensation plans for the Company's executives;

5. Exercise all rights, authority and functions of the Board of Directors under the Company's stock incentive and other stock-based plans, including, without limitation, the authority to interpret the terms thereof, to grant shares in virtue thereof; and to amend said plan. In addition, the Committee may exercise all the rights, powers and functions of the Board of Directors by virtue of the incentive plans, deferred and other compensation plans, retirement plans and other benefit plans of the Company. To the extent permitted by applicable law and the provisions of a particular stock-based plan, and in accordance with the requirements of applicable law and such stock-based plan, the Committee may delegate to one or more executive officers of the Company, or in a deputy director-committee of the Committee formed for that purpose, the power to make stock awards pursuant to such stock-based plan to employees of the Company or any subsidiary of the Company who are not directors or executive officers of the Company ;

6. Periodically review and make recommendations to the Board of Directors regarding compensation of Directors;

7. Periodically review and make recommendations to the Board of Directors regarding management succession planning, including policies and principles for the selection and succession of the Chief Executive Officer in the event of an emergency or retirement of the Chief Executive Officer;

Finance Committee

The Finance Committee was created by resolution of the Board of Directors adopted at its meeting held on June 9, 2016, based on article 38 of the bylaws.

The Finance Committee is designated by the Company's Board of Directors to support the Board of Directors in monitoring and supervising the Company's capital structure, capital allocation strategy, financial policies and financial risk management, cash flow, dividend policy and investment strategy(including mergers, acquisitions and divestitures.

The Finance Committee is not responsible for financial reports or controls, which are overseen by the Audit Committee of the Board of Directors.

The Finance Committee shall be composed of no less than three members appointed by the Board of Directors. The members of the Committee will be appointed by the Board of Directors at the proposal of the Corporate Practices and Sustainability Committee, and may be removed by the Board of Directors. The members of the Committee will perform their duties until their successors are duly elected and qualified or until their previous resignation, disqualification, retirement, death or dismissal. The Chairman of the Committee will be elected and may be removed by the Board of Directors.

The Finance Committee discharges its responsibilities and assist the Board of Directors in fulfilling its oversight responsibilities by doing the following:

1. Capital structure, planning and management. The Committee is responsible for reviewing and making appropriate recommendations to the Board of Directors and management of the Company regarding the capital structure of the Company. In addition, the Committee reviews the Company's capital allocation plans and provide guidance and advice on liquidity, the sources and uses of capital, and expected returns.

2. Supervision of financial planning. The Committee reviews and recommends to the Board of Directors the Company's annual operating plan and oversee the Company's annual resource allocation plan, liquidity status, significant operating investment plans and other financial planning.

3. Investment policies. The Committee reviews and supervises the policies for investing and safeguarding the Company's financial resources and for related Treasury activities.

4. Mergers, acquisitions, divestitures and other strategic investments. The Committee reviews proposed material mergers, acquisitions, joint ventures and divestitures, along with the financial implications of the proposed transactions, and make recommendations to the Board of Directors. The Committee will also review and evaluate integration and synergy plans related to major mergers and acquisitions, as well as the effectiveness of their post-transaction implementation.

5. Issuance and repurchase of Company securities. The Committee supervises the issuance and repurchase of securities by the Company and will offer the terms of said issuances and repurchases of securities.

6. Dividends. The Committee is responsible for reviewing and making appropriate recommendations to the Board of Directors regarding the Company's dividend policy and the declaration and issuance of dividends.

7. Financial risk management. The Committee periodically reviews the Company's general financial risk management plans and strategies related to insurance coverage. In addition, the Committee monitors the Company's strategies, policies and procedures with respect to hedging, swaps and other derivative transactions.

Critical Risks Executive Committee

Orbia has an Executive Critical Risk Committee (CRC), chaired by its Orbia General Manager and made up of the Finance Director, the presidents of the five business groups and other key officials. The CRC helps the Board of Directors to identify and assess corporate risks, assess the Company's risk profile, develop risk mitigation plans and supervise their implementation. The CRC meets quarterly and reports directly to the Audit Committee and the Board of Directors as required.

Orbia's risk mapping process in 2021 included teams from each business group that identified and analyzed a universe of risks relevant to each of them, using research, internal surveys and targeted interviews with business leaders. Their results were aggregated to form a Risk Register, which was reviewed and approved by the CRC. In addition, the CRC reviewed Orbia's position and disclosures on climate change, prepared by the Company's vice president of sustainability, and a cyber risk assessment prepared by Orbia's Chief Information Security Officer.

Officers and Executives

The following table shows the names of the current main officers of the Company:

Name	Sex	Date of birth	*Official positions in English* / translated into Spanish	*Date of admission (dd/mm/yy)*
Sameer Bharadwaj	Male	*04/04/1970*	*Chief Executive Officer/* Managing Director	*08/15/2016*
Maarten Roef	Male	*02/23/1964*	*Business Group President Building & Infrastructure/ President of the Building & Infrastructure Business Group*	*01/09/1999*
Peter Hajdu	Male	*07/11/1976*	*Business Group President Duraline/ President of the Duraline Business Group*	*08/01/2018*
Gabriel Miodownik	Male	*09/07/1973*	*Business Group President Precision Agriculture/ President of the Group of Precision Agriculture business*	*09/22/2003*
Nicholas Ballas	Male	*07/27/1960*	*Business Group President Polymer Solutions (Vestolit)/ President of the Polymer Solutions Business Group (Vestolit)*	*09/01/2020*
Gautam Nivarty	Male	*04/26/1973*	Business Group President Polymer Solutions (Alphagary)/ President of the Polymer Solutions Business Group (Alphagary)	03/27/2017
Greg Smith	Male	*09/10/1964*	*Business Group President Fluorinated Solutions President of the Fluorinated Solutions Business Group*	*03/26/2018*
James P. Kelly	Male	*11/18/1959*	*Chief Financial Officer/* Director of Finance	*08/23/2021*
Sheldon Hart	Male	*07/10/1963*	*General Counsel/ Legal Vice President*	*05/17/2019*
Deborah Butters	Female	*03/01/1969*	*Chief People Officer/ Vice President Human Resources*	*07/01/2020*
Jorge Luis Guzman Mejia	Male	*08/21/1970*	*Corporate Vice-President, Internal Audit/* Vice President, Internal Audit	*02/01/2008*

