



ALFA, S.A.B. de C.V. (BMV: ALFAA)

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EARNINGS REPORT

Second Quarter 2021 (2Q21)

Monterrey, N.L., Mexico, July 21, 2021.

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 second quarter of 2021 ("2Q21"). All figures have been prepared in accordance with International Financial Reporting Standards ("IFRS").

Important note on changes to ALFA's Consolidated Financial Statements

On August 17, 2020, ALFA's shareholders approved to spin-off ALFA's share ownership of Nemak into a new, listed entity: Controladora Nemak, S.A.B. de C.V. ("Controladora Nemak"). The shares of "Controladora Nemak" were distributed to ALFA shareholders and began trading on the Mexican Bolsa on December 14, 2020. In accordance with International Financial Reporting Standards ("IFRS"), Nemak meets the definition of a "Discontinued Operation" for purposes of ALFA's Consolidated Financial Statements. "Discontinued Operations" are the net results of an entity that is either being held for disposal or which has already been disposed of.

The changes in ALFA's Consolidated Financial Statements are as follows:

- The Consolidated Statement of Financial Position presents all items related to Nemak as follows:
 - o At the close of 3Q20, as "Current assets from discontinued operations" and "Current liabilities from discontinued operations"
 - o At the close of 4Q20, all items are eliminated
 - o At the close of 2Q21, no figures shown related to Nemak
 - o Prior periods are not restated
- The Consolidated Statement of Income presents Nemak's net revenues and expenses as a single line item "Profit (loss) from discontinued operations" as follows:
 - o 4Q20 accumulated figures for the two months and 14 days ended December 14, 2020
 - o 2Q20 accumulated figures from the complete quarter
 - o 2Q21 no figures shown related to Nemak
- The Change in Net Debt presents Nemak's net inflows and outflows as a single line item "Decrease (Increase) in Net Debt from Discontinued Operations" for the six months ended June 30, 2020.
- The Change in Net Debt also presents Nemak's Net Debt balance as "Net Debt from Discontinued Operations" at the close of 2Q20. Prior periods are not restated.

ALFA reports 2Q21 EBITDA of US \$496 million; record US \$1.0 billion EBITDA in the first half of the year

2Q21 HIGHLIGHTS

ALFA	<ul style="list-style-type: none"> Successfully obtained all regulatory approvals and completed required amendments to expand the maximum threshold of foreign investment participation via the Nafinsa Trust to 75% 2021 EBITDA Guidance revised up 8% to US \$1.767 billion driven by Alpek Steady progress on Unlocking Value strategy; consolidated leverage ratio (Net Debt to EBITDA) of 2.6x, down from 3.2x in 2Q20 and 2.9x in 1Q21
Sigma	<ul style="list-style-type: none"> Record second quarter Sales and EBITDA in 2Q21 Stronger-than-expected recovery in Foodservice channel; EBITDA up 11% versus pre-pandemic levels (2Q19) Acceleration program “Tastech by Sigma” received more than 360 applications and Sigma selected 12 startups to complete joint pilot tests in its four regions
Alpek	<ul style="list-style-type: none"> 2Q21 Comparable EBITDA of US \$225 million (+51% y-o-y) driven by record 2Q volume and better-than-expected margins 2021 EBITDA Guidance revised up 17% to US \$880 million, reflecting 2Q21 results and a stronger margin outlook Completed acquisition of state-of-the-art integrated rPET facility in Pennsylvania, U.S.
Axtel	<ul style="list-style-type: none"> 2Q21 EBITDA of US \$57 million (+17% y-o-y excluding extraordinary gains in 2Q20) driven by 32% growth in Infrastructure unit Ongoing engagement with potential buyers of its Infrastructure business unit On track with full-year guidance

Earnings Report

Second Quarter 2021 (2Q21)



SELECTED FINANCIAL INFORMATION (US \$ MILLIONS)

	2Q21	1Q21	2Q20	Ch. % vs. 1Q21	Ch. % vs. 2Q20	YTD '21	YTD '20	Ch. %
ALFA & Subs with Nemark as Discontinued Operations								
ALFA Revenues	3,731	3,388	2,789	10	34	7,119	6,050	18
Alpek	1,849	1,614	1,175	15	57	3,463	2,608	33
Sigma	1,707	1,613	1,470	6	16	3,320	3,107	7
Axtel	149	140	132	7	13	288	289	-
ALFA EBITDA¹	496	535	263	(7)	89	1,031	679	52
Alpek	273	324	74	(16)	268	597	185	223
Sigma	182	181	159	-	15	363	327	11
Axtel	57	45	53	26	8	102	208	(51)
ALFA Comparable EBITDA²	449	414	334	8	34	863	678	27
Alpek	225	203	149	11	51	429	296	45
Sigma	182	181	159	-	15	363	327	11
Axtel	57	45	49	26	17	102	97	5
Majority Net Income³	99	154	(88)	(35)	213	253	82	210
CAPEX & Acquisitions⁴	183	79	85	132	115	262	167	57
Net Debt⁵	4,811	4,864	6,640	(1)	(28)	4,811	6,640	(28)
Net Debt/LTM EBITDA ⁶	2.6	2.9	3.3					
LTM Interest Coverage ⁷	5.0	4.3	4.2					

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

2 Excludes extraordinary items

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

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

5 Net Debt adjusted for Discontinued Operations (excluding Nemark) at the close of 3Q20; previous periods unchanged. As reference, 2Q20 Net Debt includes US \$1.515 billion from Nemark.

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

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

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Appendix – 2Q21 Reports of Listed Businesses

Message from ALFA's President

"We wish everyone is safe and well. 2Q21 marks the first full year since the biggest impact from the pandemic on our consolidated results. I am extremely proud of our Team's accomplishments over the last twelve months as ALFA has delivered on its operational, financial and strategic goals.

Second quarter results highlight the quick recovery of our core businesses amid the continued rebound in global economic activity. Double-digit sales growth versus 2Q20 in Sigma, Alpek and Axtel, boosted ALFA Sales and EBITDA 34% and 89%, respectively. 2Q21 Consolidated EBITDA was the second highest quarterly figure since 2019, and accumulated EBITDA of US \$1.0 billion set a new record for any first half of the year.

Sigma and Axtel remain on track with their full-year targets as Alpek again delivered outstanding results. Sigma's record second quarter sales and EBITDA were supported by a better-than-expected recovery in its Foodservice channel, as well as favorable foreign exchange rate trends. Axtel benefitted from robust performance in its Infrastructure business unit plus a strong Mexican Peso.

Alpek exceeded its revised guidance as it continued to capitalize on strong demand and higher reference polyester and polypropylene margins amid a favorable rise in oil and feedstock prices. As a result, Alpek increased its 2021 EBITDA guidance to US \$880 million from US \$750 million announced last quarter. To reflect this upside, ALFA's full-year 2021 EBITDA Guidance has also been revised upwards to US \$1.767 billion from the previous revision of US \$1.637 billion.

We continued to advance on key corporate priorities: implementing our Unlocking Value strategy and expanding the "Nafinsa Trust" to allow for higher foreign ownership of ALFA shares. I am happy to inform you that ALFA successfully obtained all regulatory approvals and completed required amendments to expand the maximum Nafinsa Trust threshold to 75% of ALFA's shares outstanding. The approved threshold of 75% provides ample room for foreign investors to continue investing in ALFA. Based on figures from Nacional Financiera, S.N.C., foreign investors held 50.26% of outstanding ALFA shares on June 30, 2021.

We are making steady progress in our unlocking value transformation plan, aligned to three key implementation directives: i) Reducing leverage, ii) Focusing on core businesses and iii) Enhancing business independence.

i) Reducing leverage: Consolidated leverage (Net Debt to EBITDA) continued trending down towards our 2.5x target driven by better-than-expected EBITDA and disciplined capital allocation reflected in lower Net Debt. This was the second consecutive quarter that ALFA's consolidated net leverage was below three times since 2Q20. We are also committed to accelerating deleverage through strategic initiatives such as the potential sale of Axtel. The Axtel team remains actively engaged with potential buyers of its Infrastructure business unit.

ii) Focusing on core businesses: We are driven to boost the underlying value of our core businesses to complement the potential from ALFA's transformational process. "Developing new sources of revenue" is one of three strategic pillars that Sigma is focused on to enhance growth. Sigma made significant progress during 2Q21 to begin the roll-out of Plant-based products in different regions under a new global brand. In addition, "Tastech by Sigma" – the acceleration program to collaborate with high-impact startups and scale-ups, carried out its Selection Day after receiving more than 360 applications from participants in 23 countries. Twelve cutting-edge startups were chosen to complete pilot tests together with Sigma across its four regions.

Another recent development related to Sigma was the publication of its 2020 Sustainability Report, which outlines the Company's sustainability strategy and progress on its Sustainability Goals for 2025. This reflects ALFA's commitment towards ESG as all its core businesses have released individual sustainability reports. We invite you to learn more on how each of our Companies incorporates sustainability principles and contributes to making this world a better place.

Moreover, Alpek completed the US \$96 million acquisition of a state-of-the-art PET recycling and pelletization facility in Pennsylvania, U.S.; aligned with its long-term strategic pillar to "Foster a Circular Economy". This transaction reaffirms Alpek's position as the largest PET recycler in the Americas and will allow the Company to achieve its target of supplying selected customers with 25% recycled PET content ahead of schedule. Alpek expects to begin production at this site in 3Q21.

iii) Enhancing business independence: We celebrate that Nemak and Controladora Nemak are seeking the required shareholder approvals to merge the two entities into one. This is a positive development to unlock value at Nemak by simplifying its shareholder structure; which is relevant for ALFA shareholders who received Controladora Nemak shares as part of our Unlocking Value strategy.

Our focus remains on individual businesses to achieve service-related independence from ALFA through a gradual and orderly process. Certain transfers of personnel between ALFA and its subsidiaries began during 2Q21 based on initial results from the joint analysis to determine the most appropriate allocation of corporate capabilities.

On a separate note, we will host an Extraordinary Shareholders' Meeting on July 29, 2021 to propose the merger between "ALFA Corporativo" – our corporate services company, and "ALFA S.A.B." – the listed entity that controls the subsidiaries to which corporate services are provided. The proposed merger as well as an amendment to article 2 of ALFA's bylaws are required under the new outsourcing law in Mexico. It is important to note that this matter is not related to ALFA's Unlocking Value strategy. We invite all our shareholders to make sure their shares are represented as a 75% registration is necessary to install the meeting.

Record EBITDA in the first half of 2021 highlights the resilience of our businesses and reaffirms our positive view of the ongoing recovery. We are entering this new era in a strong position to continue building upon the positive momentum and delivering on our goals."

Keep well/Stay safe,

Álvaro Fernández



ALFA (BMV: ALFAA) Consolidated Financial Results

INCOME STATEMENT (US \$ Millions)

	2Q21 vs.							
	2Q21	1Q21	2Q20	1Q21	2Q20	YTD '21	YTD '20	Ch. %
Total Revenues	3,731	3,388	2,789	10	34	7,119	6,050	18
Gross Profit	844	878	548	(4)	54	1,722	1,189	45
Operating expenses and others	(504)	(498)	(463)	(1)	(9)	(1,002)	(861)	(16)
Operating income (loss)	340	380	84	(10)	303	720	329	119
Financial cost, net	(78)	(167)	(34)	53	(128)	(245)	(254)	3
Share of losses of associates	0	0	(4)	184	106	0	(3)	98
Income Tax	(99)	(16)	(37)	(526)	(165)	(115)	119	(196)
Profit (loss) from Continuing Operations	164	197	8	(17)	1,865	360	191	89
Profit (loss) from Discontinued Operations ¹	0	0	(119)	-	100	0	(127)	100
Consolidated net income (loss)	164	197	(111)	(17)	247	360	64	463
Controlling Interest	99	154	(88)	(35)	213	253	82	210
EBITDA	496	535	263	(7)	89	1,031	679	52
EBITDA/Revenues (%)	13.3	15.8	9.4			14.5	11.2	

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

Total Revenues in 2Q21 were US \$3.731 billion, up 34% when compared to 2Q20. The increase was primarily driven by higher average consolidated prices and volume growth at Alpek as well as a better-than-expected recovery from the Foodservice channel and favorable foreign exchange trends at Sigma. Accumulated Revenues were US \$7.119 billion, up 18% when compared to the first half of 2020 (see table 2).

EBITDA was US \$496 million, up 89% year-on-year mainly boosted by Alpek. 2Q21 EBITDA includes a US \$48 million net gain from extraordinary items related to Alpek, comprised of an US \$18 million non-cash inventory gain and a US \$29 million positive carry-forward effect. Alpek's carry-forward effect reflects the estimated impact from feedstock price swings between the time of purchase and consumption. As a reminder, Alpek simplified its Comparable EBITDA calculation as of 1Q21, integrating the carry-forward effect as an extraordinary item. Comparable EBITDA figures prior to 1Q21 have been adjusted to reflect this change. Accumulated EBITDA was US \$1.031 billion, up 52% year-on-year, a record for any first half of the year.

Adjusting for extraordinary items in all periods, Comparable ALFA EBITDA was US \$449 million, US \$414 million and US \$334 million in 2Q21, 1Q21 and 2Q20, respectively. Comparable ALFA EBITDA was up 34% year-on-year, boosted by 51%, 17% and 15% growth at Alpek, Axtel and Sigma, respectively. Accumulated Comparable EBITDA was US \$863 million, up 27% year-on-year (see tables 3, 4 and 5).

Operating Income was US \$340 million, up from US \$84 million in 2Q20 reflecting the increase in EBITDA explained above. Accumulated Operating Income was US \$720 million, versus US \$329 million in the first half of 2020 (see table 3).

Comprehensive Financing Expense (CFE) of US \$78 million was up from US \$34 million in 2Q20 as a 13% decrease in Net Financial Expenses was more than offset by lower foreign exchange gains in 2Q21 versus 2Q20, related to the appreciation of the Mexican Peso. Accumulated CFE was US \$245 million, down 3% year-on-year (see table 6).

Controlling Interest Net Income was US \$99 million in 2Q21 compared to a loss of US \$88 million in 2Q20 driven primarily by higher Operating Income in 2Q21 and a US \$119 million loss from Discontinued Operations which impacted 2Q20. The benefit from Operating Income and effect from Discontinued Operations was partially offset by higher CFE and Income Tax. Accumulated Controlling Interest Net Income was US \$253 million, versus US \$82 million in first half of 2020 driven by higher Operating Income in 2021. The increase in accumulated Operating Income was partially offset by higher Income Tax. It is important to note that Income Tax in the first half of 2020 benefitted from a gain in Deferred Taxes related to the depreciation of the Mexican Peso (see table 7).

Earnings Report

Second Quarter 2021 (2Q21)



CHANGE IN NET DEBT (US \$ Millions)

	2Q21	1Q21	2Q20	(%) 2Q21 vs.		YTD '21	YTD '20	Ch. %
EBITDA	496	535	263	(7)	89	1,031	679	52
Net Working Capital	25	(275)	20	109	25	(251)	(33)	(661)
Capital Expenditures & Acquisitions	(183)	(79)	(85)	(132)	(115)	(262)	(167)	(57)
Net Financial Expenses	(81)	(131)	(93)	38	13	(212)	(188)	(13)
Taxes	(54)	(159)	(63)	66	14	(213)	(252)	15
Dividends	(122)	(48)	0	(155)	-	(169)	(133)	(27)
Other Sources / Uses	(29)	(8)	(69)	(274)	58	(37)	22	(270)
Decrease (Increase) in Net Debt from Discontinued Operations ¹	0	0	(290)	-	100	0	(290)	100
Net Debt from Discontinued Operations – Nemak	0	0	0	-	-	0	0	-
Decrease (Increase) in Net Debt	52	(165)	(317)	132	116	(112)	(363)	69

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

Net Debt was US \$4.811 billion at the close of 2Q21, down 28% year-on-year and 1% versus 1Q21. On an absolute basis, ALFA Net Debt has decreased US \$1.829 billion since 2Q20; comprised of US \$1.515 billion from Discontinued Operations associated with the Nemak spin-off and US \$314 million from strong cash flow generation.

As of June 30, 2021, Cash totaled US \$1.478 billion, up US \$82 million quarter-on-quarter. At the close of 2Q21, ALFA had US \$2.619 billion in available Credit Lines. Financial ratios at the close of 2Q21 were: Net Debt to EBITDA of 2.6 times and Interest Coverage 5.0 times, compared with 3.3 and 4.2 times in 2Q20, respectively, after adjusting for Discontinued Operations (see table 8).

