

IMPORTANT NOTICE

THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE EITHER (1) QUALIFIED INSTITUTIONAL BUYERS (“**QIBs**”) (AS DEFINED IN RULE 144A (“**RULE 144A**”) UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”)) OR (2) NOT U.S. PERSONS (AS DEFINED IN REGULATION S (“**REGULATION S**”) UNDER THE SECURITIES ACT) OUTSIDE THE UNITED STATES.

IMPORTANT: You must read the following before continuing. The following applies to the offering memorandum (the “Offering Memorandum”) following this page and you are advised to read this carefully before reading, accessing or making any other use of the Offering Memorandum. In accessing the Offering Memorandum, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from Saavi Energia S.à r.l. (formerly GIP EM Bronco Luxco 2 S.à r.l.) (the “Issuer”) as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE OR A SOLICITATION OF AN OFFER TO BUY SECURITIES BY ANY PERSON IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE LAWS OF OTHER JURISDICTIONS. ACCORDINGLY, THE NOTES ARE BEING OFFERED AND SOLD (I) TO U.S. PERSONS, ONLY TO OR FOR THE ACCOUNT OF PERSONS THAT ARE “QUALIFIED INSTITUTIONAL BUYERS” (EACH A “**QIB**”) AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT AND (II) TO PERSONS OTHER THAN U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), IN COMPLIANCE WITH REGULATION S.

THIS ELECTRONIC TRANSMISSION AND THE OFFERING MEMORANDUM ARE ADDRESSED TO AND DIRECTED ONLY AT PERSONS IN MEMBER STATES OF THE EUROPEAN ECONOMIC AREA (“**EEA**”) WHO ARE “QUALIFIED INVESTORS” PURSUANT TO THE REGULATION (EU) 2017/1129 (“**PROSPECTUS REGULATION**”) AND RELATED IMPLEMENTATION MEASURES IN MEMBER STATES (“**QUALIFIED INVESTORS**”). IN ADDITION, IN THE UNITED KINGDOM (“**UK**”), THIS ELECTRONIC TRANSMISSION AND THE OFFERING MEMORANDUM ARE ADDRESSED TO AND DIRECTED ONLY AT, PERSONS WHO (I) ARE OUTSIDE THE UK, (II) HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS AND WHO QUALIFY AS INVESTMENT PROFESSIONALS WITHIN THE MEANING OF ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED (THE “FINANCIAL PROMOTION ORDER”), (III) ARE HIGH NET WORTH COMPANIES (OR PERSONS TO WHOM IT MAY OTHERWISE BE LAWFULLY COMMUNICATED) FALLING WITHIN ARTICLE 49(2) (A) TO (D) OF THE FINANCIAL PROMOTION ORDER, OR (IV) ARE OTHER PERSONS TO WHOM THEY MAY OTHERWISE LAWFULLY BE COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS “**RELEVANT PERSONS**”). THIS ELECTRONIC TRANSMISSION AND THE OFFERING MEMORANDUM MUST NOT BE ACTED ON OR RELIED ON (I) IN THE UK, BY PERSONS WHO ARE NOT RELEVANT PERSONS AND (II) IN ANY MEMBER STATE OF THE EEA, BY PERSONS WHO ARE NOT QUALIFIED INVESTORS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS ELECTRONIC TRANSMISSION AND THE OFFERING MEMORANDUM RELATE IS AVAILABLE ONLY TO RELEVANT PERSONS IN THE UK AND QUALIFIED INVESTORS IN ANY MEMBER STATE OF THE EEA AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. IN ADDITION, NO PERSON MAY COMMUNICATE OR CAUSE TO BE COMMUNICATED ANY INVITATION OR INDUCEMENT TO ENGAGE IN INVESTMENT ACTIVITY, WITHIN THE MEANING OF SECTION 21 OF THE FINANCIAL SERVICES AND MARKETS ACT 2000, AS AMENDED (THE “**FSMA**”), RECEIVED BY IT IN CONNECTION WITH THE ISSUE OR SALE OF THE NOTES OTHER THAN IN CIRCUMSTANCES IN WHICH SECTION 21(1) OF THE FSMA DOES NOT APPLY TO THE ISSUER.

THE FOLLOWING OFFERING MEMORANDUM MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS OFFERING MEMORANDUM IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

The Notes described in the Offering Memorandum are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a “retail investor means” a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended (“**MIFID II**”); (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently, no key information document required by Regulation (EU) No 1286/2014, as amended (the “**PRIIPs Regulation**”), for offering or selling the securities described in this Offering Memorandum or otherwise making them available to

retail investors in the EEA has been prepared and therefore offering or selling the securities described in this Offering Memorandum or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

The securities described in the Offering Memorandum are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in paragraph (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“EUWA”); or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in paragraph (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the EU Prospectus Regulation as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the securities described in this Offering Memorandum or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the securities described in this Offering Memorandum or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

Confirmation of your Representation: In order to be eligible to view the Offering Memorandum or make an investment decision with respect to the securities, investors must be either (1) QIBs within the meaning of Rule 144A under the Securities Act or (2) not U.S. persons (within the meaning of Regulation S under the Securities Act) outside the United States. The Offering Memorandum is being sent at your request and by accepting the e-mail and accessing the Offering Memorandum, you will be deemed to have represented that (1) you and any customers you represent are either (a) QIBs within the meaning of Rule 144A under the Securities Act or (b) not U.S. persons (within the meaning of Regulation S under the Securities Act) and (2) that you consent to delivery of such Offering Memorandum by electronic transmission.

You are reminded that the Offering Memorandum has been delivered to you on the basis that you are a person into whose possession the Offering Memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorized to, deliver the Offering Memorandum to any other person.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and J.P. Morgan Securities LLC, Mizuho Securities USA LLC, Scotia Capital (USA) Inc., SMBC Nikko Securities America, Inc., BNP Paribas Securities Corp, Citigroup Global Markets Inc. or Goldman Sachs & Co. LLC (the “**initial purchasers**”) or any affiliate of the initial purchasers is a licensed broker or dealer in that jurisdiction, the offering will be deemed to be made by the initial purchasers or such affiliate on behalf of the Issuer in that jurisdiction.

The Offering Memorandum has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission, and consequently neither the initial purchasers named in this Offering Memorandum, nor any person who controls it nor any of their directors, officers, employees nor any of their agents nor any affiliate of any such person accept any liability or responsibility whatsoever in respect of any difference between the Offering Memorandum distributed to you in electronic format and the hard copy version available to you on request from the initial purchasers.



US\$1,100,000,000

Saavi Energia S.à r.l.(organized as a private limited liability company (*société à responsabilité limitée*))

of the Grand Duchy of Luxembourg)

8.875% Senior Notes due 2035

Saavi Energia S.à r.l. (formerly GIP EM Bronco Luxco 2 S.à r.l.) (the “Issuer”), a private limited liability company (*société à responsabilité limitée*) organized and existing under the laws of the Grand Duchy of Luxembourg (“Luxembourg”), having its registered office at 18, Rue Charles Darwin, L-1433 Luxembourg, Grand Duchy of Luxembourg, and registered with the Luxembourg Trade and Companies Register under number B269128, is offering US\$1,100,000,000 aggregate principal amount of its 8.875% Senior Notes due 2035 (the “Notes”). The Issuer is a direct wholly owned subsidiary of GIP EM Bronco Luxco S.à r.l. (the “Direct Shareholder”), a private limited liability company (*société à responsabilité limitée*) organized and established under the laws of Luxembourg, having its registered office at 122, Route d’Arlon, L-1150 Luxembourg, Grand Duchy of Luxembourg, and registered with the Luxembourg Trade and Companies Register under number B253549, which is in turn an indirect, wholly owned subsidiary of certain investment funds advised and managed by GIMEM Manager, LLC (“GIP”).

The Notes will be the general, unsecured, senior obligations of the Issuer and will rank equally in right of payment with all existing and future senior unsubordinated indebtedness of the Issuer. The Notes will be effectively subordinated to all future secured indebtedness of the Issuer, to the extent of the value of the collateral securing such secured indebtedness. The Notes will be structurally subordinated to all existing and future indebtedness, claims of holders of preferred stock and other liabilities of subsidiaries of the Issuer, and will rank contractually senior in right of payment to all future subordinated indebtedness of the Issuer. Initially, the Notes will not be guaranteed by any person or entity.

The Issuer intends to use the proceeds from the issuance of the Notes to (i) finance the purchase of the Cometa Notes (as defined below) tendered pursuant to the Cometa Tender Offer (as defined below); (ii) finance the purchase of the Tierra Mojada Notes (as defined below) tendered pursuant to the Tierra Mojada Tender Offer (as defined below); (iii) finance the redemption in full of the Electricidad Firme Notes (as defined below); (iv) repay and cancel the La Lucha Acquisition Financing (as defined below); (v) repay and cancel the Tierra Mojada Acquisition Financing (as defined below); (vi) repay and cancel the SPMS Financing (as defined below); (vii) to make distributions to the Direct Shareholder (as defined below); and (viii) the remainder, if any, to pay interest, breakage costs, premia, fees, costs and other expenses related to the above and for general corporate purposes, including to make distributions to the Direct Shareholder. See “Use of Proceeds.”

The Issuer will pay interest on the Notes semi-annually in arrears on February 10 and August 10 of each year, commencing on August 10, 2025. The final maturity of the Notes is February 10, 2035.

The Notes may be redeemed, at the Issuer’s option, in whole or in part, on any date prior to February 10, 2030 at a redemption price based on a “make-whole” premium and, on or after February 10, 2030, at the redemption prices set forth in this Offering Memorandum, in each case, *plus* accrued and unpaid interest and any additional amounts related thereto, to, but not including, the date of redemption. In addition, if certain changes in applicable tax law occur, the Issuer may redeem the Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the Notes, *plus* accrued and unpaid interest to, but excluding, the date of redemption, *plus* any additional amounts related thereto. See “Description of the Notes—Optional Redemption with Make-Whole Premium,” “Description of the Notes—Optional Redemption without Make-Whole Premium” and “Description of the Notes—Optional Redemption upon Tax Event.”

In addition, prior to or on February 10, 2028, the Issuer may redeem up to 40% of the original principal amount of the Notes with the net proceeds from certain equity offerings by us, at a price of 108.875% of the aggregate principal amount thereof, *plus* accrued and unpaid interest. See “Description of the Notes—Optional Redemption upon Equity Event.” Upon the occurrence of a change of control repurchase event, as described herein, the Issuer will be required to offer to purchase the Notes at a purchase price equal to 101% of the portion of the principal represented by the Notes to be repurchased, *plus* accrued and unpaid interest thereon, to but excluding the purchase date, *plus* any additional amounts. See “Description of the Notes—Repurchase Upon Change of Control Repurchase Event.”

There is currently no market for the Notes. Application will be made for the listing and quotation of the Notes on the Official List of the Singapore Exchange Securities Trading Limited (the “SGX-ST”). There is no guarantee that such application to the SGX-ST will be approved. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions or reports contained in this Offering Memorandum. Approval in-principle from, and admission of the Notes to the Official List of, the SGX-ST is not to be taken as an indication of the merits of the Issuer, the Notes, or any other subsidiary of the Issuer. The Notes will be issued in minimum denominations of US\$200,000 and integral multiples of US\$1,000 in excess thereof.

Investing in the Notes involves risks. See “Risk Factors” beginning on page 30.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), or the securities laws of any other jurisdiction. Prospective purchasers are hereby notified that the sellers of the Notes may be relying on an exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A under the Securities Act. Outside the United States, the offering is being made in reliance on Regulation S under the Securities Act. For a description of certain restrictions on transfers of the Notes, see “Plan of Distribution” and “Transfer Restrictions.”

Price for Notes: 99.187% *plus* accrued interest, if any, from February 10, 2025

We expect that delivery of the Notes will be made to investors in book-entry form through the facilities of The Depository Trust Company (“DTC”), for the accounts of its direct and indirect participants, including Euroclear Bank S.A./N.V., as operator of the Euroclear System (“Euroclear”), and Clearstream Banking, *société anonyme* (“Clearstream”), on or about February 10, 2025 (the “Issue Date”).

J.P. Morgan**BNP PARIBAS**

Joint Global Coordinators and Bookrunners
Mizuho

Joint Bookrunners
Citigroup

Scotiabank**SMBC Nikko****Goldman Sachs & Co. LLC**

The date of this Offering Memorandum is February 4, 2025.

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Prospective purchasers should rely only on the information contained in this Offering Memorandum. No person has been authorized to provide prospective purchasers with different information. If anyone provides prospective purchasers with different or inconsistent information, prospective purchasers should not rely on it. You should assume that the information appearing in this Offering Memorandum is accurate as of the date on the front cover of this Offering Memorandum only. Our business, financial condition, results of operations and prospects may have changed since that date. Neither the delivery of this Offering Memorandum nor any sale made hereunder shall under any circumstances imply that the information herein is correct as of any date subsequent to the date on the cover of this Offering Memorandum.

NOTICE TO INVESTORS

This Offering Memorandum has been prepared solely for use in connection with the proposed offering of the Notes described in this Offering Memorandum. This Offering Memorandum does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire the Notes. You are not authorized to distribute this Offering Memorandum to any person other than a person retained to advise you with respect to a purchase of the Notes. Each prospective purchaser, by accepting delivery of this Offering Memorandum, agrees to the foregoing stipulations.

This Offering Memorandum is based on information provided by us and other sources that we believe to be reliable. After having made all reasonable inquiries, we confirm that the information contained in this Offering Memorandum is true and correct in all material respects, that the opinions and intentions expressed in this Offering Memorandum are honestly held, that there are no other facts the omission of which would make this Offering Memorandum as a whole misleading, and that we accept responsibility for this Offering Memorandum accordingly. This Offering Memorandum summarizes certain documents and other sources of information, and we refer prospective purchasers of the Notes to those sources for a more complete understanding of the information contained therein. Copies of certain documents referred to herein will be made available to prospective purchasers, free of charge, upon request to us, or at the office of the principal paying agent and any other paying agent.

The financial or operational information of CFE, CF Energía, CFEC, Pemex and our offtakers is not included or otherwise incorporated in this Offering Memorandum. Neither we nor the Initial Purchasers have made any independent evaluation of CFE, CF Energía, CFEC, Pemex or our offtakers, including relating to their financial condition, results of operations, cash flows, prospects or ability to perform their contractual obligations. Prospective purchasers are strongly advised to make their own independent assessment of CFE, CF Energía, CFEC, Pemex and our offtakers prior to making an investment decision with respect to the Notes. Neither CFE, CF Energía, CFEC, Pemex nor our offtakers is providing any guarantee of payment or other credit support for the Notes.

By purchasing the Notes, prospective purchasers will be deemed to have made the acknowledgments, representations, warranties and agreements described under the heading “Transfer Restrictions” in this Offering Memorandum. The Notes will bear a legend referring to the transfer restrictions. As a prospective purchaser of the Notes, you should be aware that you may be required to bear the financial risks of your investment in the Notes for an indefinite period of time. Please refer to the sections in this Offering Memorandum entitled “Plan of Distribution” and “Transfer Restrictions.”

You hereby acknowledge that you have been afforded an opportunity to request from us, and have received, all information considered by you to be necessary to verify the accuracy of, or to supplement, the information contained herein, and that you have had the opportunity to review all the documents described herein.

