



# EARNINGS REPORT

First Quarter 2022 (1Q22)

**Monterrey, N.L., Mexico, April 25, 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 first quarter of 2022 ("1Q22"). All figures have been prepared in accordance with International Financial Reporting Standards ("IFRS").

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## ALFA reports 1Q22 EBITDA of US \$644 million, record high first quarter

### 1Q22 HIGHLIGHTS

<p><b>ALFA</b></p>	<ul style="list-style-type: none"> <li>▶ 2022 EBITDA Guidance revised up 17% to US \$2.283 billion</li> <li>▶ Record first quarter Revenues of US \$4.191 billion and EBITDA of US \$644 million</li> <li>▶ US \$196 million dividend approved at Annual Shareholders' Meeting and paid in 1Q22</li> </ul>
<p><b>Alpek</b></p>	<ul style="list-style-type: none"> <li>▶ 2022 EBITDA Guidance revised up 32% to US \$1.365 billion</li> <li>▶ Record quarterly EBITDA driven by strong reference margins across core products</li> <li>▶ Signed agreement to acquire Octal for US \$620 million; transaction expected to close in 2Q22</li> </ul>
<p><b>Sigma</b></p>	<ul style="list-style-type: none"> <li>▶ 2022 Guidance maintained, supported by solid performance outside Europe</li> <li>▶ Europe EBITDA impacted by abrupt increases in energy prices and other input costs</li> <li>▶ Formed new Advisory Board comprised of 13 members; 62% independent</li> </ul>
<p><b>Axtel</b></p>	<ul style="list-style-type: none"> <li>▶ 1Q22 results negatively impacted by semiconductor shortage; Gover. segment sales; and lower revenues from large wholesale customer</li> <li>▶ 2022 EBITDA Guidance maintained; subject to potential revision depending on future market developments</li> <li>▶ Initiatives to accelerate strategic agenda include active discussions with interested parties to evaluate potential partnerships</li> </ul>

# Earnings Report

## First Quarter 2022 (1Q22)



### SELECTED FINANCIAL INFORMATION (US \$ MILLION)

	1Q22	4Q21	1Q21	Ch. % vs. 4Q21	Ch. % vs. 1Q21
<b>ALFA Revenues</b>	<b>4,191</b>	<b>4,086</b>	<b>3,388</b>	<b>3</b>	<b>24</b>
Alpek	2,332	2,152	1,614	8	45
Sigma	1,711	1,768	1,613	(3)	6
Axtel	124	136	140	(8)	(11)
<b>ALFA EBITDA<sup>1</sup></b>	<b>644</b>	<b>505</b>	<b>535</b>	<b>27</b>	<b>20</b>
Alpek	456	269	324	70	41
Sigma	161	201	181	(20)	(11)
Axtel	35	40	45	(12)	(22)
<b>ALFA Comparable EBITDA<sup>2</sup></b>	<b>520</b>	<b>534</b>	<b>414</b>	<b>(3)</b>	<b>26</b>
Alpek	333	300	203	11	64
Sigma	161	199	181	(19)	(11)
Axtel	35	40	45	(12)	(22)
<b>Majority Net Income</b>	<b>210</b>	<b>(166)</b>	<b>154</b>	<b>227</b>	<b>37</b>
<b>CAPEX &amp; Acquisitions</b>	<b>92</b>	<b>159</b>	<b>79</b>	<b>(42)</b>	<b>17</b>
<b>ALFA Net Debt</b>	<b>4,906</b>	<b>4,677</b>	<b>4,864</b>	<b>5</b>	<b>1</b>
Alpek	1,310	1,225	1,219	7	7
Sigma	1,795	1,691	1,781	6	1
Axtel	585	574	627	2	(7)
ALFA Net Debt/LTM* EBITDA	2.3	2.3	2.9		
ALFA LTM* Interest Coverage	6.4	5.4	4.3		

\* Times LTM = Last 12 months.

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

2 Excludes extraordinary items.

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## Message from ALFA's President

"We hope you and your families are remaining safe and healthy. 2022 has started off strongly; with double-digit growth in first quarter Revenue and EBITDA that exceeded our expectations.

Consolidated EBITDA of US \$644 million was a record high first quarter for ALFA. The good performance was driven by Alpek which continues to capitalize on high reference margins across its core products of polyester, polypropylene and expandable polystyrene.

Sigma and Axtel faced unexpected headwinds which resulted in lower EBITDA at both companies. Sigma's European operations were negatively impacted by abrupt increases in energy prices and other input costs, as well as lower pork exports to China. In Mexico, Axtel's results were affected by project delays caused by the global semiconductor shortage, lower Government segment sales and lower revenues from a large wholesale customer.

Taking into consideration Alpek's outstanding performance year-to-date and optimistic outlook, ALFA's 2022 EBITDA Guidance increased to US \$2.283 billion from US \$1.949 billion. We fully acknowledge the volatile global macroeconomic and geopolitical environment impacting energy prices, raw material costs and exchange rates, among others. However, certain favorable trends that boosted ALFA's first quarter results are expected to continue and outweigh the foreseeable headwinds.

At the subsidiary level, Alpek increased its 2022 EBITDA Guidance 32% to US \$1.365 billion driven primarily by higher reference margins for its core products. Sigma's Guidance remains unchanged supported by better-than-expected performance in regions outside of Europe. Axtel also maintained its 2022 Guidance but is subject to potential revision depending on future market developments.

We remain fully committed to taking actions that address ALFA's conglomerate discount through consistent progress of our Unlocking Value plan, focused on three key implementation directives:

- 1. Reducing leverage** is an important precondition to achieve the independence of ALFA's subsidiaries. Strong performance over the past two years has driven significant improvement in financial ratios. This trend continued in 1Q22 with consolidated Net Debt to EBITDA of 2.3 times, a 64-basis point improvement year-over-year. Reflecting its strong financial performance, Alpek's Net Debt to EBITDA reached 1.0 times at the close of the first quarter.

Deleveraging may also be complemented through strategic alternatives. Even though this front has not resulted in a transaction, we continue seeking options in our Shareholders' best interest.

- 2. Strengthen the businesses** via growth and profit-enhancing initiatives is important to continue boosting their underlying value while ALFA's transformation process is completed. **Alpek** announced the acquisition of Octal, a major global producer of PET sheet. As described recently, this is a transformational investment that forward integrates Alpek into an adjacent, high-value business and accelerates the Company's progress towards its ESG goals, among other benefits. Importantly, Alpek has the financial strength to fund the acquisition and continue distributing cash to shareholders. **Sigma** launched the third edition of Tastech by Sigma® to extend its collaboration with the entrepreneurial ecosystem, and continued rolling out Better Balance®, its global plant-based brand. **Axtel's** mobility project "Alestra Móvil" added more enterprise mobile customers during the first quarter, offering an attractive service alternative supported by its intelligent, multi-operator connectivity feature to end-users. Axtel is also actively engaged in discussions with interested parties to evaluate potential partnerships in certain parts of its business to capitalize on attractive market opportunities.
- 3. Enhanced business independence** will allow a seamless transition from ALFA's legacy conglomerate structure towards an independent business management model. Sigma announced the formation of an Advisory Board, comprised of an extraordinary group of individuals with diverse areas of expertise, including retail, healthcare & nutrition and entrepreneurship. We are excited by the prospects of the Advisory Board's new perspectives as Sigma strives to remain at the leading edge of evolving consumer preferences.

At the ALFA level, Paulino Rodríguez, Senior Vice President of Human Capital and Services, has retired after a successful 18-year career. We greatly appreciate Paulino's enthusiasm and dedication as a driving force in ALFA's development of Human Capital, leaving a long-lasting legacy in the Company's culture and values. Following Paulino's retirement during the first quarter, the Human Capital function was combined with the Finance function.

Our approach to capital allocation maintains a balance between deleveraging, investing for growth, and returning value to our shareholders through dividends and a share repurchase program. We held our Annual Shareholders' meeting in March, where shareholders approved a dividend payment equivalent to US \$196 million and a maximum amount of Ps. 5,800 million (approximately US \$290 million) for share repurchases.

Shareholders also received an update on ESG-related initiatives at the Annual meeting. ALFA, Alpek and Axtel published their respective, integrated 2021 sustainability reports. Sigma recently published an Executive Summary in anticipation of its extended GRI version. Key highlights include Sigma reaching three of its 2025 Sustainability Goals ahead of plan. We invite you to learn more about our progress through the recently published reports, available on each company's website.

Consolidated first quarter results put us on a path for another strong year in 2022. Yet, we remain vigilant amid a fluid global macro environment."

Keep well/Stay safe,

Álvaro Fernández

## ALFA (BMV: ALFAA) Consolidated Financial Results

### INCOME STATEMENT (US \$ MILLION)

	1Q22	4Q21	1Q21	(% ) 1Q22 vs.	
				4Q21	1Q21
Total Revenues	4,191	4,086	3,388	3	24
Gross Profit	1,009	859	878	17	15
Operating expenses and others	(504)	(660)	(498)	24	(1)
Operating income (loss)	505	199	380	153	33
Financial cost, net	(73)	(111)	(167)	34	56
Share of losses of associates	1	2	0	(51)	348
Income Tax	(141)	(241)	(16)	41	(791)
Consolidated net income (loss)	292	(151)	197	294	49
Controlling Interest	210	(166)	154	227	37
<i>EBITDA</i>	<i>644</i>	<i>505</i>	<i>535</i>	<i>27</i>	<i>20</i>
<i>EBITDA/Revenues (%)</i>	<i>15.4</i>	<i>12.4</i>	<i>15.8</i>		

**Total Revenues** in 1Q22 were US \$4.191 billion, up 24% when compared to 1Q21, driven by Alpek and Sigma. Alpek revenues increased 45% year-on-year, boosted by higher average consolidated prices amid rising oil and feedstock prices (see Table 2).

**EBITDA** in 1Q22 was US \$644 million, up 20% year-on-year as a 41% increase at Alpek was partially offset by decreases of 11% and 22% at Sigma and Axtel, respectively. 1Q22 EBITDA includes a US \$123 million net gain from extraordinary items related to Alpek, mainly comprised of a US \$63 million non-cash inventory adjustment and a US \$66 million positive carry-forward effect.

Adjusting for extraordinary items in all periods, Comparable ALFA EBITDA was US \$520 million, US \$534 million and US \$414 million in 1Q22, 4Q21 and 1Q21, respectively. Comparable ALFA EBITDA was up 26% year-on-year, boosted by 64% growth at Alpek that was partially offset by Sigma and Axtel (see Tables 3, 4 and 5).

**Operating Income** was US \$505 million, up from US \$380 million in 1Q21 reflecting the increase in EBITDA explained above (see Table 3).

**Comprehensive Financing Expense (CFE)** of US \$73 million was down from US \$167 million in 1Q21, primarily due to foreign exchange gains in 1Q22 related to the recent appreciation of the Mexican peso against the U.S. dollar, versus FX losses in 1Q21. It is also important to note that 1Q21 CFE includes US \$42 million in non-recurring costs associated with the issuance of Alpek's bond due in 2031 and the partial prepayment of its bond due in 2022 (see Table 6).

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**Controlling Interest Net Income** was US \$292 million in 1Q22 compared to US \$154 million in 1Q21. Higher Operating Income and lower Comprehensive Financing Expense in 1Q22 more than offset higher Income Tax year-on-year. Also, 1Q21 Income Tax included a US \$54 million Deferred Tax credit, compared to a US \$19 million Deferred Tax charge in 1Q22 mainly associated with the appreciation of the Mexican peso (see Table 7).

### CHANGE IN NET DEBT (US \$ MILLION)

	1Q22	4Q21	1Q21	(% ) 1Q22 vs.	
				4Q21	1Q21
EBITDA	644	505	535	27	20
Net Working Capital	(305)	60	(275)	(612)	(11)
Capital Expenditures & Acquisitions	(92)	(159)	(79)	42	(17)
Net Financial Expenses	(87)	(81)	(131)	(7)	34
Taxes	(127)	(57)	(159)	(122)	20
Dividends	(266)	(59)	(48)	(351)	(457)
Other Sources (Uses)	4	(11)	(8)	140	155
<b>Decrease (Increase) in Net Debt</b>	<b>(229)</b>	<b>199</b>	<b>(165)</b>	<b>(215)</b>	<b>(39)</b>

**Net Debt** was US \$4.906 billion at the close of 1Q22. On an absolute basis, consolidated ALFA Net Debt increased US \$229 million versus year-end 2021 mainly due to higher investment in Net Working Capital.

As of March 31, 2022, Cash totaled US \$1.292 billion, down US \$215 million quarter-on-quarter. At the close of 1Q22, ALFA had US \$2.826 billion in available Credit Lines. Financial ratios at the close of 1Q22 were: Net Debt to EBITDA of 2.3 times and Interest Coverage of 6.4 times, compared with 2.9 and 4.3 times in 1Q21, respectively (see Table 8).

**Net Working Capital** was US \$305 million during 1Q22, reflecting the effect of higher average feedstock prices at Alpek and seasonal inventory investment at Sigma.

**Capital Expenditures & Acquisitions (Capex)** was US \$92 million in 1Q22, up 16% versus 1Q21 driven primarily by planned investments in maintenance and operating asset replacements at Alpek and Sigma.

**Dividends** of US \$266 million in 1Q22 include the dividend paid to ALFA shareholders as approved at ALFA's Annual Shareholders' Meeting, plus dividends paid to minority shareholders at the subsidiary level.