Net Working Capital contributed US \$25 million to the reduction in Net Debt during 2Q21. Positive Net Working capital contributions from Sigma and Alpek were partially offset by investment in Axtel. Accumulated Net Working Capital was US \$251 million mainly due to the effect of higher feedstock prices in Alpek.

Capital Expenditures (CAPEX) & Acquisitions was US \$183 million in 2Q21, up 115% versus 2Q20. Alpek accounted for the majority of total Capex during the quarter as it completed the acquisition of CarbonLITE's state-of-the-art PET recycling and pelletization facility in Reading, Pennsylvania for US \$96 million. The remainder of these funds were used for maintenance and minor asset replacements at the subsidiary level. Accumulated CAPEX was US \$255 million versus US \$173 million first half of 2020.

Dividends of US \$122 million in 2Q21 correspond to the US \$99 million dividend paid to ALFA shareholders on April 7, 2021 as approved at ALFA's Shareholders' Meeting, plus dividends paid to minority shareholders at the subsidiary level. Accumulated Dividends were US \$169 million versus US \$133 million in the first half of 2020. Accumulated Dividends to ALFA shareholders in the first half of 2021 were US \$124 million.

RECENT DEVELOPMENTS - ALFA

2021 Guidance	<ul style="list-style-type: none"> 2021 EBITDA Guidance revised upwards driven by better-than-expected Alpek results and outlook; Capex Guidance also revised upwards to reflect Alpek's latest adjustment 			
	(US \$ Millions)	Revised 2Q21	Revised 1Q21	Previous 2021
	EBITDA			
	ALFA ¹	1,767	1,637	1,448
	Alpek ²	880	750	561
Unlocking Value	Sigma	725	725	725
	Axtel	209	209	209
	(US \$ Millions)	Revised 2Q21	Previous 2021	
	Capex			
	ALFA	628	588	
	Alpek	250	210	
	Sigma	270	270	
	Axtel	98	98	
	(US \$ / Barrell)	Revised 2Q21	Revised 1Q21	Previous 2021
	Assumptions			
	Brent Oil Avg.	70	63	48
1 - Includes US \$115 million extraordinary items from Alpek (Comparable EBITDA: US \$1,652 million)				
2 - Includes US \$115 million extraordinary items (Comparable EBITDA: US \$765 million)				
Unlocking Value	<ul style="list-style-type: none"> Transformational initiative to maximize valuation – eliminate conglomerate discount Gradual and orderly transition to full business independence (vs conglomerate) Transfer absolute autonomy to ALFA shareholders Commitment to maintain strong credit profile throughout transformation Steady progress on transformational plan, emphasis on three key directives: <ul style="list-style-type: none"> Reduce debt – 2.5x Net debt/EBITDA target Focus on core businesses – Sigma, Alpek and Axtel Enhance business independence – transition of shared service capabilities 			

<p>NAFINSA Trust ("NT")</p>	<ul style="list-style-type: none"> • Vehicle through which foreign investors can acquire ALFA shares, in place since 1991 • NT reached its maximum threshold in 2020 • ALFA successfully obtained all regulatory approvals and completed required amendments to expand the maximum NT threshold to 75% of ALFA's shares outstanding • The approved threshold of 75% is equivalent to 3,681,908,265 shares, based on the number of ALFA shares outstanding on June 30, 2021 • Based on figures provided by Nacional Financiera, S.N.C., the number of ALFA shares held by foreign investors on June 30, 2021 was 2,467,228,355, equivalent to 50.26% of ALFA shares outstanding • The new threshold provides ample room for foreign investors to continue investing in ALFA
<p>ALFA Extraordinary Shareholders' Meeting</p>	<ul style="list-style-type: none"> • Extraordinary Shareholders' Meeting to be held on July 29, 2021 to propose: <ul style="list-style-type: none"> ○ The merger between ALFA Corporativo and ALFA S.A.B. ○ Amend article 2 of ALFA S.A.B.'s bylaws (Corporate purpose) • ALFA Corporativo is the corporate services company, and ALFA S.A.B. the listed entity that controls the subsidiaries to which corporate services are provided • ALFA S.A.B will be the surviving company • The proposed merger as well as the amendment to article 2 of ALFA S.A.B.'s bylaws are required under the new outsourcing law in Mexico • These changes would give ALFA the flexibility to continue providing services to its subsidiaries while the Unlocking Value plan is completed

Results by Business

Sigma – FOOD PRODUCTS

46% of ALFA's Revenues in 2Q21



QUARTERLY HIGHLIGHTS

- Record 2Q Revenues and EBITDA supported by revenue management and expense savings initiatives
- Better-than-expected Foodservice channel recovery
- Raw material costs pressure partially offset by 5% average price increase in local currency
- Net Leverage of 2.4x supported by solid operating performance
- Paid US \$51 million dividend during 2Q21

SELECTED FINANCIAL INFORMATION (US \$ MILLIONS)

	2Q21	1Q21	2Q20	(%) 2Q21 vs.		YTD '21	YTD '20	Ch. %
				1Q21	2Q20			
Volume (ktons)	428	419	422	2	1	847	864	(2)
Mexico	212	201	197	6	7	413	414	-
Europe	109	113	110	(4)	(2)	221	231	(4)
United States	84	81	91	3	(7)	165	170	(2)
Latam	24	24	24	(1)	(2)	47	49	(4)
Revenues	1,707	1,613	1,470	6	16	3,320	3,107	7
Mexico	714	637	527	12	35	1,351	1,206	12
Europe	583	576	535	1	9	1,159	1,107	5
United States	300	289	298	4	1	589	567	4
Latam	111	110	110	-	1	221	228	(3)
EBITDA	182	181	159	-	15	363	327	11
Mexico	107	93	73	15	48	200	163	23
Europe	32	38	21	(17)	52	70	46	51
United States	33	38	56	(12)	(41)	71	98	(28)
Latam	10	12	9	(17)	12	22	20	13
CAPEX & Acquisitions¹	31	34	35	(10)	(13)	65	58	11
Net Debt	1,728	1,781	1,996	(3)	(13)	1,728	1,996	(13)
Net Debt / LTM EBITDA [*]	2.4	2.6	2.9					
LTM Interest Coverage ^{2*}	6.4	5.8	5.5					

* Times. LTM = Last 12 months

1 Gross amount; does not include divestments

2 Interest Coverage = EBITDA/Net Financial Expenses

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INCOME STATEMENT (US \$ MILLIONS)

	2Q21	1Q21	2Q20	(%) 2Q21 vs.		YTD '21	YTD '20	Ch. %
				1Q21	2Q20			
Total Revenues	1,707	1,613	1,470	6	16	3,320	3,107	7
Gross Profit	477	472	415	1	15	948	866	10
Operating expenses and others	(350)	(345)	(309)	(1)	(13)	(695)	(647)	(7)
Operating income (loss)	127	127	106	-	20	254	219	16
Financial cost, net	(64)	(30)	0	(114)	-	(94)	(2)	-
Share of losses of associates	0	0	0	-	-	0	0	-
Income Tax	(46)	(15)	(36)	(206)	28	(61)	(7)	(818)
Consolidated net income (loss)	17	81	69	(80)	(76)	98	210	(53)
EBITDA	182	181	159	-	15	363	327	11
EBITDA/Revenues (%)	10.7	11.2	10.8			10.9	10.5	

Volume increased 2% sequentially and 1% versus 2Q20 mainly driven by Mexico. Foodservice channel recovery volume increased 70% year-on-year and 15% sequentially, contributing to consolidated volume growth during the quarter.

Average prices in local currency increased 5%, with Mexico, the US, and Latam reaching mid-to-high-single-digit growth rates driven by revenue management initiatives in response to higher raw material costs. Meanwhile, average prices in Europe have displayed a slight increase in local currency.

Revenues were US \$1.707 billion, up 16% year-on-year. Record second quarter consolidated revenues were driven by better-than-expected Foodservice channel performance and favorable foreign exchange trends. Mexico, the U.S., and Europe posted their highest second quarter revenues. In local currency, revenues were 6% higher when compared to the previous year, explained by strong results in Mexico and Latam. Revenues in local currencies, increased 16% in Mexico, 5% Latam, 1% in the U.S. and were flat in Europe when compared to the previous year(see table 13).

Accumulated revenues were US \$3.320 billion, 7% higher year-on-year, and on track with Sigma's guidance. In local currency, accumulated revenues rose by 2% year-on-year.

EBITDA reached US \$182 million up 15% year-on-year, driven by a steeper Foodservice channel recovery. Strong overall results in Mexico (+48%), Europe (+52%), and Latam (+12%) were partially offset by a decline in the US (-41%) attributable to temporary pressures in margins due to raw material cost impacts and a higher comparable base in the region due to a pantry loading effect. It is important to note that Foodservice Channel EBITDA was higher (11%) than pre-pandemic levels (2Q19) for the first time since the beginning of the crisis. In local currency, consolidated EBITDA increased 9% when compared to the previous year.

Sigma's consolidated EBITDA margin was 10.7%, as Mexico, Europe and Latam expanded margins versus 2Q20. In contrast, the US experienced a contraction attributable to temporary pressures in margins due to raw material cost impacts, as mentioned above.

Accumulated EBITDA was US \$363 million, up 11% versus the same period of 2020, and 5% above pre-COVID. EBITDA Margin during the first half of 2021 was 10.9% versus 10.5% in 1H20. In local currency, accumulated EBITDA was up 6% year-on-year.

Operating Income was US \$127 million, 20% higher when compared to the US \$106 million in 2Q20 reflecting the increase in EBITDA explained above. Accumulated Operating Income was US \$254 million, 16% higher year-on-year (see table 14).

Comprehensive Financing Expense (CFE) was US \$64 million up from US \$0 in 2Q20, as a foreign exchange loss in 2Q21 related to the appreciation of the Mexican Peso was partially offset by a 22% decrease in Net Financial Expense. Accumulated CFE was US \$94 million, up from US \$2 million year-on-year, mainly explained by exchange rate losses in 1H21 versus gains in the 1H20, related to fluctuations in the Mexican Peso (see table 15).

Net Income was US \$17 million in 2Q21 versus US \$69 million in 2Q20, mainly due to a higher CFE and higher income tax year-on-year. 2Q20 income tax includes a larger gain in deferred taxes mainly associated with the depreciation of the Mexican peso, versus 2Q21. Net Income for the first half of 2021 decreased 53% to US \$98 million when compared to the same period in 2020 as a result of higher CFE and income tax year-on-year.

CHANGE IN NET DEBT (US \$ MILLIONS)

	2Q21	1Q21	2Q20	(%) 2Q21 vs.		YTD '21	YTD '20	Ch. %
				1Q21	2Q20			
EBITDA	182	181	159	-	15	363	327	11
Net Working Capital	30	(52)	(22)	157	236	(23)	(129)	82
Capital Expenditures & Acquisitions	(31)	(34)	(35)	10	13	(65)	(58)	(11)
Net Financial Expenses	(27)	(29)	(34)	9	23	(56)	(68)	17
Taxes	(19)	(41)	(25)	54	23	(60)	(119)	50
Dividends	(51)	(50)	0	(3)	-	(101)	0	-
Other Sources / Uses	(31)	0	(1)	-	-	(6)	88	(107)
Decrease (Increase) in Net Debt	53	(25)	41	313	29	28	(1)	-

Net Debt was US \$1.728 billion, 13% and 3% below 2Q20 and 1Q21, respectively. On an absolute basis, Net Debt decreased US \$268 million versus 2Q20 due to a continued solid EBITDA performance, an improvement in Net Working Capital, and a slower CAPEX deployment. However, CAPEX is expected to accelerate in the second half of 2021.

Cash totaled US \$814 million at the end of 2Q21, US \$159 million higher year-on-year and an increase of US \$65 million when compared to 1Q21. Approximately 75% of cash is held in hard currency (e.g. US dollars and euros). Financial ratios at the end of the quarter were: Net Debt to EBITDA of 2.4 times and Interest Coverage of 6.4 times (see table 16).

Net Working Capital decreased US \$30 million during 2Q21, reflecting optimizations primarily in Mexico and Europe. Accumulated net working capital investment was US \$23 million, 82% lower when compared to the US \$129 million investment during 2020.

Capital expenditures (CAPEX) totaled US \$31 million during 2Q21, a 13% decrease year-on-year. Close to 75% of CAPEX was used for maintenance, while the rest was invested in expansion and optimization projects. Accumulated CAPEX was US \$65 million, up 11% year-on-year. Certain limitations related to the pandemic have led to a slower CAPEX deployment during 1H21. However, CAPEX is expected to accelerate in 2H21.

Dividends paid during the second quarter were US \$51 million, with cumulative 2021 dividends reaching US \$101 million.

INDUSTRY COMMENTS - SIGMA

Consumer confidence, food retail sales and restrictions in place amid the pandemic.

During 2Q21, Sigma's Foodservice channel continued experiencing a steeper recovery with revenues increasing 119% year-on-year, reaching about 83% of pre-pandemic (2019) levels. Foodservice revenues are considered a relevant mobility and out-of-home consumption metric for the company. At the same time, consumer confidence indices show higher levels in most regions despite a recent surge in COVID-19 cases.

As the vaccination roll-out continues, economic recovery and consumer confidence is expected to continue improving. This is likely to occur at a faster pace in developed countries.

In Mexico, the consumer confidence index reported by INEGI¹ showed a significant recovery with an average 43.3 points; the highest reading since the beginning of the pandemic, and a 1.5-point sequential improvement when compared to 1Q21. Same-store-sales reported by ANTAD² in Mexican pesos increased 34% year-on-year, on average during 2Q21, versus a low comparable base in 2Q20.

As of early July, over 25% of the Mexican population had received at least one dose of the COVID-19 vaccine. The Mexican Government's traffic-light system, as of July 18, 2021, indicated 5 states are considered "Orange", 8 are "Yellow", and the rest are in "Green" status. Nonetheless, several states have implemented restrictions in response to a recent surge in cases. These measures consider limiting capacity in stores and restaurants, closing gyms and cinemas, among other limitations.

The consumer confidence index³ in the U.S., increased 32% year-on-year in 2Q21. Meanwhile, food retail sales reported by the U.S. Census Bureau increased 2.9% when compared to 2Q20.

According to the Center for Disease Control and Prevention (CDC) over 50% of the US population received at least one dose of the vaccine. Certain travel restrictions are in place.

In Europe, the average consumer confidence index reported by the European Commission improved to a negative 5.5% from a negative 8.8% year-on-year. During the same period, food retail sales measured by Eurostat showed a 1.9% average recovery when compared to 2Q20.

¹ Instituto Nacional de Estadística y Geografía – National Institute for Statistics and Geography

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

³ Source: The Conference Board

Approximately 44% of the European population have received at least one dose of the COVID-19 vaccine. Spain, Portugal, Italy, France, Belgium, and Germany all have reached vaccination levels above 50% of their population and 24% for Romania. Travel restrictions and other preventive measures are being implemented to decrease contagions. These include limitations on restaurant capacities, facemask mandates, as well as traveler testing and quarantines.

Exchange Rate

The exchange rate for the Mexican peso versus the U.S. dollar appreciated 16% year-on-year during the quarter; in contrast, the euro-dollar exchange rate appreciated 9% when compared to 2Q20. Sigma's currency mix versus the U.S. dollar in Latam had a net negative effect of about 4% year-on-year, during the quarter.

Raw Materials

Raw materials prices have experienced inflationary pressure that were further impacted by a series of factors such as, higher feed costs (grains), impacts on supply caused by diseases such as the African Swine Flu (ASF), and shifts in consumer demand amid the COVID-19 pandemic.

During 2Q21, pork ham prices in the U.S. increased 20% sequentially and 117% year-on-year. These increases consider a low comparable base as pork ham prices reached historically low levels during 2Q20 and 3Q20. When compared against the average pork ham price of US \$0.7 per pound since 2013, average prices during the quarter were 12% above. Meanwhile, pork ham prices in Europe remained relatively stable during the quarter. On average shoulder, ham, and lean hog prices were 14%, 11%, and 22% higher sequentially, and -1%, 1% and 5% when compared to 2Q20, respectively. As of the end of June 2021, pork ham prices in Europe were 2.24€ per kg, about 9% below its highest point in the quarter.

Continued strong demand for poultry, a decrease in inventories, and supply disruptions caused by events that occurred during the first quarter of 2021 increased pressure on prices. Turkey thigh and other poultry meat prices increased up to 38% sequentially continuing the upward trend observed during the first quarter and increased between 10% and 152% year-on-year. Prices are expected to decrease during the second half of the year, but will likely remain above previous years. It is important to highlight that annual contracts such as those Sigma has in place with its suppliers, have lower prices than those observed in spot markets.

