

Nemak announces successful placement of inaugural sustainability-linked Eurobond

Monterrey, Mexico. July 7, 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 euro-denominated sustainability-linked bond in the international markets.

“This transaction will support our foundation for long-term growth, enabling us to enhance our financial position while underscoring our commitment to contribute to our industry’s efforts to address climate change,” said Armando Tamez, CEO of Nemak. “Taken together with the recent refinancing of our dollar-denominated bond, we are reducing our financing cost and extending our debt maturity under a standard investment grade structure, putting us in an even better position to drive value creation in our business.”

The offering comprised a €500 million issue of 7-year senior notes bearing a coupon of 2.25%. The proceeds will be used to finance a cash tender offer of Nemak’s 3.25% 2024 notes, which have an outstanding balance for the same amount, and any remainder to refinance outstanding debt and general corporate purposes.

This transaction follows the Company’s refinancing of its US\$500 million 2025 notes this past June. Both issuances adhere to its recently published [sustainability-linked bond framework](#), reinforcing the importance of science-based, greenhouse gas (GHG) emissions reduction targets to its overall sustainability efforts. Sustainalytics, a leading ESG research and analysis firm, has provided a [second-party opinion](#) evaluating said framework.

Under the terms of its newly issued Eurobond, 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 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/>