### RECENT DEVELOPMENTS - ALFA

#### 2022 Guidance Update

- 2022 EBITDA Guidance revised up driven by Alpek

(US \$ Millions)		Revised 2022	Previous 2022
EBITDA	ALFA <sup>1</sup>	2,283	1,949
	Alpek <sup>2</sup>	1,365	1,031
	Sigma	760	760
	Axtel	475	372

(US \$ / Barrel)		Revised 2022	Previous 2022
Assumptions	Brent Oil Avg.	100	81

1 - Includes US \$115 million extraordinary items from Alpek (Comparable EBITDA: US \$2,168 million)

2 - Includes US \$115 million extraordinary items (Comparable EBITDA: US \$1,250 million)

#### Published 2021 ESG Reports

- Focus on progress with the integration of ESG best practices into ALFA's and Subsidiaries' long-term strategy
- Highlights:
  - ALFA increased its S&P Global CSA rating from 32 to 35, above the industry average for conglomerates
  - Sigma achieved 100% progress in three of its eleven 2025 goals:
    - Sustainable innovation: 2.4x sales of products launched under the Health and Wellbeing portfolio (Goal 2.0x)
    - Health and Safety: 26% reduction in accidents at its operations (Goal 22%)
    - Continuous learning: 44% increase in the number of training hours per employee (Goal 11%)
  - Alpek increased its installed recycling capacity from bottle to flakes, reaching a total of 268 thousand tons (Goal 300 thousand tons)
  - 45% of the energy used in Axtel came from cleaner or renewable sources; 5% more than in 2020
- Complete reports available at:
  - [ALFA ESG Report](#)
  - [Sigma ESG Report](#)
  - [Alpek ESG Report](#)
  - [Axtel ESG Report](#)

#### ALFA Shareholders' Meeting

- 2021 results and progress on ALFA's transformational process were presented
- Shareholders approved:
  - Cash dividend of 4 cents (US\$) per share equivalent to US \$196 million, paid in March 2022
  - Maximum amount of Ps \$5,800 million (US \$290 million) for share buybacks
- Members of the Board were ratified by shareholders

<p><b>Unlocking Value</b></p>	<ul style="list-style-type: none"> <li>▶ Transformational initiative to maximize valuation – reduce conglomerate discount</li> <li>▶ Gradual and orderly transition towards independent business model (vs conglomerate)</li> <li>▶ Transfer autonomy to ALFA shareholders (e.g., Nemark spin-off)</li> <li>▶ Commitment to maintain strong credit profile throughout transformation process</li> <li>▶ Steady progress on transformational plan; focused on three key directives:                         <ul style="list-style-type: none"> <li>- <b>Reduce leverage</b> – 2.3x Net debt/EBITDA at the close of 1Q22</li> <li>- <b>Strengthen the businesses</b> – Sigma, Alpek and Axtel</li> <li>- <b>Enhance independence</b> – ongoing transfer of corporate service capabilities to subsidiaries</li> </ul> </li> </ul>
<p><b>NAFINSA Trust (“NT”)</b></p>	<ul style="list-style-type: none"> <li>▶ Based on figures provided by Nacional Financiera, S.N.C., the number of ALFA shares held by foreign investors on March 31, 2022 was 2,572,191,773 shares, equivalent to 52.43% of ALFA shares outstanding</li> <li>▶ The maximum authorized NT threshold is 75% of the representative stocks of ALFA's capital stock</li> </ul>
<p><b>Share Repurchase Program</b></p>	<ul style="list-style-type: none"> <li>▶ No shares repurchased during 1Q22</li> <li>▶ 3.5 million total shares repurchased and held at the Treasury</li> </ul>
<p><b>Quiet Period Extension</b></p>	<ul style="list-style-type: none"> <li>▶ Beginning in 2Q22, ALFA will extend its Quiet Period to begin seven days prior to the close of each quarter</li> <li>▶ 2Q22 Quiet Period will begin on June 23, 2022</li> </ul>

## Results by Business

### Sigma – FOOD PRODUCTS

41% of ALFA's Revenues in 1Q22



#### QUARTERLY HIGHLIGHTS

<b>Sigma</b>	<ul style="list-style-type: none"> <li>▶ Highest consolidated 1Q revenues driven by Mexico, U.S., and Latam</li> <li>▶ EBITDA impacted by higher-than-expected energy and raw material costs in Europe</li> <li>▶ Guidance is unchanged</li> <li>▶ Formation of an Advisory Board to enhance Sigma's ability to create long-term value</li> <li>▶ Foodservice Channel Revenue and EBITDA up 38% and 62% YoY, respectively</li> </ul>
<b>Mexico</b>	<ul style="list-style-type: none"> <li>▶ Record 1Q revenues and EBITDA driven by volume growth and higher prices</li> <li>▶ Foodservice Channel Revenue and EBITDA up 48% and 85% YoY, respectively</li> <li>▶ Grill House® becoming a local favorite: returning customer rate above 66%; 10% monthly growth rate since launching</li> </ul>
<b>Europe</b>	<ul style="list-style-type: none"> <li>▶ EBITDA decline due to abrupt rise in energy and raw material costs, as well as lower pork meat exports to China</li> </ul>
<b>U.S.</b>	<ul style="list-style-type: none"> <li>▶ Record 1Q revenues driven by volume growth and higher prices</li> <li>▶ Sequential EBITDA Margin recovery of 183 basis points</li> <li>▶ Distribution &amp; commercialization business reached 3 new partnership agreements</li> </ul>
<b>Latam</b>	<ul style="list-style-type: none"> <li>▶ Record 1Q revenues driven by resilient volume and higher prices</li> <li>▶ Foodservice Channel Revenue and EBITDA up 41% and 43% YoY, respectively</li> </ul>

\*Data referenced in US Dollars, unless otherwise stated

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## First Quarter 2022 (1Q22)



### SELECTED FINANCIAL INFORMATION (US \$ MILLION)

	1Q22	4Q21	1Q21	(% ) 1Q22 vs.	
				4Q21	1Q21
<b>Volume (ktons)</b>	<b>424</b>	<b>432</b>	<b>419</b>	<b>(2)</b>	<b>1</b>
Mexico	212	216	201	(2)	6
Europe	106	114	113	(7)	(6)
United States	81	75	81	8	(1)
Latam	25	26	24	(3)	7
<b>Revenues</b>	<b>1,711</b>	<b>1,768</b>	<b>1,613</b>	<b>(3)</b>	<b>6</b>
Mexico	747	746	637	-	17
Europe	511	591	576	(14)	(11)
United States	329	303	289	8	14
Latam	126	128	110	(2)	14
<b>EBITDA</b>	<b>161</b>	<b>201</b>	<b>181</b>	<b>(20)</b>	<b>(11)</b>
Mexico	97	102	93	(5)	4
Europe	10	53	38	(80)	(73)
United States	42	33	38	27	10
Latam	12	13	12	(11)	(2)
<b>Capex &amp; Acquisitions<sup>1</sup></b>	<b>35</b>	<b>105</b>	<b>34</b>	<b>(67)</b>	<b>4</b>
<b>Net Debt</b>	<b>1,795</b>	<b>1,691</b>	<b>1,781</b>	<b>6</b>	<b>1</b>
Net Debt / LTM* EBITDA	2.5	2.3	2.6		
LTM* Interest Coverage <sup>2</sup>	6.3	6.5	5.8		

\* Times. LTM = Last 12 months

<sup>1</sup> Gross amount; does not include divestments

<sup>2</sup> Interest Coverage = EBITDA/Net Financial Expenses



## Message from Sigma's President

"As we look ahead to a new year, we want to thank you for your continued interest in Sigma and we hope that you and your families continue to remain safe and healthy. At Sigma, we remain optimistic to what lies ahead, as we delivered record first quarter revenues of US \$1,711 million, driven by higher average prices and strong volume demand in Mexico, the U.S., and Latam. Consolidated EBITDA, however, declined mainly due to unexpected higher costs in the European operations, as well as lower pork exports to China.

For 2022, we maintain our Guidance figures, based on a solid start to the new year in Mexico, as well as the U.S. However, we will continue to closely monitor energy prices, raw material costs and macroeconomic variables, that have been negatively impacted by the evolving geopolitical situation in Europe.

We continue to take firm steps towards executing on our growth initiatives. During the first quarter, for example, we launched the third edition of *Tastech by Sigma*<sup>®</sup> to strengthen our collaboration with the entrepreneurial ecosystem. In addition, we began operating the integral third-party distribution and commercialization business leveraging our Hispanic distribution network in the U.S., reaching 3 new partnership agreements.

Sustainability is an essential element for solid financial results and growth, therefore our goal is to transition towards net-zero emissions, by reducing the environmental impact of our supply chain, becoming better water stewards, and promoting a circular economy. I invite you to review our progress on the 2025 goals in the Executive Sustainability Report, available in our website.

We are excited to work together with Sigma's newly-formed, world-class Advisory Board to build upon our long track record of consistent growth and to continue our journey towards becoming an independent business. This group of diverse and talented individuals with impressive backgrounds and extensive experience will enhance Sigma's ability to create long-term value. Their broad areas of expertise will provide new perspectives as we strive to remain on the leading edge of evolving consumer preferences, drive innovation, harness brand equity, and embrace health & wellness as a source of growth.

I would like to extend my sincere appreciation to the Sigma team around the world for their dedication and hard work. This year we will face new challenges, but I am confident that, once again, together we will be able to overcome them and achieve great things."

Rodrigo Fernández

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## First Quarter 2022 (1Q22)



### INCOME STATEMENT (US \$ MILLION)

	1Q22	4Q21	1Q21	(% ) 1Q22 vs	
				4Q21	1Q21
Total Revenues	1,711	1,768	1,613	(3)	6
Gross Profit	461	486	472	(5)	(2)
Operating expenses and others	(349)	(411)	(345)	(15)	1
Operating income (loss)	112	75	127	50	(12)
Financial cost, net	(31)	(44)	(30)	(29)	3
Share of losses of associates	0	1	0	(100)	-
Income Tax	(35)	(125)	(15)	(72)	134
Consolidated net income (loss)	45	(93)	81	(149)	(44)
<i>EBITDA</i>	<i>161</i>	<i>201</i>	<i>181</i>		
<i>EBITDA/Revenues (%)</i>	<i>9.4</i>	<i>11.4</i>	<i>11.2</i>		

**Volume** was 424 ktons in 1Q22, up 1% year-on-year, and explained by a strong demand in Mexico and Latam which offset lower European fresh pork meat exports to China; volume in the U.S. remained flat. The Foodservice channel volume increased by 21% year-on-year; adjusting for Foodservice results, quarterly volume remained flat year-on-year.

**Average prices** in local currency increased by 8% during 1Q22, driven by Mexico, the U.S. and Latam. Higher prices reflected revenue management initiatives in response to higher raw material costs.

**Revenues** were US \$1.711 billion in 1Q22, up 6% year-on-year. Quarterly revenues were driven by higher average prices and a slight increase in consolidated volume, partially offset by the impact of foreign exchange rate fluctuations. Adjusting for Foodservice results, Revenues increased by 3% year-on-year. In local currency, revenues were 9% above 1Q21, explained by double-digit growth in Mexico (+18%), the U.S. (+14%), and Latam (+16%) (see Table 10).

**EBITDA** was US \$161 million in 1Q22, down 11% year-on-year. Positive results in Mexico and the U.S. were more than offset by higher energy and raw material costs in Europe, and lower fresh pork meat exports to China, as well as a slight decline in Latam. Adjusting for Foodservice results, EBITDA declined by 15% year-on-year. In local currency, 1Q22 EBITDA was down 10%, mainly due to a 71% decrease in Europe, while Mexico and the U.S. increased 5% and 10%, respectively.

**Operating Income** was US \$112 million in 1Q22, a 12% decrease when compared to the US \$127 million in 1Q21, reflecting the decrease in EBITDA explained above (see Results by Region - Sigma section).

**Comprehensive Financing Expense (CFE)** was US \$31 million, up 3% versus US \$30 million in 1Q21, reflecting higher net losses due to exchange rate fluctuations and financial expenses.

**Net Income** was US \$45 million in 1Q22 versus an US \$81 million gain in 1Q21, resulting primarily from a lower operating income, as well as higher deferred taxes.

### CHANGE IN NET DEBT (US \$ MILLION)

	1Q22	4Q21	1Q21	(% ) 1Q22 vs	
				4Q21	1Q21
EBITDA	161	201	181	(20)	(11)
Net Working Capital	(82)	1	(52)	-	57
Capital Expenditures & Acquisitions	(35)	(105)	(34)	(67)	4
Net Financial Expenses	(27)	(29)	(29)	(5)	(6)
Taxes	(46)	(18)	(41)	150	11
Dividends	(76)	(50)	(50)	52	54
Other Sources (Uses)	2	1	0	189	-
<b>Decrease (Increase) in Net Debt</b>	<b>(103)</b>	<b>1</b>	<b>(25)</b>	<b>-</b>	<b>313</b>

**Net Debt** was US \$1.795 billion, similar to 1Q21 and 6% higher, sequentially. On an absolute basis, Net Debt increased by US \$103 million when compared to year-end 2021, mainly due to the seasonal investment in Net Working Capital at higher prices and dividends paid.

Cash totaled US \$698 million in 1Q22, a US \$50 million decrease year-on-year, and US \$122 million lower when compared to 4Q21. Approximately 80% of cash was held in U.S. dollars and euros. Financial ratios at the end of the quarter were: Net Debt to EBITDA of 2.5 times and Interest Coverage of 6.3 times (see Table 13).

**Net Working Capital** investment was US \$82 million during 1Q22, mainly due to seasonal inventory purchases at higher prices, compared to US \$52 million during 1Q21.

**Capital Expenditures & Acquisitions (Capex)** totaled US \$35 million during the quarter, 4% higher versus 1Q21. Approximately 86% of Capex in 1Q22 was maintenance-related, while the remainder was invested in expansion and optimization projects.

**Dividends** paid during the first quarter were US \$76 million.

### INDUSTRY COMMENTS - SIGMA

#### Consumer confidence and retail sales

In Mexico, the average consumer confidence figures (per INEGI<sup>1</sup>) increased 4 points to 43.6 points versus 1Q21 but declined by 1 point, sequentially. Same-store-sales (per ANTAD<sup>2</sup>) increased an average 15% year-on-year compared to a decrease of 1% in 4Q21.

Mexican Foodservice demand continued to recover, as traveling and out-of-home activities increased. According to data reported by Mexican tourism authorities (DATATUR<sup>3</sup>), during the first two months of 2022, the average hotel occupancy rate across 70 tourism destinations in Mexico rose by 22.5% (+29.5% in beaches vs. +16.4% in cities). In addition, foreign and national tourist arrivals increased 88% and 66%, respectively.

In the U.S., average consumer confidence levels improved by 12 points year-on-year reaching 108 points, but decreased 4.5 points, sequentially as consumers remained cautious due to rising inflation. Retail sales reported by the U.S. Census Bureau rose by 8.2% compared to the same period a year ago but declined 1%, sequentially.

In Europe, the average consumer confidence levels reported by the European Commission reflected a year-on-year improvement but decreased 79% sequentially due to the escalation of the Russia-Ukraine conflict. Per the European Industry Monitor there was a decrease in retail sales compared to 1Q21, remaining flat, sequentially.

In Latin America, the average consumer confidence figures in countries where Sigma operates continued to show a favorable outlook. For example, in February consumer confidence reported by the University of Costa Rica<sup>4</sup> increased by 5.4 points year-on-year. Likewise, in Ecuador the average quarterly consumer confidence figures per The Central Bank of Ecuador<sup>5</sup> increased 12% versus 1Q21.

#### Exchange Rate

During the quarter the Mexican peso depreciated by 1% versus the U.S. dollar compared to 1Q21, and the euro depreciated 4% year-on-year. Sigma's Latam currency mix experienced a net depreciation effect of approximately 2% year-on-year versus the U.S. dollar.

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<sup>1</sup> Instituto Nacional de Estadística y Geografía - National Statistics and Geography Institute

<sup>2</sup> Asociación Nacional de Tiendas de Autoservicio y Departamentales - National Association of Supermarkets and Department Stores

<sup>3</sup> DataTur - Sistema Nacional de Información Estadística del Sector Turismo de México

<sup>4</sup> Universidad de Costa Rica - University of Costa Rica

<sup>5</sup> Banco Central de Ecuador - Central Bank of Ecuador



### Raw Materials

The Russia-Ukraine conflict caused increased volatility in global raw materials, which have added pressure on region-specific supply-side dynamics for meat raw materials, oil-based products such as packaging, and other input costs. Sigma continued to traverse through these and other preexisting 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 22% below 1Q21 and 35% below 4Q21. However, prices for certain trimmings remained 46% higher year-on-year and increased between 27% and 36%, sequentially, as labor shortages in deboning activities continued to impact the supply chain. Furthermore, low hog production and feed prices pressured some items during the second half of 1Q22.

In Europe, average quarterly pork shoulder and lean hog prices were up 2% and 5%, respectively, and pork ham pricing was down 2% year-on-year. Sequentially, average quarterly pork prices increased by 4%, 12% and 9%, respectively. Pork prices significantly increased during the second half of the quarter mainly due to higher volatility resulting from the Russia-Ukraine conflict. March prices for pork shoulder, lean hog, and ham were 26%, 25% and 22% above those in January, reflecting higher prices of commodities used as animal feed.