Sameer S. Bharadwaj is the CEO of Orbia and until January 2021, president of the Fluorinated Solutions and Polymer Solutions business groups, a group of leading companies improving life through basic materials, advanced materials and formulated solutions in a set diverse end markets.

With more than 20 years of experience, Sameer is a recognized strategic leader with a track record of fostering business growth through technology-driven innovation, operational excellence, and talent development in the advanced materials, technology, energy, and energy industries. and pharmaceutical.

Since 2016, when he joined Orbia to lead the Compounds business group, Sameer has progressively assumed the leadership of the Alphagary, Koura and Vestolit commercial brands, managing to position the portfolio of solutions competitively in the market and has led its global teams at high levels of performance. Prior to joining Orbia, Sameer held various executive leadership positions in his 11-year career at Cabot Corporation, where he served as Vice President and General Manager. As part of his duties, he led the market and commercialization strategy for new technologies with a key focus on the energy and materials sectors. Prior to this, Sameer worked as a strategy consultant for The Boston Consulting Group, where he served clients in the metals, telecommunications, technology, biotech and pharmaceutical industries. He began his professional career as a senior research engineer with The Dow Chemical Company.

Sameer earned a master's degree from Harvard Business School, a Ph.D. in chemical engineering from the University of Minnesota, and a bachelor's degree in chemical engineering from the University of Bombay.

Maarten Roef s president of Orbia's Building & Infrastructure business group. This group is redefining today's piping industry with innovative solutions that last longer and require less time to install.

Maarten has nearly three decades of experience in the plastics and packaging industry, during which he managed Wavin's overseas business in the Benelux and North West regions, before being appointed to Wavin's board of directors in 2010. Maarten is also a member of the European Plastic Pipe and Fittings Association (TEPPFA).

Maarten has a master's degree in business economics from Erasmus University in Rotterdam, the Netherlands.

Peter Hajdu is the president of Orbia's Dura-Line business group, a company that produces more than 400 million meters of cable conduit a year to create the physical pathways that fiber and other technologies use to connect cities and homes.

Peter joined Orbia in 2018 having held multiple executive positions across Cisco's EMEA and emerging markets operations, Peter has a wealth of knowledge and insight on how to use data to make life easier. Prior to Cisco, Peter was a consultant with McKinsey & Company, serving clients in the chemical, automotive, aviation, and banking industries.

He is a graduate of the University of California, Berkeley, where he earned his MBA and bachelor's degree in technology management.

Gabriel Miodownik is president of Orbia's Precision Agriculture business group, a world leader in precision irrigation solutions for sustainable agriculture.

Over 17 years, Gaby gained a deep understanding of Netafim's global customer base and agricultural markets, spanning multiple geographies, holding positions such as CFO for Latin America, General Manager of Netafim Mexico, Vice President of the Americas, Vice President of Europe, the Middle East and Africa, and most recently as Senior Vice President and President of the Americas at Netafim.

Gaby has an MBA with a major in Accounting and Finance from Tel Aviv University. He is also a certified accountant in Israel.

Nicholas Ballas is president of Orbia's Vestolit Polymer Solutions business group. He has extensive global experience in the chemical and manufacturing industries. He also has extensive experience in developing and executing strategies and optimizing operations aimed at growth in sales and profits.

Prior to joining Orbia in 2020, Mr. Ballas was Executive Vice President of Nexans, SA, a global leader in the cable industry, where he led the company's business division in the Asia Pacific region for 8 years. He also served as director of the Nexans Foundation, where he helped lead efforts to provide electricity to disadvantaged communities around the world. Mr. Ballas began his career at Cabot Corporation, where for 22 years he held various finance, strategy and general management positions in the US, Japan, Malaysia and Indonesia.

Prior to joining Orbia in 2020, Nicholas was Executive Vice President of Nexans, SA for eight years, a global leader in the cable industry, where he led the company's Asia Pacific business division. Nicholas also served as director of the Nexans Foundation, where he helped lead efforts to provide electricity to disadvantaged communities around the world. Nicholas's previous professional experiences include a consulting stint with Cathedral Hill Advisory, Samudera Shipping in Indonesia, and an early start at Cabot Corporation, where he was instrumental in the development of Cabot LNG.

Mr. Ballas is currently a member of the Board of Directors of Samudera Shipping Line Ltd. He holds an MBA from Thunderbird School of Global Management and a BA from St. Cloud State University.

Gautam Nivarthy is president of Orbia's Alphagary Polymer Solutions business group. As a chemical engineer by profession and with over 20 years of management experience in the chemical industry, Gautam has led extensive business transformation efforts that have created significant value.