In making an investment decision with respect to the Notes, you must rely on your own examination of our business and the terms of the offering, including the merits and risks involved. You should not construe anything in this Offering Memorandum as legal, business, accounting, regulatory or tax advice. Before investing in the Notes, you should consult with your own business, legal, accounting, regulatory and tax advisors to determine the appropriateness and consequences of an investment in the Notes in your specific circumstances and arrive at an independent evaluation of the investment based upon, among other things, your own views as to the risks associated with the Notes and us.

If your investment authority is subject to legal restrictions, you should consult your legal advisors to determine whether and to what extent the Notes constitute legal investments for you. Neither we nor any of the Initial Purchasers is making any representation to any purchaser of the Notes regarding the legality of an investment in the Notes by such purchaser under any legal investment or similar laws or regulations.

Neither we nor any of the Initial Purchasers is making an offer of the Notes in any jurisdiction where such offer is not permitted. You must comply with all applicable laws and regulations in force in any jurisdiction in which you purchase, offer or sell the Notes or possess or distribute this Offering Memorandum, and you must obtain any consent, approval or permission required by you for the purchase, offer or sale of the Notes under the laws and regulations in force in your jurisdiction to which you are subject or in which you make such purchases, offers or sales, and neither we nor the Initial Purchasers will have any responsibility therefor.

THE U.S. SECURITIES AND EXCHANGE COMMISSION (“SEC”) HAS NOT, NOR HAS ANY STATE SECURITIES COMMISSION NOR ANY OTHER REGULATORY AUTHORITY IN THE UNITED STATES, APPROVED OR DISAPPROVED THE NOTES, NOR HAS ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OR THE ACCURACY OR ADEQUACY OF THIS OFFERING MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The Notes will not be registered under the Securities Act or any state securities laws in the United States. Therefore, the Notes may not be offered or sold within the United States or to, or for the account or benefit of, any U.S. person unless the offer or sale would qualify for an exemption from the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Notes are being offered and sold in the United States only to qualified institutional buyers in accordance with Rule 144A and outside the United States to non-U.S. persons in accordance with Regulation S. Prospective purchasers of the Notes in the United States that are qualified institutional buyers are hereby notified that we may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

Neither the Initial Purchasers nor their agents have independently verified the information contained in this Offering Memorandum and make no representation or warranty as to the accuracy or completeness of the information contained in this Offering Memorandum.

In this Offering Memorandum, unless otherwise specified or the context otherwise requires, a reference to a law or a provision of a law is a reference to that law or provision as extended, amended or re-enacted.

DEFINED TERMS AND CONVENTIONS

In this Offering Memorandum, unless otherwise specified or the context requires otherwise:

- References to the “Issuer” are only to Saavi Energía S.à r.l. (formerly GIP EM Bronco Luxco 2 S.à r.l.) and not any of its subsidiaries;
- References to “Saavi Energía,” “we,” “us,” “our” and “our company” are to the Issuer and its consolidated subsidiaries, as well as Bajío Entities (in each case as the context may require);
- References to “Electricidad Firme” are to Electricidad Firme de México Holdings, S.A. de C.V. and its consolidated subsidiaries;
- References to “Tierra Mojada” are to Tierra Mojada Holdings S.à r.l. (formerly GIP EM Fortuna Luxco S.à r.l.) and its consolidated subsidiaries;
- References to “Cometa Energía” are to Cometa Energía, S.A. de C.V. and its consolidated subsidiaries, as well as Bajío Entities;

- References to the “Mexican Government” are to the federal government of Mexico;
- References to “peso,” “pesos” and “Ps.” are to the lawful currency of Mexico;
- References to “United States” are to the United States of America; and
- References to “U.S. dollar,” “U.S. dollars” or “US\$” are to the lawful currency of the United States.

For convenience and consistency, we have converted certain capacity and volume measurements (as provided in contracts, permits, source materials or other documents in certain other measurements and heating value units) into certain consistent units. Actual conversion rates of heating value to volume can depend on various factors, and all conversions are approximate. The applicable rates used for these conversions in this Offering Memorandum are as follows:

- 1 MMcf natural gas = 252 Gigacalories;
- 1 MMcf natural gas = 1,040 million British thermal units (MMbtu);
- 1 MMcf natural gas = 1,097 Gigajoules;
- 1 MMcf natural gas = 1,040 Decatherms; and
- 1 MMcf natural gas = 0.01040 MMTh.

GLOSSARY OF CERTAIN DEFINED TERMS

ACS	Compresión Altamira, S.A. de C.V.
ASEA	National Agency for Industrial Safety and the Protection of the Environment in the Hydrocarbons Sector (<i>Agencia Nacional de Seguridad Industrial y de Protección al Medio Ambiente del Sector Hidrocarburos</i>) of Mexico
Bajío Entities	Energía Azteca VIII, S. de R.L. de C.V., Servicios Azteca VIII, S. de R.L. de C.V. and Operaciones Azteca VIII, S. de R.L. de C.V.
CAISO	California Independent System Operator
CB	Compresión Bajío, S. de R.L. de C.V.
CB Entities	Compresión Bajío, S. de R.L. de C.V. and Operaciones Compresión Bajío, S. de R.L. de C.V.
CENACE	National Energy Control Center (<i>Centro Nacional de Control de Electricidad</i>) of Mexico
Central Bank of Mexico	The Bank of Mexico (<i>Banco de México</i>)
CFE	Federal Electricity Commission (<i>Comisión Federal de Electricidad</i>) of Mexico
CFEC	CFE Calificados, S.A. de C.V., an affiliate of CFE

CFEnergía.....	CFEnergía, S.A. de C.V., an affiliate of CFE
CFET	CFE Transmisión, a subsidiary of CFE
CNH.....	National Hydrocarbons Commission (<i>Comisión Nacional de Hidrocarburos</i>) of Mexico
COFECE.....	Federal Economic Competition Commission (<i>Comisión Federal de Competencia Económica</i>) of Mexico
CONAGUA	National Water Commission (<i>Comisión Nacional del Agua</i>) of Mexico
CRE	Energy Regulatory Commission (<i>Comisión Reguladora de Energía</i>) of Mexico
DOE.....	U.S. Department of Energy
EAVIII.....	Energía Azteca VIII, S. de R.L. de C.V.
EAX.....	Energía Azteca X, S.A. de C.V.
ECA.....	Energía Campeche, S.A. de C.V., formerly TransAlta Campeche, S.A. de C.V.
ECH	Energía Chihuahua, S. A. de C.V., formerly Transalta Chihuahua, S.A. de C.V.
Ektria.....	Ektria Suministro, S. de R.L. de C.V.
ESJ	Energía Sierra Juarez, S. de R.L. de C.V.
FERC	U.S. Federal Energy Regulatory Commission
FONADIN.....	National Infrastructure Trust Fund (<i>Fideicomiso Fondo Nacional de Infraestructura</i>)
FPA.....	Federal Power Act
IFRS.....	IFRS Accounting Standards, as issued by the International Accounting Standards Board – IASB
INEGI.....	National Institute of Statistics and Geography (<i>Instituto Nacional de Estadística y Geografía</i>)
Initial Purchasers	J.P. Morgan Securities LLC, Mizuho Securities USA LLC, Scotia Capital (USA) Inc., SMBC Nikko Securities America, Inc., BNP Paribas Securities Corp., Citigroup Global Markets Inc. and Goldman Sachs & Co. LLC
INPP	National Index of Producer Prices (<i>Indice Nacional de Precios al Productor sin Crudo de Exportación más Servicios</i>)
La Lucha.....	131 MW solar PV Facility operated by NP Energía La Lucha, S.A. de C.V.
LIE.....	Electricity Industry Law (<i>Ley de la Industria Eléctrica</i>)
LSPEE	Power Public Service Law (<i>Ley del Servicio Público de Energía Eléctrica</i>)

LTIF	Lost Time Incident Frequencies, which is calculated as follows: 200,000 times Lost Time Incidents divided by work hours
MEM	Mexican Wholesale Electricity Market (<i>Mercado Eléctrico Mayorista</i>)
MBP	Mexican Power Balance Market of the MEM (<i>Mercado de Balance de Potencia del MEM</i>)
NP Energía La Lucha	NP Energía La Lucha, S.A. de C.V.
PSM	Power Systems Mfg., LLC
RDG.....	General Distribution Networks (<i>Redes Generales de Distribución</i>)
RNT	National Transmission Network (<i>Red Nacional de Transmisión</i>)
RLSPEE	Regulations to the Power Public Service Law (<i>Reglamento de la Ley del Servicio Público de Energía Eléctrica</i>)
Saavi Energía	Saavi Energía S.à r.l. (formerly GIP EM Bronco Luxco 2 S.à r.l.)
SE	Saavi Energía, S. de R.L. de C.V.
SES	Saavi Energy Solutions, LLC
SEMARNAT.....	Ministry of the Environment and Natural Resources (<i>Secretaría de Medio Ambiente y Recursos Naturales</i>) of Mexico
SEN.....	National Electricity System (<i>Sistema Eléctrico Nacional</i>) of Mexico
SENER	Ministry of Energy (<i>Secretaría de Energía</i>) of Mexico
SIBC	Baja California Interconnected System (<i>Sistema Interconectado Baja California</i>) of Mexico
Siemens	Siemens Energy Inc.
Siemens Westinghouse	Siemens Westinghouse Power Corporation
SIN.....	National Interconnected System (<i>Sistema Interconectado Nacional</i>) of Mexico
SLP	Energía San Luis de la Paz, S.A. de C.V.
SPMS.....	Saavi Power Mobile Solutions, LLC
Tierra Mojada.....	Tierra Mojada Holdings S.à r.l. (formerly GIP EM Fortuna S.à r.l.)
Tierra Mojada Luxembourg .	Tierra Mojada Luxembourg S.à r.l. and its subsidiaries
Ultimate Parent.....	Global Infrastructure Partners, a subsidiary of Blackrock, Inc.

GLOSSARY OF CERTAIN TECHNICAL TERMS

AGP	Advanced Gas Path technology, a GT upgrade from GE
Bcf.....	Billion cubic feet
C&I	Commercial and industrial users
CAGR.....	Compound annual growth rate
CEL.....	Clean energy certificate (<i>Certificados de Energías Limpias</i>)
CI	Combustion inspection
COD.....	Commercial operations date
CTG	Combustion turbine generator
DCS	Distributed control system
Equivalent Availability	100% <i>minus</i> unplanned outage factor
EWG.....	Exempt wholesale generator
FFH.....	Factored fired hour
FTRs	Financial transmission rights (<i>Derechos Financieros de Transmisión</i>)
GAAP	Generally accepted accounting principles
GT	Gas turbine
GTOP6.....	Gas Turbine Optimization Program, a GT upgrade from PSM
GW	Gigawatt, or a billion Watts
HGPI.....	Hot gas path inspection
HRSG	Heat recovery steam generator
IPP.....	Independent Power Producer (<i>Productor Independiente de Energía</i>) operating under the LSPEE framework
LNG.....	Liquefied natural gas
LPG.....	Liquefied petroleum gas
Lost Time Incident.....	Personal injury of any person working onsite requiring doctor mandated disability based on injury severity
MI	Major inspection
MMcf/d.....	Million cubic feet per day

MW.....	Megawatt, or a million Watt
MWh.....	Megawatt hour, or a million Watt per hour
O&M	Operations and maintenance
PPA.....	Power purchase agreement
SP15.....	A CAISO region
STG.....	Steam turbine generator
TW.....	Terawatt, or a trillion Watt

AVAILABLE INFORMATION

We are not subject to the reporting requirements of the U.S. Securities Exchange Act of 1934, as amended (the “Exchange Act”). To permit compliance with Rule 144A under the Securities Act in connection with resales of Notes, we will be required under the indenture under which the Notes are issued (the “Indenture”), upon the request of a holder of Regulation S Notes, during the restricted period, as defined in the legend included under “Transfer Restrictions,” or Rule 144A Notes, to furnish to such holder and any prospective purchaser designated by such holder the information required to be delivered under Rule 144A(d)(4) under the Securities Act, unless we either maintain the exemption from reporting under Rule 12g3-2(b) under the Exchange Act or furnish information to the SEC pursuant to Section 13 or 15(d) of the Exchange Act. Any such request may be made to us in writing at our main offices located at Blvd. Miguel de Cervantes Saavedra No. 301, Terret Building, Torre Norte, Piso 11, Col. Granada, Miguel Hidalgo Ciudad de Mexico, C.P. 11520, Mexico.

FORWARD-LOOKING STATEMENTS

This Offering Memorandum contains “forward-looking statements” within the meaning of the securities laws of certain applicable jurisdictions. The words “anticipate,” “assume,” “believe,” “estimate,” “expect,” “intend,” “may,” “plan,” “should,” “will” and other similar expressions, which are predictions of or indicate future events and future trends, identify forward-looking statements. In addition, this Offering Memorandum contains forward-looking statements relating to our potential exposure to various types of market risks, such as interest rate risk and foreign exchange rate risk.

We have based the forward-looking statements contained in this Offering Memorandum on a number of assumptions and/or estimates that are subject to known and unknown risks, uncertainties and other factors that are in certain cases beyond our control and that may or may not occur in the future. As such, you should not rely on forward-looking statements as such statements are not guarantees of future performance. Our actual results, performance or achievements may differ materially from anticipated future results, performance or achievements expressed or implied by such forward-looking statements (and from past results, performance or achievements), including with respect to our financial condition and liquidity and the development of the industry in which we operate and intend to operate.

Certain factors that may cause such differences include:

- actions and the timing of actions by legislative, legal, regulatory, governmental and environmental bodies in Mexico and the United States and other countries, including as a result of international agreements;
- legislative and regulatory changes (including any changes in taxation laws and regulations);

- actions and the timing of actions by regulatory, governmental and environmental bodies in Mexico and other countries, including actions relating to Mexican energy regulatory reforms and requirements and changes in the regulation of the energy sector in Mexico;
- the premature termination or revocation of permits under certain circumstances;
- the inability or determination not to enter into long-term sales agreements or long-term firm capacity agreements;
- interruptions in operations of equipment and facilities due to scheduled or unscheduled maintenance;
- changes in macroeconomic conditions in the markets in which we operate, including with respect to inflation, interest rates and exchange rates;
- developments relating to Mexican, U.S. and global business and political environments, as well as social conditions and developments;
- capital markets and financial conditions, including the availability of credit and the liquidity of our investments;
- counterparty risks, principally with respect to our main customers;
- wars, terrorist attacks, health epidemics, organized crime, weather conditions, natural disasters and catastrophic accidents;
- fluctuations in the availability of natural gas and diesel fuel, and fluctuations in the supply of natural gas and diesel fuel;
- loss of significant suppliers or customers;
- reliance on transportation assets, land and energy infrastructure and services that we do not own or control;
- services, credit support and financing provided by or to us by affiliates and third parties;
- increased competition due to expected expansion of the energy sector in Mexico;
- our ability to win competitively bid-for infrastructure projects against a number of strong competitors willing to aggressively bid for those projects;
- developments in energy markets, including the timing and extent of changes and volatility in commodity prices;
- the timing and success of maintenance, construction and other capital expenditure projects, including risks inherent in the ability to obtain, and the timing of granting of, permits, licenses and other authorizations;
- deviations from regulatory precedent or practice that result in a reallocation of benefits or burdens among regulated energy services providers and their stakeholders, including customers and shareholders and other providers, and delays in regulatory agency authorizations to recover costs through rates collected from customers;
- our ability to hire, train and retain qualified employees and executives;
- risks posed by working with volatile and hazardous materials;
- risks posed by attacks on, and cybersecurity threats to, the information and systems used to operate our businesses, the energy grid, natural gas storage and pipeline infrastructure, as well as the confidentiality of our proprietary information and the personal information of our customers and employees;
- government expropriation of assets, changes in contractual conditions and title and other property disputes;

- the occurrence of significant accidents or events, for which we may be inadequately insured;
- the availability of new or alternative energy sources;
- temporary or permanent disruption of operations at our pipelines due to acts of God, *force majeure* or other events outside of our control;
- potential changes in regulation and free trade agreements as a result of the new U.S. presidential administration and the recent Mexican congressional elections;
- decisions by regulatory agencies in Mexico, the United States and other markets where we operate;
- risks posed by decisions and actions of third parties who control the operations of investments in which we do not have a controlling interest, and risks that our partners or counterparties will be unable (due to liquidity issues, bankruptcy or otherwise) or unwilling to fulfill their contractual commitments; and
- risks and uncertainties discussed under “Risk Factors” and elsewhere in this Offering Memorandum.

