

ALFA reports record annual EBITDA of US \$2.1 billion with Axtel as Discontinued Operations; 4Q22 EBITDA of US \$346 million

4Q22 HIGHLIGHTS

<p>ALFA</p>	<ul style="list-style-type: none"> ▶ Record annual revenue of US \$18.1 billion driven by Alpek and Sigma ▶ 2022 EBITDA up 13% year-over-year (y-o-y) to historical high of US \$2.1 billion; below revised Guidance due to lower-than-expected performance in 4Q22 ▶ 2022 Corporate expenses down 41% y-o-y; Corporate net debt down US \$66 million y-o-y; Dividends totaled US \$196 million; Share buybacks of US \$60 million ▶ Process to spin-off Axtel in advanced stage following ALFA shareholder approval on July 12, 2022; Axtel figures presented as discontinued ops.
<p>Alpek</p>	<ul style="list-style-type: none"> ▶ Record annual Revenue, EBITDA, Capex and Dividends, supported by favorable industry dynamics that were capitalized successfully ▶ 4Q22 EBITDA and Comparable EBITDA down 31% and 10% y-o-y, respectively, as global reference margins and other conditions normalized ▶ Began CEO succession process after remarkable 46-year tenure from José de Jesús Valdez. Alpek’s Board appointed Jorge Young as CEO effective March 1, 2023; currently CEO of Alpek Polyester
<p>Sigma</p>	<ul style="list-style-type: none"> ▶ Record annual revenue in local currencies driven by growth across all regions ▶ 2022 EBITDA down 12% y-o-y as growth in the Americas was more than offset by a decline in Europe amid unprecedented cost pressure ▶ Strong Foodservice channel results; annual EBITDA 34% above pre-pandemic levels ▶ License to export fresh pork meat from Europe to China restored in December 2022
<p>Axtel (Discontinued Operations)</p>	<ul style="list-style-type: none"> ▶ <i>3% and 4% improvement in 4Q22 EBITDA versus 4Q21 and 3Q22, respectively, driven by double-digit growth in the Service unit</i> ▶ <i>Net Debt reduction of US \$37 million versus the close of 2021 supported by more than US \$100 million in free cashflow before strategic Capex</i> ▶ <i>Successfully executed a tender offer in 1Q23 for US \$89 million principal amount of its Senior Notes due 2024</i>

Message from ALFA's President

"We hope you and your families are remaining safe and healthy. 2022 was yet another exceptional year for ALFA, even as 4Q22 results decreased following the accelerated pace in previous quarters.

ALFA's 2022 revenue and EBITDA advanced at double-digit rates, reflecting solid underlying growth at Alpek and in most of Sigma's geographies. However, consolidated fourth quarter EBITDA of US \$346 million was down 26% year over year as Alpek posted lower Reported and Comparable EBITDA.

Alpek successfully capitalized on an extended period of favorable macro trends in the global petrochemical industry until 4Q22. Those conditions changed at the close of the year as Brent oil average prices declined 22% from the peak in 2Q22; reference ocean freight rates dropped on average 52% quarter on quarter; and Asian polyester margins were below US \$400 per ton for the first time since 3Q21. Thus, Alpek's 4Q22 Comparable EBITDA was down 10% versus 4Q21.

For the full year, Alpek reported all-time high revenue, EBITDA and Capex. Also record cash dividends, which included an extraordinary payment of US \$196 million to Alpek shareholders during the fourth quarter.

Sigma's revenue closed the year on a strong note, increasing 11% year over year in 4Q22 and growing over the last seven consecutive quarters. In contrast, EBITDA was down 17% as solid performance in the Americas continued to be more than offset by the decline in European operations.

Sigma's cost structure has experienced the most strain in Europe throughout 2022, following an abrupt rise in energy prices and raw material costs. The Company is actively engaging in pricing actions and cost optimization initiatives to mitigate inflationary pressures across all regions, especially in Europe. We are confident that the favorable results of these comprehensive efforts in Mexico, the U.S. and Latam will also be reflected in the European operations.

ALFA's orderly transformational efforts continued over the year with major developments, including progress with the Axtel spin-off and further corporate expense reduction. "Controladora Axtel" is in an advanced stage of the required registration process prior to the listing and distribution of its shares to ALFA shareholders. In the meantime, we are pleased to see Axtel's sequential quarterly EBITDA improvement and recent tender offer for a portion of its Senior Notes.

There is also consistent progress in helping our Subsidiaries achieve service-related independence from ALFA through a gradual process that involves the transfer of Corporate team members to each business, among other initiatives. As a result, the Corporate headcount decreased 30% and Corporate expenses have declined 65% since 2019, which was the last year before we started these efforts.

