

Nemak announces successful placement of inaugural sustainability-linked bond

Monterrey, Mexico. June 23, 2021. - Nemak, S.A.B. de C.V. ("Nemak" or "the Company") (BMV: NEMAK), a leading provider of innovative lightweighting solutions for the global automotive industry, today announced the successful placement of its inaugural sustainability-linked bond in the international markets.

“With this transaction, we are reinforcing our commitment to address climate change, drive positive impact through our operations, and deliver sustainable solutions to our customers, helping us to lay a stronger foundation for the future of our business,” said Armando Tamez, CEO of Nemak. “At the same time, it has effectively lowered our cost of debt and extended our maturity profile, strengthening our financial position.”

The offering comprised a US\$500 million issue of 10-year senior notes bearing a coupon of 3.625%. The proceeds of the offering will be used to refinance outstanding debt.

In conjunction with the placement of this issuance, Nemak has published a sustainability-linked bond framework underscoring the importance of science-based, greenhouse gas (GHG) emissions reduction targets to its overall sustainability efforts. Additionally, Sustainalytics, a leading ESG research and analysis firm, has provided a second-party opinion evaluating said framework.

Under the terms of the notes, Nemak will seek to reduce Scope 1 and 2 GHG emissions by 18% by 2026 relative to a 2019 baseline; this target is aligned with its plans to achieve a 28% reduction by 2030, which were approved by the Science Based Targets initiative in March 2021.

The issuance featured a standard investment grade structure and received ratings of BBB- from Fitch, BB+ from S&P, and Ba1 from Moody’s, with a stable outlook from the three rating agencies.

About Nemak

Nemak is a leading provider of innovative lightweighting solutions for the global automotive industry, specializing in the development and manufacturing of aluminum components for powertrain, e-mobility, and structural applications. In 2020, it generated revenue of US\$3.2 billion. For more information about Nemak, visit <https://www.nemak.com/>