Since joining Orbia in 2017, Gautam has taken Alphagary to a leading position in the industry thanks to its innovative solutions tailored to customer needs. Prior to joining Orbia, Gautam held executive leadership positions in marketing, strategy and general management for Honeywell, DuPont and Unilever. During his time at DuPont and Unilever he lived in Southeast Asia and Europe.

Gautam holds a Ph.D. in chemical technology from the University of Twente, an MBA from Columbia Business School, and a BSc in chemical engineering from the University of Bombay.

Gregg Smith is president of Orbia's Fluorinated Solutions business group. Gregg has more than three decades of experience in the global chemical and specialty materials industries, with an extensive background in general management, business development, and developing technologies to drive growth.

Since joining Orbia in 2018, Gregg has led Fluorinated Solutions to a competitive position in the fluorine value chain by expanding into existing and new verticals where fluorite is paramount. Prior to joining Orbia, Gregg held executive leadership positions in operations, business and business development, and technology at Cabot Corporation. He has a successful track record as a corporate entrepreneur and technological developer creating new businesses and materials for electrophotographic and inkjet printing, carbon-reinforced composites and lithium-ion battery technologies.

Gregg received his MBA from Northeastern University and a BS in chemical engineering from the University of New Hampshire.

James P. Kelly is Senior Vice President and CFO of Orbia and brings over 30 years of experience to leading Orbia’s finance organization and presiding over the accounting, treasury, financial planning and analysis, tax and investor relations functions.

Jim is a seasoned executive with extensive experience in building global finance organizations and a track record of financial and operational leadership in the chemical and manufacturing industries. He has expertise in establishing best-in-class finance systems, processes and fundamentals that enhance organizational resilience and support growth.

Prior to joining Orbia, Jim held a variety of senior positions, most recently serving as Vice President and Corporate Controller of Cabot Corporation, where he oversaw all reporting and internal control activities, finance process improvements and facilitation of Cabot’s Audit Committee activities. Over the course of his career, Jim lived and worked across several continents and steered teams in corporate reporting, business financial planning and analysis, investor relations and internal audit.

Jim holds an MBA from Harvard University and a B.S. degree in accounting from Georgetown University.

Sheldon Hirt is Vice President and General Counsel of Orbia. He oversees Orbia's legal, compliance and regulatory organization, ensuring that our business continues to grow responsibly.

Prior to joining Orbia, Sheldon worked at Amneal Pharmaceuticals, where he was a member of the executive leadership team. Sheldon has significant experience handling legal and compliance matters at international pharmaceutical companies such as Johnson & Johnson, Actavis, and Progenics Pharmaceuticals. He specializes in mergers and acquisitions, licensing, securities, and corporate governance.

Sheldon holds a bachelor's degree in international affairs from Columbia University's School of International and Public Affairs and a JD from Columbia Law School.

Deborah Butters is the Chief People Officer, responsible for growing and developing Orbia as a people-oriented and sustainable organization, and enhancing the experiences and capabilities of our team around the world. In addition, she leads the execution and strategic vision of Orbia's brand communication and marketing.

With over 25 years of experience, she is a seasoned HR leader, team builder and cultural manager who brings a pragmatic and creative approach to driving business value. In addition to having worked in the technology, consulting, life sciences and now industrial sectors on a global scale, Deborah has experience in attracting and retaining talent, integrating acquisitions, executive and employee compensation models, and business initiatives. change management and transformational performance support. Prior to joining Orbia, she served as Global Human Resources Director (CHRO) at PerkinElmer for four years, leading the company's people strategy. Prior to PerkinElmer, Deborah spent 17 years with IBM, living and working in the United States and Europe in leadership roles where she enhanced the company's global HR programs and led a company-wide talent transformation. Deborah began her career at a software startup with Lotus Development in 1991, where she held progressive leadership positions until IBM acquired Lotus in 1999.

Deborah obtained a Bachelor of Science degree in Human Resources from the University of Bath in England, and subsequently a Postgraduate degree in Human Resources from the University of London.

Jorge Luis Guzman Mejia is the Corporate Vice president of Internal Audit. He has more than 20 years of experience in finance, treasury, credit, risk assessment, auditing, and internal controls.

Before joining Orbia in 2008, he worked for companies including Avon, Becton Dickinson, DuPont and Dow Chemical.

Jorge Luis has a degree in business administration and an MBA from the Universidad Iberoamericana. He is also CIA certified and CSA certified by the Florida Institute of Internal Auditors.

Compensation to the members of the Board of Directors and the Company's Committees

In accordance with the resolutions of the Ordinary Annual General Meeting of Shareholders held on April 1, 2022, it was resolved that during the fiscal year of 2022 and until further resolution by the Shareholders' Meeting:

a) The members of the Board of Directors, with the exception of the Honorary President and the President of the Board of Directors, would receive an annual compensation in cash in Mexican pesos equivalent to USD $60,000.00 (sixty thousand 00/100 United States dollars) and a compensation in kind. in Pesos (net resulting from the withholding of the corresponding taxes) of USD $960,000.00 (ninety thousand 00/100 Dollars of the United States of America) in restricted shares of the Company.

b) The Honorary President of the Board of Directors receives an annual cash payment equivalent in Pesos, National Currency, to USD$500,000.00 (Five Hundred Thousand 00/100 Dollars of the United States of America).