Poultry prices in the U.S. were higher year-on-year due to solid demand, low inventory levels, supply chain challenges, and recent surges in bird flu found in commercial and backyard flocks in a total of 29 states. Turkey breast prices were 161% higher year-on-year and increased 20% on a sequential basis. Turkey thigh prices were 54% above 1Q21 and remained flat when compared to 4Q21. Chicken prices increased 11% year-on-year but decreased 7% sequentially.

### RESULTS BY REGION - SIGMA

During 1Q22, revenues in Mexico accounted for 44% of total revenues; while Europe represented 30%; the U.S. 19%; and Latam 7%.

**Mexico:** In local currency, quarterly Revenues increased by 18% year-on-year. Higher revenues were due to a 12% average price increase to offset higher raw material and other input costs, as well as strong volume demand, up 6% year-on-year, led by packaged meats, and a strong Foodservice demand.

Foodservice channel Revenues, in pesos, increased 49% year-on-year and were 4% higher versus 1Q19 levels. Excluding Foodservice results, quarterly Revenues, in pesos, increased by 14% year-on-year.

1Q22 EBITDA, in pesos, increased by 5%, driven by revenue management initiatives that have successfully offset higher costs, expense-reduction initiatives that have contained overall expenses below inflation, and a favorable performance in the Foodservice channel, despite the surge in COVID-19 cases during January due to the Omicron variant. Foodservice channel EBITDA increased 86% year-on-year and was 24% above the same period of 2019.

# Earnings Report

## First Quarter 2022 (1Q22)



**Europe:** Revenues in euros decreased 6% year-on-year in 1Q22, mainly due to lower pork exports to China. The Fresh Pork Meats Business (Campofrío Frescos) accounted for approximately 15% of European Revenues. Adjusting for the Campofrío Frescos results, Revenue increased 1% year-on-year. Meanwhile, European Foodservice Revenues increased by 35% year-on-year, supported by higher out-of-home consumption.

In contrast, 1Q22 EBITDA was down 71% year-on-year, in local currency. The decrease was explained by lower pork exports to China, higher-than-expected energy costs (including gas, electricity, and fuel) and higher raw material prices. Adjusting for Campofrío Frescos results, EBITDA decreased 38% year-on-year.

**United States:** Quarterly Revenues increased 14% year-on-year, supported by average price increases of 14% in response to higher costs, year-on-year. Revenue growth also considers a higher-than-usual comparable base mainly due to pantry loading during the polar vortex that occurred in February 2021, and the USDA Farmers to Families Food Box government program, which ended in May 2021, that was implemented as a temporary emergency relief effort in response to the pandemic.

1Q22 EBITDA in the region was 10% higher year-on-year as pricing actions offset higher raw material and other input costs, leading to a sequential EBITDA Margin recovery of 183 basis points.

**Latam:** Revenues in local currencies increased 16% year-on-year. Results are due to higher average prices, 8% year-on-year in response to raw material cost increases, and 7% higher volume supported by strong demand in the Foodservice channel. However, quarterly EBITDA remained flat as higher Revenues were offset by expense inflationary pressures.

Foodservice channel Revenues, in local currency, increased 45% supported by higher volume, up 33% when compared to 1Q21, and EBITDA increased 47% year-on-year. Adjusting for Foodservice results, Revenues in Latam increased 10% but EBITDA decreased 7% year-on-year.

**RECENT DEVELOPMENTS – SIGMA**

<p><b>Governance &amp; Strategy</b></p>	<p>Formed an Advisory Board to enhance the Company’s ability to create long-term value</p> <ul style="list-style-type: none"> <li>▶ 13 members; 62% independent</li> <li>▶ Areas of expertise include Strategic Planning, Finance, Operations, Consulting, Entrepreneurship, Private Capital, Sustainability &amp; ESG, Healthcare &amp; Nutrition, and Retail</li> <li>▶ Scheduled to hold 4 meetings in 2022</li> </ul>
<p><b>Growth BU</b></p>	<p> <b>Global Plant-Based brand</b></p> <ul style="list-style-type: none"> <li>▶ Official presentation of the Better Balance® Brand in Spain</li> </ul> <p><b>Third-Party Distribution &amp; Commercialization Business</b></p> <p>Distribution &amp; commercialization business that connects companies with nostalgia and specialty products from Mexico and Latam with consumers in the United States reached 3 exclusive agreements to distribute snack wafers, granola clusters snacks and value-added guacamole pouches and mini cups throughout six U.S. cities</p> <p><b>Tastech by Sigma®</b></p> <ul style="list-style-type: none"> <li>▶ 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</li> <li>▶ Third generation call-out will remain open until May 13, 2022</li> </ul> <p><b>Grill House®</b></p> <ul style="list-style-type: none"> <li>▶ Grill House is a premium B2C service app focused on consumers who love the grill</li> <li>▶ Compound monthly growth of 10% since launching</li> <li>▶ Returning customer rate above 66%</li> <li>▶ Began operations in two additional cities: Metepec and Chihuahua</li> </ul>
<p><b>R&amp;D and Innovation</b></p>	<ul style="list-style-type: none"> <li>▶ 131 new products launched during 1Q22 and 1,600+ products launched in the last 36 months</li> </ul>
<p><b>Sustainability</b></p>	<ul style="list-style-type: none"> <li>▶ Sustainability is included as part of the Company enablers to advance the integration of ESG criteria to everyday decision-making</li> <li>▶ Published the Executive Summary of the Sustainability Report, focused on the progress made on Sigma’s 2025 Sustainability Goals. Report Highlights include:             <ul style="list-style-type: none"> <li>- Achieved 3 Sustainability Goals on Sustainable Innovation, Occupational Health &amp; Safety, and Continuous Learning ahead of plan</li> <li>- 97% of plants have a Global Food Safety Initiative (GFSI) - endorsed certification</li> <li>- 61% of electricity comes from cleaner or renewable sources</li> <li>- Sigma’s operation in Spain, was recognized by Merco’s Ranking among the best companies to work for in the food sector</li> </ul> </li> </ul>

**Financial  
Hedging**

- ▼ As of March 2022, currency forwards totaled US \$670 million with an average exchange rate of \$21.38 MXN/USD, enough to cover Sigma's U.S. dollar needs for the next 10 to 12 months

*(See "Financial Statements" for Sigma's 1Q22 Balance Sheet and Income Statement)*



# Earnings Report

## First Quarter 2022 (1Q22)



### Alpek (BMV: ALPEKA) – PETROCHEMICALS



56% of ALFA's revenues in 1Q22

#### SELECTED FINANCIAL INFORMATION (US \$ MILLION)

	1Q22	4Q21	1Q21	(% ) 1Q22 vs	
				4Q21	1Q21
<b>Volume (ktons)</b>	<b>1,216</b>	<b>1,172</b>	<b>1,230</b>	<b>4</b>	<b>(1)</b>
Polyester	962	931	996	3	(3)
Plastics & Chemicals	254	240	234	6	8
<b>Revenues</b>	<b>2,332</b>	<b>2,152</b>	<b>1,614</b>	<b>8</b>	<b>45</b>
Polyester	1,521	1,347	1,069	13	42
Plastics & Chemicals	615	579	471	6	30
<b>EBITDA</b>	<b>456</b>	<b>269</b>	<b>324</b>	<b>70</b>	<b>41</b>
Polyester	288	162	184	78	56
Plastics & Chemicals	170	105	123	63	38
Others	(2)	2	17	(167)	(110)
<b>Comparable EBITDA<sup>1</sup></b>	<b>333</b>	<b>300</b>	<b>203</b>	<b>11</b>	<b>64</b>
Polyester	193	160	89	21	116
Plastics & Chemicals	142	138	97	3	46
Others	(2)	2	17	(167)	(110)
<b>Capex &amp; Acquisitions<sup>2</sup></b>	<b>40</b>	<b>32</b>	<b>30</b>	<b>24</b>	<b>31</b>
<b>Net Debt</b>	<b>1,310</b>	<b>1,225</b>	<b>1,219</b>	<b>7</b>	<b>7</b>
Net Debt / LTM EBITDA*	1.0	1.1	1.6		
LTM Interest Coverage <sup>3*</sup>	13.4	8.7	5.8		

\* Times. LTM = Last 12 months

1 Excludes extraordinary items.

2 Gross amount; does not include divestments

3 Interest Coverage = EBITDA/Net Financial Expenses

**Volume** was 1,216 ktons, up 4% quarter-on-quarter and 1% lower versus 1Q21. Polyester segment volume was down 3% year-on-year after a record quarter in 1Q21. The Plastics & Chemicals (P&C) segment was up 8% when compared to 1Q21 due to higher polypropylene and EPS demand.

**Revenues** totaled US \$2.332 billion in 1Q22, up 45% versus 1Q21, due to higher average consolidated prices amid rising oil and feedstock prices.

**EBITDA** was US \$456 million, up 41% from 1Q21. This figure includes a net gain of US \$123 million from extraordinary items, mainly comprised of inventory adjustment (+US \$63 million) and carry-forward effect (+US \$66 million). Similarly, 1Q21 EBITDA benefitted from a net gain of US \$121 million from extraordinary items (see Table 4).

**Comparable EBITDA** was US \$333 million, up 64% versus 1Q21, due to better-than-expected Polyester, EPS and Polypropylene margins.

**Capital Expenditures & Acquisitions (Capex)** were US \$40 million in 1Q22, up 31% from 1Q21, mainly used for maintenance.

**Net Debt** was US \$1.310 billion, up 7% when compared with both 1Q21 and 4Q21. Cash balance decreased to US \$418 million at the end of the first quarter. At the close of 1Q22, Net Debt to EBITDA was 1.0 times, and Interest Coverage was 13.4 times.

### RECENT DEVELOPMENTS - ALPEK

<h4>OCTAL Acquisition</h4>	<ul style="list-style-type: none"> <li>▶ Signed an agreement to acquire Octal, a major global PET sheet producer for US \$620 million on a debt-free basis</li> <li>▶ Forward-integrates Alpek into the high-value PET sheet business segment, closes the gap towards achieving its ESG goals, and enhances its ability to serve growing PET resin needs</li> <li>▶ Octal owns the proprietary direct-to-sheet (DPET®) technology, resulting in the lowest cost production method for PET sheet</li> <li>▶ Adds over one million tons of installed capacity to Alpek's existing footprint, spread across the following four sites:               <ul style="list-style-type: none"> <li>• <b>PET Sheet:</b> 400,000 tons (Salalah Free Zone, Oman)</li> <li>• <b>PET Sheet Recycling:</b> 33,000 tons (Cincinnati, United States)</li> <li>• <b>PET Thermoform Packaging:</b> 11,000 tons (Riyadh, Saudi Arabia)</li> <li>• <b>PET Resin:</b> 576,000 tons (Salalah Free Zone, Oman)</li> </ul> </li> <li>▶ Expected to close by end of second quarter 2022</li> </ul>
<h4>2022 Guidance Update</h4>	<ul style="list-style-type: none"> <li>▶ Alpek's 2022 EBITDA Guidance revised upwards based on stronger-than-expected margin environment through year-end</li> <li>▶ New 2022 Guidance:               <ul style="list-style-type: none"> <li>- Assumptions                   <ul style="list-style-type: none"> <li>▪ Average Brent oil reference price: US \$100 per barrel</li> <li>▪ Asian Integrated PET Reference Margins of US \$355 per ton</li> </ul> </li> <li>- EBITDA Guidance                   <ul style="list-style-type: none"> <li>▪ Comparable EBITDA: US \$1.250 billion (previous US \$1.031 billion)</li> <li>▪ Reported EBITDA: US \$1.365 billion (previous US \$1.031 billion)</li> </ul> </li> </ul> </li> </ul>
<h4>Annual Shareholders' Meeting</h4>	<ul style="list-style-type: none"> <li>▶ Approved and paid dividend of US \$173 million to shareholders in 1Q22</li> <li>▶ Continued to strengthen its governance practices and increased the number of women and independent members in its Board of Directors</li> <li>▶ Published integrated 2021 ESG report, available at <a href="http://www.alpek.com/esg">www.alpek.com/esg</a></li> </ul>

(See "Appendix – 1Q22 Reports of Listed Businesses" for Alpek's complete 1Q22 Earnings Report)

# Earnings Report

## First Quarter 2022 (1Q22)



### Axtel (BMV: AXTELCPO) – IT & TELECOM

axtel



3% of ALFA's Revenues in 1Q22

#### SELECTED FINANCIAL INFORMATION (US \$ MILLION)

	1Q22	4Q21	1Q21	(% ) 1Q22 vs.	
				4Q21	1Q21
<b>Revenues</b>	<b>124</b>	<b>136</b>	<b>140</b>	<b>(8)</b>	<b>(11)</b>
Services - Enterprise	90	89	93	1	(2)
Services - Government	14	18	17	(20)	(15)
Infrastructure	50	58	60	(15)	(18)
Eliminations	(30)	(30)	(30)	(2)	1
<b>EBITDA</b>	<b>35</b>	<b>40</b>	<b>45</b>	<b>(12)</b>	<b>(22)</b>
<b>Capex &amp; Acquisitions<sup>1</sup></b>	<b>16</b>	<b>20</b>	<b>13</b>	<b>(20)</b>	<b>23</b>
<b>Net Debt</b>	<b>585</b>	<b>574</b>	<b>627</b>	<b>2</b>	<b>(7)</b>
Net Debt / LTM EBITDA*	3.3	3.1	3.2		
LTM Interest Coverage <sup>2*</sup>	3.4	3.2	3.2		

\* Times. LTM = Last 12 months

1 Gross amount; does not include divestments

2 Interest Coverage = EBITDA/Net Financial Expenses

**Revenues** totaled US \$124 million, down 11% year-on-year mainly due to a decrease of 18% in the Infrastructure unit, which was negatively impacted by dark fiber contract sales and the recognition of lower revenues from a wholesale customer who filed for "Concurso Mercantil". Also, revenues in the Services unit decreased 4% when compared to 1Q21, primarily due to lower recurring revenues in the Government segment as well as delays in project implementation caused by the global semiconductor shortage. On a currency neutral basis, revenues decreased 10% year-on-year.

**EBITDA** was US \$35 million, down 22% year-on-year as a result of a 40% decrease in the Infrastructure unit which was partially offset by a 3% increase in the Service unit. The drop in Infrastructure unit EBITDA is mostly explained by the aforementioned decrease in revenues. On a currency neutral basis, 1Q22 EBITDA also decreased 22% year-on-year.

**Capital Expenditures & Acquisitions (Capex)** totaled US \$16 million in 1Q22, compared to US \$13 million in 1Q21. Axtel Networks (Infrastructure unit) accounted for 60% of 1Q22 Capex.

**Net Debt** was US \$585 million at the close of 1Q22, down 7% when compared to 1Q21. On an absolute basis, Net Debt decreased US \$42 million versus 1Q21, resulting from a US \$41 million decrease in gross debt; a US \$6 million non-cash increase in debt caused by the appreciation of the Mexican peso; and a US \$7 million increase in cash. Cash totaled US \$76 million at the end of 1Q22. Financial ratios at the close of 1Q22 were: Net Debt to EBITDA of 3.3 times and Interest Coverage of 3.4 times.