We urge you to read the sections of this Offering Memorandum entitled “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” “Business” and “Regulatory, Permits and Environmental Matters” for a more complete discussion of the factors that could affect our future results, performance or achievements. New risk factors emerge from time to time and it is not possible for us to predict all such risk factors. We cannot assess the impact of all risk factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

The forward-looking statements contained in the Offering Memorandum speak only as of the date such statements were made. We undertake no obligation to update or revise any forward-looking statement contained in this Offering Memorandum, whether as a result of new information, future events or developments or otherwise.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Financial Statements

We prepare our financial statements in accordance with IFRS. We present our financial statements in U.S. dollars, our functional currency.

The financial statements we have included in this Offering Memorandum consist of Saavi Energía’s:

- (1) unaudited condensed consolidated interim financial statements as at September 30, 2024, and for the nine months periods ended September 30, 2024, and 2023 (the “Unaudited Interim Financial Statements”); and
- (2) audited consolidated financial statements as at and for the years ended December 31, 2023 and 2022 (the “Audited Financial Statements” and, together with the Unaudited Interim Financial Statements, the “Consolidated Financial Statements”).

In this Offering Memorandum, we present certain unaudited historical financial information for the Issuer for the twelve months ended September 30, 2024 (the “LTM Period”). The financial information for the LTM Period reflects an arithmetic calculation generated by adding the unaudited condensed consolidated interim financial information of the Issuer for the nine months period ended September 30, 2024 extracted from the Unaudited Interim Financial Statements, to the audited consolidated financial information of the Issuer for the year ended December 31, 2023 extracted from the Audited Financial Statements and subtracting the unaudited condensed

consolidated interim financial information of the Issuer for the nine months period ended September 30, 2023 extracted from the Unaudited Interim Financial Statements. The LTM Period has not been prepared in accordance with the requirements of Regulation S-X of the Securities Act, the Prospectus Regulation or any generally accepted accounting standards. Such financial data has not been audited or reviewed in accordance with any generally accepted auditing or review standards. The LTM Period has been prepared for illustrative purposes only and is not necessarily indicative of our results of operations for any future period and is not prepared in the ordinary course of our financial reporting.

Other Information

We have presented certain other operational data in this offering memorandum. This includes operational data for the LTM Period, which has been derived by adding the amounts for the nine months period ended September 30, 2024 and the amounts for the year ended December 31, 2023 and subtracting the amounts for the nine months period ended September 30, 2023.

Acquisitions

On November 7, 2022, we acquired 100% of Tierra Mojada Luxembourg and began to consolidate the financial position and the results of operations of Tierra Mojada Luxembourg as from the acquisition date. As a result, the information presented in this Offering Memorandum for the year ended December 31, 2023, which reflects the financial position of Tierra Mojada Luxembourg as of December 31, 2023 and consolidates the results of operations of Tierra Mojada Luxembourg for the full year, therefore, does not present a fair comparison with the information presented for the year ended December 31, 2022, which reflects the financial position of Tierra Mojada Luxembourg as of December 31, 2022, however, only consolidates the results of operations of Tierra Mojada Luxembourg as from the acquisition date of November 7, 2022 to December 31, 2022.

On March 4, 2024, we entered into a share purchase agreement, subject to certain customary conditions precedent, to acquire NP Energía La Lucha and began to consolidate the financial position and the results of operations as from the acquisition date. As a result, the information presented in this Offering Memorandum for the nine months period ended September 30, 2024, which period reflects the financial position of NP Energía La Lucha as of September 30, 2024 and consolidates the results of operations of NP Energía La Lucha as from the acquisition date of March 4, 2024 to September 30, 2024, and therefore, does not present a fair comparison with the information presented for the nine months period ended September 30, 2023, which period does not consider NP Energía La Lucha's results of operations altogether.

Non-IFRS Financial Measures

This Offering Memorandum makes reference to certain non-IFRS financial measures: Adjusted EBITDA (as defined below). Non-IFRS measures have limitations as analytical tools, and should not be considered in isolation, or as alternatives to, or substitutes for, profit/(loss) for the period or other financial information presented in our Consolidated Financial Statements as indicators of financial performance.

We define "Adjusted EBITDA" as net income adjusted for (1) financing cost, net, (2) income tax expense, (3) depreciation and amortization, (4) currency exchange (gains) losses recognized in cost of sales and services, (5) expenses (income) in relation to foreign exchange derivatives, (6) share of net profit of joint ventures accounted for using the equity method, which relates to our joint venture Bajío Entities, (7) share of Adjusted EBITDA from joint ventures, which relates to our joint venture Bajío Entities, (8) non-capitalized long-term service agreements, (9) variable major maintenance, which consists of maintenance expenses incurred in excess of contractual obligations, (10) (profit) loss on subsidiary net assets classified as held for sale before income tax, (11) non-recurrent acquisition expenses in relation to Tierra Mojada, (12) carbon cost expenses in excess of the related recorded provisions, (13) pension and other post-retirement obligations (non-cash), (14) deferred rent (non-cash), which consists of the true up of income generated from leased assets against previously recorded income in accordance with leasing contract schedules, and (15) others, which comprise mainly of fees and licenses, miscellaneous, other expenses, transition payments to leavers, withholding expenses, property insurance and provision of services.

We present Adjusted EBITDA in this Offering Memorandum because we believe that Adjusted EBITDA provides useful information regarding our ability to service and incur indebtedness, and our management uses it as a measure of evaluating our performance. In addition, we believe Adjusted EBITDA is frequently used by securities analysts, investors and other interested parties as supplemental measures of performance or liquidity. Adjusted EBITDA is not a measurement of operating performance under IFRS, and should not be considered a substitute for revenues, net income, cash flows from operating activities or other income statement data, or as a measure of performance or liquidity, and should not be considered as alternatives to revenue or net profit for the period or any other performance measures derived in accordance with IFRS or any other generally accepted accounting principles. Therefore, Adjusted EBITDA should be viewed as supplementary to our Consolidated Financial Statements included elsewhere in this Offering Memorandum. Adjusted EBITDA may not be indicative of our historical operating results and is not meant to be predictive of potential future results. The non-IFRS Financial Measures may not be comparable to other similarly titled measures of other companies and have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our operating results as reported under IFRS.

Although certain of this data has been extracted or derived from the Consolidated Financial Statements contained in this Offering Memorandum, this data has not been audited or reviewed by the independent auditors.

Rounding

Certain amounts and percentages included in this Offering Memorandum have been rounded according to established commercial standards and, accordingly, certain figures shown as totals in certain tables and elsewhere in this Offering Memorandum may not correspond to the arithmetic sum of the amounts or percentages that precede them. Financial information presented in parentheses denotes the negative of such number presented. A dash (“–”) signifies that the relevant figure is not available or zero, while a zero (“0.0”) signifies that the relevant figure has been rounded to zero and the designation “nm” indicates that the figure is not meaningful.

Market Estimates

We obtained certain industry, demographic, market and competitive data, including market forecasts, used throughout this Offering Memorandum from internal surveys, market research, publicly available information and industry publications.

We have included statements in this Offering Memorandum on the basis of information from third party sources that we believe are reliable, including, among others: the Central Bank of Mexico, the International Energy Agency, the International Monetary Fund, the SENER, the CRE, and INEGI.

Industry and government publications generally state that the information presented therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. Although we have no reason to believe that any of this information or these reports are inaccurate in any material respect, such information has not been independently verified and, therefore, we cannot guarantee its accuracy or completeness. We have also based certain data in this Offering Memorandum on our estimates, which are derived from our review of internal surveys and analyses, as well as from independent sources. We have not independently verified the information and make no representation or warranty as to their accuracy or completeness. In addition, these sources may use different definitions of the relevant markets than those we present. Data regarding our industry is intended to provide general guidance but is inherently imprecise. Though we believe these estimates were reasonably derived, you should not place undue reliance on estimates, as they are inherently uncertain. Nothing in this Offering Memorandum should be interpreted as a market forecast. For more information, see “Forward-Looking Statements.”

Currency Information

The Issuer’s functional and presentation currency is the U.S. dollar. For purposes of presenting our Consolidated Financial Statements, as required under IFRS, the assets and liabilities of the Issuer’s subsidiaries with Mexican peso recording currency are translated into U.S. dollars using the exchange rate as of the end of each reporting period, as reported by the Central Bank of Mexico in the Official Gazette (*Diario Oficial de la Federación*

or “Official Gazette”). Unless otherwise indicated, all U.S. dollar amounts corresponding to the Issuer’s Consolidated Financial Statements have been derived from the accounting records of the Issuer. We translate income and expense items at the exchange rates at the dates of the related transactions and for the translation of monetary assets and liabilities denominated in foreign currencies using the exchange rate at the relevant period end. We recognize exchange differences, if any, in the consolidated statements of income and comprehensive income. The U.S. dollar equivalent information presented in this Offering Memorandum is provided solely for the convenience of investors and should not be construed as implying that the peso amounts represent, or could have been or could be converted into, U.S. dollars at such rates or at any other rate.

Description of Contracts and Permits

This Offering Memorandum contains summary descriptions of material provisions of certain commercial agreements, permits and other contracts, including the Indenture and certain other agreements described under “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” Such descriptions do not purport to be complete or exhaustive, and, as with any contract or legal instrument, the terms thereof may be subject to interpretation. Copies of the Indenture, the form of Notes, as well as copies of our organizational documents, will be made available for inspection upon request to us at our address listed on the inside back cover page of this Offering Memorandum. As such, reference is made to these agreements and documents for complete information, and the summaries contained in this Offering Memorandum are qualified in their entirety by this reference.

References to Certain Regulatory Agencies

As a result of a constitutional amendment that became effective on December 21, 2024, certain governmental agencies will become extinguished after the date of this Offering Memorandum, including CRE, CNH and COFECE. CRE and CNH will cease to exist upon the effectiveness of the laws and regulations implementing these constitutional amendments, which are expected to be issued on or before March 20, 2025. Once CRE and CNH are extinguished, their powers and authority will be assumed by SENER or a new agency of the federal government. References in this Offering Memorandum to permits, licenses, approvals, consents, agreements, authorizations or other actions to, from or with CRE, CNH or COFECE should be understood to refer to the replacement agencies as required by the implementing laws and regulations.

SUMMARY

This summary highlights certain information about the Issuer described elsewhere in this Offering Memorandum. This summary is not complete and does not contain all the information you should consider before investing in the Notes. You should read the summary below in conjunction with, and the summary below is qualified in its entirety by, the more detailed information included elsewhere in this Offering Memorandum, including the Consolidated Financial Statements. You should carefully read the entire Offering Memorandum to understand the Issuer's business, the nature and terms of the Notes and other considerations that are important to your decision to invest in the Notes, including the risks discussed under "Risk Factors."

In this Offering Memorandum, we present certain unaudited historical financial information for the Issuer for the LTM Period. The financial information for the LTM Period reflects an arithmetic calculation generated by adding the unaudited condensed consolidated interim financial information of the Issuer for the nine months period ended September 30, 2024 extracted from the Unaudited Interim Financial Statements, to the audited consolidated financial information of the Issuer for the year ended December 31, 2023 extracted from the Audited Financial Statements and subtracting the unaudited condensed consolidated interim financial information of the Issuer for the nine months period ended September 30, 2023 extracted from the Unaudited Interim Financial Statements. The LTM Period has not been prepared in accordance with the requirements of Regulation S-X of the Securities Act, the Prospectus Regulation or any generally accepted accounting standards. Such financial data has not been audited or reviewed in accordance with any generally accepted auditing or review standards. The LTM Period has been prepared for illustrative purposes only and is not necessarily indicative of our results of operations for any future period and is not prepared in the ordinary course of our financial reporting.

The operational data for the LTM Period has been derived by adding the amounts for the nine months period ended September 30, 2024 and the amounts for the year ended December 31, 2023 and subtracting the amounts for the nine months period ended September 30, 2023.

Overview

The Issuer, an indirect wholly owned subsidiary of certain investment funds advised and managed by GIP. GIP is a holding company whose primary asset as of the date of this Offering Memorandum is an indirect 99.9% ownership interest in Saavi Energía, which through direct and indirect subsidiaries develops, owns and operates power generation facilities and other energy infrastructure in Mexico and in Puerto Rico that include six natural gas-fired combined cycle power plants (each, a "CCGT"), one solar photovoltaic facility (the "solar PV Facility"), three Mobile Power Generation Units ("MPGUs"), three natural gas compression stations (of which two are operating) and an operating natural gas pipeline that is associated to one of those stations.

Saavi Energía is the largest private power generator in Mexico in terms of permitted capacity, after the CFE, a state owned entity, and *Fideicomiso de Inversión en Energía México* ("FIEMEX"), a Mexican special purpose trust (*fideicomiso*) sponsored by the National Infrastructure Trust Fund (*Fideicomiso Fondo Nacional de Infraestructura*) ("FONADIN") and managed by Mexico Infrastructure Partners FF, S.A.P.I. de C.V. ("MIP FF"), with a significant investment from the Mexican Government. Saavi Energía, through its predecessor entities, has more than 25 years of experience in Mexico. Saavi Energía, directly and through a majority-owned partnership in EAVIII, owns and operates a geographically diversified portfolio of U.S. dollar-based, long-term contracted, operationally efficient and highly competitive assets with a total permitted generation capacity of 3,743 MW as of the date of this Offering Memorandum.