c) The Chairman of the Board of Directors receives an annual cash payment equivalent in Pesos, National Currency, to USD$750,000.00 (Seven Hundred Fifty Thousand 00/100 United States of America Dollars) and, in addition, shall be entitled to receive an additional contingent payment. of up to a maximum equivalent in Pesos, National Currency, of USD$750,000.00 (Seven Hundred Fifty Thousand 00/100 United States Dollars), payable on the basis of the achievement of certain specific objectives established and evaluated by the Corporate Practices Committee.

d) The Chairman of the Audit Committee will receive, in addition to the payment in cash and in kind due to him as a member of the Board of Directors, an annual payment in cash equivalent in Pesos, National Currency, to USD$25,000.00 (Twenty Five Thousand 00/100 Dollars of the United States of America) and the Presidents of the Corporate Practices Committee and the Finance Committee will receive, also in addition to the payment in cash and in kind due to them as members of the Board of Directors, an annual payment in cash equivalent in Pesos, National Currency, at USD$20,000.00 (Twenty Thousand 00/100 Dollars of the United States of America).

Together, the benefits received from the Company during 2021 by the members of the Board of Directors and Relevant Directors amounted to USD$2,800,000 in cash, plus USD$585,000 in kind (restricted shares of Orbia), for a total of USD$3,385,000.

Intermediate Administration Bodies

The Committees that assist the Board of Directors are the Audit Committee, the Corporate Practices and Sustainability Committee and the Finance Committee. Orbia does not have intermediate bodies other than those mentioned above.

Code of ethics

Orbia must always be a company recognized for its principles and values. In order to maintain and reinforce its ethical and professional performance, its Code of Ethics has been updated and reinforced, while a more effective reporting system has been established through which behaviors contrary to the principles and values of the company can be reported.

The Code of Ethics establishes Orbia's commitments to society, the government and the competition, as well as to its collaborators, suppliers, consumers, customers, partners and shareholders.

The Code of Ethics is the standard of behavior in the daily operation of Orbia.

Major Shareholders

As of the date of this Annual Report, the main shareholder of the Company is Kaluz, which is controlled by the Valle Perochena family, and which owns approximately 44.83% of the capital stock with voting rights and accordingly ia shareholder that exercises significant influence, according to the LMV. The Valle Perochena brothers individually own 0.47%, other shareholders related to a greater or lesser extent to the Valle family own approximately 9.27% of the capital stock with voting rights, so together with Kaluz are considered to be a shareholder who exercise significant influence over the Company in accordance with the LMV. No governmental institution owns more than 5% of the voting capital stock.

As of this date, the Company's capital remains unchanged. The capital is represented by 2,010,000,000 shares.

Shareholding of employees and executives

As far as the Company is aware, none of its employees and/or Relevant Directors has an individual holding of shares greater than 1% of the capital stock.

Shareholding of the Directors

The main shareholders of the Company are the members of the Perochena Valley Family (Antonio del Valle Perochena, María Blanca del Valle Perochena, María de Guadalupe del Valle Perochena, Francisco Javier del Valle Perochena and Juan Pablo del Valle Perochena), through the Kaluz company, of which they own 44.83% of the total shares issued by Orbia

Messrs. Juan Pablo, Antonio, María de Guadalupe and Francisco Javier del Valle Perochena are also Directors of the Company.

Based on the lists of owners provided to the Company by various stock market intermediaries on the occasion of its Ordinary General Shareholders' Meeting on April 1, 2022, none of the Company's directors holds a direct and individual shareholding greater than 1% and less than 10% of the Company's capital stock:

Significant Changes in the Last Three Years in Shareholder Ownership

There have been no significant changes in the ownership of shareholders in the last three fiscal years.

Labor inclusion program policy description

Our corporate culture respects professional, cultural and gender diversity and encourages professional development based on talent, character, education, knowledge, discipline and work, without distinction of gender, race, religion or other factors. Furthermore, Orbia strictly prohibits any kind of discriminatory conduct, including gender discrimination. To date, the Company is working on documenting policies, to be approved by our Board of Directors, that will actively promote corporate and labor diversity both in our governing bodies as well our workforce, with a view to broadening the diversity of gender, perspective and experience.

As of 2021, 25% of the Directors are women.

d) Corporate Bylaws and Other Agreements

The following is a brief summary of the main provisions contained in the Company’s corporate bylaws.

Right of Preference

In cash capital increases, shareholders will have preference to subscribe the new shares issued to representthe increase. This right must be exercised within the term established for such purpose by the Shareholders'Meeting that decrees the increase, which in no case may be less than 15 (fifteen) calendar days counted from the date of publication of the corresponding notice in the electronic system established by the Ministryof Economy. In addition, the Company may publish the respective notice in a newspaper with widespread circulation at the registered office. However, if all the shares comprising the capital stock are represented atthe Meeting that decreed the increase, said period of at least 15 (fifteen) days shall begin to run and be counted, if so resolved by said Meeting, as from the date the Meeting is held, and the shareholders shall bedeemed to have been notified of the resolution at that time, and therefore its publication shall not be necessary.

In the event that, after the expiry of the aforementioned period, certain shares still remain unsubscribed, theBoard of Directors shall have the power to determine the person or persons to whom the unsubscribed shares must be offered for subscription and payment.

Shareholders shall not enjoy a pre-emptive right in the case of: (i) the merger of the Company, (ii) the conversion of debentures into shares, (iii) the public offering of shares under the terms of Article 53 of the LMV and Article Eight of the bylaws, (iv) the increase in the capital stock through the payment in kind of theshares issued, or through the cancellation or capitalization of liabilities payable by the Company, (v) the placement of shares acquired by the Company in accordance with Article 56 of the LMV and Article Thirteen of the bylaws (repurchase fund), (iv) the capitalization of share premiums, retained earnings and reserves or other items of the assets of the Company; and (vii) any other case where the Law permits the non- application of the pre-emptive subscription right.