## RECENT DEVELOPMENTS - AXTEL

<b>Strategic Sale Process</b>	<ul style="list-style-type: none"><li>▶ Maintained dialogue with interested parties during 1Q22</li></ul>
<b>Annual Shareholders' Meeting</b>	<ul style="list-style-type: none"><li>▶ Approved cancellation of 424,991,364 shares repurchased and held in Treasury, equivalent to 60,713,052 AXTELCPOs. ALFA's share ownership increased to 53.9% from 52.8%</li><li>▶ Approved Ps. 200 million Share Repurchase Program</li></ul>

(See "Appendix - 1Q22 Reports of Listed Businesses" for Axtel's complete 1Q22 Earnings Report)



# Earnings Report

## First Quarter 2022 (1Q22)



### 1Q22 EARNINGS CALL INFORMATION

Date: Tuesday, April 26, 2022

Time: 1:00 p.m. EDT (NY) / 12:00 p.m. CDT (CDMX)

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

Conference ID: 13728372

Webcast: [https://viaid.webcasts.com/starthere.jsp?ei=1539469&tp\\_key=9a11854d7d](https://viaid.webcasts.com/starthere.jsp?ei=1539469&tp_key=9a11854d7d)

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 (ITC) 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](http://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 (%)

	1Q22 vs.	
	4Q21	1Q21
Total Volume	2.5	4.3
Domestic Volume	3.8	11.9
Foreign Volume	0.4	(6.7)
Avg. Ps. Prices	(1.0)	19.7
Avg. US \$ Prices	0.0	18.6

Table 2 | REVENUES

	1Q22	4Q21	1Q21	(% ) 1Q22 vs.	
				4Q21	1Q21
<b>Total Revenues</b>					
Ps. Millions	86,028	84,790	68,918	1	25
US \$ Millions	4,191	4,086	3,388	3	24
<b>Domestic Revenues</b>					
Ps. Millions	36,251	35,540	27,952	2	30
US \$ Millions	1,766	1,713	1,375	3	28
<b>Foreign Revenues</b>					
Ps. Millions	49,776	49,249	40,966	1	22
US \$ Millions	2,425	2,373	2,013	2	20
Foreign / Total (%)	58	58	59	-	(3)

Table 3 | OPERATING INCOME AND EBITDA

	1Q22	4Q21	1Q21	(% ) 1Q22 vs.	
				4Q21	1Q21
<b>Operating Income</b>					
Ps. Millions	10,379	4,122	7,736	152	34
US \$ Millions	505	199	380	153	33
<b>EBITDA</b>					
Ps. Millions	13,213	10,494	10,886	26	21
US \$ Millions	644	505	535	27	20
<b>EBITDA/Revenues (%)*</b>	15.4	12.4	15.8		

\*US Dollar denominated EBITDA margin

Table 4 | EXTRAORDINARY ITEMS (US \$ MILLION)

Company	Extraordinary item	1Q22	4Q21	1Q21	2022	2021
Alpek	Inventory gain (loss)	63	(11)	63	63	63
	Carry forward gain (loss)	66	6	58	66	58
	Others	(6)	(25)	0	(6)	0
	<b>Total Alpek (previous)</b>	<b>57</b>	<b>(37)</b>	<b>63</b>	<b>57</b>	<b>63</b>
	<b>Total Alpek (with carry-forward)</b>	<b>123</b>	<b>(31)</b>	<b>121</b>	<b>123</b>	<b>121</b>
Sigma	Deventer plant real estate sale	-	2	-	-	-
	<b>Total Sigma</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>ALFA</b>	<b>Total effect on EBITDA (previous)</b>	<b>57</b>	<b>(34)</b>	<b>63</b>	<b>57</b>	<b>63</b>
	<b>Total effect on EBITDA (with carry-forward)</b>	<b>123</b>	<b>(29)</b>	<b>121</b>	<b>123</b>	<b>121</b>

Table 5 | COMPARABLE EBITDA (US \$ MILLION)

Company	1Q22	4Q21	1Q21	(% ) 1Q22 vs.	
				4Q21	1Q21
<b>ALFA</b>	<b>520</b>	<b>534</b>	<b>414</b>	<b>(3)</b>	<b>26</b>
Alpek	333	300	203	11	64
Sigma	161	199	181	(19)	(11)
Axtel	35	40	45	(12)	(22)
Newpek	0	1	(3)	(160)	90
ALFA EBITDA/Revenues (%)	12.4	13.1	12.2		

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

	1Q22	4Q21	1Q21	(% ) 1Q22 vs.	
				4Q21	1Q21
Financial Expenses	(96)	(89)	(136)	(7)	30
Financial Income	10	9	7	10	37
Net Financial Expenses	(85)	(80)	(129)	(7)	34
Exchange Rate Gains (Losses)	12	(31)	(39)	139	131
Capitalized Comp. Fin. Expense	0	0	0	(31)	(37)
Comprehensive Financing Expense	(73)	(111)	(167)	34	56
Avg. Cost of Borrowed Funds (%)	5.1	4.9	7.7		



# Earnings Report

## First Quarter 2022 (1Q22)



Table 7 | NET INCOME (US \$ MILLION)

	1Q22	4Q21	1Q21	(% ) 1Q22 vs.	
				3Q21	4Q20
Consolidated Net Income (Loss)	292	(151)	197	294	49
Minority Interest	82	16	43	420	91
Majority Net Income (Loss)	210	(166)	154	227	37
Per Share (US dollars)	0.04	(0.03)	0.03	(227)	36
Avg. Outstanding Shares (Millions)	4,906	4,909	4,909		

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

	1Q22	4Q21	1Q21	(% ) 1Q22 vs.	
				4Q21	1Q21
<b>Assets</b>					
Cash and cash equivalents	1,290	1,505	1,393	(14)	(7)
Trade accounts receivable	1,506	1,277	1,027	18	47
Inventories	2,266	2,079	1,771	9	28
Other current assets	829	818	790	4	(13)
<b>Total current assets</b>	<b>5,892</b>	<b>5,679</b>	<b>4,981</b>	<b>4</b>	<b>15</b>
Investment in associates and others	451	444	450	1	-
Property, plant and equipment, net	4,146	4,116	4,255	1	(3)
Goodwill and intangible assets, net	2,111	2,139	2,201	(1)	(4)
Other non-current assets	719	696	847	3	(15)
<b>Total assets</b>	<b>13,318</b>	<b>13,074</b>	<b>12,734</b>	<b>2</b>	<b>3</b>
<b>Liabilities &amp; stockholders' equity</b>					
Debt	469	197	188	138	149
Suppliers	2,516	2,417	2,064	4	22
Other current liabilities	1,136	1,144	1,054	(1)	8
<b>Total current liabilities</b>	<b>4,121</b>	<b>3,758</b>	<b>3,306</b>	<b>10</b>	<b>25</b>
Debt (include debt issuance cost)	5,391	5,647	5,728	(5)	(6)
Employees' benefits	193	189	225	2	(14)
Other long-term liabilities	813	816	826	-	(2)
<b>Total liabilities</b>	<b>10,518</b>	<b>10,411</b>	<b>10,086</b>	<b>1</b>	<b>3</b>
<b>Total stockholders' equity</b>	<b>2,800</b>	<b>2,663</b>	<b>2,648</b>	<b>5</b>	<b>6</b>
<b>Total liabilities &amp; stockholders' equity</b>	<b>13,318</b>	<b>13,074</b>	<b>12,734</b>	<b>2</b>	<b>3</b>
Net Debt	4,906	4,677	4,864	5	1
Net Debt/EBITDA*	2.3	2.3	2.9		
Interest Coverage*	6.4	5.4	4.3		

\* Times. LTM=Last 12 months

### Sigma

Table 9 | SIGMA - VOLUME AND PRICE CHANGES (%)

	1Q22 vs.	
	4Q21	1Q21
Total Volume	(1.8)	1.2
Avg. Ps. Prices	(2.4)	5.8
Avg. US \$ Prices	(1.4)	4.8

Table 10 | SIGMA – REVENUES AND EBITDA IN LOCAL CURRENCY

	1Q22	4Q21	1Q21	(% ) 1Q22 vs.	
				4Q21	1Q21
<b>Revenues</b>					
Mexico (Ps. Millions)	15,326	15,485	12,953	(1)	18
Europe (€ Millions)	451	516	478	(13)	(6)
United States (US \$ Millions)	329	303	289	9	14
Latam (US \$Millions Eq <sup>1</sup> )	128	131	110	(2)	16
<b>EBITDA</b>					
Mexico (Ps. Millions)	1,993	2,116	1,892	(6)	5
Europe (€ Millions)	9	47	32	(81)	(72)
United States (US \$ Millions)	42	33	38	27	11
Latam (US \$Millions Eq <sup>1</sup> )	12	14	12	(12)	-

<sup>1</sup>US \$ Million equivalent= 1Q22 and 4Q21 financial results in each country are converted into US Dollars at the 1Q21 average exchange rate for each local currency

Table 11 | SIGMA - OPERATING INCOME

	1Q22	4Q21	1Q21	(% ) 1Q22 vs.	
				4Q21	1Q21
<b>Operating Income</b>					
Ps. Millions	2,297	1,538	2,578	49	(11)
US \$ Millions	112	75	127	50	(12)

# Earnings Report

## First Quarter 2022 (1Q22)



Table 12 | SIGMA - COMPREHENSIVE FINANCING INCOME / EXPENSE (US \$ MILLION)

	1Q22	4Q21	1Q21	(% ) 1Q22 vs.	
				4Q21	1Q21
Financial Expenses	(32)	(32)	(31)	(1)	2
Financial Income	3	3	3	3	0
Net Financial Expenses	(29)	(29)	(29)	(1)	2
Exchange Rate Gains (Losses)	(2)	(14)	(1)	(87)	30
Capitalized Comp. Fin. Expense	0	0	0	-	-
Comprehensive Financing Expense	(31)	(44)	(30)	(29)	3
Avg. Cost of Borrowed Funds (%)	4.5	4.4	4.4		

Table 13 | SIGMA - STATEMENT OF FINANCIAL POSITION & FINANCIAL RATIOS (US \$ MILLION)

	1Q22	4Q21	1Q21	(% ) 1Q22 vs.	
				4Q21	1Q21
<b>Assets</b>					
Cash and cash equivalents	696	819	746	(15)	(7)
Trade accounts receivable	259	247	210	5	23
Inventories	911	807	782	13	16
Other current assets	323	339	217	(5)	49
<b>Total current assets</b>	<b>2,189</b>	<b>2,212</b>	<b>1,956</b>	<b>(1)</b>	<b>12</b>
Investment in associates and others	8	8	7	(1)	12
Property, plant and equipment, net	1,506	1,503	1,613	-	(7)
Goodwill and intangible assets, net	1,461	1,492	1,543	(2)	(5)
Other non-current assets	156	159	244	(2)	(36)
<b>Total assets</b>	<b>5,318</b>	<b>5,374</b>	<b>5,363</b>	<b>(1)</b>	<b>(1)</b>
<b>Liabilities &amp; stockholders' equity</b>					
Debt	54	66	57	(18)	(6)
Suppliers	1,053	1,031	1,023	2	3
Other current liabilities	514	513	366	-	41
<b>Total current liabilities</b>	<b>1,621</b>	<b>1,610</b>	<b>1,446</b>	<b>1</b>	<b>12</b>
Debt (include debt issuance cost)	2,428	2,436	2,461	-	(1)
Employees' benefits	70	70	87	-	(19)
Other long-term liabilities	237	241	223	(2)	6
<b>Total liabilities</b>	<b>4,357</b>	<b>4,357</b>	<b>4,217</b>	<b>-</b>	<b>3</b>
<b>Total stockholders' equity</b>	<b>962</b>	<b>1,017</b>	<b>1,146</b>	<b>(5)</b>	<b>(16)</b>
<b>Total liabilities &amp; stockholders' equity</b>	<b>5,318</b>	<b>5,374</b>	<b>5,363</b>	<b>(1)</b>	<b>(1)</b>
Net Debt	1,795	1,691	1,781	6	1
Net Debt/EBITDA*	2.5	2.3	2.6		
Interest Coverage*	6.3	6.5	5.8		

\* 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

	Mar 22	Dec 21	Mar 21	(% Mar 22 vs.)	
				Dec 21	Mar 21
<b>ASSETS</b>					
<b>CURRENT ASSETS:</b>					
Cash and cash equivalents	25,792	30,979	28,699	(17)	(10)
Trade accounts receivable	30,116	26,280	21,159	15	42
Other accounts and notes receivable	4,706	4,860	6,001	(3)	(22)
Inventories	45,311	42,787	36,489	6	24
Other current assets	11,876	11,981	10,284	(1)	15
<b>Total current assets</b>	<b>117,801</b>	<b>116,887</b>	<b>102,632</b>	<b>1</b>	<b>15</b>
Investments in associates and joint ventures	9,008	9,139	9,265	(1)	(3)
Property, Plant and equipment	82,886	84,731	87,679	(2)	(5)
Intangible assets	42,202	44,028	45,346	(4)	(7)
Other non-current assets	14,380	14,322	17,454	0	(18)
<b>Total assets</b>	<b>266,277</b>	<b>269,107</b>	<b>262,376</b>	<b>(1)</b>	<b>1</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>					
<b>CURRENT LIABILITIES:</b>					
Current portion of long-term debt	8,676	3,677	3,048	136	185
Bank loans and notes payable	694	382	829	82	(16)
Suppliers	50,315	49,742	42,527	1	18
Other current liabilities	22,708	23,558	21,724	(4)	5
<b>Total current liabilities</b>	<b>82,393</b>	<b>77,359</b>	<b>68,127</b>	<b>7</b>	<b>21</b>
<b>LONG-TERM LIABILITIES:</b>					
Long-term debt	107,782	116,234	118,028	(7)	(9)
Deferred income taxes	9,193	9,018	9,953	2	(8)
Other liabilities	7,068	7,777	7,065	(9)	0
Estimated liabilities for seniority premiums and pension plans	3,862	3,898	4,641	(1)	(17)
<b>Total liabilities</b>	<b>210,298</b>	<b>214,286</b>	<b>207,815</b>	<b>(2)</b>	<b>1</b>
<b>STOCKHOLDERS' EQUITY:</b>					
Controlling interest:					
Capital stock	169	169	170	-	(1)
Earned surplus	39,701	38,915	39,281	2	1
Total controlling interest	39,871	39,084	39,451	2	1
Total Non-controlling interest	16,109	15,737	15,110	2	7
<b>Total stockholders' equity</b>	<b>55,979</b>	<b>54,821</b>	<b>54,562</b>	<b>2</b>	<b>3</b>
<b>Total liabilities and stockholders' equity</b>	<b>266,277</b>	<b>269,107</b>	<b>262,377</b>	<b>(1)</b>	<b>1</b>
Current ratio	1.5	1.5	1.5		
Debt to equity	3.7	3.9	3.8		



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

#### INCOME STATEMENT

Information in millions of Nominal Mexican Pesos

				1Q22 vs. (%)	
	1Q22	4Q21	1Q21	4Q21	1Q21
Net sales	86,028	84,790	68,918	1	25
Domestic	36,251	35,540	27,952	2	30
Export	49,776	49,249	40,966	1	22
Cost of sales	(65,314)	(66,964)	(51,065)	2	(28)
<b>Gross profit</b>	<b>20,714</b>	<b>17,825</b>	<b>17,853</b>	<b>16</b>	<b>16</b>
Operating expenses and others	(10,335)	(13,704)	(10,117)	25	(2)
Operating income	10,379	4,122	7,736	152	34
Comprehensive financing expense, net	(1,501)	(2,292)	(3,406)	35	56
Equity in income (loss) of associates	17	36	(6)	(53)	383
Income before the following provision	8,895	1,865	4,323	377	106
Provisions for:					
Income tax	(2,892)	(5,043)	(328)	43	(782)
<b>Consolidated net income</b>	<b>6,003</b>	<b>(3,178)</b>	<b>3,996</b>	<b>289</b>	<b>50</b>
<b>Income (loss) corresponding to minority interest</b>	<b>1,680</b>	<b>326</b>	<b>869</b>	<b>415</b>	<b>93</b>
<b>Net income (loss) corresponding to majority interest</b>	<b>4,322</b>	<b>(3,504)</b>	<b>3,127</b>	<b>223</b>	<b>38</b>
EBITDA	13,213	10,494	10,886	26	21
Interest coverage*	6.4	5.4	4.2		

\* Times. LTM=Last Twelve Months

# Earnings Report

## First Quarter 2022 (1Q22)



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

#### BALANCE SHEET

Information in millions of Nominal Mexican Pesos

(%) Mar 22 vs.