The following table sets forth key consolidated financial and operating data as of the dates and for the periods indicated:

	As of and for the nine months period ended	As of and for the twelve months period ended	As of and for the year ended	
	September 30, 2024	September 30, 2024	December 31, 2023	December 31, 2022
	(US\$ in millions, except total permitted generation capacity)			
Total assets	3,601.5	3,601.5	3,503.9	3,466.0
Total revenues	1,137.5	1,564.1	1,588.5	1,102.1
Operating profit.....	172.0	227.0	173.3	123.8
Adjusted EBITDA ⁽¹⁾	339.6	474.1	390.9	212.8
Net income	17.1	17.4	5.9	13.6
Total permitted generation capacity (MW).....	3,743	3,743	3,864	3,864

(1) For the definition of Adjusted EBITDA, see “Presentation of Financial and Other Information—Non-IFRS Financial Measures” and, for a reconciliation of Net income to Adjusted EBITDA, see “Summary Financial and Other Data—Reconciliation of Net Income to Adjusted EBITDA.”

History

International Generating Company, the former owner of InterGen (International) B.V. (“InterGen”), was a pioneer in the gas-powered generation market in Mexico when it established the business now known as “Saavi Energía” in 1999 after CFE awarded a long-term PPA to EAVIII that resulted in the development, construction and, ultimately, operation in Bajío, Mexico, in 2002. Since its inception, Saavi Energía has become the largest private power generator in Mexico, in terms of permitted capacity, positioning itself as a leading developer and operator of power generation assets, recently expanding its total permitted generation capacity to 3,743 (including 100% of Bajío Entities) MW through operating acquisitions of generation assets Tierra Mojada (970 MW), La Lucha (131 MW) and SPMS (111 MW). The chart below highlights the growth of our business and key milestones from inception through the present.

Total Permitted Generation Capacity Evolution

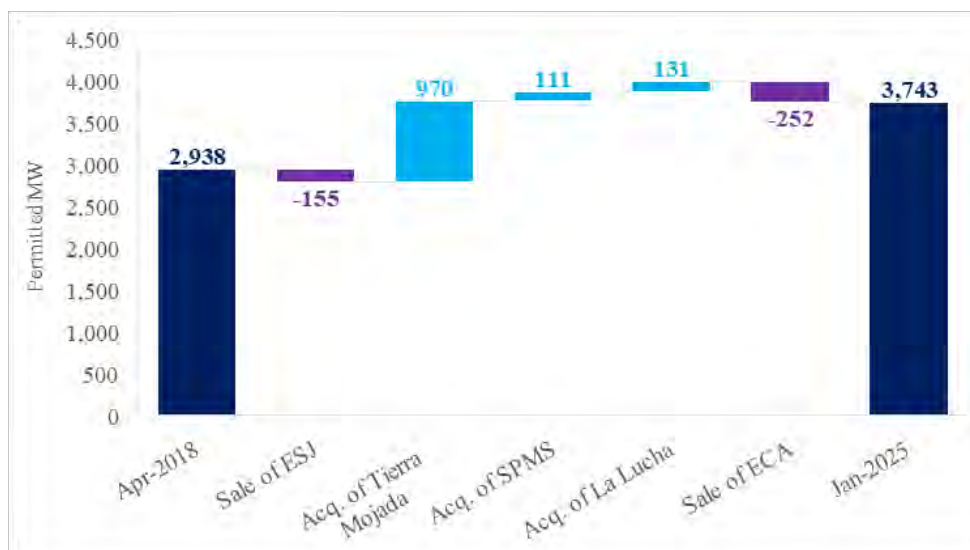
In April 2018, Cometa Energía, indirectly controlled by holding company El Aguila Holdings B.V., a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) organized under the laws of the Netherlands, wholly owned on an indirect basis by certain investment funds managed by Actis GP LLP (“Actis”), acquired InterGen and its subsidiaries, as well as its equity investees and joint ventures, and created Saavi Energía.

In August 2021, GIP, through the Direct Shareholder, acquired from Actis’ affiliates all of the membership (*lidmaatschap*), including all membership rights (*lidmaatschaprechten*), in and relating to El Aguila Coöperatief BA, a cooperative with limited liability (*coöperatie met beperkte aansprakelijkheid*) organized under the laws of the Netherlands, that indirectly controls Cometa Energía through Electricidad Firme.

In November 2022, Tierra Mojada, a subsidiary of the Direct Shareholder, acquired Tierra Mojada Luxembourg from Fistera Energy Luxembourg II, S.à r.l., through which Tierra Mojada became the indirect owner of Ciclo Combinado Tierra Mojada, S. de R. L. de C. V. (“CCTM”), which owns and operates a 970 MW CCGT in Jalisco, Mexico (the “Tierra Mojada Plant”). See “—Tierra Mojada Plant.”

In 2022, SPMS acquired three GE TM2500+ Generation 8 MPGUs with a total permitted generation capacity of 111 MW ISO (~37MW ISO/turbine) turbine generation.

In June 2024, Saavi Energía, through Cometa Energía, acquired 100% of the shares of NP Energía La Lucha, a wholly owned subsidiary of Canadian company Northland Power, which owns and operates a 131 MW solar PV Facility. See “—La Lucha.”



The Direct Shareholder is indirectly wholly owned by GIP or vehicles owned by GIP, one of the world's largest independent infrastructure managers that invests worldwide in infrastructure assets in both OECD and select emerging market countries. GIP, which manages funds and investment vehicles on behalf of its limited partners, has over US\$170 billion in assets under management and currently has ownership interests in 38 portfolio companies. GIP is an active investor in the power and energy sectors globally, with a current energy generation portfolio including over US\$15.8 billion of equity capital invested or committed across 22 GW in operation and more than 176 GW of development assets as of September 30, 2024. GIP brings a wealth of experience through its extensive involvement worldwide in the energy sector, which we expect to support Saavi Energía's continued successful operations. For more information, see "Principal Shareholders."

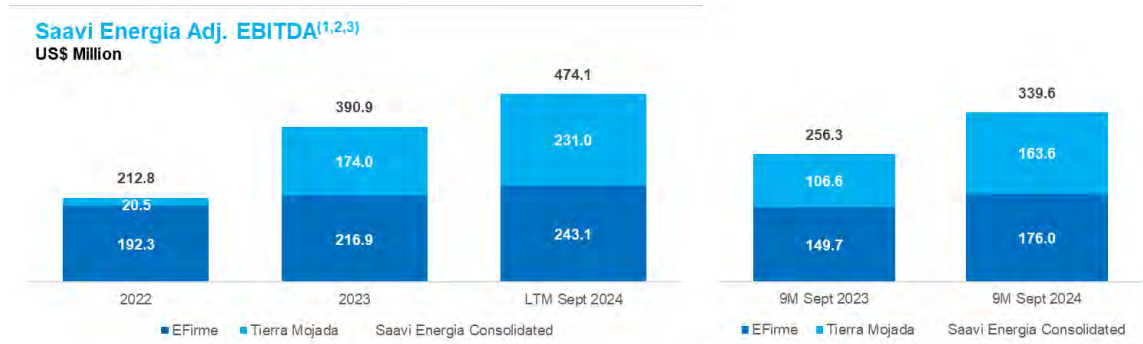
Adjusted EBITDA Evolution

Our Adjusted EBITDA has grown since 2022, primarily driven by our acquisitions of Tierra Mojada and La Lucha and the continued optimization, successful origination and execution of value creating initiatives, including the following:

- Prior to 2022, we had experience supplying equipment and service agreements related to emergency capacity (via third party leases and services providers). In 2022, SPMS acquired three GE TM2500+ Generation 8 MPGUs with a total permitted generation capacity of 111 MW ISO (~37MW ISO/turbine) turbine generation. The MPGUs are mainly used for temporary emergency generation services, a solution that we can now provide to clients with proprietary equipment leading to higher Adjusted EBITDA margins. With this portfolio of MPGUs, SPMS can provide emergency power solutions and/or quick *time-to-market* power solutions across different geographies. To date, we have supplied these units and power solutions in the Baja California market and in Puerto Rico.
- In 2022, Tierra Mojada Holdings S.à r.l. acquired the Tierra Mojada Plant, a 875 MW CCGT power plant strategically located near the city of Guadalajara, Mexico, an area that, according to market experts such as SENER, is expected to be an energy-importing region for the foreseeable future. The Tierra Mojada Plant's natural gas supply is price indexed to the Waha Hub located in Texas, which provides the plant with a competitive low-cost source of fuel compared to other generators in Mexico. In 2022, Tierra Mojada Holdings S.à r.l. also acquired Ektria Suministro, S. de R.L. de C.V. ("Ektria"), a qualified supplier.
- In 2024, Cometa Energía acquired La Lucha, a 131 MW solar PV Facility located in Mapimi, Durango, one of the highest irradiation regions in Mexico, and Saavi Energía's first renewable energy generating facility, which enabled the possibility of offering renewable attributes to potential customers, while also helping to reduce Saavi Energía's greenhouse gas and other carbon footprint.

- Since 2022, through a series of natural gas and power supply agreement optimizations, we have been able to increase margins from our generation asset base. These optimizations include the reallocation of available generation capacity between existing customers and to new ones; the ability to economically dispatch our available capacity in the MEM; the implementation of enhanced risk management policies by entering into new contracts and/or renegotiating existing contracts on more favorable terms and, in certain cases, dispatching our available capacity in the MEM; and efficiencies of scale and certain major fuel supply restructures in natural gas procurement and imbalance management across our portfolio.

The chart below illustrates our Adjusted EBITDA growth from 2022 to the twelve months period ended September 30, 2024⁽¹⁾⁽²⁾⁽³⁾:



(1) Our Adjusted EBITDA differs from the sum of EFirme and Tierra Mojada's respective Adjusted EBITDA mainly, among others, due to certain general and administrative expenses.

(2) Figures presented in the chart above for Tierra Mojada include Ektria.

(3) Our Adjusted EBITDA for 2022 includes the results of operation of Tierra Mojada Luxembourg as from the acquisition date of November 7, 2022, in accordance with our Consolidated Financial Statements. The Adjusted EBITDA of Tierra Mojada for the first ten months of 2022 amounted to US\$110.0 million.

In the twelve months period ended September 30, 2024 and the years ended December 31, 2023 and 2022, our Adjusted EBITDA was US\$474.1 million, US\$390.9 million, and US\$212.8 million, respectively. As of September 30, 2024, we had total debt (total long-term debt excluding the impact of related accrued interest and deferred financing costs, net) of US\$2,255.0 million, all of which was secured debt of the Issuer's subsidiaries. The Issuer individually has no debt. As of September 30, 2024, Cometa Energía and Electricidad Firme (Cometa Energía's holding company) had total secured debt of US\$1,239.5 million. As of September 30, 2024, Tierra Mojada and its holding company, Tierra Mojada Holdings S.à r.l., had total secured debt of US\$1,015.5 million. See "Risk Factors—Risks Relating to the Notes and Our Corporate and Financing Structure—Payments on the Notes will be junior to any secured debt of the Issuer and effectively junior to the debt obligations of our subsidiaries, including Cometa Energía and Tierra Mojada."

Our Asset Portfolio

Tierra Mojada Plant

This power plant is strategically located near the city of Guadalajara, Mexico, an area that, according to the SENER, is expected to be an energy-importing region for the foreseeable future. This means that the city of Guadalajara has, and is expected to continue to have, power demand that surpasses the installed capacity in the region. Tierra Mojada's natural gas supply agreement with CF Energía, the plant's fuel supplier, provides us with foreseeability to receive 100% of Tierra Mojada Plant's natural gas needs from CF Energía at a price indexed to the Waha Hub, for a term of 20 years until November 2040. This natural gas supply agreement provides the Tierra Mojada Plant with a competitive low-cost source of fuel compared to other generators in Mexico because of the Waha Hub's proximity to low-cost oil and associated natural gas production from the Permian Basin. While fuel is predominantly pass through in most of our contracts, Tierra Mojada's node should benefit from larger realized spark-spreads when having a relatively lower natural gas index, given the relative competitiveness of the asset.

La Rosita I

La Rosita I operates in the SIBC market. This is a market with 3,277 MW of installed capacity and 300 MW of additional solar photo-voltaic capacity from the CFE Puerto Peñasco facility, and with a maximum demand of 3,573 MW in 2024. The SIBC market is *disconnected* from the SIN market (which is in turn the largest grid in Mexico), but is connected to and synchronized with the CAISO Market in the United States. La Rosita I has a total permitted capacity of 896 MW. As of the date of this Offering Memorandum, we (through our ownership of La Rosita I) are the largest private player in the SIBC market. Given the imbalances of supply and demand, this market has historically required emergency power supply and imports from CAISO to serve peak demand during summer.

La Rosita I is among the most efficient power plants in the SIBC and sells its energy and capacity as an IPP with 597 MW permitted capacity, of which 489 MW is under a long-term contract with CFE expiring in 2028, and with an additional 299 MW permitted in the LIE regime dedicated to sell into the SIBC wholesale market.

We expect summer conditions to continue to stress the SIBC grid in the near term, depending on imports from CAISO and timely availability of new resources from CFE. However, if a future interconnection between SIBC and the SIN is completed, this could increase the generation of La Rosita I due to its competitive natural gas supply, and its provision of ancillary services. Interconnection between SIBC and CAISO could allow Rosita I to operate (in whole or partially) in the CAISO market, subject to permitting, where firm capacity is needed.

La Rosita II

La Rosita II is registered as a generation unit in CAISO as it fully sells its energy and capacity to CAISO into Imperial Valley using a private transmission line. As CAISO experiences pressure from a relative lack of firm capacity due to its policy of limiting new thermal projects and the decommissioning of aging facilities, existing dispatchable facilities like La Rosita II remain important for maintaining the CAISO grid's reliability. La Rosita II sells resource adequacy and energy to utilities, retailers, energy traders, and community-choice aggregators.

Chihuahua

Our Chihuahua combined cycle plant is located in Samalayuca near Ciudad Juárez, a relevant industrial hub in northern Mexico. The plant has access to natural gas supply from the Permian region, which provides increased competitiveness to participate in the MEM. The plant is permitted for 278 MW as an IPP under a long-term contract with CFE that expires in 2028, and 50 MW to sell into the MEM. With the recent increase of solar capacity in the North and Northwest regions of Mexico, natural gas fired generation has been increasing its participation in ancillary services, due to the lack of other resources like hydro in the region, and continues to provide valuable dispatchable capacity.

Bajío Entities

The Bajío plant is located in the state of Guanajuato, an important location for industrial production in the Bajío region (central-western Mexico). The Western region is the highest-demand region in the SIN. The plant is permitted for 597 MW under an IPP long-term contract with CFE that expires in 2027, and 131 MW as LIE to sell into the MEM. High energy demand in the region and a well-connected transmission system contribute to improving stability of prices over time and boosting the attractiveness of our Bajío plant for industrial customers through reduced congestion and losses. Our Bajío plant is also located at an important location of the Mexican natural gas transportation grid, with potential access to several sources of natural gas.

SLP

The San Luis de la Paz plant is located next to the Bajío plant. It has 182 MW permitted under the self-supply regulatory regime, dedicated to serving a long-term contract with an industrial user (Newmont), and 60 MW permitted to sell into the MEM under the LIE regulatory regime.

SPMS

In 2022, SPMS acquired three GE TM2500+ Generation 8 MPGUs with a total generation capacity of 111 MW ISO (~37MW ISO/turbine) turbine generation. Given their mobile nature, the MPGUs are mainly used for temporary emergency generation services through short-term contracts entered into with offtakers across multiple jurisdictions. Deployments typically range between four to six weeks and provide solutions where needed. These MPGUs have been installed in Mexico and most recently in Puerto Rico as emergency power solutions.

