ALFA, S.A.B. de C.V. (BMV: ALFAA)
Investor Relations
iralfa@alfa.com.mx
www.alfa.com.mx
+ (52) 81-8748-2521

ALFA

EARNINGS REPORT

Fourth Quarter 2020 (4Q20)

Monterrey, N.L., Mexico, February 11, 2021.

ALFA, S.A.B. de C.V. (BMV: ALFAA) (ALFA), manages a diversified portfolio of subsidiaries with global operations, announced today its unaudited results for the fourth quarter of 2020 ("4Q20"). All figures have been prepared in accordance with International Financial Reporting Standards ("IFRS").

Important note on changes to ALFA's Consolidated Financial Statements

On August 17, 2020, ALFA's shareholders approved to spin-off ALFA's share ownership of Nemak into a new, listed entity: Controladora Nemak, S.A.B. de C.V. ("Controladora Nemak"). The shares of "Controladora Nemak" were distributed to ALFA shareholders and began trading on the Mexican Bolsa on December 14, 2020. In accordance with International Financial Reporting Standards (IFRS), Nemak 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 all items related to Nemak as follows:
    - At the close of 3Q20, as "Current assets from discontinued operations" and "Current liabilities from discontinued operations"
    - At the close of 4Q20, all items are eliminated
    - Prior periods are not restated

- The Consolidated Statement of Income presents Nemak´s net revenues and expenses as a single line item "Profit (loss) from discontinued operations" as follows:
    - 4Q19: accumulated figures for the three months ended December 31, 2019
    - 4Q20: accumulated figures for the two months and 14 days ended December 14, 2020
    - 2019: accumulated figures for the 12 months ended December 31, 2019
    - 2020: accumulated figures for the 11 months and 14 days ended December 14, 2020

- The Change in Net Debt presents Nemak's net inflows and outflows as a single line item "Decrease (Increase) in Net Debt from Discontinued Operations" for the nine months ended September 30, 2020 and for the 12 months ended December 31, 2019

- The Change in Net Debt also presents Nemak's Net Debt balance as "Net Debt from Discontinued Operations" at the close of 3Q20. Prior periods are not restated

ALFA reports 4Q20 EBITDA of US $419 million with Nemak as Discontinued Operations; US $555 million including Nemak

4Q20 HIGHLIGHTS

ALFA	• Successfully transferred Nemak ownership to ALFA shareholders • Adaptability and resilience reflected in full-year comparable EBITDA above pre-pandemic 2020 guidance (adjusted by discontinued operations)
Sigma	• Net Debt down 9% q-o-q and 12% y-o-y explained by strong performance amid the pandemic, strategic rationalization of Capex, and lower inventories and dividends. • 2020 EBITDA above pre-pandemic guidance for the year despite COVID-19 related impact on Foodservice channel
Alpek	• Record 2020 volume driven by solid demand for safe packaging materials and medical supplies • Acquired NOVA Chemicals' expandable styrenics business in U.S. to become the 3rd largest EPS producer worldwide
Axtel	• Redirecting efforts to attract strategic proposals for its Infrastructure unit • Began CEO succession process; Eduardo Escalante appointed as acting CEO
Nemak (Discontinued Operation)	• *Achieved highest unitary EBITDA for any second half of the year (2H); 4Q20 EBITDA per equivalent unit up 14% y-o-y* • *2020 EBITDA above revised guidance announced in 3Q20*

SELECTED FINANCIAL INFORMATION (US $ MILLIONS)

	4Q20	3Q20	4Q19	Ch. % vs. 3Q20	Ch. % vs. 4Q19	2020	2019	Ch. %
ALFA & Subs with Nemak as Discontinued Operations								
ALFA Revenues	**3,218**	**3,057**	**3,326**	**5**	**(3)**	**12,325**	**13,521**	**(9)**
Alpek	1,392	1,325	1,407	5	(1)	5,326	6,216	(14)
Sigma	1,662	1,577	1,706	5	(3)	6,347	6,463	(2)
Axtel	150	140	176	7	(15)	578	680	(15)
Newpek	(2)	2	18	(176)	(110)	24	76	(68)
ALFA EBITDA[1]	**419**	**438**	**482**	**(4)**	**(13)**	**1,536**	**1,656**	**(7)**
Alpek	201	179	356	13	(43)	565	850	(34)
Sigma	178	179	176	(1)	1	684	703	(3)
Axtel	51	49	53	5	(4)	308	265	17
Newpek	6	46	(65)	(88)	108	38	(91)	142
Majority Net Income[2]	**(63)**	**171**	**80**	**(137)**	**(178)**	**190**	**300**	**(37)**
CAPEX & Acquisitions[3]	**165**	**67**	**229**	**146**	**(28)**	**399**	**572**	**(30)**
Net Debt[4]	**4,699**	**4,894**	**6,276**	**(4)**	**(25)**	**4,699**	**6,276**	**(25)**
Net Debt/LTM EBITDA[5]	3.1	3.0	3.1					
LTM Interest Coverage[6]	4.4	4.4	4.5					
Nemak (as Discontinued Operations)								
Revenues	794	896	941	(11)	(16)	2,999	4,017	(25)
EBITDA	136	178	133	(24)	2	418	621	(33)
CAPEX & Acquisitions	56	49	97	15	(42)	244	344	(29)
Net Debt	0	1,405	0	(100)	-	0	0	-

1 EBITDA = Operating Income + depreciation and amortization + impairment of assets.
2 Majority Net Income includes Majority Net Income from Discontinued Operations (Nemak).
3 Gross amount; excludes divestments and Capex from Discontinued Operations (Nemak).
4 Net Debt adjusted for Discontinued Operations (excluding Nemak) at the close of 4Q20; 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.

iralfa@alfa.com.mx
www.alfa.com.mx
+ (52) 81-8748-2521

Contents

iralfa@alfa.com.mx
www.alfa.com.mx
+ (52) 81-8748-2521

Message from ALFA's President

"I hope that you and your loved ones are all doing well. Our thoughts and prayers continue going out to everyone who has been affected by COVID-19. The fourth quarter marked a strong close of a pivotal year for ALFA; supported by the continuation of positive momentum from the third quarter and substantial progress on strategic initiatives.

Consolidated Revenues were up versus 3Q20 and Comparable EBITDA was the highest quarterly figure in 2020 as the global economy continued to normalize. During 4Q20, higher oil and feedstock prices, together with strong volume in Alpek, as well as a strong and resilient demand for their products and services, combined with the appreciation of the Mexican Peso in Sigma and Axtel, contributed to the favorable results trend.

In addition, we continued to reduce debt and return cash to our shareholders amid the ongoing recovery. Net debt was down US $195 million quarter on quarter and the Board authorized a US $25 million dividend paid in January of 2021.

This was also a particularly eventful quarter as we made important progress with our gradual and orderly transformational process towards fully independent businesses to unlock ALFA's high value potential. All efforts are focused on the following three key implementation directives: i) Enhance business independence, ii) Reduce debt, and iii) Focus on core businesses.

i) Enhance business independence

We achieved a significant milestone with the separation of Nemak. Our Nemak shares were successfully transferred to ALFA shareholders via a new entity ("Controladora Nemak") which began trading on December 14, 2020. Shareholders obtained full autonomy and optionality by receiving one share of Controladora Nemak for each ALFA share they owned.

Along with reducing ALFA's conglomerate structure, the spin-off allows Nemak to be valued on its own merits and growth opportunities. We are proud of Nemak's solid track record as it grew to become a leading provider of lightweighting solutions to the global auto industry. Moreover, the Company holds promising growth prospects driven by its extraordinarily talented team and world-class capabilities to serve its customers' growing sustainable mobility needs, including components for electric vehicles.

ii) Reduce debt

We remain committed to reducing debt through the potential sale of Axtel or other strategic alternatives. During the fourth quarter, Axtel announced the conclusion of its competitive sale process for the whole Company. Following an exhaustive evaluation process, Axtel's Board of Directors determined it would be in its shareholders' best interest to redirect efforts to attract strategic proposals for its two business units (Infrastructure and Services) separately. The Company is currently engaged with potential buyers who have shown interest for its Infrastructure unit.

iii) Focus on core businesses

Alpek continued to strengthen its operations with strategic bolt-on acquisitions as NOVA Chemicals' expanded styrenics business, successfully closed in October. This transaction consolidated Alpek's position in the expandable polystyrene (EPS) industry as a Top 3 global player and leader in the Americas.

Sigma boosted its efforts to develop and pursue new sources of revenue. The Company is rapidly building a high-performance team with entrepreneurial skills to execute new initiatives from concept to scaling. Some of the team's most notable ongoing projects include: i) Global snacking business, ii) Global plant-based business, iii) Tastech – a program to accelerate innovation through disruptive startups, and iv) Grill House – a premium home delivery app, among other innovative endeavors.

During the fourth quarter, Axtel began its CEO's succession process. Rolando Zubirán, who has been instrumental in transforming the business over his 22-year tenure, decided to retire. We are thankful for Rolando's outstanding vision and leadership to consolidate Alestra and Axtel as a leading integrated business.

Axtel's Board of Directors appointed Eduardo Escalante as acting CEO to continue the ongoing sale process, capitalize on the increase in demand for connectivity and digital services, and coordinate the search for the Company's new CEO based on progress in the sale process. Eduardo will continue to hold his position as ALFA's CFO during the succession process.

Looking back, 2020 underscored ALFA's adaptability and resilience amid rapidly changing industry conditions. All our businesses effectively navigated unprecedented challenges by taking early and decisive actions to ensure Safety and Business Continuity. Sigma, Alpek and Axtel adapted quickly to maintain the supply of essential products and services even throughout the most complicated months of the year. Whereas Nemak did an outstanding job to adjust its cost structure and achieve a swift turnaround.

Together with our businesses, we achieved more than US $850 million in cost savings and cash flow benefits during the year. Moreover, our consolidated 2020 EBITDA was higher than our pre-COVID-19 guidance when adjusted for Nemak as discontinued operations and other extraordinary items. A strong balance sheet and ample liquidity provided the necessary support during uncertain times, enabling us to move forward with our transformational strategic initiatives.

We are optimistic as we look ahead at 2021. Our businesses are emerging from this crisis in even stronger positions to capitalize on recent shifts in consumer trends around safe packaging, cooking at home, and virtual collaboration.

I want to express my sincere appreciation and recognition to each of our team members. Their extraordinary efforts during these trying times have been crucial for all of this year's achievements."

Keep well/Stay safe,

Álvaro Fernández

ALFA (BMV: ALFAA) Consolidated Financial Results

INCOME STATEMENT (US $ MILLIONS)

	4Q20	3Q20	4Q19	(%) 4Q20 vs. 3Q20	(%) 4Q20 vs. 4Q19	2020	2019	Ch. %
Total Revenues	3,218	3,057	3,326	5	(3)	12,325	13,521	(9)
Gross Profit	733	752	646	(2)	14	2,675	2,741	(2)
Operating expenses and others	(504)	(475)	(346)	(6)	(46)	(1,840)	(1,796)	(2)
EBITDA	419	438	482	(4)	(13)	1,536	1,656	(7)
Operating income (loss)	229	276	300	(17)	(24)	834	945	(12)
Financial cost, net	(58)	(73)	(73)	20	20	(385)	(393)	2
Share of losses of associates	6	1	(16)	777	141	4	(16)	123
Income Tax	(554)	(86)	(99)	(544)	(461)	(521)	(231)	(125)
Profit (loss) from continuing operations	(376)	118	112	(418)	(435)	(67)	304	(122)
Profit (loss) from discontinued operations[1]	496	95	51	420	874	465	150	210
Consolidated net income (loss)	120	214	163	(44)	(27)	398	454	(12)
Controlling Interest	(63)	171	80	(137)	(178)	190	300	(37)
EBITDA/Revenues (%)	13.0	14.3	14.5			12.5	12.2	

1 Breakdown of Profit (loss) from Discontinued Operations shown on Table 12.

Total Revenues in 4Q20 were US $3.218 billion, down 3% when compared to 4Q19 mainly due to the effect of lower Foodservice channel sales in Sigma, enterprise-segment voice revenues in Axtel, as well as the decline of oil and feedstock prices in Alpek. However, total revenues were up 5% quarter on quarter, driven by sales growth in Sigma, Alpek and Axtel amid the ongoing recovery.

Accumulated Revenues were US $12.325 billion, down 9% versus 2019, due primarily to lower average prices at Alpek reflecting the decline in oil and feedstock prices. For the full year, 61% of consolidated ALFA revenues were derived from outside Mexico, also known as “Foreign Sales” (see table 2).

EBITDA was US $419 million, down 13% year-on-year and 4% quarter on quarter. 4Q20 EBITDA includes a US $46 million net gain from extraordinary items comprised primarily of a US $35 million one-time, non-cash gain on business combination associated with the PET site acquired by Alpek in the U.K. and a US $9 million non-cash inventory gain. Adjusting for extraordinary items in all periods, Comparable ALFA EBITDA was US $373 million, US $371 million and US $360 million in 4Q20, 3Q20 and 4Q19, respectively.

Accumulated Comparable ALFA EBITDA was US $1.364 billion, down 12% versus the US $1.556 billion in 2019 as COVID-19 related distortions weighed on performance (see tables 3, 4, 5 and 6). However, ALFA's adaptability and resilience was reflected in better than expected pre-pandemic 2020 EBITDA guidance of US $1.325 billion, adjusted by discontinued operations.

Operating Income was US $229 million, down from US $300 million in 4Q19 reflecting the decrease in EBITDA explained above and a US $33 million asset impairment recognized by Sigma in 4Q20. Accumulated Operating Income was US $834 million, down 12% compared to US $945 million in 2019 (see table 3).

Comprehensive Financing Expense (CFE) of US $58 million, was down from US $73 million in 4Q19 primarily due to lower net financial expenses resulting from lower interest rates and debt. 4Q20 CFE includes a US $22 million exchange rate gain reflecting the appreciation of the Mexican Peso, compared to a US $19 million gain in 4Q19. Accumulated Comprehensive Financing Expense was US $385 million, down 3% compared to the US $393 million in 2019 (see table 7).

Controlling Interest Net Loss was US $63 million in 4Q20 mainly due to the net impact of non-recurring line items in Income Tax and Profit from Discontinued Operations.

4Q20 Income Tax of US $554 million includes the recognition of a US $382 million non-cash reserve for deferred income tax asset associated with an investment in shares of a subsidiary. This item was expected to be applied in a transaction with third parties which has not occurred in several years. Income Tax also includes a US $105 million deferred tax loss associated mainly with the appreciation of the Mexican Peso versus 3Q20.

4Q20 Profit from Discontinued Operations of US $496 million is primarily comprised of: i) US $38 million profit from Discontinued Operations (Nemak), ii) US $581 million gain in translation effect resulting from the Nemak spin-off, minus iii) US $127 million tax resulting from the Nemak spin-off (see table 12).

The translation effect resulting from the Nemak spin-off corresponds to the net aggregate amount of exchange rate differences related to Nemak in "Other Comprehensive Income". This line item must be reclassified from stockholders' equity to the income statement at the time of loss of effective control, in accordance with IFRS.

It is important to note that 75% of items i) and ii) mentioned above are recognized in the 4Q20 Controlling Interest Net Loss, based on ALFA's share ownership of Nemak.

Accumulated Controlling Interest Net Income was US $190 million, down 37% compared to US $300 million in 2019, reflecting the net impact of non-recurring line items in 4Q20.

CHANGE IN NET DEBT (US $ MILLIONS)

	4Q20	3Q20	4Q19	(%) 4Q20 vs. 3Q20	(%) 4Q20 vs. 4Q19	2020	2019	Ch. %
EBITDA	419	438	482	(4)	(13)	1,536	1,656	(7)
Net Working Capital	165	86	17	92	871	219	(132)	266
Capital expenditures & Acquisitions	(165)	(67)	(229)	(146)	28	(399)	(572)	30
Net Financial Expenses	(77)	(89)	(99)	13	22	(354)	(391)	9
Taxes	(51)	(44)	(63)	(16)	19	(347)	(380)	9
Dividends	(15)	0	(25)	(100)	40	(148)	(289)	49
Other Sources / Uses	(80)	(100)	589	20	(114)	(159)	213	(175)
Decrease (Increase) in Net Debt from discontinued operations[1]	0	115	84	(100)	(100)	(175)	162	(208)
Net Debt from discontinued operations – Nemak	0	1,405	0	(100)	-	1,405	0	100
Decrease (Increase) in Net Debt	**195**	**1,745**	**756**	**(89)**	**(74)**	**1,578**	**267**	**491**

1 Breakdown of Decrease (Increase) in Net Debt from Discontinued Operations shown on Table 13.

Net Debt was US $4.699 billion at the close of 4Q20 mainly due to the elimination of Net Debt from discontinued operations (Nemak). Adjusting for discontinued operations in previous periods, 4Q20 Net Debt was down 7% and 4% versus 4Q19 and 3Q20, respectively. On an absolute basis and adjusting for discontinued operations in previous periods, consolidated ALFA Net Debt decreased US $371 million versus year-end 2019 supported by resilient EBITDA generation, recovery in Net Working Capital, CAPEX deferral, dividend reduction and selective divestments.

As of December 31, 2020, Cash totaled US $1.628 billion, up $220 million quarter-on-quarter driven by Sigma. At the close of 4Q20, ALFA had US $2.956 billion in available Credit Lines. Financial ratios at the close of 4Q20 were: Net Debt to EBITDA 3.1 times and Interest Coverage 4.4 times, compared with 3.1 and 4.5 times in 4Q19, respectively, after adjusting for Discontinued Operations (see table 9).

Net Working Capital was US $165 million during 4Q20, reflecting a strong improvement in Sigma. On an accumulated basis, Net Working Capital recovery of US $219 million was driven primarily by Alpek.

Capital Expenditures (CAPEX) & Acquisitions was US $165 million in 4Q20, down 28% versus 4Q19. This figure includes Alpek's acquisition of NOVA Chemicals' styrenics business in the U.S. Full year CAPEX was down 30% as ALFA and its subsidiaries deferred non-essential investments to maximize cash flow.

Dividends were reduced as part of the actions to maximize cash flow amid COVID-19. Accumulated Dividends totaled US $148 million, including the payment to ALFA Shareholders in March, plus dividends paid to minority shareholders at the subsidiary level during the year. ALFA's Board of Directors approved a US $25 million dividend that was paid on January 5, 2021 reflecting the favorable recovery in ALFA's results.

RECENT DEVELOPMENTS - ALFA

Unlocking Value	• Transformational initiative to maximize valuation – eliminate conglomerate discount • Gradual and orderly transition to full business independence (vs Conglomerate) • Transfer absolute autonomy to ALFA shareholders • Commitment to maintain strong credit profile throughout transformation • Focus on three key implementation directives: ○ Enhance business independence ○ Reduce debt ○ Focus on core businesses
Nemak spin-off	• Listing and distribution of Controladora Nemak's shares concluded on Dec. 14, 2020 • ALFA shareholders received one share of Controladora Nemak for each ALFA share • First step in transformational process towards fully independent subsidiaries • Supported by successful Nemak track record operating separate from ALFA
NAFINSA Trust (NT)	• ALFA foreign shareholders can only acquire shares via the NT, in place since 1991 • NT reached its limit in 2020 (50% of total shares outstanding) • ALFA seeking to increase NT limit via the corresponding government entities
MSCI Index	• MSCI removed ALFA from its indexes as of the close of February 3, 2021 • Exclusion in effect until NT limit is increased or ALFA's current foreign holding is reduced
Share Repurchase Program	• 105.8 million total shares repurchased in 2020 (~US $46 million); no repurchases in 4Q20 • 145.9 million total shares repurchased and held at the Treasury (~US $83 million) since the previous cancellation of repurchased shares in 2019
2021 Guidance	• To be released on February 12, 2021 before the market opens

Results by Business

Sigma – Food Products

52% of ALFA's revenues in 4Q20

SELECTED FINANCIAL INFORMATION (US $ MILLIONS)

	4Q20	3Q20	4Q19	(%) 4Q20 vs. 3Q20	(%) 4Q20 vs. 4Q19	2020	2019	Ch. %
Revenues	**1,662**	**1,577**	**1,706**	**5**	**(3)**	**6,347**	**6,463**	**(2)**
Mexico	644	580	716	11	(10)	2,430	2,725	(11)
Europe	634	602	624	5	2	2,343	2,256	4
United States	269	286	244	(6)	10	1,122	1,006	12
LatAm	116	109	122	6	(6)	452	477	(5)
EBITDA	**178**	**179**	**176**	**(1)**	**1**	**684**	**703**	**(3)**
Mexico	89	84	89	6	1	336	382	(12)
Europe	43	41	43	4	(1)	130	131	(1)
United States	33	44	33	(25)	1	176	145	22
LatAm	12	9	12	31	7	41	46	(10)
CAPEX & Acquisitions[1]	**38**	**24**	**76**	**58**	**(50)**	**121**	**186**	**(35)**
Net Debt	**1,756**	**1,930**	**1,994**	**(9)**	**(12)**	**1,756**	**1,994**	**(12)**
Net Debt / LTM EBITDA*	2.6	2.8	2.8					
LTM Interest Coverage[2]*	5.5	5.4	6.2					

* Times. LTM = Last 12 months
1 Gross amount; does not include divestments
2 Interest Coverage = EBITDA/Net Financial Expenses

Revenues amounted to US $1.662 billion, down 3% compared to 4Q19, mainly due to the impact of COVID-19 on the Foodservice distribution channel in Mexico, Europe, and LatAm, which resulted from lower consumer mobility and containment measures implemented in hotels and restaurants.

