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EARNINGS REPORT

Fourth Quarter 2021 (4Q21)

Monterrey, N.L., Mexico, February 15, 2022.

ALFA, S.A.B. de C.V. (BMV: ALFAA) ("ALFA"), a company that has developed a diversified portfolio of leading businesses with global operations, announced today its unaudited results for the fourth quarter of 2021 ("4Q21"). 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 Nemark into a new, listed entity: Controladora Nemark, S.A.B. de C.V. ("Controladora Nemark"). The shares of "Controladora Nemark" were distributed to ALFA shareholders and began trading on the Mexican Bolsa on December 14, 2020. In accordance with International Financial Reporting Standards ("IFRS"), Nemark met 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 Nemark as follows:
 - o At the close of 3Q20, as "Current assets from discontinued operations" and "Current liabilities from discontinued operations"
 - o At the close of 4Q20, all items are eliminated
 - o At the close of 4Q21, no figures shown related to Nemark
 - o Prior periods to 3Q20 were not restated

- The Consolidated Statement of Income presents Nemark's net revenues and expenses as a single line item "Profit (loss) from discontinued operations" as follows:
 - o 3Q20 accumulated figures for the three months ended September 30, 2020
 - o 4Q20 accumulated figures for the two months and 14 days ended December 14, 2020
 - o 4Q21 no figures shown related to Nemark
 - o 2020: accumulated figures for the 11 months and 14 days ended December 14, 2020
 - o 2021: no figures shown related to Nemark

- The Change in Net Debt presents Nemark'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.

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

ALFA reports 4Q21 EBITDA of US \$505 million; annual EBITDA of US \$2.022 billion, second highest level in its history

4Q21 HIGHLIGHTS

ALFA	<ul style="list-style-type: none"> Record annual revenue of US \$15.2 billion and second highest annual EBITDA of US \$2.0 billion; both exceed revised 2021 Guidance Consolidated net leverage ratio of 2.3 times; lowest since 2018 Consistent progress on 3 key directives of ALFA's Unlocking Value strategy
Alpek	<ul style="list-style-type: none"> Record annual revenue and EBITDA driven by high reference margins and strong volume Net leverage ratio of 1.1 times; an improvement from 2.1 times in 4Q20 Regained investment-grade credit rating of BBB- from Standard & Poor's
Sigma	<ul style="list-style-type: none"> Record annual revenue and EBITDA of US \$6.8 billion and US \$741 million, respectively Net leverage ratio of 2.3 times; lowest level since 2012 Profitability enhancement initiatives in Europe moving forward; sold 2 plants in France and signed agreement to sell 6 plants in Belgium and the Netherlands
Axtel	<ul style="list-style-type: none"> Continued conversations with potential buyers; will maintain open dialogue while advancing with internal strategic agenda to capitalize on attractive market opportunities 2021 revenue and comparable EBITDA down 3% and 5%, respectively. Net debt down 5% supported by strong cash flow; fifth consecutive year of debt reduction Gross acquisition of Enterprise segment projects up 21% versus 2020

Earnings Report

Fourth Quarter 2021 (4Q21)



SELECTED FINANCIAL INFORMATION (US \$ MILLIONS)

	4Q21	3Q21	4Q20	Ch. % vs. 3Q21	Ch. % vs. 4Q20	2021	2020	Ch. %
ALFA & Subs with Nemak as Discontinued Operations								
ALFA Revenues	4,086	3,976	3,218	3	27	15,181	12,325	23
Alpek	2,152	2,082	1,392	3	55	7,697	5,326	45
Sigma	1,768	1,729	1,662	2	6	6,817	6,347	7
Axtel	136	138	150	(2)	(9)	562	578	(3)
ALFA EBITDA¹	505	486	419	4	21	2,022	1,536	32
Alpek	269	279	201	(4)	34	1,145	565	103
Sigma	201	176	178	14	13	741	684	8
Axtel	40	46	51	(13)	(22)	187	308	(39)
ALFA Comparable EBITDA²	534	440	364	21	47	1,837	1,408	30
Alpek	300	234	151	28	99	962	601	60
Sigma	199	176	178	13	12	739	684	8
Axtel	40	46	51	(13)	(22)	187	197	(5)
Majority Net Income³	(166)	125	(63)	(234)	(166)	211	190	11
Capex & Acquisitions⁴	159	107	165	48	(4)	527	399	32
ALFA Net Debt⁵	4,677	4,875	4,699	(4)	-	4,677	4,699	-
Alpek	1,225	1,323	1,185	(7)	3	1,225	1,185	3
Sigma	1,691	1,692	1,756	-	(4)	1,691	1,756	(4)
Axtel	574	613	602	(6)	(5)	574	602	(5)
ALFA Net Debt/LTM EBITDA⁶	2.3	2.5	3.1					
ALFA LTM Interest Coverage⁷	5.4	5.2	4.4					

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

2 Excludes extraordinary items.

3 Majority Net Income includes Majority Net Income from Discontinued Operations (Nemak).

4 Gross amount; excludes divestments and Capex from Discontinued Operations (Nemak).

5 Net Debt adjusted for Discontinued Operations (excluding Nemak) at the close of 3Q20; previous periods unchanged.

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

7 Times. LTM = Last 12 months. Interest Coverage = EBITDA/Net Financial Expenses with Discontinued Operations.



Contents

Message from ALFA's President

Consolidated Financial Results ALFA (BMV: ALFAA)



Results by Business

Sigma – Food Products



Alpek (BMV: ALPEKA) – Petrochemicals



Axtel (BMV: AXTELCPO) – IT & Telecom

Tables

Financial Statements

Appendix – 4Q21 Reports of Listed Businesses

Message from ALFA's President

"We hope you are all continuing to stay safe and healthy considering the recent surge of the Omicron variant of COVID-19. We are pleased to report that ALFA delivered another strong quarter and annual results exceeded Guidance, while maintaining consistent progress toward the Unlocking Value strategy and advancing ESG efforts.

Quarterly revenue and EBITDA were up 27% and 21% year over year, respectively. For the full year, ALFA achieved record revenue of US \$15.2 billion and posted second best EBITDA of US \$2.0 billion. Strong consolidated financial results underscore our businesses' capabilities to drive growth in a highly dynamic and fluid macro environment.

Alpek continued to beat expectations boosted by strong reference margins in Polyester and Plastics & Chemicals during 4Q21. Sigma also delivered stronger than expected performance, driven by double-digit 4Q21 EBITDA growth in Mexico and Europe. Alpek and Sigma reached all-time high annual revenue and EBITDA in 2021. By contrast, equipment delays caused by the global semi-conductor shortage, lower Government sales and a decrease in Enterprise voice revenue weighed on Axtel's quarterly and annual results.

Solid operating and financial performance reinforce ALFA's Unlocking Value strategy and enhances the Company's unique position to leverage real options and timing flexibility. We remain fully committed to eliminating ALFA's conglomerate discount through consistent progress focused on three key implementation directives:

- i) **Reducing leverage:** *Ensuring that our consolidated and individual capital structures are appropriately balanced throughout the transformation process is fundamental to unlocking ALFA's full value potential. Better-than-expected EBITDA and financial discipline effectively translated into a 75 basis point improvement in consolidated leverage ratio during the year. ALFA's consolidated Net Debt to EBITDA ratio of 2.3 times at the close of 2021 marks the lowest level since 2018.*

Alpek achieved an outstanding financial position supported by a low Net Debt to EBITDA ratio of 1.1 times and recovered its investment grade rating from S&P after a thorough review of its Business Risk profile. Moreover, Sigma's leverage ratio of 2.3 times in 4Q21, was down 29 basis points versus 4Q20, reaching its lowest level since 2012.

Organic deleverage may also be complemented through strategic initiatives such as the potential sale of Axtel. The Axtel team continued conversations with potential buyers during 4Q21. Axtel plans on maintaining an open dialogue with interested parties while moving ahead with its internal strategic agenda to capitalize on attractive market opportunities.

- ii) **Focusing on the core businesses:** Growth and profit-enhancing initiatives at the Subsidiary level complement ALFA's strategy by boosting the value of core businesses while the transformation process is underway.

Sigma is on track towards achieving its goal of double-digit EBITDA margins in Europe by 2025, delivering a 93 basis points improvement during 2021. In addition to revenue enhancing actions, product innovation, and cost-saving initiatives, the Company advanced its footprint optimization efforts that will drive further margin improvement. To date, Sigma has announced the sale of 8 facilities out of the 25 it operated throughout Europe; 6 plants being sold in Belgium and the Netherlands, plus 2 plants sold in France.

Alpek recently announced a transformational agreement to acquire Octal, a major global producer of PET sheet with operations in Oman, U.S. and Saudi Arabia. The US \$620 million investment will forward integrate Alpek into an adjacent, high-value business segment; accelerate the Company's progress towards its ESG goals; and enhance its ability to serve customers' growing PET resin needs. Importantly, Alpek has the financial strength to fund the acquisition and continue distributing cash to shareholders, supported by its extraordinary financial position, a favorable outlook for existing business lines, and the accretive nature of this transaction.

Axtel has accelerated its go-to-market approach in the Enterprise segment based on successful pilot testing during 2021. Axtel will implement a specialized commercial model for high-growth, digital transformation services: Cybersecurity, Cloud, Systems integration, Collaboration and Managed networks.

- iii) **Enhancing business independence:** Progress continued at the corporate level in assisting the Subsidiaries in achieving service-related independence from ALFA. A key aspect of this effort has been the transfer of personnel from centralized functions at ALFA to the business units. In turn, ALFA's Corporate headcount was reduced 18% during 2021, primarily driven by such transfers.

On the ESG front, ALFA and its businesses continued integrating best-practices into their long-term strategies during 2021, contributing towards a more sustainable future. For the second consecutive year, ALFA's rating increased in the S&P Global Corporate Sustainability Assessment and remains above the industry average for conglomerates. We are driven to improve continuously on Environmental, Social and Governance dimensions. Alpek set specific targets to reduce its scope 1 and 2 emissions and increase its PET bottle recycling capabilities. Sigma secured more than 60% of its power needs from cleaner and renewable energy sources as it navigates toward net-zero emissions. Moreover, "ALFA Fundación" continued to support social mobility through education, benefitting over 1,900 junior high, high school and university students in Mexico. Related to Governance, a periodic review of ESG topics was incorporated to ALFA's Audit Committee agenda, with results reported to ALFA's Board of Directors.

2021 was an exceptional year. My sincere appreciation to the entire ALFA team for their dedication and hard work, managing through a complex environment to serve our customers and deliver on our objectives. We look forward to another strong year in 2022."

Keep well/Stay safe,

Álvaro Fernández



ALFA (BMV: ALFAA) Consolidated Financial Results

INCOME STATEMENT (US \$ Millions)

	4Q21	3Q21	4Q20	(%) 4Q21 vs.		2021	2020	Ch. %
				3Q21	4Q20			
Total Revenues	4,086	3,976	3,218	3	27	15,181	12,325	23
Gross Profit	859	840	733	2	17	3,421	2,675	28
Operating expenses and others	(660)	(510)	(504)	(29)	(31)	(2,172)	(1,840)	(18)
Operating income (loss)	199	330	229	(40)	(13)	1,250	834	50
Financial cost, net	(111)	(120)	(58)	7	(91)	(476)	(385)	(24)
Share of losses of associates	2	(1)	6	387	(73)	1	4	(71)
Income Tax	(241)	(43)	(554)	(464)	57	(398)	(521)	24
Profit (loss) from Continuing Operations	(151)	167	(376)	(190)	60	376	(67)	658
Profit (loss) from Discontinued Operations ¹	0	0	496	-	(100)	0	465	(100)
Consolidated net income (loss)	(151)	167	120	(190)	(225)	376	398	(5)
Controlling Interest	(166)	125	(63)	(234)	(166)	211	190	11
EBITDA	505	486	419	4	21	2,022	1,536	32
EBITDA/Revenues (%)	12.4	12.2	13.0			13.3	12.5	

¹ Breakdown of Profit (loss) from Discontinued Operations shown on Table 10.

Total Revenues in 4Q21 were US \$4.086 billion, up 27% when compared to 4Q20. The increase was primarily driven by higher average prices at Alpek and Sigma. Accumulated Revenues were US \$15.181 billion, up 23% when compared to twelve months ended December 31, 2020 (see Table 2).

EBITDA in 4Q21 was US \$505 million, up 21% year-on-year mainly boosted by higher-than-expected reference margins at Alpek and double-digit growth at Sigma's Mexico and Europe regions. EBITDA includes a US \$31 million net loss from extraordinary items related to Alpek, mainly comprised of a US \$25 million one-time expense related to the ramp down of certain operations and others. Extraordinary items also include a US \$5 million net loss from combined carry-forward effects and inventory adjustment at Alpek and a US \$2 million gain at Sigma from the real estate transaction of the Deventer plant in The Netherlands during the quarter. Full year EBITDA was US \$2.022 billion, up 32% year-on-year and 4% higher than ALFA's revised 2021 EBITDA Guidance of US \$1.937 billion. 2021 EBITDA is the second highest figure in ALFA's history, adjusting for discontinued operations.

Adjusting for extraordinary items in all periods, Comparable ALFA EBITDA was US \$534 million, US \$440 million and US \$364 million in 4Q21, 3Q21 and 4Q20, respectively. Comparable ALFA EBITDA was up 47% year-on-year, boosted by 99% growth at Alpek and 12% growth at Sigma. Accumulated Comparable EBITDA was US \$1.837 billion, up 30% year-on-year and 6% higher than ALFA's revised 2021 Comparable EBITDA Guidance of US \$1.737 billion. 2021 Comparable EBITDA is a record high in ALFA's history, adjusting for discontinued operations (see Tables 3, 4 and 5).

As a reminder, Alpek's carry-forward effect reflects the estimated impact from feedstock price swings between the time of purchase and consumption. Alpek simplified its Comparable EBITDA calculation as of 1Q21, integrating the carry-forward effect as an extraordinary item. ALFA's Comparable EBITDA figures prior to 1Q21 have been adjusted to reflect this change.

Operating Income was US \$199 million, down from US \$229 million in 4Q20 mainly due to US \$153 million in non-cash asset impairments primarily related to the six plants being sold in Belgium and The Netherlands, as well as the two plants sold in France by Sigma, plus the ramp down of Alpek's Caprolactam and Staple Fibers operations in Mexico and Cooper River, U.S. Full year Operating Income was US \$1.250 billion, versus US \$834 million in the same period of 2020 reflecting strong EBITDA generation throughout the year (see Table 3).

Comprehensive Financing Expense (CFE) of US \$111 million was up from US \$58 million in 4Q20 primarily due to foreign exchange losses in 4Q21 related to the recent depreciation of the Mexican peso against the U.S. dollar, versus FX gains in 4Q20. Accumulated CFE was US \$476 million, up 7% year-on-year primarily due to foreign exchange losses (see Table 6).

Controlling Interest Net Loss was US \$166 million in 4Q21, including aggregate non-cash losses of US \$212 million from non-cash asset impairments (US \$153 million) and deferred taxes (US \$59 million) primarily related to the sale of Sigma plants in Europe and the ramp down of certain Alpek operations.

Full year Controlling Interest Net Income was US \$211 million up from US \$190 million in 2020, driven by higher Operating Income in 2021. The increase in EBITDA was partially offset by the aggregate non-cash asset impairments, foreign exchange losses and higher Income Taxes. It is important to note that 2020 controlling interest Net Income includes a US \$465 million profit from discontinued operations associated with the Nematik spin-off (see Table 7 and 10).

CHANGE IN NET DEBT (US \$ Millions)

	4Q21	3Q21	4Q20	(% 4Q21 vs.)		2021	2020	Ch. %
				3Q21	4Q20			
EBITDA	505	486	419	4	21	2,022	1,536	32
Net Working Capital	60	(288)	165	121	(64)	(479)	219	(319)
Capital Expenditures & Acquisitions	(159)	(107)	(165)	(48)	4	(527)	(399)	(32)
Net Financial Expenses	(81)	(86)	(77)	5	(5)	(379)	(354)	(7)
Taxes	(57)	(12)	(51)	(399)	(12)	(282)	(347)	19
Dividends	(59)	(20)	(15)	(202)	(295)	(248)	(148)	(67)
Other Sources (Uses)	(11)	(36)	(80)	69	86	(85)	(159)	47
Decrease (Increase) in Net Debt from Discontinued Operations ¹	0	0	0	-	-	0	(175)	100
Net Debt from Discontinued Operations – Nemark	0	0	0	-	-	0	1,405	(100)
Decrease (Increase) in Net Debt	199	(64)	195	411	2	22	1,578	(99)

¹ Breakdown of Decrease (Increase) in Net Debt from Discontinued Operations shown on Table 11.

Net Debt was US \$4.677 billion at the close of 4Q21. On an absolute basis, consolidated ALFA Net Debt decreased US \$22 million versus year-end 2020 as decreases in Sigma and Axtel were partially offset by slight increase in Alpek. Investment in Net Working Capital and Capex significantly increased year-over-year during 2021 driven by Alpek and Sigma, respectively.