Along with progress in the conglomerate's transformation, during 2022 ALFA transferred value to shareholders through cash dividends and share buybacks totaling US \$256 million. The aggregate benefit represents a 7.5% yield to the annual share price average. ALFA also reduced Net Debt at the Corporate level by US \$66 million when compared to 4Q21.

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Fourth Quarter 2022 (4Q22)



In addition, our businesses deployed US \$1.1 billion in Capex during the year. This is more than double the consolidated amount invested during 2021 to support growth. Even with the increase in investments, ALFA maintained a healthy Net Debt to EBITDA ratio of 2.3 times at the close of the year, supported by strong cash generation.

We are very proud of the extraordinary talent pool within the organization as the Boards of Directors of Axtel and Alpek appointed new CEOs to lead each company through internal promotions. Axtel concluded its CEO's succession process in 2Q22, and Alpek initiated it in 4Q22.

We would like to express our heartfelt gratitude to José de Jesús Valdez (Pepe), Alpek's CEO. Pepe began his professional career at ALFA in 1976 and rapidly ascended to lead its Petrochemical Division. His strategic vision transformed Alpek into a leading global player in the petrochemical industry with annual sales of US \$10.6 billion and 35 production facilities in 9 countries. Pepe's human touch and sense of excellence are also part of his legacy that shall endure at Alpek as he takes on a new role as Senior Advisor at ALFA.

We also look forward to working closely with Jorge Young Cerecedo, who was appointed by Alpek's Board of Directors as CEO effective March 01, 2023. Over his 32 years at Alpek, Jorge has served in key roles at the Polyester segment, including President of PET and Staple Fibers. His current position is President of Alpek Polyester, a business that contributes 66% of Alpek's revenues. We are confident in Jorge's leadership to build upon the many opportunities ahead.

On the Sustainability front, we strive to continuously improve upon our Environmental, Social and Governance parameters. These efforts were reflected in higher scores at S&P Global Corporate Sustainability Assessment (CSA), CDP and MSCI during 2022. ALFA also updated its ESG materiality assessment to prioritize efforts around 11 highly relevant topics, and finetune the Company's role regarding each of them while pivoting to a more independent business management model.

With respect to the Social aspect, we celebrate that "ALFA Fundación" completed its first educational cycle as 47 students from its first generation obtained college degrees in Mexico and abroad during 2022. Our program promotes social mobility through education of talented individuals from communities in Monterrey, Mexico by helping them develop their full potential through junior high, high school and college. 1,967 students were enrolled in the 2021-2022 school year and 5,221 students have benefitted since our first after-school support center opened its doors in 2013.

ALFA enters 2023 in a solid position amid lower expectations for the global economy. We have simplified our corporate structure consistently since 2020 and maintain a strong balance sheet supported by record results in the last two consecutive years. Our two large remaining businesses expect contrasting dynamics in their industries, marked by a return to normalized conditions at Alpek and a moderation of inflationary pressures for Sigma. Moreover, ALFA remains fully committed to continue transferring value to Shareholders following a balanced approach in its orderly transformation process.

A special recognition and appreciation to all our teammates for coming together to capitalize on favorable conditions, navigate a complex environment and drive our transformational efforts over this past year."

Keep well/Stay safe,

Álvaro Fernández

Important note on changes to ALFA's Consolidated Financial Statements

ALFA's shareholders approved to spin-off ALFA's share ownership of Axtel into a new, listed entity called "Controladora Axtel" on July 12, 2022. In accordance with International Financial Reporting Standards (IFRS), Axtel meets the definition of a "Discontinued Operation" for purposes of ALFA's Consolidated Financial Statements. "Discontinued Operations" are the net results of an entity that is either being held for disposal or which has already been disposed of.

The changes in ALFA's Consolidated Financial Statements are as follows:

- The Consolidated Statement of Financial Position presents Axtel's assets as "Current assets from discontinued operations" and its liabilities as "Current liabilities from discontinued operations" at the close of 4Q22 and 3Q22. Prior periods are not restated.
- The Consolidated Statement of Income presents Axtel's net revenues and expenses as a single line item "Profit (loss) from discontinued operations" as follows:
 - o 4Q21: accumulated figures for the three months ended December 31, 2021
 - o 3Q22: accumulated figures for the three months ended September 30, 2022
 - o 4Q22: accumulated figures for the three months ended December 31, 2022
 - o 2021: accumulated figures for the twelve months ended December 31, 2021
 - o 2022: accumulated figures for the twelve months ended December 31, 2022
- The Change in Net Debt presents Axtel's net inflows and outflows as a single line item "Decrease (Increase) in Net Debt from discontinued operations" as follows:
 - o 4Q21: accumulated figures for the three months ended December 31, 2021
 - o 3Q22: accumulated figures for the three months ended September 30, 2022
 - o 4Q22: no figures presented related to Axtel
 - o 2021: accumulated figures for the twelve months ended December 31, 2021
 - o 2022: accumulated figures for the nine months ended September 30, 2022
- The Change in Net Debt also presents Axtel's Net Debt balance as "Net Debt from discontinued operations" at the close of 3Q22. Prior periods are not restated and subsequent periods (4Q22) do not present figures related to Axtel.