Revenues benefited from a stronger Euro, which was offset by a depreciation of the Mexican peso, versus 4Q19. On a currency neutral basis and excluding Foodservice results, revenues during 4Q20 were 2% higher year-on-year. During the quarter, revenues in local currencies and excluding Foodservice results, increased by 4% in Mexico, 10% in the U.S. and 4% in LatAm, and decreased 3% in Europe, compared to the previous year.

Accumulated revenues were US $6.347 billion, 2% lower when compared to 2019 (see table 15). On a currency neutral basis and excluding Foodservice results, accumulated sales rose by 7% year-on-year.

Consolidated Foodservice sales have shown a positive trend, improving to -35% y-o-y in 4Q20 from a decrease of -70% y-o-y in April 2020 as mobility restrictions ease in certain geographies and consumers adapt to the new normal.

iralfa@alfa.com.mx
www.alfa.com.mx
+ (52) 81-8748-2521

EBITDA reached US $178 million, 1% higher year-on-year despite a decrease in Foodservice sales in most regions. In local currencies and excluding results from Foodservice, 4Q20 Adjusted EBITDA increased 7% year-on-year, supported by margin improvements in Mexico and LatAm.

Accumulated EBITDA was US $684 million, down 3% versus the same period of 2019 (see table 16). On a currency neutral basis and excluding Foodservice results, accumulated Adjusted EBITDA was up 11% year-on-year, driven by record EBITDA in the U.S. and margin expansions in Mexico, U.S., and LatAm, attributed to lower raw material prices and cost reduction initiatives.

Capital expenditures (CAPEX) totaled US $38 million during 4Q20, a decrease of 50% year-on-year. The lower CAPEX follows Sigma´s postponement of non-essential investments during 2020 to preserve cash flow amid the pandemic.

Accumulated CAPEX during the year was US $121 million, down 30% versus 2019. These actions were taken without compromising maintenance and innovation initiatives. As concerns resulting from the pandemic ease, Sigma will resume productive expansions and optimization projects.

Net Debt was US $1.756 billion, 12% and 9% below 4Q19 and 3Q20 levels, respectively. The lower Net Debt is explained by continued solid operating performance, the implementation of cash-flow-maximizing initiatives amid the pandemic, improvements in net working capital, and lower dividends.

Cash totaled US $820 million at year-end, increasing 39% on a sequential basis. Financial ratios at the end of the quarter were 2.6 times and 5.5 times for Net Debt to EBITDA and Interest Coverage, respectively (see table 17).

INDUSTRY COMMENTS - SIGMA

During the fourth quarter, Sigma displayed strong operational results despite COVID-19-related challenges. As some regions continue adapting to the new normal, others undergo additional government containment measures implemented in response to new contagion waves. The impact on economic growth and unemployment levels remains a key consideration.

Mexico´s consumer confidence, reported by INEGI[1], gradually recovered since May 2020, when the index reported a decrease to 31.4 pts; its lowest level since 1Q17, from 42.4 pts reported in March from the same year. As of the end of 2020, the index partially recovered to 38.1 pts.

During the fourth quarter, same-store-sales reported by ANTAD[2] rose 2.8% and 2.6% in October and November, respectively, but decreased 6.2% during December, partially explained by government containment measures implemented during the last weeks of 2020.

[1] *Instituto Nacional de Estadística y Geografía* – National Institute for Statistics and Geography
[2] *Asociación Nacional de Tiendas de Autoservicio y Departamentales* - National Association of Supermarkets and Department Stores

Consumer confidence[3] in the U.S., during 4Q20 decreased by 26% year-on-year. Meanwhile, food retail sales[4] rose by an average 8% during the fourth quarter, compared to about 9% from the previous quarter.

In Europe, the average consumer confidence index reported by the European Commission decreased to a negative 15.6 in 4Q20 from to a negative 7.6 in 4Q19. Food retail sales measured by Eurostat increased 4%, on average, during October and November, year-on-year.

Average raw material prices in the U.S., during the quarter, continued below 4Q19 levels, in line with those observed throughout 2020. During the quarter, pork ham prices in the U.S. decreased 14% year-on-year, closing the gap from 26% observed during 3Q20, when compared to the previous year. Meanwhile, turkey breast and turkey thigh prices maintained a similar trend at 14% and 25%, below 2019. In Europe, pork prices showed a steady downward trend with shoulder, ham and lean hog prices decreasing 29%, 24% and 23%, respectively year-on-year.

Sigma's Mexican operations source approximately 60% of its protein raw materials from the U.S. As a result, both raw material prices in U.S. dollars and the Peso-Dollar exchange rate influence product prices and revenue management initiatives.

The average exchange rate for the Mexican peso versus the U.S. dollar, during the quarter, showed a partial recovery since the third quarter, but continued to be about 7% below 2019 levels. Meanwhile the Euro gained ground with respect to the U.S. dollar by close to 7%. Currencies in LatAm mostly depreciated in relation to the U.S. dollar, with a net negative impact on results.

RESULTS BY REGION - SIGMA

During the fourth quarter of 2020, sales in Mexico accounted for 39% of the total, while Europe represented 38%, the U.S. 16%, and LatAm 7%.

Mexico: 4Q20 sales, in local currency, decreased 4% year-on-year, primarily due to lower sales volume in the Foodservice distribution channel, which continues to be impacted by lower mobility and high at-home food consumption.

In contrast, EBITDA, in local currency, increased 8%, with a 1% margin expansion, and benefiting from lower-than-expected raw material costs. Excluding Foodservice results and the impact from the depreciation of the Mexican peso, sales and EBITDA increased 4% and 15% versus 4Q19, respectively.

Europe: During the quarter, sales and EBITDA, in Euros, decreased 5% and 7% respectively when compared to 4Q19, mainly due to consumer uncertainty caused by government containment measures for the holiday season that impacted the quarter´s product mix, with lower-than-expected demand for seasonal products.

[3] Source: The Conference Board
[4] Source: The U.S. Census Bureau

iralfa@alfa.com.mx
www.alfa.com.mx
+ (52) 81-8748-2521

Also, although the Foodservice channel shows a gradual recovery on a sequential basis, it continues to be impacted by the pandemic when compared to the same period of 2019. 4Q20 EBITDA margin remained flat year-on-year as lower volume off-set benefits from lower raw material prices.

United States: strong performance in 4Q20 sales, up 10% year-on-year. Meanwhile, EBITDA grew 1% when compared to the same period of 2019, as a result of the temporary impact from adjustments in our distribution capabilities. During 2020 the U.S. reached record sales and EBITDA of US $1.122 billion and US $176 million, respectively, due to a strong demand, efficient operations, and agile production and distribution planning.

LatAm: sales, in local currencies, were down 1% year-on-year during 4Q20, mainly as a result of lower Foodservice volumes. On the other hand, EBITDA increased 12% in local currencies, mainly due to cost and expense reduction initiatives, as well as volume recovery towards the end of the year. On a currency neutral basis and excluding Foodservice results, EBITDA increased 27% versus 4Q19.

RECENT DEVELOPMENTS - SIGMA

Liquidity Management	• Strong cash position of US $820 million (+39% vs. 3Q20) • +US $700 million in available committed credit lines • Next long-term maturity in 2024
Financial Hedges	• As of December 2020, Sigma´s outstanding currency forward hedges amounted to US $700 million with an average exchange rate of $21.57 MXN/USD, enough to cover its 2021 U.S. dollar needs
New sources of revenue	• Sigma boosted its efforts to develop and pursue new sources of revenue • Key members of a high-performance team with entrepreneurial skills and expertise in fast-high quality-execution were assigned to growth initiatives • Sigma engages in an agile and continuous exercise of filtering, analyzing, piloting, and scaling high potential opportunities
Tastech by Sigma	• Sigma launched Tastech by Sigma in 2019, an acceleration program that aims to collaborate with high-impact startups and scaleups • Tastech received over 120 applications worldwide in its first call-out, which resulted in 8 pilot tests • On February 3rd, 2021 Tastech launched its second-generation call-out
Innovation	• ~1,300 new products launched during the last 36 months, +500 of those in 2020 • New products represented +9% of 2020 sales
Sustainability	• 2,300 volunteers participated in sustainability initiatives • 2,533 tons of food donated during 2020 • During 2020, four production facilities were integrated to our Green Energy Portfolio through efficient cogeneration technology • Visit Sigma's sustainability web page for more information

(See "Financial Statements" for Sigma´s 4Q20 Balance Sheet and Income Statement)

Alpek (BMV: ALPEKA) – Petrochemicals

43% of ALFA's revenues in 4Q20

SELECTED FINANCIAL INFORMATION (US $ MILLIONS)

	4Q20	3Q20	4Q19	(%) 4Q20 vs. 3Q20	(%) 4Q20 vs. 4Q19	2020	2019	Ch. %
Volume (ktons)	**1,248**	**1,260**	**1,059**	**(1)**	**18**	**4,802**	**4,384**	**10**
Polyester	992	1,026	851	(3)	17	3,918	3,490	12
Plastic & Chemicals	256	234	208	9	23	883	895	(1)
Revenues	**1,392**	**1,325**	**1,407**	**5**	**(1)**	**5,326**	**6,216**	**(14)**
Polyester	967	990	1,075	(2)	(10)	3,976	4,718	(16)
Plastic & Chemicals	374	297	311	26	20	1,192	1,407	(15)
EBITDA	**201**	**179**	**356**	**13**	**(43)**	**565**	**850**	**(34)**
Polyester	124	109	122	14	2	324	428	(24)
Plastic & Chemicals	73	67	42	10	72	229	218	5
Cogeneration Plants' Sale	0	0	188	(100)	(100)	0	188	(100)
CAPEX & Acquisitions[1]	**97**	**23**	**115**	**317**	**(15)**	**162**	**270**	**(40)**
Net Debt	**1,185**	**1,235**	**1,330**	**(4)**	**(11)**	**1,185**	**1,330**	**(11)**
Net Debt / LTM EBITDA*	2.1	1.7	1.6					
LTM Interest Coverage[2]*	6.0	7.0	7.2					

* Times. LTM = Last 12 months
1 Gross amount; does not include divestments
2 Interest Coverage = EBITDA/Net Financial Expenses

Volume was 1,248 ktons up 18% versus 4Q19, posting a new fourth quarter volume record. Polyester volume growth was supported by solid PET demand largely due to favorable changes in consumer behavior, which placed a heightened importance on safety and hygiene. Plastics & Chemicals volume also grew reflecting higher EPS volume, mainly from the recently acquired expandable styrenics business in the U.S.

Accumulated volume was up 10% when compared with the same period in 2019, also setting a new annual volume record.

Revenues totaled US $1.392 billion in 4Q20, down 1% year-on-year, reflecting higher overall volumes but offset by a 16% decrease in average consolidated prices resulting from the lower oil and feedstock prices.

Accumulated Revenues were US $5.326 billion, down 14% versus the same period in 2019 as volume growth was more than offset by a 25% decrease in average prices.

EBITDA was US $201 million, including a US $35 million one-time non-cash gain on business combination (Wilton PET site) and a US $9 million non-cash inventory gain during the quarter. Adjusting for extraordinary items, Alpek's Comparable 4Q20 EBITDA was US $160 million, down 7% when compared to 4Q19 and flat when compared to 3Q20, as a result of the normalization in Polyester margins.

4Q20 EBITDA includes a US $9 million Raw Material Carry-forward (RMCF) effect versus a US $2 million negative effect in 4Q19, reflecting positive feedstock price movements. 4Q20 Comparable EBITDA excluding RMCF was down 2% quarter-on-quarter and down 13% year-on-year.

Accumulated EBITDA as of December 31, 2020 was US $565 million and accumulated Comparable EBITDA totaled US $557 million, down 34% and 23%, respectively, versus the same periods in 2019. Accumulated Comparable EBITDA, excluding Raw Material Carry-forward, was US $601 million, down 24% versus the same period in 2019 and 16% higher than Alpek's pre-pandemic EBITDA Guidance driven by record volume and better than expected margins for PET, EPS and Polypropylene.

Capital expenditures (CAPEX) & Acquisitions were US $97 million in 4Q20, compared to US $115 million in 4Q19. During the quarter, the acquisition of NOVA Chemicals' styrenics business accounted for more than half of the total CAPEX.

Accumulated CAPEX totaled US $162 million, 40% lower than the same period in 2019 as Alpek continued to focus on maintenance CAPEX and minor asset replacements. Alpek continues to execute on its long-term strategy while exercising financial discipline.

Net Debt was US $1.185 billion, down 11% and 4% when compared with 4Q19 and 3Q20, respectively. Cash totaled US $509 million at the end of the fourth quarter, down 2% versus 3Q20 as Alpek began moving towards normalized Cash levels. Financial ratios at the end of 4Q20 were Net Debt to EBITDA of 2.1 times and Interest Coverage of 6.0 times.

RECENT DEVELOPMENTS - ALPEK

Styrenics Business Acquisition	• Finalized the acquisition of NOVA Chemicals' styrenics business • Alpek consolidated its position as a leading EPS producer in the Americas and the 3rd largest global player • The integration is expected to yield significant cost savings in both logistic and operating costs • Incorporates high value-added products, into Alpek's product portfolio, and accelerated the development of sustainable solutions such as biodegradable EPS • Fully aligned with Alpek's long-term growth strategy
M&G Mexico	• Financial restructuring agreement between M&G Mexico and most of its creditors was approved by the Mexican bankruptcy court in 3Q20 • Alpek recovered US $40 million in debt from M&G Mexico; US $120 million expected over the next four years • Alpek continues supplying the PTA needed by M&G Mexico's PET facility

iralfa@alfa.com.mx
www.alfa.com.mx
+ (52) 81-8748-2521

Circular Economy initiatives	• Goal of increasing rPET capacity, enabling Alpek's customer base to reach ~25% minimum recycled content targets by 2025 • Focus on recycling not just PET bales, but the resulting PET flake into pellet-form, which ensures that PET is used in bottles applications • The addition of Single Pellet Technology™ ("SPT") production capabilities at various of Alpek's virgin PET facilities in North America ○ SPT combines mechanically recycled PET flake with virgin PET into a single pellet with a predetermined percentage of recycled content ○ These projects allow Alpek to blend 30,000 tons of rPET flake with virgin PET, which at 25% recycled content would generate an output of 120,000 tons of SPT per year

(See "Appendix – 4Q20 Reports of Listed Businesses" for Alpek´s complete 4Q20 Earnings Report)

Axtel (BMV: AXTELCPO) – IT & Telecom

5% of ALFA's revenues in 4Q20

SELECTED FINANCIAL INFORMATION (US $ MILLIONS)

	4Q20	3Q20	4Q19	(%) 4Q20 vs. 3Q20	(%) 4Q20 vs. 4Q19	2020	2019	Ch. %
Revenues	**150**	**140**	**176**	**7**	**(15)**	**578**	**680**	**(15)**
Services - Enterprise	94	89	137	6	(9)	367	528	(12)
Services - Government	26	21	34	24	(23)	94	112	(16)
Infrastructure	59	58	69	2	(14)	232	261	(11)
Eliminations	(30)	(28)	(31)	(8)	5	(115)	(125)	(8)
Mass Market	0	0	0	-	-	0	16	(100)
EBITDA	**51**	**49**	**53**	**5**	**(4)**	**308**	**265**	**17**
CAPEX & Acquisitions[1]	**32**	**17**	**30**	**93**	**8**	**103**	**91**	**13**
Net Debt	**602**	**595**	**750**	**1**	**(20)**	**602**	**750**	**(20)**
Net Debt / LTM EBITDA*	2.0	1.9	2.8					
LTM Interest Coverage[2*]	4.9	4.6	3.6					

* Times. LTM = Last 12 months
1 Gross amount; does not include divestments
2 Interest Coverage = EBITDA/Net Financial Expenses

Revenues totaled US $150 million, down 15% year-on-year mainly due to the depreciation of the Mexican peso. On a currency neutral basis and adjusting for the effect of Axtel´s discontinued operations (Mass Market and Data Centers), comparable 4Q20 revenues were down 7% versus 4Q19, due to a decrease in enterprise segment voice revenues and budget reductions reflected in the government segment.

Accumulated Revenues were US $578 million, down 15% versus same period last year mainly due to the depreciation of the Mexican Peso and the impact of Axtel's discontinued operations. On a currency neutral basis and adjusting for the effect of discontinued operations, accumulated Revenues were down 1% year-on-year.

EBITDA was US $51 million, down 4% year-on-year. On a currency neutral basis and adjusting for the effect of discontinued operations and extraordinary items, Proforma EBITDA was down 5% year-on-year due to a lower contribution from the Infrastructure unit.

Accumulated EBITDA as of December 31, 2020 was US $308 million, up 17% versus the same period in 2019, including a US $107 million one-time gain from the Data Center sale in 1Q20. On a currency neutral basis and adjusting for the effect of recently sold businesses and extraordinary items, accumulated Proforma EBITDA was flat year-over-year.

Capital expenditures (CAPEX) & Acquisitions totaled US $32 million in 4Q20, up 8% when compared to 4Q19. Accumulated CAPEX was US $103 million, up 13% year-on-year mainly due to US $22 million one-time investment in the renewal of spectrum frequencies.

Net Debt was US $602 million at the close of 4Q20, down 20% and up 1% when compared to 4Q19 and 3Q20, respectively. Cash totaled US $170 million at the end of the fourth quarter, up US $124 million versus year-end 2019. The cash balance includes approximately US $57 million of proceeds remaining from the sale of the data centers. Financial ratios at the close of 4Q20 were: Net Debt to EBITDA of 2.0 times and Interest Coverage of 4.9 times.

RECENT DEVELOPMENTS - AXTEL

CEO Succession Process	• Axtel´s CEO, Rolando Zubirán Shetler, decided to retire from the organization • Mr. Zubirán transformed Axtel and Alestra into a leading provider of managed information and communications technology (ICT) solutions for the enterprise and government segments • Axtel´s Board of Directors appointed Eduardo Escalante as acting CEO to continue the sale process of Axtel's two separate business units and coordinate the search for the new CEO based on progress in the sale process • Eduardo Escalante will continue to hold his position as ALFA's Chief Financial Officer (CFO)
Competitive Process	• Competitive process for whole Company concluded following the evaluation of received offers • Axtel will continue to pursue strategic alternatives in the shareholders' best interest; sale of Axtel's Infrastructure Unit among strategic alternatives
Debt prepayment	• In March, 2021, Axtel will partially repay US $60 million of its *Senior Notes,* reducing interest expense.

(See "Appendix - 4Q20 Reports of Listed Businesses" for Axtel´s complete 4Q20 Earnings Report)

iralfa@alfa.com.mx
www.alfa.com.mx
+ (52) 81-8748-2521

Newpek – Oil & Gas

Less than 1% of ALFA's revenues in 4Q20

SELECTED FINANCIAL INFORMATION (US $ MILLIONS)

	4Q20	3Q20	4Q19	(%) 4Q20 vs. 3Q20	(%) 4Q20 vs. 4Q19	2020	2019	Ch. %
Volume (MBOEPD)[1]	**1.3**	**1.4**	**6.3**	**(7)**	**(79)**	**3.6**	**5.7**	**(37)**
Revenues	**(2)**	**2**	**18**	**(176)**	**(110)**	**24**	**76**	**(68)**
Mexico	(2)	1	11	(235)	(118)	12	52	(78)
Foreign	0	1	7	(89)	(99)	12	24	(49)
EBITDA	**6**	**46**	**(65)**	**(88)**	**108**	**38**	**(91)**	**142**
CAPEX & Acquisitions[2]	**1**	**1**	**8**	**(38)**	**(92)**	**12**	**14**	**(15)**
Net Debt	**(9)**	**(11)**	**(7)**	**(16)**	**30**	**(9)**	**(7)**	**30**

[1] Thousand Barrels of Oil Equivalents Per Day
[2] Gross amount; does not include divestments

<u>**Volume**</u> averaged 1.3 thousand barrels of oil equivalents per day (MBOEPD) during 4Q20 in Mexico, down 79% versus 4Q19, due to the natural decline in well productivity, less producing wells due to recent divestments and lower drilling for new wells (see table 18).