RESULTS BY REGION - SIGMA

During 2Q21, revenues in Mexico accounted for 42% of the total, while Europe represented 34%, the U.S. 18%, and Latam 6%.

Mexico: revenues, in local currency, increased 16% year-on-year, mainly due to a 7% increase in volume supported by a recovery in the Foodservice channel, and revenue management initiatives in response to higher raw material costs. EBITDA, in Pesos, increased 27%, boosted by a steeper recovery in the Foodservice channel, as well as cost and expense savings initiatives. Excluding Foodservice results, Revenues and EBITDA increased 6% and 1% versus 2Q20, respectively.

Accumulated Revenues and EBITDA were US \$1,351 million and US \$200 million, 12% and 23% above the same period of the prior year, respectively. In local currency, accumulated Revenues and EBITDA increased 6% and 16%, respectively.

Europe: During the quarter, revenues in euros remained flat. In contrast, 2Q21 EBITDA, in local currency, increased 39% year on year, mainly due to lower raw material costs during the first half of the quarter. Excluding Foodservice results, Revenues and EBITDA decreased 2% and increased 48% versus 2Q20, respectively.

Accumulated Revenues and EBITDA were US \$1,159 million and US \$70 million, 5% and 51% higher year-over-year, respectively. In local currency, accumulated Revenues and EBITDA decreased 4% and increased 39%, respectively.

The Company continues to work on improving results in its European operations. Initiatives include product reformulations, strengthening the supply chain, product line restructuring and SG&A savings. In addition, 280 low-profitability SKUs were removed as part of Sigma's European Margin Expansion Plan.

During the first half of 2021 Spain and Portugal led the growth in plant-based products with YTD gross profit increases of 45% and 82%, respectively. Meanwhile, the snacking category in Europe increased its gross profit by 25%.

United States: Revenues were US \$300 million in 2Q21, 1% higher when compared to the same period of 2020. The increase in revenues is explained by higher average prices attributable to a product mix effect from higher sales in the European Heritage Business, and revenue management initiatives that partially offset higher raw material costs. Meanwhile, volumes were 7% lower year-on-year as the Company was comparing against a higher-than-usual volume level in the region due to a pantry loading effect. When compared against pre-COVID 2019, volumes were up 3%.

EBITDA in the region was US \$33 million, down 41% year over year. Higher raw material costs were partially mitigated by fixed cost meat contracts and revenue management initiatives. Also, the company will continue implementing actions to mitigate headwinds related to labor shortages and increasing freight costs in the US.

Accumulated Revenues and EBITDA were US \$589 million and US \$71 million, 4% above and 28% lower year-over-year, respectively. The decrease in EBITDA is mainly explained by one-off events from 1Q21 and higher-than-anticipated raw material costs during 2Q21.

Latam: Revenues in local currencies increased 5% year-on-year with Foodservice displaying a significant recovery since 2Q20. As a result, EBITDA was 16% higher, driven by continued cost and expense reduction initiatives. Excluding Foodservice results, Revenues and EBITDA both decreased 3% year-on-year.

Accumulated Revenues and EBITDA were US \$221 million and US \$22 million, a 3% decrease and 13% increase year-over-year, respectively. In local currency, accumulated Revenues were flat and EBITDA increased 13%.

RECENT DEVELOPMENTS – SIGMA

Growth	Plant-Based <ul style="list-style-type: none"> Plant-Based net sales increased 9% in 1H21 year-on-year Global teams have been fully staffed in key markets (USA, Europe & Mexico) Completed a deep consumer insight program to develop a differentiated Plant-Based platform in the USA and Europe Significant progress during 2Q21 to begin the roll-out of plant-based products in different regions under a new global brand
	Snacking <ul style="list-style-type: none"> Snack's business sales grew 36% year-on-year in 2Q21 and 19% YTD Ongoing consumer research in the USA, Spain, Germany, and Mexico to identify target consumption occasions and provide a value proposition, including a new global snacks brand
	Grill House <ul style="list-style-type: none"> Growing at a 16% compound monthly rate; operating in 3 Mexican cities with plans to open 4 new locations during 2021
Tastech by Sigma	<ul style="list-style-type: none"> Second generation call-out received applications from 360+ startups and scale-ups from 23 counties, exceeding the 123 applications and 19 countries from the first generation The 'Selection Day' was held in June when 12 cutting edge start-ups were chosen to initiate pilot tests with Sigma across all 4 regions
Innovation	<ul style="list-style-type: none"> 320+ new products launched during 1H21 and more than 1,400 during the last 36 months New products launched during the last 36 months represented 10% of 2Q21 Revenues
Sustainability	<ul style="list-style-type: none"> Sustainability Community is comprised of a multidisciplinary team of more than 260 employees worldwide Published 2020 Sustainability Report, providing detailed information on Sigma's Sustainability Strategy and progress on its 2025 Sustainability Goals Visit Sigma's sustainability web page for more information
Financial Hedges	<ul style="list-style-type: none"> As of June 2021, currency forward hedges amounted to US \$650 million with an average exchange rate of \$21.01 MXN/USD, enough to cover Sigma's U.S. dollar needs for the next 12 months

(See "Financial Statements" for Sigma's 2Q21 Balance Sheet and Income Statement)

Earnings Report

Second Quarter 2021 (2Q21)



Alpek (BMV: ALPEKA) – PETROCHEMICALS

50% of ALFA's revenues in 2Q21



SELECTED FINANCIAL INFORMATION (US \$ MILLIONS)

	2Q21	1Q21	2Q20	(%) 2Q21 vs.		YTD '21	YTD '20	Ch. %
				1Q21	2Q20			
Volume (ktons)	1,201	1,230	1,109	(2)	8	2,431	2,293	6
Polyester	945	996	933	(5)	1	1,941	1,900	2
Plastics & Chemicals	256	234	176	9	45	490	393	25
Revenues	1,849	1,614	1,175	15	57	3,463	2,608	33
Polyester	1,183	1,069	925	11	28	2,252	2,020	12
Plastics & Chemicals	610	471	221	29	175	1,080	521	107
EBITDA	273	324	74	(16)	268	597	185	223
Polyester	134	184	33	(27)	305	318	91	248
Plastics & Chemicals	136	123	40	10	237	260	89	191
Others	3	17	1	(81)	278	20	4	364
Comparable EBITDA¹	225	203	149	11	51	429	296	45
Polyester	102	89	102	14	-	192	196	(2)
Plastics & Chemicals	120	97	46	23	158	217	96	126
Others	3	17	1	(81)	278	20	4	364
CAPEX & Acquisitions²	132	30	27	333	390	162	42	290
Net Debt	1,247	1,219	1,428	2	(13)	1,247	1,428	(13)
Net Debt / LTM EBITDA [*]	1.3	1.6	1.9					
LTM Interest Coverage ^{3*}	7.3	5.8	6.9					

* 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 1,201 ktons up 8% versus 2Q20; a record high second quarter figure boosted mainly by Plastics & Chemicals (P&C). The P&C segment increase was driven by the recent U.S. styrenics business acquisition as well as strong demand when compared to 2Q20 which was adversely impacted by shutdowns in the construction and automotive industries. P&C segment volume was up 25% year-on-year when adjusting for the styrenics business acquisition. Polyester volume was up 1% as PTA production was temporarily affected by an extended drought in Altamira, Mexico. Accumulated volume increased 6% when compared with 1H20, reflecting strong demand year to date.

Revenues totaled US \$1.849 billion in 2Q21 and US \$3.463 billion year to date, up 57% and 33% versus 2Q20 and 1H20, respectively. Revenue growth has been driven by strong demand and higher average prices amid the rise in paraxylene, propylene and other feedstock prices.



EBITDA was US \$273 million, up 268% from 2Q20, including a non-cash inventory gain of US \$18 million, as well as a positive carry-forward effect of US \$29 million. Alpek's carry-forward effect reflects the estimated impact from feedstock price swings between the time of purchase and consumption. As a reminder, Alpek simplified its Comparable EBITDA calculation as of 1Q21, integrating the carry-forward effect as an extraordinary item. Comparable EBITDA figures prior to 1Q21 have been adjusted to reflect this change.

Comparable EBITDA was US \$225 million, up 51% versus 2Q20, driven by the Plastics & Chemicals segment. In particular, EBITDA contributed by the polypropylene and expandable polystyrene (EPS) businesses increased as a result of solid demand and a longer-than-expected positive effect on polypropylene margins caused by the polar vortex in 1Q21. Accumulated Comparable EBITDA was US \$429 million, up 45% versus 1H20.

Capital expenditures (CAPEX) & Acquisitions were US \$132 million in 2Q21, compared to US \$27 million in 2Q20. The increase reflects the US \$96 million for the acquisition of CarbonLITE's plant. Accumulated CAPEX totaled US \$162 million, 290% higher than in the first half of 2020.

Net Debt was US \$1.247 billion, down 13% but up 2% when compared with 2Q20 and 1Q21, respectively. On an absolute basis, Net Debt decreased US \$181 million year-on-year supported by accelerated EBITDA growth. Cash totaled US \$476 million at the end of the second quarter. Financial ratios at the end of 2Q21 were Net Debt to EBITDA of 1.3 times and Interest Coverage of 7.3 times.

RECENT DEVELOPMENTS - ALPEK

Revised 2021 Guidance	<ul style="list-style-type: none"> Alpek's 2021 EBITDA Guidance again revised upwards based on stronger-than-expected margins going forward and 1H21 results Revised 2021 Guidance: <ul style="list-style-type: none"> Assumptions <ul style="list-style-type: none"> Average Brent oil reference price: US \$70 per barrel (previous US \$63 per barrel) Asian Integrated PET reference margin: US \$300 per ton (previous US \$285 per ton) EBITDA Guidance <ul style="list-style-type: none"> Reported EBITDA: US \$880 million (previous US \$750 million) Comparable EBITDA: US \$765 million (previous US \$675 million) CAPEX Guidance <ul style="list-style-type: none"> US \$250 million reflecting the recent acquisition of CarbonLITE's rPET facility (previous US \$210 million)
CarbonLITE Acquisition	<ul style="list-style-type: none"> Finalized the acquisition of CarbonLITE's state-of-the-art integrated rPET facility Site was acquired for US \$96 million on a debt-free basis Transaction aligned with Alpek's long-term strategic growth plan pillar of <i>"Fostering a Circular Economy"</i> One of the largest integrated rPET facilities in the Americas; reaffirms Alpek's position as the largest PET recycler in the region Allows Alpek to achieve target of supplying its customers with 25% rPET content ahead of schedule Alpek expects site to begin production in 3Q21
Dividend Payment	<ul style="list-style-type: none"> During 2Q21 Alpek paid dividends of US \$128 million previously approved at Annual Shareholders' Meeting
Progress in ESG	<ul style="list-style-type: none"> Alpek was included in the S&P/BMV Total Mexico ESG Index reflecting substantial improvement in its key ESG metrics <ul style="list-style-type: none"> 8.7% reduction to the Company's Scope 1 & 2 carbon emissions Reduction in total water consumption of 7.7% Launched Project Evergreen, an effort focused on analytically defining targets and action plans to improve on all material ESG issues, expected to conclude before year-end

(See "Appendix – 2Q21 Reports of Listed Businesses" for Alpek's complete 2Q21 Earnings Report)

Earnings Report

Second Quarter 2021 (2Q21)



Axtel (BMV: AXTELCPO) – IT & TELECOM

axtel



4% of ALFA's Revenues in 2Q21

SELECTED FINANCIAL INFORMATION (US \$ MILLIONS)

	2Q21	1Q21	2Q20	(%) 2Q21 vs.		YTD '21	YTD '20	Ch. %
				1Q21	2Q20			
Revenues	149	140	132	7	13	288	289	-
Services - Enterprise	94	93	82	2	14	187	185	1
Services - Government	16	17	19	(3)	(15)	33	46	(29)
Infrastructure	69	60	56	14	23	130	115	12
Eliminations	(31)	(30)	(26)	(1)	(17)	(61)	(57)	6
EBITDA	57	45	53	26	8	102	208	(51)
CAPEX & Acquisitions¹	17	13	18	29	(6)	31	54	(43)
Net Debt	625	627	593	-	5	625	593	5
Net Debt / LTM EBITDA*	3.1	3.2	1.9					
LTM Interest Coverage ² *	3.4	3.2	4.5					

* Times. LTM = Last 12 months

1 Gross amount; does not include divestments

2 Interest Coverage = EBITDA/Net Financial Expenses

Revenues totaled US \$149 million, up 13% year-on-year, supported by the improvement of third-party revenues at the Infrastructure unit and growth of the Enterprise Services segment. On a currency neutral basis, revenues decreased 3% year-on-year due to a 7% decline in the Services unit that was partially offset by a 5% increase in the Infrastructure unit. Accumulated Revenues were US \$288 million, flat versus first half 2020 as growth in the Infrastructure unit was offset by lower revenues in the Government Services segment.

EBITDA was US \$57 million, up 8% year-on-year. Adjusting for a US \$4 million one-time gain associated with the sale of unused spectrum concessions in 2Q20, Comparable EBITDA was 17% higher versus 2Q20, mainly due to the appreciation of the Mexican Peso. On a currency neutral basis, 2Q21 Comparable EBITDA increased 1% year-on-year as 12% growth in the Infrastructure unit was offset by lower Service unit EBITDA. Accumulated EBITDA was US \$102 million, down 51% year-on-year due to extraordinary gains of US \$111 million reported during 2020, which included the one-time gain from the Data Center sale. Adjusting for extraordinary items, Accumulated Comparable EBITDA was up 5% versus the same period last year driven by the Infrastructure unit. On a currency neutral basis, Accumulated Comparable EBITDA was down 1% year-on-year.

Capital expenditures (CAPEX) & Acquisitions totaled US \$17 million in 2Q21, compared to US \$18 million in 2Q20. Accumulated CAPEX totaled US \$31 million, down 43% versus 1H20, which included an extraordinary investment of US \$22 million for the renewal of spectrum frequencies.



Net Debt was US \$625 million at the close of 2Q21, up 5% when compared to 2Q20 and flat versus 1Q21. On an absolute basis, Net Debt increased US \$32 million year-on-year resulting from an US \$86 million decrease in gross debt; a US \$27 million non-cash increase in debt caused by a 16% appreciation of the Mexican peso; and a US \$91 million decrease in cash. Cash totaled US \$66 million at the end of the second quarter. Financial ratios at the close of 2Q21 were: Net Debt to EBITDA of 3.1 times and Interest Coverage of 3.4 times.

RECENT DEVELOPMENTS - AXTEL

Strategic Sale Process	<ul style="list-style-type: none"> • Maintaining conversations with potential buyers who have shown interest in its Infrastructure unit • Further details will be shared at the appropriate time
Certifications and Recognitions to Service unit (Alestra)	<ul style="list-style-type: none"> • Alestra received certifications and recognitions from several technology partners, such as DELL Technologies' Platinum Partner, AWS Direct Connect and VMware Cloud Verified • This reinforces Axtel's position as a leading provider with more than 25 years of experience in the Mexican IT and Telecom industry
Hedging	<ul style="list-style-type: none"> • Foreign-exchange forward agreements for US \$46 million • Average forward exchange rate of \$20 pesos per dollar • Axtel has covered ~70% of its Capex and interest payment obligations up to November 2021 • Axtel will continue to manage its dollar denominated obligations to reduce cash flow volatility
Share Repurchase Program	<ul style="list-style-type: none"> • 1.5 million total shares repurchased YTD

(See "Appendix - 2Q21 Reports of Listed Businesses" for Axtel's complete 2Q21 Earnings Report)

Newpek - OIL & GAS



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

As a result, Newpek's financial results are no longer shown as separate line items. However, additional information related to the remaining operations of Newpek are available in Tables 17, 18 and 19 (pg. 37).

Nemak (BMV: NEMAKA) – ALUMINUM AUTOPARTS



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

Additional details related to the effects of discontinued operations on ALFA's consolidated results are available in Tables 9, 10 and 11.

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

Please refer to Nemak's 2Q21 Earnings Report for the full analysis of operating figures.