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Fourth Quarter 2022 (4Q22)



SELECTED FINANCIAL INFORMATION (US \$ MILLION)

	4Q22	3Q22	4Q21	Ch.% vs. 3Q22	Ch.% vs. 4Q21	2022	2021	Ch.%
ALFA & Subs with Axtel as Discontinued Operations								
ALFA Revenues	4,452	4,856	3,952	(8)	13	18,085	14,626	24
Alpek	2,457	2,951	2,152	(17)	14	10,555	7,697	37
Sigma	1,964	1,879	1,768	5	11	7,425	6,817	9
ALFA EBITDA¹	346	454	467	(24)	(26)	2,082	1,841	13
Alpek	186	306	269	(39)	(31)	1,455	1,145	27
Sigma	167	151	201	10	(17)	652	741	(12)
ALFA Comparable EBITDA	430	572	496	(25)	(13)	2,022	1,656	22
Alpek	270	424	300	(36)	(10)	1,396	962	45
Sigma	167	151	199	10	(16)	652	739	(12)
Majority Net Income²	(17)	141	(166)	(112)	90	578	211	173
CAPEX & Acquisitions³	139	149	135	(7)	3	1,111	449	147
ALFA Net Debt⁴	4,751	4,830	4,677	(2)	2	4,751	4,667	2
Alpek	1,860	1,805	1,225	3	52	1,860	1,225	52
Sigma	1,782	1,708	1,691	4	5	1,782	1,691	5
ALFA Net Debt/EBITDA ⁵	2.3	2.2	2.2					
ALFA Interest Coverage ⁶	6.4	7.3	5.8					
Axtel (as Discontinued Operations)								
Revenues	132	133	134	(1)	(1)	514	555	(7)
EBITDA	39	38	38	3	3	145	181	(20)
CAPEX & Acquisitions	0	14	20	(100)	(100)	46	76	(39)
Net Debt	0	566	574	(100)	(100)	0	574	(100)

1 EBITDA = Operating Income + depreciation and amortization + impairment of assets

2 Majority Net Income includes Majority Net Income from Discontinued Operations (Axtel)

3 Figure includes divestments

4 Net Debt adjusted for Discontinued Operations (Axtel) at the close of 3Q22; previous periods unchanged

5 Times. LTM = Last 12 months. Ratio calculated with Discontinued Operations for all periods

6 Times. LTM = Last 12 months. Interest Coverage = EBITDA/Net Financial Expenses with Discontinued Operations for all periods

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Fourth Quarter 2022 (4Q22)



4Q22 EARNINGS CALL INFORMATION

Date: Thursday, February 16, 2023

Time: 11:30 a.m. EST (NY) / 10:30 a.m. CST (CDMX)

By Phone: United States: +1-877-451-6152
International: +1-201-389-0879
Mexico: 800-522-0034

Conference ID: 13735662

Webcast: https://viaavid.webcasts.com/starthere.jsp?ei=1594134&tp_key=1becadc486

Replay: <https://www.alfa.com.mx/en/events/>

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Fourth Quarter 2022 (4Q22)



About ALFA

ALFA manages two leading businesses with global operations: 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. Alpek, one of the world's leading producers of polyester (PTA, PET, rPET and fibers), and the leader in the Mexican market for polypropylene (PP) and expandable polystyrene (EPS). In 2022, ALFA reported revenues of Ps. 363,864 million (US \$18.1 billion), and EBITDA of Ps. 42,020 million (US \$2.1 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

Disclaimer

This release may contain forward-looking information based on numerous variables and assumptions that are inherently uncertain. They involve judgments with respect to, among other things, future economic, competitive and financial market conditions and future business decisions, all of which are difficult or impossible to predict accurately. These uncertainties include, but are not limited to, risks related to the impact of the COVID-19 global pandemic, such as the scope and duration of the outbreak, government actions and restrictive measures implemented in response, availability of workers and contractors due to illness and stay at home orders, supply chain disruptions and other impacts to the business, or on the Company's ability to execute business continuity plans, as a result thereof. Accordingly, results could vary from those set forth in this release. The report presents unaudited financial information. Figures are presented in Mexican Pesos or US dollars, as indicated. Where applicable, Peso amounts were translated into US dollars using the average exchange rate of the months during which the operations were recorded. Financial ratios are calculated in US dollars. Due to the rounding up of figures, small differences may occur when calculating percent changes from one period to the other.