

ALFA calls for an Extraordinary Shareholders' Meeting to present a spin-off proposal

- ALFA is comprised of global businesses with leading industry positions
- Spin-off to unlock ALFA's and its Subsidiaries' high underlying value potential
- Nemak is a leading provider of lightweighting solutions for the global automotive industry
- Extraordinary Shareholders' Meeting to take place on August 17, 2020

San Pedro Garza García, N.L. Mexico, July 31, 2020.- ALFA S.A.B. de C.V. (BMV: ALFAA) ("ALFA") announced today the company will hold an Extraordinary Shareholders' Meeting to present a proposal for the spin-off of its entire ownership stake in Nemak, S.A.B. de C.V. (BMV: NEMAKA) ("Nemak").

Subject to the corresponding approvals, ALFA expects to execute the spin-off as splitting entity, without the Company being dissolved. In addition, a new entity would be constituted as the spun-off company ("Controladora Nemak"), which would be listed on the Mexican Stock Exchange. ALFA would transfer its entire share ownership in Nemak to Controladora Nemak, as well as certain assets and capital.

ALFA shareholders would receive one share of Controladora Nemak for each of their ALFA shares, in addition to retaining their share ownership in ALFA's equity.

The proposal has been approved by ALFA's Board of Directors and is subject to approval at the Extraordinary Shareholders' Meeting that will take place on August 17, 2020.

"The spin-off of our share ownership in Nemak is the first step in the evolution towards the independence of our main businesses. Through this transaction, we begin to transfer higher autonomy and optionality to our shareholders and business units in order to unlock ALFA's high value potential based on its fundamentals," noted Armando Garza Sada, Chairman of ALFA's Board of Directors.

"ALFA and Nemak have strong financial and business positions to implement this initiative. We reiterate our commitment to maintain best practices in corporate governance and financial discipline across all our businesses. We plan a gradual and orderly transition process to make Nemak an independent business," said Alvaro Fernández Garza, President of ALFA.

As required by the applicable laws and regulations, ALFA prepared an information memorandum for this transaction, which is available at www.alfa.com.mx or at the Mexican Stock Exchange's website www.bmv.com.mx.

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About ALFA

ALFA is a holding company that manages a diversified portfolio of subsidiaries with global operations: Alpek, one of the world's largest producers of polyester (PTA, PET and fibers), and the leader in the Mexican market for polypropylene, expandable polystyrene (EPS) and caprolactam. 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. Nemak, a leading provider of innovative lightweighting solutions for the global automotive industry, specializing in the development and manufacturing of aluminum components for powertrain, structural components and for electric vehicles. Axtel, a provider of Information Technology and Communication services for the enterprise and government segments in Mexico. Newpek, an oil and gas exploration and production company with operations in Mexico and the United States. In 2019, ALFA reported revenues of Ps. 337,750 million (US \$17.5 billion), and EBITDA of Ps. 44,280 million (US \$2.3 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