When not in operation, we store the SPMS mobile turbines in a warehouse located in Yuma, Arizona.

La Lucha

Located in Mapimi, Durango, one of the highest irradiation regions in Mexico, La Lucha is a 131 MW solar PV Facility and Saavi Energía's first renewable energy generating facility, which enabled us to offer renewable attributes to potential customers and help us reduce greenhouse gas and other carbon emissions.

Our Main Agreements

Following is an overview of our main agreements:

Long-term PPAs with CFE and CFEC

The IPP program was conceived in 1992 and was used by CFE for more than two decades until the program was cancelled after the constitutional and legal reforms of December 2013 and August 2014. The IPP program allowed CFE to attract private capital to develop power generation capacity by anchoring long-term PPAs with CFE as off-taker. As a result of these legal reforms, the business of CFE was segregated into separate subsidiaries and affiliates, of which CFE Generación V, a subsidiary of CFE, became responsible for operating the PPAs entered into by CFE under the IPP program.

Cometa Energía's generation assets operating under the IPP program (Bajío Entities, La Rosita I and Chihuahua, with an aggregate permitted generation capacity of approximately 1,472 MW) have been operating since 2002-2003 and are contracted with CFE through 2027-2028.

Under Cometa Energía's IPP agreements, CFE is required to purchase a monthly demonstrated net capacity and associated net energy output per project. As compensation for capacity, CFE pays (1) a fixed capacity charge in dollars, calculated based on a pre-agreed fixed capacity charge for each month, adjusted for availability relative to the guaranteed availability, (2) a fixed operation and maintenance charge in both dollars and pesos, as adjusted for availability relative to the guaranteed availability and escalated based on the relevant price index, (3) a variable operation and maintenance charge in pesos, (4) a fuel charge in pesos based on the weighted average price of fuel for the month and the fuel consumption calculated with the guaranteed heat rate, and (5) a start-up charge in pesos, paid in the event the plant is required to restart after a shutdown instruction.

In the case of Tierra Mojada, approximately 70% of the Tierra Mojada Plant's output, or 600 MW (the "CFEC Contracted Capacity") is committed to CFEC under a long term PPA (different from the IPP framework) through 2041 (the "Tierra Mojada PPA"). The Tierra Mojada Plant has been operating since October 28, 2020.

CFEC's obligation to pay the monthly capacity fee under the Tierra Mojada PPA is a take-or-pay provision whereby CCTM receives payment for the CFEC Contracted Capacity regardless of whether CFEC requires such capacity. The Tierra Mojada Plant guarantees certain levels of availability, which may be adjusted due to maintenance and other reasons, as long as the average availability within a three-year rolling period remains consistent with the levels set in the Tierra Mojada PPA. The average availability guaranteed by the Tierra Mojada Plant is approximately 95% over the 20-year term.

Cometa Energía's PPAs with CFE and the Tierra Mojada PPA are collectively referred to herein as the "CFE PPAs".

Long-term Private PPAs

In addition to the CFE PPAs, Cometa Energía is a party to bilateral long-term PPAs with Newmont (182 MW) through 2035 (the “SLP PPA”), and Linde (net 77.5 MW) through 2036 (the “Linde PPA”). The SLP PPA is contracted under the self-supply (*autoabastecimiento*) regime under the former LSPEE framework. The Linde PPA is contracted under the LIE regime.

The SLP PPA was entered into by SLP with Newmont in relation to SLP’s generation facility located in San Luis de la Paz, Guanajuato, adjacent to the Bajío facility. Under the SLP PPA, Newmont is required to purchase a monthly demonstrated net capacity and associated net energy output of 182 MW nominal capacity and associated electrical output. To the extent Newmont does not dispatch the full contracted capacity, SLP may deliver the excess to third parties on a non-firm basis. As compensation for capacity, Newmont pays (1) a fixed capacity charge of contract capacity multiplied by an availability adjustment factor, (2) a fixed operation and maintenance charge payable in dollars and pesos, as adjusted and escalated based on the relevant price index, (3) a fixed fuel charge, (4) a fixed wheeling charge, (5) a fixed back-up charge, (6) a variable energy charge per hour, (7) a variable operation and maintenance charge payable in dollars and pesos, (8) a variable wheeling charge, (9) a variable back-up charge and (10) start up payment.

In September 2021, SE entered into the Linde PPA with Linde. On June 24, 2024, the Linde PPA was amended to, among other things, (i) deliver energy (*energía*) for an amount equal to the contracted capacity, (ii) increase the capacity (*potencia*) to 77.5 MW, (iii) extend the term of the PPA until August 2036, (iv) include 95% of the energy generated by La Lucha and (v) deliver CELs for the equivalent of 13.9% of the delivered energy.

All of our generation assets have well-structured, long-term LTSAs (long-term service agreements) that are intended to adequately maintain the assets’ operational needs.

Short-Term Contracts

Saavi Energía maintains at least 80% of its last twelve months period Adjusted EBITDA contracted, typically by renewing or replacing its short-term contracts. Saavi Energía’s customer base comprises C&I final users, wholesale energy traders, retailers, and utility companies, among others.

Saavi Energía’s residual permitted capacity is managed to optimize value while reducing risk by hedging volumes in short- and medium-term PPAs as well as contracting financial hedges. To achieve this, Saavi Energía has built a risk management and commercialization infrastructure comprised of IT platforms, policies and monitoring systems that allow us to analyze market trends and decide the best commercialization strategy accordingly. In the case of Tierra Mojada, the difference between the Tierra Mojada Plant’s output committed with CFEC and its total output is committed under PPAs with C&I clients and energy traders, with expiration dates between 2026 and 2030.

Long-term Natural Gas Compression Services and Direct Natural Gas Sales

Saavi Energía’s operating compression assets, Libramiento and ACS have long-term compression service agreements with CFE and CENAGAS, under which Saavi Energía receives monthly dollarized fixed capacity payments, in addition to inter-facility agreements for compression services to the Bajío and San Luis de la Paz power plants. As of April 2021, Bajío Compression’s station operates on a “cold-reserve” basis, meaning compression services will be provided when deemed necessary by CENAGAS.

From time to time we also sell excess natural gas capacity directly to wholesale clients.

CAISO Resource Adequacy

As part of its commercialization and risk management strategy, Saavi Energía has engaged in medium-term contracts for the sale of capacity (known as “Resource Adequacy”) in CAISO (the California market) with different counterparties, primarily comprised by independently owned utilities, energy traders and some community choice aggregators.

MEM Capacity

The capacity market in which Saavi Energía sells its available capacity in the MEM has experienced prices averaging US\$18.3/kW-month for the SIN and US\$9.5/kW-month for the SIBC from 2022 to 2023.

CAISO Merchant Energy

Through the implementation of its commodity risk policy, Saavi Energía manages its merchant position in CAISO through a rolling hedge strategy with energy traders that allows predictability of revenues and margin in a horizon of typically one to three years.

MEM Energy

As of the date of this Offering Memorandum, Saavi Energía's merchant position in the MEM is approximately 9% of its total energy capacity (less than 350 MW), of which the majority comes from Tierra Mojada (which has access to Waha gas combined with a very low heat rate compared to the rest of the SIN).

SPMS

In 2022, a services agreement was executed with PYE Electrificaciones, S. de R.L. de C.V. ("PYE") for temporary emergency reliability generation (*Protocolo Correctivo*) to the Baja California power grid called by CENACE. Under such agreement, Saavi Energía provided the MPGUs, as well as the supervision of the installation, commissioning, operation and supervision thereof and PYE made a fixed payment in U.S. dollars as consideration for the provision of services. Furthermore, we also provided gas supply as a separate contract to participants of the Protocolo Correctivo in 2022 and 2023. See "Business—Long-term Natural Gas Compression Services and direct gas sales."

In 2023, a lease agreement with NFE Power PR LLC ("NFE") was entered into for the purpose of leasing the MPGUs for temporary power generation. The lease agreement included a fixed-payment in U.S. dollars for each MPUG leased. In April 2024, we received a termination notice from NFE alleging a force majeure event. Saavi Energía has entered into arbitration proceedings with NFE. See "Business—Legal, Administrative and Arbitration Proceedings."

Competitive Strengths

We believe the following are our main competitive strengths:

Saavi Energía is the largest private power generator in Mexico in terms of permitted capacity with more than 25 years of proven track-record in the energy sector in Mexico and a diversified portfolio of generation and natural gas compressor assets.

Through our more than 25 years in the energy sector in Mexico, Saavi Energía has built a geographically diversified portfolio of long-term contracted, operationally efficient, and highly competitive assets with a total permitted generation capacity of 3,743 MW (including 100% of Bajío Entities). Our large-scale energy generation platform positions Saavi Energía as the largest private power generator in Mexico, in terms of permitted capacity, with a 4.2% market share according to the CENACE published table of capacity as of December 31, 2023, and the largest private power company by generation whose home market is Mexico, according to the Mexican Energy Association (*Asociación Mexicana de Energía*), with a 6.0% market share according to the CENACE published table of generation as of December 31, 2023.

Our portfolio, together with those assets owned by our partnerships and joint ventures, is composed of state-of-the-art power generation plants, geographically diversified across Mexico, comprised of six natural gas-fired CCGTs, one solar photovoltaic facility and three MPGUs, all connected to the power generation infrastructure, and three natural gas compression stations (of which two are operating) and one operating natural gas pipeline associated to one of such stations.

We benefit from a geographically diversified asset footprint, with all assets located near strategic demand hubs as well as gas supply centers.

The figure below sets forth the location of our operating assets and equity investees as of September 30, 2024:



The following table sets forth certain operational information on the facilities that comprise our portfolio of operating assets:

	Facility	Capacity ⁽¹⁾	COD	Ownership	Configuration ⁽²⁾	Main Counterparty	MW Contracted with Main Counterparty	Contracted Term with Main Counterparty
Generation	Bajío Entities ⁽⁴⁾	728 MW	2002	51%	CCGT: 3 GT x 1 ST	CFE / Linde	495/77.5	2027/2036
	San Luis de la Paz	242 MW	2015	100%	CCGT: 1 GT x 1 ST	Newmont	182	2035
	Chihuahua	328 MW	2003	100%	CCGT: 2 GT x 1 ST	CFE	259	2028
	La Rosita I	896 MW	2003	100%	CCGT: 3 GT x 1 ST	CFE	489	2028
	La Rosita II	337 MW	2003	100%	CCGT: 1 GT x 1 ST	Various	320	2027
	Tierra Mojada Plant	970 MW	2021	100%	CCGT: 2 GT x 1 ST	CFEC	600	2040
	SPMS	111 MW ⁽⁵⁾	2022	100%	3 GT	N/A	N/A	-

	Facility	Capacity ⁽¹⁾	COD	Ownership	Configuration ⁽²⁾	Main Counterparty	MW Contracted with Main Counterparty	Contracted Term with Main Counterparty
	La Lucha	131 MW	2023	100%	Solar PV	Linde	130	2036
	Total Capacity	3,743 MW						
Compression	ACS	1,300 MMCF/D	2014	100%	Compression	CFE	-	2034/2035
	Bajío Entities ⁽³⁾⁽⁴⁾	100 MMCF/D	2001	51%	Compression	CENAGAS	-	-
	Libramiento	100 MMCF/D	2007	100%	Compression	CENAGAS	-	2027
	Total Capacity	1,500 MMCF/D						

(1) Total permitted generation capacity as of September 30, 2024 (compression capacity of ACS, Bajío and Libramiento refers to installed capacity, as compression services do not require a governmental permit). The capacity amounts are rounded.

(2) CCGT: Combined Cycle Gas Turbine; GT: Gas Turbine; ST: Steam Turbine; PV: Photovoltaic.

(3) Our indirect subsidiary, EAVIII, is a partnership between Saavi Bajío B.V., which indirectly owns 51% of the shares in EAVIII, and Tokyo Gas Bajío B.V., which owns the remaining 49%. We do not consolidate the financial information of EAVIII, but instead record it as an investment in accordance with the equity method of accounting recognizing our proportional share in the earnings or losses of EAVIII.

(4) Our subsidiary, CB, is a partnership between Saavi Bajío B.V., which indirectly owns 51% of the shares in CB, and Tokyo Gas Bajío B.V., which indirectly owns the remaining 49%. We do not consolidate the financial information of CB, but instead record it as an investment in accordance with the equity method of accounting recognizing our proportional share in the earnings or losses of CB.

(5) ISO Capacity shown as SPMS does not hold a generation permit due to the nature of its business. SPMS is, as of the date of this Offering Memorandum, uncontracted following early termination by NFE that is subject of arbitration proceedings (see “Business—Legal, Administrative and Arbitration Proceedings”).

Saavi Energía has a diversified portfolio of predictable long-term U.S. dollar-denominated cash flows contracted with creditworthy offtakers.

All but two facilities in Saavi Energía’s operating portfolio (SPMS and CB) are parties to long-term power purchase or gas compression agreements, generating predictable capacity-based revenue streams.

Our Adjusted EBITDA generally derives from contracts denominated in or indexed to U.S. dollars, and can be settled pesos. For the twelve months period ended September 30, 2024, 47.7% of our Adjusted EBITDA derived from long-term contracts, 38.6% derived from short-term contracts, 10.0% from the MEM energy market, and 3.8% came from the California merchant CAISO market.

The long-term contracts’ Adjusted EBITDA contribution is broken down as follows:

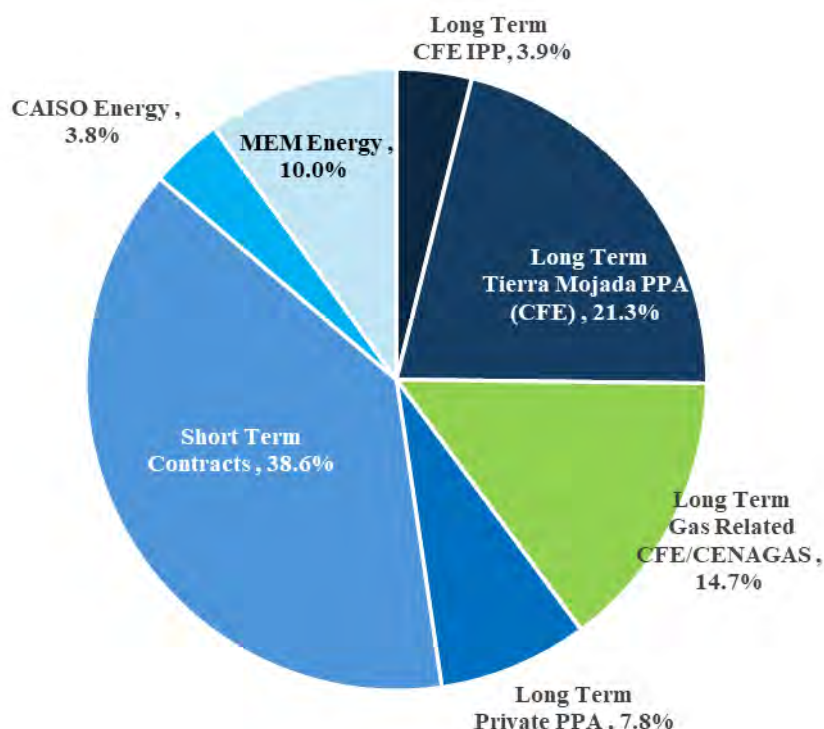
- 21.3% comes from the long-term Tierra Mojada PPA;
- 14.7% from long-term natural gas related contracts;
- 7.8% from long-term private PPAs; and
- 3.9% from long-term CFE IPP contracts.

