

ALSEA COVID-19 UPDATE

Mexico City, June 26, 2020 — Asea, S.A.B. de C.V. (BMV: ALSEA*) “Asea”, the leading operator of Quick Service Restaurants, Coffee Shops, Casual and Family Dining establishments in Latin America and Europe, is providing the following operating update in light of the dynamic situation related to the COVID-19 pandemic.

In the table below, we show preliminary sales growth on a year on year basis for the first two months of the second quarter, as well as the number of operating units open for delivery and take-out only and open to a limited number of customers at a time. The update highlights various initiatives that the Company has been implementing to enhance the customer experience and improve operating efficiency.

Consumer behavior across the restaurant industry evidently shifted toward delivery and take-out in the second quarter, due to lockdown provisions closing almost all restaurants. It remains unclear how consumers will respond as restaurants re-open, but the long-term trend to increased take-out and delivery will accelerate. Asea’s investments and experience in digitalization and delivery, as well as strong brands and national scale have put the Company in a very strong position to be leaders in this segment in all its main markets.

The Company is immensely proud of how our team has responded to the challenges presented by COVID-19, in what has been the most difficult operating period in Asea’s history. Over the past three months we have implemented strict protocols to prioritize the health and safety of our employees and customers, while innovating across all aspects of our operations to provide contactless delivery to the extent possible. As our restaurants begin to re-open and return to normality, we would like to express our gratitude to all our collaborators.

Sales by region 1Q20 over 1Q19 (already reported):

	1Q20	1Q19	Var.	% Var.
Mexico	6,210	6,387	(\$176)	(2.8)%
Europe	4,150	5,033	(\$883)	(17.5)%
South America	1,725	2,238	(\$512)	(22.9)%

Figures in million pesos

Sales by region for the first two months of the second quarter 2020 versus the previous year and the Company's COVID-19 internal forecast in early April:

	April (%)		May (%)	
	YoY	vs. April Forecast	YoY	vs. April Forecast
Mexico	(62.8)%	38.7%	(61.4)%	43.5%
Europe	(90.9)%	71.9%	(75.3)%	224.3%
South America	(78.2)%	27.4%	(66.7)%	0.0%
Aalsea	(75.6)%	40.8%	(67.1)%	54.5%

As expected, for April and May, sales for the three regions where we operate reported significant year over year declines but they outperformed our internal projections made at the beginning of April which factored in the impact of COVID-19 (see column "vs. April Forecast" above). The significant increase in sales of Aalsea Europe versus our internal forecast during the month of April was due to the reopening of units which has been faster than initially expected.

Status of units by geographical region as of June 14, 2020:

	Total corporate units	Open with limited capacity	Delivery and take-out only	Total operating units	% of units operating
Mexico	1,891	234	1,085	1,319	70%
Europe	893	76	512	588	66%
Argentina	275	0	169	169	61%
Colombia	145	0	140	140	97%
Chile	199	0	88	88	44%
Total	3,403	310	1,994	2,304	68%
%	100%	9%	59%	68%	-

Key initiatives to increase sales and traffic for our different brands and formats:

Aalsea seeks to be the preferred option for food delivery in all of our sales channels by offering the best product, packaging, and delivery times. This strategy has two pillars: aggregators and our own delivery channel. We seek to ensure that all technological tools available to customers work consistently and provide a complete digital experience for our users.

Due to the contingency, we undertook the following actions with aggregators:

- We integrated DiDi Foods as a new aggregator for 7 brands and more than 100 units.
- We added more than 600 units for delivery on Uber Eats.
- We added more than 200 Domino's Pizza units to Rappi and an additional 200 units to Uber Eats, previously there were 100 units on Uber Eats.
- More than 100 Starbucks units were added to Sin Delantal.
- We adjusted the menus for all of our brands, optimizing the items we offer and adding more than 80 promotions during the contingency.
- We created a division for Delivery within Alsea to strengthen the channel.
- A safety label was added on all the Alsea brands to ensure that our customers' food is not touched.

In our Own Delivery channel, we made the following improvements:

- We changed our delivery model to optimize delivery times by bringing together all the distributors of the different brands, making multi-brand and multi-unit delivery, thereby lowering our operating costs by more than 20%.
- We implemented Wow Delivery, a new option to order food from different Alsea brands. Besides being able to order via each brand's phone or website, all Alsea brands can be found in the same place using Wow Delivery.

These measures allowed us to increase sales by more than 115% in this channel compared to the sales registered prior to the contingency.

Additionally, Wow Rewards now has more than 3.2 million registered partners, of which 571,603 have used Wow Rewards in the past year, and represents 5.3% of Alsea's total sales. Our goal for Wow Rewards is to provide the client a direct digital communication channel and to offer independent loyalty programs from our different brands that incentivize frequent use of the platform.

Plans for the upcoming months include:

- Digital kiosks in Burger King to enable ordering without human contact.
- Allow customers to order from their phones inside our units.
- For all of Alsea's restaurants, enabling ordering through the brand's marketplace and then pick-up.
- Expand our own sales channel. Currently, we are taking Burger King orders through WhatsApp and we expect to expand this service to all of our brands.
- Integrate Wow Rewards and Alsea Digital Coupons with the different marketplaces and the Wow Delivery platform.