There were 62 wells in production at quarter's end in Mexico, a 46% decrease from the 115 wells in production at the end of 4Q19.

<u>**Revenues**</u> were negative US $2 million in 4Q20, down 176% year-on-year mainly due to the divestment of the Eagle Ford (EFS) and Edwards shale formations in the United States during the third quarter and an extraordinary adjustment of negative US $7 million related to adjustments in non-cash cost recovery provisions in its Integrated Exploration and Production (CIEPs) service contracts in Veracruz. Adjusting for these cost recovery provisions, comparable revenues were US $5 million in 4Q20 (see table 18).

Crude oil prices recovered from the multi-year lows reached in April due to a faster than expected recovery of global oil demand. However, WTI averaged US $43 per barrel, down 25% compared to 4Q19. Henry Hub averaged US $2.5 per MMBTU during 4Q20, 5% higher than 4Q19.

<u>**EBITDA**</u> was US $6 million in 4Q20, which includes an extraordinary gain of US $4 million resulting from the net effect of the aforementioned US $7 million revenue adjustment and a corresponding expense adjustment of US $11 million related to non-cash cost recovery provisions of its CIEPs service contracts in Veracruz. Adjusting for these items, 4Q20 comparable EBITDA was a gain of US $1 million, versus comparable losses of US $8 million and US $2 million in 4Q19 and 3Q20, respectively (see table 19).

(See "Tables" for more comprehensive analysis of Newpek´s 4Q20 financial results)

Nemak (BMV: NEMAKA) – Aluminum Autoparts

In accordance with International Financial Reporting Standards (IFRS), ALFA's Consolidated Results account for Nemak as Discontinued Operations due to the spin-off of this business.

Additional details related to the effects of discontinued operations on ALFA's consolidated results are available in Tables 11, 12 and 13.

It is important to note that accounting for Nemak as a Discontinued Operation in ALFA's financial statements ended on December 14, 2020.

Please refer to Nemak's 4Q20 Earnings Report for the analysis of full quarterly and annual operating figures. See "Appendix - 4Q20 Reports of Listed Businesses" (pg. 70)

4Q20 EARNINGS CALL INFORMATION

Date:	Friday, February 12, 2021
Time:	1:00 p.m. EST (NY) / 12:00 p.m. CST (CDMX)
By Phone:	United States: +1-877-451-6152 International: +1-201-389-0879 Mexico: 800-522-0034 Conference ID: 13715921
Webcast:	http://public.viavid.com/index.php?id=143362
Replay:	https://www.alfa.com.mx/RI/conference.htm

iralfa@alfa.com.mx
www.alfa.com.mx
+ (52) 81-8748-2521

About ALFA

ALFA manages a diversified portfolio of subsidiaries 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 largest producers of polyester (PTA, PET and fibers), and the leader in the Mexican market for polypropylene, expandable polystyrene (EPS) and caprolactam. 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. In 2020, ALFA reported revenues of Ps. 263,867 million (US $12.3 billion), and EBITDA of Ps. 32,597 million (US $1.5 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.

Tables

ALFA

Table 1 | VOLUME AND PRICE CHANGES (%)

	4Q20 vs. 3Q20	4Q20 vs. 4Q19	2020 vs. 2019
Total Volume	1.1	7.6	5.5
Domestic Volume	5.1	6.8	4.3
Foreign Volume	(4.2)	8.9	7.2
Avg. Ps. Prices	(2.9)	(3.9)	(3.9)
Avg. US $ Prices	4.2	(10.1)	(13.6)

Table 2 | REVENUES

				(%) 4Q20 vs.				
	4Q20	3Q20	4Q19	3Q20	4Q19	2020	2019	Ch.%
Total Revenues								
Ps. Millions	66,329	67,575	64,139	(2)	3	263,867	260,401	1
US $ Millions	3,218	3,057	3,326	5	(3)	12,325	13,521	(9)
Domestic Revenues								
Ps. Millions	25,761	24,632	25,275	5	2	98,451	102,345	(4)
US $ Millions	1,251	1,114	1,311	12	(5)	4,616	5,314	(13)
Foreign Revenues								
Ps. Millions	40,568	42,943	38,865	(6)	4	165,416	158,056	5
US $ Millions	1,967	1,942	2,016	1	(2)	7,709	8,207	(6)
Foreign / Total (%)	61	64	61	(4)	1	63	61	3

Table 3 | OPERATING INCOME AND EBITDA

				(%) 4Q20 vs.				
	4Q20	3Q20	4Q19	3Q20	4Q19	2020	2019	Ch.%
Operating Income								
Ps. Millions	4,729	6,132	5,794	(23)	(18)	17,567	18,219	(4)
US $ Millions	229	276	300	(17)	(24)	834	945	(12)
EBITDA								
Ps. Millions	8,626	9,710	9,309	(11)	(7)	32,597	31,911	2
US $ Millions	419	438	482	(4)	(13)	1,536	1,656	(7)
EBITDA/Revenues (%)*	13.0	14.3	14.5			12.5	12.2	

*US Dollar denominated EBITDA margin

Table 4 | EXTRAORDINARY ITEMS (US $ Millions)

Company	Extraordinary item	4Q20	3Q20	4Q19	2020	2019
Alpek	Inventory gain (loss)	9	16	(6)	(35)	(68)
	Insurance gain – Altamira fire				6	11
	Cogeneration sale gain			188		188
	Gain on business combination (Wilton)	35			35	
	Legal fees/expenses & others	(2)	3	1	1	(2)
	Total Alpek	**41**	**19**	**184**	**7**	**128**
Axtel	Mass Market sale gain					39
	One-time expenses of disc. ops. termination			(4)		(4)
	Data Center sale gain				107	
	Spectrum sale gain				4	
	Total Axtel			**(4)**	**111**	**35**
Newpek	Mexico expense recovery provision	4	(10)	(3)	(6)	(9)
	U.S. deficiencies provision			(54)		(54)
	U.S. assets sale gain		58		58	
	Total Newpek	**4**	**48**	**(58)**	**52**	**(63)**
	Total effect on EBITDA	**46**	**67**	**122**	**171**	**100**

Table 5 | COMPARABLE EBITDA (US $ Millions)

Company	4Q20	3Q20	4Q19	(%) 4Q20 vs. 3Q20	(%) 4Q20 vs. 4Q19	2020	2019	Ch.%
ALFA	**373**	**371**	**360**	**-**	**4**	**1,364**	**1,556**	**(12)**
Alpek	160	160	172	-	(7)	557	722	(23)
Sigma	178	179	176	(1)	1	684	703	(3)
Axtel	51	49	57	5	(11)	197	230	(14)
Newpek	1	(2)	(8)	158	114	(14)	(28)	49
ALFA EBITDA/Revenues (%)	11.6	12.1	10.8			11.1	11.5	

Table 6 | EFFECT OF IFRS 16 (US $ Millions)

	1Q20	2Q20	3Q20	4Q20	2020
Income Statement					
Depreciation & Amortization	23	21	22	22	89
Financial Expense	5	5	5	5	20
Balance Sheet					
Assets - Right of use	396	385	294	305	305
Liabilities					
Short term lease	112	101	77	78	78
Long term lease	301	299	227	235	235
Net Debt*	**21**	**18**	**12**	**22**	**73**

*Initial balance plus new leases

Table 7 | COMPREHENSIVE FINANCING INCOME / EXPENSE (US $ Millions)

	4Q20	3Q20	4Q19	(%) 4Q20 vs. 3Q20	(%) 4Q20 vs. 4Q19	2020	2019	Ch.%
Financial Expenses	(85)	(96)	(111)	11	24	(392)	(433)	9
Financial Income	5	9	19	(51)	(76)	40	64	(38)
Net Financial Expenses	(81)	(86)	(93)	7	13	(353)	(369)	4
Exchange Rate Gains (Losses)	22	14	19	64	16	(33)	(35)	6
Capitalized Comp. Fin. Expense	0	0	0	9	(39)	1	10	(94)
Comprehensive Financing Expense	(58)	(73)	(73)	20	20	(385)	(393)	2
Avg. Cost of Borrowed Funds (%)	4.8	5.3	6.0			5.3	5.6	

Table 8 | NET INCOME (US $ Millions)

	4Q20	3Q20	4Q19	(%) 4Q20 vs. 3Q20	(%) 4Q20 vs. 4Q19	2020	2019	Ch.%
Consolidated Net Income (Loss)	120	214	163	(44)	(27)	398	454	(12)
Minority Interest	183	43	83	328	119	208	154	35
Majority Net Income (Loss)	(63)	171	80	(137)	(178)	190	300	(37)
Per Share (US Dollars)	(0.01)	0.03	0.02	(137)	(181)	0.04	0.06	(35)
Avg. Outstanding Shares (Millions)	4,909	4,909	5,019			4,942	5,037	

Table 9 | SELECTED BALANCE SHEET INFORMATION & FINANCIAL RATIOS (US $ Millions)

	4Q20	3Q20	4Q19
Assets	12,841	17,672	18,026
Liabilities	10,166	13,086	12,989
Stockholders' Equity	2,674	4,586	5,037
Majority Equity	1,930	3,477	3,808
Net Debt	4,699	4,894	6,276
Net Debt/EBITDA*	3.1	3.0	3.1
Interest Coverage*	4.4	4.4	4.5

* Times: LTM= Last 12 months

iralfa@alfa.com.mx
www.alfa.com.mx
+ (52) 81-8748-2521

Table 10 | STATEMENT OF FINANCIAL POSITION & FINANCIAL RATIOS (US $ Millions)

	4Q20	3Q20	4Q19	(%) 4Q20 vs. 3Q20	(%) 4Q20 vs. 4Q19
Assets					
Cash and cash equivalents	1,611	1,390	1,337	16	20
Trade accounts receivable	870	802	1,238	8	(30)
Inventories	1,658	1,619	2,432	2	(32)
Other current assets	773	684	1,023	13	(24)
Current assets from discontinued operations[1]	0	5,055	0	(100)	-
Total current assets	**4,913**	**9,550**	**6,030**	**(49)**	**(19)**
Investment in associates and others	470	445	487	6	(3)
Property, plant and equipment, net	4,395	4,173	7,147	5	(39)
Goodwill and intangible assets, net	2,279	2,198	3,035	4	(25)
Other non-current assets	784	1,307	1,328	(40)	(41)
Total assets	**12,841**	**17,672**	**18,026**	**(27)**	**(29)**
Liabilities & stockholders' equity					
Debt	244	240	227	2	7
Suppliers	1,971	1,757	2,944	12	(33)
Other current liabilities	1,034	985	1,496	5	(31)
Current liabilities from discontinued operations[1]	0	3,333	0	(100)	-
Total current liabilities	**3,249**	**6,315**	**4,667**	**(49)**	**(30)**
Debt (include debt issuance cost)	6,050	5,726	6,916	6	(13)
Employees' benefits	237	209	309	13	(23)
Other long-term liabilities	630	836	1,097	(25)	(43)
Total liabilities	**10,166**	**13,086**	**12,989**	**(22)**	**(22)**
Total stockholders' equity	**2,674**	**4,586**	**5,037**	**(42)**	**(47)**
Total liabilities & stockholders' equity	**12,841**	**17,672**	**18,026**	**(27)**	**(29)**
Net Debt	4,699	4,894	6,276	(4)	(25)
Net Debt/EBITDA*	3.1	3.0	3.1		
Interest Coverage*	4.4	4.4	4.5		

* Times. LTM=Last 12 months

1 Breakdown of Balance Sheet line items from Discontinued Operations shown on Table 11

Table 11 | STATEMENT OF FINANCIAL POSITION DISCONTINUED OPERATIONS – NEMAK (US $ MILLIONS)

	4Q20	3Q20	4Q19
Current assets	0	1,719	0
Non-Current assets	0	3,336	0
Total assets	0	**5,055**	0
Current liabilities	0	1,500	0
Non-Current liabilities	0	1,833	0
Total liabilities	0	**3,333**	0

Table 12 | INCOME STATEMENT DISCONTINUED OPERATIONS – NEMAK (US $ MILLIONS)

				(%) 4Q20 vs.				
	4Q20	3Q20	4Q19	3Q20	4Q19	2020	2019	Ch. %
Total Revenues	794	896	941	(11)	(16)	2,999	4,017	(25)
Gross Profit	117	150	114	(22)	3	376	575	(35)
Operating expenses and others	(55)	(50)	(80)	(11)	31	(262)	(318)	17
EBITDA	136	178	133	(24)	2	418	621	(33)
Operating income (loss)	**62**	**100**	**33**	**(38)**	**89**	**113**	**257**	**(56)**
Financial cost, net	(17)	(3)	(14)	(453)	(18)	(119)	(71)	(67)
Share of losses of associates	(0)	(1)	0	90	-	(1)	2	(155)
Income Tax	(7)	(6)	12	(21)	(161)	(4)	(59)	93
Profit (loss) from discontinued operations (Nemak)	**38**	**90**	**31**	**(58)**	**21**	**(10)**	**130**	**(108)**
Other effects associated to the Nemak spin-off (ALFA)	458	0	0	100	100	475	0	100
Profit (loss) from discontinued operations (ALFA)	**496**	**0**	**0**	**100**	**100**	**465**	**0**	**100**

Table 13 | CHANGE IN NET DEBT DISCONTINUED OPERATIONS – NEMAK (US $ MILLIONS)

				(%) 4Q20 vs.				
	4Q20	3Q20	4Q19	3Q20	4Q19	2020	2019	Ch. %
EBITDA	0	178	133	(100)	(100)	282	621	(54)
Net Working Capital	0	36	68	(100)	(100)	(167)	86	(294)
Capital expenditures & Acquisitions	0	(49)	(97)	100	100	(188)	(344)	45
Net Financial Expenses	0	(17)	(17)	100	100	(54)	(73)	26
Taxes	0	(4)	(26)	100	100	(20)	(101)	80
Dividends	0	(12)	(34)	100	100	(13)	(64)	80
Other Sources / Uses	0	(17)	57	100	(100)	(15)	38	(141)
Decrease (Increase) in Net Debt	**0**	**115**	**84**	**(100)**	**(100)**	**(175)**	**162**	**(208)**

iralfa@alfa.com.mx
www.alfa.com.mx
+ (52) 81-8748-2521

SIGMA

Table 14 | SIGMA - VOLUME AND PRICE CHANGES (%)

	4Q20 vs.		2020 vs.
	3Q20	4Q19	2019
Total Volume	(0.8)	(5.5)	(2.9)
Avg. Ps. Prices	(0.9)	10.2	12.4
Avg. US $ Prices	6.3	3.1	1.1

Table 15 | SIGMA - REVENUES

				(%) 4Q20 vs.				
	4Q20	3Q20	4Q19	3Q20	4Q19	2020	2019	Ch.%
Total Revenues								
Ps. Millions	34,271	34,855	32,888	(2)	4	135,983	124,498	9
US $ Millions	1,662	1,577	1,706	5	(3)	6,347	6,463	(2)
Domestic Revenues								
Ps. Millions	13,261	12,824	13,575	3	(2)	51,783	52,475	(1)
US $ Millions	644	580	704	11	(9)	2,429	2,725	(11)
Foreign Revenues								
Ps. Millions	21,010	22,031	19,313	(5)	9	84,200	72,023	17
US $ Millions	1,019	997	1,002	2	2	3,918	3,739	5
Foreign / Total (%)	61	63	59			62	58	

Table 16 | SIGMA - OPERATING INCOME AND EBITDA

				(%) 4Q20 vs.				
	4Q20	3Q20	4Q19	3Q20	4Q19	2020	2019	Ch.%
Operating Income								
Ps. Millions	1,807	2,719	2,276	(34)	(21)	9,267	9,148	1
US $ Millions	86	123	118	(30)	(27)	428	475	(10)
EBITDA								
Ps. Millions	3,675	3,962	3,399	(7)	8	14,707	13,543	9
US $ Millions	178	179	176	(1)	1	684	703	(3)

Table 17 | SIGMA - SELECTED BALANCE SHEET INFORMATION & FINANCIAL RATIOS (US $ Millions)

	4Q20	3Q20	4Q19
Assets	5,508	5,185	5,250
Liabilities	4,339	4,088	4,337
Stockholders' Equity	1,168	1,097	913
Majority Equity	1,168	1,097	913
Net Debt	1,756	1,930	1,994
Net Debt/EBITDA*	2.6	2.8	2.8
Interest Coverage*	5.5	5.4	6.2

* Times. LTM= Last 12 months

NEWPEK

Table 18 | NEWPEK - REVENUES

	4Q20	3Q20	4Q19	(%) 4Q20 vs. 3Q20	(%) 4Q20 vs. 4Q19	2020	2019	Ch.%
Volume (MBOEPD)[1]	1.3	1.4	6.3	(7)	(79)	3.6	5.7	(37)
Total Revenues								
Ps. Millions	(42)	52	346	(181)	(112)	499	1,472	(66)
US $ Millions	(2)	2	18	(176)	(110)	24	76	(68)
Domestic Revenues								
Ps. Millions	(45)	31	204	(245)	(122)	242	1,008	(76)
US $ Millions	(2)	1	11	(235)	(118)	12	52	(78)
Foreign Revenues								
Ps. Millions	2	22	142	(90)	(98)	257	464	(45)
US $ Millions	-	1	7	(89)	(99)	12	24	(49)
Foreign / Total (%)	-	40	41			51	32	

1 Thousands of Barrels of Oil Equivalent Per Day

Table 19 | NEWPEK - OPERATING INCOME AND EBITDA

	4Q20	3Q20	4Q19	(%) 4Q20 vs. 3Q20	(%) 4Q20 vs. 4Q19	2020	2019	Ch.%
Operating Income								
Ps. Millions	105	1,023	(1,332)	(90)	108	56	(1,976)	103
US $ Millions	5	46	(69)	(89)	107	4	(103)	104
EBITDA								
Ps. Millions	119	1,031	(1,255)	(88)	109	853	(1,745)	149
US $ Millions	6	46	(65)	(88)	108	38	(91)	142

Table 20 | NEWPEK - SELECTED BALANCE SHEET INFORMATION & FINANCIAL RATIOS (US $ Millions)

	4Q20	3Q20	4Q19
Assets	567	521	661
Liabilities	222	233	313
Stockholders' Equity	345	288	348
Net Debt	(9)	(11)	(7)
Net Debt/EBITDA*	(0.2)	0.3	0.1
Interest Coverage*	(3.4)	2.9	7.6