ASSETS	Mar 22	Dec 21	Mar 21	Dec 21	Mar 21
<b>CURRENT ASSETS:</b>					
Cash and cash equivalents	13,915	16,856	15,380	(17)	(10)
Restricted cash	0	0	25	-	(100)
Customers, net	5,184	5,086	4,335	2	20
Income tax recoverable	818	914	900	(10)	(9)
Inventories	18,209	16,617	16,119	10	13
Other current assets	5,637	6,057	3,547	(7)	59
<b>Total current assets</b>	<b>43,763</b>	<b>45,531</b>	<b>40,306</b>	<b>(4)</b>	<b>9</b>
Property, plant and equipment, net	30,106	30,946	33,233	(3)	(9)
Intangible assets, net	15,741	16,500	17,143	(5)	(8)
Goodwill	13,462	14,214	14,641	(5)	(8)
Deferred income tax	2,294	2,160	4,119	6	(44)
Investments in associates and joint ventures	151	157	139	(4)	9
Other non-current assets	820	1,107	917	(26)	(11)
<b>Total non-current assets</b>	<b>62,574</b>	<b>65,084</b>	<b>70,193</b>	<b>(4)</b>	<b>(11)</b>
<b>Total assets</b>	<b>106,338</b>	<b>110,615</b>	<b>110,499</b>	<b>(4)</b>	<b>(4)</b>
<b>LIABILITIES AND STOCKHOLDER'S EQUITY</b>					
<b>CURRENT LIABILITIES:</b>					
Current debt	434	649	458	(33)	(5)
Notes payables	642	702	720	(9)	(11)
Suppliers	21,055	21,214	21,080	(1)	(0)
Income tax payable	882	1,151	594	(23)	49
Provisions	73	100	126	(28)	(42)
Other current liabilities	9,324	9,317	6,812	0	37
<b>Total current liabilities</b>	<b>32,410</b>	<b>33,133</b>	<b>29,789</b>	<b>(2)</b>	<b>9</b>
<b>NON-CURRENT LIABILITIES:</b>					
Non-current debt	46,601	48,166	48,632	(3)	(4)
Notes payables	1,955	1,965	2,067	(1)	(5)
Deferred income taxes	3,602	3,714	3,865	(3)	(7)
Employees benefits	1,401	1,446	1,793	(3)	(22)
Provisions	78	139	87	(44)	(11)
Income tax payable	1,024	1,071	616	(4)	66
Other non-current liabilities	35	46	35	(24)	-
<b>Total non-current liabilities</b>	<b>54,695</b>	<b>56,548</b>	<b>57,095</b>	<b>(3)</b>	<b>(4)</b>
<b>Total liabilities</b>	<b>87,105</b>	<b>89,682</b>	<b>86,884</b>	<b>(3)</b>	<b>0</b>
<b>STOCKHOLDERS' EQUITY:</b>					
Total controlling interest:	19,232	20,933	23,614	(8)	(19)
Total non-controlling interest:	0	0	0	-	-
<b>Total stockholders' equity</b>	<b>19,232</b>	<b>20,933</b>	<b>23,614</b>	<b>(8)</b>	<b>(19)</b>
<b>Total liabilities and stockholders' equity</b>	<b>106,338</b>	<b>110,615</b>	<b>110,499</b>	<b>(4)</b>	<b>(4)</b>

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

### INCOME STATEMENT

	1Q22	4Q21	1Q21	1Q22 vs. (%)	
				4Q21	1Q21
Revenue	35,128	36,682	32,811	(4)	7
Cost of sales	(25,672)	(26,594)	(23,219)	(3)	11
<b>Gross profit</b>	<b>9,456</b>	<b>10,088</b>	<b>9,591</b>	<b>(6)</b>	<b>(1)</b>
Selling expenses	(5,557)	(5,818)	(5,319)	(4)	4
Administrative expenses	(1,647)	(1,492)	(1,656)	10	(1)
Other income (expenses), net	46	(1,239)	(39)	(104)	(218)
Operating profit	2,297	1,538	2,578	49	(11)
Comprehensive financial expenses, net	(637)	(904)	(610)	(30)	4
Equity in income (loss) of associates	0	21	0	(100)	-
Profit before income tax	1,660	655	1,968	154	(16)
Provisions for:					
Income tax	(726)	(2,614)	(309)	(72)	135
<b>Net consolidated profit</b>	<b>934</b>	<b>(1,959)</b>	<b>1,659</b>	<b>(148)</b>	<b>(44)</b>
<b>Non-controlling interest</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>-</b>
<b>Controlling interest</b>	<b>934</b>	<b>(1,959)</b>	<b>1,659</b>	<b>(148)</b>	<b>(44)</b>

## **Appendix - Listed Business 1Q22 Reports**

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**Alpek** (BMV: ALPEKAA) – Petrochemicals

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**Axtel** (BMV: AXTELCPO) – IT & Telecom

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FIRST QUARTER **2022 RESULTS**

## Alpek Posts Comparable EBITDA of U.S. \$333M (Reported EBITDA of U.S. \$456M)

*Guidance raised to U.S. \$1,250M due to higher-than-expected margins for rest of the year*

Monterrey, Mexico – April 25, 2022 – Alpek, S.A.B. de C.V., a leading petrochemical company in the Americas, today announced its first quarter 2022 results (1Q22).

### QUARTERLY HIGHLIGHTS

- Volume increased to 1.22 million tons (+4% QoQ) and on track with Guidance estimates
- Record-high Comparable EBITDA of U.S. \$333 million (+11% QoQ) due to higher-than-expected margins
- Dividend payment approved at Annual Shareholders' Meeting and U.S. \$176 million paid in 1Q22
- Leverage improved to 1.0x as higher LTM EBITDA more than offset increase in Net Debt
- Signed agreement to acquire Octal, player in high-value PET sheet business, expected to close by end of 2Q22
- Comparable EBITDA Guidance raised to U.S. \$1,250 million (+21%) due to strong 1Q22 & higher margin forecast

### 1Q22 KEY METRICS

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

	1Q22	4Q21	1Q21	QoQ (%)	YoY (%)
<b>Volume<sup>1</sup> (ktons)</b>	<b>1,216</b>	<b>1,172</b>	<b>1,230</b>	<b>4</b>	<b>(1)</b>
Polyester	962	931	996	3	(3)
Plastics & Chemicals	254	240	234	6	8
<b>Production (ktons)</b>	<b>1,526</b>	<b>1,654</b>	<b>1,621</b>	<b>(8)</b>	<b>(6)</b>
Polyester	1,277	1,380	1,346	(7)	(5)
Plastics & Chemicals	249	275	274	(9)	(9)
<b>Revenues</b>	<b>2,332</b>	<b>2,152</b>	<b>1,614</b>	<b>8</b>	<b>45</b>
Polyester	1,521	1,347	1,069	13	42
Plastics & Chemicals	615	579	471	6	30
<b>EBITDA</b>	<b>456</b>	<b>269</b>	<b>324</b>	<b>70</b>	<b>41</b>
Polyester	288	162	184	78	56
Plastics & Chemicals	170	105	123	63	38
Others	(2)	2	17	(167)	(110)
<b>Comparable EBITDA<sup>2</sup></b>	<b>333</b>	<b>300</b>	<b>203</b>	<b>11</b>	<b>64</b>
Polyester	193	160	89	21	116
Plastics & Chemicals	142	138	97	3	46
Others	(2)	2	17	(167)	(110)
<b>Net Income (Controlling Interest)</b>	<b>229</b>	<b>30</b>	<b>121</b>	<b>674</b>	<b>89</b>
<b>CAPEX</b>	<b>40</b>	<b>32</b>	<b>30</b>	<b>24</b>	<b>31</b>
<b>Net Debt</b>	<b>1,310</b>	<b>1,225</b>	<b>1,219</b>	<b>7</b>	<b>7</b>
<b>Net Debt / EBITDA<sup>3</sup></b>	<b>1.0</b>	<b>1.1</b>	<b>1.6</b>		

(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 pleased to report that Alpek has kicked off 2022 on an extraordinarily strong note, posting its highest ever quarterly Comparable EBITDA, with record results from the both the Polyester and Plastics & Chemicals segments.*

*Results were favored by the continued strength of the global economy, as well as a tighter global logistics environment, specifically for marine freight. Industry reference margins for Polyester, Polypropylene, and EPS were all above expectations, and volume increased in line with Guidance. Based on our strong results to date, as well as an improved margin outlook, we have upwardly revised EBITDA Guidance for the year.*

*During the first quarter, in addition to the outstanding financial performance, we made important strides in terms of the Company’s long-term strategic growth plan and governance practices. The acquisition of Octal will expand our presence into the high-value PET sheet market and is expected to be finalized during the first half of the year, once customary conditions to closing are met. Moreover, during its latest Annual Shareholders’ Meeting, Alpek continued to strengthen its governance practices, while also increasing the number of women and independent members in the composition of its Board of Directors.”*

### Overview

The first quarter of 2022 was favored by strong economic growth despite the Russia-Ukraine conflict. Its main effect on the petrochemical industry has been an increase in average Brent crude oil prices to U.S. \$97 dollars per barrel, 23% higher than in 4Q21, and closing the quarter at U.S. \$107 dollars per barrel. U.S. average reference paraxylene (“Px”) prices increased accordingly, by 21% versus last quarter. In Plastics & Chemicals, average reference Propylene prices remained stable at U.S. \$0.63 per pound, only 4% lower than the U.S. \$0.66 per pound in 4Q21.

Demand for Alpek’s portfolio of products has remained strong despite the situation in Eastern Europe, however marine freight costs and vessel availability remain under pressure to balance global supply and demand. With high freight costs, Asian integrated Polyester reference margins averaged U.S. \$420 dollars per ton in 1Q22 (-3% QoQ), much higher than expectations for this quarter. Meanwhile, Polypropylene margins declined to an average of U.S. \$0.38 per pound (-20% QoQ), albeit a smaller reduction than expected, as demand and import parity pricing for polypropylene remain high.



José de Jesús Valdez

**CEO**

## Octal Acquisition

On February 1, Alpek announced that it had signed an agreement to acquire OCTAL Holding SAOC (“Octal”), a major global PET sheet producer. The acquisition would forward-integrate Alpek into the high-value PET sheet business segment, close the gap towards achieving its ESG goals for circularity, and add over one million tons of installed capacity to Alpek’s existing footprint, spread across the following four sites:

- **PET Sheet:** 400,000 tons (Salalah Free Zone, Oman)
- **PET Sheet Recycling:** 33,000 tons (Cincinnati, United States)
- **PET Thermoform Packaging:** 11,000 tons (Riyadh, Saudi Arabia)
- **PET Resin:** 576,000 tons (Salalah Free Zone, Oman)

The Company agreed to purchase 100% of Octal’s shares for U.S. \$620 million on a debt-free basis. Financing for the acquisition will be secured through cash on the Company’s balance sheet, free cash flow generated from existing businesses, and dedicated bank loans. The deal would have an immediately accretive and material impact on EBITDA once customary conditions to closing are met, which is still expected to occur by the end of 2Q22.

## Revised Guidance & Outlook

Alpek originally provided 2022 Guidance figures based on the market conditions prevalent at the beginning of the year. Having observed higher-than-expected margins for PET, PP and EPS for the first quarter, stronger expectations for the rest of the year, as well as its 1Q22 results, the Company has decided to update its Guidance figures and key assumptions.

In the Polyester segment, we expect strong Asian integrated margins throughout 2022, normalizing at higher than-expected levels over the second half of the year. In the Plastics & Chemicals segment, Polypropylene and EPS margins should have a stronger finish than originally expected for 2022. Volume figured for both segments, as well as CAPEX will remain unchanged. Accordingly, we maintain a positive outlook for the remainder of 2022.

Key assumptions for the new Guidance figures are based on:

- Average Brent crude oil reference price of U.S. \$100 per barrel (up from U.S. \$81 per barrel)
- Asian Integrated PET Reference Margins of U.S. \$355 per ton (up from U.S. \$315 per ton)

	Revised 2022 Guidance (US\$M)	Change (% vs. '21)	Original 2022 Guidance (US\$M)	Change (% vs. '21)
<b>Reported EBITDA</b>	<b>U.S. \$1,365M</b>	<b>19</b>	U.S. \$1,031M	(10)
<b>Comparable EBITDA</b>	<b>U.S. \$1,250M</b>	<b>30</b>	U.S. \$1,031M	7

Alpek will discuss its Guidance in further detail during its 1Q22 Webcast.

## FINANCIAL RESULTS



### EBITDA

(U.S.\$ million)

	1Q22	4Q21	1Q21	QoQ (%)	YoY (%)
<b>Reported EBITDA</b>	<b>456</b>	<b>269</b>	<b>324</b>	<b>70</b>	<b>41</b>
Inventory Adjustment	(63)	11	(63)	(653)	-
Carry-forward effect	(66)	(6)	(58)	(1,069)	(14)
Others	6	25	-	(77)	100
<b>Comparable EBITDA</b>	<b>333</b>	<b>300</b>	<b>203</b>	<b>11</b>	<b>64</b>

**Comparable EBITDA** reached a record U.S. \$333 million, 11% higher quarter-on-quarter and 64% higher year-on-year, as a result of better-than-expected Polyester, EPS, and Polypropylene margins, alongside solid volume for both segments.

**Reported EBITDA** set a record U.S. \$456 million, 70% higher versus 4Q21 and 41% higher versus 1Q21, due to a positive inventory adjustment of U.S. \$63 million and a positive carry-forward effect of U.S. \$66 million generated by rising crude oil prices, compared to a negative combined carry-forward effect and inventory adjustment of U.S. \$5 million last quarter.



