



Unlocking Value

Nemak Spin-off

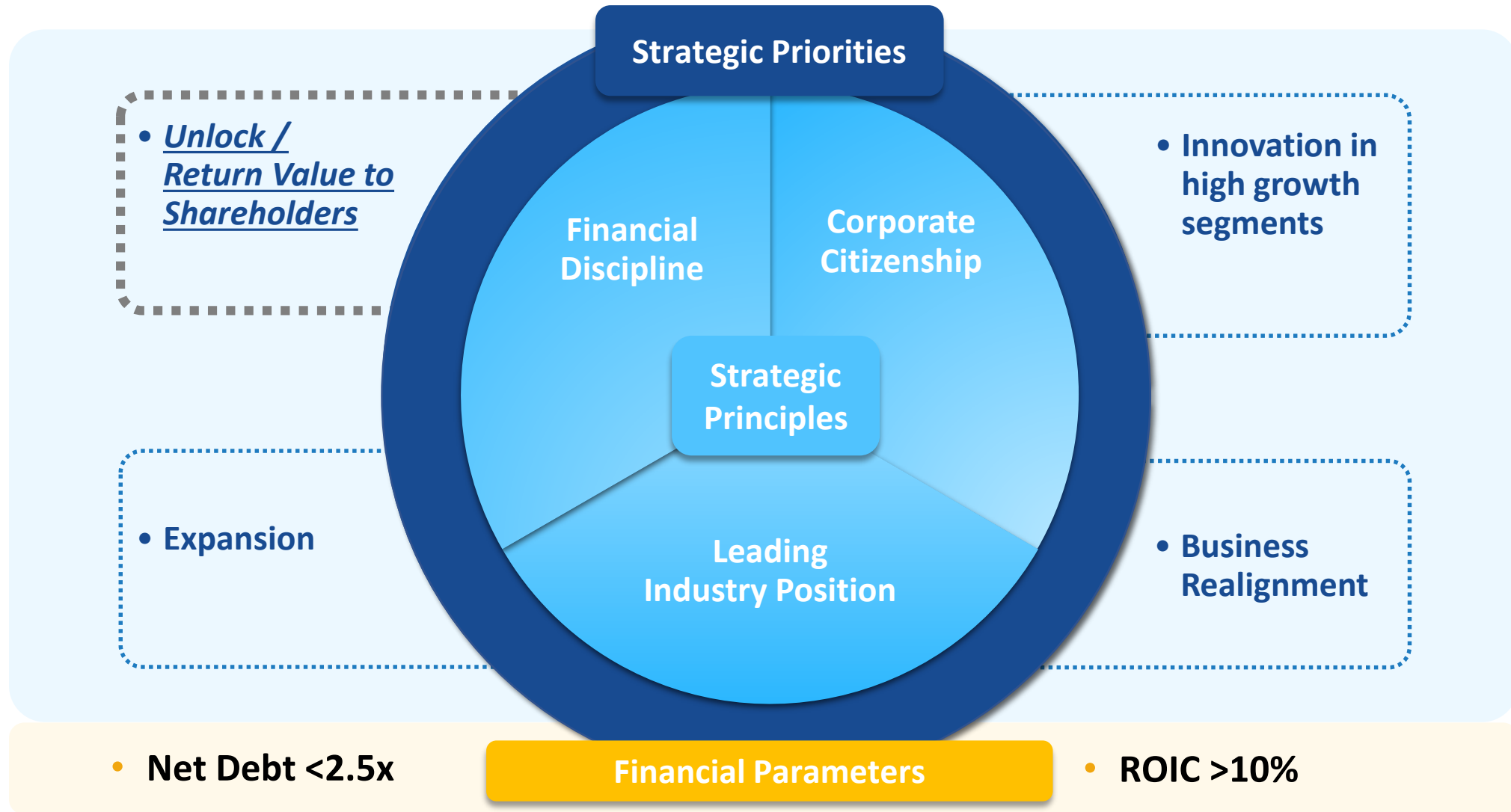
December 4, 2020



Safe Harbor

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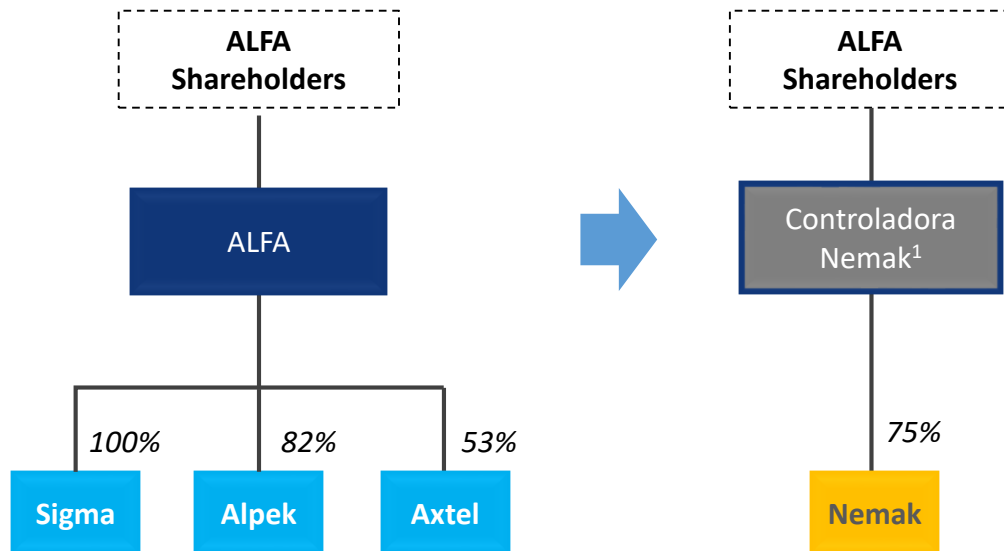
- **First major step** of ALFA's "Unlocking Value" strategy to be completed on December 14, 2020
- Mexico's Securities Commission ("**CNBV**") **approved registration of Controladora Nemak's shares**
- **ALFA's entire share ownership in Nemak transferred to Controladora Nemak**
- ALFA shareholders will receive **one share of Controladora Nemak for each ALFA share**
- **December 14, 2020 – first day of trading of Controladora Nemak on the Mexican "Bolsa"**
- **Nemak's listing unchanged** by ALFA's spin-off of Controladora Nemak