Provisions for Change of Control

The ninth article of the corporate Bylaws contains measures to limit shareholding "Poison Pill", such that anytransfer of shares to any person or group of persons acting in a concerted manner, which accumulates in one or more transactions (without time limit) 10% or more of the total shares representing the outstanding capital stock, shall be subject to the authorization of the Board of Directors.

The above, including but not limited to: a) The purchase or acquisition by any title or means, of shares representing the capital stock of this Company, including Ordinary Participation Certificates (CPO's) or anyother instrument whose underlying value are shares issued by the Company; b) The purchase or acquisitionof any class of rights corresponding to the holders or owners of the Company's shares or shares issued in the future by the Company; c) Any contract, agreement or legal act that seeks to limit or results in the transferof any of the rights and powers that correspond to shareholders or owners of shares in the Company, including derivative financial instruments or operations, as well as acts that imply the loss or limitation of voting rights granted by shares representing the capital stock of this Company; and d) Purchases or acquisitions intended to be made by one or more interested parties, who act in a concerted manner or are linked to each other, de jure or de facto, to take decisions as a group, association of persons or consortia.

The prior favorable written agreement of the Board of Directors shall be required regardless of whether thepurchase or acquisition of the shares, securities and/or rights is intended to be made on or off the Stock Exchange, directly or indirectly, through a public offer, private offer, or through any other modality or legal act, in one or several transactions of any legal nature, simultaneous or successive, in Mexico or abroad.

The favorable prior written agreement of the Board of Directors shall also be required for the execution of agreements, contracts and any other legal acts of any nature, oral or written, by virtue of which voting mechanisms or association agreements are formed or adopted, to be exercised at one or more Shareholders' Meetings of the Company, each time the number of grouped votes results in a number equalto or greater than any percentage of the total shares representing the capital stock of the Company that areequal to or greater than 10% (ten percent) of the capital stock. An agreement of this nature shall not be understood to be an agreement entered into by shareholders for the appointment of minority Directors. Suchagreements shall be subject to the provisions of the LMV and shall not be enforceable against the Companyto the detriment of the other shareholders or the Company's financial or business interests.

If purchases or acquisitions of shares are made, or restricted agreements are entered into, without observing the requirement to obtain prior favorable written agreement of the Board of Directors of the Company and, if applicable, compliance with the aforementioned provisions, the shares, securities and rights pertaining to such purchases, acquisitions or agreements, shall not grant any right or faculty to vote at the Company's Shareholders' Meetings, nor shall any value be given to certificates of deposit of shares issued by any credit institution, financial intermediary or stock exchange, depositary or institution or for the deposit of securities,to accredit the right to attend a Shareholders' Meeting. Nor shall such shares, rights or securities be entered in the Register of Shares of the Company or, as the case may be, the Company shall cancel their entry in the Register of Shares kept by the Company.

Notwithstanding and regardless of any consequence arising from noncompliance with the foregoing, each person who acquires shares, securities, instruments, or rights representing the Company's capital stock in violation of the provisions will be obliged to pay the Company a conventional penalty in an amount equal tothe price of all the shares, securities or instruments representing the Company's capital stock that have beenthe object of the forbidden transaction. In the event that the transactions that have given rise to the acquisition of a percentage of shares, securities, instruments, or rights representing the Company's capital stock equal to or greater than 10% (ten percent) of the capital stock are made free of charge, the conventional penalty will be equivalent to the market value of said shares, securities, or instruments, provided that the authorization of the Company's Board of Directors has not been obtained.

If the Company maintains the shares representing its capital stock registered in the National Securities Registry, the above requirement, in the event of transactions carried out through the stock exchange, will also be subject to the rules established by the Stock Market Act or those issued by the National Banking and Securities Commission in accordance therewith.

Shares

All shares, both those representing the minimum fixed capital stock, with no right of withdrawal, and those representing variable capital, are ordinary, nominative, without nominal value and confer on their holders' equal rights and obligations.

Shareholders' Meetings

The General Shareholders' Meeting is the supreme body of the Company. Meetings shall be Ordinary, Extraordinary or Special. The Extraordinary Meetings will be those that meet to deal with any of the matters referred to in Article 182 of the General Corporations Act, as well as Articles 53 and 108 of the LMV. SpecialMeetings will be those that meet to deal with matters that may affect a single category of shareholders. All other Meetings shall be Ordinary, the latter being held at least once a year within the four months followingthe end of the fiscal year, to address the matters indicated in Articles 181 of the General Corporations Act and 56 section IV of the LMV.

The Annual Ordinary General Shareholders' Meeting will appoint the members of the Board of Directors, based on the payroll proposed by the control group. In accordance with the LMV and the Bylaws, any shareholder or group of shareholders owning shares representing 10% of the capital stock may appoint andrevoke a member of the Board of Directors at a general shareholders' meeting. Such appointment may only be revoked by the other shareholders when the appointment of all the other directors is revoked.

In terms of Article 47 of the LMV, the Ordinary General Shareholders’ Meeting, in addition to the provisionsof the General Corporations Act, will meet to approve the operations that the Company or the legal entities it controls intends to carry out, within the period of a fiscal year, when they represent 20% (twenty percent) or more of the consolidated assets of the Company based on figures corresponding to the close of the previous quarter, regardless of the way in which they are carried out, whether simultaneously or successively, but which due to their characteristics may be consolidated as a single operation.