* Times. LTM= Last 12 months

Financial Statements

ALFA, S.A.B. de C.V. and Subsidiaries

BALANCE SHEET

Information in millions of Nominal Mexican Pesos

	Dec 20	Sep 20	Dec 19	(%) Dec 20 vs. Sep 20	(%) Dec 20 vs. Dec 19
ASSETS					
CURRENT ASSETS:					
Cash and cash equivalents	32,144	31,213	25,195	3	28
Trade accounts receivable	17,356	18,001	23,323	(4)	(26)
Other accounts and notes receivable	5,957	5,322	5,753	12	4
Inventories	33,084	36,355	45,826	(9)	(28)
Other current assets	9,466	10,046	13,531	(6)	(30)
Current assets from discontinued operations	0	113,531	0	(100)	-
Total current assets	**98,007**	**214,468**	**113,628**	**(54)**	**(14)**
Investments in associates and joint ventures	8,866	10,004	9,178	(11)	(3)
Property, Plant and equipment	87,670	93,708	134,695	(6)	(35)
Intangible assets	45,461	49,350	57,186	(8)	(21)
Other non-current assets	16,152	29,346	25,022	(45)	(35)
Total assets	**256,156**	**396,876**	**339,709**	**(35)**	**(25)**
LIABILITIES AND STOCKHOLDER'S EQUITY					
CURRENT LIABILITIES:					
Current portion of long-term debt	2,872	3,338	2,293	(14)	25
Bank loans and notes payable	430	2,041	1,990	(79)	(78)
Suppliers	39,321	39,467	55,479	(0)	(29)
Other current liabilities	21,981	22,130	28,184	(1)	(22)
Current liabilities from discontinued operations	0	74,840	0	(100)	-
Total current liabilities	**64,605**	**141,816**	**87,946**	**(54)**	**(27)**
LONG-TERM LIABILITIES:					
Long-term debt	115,997	128,580	130,337	(10)	(11)
Deferred income taxes	9,529	10,408	10,913	(8)	(13)
Other liabilities	7,940	8,359	9,763	(5)	(19)
Estimated liabilities for seniority premiums and pension plans	4,733	4,704	5,824	1	(19)
Total liabilities	**202,804**	**293,868**	**244,783**	**(31)**	**(17)**
STOCKHOLDERS' EQUITY:					
Controlling interest:					
Capital stock	169	205	209	(18)	(19)
Earned surplus	38,330	77,881	71,553	(51)	(46)
Total controlling interest	38,499	78,086	71,762	(51)	(46)
Total Non-controlling interest	14,853	24,922	23,164	(40)	(36)
Total stockholders' equity	**53,352**	**103,008**	**94,926**	**(48)**	**(44)**
Total liabilities and stockholders' equity	**256,156**	**396,876**	**339,709**	**(35)**	**(25)**
Current ratio	1.5	1.5	1.3		
Debt to equity	3.8	2.9	2.6		

iralfa@alfa.com.mx
www.alfa.com.mx
+ (52) 81-8748-2521

ALFA, S.A.B. de C.V. and Subsidiaries

INCOME STATEMENT

Information in millions of Nominal Mexican Pesos

	4Q20	3Q20	4Q19	2020	2019	4Q20 vs. (%) 3Q20	4Q20 vs. (%) 4Q19
Net sales	66,329	67,575	64,139	263,867	260,401	*(2)*	*3*
Domestic	25,761	24,632	25,275	98,451	102,345	*5*	*2*
Export	40,568	42,943	38,865	165,416	158,056	*(6)*	*4*
Cost of sales	(51,205)	(50,942)	(51,681)	(206,585)	(207,584)	*(1)*	*1*
Gross profit	**15,124**	**16,633**	**12,458**	**57,282**	**52,817**	***(9)***	***21***
Operating expenses and others	(10,395)	(10,501)	(6,664)	(39,716)	(34,597)	*1*	*(56)*
Operating income	4,729	6,132	5,794	17,566	18,220	*(23)*	*(18)*
Comprehensive financing expense, net	(1,185)	(1,585)	(1,414)	(8,144)	(7,588)	*25*	*16*
Equity in income (loss) of associates	131	16	(299)	75	(313)	*719*	*144*
Income before the following provision	3,676	4,563	4,082	9,497	10,319	*(19)*	*(10)*
Provisions for:							
Income tax	(11,185)	(1,939)	(1,900)	(10,601)	(4,441)	*(477)*	*(489)*
Profit (loss) from continuing operations	(7,510)	2,625	2,182	(1,104)	5,878	*(386)*	*(444)*
Profit (loss) from discontinued operations	9,985	2,092	984	9,124	2,886	*377*	*915*
Consolidated net income	2,475	4,716	3,166	8,020	8,764	*(48)*	*(22)*
Income (loss) corresponding to minority interest	3,699	950	1,606	4,091	2,957	*289*	*130*
Net income (loss) corresponding to majority interest	**(1,223)**	**3,766**	**1,560**	**3,929**	**5,807**	***(132)***	***(178)***
EBITDA	**8,626**	**9,710**	**9,309**	**32,597**	**31,911**	***(11)***	***(7)***
Interest coverage*	**4.3**	**4.3**	**4.5**	**4.3**	**4.5**		

* Times. LTM=Last Twelve Months

Sigma Alimentos, S.A. de C.V. and Subsidiaries

BALANCE SHEET

Information in millions of Nominal Mexican Pesos

Assets	Dec 20	Sep 20	Dec 19	(%) Dec 20 vs. Sep 20	(%) Dec 20 vs. Dec 19
CURRENT ASSETS:					
Cash and cash equivalents	16,301	13,197	9,730	24	68
Restricted cash	24	27	11	(11)	112
Customers, net	3,833	3,967	5,365	(3)	(29)
Income tax recoverable	741	622	407	19	82
Inventories	15,248	18,451	16,245	(17)	(6)
Other current assets	3,585	3,779	3,024	(5)	19
Total current assets	**39,732**	**40,044**	**34,782**	**(1)**	**14**
Property, plant and equipment, net	33,346	36,204	32,306	(8)	3
Intangible assets, net	17,179	18,717	15,701	(8)	9
Goodwill	14,638	15,965	12,865	(8)	14
Deferred income tax	4,125	4,013	2,678	3	54
Investments in associates and joint ventures	132	139	107	(5)	23
Other non-current assets	719	1,361	489	(47)	47
Total non-current assets	**70,140**	**76,399**	**64,147**	**(8)**	**9**
Total assets	**109,872**	**116,443**	**98,929**	**(6)**	**11**
LIABILITIES AND STOCKHOLDER'S EQUITY					
CURRENT LIABILITIES:					
Current debt	649	715	576	(9)	13
Notes payables	558	739	535	(24)	4
Suppliers	20,352	20,342	21,521	-	(5)
Income tax payable	461	600	1,739	(23)	(74)
Provisions	182	146	102	25	79
Other current liabilities	7,748	7,786	5,332	-	45
Total current liabilities	**29,949**	**30,328**	**29,805**	**(1)**	**-**
NON-CURRENT LIABILITIES:					
Non-current debt	47,746	52,632	44,083	(9)	8
Notes payables	2,030	2,225	1,875	(9)	8
Deferred income taxes	3,934	4,291	3,524	(8)	12
Employees benefits	1,807	1,854	1,771	(2)	2
Provisions	90	97	83	(7)	9
Income tax payable	974	373	556	161	75
Other non-current liabilities	38	4	31	891	20
Total non-current liabilities	**56,619**	**61,475**	**51,923**	**(8)**	**9**
Total liabilities	**86,568**	**91,803**	**81,728**	**(6)**	**6**
STOCKHOLDERS' EQUITY:					
Total controlling interest:	23,304	24,640	17,201	(5)	35
Total non-controlling interest:	0	0	0	-	-
Total stockholders' equity	**23,304**	**24,640**	**17,201**	**(5)**	**35**
Total liabilities and stockholders' equity	**109,872**	**116,443**	**98,929**	**(6)**	**11**

iralfa@alfa.com.mx
www.alfa.com.mx
+ (52) 81-8748-2521

Sigma Alimentos, S.A. de C.V. and Subsidiaries

INCOME STATEMENT

Information in millions of Nominal Mexican Pesos

	4Q20	3Q20	4Q19	2020	2019	4Q20 vs. (%) 3Q20	4Q20 vs. (%) 4Q19
Revenue	34,271	34,855	32,888	135,983	124,498	(2)	4
Cost of sales	(24,603)	(24,861)	(23,953)	(97,661)	(89,670)	(1)	3
Gross profit	**9,668**	**9,994**	**8,935**	**38,322**	**34,828**	**(3)**	**8**
Selling expenses	(5,325)	(5,637)	(5,200)	(21,901)	(20,336)	(6)	2
Administrative expenses	(1,739)	(1,690)	(1,436)	(6,405)	(5,473)	3	21
Other income (expenses), net	(797)	52	(24)	(750)	128	-	-
Operating profit	1,807	2,719	2,276	9,267	9,148	(34)	(21)
Comprehensive financial expenses, net	(1,774)	(730)	(586)	(2,465)	(2,629)	143	203
Equity in income (loss) of associates	-	13	12	12	10	(100)	(100)
Profit before income tax	32	2,003	1,702	6,814	6,529	(98)	(98)
Provisions for:							
Income tax	(598)	(1,063)	(981)	(1,822)	(2,977)	(44)	(39)
Net consolidated profit	**(566)**	**940**	**721**	**4,992**	**3,552**	**(160)**	**(178)**
Non-controlling interest	**0**	**0**	**6**	**0**	**(13)**	-	**(100)**
Controlling interest	**(566)**	**940**	**715**	**4,992**	**3,565**	**(160)**	**(179)**

Appendix - Listed Business 4Q20 Reports

Alpek (BMV: ALPEKAA) – Petrochemicals

Axtel (BMV: AXTELCPO) – IT & Telecom

Nemak (BMV: NEMAKA) – Aluminum Autoparts

FOURTH QUARTER 2020 **RESULTS**

Alpek Posts U.S. $201M in EBITDA (U.S. $151M in Comparable EBITDA excl. RMCF)

Record fourth quarter volume combined with a sharp increase in Polypropylene margins

Monterrey, Mexico – February 11th, 2021 – Alpek, S.A.B. de C.V. (BMV: ALPEK), a leading petrochemical company in the Americas, announced today its fourth quarter 2020 results (4Q20).

Quarterly Highlights

- Record high 4Q and FY2020 volume of 1.25 million tons (+18% YoY) and 4.80 million tons (+10% YoY), respectively
- Comparable EBITDA (excl. RMCF) at U.S. $151 million (-2% QoQ) due to high volume and improved PP margins
- Accumulated Comparable EBITDA excl. RMCF of U.S. $601 million, which sharply exceeded Guidance (+16%)
- Strong annual Free Cash Flow of U.S $350 million resulted in Net Debt of U.S. $1,185 million and Leverage of 2.1x
- Finalized acquisition of NOVA Chemicals' Expandable Styrenics business, becoming the 3rd largest player worldwide
- Recovered U.S. $40 million in debt from M&G Mexico; remaining U.S. $120 million expected over the next 4 years
- Company-wide effort to improve ESG ratings and performance yielded improvement in latest rankings (From 39th to 72nd percentile in Sustainalytics)

4Q20 Key Metrics

(in U.S.$ million, except for volume figures)

	4Q20	3Q20	4Q19	QoQ (%)	YoY (%)	2020	2019	Ch. (%)
Volume (ktons)	**1,248**	**1,260**	**1,059**	**(1)**	**18**	**4,802**	**4,384**	**10**
Polyester	992	1,026	851	(3)	17	3,918	3,490	12
Plastics & Chemicals	256	234	208	9	23	883	895	(1)
Revenues	**1,392**	**1,325**	**1,407**	**5**	**(1)**	**5,326**	**6,216**	**(14)**
Polyester	967	990	1,075	(2)	(10)	3,976	4,718	(16)
Plastics & Chemicals	374	297	311	26	20	1,192	1,407	(15)
EBITDA	**201**	**179**	**356**	**13**	**(43)**	**565**	**850**	**(34)**
Polyester	124	109	122	14	2	324	428	(24)
Plastics & Chemicals	73	67	42	10	72	229	218	5
Cogeneration Plants' Sale	-	-	188	(100)	(100)	-	188	(100)
Comparable EBITDA	**160**	**160**	**172**	**-**	**(7)**	**557**	**722**	**(23)**
Polyester	90	101	123	(11)	(27)	328	474	(31)
Plastics & Chemicals	66	56	46	18	42	218	231	(6)
Comparable EBITDA excl. RMCF	**151**	**154**	**173**	**(2)**	**(13)**	**601**	**789**	**(24)**
Net Income (Controlling Interest)	**99**	**65**	**209**	**52**	**(53)**	**150**	**342**	**(56)**
CAPEX	**97**	**23**	**115**	**317**	**(15)**	**162**	**270**	**(40)**
Net Debt	**1,185**	**1,235**	**1,330**	**(4)**	**(11)**			
Net Debt / EBITDA*	**2.1**	**1.7**	**1.6**					

*Times: last 12 months

Message from our CEO

"I am proud to report that Alpek has successfully concluded this unprecedented year 2020 with another strong quarter in terms of results, financial stability, and progress in its strategic growth plan. Record volume figures showcased the resiliency of the markets we serve. We benefited from the quick demand rebound experienced in the construction and automotive industries, as well as the favorable changes to consumer behavior in food & beverage packaging and e-commerce, which together have driven extraordinary demand for PET, EPS, and Polypropylene.

Moreover, this quarter we concluded major strategic initiatives, such as the acquisition of NOVA Chemicals' Expandable Styrenics business, enhancement of our rPET production capabilities, and the recovery of a portion of our secured debt with M&G Mexico. With a clearer outlook for 2021, as well as the adoption of new business practices to keep our employees safe and productive during the pandemic, we have emerged a stronger company, and so we maintain a positive outlook for the year ahead."

José de Jesús Valdez
Chief Executive Officer

COVID-19

Throughout the fourth quarter, vaccines were approved and, subsequently, initiated global distribution. With the increased economic activity, we witnessed the intensified demand for refined products, including gasoline, diesel, and jet fuel. When combined with lower output of crude oil on a global basis, this led average spot Brent crude oil to increase to U.S. $44 per barrel, 4% higher than that of last quarter, and to close the quarter at U.S. $51 per barrel. Correspondingly, U.S. reference paraxylene ("Px") prices also increased by 4% versus 3Q20.

Alpek continued to experience strong demand across its entire portfolio during 4Q20, operating at capacity in both its PET and EPS business lines. In addition to the strong demand from the food & beverage packaging segment, this quarter brought the newfound usage of EPS in the transportation of COVID-19 tests and vaccines, due to its unmatched thermal insulation and shock-absorption properties, as well as the fact that it is incredibly light.

Long-Term Growth Strategic Initiatives

During the quarter, Alpek also executed initiatives that were fully aligned with the three pillars of its long-term strategic growth plan.

- On the *Focused and Strategic Growth* pillar - the acquisition of NOVA Chemicals' Styrenics business, which was announced in our 3Q20 Webcast and concluded on October 30th, further consolidated Alpek's leading position in the EPS industry of the Americas, also making us the 3rd largest global player. The integration of both companies is expected to yield significant cost savings in both logistic and operating costs. In addition, it incorporated high value-added products, such as ARCEL®, a PE-EPS copolymer, into Alpek's product portfolio, and accelerated the development of more sustainable solutions like biodegradable EPS.

- Regarding the *Fostering a Circular Economy* pillar, Alpek has previously stated its goal of increasing rPET capacity, thus enabling its customer base to reach minimum recycled content target of 25% on average by 2025. However, Alpek is not just focused on simply recycling PET bales, but also converting the resulting PET flake into pellet-form, which ensures that PET is used in bottles. During 2020, Alpek made strong progress on this front through 3 main initiatives:
    - The acquisition of two PET flake-to-pellet conversion lines in Darlington, South Carolina from PolyQuest Inc. with a total capacity of 30,000 tons. Product from these lines will be sold as rPET to customers, as well as converted into SPT.
    - The addition of Single Pellet Technology™ ("SPT") production capabilities at various of Alpek's virgin PET facilities in North America. SPT combines mechanically recycled PET flake with virgin PET into a single pellet with a predetermined percentage of recycled content. These projects allow Alpek to blend 30,000 tons of rPET flake with virgin PET, which at 25% recycled content would generate an output of 120,000 tons of SPT per year.
    - An agreement with Poseidon Plastics Ltd. to develop an enhanced PET recycling facility in the United Kingdom based on their proprietary technology. Once completed, the project is expected to be able to recycle 15,000 tons of waste back into PET's raw material, BHET. It will be partially financed through a U.S. $5 million-dollar (£3.6M GBP) grant from UK Research and Innovation ("UKRI").

ESG

In 2020, Alpek launched a company-wide effort aimed at improving ESG performance and its rankings with the top rating agencies. During the fourth quarter, Alpek saw the fruits of its labor throughout the year, as scores across CDP, Sustainalytics, and S&P Global CSA improved significantly; for example, from the 39th to 72nd percentile in Sustainalytics' rankings. During 2021, the Company will be focusing its efforts on setting ambitious targets for each of the material issues identified in its ESG Model so that it may continue improving in the years to come.

2021 Outlook

As we look forward to 2021, we expect the new consumer behaviors observed last year will continue supporting demand, and for margins to remain at strong mid-cycle levels. The Company will be disclosing its Guidance estimates for Comparable EBITDA, Capex, crude oil price, and feedstock margins tomorrow, and discussing them in further detail during our 4Q20 Webcast.

Financial Results

EBITDA

(in U.S.$ million)

	4Q20	3Q20	4Q19	QoQ (%)	YoY (%)	2020	2019	Ch. (%)
Reported EBITDA	**201**	**179**	**356**	13	(43)	**565**	**850**	(34)
Inventories	(9)	(16)	6	45	(250)	35	68	(49)
Others	(33)	(3)	(189)	(966)	83	(42)	(197)	79
Comparable EBITDA	**160**	**160**	**172**	-	(7)	**557**	**722**	(23)
Raw Material Carry-forward	(9)	(6)	2	(46)	(686)	44	67	(34)
Comparable EBITDA excl. RMCF	**151**	**154**	**173**	(2)	(13)	**601**	**789**	(24)

Comparable EBITDA excluding Raw Material Carry-forward was U.S. $151 million, only 2% lower than 3Q20, as a result of the normalization in Polyester margins, but a highly resilient overall volume. For the full-year, Comparable EBITDA, excluding Raw Material Carry-forward, totaled U.S. $601 million, 16% above our EBITDA Guidance and 24% lower than that of 2019. Annual figures exceeded Guidance estimates due to record volume and better-than-expected margins for PET, EPS, and Polypropylene.

Comparable EBITDA was U.S. $160 million, flat vs. 3Q20 when including the positive Raw Material Carry-forward effect of U.S. $9 million during 4Q20. Full-year 2020 Comparable EBITDA was U.S. $557 million, down 23% when compared to 2019, mainly due to stronger margins last year.

Reported EBITDA was U.S. $201 million, a 13% increase versus 3Q20 figures, largely due to a one-time non-cash gain on business combination (Wilton PET site) of U.S. $35 million and a positive inventory effect of U.S $9 million during the quarter. For the full year, Reported EBITDA was U.S. $565 million, down 34% versus 2019, which was benefited by a positive effect of U.S. $188 million from the sale of our Cogeneration assets.

INCOME STATEMENT

(in U.S.$ million)

	4Q20	3Q20	4Q19	QoQ (%)	YoY (%)	2020	2019	Ch. (%)
Total Revenues	**1,392**	**1,325**	**1,407**	5	(1)	**5,326**	**6,216**	(14)
Gross Profit	183	180	168	2	9	551	675	(18)
Operating expenses and others	(31)	(57)	134	46	(123)	(195)	(34)	(472)
Operating Income	**152**	**123**	**302**	**24**	**(50)**	**355**	**641**	**(45)**
Financial cost, net	1	(16)	(36)	108	104	(98)	(136)	28
Share of losses of associates	(2)	(1)	(16)	(310)	86	(4)	(16)	76
Income tax	(33)	(27)	(33)	(25)	(2)	(57)	(98)	42
Consolidated Net Income	**118**	**80**	**218**	**48**	**(46)**	**197**	**390**	**(50)**
Controlling interest	99	65	209	52	(53)	150	342	(56)

Revenues for the fourth quarter totaled U.S. $1,392 million, 5% higher than 3Q20. Higher average consolidated prices more than offset a slight decrease in consolidated volume in 4Q20. For the full year, Revenues totaled U.S. $5,326 million, 14% lower than the 2019 figure, due to the decrease in feedstock prices and their corresponding impact on sales prices.

Net Income attributable to Controlling Interest for the fourth quarter of 2020 was U.S. $99 million, compared to U.S. $65 million in 3Q20. This improvement was due to a higher operating income. 2020 Net Income attributable to Controlling Interest totaled U.S. $150 million, 56% lower than that of 2019, due to a lower operating income.

CASH FLOW
(in U.S.$ million)

	4Q20	3Q20	4Q19	QoQ (%)	YoY (%)	2020	2019	Ch. (%)
EBITDA	201	179	356	13	(43)	565	850	(34)
Net Working Capital & Others	(16)	56	(67)	(128)	76	167	(2)	6,948
CAPEX	(97)	(23)	(115)	(317)	15	(162)	(270)	40
Financial Expenses	(23)	(25)	(39)	9	41	(99)	(136)	27
Income Tax	(24)	4	(29)	(692)	16	(121)	(144)	16
Dividends	(15)	-	(25)	(100)	40	(178)	(206)	13
Payment to affiliated companies	-	-	-	-	-	-	10	(95)
Other Sources / Uses	22	2	625	926	(96)	(28)	400	(107)
Decrease (Increase) in Net Debt	**49**	**193**	**706**	(74)	(93)	**144**	**502**	(71)

Net Working Capital (NWC) totaled U.S. -$16 million due to increases in feedstock prices caused by a hike in the price of crude oil. For the full year, however, NWC posted a recovery of U.S. $167 million, given strong reductions to inventory levels in addition to lower feedstock prices.

CAPEX totaled U.S. $97 million during the quarter with the acquisition of NOVA Chemicals' Styrenics business accounting for 52% of CAPEX in 4Q20 and the remaining portion corresponding to maintenance and minor asset replacements. Accumulated CAPEX for the year was U.S. $162 million, down 40% when compared to 2019, as Alpek was able to continue executing its long-term strategy while exercising financial discipline.

Income Tax during 4Q20 was U.S. $24 million. For the full year, Income Tax was U.S. $121 million, 16% lower than 2019, with the recovery of U.S. $22 million in taxes from the 2019 fiscal year.

Other Sources / Uses - In 4Q20, Alpek received U.S. $40 million as the first payment of the total U.S. $160 million in guaranteed debt from M&G Mexico, to be fully recovered with interest over the next 4 years.

