

Q3 2021

Quarterly Report

09/30/2021

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MUCINNO HOLDING INC.

Message from management

Edgar Muciño, Chief Executive Officer of Mucinno Holding stated: "We are happy to close another quarter with growth in our sales that has been increasing month by month since the beginning of 2021. We obtained very positive results for the company in these three months, which are the fruit of the efforts of the entire Mucinno Holding team. This effort was focused on the creation of contracts and circuits with our clients which are the result of the work of previous years, as well as the continuous extension of the fleet. With the acquisition of 11 transportation units, the fleet now consists of 25 units, with which we have managed to transport more material for our cement clients and meet the increase in their demand.

In the same way, we had a great focus in the production of material for the increased supply, where we optimized our processes and acquire new machinery to increase our production capacity for the next quarter.

On the management side, we continue to maintain an upward strategy with growth plans, as we seek to maintain a constant increase in our production and supply capacity, and we continue to attract new clients and form long-term relationships. We are implementing new ways of measuring our efficiency and operational controls that go hand in hand with growth, with which we increasingly seek to convey the current situation of the company."

Key Highlights

Please know that our clients pay after 90-120 days of the service; all the sales have not been reflected on the financial books because the total amount have not been invoiced yet.



Total Sales

\$2,300,000 dollars

Sales Increase

50% Increase with respect to
Q2 2021

380% Increase with respect to
Q3 2020

Projects Progress

Increase in production and
delivery capacity at both mines

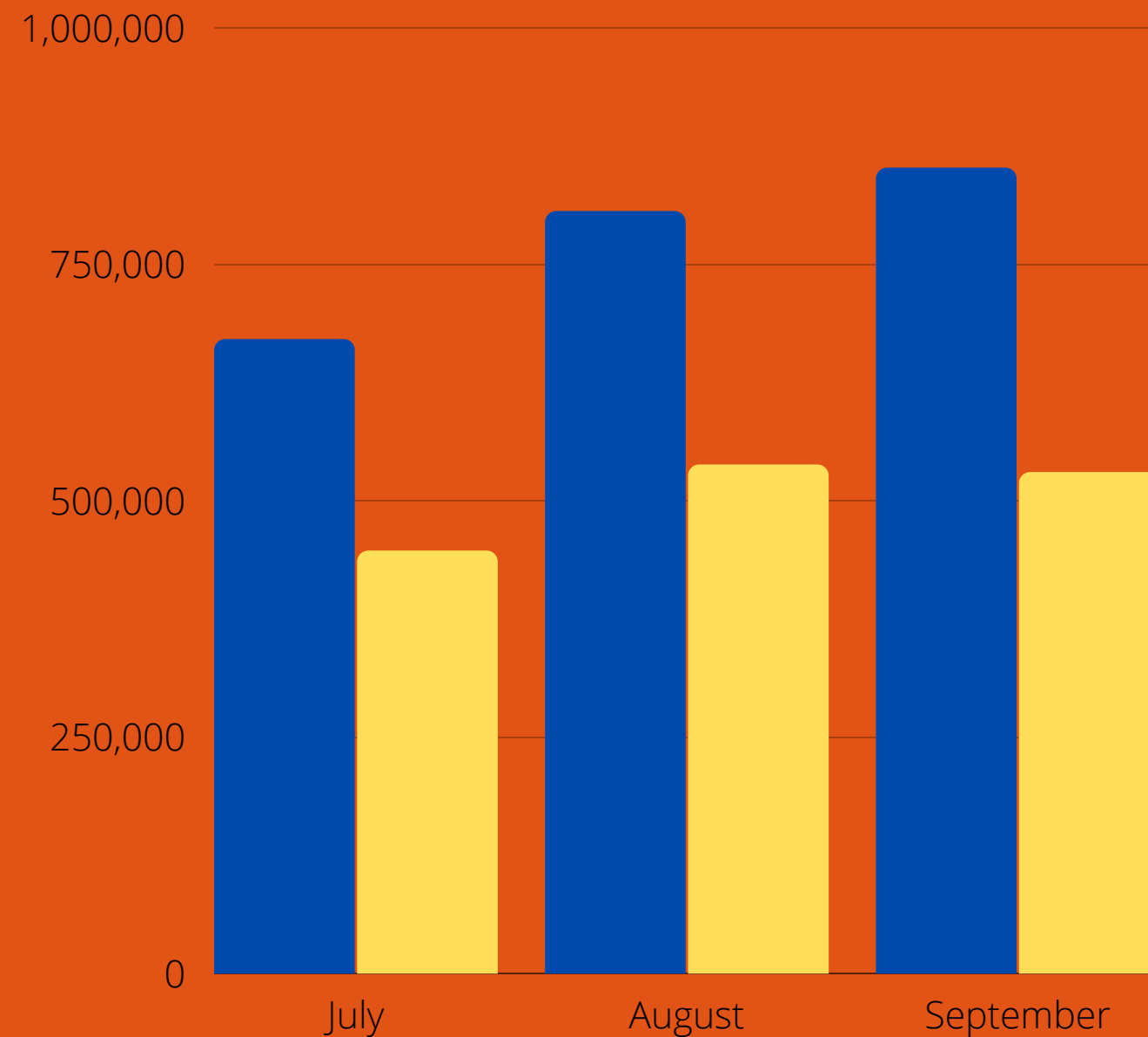
Quarter Accomplishments

Here are some of our achievements during this quarter taking into account all areas of the business.



- **Increase in Production and Logistics**
 - Delivery was increased by 50% overall thanks to the internal logistics of the mines that increased the production, and the extension of transport units that allowed us to directly transport our material.
- **Acquire New Units**
 - 11 new full modality units were acquired, which were acquired to increase our supply capacity and take advantage of the demand of our clients' requirements. The units are 4 Freightliner units and 7 KW which are already working.
- **Offices in Mérida**
 - The headquarters of the company moved to Mérida city where the strongest movement of units is located. This was made to have a greater control over the operation.