## INCOME STATEMENT

(U.S.\$ million)

	1Q22	4Q21	1Q21	QoQ (%)	YoY (%)
<b>Total Revenues</b>	<b>2,332</b>	<b>2,152</b>	<b>1,614</b>	<b>8</b>	<b>45</b>
Gross Profit	484	299	334	62	45
Operating expenses and others	(79)	(154)	(61)	49	(29)
<b>Operating Income</b>	<b>405</b>	<b>144</b>	<b>273</b>	<b>181</b>	<b>49</b>
Financial cost, net	(35)	(24)	(74)	(47)	52
Share of losses of associates	-	(1)	-	100	-
Income tax	(102)	(67)	(46)	(52)	(123)
<b>Consolidated Net Income</b>	<b>267</b>	<b>52</b>	<b>152</b>	<b>413</b>	<b>75</b>
Controlling interest	229	30	121	674	89

**Revenues** for the first quarter totaled a record U.S. \$2.332 billion, 8% higher than 4Q21 and 45% higher than 1Q21, due to higher average consolidated prices overall as well as strong consolidated volume.

**Net Income attributable to Controlling Interest** for the first quarter of 2022 was U.S. \$229 million, compared to U.S. \$30 million in 4Q21, primarily due to a higher operating income.

## CASH FLOW

(U.S.\$ million)

	1Q22	4Q21	1Q21	QoQ (%)	YoY (%)
EBITDA	456	269	324	70	41
Net Working Capital & Others	(193)	51	(192)	(479)	-
CAPEX	(40)	(32)	(30)	(24)	(31)
Financial Expenses	(30)	(23)	(67)	(27)	55
Income Tax	(74)	(38)	(44)	(95)	(69)
Dividends	(213)	(104)	(23)	(105)	(836)
Other Sources / Uses	8	(25)	(2)	134	516
<b>Decrease (Increase) in Net Debt</b>	<b>(85)</b>	<b>98</b>	<b>(34)</b>	<b>(186)</b>	<b>(152)</b>

**Net Working Capital (NWC)** increased by U.S. \$193 million due to higher raw material prices during the quarter stemming from the Russia-Ukraine conflict.

**CAPEX** for the quarter totaled U.S. \$40 million, largely in line with the previous quarter and year, and mainly used for maintenance.

**Income Tax** during 1Q22 was U.S. \$74 million, 95% higher versus the previous quarter as it already includes a portion of Alpek's payment for the fiscal year.

Alpek distributed **Dividends** of U.S. \$213 million in the first quarter, with U.S. \$176 million for shareholders as approved in the Annual Shareholders' Meeting on March 3, 2022. The remaining amount was paid out to minority shareholders.

## NET DEBT & LEVERAGE

(U.S.\$ million)

	1Q22	4Q21	1Q21	QoQ (%)	YoY (%)
<b>Net Debt</b>	<b>1,310</b>	<b>1,225</b>	<b>1,219</b>	<b>7</b>	<b>7</b>
EBITDA (LTM)	1,277	1,145	778	12	64
Net Debt / EBITDA (LTM)	1.0	1.1	1.6		

**Consolidated Net Debt** as of March 31, 2022, was U.S. \$1.31 billion, up 7% both QoQ and YoY. Gross Debt was U.S. \$1.728 billion, and Cash decreased to U.S. \$418 million. Financial ratios for the quarter improved with Net Debt to EBITDA further declining to 1.0x due to higher LTM EBITDA as well as an improvement in Interest Coverage to 13.4x.

## 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 962 ktons (+3% QoQ) increased as expected in Guidance
- Higher-than-expected average Integrated Asian PET margins of U.S. \$420 per ton (-3% QoQ)
- Record Polyester Comparable EBITDA of U.S. \$193 million (+21% QoQ) from strong margins and solid volume
- Polyester Reported EBITDA of U.S. \$288 million (+78% QoQ), with an inventory gain (U.S. \$56 million) and a positive carry-forward effect (U.S. \$49 million)

KEY METRICS - POLYESTER (U.S.\$ million, except volume and production)	1Q22	4Q21	1Q21	QoQ (%)	YoY (%)
<b>Volume (ktons)</b>	<b>962</b>	<b>931</b>	<b>996</b>	<b>3</b>	<b>(3)</b>
Production (ktons)	1,277	1,380	1,346	(7)	(5)
Revenues	1,521	1,347	1,069	13	42
<b>Reported EBITDA</b>	<b>288</b>	<b>162</b>	<b>184</b>	<b>78</b>	<b>56</b>
Inventories	(56)	(7)	(50)	(666)	(13)
Carry-forward effect	(49)	(4)	(45)	(1,250)	(9)
Others	10	9	-	17	100
<b>Comparable EBITDA</b>	<b>193</b>	<b>160</b>	<b>89</b>	<b>21</b>	<b>116</b>

**Polyester Volume** was 962 ktons in 1Q22, 3% higher quarter-on-quarter due to sustained high demand and a normalization of production from the weather-related effects of 2021, as considered in annual Guidance figures.

**Polyester Comparable EBITDA** reached a record high for any quarter of U.S. \$193 million, 21% higher QoQ and 116% higher YoY. This was due to the normalization in the spread between Asia and North America, as well as resilient Asian integrated Polyester reference margins, which averaged U.S. \$420 dollars per ton.

As a result of a 23% increase in the average Brent Crude oil price, average U.S. reference paraxylene ("Px") prices also rose by 21% QoQ. This resulted in a non-cash **inventory gain** of U.S. \$56 million and a **positive carry-forward effect** of U.S. \$49 million in 1Q22.

**Polyester Reported EBITDA** was U.S. \$288 million for the quarter, up 78% versus 4Q21, given the positive inventory and carry-forward effects of the quarter.

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

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

### QUARTERLY HIGHLIGHTS

- P&C Volume of 254 ktons in 1Q22 (+6% QoQ) increased due to higher polypropylene demand
- Polypropylene margins declined to U.S. \$0.38 per pound (-20% QoQ), but only 12% lower than December figures
- Record P&C Comparable EBITDA of U.S. \$142 million (+3% QoQ) as increased EPS margins offset PP margins' decline
- P&C Reported EBITDA of U.S. \$170 million (+63% QoQ), from inventory gain (U.S. \$7 million) and a positive carry-forward effect (U.S. \$17 million)

KEY METRICS – P&C (U.S.\$ million, except volume and production)	1Q22	4Q21	1Q21	QoQ (%)	YoY (%)
<b>Volume (ktons)</b>	<b>254</b>	<b>240</b>	<b>234</b>	<b>6</b>	<b>8</b>
Production (ktons)	249	275	274	(9)	(9)
Revenues	615	579	471	6	30
<b>Reported EBITDA</b>	<b>170</b>	<b>105</b>	<b>123</b>	<b>63</b>	<b>38</b>
Inventories	(7)	19	(13)	(136)	48
Carry-forward effect	(17)	(2)	(13)	(746)	(29)
Others	(4)	18	-	(126)	(100)
<b>Comparable EBITDA</b>	<b>142</b>	<b>138</b>	<b>97</b>	<b>3</b>	<b>46</b>

**P&C Volume** was 254 ktons, up 6% QoQ and 8% YoY, due to higher polypropylene demand and Alpek's ability to run idled EPS reactors during planned maintenance at its U.S. sites.

**P&C Comparable EBITDA** set a new quarterly record of U.S. \$142 million, up 3% and 46% when compared to 4Q21 and 1Q21, respectively, mainly due to a continuation of high EPS and PP margins from strong demand, as well as the high marine freight costs and corresponding import parity pricing from Asia.

Propylene prices averaged U.S. \$0.63 per pound, down 4% versus 4Q21, resulting in a non-cash **inventory gain** of U.S. \$7 million and **positive carry-forward effect** of U.S. \$17 million.

**P&C Reported EBITDA** was U.S. \$170 million during the quarter, up 63% QoQ and up 38% YoY, due mostly to the inventory gain and carry-forward effect caused by higher raw material prices.

## 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 (%)
<b>Polyester</b>		
Avg. Ps. Prices	8	49
Avg. U.S. \$ Prices	9	47
<b>Plastics &amp; Chemicals</b>		
Avg. Ps. Prices	-	21
Avg. U.S. \$ Prices	1	20
<b>Total</b>		
Avg. Ps. Prices	3	48
Avg. U.S. \$ Prices	4	46

TABLE 2   REVENUES	1Q22	4Q21	1Q21	QoQ (%)	YoY (%)
<b>Total Revenues</b>					
Ps. Million	47,877	44,664	32,830	7	46
U.S. \$ Million	2,332	2,152	1,614	8	45
<b>Domestic Revenues</b>					
Ps. Million	17,965	16,680	11,758	8	53
U.S. \$ Million	875	804	578	9	51
<b>Foreign Revenues</b>					
Ps. Million	29,912	27,984	21,072	7	42
U.S. \$ Million	1,457	1,348	1,036	8	41
Foreign / Total (%)	62	63	64		

TABLE 3   OP. INCOME AND EBITDA	1Q22	4Q21	1Q21	QoQ (%)	YoY (%)
<b>Operating Income</b>					
Ps. Million	8,316	2,990	5,546	178	50
U.S. \$ Million	405	144	273	181	49
<b>EBITDA</b>					
Ps. Million	9,368	5,578	6,594	68	42
U.S. \$ Million	456	269	324	70	41

<b>TABLE 4   COMPARABLE EBITDA</b>	<b>1Q22</b>	<b>4Q21</b>	<b>1Q21</b>	<b>QoQ (%)</b>	<b>YoY (%)</b>
<b>EBITDA</b>					
Ps. Million	9,368	5,578	6,594	68	42
U.S. \$ Million	456	269	324	70	41
<b>Adjustments*</b>					
Ps. Million	(2,553)	650	(2,461)	(493)	(4)
U.S. \$ Million	(123)	31	(121)	(496)	(2)
<b>Comparable EBITDA</b>					
Ps. Million	6,814	6,227	4,133	9	65
U.S. \$ Million	333	300	203	11	64

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

<b>TABLE 5   IFRS 16 EFFECT</b> (U.S.\$ million)	<b>1Q22</b>	<b>4Q21</b>	<b>1Q21</b>	<b>QoQ (%)</b>	<b>YoY (%)</b>
<b>Income Statement</b>					
Amortization	12	12	11	(4)	3
Financial Expense	2	3	2	(19)	16
<b>Net Debt</b>	<b>7</b>	<b>31</b>	<b>9</b>	<b>(77)</b>	<b>(17)</b>
<b>Balance Sheet</b>					
Assets - Right of use	172	173	146	-	18
<b>Liabilities</b>					
Short-term lease	43	36	39	21	9
Long-term lease	133	140	108	(4)	24

<b>TABLE 6   FINANCIAL COST, NET</b> (U.S.\$ million)	<b>1Q22</b>	<b>4Q21</b>	<b>1Q21</b>	<b>QoQ (%)</b>	<b>YoY (%)</b>
Financial Expenses	(37)	(25)	(67)	(47)	45
Financial Income	6	15	4	(61)	54
<b>Net Financial Expenses</b>	<b>(32)</b>	<b>(11)</b>	<b>(64)</b>	<b>(200)</b>	<b>50</b>
Fx Gains (Losses)	(4)	(14)	(11)	71	64
<b>Financial Cost, Net</b>	<b>(35)</b>	<b>(24)</b>	<b>(74)</b>	<b>(47)</b>	<b>52</b>

<b>TABLE 7   NET INCOME</b> (U.S.\$ million, except as noted)	<b>1Q22</b>	<b>4Q21</b>	<b>1Q21</b>	<b>QoQ (%)</b>	<b>YoY (%)</b>
Consolidated Net Income	267	52	152	413	75
Non-Controlling Interest	38	22	31	70	22
<b>Controlling Interest</b>	<b>229</b>	<b>30</b>	<b>121</b>	<b>674</b>	<b>89</b>
Earnings per Share (U.S. \$)	0.11	0.01	0.06	674	89
<b>Avg. Outstanding Shares (million)*</b>	<b>2,110</b>	<b>2,110</b>	<b>2,112</b>		

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

<b>TABLE 8   STATEMENT OF FINANCIAL POSITION &amp; FINANCIAL RATIOS</b> (U.S.\$ million)	<b>1Q22</b>	<b>4Q21</b>	<b>1Q21</b>	<b>QoQ (%)</b>	<b>YoY (%)</b>
<b>Assets</b>					
Cash and cash equivalents	418	513	495	(18)	(15)
Trade accounts receivable	1,132	927	718	22	58
Inventories	1,331	1,249	965	7	38
Other current assets	338	313	369	8	(8)
<b>Total current assets</b>	<b>3,219</b>	<b>3,001</b>	<b>2,547</b>	<b>7</b>	<b>26</b>
Investment in associates and others	447	442	439	1	2
Property, plant and equipment, net	1,936	1,914	1,899	1	2
Goodwill and intangible assets, net	162	163	178	-	(9)
Other non-current assets	523	501	504	4	4
<b>Total assets</b>	<b>6,287</b>	<b>6,022</b>	<b>5,567</b>	<b>4</b>	<b>13</b>
<b>Liabilities and stockholders' equity</b>					
Debt	118	129	29	(9)	301
Suppliers	1,323	1,243	908	6	46
Other current liabilities	356	360	366	(1)	(3)
<b>Total current liabilities</b>	<b>1,798</b>	<b>1,733</b>	<b>1,303</b>	<b>4</b>	<b>38</b>
Debt (include debt issuance costs)	1,426	1,425	1,528	-	(7)
Employees' benefits	50	50	65	1	(23)
Other long-term benefits	422	405	411	4	2
<b>Total liabilities</b>	<b>3,695</b>	<b>3,613</b>	<b>3,308</b>	<b>2</b>	<b>12</b>
Total stockholders' equity	2,592	2,409	2,259	8	15
Total liabilities and stockholders' equity	6,287	6,022	5,567	4	13
Net Debt	1,310	1,225	1,219	7	7
Net Debt / EBITDA*	1.0	1.1	1.6		
Interest Coverage*	13.4	8.7	5.8		

\* Period: last 12 months

**POLYESTER**

<b>TABLE 9   REVENUES</b>	<b>1Q22</b>	<b>4Q21</b>	<b>1Q21</b>	<b>QoQ (%)</b>	<b>YoY (%)</b>
<b>Total Revenues</b>					
Ps. Million	31,232	27,963	21,742	12	44
U.S. \$ Million	1,521	1,347	1,069	13	42
<b>Domestic Revenues</b>					
Ps. Million	7,330	5,942	4,444	23	65
U.S. \$ Million	357	286	219	25	63
<b>Foreign Revenues</b>					
Ps. Million	23,902	22,021	17,298	9	38
U.S. \$ Million	1,164	1,061	851	10	37
Foreign / Total (%)	77	79	80		

<b>TABLE 10   OP. INCOME AND EBITDA</b>	<b>1Q22</b>	<b>4Q21</b>	<b>1Q21</b>	<b>QoQ (%)</b>	<b>YoY (%)</b>
<b>Operating Income</b>					
Ps. Million	5,092	1,953	2,961	161	72
U.S. \$ Million	248	94	145	165	71
<b>EBITDA</b>					
Ps. Million	5,910	3,362	3,748	76	58
U.S. \$ Million	288	162	184	78	56

<b>TABLE 11   COMPARABLE EBITDA</b>	<b>1Q22</b>	<b>4Q21</b>	<b>1Q21</b>	<b>QoQ (%)</b>	<b>YoY (%)</b>
<b>EBITDA</b>					
Ps. Million	5,910	3,362	3,748	76	58
U.S. \$ Million	288	162	184	78	56
<b>Adjustments*</b>					
Ps. Million	(1,974)	(45)	(1,933)	(4,279)	(2)
U.S. \$ Million	(95)	(2)	(95)	(4,069)	-
<b>Comparable EBITDA</b>					
Ps. Million	3,937	3,316	1,815	19	117
U.S. \$ Million	193	160	89	21	116