As of December 31, 2021, Cash totaled US \$1.507 billion, up US \$162 million quarter-on-quarter. At the close of 4Q21, ALFA had US \$2.852 billion in available Credit Lines. Financial ratios at the close of 4Q21 were: Net Debt to EBITDA of 2.3 times and Interest Coverage of 5.4 times, compared with 3.1 and 4.4 times in 4Q20, respectively (see Table 8).

Net Working Capital had a recovery of US \$60 million during 4Q21, reflecting an improvement in Alpek and Axtel. Accumulated Net Working Capital investment was US \$479 million mainly due to the effect of higher average feedstock and raw material prices in Alpek.

Capital Expenditures & Acquisitions (Capex) was US \$159 million in 4Q21, up 4% versus 4Q20 driven primarily by Sigma reflecting a ramp-up of planned investments in maintenance and asset replacements. Sigma and Alpek accounted for 86% of total Capex during the quarter. Full year Capex was US \$527 million versus US \$399 million in the same period of 2020, which had lower-than-normal Capex as part of the actions taken to maximize cash flow amid COVID-19.

Dividends of US \$59 million in 4Q21 correspond to dividends paid to minority shareholders at the subsidiary level. 2021 Dividends were US \$248 million up from US \$148 million in 2020. Accumulated Dividends to ALFA shareholders in 2021 were US \$124 million.

RECENT DEVELOPMENTS - ALFA

Unlocking Value	<ul style="list-style-type: none"> • Transformational initiative to maximize valuation – eliminate conglomerate discount • Gradual and orderly transition towards full business independence (vs conglomerate) • Transfer absolute autonomy to ALFA shareholders (e.g. Nemark) • Commitment to maintain strong credit profile throughout transformation • Steady progress on transformational plan; emphasis on three key directives: <ul style="list-style-type: none"> ○ Reduce leverage – 2.3 times Net debt/EBITDA at the close of 2021 ○ Focus on core businesses – Sigma, Alpek and Axtel ○ Enhance business independence – transfer of corporate service capabilities to subsidiaries
NAFINSA Trust (“NT”)	<ul style="list-style-type: none"> • As reported in July 2021, ALFA successfully completed the process to expand the maximum NT threshold to 75% of ALFA’s shares outstanding • The approved threshold of 75% is equivalent to 3,679,273,515 shares, based on the number of ALFA shares outstanding on December 31, 2021 (4,905,698,020 shares) • Based on figures provided by Nacional Financiera, S.N.C., the number of ALFA shares held by foreign investors on December 31, 2021 was 2,513,428,967 shares, equivalent to 51.23% of ALFA shares outstanding • The new threshold provides ample room for foreign investors to continue investing in ALFA
MSCI Indexes	<ul style="list-style-type: none"> • ALFA added back into the MSCI Global Standard Indexes • Published on November 11, 2021 by MSCI • Effective as of the close of November 30, 2021
Share Repurchase Program	<ul style="list-style-type: none"> • 3.5 million shares repurchased in 4Q21 • 3.5 million total shares repurchased and held at the Treasury
2022 Guidance	<ul style="list-style-type: none"> • To be released on February 16, 2022 before the market opens

Results by Business

Sigma – FOOD PRODUCTS

44% of ALFA's Revenues in 4Q21



QUARTERLY HIGHLIGHTS

- Record consolidated annual revenues and EBITDA, slightly above Guidance
- Further progress in European profitability enhancement initiatives (see *Recent Developments* section)
- Lowest net leverage ratio since 2012 (excluding one-time gains in 2015)
- Double-digit EBITDA growth in Mexico and Europe; 9% in Latam
- U.S. EBITDA was impacted by inflationary cost pressures and other industry-wide challenges
- 4Q21 Foodservice channel EBITDA was 49% above 2019 levels, prior to the pandemic

SELECTED FINANCIAL INFORMATION (US \$ MILLIONS)

	4Q21	3Q21	4Q20	(% 4Q21 vs.)		2021	2020	Ch. %
				3Q21	4Q20			
Volume (ktons)	432	423	418	2	3	1,701	1,704	-
Mexico	216	210	204	3	6	839	820	2
Europe	114	108	117	6	(2)	443	462	(4)
United States	75	80	73	(7)	2	321	324	(1)
Latam	26	25	25	6	6	98	98	-
Revenues	1,768	1,729	1,662	2	6	6,817	6,347	7
Mexico	746	728	644	2	16	2,826	2,430	16
Europe	591	573	634	3	(7)	2,322	2,343	(1)
United States	303	310	269	(2)	13	1,202	1,122	7
Latam	128	118	116	9	11	467	452	3
EBITDA	201	176	178	14	13	741	684	8
Mexico	102	111	89	(8)	14	413	336	23
Europe	53	28	43	91	24	151	130	16
United States	33	26	33	24	(2)	130	176	(26)
Latam	13	11	12	20	9	47	41	13
Capex & Acquisitions¹	105	53	38	100	174	223	121	84
Net Debt	1,691	1,692	1,756	-	(4)	1,691	1,756	(4)
Net Debt / LTM EBITDA*	2.3	2.4	2.6					
LTM Interest Coverage ^{2*}	6.5	6.5	5.5					

* Times. LTM = Last 12 months

¹ Gross amount; does not include divestments

² Interest Coverage = EBITDA/Net Financial Expenses

INCOME STATEMENT (US \$ MILLIONS)

	4Q21	3Q21	4Q20	(%) 4Q21 vs		2021	2020	Ch. %
				3Q21	4Q20			
Total Revenues	1,768	1,729	1,662	2	6	6,817	6,347	7
Gross Profit	486	467	469	4	4	1,901	1,787	6
Operating expenses and others	(411)	(346)	(383)	(19)	(7)	(1,452)	(1,359)	(7)
Operating income (loss)	75	120	86	(38)	(14)	449	428	5
Financial cost, net	(44)	(28)	(86)	(56)	49	(166)	(121)	(37)
Share of losses of associates	1	0	0	-	-	1	1	83
Income Tax	(125)	(37)	(28)	(238)	(341)	(223)	(82)	(171)
Consolidated net income (loss)	(93)	56	(28)	(267)	(235)	61	226	(73)
<i>EBITDA</i>	<i>201</i>	<i>176</i>	<i>178</i>	<i>14</i>	<i>13</i>	<i>741</i>	<i>684</i>	<i>8</i>
<i>EBITDA/Revenues (%)</i>	<i>11.4</i>	<i>10.2</i>	<i>10.7</i>			<i>10.9</i>	<i>10.8</i>	

Volume was 432 ktons in 4Q21, up 3% year-on-year, and 2% sequentially, amid strong demand. The Foodservice channel volume increased by 24% year-on-year, more than offsetting lower fresh pork meat exports from Europe to China. Adjusting for Foodservice results, quarterly volume increased 2% year-on-year. Accumulated volume was 1,701 ktons, flat when compared to 2020 and down 1% when adjusting for Foodservice channel results.

Average prices in local currency increased by 5% during 4Q21. Average prices in Mexico and the U.S. rose by double-digits, while Latam reached a high-single-digit growth rate, driven by revenue management initiatives in response to higher raw material costs. However, 4Q21 average prices in Europe decreased by 1% in local currency amid lower pork prices in the region.

Revenues were US \$1.768 billion in 4Q21, up 6% year-on-year. Quarterly revenues were driven by higher average prices, the recovery of the Foodservice channel, and resilient volume, which offset the impact of foreign exchange rate fluctuations. In local currency, revenues were 8% above 4Q20, explained by double-digit growth in Mexico (+17%), the U.S. (+13%), and Latam (+14%) (see Table 13).

Full year revenues reached a record US \$6.817 billion, 7% higher year-on-year. In local currency, accumulated revenues increased by 4% year-on-year.

EBITDA was US \$201 million in 4Q21, up 13% year-on-year, driven by solid growth in Mexico (+14%), Europe (+24%), and Latam (+9%). 4Q21 EBITDA included an extraordinary gain of US \$2 million from a real estate transaction following the closure of the Deventer plant in The Netherlands, which was announced in 2019. In local currency, EBITDA increased 12% above 4Q20 driven by results in Mexico (+15%), Europe (+29%), and Latam (+12%). Adjusting for Foodservice results, quarterly EBITDA increased by 5% year-on-year.

Accumulated EBITDA reached a record US \$741 million, up 8% year-on-year, and 2% above Guidance. EBITDA margin for the full year was 10.9%, a 20 basis-point improvement versus Guidance. Adjusting for Foodservice results, annual EBITDA was flat year-on-year. In local currency, annual EBITDA rose by 5% in 2021.

Operating Income was US \$75 million in 4Q21, a 14% decrease when compared to the US \$86 million in 4Q20. Quarterly operating income included US \$69 million in aggregate non-cash asset impairments mainly related to the six plants awaiting final sale approvals in Belgium and the Netherlands, as well as two plants sold in France (See *Results by Region - Sigma* section). Accumulated Operating Income was US \$449 million, 5% higher year-on-year (see Table 14).

Comprehensive Financing Expense (CFE) was US \$44 million, 49% lower versus US \$86 million in 4Q20, reflecting lower net losses due to Mexican Peso exchange rate fluctuations. Accumulated CFE reached US \$166 million, up from US \$121 million year-on-year, mainly explained by higher net losses related to exchange rate fluctuations (see Table 15).

Net Loss was US \$93 million in 4Q21 versus a US \$28 million loss in 4Q20, mainly due to higher year-on-year deferred taxes and a US \$69 million non-cash asset impairment that impacted operating income; these more than offset a lower CFE. Accumulated Net Income decreased by 73% year-on-year to US \$61 million due to a higher CFE and income tax year-on-year.

CHANGE IN NET DEBT (US \$ MILLIONS)

	4Q21	3Q21	4Q20	(% 4Q21 vs)		2021	2020	Ch. %
				3Q21	4Q20			
EBITDA	201	176	178	14	13	741	684	8
Net Working Capital	1	(47)	152	103	(99)	(69)	47	(245)
Capital Expenditures & Acquisitions	(105)	(53)	(38)	(100)	(174)	(223)	(121)	(84)
Net Financial Expenses	(29)	(29)	(25)	(1)	(15)	(113)	(124)	8
Taxes	(18)	(5)	(26)	(239)	30	(84)	(190)	56
Dividends	(50)	0	0	-	-	(151)	0	-
Other Sources (Uses)	1	(7)	(66)	112	101	(37)	(58)	37
Decrease (Increase) in Net Debt	1	36	174	(98)	(100)	65	238	(73)

Net Debt was US \$1.691 billion, 4% below the 4Q20 level and flat when compared to 3Q21. On an absolute basis, Net Debt decreased by US \$65 million during 2021, due to strong cash flow generation, and a solid operating performance.

Cash totaled US \$820 million at year-end 2021, up US \$1 million year-on-year, and US \$11 million lower when compared to 3Q21. Approximately 78% of cash was held in U.S. dollars and Euros. Financial ratios at the end of the quarter were: Net Debt to EBITDA of 2.3 times and Interest Coverage of 6.5 times (see Table 16).

Net Working Capital recovery was US \$1 million during 4Q21. Accumulated net working capital investment for the full year reached US \$69 million, reflecting an investment in inventories and receivables, that was offset by accounts payable and other improvements, compared to a recovery of US \$47 million during 2020.

Capital Expenditures & Acquisitions (Capex) totaled US \$105 million during the quarter, 174% higher versus 4Q20. Accumulated Capex reached US \$223 million, 84% higher than the same period of 2020. Approximately 80% of Capex in 2021 was related to maintenance, while the remainder was invested in expansion and optimization projects.

Dividends paid during the fourth quarter were US \$50 million. Full year 2021 dividends reached US \$151 million.

INDUSTRY COMMENTS - SIGMA

Consumer confidence and retail sales

In Mexico, the average consumer confidence figures (per INEGI¹) increased 8 points to 44.5 points versus 4Q20 and remained flat compared to the prior quarter. Same-store-sales (per ANTAD²) increased an average of 14% year-on-year during the quarter.

Foodservice and Convenience channels continued to recover during 4Q20 as mobility and out-of-home consumption in Mexico increased. According to data from the Mexican tourism authorities, average hotel occupancy rates reached 56% in 4Q21, compared to just 30% in 4Q20.

In the United States, Consumer Confidence levels increased by 19 points year-on-year reaching 112.9 points; however, decreased by 3% sequentially as consumers remained cautious due to rising inflation and pandemic-related factors. Retail sales reported by the U.S. Census Bureau rose by 9.8% compared to the same period a year ago.

In Europe, the average consumer confidence index reported by the European Commission reflected an improvement year-on-year but decreased sequentially due to the recent surge in COVID-19 cases. The European Industry Monitor reported stable retail sales when compared to 4Q20.

In Latin America, consumer confidence in countries where Sigma operates continued to improve. For example, Costa Rica, Ecuador, and the Dominican Republic experienced increases of 11%, 14%, and 32%, in their respective indexes, when compared to 4Q20 (per UCR³, INEC⁴, and Ipsos⁵). The various governments also eased their restrictions towards the year-end, which resulted in overall higher restaurant capacity limits, as well as higher rates of in-person or hybrid classes in schools.

Exchange Rate

During the quarter the Mexican Peso depreciated by 1% versus the U.S. dollar compared to 2020, and the Euro depreciated 4% year-on-year. In terms of Sigma's Latam currency mix, this experienced a net depreciation effect of approximately 4% year-on-year versus the U.S. dollar.

¹ *Instituto Nacional de Estadística y Geografía* - National Statistics and Geography Institute

² *Asociación Nacional de Tiendas de Autoservicio y Departamentales* - National Association of Supermarkets and Department Stores

³ *Universidad de Costa Rica* - University of Costa Rica

⁴ *Instituto Nacional de Estadística y Censos Ecuador* - National Statistics and Census Ecuador

⁵ Global Market Research and Public Opinion Specialist

Raw Materials

Raw material inflationary pressures in the Americas eased during the quarter but remained above levels of previous years. Sigma continued to traverse the industry-wide supply chain challenges by leveraging its global sourcing capabilities to meet customer demand and maintain solid client service levels.

Average pork ham prices in the U.S. were 17% below 4Q20. However, prices for certain trimmings remained 55% higher year-on-year despite a 54% sequential decline, as deboning activities continued to impact raw material pricing due to labor shortages across the supply chain.

In Europe, pork prices continued to decline with pork ham, shoulder, and lean hog prices falling 9%, 3% and 6%, respectively, below 4Q20. Pork prices also sequentially decreased by 8%, 4% and 12%, respectively, due to lower purchases from China, and ample availability of pork meat in the European markets.

Poultry prices in the U.S. remained high due to solid demand, low inventory levels, and supply chain challenges. Turkey breast prices were 109% higher year-on-year and increased 25% on a sequential basis. Turkey thigh prices were 71% above 4Q20 and remained flat when compared to 3Q21. Chicken prices increased 44% year-on-year but decreased 29% sequentially, reducing margin pressure for 4Q21.

RESULTS BY REGION - SIGMA

During 4Q21, revenues in Mexico accounted for 42% of total revenues; while Europe represented 34%; the U.S. 17%; and Latam 7%.

Mexico: In local currency, quarterly Revenues increased by 17% year-on-year, due to revenue management initiatives in response to raw material inflationary pressures and a continued recovery in the Foodservice and Convenience channels. Average prices increased by 10% and volume was up 6% year-on-year.

The Foodservice channel continued to recover with quarterly revenues at 45% above 4Q20 and at 12% below 4Q19. Foodservice EBITDA for 4Q21, in Pesos, grew by 129% year-on-year and was 47% above pre-pandemic levels, boosted by increased consumer mobility, as well as marginal contribution improvement initiatives implemented throughout the pandemic.

4Q21 EBITDA, in Pesos, increased by 15%, driven by efficient revenue management and a continued recovery in the Foodservice channel. Excluding Foodservice results, Revenues and EBITDA increased by 8% and 5%, respectively, versus 4Q20.

Accumulated Revenues and EBITDA were US \$2.826 billion and US \$413 million, 16% and 23% above 2020, respectively. In local currency, accumulated Revenues and EBITDA increased by 11% and 17%, respectively.

Europe: Revenues in Euros decreased by 3% year-on-year in 4Q21, mainly due to lower pork exports to China and a slight decrease in average prices amid lower pork costs in the region. Quarterly Foodservice Revenues in Europe increased by 37% year-on-year, supported by an increase in out-of-home consumption. Adjusting for Foodservice results, Revenues decreased by 5% during the quarter.

4Q21 EBITDA, in local currency, increased by 29% year-on-year, mainly due to the Foodservice channel recovery, a higher marginal contribution, expense reductions, a positive mix effect, and an extraordinary gain of US \$2 million from a real estate transaction. Quarterly EBITDA margin was 9%, up 223 basis points when compared to 4Q20. Adjusting for extraordinary gains, 4Q21 European EBITDA margin expanded by 186 basis points. Foodservice EBITDA reversed from a loss in 4Q20 to a positive single digit, during the quarter. Adjusting for Foodservice results, quarterly EBITDA increased by 9%.