Compared to last quarter

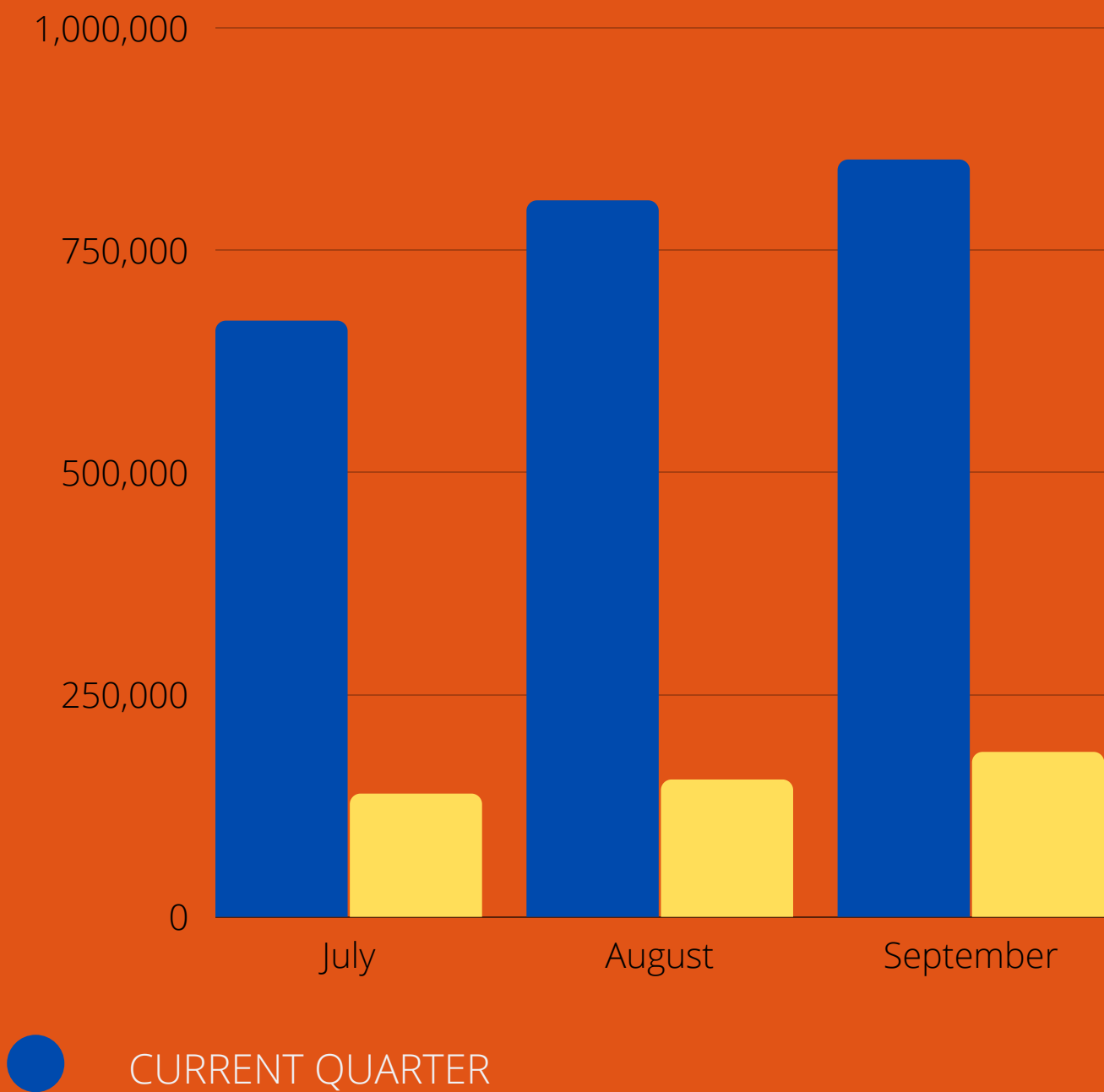


● CURRENT QUARTER

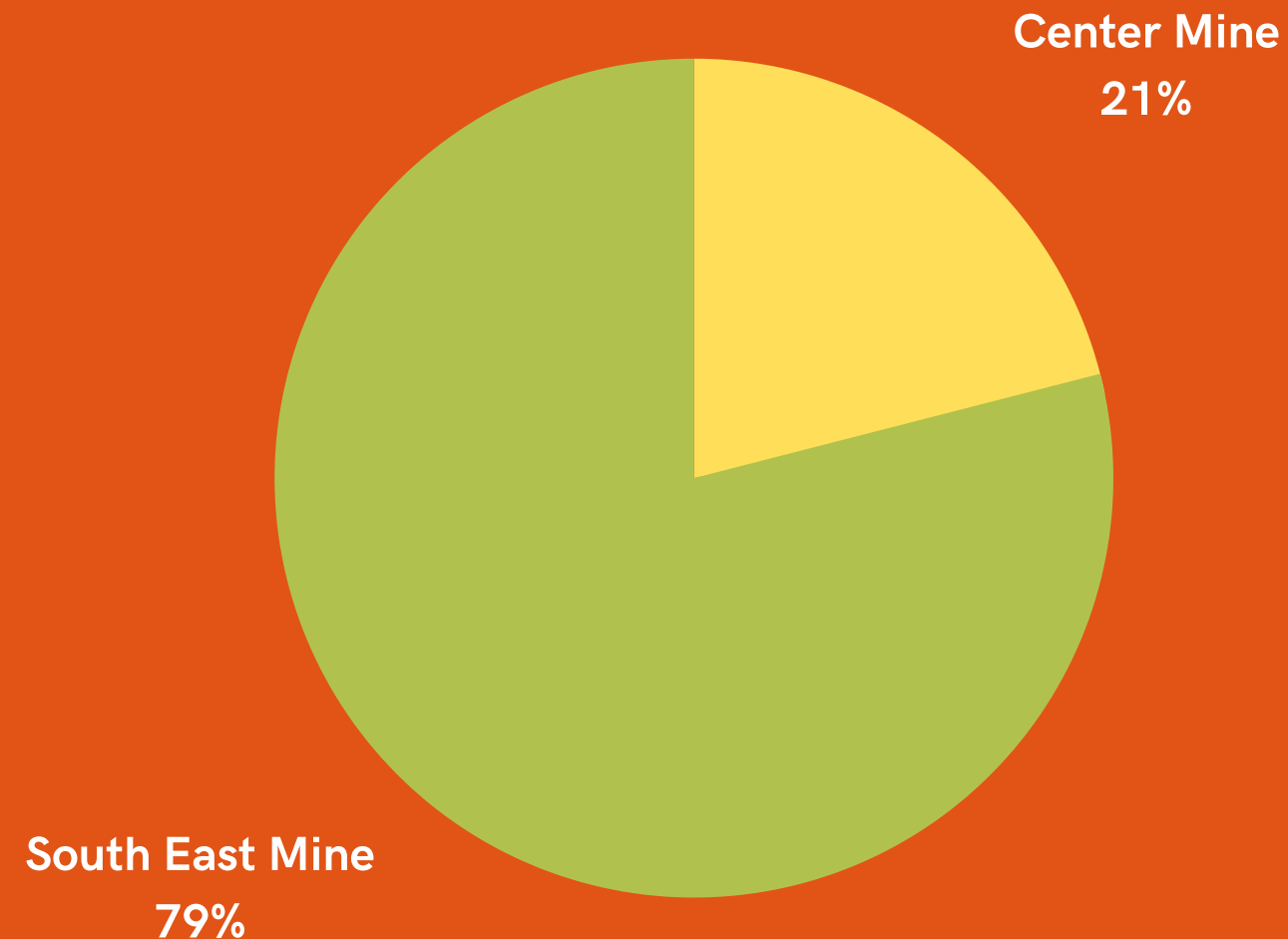
We closed this quarter with better sales than the previous quarter with a total of \$ 2,300,000, this is due to the fact that we had greater demand for orders in the southeast and the fleet extension that allowed us to transport more of our material. It is an increase of 50% from the previous quarter.