We have 1,179 net MW (considering 51% of Bajío Entities) (35% of our net permitted capacity) set to expire between 2027-2028 and we will explore opportunities to commercialize this capacity in accordance with market fundamentals and the evolving regulatory framework.

Short-term contracts include private commercial and industrial offtakers, utility companies, resource adequacy to utilities, retailers, and community-choice aggregators in CAISO, CENACE, via MBP and energy traders. These contracts typically include inflation adjustment provisions and also benefit from current market dynamics as they expire and are recontracted. We are typically contracted in any given period, with a last twelve months window above 80%, and have access to the MEM market (which represented 10.0% of our Adjusted

EBITDA in the twelve months period ended September 30, 2024) and the California merchant market (which represented 3.8% of our Adjusted EBITDA in the twelve months period ended September 30, 2024), where, even if uncontracted, we have access to daily revenues, subject to dispatch merit. Our plants are physically located in markets with steady industrial demand, combined with restrained installed capacity.

The chart below sets forth a breakdown of our Adjusted EBITDA by offtaker in the twelve months period ended September 30, 2024: ⁽¹⁾



- (1) We calculate information for the twelve months period ended September 30, 2024 as the relevant metric for the nine months period ended September 30, 2024 *plus* the relevant metric for the year ended December 31, 2023 *less* the relevant metric for the nine months period ended September 30, 2023. Our Adjusted EBITDA in the twelve months period ended September 30, 2024 was US\$474.1 million.
- (2) Upon the expiration of the long-term PPAs that we entered into under the IPP and self-supply (*autoabastecimiento*) regimes, pursuant to the former LSPEE framework, we will need to migrate the capacity and power committed under those agreements into the LIE framework. These include the long-term PPAs entered into by Bajío Entities, Chihuahua and La Rosita I with CFE that will expire between 2027 and 2028.

Our agreements with offtakers are U.S. dollar-denominated or adjusted and are entered into on a firm basis with creditworthy counterparties, including:

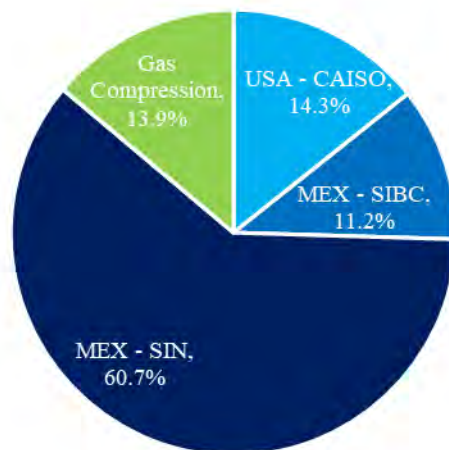
- Minera Peñasquito, S.A. de C.V. (“Newmont”), Mexican subsidiary of Newmont, a U.S. mining corporation (rated Baa1/BBB+/A- by Moody’s, S&P and Fitch, respectively);
- CFE, Mexico’s state-owned entity, which generates over 75% of the electricity in Mexico (considering capacity generated by IPPs) and is the sole entity responsible for public transmission and distribution of electricity in the country (rated Baa2/BBB/BBB- by Moody’s, S&P and Fitch, respectively);
- Praxair México, S. de R. L. de C.V. (“Linde”), Mexican subsidiary of Linde, a U.S. global industrial gases company (rated A2/A by Moody’s and S&P, respectively);

- Ammper, a MEM-qualified supplier (rated AA- (Mex.)); and
- CENAGAS.

Because of the nature of the MEM, if a PPA were to be terminated, or if we are not able to renew an existing PPA, our access to the spot market generally exposes us to increased spot prices, meaning the impact of such termination or non-renewal is generally positive on our revenues.

Furthermore, our long-term CFE IPP, which is set to expire between 2027-2028 and represented 3.9% of our Adjusted EBITDA in the twelve months period ended September 30, 2024, represents 1,179 net MW (considering our ownership interest in the Bajío Entities) (35% of our net permitted capacity).

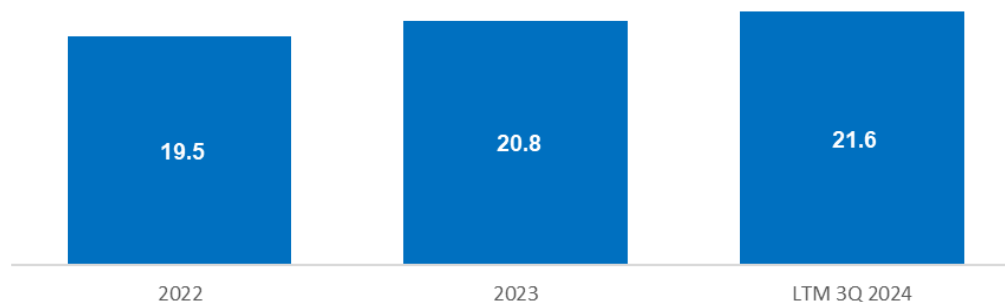
The following chart sets forth a breakdown of our Adjusted EBITDA by regional market in the twelve months period ended September 30, 2024:⁽¹⁾



- (1) We calculate information for the twelve months period ended September 30, 2024 as the relevant metric for the nine months period ended September 30, 2024 *plus* the relevant metric for the year ended December 31, 2023 *less* the relevant metric for the nine months period ended September 30, 2023. Our Adjusted EBITDA in the twelve months period ended September 30, 2024 was US\$474.1 million.

The following table sets forth our historical net generation:

Providing dependable generation
Net Generation (TWh)



The following table sets forth our historical (2022 to 2024) and expected (2025 to 2034) contracted capacity of power generation and compression services businesses, including as a percentage of our total capacity, in each case as of the end of each year (see “Forward-Looking Statements”):

Asset Nominal capacity	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Bajo (728 MW)	565	625	616	616	616	616	119	119	78	78	78	78	78
Chihuahua (328 MW)	259	259	262	270	270	270	267	8					
La Rosita I (896 MW)	513	535	534	538	529	529	489						
SPMS (111 MW)	90	111	111										
La Rosita II (Resource Adequacy) (337 MW)	315	322	322	322	309	167	320	320	320	320	320	320	320
San Luis De La Paz (242 MW)	182	182	182	182	182	210	210	210	210	210	210	210	210
Tierra Mojada (970 MW)	870	850	863	788	670	640	620	600	600	600	600	600	600
La Lucha (131 MW)			124	124	124	124	124	124	124	124	124	124	124
Contracted capacity	2,794	2,884	3,013	2,756	2,700	2,556	2,143	1,378	1,332	1,332	1,332	1,332	1,332
% of total capacity	79%	82%	83%	74%	72%	68%	57%	37%	36%	36%	36%	36%	36%
Libramiento Compression (100 MMCFD)	100	100	100	100	100	100							
Altamira Compression (1,300 MMCFD)	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300
Contracted capacity	1,400	1,400	1,400	1,400	1,400	1,400	1,300	1,300	1,300	1,300	1,300	1,300	1,300
% of total capacity	93%	93%	93%	93%	93%	93%	87%	87%	87%	87%	87%	87%	87%

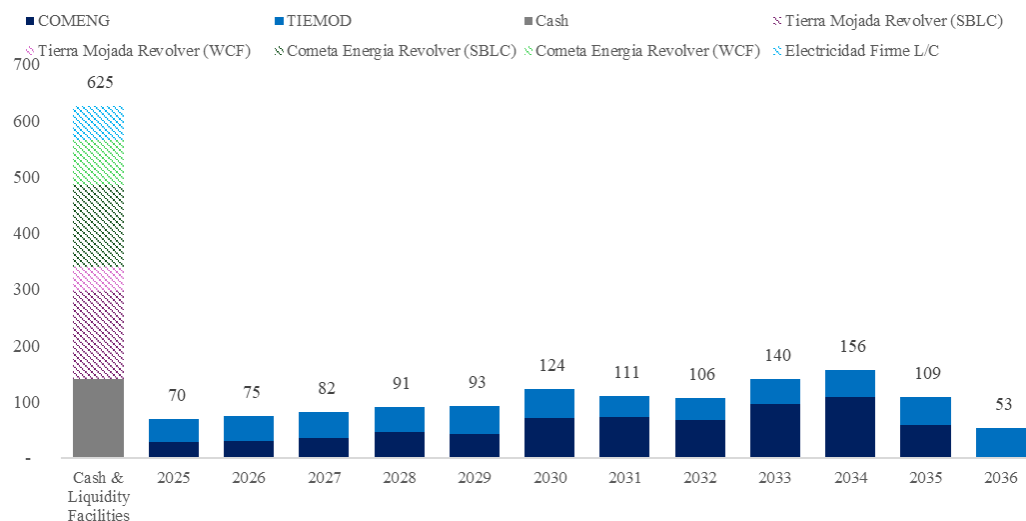
1. Based on permit capacity as of the date of this offering memorandum.
2. La Rosita II Energy accounts for energy hedging arrangements that provide certainty of volume and price and that were previously considered uncontracted; blended average of hedged levels on- and off-peak.
3. La Rosita II open capacity can be contracted on a forward basis of three years or more.
4. NP Energía La Lucha is party to a long-term PPA with SE with COD on July 1, 2024.

We have access to a strong liquidity pool.

Saavi Energía has access to a strong liquidity pool of US\$225 million available to Cometa Energía (of which up to US\$80 million can be used to general corporate purposes and up to 100% to issue stand-by letters of credit), and US\$200 million available to CCTM (of which US\$42.3 million can be used for working capital and up to 100% to issue stand-by letters of credit), in each case, in the form of revolving credit facilities maturing in February 2029 and September 2029, respectively, which serve as a backstop in short-term liquidity events. As of the year ended December 31, 2023, the nine months period ended September 30, 2024, and as of the date of this Offering Memorandum, there was no outstanding balance under such credit facilities.

Furthermore, Cometa Energía and Tierra Mojada each have a fully funded six-month debt service reserve account in respect of the Cometa Notes and the Tierra Mojada Notes, respectively. Electricidad Firme de México Holdings, S.A. de C.V. has US\$60 million committed and undrawn under Electricidad Firme L/C Facility which can be used to cover the six-month debt service reserve account of the Cometa Notes.

The chart below illustrates the amortization profile of Saavi Energía (on a consolidated basis) adjusted to reflect the Notes offered hereby and the use of proceeds of this offering except for the Tender Offers (as defined below).



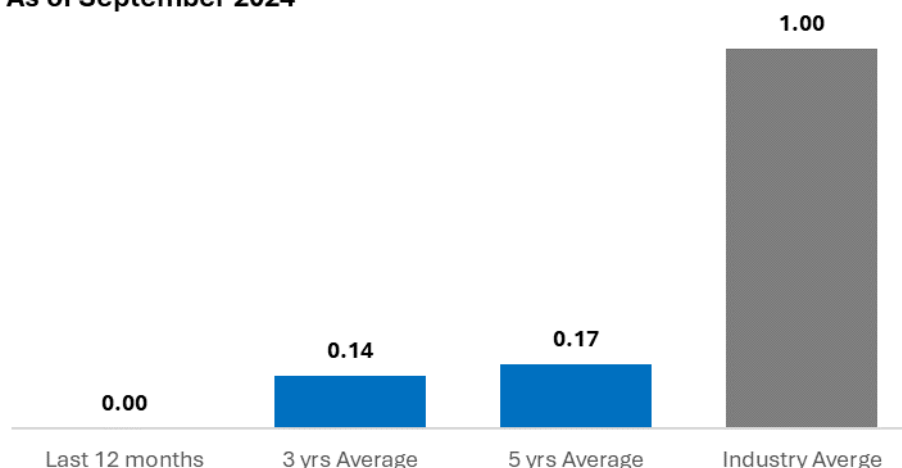
Note: Cometa Energía Revolver (SBLC) and CCTM Revolver (SBLC) reflect only amounts in excess of the sub-limits for each corresponding working capital facility (WCF).

We count with a best-in-class asset fleet with superior operating and safety track-record.

Saavi Energía's world-class operations and efficient portfolio of assets have enabled plant operating performance with superior health, safety and environmental management track record. For the nine months period ended September 30, 2024, our portfolio of assets had an average net heat rate of 7,059 Btu/kWh, as compared to the 2023 SIN average on-peak market heat rate of 28,900 Btu/kWh (calculated using the Platts publications for HSC and energy values published by CENACE between 18:00 and 23:00), creating a significant competitive advantage and positioning us across Mexico's power industry while minimizing dispatch risks. We expect this will allow us to recontract at attractive levels.

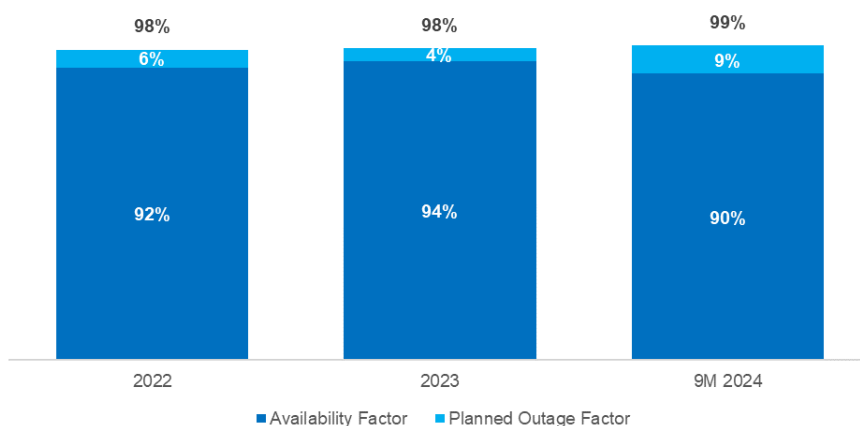
The following chart sets forth Saavi Energía's key efficiency and safety metrics for the periods presented:

Lost Time Incident Frequency
As of September 2024



Reliability, Equivalent Availability and Planned Outage Factors

Strong reliability and equivalent availability track record across the portfolio



In 2024, we successfully completed planned major maintenance to all of our power plants, with the exception of Tierra Mojada.

Availability, Planned Outage Factor, Unplanned Outage Factor and Equivalent Availability

	Equivalent Availability (%)			Availability (%)			Planned Outage Factor (%)			Unplanned Outage Factor (%)		
	2022	2023	9M Sept '24	2022	2023	9M Sept '24	2022	2023	9M Sept '24	2022	2023	9M Sept '24
Bajío	98%	98%	99%	92%	97%	98%	6%	1%	1%	2%	2%	1%
Chihuahua	97%	98%	98%	97%	98%	86%	1%	0%	12%	3%	2%	2%
La Rosita 1	98%	97%	99%	96%	89%	85%	2%	8%	15%	2%	3%	1%
La Rosita 2	99%	97%	97%	83%	92%	90%	16%	5%	7%	1%	3%	3%
SLP	99%	99%	100%	97%	97%	83%	2%	2%	17%	1%	1%	0%
Tierra Mojada	94%	99%	99%	86%	90%	98%	8%	9%	1%	6%	1%	1%
Fleet Total	98%	98%	99%	92%	94%	90%	6%	4%	9%	2%	2%	1%

Our diversified asset portfolio, with proven technology from leading original equipment manufacturers (“OEMs”), reached an average equivalent availability of 98% in 2023. This robust operating performance is supported by a superior safety track-record, significantly better than industry average. Three Lost Time Incidents were recorded over the last two years and zero for the nine months period ended September 30, 2024, consistently outperforming the industry average of 2.7.