Accumulated Revenues and EBITDA were US \$2.322 billion and US \$151 million, 1% lower and 16% higher year-over-year, respectively. In local currency, accumulated Revenues and EBITDA decreased by 4% and increased by 14%, respectively. Annual EBITDA margin reached 6.5%, up 93 basis points when compared to 2020. Adjusting for extraordinary gains, annual European EBITDA margin expanded by 83 basis points. Foodservice EBITDA reversed from a loss to a positive single digit in 2021. Adjusting for Foodservice results, EBITDA increased 10%.

United States: Quarterly Revenues were US \$303 million in 4Q21, up 13% year-on-year, supported by price increases that reduced margin pressure related to inflationary costs, and resilient volumes that were 2% above 4Q20. Revenue growth also benefited from a positive mix effect due to the recovery on the European Heritage Brands.


4Q21 EBITDA in the region was US \$33 million, down 2% year over year, mainly due to the impact from industry-wide challenges. EBITDA Margin sequentially improved by 230 basis points as a result of additional pricing actions during the last part of 2021.

Accumulated Revenues and EBITDA were US \$1.202 billion and US \$130 million, 7% higher and 26% lower year-over-year, respectively. The EBITDA decrease was mainly the result of industry-wide challenges primarily related to inflationary cost pressures.

Latam: Revenues in local currencies increased by 14% year-on-year with Foodservice accounting for approximately 40% of the increase. EBITDA was 12% higher, further supported by continued cost and expense reduction initiatives. Excluding Foodservice results, Revenues and EBITDA increased year-on-year by 8% and 7%, respectively.

Accumulated Revenues increased by 3% to US \$467 million, and EBITDA reached US \$47 million, up 13% year-over-year. In local currencies, accumulated Revenues and EBITDA increased year-over-year by 7% and 17%, respectively.

RECENT DEVELOPMENTS – SIGMA

<p>Europe Turnaround</p>	<p>Sigma continues to make progress in strengthening its European EBITDA margin. Initiatives during the quarter included:</p> <ul style="list-style-type: none"> • Agreement to sell operations in Belgium and the Netherlands to Ter Beke (~1% of Consolidated EBITDA), subject to clearance by competition authorities and local employee consultation rights. The Intended Transaction includes six production facilities, as well as the Marcassou, Imperial, Stegeman, Leielander, and Bistro brands. • Sale of two plants in France, with all respective inventories, machinery, equipment, and buildings for €5.6 million. Combined, the two plants contributed approximately 1% of the volume for Sigma Europe. Proforma Sigma Europe EBITDA margin improvement, expected to reach approximately 20 basis points by the end of a 3-year transitional period. • Deventer real estate transaction was US \$7.2 million, resulting in a US \$2.4 million extraordinary gain
<p>Growth BU</p>	<p> Global Plant-Based brand</p> <ul style="list-style-type: none"> • U.S. retailer offering in-store products in 6 locations • Mexico increased 70 points of sale during the quarter, reaching 100+. This includes restaurants, dark kitchens, and a large Mexican hotel chain • Europe reached 100+ points of sale including restaurants, amusement parks, schools, and hotels <p>Third Party Distribution & Commercialization Business</p> <ul style="list-style-type: none"> • Launched distribution & commercialization service that connects companies with nostalgia and specialty products from Mexico and Latam with consumers in the United States • Reached an exclusivity agreement to distribute Mexican snack wafers to consumers in six U.S. cities <p>Tastech</p> <ul style="list-style-type: none"> • Launched the third edition of Tastech by Sigma, the business accelerator aimed at startups and scaleups around the world, seeking to revolutionize the food industry • 490+ startups from 32 countries participated in the first two editions of Tastech, and the 20 projects with the greatest potential for collaboration with Sigma were selected to conduct pilot tests in six countries • The company has made a minority investment to develop plant-based and clean label products, established a distribution agreement to export fruit snacks to Mexico, and is in the process of reaching five additional collaboration agreements in three regions

R&D and Innovation	<ul style="list-style-type: none"> • 176 new products launched during 4Q21 and over 1,660 products launched in the last 36 months • New products introduced in the last 36 months represented 10% of 4Q21 Revenues • Signed a strategic collaboration agreement and acquired a minority stake in Change Foods, a startup developing a technology to create animal-free dairy proteins for cheese products
Sustainability	<ul style="list-style-type: none"> • Joined the United Nations Global Compact, the world’s largest corporate sustainability initiative • Improved CDP’s Climate Change and Water scores from C to B and Supplier Engagement score from D to B- • Published the Responsible Sourcing Code to align Sigma’s vision and criteria with suppliers regarding topics of health & nutrition, shared value, wellbeing, and the environment • Avoided 1,220 tons of virgin plastic during the year, amounting to 6,570+ tons since 2019 by using recycled PET (rPET), and reducing package thickness • Completed an analysis of Scope 3 emissions for European operations and plans to measure the rest of the regions in 2022
Financial Hedges	<ul style="list-style-type: none"> • As of December 2021, currency forwards totaled US \$510 million with an average exchange rate of \$21.14 MXN/USD, enough to cover Sigma’s U.S. dollar needs for the next 10 to 12 months

(See “Financial Statements” for Sigma’s 4Q21 Balance Sheet and Income Statement)

Alpek (BMV: ALPEKA) – PETROCHEMICALS

53% of ALFA's revenues in 4Q21



SELECTED FINANCIAL INFORMATION (US \$ MILLIONS)

	4Q21	3Q21	4Q20	(% 4Q21 vs)		2021	2020	Ch. %
				3Q21	4Q20			
Volume (ktons)	1,172	1,195	1,248	(2)	(6)	4,798	4,802	-
Polyester	931	924	992	1	(6)	3,796	3,918	(3)
Plastics & Chemicals	240	271	256	(11)	(6)	1,002	883	13
Revenues	2,152	2,082	1,392	3	55	7,697	5,326	45
Polyester	1,347	1,228	967	10	39	4,828	3,976	21
Plastics & Chemicals	579	682	374	(15)	55	2,342	1,192	97
EBITDA	269	279	201	(4)	34	1,145	565	103
Polyester	162	138	124	17	30	618	324	90
Plastics & Chemicals	105	138	73	(25)	43	503	229	119
Others	2	2	4	-	(36)	25	11	121
Comparable EBITDA¹	300	234	151	28	99	962	601	60
Polyester	160	107	81	49	96	458	372	23
Plastics & Chemicals	138	124	66	11	109	480	218	120
Others	2	3	4	-	(36)	25	11	121
Capex & Acquisitions²	32	32	97	-	(67)	227	162	40
Net Debt	1,225	1,323	1,185	(7)	3	1,225	1,185	3
Net Debt / LTM EBITDA [*]	1.1	1.2	2.1					
LTM Interest Coverage ^{3*}	8.7	8.0	6.0					

* Times. LTM = Last 12 months

1 Excludes extraordinary items: inventories, carry-forward effects, and non-operating, one-time (gains) losses

2 Gross amount; does not include divestments

3 Interest Coverage = EBITDA/Net Financial Expenses

Volume was 1,172 kttons down 6% versus 4Q20 due to a decrease in both Polyester and Plastics & Chemicals segments. Polyester segment volume was down 6% year-on-year amid plant maintenance at some sites. Similarly, the Plastics & Chemicals (P&C) segment was down 6% when compared to 4Q20 primarily due to scheduled maintenance at one EPS site in the U.S.

Accumulated volume was 4,798 kttons, similar when compared with the same period in 2020, matching record annual levels as the decrease in Polyester segment was offset by record annual volume in Plastics & Chemicals.

Revenues totaled US \$2.152 billion in 4Q21, up 55% versus 4Q20, due to higher average consolidated prices amid rising oil and feedstock prices. Full year revenues were US \$7.697 billion, up 45% versus the same period in 2020 driven mainly by higher prices.

EBITDA was US \$269 million, up 34% from 4Q20, including a US \$31 million net loss from extraordinary items, mainly comprised of a US \$25 million one-time expense related to the ramp down of certain operations and others. Extraordinary items also include a US \$5 million net loss from combined carry-forward effects and inventory adjustment. In contrast, 4Q20 EBITDA included a gain of US \$55 million from extraordinary items.

Accumulated EBITDA totaled US \$1.145 billion, 103% higher than in 2020 and 9% above revised Guidance. 2021 EBITDA includes a net gain of US \$183 million in extraordinary items, comprised of an aggregate gain of US \$206 million in inventory adjustment and carry-forward effects, plus a US \$23 million net loss from footprint optimization and others (see Table 4).

Comparable EBITDA was US \$300 million, up 99% versus 4Q20, due to a combination of higher Polyester, Polypropylene and EPS reference margins.

Full year Comparable EBITDA was a record US \$962 million, up 60% versus 2020 and 13% above revised Guidance, driven by record-matching volumes, and significantly higher-than-expected reference margins for key products.

Capital Expenditures & Acquisitions (Capex) were US \$32 million in 4Q21, compared to US \$97 million in 4Q20, which included the acquisition of NOVA Chemicals' styrenics business. Full-year Capex totaled US \$227 million, including US \$96 million for the acquisition of CarbonLITE's recycled PET plant. Full year Capex increased 40% versus 2020, which was below historical levels as part of the actions implemented to maximize cash flow amid COVID-19.

Net Debt was US \$1.225 billion, up 3% and down 7% when compared with 4Q20 and 3Q21, respectively. Cash balance improved to US \$513 million at the end of the fourth quarter. Better than expected results strengthened financial ratios. At the close of 4Q21, Net Debt to EBITDA was 1.1 times, the lowest in eight years, and Interest Coverage was 8.7 times.

RECENT DEVELOPMENTS - ALPEK

Dividend	<ul style="list-style-type: none"> • Distributed dividends of US \$104 million in the fourth quarter; US \$56 million paid to shareholders and the remaining amount paid out to minority partners • Dividends for the year totaled US \$274 million, a 54% increase over 2020; US \$183 million paid to shareholders and the remaining amount paid out to minority partners
Credit Rating	<ul style="list-style-type: none"> • Regained S&P investment-grade credit rating of BBB- mainly based on improved business risk profile with a stable outlook
Footprint optimization	<ul style="list-style-type: none"> • As part of Alpek’s strategic pillar related to Strengthening its Core Business, the company shut down the following operations after an extended period of high raw material costs and a thorough review of the industries’ unfavorable outlook: <ul style="list-style-type: none"> ○ Caprolactam production in Salamanca, Mexico ○ Staple Fibers operations at its Cooper River site in the U.S. • These closures would reduce Alpek’s total CO₂ Emissions by 17.6% in 2022 versus its 2019 base
2022 Outlook	<ul style="list-style-type: none"> • Solid demand based on strong economy and positive changes to consumer behavior • Expects continued strength for key products in its portfolio based on high demand and freight costs • 2022 Guidance to be released on February 16, 2022 before the market opens

(See “Appendix – 4Q21 Reports of Listed Businesses” for Alpek’s complete 4Q21 Earnings Report)

Axtel (BMV: AXTELCPO) – IT & TELECOM




3% of ALFA's Revenues in 4Q21

SELECTED FINANCIAL INFORMATION (US \$ MILLIONS)

	4Q21	3Q21	4Q20	(% 4Q21 vs.)		2021	2020	Ch. %
				3Q21	4Q20			
Revenues	136	138	150	(2)	(9)	562	578	(3)
Services - Enterprise	89	94	94	(5)	(5)	370	367	1
Services - Government	18	15	26	16	(33)	66	94	(30)
Infrastructure	58	60	59	(3)	(2)	247	232	7
Eliminations	(30)	(31)	(30)	4	1	(121)	(115)	(6)
EBITDA	40	46	51	(13)	(22)	187	308	(39)
Capex & Acquisitions¹	20	24	32	(16)	(37)	76	103	(27)
Net Debt	574	613	602	(6)	(5)	574	602	(5)
Net Debt / LTM EBITDA [*]	3.1	3.1	2.0					
LTM Interest Coverage ^{2*}	3.3	3.6	5.1					

* Times. LTM = Last 12 months

1 Gross amount; does not include divestments

2 Interest Coverage = EBITDA/Net Financial Expenses

Revenues totaled US \$136 million, down 9% year-on-year mainly due to a decrease of 33% and 5% in the Government and Enterprise segments, respectively. On a currency neutral basis, revenues also decreased 9% year-on-year. The decline in the Services unit reflects the termination of contracts in the Government segment and fewer non-recurring revenues, primarily with federal government entities.

2021 Revenues were US \$562 million, down 3% versus the same period last year as growth in the Infrastructure unit was offset by the decrease in the Government segment of the Services unit.

EBITDA was US \$40 million, down 22% year-on-year due to decreases in revenues and margins in the Service unit, for both Enterprise and Government segments, particularly lower value added and digital transformation services margins. On a currency neutral basis, 4Q21 EBITDA also decreased 22% year-on-year.

Accumulated EBITDA was US \$187 million, down 39% year-on-year due to the US \$111 million in extraordinary gains reported during 2020, which included the one-time gain from the Data Center sale. Adjusting for extraordinary items, Accumulated Comparable EBITDA was down 5% versus the same period last year. On a currency neutral basis, Accumulated Comparable EBITDA was down 10% year-on-year mainly due to an 18% decline in the Service unit.

Capital Expenditures & Acquisitions (Capex) totaled US \$20 million in 4Q21, compared to US \$32 million in 4Q20. Full year Capex totaled US \$76 million, down 27% versus 2020, which included an extraordinary investment of US \$22 million associated with the renovation of spectrum frequencies.

Net Debt was US \$574 million at the close of 2021, down 5% when compared to the close of 2020. On an absolute basis, Net Debt decreased US \$28 million over the prior year resulting from a US \$113 million decrease in gross debt; a US \$6 million non-cash decrease in debt caused by the depreciation of the Mexican Peso; and a US \$91 million decrease in cash. Cash totaled US \$78 million at the end of the fourth quarter. Financial ratios at the close of 4Q21 were: Net Debt to EBITDA of 3.1 times and Interest Coverage of 3.3 times.

RECENT DEVELOPMENTS - AXTEL

Strategic Sale Process	<ul style="list-style-type: none">• Continued conversations with potential buyers during 4Q21• Axtel plans on maintaining an open dialogue with potential buyers while moving ahead with internal strategic agenda
Commercial Model	<ul style="list-style-type: none">• Re-defining go-to-market approach in the Enterprise segment after successful pilot testing during 2021• Roll-out of a specialized commercial model for high-growth, digital transformation services:<ul style="list-style-type: none">○ Cloud, Cybersecurity, Systems integration, Collaboration and Managed networks

(See "Appendix - 4Q21 Reports of Listed Businesses" for Axtel's complete 4Q21 Earnings Report)

Newpek - OIL & GAS



Following ALFA's decision to exit the oil and gas business and the subsequent sale of the Eagle Ford and Edwards Shale formations, Newpek has become a significantly smaller part of ALFA.

As a result, Newpek's financial results are no longer shown as separate line items. However, additional information related to the remaining operations of Newpek are available in Tables 17, 18 and 19 (pg. 36).

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 9, 10 and 11.

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 4Q21 Earnings Report for the full analysis of operating figures.

