

ALFA Shareholders approved proposal to spin-off Nemak

- Spin-off to unlock ALFA's and its Subsidiaries' high underlying value potential
- ALFA will transfer all of its Nemak shares to a new, listed entity; Controladora Nemak
- ALFA Shareholders will receive one share of Controladora Nemak for each ALFA share they own
- First step in transformational process towards fully independent subsidiaries; versus a conglomerate

San Pedro Garza García, N.L. Mexico, August 17, 2020.- ALFA S.A.B. de C.V. (BMV: ALFAA) ("ALFA") held today an Extraordinary Shareholders' Meeting where a proposal to spin-off its entire ownership stake in Nemak, S.A.B. de C.V. (BMV: NEMAKA) ("Nemak") was approved.

On behalf of ALFA's Board of Directors, Armando Garza Sada, Chairman of the Board, and Álvaro Fernández Garza, President, presented the proposal through which ALFA will execute the spin-off as a splitting entity. In addition, a new entity would be constituted as the spun-off company ("Controladora Nemak"), which will be listed on the Mexican Stock Exchange. ALFA will transfer its entire share ownership in Nemak to Controladora Nemak, as well as certain assets and capital. ALFA expects to complete the spin-off process within the next 60 days.

ALFA shareholders will receive one share of Controladora Nemak for each of their ALFA shares, in addition to retaining their share ownership in ALFA's equity.

"We greatly appreciate our Shareholders' vote of confidence in our strategy to unlock ALFA's full value potential. The spin-off approved today marks the first step in ALFA's transformational process towards fully independent business management; as compared to the legacy conglomerate structure," noted Armando Garza Sada, Chairman of ALFA's Board of Directors.

"Nemak has a very successful track record operating separate from the Parent. In addition to its leading industry position and world-class capabilities, the Company has an extraordinarily talented team that will continue to drive sustainable, long-term value creation for all its stakeholders. To ensure a smooth transition, Nemak will continue to receive all our support," said Alvaro Fernández Garza, President of ALFA.

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About ALFA

ALFA manages a diversified portfolio of subsidiaries with global operations: Alpek, one of the world's largest producers of polyester (PTA, PET and fibers), and the leader in the Mexican market for polypropylene, expandable polystyrene (EPS) and caprolactam. Sigma, a leading multinational food company, focused on the production, marketing and distribution of quality foods through recognized brands in Mexico, Europe, United States and Latin America. Nemark, a leading provider of innovative lightweighting solutions for the global automotive industry, specializing in the development and manufacturing of aluminum components for powertrain, structural components and for electric vehicles. Axtel, a provider of Information Technology and Communication services for the enterprise and government segments in Mexico. Newpek, an oil and gas exploration and production company with operations in Mexico and the United States. In 2019, ALFA reported revenues of Ps. 337,750 million (US \$17.5 billion), and EBITDA of Ps. 44,280 million (US \$2.3 billion). ALFA's shares are quoted on the Mexican Stock Exchange and on Latibex, the market for Latin American shares of the Madrid Stock Exchange. For more information, please visit www.alfa.com.mx