In addition, the Annual Ordinary General Shareholders' Meeting shall be informed of the annual report prepared by the Committee or Committees that perform the Corporate Practices and Auditing functions referred to in Article 43 of the LMV, which must be presented to said Shareholders' Meeting by the Company's Board of Directors.

Shareholders' Meetings must be called at least 15 calendar days in advance, through the publication of therespective call through the electronic system of publications established for such purpose by the Ministry ofEconomy of the Mexican government. In addition, the Company publishes this announcement in a newspaper with widespread national circulation. The call for the Shareholders' Meetings contains the meeting’s agenda and, cannot be changed unless 100% of the issued shares are represented atthe Shareholders' Meeting.

The Ordinary Shareholders' Meeting will be considered legitimately installed by virtue of the first call if at least 50% plus one of all the shares with voting rights in such Meetings are present. In the case of a secondor subsequent call, with the expression of this circumstance, it will be considered legitimately installed with any number of shares represented in the Meeting.

The Extraordinary Meeting shall be legally installed by virtue of the first call if at least 75% of all the shares entitled to vote in the Meeting are represented. In the case of a second or subsequent call, with the expression of this circumstance, it shall be considered legitimately installed if at least 50% plus one of all theshares with the right to vote in said Meeting is represented in it.

The Ordinary or Extraordinary General Meeting will be legitimately installed without the need to call a meeting if all the shares into which the capital stock is divided are represented and may resolve any matterif at the time of voting all the shares are still represented.

Admission to Shareholders' Meetings

In order to attend the Meetings, shareholders must obtain from the Company’s secretary the correspondingadmission card for the Meeting, at least one day in advance, at the day and time set for the holding of the Meeting.

In order to obtain the admission card, shareholders must deposit their shares at the Secretary of the company’s office in advance; in the case of shares deposited at the S.D. Indeval Institución para el Depósito de Valores, S.A. de C.V., This must be complemented with the list referred to in Article 290 of the LMV anddelivered to the address of the Company’s secretariat or to the address of the Company to obtain the admission card.

Shareholders may be represented at the Meetings by the person or persons they appoint by means of a power of attorney signed before two witnesses or by representatives with sufficient general or special powerof attorney granted in terms of the applicable legislation or through the forms referred to in Article 49 of the LMV, which must be available to shareholders from the day of publication of the call.

Transactions with Company securities

On February 24, 2015, the Board of Directors approved the "Policies and Agreements on Securities Transactions and the Acquisition and Placement of the Company’s Own Shares" and the "Policies and Agreements on Securities Transactions and the Acquisition and Placement of the Company’s Own Shares"."The purpose of this document is to disclose the limitations/prohibitions that certain persons related to the Company have considering that its shares are listed on the BMV, among them the members of the Board ofDirectors, the General Director, the Relevant Officers and others, to carry out operations with securities (shares or any class of securities issued by Orbia or credit securities that represent them; as well as optionalsecurities or derivative financial instruments that have such securities or securities as underlying) issued by the Company itself.

Although it is the responsibility of the members of the Board of Directors, Relevant Executives, and other parties obligated under the aforementioned policy to comply with the same and with the regulations regarding transactions with securities issued by Orbia, including the use of insider information, the Company has triedto alert such persons about such provisions and regularly informs them of the periods of restriction for the purchase or sale by them of Orbia shares based on the existence of insider information that has not been communicated to the public.

Compensation and Performance Evaluation of Directors and Committee Members

The Directors shall receive as compensation for their services the one established in cash or in kind by theOrdinary General Shareholders’ Meeting that has appointed them. This Meeting may delegate to the Boardof Directors or any other competent administrative body the implementation of any remuneration in kind forDirectors.

The Corporate Practices and Sustainability Committee is responsible for evaluating the performance of andcompensation to the Issuer's relevant executives as discussed earlier in this annual report.

Faculty of the Council to make decisions regarding any other matter in which they may have a personal interest

The members and, where appropriate, the Secretary of the Board of Directors, who have a conflict of interest in any matter, must refrain from participating and be present in the deliberation and voting on said matter.

Modifications in the bylaws

1. In the Ordinary and Extraordinary Annual General Meeting of Shareholders held on April 23, 2019, certain articles of the Company's bylaws were modified. A summary of said modifications is presented below:

Second Article: Reflect the change by which the Federal District is renamed Mexico City.
Article Three: Make precisions in the corporate purpose.

Sixth Article: Establish that prior express authorization of the CNBV, the Company may issue limited, restricted or non-voting voting shares; and that the preferential subscription right referred to in Article 132 of the General Law of Commercial Companies will not be applicable in the case of capital increases through public offerings.

Seventh Article: Only drafting adjustments.

Article Nine: Regulate the acquisition of 10% or more of shares representing the capital stock; and in addition to the foregoing, that a majority of the members of the Board of Directors who have been elected to said position before verifying any circumstance that could imply a change of Control, must grant their authorization in writing so that a Change of Control in the Company.

It is important to note that the modification of this Article may only be approved in the Extraordinary General Assembly of Shareholders of the Company in which 5% or more of the outstanding shares have not voted against on the date of the respective Shareholders' Assembly.

Article Ten: Specify that the right of preference is in terms of the provisions of article 132 of the General Law of Commercial Companies.