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

**PLASTICS & CHEMICALS**

TABLE 12   REVENUES	1Q22	4Q21	1Q21	QoQ (%)	YoY (%)
<b>Total Revenues</b>					
Ps. Million	12,615	12,005	9,589	5	32
U.S. \$ Million	615	579	471	6	30
<b>Domestic Revenues</b>					
Ps. Million	6,657	6,093	5,865	9	14
U.S. \$ Million	324	294	288	10	13
<b>Foreign Revenues</b>					
Ps. Million	5,957	5,913	3,724	1	60
U.S. \$ Million	290	285	183	2	59
Foreign / Total (%)	47	49	39		

TABLE 13   OP. INCOME AND EBITDA	1Q22	4Q21	1Q21	QoQ (%)	YoY (%)
<b>Operating Income</b>					
Ps. Million	3,258	988	2,247	230	45
U.S. \$ Million	159	48	111	229	44
<b>EBITDA</b>					
Ps. Million	3,491	2,166	2,509	61	39
U.S. \$ Million	170	105	123	63	38

TABLE 14   COMPARABLE EBITDA	1Q22	4Q21	1Q21	QoQ (%)	YoY (%)
<b>EBITDA</b>					
Ps. Million	3,491	2,166	2,509	61	39
U.S. \$ Million	170	105	123	63	38
<b>Adjustments*</b>					
Ps. Million	(580)	695	(528)	(183)	(10)
U.S. \$ Million	(28)	33	(26)	(184)	(8)
<b>Comparable EBITDA</b>					
Ps. Million	2,911	2,861	1,981	2	47
U.S. \$ Million	142	138	97	3	46

\*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**

	Mar-22	Dec-21	Mar-21	QoQ (%)	YoY (%)
(millions of Mexican pesos)					
<b>ASSETS</b>					
<b>CURRENT ASSETS:</b>					
Cash and cash equivalents	8,353	10,541	10,180	(21)	(18)
Restricted cash	13	13	12	(3)	8
Trade accounts receivable	22,629	19,075	14,800	19	53
Other accounts and notes receivable	4,137	4,805	5,011	(14)	(17)
Inventories	26,607	25,705	19,882	4	34
Other current assets	2,629	1,641	2,598	60	1
<b>Total current assets</b>	<b>64,368</b>	<b>61,780</b>	<b>52,483</b>	<b>4</b>	<b>23</b>
<b>NON-CURRENT ASSETS:</b>					
Investment in associates and others	8,941	9,093	9,043	(2)	(1)
Property, plant and equipment, net	38,706	39,405	39,133	(2)	(1)
Goodwill and intangible assets	3,237	3,348	3,668	(3)	(12)
Other non-current assets	10,453	10,319	10,386	1	1
<b>Total assets</b>	<b>125,705</b>	<b>123,945</b>	<b>114,713</b>	<b>1</b>	<b>10</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>					
<b>CURRENT LIABILITIES:</b>					
Debt	2,364	2,660	608	(11)	289
Suppliers	26,458	25,595	18,700	3	41
Other current liabilities	7,113	7,415	7,549	(4)	(6)
<b>Total current liabilities</b>	<b>35,935</b>	<b>35,670</b>	<b>26,857</b>	<b>1</b>	<b>34</b>
<b>NON-CURRENT LIABILITIES:</b>					
Debt (includes debt issuance cost)	28,502	29,333	31,480	(3)	(9)
Deferred income taxes	4,412	4,124	4,794	7	(8)
Other non-current liabilities	4,023	4,203	3,685	(4)	9
Employee benefits	1,009	1,029	1,349	(2)	(25)
<b>Total liabilities</b>	<b>73,881</b>	<b>74,359</b>	<b>68,165</b>	<b>(1)</b>	<b>8</b>
<b>STOCKHOLDERS' EQUITY:</b>					
Controlling interest:					
Capital stock	6,027	6,028	6,035	-	-
Share premium	8,971	8,976	9,021	-	(1)
<b>Contributed capital</b>	<b>14,998</b>	<b>15,004</b>	<b>15,056</b>	<b>-</b>	<b>-</b>
Earned surplus	31,066	28,712	26,023	8	19
<b>Total controlling interest</b>	<b>46,064</b>	<b>43,716</b>	<b>41,079</b>	<b>5</b>	<b>12</b>
Non-controlling interest	5,760	5,870	5,469	(2)	5
<b>Total stockholders' equity</b>	<b>51,824</b>	<b>49,586</b>	<b>46,548</b>	<b>5</b>	<b>11</b>
<b>Total liabilities and stockholders' equity</b>	<b>125,705</b>	<b>123,945</b>	<b>114,713</b>	<b>1</b>	<b>10</b>

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

	1Q22	4Q21	1Q21	QoQ (%)	YoY (%)
(millions of Mexican pesos)					
Revenues	47,877	44,664	32,830	7	46
Domestic	17,965	16,680	11,758	8	53
Export	29,912	27,984	21,072	7	42
Cost of sales	(37,937)	(38,470)	(26,042)	1	(46)
<b>Gross profit</b>	<b>9,940</b>	<b>6,194</b>	<b>6,788</b>	<b>60</b>	<b>46</b>
Operating expenses and others	(1,624)	(3,204)	(1,242)	49	(31)
<b>Operating income</b>	<b>8,316</b>	<b>2,990</b>	<b>5,546</b>	<b>178</b>	<b>50</b>
Financial result, net	(727)	(496)	(1,531)	(47)	53
Equity in income of associates and joint ventures	(7)	(19)	5	58	(252)
<b>Income before taxes</b>	<b>7,852</b>	<b>2,475</b>	<b>4,020</b>	<b>206</b>	<b>89</b>
Income taxes	(2,100)	(1,407)	(930)	(49)	(126)
<b>Consolidated net income</b>	<b>5,482</b>	<b>1,068</b>	<b>3,090</b>	<b>413</b>	<b>77</b>
<b>Income attributable to Controlling interest</b>	<b>4,698</b>	<b>601</b>	<b>2,452</b>	<b>682</b>	<b>92</b>
<b>Income attributable to Non-controlling interest</b>	<b>784</b>	<b>467</b>	<b>638</b>	<b>68</b>	<b>23</b>

# EARNINGS REPORT

First Quarter 2022 (1Q22)



Monterrey, Mexico, April 25, 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 first quarter of 2022 ("1Q22").

## Axtel reports 1Q22 EBITDA of US \$35 million (Ps. 717 million)

### SELECTED FINANCIAL INFORMATION

(IN MILLIONS)

	1Q22	4Q21	1Q21	(% 1Q22 vs.		YTD'22	YTD'21	YTD
				4Q21	1Q21			Δ (%)
Revenues (Ps.)	2,547	2,812	2,835	(9)	(10)	2,547	2,835	(10)
US \$	124	136	140	(8)	(11)	124	140	(11)
EBITDA (Ps.) <sup>1</sup>	717	824	916	(13)	(22)	717	916	(22)
US \$	35	40	45	(12)	(22)	35	45	(22)
Net Income (loss) (Ps.)	111	(553)	(286)	--	--	111	(286)	--
US \$	5	(27)	(14)	--	--	5	(14)	--
CAPEX (Ps.) <sup>2</sup>	333	424	274	(22)	21	333	274	21
US \$	16	20	13	(21)	20	16	13	20
Net Debt (US \$)	585	574	627	2	(7)			
Net Debt / LTM EBITDA*	3.3	3.1	3.2					
LTM Interest Coverage*	3.5	3.3	3.2					

\* 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.

### 1Q22 HIGHLIGHTS

#### RESULTS

- Solid performance in *Digital Transformation* services for the Enterprise segment, revenues increased 17% in 1Q22, compared to 1Q21.
  - Revenues from *Cloud* and *Cybersecurity* solutions increased 27% YoY.
- Longer time-to-market, due to supply-chain constraints, translated into a negative impact of approximately Ps. 40 million in Enterprise segment revenues during the quarter. Signs of improvement in recent weeks are encouraging.
- Performance was affected by lower sales in the Government segment, as well as lower revenues from a wholesale mobile operator and dark-fiber contracts in the Infrastructure Business Unit.

#### STRATEGIC PROJECTS

- The process to attract investors continued; investors also showed interest in partnerships which could contribute to Axtel's revenue growth and strategic initiatives.
- Axtel presented Alestra Movil's new *Enterprise Mobility Management* (EMM) functionality, which allows enterprise customers to have a comprehensive control of their mobility ecosystem.

#### SHAREHOLDERS' MEETINGS

- In March, shareholders approved the cancelation of 424,991,364 shares, equivalent to 60,713,052 AXTELCPOs, held in the Company's treasury from the share buyback program.
  - ALFA's share ownership increased from 52.8% to 53.9%.
- A maximum amount of Ps. \$200 million was also approved for its share repurchase program in 2022, maintaining the same amount approved the previous year.

## MESSAGE FROM AXTEL'S CEO

*“During the first quarter, business opportunities for Axtel continue improving, the acquisition rate of new projects for the enterprise segment and Infrastructure Unit was 21% and 29% higher, respectively, than the previous year; along with expectations of greater dynamism for the second quarter and going forward.*

*Likewise, Axtel promotes the digital transformation of customers who are adopting hybrid work environments, contributing to a 27% growth in revenues from cloud and cybersecurity solutions during the quarter.*

*During the first two months of the year, we successfully completed the installation of the new highly specialized commercial model with the aim of gaining market share in five high-growth services, such as Cloud, Cybersecurity, System Integration, Managed Networks and Collaboration. Simultaneously, we are replicating certain aspects of this new model to optimize the contribution of mature services, such as voice and connectivity.*

*Results in the quarter were affected by supply-chain constraints, which in recent weeks started to show signs of improvement. Results were also impacted by Government segment underperformance and reduced revenues from Altán and dark-fiber contracts in the Infrastructure Business Unit.*

*Axtel presented Alestra Movil's Enterprise Mobility Management (EMM) functionality, which favors the centralization of operations control and decision-making from a single platform, where our enterprise customers will be able to manage the security levels of applications, tools and employees' devices.*

*Finally, investors have shown particular interest in exploring partnership opportunities that would accelerate the growth of revenues and the development of the Company's strategic agenda”.*

Eduardo Escalante

## REVENUES – Business Units

	1Q22	4Q21	1Q21	(% 1Q22 vs.)		YTD'22	YTD'21	YTD
				4Q21	1Q21			Δ (%)
<b>SERVICES (Ps.)</b>	<b>2,147</b>	<b>2,220</b>	<b>2,219</b>	<b>(3)</b>	<b>(3)</b>	<b>2,147</b>	<b>2,219</b>	<b>(3)</b>
US \$	105	107	109	(2)	(4)	105	109	(4)
Enterprise (Ps.)	1,857	1,853	1,880	0	(1)	1,857	1,880	(1)
US \$	90	89	93	1	(2)	90	93	(2)
Government (Ps.)	290	366	339	(21)	(14)	290	339	(14)
US \$	14	18	17	(20)	(15)	14	17	(15)
<b>INFRASTRUCTURE (Ps.)</b>	<b>1,016</b>	<b>1,206</b>	<b>1,230</b>	<b>(16)</b>	<b>(17)</b>	<b>1,016</b>	<b>1,230</b>	<b>(17)</b>
US \$	50	58	60	(15)	(18)	50	60	(18)
<b>ELIMINATIONS (Ps.) *</b>	<b>(617)</b>	<b>(614)</b>	<b>(614)</b>	<b>(0)</b>	<b>(0)</b>	<b>(617)</b>	<b>(614)</b>	<b>(0)</b>
US \$	(30)	(30)	(30)	(2)	1	(30)	(30)	1
<b>TOTAL REVENUES (Ps.)</b>	<b>2,547</b>	<b>2,812</b>	<b>2,835</b>	<b>(9)</b>	<b>(10)</b>	<b>2,547</b>	<b>2,835</b>	<b>(10)</b>
US \$	124	136	140	(8)	(11)	124	140	(11)

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

Total revenues were US \$124 million in 1Q22, down 11% when compared to 1Q21. In pesos, revenues decreased 10%, due to 3% and 17% declines in Alestra and Axtel Networks’ revenues, respectively.

### INFRASTRUCTURE BUSINESS UNIT (“AXTEL NETWORKS”)

Revenues reached US \$50 million in 1Q22; down 18% compared to 1Q21. In pesos, revenues decreased 17%, as third-party wholesale customers revenues declined mainly due to a decline in dark fiber contracts and lower revenues from a wholesale mobile operator currently under *Concurso Mercantil* process.

Revenues coming from Alestra represented 61% of total Infrastructure Unit’s revenues.

### SERVICES BUSINESS UNIT (“ALESTRA”)

Revenues totaled US \$105 million in 1Q22, down 4% compared to 1Q21. In pesos, revenues declined 3%, due to 1% and 14% declines in Enterprise and Government segment revenues, respectively.

#### ENTERPRISE SEGMENT (86% of Services Unit YTD revenues)

Enterprise segment revenues totaled US \$90 million in 1Q22. In pesos, revenues were 1% lower than 1Q21, due to an 8% decrease in *standard services*, mitigated by 8% and 17% increases in *value added* and *digital transformation services*, respectively. (Table 1).

**STANDARD SERVICES** revenues reached Ps. 1,214 million in 1Q22, down 8% year-over-year, mainly due to a 21% decrease in *voice* revenues, due to its technological declining trend and adoption of collaboration solutions, however, on a sequential basis, voice revenues were down 1% reflecting some stabilization on its declining trend. In addition, *VPN & Ethernet and hosting* solutions revenues declined 12% due to substitution of basic connectivity solutions by software-based services, such as SDWAN services.

**VALUE-ADDED SERVICES** revenues reached Ps. 241 million in 1Q22, 8% higher when compared to 1Q21, due to 11% and 7% increases in *system integration* and *managed services*, respectively.

**DIGITAL TRANSFORMATION** revenues reached Ps. 402 million in 1Q22, up 17% compared to 1Q21, mainly due to a combined 27% increase in *cloud* and *cybersecurity* solutions and a 10% increase in collaboration solutions.



## REVENUES – Business Units

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

#### GOVERNMENT SEGMENT (14% of Services Unit YTD revenues)

Government segment revenues amounted US \$14 million in 1Q22. In pesos, revenues declined 14% compared to 1Q21, due to lower recurring revenues driven by the termination of contracts, mostly with federal entities. Alongside the constant pursuit of new acquisitions with federal entities, the Company will carry on striving to further diversify into state and local governments. (Table 2).

**STANDARD SERVICES** revenues reached Ps. 124 million in 1Q22, 22% lower than 1Q21, mainly due to a decrease in *voice* and *VPN & Ethernet* solutions.

**VALUE-ADDED SERVICES** revenues reached Ps. 85 million in 1Q22, down 9% when compared to 1Q21, mostly due to a decline in *system integration* solutions.

**DIGITAL TRANSFORMATION** revenues reached Ps. 81 million in 1Q22, a 6% lower compared to 1Q21, mainly due to a decrease in *managed applications*.