4Q21 EARNINGS CALL INFORMATION

Date: Wednesday, February 16, 2022
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: 13726713

Webcast: https://viaid.webcasts.com/starthere.jsp?ei=1526654&tp_key=d376701c22

Replay: <https://www.alfa.com.mx/RI/conference.htm>

About ALFA

ALFA manages a diversified portfolio of leading businesses with global operations: Sigma, a leading multinational food company, focused on the production, marketing and distribution of quality foods through recognized brands in Mexico, Europe, United States and Latin America. Alpek, one of the world's leading producers of polyester (PTA, PET, rPeT and fibers), and the leader in the Mexican market for polypropylene and expandable polystyrene (EPS). Axtel, a provider of Information Technology and Communication services for the enterprise and government segments in Mexico. In 2021, ALFA reported revenues of Ps. 308,060 million (US \$15.2 billion), and EBITDA of Ps. 41,050 million (US \$2.0 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 (%)

	4Q21 vs.		2021 vs. 2020
	3Q21	4Q20	
Total Volume	0.9	1.2	2.4
Domestic Volume	0.3	7.6	8.8
Foreign Volume	1.8	(7.9)	(6.5)
Avg. Ps. Prices	5.7	26.3	14.0
Avg. US \$ Prices	1.9	25.5	20.3

Table 2 | REVENUES

	4Q21	3Q21	4Q20	(% 4Q21 vs.)		2021	2020	Ch. %
				3Q21	4Q20			
Total Revenues								
Ps. Millions	84,790	79,552	66,329	7	28	308,060	263,867	17
US \$ Millions	4,086	3,976	3,218	3	27	15,181	12,325	23
Domestic Revenues								
Ps. Millions	35,540	34,314	25,761	4	38	128,716	98,451	31
US \$ Millions	1,713	1,715	1,251	-	37	6,344	4,616	37
Foreign Revenues								
Ps. Millions	49,249	45,238	40,568	9	21	179,345	165,416	8
US \$ Millions	2,373	2,261	1,967	5	21	8,837	7,709	15
Foreign / Total (%)	58	57	61	2	(5)	58	63	(7)

Table 3 | OPERATING INCOME AND EBITDA

	4Q21	3Q21	4Q20	(% 4Q21 vs.)		2021	2020	Ch. %
				3Q21	4Q20			
Operating Income								
Ps. Millions	4,122	6,601	4,729	(38)	(13)	25,284	17,567	44
US \$ Millions	199	330	229	(40)	(13)	1,250	834	50
EBITDA								
Ps. Millions	10,494	9,714	8,626	8	22	41,050	32,597	26
US \$ Millions	505	486	419	4	21	2,022	1,536	32
EBITDA/Revenues (%)*	12.4	12.2	13.0			13.3	12.5	

*US dollar denominated EBITDA margin

Earnings Report

Fourth Quarter 2021 (4Q21)



Table 4 | EXTRAORDINARY ITEMS (US \$ Millions)

Company	Extraordinary item	4Q21	3Q21	4Q20	2021	2020
Alpek	Inventory gain (loss)	(11)	22	9	92	(35)
	Carry forward gain (loss)	6	21	9	114	(43)
	Legal fees/expenses & others	(25)	1	33	(23)	42
	Total Alpek (previous)	(37)	24	41	68	7
	Total Alpek (with carry-forward)¹	(31)	45	50	183	(36)
Sigma	Deventer plant real estate sale	2	-	-	2	-
	Total Sigma	2	-	-	2	-
Axtel	Data Center sale gain	-	-	-	-	107
	Spectrum sale gain	-	-	-	-	4
	Total Axtel	-	-	-	-	111
Newpek	Mexico expense recovery provision	-	-	4	-	(6)
	U.S. assets sale gain	-	-	-	-	58
	Total Newpek	-	-	4	-	52
	Total effect on EBITDA (previous)	(34)	24	46	71	171
	Total effect on EBITDA (with carry-forward)¹	(29)	45	55	185	128

¹ Extraordinary items include "Carry-forward gain (loss)" beginning 1Q21. Total figures from previous quarters include the carry-forward effect for comparability purposes.

Table 5 | COMPARABLE EBITDA (US \$ Millions)

Company	4Q21	3Q21	4Q20	(% 4Q21 vs.)		2021	2020	Ch. %
				3Q21	4Q20			
ALFA	534	440	364	21	47	1,837	1,408	30
Alpek	300	234	151	28	99	962	601	60
Sigma	199	176	178	13	12	739	684	8
Axtel	40	46	51	(13)	(22)	187	197	(5)
Newpek	1	(3)	1	119	(55)	(9)	(14)	40
ALFA EBITDA/Revenues (%)	13.1	11.1	11.3			12.1	11.4	

Table 6 | COMPREHENSIVE FINANCING INCOME / EXPENSE (US \$ Millions)

	4Q21	3Q21	4Q20	(% 4Q21 vs.)		2021	2020	Ch. %
				3Q21	4Q20			
Financial Expenses	(89)	(94)	(85)	5	(5)	(409)	(392)	(4)
Financial Income	9	9	5	6	104	34	40	(15)
Net Financial Expenses	(80)	(86)	(81)	6	-	(375)	(353)	(6)
Exchange Rate Gains (Losses)	(31)	(35)	22	10	(240)	(102)	(33)	(211)
Capitalized Comp. Fin. Expense	0	0	0	(18)	35	1	1	49
Comprehensive Financing Expense	(111)	(120)	(58)	7	(91)	(476)	(385)	(24)
Avg. Cost of Borrowed Funds (%)	4.9	5.2	4.8			5.7	5.3	



Earnings Report

Fourth Quarter 2021 (4Q21)



Table 7 | NET INCOME (US \$ Millions)

	4Q21	3Q21	4Q20	(% 4Q21 vs.)		2021	2020	Ch. %
				3Q21	4Q20			
Consolidated Net Income (Loss)	(151)	167	120	(190)	(225)	376	398	(5)
Minority Interest	16	42	183	(63)	(91)	165	208	(21)
Majority Net Income (Loss)	(166)	125	(63)	(234)	(166)	211	190	11
Per Share (US dollars)	(0.03)	0.03	(0.01)	(233)	163	0.04	0.04	12
Avg. Outstanding Shares (Millions)	4,909	4,909	4,909			4,909	4,942	

Table 8 | STATEMENT OF FINANCIAL POSITION & FINANCIAL RATIOS (US \$ Millions)

	4Q21	3Q21	4Q20	(% 4Q21 vs.)	
				3Q21	4Q20
Assets					
Cash and cash equivalents	1,505	1,340	1,611	12	(7)
Trade accounts receivable	1,277	1,338	870	(5)	47
Inventories	2,079	2,108	1,658	(1)	25
Other current assets	818	743	773	(11)	(14)
Current assets from discontinued operations ¹	0	0	0	-	-
Total current assets	5,679	5,530	4,913	-	12
Investment in associates and others	444	438	444	1	-
Property, plant and equipment, net	4,116	4,317	4,395	(5)	(6)
Goodwill and intangible assets, net	2,139	2,172	2,279	(1)	(6)
Other non-current assets	696	839	810	(17)	(14)
Total assets	13,074	13,295	12,841	(3)	1
Liabilities & stockholders' equity					
Debt	197	142	166	39	19
Suppliers	2,417	2,403	1,971	1	23
Other current liabilities	1,144	1,010	1,102	13	4
Current liabilities from discontinued operations ¹	0	0	0	-	-
Total current liabilities	3,758	3,556	3,239	6	16
Debt (include debt issuance cost)	5,647	5,741	5,815	(2)	(3)
Employees' benefits	189	227	237	(17)	(20)
Other long-term liabilities	816	803	876	2	(7)
Total liabilities	10,411	10,327	10,166	(1)	1
Total stockholders' equity	2,663	2,968	2,674	(10)	-
Total liabilities & stockholders' equity	13,074	13,295	12,841	(3)	1
Net Debt	4,677	4,875	4,699	(4)	-
Net Debt/EBITDA*	2.3	2.5	3.1		
Interest Coverage*	5.4	5.2	4.4		

* Times. LTM=Last 12 months

¹ Breakdown of Balance Sheet line items from Discontinued Operations shown on Table 9



Table 9 | STATEMENT OF FINANCIAL POSITION DISCONTINUED OPERATIONS – NEMAK (US \$ MILLIONS)

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

Table 10 | INCOME STATEMENT DISCONTINUED OPERATIONS – NEMAK (US \$ MILLIONS)

	4Q21	3Q21	4Q20	(% 4Q21 vs.)		2021	2020	Ch. %
				3Q21	4Q20			
Total Revenues	0	0	794	-	(100)	0	2,999	(100)
Gross Profit	0	0	117	-	(100)	0	376	(100)
Operating expenses and others	0	0	(55)	-	100	0	(262)	100
EBITDA	0	0	136	-	(100)	0	418	(100)
Operating income (loss)	0	0	62	-	(100)	0	113	(100)
Financial cost, net	0	0	(17)	-	100	0	(119)	100
Share of losses of associates	0	0	0	-	-	0	(1)	100
Income Tax	0	0	(7)	-	100	0	(4)	(100)
Profit (loss) from discontinued operations (Nemak)	0	0	38	-	(100)	0	(10)	100
Other effects associated to the Nemak spin-off (ALFA)	0	0	458	-	(100)	0	475	(100)
Profit (loss) from discontinued operations (ALFA)	0	0	496	-	(100)	0	465	(100)

Table 11 | CHANGE IN NET DEBT DISCONTINUED OPERATIONS – NEMAK (US \$ MILLIONS)

	4Q21	3Q21	4Q20	(% 4Q21 vs.)		2021	2020	Ch. %
				3Q21	4Q20			
EBITDA	0	0	0	-	-	0	282	(100)
Net Working Capital	0	0	0	-	-	0	(167)	100
Capital expenditures & Acquisitions	0	0	0	-	-	0	(188)	100
Net Financial Expenses	0	0	0	-	-	0	(54)	100
Taxes	0	0	0	-	-	0	(20)	100
Dividends	0	0	0	-	-	0	(13)	100
Other Sources / Uses	0	0	0	-	-	0	(15)	100
Decrease (Increase) in Net Debt	0	0	0	-	-	0	(175)	100

SIGMA

Table 12 | SIGMA - VOLUME AND PRICE CHANGES (%)

	4Q21 vs.		2021 vs.
	3Q21	4Q20	2020
Total Volume	2.0	3.2	(0.1)
Avg. Ps. Prices	4.0	3.8	1.9
Avg. US \$ Prices	0.2	3.1	7.6

Table 13 | SIGMA – REVENUES AND EBITDA IN LOCAL CURRENCY

	4Q21	3Q21	4Q20	(% 4Q21 vs.)		2021	2020	Ch. %
				3Q21	4Q20			
Revenues								
Mexico (Ps. Millions)	15,485	14,575	13,268	6	17	57,327	51,803	11
Europe (€ Millions)	516	486	534	6	(3)	1,964	2,051	(4)
United States (US \$ Millions)	303	310	269	(2)	13	1,202	1,122	7
Latam (US \$Millions) ¹	132	122	116	9	14	485	452	7
EBITDA								
Mexico (Ps. Millions)	2,116	2,214	1,708	14	9	8,373	7,185	17
Europe (€ Millions)	47	24	36	98	29	128	113	14
United States (US \$ Millions)	33	26	33	24	(2)	130	176	(26)
Latam (US \$Millions) ¹	14	11	12	20	12	48	41	17

¹US \$ Millions equivalent= 4Q21 and 3Q21 financial results in each country are converted into US Dollars at the 4Q20 average exchange rate for each local currency

TABLE 14 | SIGMA - OPERATING INCOME

	4Q21	3Q21	4Q20	(% 4Q21 vs.)		2021	2020	Ch. %
				3Q21	4Q20			
Operating Income								
Ps. Millions	1,538	2,410	1,807	(36)	(15)	9,072	9,267	(2)
US \$ Millions	75	120	86	(38)	(14)	449	428	5

Table 15 | SIGMA - COMPREHENSIVE FINANCING INCOME / EXPENSE (US \$ Millions)

	4Q21	3Q21	4Q20	(% 4Q21 vs.)		2021	2020	Ch. %
				3Q21	4Q20			
Financial Expenses	(32)	(31)	(28)	(2)	(14)	(124)	(136)	9
Financial Income	3	3	3	(6)	(5)	10	12	(14)
Net Financial Expenses	(29)	(29)	(25)	(3)	(16)	(114)	(124)	8
Exchange Rate Gains (Losses)	(14)	1	(60)	-	77	(51)	4	-
Capitalized Comp. Fin. Expense	0	0	0	-	-	0	0	-
Comprehensive Financing Expense	(44)	(28)	(86)	(56)	49	(166)	(121)	(37)
Avg. Cost of Borrowed Funds (%)	4.4	4.3	4.3			4.3	4.4	

Table 16 | SIGMA - STATEMENT OF FINANCIAL POSITION & FINANCIAL RATIOS (US \$ Millions)

	4Q21	3Q21	4Q20	(% 4Q21 vs.)	
				3Q21	4Q20
Assets					
Cash and cash equivalents	819	830	817	(1)	-
Trade accounts receivable	247	214	192	15	29
Inventories	807	858	764	(6)	6
Other current assets	339	198	218	71	55
Total current assets	2,212	2,101	1,992	5	11
Investment in associates and others	8	7	7	13	15
Property, plant and equipment, net	1,503	1,603	1,672	(6)	(10)
Goodwill and intangible assets, net	1,492	1,527	1,595	(2)	(6)
Other non-current assets	159	212	243	(25)	(35)
Total assets	5,374	5,451	5,508	(1)	(2)
Liabilities & stockholders' equity					
Debt	66	63	60	4	9
Suppliers	1,031	1,048	1,020	(2)	1
Other current liabilities	513	402	421	28	22
Total current liabilities	1,610	1,513	1,501	6	7
Debt (include debt issuance cost)	2,436	2,449	2,495	(1)	(2)
Employees' benefits	70	80	91	(12)	(22)
Other long-term liabilities	241	222	252	9	(4)
Total liabilities	4,357	4,264	4,339	2	-
Total stockholders' equity	1,017	1,187	1,168	(14)	(13)
Total liabilities & stockholders' equity	5,374	5,451	5,508	(1)	(2)
Net Debt	1,691	1,692	1,756	-	(4)
Net Debt/EBITDA*	2.3	2.4	2.6		
Interest Coverage*	6.5	6.5	5.5		

* Times. LTM=Last 12 months

NEWPEK

Table 17 | NEWPEK – REVENUES (US \$ Millions)

	4Q21	3Q21	4Q20	(% 4Q21 vs.)		2021	2020	Ch. %
				3Q21	4Q20			
Volume (MBOEPD)¹	1.3	1.4	1.3	(8)	(2)	1.4	3.6	(62)
Total Revenues								
Ps. Millions	153	67	(42)	128	462	337	499	(32)
US \$ Millions	7	3	(2)	119	501	17	24	(32)
Domestic Revenues								
Ps. Millions	150	64	(45)	134	436	325	242	34
US \$ Millions	7	3	(2)	125	470	16	12	35
Foreign Revenues								
Ps. Millions	4	3	2	11	74	12	257	(95)
US \$ Millions	0	0	0	7	73	1	12	(95)
Foreign / Total (%)	2	5	0			4	51	

¹ Thousands of Barrels of Oil Equivalent Per Day

Table 18 | NEWPEK - OPERATING INCOME AND EBITDA (US \$ Millions)

	4Q21	3Q21	4Q20	(% 4Q21 vs.)		2021	2020	Ch. %
				3Q21	4Q20			
Operating Income								
Ps. Millions	7	(66)	105	111	(93)	(198)	56	(452)
US \$ Millions	0	(3)	5	110	(93)	(10)	4	(352)
EBITDA								
Ps. Millions	11	(53)	119	121	(91)	(171)	853	(120)
US \$ Millions	0	(3)	6	119	(91)	(9)	38	(122)
Capex								
US \$ Millions	0	(1)	1	127	(46)	4	12	(71)

Table 19 | NEWPEK - SELECTED BALANCE SHEET INFORMATION & FINANCIAL RATIOS (US \$ Millions)

	4Q21	3Q21	4Q20
Assets	574	557	567
Liabilities	195	193	222
Stockholders' Equity	379	364	345
Net Debt	(11)	(10)	(9)
Net Debt/EBITDA*	1.3	2.9	(0.2)
Interest Coverage*	0.7	0.3	(3.4)

* 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 21	Sep 21	Dec 20	(% Dec 21 vs.)	
				Sep 21	Dec 20
ASSETS					
CURRENT ASSETS:					
Cash and cash equivalents	30,979	27,219	32,144	14	(4)
Trade accounts receivable	26,280	27,175	17,356	(3)	51
Other accounts and notes receivable	4,860	5,087	5,957	(4)	(18)
Inventories	42,787	42,801	33,084	-	29
Other current assets	11,981	10,003	9,466	20	27
Current assets from discontinued operations	0	0	0	-	-
Total current assets	116,887	112,285	98,007	4	19
Investments in associates and joint ventures	9,139	8,880	8,866	3	3
Property, Plant and equipment	84,731	87,671	87,670	(3)	(3)
Intangible assets	44,028	44,096	45,461	-	(3)
Other non-current assets	14,322	17,031	16,152	(16)	(11)
Total assets	269,107	269,963	256,156	-	5
LIABILITIES AND STOCKHOLDERS' EQUITY					
CURRENT LIABILITIES:					
Current portion of long-term debt	3,677	1,867	2,872	97	28
Bank loans and notes payable	382	1,021	430	(63)	(11)
Suppliers	49,742	48,800	39,321	2	27
Other current liabilities	23,558	20,511	21,981	15	7
Current liabilities from discontinued operations	0	0	0	-	-
Total current liabilities	77,359	72,199	64,605	7	20
LONG-TERM LIABILITIES:					
Long-term debt	116,234	116,575	115,997	-	-
Deferred income taxes	9,018	9,420	9,529	(4)	(5)
Other liabilities	7,777	6,888	7,940	13	(2)
Estimated liabilities for seniority premiums and pension plans	3,898	4,609	4,733	(15)	(18)
Total liabilities	214,286	209,691	202,804	2	6
STOCKHOLDERS' EQUITY:					
Controlling interest:					
Capital stock	169	170	169	(1)	-
Earned surplus	38,915	43,443	38,330	(10)	2
Total controlling interest	39,084	43,613	38,499	(10)	2
Total Non-controlling interest	15,737	16,659	14,853	(6)	6
Total stockholders' equity	54,821	60,272	53,352	(9)	3
Total liabilities and stockholders' equity	269,107	269,963	256,156	-	5
Current ratio	1.5	1.6	1.5		
Debt to equity	3.9	3.5	3.8		

Earnings Report

Fourth Quarter 2021 (4Q21)



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

INCOME STATEMENT

Information in millions of Nominal Mexican Pesos

	4Q21	3Q21	4Q20	2021	2020	4Q21 vs. (%)	
						3Q21	4Q20
Net sales	84,790	79,552	66,329	308,060	263,867	7	28
Domestic	35,540	34,314	25,761	128,716	98,451	4	38
Export	49,249	45,238	40,568	179,345	165,416	9	21
Cost of sales	(66,964)	(62,742)	(51,205)	(238,643)	(206,584)	(7)	(31)
Gross profit	17,825	16,810	15,124	69,417	57,283	6	18
Operating expenses and others	(13,704)	(10,209)	(10,395)	(44,134)	(39,715)	(34)	(32)
Operating income	4,122	6,601	4,729	25,283	17,568	(38)	(13)
Comprehensive financing expense, net	(2,292)	(2,404)	(1,185)	(9,665)	(8,147)	5	(93)
Equity in income (loss) of associates	36	(12)	131	24	75	400	(73)
Income before the following provision	1,865	4,185	3,676	15,641	9,496	(55)	(49)
Provisions for:							
Income tax	(5,043)	(852)	(11,185)	(8,211)	(10,601)	(492)	55
Profit (loss) from continuing operations	(3,178)	3,333	(7,510)	7,429	(1,105)	(195)	58
Profit (loss) from discontinued operations	0	0	9,985	0	9,124	-	(100)
Consolidated net income	(3,178)	3,333	2,475	7,429	8,020	(195)	(228)
Income (loss) corresponding to minority interest	326	842	3,699	3,323	4,091	(61)	(91)
Net income (loss) corresponding to majority interest	(3,504)	2,491	(1,223)	4,106	3,929	(241)	(187)
EBITDA	10,494	9,714	8,626	41,050	32,597	8	22
Interest coverage*	5.4	5.1	4.3	5.4	4.3		

* Times. LTM=Last Twelve Months

Earnings Report

Fourth Quarter 2021 (4Q21)



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

BALANCE SHEET

Information in millions of Nominal Mexican Pesos

(%) Dec 21 vs.