In addition, we have secured favorable well-structured fuel supply contracts and LTSAs across its assets, which enable us to generate important operational synergies and efficiencies across our power generation plants and natural gas compression facilities. As an example, the SLP/Bajío power generation complex has benefitted from (i) a joint management team, (ii) sourcing water for SLP from the Bajío treatment plant; and (iii) coordinated negotiation of LTSAs and natural gas supply.

Our assets are strategically located, and we are optimally situated, to capitalize on market growth through an active commercialization strategy.

Mexico is Latin America’s second largest electricity market. CAISO’s shift towards renewables made California especially reliant on natural gas to meet its base-load electricity needs. Among the seven ISOs in the United States, CAISO has been a leader in integrating both renewables and storage into its grid and has the largest

queue in both absolute numbers and relative to current installed capacity, consolidating its leading position in both categories throughout the United States.

Saavi Energía is well positioned to benefit from commercial opportunities arising as a consequence of growing demand for energy and Mexico's market structure. We are planning to build an important development, construction and operational track record in the Mexican market, a large-scale and geographically diversified footprint, and an experienced management team that provide us a strong position to capitalize on market opportunities through:

- *Growth:* Ability to access multiple growth avenues by leveraging our existing footprint, including through synergistic expansion of our existing assets, greenfield development and pursuing selective mergers and acquisitions opportunities.
- *Commercial strategy:* As both a generation permit holder and a qualified supplier, Saavi Energía is strategically positioned to serve all customer market segments. We expect C&I users in Mexico to continue to look for long-term contracts to hedge against rising prices, creating an opportunity to enter into a combination of both short and long-term contracts that provide us with consistent and predictable cash flows. Recent examples of the implementation of this strategy include our extension of the Linde PPA until 2036, which provides increased cash flow stability and higher reliability and predictability of costs, extending the contracted life of our thermal fleet while also providing clean energy. Since acquiring Tierra Mojada, our commercial team has contracted 137.5 MW of Qualified Supplier Contracts, and additional 201 MW of new contracts for different products, including hedging contracts, capacity and energy, with expiration dates between 2024 and 2027.

We have an experienced management team backed by a world-class sponsor.

Saavi Energía is a pioneer in the natural gas-fired power generation sector in Mexico and we have a highly experienced management team with an average relevant experience of 25 years. Following are certain of our management team's key attributes:

- Important development, construction and operational value-driving track record.
- Balanced combination of top international training and deep Mexican roots that provide for a deep understanding of Mexican market dynamics and key players while maintaining a best-in-class global approach. We believe this background of our management teams provides the following advantages:
 - Ability to leverage the knowledge of the pre-reform Mexican market to seize new post-reform market opportunities.
 - Strong relationships with regulatory bodies and government agencies.
 - Long-standing history of positive labor union relationships.

Saavi Energía's corporate team is mainly based in Mexico City and covers finance (accounting, tax, risk, business performance and treasury), operations (engineering, operations, information technology, health and safety, commercial and trading), business development, legal and human resources.

Our Direct Shareholder is owned by GIP, one of the largest global independent infrastructure managers (see "Principal Shareholders"). GIP aims to deliver value to its investors by combining deep industry and operating expertise. GIP currently has approximately US\$170 billion in assets under management and equity interests in 38 companies that generate approximately US\$68.5 billion of revenue and employ over 100,000 people worldwide (portfolio companies headcount). GIP's key features include:

- Robust team composed of more than 350 professionals, including a highly experienced operations team with an average of 13 years of professional experience at academy-caliber companies and 18 senior advisors across 10 offices.
- Well-rounded senior management team, with demonstrated regional, sectorial and operational expertise, and a proven successful track record across GIP's portfolio.
- Constructive working relationships with other energy sector players, including potential clients, suppliers and partners, enhancing Saavi Energía's commercial reach.
- Robust environmental, social and governance management systems, supported by a team of highly experienced professionals, dedicated to holding GIP's assets to high standards through collaborative work with portfolio companies.

Business Strategy

Following are our main business strategies:

Continuing to pursue a short and long-term contracting strategy that provides a high degree of visibility on cash flow profile.

We will continue to pursue a short and long-term contracting strategy to expand our C&I customer base (private players), by capitalizing on Saavi Energía's first-mover advantage and unrivaled portfolio of diverse clients, continuing to gain market share and diversifying Saavi Energía's revenue sources.

We have been positioning ourselves as the lead provider of integrated energy solutions in Mexico through excellent quality, reliability and contractual flexibility by leveraging Saavi Energía's existing customer base and its latest growth platform, Saavi Energía S. de R.L. de C.V. ("SE") and Ektria, to focus on C&I customers.

We have grown our asset portfolio through acquisitions that improved upon geographic and technology diversification, allowing us to provide contractual flexibility with firm capacity and renewable generation, as well as flexibility for emergency generation in different locations.

We will continue to make the necessary major maintenance and life extension investments in our existing portfolio of assets to optimize performance and reliability of the fleet.

Since the acquisition of Tierra Mojada in 2022, our management has replicated in Tierra Mojada our broader commercialization strategy focused on expanding our C&I customer base. We integrated Tierra Mojada into our standard of operational excellence by successfully completing an approximately 60-day major maintenance shortly after the acquisition.

Capitalize on first-mover advantage to expand our PPA base, continue to gain market share and diversify Saavi Energía's sales portfolio, while maintaining low merchant market exposure.

We will continue to focus on high-quality contracting and on seeking opportunities to optimize Saavi Energía's current customer base by focusing on the following strategies:

- continue to structure our contracts in strict alignment with our risk-management policies while providing as much flexibility as possible to our customers, in line with the changing environment;
- anticipate market and regulatory trends for early identification of market segments and product structures; and
- widen our alliances to include qualified suppliers, generators and other wholesale market participants to diversify our PPA portfolio and counterparty risk.

Continue to grow our generation capacity through targeted and opportunistic expansions, capitalizing on the existing legal framework.

Mexico's most relevant and recent energy reforms were made in December 2013 and August 2014 through the amendment of the Mexican Constitution (*Constitución Política de los Estados Unidos Mexicanos*) and the enactment of various implementing laws and regulations, particularly the Electricity Industry Law (*Ley de la Industria Eléctrica*, or "LIE"). Pursuant to the Mexican Constitution and the LIE, power generation and commercialization can be performed in a competitive environment with open and non-discriminatory access to the SEN. These conditions provide opportunities for growth in Saavi Energía's power generation capacity.

On December 1, 2024, new changes to the Mexican Constitution became effective. Implementing legislation is expected to be issued within the first four months of 2025 which may include changes to the applicable legal framework to reflect the terms of the "2024-2030 National Strategy for the Electricity Sector" presented by the administration of President Claudia Sheinbaum in November 2024 (the "2024-2030 Sector Strategy"). While the recent constitutional amendments to secondary laws and regulations, which are expected to be issued within the first four months of 2025. While these recent amendments do not change the ability of private investment to participate in power generation and commercialization activities, which support our business strategy, these changes incorporated a concept that will not allow private participation to have preeminence (*prevalencia*) over CFE in those activities. While the concept and extent of the preeminence condition was not explained in the constitutional changes, the federal government of Mexico has publicly acknowledged the need for new power generation capacity to be able to meet the country's demand expectations, including those required for the current "nearshoring" opportunity, which should allow us to capitalize through the development or acquisition of brownfield and/or greenfield projects. We are committed to closely monitor these changes to assess and pursue the potential opportunities for continued growth within the new legal framework once it becomes effective. See "Industry Overview and Competition—Overview," "Risk Factors—Risks Relating to Our Business and Industry— We cannot predict the effects on our business of future changes to the legal framework for regulation of the energy sector in Mexico" and "Management's Discussion and Analysis of Financial Condition and Results of Operations—Trends and Factors Affecting Our Results of Operations—Recent Regulatory Changes."

Saavi Energía's growth strategy will be implemented through three target areas:

- investing in existing brownfield projects and new greenfield projects and expanding Saavi Energía's generation capacity through the selective acquisition of new businesses;
- leveraging Saavi Energía's existing customer relationships and expanding Saavi Energía's existing platforms through effective fleet upgrades or on-site projects at key customer locations; and
- participating in long and mid-term capacity auctions if applicable to expand Saavi Energía's market share and optimize into long-term contracted cash flows.

In addition, we intend to explore partnerships or joint ventures in strategic projects and to expand Saavi Energía's customer base by investing in a combination of diversified energy assets in Mexico that are capable of generating stable and predictable long-term cash flows.

Focus on energy transition, renewable enabling and renewable generation assets.

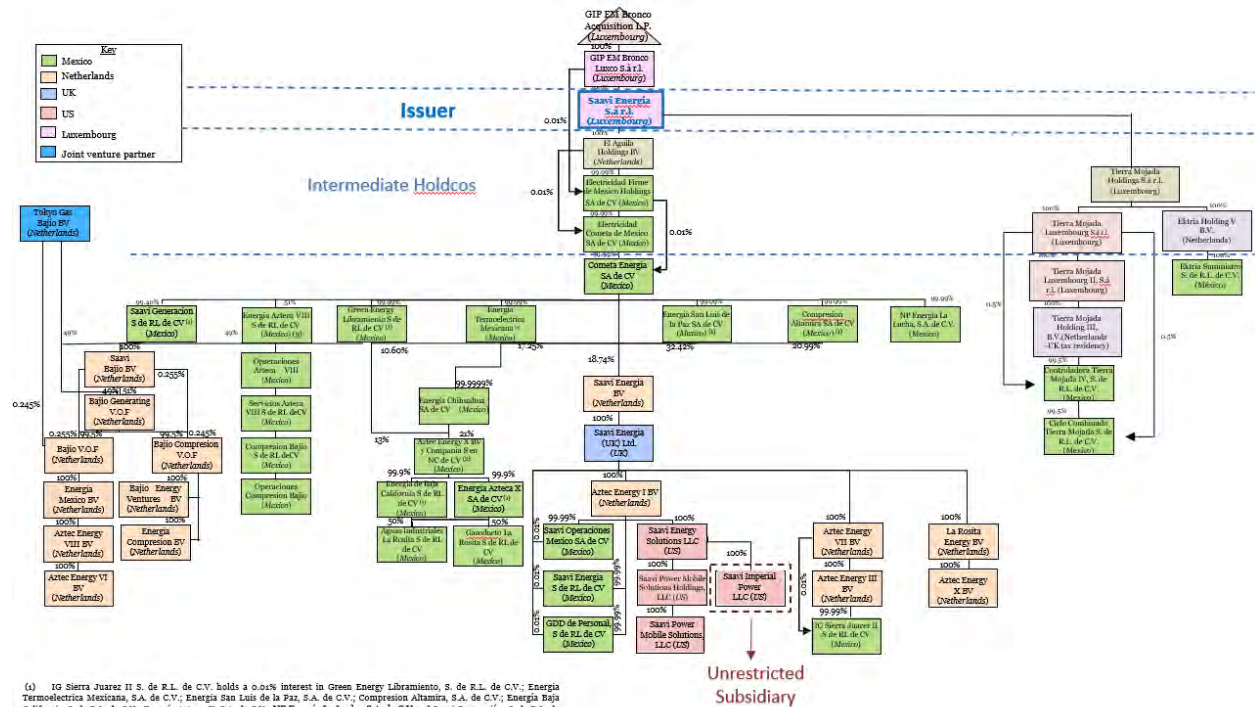
We focus on developing, owning and operating assets that support and enable the increasing penetration of renewable energy sources in the Mexican power market. Our recent acquisition of La Lucha, a solar PV Facility, is aligned with our objective of increasing Saavi Energía's footprint in clean energy generation. Expansion into solar and other sources of renewable energy will allow us to diversify our sources of revenue generation. This diversification mitigates operational volatility and reduces concentration risk.

Position our asset portfolio for Mexico's current and midterm energy needs.

Mexico's electricity market has shown a consistent increase in demand that has not been met with proportional additional increases in installed capacity, leading to tight reserve margins, which have increased energy and capacity prices. We have focused our growth and commercial strategies to both be in a position to take advantage of current market dynamics through short-term contracts, and also to help the market maintain its reliability with our above-industry availability track record, providing firm capacity with our thermal plants.

Corporate Structure

The following chart sets forth our corporate structure as of the date of this Offering Memorandum:



Information about the Issuer

The Issuer's principal executive offices are located at 18, Rue Charles Darwin, L-1433 Luxembourg, Grand Duchy of Luxembourg, and our investor relations e-mail contact is investor.relations@saavienergia.com.

Recent Developments

Distributions Made by Cometa Energía and Tierra Mojada

In the fourth quarter of 2024, Cometa Energía and Tierra Mojada made distributions for a total of US\$42.5 million (US\$36.0 million and US\$6.5 million, respectively). In addition, as of December 31, 2024, CCTM had US\$17.8 million in cash generated in 2024 held in a lock-up account for distribution, which we expect to occur in the first half of 2025. While Cometa Energía and Tierra Mojada do not have an explicit distribution policy, Cometa Energía and Tierra Mojada will cause any excess cash available (not reserved for capital expenditures, major maintenance or immediate working capital needs) to be distributed by Cometa Energía and Tierra Mojada to the Issuer, to the extent permitted under the Cometa Energía's and Tierra Mojada's financings.

New Tierra Mojada Capacity Permit

On January 14, 2025, the CRE published a resolution to modify Tierra Mojada's generation permit from a capacity of 875 MW to a capacity of 970 MW.

Concurrent Tender Offers

Concurrently with, and conditioned on, the offering of the Notes offered hereby, (i) Cometa Energía is offering to purchase for cash up to US\$100.0 million in principal amount of the outstanding Cometa Notes, pursuant to the terms of, and subject to the conditions set forth under, an offer to purchase, dated January 17, 2025 (the "Offer to Purchase"), and related documents (collectively, the "Cometa Tender Offer Documents" and such offer, the "Cometa Tender Offer"); and (ii) Tierra Mojada Luxembourg II, S.à r. l. (formerly FEL Energy VI S.à r.l.) is offering to purchase for cash up to US\$115.0 million in principal amount of the outstanding Tierra Mojada Notes, pursuant to the terms of, and subject to the conditions set forth under, the Offer to Purchase, and related documents (collectively, the "Tierra Mojada Tender Offer Documents" and such offer, the "Tierra Mojada Tender Offer").

In this Offering Memorandum, we refer to the Cometa Tender Offer Documents and the Tierra Mojada Tender Offer Documents collectively as the "Tender Offer Documents" and the Cometa Tender Offer and the Tierra Mojada Tender Offer collectively as the "Tender Offers."