2Q21 EARNINGS CALL INFORMATION

Date: Thursday, July 22, 2021

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: 13720839

Webcast: <http://public.viavid.com/index.php?id=145401>

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

About ALFA

ALFA a company that has developed 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 largest producers of polyester (PTA, PET and fibers), and the leader in the Mexican market for polypropylene, expandable polystyrene (EPS) and caprolactam. Axtel, a provider of Information Technology and Communication services for the enterprise and government segments in Mexico. Newpek, an oil and gas exploration and production company with operations in Mexico. In 2020, ALFA reported revenues of Ps. 263,867 million (US \$12.3 billion), and EBITDA of Ps. 32,597 million (US \$1.5 billion). ALFA's shares are quoted on the Mexican Stock Exchange and on Latibex, the market for Latin American shares of the Madrid Stock Exchange. For more information, please visit www.alfa.com.mx

Disclaimer

This release may contain forward-looking information based on numerous variables and assumptions that are inherently uncertain. They involve judgments with respect to, among other things, future economic, competitive and financial market conditions and future business decisions, all of which are difficult or impossible to predict accurately. These uncertainties include, but are not limited to, risks related to the impact of the COVID-19 global pandemic, such as the scope and duration of the outbreak, government actions and restrictive measures implemented in response, availability of workers and contractors due to illness and stay at home orders, supply chain disruptions and other impacts to the business, or on the Company's ability to execute business continuity plans, as a result thereof. Accordingly, results could vary from those set forth in this release. The report presents unaudited financial information. Figures are presented in Mexican Pesos or US Dollars, as indicated. Where applicable, Peso amounts were translated into US Dollars using the average exchange rate of the months during which the operations were recorded. Financial ratios are calculated in US Dollars. Due to the rounding up of figures, small differences may occur when calculating percent changes from one period to the other.

Earnings Report

Second Quarter 2021 (2Q21)



Tables

ALFA

Table 1 | VOLUME AND PRICE CHANGES (%)

	2Q21 vs.		YTD '21 vs. YTD '20
	1Q21	2Q20	
Total Volume	0.2	5.7	3.5
Domestic Volume	4.5	11.6	7.6
Foreign Volume	(6.1)	(2.6)	(2.0)
Avg. Ps. Prices	8.3	8.7	6.8
Avg. US \$ Prices	9.9	26.5	13.6

Table 2 | REVENUES

	2Q21	1Q21	2Q20	2Q21 vs.		YTD '21	YTD '20	Ch.%
				(%) 1Q21	(%) 2Q20			
Total Revenues								
Ps. Millions	74,801	68,918	65,108	9	15	143,719	129,963	11
US \$ Millions	3,731	3,388	2,789	10	34	7,119	6,050	18
Domestic Revenues								
Ps. Millions	30,910	27,952	23,128	11	34	58,862	48,058	22
US \$ Millions	1,542	1,375	991	12	56	2,917	2,250	30
Foreign Revenues								
Ps. Millions	43,891	40,966	41,980	7	5	84,857	81,905	4
US \$ Millions	2,189	2,013	1,798	9	22	4,203	3,800	11
Foreign / Total (%)	59	59	64			59	63	

Table 3 | OPERATING INCOME AND EBITDA

	2Q21	1Q21	2Q20	2Q21 vs.		YTD '21	YTD '20	Ch.%
				(%) 1Q21	(%) 2Q20			
Operating Income								
Ps. Millions	6,825	7,736	1,917	(12)	256	14,561	6,706	117
US \$ Millions	340	380	84	(10)	303	720	329	119
EBITDA								
Ps. Millions	9,955	10,886	6,099	(9)	63	20,842	14,262	46
US \$ Millions	496	535	263	(7)	89	1,031	679	52
EBITDA/Revenues (%)*	13.3	15.8	9.4			14.5	11.2	

*US Dollar denominated EBITDA margin

Earnings Report

Second Quarter 2021 (2Q21)



Table 4 | EXTRAORDINARY ITEMS (US \$ Millions)

Company	Extraordinary item	2Q21	1Q21	2Q20	YTD '21	YTD '20
Alpek	Inventory gain (loss)	18	63	(42)	81	(59)
	Carry-forward gain (loss)	29	58	(39)	87	(59)
	Legal fees/expenses & others	1	(0)	6	1	6
	Total Alpek (previous)	19	63	(36)	82	(53)
	Total Alpek (with carry-forward)¹	48	121	(75)	169	(111)
Axtel	Spectrum sale gain	-	-	4	-	4
	Data Center sale gain	-	-	-	-	107
	Total Axtel	-	-	4	-	111
ALFA	Total effect on EBITDA (previous)	19	63	(32)	82	59
	Total effect on EBITDA (with carry forward)¹	48	121	(71)	169	0

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

Table 5 | COMPARABLE EBITDA (US \$ Millions)

Company	2Q21	1Q21	2Q20	(%) 2Q21 vs.		YTD '21	YTD '20	Ch. %
				1Q21	2Q20			
ALFA	449	414	334	8	34	863	678	27
Alpek	225	203	149	11	51	429	296	45
Sigma	182	181	159	-	15	363	327	11
Axtel	57	45	49	26	17	102	97	5
Newpek	(3)	(3)	(8)	(13)	57	(6)	(13)	52
ALFA EBITDA/Revenues (%)	12.0	12.2	12.0			12.1	11.2	

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

	2Q21	1Q21	2Q20	(%) 2Q21 vs.		YTD '21	YTD '20	Ch. %
				1Q21	2Q20			
Financial Expenses	(89)	(136)	(106)	35	16	(225)	(211)	(7)
Financial Income	8	7	13	9	(38)	16	26	(40)
Net Financial Expenses	(81)	(129)	(93)	37	13	(210)	(186)	(13)
Exchange Rate Gains (Losses)	2	(39)	58	106	(96)	(36)	(69)	47
Capitalized Comp. Fin. Expense	0	0	0	14	104	0	0	43
Comprehensive Financing Expense	(78)	(167)	(34)	53	(128)	(245)	(254)	3
Avg. Cost of Borrowed Funds (%)	4.9	7.7	5.1			6.3	5.5	

Earnings Report

Second Quarter 2021 (2Q21)



Table 7 | NET INCOME (US \$ Millions)

	2Q21	1Q21	2Q20	(%) 2Q21 vs.		YTD '21	YTD '20	Ch. %
				1Q21	2Q20			
Consolidated Net Income (Loss)	164	197	(111)	(17)	247	360	64	463
Minority Interest	64	43	(23)	50	380	107	(18)	701
Majority Net Income (Loss)	99	154	(88)	(35)	213	253	82	210
Per Share (US Dollars)	0.02	0.03	(0.02)	(36)	(213)	0.05	0.02	213
Avg. Outstanding Shares (Millions)	4,909	4,909	4,941			4,909	4,976	

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

	2Q21	1Q21	2Q20	(%) 2Q21 vs.	
				1Q21	2Q20
Assets					
Cash and cash equivalents	1,473	1,393	2,360	6	(38)
Trade accounts receivable	1,229	1,027	1,092	20	13
Inventories	1,933	1,771	2,306	9	(16)
Other current assets	791	790	869	-	(9)
Current assets from discontinued operations ¹	0	0	0	-	-
Total current assets	5,425	4,981	6,627	9	(18)
Investment in associates and others	438	450	467	(3)	(6)
Property, plant and equipment, net	4,420	4,255	6,682	4	(34)
Goodwill and intangible assets, net	2,201	2,201	2,859	0	(23)
Other non-current assets	833	847	1,476	(2)	(44)
Total assets	13,317	12,734	18,112	5	(26)
Liabilities & stockholders' equity					
Debt	162	188	1,135	(14)	(86)
Suppliers	2,406	2,064	2,582	17	(7)
Other current liabilities	972	1,054	1,351	(8)	(28)
Current liabilities from discontinued operations ¹	0	0	0	-	-
Total current liabilities	3,540	3,306	5,068	7	(30)
Debt (include debt issuance cost)	5,788	5,728	7,453	1	(22)
Employees' benefits	238	225	269	6	(12)
Other long-term liabilities	829	826	1,030	-	(20)
Total liabilities	10,396	10,086	13,820	3	(25)
Total stockholders' equity	2,921	2,648	4,292	10	(32)
Total liabilities & stockholders' equity	13,317	12,734	18,112	5	(26)
Net Debt	4,811	4,864	6,640	(1)	(28)
Net Debt/EBITDA*	2.6	2.9	3.3		
Interest Coverage*	5.0	4.3	4.2		

* Times. LTM=Last 12 months

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

Earnings Report

Second Quarter 2021 (2Q21)



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

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

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

	2Q21	1Q21	2Q20	(% 2Q21 vs.)	
				1Q21	2Q20
Total Revenues	0	0	403	-	(100)
Gross Profit	0	0	(29)	-	100
Operating expenses and others	0	0	(79)	-	100
EBITDA	0	0	(37)	-	100
Operating income (loss)	0	0	(108)	-	100
Financial cost, net	0	0	(27)	-	100
Share of losses of associates	0	0	(1)	-	100
Income Tax	0	0	17	-	(100)
Profit (loss) from discontinued operations (Nemak)	0	0	(119)	-	100
Other effects associated to the Nemak spin-off (ALFA)	0	0	0	-	-
Profit (loss) from discontinued operations (ALFA)	0	0	(119)	-	100

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

	2Q21	1Q21	2Q20	(% 2Q21 vs.)		YTD '21	YTD '20	Ch.%
				1Q21	2Q20			
EBITDA	0	0	(37)	-	100	0	105	(100)
Net Working Capital	0	0	(178)	-	100	0	(204)	100
Capital expenditures & Acquisitions	0	0	(42)	-	100	0	(139)	100
Net Financial Expenses	0	0	(19)	-	100	0	(37)	100
Taxes	0	0	(1)	-	100	0	(15)	100
Dividends	0	0	0	-	-	0	0	-
Other Sources / Uses	0	0	(13)	-	100	0	0	-
Decrease (Increase) in Net Debt	0	0	(290)	-	-	0	(290)	100

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Second Quarter 2021 (2Q21)



SIGMA

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

	2Q21 vs.		YTD '21 vs. YTD '20
	1Q21	2Q20	
Total Volume	2.3	1.4	(2.0)
Avg. Ps. Prices	2.0	(1.6)	2.3
Avg. US \$ Prices	3.5	14.5	9.0

Table 13 | SIGMA – REVENUES

	2Q21	1Q21	2Q20	2Q21 vs.		YTD '21	YTD '20	Ch.%
				(%) 1Q21	(%) 2Q20			
Total Revenues								
Ps. Millions	34,229	32,811	34,287	4	-	67,039	66,856	-
US \$ Millions	1,707	1,613	1,470	6	16	3,320	3,107	7
Foreign / Total (%)	58	61	64			59	61	

TABLE 14 | SIGMA - OPERATING INCOME AND EBITDA

	2Q21	1Q21	2Q20	2Q21 vs.		YTD '21	YTD '20	Ch.%
				(%) 1Q21	(%) 2Q20			
Operating Income								
Ps. Millions	2,546	2,578	2,458	(1)	4	5,124	4,741	8
US \$ Millions	127	127	106	-	20	254	219	16
EBITDA								
Ps. Millions	3,651	3,689	3,695	(1)	(1)	7,340	7,070	4
US \$ Millions	182	181	159	-	15	363	327	11

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

	2Q21	1Q21	2Q20	2Q21 vs.		YTD '21	YTD '20	Ch.%
				(%) 1Q21	(%) 2Q20			
Financial Expenses	(30)	(31)	(39)	3	24	(61)	(75)	18
Financial Income	2	3	4	(6)	(40)	5	6	(20)
Net Financial Expenses	(28)	(29)	(35)	3	22	(56)	(69)	18
Exchange Rate Gains (Losses)	(37)	(1)	35	-	(204)	(38)	67	(157)
Capitalized Comp. Fin. Expense	0	0	0	-	-	0	0	-
Comprehensive Financing Expense	(64)	(30)	0	(114)	-	(94)	(2)	-
Avg. Cost of Borrowed Funds (%)	4.3	4.4	4.7			4.3	4.4	

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

	2Q21	1Q21	2Q20	2Q21 vs.	
				1Q21	2Q20
Assets					
Cash and cash equivalents	811	746	652	9	24
Trade accounts receivable	238	210	194	13	23
Inventories	843	782	885	8	(5)
Other current assets	206	217	200	(5)	3
Total current assets	2,098	1,956	1,931	7	9
Investment in associates and others	7	7	5	3	35
Property, plant and equipment, net	1,631	1,613	1,582	1	3
Goodwill and intangible assets, net	1,548	1,543	1,502	-	3
Other non-current assets	224	244	254	(9)	(12)
Total assets	5,507	5,363	5,274	3	4
Liabilities & stockholders' equity					
Debt	56	57	230	(2)	(76)
Suppliers	1,134	1,023	999	11	14
Other current liabilities	369	367	335	1	10
Total current liabilities	1,560	1,448	1,564	8	-
Debt (include debt issuance cost)	2,474	2,461	2,407	1	3
Employees' benefits	93	87	79	7	18
Other long-term liabilities	224	222	206	1	8
Total liabilities	4,350	4,217	4,256	3	2
Total stockholders' equity	1,157	1,146	1,018	1	14
Total liabilities & stockholders' equity	5,507	5,363	5,274	3	4
Net Debt	1,728	1,781	1,996	(3)	(13)
Net Debt/EBITDA*	2.4	2.6	2.9		
Interest Coverage*	6.4	5.8	5.5		

* Times. LTM=Last 12 months

Earnings Report

Second Quarter 2021 (2Q21)



NEWPEK

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

	2Q21	1Q21	2Q20	(%) 2Q21 vs.		YTD '21	YTD '20	Ch. %
				1Q21	2Q20			
Volume (MBOEPD)¹	1.3	1.4	4.8	(7)	(72)	1.4	5.6	(76)
Total Revenues								
Ps. Millions	66	51	172	29	(62)	117	489	(76)
US \$ Millions	3	3	7	31	(55)	6	24	(75)
Domestic Revenues								
Ps. Millions	63	49	102	30	(38)	112	256	(56)
US \$ Millions	3	2	4	31	(28)	6	12	(55)
Foreign Revenues								
Ps. Millions	3	2	70	18	(96)	5	233	(98)
US \$ Millions	-	-	3	20	(95)	-	11	(98)
Foreign / Total (%)	4	5	41			5	48	

¹ Thousands of Barrels of Oil Equivalent Per Day

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

	2Q21	1Q21	2Q20	(%) 2Q21 vs.		YTD '21	YTD '20	Ch. %
				1Q21	2Q20			
Operating Income								
Ps. Millions	(74)	(65)	(920)	(14)	92	(139)	(1,073)	87
US \$ Millions	(4)	(3)	(39)	(15)	91	(7)	(47)	85
EBITDA								
Ps. Millions	(69)	(60)	(184)	(15)	62	(129)	(297)	56
US \$ Millions	(3)	(3)	(8)	(16)	57	(6)	(13)	52
CAPEX								
US \$ Millions	(3)	(1)	(4)	(110)	30	(4)	(10)	57

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

	2Q21	1Q21	2Q20
Assets	564	553	545
Liabilities	195	214	326
Stockholders' Equity	369	340	220
Net Debt	(12)	(16)	(6)
Net Debt/EBITDA*	(0.3)	(0.4)	0.1
Interest Coverage*	(4.0)	(3.8)	7.8

* 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

	Jun 21	Mar 21	Jun 20	(% Jun 21 vs.	
				Mar 21	Jun 20
ASSETS					
CURRENT ASSETS:					
Cash and cash equivalents	29,160	28,699	54,210	2	(46)
Trade accounts receivable	24,328	21,159	25,079	15	(3)
Other accounts and notes receivable	5,647	6,001	8,066	(6)	(30)
Inventories	38,280	36,489	52,975	5	(28)
Other current assets	10,014	10,284	11,899	(3)	(16)
Current assets from discontinued operations	0	0	0	-	-
Total current assets	107,429	102,632	152,229	5	(29)
Investments in associates and joint ventures	8,667	9,265	10,734	(6)	(19)
Property, Plant and equipment	87,522	87,679	153,496	(0)	(43)
Intangible assets	43,594	45,346	65,683	(4)	(34)
Other non-current assets	16,503	17,454	33,915	(5)	(51)
Total assets	263,715	262,376	416,057	1	(37)
LIABILITIES AND STOCKHOLDERS' EQUITY					
CURRENT LIABILITIES:					
Current portion of long-term debt	1,914	3,048	3,908	(37)	(51)
Bank loans and notes payable	1,301	829	22,160	57	(94)
Suppliers	47,646	42,527	59,313	12	(20)
Other current liabilities	19,237	21,724	31,034	(11)	(38)
Current liabilities from discontinued operations	0	0	0	-	-
Total current liabilities	70,098	68,127	116,415	3	(40)
LONG-TERM LIABILITIES:					
Long-term debt	114,627	118,028	171,203	(3)	(33)
Deferred income taxes	9,626	9,953	13,216	(3)	(27)
Other liabilities	6,794	7,065	10,440	(4)	(35)
Estimated liabilities for seniority premiums and pension plans	4,719	4,641	6,183	2	(24)
Total liabilities	205,864	207,815	317,456	(1)	(35)
STOCKHOLDERS' EQUITY:					
Controlling interest:					
Capital stock	170	170	205	-	(17)
Earned surplus	41,568	39,281	74,002	6	(44)
Total controlling interest	41,738	39,451	74,207	6	(44)
Total Non-controlling interest	16,115	15,110	24,395	7	(34)
Total stockholders' equity	57,852	54,562	98,601	6	(41)
Total liabilities and stockholders' equity	263,715	262,376	416,057	1	(37)
Current ratio	1.5	1.5	1.3		
Debt to equity	3.6	3.8	3.2		

