

ALFA announces that Newpek divested all its assets in Texas

- In line with ALFA's strategy to divest Newpek's assets outside Mexico
- Transaction includes all wells and leases in the Eagle Ford and Edwards shale formations in Texas
- ALFA will recognize a US \$58 million gain in 3Q20 EBITDA resulting from the cancellation of obligations
- In line with ALFA's recent announcement to unlock value via fully independent subsidiaries

San Pedro Garza García, N.L. Mexico, August 18, 2020.- ALFA S.A.B. de C.V. (BMV: ALFAA) ("ALFA") announced today that its subsidiary, Newpek LLC ("Newpek"), divested all of its assets in Texas, including all wells and leases in the Eagle Ford Shale ("EFS") and Edwards Shale ("Edwards"). Newpek transferred its assets in Texas to Ensign Operating LLC ("Ensign") and Reliance Eagleford Upstream Holding LP ("Reliance") in exchange for a complete cancellation of its obligations in the joint venture and operating contracts.

At the close of 2Q20, EFS and Edwards had a total of 591 wells connected to sales.

This transaction has an implied value of US \$88 million for Newpek, resulting from the cancellation of its obligations. Hence, ALFA will recognize an extraordinary gain of US \$58 million in 3Q20 EBITDA. Details of the agreement were not disclosed.

In line with ALFA's strategy to divest Oil & Gas assets outside Mexico, Newpek also closed its administrative office in Irving, Texas and moved remaining functions to Monterrey, Mexico.

This transaction is also aligned with ALFA's recent announcement to unlock its high underlying value potential through a gradual and orderly process towards fully independent subsidiaries; versus the current conglomerate structure.

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About ALFA

ALFA 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. Nemark, 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