

Alpek approves revoking dividend and delegating authority for its distribution in the future

Monterrey, N.L., Mexico. May 21st, 2020 - Alpek, S.A.B. de C.V. (“Alpek”) held today a General Shareholders’ Meeting, in which proposals presented by the Board of Directors, on resolutions related to the dividend decreed at the Annual Shareholders’ Meeting earlier this year, on February 27th, were approved.

During the first quarter of the year, and despite the SARS-CoV2 (“COVID-19”) pandemic, Alpek reported higher than expected results versus Guidance, mainly driven by record sales volume for the Company, as well as a significant increase in polyester margins.

Moreover, the Company made decisions focused on prioritizing its financial stability, which include among others:

- Reducing its expected CAPEX in 2020, by extending the pre-construction period of Corpus Christi Polymers;
- Reducing its net working capital, through better management of suppliers’ and customers’; and
- Increasing its liquidity, by drawing on long and short-term committed credit lines.

However, it remains difficult to predict how demand and margins for our core products, as well as the price of raw materials, will behave in this uncertain environment.

Therefore, the Company proposed and received approval to revoke its US\$81.6 million dividend payment scheduled for June 1st, 2020. It also approved delegating authority to its Board of Directors to monitor how the situation evolves, and at its sole discretion, set a date and amount for a dividend payment to our shareholders, for an amount equal to or less than the one previously authorized.

Through these actions, Alpek reiterates its commitment to making decisions aimed at maximizing shareholder value and ensuring the Company's financial stability.

About Alpek:

Alpek is a leading petrochemical company operating two business segments: “Polyester” (PTA, PET, rPET, and polyester fibers), and “Plastics & Chemicals” (polypropylene, expandable polystyrene, caprolactam, and other specialty & industrial chemicals). Alpek is a leading producer of PTA and PET worldwide, one of the largest rPET producers in the Americas, the largest expandable polystyrene manufacturer in the Americas, and the only producer of polypropylene and caprolactam in Mexico. In 2019, Alpek reported revenues of U.S. \$6.2 billion and EBITDA of U.S. \$0.9 billion. The Company operates 28 plants in the United States, Mexico, Canada, Brazil, Argentina, Chile and the United Kingdom, and employs more than 6,000 people. Alpek is a publicly traded company listed on the Mexican Stock Exchange.

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