Earnings Report

Second Quarter 2021 (2Q21)



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

INCOME STATEMENT

Information in millions of Nominal Mexican Pesos

2Q21 vs. (%)

	2Q21	1Q21	2Q20	YTD '21	YTD '20	1Q21	2Q20
Net sales	74,801	68,918	65,108	143,719	129,963	9	15
Domestic	30,910	27,952	23,128	58,862	48,058	11	34
Export	43,891	40,966	41,980	84,857	81,905	7	5
Cost of sales	(57,872)	(51,065)	(52,354)	(108,938)	(104,437)	(13)	(11)
Gross profit	16,930	17,853	12,754	34,781	25,526	(5)	33
Operating expenses and others	(10,104)	(10,117)	(10,838)	(20,222)	(18,819)	-	7
Operating income	6,825	7,736	1,917	14,560	6,707	(12)	256
Comprehensive financing expense, net	(1,564)	(3,406)	(784)	(4,969)	(5,377)	54	(99)
Equity in income (loss) of associates	6	(6)	(100)	(1)	(73)	200	106
Income before the following provision	5,267	4,323	1,032	9,590	1,257	22	410
Provisions for:							
Income tax	(1,988)	(328)	(856)	(2,316)	2,523	(506)	(132)
Profit (loss) from continuing operations	3,279	3,996	176	7,274	3,780	(18)	-
Profit (loss) from discontinued operations	0	0	(2,774)	0	(2,952)	-	100
Consolidated net income	3,279	3,996	(2,598)	7,274	828	(18)	226
Income (loss) corresponding to minority interest	1,287	869	(507)	2,155	(557)	48	354
Net income (loss) corresponding to majority interest	1,992	3,127	(2,090)	5,119	1,386	(36)	195
EBITDA	9,955	10,886	6,099	20,842	14,262	(9)	63
Interest coverage*	5.0	4.2	4.1	5.0	4.1		

* Times. LTM=Last Twelve Months

Earnings Report

Second Quarter 2021 (2Q21)



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

BALANCE SHEET

Information in millions of Nominal Mexican Pesos

(%) Jun 21 vs.

Assets	Jun 21	Mar 21	Jun 20	Mar 21	Jun 20
CURRENT ASSETS:					
Cash and cash equivalents	16,066	15,380	14,982	4	7
Restricted cash	24	25	41	(4)	(43)
Customers, net	4,715	4,335	4,453	9	6
Income tax recoverable	680	900	554	(25)	23
Inventories	16,690	16,119	20,341	4	(18)
Other current assets	3,373	3,547	3,994	(5)	(16)
Total current assets	41,548	40,306	44,366	3	(6)
Property, plant and equipment, net	32,290	33,233	36,352	(3)	(11)
Intangible assets, net	16,490	17,143	18,742	(4)	(12)
Goodwill	14,168	14,641	15,752	(3)	(10)
Deferred income tax	3,564	4,119	4,271	(13)	(17)
Investments in associates and joint ventures	137	139	118	(1)	16
Other non-current assets	863	917	1,558	(6)	(45)
Total non-current assets	67,512	70,193	76,793	(4)	(12)
Total assets	109,060	110,499	121,159	(1)	(10)
LIABILITIES AND STOCKHOLDER'S EQUITY					
CURRENT LIABILITIES:					
Current debt	445	458	497	(3)	(10)
Notes payables	662	720	725	(8)	(9)
Suppliers	22,466	21,080	22,957	7	(2)
Income tax payable	525	594	802	(12)	(35)
Provisions	118	126	114	(7)	3
Other current liabilities	6,633	6,812	10,835	(3)	(39)
Total current liabilities	30,850	29,789	35,930	4	(14)
NON-CURRENT LIABILITIES:					
Non-current debt	47,007	48,632	53,056	(3)	(11)
Notes payables	1,980	2,067	2,238	(4)	(12)
Deferred income taxes	3,722	3,865	4,273	(4)	(13)
Employees benefits	1,842	1,793	1,813	3	2
Provisions	83	87	93	(4)	(10)
Income tax payable	623	616	370	1	68
Other non-current liabilities	35	35	4	-	823
Total non-current liabilities	55,292	57,095	61,848	(3)	(11)
Total liabilities	86,141	86,884	97,778	(1)	(12)
STOCKHOLDERS' EQUITY:					
Total controlling interest:	22,919	23,614	23,381	(3)	(2)
Total non-controlling interest:	0	0	0	-	-
Total stockholders' equity	22,919	23,614	23,381	(3)	(2)
Total liabilities and stockholders' equity	109,060	110,499	121,159	(1)	(10)



Earnings Report

Second Quarter 2021 (2Q21)



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

INCOME STATEMENT

	2Q21	1Q21	2Q20	YTD '21	YTD '20	2Q21 vs. (%)	
						1Q21	2Q20
Revenue	34,229	32,811	34,287	67,039	66,856	4	-
Cost of sales	(24,671)	(23,219)	(24,601)	(47,891)	(48,197)	6	-
Gross profit	9,557	9,591	9,686	19,149	18,660	-	(1)
Selling expenses	(5,467)	(5,319)	(5,680)	(10,785)	(10,939)	3	(4)
Administrative expenses	(1,608)	(1,656)	(1,503)	(3,264)	(2,976)	(3)	7
Other income (expenses), net	64	(39)	(45)	25	(4)	(265)	(243)
Operating profit	2,546	2,578	2,458	5,124	4,741	(1)	4
Comprehensive financial expenses, net	(1,289)	(610)	4	(1,899)	39	111	-
Equity in income (loss) of associates	0	0	(1)	0	(1)	-	(100)
Profit before income tax	1,257	1,968	2,461	3,225	4,779	(36)	(49)
Provisions for:							
Income tax	(927)	(309)	(837)	(1,236)	(161)	200	11
Net consolidated profit	330	1,659	1,624	1,989	4,618	(80)	(80)
Non-controlling interest	0	0	0	0	0	-	-
Controlling interest	330	1,659	1,624	1,989	4,618	(80)	(80)

Appendix - Listed Business 2Q21 Reports

Alpek (BMV: ALPEKAA) – Petrochemicals

Axtel (BMV: AXTELCPO) – IT & Telecom



SECOND QUARTER **2021 RESULTS**

Alpek Posts U.S. \$225M in Comparable EBITDA (U.S. \$273M in Reported EBITDA) EBITDA Guidance raised to U.S. \$765M as Resiliency in Margins and Volume Expected to Continue

Monterrey, Mexico – July 21st, 2021 – Alpek, S.A.B. de C.V. (BMV: ALPEK), a leading petrochemical company in the Americas, announced today its second quarter 2021 results (2Q21).

QUARTERLY HIGHLIGHTS

- Record high second quarter volume, reaching 1.2 million tons (+8% YoY) and on track with Guidance estimates
- Comparable EBITDA of U.S. \$225 million (+51% YoY) due to record 2Q volume & continued strength in margins
- Dividend payment of U.S. \$128 million, approved at Annual Shareholders' Meeting, was paid during 2Q21
- Leverage improved to 1.3x as Net Debt was U.S. \$1,247 million, and in spite of CAPEX & Dividends in 2Q21
- Finalized acquisition of CarbonLITE's state-of-the-art integrated rPET facility for U.S. \$96 million on debt-free basis
- Alpek included in the S&P/BMV Total Mexico ESG Index given strong improvement in its overall ESG metrics
- Comparable EBITDA Guidance raised to U.S. \$765 million (+13%) due to strong 2Q21 & continued margin strength

2Q21 KEY METRICS

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

	2Q21	1Q21	2Q20	QoQ (%)	YoY (%)	YTD21	YTD20	Ch. (%)
Volume¹ (ktons)	1,201	1,230	1,109	(2)	8	2,431	2,293	6
Polyester	945	996	933	(5)	1	1,941	1,900	2
Plastics & Chemicals	256	234	176	9	45	490	393	25
Production (ktons)	1,526	1,621	1,587	(6)	(4)	3,146	3,171	(1)
Polyester	1,240	1,346	1,341	(8)	(8)	2,586	2,660	(3)
Plastics & Chemicals	286	274	246	4	16	560	511	10
Revenues	1,849	1,614	1,175	15	57	3,463	2,608	33
Polyester	1,183	1,069	925	11	28	2,252	2,020	12
Plastics & Chemicals	610	471	221	29	175	1,080	521	107
EBITDA	273	324	74	(16)	268	597	185	223
Polyester	134	184	33	(27)	305	318	91	248
Plastics & Chemicals	136	123	40	10	237	260	89	191
Others	3	17	1	(81)	278	20	4	364
Comparable EBITDA²	225	203	149	11	51	429	296	45
Polyester	102	89	102	14	-	192	196	(2)
Plastics & Chemicals	120	97	46	23	158	217	96	126
Others	3	17	1	(81)	278	20	4	364
Net Income (Controlling Interest)	124	121	6	2	2,002	245	(14)	1,907
CAPEX	132	30	27	333	390	162	42	290
Net Debt	1,247	1,219	1,428	2	(13)			
Net Debt / EBITDA³	1.3	1.6	1.9					

(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 excited to report that Alpek has delivered yet another strong quarter amid a booming global economic environment. During this period, second quarter volume reached record highs and we achieved our greatest month ever in terms of Comparable EBITDA during April.

We expected Polyester margins to return to historical average levels and the positive effects from Texas’ polar vortex on Polypropylene margins to taper off by quarter-end, however, this was not the case. Instead, demand for our products increased across all industries, leading to further margin improvements. Based on our strong year-to-date performance, as well as our positive expectations for the remainder of the year, we are once again raising our 2021 EBITDA Guidance figures.

Of note, during the quarter, Alpek made large strides in its long-term growth strategy by acquiring CarbonLITE’s state-of-the-art integrated rPET facility. The transaction further tailors our portfolio towards the circular economy, while helping our customers achieve their recycled content goals ahead of schedule. Finally, as a result of a strong improvement in our ESG ratings, Alpek became part of the S&P/BMV Total Mexico ESG Index. It gives us great pride to see our recent progress on ESG matters rewarded in such a manner, and we shall remain focused on further improvement across all our material ESG issues.”



José de Jesús Valdez

CEO

Overview

The second quarter of 2021 was marked by a sharp increase in the number of people receiving COVID-19 vaccines and a continued strengthening of the global economy. With higher demand for refined products, average Brent crude oil prices increased to U.S. \$69 dollars per barrel, 13% higher than in 1Q21, closing the quarter at U.S. \$75 dollars per barrel. Consequently, U.S. average reference paraxylene (“Px”) prices increased by 12% versus last quarter, with Px margins coming under pressure. Finally, average reference Propylene prices decreased to U.S. \$0.67 per pound, 8% lower than the U.S. \$0.73 per pound in 1Q21.

Demand for petrochemical products also strengthened in 2Q21 and sea freight costs have remained high. As such, Asian integrated Polyester reference margins increased to an average of U.S. \$356 dollars per ton in 2Q21 (+8% QoQ), higher than Alpek’s Guidance figure of U.S. \$285 dollars per ton, which was based on a normalized PET supply/demand balance by the end of 2Q21. Polypropylene margins also increased to an average of U.S. \$0.47 per pound (+46% QoQ).

CarbonLITE Acquisition

On June 7th, Alpek announced the acquisition of CarbonLITE’s state-of-the-art PET recycling and pelletization facility in Reading, Pennsylvania for U.S. \$96 million on a debt-free basis. This site is one of the largest integrated rPET facilities in the Americas, with brand-new equipment designed to produce food-grade pellet, the rPET format needed to enable bottle-to-bottle recycling.

This acquisition is fully aligned with the *Fostering a Circular Economy* pillar of Alpek's long-term strategic growth plan. It reaffirms Alpek's position as the largest PET recycler in the Americas and achieves the Company's target of supplying its customers with 25% rPET content before 2025. The Company expects to conclude commissioning of the site and begin production in 3Q21.

Progress on ESG

Alpek has made large strides both in terms of direct improvement on key ESG metrics, as well as in better communicating those actions to the investment community. Highlights from 2020 included migrating to a Dynamic Materiality approach for ESG risk identification, an 8.7% reduction to the Company's Scope 1 & 2 carbon emissions, and an equivalent reduction in total water consumption of 7.7%.

As a result of these improvements and their corresponding effect on our ESG Ratings, during 2Q21 Alpek was included in the Mexican Stock Exchange and S&P Dow Jones Total Mexico ESG Index. Companies that comprise this index have demonstrated a commitment to ESG as part of their ongoing decision-making processes, which has historically translated into higher returns for investors. Alpek also launched *Project Evergreen*, an effort focused on analytically defining concrete targets and action plans to improve on all its material ESG issues, which it expects to conclude and communicate before year-end.

Revised Guidance & Outlook

In its 1Q21 Earnings Report, Alpek updated its Guidance figures due to stronger-than-expected PET demand and margins, as well as the one-time benefits generated in the Plastics & Chemicals segment by the polar vortex. Having observed this strength carry over into 2Q21 and likely to continue in 3Q21, the Company is once again providing updated guidance figures and underlying key assumptions.

In the Polyester segment, Alpek expects the continuation of strong demand, with Asian integrated margins now normalizing to U.S. \$285 dollars per ton as late as the fourth quarter. In the Plastics & Chemicals segment, the positive effect on Polypropylene margins created by the polar vortex is also expected to last late into the third quarter. Strong Polypropylene demand should also result in better average margins at the end of 2021 versus original expectations. Volume figures for both segments remain in line with the original guidance.

Finally, we are also raising our CAPEX Guidance to U.S. \$250 million, reflecting the recent acquisition of CarbonLITE's rPET facility. Overall, we maintain a positive outlook for the remainder of 2021.

New guidance figures are based on the following underlying key assumptions:

- Average Brent crude oil reference price of U.S. \$70 dollars per barrel (up from U.S. \$63 dls per barrel)
- Average Asian Integrated PET Reference Margins of U.S. \$300 dollars per ton (up from U.S. \$285 dls per ton)

	Revised 2021 Guidance (US\$M)	Change (% vs. '20)	Previous 2021 Guidance (US\$M)	Change (% vs. '20)
Reported EBITDA	U.S. \$880M	56	U.S. \$750M	33
Comparable EBITDA	U.S. \$765M	27	U.S. \$675M	12

Alpek will further discuss its revised guidance figures during its 2Q21 Webcast.

FINANCIAL RESULTS

EBITDA

(in U.S.\$ million)

	2Q21	1Q21	2Q20	QoQ (%)	YoY (%)	YTD21	YTD20	Ch. (%)
Reported EBITDA	273	324	74	(16)	268	597	185	223
Inventory Adjustment	(18)	(63)	42	72	(142)	(81)	59	(237)
Carry-forward effect	(29)	(58)	39	50	(175)	(87)	59	(249)
Others	(1)	-	(6)	(462)	83	(1)	(6)	88
Comparable EBITDA	225	203	149	11	51	429	296	45

Comparable EBITDA was U.S. \$225 million, 11% higher than 1Q21, as a result of the increase in polyester margins, solid EPS performance, a longer-than-expected positive effect on Polypropylene margins created by the polar vortex, and the normalization of our natural gas commercialization business.

Reported EBITDA was U.S. \$273 million, 16% lower than in 1Q21 which experienced higher extraordinary effects. This quarter reflected a positive inventory effect of U.S. \$18 million and carry-forward effect of U.S. \$29 million given increased Px, Propylene and Styrene prices.