This quarter had a growth of 380% compared to the same quarter of last year, which closed sales with a total of 478,000. This is because we have a higher demand for orders and a bigger fleet.

Compared to last year



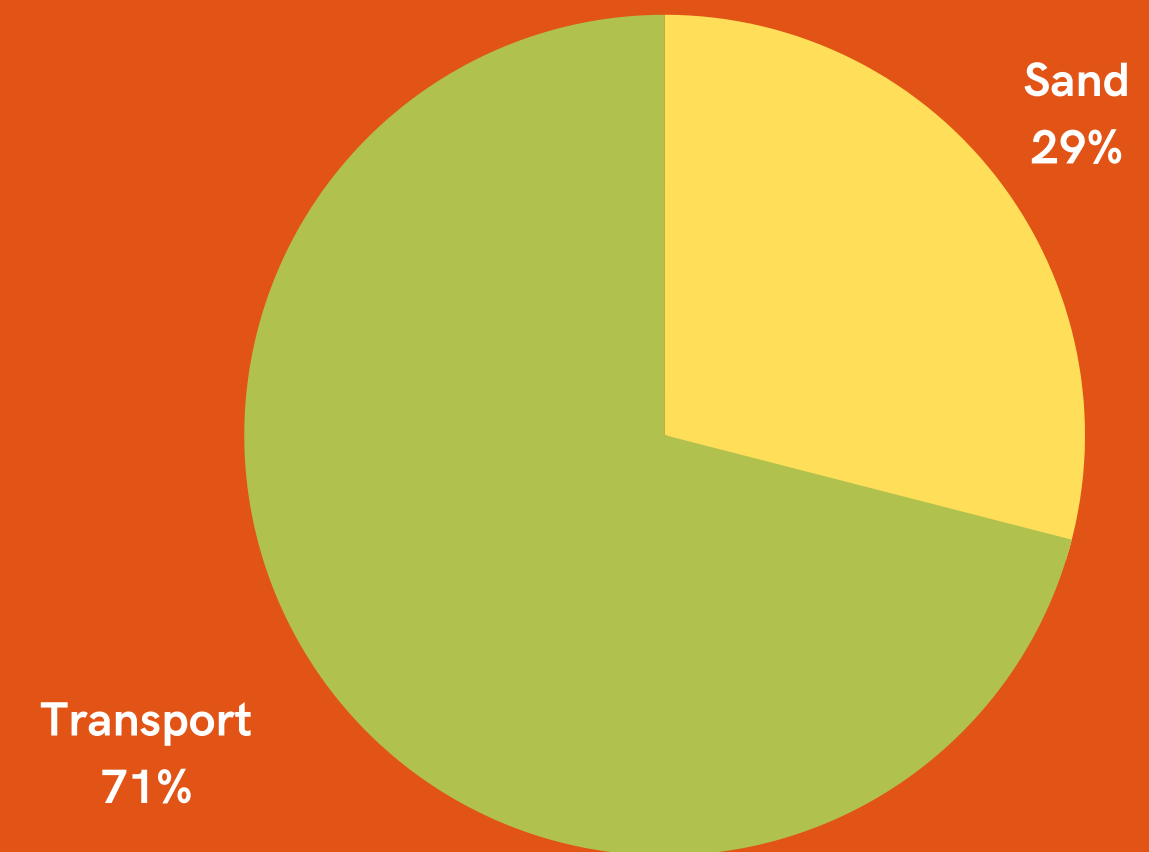
Sales by Geography



Sales broken down by geography are 79% from the southeast circuit and 21% from the central plant. The demand in the southeast is higher due to the growth of the region, however growth is also expected in the central region, due to the expansion of a cement plant.