In order to bring our brands to a wider consumer base and cover the increasing demand in delivery, Alsea is doing tests to launch dark kitchens in some of its units, a way for restaurants to pool resources and reduce overheads to increase their capacity to serve the food delivery market. During April and May Alsea implemented the dark kitchen concept in 34 units of El Portón and Vips to offer the following brands: Chili's, El Portón, Italianni's, TCCF, La Casa del Comal and Corazón de Barro.

These dark kitchens are used in all of the delivery channels, and so far 12,000 orders have been placed through our dark kitchen model. The same technology that was developed to integrate aggregators was used to operate the dark kitchen models. In the upcoming months we will continue the expansion of dark kitchen units.

New initiatives to drive operating performance and enhance the customer experience:

During the past few weeks, Aalsea has trained each of its collaborators, for a total of over 150,000 hours, in hygiene and health and safety measures to ensure compliance with strict protocols in each of its restaurants and shops, always putting the health of the customers and employees first.

In its more than 2,260 restaurants, and its 11 brands in Mexico, Aalsea has implemented new technologies and additional food safety and hygiene practices that meet the highest national and international sanitary standards in the industry. As the restaurants are reopened, Aalsea's collaborators and customers can be confident that they are in safe and secure places, thanks to the following measures:

Daily for all of our collaborators:

- Their temperature will be taken.
- They will have to disinfect their shoes with sanitizing mats.
- They will be required to wash their hands more frequently and wear a mask.
- To maintain a healthy distance for collaborators, we have placed floor signs in work areas, in addition to adjusting their breaks and mealtimes.

Shops and restaurants:

- Prior to the reactivation of the industry, each of our units has undergone an exhaustive cleaning and disinfection process.
- All facilities will have markings on the floors, facilitating social distancing of 1.5 meters through visual aids for easy identification by our customers. The same will happen with the arrangement of the tables in each establishment.
- From the moment the supplies arrive at our units, they are sanitized and disinfected before they enter the warehouses or preparation areas.
- The dishes will be cooked at a standardized cooking temperature to eliminate viruses, parasites and bacteria, including SARS-CoV2.
- Aalsea's supply chain has high quality and hygiene standards; our distribution centers guarantee safety in all sanitary processes.
- The possibility to download digital menus will exist through QR codes.

Social responsibility:

We understand the negative impact that the COVID-19 crisis has had on many families in vulnerable situations in the geographies where Aalsea operates. For this reason, as of June 5th, Aalsea has undertaken the following initiatives which have had a positive impact on more than 110,00 people:

- As of June, 274 tons of food have been donated in all markets where Aalsea operates.
- 7,185 food baskets have been delivered to beneficiaries of the "Va por mi Cuenta" program. As of June, Aalsea partnered with La Comer and Fundación Aalsea to deliver food baskets.
- 4,620 food rations were delivered to patients and families of patients of the Hospital Siglo XXI through our partner "Por un Hogar".
- Through the "Fondo para la Paz I.A.P.", the food security of 620 beneficiaries from indigenous communities in the states of Oaxaca and San Luis Potosí has been guaranteed. These communities are also supported by the purchase and distribution of medical material to attend COVID-19 patients.
- 1,200 food baskets were provided for single mothers.
- In alliance with the IMSS Foundation, from April 17th to June 2nd, 38,604 food baskets were delivered to health workers in Siglo XXI and La Raza hospitals.

- All brands have already provided 125,000 food rations for health workers from various hospitals in the country.
- In order to benefit our collaborators severely affected by COVID-19, together with Starbucks International, an Emergency Fund was created to support collaborators in Mexico, Chile, Colombia, Uruguay and Argentina.

In summary, we continue to navigate the COVID-19 pandemic guided by clear principles that align with our Company's mission and values. We firmly believe that following these unprecedented circumstances, we will emerge stronger and more resilient than we are today.

Disclaimer

This press release contains certain forward-looking information regarding the Company's results and outlook. However, actual results may vary materially from these estimates. Information on future events contained in this release should be read jointly with the risk summary in the Annual Report. That information, as well as future reports made by the Company or any of its representatives, whether verbally or in writing, may vary significantly from actual results. These projections and estimates, which are prepared in reference to a determined date, should not be taken as fact. The Company is in no way liable for updating or revising any of these projections and estimates, whether as a result of new information, future events or other associated events.

About Aalsea

Aalsea is the leading restaurant operator in Latin America and Europe of global brands in the quick service, coffee shop, casual and family dining segments. It has a diversified portfolio, with brands such as Domino's Pizza, Starbucks, Burger King, Chili's, California Pizza Kitchen, P.F. Chang's, Italianni's, The Cheesecake Factory, Vips, Vips Smart, El Portón, Archies, Foster's Hollywood, Cañas y Tapas, Gino's, TGI Fridays and wagamama. The company operates more than 4,000 units in Mexico, Argentina, Chile, Colombia, Brazil, Uruguay, Spain, France, Portugal, the Netherlands, Belgium, Luxembourg and Andorra. Aalsea's business model includes support for its brands through a Shared Services Center that provides all the Administrative and Development Processes, as well as the Supply Chain.

For more information please visit: www.aalsea.com.mx

Aalsea shares are traded on the Mexican Stock Exchange under the ticker symbol ALSEA*

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