INCOME STATEMENT

(in U.S.\$ million)

	2Q21	1Q21	2Q20	QoQ (%)	YoY (%)	YTD21	YTD20	Ch. (%)
Total Revenues	1,849	1,614	1,175	15	57	3,463	2,608	33
Gross Profit	284	334	69	(15)	311	618	187	230
Operating expenses and others	(63)	(61)	(47)	(3)	(34)	(124)	(107)	(15)
Operating Income	221	273	22	(19)	899	494	80	520
Financial cost, net	(19)	(74)	5	75	(493)	(93)	(83)	(12)
Share of losses of associates	(1)	-	(4)	(356)	83	-	(1)	68
Income tax	(43)	(46)	(8)	7	(411)	(89)	3	(2,818)
Consolidated Net Income	159	152	15	4	987	311	(2)	18,294
Controlling interest	124	121	6	2	2,002	245	(14)	1,907

Revenues for the second quarter totaled U.S. \$1,849 million, 15% higher than 1Q21, due to higher average consolidated prices and strong consolidated volume in 2Q21.

Net Income attributable to Controlling Interest for the second quarter of 2021 was U.S. \$124 million, compared to U.S. \$121 million in 1Q21. This improvement was due to a strong operating income and lower financial costs.

CASH FLOW

(in U.S.\$ million)

	2Q21	1Q21	2Q20	QoQ (%)	YoY (%)	YTD21	YTD20	Ch. (%)
EBITDA	273	324	74	(16)	268	597	185	223
Net Working Capital & Others	6	(192)	27	103	(79)	(187)	127	(247)
CAPEX	(132)	(30)	(27)	(333)	(390)	(162)	(42)	(290)
Financial Expenses	(25)	(67)	(25)	63	1	(91)	(51)	(78)
Income Tax	(32)	(44)	(37)	26	13	(76)	(101)	25
Dividends	(128)	(23)	-	(465)	(100)	(151)	(163)	7
Other Sources / Uses	11	(2)	(4)	635	383	9	(53)	117
Decrease (Increase) in Net Debt	28	(34)	8	17	(446)	(62)	(98)	37

Net Working Capital (NWC) totaled U.S. \$6 million as the aforementioned increase in raw material prices was more than offset by improvement to supplier credit terms.

CAPEX for the quarter totaled U.S. \$132 million, with U.S. \$96 million utilized for the acquisition of CarbonLITE's asset in Reading, PA.

During 2Q21, Alpek distributed a **Dividend** of U.S. \$128 million approved during the March 9th Annual Shareholders' Meeting.

NET DEBT & LEVERAGE

(in U.S.\$ million)

	2Q21	1Q21	2Q20	QoQ (%)	YoY (%)
Net Debt	1,247	1,219	1,428	2	(13)
EBITDA (LTM)	977	778	735	26	33
Net Debt / EBITDA (LTM)	1.3	1.6	1.9		

Consolidated Net Debt as of June 30, 2021 was U.S. \$1.247 billion, up 2% QoQ but down 13% YoY. Net Debt increased by U.S. \$28 million during 2Q21 largely due to the acquisition of CarbonLITE's rPET facility and the dividend payment, which were largely offset by strong results during the quarter. Gross Debt reached U.S. \$1.723 billion, and Cash declined to U.S. \$476 million, a slight decrease to levels more in line with historical averages. Financial ratios for the quarter improved as Net Debt to EBITDA was further reduced to 1.3x and Interest Coverage to 7.3x, with Leverage decreasing as a result of higher LTM EBITDA, while net debt remained at similar levels.

RESULTS BY BUSINESS SEGMENT: POLYESTER

(Purified Terephthalic Acid (PTA), Polyethylene Terephthalate (PET), rPET, Polyester fibers – 68% of Alpek's Net Sales)

QUARTERLY HIGHLIGHTS

- Record Polyester volume for any second quarter of 945 thousand tons (+1% YoY), but 5% lower than in 1Q21
- Integrated Asian polyester reference margins increased (+8% QoQ,) due to continued strength in demand
- Polyester Comparable EBITDA of U.S. \$102 million (+14% QoQ), mainly due to higher margins
- Polyester Reported EBITDA of U.S. \$134 million (-27% QoQ), resulting from inventory gain (U.S. \$14 million) and positive Carry-forward effect (U.S. \$17 million)
- Acquired rPET facility in Reading, PA, increasing input capacity to 394 Ktons; expected to start operations in 3Q21

KEY METRICS - POLYESTER (in U.S.\$ million, except volume and production)	2Q21	1Q21	2Q20	QoQ (%)	YoY (%)	YTD21	YTD20	Ch. (%)
Volume (ktons)	945	996	933	(5)	1	1,941	1,900	2
Production (ktons)	1,240	1,346	1,341	(8)	(8)	2,586	2,660	(3)
Revenues	1,183	1,069	925	11	28	2,252	2,020	12
Reported EBITDA	134	184	33	(27)	305	318	91	248
Inventories	(14)	(50)	36	73	(138)	(64)	52	(223)
Carry-forward effect	(17)	(45)	39	62	(144)	(62)	59	(206)
Others	(1)	-	(6)	(100)	84	(1)	(6)	89
Comparable EBITDA	102	89	102	14	-	192	196	(2)

Polyester Volume posted a second quarter record of 945 thousand tons, 1% higher YoY despite lower volume due to an extended drought in Altamira, Mexico, which temporarily affected local PTA production. Volume would have been higher than 1Q21 levels had it not been for this event.

Polyester Comparable EBITDA reached U.S. \$102 million, a 14% increase QoQ. This was due to an increase in average Asian integrated polyester margins to U.S. \$356 dollars per ton, 8% higher QoQ, which was offset by slightly lower volume due to the aforementioned drought.

As a result of a 13% increase in average Brent Crude oil price, average U.S. reference paraxylene ("Px") prices increased accordingly by 12% QoQ. This resulted in a non-cash **inventory gain** of U.S. \$14 million and a positive **Carry-forward effect** of U.S. \$17 million in 2Q21.

Polyester Reported EBITDA was U.S. \$134 million for the quarter, down 27% QoQ, as a result of positive inventory and carry-forward effects that resulted in a U.S. \$31 million gain, below than the U.S. \$95 million gain during 1Q21, as feedstock price increases were not as pronounced as in 1Q21.

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

(Polypropylene (PP), Expandable Polystyrene (EPS), Caprolactam (CPL), Other products – 28% of Alpek's Net Sales)

QUARTERLY HIGHLIGHTS

- Record P&C volume of 256 thousand tons (+9% QoQ) given continued demand strength and recent U.S. acquisition
- Strong improvement in Polypropylene margins (+46% QoQ) as effects from polar vortex in Texas have continued
- P&C Comparable EBITDA of U.S. \$120 million (+23% QoQ) from stronger volume, PP margins, and EPS performance
- P&C Reported EBITDA of U.S. \$136 million (+10% QoQ), due to an inventory gain (U.S. \$4 million) and positive Carry-forward effect (U.S. \$12 million)

KEY METRICS – P&C (in U.S.\$ million, except volume and production)	2Q21	1Q21	2Q20	QoQ (%)	YoY (%)	YTD21	YTD20	Ch. (%)
Volume (ktons)	256	234	176	9	45	490	393	25
Production (ktons)	286	274	246	4	16	560	511	10
Revenues	610	471	221	29	175	1,080	521	107
Reported EBITDA	136	123	40	10	237	260	89	191
Inventories	(4)	(13)	6	69	(164)	(17)	7	(339)
Carry-forward effect	(12)	(13)	-	10	(100)	(25)	-	(100)
Others	-	-	-	-	-	-	-	-
Comparable EBITDA	120	97	46	23	158	217	96	126

P&C Volume was 256 thousand tons, up 45% YoY and +9% QoQ, and exceeding our previous record for any quarter. Excluding the incremental volume from the Styrenics business acquired in the United States, volume was still 2% higher quarter-on-quarter and 25% higher when compared to last year, which was adversely impacted by COVID-19 related shut-downs in the construction and automotive industries.

P&C Comparable EBITDA was U.S. \$120 million, up 23% and 158% when compared to 1Q21 and 2Q20, respectively, mainly due to higher PP margins resulting from the longer-than-expected positive effect of the polar vortex on PP margins and record volumes overall.

Propylene prices averaged U.S. \$0.67 per pound, down 8% this quarter, yet still resulting in a non-cash **inventory gain** of U.S. \$4 million and positive **Carry-forward effect** of U.S. \$12 million, as prices rose sharply towards quarter-end.

P&C Reported EBITDA was U.S. \$136 million during the quarter, up 10% QoQ and 237% YoY, reflecting strong business fundamentals in 2Q21, as well as the previously mentioned inventory gain and positive carry-forward effect.

ABOUT ALPEK

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

NOTE ON FORWARD LOOKING STATEMENTS

This release contains forward-looking information based on numerous variables and assumptions that are inherently uncertain. They involve judgments with respect to, among other things, future economic, competitive and financial market conditions and future business decisions, all of which are difficult or impossible to predict accurately. Accordingly, results could vary from those set forth in this release. The report presents unaudited financial information based on International Financial Reporting Standards (IFRS). Figures are stated in nominal Mexican pesos (\$) and in current U.S. Dollars (U.S. \$), as indicated. Where applicable, peso amounts were translated into U.S. Dollars using the average exchange rate of the months during which operations were recorded. Financial ratios are calculated in U.S. Dollars. Due to the rounding up of figures, small differences may occur when calculating percent changes from one period to the other.

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APPENDIX A – ADDITIONAL FINANCIAL INFORMATION

TABLE 1 PRICE CHANGES (%)	QoQ (%)	YoY (%)	Ch. (%)
Polyester			
Avg. Ps. Prices	15	8	2
Avg. U.S. \$ Prices	17	26	9
Plastics & Chemicals			
Avg. Ps. Prices	16	63	57
Avg. U.S. \$ Prices	18	89	66
Total			
Avg. Ps. Prices	16	25	18
Avg. U.S. \$ Prices	17	45	25

TABLE 2 REVENUES	2Q21	1Q21	2Q20	QoQ (%)	YoY (%)	YTD21	YTD20	Ch. (%)
Total Revenues								
Ps. Million	37,077	32,830	27,448	13	35	69,907	55,970	25
U.S. \$ Million	1,849	1,614	1,175	15	57	3,463	2,608	33
Domestic Revenues								
Ps. Million	13,189	11,758	7,581	12	74	24,947	15,618	60
U.S. \$ Million	658	578	324	14	103	1,236	729	69
Foreign Revenues								
Ps. Million	23,888	21,072	19,867	13	20	44,960	40,352	11
U.S. \$ Million	1,191	1,036	851	15	40	2,227	1,879	19
Foreign / Total (%)	64	64	72			64	72	

TABLE 3 OP. INCOME AND EBITDA	2Q21	1Q21	2Q20	QoQ (%)	YoY (%)	YTD21	YTD20	Ch. (%)
Operating Income								
Ps. Million	4,437	5,546	483	(20)	820	9,983	1,634	511
U.S. \$ Million	221	273	22	(19)	899	494	80	520
EBITDA								
Ps. Million	5,481	6,594	1,700	(17)	222	12,075	3,905	209
U.S. \$ Million	273	324	74	(16)	268	597	185	223

TABLE 4 COMPARABLE EBITDA	2Q21	1Q21	2Q20	QoQ (%)	YoY (%)	YTD21	YTD20	Ch. (%)
EBITDA								
Ps. Million	5,481	6,594	1,700	(17)	222	12,075	3,905	209
U.S. \$ Million	273	324	74	(16)	268	597	185	223
Adjustments*								
Ps. Million	(959)	(2,461)	1,793	61	(153)	(3,419)	2,538	(235)
U.S. \$ Million	(48)	(121)	75	60	(164)	(169)	111	(252)
Comparable EBITDA								
Ps. Million	4,522	4,133	3,493	9	29	8,656	6,443	34
U.S. \$ Million	225	203	149	11	51	429	296	45

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

TABLE 5 IFRS 16 EFFECT (in U.S.\$ million)	1Q21	2Q21
Income Statement		
Amortization	11	12
Financial Expense	2	2
Balance Sheet		
Assets- Right of use	146	142
Liabilities		
Short-term lease	39	38
Long-term lease	108	106
Net Debt	9	6

TABLE 6 FINANCIAL COST, NET (in U.S.\$ million)	2Q21	1Q21	2Q20	QoQ (%)	YoY (%)	YTD21	YTD20	Ch. (%)
Financial Expenses	(28)	(67)	(31)	58	7	(96)	(62)	(54)
Financial Income	5	4	11	27	(55)	9	19	(55)
Net Financial Expenses	(24)	(64)	(20)	63	(19)	(87)	(43)	(102)
Fx Gains (Losses)	5	(11)	24	145	(80)	(6)	(40)	85
Financial Cost, Net	(19)	(74)	5	75	(493)	(93)	(83)	(12)

TABLE 7 NET INCOME (in U.S.\$ million, except as noted)	2Q21	1Q21	2Q20	QoQ (%)	YoY (%)	YTD21	YTD20	Ch. (%)
Consolidated Net Income	159	152	15	4	987	311	(2)	18,294
Non-Controlling Interest	35	31	9	12	303	67	12	463
Controlling Interest	124	121	6	2	2,002	245	(14)	1,907
Earnings per Share (U.S. \$)	0.06	0.06	0.00	2	2,002	0.12	(0.01)	1,911
Avg. Outstanding Shares (million)*	2,112	2,112	2,112			2,112	2,113	

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

TABLE 8 | STATEMENT OF FINANCIAL POSITION & FINANCIAL RATIOS (in U.S.\$ million)

	2Q21	1Q21	2Q20	QoQ (%)	YoY (%)
Assets					
Cash and cash equivalents	476	495	610	(4)	(22)
Trade accounts receivable	866	718	462	21	88
Inventories	1,068	965	808	11	32
Other current assets	373	369	336	1	11
Total current assets	2,783	2,547	2,217	9	26
Investment in associates and others	438	439	436	-	1
Property, plant and equipment, net	2,025	1,899	1,862	7	9
Goodwill and intangible assets, net	176	178	189	(1)	(7)
Other non-current assets	530	504	588	5	(10)
Total assets	5,952	5,567	5,290	7	12
Liabilities & stockholders' equity					
Debt	50	29	237	70	(79)
Suppliers	1,125	908	647	24	74
Other current liabilities	288	366	327	(21)	(12)
Total current liabilities	1,463	1,303	1,211	12	21
Debt (include debt issuance costs)	1,520	1,528	1,635	(1)	(7)
Employees' benefits	67	65	55	3	22
Other long-term benefits	416	411	429	1	(3)
Total liabilities	3,466	3,308	3,331	5	4
 Total stockholders' equity	 2,486	 2,259	 1,959	 10	 27
Total liabilities & stockholders' equity	5,952	5,567	5,290	7	12
Net Debt	1,247	1,219	1,428	2	(13)
Net Debt / EBITDA*	1.3	1.6	1.9		
Interest Coverage*	7.3	5.8	6.9		

* Times: last 12 months

POLYESTER

TABLE 9 REVENUES	2Q21	1Q21	2Q20	QoQ (%)	YoY (%)	YTD21	YTD20	Ch. (%)
Total Revenues								
Ps. Million	23,720	21,742	21,635	9	10	45,462	43,430	5
U.S. \$ Million	1,183	1,069	925	11	28	2,252	2,020	12
Domestic Revenues								
Ps. Million	5,349	4,444	3,816	20	40	9,793	7,836	25
U.S. \$ Million	267	219	163	22	63	485	365	33
Foreign Revenues								
Ps. Million	18,371	17,298	17,819	6	3	35,669	35,594	-
U.S. \$ Million	916	851	762	8	20	1,767	1,655	7
Foreign / Total (%)	77	80	82			78	82	

TABLE 10 OP. INCOME AND EBITDA	2Q21	1Q21	2Q20	QoQ (%)	YoY (%)	YTD21	YTD20	Ch. (%)
Operating Income								
Ps. Million	1,917	2,961	(205)	(35)	1,036	4,878	131	3,611
U.S. \$ Million	96	145	(7)	(34)	1,408	241	10	2,323
EBITDA								
Ps. Million	2,690	3,748	739	(28)	264	6,438	1,891	241
U.S. \$ Million	134	184	33	(27)	305	318	91	248

TABLE 11 COMPARABLE EBITDA	2Q21	1Q21	2Q20	QoQ (%)	YoY (%)	YTD21	YTD20	Ch. (%)
EBITDA								
Ps. Million	2,690	3,748	739	(28)	264	6,438	1,891	241
U.S. \$ Million	134	184	33	(27)	305	318	91	248
Adjustments*								
Ps. Million	(640)	(1,933)	1,653	67	(139)	(2,573)	2,385	(208)
U.S. \$ Million	(32)	(95)	69	66	(146)	(127)	104	(221)
Comparable EBITDA								
Ps. Million	2,050	1,815	2,392	13	(14)	3,865	4,275	(10)
U.S. \$ Million	102	89	102	14	-	192	196	(2)

