

Nemak announces downsizing of a business in the EV/SC segment

Monterrey, Mexico. December 30, 2024. Nemak, S.A.B. de C.V. (BMV: NEMAK) ("Nemak" or the "Company") announced today a strategic adjustment to its operations and project planning for an awarded business to produce battery housings for fully electric vehicles. This adjustment involves a reduction in the contracted capacity for the project, which will result in a decrease in the anticipated future revenue of this program within the e-mobility, structure, and chassis applications ("EV/SC") segment.

As a direct consequence of this downsizing, the Company has decided to put on hold the launch of its new manufacturing facilities in Mexico and Germany, both of which were intended to support the production of battery housings. This decision reflects the Company's commitment to aligning its resources and investments with the evolving market landscape and customer demand.

To mitigate the financial impact of this change, the Company has secured a commercial agreement with the relevant customers to substantially compensate for the investments made. These agreements have already been incorporated into Nemak's updated EBITDA guidance. The details for this compensation cannot be disclosed due to confidentiality agreement.

"The results of these negotiations underscore our ability to navigate complex business landscapes effectively. As we move forward, we will explore new opportunities to maximize the usage of our assets and leverage the extended lifetime of the ICE powertrain segment," said Armando Tamez, CEO of Nemak.

Looking ahead, the Company remains focused on maximizing the value of its existing assets by reallocating them to new projects that foster innovation and growth. This approach is designed to ensure responsiveness to current market conditions and alignment with the strategic evaluation of the business environment.

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 e-mobility, structure & chassis, and ICE powertrain applications. In 2023, it generated revenue of US\$5.0 billion. For more information about Nemak, please visit nemak.com/