Thirteenth Article: Establish the power of the Board of Directors to designate the person or persons responsible for managing the resources for the acquisition and placement of own shares, when said designation has not been made by the Shareholders' Meeting.

Fifteenth Article: Only drafting adjustments.

Article Twenty-Eighth: Requirements for appointing and revoking a member of the Board of Directors by shareholders holding shares representing 10% of the capital stock.

Article Thirty-Second: Add to the requirements to be Directors those persons who, in the opinion of the Company's Corporate Practices Committee, enjoy recognized professional or business experience and prestige as well as moral solvency and are not in situations of conflict of interest with the Company. Company or its subsidiaries.

Article Thirty-Four: Procedure for the election of Directors proposed by shareholders holding shares representing 10% of the capital stock, as well as including the power of the Company's Corporate Practices Committee to present to the Ordinary Annual General Meeting of Shareholders a form with the names of the candidates proposed to form the Board of Directors, including those proposed by minority shareholders.

Article Forty-Four: Include as a power of the Corporate Practices Committee to propose to the Shareholders' Meeting the candidates who, in its opinion, should be part of the Board of Directors, in case the members that are part of it at the time of the election are not ratified. in their positions by the Assembly of Shareholders.

2. In the Extraordinary General Assembly of Shareholders held on August 26, 2019, the change of corporate name to ORBIA ADVANCE CORPORATION was approved, consequently, it was decided to reform Article One of the corporate bylaws.

3. At the Extraordinary General Meeting of Shareholders held on September 13, 2021. Article Three of the Company's bylaws was amended in order to specify the purpose of the Company.

Process to be followed to change the rights associated with the shares

Both the shares that represent the minimum fixed capital stock, without the right to withdrawal, and those that represent the variable capital, are ordinary, nominative, without expression of nominal value and confer equal rights and obligations to their holders.

With the prior express authorization of the CNBV, the Company may issue limited, restricted or non-voting voting shares.

The issuance of shares other than ordinary shares must not exceed twenty-five percent of the paid-in capital stock placed among the investing public. When expressly authorized by the CNBV, said limit may be extended, in certain exceptional cases.

Statutory clauses or agreements between shareholders that limit or restrict the management of the issuer or its shareholders

There is no restriction whatsoever for the shareholders to participate in the management of the Company, in this regard, the bylaws establish that the shareholders holding shares with voting rights, even limited or restricted, that individually or jointly have the 10 % of the Capital Stock, shall have the right to appoint and revoke a member of the Board of Directors and their respective alternate at the General Shareholders' Meeting, on the understanding that it must always be respected that 25% of the Directors must be independent. Such appointment may only be revoked by the other shareholders when the appointment of all the other Directors is also revoked, in which case the persons replaced may not be appointed in that capacity during the twelve months immediately following the date of revocation.

Minority shareholders who, in terms of what is described above, intend to appoint a Director, must notify the Company's Corporate Practices and Sustainability Committee at least 5 business days in advance of the Ordinary Annual General Meeting of Shareholders. Said communication must contain at least: (i) full name and experience of the person they propose to appoint, and (ii) an indication of whether or not, in their opinion, they meet the conditions of independence, recognized experience and professional or business prestige and of moral solvency, as well as those defined in the laws and other applicable provisions.

5. CAPITAL MARKET

a) Shareholding structure

The capital stock as of December 31, 2021, is represented by 2,010,000,000 shares, ordinary, nominative with voting rights and without par value, which are fully paid. The fixed part of the capital is represented by registered shares of Class I without right of withdrawal. The variable part of the capital is represented by registered shares of Class II, without expression of nominal value. As of December 31, 2021, the number of shares and amount of capital stock is as follows:

December 31, 2021 Subscribed capital	Number of actions	Amount (Millions of dollars)
Class I	308,178,735	$38
Class II	1,701,821,265	219
Total	**2,010,000,000**	**$257**

As of December 31, 2021, the Company does not have open positions in derivative instruments that can be settled in kind whose underlying assets are ORBIA* shares.

During 2020 and 2019, Orbia has not changed the number or amount of outstanding shares representing its share capital.

As of December 31, 2021, the Company had acquired 90,000,000 own shares through the use of the resources authorized by the Ordinary Annual General Meeting of Shareholders for the Repurchase Fund and that the Issuer buys in the stock market, charged to its capital.

b) Performance of the share in the Stock Market

The prices and amounts of the stock market operations of the ORBIA* shares are presented in Mexican pesos.

The level of marketability corresponding to the shares is "High", according to the information available from the Marketability Index carried out by the BMV in the month of March 2021. As of 2008, Orbia's shares are an integral part of the BMV Quote Price Index.

In the last three years, the listing on the BMV of the "ORBIA *" shares have not been suspended.