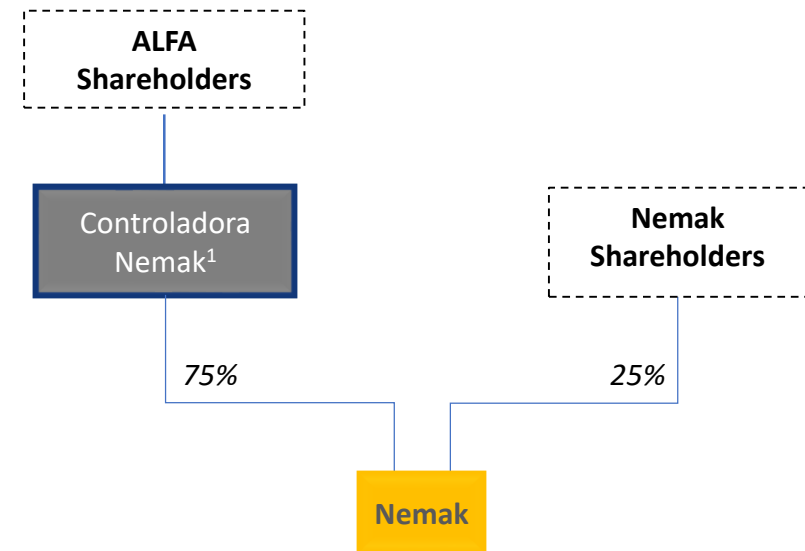
Nemak to become first fully independent ALFA business via the spin-off of Controladora Nematik



ALFA Corporate Structure (Post Nematik spin-off)



Nematik Shareholder Structure (Post Nematik spin-off)



1. New publicly traded entity on the "Bolsa Mexicana de Valores"

- **4,909,211,020 shares of Controladora Nemark** will be registered and distributed to ALFA Shareholders
- **Determination of eligible ALFA Shareholders** for share distribution on **Dec. 11, 2020** (post-mkt close)
- Eligible ALFA Shareholders will receive **one share of Controladora Nemark for each ALFA share**
- Controladora Nemark will begin trading on the Mexican “Bolsa” on **Dec. 14, 2020**
- The total number of Nemark shares remains unchanged