Assets	Dec 21	Sep 21	Dec 20	Sep 21	Dec 20
CURRENT ASSETS:					
Cash and cash equivalents	16,856	16,851	16,301	-	3
Restricted cash	0	0	24	-	(100)
Customers, net	5,086	4,355	3,833	17	33
Income tax recoverable	914	690	741	33	23
Inventories	16,617	17,431	15,248	(5)	9
Other current assets	6,057	3,340	3,585	81	69
Total current assets	45,531	42,667	39,732	7	15
Property, plant and equipment, net	30,946	32,560	33,346	(5)	(7)
Intangible assets, net	16,500	16,745	17,179	(1)	(4)
Goodwill	14,214	14,267	14,638	-	(3)
Deferred income tax	2,160	3,285	4,125	(34)	(48)
Investments in associates and joint ventures	157	137	132	15	19
Other non-current assets	1,107	1,022	719	8	54
Total non-current assets	65,084	68,017	70,140	(4)	(7)
Total assets	110,615	110,684	109,872	-	1
LIABILITIES AND STOCKHOLDER'S EQUITY					
CURRENT LIABILITIES:					
Current debt	649	650	649	-	-
Notes payables	702	630	686	11	2
Suppliers	21,214	21,278	20,352	-	4
Income tax payable	1,151	833	461	38	150
Provisions	100	114	182	(12)	(45)
Other current liabilities	9,317	7,212	7,620	29	22
Total current liabilities	33,133	30,716	29,949	8	11
NON-CURRENT LIABILITIES:					
Non-current debt	48,166	47,808	47,746	1	1
Notes payables	1,965	1,928	2,030	2	(3)
Deferred income taxes	3,714	3,753	3,934	(1)	(6)
Employees benefits	1,446	1,626	1,807	(11)	(20)
Provisions	139	83	90	68	54
Income tax payable	1,071	627	974	71	10
Other non-current liabilities	46	35	37	31	26
Total non-current liabilities	56,548	55,860	56,618	1	-
Total liabilities	89,682	86,577	86,567	4	4
STOCKHOLDERS' EQUITY:					
Total controlling interest:	20,933	24,107	23,304	(13)	(10)
Total non-controlling interest:	0	0	0	-	-
Total stockholders' equity	20,933	24,107	23,304	(13)	(10)
Total liabilities and stockholders' equity	110,615	110,684	109,872	-	1

Earnings Report

Fourth Quarter 2021 (4Q21)



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

INCOME STATEMENT

	4Q21	3Q21	4Q20	2021	2020	4Q21 vs. (%)	
						3Q21	4Q20
Revenue	36,682	34,592	34,271	138,314	135,983	6	7
Cost of sales	(26,594)	(25,250)	(24,603)	(99,735)	(97,661)	5	8
Gross profit	10,088	9,342	9,668	38,578	38,322	8	4
Selling expenses	(5,818)	(5,420)	(5,325)	(22,023)	(21,901)	7	9
Administrative expenses	(1,492)	(1,567)	(1,739)	(6,324)	(6,405)	(5)	(14)
Other income (expenses), net	(1,239)	55	(797)	(1,159)	(750)	-	55
Operating profit	1,538	2,410	1,807	9,072	9,267	(36)	(15)
Comprehensive financial expenses, net	(904)	(558)	(1,774)	(3,361)	(2,465)	62	(49)
Equity in income (loss) of associates	21	0	0	21	12	-	-
Profit before income tax	655	1,852	32	5,732	6,814	(65)	1,923
Provisions for:							
Income tax	(2,614)	(739)	(598)	(4,589)	(1,822)	253	337
Net consolidated profit	(1,959)	1,113	(566)	1,143	4,992	(276)	246
Non-controlling interest	0	0	0	0	0	-	-
Controlling interest	(1,959)	1,113	(566)	1,143	4,992	(276)	246

Appendix - Listed Business 4Q21 Reports

Alpek (BMV: ALPEKAA) – Petrochemicals

Axtel (BMV: AXTELCPO) – IT & Telecom



FOURTH QUARTER **2021 RESULTS**

Alpek Posts Comparable EBITDA of U.S. \$300M (Reported EBITDA of U.S. \$269M)

Record figures for Revenue, EBITDA and Leverage due to strong margins and volume

Monterrey, Mexico – February 15, 2022 – Alpek, S.A.B. de C.V., a leading petrochemical company in the Americas, today announced its fourth quarter 2021 results (4Q21).

QUARTERLY HIGHLIGHTS

- Volume remained high at 1.2 million tons during 4Q, matching record annual levels of 4.8 million tons
- Record-high quarterly Comparable EBITDA of U.S. \$300 million (+28% QoQ), mainly from rising Polyester margins
- Record FY2021 Comparable EBITDA of U.S. \$962 million, from strong volume and record margins for key products
- FY2021 Controlling Interest Net Income of U.S. \$385 million, reduced Leverage to 1.1x and improved cash balance of U.S. \$513 million, while still delivering extraordinary Dividend payment of U.S. \$56 million in 4Q
- Recovered additional U.S. \$8 million in debt from M&G Mexico during 4Q
- Regained investment-grade credit rating of BBB- with S&P largely based on an improved Business Risk profile

4Q21 KEY METRICS

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

	4Q21	3Q21	4Q20	QoQ (%)	YoY (%)	2021	2020	Ch. (%)
Volume¹ (ktons)	1,172	1,195	1,248	(2)	(6)	4,798	4,802	-
Polyester	931	924	992	1	(6)	3,796	3,918	(3)
Plastics & Chemicals	240	271	256	(11)	(6)	1,002	883	13
Production (ktons)	1,654	1,565	1,612	6	3	6,366	6,390	-
Polyester	1,380	1,285	1,343	7	3	5,251	5,339	(2)
Plastics & Chemicals	275	281	269	(2)	2	1,115	1,051	6
Revenues	2,152	2,082	1,392	3	55	7,697	5,326	45
Polyester	1,347	1,228	967	10	39	4,828	3,976	21
Plastics & Chemicals	579	682	374	(15)	55	2,342	1,192	97
EBITDA	269	279	201	(4)	34	1,145	565	103
Polyester	162	138	124	17	30	618	324	90
Plastics & Chemicals	105	138	73	(25)	43	503	229	119
Others	2	2	4	-	(36)	25	11	121
Comparable EBITDA²	300	234	151	28	99	962	601	60
Polyester	160	107	81	49	96	458	372	23
Plastics & Chemicals	138	124	66	11	109	480	218	120
Others	2	3	4	-	(36)	25	11	121
Net Income (Controlling Interest)	30	111	99	(73)	(70)	385	150	157
CAPEX	32	32	97	-	(67)	227	162	40
Net Debt	1,225	1,323	1,185	(7)	3			
Net Debt / EBITDA³	1.1	1.2	2.1					

(1) Excludes intracompany sales; (2) Excludes inventories, carry-forward effects, and non-operating, one-time (gains) losses (3) Times: last 12 months

MESSAGE FROM OUR CEO

“I am proud to report that Alpek has ended the year on an outstanding note posting its highest ever quarterly Comparable EBITDA, achieved through records in both the Polyester and Plastics & Chemicals segments. Strong 4Q performance also helped the Company achieve its best year ever, matching or setting annual records for Revenues, Volume, Reported and Comparable EBITDA, and Leverage.

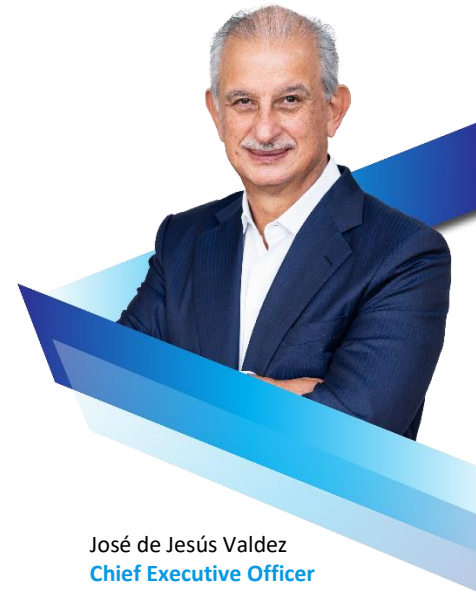
Throughout the fourth quarter and all of 2021, Alpek was able to successfully capitalize on diverse opportunities created by a highly favorable business environment, where increased demand for petrochemical products was combined with tighter global supply. Results during 4Q21 were particularly favored by reference Polyester margins, which increased sharply as power rationing in China resulted in reduced global PET supply.

Alpek also made progress in its long-term growth and ESG strategies. In 4Q21, the Company optimized its footprint by ramping down its Caprolactam and Staple Fibers operations in Mexico and Cooper River, USA, respectively. Both businesses faced extended periods of high raw material costs and marginal financial results. Moreover, their closure will significantly lower Alpek’s CO₂ emissions in 2022, helping the Company close the gap towards its 2030 goals.”

Overview

The fourth quarter of 2021 was favored by strong economic growth despite the resurgence of COVID-19 through the Omicron variant. In refined products, average Brent crude oil prices increased to U.S. \$79 dollars per barrel, 9% higher than in 3Q21, closing the quarter at U.S. \$77 dollars per barrel. U.S. average reference paraxylene (“Px”) prices also increased by 1% versus last quarter. In Plastics & Chemicals, average reference Propylene prices decreased to U.S. \$0.66 per pound, 20% lower than U.S. \$0.82 per pound in 3Q21, to compete with imports from Asia.

Demand for Alpek’s portfolio of products has remained strong, and high marine freight costs continue to support import parity pricing in the Americas. Additionally, in 4Q, coal-based energy rationing initiatives were implemented in China to achieve CO₂ reduction goals and improve air quality prior to the 2022 Winter Olympics. This hindered Chinese producers’ capacity to produce PET, reducing total global production and raising Asian integrated Polyester reference margins to an average of U.S. \$431 dollars per ton in 4Q21 (+36% QoQ), much higher than the expected Guidance figures for the fourth quarter of U.S. \$315 dollars per ton. Meanwhile, Polypropylene margins remained at near-record levels averaging U.S. \$0.47 per pound (-9% QoQ) as demand remains high.



José de Jesús Valdez
Chief Executive Officer

Financial Stability

Alpek has sharply improved its financial stability and outlook in the past months. The strong operational results obtained in 2021 generated a Controlling Interest Net Income of U.S. \$385 million for the full year. This allowed Alpek to pay an additional dividend to shareholders of U.S. \$56 million during the fourth quarter, while still reducing its debt and ending the year with a Net Leverage of 1.1 times, the lowest figure the Company has posted in eight years.

As a result of Alpek's improved financial position, but more importantly after a thorough review of the Company's Business Risk Profile, S&P has reverted Alpek's credit rating to a BBB- on a standalone basis, which is equivalent to investment grade. The Company now holds a stable investment grade rating across all three main rating agencies.

Footprint Optimization & ESG Roadmap

As part of Alpek's long-term growth strategy pillar related to *Strengthening its Core Business*, the Company is consistently looking for ways to extract the most value from its current assets, optimizing both its footprint and its financial performance. This led Alpek to shut down its Caprolactam production in Salamanca, Mexico, as well as Staple Fibers operations at its Cooper River site in the USA during the fourth quarter. Both closures come after an extended period of low margins due to high raw material costs, as well as a thorough review of their respective industries' unfavorable outlook. The sites will not impact Alpek's results, as they accounted for a negligible amount of the Company's EBITDA in recent years. In fact, their shutdown should yield a small but positive effect on earnings during 2022.

During 2021, Alpek publicly committed to reducing its Scope 1 and 2 CO₂ Emissions by 27.5% before 2030 from a 2019 baseline. The two aforementioned sites accounted for 431,000 equivalent tons of CO₂ based on 2019 figures. As such, their closure would help Alpek reduce its total emissions by 17.6% in 2022, almost two thirds of its commitment before considering any offsetting capacity growth. The Company has a clear action plan to reach its 2030 CO₂ target, which includes finding and executing eco-efficiency projects at production sites, migrating power contracts to renewable energy sources, and exploring emerging technologies such as green hydrogen.

2022 Outlook

Looking forward to 2022, Alpek expects the strong economy and positive changes to consumer behavior to continue supporting demand. Moreover, the Company expects continued strength for key products in its portfolio based on high demand and freight costs. The Company will disclose its full guidance for Volume, Comparable EBITDA and CAPEX tomorrow, as well as underlying assumptions for crude oil and feedstock prices, which will be discussed in detail during the 4Q21 Webcast.

FINANCIAL RESULTS
EBITDA

(in U.S.\$ million)

	4Q21	3Q21	4Q20	QoQ (%)	YoY (%)	2021	2020	Ch. (%)
Reported EBITDA	269	279	201	(4)	34	1,145	565	103
Inventory Adjustment	11	(22)	(9)	151	231	(92)	35	(364)
Carry-forward effect	(6)	(21)	(9)	74	36	(114)	44	(362)
Others	25	(1)	(33)	1,901	178	23	(42)	155
Comparable EBITDA	300	234	151	28	99	962	601	60

Comparable EBITDA was U.S. \$300 million, 28% higher than 3Q21, as a result of higher-than-expected Polyester and EPS margins, steady Polypropylene margins, alongside solid volumes for both segments. For the full year, Comparable EBITDA totaled U.S. \$962 million, 13% above EBITDA Guidance and 60% higher than 2020 results. Annual figures were supported by record-matching volumes and significantly higher-than-expected reference margins for key products, particularly PET and Polypropylene.

Reported EBITDA was U.S. \$269 million, a 4% decline versus 3Q21 and a 34% increase versus 4Q20, due to a negative combined carry-forward effect and inventory adjustment of U.S. \$5 million during the quarter, compared to a positive effect of U.S. \$43 million last quarter and U.S. \$18 million last year. For the full year, Reported EBITDA was U.S. \$1.145 billion, up 103% versus 2020, due to a total positive effect of U.S. \$206 million in inventory adjustment and carry-forward effects, and U.S. -\$23 million from footprint optimization and others.

INCOME STATEMENT

(in U.S.\$ million)

	4Q21	3Q21	4Q20	QoQ (%)	YoY (%)	2021	2020	Ch. (%)
Total Revenues	2,152	2,082	1,392	3	55	7,697	5,326	45
Gross Profit	299	300	183	-	63	1,217	551	121
Operating expenses and others	(154)	(74)	(31)	(108)	(400)	(353)	(195)	(81)
Operating Income	144	226	152	(36)	(5)	864	355	143
Financial cost, net	(24)	(37)	1	35	(1,824)	(154)	(98)	(57)
Share of losses of associates	(1)	(1)	(2)	(48)	58	(2)	(4)	51
Income tax	(67)	(46)	(33)	(47)	(103)	(202)	(57)	(257)
Consolidated Net Income	52	142	118	(63)	(56)	506	197	157
Controlling interest	30	111	99	(73)	(70)	385	150	157

Revenues for the fourth quarter totaled a record U.S. \$2.152 billion, 3% higher than 3Q21 and 55% higher than 4Q20, due to higher average consolidated prices overall and strong consolidated volume. For the full year, Revenues hit another record at U.S. \$7.697 billion, 45% higher than 2020 figures, also due to increased feedstock prices.