The following tables show the maximum, minimum and last prices of the shares listed on the BMV during the indicated periods:

Annual Performance

Date	Maximum	Minimum	Closing	Volume	Amount
2017	53.60	46.00	48.63	725,639,512	35,850,875,980
2018	67.79	42.71	49.94	832,120,117	47,265,429,553
2019	52.88	31.02	40.32	932,615,312	39,556,051,265
2020	51.80	23.80	46.75	788,415,268	28,206,256,417
2021	59.75	42.70	52.27	664,912,571	34,871,105,897

Quarterly Performance

Date	Maximum	Minimum	Closing	Volume	Amount
1Q2020	51.80	23.80	26.09	258,529,654	9,764,206,655
2Q2020	37.74	24.31	33.98	243,451,901	7,391,465,477
3T2020	39.07	32.05	38.74	136,713,729	4,906,796,401
4Q2020	47.50	35.71	46.75	149,719,984	6,143,787,884
1Q2021	57.49	42.70	57.02	212,843,203	10,560,032,463
2Q2021	59.20	48.51	52.91	142,575,936	8,309,475,964
3Q2021	56.56	49.28	52.27	158,013,104	7,748,698,364
4Q2021	54.81	46.47	51.38	100,668,872	8,252,899,106
1Q2022	54.81	46.47	52.51	172,611,599	8,817,313,517

Monthly Performance

Date	Maximum	Minimum	Closing	Volume	amount
30-Apr-21	59.75	51.24	56.50	46,765,892	2,552,400,501
31-May-21	58.50	55.03	56.41	49,960,192	2,823,589,814
30-Jun-21	57.16	51.04	52.14	54,754,236	2,933,485,649
31-Jul-21	56.36	50.71	54.25	41,089,668	2,198,702,496
31-Aug-21	57.75	53.80	57.34	45,975,236	2,561,835,791
30-Sep-21	59.20	48.51	52.91	55,510,434	2,988,160,077
31-Oct-21	56.56	51.67	53.51	33,510,484	1,795,067,302
30-Nov-21	54.85	49.65	49.94	64,250,660	3,353,412,883
31-Dec-21	54.50	49.28	52.27	60,220,904	3,104,418,921
31-Jan-22	52.79	46.47	48.17	45,194,104	2,215,908,077
28-Feb-22	53.83	47.50	53.32	32,463,720	1,669,617,161
31-Mar-22	54.81	49.52	52.51	94,918,756	4,931,788,279

Source: Financial Infosel. Price figures in pesos.

c) Market Maker

As of the date of this Annual Report, the Company has not contracted a Market Maker to support the trading of ORBIA* shares, as permitted by the LMV.

6. RESPONSIBLE PERSONS

6. Personas Responsables

Comisión Nacional Bancaria y de Valores
Vicepresidencia de Supervisión Bursátil
Insurgentes Sur 1971, Torre Sur, Piso 10
Col. Guadalupe Inn
01020, Ciudad de México

Los suscritos manifestamos bajo protesta de decir verdad que, en el ámbito de nuestras respectivas funciones, preparamos la información relativa a la emisora contenida en el presente reporte anual, la cual, a nuestro leal saber y entender, refleja razonablemente su situación. Asimismo, manifestamos que no tenemos conocimiento de información relevante que haya sido omitida o falseada en este reporte anual o que el mismo contenga información que pudiera inducir a error a los inversionistas.

Atentamente,

DocuSigned by:
04302CFC178147B

Sameer S. Bharadwaj
Director General

DocuSigned by:
James P. Kelly
F0744C028D4540F

James P. Kelly
Vicepresidente de Finanzas

DocuSigned by:
Sheldon Hirt
8A18E4AE63D7487

Sheldon Hirt
Vicepresidente Legal

Orbia Advance Corporation, S.A.B. de C.V. y Subsidiarias

Manifiesto de consentimiento para la inclusión en el reporte anual en los términos del Artículo 33 de las Disposiciones por el año que terminó el 31 de diciembre de 2021.

Galaz, Yamazaki,
Ruiz Urquiza, S.C.
Paseo de la Reforma 505, piso 28
Colonia Cuauhtémoc
06500 Ciudad de México
México

Tel: +52 (55) 5080 6000
www.deloitte.com/mx

29 de abril de 2022

Al Presidente del Comité de Auditoría de
Orbia Advance Corporation, S.A.B. de C.V.

Estimados señores:

Los suscritos manifestamos, bajo protesta de decir verdad, que los estados financieros consolidados de **Orbia Advance Corporation, S.A.B. de C.V. y Subsidiarias** (la "Emisora") que contiene el presente reporte anual al 31 de diciembre de 2021, 2020 y 2019 y por los años que terminaron en esas fechas, fueron dictaminados con fecha 23 de febrero de 2022, de conformidad con las Normas Internacionales de Auditoría.

Asimismo, manifestamos que hemos leído el presente reporte anual y, basado en su lectura y dentro del alcance del trabajo de auditoría realizado, no tenemos conocimiento de errores relevantes o inconsistencias en la información que se incluye y cuya fuente provenga de los estados financieros dictaminados, señalados en el párrafo anterior, ni de información que haya sido omitida o falseada en este reporte anual, o que el mismo contenga información que pudiera introducir a errores a los inversionistas.

No obstante, los suscritos no fuimos contratados para realizar, y no realizamos, procedimientos adicionales con el objeto de expresar una opinión respecto de la otra información contenida en el reporte anual que no provenga de los estados financieros dictaminados.

Atentamente,

C.P.C María Isabel Romero Miranda	C.P.C. Erick Jonathan Calvillo Rello
Representante Legal	Auditor Externo
Socio de Galaz, Yamazaki, Ruiz Urquiza, S.C.	Socio de Galaz, Yamazaki, Ruiz Urquiza, S.C.
Miembro de Deloitte Touche Tohmatsu Limited	Miembro de Deloitte Touche Tohmatsu Limited

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7. ANNEXES

- Consolidated and audited financial statements of Orbia Advance Corporation, S.A.B. de C.V., for the years 2021, 2020 and 2019.

- Reports of the Corporate Practices and Audit Committee of Orbia Advance Corporation, S.A.B. de C.V., for the years 2021, 2020 and 2019.