Controladora Nemark (“CN”)

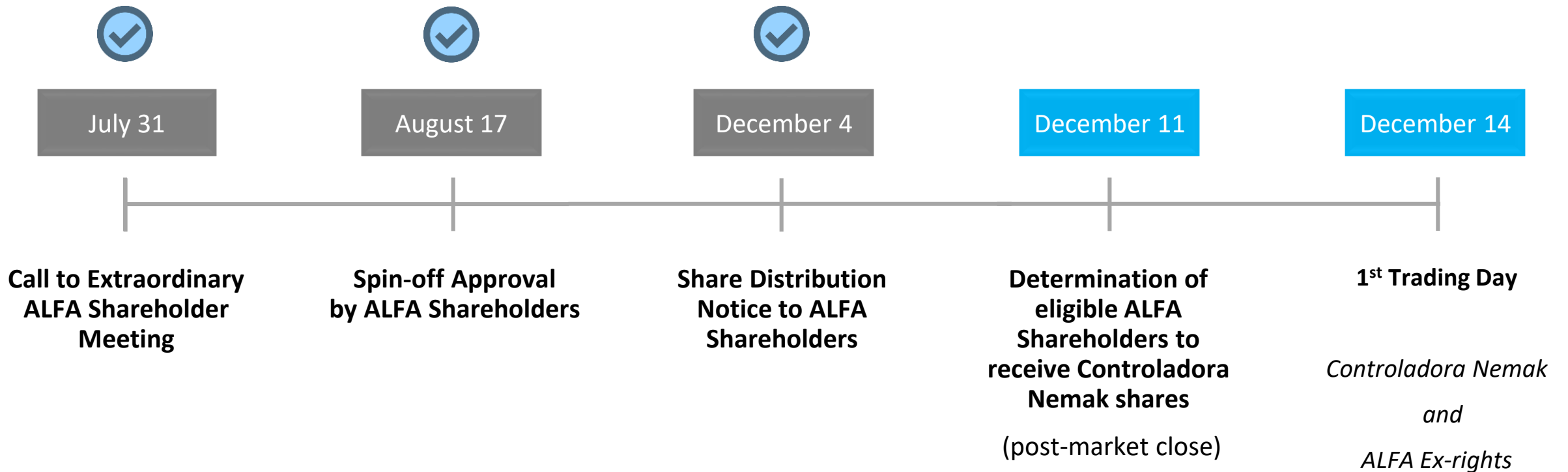
- The Reference Share Price for the initial quote of CN will be determined based on the Closing Price of Nemark on Dec. 11, 2020.
- The Closing Price of Nemark multiplied by the number of Nemark shares (3,080’747,324) is equal to the Mkt Value of Nemark.
- The Mkt Value of Nemark multiplied by 0.7524 (factor equivalent to ALFA’s ownership in Nemark before the spin-off) is equal to the Mkt Value of CN.
- The Mkt Value of CN divided by the number of shares of CN (4,909,211,020) is equal to the Reference Share Price for the initial quote of CN on Dec. 14, 2020.

ALFA following the spin-off (“ALFA Ex-rights”)

- The Reference Share Price for the initial quote of ALFA Ex-rights will be determined based on the Reference Share Price of CN and the Closing Price of ALFA on Dec. 11, 2020.
- The Closing Price of ALFA on Dec. 11, 2020 minus the Reference Share Price of CN is equal to the Reference Share Price for the initial quote of ALFA Ex-rights on Dec. 14, 2020.

Nemark

- The price of Nemark will follow its ordinary initial quote process; not subject to extraordinary adjustments resulting from ALFA’s spin-off of CN.



Nemak

- Leading provider of innovative lightweighting solutions
- Diversified product portfolio - Powertrain, Structural, and E-mobility applications
- Sole supplier in ~90% of sales
- 1 in 4 new vehicles sold globally contains a Nemak component
- Strong recovery in 3Q20 driven by successful production ramp-up and effective cost structure adjustments
- Net Debt to EBITDA < 2.0x from 2014-2019

Controladora Nemak ("CN")

- Board comprised of same Directors as Nemak
- Operated by Nemak management
- Same disciplined Financial policy and Dividend policy as Nemak
- Timing flexibility to integrate selected ALFA services
- No ALFA debt or liabilities
- Able to merge with Nemak upon Shareholder approval



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