## GROSS PROFIT

Gross profit is defined as revenues minus cost of revenues. For 1Q22, gross profit was US \$88 million. In pesos, gross profit totaled Ps. 1,804 million, down 13% compared to 1Q21.

**SERVICES UNIT (ALESTRA)** gross profit amounted Ps. 872 million, a 7% decrease compared to the year-earlier quarter, mainly due to declines in revenues previously described and a change in revenue mix, with a lower proportion of higher-margin *standard services*, as well as lower *value-added* margins for both the enterprise and government segments.

**INFRASTRUCTURE UNIT (AXTEL NETWORKS)** gross profit amounted to Ps. 932 million, down 17% 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 1Q22; in pesos, operating expenses decreased 5%.

**SERVICES UNIT (ALESTRA)** operating expenses decreased 14% compared to 1Q21, mainly as a result of a cancellation of a provision related to personnel expenses during 1Q22 and declines in maintenance expenses.

**INFRASTRUCTURE UNIT (AXTEL NETWORKS)** operating expenses increased 5% compared to 1Q21, mainly explained by a higher debt provision charge in relation to the mobile customer that filed for *Concurso Mercantil*.

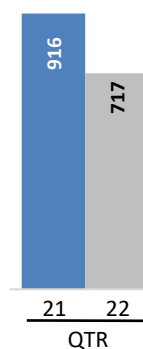
Other income reached Ps. 6 million during 1Q22, compared to other expenses of Ps. 1 million in 1Q21.

## EBITDA

EBITDA totaled US \$35 million in 1Q22. In pesos, EBITDA reached Ps. 717 million, compared to Ps. 916 million in 1Q21, a 22% decline.

EBITDA margin decreased from 32.3% in 1Q21 to 28.2% in 1Q22 due to lower gross profit previously described, slightly mitigated by lower expenses.

(in Million Ps.)



### SERVICES UNIT (ALESTRA)

(55% of Axtel's YTD EBITDA)

Services Business Unit EBITDA amounted US \$19 million in 1Q22. In pesos, 1Q22 EBITDA increased 4%, mainly due to the two-digit decline in operating expenses previously explained, compensating the decline in gross profit.

(in Million Ps.)



### INFRASTRUCTURE UNIT (AXTEL NETWORKS)

(45% of Axtel's YTD EBITDA)

Infrastructure Unit EBITDA reached US \$16 million in 1Q22. In pesos, EBITDA declined 40% compared to 1Q21, mostly explained by lower revenues.

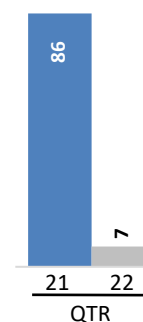
(in Million Ps.)



## OPERATING INCOME (LOSS)

The 1Q22 registered an operating income of Ps. 7 million, compared to an operating income of Ps. 86 million in 1Q21; as the lower cost of sales, operating expenses, and depreciation and amortization charges did not compensate the decline in revenues.

(in Million Ps.)



## COMPREHENSIVE FINANCING RESULT

The comprehensive financing result reached US \$2 million in 1Q22 or Ps. 33 million, compared to a comprehensive financing cost of Ps. 668 million in 1Q21; mostly explained by a Ps. 270 million FX gain during 1Q22 resulting from an appreciation of the Mexican peso against the US dollar, compared to a Ps. 307 million FX loss in 1Q21. Net interest expenses decreased 34% from 1Q21 to 1Q22, due to a lower level of total debt.

## NET DEBT

Net debt as of 1Q22 was US \$585 million, a decrease of 7% or US \$42 million in comparison with 1Q21; comprised of a US \$41 million decrease in debt, a US \$6 million non-cash increase in debt caused by a 3% appreciation of the Mexican peso year-over-year and a US \$7 million increase in cash.

Total debt reduction of US \$41 million year-over-year is explained by i) a US \$20 million decrease related to the reduction in the drawn down amount under a committed line facility in September 2021; ii) a US \$16 million decrease in other loans and financial leases; and iii) a US \$5 million decrease due to the amortization of the long-term facility.

As of 1Q22, cash balance totaled US \$76 million (Ps. 1,520 million). Cash in 1Q21 totaled US \$69 million (Ps. 1,428 million).

Financial ratios for the first quarter 2022 were: Net Debt to EBITDA of 3.3 times and Interest Coverage of 3.5 times. (Table 6).

## CAPITAL EXPENDITURES (CAPEX)

Capital investments totaled US \$16 million in 1Q22 (60% for Axtel Networks and 40% for Alestra); compared to US \$13 million in 1Q21.

## 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.
- To reduce exchange rate risk exposure, Axtel maintains forward transactions for an outstanding amount of US \$25 million @ 20.50 MXN/USD, where Axtel buys USD and sells MXN, hedging approximately 70% of its USD denominated Capex and interest obligations up to July 2022. Additionally, Axtel maintains an interest rate swap ("IRS") for Ps. 2,160 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 53.9% 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](http://axtelcorp.mx)

Alestra's website: [alestra.mx](http://alestra.mx)

Axtel Networks' website: [axtelnetworks.mx](http://axtelnetworks.mx)

## Appendix A – Tables

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

	1Q22	4Q21	1Q21	(% ) 1Q22 vs.		YTD'22	YTD'21	YTD Δ (%)
				4Q21	1Q21			
STANDARD SERVICES (Ps.)	1,214	1,207	1,315	1	(8)	1,214	1,315	(8)
VALUE ADDED (Ps.)	241	261	222	(8)	8	241	222	8
DIGITAL TRANSFORMATION (Ps.)	402	385	342	4	17	402	342	17
<b>TOTAL ENTERPRISE (Ps.)</b>	<b>1,857</b>	<b>1,853</b>	<b>1,880</b>	<b>0</b>	<b>(1)</b>	<b>1,857</b>	<b>1,880</b>	<b>(1)</b>
<i>US \$</i>	<i>90</i>	<i>89</i>	<i>93</i>	<i>1</i>	<i>(2)</i>	<i>90</i>	<i>93</i>	<i>(2)</i>
<i>Recurrent (Ps.)</i>	1,779	1,754	1,840	1	(3)	1,779	1,840	(3)
<i>Non recurrent (Ps.)</i>	77	99	39	(22)	96	77	39	96

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

	1Q22	4Q21	1Q21	(% ) 1Q22 vs.		YTD'22	YTD'21	YTD Δ (%)
				4Q21	1Q21			
STANDARD SERVICES (Ps.)	124	158	160	(21)	(22)	124	160	(22)
VALUE ADDED (Ps.)	85	116	93	(27)	(9)	85	93	(9)
DIGITAL TRANSFORMATION (Ps.)	81	93	86	(13)	(6)	81	86	(6)
<b>TOTAL GOVERNMENT (Ps.)</b>	<b>290</b>	<b>366</b>	<b>339</b>	<b>(21)</b>	<b>(14)</b>	<b>290</b>	<b>339</b>	<b>(14)</b>
<i>US \$</i>	<i>14</i>	<i>18</i>	<i>17</i>	<i>(20)</i>	<i>(15)</i>	<i>14</i>	<i>17</i>	<i>(15)</i>
<i>Recurrent (Ps.)</i>	234	290	317	(19)	(26)	234	317	(26)
<i>Non recurrent (Ps.)</i>	56	77	22	(27)	154	56	22	154

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

	1Q22	4Q21	1Q21	(% ) 1Q22 vs.		YTD'22	YTD'21	YTD Δ (%)
				4Q21	1Q21			
<b>TOTAL INFRASTRUCTURE (Ps.)</b>	<b>1,016</b>	<b>1,206</b>	<b>1,230</b>	<b>(16)</b>	<b>(17)</b>	<b>1,016</b>	<b>1,230</b>	<b>(17)</b>
<i>US \$</i>	<i>50</i>	<i>58</i>	<i>60</i>	<i>(15)</i>	<i>(18)</i>	<i>50</i>	<i>60</i>	<i>(18)</i>
ELIMINATIONS (Ps.) *	(617)	(614)	(614)	(0)	(0)	(617)	(614)	(0)
<i>US \$</i>	(30)	(30)	(30)	(2)	1	(30)	(30)	1

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



## Appendix A – Tables

**TABLE 4 | OPERATING INCOME AND EBITDA**  
(IN MILLIONS)

	1Q22	4Q21	1Q21	(% 1Q22 vs.		YTD'22	YTD'21	YTD Δ (%)
				4Q21	1Q21			
Operating Income (Ps.)	7	(207)	86	--	(92)	7	86	(92)
US \$	0	(10)	4	--	(92)	0	4	(92)
EBITDA (Ps.)	717	824	916	(13)	(22)	717	916	(22)
US \$	35	40	45	(12)	(22)	35	45	(22)
Services Unit (Ps.)	393	340	378	16	4	393	378	4
Infrastructure Unit (Ps.)	324	484	538	(33)	(40)	324	538	(40)

\*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)

	1Q22	4Q21	1Q21	(% 1Q22 vs.		YTD'22	YTD'21	YTD Δ (%)
				4Q21	1Q21			
Net interest expense	(237)	(260)	(362)	9	34	(237)	(362)	34
FX gain (loss), net	270	(117)	(307)	--	--	270	(307)	--
Ch. FV of Fin. Instruments	0	0	0	--	--	0	0	--
<b>Total (Ps.)</b>	<b>33</b>	<b>(378)</b>	<b>(668)</b>	<b>--</b>	<b>--</b>	<b>33</b>	<b>(668)</b>	<b>--</b>
US \$	2	(18)	(33)	--	--	2	(33)	--

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

	1Q22	4Q21	1Q21	(% 1Q22 vs.	
				4Q21	1Q21
Senior Notes 2024	440	440	440	0	0
Long-term bank loan	156	153	156	2	(0)
Short-term bank loans	30	29	49	0	(40)
Other loans + leases	23	25	39	(6)	(40)
Accrued interests	12	5	12	150	0
<b>Total Debt</b>	<b>661</b>	<b>652</b>	<b>697</b>	<b>1</b>	<b>(5)</b>
% US \$ denominated debt	72%	73%	71%		
(-) Cash and cash eq.	(76)	(78)	(69)	3	(10)
<b>Net Debt</b>	<b>585</b>	<b>574</b>	<b>627</b>	<b>2</b>	<b>(7)</b>
Net Debt / LTM EBITDA*	3.3	3.1	3.2		
LTM Interest Coverage*	3.5	3.3	3.2		

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

## Appendix B – Financial Statements

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

#### Unaudited Consolidated Balance Sheet

(IN MILLION PESOS)

	1Q22	4Q21	1Q21	(% 1Q22 vs.)	
				4Q21	1Q21
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and equivalents	1,520	1,614	1,428	(6)	6
Restricted cash	-	-	-	--	--
Accounts receivable	1,859	1,695	1,826	10	2
Related parties	24	35	9	(33)	158
Refundable taxes and other acc. rec.	696	762	1,060	(9)	(34)
Advances to suppliers	671	635	741	6	(9)
Inventories	133	85	140	55	(5)
Financial Instruments	(0)	0	-	--	--
<b>Total current assets</b>	<b>4,903</b>	<b>4,827</b>	<b>5,204</b>	<b>2</b>	<b>(6)</b>
<b>NON CURRENT ASSETS</b>					
Property, plant and equipment, net	9,841	10,133	11,134	(3)	(12)
Long-term accounts receivable	20	20	-	(3)	--
Intangible assets, net	1,756	1,799	1,860	(2)	(6)
Deferred income taxes	2,940	2,856	2,857	3	3
Investment shares associated co.	2	2	292	-	(99)
Other assets	357	338	366	6	(2)
<b>Total non current assets</b>	<b>14,916</b>	<b>15,148</b>	<b>16,509</b>	<b>(2)</b>	<b>(10)</b>
<b>TOTAL ASSETS</b>	<b>19,819</b>	<b>19,974</b>	<b>21,713</b>	<b>(1)</b>	<b>(9)</b>
<b>LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>					
<b>CURRENT LIABILITIES</b>					
Account payable & Accrued expenses	2,092	2,138	2,359	(2)	(11)
Accrued Interest	242	100	249	142	(3)
Short-term debt	-	-	-	--	--
Current portion of long-term debt	399	416	1,520	(4)	(74)
Taxes payable	11	-	2	--	589
Financial Instruments	22	34	127	(36)	(83)
Deferred Revenue	113	86	104	31	9
Provisions	26	29	22	(12)	17
Other accounts payable	618	706	815	(12)	(24)
<b>Total current liabilities</b>	<b>3,523</b>	<b>3,510</b>	<b>5,198</b>	<b>0</b>	<b>(32)</b>
<b>LONG-TERM LIABILITIES</b>					
Long-term debt	12,503	12,827	12,492	(3)	0
Employee Benefits	801	766	750	5	7
Derivative Financial Instruments	-	-	28	--	--
Other LT liabilities	1	1	1	2	13
<b>Total long-term debt</b>	<b>13,305</b>	<b>13,595</b>	<b>13,270</b>	<b>(2)</b>	<b>0</b>
<b>TOTAL LIABILITIES</b>	<b>16,828</b>	<b>17,105</b>	<b>18,468</b>	<b>(2)</b>	<b>(9)</b>
<b>STOCKHOLDERS' EQUITY</b>					
Capital stock	455	464	464	(2)	(2)
Reserve for repurchase of shares	210	190	198	10	6
Cumulative earnings (losses)	2,326	2,215	2,583	5	(10)
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>2,990</b>	<b>2,870</b>	<b>3,245</b>	<b>4</b>	<b>(8)</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>19,819</b>	<b>19,974</b>	<b>21,713</b>	<b>(1)</b>	<b>(9)</b>

## Appendix B – Financial Statements

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

#### Unaudited Consolidated Income Statement

(IN MILLION PESOS)

	1Q22	4Q21	1Q21	(% 1Q22 vs.		YTD'22	YTD'21	YTD
				4Q21	1Q21			Δ (%)
Total Revenues	2,547	2,812	2,835	(9)	(10)	2,547	2,835	(10)
Cost of sales and services	(743)	(847)	(773)	12	4	(743)	(773)	4
<b>Gross Profit</b>	<b>1,804</b>	<b>1,965</b>	<b>2,063</b>	<b>(8)</b>	<b>(13)</b>	<b>1,804</b>	<b>2,063</b>	<b>(13)</b>
Operating expenses	(1,092)	(1,099)	(1,146)	1	5	(1,092)	(1,146)	5
Other income (expenses), net	6	(43)	(1)	--	--	6	(1)	--
Depr., amort. & impairment assets	(711)	(1,031)	(830)	31	14	(711)	(830)	14
<b>Operating income</b>	<b>7</b>	<b>(207)</b>	<b>86</b>	<b>--</b>	<b>(92)</b>	<b>7</b>	<b>86</b>	<b>(92)</b>
Comprehensive financing result, net	33	(378)	(668)	--	--	33	(668)	--
Equity in results of associated company	-	(0)	(0)	--	--	-	(0)	--
<b>Income (loss) before income taxes</b>	<b>40</b>	<b>(585)</b>	<b>(583)</b>	<b>--</b>	<b>--</b>	<b>40</b>	<b>(583)</b>	<b>--</b>
Income taxes	71	32	297	121	(76)	71	297	(76)
<b>Net Income (Loss)</b>	<b>111</b>	<b>(553)</b>	<b>(286)</b>	<b>--</b>	<b>--</b>	<b>111</b>	<b>(286)</b>	<b>--</b>