NET DEBT & LEVERAGE
(in U.S.$ million)

	4Q20	3Q20	4Q19	QoQ (%)	YoY (%)
Net Debt	**1,185**	**1,235**	**1,330**	(4)	(11)
EBITDA (LTM)	565	719	850	(21)	(34)
Net Debt / EBITDA (LTM)	2.1	1.7	1.6		

Consolidated Net Debt as of December 31, 2020 was U.S. $1.185 billion, down 4% QoQ and 11% YoY. Net Debt decreased by U.S. $49 million during 4Q20 because of strong EBITDA. Gross Debt reached U.S. $1.694 billion, and Cash declined to U.S. $509 million; the Company expects to return to Cash levels more in line with its historical averages. Financial ratios as of quarter-end were: Net Debt to EBITDA of 2.1x and Interest Coverage of 6.0x, with Leverage increasing slightly as LTM EBITDA no longer includes the gain from the sale of our cogeneration plants.

Results by Business Segment: Polyester

(Purified Terephthalic Acid (PTA), Polyethylene Terephthalate (PET), rPET, Polyester fibers – 75% of Alpek's Net Sales)

Quarterly Highlights

- Highest Polyester volume during a 4Q period (+17% YoY); new record for annual volume (+12% vs 2019)
- Integrated polyester margins remain at normalized level (-3% QoQ) and annualized margins were above Guidance
- Polyester Comparable EBITDA excl. RMCF of U.S. $81 million (-15% QoQ) as volume was offset by lower margins
- Polyester Reported EBITDA of U.S. $124 million (+14% QoQ), including a U.S. $35 million non-cash gain on business combination from the Wilton PET site, positive inventory adjustment (U.S. $1 million) and RMCF (U.S. $9 million)

KEY METRICS - POLYESTER (in U.S.$ million, except volume)	4Q20	3Q20	4Q19	QoQ (%)	YoY (%)	2020	2019	Ch. (%)
Volume (ktons)	**992**	**1,026**	**851**	(3)	17	**3,918**	**3,490**	12
Revenues	967	990	1,075	(2)	(10)	3,976	4,718	(16)
Reported EBITDA	**124**	**109**	**122**	14	2	**324**	**428**	(24)
Inventories	(1)	(5)	2	77	(152)	46	56	(16)
Others	(33)	(3)	(1)	(964)	(3,139)	(43)	(9)	(387)
Comparable EBITDA	**90**	**101**	**123**	(11)	(27)	**328**	**474**	(31)
Raw Material Carry-forward	(9)	(6)	2	(46)	(686)	44	67	(34)
Comparable EBITDA excl. RMCF	**81**	**95**	**125**	(15)	(35)	**372**	**541**	(31)

Polyester Volume posted a new 4Q record of 992 thousand tons, 17% higher YoY. The Company also set a new annual record of 3,918 thousand tons, 12% higher than the 2019 record. This volume increase was largely due to favorable changes to consumer behavior, which placed a heightened importance on safety and hygiene, thus strengthening demand for PET.

Polyester Comparable EBITDA excluding RMCF reached U.S. $81 million during the quarter, a 15% decrease QoQ. This was due to a slight decrease in integrated polyester margins to U.S. $242 per ton, 3% lower QoQ, as well as slightly lower volume, which defied typical seasonality. This figure was also down 35% YoY as polyester margins were higher in 2019.

As a result of the 4% increase in Brent Crude oil price, average U.S. reference paraxylene ("Px") prices increased accordingly by 4% QoQ. This resulted in a non-cash **inventory gain** of U.S. $1 million and a **positive RMCF** effect of U.S. $9 million in 4Q20.

Excluding inventory gains, the U.S. $35 million non-cash gain on business combination from Lotte's Wilton PET facility and other items, 4Q20 **Polyester Comparable EBITDA** reached U.S. $90 million, down 11% QoQ.

Polyester Reported EBITDA was U.S. $124 million for the quarter, up 14% QoQ reflecting the non-cash gain on business combination, inventory gains and positive RMCF effects that totaled a U.S. $43 million gain versus a U.S. $2 million loss during 4Q19, due to feedstock prices fluctuations.

Results by Business Segment: Plastics & Chemicals (P&C)

(Polypropylene (PP), Expandable Polystyrene (EPS), Caprolactam (CPL), Other products – 22% of Alpek's Net Sales)

Quarterly Highlights

- P&C volume increased sharply (+9% QoQ / +23% YoY), mainly due to the acquisition of NOVA's Styrenics business
- Strong margin improvement in Polypropylene (+31% QoQ), as hurricanes in the USGC affected local producers
- P&C Comparable EBITDA was U.S. $66 million (+18% QoQ), due to resilient demand and higher PP margins
- P&C Reported EBITDA of U.S. $73 million (+10% QoQ), due to a positive inventory effect of U.S. $8 million

KEY METRICS - P&C (in U.S.$ million, except volume)	4Q20	3Q20	4Q19	QoQ (%)	YoY (%)	2020	2019	Ch. (%)
Volume (ktons)	**256**	**234**	**208**	9	23	**883**	**895**	(1)
Revenues	374	297	311	26	20	1,192	1,407	(15)
Reported EBITDA	**73**	**67**	**42**	10	72	**229**	**218**	5
Inventories	(8)	(11)	4	31	(301)	(12)	13	(191)
Others	-	-	-	-	-	-	-	126
Comparable EBITDA	**66**	**56**	**46**	18	42	**218**	**231**	(6)

P&C Volume was 256 thousand tons, up 9% QoQ and 23% YoY, from higher EPS volume. When excluding the incremental volume from our recently-acquired Expandable Styrenics business in the USA, volume was flat QoQ and up 12% YoY.

P&C Comparable EBITDA was U.S. $66 million, 18% and 42% higher compared to 3Q20 and 4Q19, respectively, mainly due to resilient volume and better-than-expected PP margins. The contribution from our newly acquired Expandable Styrenics business in the U.S. to P&C Comparable EBITDA was negligible, as Alpek has only begun to optimize feedstock contracts, commercial agreements, and operations costs, among others.

As hurricanes in the U.S. Gulf Coast affected the production of both Propylene and Polypropylene from outages to PDHs, Refineries, and local PP producers, Propylene prices surged to U.S. $0.41 per pound, up 18% this quarter, resulting in an **inventory gain** of U.S. $8 million.

P&C Reported EBITDA was U.S. $73 million during the quarter, up 10% QoQ and 72% YoY, reflecting strong business fundamentals, as well as an inventory gain.

About Alpek

Alpek is a leading petrochemical company operating two business segments: "Polyester" (PTA, PET, rPET, and polyester fibers), and "Plastics & Chemicals" (polypropylene, expandable styrenics, caprolactam, and other specialty & industrial chemicals). Alpek is a leading producer of PTA and PET worldwide, one of the largest rPET producers in the Americas, the 3rd largest expandable polystyrene manufacturer worldwide, and the only producer of polypropylene and caprolactam in Mexico.

Note on Forward Looking Statements

This release contains 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. Accordingly, results could vary from those set forth in this release. The report presents unaudited financial information based on International Financial Reporting Standards (IFRS). Figures are stated in nominal Mexican pesos ($) and in current U.S. Dollars (U.S. $), as indicated. Where applicable, peso amounts were translated into U.S. Dollars using the average exchange rate of the months during which operations were recorded. Financial ratios are calculated in U.S. Dollars. Due to the rounding up of figures, small differences may occur when calculating percent changes from one period to the other.

Investor Relations Contact Information

Alejandro Elizondo, Investor Relations Officer
Alejandra Bustamante, Investor Relations Manager
+52 (818) 748-1146
ir@alpek.com
www.alpek.com

Appendix A – Additional Financial Information

TABLE 1 | PRICE CHANGES (%)	QoQ (%)	YoY (%)	Ch. (%)
Polyester			
Avg. Ps. Prices	(6)	(17)	(16)
Avg. U.S. $ Prices	1	(23)	(25)
Plastics & Chemicals			
Avg. Ps. Prices	7	4	(15)
Avg. U.S. $ Prices	15	(2)	(23)
Total			
Avg. Ps. Prices	(1)	(10)	(17)
Avg. U.S. $ Prices	6	(16)	(25)

TABLE 2 | REVENUES	4Q20	3Q20	4Q19	QoQ (%)	YoY (%)	2020	2019	Ch. (%)
Total Revenues								
Ps. Million	28,709	29,310	27,133	(2)	6	113,989	119,685	(5)
U.S. $ Million	1,392	1,325	1,407	5	(1)	5,326	6,216	(14)
Domestic Revenues								
Ps. Million	9,166	8,457	7,837	8	17	33,241	34,592	(4)
U.S. $ Million	445	382	406	16	10	1,557	1,796	(13)
Foreign Revenues								
Ps. Million	19,543	20,853	19,296	(6)	1	80,748	85,094	(5)
U.S. $ Million	947	943	1,001	1	(5)	3,769	4,420	(15)
Foreign / Total (%)	68	71	71			71	71	

TABLE 3 | OP. INCOME AND EBITDA	4Q20	3Q20	4Q19	QoQ (%)	YoY (%)	2020	2019	Ch. (%)
Operating Income								
Ps. Million	3,124	2,735	5,834	14	(46)	7,493	12,361	(39)
U.S. $ Million	152	123	302	24	(50)	355	641	(45)
EBITDA								
Ps. Million	4,131	3,958	6,863	4	(40)	11,993	16,395	(27)
U.S. $ Million	201	179	356	13	(43)	565	850	(34)

TABLE 4 | COMPARABLE EBITDA	4Q20	3Q20	4Q19	QoQ (%)	YoY (%)	2020	2019	Ch. (%)
EBITDA								
Ps. Million	4,131	3,958	6,863	4	(40)	11,993	16,395	(27)
U.S. $ Million	201	179	356	13	(43)	565	850	(34)
Adjustments*								
Ps. Million	(790)	(421)	(3,546)	(87)	78	(8)	(2,484)	100
U.S. $ Million	(41)	(19)	(184)	(121)	77	(7)	(128)	94
Comparable EBITDA								
Ps. Million	3,341	3,536	3,317	(6)	(1)	11,985	13,911	(14)
U.S. $ Million	160	160	172	-	(7)	557	722	(23)

*Adjustments: Inventory and non-operating, one-time (gains) losses

TABLE 5 | IFRS 16 EFFECT (in U.S.$ million)	4Q20	3Q20	2Q20	1Q20	2020
Income Statement					
Amortization	11	11	11	12	46
Financial Expense	2	2	2	3	9
Balance Sheet					
Assets- Right of use	150	152	160	169	
Liabilities					
Short term lease	35	36	38	46	
Long term lease	116	115	121	121	
Net Debt	8	4	3	5	19

TABLE 6 | FINANCIAL COST, NET (in U.S.$ million)	4Q20	3Q20	4Q19	QoQ (%)	YoY (%)	2020	2019	Ch. (%)
Financial Expenses	(26)	(28)	(42)	6	38	(116)	(146)	20
Financial Income	2	4	16	(60)	(91)	24	50	(51)
Net Financial Expenses	(25)	(24)	(26)	(3)	6	(92)	(106)	14
Fx Gains (Losses)	26	8	(10)	244	369	(7)	(30)	78
Financial Cost, Net	1	(16)	(36)	108	104	(98)	(136)	28

TABLE 7 | NET INCOME (in U.S.$ million, except as noted)	4Q20	3Q20	4Q19	QoQ (%)	YoY (%)	2020	2019	Ch. (%)
Consolidated Net Income	118	80	218	48	(46)	197	390	(50)
Non-Controlling Interest	20	15	8	31	134	47	48	(2)
Controlling Interest	99	65	209	52	(53)	150	342	(56)
Earnings per Share (U.S. $)	0.05	0.03	0.10	52	(53)	0.07	0.16	(56)
Avg. Outstanding Shares (million)*	2,112	2,112	2,116			2,113	2,117	

* The same number of equivalent shares are considered in the periods presented

TABLE 8 | STATEMENT OF FINANCIAL POSITION & FINANCIAL RATIOS (in U.S.$ million)	**4Q20**	**3Q20**	**4Q19**	**QoQ (%)**	**YoY (%)**
Assets					
Cash and cash equivalents	509	519	386	(2)	32
Trade accounts receivable	565	495	545	14	4
Inventories	875	778	953	12	(8)
Other current assets	335	324	428	3	(22)
Total current assets	**2,283**	**2,117**	**2,312**	**8**	**(1)**
Investment in associates and others	433	435	438	(1)	(1)
Property, plant and equipment, net	1,934	1,849	1,968	5	(2)
Goodwill and intangible assets, net	182	184	201	(1)	(9)
Other non-current assets	499	525	536	(5)	(7)
Total assets	**5,331**	**5,111**	**5,455**	**4**	**(2)**
Liabilities & stockholders' equity					
Debt	23	109	38	(79)	(39)
Suppliers	811	698	693	16	17
Other current liabilities	237	286	348	(17)	(32)
Total current liabilities	**1,070**	**1,093**	**1,078**	**(2)**	**(1)**
Debt (include debt issuance costs)	1,514	1,485	1,491	2	2
Employees' benefits	66	56	58	19	14
Other long-term benefits	400	424	436	(6)	(9)
Total liabilities	**3,050**	**3,058**	**3,064**	-	-
Total stockholders' equity	2,281	2,052	2,391	11	(5)
Total liabilities & stockholders' equity	5,331	5,111	5,455	4	(2)
Net Debt	1,185	1,235	1,330	(4)	(11)
Net Debt / EBITDA*	2.1	1.7	1.6		
Interest Coverage*	6.0	7.0	7.2		

* Times: last 12 months

Polyester

TABLE 9 | REVENUES	4Q20	3Q20	4Q19	QoQ (%)	YoY (%)	2020	2019	Ch. (%)
Total Revenues								
Ps. Million	19,949	21,901	20,731	(9)	(4)	85,280	90,857	(6)
U.S. $ Million	967	990	1,075	(2)	(10)	3,976	4,718	(16)
Domestic Revenues								
Ps. Million	4,063	3,889	3,895	4	4	15,789	16,475	(4)
U.S. $ Million	197	176	202	12	(2)	738	855	(14)
Foreign Revenues								
Ps. Million	15,886	18,011	16,836	(12)	(6)	64,491	74,382	(7)
U.S. $ Million	769	814	873	(6)	(12)	3,238	3,863	(16)
Foreign / Total (%)	80	82	81			81	82	

TABLE 10 | OP. INCOME AND EBITDA	4Q20	3Q20	4Q19	QoQ (%)	YoY (%)	2020	2019	Ch. (%)
Operating Income								
Ps. Million	1,813	1,456	1,526	25	19	3,401	5,029	(32)
U.S. $ Million	89	66	79	35	12	165	261	(37)
EBITDA								
Ps. Million	2,542	2,409	2,349	6	8	6,842	8,236	(17)
U.S. $ Million	124	109	122	14	2	324	428	(24)

TABLE 11 | COMPARABLE EBITDA	4Q20	3Q20	4Q19	QoQ (%)	YoY (%)	2020	2019	Ch. (%)
EBITDA								
Ps. Million	2,542	2,409	2,349	6	8	6,842	8,236	(17)
U.S. $ Million	124	109	122	14	2	324	428	(24)
Adjustments*								
Ps. Million	(646)	(170)	18	(279)	(3,600)	234	901	(74)
U.S. $ Million	(34)	(8)	1	(344)	(3,665)	4	47	(92)
Comparable EBITDA								
Ps. Million	1,897	2,239	2,368	(15)	(20)	7,076	9,137	(23)
U.S. $ Million	90	101	123	(11)	(27)	328	474	(31)

*Adjustments: Inventory and non-operating, one-time (gains) losses

Plastics & Chemicals

TABLE 12 | REVENUES	4Q20	3Q20	4Q19	QoQ (%)	YoY (%)	2020	2019	Ch. (%)
Total Revenues								
Ps. Million	7,687	6,552	6,006	17	28	25,349	27,097	(6)
U.S. $ Million	374	297	311	26	20	1,192	1,407	(15)
Domestic Revenues								
Ps. Million	4,081	3,724	3,568	10	14	14,277	16,637	(14)
U.S. $ Million	198	169	185	17	7	670	864	(22)
Foreign Revenues								
Ps. Million	3,606	2,827	2,438	28	48	11,072	10,460	6
U.S. $ Million	176	128	126	37	39	522	543	(4)
Foreign / Total (%)	47	43	41			44	39	

TABLE 13 | OP. INCOME AND EBITDA	4Q20	3Q20	4Q19	QoQ (%)	YoY (%)	2020	2019	Ch. (%)
Operating Income								
Ps. Million	1,232	1,211	611	2	102	3,860	3,368	15
U.S. $ Million	60	54	32	9	89	180	175	3
EBITDA								
Ps. Million	1,509	1,481	819	2	84	4,920	4,198	17
U.S. $ Million	73	67	42	10	72	229	218	5

TABLE 14 | COMPARABLE EBITDA	4Q20	3Q20	4Q19	QoQ (%)	YoY (%)	2020	2019	Ch. (%)
EBITDA								
Ps. Million	1,509	1,481	819	2	84	4,920	4,198	17
U.S. $ Million	73	67	42	10	72	229	218	5
Adjustments*								
Ps. Million	(144)	(251)	70	43	(306)	(242)	249	(197)
U.S. $ Million	(7)	(11)	4	35	(283)	(11)	13	(187)
Comparable EBITDA								
Ps. Million	1,365	1,230	888	11	54	4,678	4,447	5
U.S. $ Million	66	56	46	18	42	218	231	(6)

*Adjustments: Inventory and non-operating, one-time (gains) losses

Appendix B – Financial Statements

ALPEK, S.A.B. DE C.V. and Subsidiaries
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Dec-20	Sep-20	Dec-19	QoQ (%)	YoY (%)
(in millions of Mexican Pesos)					
ASSETS					
CURRENT ASSETS:					
Cash and cash equivalents	10,144	11,602	7,059	(13)	44
Restricted cash	12	58	216	(80)	(94)
Trade accounts receivable	11,271	11,125	10,265	1	10
Other accounts and notes receivable	5,190	6,036	5,658	(14)	(8)
Inventories	17,447	17,476	17,966	-	(3)
Other current assets	1,485	1,248	2,411	19	(38)
Total current assets	**45,549**	**47,545**	**43,575**	**(4)**	**5**
NON-CURRENT ASSETS:					
Investment in associates and others	8,634	9,772	8,246	(12)	5
Property, plant and equipment, net	38,579	41,517	37,082	(7)	4
Goodwill and intangible assets	3,637	4,138	3,783	(12)	(4)
Other non-current assets	9,954	11,796	10,108	(16)	(2)
Total assets	**106,353**	**114,768**	**102,794**	**(7)**	**3**
LIABILITIES AND STOCKHOLDERS´EQUITY					
CURRENT LIABILITIES:					
Debt	456	2,457	707	(81)	(36)
Suppliers	16,173	15,675	13,064	3	24
Other current liabilities	4,723	6,415	6,550	(26)	(28)
Total current liabilities	**21,352**	**24,547**	**20,321**	**(13)**	**5**
NON-CURRENT LIABILITIES:					
Debt (include debt issuance cost)	30,196	33,357	28,103	(9)	7
Deferred income taxes	4,092	4,745	3,926	(14)	4
Other non-current liabilities	3,885	4,785	4,294	(19)	(10)
Employees' benefits	1,316	1,248	1,092	5	21
Total liabilities	**60,841**	**68,682**	**57,736**	**(11)**	**5**
STOCKHOLDERS' EQUITY:					
Controlling interest:					
Capital stock	6,035	6,035	6,045	-	-
Share premium	9,025	9,025	9,059	-	-
Contributed capital	**15,060**	**15,060**	**15,104**	**-**	**-**
Earned surplus	25,326	25,372	25,376	-	-
Total controlling interest	**40,386**	**40,432**	**40,480**	**-**	**-**
Non-controlling interest	5,126	5,654	4,578	(9)	12
Total stockholders' equity	**45,512**	**46,086**	**45,058**	**(1)**	**1**
Total liabilities and stockholders' equity	**106,353**	**114,768**	**102,794**	**(7)**	**3**

ALPEK, S.A.B. DE C.V. and Subsidiaries

CONSOLIDATED STATEMENT OF INCOME

	4Q20	3Q20	4Q19	QoQ (%)	YoY (%)	2020	2019	Ch. (%)
(in millions of Mexican Pesos)								
Revenues	28,709	29,310	27,133	(2)	6	113,989	119,685	(5)
Domestic	9,166	8,457	7,837	8	17	33,241	34,591	(4)
Export	19,543	20,853	19,296	(6)	1	80,748	85,094	(5)
Cost of sales	(24,928)	(25,316)	(23,883)	2	(4)	(102,283)	(106,669)	4
Gross profit	3,781	3,994	3,250	(5)	16	11,706	13,016	(10)
Operating expenses and others	(657)	(1,259)	2,584	48	(125)	(4,213)	(655)	(543)
Operating income	3,124	2,735	5,834	14	(46)	7,493	12,361	(39)
Financial result, net	39	(355)	(693)	111	106	(2,085)	(2,635)	21
Equity in income of associates and joint ventures	(43)	(11)	(303)	(266)	86	(85)	(313)	73
Income before taxes	3,120	2,369	4,838	32	(36)	5,323	9,413	(43)
Income taxes	(693)	(597)	(628)	(16)	(10)	(1,202)	(1,889)	36
Consolidated net income	**2,427**	**1,772**	**4,210**	**37**	**(42)**	**4,121**	**7,524**	**(45)**
Income attributable to Controlling interest	**2,020**	**1,436**	**4,047**	**41**	**(50)**	**3,123**	**6,605**	**(53)**
Income attributable to Non-controlling interest	**407**	**336**	**163**	**21**	**151**	**998**	**919**	**9**

EARNINGS REPORT

Fourth Quarter 2020 (4Q20)

axtel

Monterrey, Mexico, February 11, 2021. - Axtel, S.A.B. de C.V. (BMV: AXTELCPO) ("Axtel" or "the Company"), a Mexican Information and Communications Technology company, announced today its unaudited results for the fourth quarter of 2020 ("4Q20").

