

Alpek announces M&G Mexico's restructuring plan has been approved

Monterrey, N.L., Mexico. September 4th, 2020 – Alpek, S.A.B. de C.V. (“Alpek”) announced today that the financial restructuring agreement between M&G Polímeros México, S.A. de C.V. (“M&G Mexico”) and the majority of its creditors, including certain Alpek subsidiaries, has been approved on a definitive basis by the Mexican bankruptcy court. This approval would conclude the pre-agreed bankruptcy proceedings (“*concurso mercantil preacordado*”) initiated by M&G Mexico and its creditors in February 2019.

Under the agreement, Alpek will begin recovering US \$160 million in guaranteed debt, related to its first and second liens, as early as the end of this year. Based on the strong PET demand and margins seen in recent months, as well as the outlook for the global Polyester industry, the Company expects to recover the full amount of its guaranteed debt plus interest over the next five years.

Alpek will also continue supplying the PTA needed by M&G Mexico's PET facility. This will both ensure stable operations at M&G Mexico as Alpek recovers its debt, as well as a steady offtake for our PTA site in Altamira.

“We are very pleased to see this process come to its successful completion under terms that are beneficial to all parties involved,” said José de Jesús Valdez, Alpek's CEO. “Recovering our guaranteed debt will help Alpek continue pursuing value-generating opportunities while relying on a stronger free cash flow and financial position.”

***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.*