Net Income attributable to Controlling Interest for the fourth quarter of 2021 was U.S. \$30 million, compared to U.S. \$111 million in 3Q21, primarily due to U.S. \$70 million in non-cash asset impairments related to the ramp-down of our Caprolactam operations in Mexico and Staple Fibers in Cooper River, USA, one-time costs associated with these, and higher taxes. In 2021 Net Income attributable to Controlling Interest totaled U.S. \$385 million, 157% higher than that of 2020, stemming from higher operating income.

CASH FLOW

(in U.S.\$ million)

	4Q21	3Q21	4Q20	QoQ (%)	YoY (%)	2021	2020	Ch. (%)
EBITDA	269	279	201	(4)	34	1,145	565	103
Net Working Capital & Others	51	(245)	(16)	121	422	(381)	167	(327)
CAPEX	(32)	(32)	(97)	-	67	(227)	(162)	(40)
Financial Expenses	(23)	(26)	(23)	9	(3)	(140)	(99)	(42)
Income Tax	(38)	(3)	(24)	(1,257)	(56)	(117)	(121)	4
Dividends	(104)	(20)	(15)	(431)	(595)	(274)	(178)	(54)
Payment to affiliated companies	-	(2)	-	100	(100)	(3)	-	(634)
Other Sources / Uses	(25)	(27)	22	10	(210)	(43)	(28)	(54)
Decrease (Increase) in Net Debt	98	(76)	49	229	99	(40)	144	(128)

Net Working Capital (NWC) was reduced by U.S. \$51 million partly due to the decrease in raw material prices during the quarter. For the full year, NWC totaled U.S. -\$381 million as raw material prices were higher on average, and inventory levels increased versus 2020.

CAPEX for the quarter totaled U.S. \$32 million, largely in line with the previous quarter. Accumulated CAPEX for the year was U.S. \$227 million, aligned with guidance for the year, and up 40% versus 2020 as Alpek completed the acquisition of CarbonLITE's recycled PET facility earlier this year.

Income Tax during 4Q21 was U.S. \$38 million and higher versus the previous quarter. For the full year, Income Tax was U.S. \$117 million, 4% lower than 2020.

Alpek distributed a **dividend** of U.S. \$104 million in the fourth quarter, representing U.S. \$56 million for shareholders; the remaining amount paid out to minority shareholders. The dividend was approved by the Board of Directors on October 26, 2021, exercising the powers delegated to it in the Annual Shareholders' Meeting earlier in the year. Alpek's dividends for the year totaled U.S. \$274 million, which was a 54% increase over 2020.

NET DEBT & LEVERAGE

(in U.S.\$ million)

	4Q21	3Q21	4Q20	QoQ (%)	YoY (%)
Net Debt	1,225	1,323	1,185	(7)	3
EBITDA (LTM)	1,145	1,077	565	6	103
Net Debt / EBITDA (LTM)	1.1	1.2	2.1		

Consolidated Net Debt as of December 31, 2021, was U.S. \$1.225 billion, down 7% and up 3% QoQ and YoY, respectively. Net Debt decreased by U.S. \$98 million during 4Q21. Gross Debt was U.S. \$1.738 billion, and Cash increased to U.S. \$513 million. Financial ratios for the quarter improved as Net Debt to EBITDA was further reduced to 1.1x and Interest Coverage to 8.7x, with Leverage decreasing due to higher LTM EBITDA.

RESULTS BY BUSINESS SEGMENT: POLYESTER

(Purified Terephthalic Acid (PTA), Polyethylene Terephthalate (PET), rPET, Polyester fibers – 63% of Alpek's Net Sales)

QUARTERLY HIGHLIGHTS

- Polyester volume of 931,000 tons (+1% QoQ) as the effects of the drought in Altamira were solved
- Average Integrated Asian PET margins of U.S. \$431 per ton (+36% QoQ) in 4Q21 and U.S. \$359 per ton in 2021
- Record 4Q Polyester Comparable EBITDA of U.S. \$160 million (+49% QoQ) from higher margins and steady volume
- Accumulated Polyester Comparable EBITDA of U.S. \$458 million (+23%) from record-setting reference margins
- Polyester Reported EBITDA of U.S. \$162 million (+17% QoQ), with an inventory gain (U.S. \$7 million) and a positive carry-forward effect (U.S. \$4 million)
- Accumulated Reported EBITDA of U.S. \$618 million (+90% YoY) from a positive inventory gain (U.S. \$90 million) and a carry-forward effect (U.S. \$77 million) versus negative figures in 2020

KEY METRICS - POLYESTER (in U.S.\$ million, except volume and production)	4Q21	3Q21	4Q20	QoQ (%)	YoY (%)	2021	2020	Ch. (%)
Volume (ktons)	931	924	992	1	(6)	3,796	3,918	(3)
Production (ktons)	1,380	1,285	1,343	7	3	5,251	5,339	(2)
Revenues	1,347	1,228	967	10	39	4,828	3,976	21
Reported EBITDA	162	138	124	17	30	618	324	90
Inventories	(7)	(18)	(1)	60	(613)	(90)	46	(293)
Carry-forward effect	(4)	(11)	(9)	68	59	(77)	44	(276)
Others	9	(1)	(33)	828	126	7	(43)	116
Comparable EBITDA	160	107	81	49	96	458	372	23

Polyester Volume was 931,000 tons in 4Q21, 1% higher quarter-on-quarter as the impact of the drought in Altamira was resolved and planned maintenance was performed at some sites. Total volume for the year was 3,796,000 tons, 3% lower than 2020 due of weather-related impacts throughout the year.

Polyester Comparable EBITDA reached a record high for a fourth quarter of U.S. \$160 million, 49% higher QoQ. This was due to a sharp increase in Asian integrated Polyester reference margins which averaged U.S. \$431 dollars per ton, after reaching peaks above U.S. \$500 dollars per ton during the quarter. Annual Comparable EBITDA totaled U.S. \$458 million, 23% higher than 2020, also due to strong integrated PET margins through the year.

As a result of a 9% increase in the average Brent Crude oil price, average U.S. reference paraxylene ("Px") prices also rose by 1% QoQ. This resulted in a non-cash **inventory gain** of U.S. \$7 million and a **positive carry-forward effect** of U.S. \$4 million in 4Q21. For the full year, inventory gains totaled U.S. \$90 million with a positive carry-forward effect of U.S. \$77 million.

Polyester Reported EBITDA was U.S. \$162 million for the quarter, up 17% versus 3Q21, as the positive inventory and carry-forward effects offset footprint optimization-related costs. Full year Reported EBITDA of U.S. \$618 million was 90% higher than last year, due to stronger results and a positive difference of U.S. \$257 million in inventory adjustments and carry-forward effects.

RESULTS BY BUSINESS SEGMENT: PLASTICS & CHEMICALS (P&C)

(Polypropylene (PP), Expandable Polystyrene (EPS), Caprolactam (CPL), Other products – 30% of Alpek's Net Sales)

QUARTERLY HIGHLIGHTS

- P&C Volume of 240,000 tons in 4Q21 (-11% QoQ) amid planned maintenance for EPS sites in the U.S.
- Record Accumulated P&C Volume of 1.0 million tons in 2021 (+13% YoY) as demand for PP and EPS rose significantly
- Polypropylene margins declined to U.S. \$0.47 per pound (-9% QoQ), yet still at historically high levels
- Record P&C Comparable EBITDA of U.S. \$138 million (+11% QoQ) as increased EPS margins offset decline in PP
- Record Accumulated Comparable EBITDA of U.S. \$480 million (+120% YoY) from record PP and EPS margins
- P&C Reported EBITDA of U.S. \$105 million (-25% QoQ), from inventory loss (U.S. -\$19 million) and a positive carry-forward effect (U.S. \$2 million) and record Accumulated P&C Reported EBITDA of U.S. \$503 million (+119% YoY)

KEY METRICS – P&C (in U.S.\$ million, except volume and production)	4Q21	3Q21	4Q20	QoQ (%)	YoY (%)	2021	2020	Ch. (%)
Volume (ktons)	240	271	256	(11)	(6)	1,002	883	13
Production (ktons)	275	281	269	(2)	2	1,115	1,051	6
Revenues	579	682	374	(15)	55	2,342	1,192	97
Reported EBITDA	105	138	73	(25)	43	503	229	119
Inventories	19	(4)	(8)	584	345	(2)	(12)	83
Carry-forward effect	(2)	(10)	-	80	(100)	(37)	-	(100)
Others	18	-	-	100	100	16	-	100
Comparable EBITDA	138	124	66	11	109	480	218	120

P&C Volume was 240,000 tons, down 11% QoQ and 6% YoY, due mainly to scheduled maintenance at one of our EPS sites in the USA and usual seasonality effects. Record annual volumes were reported due to the successful ramp-up of Alpek's recently acquired EPS facilities.

P&C Comparable EBITDA set a new quarterly record of U.S. \$138 million, up 11% and 109% when compared to 3Q21 and 4Q20, respectively, mainly due to a continuation of high EPS and PP margins from strong demand, and the aforementioned high marine freight costs and import parity pricing from Asia.

Propylene prices averaged U.S. \$0.66 per pound, still at high levels, yet down 20% versus 3Q21, resulting in a non-cash **inventory loss** of U.S. \$19 million and positive **carry-forward effect** of U.S. \$2 million.

P&C Reported EBITDA was U.S. \$105 million during the quarter, down 25% QoQ and up 43% YoY, due mostly from the costs arising from the quarter's footprint optimization. On an annual basis, Reported EBITDA totaled U.S. \$503 million, 119% higher than 2020.

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, and other specialty and industrial chemicals). Alpek is a leading producer of PTA and PET worldwide, a leading rPET producer in the Americas, the third-largest expandable polystyrene manufacturer worldwide, and the only producer of polypropylene 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.

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APPENDIX A – ADDITIONAL FINANCIAL INFORMATION

TABLE 1 PRICE CHANGES (%)	QoQ (%)	YoY (%)	Ch. (%)
Polyester			
Avg. Ps. Prices	13	49	19
Avg. U.S. \$ Prices	9	48	25
Plastics & Chemicals			
Avg. Ps. Prices	(1)	66	65
Avg. U.S. \$ Prices	(4)	65	73
Total			
Avg. Ps. Prices	9	66	37
Avg. U.S. \$ Prices	5	65	45

TABLE 2 REVENUES	4Q21	3Q21	4Q20	QoQ (%)	YoY (%)	2021	2020	Ch. (%)
Total Revenues								
Ps. Million	44,664	41,652	28,709	7	56	156,224	113,989	37
U.S. \$ Million	2,152	2,082	1,392	3	55	7,697	5,326	45
Domestic Revenues								
Ps. Million	16,680	16,474	9,166	1	82	58,101	33,241	75
U.S. \$ Million	804	823	445	(2)	81	2,863	1,557	84
Foreign Revenues								
Ps. Million	27,984	25,178	19,543	11	43	98,123	80,748	22
U.S. \$ Million	1,348	1,258	947	7	42	4,834	3,769	28
Foreign / Total (%)	63	60	68			63	71	

TABLE 3 OP. INCOME AND EBITDA	4Q21	3Q21	4Q20	QoQ (%)	YoY (%)	2021	2020	Ch. (%)
Operating Income								
Ps. Million	2,990	4,522	3,124	(34)	(4)	17,494	7,493	133
U.S. \$ Million	144	226	152	(36)	(5)	864	355	143
EBITDA								
Ps. Million	5,578	5,581	4,131	-	35	23,234	11,993	94
U.S. \$ Million	269	279	201	(4)	34	1,145	565	103

TABLE 4 COMPARABLE EBITDA	4Q21	3Q21	4Q20	QoQ (%)	YoY (%)	2021	2020	Ch. (%)
EBITDA								
P.s. Million	5,578	5,581	4,131	-	35	23,234	11,993	94
U.S. \$ Million	269	279	201	(4)	34	1,145	565	103
Adjustments*								
P.s. Million	650	(905)	(969)	172	167	(3,674)	1,015	(462)
U.S. \$ Million	31	(45)	(50)	169	162	(183)	36	(603)
Comparable EBITDA								
P.s. Million	6,227	4,677	3,161	33	97	19,560	13,008	50
U.S. \$ Million	300	234	151	28	99	962	601	60

*Inventory adjustments, carry-forward effects, and non-operating, one-time (gains) losses

TABLE 5 IFRS 16 EFFECT (in U.S.\$ million)	4Q21	3Q21	4Q20	QoQ (%)	YoY (%)	2021	2020	Ch. (%)
Income Statement								
Amortization	12	12	11	3	10	47	46	4
Financial Expense	3	2	2	46	34	9	9	(3)
Net Debt	31	24	8	32	275	69	19	255
Balance Sheet								
Assets - Right of use	173	152	150	14	15			
Liabilities								
Short-term lease	36	36	35	-	1			
Long-term lease	140	120	116	16	21			

TABLE 6 FINANCIAL COST, NET (in U.S.\$ million)	4Q21	3Q21	4Q20	QoQ (%)	YoY (%)	2021	2020	Ch. (%)
Financial Expenses	(25)	(30)	(26)	14	3	(151)	(116)	(30)
Financial Income	15	5	2	193	891	29	24	17
Net Financial Expenses	(11)	(25)	(25)	57	57	(122)	(92)	(33)
Fx Gains (Losses)	(14)	(12)	26	(8)	(152)	(32)	(7)	(376)
Financial Cost, Net	(24)	(37)	1	35	(1,824)	(154)	(98)	(57)

TABLE 7 NET INCOME (in U.S.\$ million, except as noted)	4Q21	3Q21	4Q20	QoQ (%)	YoY (%)	2021	2020	Ch. (%)
Consolidated Net Income	52	142	118	(63)	(56)	506	197	157
Non-Controlling Interest	22	31	20	(29)	14	121	47	159
Controlling Interest	30	111	99	(73)	(70)	385	150	157
Earnings per Share (U.S. \$)	0.01	0.05	0.05	(73)	(70)	0.18	0.07	157
Avg. Outstanding Shares (million)*	2,110	2,111	2,112			2,111	2,113	

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

TABLE 8 STATEMENT OF FINANCIAL POSITION & FINANCIAL RATIOS (in U.S.\$ million)	4Q21	3Q21	4Q20	QoQ (%)	YoY (%)
Assets					
Cash and cash equivalents	513	390	509	31	1
Trade accounts receivable	927	1,004	565	(8)	64
Inventories	1,249	1,227	875	2	43
Other current assets	313	362	335	(13)	(6)
Total current assets	3,001	2,982	2,283	1	31
Investment in associates and others	442	440	433	-	2
Property, plant and equipment, net	1,914	1,993	1,934	(4)	(1)
Goodwill and intangible assets, net	163	171	182	(5)	(11)
Other non-current assets	501	499	499	-	-
Total assets	6,022	6,086	5,331	(1)	13
Liabilities and stockholders' equity					
Debt	129	30	23	326	466
Suppliers	1,243	1,205	811	3	53
Other current liabilities	360	317	237	14	53
Total current liabilities	1,733	1,553	1,070	12	62
Debt (include debt issuance costs)	1,425	1,518	1,514	(6)	(6)
Employees' benefits	50	70	66	(29)	(24)
Other long-term benefits	405	411	400	(2)	1
Total liabilities	3,613	3,553	3,050	2	18
Total stockholders' equity	2,409	2,533	2,281	(5)	6
Total liabilities and stockholders' equity	6,022	6,086	5,331	(1)	13
Net Debt	1,225	1,323	1,185	(7)	3
Net Debt / EBITDA*	1.1	1.2	2.1		
Interest Coverage*	8.7	8.0	6.0		

* Period: last 12 months

POLYESTER

TABLE 9 REVENUES	4Q21	3Q21	4Q20	QoQ (%)	YoY (%)	2021	2020	Ch. (%)
Total Revenues								
Ps. Million	27,963	24,574	19,949	14	40	98,000	85,280	15
U.S. \$ Million	1,347	1,228	967	10	39	4,828	3,976	21
Domestic Revenues								
Ps. Million	5,942	5,841	4,063	2	46	21,576	15,789	37
U.S. \$ Million	286	292	197	(2)	45	1,064	738	44
Foreign Revenues								
Ps. Million	22,021	18,733	15,886	18	39	76,424	69,491	10
U.S. \$ Million	1,061	936	769	13	38	3,764	3,238	16
Foreign / Total (%)	79	76	80			78	81	

TABLE 10 OP. INCOME AND EBITDA	4Q21	3Q21	4Q20	QoQ (%)	YoY (%)	2021	2020	Ch. (%)
Operating Income								
Ps. Million	1,953	1,970	1,813	(1)	8	8,801	3,401	159
U.S. \$ Million	94	98	89	(5)	5	433	165	163
EBITDA								
Ps. Million	3,362	2,761	2,542	22	32	12,560	6,842	84
U.S. \$ Million	162	138	124	17	30	618	324	90