Axtel reports 4Q20 EBITDA of US $51 million (Ps. 1,052 million)

SELECTED FINANCIAL INFORMATION

(IN MILLIONS)

	4Q20	3Q20	4Q19	(%) 4Q20 vs. 3Q20	(%) 4Q20 vs. 4Q19	YTD'20	YTD'19	YTD Δ (%)
Revenues (Ps.)	3,077	3,095	3,378	(1)	(9)	12,356	12,784	(3)
US $	150	140	175	7	(15)	578	664	(13)
EBITDA (Ps.)[1]	1,052	1,078	1,187	(2)	(11)	6,327	4,466	42
US $	51	49	62	5	(17)	308	232	33
Net Income (loss) (Ps.)	(207)	(174)	6	(19)	--	361	(14)	--
US $	(11)	(8)	0	(30)	--	29	(0)	--
CAPEX (Ps.)[2]	657	367	572	79	15	2,144	1,762	22
US $	32	17	30	93	8	103	91	13
Net Debt (US $)	602	595	750	1	(20)			
*Net Debt / LTM EBITDA**	2.0	1.9	3.2					
*LTM Interest Coverage**	5.1	5.1	3.3					
Adjusted Revenues (Ps.)[3]	3,077	3,095	3,384	(1)	(9)	12,356	13,086	(6)
US $	150	140	176	7	(15)	578	680	(15)
Adjusted EBITDA (Ps.)[3]	1,052	1,078	1,028	(2)	2	6,327	5,092	24
US $	51	49	53	5	(4)	308	265	17

** Times. LTM = Last twelve months. See page 7 for ratio calculation details.*
1) EBITDA = Operating income + depreciation & amortization + impairment of assets.
2) Gross amount; does not include divestments.
3) Axtel's results for year 2019 reflect the mass market business as discontinued operations. ALFA, however, consolidated both continuing and discontinued operations. For a complete reconciliation of revenues and EBITDA , see Appendix B, Tables 9 and 10.

4Q20 HIGHLIGHTS

Results

- Despite a 6% increase in recurring revenues from Axtel Networks, 4Q20 total revenues decreased 7% compared to 4Q19 *pro forma*, reflecting the impact from voice and government segment revenues affected by the economic repercussions of the COVID-19 health crisis.
- 2020 revenues slightly declined 1% compared to 2019 *pro forma*, reflecting a resilient portfolio of services such as connectivity, digital transformation, collaboration, among other services, that are critical or essential even under unfavorable conditions.
- 2020 EBITDA increased 49% compared to 2019 *pro forma*. Adjusting for the data centers transaction, EBITDA exceeded 2% full year guidance and 2019 results.

Competitive Process

- Following on the termination of the competitive process to attract investors for the whole Company announced in December, this year, Axtel resumed activities to separate both business units into separate corporate entities. At the same time, conversations are underway with investors focused on the Infrastructure unit.

Strong Liquidity and Cashflow:

- Year-end cash stood at US $170 million; including US $13 million cash in escrow, which was released to the Company in early January this year.
  - In March, Axtel will partially repay US $60 million of its Senior Notes, reducing interest expense.
- In 2020, Axtel generated US $39 million in cashflow before debt and other payment obligations, and excluding the data centers transaction.

Axtel Investor Relations
ir@axtel.com.mx
axtelcorp.mx
+52 (81) 8114-1128

MESSAGE FROM AXTEL'S CEO

"In 2020, in Axtel, we focused our actions on three priorities: the safety and well-being of our employees; assisting customers with their critical needs such as connectivity, collaboration and cybersecurity solutions; and the continuity of our and our customers' operations.

Regarding fourth quarter performance, a 6% year-over-year increase in recurring revenues at Axtel Networks, our Infrastructure Unit, and a 4% increase in managed connectivity and IT solutions at Alestra, our Services Unit, helped to compensate the decreases in voice and government segment revenues. Likewise, operating efficiencies from digitalization initiatives contributed to reducing expenses, reaching an EBITDA 2% higher than guidance and 2019 results. During 2020, the impact of COVID-19 on EBITDA and working capital was Ps. 40 million and Ps. 63 million, respectively. At year end, 85% of our collaborators continued working remotely.

During the first quarter 2019, we began the separation of Axtel's operations into two business units that would allow us to increase participation in connectivity and internet opportunities to domestic and foreign operators and wholesale customers through Axtel Networks; and focus Alestra's portfolio on valued-added and digital transformation solutions. Aligned with the functional separation, in early 2020, we formalized a competitive process to attract investors for Axtel Networks or the entire Company, which was terminated in December as valuation proposals did not reflect the intrinsic and potential value of the two business units.

Upon the termination of the competitive process, we resumed activities to convert the two business units into separate corporate entities. At the same time, we are establishing conversations with investors focused on the Infrastructure unit that did not participate in the last phase of the competitive process, which was limited to investors with an interest in the entire Company. The objective of value maximization by attracting new investors remains a priority for the Company.

As announced a few weeks ago, Rolando Zubiran, Axtel's former CEO, decided to retire from the Company. I would like to recognize Rolando for his 22 years of experience leading through a continuous evolution of Alestra and Axtel, positioning the Company as an innovative, profitable and leading company in the industry.

For the rest of this year, we will seek to capitalize on the commercial opportunities presented to each business unit, continue developing more efficient and streamlined processes through the "Axtel Digital" project and remain focused in value maximization initiatives, including the corporate separation of the business units and the potential divestment of Axtel Networks."

Eduardo Escalante

*In January 2020, Axtel executed the strategic agreement and divestment of three data centers. For comparison purposes, **pro forma** information adjusting 2019 results is included in the report. See Appendix C – Tables 11 – 13.*

REVENUES – Business Units

	4Q20	3Q20	4Q19	(%) 4Q20 vs. 3Q20	(%) 4Q20 vs. 4Q19	YTD'20	YTD'19	YTD Δ (%)
SERVICES (Ps.)	**2,473**	**2,427**	**2,650**	**2**	**(7)**	**9,824**	**10,177**	**(3)**
US $	**120**	**110**	**137**	**9**	**(13)**	**461**	**528**	**(13)**
Enterprise (Ps.)	1,935	1,959	1,993	(1)	(3)	7,834	8,018	(2)
US $	94	89	103	6	(9)	367	416	(12)
Government (Ps.)	538	468	657	15	(18)	1,990	2,159	(8)
US $	26	21	34	24	(23)	94	112	(16)
INFRASTRUCTURE (Ps.)	**1,218**	**1,280**	**1,332**	**(5)**	**(9)**	**4,983**	**5,021**	**(1)**
US $	**59**	**58**	**69**	**2**	**(14)**	**232**	**261**	**(11)**
ELIMINATIONS (Ps.) *	**(614)**	**(612)**	**(604)**	**(0)**	**(2)**	**(2,451)**	**(2,414)**	**(2)**
US $	(30)	(28)	(31)	(8)	5	(115)	(125)	8
TOTAL REVENUES (Ps.)	**3,077**	**3,095**	**3,378**	**(1)**	**(9)**	**12,356**	**12,784**	**(3)**
US $	150	140	175	7	(15)	578	664	(13)

** For consolidation purposes, revenues of Infrastructure Unit coming from Services Unit are presented as "eliminations".*
Note: For a reconciliation of revenues by business segments (enterprise and government), as reported in 2019, see Table 5.

Total revenues were US $150 million in 4Q20, down 15% when compared to 4Q19. In pesos, revenues decreased 9%; however, *pro forma* for the data centers transaction, revenues decreased 7%. Accumulated revenues were Ps. 12,356 million; down 1% versus 2019 *pro forma* figures, driven by a 3% decline in Services Unit revenues, partially mitigated by a 5% increase in Infrastructure Unit *pro forma* revenues. (Table 11).

INFRASTRUCTURE BUSINESS UNIT ("AXTEL NETWORKS")

Revenues reached US $59 million in 4Q20, a 14% decrease compared to 4Q19. In pesos, revenues decreased 9%; however, *pro forma* for the data centers transaction, revenues declined 4%. Revenues excluding those coming from Alestra decreased 9%, mainly driven by a decline in up-front payment contracts providing dark-fiber to wholesale customers. Accumulated revenues totaled Ps. 4,983 million, up 5% compared to 2019 *pro forma*; mainly driven by an 8% increase in revenues coming from third-party wholesale customers. Revenues coming from Alestra Services Unit represented 49% of total Infrastructure Unit YTD revenues. (Table 11).

SERVICES BUSINESS UNIT ("ALESTRA")

Revenues totaled US $120 million in 4Q20, a 13% decline compared to 4Q19. In pesos, revenues decreased 7%, due to 3% and 18% declines in Enterprise and Government segment revenues, respectively. Accumulated revenues were Ps. 9,824 million; down 3% compared to 2019; due to 2% and 8% declines in Enterprise and Government segment revenues, respectively.

ENTERPRISE SEGMENT *(80% of Services Unit YTD revenues)*

Enterprise segment revenues totaled US $94 million in 4Q20. In pesos, revenues declined 3% compared to the previous year, due to a 9% decline in Telecom revenues, partially compensated by a 31% increase in IT revenues. Accumulated revenues totaled Ps. 7,834 million, down 2% driven by a 29% decrease in voice revenues, partially mitigated by increases in *managed networks* and a 27% increase in IT revenues. (Table 1).

TELECOM revenues reached Ps. 1,569 million in 4Q20, an 9% decrease year-over-year, mainly due to a 36% decrease in *voice* revenues due to its maturing technological cycle and by the impact in voice traffic due to remote work for many clients, and a 4% decline in *data and internet* revenues. These declines were partially mitigated by a 5% growth in *managed networks* including collaboration solutions due to the increasing demand in relation to remote work.

IT revenues reached Ps. 367 million in 4Q20, up 31% when compared to 4Q19, mainly due to a 29% increase in *system integration* and a combined 33% increase in *cloud* and *cybersecurity* solutions, due to both new customers and incremental services with existing customers.

REVENUES – Business Units

SERVICES BUSINESS UNIT (“ALESTRA”) (cont’d)

GOVERNMENT SEGMENT *(20% of Services Unit YTD revenues)*

Government segment revenues amounted US $26 million in 4Q20. In pesos, revenues declined 18% compared to 4Q19, mainly due to a 30% decline in IT revenues. Accumulated revenues were Ps. 1,990 million, 8% lower versus 2019, due to 11% and 5% declines in Telecom and IT revenues, respectively; as the Company implemented adjustments in some services to accommodate the budget reductions in federal government entities. (Table 2).

TELECOM revenues reached Ps. 258 million in 4Q20, an 1% increase year-over-year, as a 20% increase in *managed networks* compensated the declines in all other revenues.

IT revenues reached Ps. 280 million in 4Q20, down 30% when compared to 4Q19, mainly due to the termination of some *cloud* and *cybersecurity* solutions contracts.

GROSS PROFIT

Gross profit is defined as revenues minus cost of revenues. For 4Q20, gross profit was US $108 million. In pesos, gross profit totaled Ps. 2,216 million, down 9% compared to 4Q19; however, *pro forma* for the data centers transaction, gross profit decreased 4%. Accumulated gross profit totaled Ps. 8,897 million; down 2% compared to 2019 *pro forma*, as a 10% decline in Services Unit was partially mitigated by a 7% increase in Infrastructure Unit’s gross profit.

SERVICES UNIT (ALESTRA) gross profit amounted to Ps. 1,097 million, down 7% compared to the year-earlier quarter, mainly due to a contraction in Telecom revenues and margins.

INFRASTRUCTURE UNIT (AXTEL NETWORKS) gross profit amounted to Ps. 1,119 million, a 10% decline or a 1% decline *pro forma*, compared to the year-earlier quarter, due to a decline in revenues, partially compensated by a slight increase in margins mostly explained by the substitution of leased-links with owned-infrastructure.

OPERATING EXPENSES AND OTHER INCOME (EXPENSES)

Operating expenses reached US $58 million in 4Q20; in pesos, operating expenses decreased 6%, however, *pro forma* for the data center transaction, expenses decreased 3%. Accumulated operating expenses reached Ps. 4,740 million; down 2% versus 2019 *pro forma*, mainly driven by a decline in Services Unit expenses.

SERVICES UNIT (ALESTRA) operating expenses decreased 10% compared to 4Q19, due to declines in outsourcing and bad debt provisions, partially mitigated by an increase in personnel in relation to a one-time right-sizing organization provision.

INFRASTRUCTURE UNIT (AXTEL NETWORKS) operating expenses declined 2% compared to 4Q19, or a 5% increase *pro forma*, due to increases in personnel expenses in relation to the aforementioned provision.

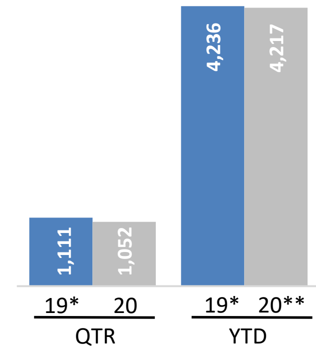
Other income reached Ps. 25 million during 4Q20, a slight increase compared to Ps. 23 million during 4Q19. It is worth mentioning that accumulated other income of Ps. 2,170 million in 2020 includes Ps. 2,021 million from the data centers transaction in 1Q20 and Ps. 90 million from the spectrum transaction in 2Q20.

EBITDA

EBITDA totaled US $51 million in 4Q20. In pesos, EBITDA reached Ps. 1,052 million, an 11% decrease compared to Ps. 1,187 million in 4Q19; however, *pro forma* for the data centers transaction, EBITDA decreased 5%. (Table 12). EBITDA margin increased from 33.6% in 4Q19 *pro forma*, to 34.2% in 4Q20, driven by a greater proportion of higher-margin Infrastructure revenues.

Accumulated EBITDA reached Ps. 6,327 million in 2020; 49% higher than 2019 *pro forma*; however, adjusted for the data centers transactions, EBITDA increased 2% versus 2019. Full-year 2020 margin reached 34.1%; slightly higher than 33.8% in 2019 *pro forma*.

(in Million Ps.)



** Pro forma data center transaction.*
*** Adjusted for data center divestment and spectrum transaction.*

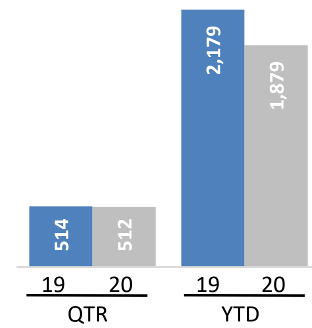
SERVICES UNIT (ALESTRA)

(45% of Axtel's YTD EBITDA)

Services Business Unit EBITDA amounted to US $25 million in 4Q20. In pesos, EBITDA reached Ps. 512 million, remaining flat year-over-year.

Full-year 2020 EBITDA reached Ps. 1,879 million; 14% lower than 2019, mainly due to declines in revenues and contribution margins in both Enterprise and Government segments.

(in Million Ps.)



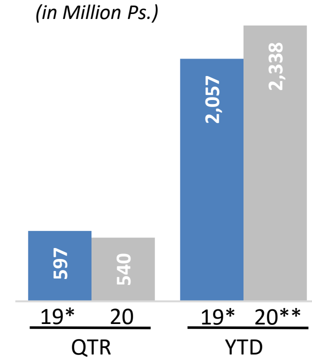
INFRASTRUCTURE UNIT (AXTEL NETWORKS)

(55% of Axtel's YTD EBITDA)

Infrastructure Unit EBITDA reached US $26 million in 4Q20. In pesos, Infrastructure Unit EBITDA reached Ps. 540 million, a 20% decline or 10% *pro forma* for the data centers transaction.

Full-year 2020 EBITDA reached Ps. 2,427 million adjusted for the data centers transaction; 18% higher than 2019 *pro forma*, due to both increases in revenues and contribution margins.

(in Million Ps.)



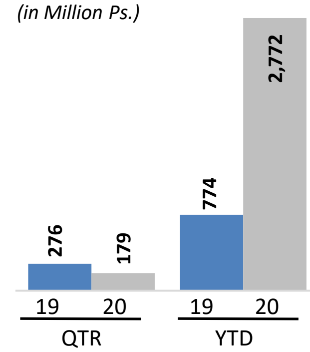
** Pro forma data center transaction.*
*** Adjusted for data center divestment and spectrum transaction.*

OPERATING INCOME

In the 4Q20, operating income totaled US $9 million. In pesos, operating income totaled Ps. 179 million, compared to Ps. 276 million in 4Q19, a Ps. 97 million decrease due to lower depreciation and amortization, partially mitigated by a decline in EBITDA as a result of the divestment of the data centers business.

Accumulated operating income reached Ps. 2,772 million in 2020, which includes the data centers transaction benefit of Ps. 2,021 million and spectrum transaction benefit of Ps. 90 million.

(in Million Ps.)



COMPREHENSIVE FINANCING RESULT

The comprehensive financing result reached US $41 million in 4Q20 or Ps. 855 million, compared to Ps. 87 million in 4Q19; mostly explained by a Ps. 1,125 million FX gain during 4Q20 resulting from a 13% appreciation of the Mexican peso against the US dollar, compared to a Ps. 421 million FX gain in 4Q19 resulting from a 4% appreciation of the peso. Net interest expenses decreased 21% from 4Q19 to 4Q20. (Table 7).

Accumulated comprehensive financial cost of Ps. 1,619 million was 44% higher than 2019, mainly due to the higher FX loss during 2020.

NET DEBT

As of December 31, 2020, net debt was US $602 million, down 20% or US $148 million in comparison with year-end 2019; comprised of a US $11 million decrease in debt, a US $13 million non-cash decrease in debt caused by a 6% depreciation of the Mexican peso year-over-year and a US $124 million increase in cash.

Total debt reduction of US $11 million year-over-year is explained by i) a US $70 million decrease related to the full prepayment of the Syndicated Bank facility; ii) a US $66 million increase in short-term loans; iii) a US $1 million decrease in the long-term facility; iv) a US $1 million decrease in other loans and financial leases; and v) a US $4 million decrease related to the new accounting standard for long-term leases (IFRS 16).

As of 4Q20, cash balance totaled US $170 million (Ps. 3,386 million), which includes US $13 million of restricted cash and approximately US $57 million from remaining proceeds from the data centers transaction. Cash in 4Q19 totaled US $46 million (Ps. 858 million).

Financial ratios for the fourth quarter 2020 were: Net Debt to EBITDA of 2.0 times and Interest Coverage of 5.1 times. (Table 8).

CAPITAL EXPENDITURES (CAPEX)

Capital investments totaled US $32 million in 4Q20, compared to US $30 million in 4Q19. 2020 Capex reached US $103 million (Ps. 2,144 million), compared to US $91 million (Ps. 1,762 million) in 2019.

2020 Capex, excluding the extraordinary investment of US $22 million related to the renovation of spectrum frequencies, totaled US $81 million, 68% of this amount was allocated to the Infrastructure Unit and 32% to the Services Unit.

OTHER INFORMATION

- The report presents unaudited financial information based on International Financial Reporting Standards (IFRS). Figures are presented in Mexican Pesos (Ps.) or US Dollars (US $), 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.
- "Pro forma": In January 2020, Axtel executed the strategic agreement and divestment of three data centers. For comparison purposes, pro forma information adjusting the results of 2019 is included in the report. See Appendix C – Tables 11 – 13.
- This report 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 and financial performance of the company, all of which are difficult or impossible to predict accurately. These statements reflect management's current views, which are subject to different risks. Accordingly, results could vary from those set forth in this release. The company disclaims any obligation to update statements in this release based on new information available.
- Net Debt / EBITDA ratio: means net debt translated into US Dollars using the end-of-period exchange rate divided by LTM EBITDA translated into US Dollars using the average exchange rate for each month during which the operations were recorded. Net debt means total debt (including accrued interests) minus cash (including restricted cash).
- Interest coverage ratio: means the ratio of LTM EBITDA to interest expense (net of interest income), both translated into US Dollars using the average exchange rate for each month during which the operations were recorded. Interest expense calculated *pro forma* for debt prepayments.
- Axtel maintains an interest rate swap ("IRS") for Ps. 3,380 million, maturing in December 2022, where Axtel pays 8.355% and receives TIIE 28d.
- Subject to market conditions, the Company's liquidity position and its contractual obligations, from time to time, the Company may acquire or divest its own shares and/or its Senior Notes, as well as enter into or unwind financial instruments whose underlying is related to the performance of its shares.