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

PLASTICS & CHEMICALS

TABLE 12 REVENUES	2Q21	1Q21	2Q20	QoQ (%)	YoY (%)	YTD21	YTD20	Ch. (%)
Total Revenues								
Ps. Million	12,220	9,589	5,147	27	137	21,809	11,111	96
U.S. \$ Million	610	471	221	29	175	1,080	521	107
Domestic Revenues								
Ps. Million	6,727	5,865	3,124	15	115	12,592	6,472	95
U.S. \$ Million	336	288	134	16	151	624	303	106
Foreign Revenues								
Ps. Million	5,493	3,724	2,022	48	172	9,217	4,639	99
U.S. \$ Million	274	183	87	50	214	457	218	109
Foreign / Total (%)	45	39	39			42	42	

TABLE 13 OP. INCOME AND EBITDA	2Q21	1Q21	2Q20	QoQ (%)	YoY (%)	YTD21	YTD20	Ch. (%)
Operating Income								
Ps. Million	2,457	2,247	669	9	267	4,703	1,417	232
U.S. \$ Million	123	111	29	11	328	233	65	256
EBITDA								
Ps. Million	2,727	2,509	943	9	189	5,236	1,930	171
U.S. \$ Million	136	123	40	10	237	260	89	191

TABLE 14 COMPARABLE EBITDA	2Q21	1Q21	2Q20	QoQ (%)	YoY (%)	YTD21	YTD20	Ch. (%)
EBITDA								
Ps. Million	2,727	2,509	943	9	189	5,236	1,930	171
U.S. \$ Million	136	123	40	10	237	260	89	191
Adjustments*								
Ps. Million	(319)	(528)	140	40	(328)	(847)	153	(653)
U.S. \$ Million	(16)	(26)	6	39	(362)	(42)	7	(701)
Comparable EBITDA								
Ps. Million	2,408	1,981	1,083	22	122	4,389	2,083	111
U.S. \$ Million	120	97	46	23	158	217	96	126

*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

	Jun-21	Mar-21	Jun-20	QoQ (%)	YoY (%)
(in millions of Mexican Pesos)					
ASSETS					
CURRENT ASSETS:					
Cash and cash equivalents	9,381	10,180	13,829	(8)	(32)
Restricted cash	52	12	194	337	(73)
Trade accounts receivable	17,155	14,800	10,602	16	62
Other accounts and notes receivable	4,888	5,011	6,424	(2)	(24)
Inventories	21,148	19,882	18,570	6	14
Other current assets	2,493	2,598	1,304	(4)	91
Total current assets	55,117	52,483	50,923	5	8
NON-CURRENT ASSETS:					
Investment in associates and others	8,676	9,043	10,006	(4)	(13)
Property, plant and equipment, net	40,098	39,133	42,774	2	(6)
Goodwill and intangible assets	3,479	3,668	4,331	(5)	(20)
Other non-current assets	10,486	10,386	13,495	1	(22)
Total assets	117,856	114,713	121,529	3	(3)
LIABILITIES AND STOCKHOLDERS' EQUITY					
CURRENT LIABILITIES:					
Debt	992	608	5,440	63	(82)
Suppliers	22,274	18,700	14,858	19	50
Other current liabilities	5,704	7,549	7,522	(24)	(24)
Total current liabilities	28,970	26,857	27,820	8	4
NON-CURRENT LIABILITIES:					
Debt (include debt issuance cost)	30,099	31,480	37,569	(4)	(20)
Deferred income taxes	4,650	4,794	4,883	(3)	(5)
Other non-current liabilities	3,581	3,685	4,979	(3)	(28)
Employees' benefits	1,335	1,349	1,268	(1)	5
Total liabilities	68,635	68,165	76,519	1	(10)
STOCKHOLDERS' EQUITY:					
Controlling interest:					
Capital stock	6,034	6,035	6,035	-	-
Share premium	9,015	9,021	9,025	-	-
Contributed capital	15,049	15,056	15,060	-	-
Earned surplus	28,236	26,023	24,515	9	15
Total controlling interest	43,285	41,079	39,575	5	9
Non-controlling interest	5,936	5,469	5,435	9	9
Total stockholders' equity	49,221	46,548	45,010	6	9
Total liabilities and stockholders' equity	117,856	114,713	121,529	3	(3)

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

	2Q21	1Q21	2Q20	QoQ (%)	YoY (%)	YTD21	YTD20	Ch. (%)
(in millions of Mexican Pesos)								
Revenues	37,077	32,830	27,448	13	35	69,907	55,970	25
Domestic	13,189	11,758	7,581	12	74	24,947	15,618	60
Export	23,888	21,072	19,867	13	20	44,960	40,352	11
Cost of sales	(31,381)	(26,042)	(25,864)	(20)	(21)	(57,423)	(52,039)	(10)
Gross profit	5,696	6,788	1,584	(16)	260	12,484	3,931	218
Operating expenses and others	(1,259)	(1,242)	(1,101)	(1)	(14)	(2,501)	(2,297)	(9)
Operating income	4,437	5,546	483	(20)	820	9,983	1,634	511
Financial result, net	(374)	(1,531)	114	76	(430)	(1,905)	(1,769)	(8)
Equity in income of associates and joint ventures	(13)	5	(90)	(351)	86	(8)	(31)	74
Income before taxes	4,050	4,020	507	1	699	8,070	(166)	4,984
Income taxes	(860)	(930)	(182)	7	(372)	(1,791)	88	(2,145)
Consolidated net income	3,190	3,090	325	3	881	6,279	(78)	8,183
Income attributable to Controlling interest	2,484	2,452	121	1	1,960	4,936	(332)	1,585
Income attributable to Non-controlling interest	706	638	204	11	246	1,343	254	428

EARNINGS REPORT

Second Quarter 2021 (2Q21)



Monterrey, Mexico, July 21, 2021. - Axtel, S.A.B. de C.V. (BMV: AXTELCPO) ("Axtel" or "the Company"), a Mexican Information and Communications Technology company, announced today its unaudited results for the second quarter of 2021 ("2Q21").

Axtel reports 2Q21 EBITDA of US \$57 million (Ps. 1,141 million)

SELECTED FINANCIAL INFORMATION

(IN MILLIONS)

	2Q21	1Q21	2Q20	(%) 2Q21 vs.		YTD'21	YTD'20	YTD
				1Q21	2Q20			Δ (%)
Revenues (Ps.)	2,983	2,835	3,078	5	(3)	5,818	6,184	(6)
US \$	149	140	132	7	13	288	289	(0)
EBITDA (Ps.) ¹	1,141	916	1,222	25	(7)	2,057	4,197	(51)
US \$	57	45	53	26	8	102	208	(51)
Net Income (loss) (Ps.)	344	(286)	142	--	141	58	742	(92)
US \$	17	(14)	6	--	179	3	48	(94)
CAPEX (Ps.) ²	349	274	433	27	(19)	623	1,119	(44)
US \$	17	13	18	29	(6)	31	54	(43)
Net Debt (US \$)	625	627	593	(0)	5			
Net Debt / LTM EBITDA*	3.1	3.2	1.8					
LTM Interest Coverage*	3.6	3.4	5.1					

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

1) EBITDA = Operating income + depreciation & amortization + impairment of assets.

2) Gross amount; does not include divestments.

2Q21 HIGHLIGHTS

Results

- 2Q21 EBITDA grew 25% sequentially and 1% year-over-year (adjusted for the benefit of the spectrum transfer agreement in 2Q20), driven by the positive performance of the Infrastructure Unit, value-added and digital transformation services of the Enterprise segment and operating efficiencies; offsetting negative results from the Government segment.
- Prospects for the Infrastructure Unit and Enterprise segment remain positive; the acquisition of new projects during the quarter for the Enterprise segment increased 45% year-over-year and 17% sequentially.

Liquidity

- In July, Axtel secured a second committed revolving credit facility for Ps. 400 million with a maturity of three years.

Certifications

- Alestra was awarded with certifications and recognitions from its technology partners:
 - April: DELL Technologies Partner Platinum
 - May: AWS Direct Connect certification and Poly Partner Platinum
 - July: VMware Cloud Verified certification

Strategic Process

- During the quarter, the Company maintained conversations with potential investors interested in the Infrastructure Business Unit.

MESSAGE FROM AXTEL'S CEO

"Second quarter results reflect consistent and strong performance at Axtel Networks and a continued improvement in IT and telecom investments by Alestra's enterprise customers, however, perspectives for the Government segment remain uncertain.

Revenues from third party clients in the Infrastructure Unit increased 10% year-on-year, confirming the resilience and visibility of its cashflow. Moreover, revenue from value-added and digital transformation Enterprise segment services increased 7% year-over-year, derived from the acceleration in the acquisition of new projects since the end of last year, particularly since March this year. In the quarter, such acquisition increased 17% sequentially and 45% year-on-year, driven by less volatile economic conditions and a recovery in the investment sentiment.

Concerning the process to attract investors, we maintain conversations with those interested in the Infrastructure Unit, seeking to capitalize on opportunities that can accelerate value creation for shareholders. Internally, we continue to make progress in achieving that the separation of the business units maximizes the potential and profitability of each one and allows us to pursue incremental growth projects for both units.

Axtel's operations continue to be largely remote, taking advantage of the capabilities of Axtel Digital project initiatives, which are part of our digital transformation solutions portfolio available to our customers. In our interest for the well-being of the organization, we maintain proactive campaigns encouraging employees and their families to get vaccinated.

Finally, with the uptrend in the level of acquisitions of new Infrastructure and Enterprise segment projects, coupled with the benefits of digital transformation and efficiencies that we continue to achieve, Axtel's performance should continue improving in the second half of the year."

Eduardo Escalante

REVENUES – Business Units

	2Q21	1Q21	2Q20	2Q21 vs.		YTD'21	YTD'20	YTD
				1Q21	2Q20			Δ (%)
SERVICES (Ps.)	2,210	2,219	2,372	(0)	(7)	4,429	4,924	(10)
US \$	110	109	102	1	8	219	231	(5)
Enterprise (Ps.)	1,884	1,880	1,925	0	(2)	3,764	3,940	(4)
US \$	94	93	82	2	14	187	185	1
Government (Ps.)	326	339	447	(4)	(27)	665	984	(32)
US \$	16	17	19	(3)	(15)	33	46	(29)
INFRASTRUCTURE (Ps.)	1,387	1,230	1,316	13	5	2,617	2,485	5
US \$	69	60	56	14	23	130	115	12
ELIMINATIONS (Ps.) *	(614)	(614)	(610)	0	(1)	(1,227)	(1,225)	(0)
US \$	(31)	(30)	(26)	(1)	(17)	(61)	(57)	(6)
TOTAL REVENUES (Ps.)	2,983	2,835	3,078	5	(3)	5,818	6,184	(6)
US \$	149	140	132	7	13	288	289	(0)

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

Total revenues were US \$149 million in 2Q21, up 13% when compared to 2Q20. In pesos, revenues decreased 3%, due to a 7% decline in Alestra's revenues, partially mitigated by a 5% increase in Axtel Networks.

INFRASTRUCTURE BUSINESS UNIT ("AXTEL NETWORKS")

Revenues reached US \$69 million in 2Q21; up 23% compared to 2Q20. In pesos, revenues were 5% higher, driven by a strong 10% increase in revenues coming from third-party customers, mainly due to up-front payment contracts providing dark-fiber to mobile and wholesale operators.

Revenues coming from Alestra increased 1% and represented 44% of total Infrastructure Unit revenues.

SERVICES BUSINESS UNIT ("ALESTRA")

Revenues totaled US \$110 million in 2Q21, up 8% compared to 2Q20. In pesos, revenues decreased 7%, due to 2% and 27% declines in Enterprise and Government segment revenues, respectively.

ENTERPRISE SEGMENT (85% of Services Unit YTD revenues)

Enterprise segment revenues totaled US \$94 million in 2Q21. In pesos, revenues were 2% lower than 2Q20, due to a 6% decline in *Standard* services, partially offset by a 14% increase in *Digital Transformation* services. (Table 1).

STANDARD SERVICES revenues reached Ps. 1,252 million in 2Q21, down 6% year-over-year, mainly due to a 20% decrease in *voice* revenues related to its secular declining trend and the substitution effect from collaboration solutions; as well as a 5% decline in *VPN & Ethernet* solutions.

VALUE-ADDED SERVICES revenues reached Ps. 264 million in 2Q21, marginally down 1% when compared to 2Q20, mainly due to a 6% decrease in *managed services*; partially mitigated by a 12% increase in *system integration* solutions.

DIGITAL TRANSFORMATION revenues reached Ps. 368 million in 2Q21, up 14% compared to 2Q20, mainly due to a 28% increase in *cybersecurity* and a combined 11% increase in *cloud, managed applications* and *collaboration* solutions, due to both new customers and incremental services with existing customers.

REVENUES – Business Units

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

GOVERNMENT SEGMENT (15% of Services Unit YTD revenues)

Government segment revenues amounted US \$16 million in 2Q21. In pesos, revenues declined 27% compared to 2Q20, due to termination of contracts and others in the process of renewal, mainly with federal government (Table 2). Besides pursuing business opportunities with federal government entities, the Company continues working to expand its presence with state and local governments.

STANDARD SERVICES revenues reached Ps. 127 million in 2Q21, 50% lower than 2Q20, mainly due to a 93% decrease in *hosting* services and a 58% decline in *data & internet*.

VALUE-ADDED SERVICES revenues reached Ps. 130 million in 2Q21, up 23% when compared to 2Q20, mostly due to an increase in non-recurrent *system integration* revenues.

DIGITAL TRANSFORMATION revenues reached Ps. 69 million in 2Q21, a 19% decline compared to 2Q20, mainly due to a decline in *collaboration* solutions.

GROSS PROFIT

Gross profit is defined as revenues minus cost of revenues. For 2Q21, gross profit was US \$111 million. In pesos, gross profit totaled Ps. 2,220 million, down 2% compared to 2Q20.

SERVICES UNIT (ALESTRA) gross profit amounted to Ps. 946 million, down 9% compared to the year-earlier quarter, mainly due to declines in *voice* and *VPN* revenues and lower *data & internet* margins for the enterprise segment; as well as declines in *hosting* revenues and lower *value-added* services margins for the government segment.

INFRASTRUCTURE UNIT (AXTEL NETWORKS) gross profit amounted to Ps. 1,275 million, 4% higher compared to the year-earlier quarter, in line with the increase in revenues and affected for comparison purposes by a decline in margins due to the cancelation of a provision associated to the spectrum transaction executed in the second quarter of 2020.

OPERATING EXPENSES AND OTHER INCOME (EXPENSES)

Operating expenses reached US \$54 million in 2Q21; in pesos, operating expenses decreased 4%.

SERVICES UNIT (ALESTRA) operating expenses decreased 5% compared to 2Q20, due to declines in personnel due to right-sizing, as well as maintenance efficiencies and lower advertising expenses.

INFRASTRUCTURE UNIT (AXTEL NETWORKS) operating expenses decreased 3% compared to 2Q20, due to decreases in personnel, advertising, maintenance expenses and rents due to the downsizing in office space.

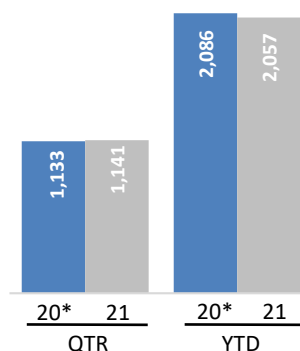
Other income reached Ps. 8 million during 2Q21, compared to other expenses of Ps. 3 million during 2Q20.

EBITDA

EBITDA totaled US \$57 million in 2Q21. In pesos, EBITDA reached Ps. 1,141 million, compared to Ps. 1,133 million in 2Q20 adjusted for the extraordinary Ps. 90 million benefit from the transfer of spectrum. (Table 4).

EBITDA margin was 38.3% in 2Q21, reflecting the high gross profit margin of dark fiber contracts in Axtel Networks, as well as expenses efficiency initiatives in both Business Units.

(in Million Ps.)



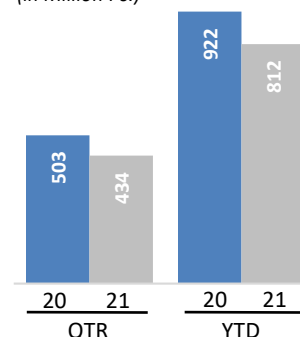
* Adjusted for data center divestment (1Q20) and spectrum (2Q20) transactions.