TABLE 11 COMPARABLE EBITDA	4Q21	3Q21	4Q20	QoQ (%)	YoY (%)	2021	2020	Ch. (%)
EBITDA								
Ps. Million	3,362	2,761	2,542	22	32	12,560	6,842	84
U.S. \$ Million	162	138	124	17	30	618	324	90
Adjustments*								
Ps. Million	(45)	(620)	(825)	93	95	(3,239)	1,257	(358)
U.S. \$ Million	(2)	(31)	(43)	93	95	(160)	48	(436)
Comparable EBITDA								
Ps. Million	3,316	2,141	1,717	55	93	9,322	8,100	15
U.S. \$ Million	160	107	81	49	96	458	372	23

*Inventory adjustments, carry-forward effects, and non-operating, one-time (gains) losses

PLASTICS & CHEMICALS

TABLE 12 REVENUES	4Q21	3Q21	4Q20	QoQ (%)	YoY (%)	2021	2020	Ch. (%)
Total Revenues								
Ps. Million	12,005	13,656	7,687	(12)	56	47,470	25,349	87
U.S. \$ Million	579	682	374	(15)	55	2,342	1,192	97
Domestic Revenues								
Ps. Million	6,093	7,231	4,081	(16)	49	25,916	14,277	82
U.S. \$ Million	294	361	198	(19)	48	1,279	670	91
Foreign Revenues								
Ps. Million	5,913	6,424	3,606	(8)	64	21,554	11,072	95
U.S. \$ Million	285	321	176	(11)	62	1,063	522	104
Foreign / Total (%)	49	47	47			45	44	

TABLE 13 OP. INCOME AND EBITDA	4Q21	3Q21	4Q20	QoQ (%)	YoY (%)	2021	2020	Ch. (%)
Operating Income								
Ps. Million	988	2,501	1,232	(60)	(20)	8,192	3,860	112
U.S. \$ Million	48	125	60	(61)	(19)	406	180	126
EBITDA								
Ps. Million	2,166	2,771	1,509	(22)	43	10,173	4,920	107
U.S. \$ Million	105	138	73	(25)	43	503	229	119

TABLE 14 COMPARABLE EBITDA	4Q21	3Q21	4Q20	QoQ (%)	YoY (%)	2021	2020	Ch. (%)
EBITDA								
Ps. Million	2,166	2,771	1,509	(22)	43	10,173	4,920	107
U.S. \$ Million	105	138	73	(25)	43	503	229	119
Adjustments*								
Ps. Million	695	(284)	(144)	344	583	(436)	(242)	(68)
U.S. \$ Million	33	(14)	(7)	346	564	(23)	(11)	(91)
Comparable EBITDA								
Ps. Million	2,861	2,487	1,365	15	109	9,737	4,678	108
U.S. \$ Million	138	124	66	11	109	480	218	120

*Inventory adjustments, carry-forward effects, 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-21	Sep-21	Dec-20	QoQ (%)	YoY (%)
(in millions of Mexican pesos)					
ASSETS					
CURRENT ASSETS:					
Cash and cash equivalents	10,541	7,865	10,144	34	4
Restricted cash	13	53	12	(75)	8
Trade accounts receivable	19,075	20,384	11,271	(6)	69
Other accounts and notes receivable	4,805	4,940	5,190	(3)	(7)
Inventories	25,705	24,911	17,447	3	47
Other current assets	1,641	2,409	1,485	(32)	11
Total current assets	61,780	60,562	45,549	2	36
NON-CURRENT ASSETS:					
Investment in associates and others	9,093	8,938	8,634	2	5
Property, plant and equipment, net	39,405	40,475	38,579	(3)	2
Goodwill and intangible assets	3,348	3,463	3,637	(3)	(8)
Other non-current assets	10,319	10,143	9,954	2	4
Total assets	123,945	123,581	106,353		
LIABILITIES AND STOCKHOLDERS' EQUITY					
CURRENT LIABILITIES:					
Debt	2,660	616	456	332	483
Suppliers	25,595	24,478	16,173	5	58
Other current liabilities	7,415	6,434	4,723	15	57
Total current liabilities	35,670	31,528	21,352	13	67
NON-CURRENT LIABILITIES:					
Debt (includes debt issuance cost)	29,333	30,833	30,196	(5)	(3)
Deferred income taxes	4,124	4,506	4,092	(8)	1
Other non-current liabilities	4,203	3,842	3,885	9	8
Employee benefits	1,029	1,428	1,316	(28)	(22)
Total liabilities	74,359	72,137	60,841	3	22
STOCKHOLDERS' EQUITY:					
Controlling interest:					
Capital stock	6,028	6,031	6,035	-	-
Share premium	8,976	8,996	9,025	-	(1)
Contributed capital	15,004	15,027	15,060	-	-
Earned surplus	28,712	30,091	25,326	(5)	13
Total controlling interest	43,716	45,118	40,386	(3)	8
Non-controlling interest	5,870	6,326	5,126	(7)	15
Total stockholders' equity	49,586	51,444	45,512	(4)	9
Total liabilities and stockholders' equity	123,945	123,581	106,353	-	17

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

	4Q21	3Q21	4Q20	QoQ (%)	YoY (%)	2021	2020	Ch. (%)
(in millions of Mexican pesos)								
Revenues	44,664	41,652	28,709	7	56	156,224	113,989	37
Domestic	16,680	16,474	9,166	1	82	58,101	33,241	75
Export	27,984	25,178	19,543	11	43	98,123	80,748	22
Cost of sales	(38,470)	(35,644)	(24,928)	(8)	(54)	(131,537)	(102,283)	(29)
Gross profit	6,194	6,008	3,781	3	64	24,687	11,706	111
Operating expenses and others	(3,204)	(1,486)	(657)	(116)	(388)	(7,193)	(4,213)	(71)
Operating income	2,990	4,522	3,124	(34)	(4)	17,494	7,493	133
Financial result, net	(496)	(744)	39	33	(1,372)	(3,144)	(2,085)	(51)
Equity in income of associates and joint ventures	(19)	(12)	(43)	(58)	56	(39)	(85)	54
Income before taxes	2,475	3,766	3,120	(34)	(21)	14,311	5,323	169
Income taxes	(1,407)	(917)	(693)	(53)	(103)	(4,115)	(1,202)	(242)
Consolidated net income	1,068	2,849	2,427	(63)	(56)	10,196	4,121	147
Income attributable to Controlling interest	601	2,219	2,020	(73)	(70)	7,756	3,123	148
Income attributable to Non-controlling interest	467	630	407	(26)	15	2,440	998	144

EARNINGS REPORT

Fourth Quarter 2021 (4Q21)



Monterrey, Mexico, February 15, 2022. - 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 2021 ("4Q21").

Axtel reports 4Q21 EBITDA of US \$40 million (Ps. 824 million)

SELECTED FINANCIAL INFORMATION

(IN MILLIONS)

	4Q21	3Q21	4Q20	(% 4Q21 vs.)		YTD'21	YTD'20	YTD
				3Q21	4Q20			Δ (%)
Revenues (Ps.)	2,812	2,759	3,077	2	(9)	11,389	12,356	(8)
US \$	136	138	150	(2)	(9)	562	578	(3)
EBITDA (Ps.) ¹	824	912	1,052	(10)	(22)	3,793	6,327	(40)
US \$	40	46	51	(13)	(22)	187	308	(39)
Net Income (loss) (Ps.)	(553)	(302)	(207)	(83)	(167)	(797)	361	--
US \$	(27)	(15)	(11)	(77)	(144)	(39)	29	--
CAPEX (Ps.) ²	424	486	657	(13)	(35)	1,533	2,144	(29)
US \$	20	24	32	(16)	(37)	76	103	(27)
Net Debt (US \$)	574	613	602	(6)	(5)			
Net Debt / LTM EBITDA*	3.1	3.1	2.0					
LTM Interest Coverage*	3.3	3.6	5.1					

* 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.

4Q21 | 2021 HIGHLIGHTS

CASH FLOW

- In 2021, Axtel generated a solid cash flow (before taxes) of US \$53 million, as a result of strong collection and lower Capex, compensating for a lower EBITDA.
- As a result of cash flow generation, net debt decreased 5% in the year, from US \$602 to \$574 million, and the net leverage ratio remained at 3.1x.

STRATEGIC PROJECTS

- Interest in attracting investors for Axtel or the Infrastructure Unit remains; seeking to create value for all stakeholders.
- At the same time, with the aim of increasing its market share, this year the Company launched a project to redesign the commercial model for five business lines in high-growth services, including cybersecurity and cloud, among others.

ESG

- Axtel obtained a score of 52/100 in the *S&P Global Corporate Sustainability Assessment*, reflecting an improvement of 93% compared to the previous year; reaching the 71st percentile in the global Telecommunications industry. (Score date: Dec. 20, 2021).

MESSAGE FROM AXTEL'S CEO

“Results in 2021 reflected a stable performance for Axtel Networks, our infrastructure business unit, and mixed results for Alestra, our services business unit, where the strong performance in digital transformation services, such as cloud and cybersecurity, did not compensate the decline in voice revenues from enterprise customers, particularly corporate clients, and a still challenging government segment. The adoption of digital transformation services is a key element in the technological evolution and productivity of our clients. Likewise, the acquisition of enterprise segment projects increased 21% in the year, however, not mirroring new revenues due to extended implementation periods caused by the global semiconductor shortage.

The digitalization and automation of processes in Axtel contributed to a 7% decline in expenses in the year and, combined with low Capex and positive collections, resulted in a net debt reduction of \$28 million dollars, or 5%, during the year. Axtel’s debt has been consistently decreasing in the last 5 years, accumulating a 41% reduction in our net debt from 2016 to 2021.

With the objective of increasing market share, this year, we are redefining the commercial model for enterprise customers to an expert-based or highly specialized standard in five business lines, which was successfully pilot tested for the cybersecurity family last year.

The strategic process to attract investors for Axtel or the Infrastructure Unit will continue in 2022, along with a diligent approach in the execution of our business initiatives and the implementation of projects that help us evolve with industry trends and customers’ needs.

In 2022, we have positive prospects for the enterprise segment in Alestra, which will be driven by digital transformation and mobility services, supported by our highly specialized commercial model. For Axtel Networks, the expected investments in next-generation mobile networks and the construction of new data centers present attractive opportunities for fiber-to-the-tower and fiber-to-the-data center services.”

Eduardo Escalante

REVENUES – Business Units

	4Q21	3Q21	4Q20	(% 4Q21 vs.)		YTD'21	YTD'20	YTD Δ (%)
				3Q21	4Q20			
SERVICES (Ps.)	2,220	2,179	2,473	2	(10)	8,828	9,824	(10)
US \$	107	109	120	(2)	(11)	435	461	(6)
Enterprise (Ps.)	1,853	1,875	1,935	(1)	(4)	7,492	7,834	(4)
US \$	89	94	94	(5)	(5)	370	367	1
Government (Ps.)	366	304	538	21	(32)	1,336	1,990	(33)
US \$	18	15	26	16	(33)	66	94	(30)
INFRASTRUCTURE (Ps.)	1,206	1,194	1,218	1	(1)	5,017	4,983	1
US \$	58	60	59	(3)	(2)	247	232	7
ELIMINATIONS (Ps.) *	(614)	(614)	(614)	0	0	(2,455)	(2,451)	(0)
US \$	(30)	(31)	(30)	4	1	(121)	(115)	(6)
TOTAL REVENUES (Ps.)	2,812	2,759	3,077	2	(9)	11,389	12,356	(8)
US \$	136	138	150	(2)	(9)	562	578	(3)

* For consolidation purposes, revenues of Infrastructure Unit coming from Services Unit are presented as “eliminations”.

Total revenues were US \$136 million in 4Q21, down 9% when compared to 4Q20. In pesos, revenues decreased 9%, due to 10% and 1% declines in Alestra and Axtel Networks’ revenues, respectively. Full-year (“FY”) 2021 revenues totaled Ps. 11,389 million, an 8% decline mainly due to a decline in Alestra’s revenues.

INFRASTRUCTURE BUSINESS UNIT (“AXTEL NETWORKS”)

Revenues reached US \$58 million in 4Q21; down 2% compared to 4Q20. In pesos, revenues decreased 1%, as revenues coming from third-party wholesale customers declined 2%.

FY2021 revenues totaled Ps. 5,017 million, 1% higher than 2020 due to a 1% increase in third party revenues, mainly driven by a strong performance of dark fiber contracts to mobile and wholesale customers. Revenues coming from Alestra remained flat and represented 49% of total Infrastructure Unit’s revenues.

SERVICES BUSINESS UNIT (“ALESTRA”)

Revenues totaled US \$107 million in 4Q21, down 11% compared to 4Q20. In pesos, revenues declined 10%, due to 4% and 32% declines in Enterprise and Government segment revenues, respectively. FY2021 revenues also declined 10%, due to 4% and 33% declines in Enterprise and Government revenues, respectively.

ENTERPRISE SEGMENT (85% of Services Unit FY2021 revenues)

Enterprise segment revenues totaled US \$89 million in 4Q21. In pesos, revenues were 4% lower than 4Q20, due to 7% and 8% decreases in *standard* and *value added* services, respectively, partially mitigated by an 8% increase in *digital transformation* services. FY2021 revenues declined 4%. (Table 1).

STANDARD SERVICES revenues reached Ps. 1,207 million in 4Q21, down 7% year-over-year, mainly due to a 21% decrease in *voice* revenues, due to its maturing technological cycle and adoption of collaboration solutions; as well as a 3% decline in *data, internet, VPN & ethernet* solutions due to a lower volume of services with corporate customers, many of whom have downsized their operations. FY2021 revenues declined 7%, mainly due to a 23% decrease in *voice*.

VALUE-ADDED SERVICES revenues reached Ps. 261 million in 4Q21, down 8% when compared to 4Q20, mainly due to a 13% decrease in *system integration* as a result of an extraordinary equipment sale in 4Q20. FY2021 revenues decreased 9%.

DIGITAL TRANSFORMATION revenues reached Ps. 385 million in 4Q21, up 8% compared to 4Q20, mainly due to a 21% combined increase in *cloud and cybersecurity* solutions. FY2021 revenues increased 11%, driven by growth in all business lines.

REVENUES – Business Units

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

GOVERNMENT SEGMENT (15% of Services Unit FY2021 revenues)

Government segment revenues amounted US \$18 million in 4Q21. In pesos, revenues declined 32% compared to 4Q20, while FY2021 revenues declined 33% (Table 2). This results are due to the termination of contracts, a decline in acquisitions and fewer non-recurring revenues, mainly with federal entities. The Company maintains its effort to seek value-added opportunities with the federal government and further diversify into projects with state and local governments.

STANDARD SERVICES revenues reached Ps. 158 million in 4Q21, 28% lower than 4Q20, mainly due to a decrease in *VPN & ethernet* solutions.

VALUE-ADDED SERVICES revenues reached Ps. 116 million in 4Q21, down 26% when compared to 4Q20, mostly due to a decline in *system integration* solutions.

DIGITAL TRANSFORMATION revenues reached Ps. 93 million in 4Q21, a 43% decline compared to 4Q20, mainly due to a decrease in *managed applications*.

GROSS PROFIT

Gross profit is defined as revenues minus cost of revenues. For 4Q21, gross profit was US \$95 million. In pesos, gross profit totaled Ps. 1,965 million, down 11% compared to 4Q20. FY2021 gross profit declined 7%, in line with revenues and represented 72% of revenues, similar to 2020.

SERVICES UNIT (ALESTRA) gross profit amounted Ps. 859 million, a 22% decrease compared to the year-earlier quarter, mainly due to declines in revenues previously described and lower *value-added* and *digital transformation* margins for the enterprise segment; as well as lower revenues and margins in the government segment.

INFRASTRUCTURE UNIT (AXTEL NETWORKS) gross profit amounted to Ps. 1,107 million, down 1% compared to the year-earlier quarter, in line with the decline in revenues.

OPERATING EXPENSES AND OTHER INCOME (EXPENSES)

Operating expenses reached US \$53 million in 4Q21; in pesos, operating expenses decreased 8%. FY2021 expenses declined 7%, due to a 15% decrease in Services Unit operating expenses.

SERVICES UNIT (ALESTRA) operating expenses decreased 19% compared to 4Q20, mainly as a result of declines in personnel and lower debt provision charge.

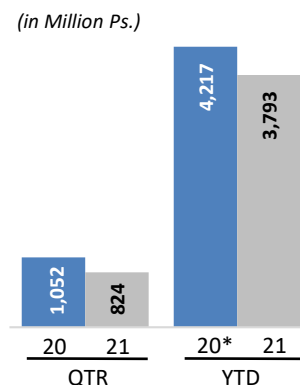
INFRASTRUCTURE UNIT (AXTEL NETWORKS) operating expenses increased 4% compared to 4Q20, mainly explained by a one-time benefit in tower rents in 4Q20..

Other expenses reached Ps. 43 million during 4Q21 mostly related to organization efficiencies, compared to other income of Ps. 25 million in 4Q20.

EBITDA

EBITDA totaled US \$40 million in 4Q21. In pesos, EBITDA reached Ps. 824 million, compared to Ps. 1,052 million in 4Q20, a 22% decline. FY2021 EBITDA reached Ps. 3,793 million, 10% lower than 2020 Comparable EBITDA. (Table 4).