ABOUT AXTEL

Axtel is a Mexican Information and Communication Technology company that serves the enterprise, government and wholesale segments through its business units Alestra (Services) and Axtel Networks (Infrastructure).

Axtel is a subsidiary of ALFA, which owns 52.8% of its equity.

Axtel adhered to the UN Global Compact in 2011 the world's largest social responsibility initiative. It has received recognition from CEMEFI as a Socially Responsible Company since 2008.

Axtel shares, represented by Ordinary Participation Certificates, or CPOs, trade on the Mexican Stock Market under the symbol "AXTELCPO" since 2005.

Axtel's Investor Relations Center: axtelcorp.mx
Enterprise and Government services website: alestra.mx

NOTE: Axtel no longer offers services for the residential segment. In December 2018, it sold part of its residential business to Televisa (IZZI) and, in May 2019, the rest to Megacable.

Appendix A – Tables

TABLE 1 | SERVICES BUSINESS UNIT REVENUES - **ENTERPRISE SEGMENT**
(IN MILLIONS)

	4Q20	3Q20	4Q19	(%) 4Q20 vs. 3Q20	(%) 4Q20 vs. 4Q19	YTD'20	YTD'19	YTD Δ (%)
TELECOM (Ps.)	1,569	1,588	1,714	(1)	(9)	6,476	6,950	(7)
Voice	262	267	412	(2)	(36)	1,194	1,670	(29)
Data and Internet	665	681	695	(2)	(4)	2,698	2,763	(2)
Managed Networks	641	640	607	0	6	2,583	2,517	3
IT (Ps.)	367	371	279	(1)	31	1,358	1,068	27
TOTAL ENTERPRISE (Ps.)	**1,935**	**1,959**	**1,993**	**(1)**	**(3)**	**7,834**	**8,018**	**(2)**
US $	**94**	**89**	**103**	**6**	**(9)**	**367**	**416**	**(12)**
Recurrent (Ps.)	1,856	1,876	1,876	(1)	(1)	7,481	7,649	(2)
Non recurrent (Ps.)	79	82	118	(3)	(32)	353	369	(4)

TABLE 2 | SERVICES BUSINESS UNIT REVENUES - **GOVERNMENT SEGMENT**
(IN MILLIONS)

	4Q20	3Q20	4Q19	(%) 4Q20 vs. 3Q20	(%) 4Q20 vs. 4Q19	YTD'20	YTD'19	YTD Δ (%)
TELECOM (Ps.)	258	226	257	14	1	960	1,072	(11)
Voice	24	26	32	(9)	(25)	90	113	(21)
Data and Internet	89	81	103	9	(14)	363	326	11
Managed Networks	146	119	122	23	20	507	633	(20)
IT (Ps.)	280	242	400	15	(30)	1,030	1,086	(5)
TOTAL GOVERNMENT (Ps.)	**538**	**468**	**657**	**15**	**(18)**	**1,990**	**2,159**	**(8)**
US $	**26**	**21**	**34**	**24**	**(23)**	**94**	**112**	**(16)**
Recurrent (Ps.)	376	457	509	(18)	(26)	1,663	2,045	(19)
Non recurrent (Ps.)	162	11	147	>1,000	10	327	113	189

TABLE 3 | INFRASTRUCTURE BUSINESS UNIT REVENUES
(IN MILLIONS)

	4Q20	3Q20	4Q19	(%) 4Q20 vs. 3Q20	(%) 4Q20 vs. 4Q19	YTD'20	YTD'19	YTD Δ (%)
TOTAL INFRASTRUCTURE (Ps.)	**1,218**	**1,280**	**1,332**	**(5)**	**(9)**	**4,983**	**5,021**	**(1)**
US $	**59**	**58**	**69**	**2**	**(14)**	**232**	**261**	**(11)**
ELIMINATIONS (Ps.) *	**(614)**	**(612)**	**(604)**	**(0)**	**(2)**	**(2,451)**	**(2,414)**	**(2)**
US $	(30)	(28)	(31)	(8)	5	(115)	(125)	8

** For consolidation purposes, revenues coming from Services Unit (Alestra) are presented as "eliminations".*
Note: See Table 11 for pro forma figures.

Appendix A – Tables

TABLE 4 | 2019 and 2020 REVENUES BY BUSINESS UNIT
(IN MILLIONS)

	1Q19	2Q19	3Q19	4Q19	2019	1Q20	2Q20	3Q20	4Q20	2020
SERVICES UNIT (Ps.)	**2,524**	**2,481**	**2,523**	**2,650**	**10,177**	**2,552**	**2,372**	**2,427**	**2,473**	**9,824**
US $	**131**	**130**	**130**	**137**	**528**	**129**	**102**	**110**	**120**	**461**
ENTERPRISE (Ps.)	2,003	2,034	1,988	1,993	8,018	2,015	1,925	1,959	1,935	7,834
US $	104	106	102	103	416	102	82	89	94	367
GOVERNMENT (Ps.)	521	446	535	657	2,159	537	447	468	538	1,990
US $	27	23	28	34	112	27	19	21	26	94
INFRASTRUCTURE UNIT (Ps.)	**1,227**	**1,215**	**1,248**	**1,332**	**5,021**	**1,169**	**1,316**	**1,280**	**1,218**	**4,983**
US $	**64**	**64**	**64**	**69**	**261**	**59**	**56**	**58**	**59**	**232**
Eliminations (Ps.)	(604)	(604)	(604)	(604)	(2,414)	(615)	(610)	(612)	(614)	(2,451)
US $	(31)	(32)	(31)	(31)	(125)	(31)	(26)	(28)	(30)	(115)
TOTAL (Ps.)	**3,147**	**3,092**	**3,167**	**3,378**	**12,784**	**3,106**	**3,078**	**3,095**	**3,077**	**12,356**
US$	**164**	**162**	**163**	**175**	**664**	**157**	**132**	**140**	**150**	**578**

TABLE 5 | 2019 AND 2020 REVENUES BY SEGMENT (AS REPORTED in 2019)
(IN MILLIONS)

	1Q19	2Q19	3Q19	4Q19	**2019**	1Q20	2Q20	3Q20	4Q20	**2020**
ENTERPRISE (Ps.)	2,626	2,645	2,632	2,721	10,625	2,569	2,631	2,626	2,539	10,366
US $	137	138	136	141	552	130	113	119	123	485
GOVERNMENT (Ps.)	521	446	535	657	2,159	537	447	468	538	1,990
US $	27	23	28	34	112	27	19	21	26	94
TOTAL (Ps.)	**3,147**	**3,092**	**3,167**	**3,378**	**12,784**	**3,106**	**3,078**	**3,095**	**3,077**	**12,356**
US$	164	162	163	175	664	157	132	140	150	578

Appendix A – Tables

TABLE 6 | OPERATING INCOME AND EBITDA

(IN MILLIONS)

	4Q20	3Q20	4Q19	(%) 4Q20 vs. 3Q20	(%) 4Q20 vs. 4Q19	YTD'20	YTD'19	YTD Δ (%)
Operating Income (Ps.)	179	203	276	(12)	(35)	2,772	774	258
US $	9	9	14	(3)	(38)	141	40	252
EBITDA (Ps.)	1,052	1,078	1,187	(2)	(11)	6,327	4,466	42
US $	51	49	62	5	(17)	308	232	33
Adjustments* (Ps.)	0	0	0	--	--	(2,110)	0	--
US $	0	0	0	--	--	(111)	0	--
Comparable EBITDA (Ps.)	1,052	1,078	1,187	(2)	(11)	4,217	4,466	(6)
US $	51	49	62	5	(17)	197	232	(15)
Services Unit (Ps.)	512	445	514	15	(0)	1,879	2,179	(14)
Infrastructure Unit (Ps.)	540	634	673	(15)	(20)	2,338	2,287	2

** Adjustments include one-time (gains) losses, such as the Data Centers divestment in 1Q20 and spectrum transaction in 2Q20.*
Note: See Table 12 for pro forma EBITDA figures.

TABLE 7 | COMPREHENSIVE FINANCING RESULT

(IN MILLIONS)

	4Q20	3Q20	4Q19	(%) 4Q20 vs. 3Q20	(%) 4Q20 vs. 4Q19	YTD'20	YTD'19	YTD Δ (%)
Net interest expense	(270)	(325)	(340)	17	21	(1,339)	(1,408)	5
FX gain (loss), net	1,125	222	421	407	167	(385)	290	--
Ch. FV of Fin. Instruments	0	79	6	--	--	106	(9)	--
Total (Ps.)	**855**	**(25)**	**87**	**--**	**882**	**(1,619)**	**(1,127)**	**(44)**
US $	**41**	**(2)**	**5**	**--**	**790**	**(76)**	**(58)**	**(31)**

TABLE 8 | NET DEBT AND FINANCIAL RATIOS

(US $ MILLIONS)

	4Q20	3Q20	4Q19	(%) 4Q20 vs. 3Q20	(%) 4Q20 vs. 4Q19
Senior Notes 2024	500	500	500	0	0
Syndicated bank facility	0	0	70	--	--
Long-term bank loan	163	145	173	12	(6)
Short-term bank loans	65	63	0	3	--
Other loans + leases	38	35	46	11	(16)
Accrued interests	5	15	6	(65)	(11)
Total Debt	**771**	**758**	**795**	**2**	**(3)**
% US $ denominated debt	72%	73%	64%		
(-) Cash and cash eq.	(170)	(163)	(46)	(4)	(273)
Net Debt	**602**	**595**	**750**	**1.1**	**(20)**
Net Debt / LTM EBITDA*	2.0	1.9	3.2		
LTM Interest Coverage*	5.1	5.1	3.3		

** Times. LTM = Last twelve months. See page 7 for calculation details.*

Appendix B – Discontinued Operations | Mass Market Segment

Axtel's 2019 results reflect the divested mass market business as discontinued operations. ALFA, however, consolidated both continuing and discontinued operations, as follows:

TABLE 9 | DISCONTINUED OPERATIONS – REVENUE RECONCILIATION

(IN MILLIONS)

	4Q20	3Q20	4Q19	(%) 4Q20 vs. 3Q20	(%) 4Q20 vs. 4Q19	YTD'20	YTD'19	YTD Δ (%)
Revenues	3,077	3,095	3,378	(1)	(9)	12,356	12,784	(3)
Revenues from Disc. Op.	-	-	6	--	--	-	302	--
Adjusted Revenues (Ps.)[1]	**3,077**	**3,095**	**3,384**	**(1)**	**(9)**	**12,356**	**13,086**	**(6)**
US $	**150**	**140**	**176**	**7**	**(15)**	**578**	**680**	**(15)**

1) As consolidated by ALFA.

TABLE 10 | DISCONTINUED OPERATIONS – EBITDA RECONCILIATION

(IN MILLIONS)

	4Q20	3Q20	4Q19	(%) 4Q20 vs. 3Q20	(%) 4Q20 vs. 4Q19	YTD'20	YTD'19	YTD Δ (%)
EBITDA (Ps.)	1,052	1,078	1,187	(2)	(11)	6,327	4,466	42
US $	51	49	62	5	(17)	308	232	33
EBITDA Discontinued Op. (Ps.)	-	-	(159)	--	--	-	626	--
US $	-	-	(8)	--	--	-	33	--
Adjusted EBITDA (Ps.)[1]	**1,052**	**1,078**	**1,028**	**(2)**	**2**	**6,327**	**5,092**	**24**
US $	**51**	**49**	**53**	**5**	**(4)**	**308**	**265**	**17**
Adjustments (Ps.)[2]								
Spectrum Sale	-	-	-	--	--	(90)	-	
Data Center Sale	-	-	-	--	--	(2,021)	-	--
FTTx Sale	-	-	86	--	--	-	(655)	--
Expense Termination Disc. Op.	-	-	73	--	--	-	30	--
Comparable Adj. EBITDA (Ps.)	**1,052**	**1,078**	**1,187**	**(2)**	**(11)**	**4,217**	**4,466**	**(6)**
US $	**51**	**49**	**58**	**5**	**(11)**	**197**	**230**	**(14)**

1) As consolidated by ALFA.
2) Adjustments include one-time (gains) losses.

Appendix C – Pro Forma Figures for Data Centers Transaction

In January 2020, Axtel executed the strategic agreement and divestment of three data centers. For comparison purposes, results for 2019 are adjusted for this transaction ("pro forma").

TABLE 11 | PRO FORMA REVENUES – DATA CENTERS TRANSACTION
(IN MILLIONS)

	4Q20	3Q20	4Q19	(%) 4Q20 vs. 3Q20	(%) 4Q20 vs. 4Q19	YTD'20	YTD'19	YTD Δ (%)
SERVICES (Ps.)	**2,473**	**2,427**	**2,650**	**2**	**(7)**	**9,824**	**10,177**	**(3)**
US $	**120**	**110**	**137**	**9**	**(13)**	**461**	**528**	**(13)**
Enterprise (Ps.)	1,935	1,959	1,993	(1)	(3)	7,834	8,018	(2)
US $	94	89	103	6	(9)	367	416	(12)
Government (Ps.)	538	468	657	15	(18)	1,990	2,159	(8)
US $	26	21	34	24	(23)	94	112	(16)
INFRASTRUCTURE (Ps.)	**1,218**	**1,280**	**1,264**	**(5)**	**(4)**	**4,983**	**4,765**	**5**
US $	**59**	**58**	**66**	**2**	**(10)**	**232**	**247**	**(6)**
ELIMINATIONS (Ps.) *	**(614)**	**(612)**	**(604)**	**(0)**	**(2)**	**(2,451)**	**(2,414)**	**(2)**
US $	(30)	(28)	(31)	(8)	5	(115)	(125)	8
TOTAL REVENUES (Ps.)	**3,077**	**3,095**	**3,311**	**(1)**	**(7)**	**12,356**	**12,528**	**(1)**
US $	150	140	172	7	(13)	578	651	(11)

** For consolidation purposes, revenues coming from Services Unit (Alestra) are presented as "eliminations".*

TABLE 12 | PRO FORMA EBITDA – DATA CENTERS TRANSACTION
(IN MILLIONS)

	4Q20	3Q20	4Q19	(%) 4Q20 vs. 3Q20	(%) 4Q20 vs. 4Q19	YTD'20	YTD'19	YTD Δ (%)
EBITDA (Ps.)	1,052	1,078	1,111	(2)	(5)	6,327	4,236	49
US $	51	49	58	5	(11)	308	220	40
Adjustments* (Ps.)	0	0	0	--	--	(2,110)	0	--
US $	0	0	0	--	--	(111)	0	--
Comparable EBITDA (Ps.)	1,052	1,078	1,111	(2)	(5)	4,217	4,236	(0)
US $	51	49	58	5	(11)	197	220	(10)
Services Unit (Ps.)	512	445	514	15	(0)	1,879	2,179	(14)
Infrastructure Unit (Ps.)	540	634	597	(15)	(10)	2,338	2,057	14

** Adjustments include one-time (gains) losses, such as the Data Centers divestment in 1Q20 and spectrum transaction in 2Q20.*

TABLE 13 | 2019 PRO FORMA REVENUES AND EBITDA – DATA CENTERS TRANSACTION
(IN MILLIONS)

	1Q19	2Q19	3Q19	4Q19	**2019**
REVENUES (Ps.)	**3,086**	**3,029**	**3,103**	**3,311**	**12,528**
US $	**161**	**158**	**160**	**172**	**651**
Service Unit (Ps.)	2,524	2,481	2,523	2,650	10,177
Infrastructure Unit (Ps.)	1,165	1,152	1,184	1,264	4,765
*Eliminations (Ps.) **	*(604)*	*(604)*	*(604)*	*(604)*	*(2,414)*
EBITDA (Ps.)	**1,024**	**1,044**	**1,057**	**1,111**	**4,236**
US $	**53**	**55**	**54**	**58**	**220**
Service Unit (Ps.)	556	573	536	514	2,179
Infrastructure Unit (Ps.)	468	472	521	597	2,057

** For consolidation purposes, Infrastructure Unit revenues coming from Services Unit (Alestra) are presented as "eliminations".*

Appendix D – Financial Statements

Axtel, S.A.B. de C.V. and Subsidiaries

Unaudited Consolidated Balance Sheet
(IN MILLION PESOS)

	4Q20	3Q20	4Q19	(%) 4Q20 vs. 3Q20	(%) 4Q20 vs. 4Q19
ASSETS					
CURRENT ASSETS					
Cash and equivalents	3,124	3,361	858	(7)	264
Restricted cash	262	295	-	(11)	--
Accounts receivable	1,795	2,593	2,426	(31)	(26)
Related parties	8	22	23	(64)	(65)
Refundable taxes and other acc. rec.	1,098	928	895	18	23
Advances to suppliers	714	876	521	(18)	37
Inventories	79	92	94	(14)	(16)
Financial Instruments (ZSC)	-	-	93	--	--
Assets classified as held for sale	-	-	1,125	--	--
Total current assets	**7,079**	**8,167**	**6,035**	**(13)**	**17**
NON CURRENT ASSETS					
Restricted cash	-	-	-	--	--
Property, plant and equipment, net	11,578	11,756	12,964	(2)	(11)
Long-term accounts receivable	-	-	-	--	--
Intangible assets, net	1,854	1,774	1,714	5	8
Deferred income taxes	2,541	3,404	2,876	(25)	(12)
Investment shares associated co.	292	292	295	(0)	(1)
Other assets	361	430	447	(16)	(19)
Total non current assets	**16,624**	**17,655**	**18,296**	**(6)**	**(9)**
TOTAL ASSETS	**23,704**	**25,822**	**24,331**	**(8)**	**(3)**
LIABILITIES & STOCKHOLDERS' EQUITY					
CURRENT LIABILITIES					
Account payable & Accrued expenses	2,376	2,797	2,898	(15)	(18)
Accrued Interest	106	339	112	(69)	(5)
Short-term debt	310	310	-	-	--
Current portion of long-term debt	1,488	1,625	472	(8)	216
Taxes payable	376	8	22	>1,000	>1,000
Financial Instruments	154	140	52	10	197
Deferred Revenue	116	167	153	(30)	(24)
Provisions	18	83	220	(78)	(92)
Other accounts payable	1,100	1,115	1,249	(1)	(12)
Total current liabilities	**6,044**	**6,583**	**5,178**	**(8)**	**17**
LONG-TERM LIABILITIES					
Long-term debt	13,367	14,625	14,251	(9)	(6)
Employee Benefits	743	765	695	(3)	7
Derivative Financial Instruments	53	91	92	(42)	(42)
Other LT liabilities	1	52	704	(97)	(100)
Total long-term debt	**14,165**	**15,532**	**15,742**	**(9)**	**(10)**
TOTAL LIABILITIES	**20,209**	**22,115**	**20,920**	**(9)**	**(3)**
STOCKHOLDERS' EQUITY					
Capital stock	464	464	464	-	-
Reserve for repurchase of shares	186	186	93	-	99
Cumulative earnings (losses)	2,845	3,056	2,853	(7)	(0)
TOTAL STOCKHOLDERS' EQUITY	**3,495**	**3,707**	**3,411**	**(6)**	**2**
TOTAL LIABILITIES AND EQUITY	**23,704**	**25,822**	**24,331**	**(8)**	**(3)**

Appendix D – Financial Statements

Axtel, S.A.B. de C.V. and Subsidiaries

Unaudited Consolidated Income Statement
(IN MILLION PESOS)

	4Q20	3Q20	4Q19	(%) 4Q20 vs. 3Q20	(%) 4Q20 vs. 4Q19	YTD'20	YTD'19	YTD Δ (%)
Total Revenues	3,077	3,095	3,378	(1)	(9)	12,356	12,784	(3)
Cost of sales and services	(861)	(874)	(951)	2	9	(3,459)	(3,353)	(3)
Gross Profit	**2,216**	**2,220**	**2,427**	**(0)**	**(9)**	**8,897**	**9,431**	**(6)**
Operating expenses	(1,189)	(1,172)	(1,263)	(1)	6	(4,740)	(5,015)	5
Other income (expenses), net	25	30	23	(17)	7	2,170	50	>1,000
Depr., amort. & impairment assets	(873)	(875)	(911)	0	4	(3,555)	(3,692)	4
Operating income	**179**	**203**	**276**	**(12)**	**(35)**	**2,772**	**774**	**258**
Comprehensive financing result, net	855	(25)	87	--	882	(1,619)	(1,127)	(44)
Equity in results of associated company	-	-	(0)	--	--	-	(0)	--
Income (loss) before income taxes	**1,035**	**179**	**363**	**479**	**185**	**1,154**	**(353)**	**--**
Income taxes	(1,242)	(352)	(228)	(252)	(445)	(793)	15	--
Discontinued Operations	-	-	(130)	--	--	-	324	--
Net Income (Loss)	**(207)**	**(174)**	**6**	**(19)**	**--**	**361**	**(14)**	**--**

Nemak reports 4Q 2020 EBITDA of US$150 M

Monterrey, Mexico. February 10, 2021. - Nemak, S.A.B. de C.V. (BMV: NEMAK) and Controladora Nemak, S.A.B. de C.V. (BMV: NMK) (jointly, "Nemak" or "the Company") announced today their operational and financial results for the fourth quarter of 2020 ("4Q20") and full-year 2020 ("FY2020"). What follows is a summary of the key figures for the period:

	Fourth Quarter			Twelve months		
	2020	2019	Δ%	2020	2019	Δ%
Volume (M. Equivalent units)	10.1	10.2	(0.9)	35.1	44.3	(20.7)
Revenues	946	941	0.5	3,151	4,017	(21.6)
EBITDA[1]	150	133	12.8	432	621	(30.4)
CAPEX	81	97	NA[2]	269	344	NA[2]

US$ Millions, except Volume
(1) EBITDA = Operating Income + Depreciation, Amortization & other Non-Cash Charges
(2) NA = Not applicable

Message from the CEO

The fourth quarter and full-year 2020 results reflect Nemak's ability to recalibrate its operations, as well as its resilience in the face of a global environment that has posed major challenges for the automotive sector. In this regard, we have addressed the situation by proactively adopting a number of initiatives aimed at protecting the health of our team, ensuring long-term business continuity, and preserving our financial position. These efforts allowed us to capitalize on more favorable trends in the markets we serve during the second half of the year, after a first half marked by unprecedented customer production stoppages in the wake of the pandemic.