Revenues by segment are made up of 71% being revenue from freight services and 29% from revenue from sand sales. Of the 11 plants that we supplied during this quarter, we had a total requirement of 128,279 tons, of which we delivered 93%.

Sales by Segment



Next Quarter Objectives

Here are some of the objectives that we have during the next quarter taking into account all areas of the business



- **Create Business Relationship with New Client**
 - For the next quarter we will do our best to close a deal with one of the largest cement companies in Mexico to supply them with sand and provide transportation services.
- **Acquire new units**
 - We are looking to acquire more units since the requirements of our clients have increased. At the moment 4 units have been authorized.
- **Increase in production capacity**
 - With the increase in units, production will be extended in both mines, we are seeking to acquire another screen at the central plant due to the demand for it will come with the extension of the Tepeaca cement plant.
- **Year End**
 - Close the year with the highest sales in the history of the company.

Mining Outlook

Due to the increase in demand that we have had from our clients, our production capacity for silica sand has increased, both in the central plant and in the southeast mine.

At the recycling plant we have acquired one more screen to increase sand production and prepare for the coming increase in demand from the center of the country due to the extension of the CEMEX plant located in Tepeaca and requests from other clients, in addition to new orders from potential customers. On the other hand, during this quarter the contract with Amsted Rail was extended in which we will receive more casting molds made of silica sand. We are also looking to acquire an extra screen the next quarter to produce at a lighter rate.

In the southeast mine we have maintained the same production strategy, however, we increased the level of production. On the other hand, we have taken preventive measures against the rains, so we put emphasis on the logistics of the mine to maintain a stock that allows us to load and supply in rainy times, which hinder the access of machinery and production. The strategy has worked efficiently allowing us to supply at all times of the year. For this solution to the problem, CEMEX is considering us as one of the most innovative suppliers.

Transport Outlook

In transportation we had an increase of 11 units, which increased our fleet from 14 to 25 units, therefore our delivery capacity increased by 50%. All units have been purchased brand new and the oldest are 2 years old as they were purchased in 2019.

At the moment we have 4 units with a single gondola (singles) and 21 units with a double gondola (full). It is planned to acquire more full-type units for the circuit in the center of the country and the circuit in the southeast.

All units are currently working and comply with the quality and safety standards that our clients request in their plants.

Financial Outlook

In the financial aspect we have generated a large flow that allows us to operate in an agile way, despite the payment schemes of our clients which are made from 90-120 days from the day the service was made. If necessary, we use the factoring of the receivables, an aspect of which we are constantly working to optimize it by using it as little as possible or at a lower rate.

The flow that we generate every month allows us to pay the monthly payments of the transport units in a timely manner, so we have never been late in payments and we are up to date and generating profits.

Message to Investors

First of all we want to thank you for the trust you have placed in Mucinno Holding, for which we want to inform you that the projects are going forward as we have planned, we have been growing month after month throughout the year and we expect to continue growing the same way in the long term since the projects have allowed us to do so. We continue to strive to get even more orders for our product and provide freight services with current and new clients, while optimizing our processes to become more efficient each time.

We ask you to continue to trust the company, we trust in it and in the great growth opportunities that we have identified and taken advantage of so far, which were not possible without the work of the entire team at Mucinno Holding.

We will keep you informed of the situation of Mucinno Holding.

Forward-Looking Statements

This press release contains forward-looking information within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1993 and Section 21E of the Securities Exchange Act of 1934 and is subject to the safe harbor created by those laws. These forward-looking statements are based upon a number of assumptions and estimates that are subject to significant uncertainties that involve known and unknown risks, many of which are beyond our control and are not guarantees of future performance. Actual outcomes and results could materially differ from what is expressed, implied, or forecasted in any such forward-looking statements and any such difference may be caused by risk factors listed from time to time in the Company's news releases and/or its filings with the OTC Bulletin Board or as a result of other factors.