EBITDA margin decreased from 34.2% in 4Q20 to 29.3% in 4Q21 as efficiencies in operating expenses did not compensate the decline in gross profit margins, as well as Ps. 43 million in other expenses.

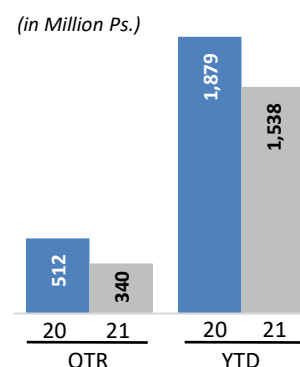


* Adjusted for data center divestment (1Q20) and spectrum (2Q20) transactions.

SERVICES UNIT (ALESTRA)

(41% of Axtel's 2021 EBITDA)

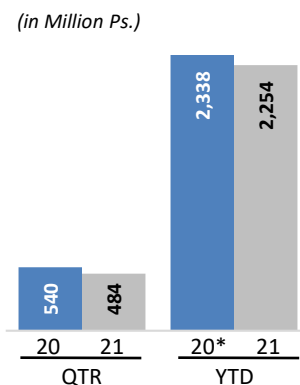
Services Business Unit EBITDA amounted to US \$16 million in 4Q21. In pesos, 4Q21 and FY2021 EBITDA declined 34% and 18%, respectively, due to the drop in gross profit, partially mitigated by the reduction in operating expenses.



INFRASTRUCTURE UNIT (AXTEL NETWORKS)

(59% of Axtel's 2021 EBITDA)

Infrastructure Unit EBITDA reached US \$23 million in 4Q21. In pesos, EBITDA reached Ps. 484 million, down 10% compared to 4Q20, while FY2021 EBITDA declined 4%, explained by the higher operating and other expenses.

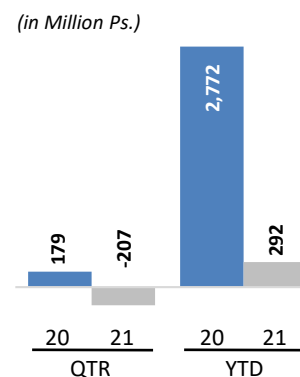


* Adjusted for data center divestment (1Q20) and spectrum (2Q20) transactions.

OPERATING INCOME (LOSS)

4Q21 registered an operating loss of US \$10 million. In pesos, the operating loss totaled in Ps. 207 million, compared to an operating income of Ps. 179 million in 4Q20; explained by a lower EBITDA and the recognition of an impairment of Ps. 290 million in minority-participation investments during the quarter.

FY2021 operating income totaled Ps. 292 million; 2020 figure of Ps. 2,772 million includes the data centers transaction benefit of Ps. 2,021 million and the spectrum transaction benefit of Ps. 90 million.



COMPREHENSIVE FINANCING RESULT

The comprehensive financing cost reached US \$18 million in 4Q21 or Ps. 378 million, compared to a comprehensive financing positive result of Ps. 855 million in 4Q20; mostly explained by a Ps. 117 million FX loss during 4Q21 resulting from a depreciation of the Mexican peso against the US dollar compared to a Ps. 1,125 million FX gain in 4Q20. Net interest expenses decreased 4% from 4Q20 to 4Q21, due to a lower level of total debt.

FY2021 comprehensive financial cost of Ps. 1,441 million was 11% lower than Ps. 1,619 million cost in 2020, mostly due to a 13% decline in interest expense.

NET DEBT

As of December 31, 2021, net debt was US \$574 million, a decrease of 5% or US \$28 million in comparison with year-end 2020; comprised of a US \$113 million decrease in debt, a US \$6 million non-cash decrease in debt caused by a 3% depreciation of the Mexican peso year-over-year and a US \$91 million decrease in cash.

Total debt reduction of US \$113 million year-over-year is explained by i) a US \$60 million decrease related to the partial redemption of the 2024 Senior Notes in March 2021; ii) a US \$36 million decrease in bank loans, including the US \$20 million reduction in the drawn down amount under a committed line facility in September 2021; iii) a US \$13 million decrease in other loans and financial leases; and iv) a US \$4 million decrease due to the amortization of the long-term facility.

As of 4Q21, cash balance totaled US \$78 million (Ps. 1,614 million). Cash in 4Q20 totaled US \$170 million (Ps. 3,386 million), which included US \$13 million of restricted cash and approximately US \$57 million of remaining proceeds from the data centers transaction, which were used in 2021 to partially repay the 2024 Notes.

Financial ratios for year-end 2021 were: Net Debt to EBITDA of 3.1 times and Interest Coverage of 3.3 times. (Table 6).

CAPITAL EXPENDITURES (CAPEX)

Capital investments totaled US \$20 million in 4Q21, compared to US \$32 million in 4Q20. FY2021 Capex totaled US \$76 million (65% for Axtel Networks and 35% for Alestra); a US \$27 million decline compared to US \$103 million in 2020.

2020 figure includes an extraordinary investment of US \$22 million related to the renovation of spectrum frequencies and excludes a US \$167 million benefit from the data center divestment.

OTHER INFORMATION

- This 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.
- 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).
- Net 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. 2,880 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 (AxtelCPOs) or its Senior Notes.

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

Alestra's website: alestra.mx

Axtel Networks' website: axtelnetworks.mx

Appendix A – Tables

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

	4Q21	3Q21	4Q20	(%) 4Q21 vs.		YTD'21	YTD'20	YTD Δ (%)
				3Q21	4Q20			
STANDARD SERVICES (Ps.)	1,207	1,231	1,297	(2)	(7)	5,005	5,396	(7)
VALUE ADDED (Ps.)	261	251	283	4	(8)	998	1,096	(9)
DIGITAL TRANSFORMATION (Ps.)	385	393	355	(2)	8	1,488	1,342	11
TOTAL ENTERPRISE (Ps.)	1,853	1,875	1,935	(1)	(4)	7,492	7,834	(4)
<i>US \$</i>	<i>89</i>	<i>94</i>	<i>94</i>	<i>(5)</i>	<i>(5)</i>	<i>370</i>	<i>367</i>	<i>1</i>
<i>Recurrent (Ps.)</i>	1,754	1,761	1,839	(0)	(5)	7,118	7,467	(5)
<i>Non recurrent (Ps.)</i>	99	114	96	(13)	3	374	367	2

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

	4Q21	3Q21	4Q20	(%) 4Q21 vs.		YTD'21	YTD'20	YTD Δ (%)
				3Q21	4Q20			
STANDARD SERVICES (Ps.)	158	150	219	5	(28)	595	961	(38)
VALUE ADDED (Ps.)	116	80	157	44	(26)	419	560	(25)
DIGITAL TRANSFORMATION (Ps.)	93	74	163	27	(43)	322	469	(31)
TOTAL GOVERNMENT (Ps.)	366	304	538	21	(32)	1,336	1,990	(33)
<i>US \$</i>	<i>18</i>	<i>15</i>	<i>26</i>	<i>16</i>	<i>(33)</i>	<i>66</i>	<i>94</i>	<i>(30)</i>
<i>Recurrent (Ps.)</i>	290	249	375	16	(23)	1,106	1,658	(33)
<i>Non recurrent (Ps.)</i>	77	55	163	40	(53)	230	332	(31)

TABLE 3 | INFRASTRUCTURE BUSINESS UNIT (AXTEL NETWORKS) REVENUES
(IN MILLIONS)

	4Q21	3Q21	4Q20	(%) 4Q21 vs.		YTD'21	YTD'20	YTD Δ (%)
				3Q21	4Q20			
TOTAL INFRASTRUCTURE (Ps.)	1,206	1,194	1,218	1	(1)	5,017	4,983	1
<i>US \$</i>	<i>58</i>	<i>60</i>	<i>59</i>	<i>(3)</i>	<i>(2)</i>	<i>247</i>	<i>232</i>	<i>7</i>
ELIMINATIONS (Ps.) *	(614)	(614)	(614)	0	0	(2,455)	(2,451)	(0)
<i>US \$</i>	<i>(30)</i>	<i>(31)</i>	<i>(30)</i>	<i>4</i>	<i>1</i>	<i>(121)</i>	<i>(115)</i>	<i>(6)</i>

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

Appendix A – Tables

TABLE 4 | OPERATING INCOME AND EBITDA
(IN MILLIONS)

	4Q21	3Q21	4Q20	(% 4Q21 vs.)		YTD'21	YTD'20	YTD Δ (%)
				3Q21	4Q20			
Operating Income (Ps.)	(207)	104	179	--	--	292	2,772	(89)
US \$	(10)	5	9	--	--	15	141	(89)
EBITDA (Ps.)	824	912	1,052	(10)	(22)	3,793	6,327	(40)
US \$	40	46	51	(13)	(22)	187	308	(39)
Adjustments* (Ps.)	0	0	0	--	--	0	(2,110)	--
US \$	0	0	0	--	--	0	(111)	--
Comparable EBITDA (Ps.)	824	912	1,052	(10)	(22)	3,793	4,217	(10)
US \$	40	46	51	(13)	(22)	187	197	(5)
Services Unit (Ps.)	340	387	512	(12)	(34)	1,538	1,879	(18)
Infrastructure Unit (Ps.)	484	525	540	(8)	(10)	2,254	2,338	(4)

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

TABLE 5 | COMPREHENSIVE FINANCING RESULT
(IN MILLIONS)

	4Q21	3Q21	4Q20	(% 4Q21 vs.)		YTD'21	YTD'20	YTD Δ (%)
				3Q21	4Q20			
Net interest expense	(260)	(266)	(270)	2	4	(1,164)	(1,339)	13
FX gain (loss), net	(117)	(246)	1,125	52	--	(278)	(385)	28
Ch. FV of Fin. Instruments	0	0	0	--	--	0	106	--
Total (Ps.)	(378)	(512)	855	26	--	(1,441)	(1,619)	11
US \$	(18)	(26)	41	28	--	(71)	(76)	6

TABLE 6 | NET DEBT AND FINANCIAL RATIOS
(US \$ MILLIONS)

	4Q21	3Q21	4Q20	(% 4Q21 vs.)	
				3Q21	4Q20
Senior Notes 2024	440	440	500	0	(12)
Long-term bank loan	153	157	163	(2)	(6)
Short-term bank loans	29	29	65	(0)	(55)
Other loans + leases	25	27	38	(10)	(36)
Accrued interests	5	12	5	(60)	(8)
Total Debt	652	666	771	(2)	(15)
% US \$ denominated debt	73%	71%	72%		
(-) Cash and cash eq.	(78)	(53)	(170)	(47)	54
Net Debt	574	613	602	(6)	(5)
Net Debt / LTM EBITDA*	3.1	3.1	2.0		
LTM Interest Coverage*	3.3	3.6	5.1		

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

Appendix B – SERVICES UNIT (ALESTRA) – New vs. Former Services Families

TABLE 7 | 2020 and 2021 REVENUES (NEW SERVICES FAMILIES)
(IN MILLIONS)

	1Q20	2Q20	3Q20	4Q20	2020	1Q21	2Q21	3Q21	4Q21	2021
SERVICES UNIT (Ps.)	2,552	2,372	2,427	2,473	9,824	2,219	2,210	2,179	2,220	8,828
<i>US \$</i>	129	102	110	120	461	109	110	109	107	435
ENTERPRISE (Ps.)	2,015	1,925	1,959	1,935	7,834	1,880	1,884	1,875	1,853	7,492
STANDARD SERVICES	1,443	1,336	1,320	1,297	5,396	1,315	1,252	1,231	1,207	5,005
VALUE ADDED	253	266	295	283	1,096	222	264	251	261	998
DIGITAL TRANSFORMATION	320	324	343	355	1,342	342	368	393	385	1,488
GOVERNMENT (Ps.)	537	447	468	538	1,990	339	326	304	366	1,336
STANDARD SERVICES	243	257	243	219	961	160	127	150	158	595
VALUE ADDED	194	105	104	157	560	93	130	80	116	419
DIGITAL TRANSFORMATION	100	85	121	163	469	86	69	74	93	322

TABLE 8 | 2020 AND 2021 REVENUES (FORMER SERVICES FAMILIES – as reported in 2020)
(IN MILLIONS)

	1Q20	2Q20	3Q20	4Q20	2020	1Q21	2Q21	3Q21	4Q21	2021
SERVICES UNIT (Ps.)	2,552	2,372	2,427	2,473	9,824	2,219	2,210	2,179	2,220	8,828
<i>US \$</i>	129	102	110	120	461	109	110	109	107	435
ENTERPRISE (Ps.)	2,015	1,925	1,959	1,935	7,834	1,880	1,884	1,875	1,853	7,492
TELECOM	1,710	1,610	1,589	1,570	6,478	1,549	1,527	1,462	1,471	6,009
IT	305	316	370	366	1,356	330	357	413	382	1,483
GOVERNMENT (Ps.)	537	447	468	538	1,990	339	326	304	366	1,336
TELECOM	239	236	226	258	960	187	141	162	197	688
IT	298	211	242	280	1,030	152	185	142	169	648

Appendix C – Financial Statements

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

Unaudited Consolidated Balance Sheet

(IN MILLION PESOS)

	4Q21	3Q21	4Q20	(%) 4Q21 vs.	
				3Q21	4Q20
ASSETS					
CURRENT ASSETS					
Cash and equivalents	1,614	1,083	3,124	49	(48)
Restricted cash	-	-	262	--	--
Accounts receivable	1,695	2,172	1,795	(22)	(6)
Related parties	35	16	8	122	330
Refundable taxes and other acc. rec.	762	957	1,098	(20)	(31)
Advances to suppliers	635	732	714	(13)	(11)
Inventories	85	92	79	(8)	9
Financial Instruments	0	8	-	--	--
Total current assets	4,827	5,060	7,079	(5)	(32)
NON CURRENT ASSETS					
Property, plant and equipment, net	10,133	10,426	11,578	(3)	(12)
Long-term accounts receivable	20	20	-	0	--
Intangible assets, net	1,799	1,789	1,854	1	(3)
Deferred income taxes	2,856	2,858	2,541	(0)	12
Investment shares associated co.	2	292	292	(99)	(99)
Other assets	338	308	361	10	(6)
Total non current assets	15,148	15,694	16,624	(3)	(9)
TOTAL ASSETS	19,974	20,754	23,704	(4)	(16)
LIABILITIES & STOCKHOLDERS' EQUITY					
CURRENT LIABILITIES					
Account payable & Accrued expenses	2,138	2,248	2,376	(5)	(10)
Accrued Interest	100	248	106	(60)	(5)
Short-term debt	-	-	310	--	--
Current portion of long-term debt	416	430	1,488	(3)	(72)
Taxes payable	-	-	376	--	--
Financial Instruments	34	65	154	(48)	(78)
Deferred Revenue	86	96	116	(10)	(26)
Provisions	29	28	18	6	60
Other accounts payable	706	723	1,100	(2)	(36)
Total current liabilities	3,510	3,838	6,044	(9)	(42)
LONG-TERM LIABILITIES					
Long-term debt	12,827	12,755	13,367	1	(4)
Employee Benefits	766	815	743	(6)	3
Derivative Financial Instruments	-	3	53	--	--
Other LT liabilities	1	1	1	(2)	(22)
Total long-term debt	13,595	13,574	14,165	0	(4)
TOTAL LIABILITIES	17,105	17,411	20,209	(2)	(15)
STOCKHOLDERS' EQUITY					
Capital stock	464	464	464	-	-
Reserve for repurchase of shares	190	190	186	0	2
Cumulative earnings (losses)	2,215	2,688	2,845	(18)	(22)
TOTAL STOCKHOLDERS' EQUITY	2,870	3,343	3,495	(14)	(18)
TOTAL LIABILITIES AND EQUITY	19,974	20,754	23,704	(4)	(16)

Appendix C – Financial Statements

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

Unaudited Consolidated Income Statement

(IN MILLION PESOS)

	4Q21	3Q21	4Q20	(% 4Q21 vs.)		YTD'21	YTD'20	YTD Δ (%)
				3Q21	4Q20			
Total Revenues	2,812	2,759	3,077	2	(9)	11,389	12,356	(8)
Cost of sales and services	(847)	(756)	(861)	(12)	2	(3,138)	(3,459)	9
Gross Profit	1,965	2,003	2,216	(2)	(11)	8,251	8,897	(7)
Operating expenses	(1,099)	(1,095)	(1,189)	(0)	8	(4,426)	(4,740)	7
Other income (expenses), net	(43)	3	25	--	--	(32)	2,170	--
Depr., amort. & impairment assets	(1,031)	(808)	(873)	(28)	(18)	(3,500)	(3,555)	2
Operating income	(207)	104	179	--	--	292	2,772	(89)
Comprehensive financing result, net	(378)	(512)	855	26	--	(1,441)	(1,619)	11
Equity in results of associated company	(0)	(0)	-	--	--	(0)	-	--
Income (loss) before income taxes	(585)	(408)	1,035	(43)	--	(1,149)	1,154	--
Income taxes	32	106	(1,242)	(70)	--	352	(793)	--
Net Income (Loss)	(553)	(302)	(207)	(83)	(167)	(797)	361	--