Toward the end of the year, the improvement in EBITDA per equivalent unit was particularly notable, as we achieved our best-ever mark for a second half. Moreover, we moved forward on the commercial front, closing 2020 with new contracts worth approximately US$700 million annually, bringing the order book of our segment dedicated to e-mobility and structural applications to approximately US$850 million annually.

For the year ahead, we will seek to maintain a disciplined deployment of capital and strict cost control to reinforce our financial position while continuing to capitalize on the global economic recovery by delivering innovative lightweighting and electrification solutions for our customers.

Investor Relations
+(52) 81 8748 5107
investor@nemak.com

Media Relations
+(52) 81 8748 5281
inquiries@nemak.com

www.nemak.com

Recent Developments

- During 2020, Nemak won contracts worth approximately US$700 million in annual revenue, broken down as follows: US$110 million to produce e-mobility and structural applications; and US$590 million to produce powertrain applications.
- On December 14, 2020, Controladora Nemak, S.A.B. de C.V., the company to which Alfa, S.A.B. de C.V. transferred its entire stock ownership in Nemak, was listed on the Mexican Stock Exchange, marking the beginning of a new chapter for Nemak as a fully independent company.

Automotive Industry

	Millions of Units Fourth Quarter			Millions of Units Twelve Months		
	2020	2019	% Var	2020	2019	% Var
U.S. Vehicle Sales SAAR(1)	16.0	16.9	(5.0)	14.6	17.1	(14.7)
North America Vehicle Production(2)	3.8	3.8	(0.7)	13.0	16.3	(20.4)
North America Nemak Customer Production(2)	2.5	2.5	(3.1)	8.4	11.0	(24.0)
Europe Vehicles Sales SAAR(1)(2)	17.5	19.5	(10.1)	16.4	20.6	(20.6)
Europe Vehicle Production(2)	5.2	5.2	1.3	16.6	21.2	(21.6)
Europe Nemak Customer Production(2)	3.4	3.4	0.8	10.9	14.0	(22.1)

(1) SAAR = Seasonally Adjusted Annual Rate
(2) Source: HIS Markit and Nemak estimates

During the quarter, SAAR for U.S. light-vehicle sales reached 16 million units, 5.0% lower year-on-year ("y-o-y"), remaining on a recovery trend compared to previous quarters on the back of more favorable economic conditions. Light-vehicle production in North America showed a slight y-o-y contraction, as efforts to restock vehicle inventories caused a smaller decrease in light-production compared to sales.

In Europe, SAAR for light-vehicle sales declined 10.1% when compared to the same period last year, due to a slowdown in demand, partly arising from effects of new restrictions to contain the pace of COVID-19 infections in certain jurisdictions. However, light-vehicle production recorded a 1.3% y-o-y increase, supported by automakers' efforts to continue restocking following the record low inventory levels seen at the beginning of the pandemic.

Nemak
Innovative Lightweighting

NEMAK NMK

Financial Results Summary

	Fourth Quarter			Twelve months		
	2020	2019	Δ%	2020	2019	Δ%
Volume (M. Equivalent units)	10.1	10.2	(0.9)	35.1	44.3	(20.7)
Revenues	946	941	0.5	3,151	4,017	(21.6)
Operating Income	55	33	66.7	107	257	(58.4)
EBITDA[1]	150	133	12.8	432	621	(30.4)
EBITDA[1] / Eq. Unit	14.9	13.1	13.7	12.3	14.0	(12.1)
Net Income	14	31	NA[2]	(34)	130	NA[2]
CAPEX	81	97	NA[2]	269	344	NA[2]
Net Debt[3]	1,227	1,206	1.7			

US$ Millions, except Volume and EBITDA / Eq. Unit
(1) EBITDA = Operating Income + Depreciation, Amortization & other Non-Cash Charges
(2) NA = Not applicable
(3) Net Debt = Total Debt - Total Cash

4Q20 total volume decreased 0.9% y-o-y, in line with pre-pandemic levels, as increased volume in Europe and Rest of the World nearly offset lower volume in North America associated with lower light-vehicle production among certain customers, a less favorable product mix, and the impact of the closure of the manufacturing operations in Canada. Nemak's FY2020 volume decreased 20.7% y-o-y, mainly due to effects of light-vehicle production stoppages linked to COVID-19 in 1H20.

Meanwhile, aluminum prices and positive exchange rate effects from Euro-denominated sales supported a 0.5% y-o-y increase in 4Q20 revenue. Compared to 2019, revenue decreased 21.6% in FY2020 on effects of lower volume in 1H20.

During 4Q20, EBITDA increased 12.8% y-o-y, driven by cost and expense savings, primarily derived from restructuring initiatives implemented in the first half of the year. 4Q20 EBITDA per equivalent unit was US$14.9, 13.7% higher than in 4Q19. Turning to Operating Income, Nemak reported an annual increase of US$22 million in 4Q20, largely attributable to the same factors that contributed to EBITDA performance. FY2020 EBITDA and Operating Income were 30.4% and 58.4% lower compared to 2019, respectively; these figures reflect the same factors that affected revenue in 1H20, along with non-recurring items associated with severance payments and other COVID-related expenses incurred during the year.

Nemak's 4Q20 Net Income closed down US$17 million against the same period last year, as the factors benefiting Operating Income were not sufficient to compensate for a combination of incremental taxes and non-cash exchange rate effects on financial results. FY2020 Net Loss was US$34 million, down from the US$130 million Net Income reported in the previous year, mainly due to the effects just mentioned in 4Q20, along with the same factors that weighed on Operating Income in 1H20.

Capital expenditures totaled US$81 million in 4Q20, as the Company continued to work with its customers to carry out investments to support new product launches in all regions. FY2020 capital expenditures amounted to US$269 million, compared to US$344 million in 2019.

As of December 31, 2020, Nemak reported a Net Debt of US$1.2 billion. Financial ratios were: Net Debt to LTM EBITDA, 2.8 times; and Interest Coverage, 5.6 times. These ratios compare to 1.9 and 8.6 times, respectively, as of quarter-end 4Q19. When adjusted for non-recurring items associated with severance payments and other COVID-related expenses incurred during the year, these ratios were 2.5 times and 6.0 times, respectively.

Regional Results

North America

In 4Q20, revenue dropped 5.3% y-o-y, mainly due to volume effects. 4Q20 EBITDA increased 13.2%, driven by the implementation of cost reduction initiatives. FY2020 revenue and EBITDA fell 25.6% and 32.3% y-o-y, respectively, largely attributed to the effects on volume resulting from customer plant closures in the region during 1H20.

Europe

4Q20 revenue increased 6.2% y-o-y, mainly due to volume and exchange rate effects. EBITDA improved 14.3% y-o-y in the period, reflecting greater operational efficiencies. FY2020 revenue and EBITDA were largely impacted by lower volume attributable to customer plant shutdowns in 1H20, recording a contraction of 20.4% and 28.6% y-o-y, respectively.

Rest of the World

In 4Q20, revenue was 9.8% higher than reported in the same period last year, mainly as a result of higher sales in China. 4Q20 EBITDA decreased 11.1% y-o-y, as top-line improvement in China partially offset the effects of lower sales in Brazil and launching expenses in China. FY2020 revenue dropped 2.1% y-o-y, primarily derived from the effects of customer plant shutdowns on the Company's 1H20 volume. FY2020 EBITDA decreased 21.2% y-o-y, mostly due to the effects of lower volume in 1H20 and launching expenses in China in 2H20.

Methodology for presentation of results

The report presents unaudited financial information. Figures are in Mexican pesos or U.S. dollars, as indicated. For income statement items, peso amounts were translated into dollars using the average exchange rate of the months during which the operations were recorded. For balance sheet items, peso amounts were translated into dollars using the end-of-period exchange rate. Financial ratios were calculated in dollars. Due to rounding, minor differences may occur when calculating percent changes from one period to another.

Conference call information

Nemak's Fourth Quarter 2020 Conference Call will be held on Thursday, February 11, 2021, 12:00 p.m. Eastern Time (11:00 a.m. Mexico City Time). To participate in the conference call, please dial: Domestic U.S.: (877) 407-0784; International: 1-201-689-8560; Mexico Toll Free: 01 800 522 0034. The conference call will be webcast live through streaming audio. If you are unable to participate, the conference call audio and script will be available on Nemak's website. For more information, please visit investors.nemak.com or https://controladora.nemak.com/

Forward-looking statements

This report may contain certain forward-looking statements concerning Nemak's future performance that should be considered as good faith estimates made by the Company. These forward-looking statements reflect management's expectations and are based upon currently available data and analysis. Actual results are subject to future events and uncertainties, which could materially impact Nemak's actual performance and results.

Controladora Nemak information

The main purpose of Controladora Nemak is to own and control shares or stakes in other companies. Since the main asset of Controladora Nemak are shares representing Nemak's capital, the business of Controladora Nemak is substantially similar to the business of Nemak, and therefore is subject to the same operating and financial results. The operating and financial results of Nemak that are reported here are therefore also those of Controladora Nemak.

About Nemak

Nemak is a leading provider of innovative lightweighting solutions for the global automotive industry, specializing in the development and manufacturing of aluminum components for powertrain, e-mobility, and structural applications. In 2020, it generated revenue of US$3.2 billion. For more information about Nemak, visit www.nemak.com

Nemak

Innovative Lightweighting

Nemak
Income Statement
Millions of Dollars

	For the fourth quarter of:					For the twelve months of:				
	2020	% of rev.	2019	% of rev.	% Var.	2020	% of rev.	2019	% of rev.	% Var.
Volume (million equivalent units)	10.1		10.2		(0.9)	35.1		44.3		(20.7)
Total revenues	946	100.0	941	100.0	0.5	3,151	100.0	4,017	100.0	(21.6)
Gross profit	130	13.7	114	12.1	14.0	389	12.3	575	14.3	(32.3)
Sales & administrative expenses	(61)	(6.4)	(65)	(6.9)	(6.2)	(235)	(7.5)	(277)	(6.9)	(15.2)
Other income (expenses) net	(14)	(1.5)	(15)	(1.6)	NA[2]	(48)	(1.5)	(41)	(1.0)	17.1
Operating Income	55	5.8	33	3.5	66.7	107	3.4	257	6.4	(58.4)
Interest Expenses	(21)	(2.2)	(20)	(2.1)	5.0	(81)	(2.6)	(84)	(2.1)	(3.6)
Interest Income	1	0.1	1	0.1	0.0	3	0.1	13	0.3	(76.9)
Foreign exchange gain (loss)	(7)	(0.7)	4	0.4	NA[2]	(50)	(1.6)	1	0.0	NA[2]
Financing expenses net	(27)	(2.9)	(15)	(1.6)	80.0	(128)	(4.1)	(70)	(1.7)	82.9
Participation in associates results	0	0.0	0	0.0	NA[2]	(1)	(0.0)	2	0.0	(150.0)
Income Tax	(15)	(1.6)	12	1.3	NA	(12)	(0.4)	(59)	(1.5)	NA[2]
Net Income	14	1.5	31	3.3	NA[2]	(34)	(1.1)	130	3.2	NA[2]

	2020	% of rev.	2019	% of rev.	% Var.	2020	% of rev.	2019	% of rev.	% Var.
Operating Income	55	5.8	33	3.5	66.7	107	3.4	257	6.4	(58.4)
Depreciation, Amortization & Other Non-Cash items	94	9.9	100	10.6	(6.0)	325	10.3	363	9.0	(10.5)
EBITDA[1]	150	15.9	133	14.1	12.8	432	13.7	621	15.5	(30.4)
CAPEX	81	8.6	97	10.3	NA[2]	269	8.5	344	8.6	NA[2]

(1) EBITDA = Operating Income + Depreciation, Amortization & other Non-Cash items
(2) Not applicable

Nemak
Balance Sheet
Millions of Dollars

Assets	Dec-20	Dec-19	% Var
Cash and cash equivalents	437	312	40.1
Accounts receivable	463	417	11.0
Inventories	633	591	7.1
Other current assets	31	27	14.8
Total current assets	1,564	1,348	16.0
Investments in shares	32	33	(3.0)
Property, plant and equipment, net	2,581	2,554	1.1
Other assets	773	774	(0.1)
Total assets	4,949	4,709	5.1

Liabilities & stockholders' equity	Dec-20	Dec-19	% Var
Bank loans	195	104	87.5
Current maturities of long-term debt	34	21	61.9
Interest payable	17	17	0.0
Operating liabilities	1,309	1,203	8.8
Total current liabilities	1,555	1,344	15.7
Long-term debt	1,417	1,375	3.1
Labor liabilities	79	75	5.3
Other long term-liabilities	110	113	(2.7)
Total liabilities	3,161	2,908	8.7
Total stockholders' equity	1,788	1,801	(0.7)
Total liabilities & stockholders' equity	4,949	4,709	5.1

Nemak Regional Results
Millions of Dollars

	For the fourth quarter of:			For the twelve months of:		
Volume (million equivalent units)	**2020**	**2019**	**% Var.**	**2020**	**2019**	**% Var.**
North America	5.3	5.9	(9.7)	19.5	25.8	(24.4)
Europe	3.4	3.3	3.3	11.4	14.5	(21.3)
Rest of World	1.4	1.0	35.9	4.2	4.0	6.1
Total	**10.1**	**10.2**	**(0.9)**	**35.1**	**44.3**	**(20.7)**

Total Revenues*	**2020**	**2019**	**% Var.**	**2020**	**2019**	**% Var.**
North America	464	490	(5.3)	1,645	2,210	(25.6)
Europe	360	339	6.2	1,140	1,433	(20.4)
Rest of World	123	112	9.8	366	374	(2.1)
Total	**946**	**941**	**0.5**	**3,151**	**4,017**	**(21.6)**

EBITDA [1]	**2020**	**2019**	**% Var.**	**2020**	**2019**	**% Var.**
North America	77	68	13.2	249	368	(32.3)
Europe	64	56	14.3	157	220	(28.6)
Rest of World	8	9	(11.1)	26	33	(21.2)
Total	**150**	**133**	**12.8**	**432**	**621**	**(30.4)**

EBITDA [1] Margin in %	**2020**	**2019**	**% Var.**	**2020**	**2019**	**% Var.**
North America	17%	14%	19.6	15%	17%	(9.1)
Europe	18%	17%	7.6	14%	15%	(10.3)
Rest of World	7%	8%	(19.1)	7%	9%	(19.5)
Total	**16%**	**14%**	**12.2**	**14%**	**15%**	**(11.3)**

EBITDA [1] USD/Equivalent units	**2020**	**2019**	**% Var.**	**2020**	**2019**	**% Var.**
North America	14.5	11.6	25.4	12.8	14.3	(10.4)
Europe	18.8	17.0	10.6	13.8	15.2	(9.4)
Rest of World	5.7	8.7	(34.6)	6.2	8.3	(25.7)
Total	**14.9**	**13.1**	**13.7**	**12.3**	**14.0**	**(12.1)**

(1) EBITDA = Operating Income + Depreciation, Amortization & other Non-Cash items

* To external customers

Nemak

Innovative Lightweighting

NEMAK NMK

Nemak
Income Statement
Millions of Pesos

	For the fourth quarter of:					For the twelve months of:				
	2020	% of rev.	2019	% of rev.	% Var.	2020	% of rev.	2019	% of rev.	% Var.
Volume (million equivalent units)	10.1		10.2		(0.9)	35.1		44.3		(20.7)
Total revenues	19,548	100.0	18,155	100.0	7.7	66,325	100.0	77,363	100.0	(14.3)
Gross profit	2,711	13.9	2,199	12.1	23.3	7,982	12.0	11,087	14.3	(28.0)
Sales & administrative expenses	(1,258)	(6.4)	(1,255)	(6.9)	0.2	(4,980)	(7.5)	(5,328)	(6.9)	(6.5)
Other income (expenses) net	(274)	(1.4)	(296)	(1.6)	NA[2]	(1,035)	(1.6)	(794)	(1.0)	30.4
Operating Income	1,179	6.0	648	3.6	81.9	1,967	3.0	4,964	6.4	(60.4)
Interest Expenses	(430)	(2.2)	(379)	(2.1)	13.5	(1,746)	(2.6)	(1,613)	(2.1)	8.2
Interest Income	20	0.1	18	0.1	11.1	76	0.1	242	0.3	(68.6)
Foreign exchange gain (loss)	(127)	(0.6)	84	0.5	NA[2]	(1,020)	(1.5)	4	0.0	NA[2]
Financing expenses net	(537)	(2.7)	(277)	(1.5)	93.9	(2,690)	(4.1)	(1,367)	(1.8)	96.8
Participation in associates results	(1)	(0.0)	(3)	(0.0)	NA[2]	(29)	(0.0)	41	0.1	(170.7)
Income Tax	(303)	(1.6)	224	1.2	NA	(181)	(0.3)	(1,145)	(1.5)	NA[2]
Net Income	338	1.7	591	3.3	NA[2]	(933)	(1.4)	2,493	3.2	NA[2]

	2020	% of rev.	2019	% of rev.	% Var.	2020	% of rev.	2019	% of rev.	% Var.
Operating Income	1,179	6.0	648	3.6	81.9	1,967	3.0	4,964	6.4	(60.4)
Depreciation, Amortization & Other Non-Cash items	1,938	9.9	1,921	10.6	0.9	6,959	10.5	6,994	9.0	(0.5)
EBITDA[1]	3,117	15.9	2,568	14.1	21.4	8,926	13.5	11,958	15.5	(25.4)
CAPEX	1,655	8.5	1,877	10.3	NA[2]	5,655	8.5	6,616	8.6	NA[2]

(1) EBITDA = Operating Income + Depreciation, Amortization & other Non-Cash items

(2) Not applicable

Nemak
Balance Sheet
Millions of Pesos

Assets	Dec-20	Dec-19	% Var
Cash and cash equivalents	8,720	5,883	48.2
Accounts receivable	9,229	7,860	17.4
Inventories	12,630	11,146	13.3
Other current assets	613	514	19.3
Total current assets	31,192	25,403	22.8
Investments in shares	635	615	3.3
Property, plant and equipment, net	51,491	48,140	7.0
Other assets	15,414	14,586	5.7
Total assets	98,732	88,744	11.3

Liabilities & stockholders' equity	Dec-20	Dec-19	% Var
Bank loans	3,894	1,955	99.2
Current maturities of long-term debt	671	394	70.3
Interest payable	346	320	8.1
Operating liabilities	26,115	22,664	15.2
Total current liabilities	31,027	25,332	22.5
Long-term debt	28,277	25,921	9.1
Labor liabilities	1,568	1,407	11.4
Other long term-liabilities	2,193	2,136	2.7
Total liabilities	63,065	54,800	15.1
Total stockholders' equity	35,667	33,943	5.1
Total liabilities & stockholders' equity	98,732	88,744	11.3