SERVICES UNIT (ALESTRA)

(39% of Axtel's YTD EBITDA)

Services Business Unit EBITDA amounted to US \$22 million in 2Q21. In pesos, EBITDA reached Ps. 434 million, a 14% decrease year-over-year, due to the decline in gross profits, partially mitigated by a decline in operating expenses previously described.

(in Million Ps.)

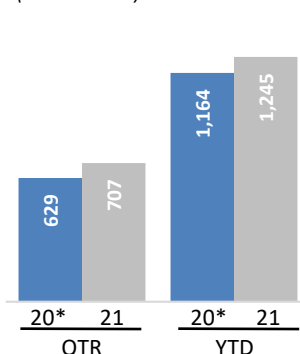


INFRASTRUCTURE UNIT (AXTEL NETWORKS)

(61% of Axtel's YTD EBITDA)

Infrastructure Unit EBITDA reached US \$35 million in 2Q21. In pesos, EBITDA reached Ps. 707 million, up 12% compared to 2Q20 (adjusted for the spectrum transaction), due to increases in gross profit and decline in operating expenses previously described.

(in Million Ps.)



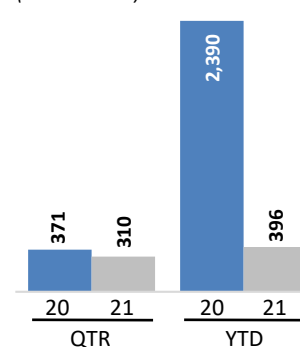
* Adjusted for data center divestment (1Q20) and spectrum (2Q20) transactions.

OPERATING INCOME

In the 2Q21, operating income totaled US \$15 million.

In pesos, 2Q21 operating income totaled Ps. 310 million, compared to Ps. 371 million in 2Q20, a Ps. 61 million decrease mainly due to the extraordinary spectrum transaction benefit of Ps. 90 million in 2Q20.

(in Million Ps.)



COMPREHENSIVE FINANCING RESULT

The comprehensive financing result reached US \$6 million in 2Q21 or Ps. 117 million, compared to a Ps. 94 million cost in 2Q20; mostly explained by a Ps. 393 million FX gain during 2Q21 resulting from an appreciation of the Mexican peso against the US dollar, higher than the Ps. 261 million FX gain in 2Q20. In addition, net interest expenses declined 29% mainly related to the US \$60 million partial redemption of the 2024 Senior Notes in March 2021. (Table 5).

NET DEBT

As of 2Q21, net debt was US \$625 million, an increase of 5% or US \$32 million in comparison with 2Q20; comprised of an US \$86 million decrease in debt, a US \$27 million non-cash increase in debt caused by a 16% appreciation of the Mexican peso year-over-year and a US \$91 million decrease in cash.

Total debt reduction of US \$86 million year-over-year is explained by (i) a US \$60 million decrease related to the partial redemption of the 2024 Senior Notes in March 2021; (ii) a US \$14 million decrease in short-term loans; (iii) a US \$7 million decrease in other loans and financial leases; (iv) a US \$3 million decrease in the long-term facility; and (v) a US \$3 million decrease in accrued interests.

As of 2Q21, cash balance totaled US \$66 million (Ps. 1,313 million). Cash in 2Q20 totaled US \$157 million (Ps. 3,616 million), which included US \$13 million of restricted cash and approximately US \$60 million from remaining proceeds from the data centers transaction, which were used in March this year for the partial redemption of the 2024 Notes.

Financial ratios for the second quarter 2021 were: Net Debt to EBITDA of 3.1 times and Net Interest Coverage of 3.6 times. (Table 6).

CAPITAL EXPENDITURES (CAPEX)

Capital investments totaled US \$17 million in 2Q21, compared to US \$18 million in 2Q20. YTD 2021 Capex totaled US \$31 million, a US \$23 million decline compared to US \$54 million YTD 2020.

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

OTHER INFORMATION

- This report presents unaudited financial information based on International Financial Reporting Standards (IFRS). Figures are presented in Mexican Pesos (Ps.) or US Dollars (US \$), as indicated. Where applicable, Peso amounts were translated into US Dollars using the average exchange rate of the months during which the operations were recorded.
- This report may contain forward-looking information based on numerous variables and assumptions that are inherently uncertain. They involve judgments with respect to, among other things, future economic, competitive and financial market conditions and future business decisions and financial performance of the company, all of which are difficult or impossible to predict accurately. These statements reflect management's current views, which are subject to different risks. Accordingly, results could vary from those set forth in this release. The company disclaims any obligation to update statements in this release based on new information available.
- Net Debt / EBITDA ratio: means net debt translated into US Dollars using the end-of-period exchange rate divided by LTM EBITDA translated into US Dollars using the average exchange rate for each month during which the operations were recorded. Net debt means total debt (including accrued interests) minus cash (including restricted cash).
- Net interest coverage ratio: means the ratio of LTM EBITDA to interest expense (net of interest income), both translated into US Dollars using the average exchange rate for each month during which the operations were recorded. Interest expense calculated *pro forma* for debt prepayments.
- To reduce exchange rate risk exposure Axtel maintains forward transactions for an outstanding amount of US \$26 million @ 20.06 MXN/USD, where Axtel buys USD and sells MXN, hedging approximately 70% of its USD-denominated Capex and interest obligations up to November 2021. Additionally, Axtel maintains an interest rate swap ("IRS") for Ps. 3,380 million, maturing in December 2022, where Axtel pays 8.355% and receives TIIE 28d.
- Subject to market conditions, the Company's liquidity position and its contractual obligations, from time to time, the Company may acquire or divest its own shares (AxtelCPOs) or its Senior Notes.

ABOUT AXTEL

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

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

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

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

Axtel's Investor Relations Center: [axtelcorp.mx](mailto:ir@axtel.com.mx)

Enterprise and Government services website: alestra.mx

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

Appendix A – Tables

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

	2Q21	1Q21	2Q20	(%) 2Q21 vs.		YTD'21	YTD'20	YTD Δ (%)
				1Q21	2Q20			
STANDARD SERVICES (Ps.)	1,252	1,315	1,336	(5)	(6)	2,568	2,779	(8)
VALUE ADDED (Ps.)	264	222	266	19	(1)	486	518	(6)
DIGITAL TRANSFORMATION (Ps.)	368	342	324	8	14	710	644	10
TOTAL ENTERPRISE (Ps.)	1,884	1,880	1,925	0	(2)	3,764	3,940	(4)
<i>US \$</i>	<i>94</i>	<i>93</i>	<i>82</i>	<i>2</i>	<i>14</i>	<i>187</i>	<i>185</i>	<i>1</i>
<i>Recurrent (Ps.)</i>	1,780	1,822	1,842	(2)	(3)	3,602	3,767	(4)
<i>Non recurrent (Ps.)</i>	104	57	83	82	25	161	173	(7)

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

	2Q21	1Q21	2Q20	(%) 2Q21 vs.		YTD'21	YTD'20	YTD Δ (%)
				1Q21	2Q20			
STANDARD SERVICES (Ps.)	127	160	257	(20)	(50)	287	500	(43)
VALUE ADDED (Ps.)	130	93	105	39	23	223	299	(25)
DIGITAL TRANSFORMATION (Ps.)	69	86	85	(20)	(19)	155	185	(16)
TOTAL GOVERNMENT (Ps.)	326	339	447	(4)	(27)	665	984	(32)
<i>US \$</i>	<i>16</i>	<i>17</i>	<i>19</i>	<i>(3)</i>	<i>(15)</i>	<i>33</i>	<i>46</i>	<i>(29)</i>
<i>Recurrent (Ps.)</i>	250	317	393	(21)	(37)	567	826	(31)
<i>Non recurrent (Ps.)</i>	76	22	54	244	42	98	157	(38)

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

	2Q21	1Q21	2Q20	(%) 2Q21 vs.		YTD'21	YTD'20	YTD Δ (%)
				1Q21	2Q20			
TOTAL INFRASTRUCTURE (Ps.)	1,387	1,230	1,316	13	5	2,617	2,485	5
<i>US \$</i>	<i>69</i>	<i>60</i>	<i>56</i>	<i>14</i>	<i>23</i>	<i>130</i>	<i>115</i>	<i>12</i>
ELIMINATIONS (Ps.) *	(614)	(614)	(610)	0	(1)	(1,227)	(1,225)	(0)
<i>US \$</i>	<i>(31)</i>	<i>(30)</i>	<i>(26)</i>	<i>(1)</i>	<i>(17)</i>	<i>(61)</i>	<i>(57)</i>	<i>(6)</i>

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

Appendix A – Tables

TABLE 4 | OPERATING INCOME AND EBITDA
(IN MILLIONS)

	2Q21	1Q21	2Q20	(%) 2Q21 vs.		YTD'21	YTD'20	YTD
				1Q21	2Q20			Δ (%)
Operating Income (Ps.)	310	86	371	261	(17)	396	2,390	(83)
US \$	15	4	16	271	(5)	20	123	(84)
EBITDA (Ps.)	1,141	916	1,222	25	(7)	2,057	4,197	(51)
US \$	57	45	53	26	8	102	208	(51)
Adjustments* (Ps.)	0	0	(90)	--	--	0	(2,110)	--
US \$	0	0	(4)	--	--	0	(111)	--
Comparable EBITDA (Ps.)	1,141	916	1,133	25	1	2,057	2,086	(1)
US \$	57	45	49	26	17	102	97	5
Services Unit (Ps.)	434	378	503	15	(14)	812	922	(12)
Infrastructure Unit (Ps.)	707	538	629	31	12	1,245	1,164	7

*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)

	2Q21	1Q21	2Q20	(%) 2Q21 vs.		YTD'21	YTD'20	YTD
				1Q21	2Q20			Δ (%)
Net interest expense	(276)	(362)	(387)	24	29	(637)	(744)	14
FX gain (loss), net	393	(307)	261	--	51	86	(1,733)	--
Ch. FV of Fin. Instruments	0	0	33	--	--	0	27	--
Total (Ps.)	117	(668)	(94)	--	--	(552)	(2,449)	77
US \$	6	(33)	(5)	--	--	(27)	(115)	76

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

	2Q21	1Q21	2Q20	(%) 2Q21 vs.	
				1Q21	2Q20
Senior Notes 2024	440	440	500	0	(12)
Long-term bank loan	162	156	142	3	14
Short-term bank loans	50	49	63	0	(21)
Other loans + leases	35	39	39	(9)	(9)
Accrued interests	5	12	7	(61)	(30)
Total Debt	691	697	751	(1)	(8)
% US \$ denominated debt	72%	71%	74%		
(-) Cash and cash eq.	(66)	(69)	(157)	4	58
Net Debt	625	627	593	(0)	5
Net Debt / LTM EBITDA*	3.1	3.2	1.8		
LTM Interest Coverage*	3.6	3.4	5.1		

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

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

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

	1Q20	2Q20	3Q20	4Q20	2020	1Q21	2Q21
SERVICES UNIT (Ps.)	2,552	2,372	2,427	2,473	9,824	2,219	2,210
US \$	129	102	110	120	461	109	110
ENTERPRISE (Ps.)	2,015	1,925	1,959	1,935	7,834	1,880	1,884
STANDARD SERVICES	1,443	1,336	1,320	1,297	5,396	1,315	1,252
VALUE ADDED	253	266	295	283	1,096	222	264
DIGITAL TRANSFORMATION	320	324	343	355	1,342	342	368
GOVERNMENT (Ps.)	537	447	468	538	1,990	339	326
STANDARD SERVICES	243	257	243	219	961	160	127
VALUE ADDED	194	105	104	157	560	93	130
DIGITAL TRANSFORMATION	100	85	121	163	469	86	69

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

	1Q20	2Q20	3Q20	4Q20	2020	1Q21	2Q21
SERVICES UNIT (Ps.)	2,552	2,372	2,427	2,473	9,824	2,219	2,210
US \$	129	102	110	120	461	109	110
ENTERPRISE (Ps.)	2,015	1,925	1,959	1,935	7,834	1,880	1,884
TELECOM	1,710	1,610	1,589	1,570	6,478	1,549	1,527
IT	305	316	370	366	1,356	330	357
GOVERNMENT (Ps.)	537	447	468	538	1,990	339	326
TELECOM	239	236	226	258	960	187	141
IT	298	211	242	280	1,030	152	185

Appendix C – Financial Statements

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

Unaudited Consolidated Balance Sheet

(IN MILLION PESOS)

	2Q21	1Q21	2Q20	(%) 2Q21 vs.	
	1Q21	2Q20			
ASSETS					
CURRENT ASSETS					
Cash and equivalents	1,313	1,428	3,314	(8)	(60)
Restricted cash	-	-	302	--	--
Accounts receivable	2,250	1,826	4,614	23	(51)
Related parties	13	9	30	37	(57)
Refundable taxes and other acc. rec.	1,057	1,060	643	(0)	64
Advances to suppliers	697	741	776	(6)	(10)
Inventories	115	140	111	(18)	4
Financial Instruments	2	-	18	--	(90)
Financial Instruments (ZSC)	-	-	120	--	--
Total current assets	5,447	5,204	9,928	5	(45)
NON CURRENT ASSETS					
Property, plant and equipment, net	10,938	11,134	12,141	(2)	(10)
Intangible assets, net	1,755	1,860	1,885	(6)	(7)
Deferred income taxes	2,759	2,857	3,780	(3)	(27)
Investment shares associated co.	292	292	295	(0)	(1)
Other assets	336	366	481	(8)	(30)
Total non current assets	16,079	16,509	18,582	(3)	(13)
TOTAL ASSETS	21,526	21,713	28,510	(1)	(24)
LIABILITIES & STOCKHOLDERS' EQUITY					
CURRENT LIABILITIES					
Account payable & Accrued expenses	2,433	2,359	4,638	3	(48)
Accrued Interest	93	249	154	(63)	(40)
Short-term debt	-	-	315	--	--
Current portion of long-term debt	459	1,520	1,630	(70)	(72)
Taxes payable	-	2	39	--	--
Financial Instruments	88	127	134	(30)	(34)
Deferred Revenue	90	104	175	(14)	(49)
Provisions	26	22	213	17	(88)
Other accounts payable	885	815	1,155	9	(23)
Total current liabilities	4,073	5,198	8,452	(22)	(52)
LONG-TERM LIABILITIES					
Long-term debt	13,041	12,492	15,011	4	(13)
Employee Benefits	781	750	741	4	5
Derivative Financial Instruments	8	28	126	(69)	(93)
Other LT liabilities	1	1	103	1	(99)
Total long-term debt	13,831	13,270	15,981	4	(13)
TOTAL LIABILITIES	17,904	18,468	24,433	(3)	(27)
STOCKHOLDERS' EQUITY					
Capital stock	464	464	464	-	-
Reserve for repurchase of shares	192	198	391	(3)	(51)
Cumulative earnings (losses)	2,967	2,583	3,221	15	(8)
TOTAL STOCKHOLDERS' EQUITY	3,623	3,245	4,077	12	(11)
TOTAL LIABILITIES AND EQUITY	21,526	21,713	28,510	(1)	(24)

Appendix C – Financial Statements

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

Unaudited Consolidated Income Statement

(IN MILLION PESOS)

	2Q21	1Q21	2Q20	(%) 2Q21 vs.		YTD'21	YTD'20	YTD Δ (%)
				1Q21	2Q20			
Total Revenues	2,983	2,835	3,078	5	(3)	5,818	6,184	(6)
Cost of sales and services	(763)	(773)	(814)	1	6	(1,536)	(1,723)	11
Gross Profit	2,220	2,063	2,264	8	(2)	4,283	4,461	(4)
Operating expenses	(1,087)	(1,146)	(1,129)	5	4	(2,233)	(2,379)	6
Other income (expenses), net	8	(1)	87	--	(91)	7	2,115	(100)
Depr., amort. & impairment assets	(832)	(830)	(851)	(0)	2	(1,661)	(1,807)	8
Operating income	310	86	371	261	(17)	396	2,390	(83)
Comprehensive financing result, net	117	(668)	(94)	--	--	(552)	(2,449)	77
Equity in results of associated company	(0)	(0)	-	--	--	(0)	-	--
Income (loss) before income taxes	427	(583)	277	--	54	(156)	(59)	(162)
Income taxes	(83)	297	(135)	--	39	214	801	(73)
Net Income (Loss)	344	(286)	142	--	141	58	742	(92)