The Tender Offers are set to expire on February 18, 2025. The Tender Offers are conditioned on, among other things, the successful completion of the offering of the Notes offered hereby and receipt of sufficient proceeds hereunder necessary to pay the corresponding purchase price of, and accrued interest on, the Cometa Notes and the Tierra Mojada Notes validly tendered and accepted for purchase in the Tender Offers. Cometa Energía may waive such and any other condition set forth in the Cometa Tender Offer in its sole discretion and Tierra Mojada Luxembourg II, S.à r. l. may waive such and any other condition set forth in the Tierra Mojada Tender Offer in its sole discretion.

The consummation of this offering of Notes is not conditioned upon the completion of the Tender Offers. We cannot assure you that the Tender Offers will be consummated on the terms described in this Offering Memorandum, or at all. The foregoing description and any other information regarding the Tender Offers is included in this Offering Memorandum solely for informational purposes and does not purport to be complete. See "Use of Proceeds" and "Capitalization." This Offering Memorandum is not an offer to purchase or a solicitation of an offer to sell the Cometa Notes or the Tierra Mojada Notes and does not constitute a notice of redemption of the Cometa Notes or the Tierra Mojada Notes.

Certain of the Initial Purchasers will be acting as dealer managers pursuant to the Tender Offers. For more information, see "Plan of Distribution—Other Relationships."

Possible Call for Redemption of the Electricidad Firme Notes

Although not obligated to do so, Electricidad Firme currently intends to call for redemption all of the outstanding Electricidad Firme Notes and we intend to use a portion of the net proceeds of this offering to finance such redemption. See "Use of Proceeds."

This Offering Memorandum is not an offer to purchase or a solicitation of an offer to sell the Electricidad Firme Notes and does not constitute a notice of redemption of the Electricidad Firme Notes.

THE OFFERING

The following summary contains basic information about the Notes and is not intended to be complete. It does not contain all of the information that is important to you. For a more complete understanding of the Notes, see “Description of the Notes.”

Issuer	Saavi Energia S.à r.l.
Direct Shareholder.....	GIP EM Bronco Luxco S.à r.l.
Notes Offered	US\$1,100,000,000 in aggregate principal amount of 8.875% Senior Notes due 2035.
Maturity Date	February 10, 2035.
Interest.....	The Notes will bear interest at 8.875% <i>per annum</i> from February 10, 2025 or from the immediately preceding interest payment date to which interest has been paid, payable semi-annually in arrears on the 10 th day of each February and the 10 th day of each August, commencing on August 10, 2025 (each, a “Scheduled Payment Date”) to the holders of record of the Notes at the close of business on January 26 or July 26, respectively, immediately preceding the corresponding interest payment date (each, a “Regular Record Date”). Interest on the Notes will be computed on the basis of a 360-day year of twelve 30-day months.
Issue Price.....	99.187% <i>plus</i> accrued interest, if any, from February 10, 2025.
Ranking	The Notes will be the general, unsecured, senior obligations of the Issuer and will rank equally in right of payment with all existing and future senior indebtedness of the Issuer. The Notes will be effectively subordinated to all future secured indebtedness of the Issuer, to the extent of the value of the collateral securing such secured indebtedness. The Notes will be structurally subordinated to all existing and future indebtedness, claims of holders of preferred stock and other liabilities of subsidiaries of the Issuer, and will rank contractually senior in right of payment to all future subordinated indebtedness of the Issuer. Initially, the Notes will not be guaranteed by any person or entity. As of September 30, 2024, we had total debt of US\$2,255.0 million, all of which was secured debt of the Issuer’s subsidiaries. See “Risk Factors—Risks Relating to the Notes and Our Corporate and Financing Structure—Payments on the Notes will be junior to any secured debt of the Issuer and effectively junior to the debt obligations of our subsidiaries, including Cometa Energía and Tierra Mojada.”
Optional Redemption.....	Before February 10, 2030, we may also redeem the Notes, in whole or in part, at a redemption price based on a “make-whole” premium. See “Description of the Notes—Optional Redemption with Make-Whole Premium.” On or after February 10, 2030, we may redeem the Notes, in whole or in part, at the redemption prices set forth in “Description of the Notes—Optional Redemption without Make-Whole Premium.” In addition, on or prior to February 10, 2028, we may redeem up to 40% of the original principal amount of the Notes with the net proceeds from certain

equity offerings by us, at a price of 108.875% of the aggregate principal amount thereof. See “Description of the Notes—Optional Redemption without Make-Whole Premium.”

Change of Control Repurchase Event Offer If the Issuer undergoes a Change of Control Repurchase Event, the Issuer will be required to offer to purchase all of the Notes then outstanding, and pay to the holders of Notes that have been tendered in (but not withdrawn from) such offer a purchase price equal to 101% of the portion of the outstanding principal balance represented by such Notes *plus* all accrued and unpaid interest (if any) thereon to but excluding the purchase date *plus* additional amounts, if any, payable in respect of such Notes. See “Description of the Notes—Repurchase Upon Change of Control Downgrade Event.”

Additional Amounts; Tax Redemption Any payments made by or on behalf of the Issuer in respect of the Notes will be made without withholding or deduction for taxes in any Relevant Jurisdiction (as defined in “Description of the Notes—Additional Amounts”) unless required by law. Subject to certain exceptions and limitations, if the Issuer or any paying agent is required to deduct or withhold any such taxes with respect to a payment on any Note, the Issuer will pay to the holder of such Note such Additional Amounts (as defined in “Description of the Notes—Additional Amounts”) as may be necessary so that the net amount received by such holder will not be less than the amount such holder would have received if such taxes had not been withheld or deducted.

If certain changes in the law of any Relevant Jurisdiction would increase the Additional Amounts the Issuer is required to pay under the Notes, the Issuer may redeem the Notes in whole, but not in part, at any time, at a redemption price of 100% of the principal amount thereof, *plus* accrued and unpaid interest thereon, to, but excluding, the date of redemption and any Additional Amounts payable with respect thereto. See “Description of the Notes—Optional Redemption upon Tax Event.”

Certain Affirmative Covenants..... The Issuer will agree under the Indenture to, and will cause the Restricted Subsidiaries to comply with, certain affirmative covenants, including requirements to, among other things:

- (i) payment of the Notes;
- (ii) maintenance of office or agency;
- (iii) payment of obligations;
- (iv) financial reports; and
- (v) reports to trustee.

All of these covenants are subject to a number of significant qualifications and exceptions. See “Description of the Notes—Affirmative Covenants of the Company and the Restricted Subsidiaries.”

Certain Negative Covenants The Issuer will agree under the Indenture to, and will cause any Restricted Subsidiaries to comply with, certain negative covenants, which will significantly limit its ability to, among other things:

- (i) incur any Indebtedness, with the exception of Permitted Indebtedness;
- (ii) make any Restricted Payments;

- (iii) create, incur, assume or otherwise suffer to exist any Liens, with the exception of Permitted Liens;
- (iv) restrict the ability of Restricted Subsidiaries to make distributions;
- (v) merge or consolidate into any other person, liquidate or dissolve;
- (vi) consummate Asset Sales; and
- (vii) engage in certain transactions with any affiliate of the Issuer.

All of these covenants are subject to a number of significant qualifications and exceptions. See “Description of the Notes—Negative Covenants of the Company and the Restricted Subsidiaries.”

Events of Default.....	For a discussion of certain events of default that will permit acceleration of the principal of the Notes <i>plus</i> accrued interest, and any other amounts due with respect to the Notes, see “Description of the Notes—Events of Default.”
Book-Entry System; Delivery and Form and Denomination of the Notes	The Notes will be issued only in fully registered form, without coupons, in the form of beneficial interests in respect of one or more global securities in minimum denominations of US\$200,000 and integral multiples of US\$1,000 thereof. Beneficial interests in respect of the global securities will be shown on, and transfers thereof will be effected only through, the book-entry records maintained by DTC and its participants, including Euroclear and Clearstream. The Notes will not be issued in definitive form except under certain limited circumstances. See “Book-Entry; Settlement and Clearance.”
Use of Proceeds	The Issuer intends to use the proceeds from the issuance of the Notes to (i) finance the purchase of the Cometa Notes tendered pursuant to the Cometa Tender Offer; (ii) finance the purchase of the Tierra Mojada Notes tendered pursuant to the Tierra Mojada Tender Offer; (iii) finance the redemption in full of the Electricidad Firme Notes, together with all accrued and unpaid interest and any other amounts due and payable thereunder; (iv) repay and cancel the La Lucha Acquisition Financing; (v) repay and cancel the Tierra Mojada Acquisition Financing; (vi) repay and cancel the SPMS Financing; (vii) make distributions to the Direct Shareholder; and (viii) the remainder, if any, to pay interest, breakage costs, premia, fees, costs and other expenses related to the above and for general corporate purposes.
Concurrent Tender Offers.....	Concurrently with, and subject to, the offering of the Notes offered hereby, (i) Cometa Energía is offering to purchase for cash up to US\$100.0 million in principal amount of the outstanding Cometa Notes, pursuant to the Cometa Tender Offer; and (ii) Tierra Mojada Luxembourg II, S.à r. l. is offering to purchase for cash up to US\$115.0 million in principal amount of the outstanding Tierra Mojada Notes, pursuant to the Tierra Mojada Tender Offer. The Tender Offers are set to expire on February 18, 2025.
Governing Law	The Notes and the Indenture will be governed by, and construed in accordance with, the laws of the State of New York.
Listing.....	Application will be made for the listing and quotation of the Notes on the Official List of the SGX-ST. There is no guarantee that such application to the SGX-ST will be approved. The Notes will be traded on the SGX-ST in a

minimum board lot size of US\$200,000 for so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require.

Trustee, Registrar, Paying Agent
and Transfer Agent.....

The Bank of New York Mellon.

Risk Factors.....

Investing in the Notes involves substantial risks and uncertainties. See “Risk Factors” and other information included in this Offering Memorandum for a discussion of factors you should carefully consider before deciding to invest in the Notes.

SUMMARY FINANCIAL AND OTHER DATA

The following tables present the summary consolidated financial information and other information for the Issuer as of and for the years ended December 31, 2023 and 2022, which have been extracted from the Audited Financial Statements included elsewhere in this offering memorandum, unless otherwise indicated. The Audited Financial Statements were prepared in accordance with IFRS and have been audited by PricewaterhouseCoopers, Société coopérative.

In addition, the following tables also present the summary unaudited condensed consolidated interim financial information and other financial information of the Issuer as of and for the nine months periods ended September 30, 2024 and 2023, which have been extracted from the Unaudited Interim Financial Statements included elsewhere in this offering memorandum, unless otherwise indicated. The Unaudited Interim Financial Statements have been prepared in accordance with IAS 34, the standard of IFRS applicable to interim financial statements.

You should read the following tables in conjunction with “Presentation of Financial and Other Information,” “Use of Proceeds,” “Capitalization,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the Consolidated Financial Statements included elsewhere in this Offering Memorandum. The results of operations for the periods included in the following tables are not necessarily indicative of the results to be expected for future periods. The results of operations for the nine months period ended September 30, 2024 are not necessarily indicative of the results to be expected for the year ended December 31, 2024. In addition, see “Risk Factors” for a discussion of risk factors that could impact the Issuer’s future financial condition and results of operations.

The unaudited condensed consolidated interim financial statements as at September 30, 2024 and for the nine months periods ended September 30, 2024 and 2023 have not been audited, reviewed or subjected to any other procedures by the independent auditors of the Issuer. There can be no assurance that if such financial statements had been audited or reviewed that there would be no change in the financial statements and that such changes would not be material or that such financial information has been prepared and presented on a basis consistent with the accounting policies normally adopted by the Issuer and applied in preparing the consolidated financial statements as at and for the years ended December 31, 2023 and 2022. Consequently, such statements may not provide the same quality of information associated with financial information that has been subject to an audit or a full review. Further, and for the foregoing reasons, such unaudited and unreviewed financial information may not be meaningful and are not a reliable indication of the future financial performance of the Issuer. Potential investors must therefore exercise caution when using such data to evaluate the Issuer’s financial condition, results of operations and results. As of the date of this Offering Memorandum, the consolidated financial statements as at and for the years ended December 31, 2023 and 2022, are the latest available audited financial statements of the Issuer.

Consolidated Statements of Financial Position

<u>Assets</u>	As of		
	September 30, 2024	December 31, 2023	December 31, 2022
CURRENT ASSETS:		(US\$ in millions)	
Cash and cash equivalents	140.6	105.1	94.9
Accounts receivable.....	175.7	139.0	67.1
Contract assets.....	79.5	90.1	136.4
Accounts receivable from related parties.....	11.9	8.4	8.4
Inventories.....	0.2	0.1	10.9
Prepayments and other current assets	49.1	57.8	49.0
Derivative financial instruments	1.7	4.0	-
	458.7	404.6	366.8
Subsidiary asset classified as held for sale.....	-	65.9	-
Total current assets	458.7	470.4	366.8
NON-CURRENT ASSETS:			
Property, plant and equipment, net	1,943.8	1,823.5	1,861.0
Investments accounted for using the equity method	160.7	159.5	147.7
Intangible assets, net.....	527.0	552.5	601.0
Goodwill.....	335.2	326.9	326.9
Deferred tax assets.....	0.9	0.9	0.6
Notes receivable from related parties.....	170.4	166.1	158.0

<u>Assets</u>	As of		
	September 30, 2024	December 31, 2023	December 31, 2022
Derivative financial instruments	1.9	0.4	-
Other non-current assets	2.9	3.6	3.9
Total non-current assets	3,142.9	3,033.4	3,099.3
Total assets	3,601.5	3,503.9	3,466.0
 <u>Liabilities and Equity</u>			
CURRENT LIABILITIES:			
Accounts payable and accrued expenses	189.7	221.0	211.4
Accounts payable to related parties	9.0	14.0	7.9
Derivative financial instruments	1.1	3.5	-
Current portion of long-term debt	121.3	82.6	92.9
Current portion of other long-term liabilities	38.0	6.8	6.2
	359.1	327.8	318.5
Subsidiary liabilities directly associated with assets classified as held for sale	-	43.5	-
Total current liabilities	359.1	371.3	318.5
NON-CURRENT LIABILITIES:			
Long-term debt	2,139.2	1,991.6	2,047.0
Deferred income tax liabilities	455.7	452.8	444.6
Deferred rent	9.3	9.6	42.4
Derivative financial instruments	1.6	0.2	-
Other long-term liabilities	16.5	13.7	15.4
Liabilities associated to an asset retirement obligation	3.2	-	-
Pension and other post-retirement obligations	29.2	26.2	23.9
Total non-current liabilities	2,654.6	2,494.0	2,573.2
Total liabilities	3,013.7	2,865.3	2,891.7
EQUITY			
Share capital and premium	124.2	192.1	213.0
Accumulated income	49.5	22.8	5.9
Other comprehensive income	414.2	423.7	355.4
Total equity	587.9	638.6	574.3
Total liabilities and equity	3,601.5	3,503.9	3,466.0

Consolidated Statements of Income and Comprehensive Income

	For the nine months period ended		For the year ended	
	September 30, 2024	September 30, 2023	December 31, 2023	December 31, 2022
(US\$ in millions)				
Revenues	1,137.5	1,161.9	1,588.5	1,102.1
Cost of sales and services	(882.2)	(976.4)	(1,303.1)	(928.2)
Gross profit	255.3	185.5	285.4	173.9
General and administrative expenses	(74.7)	(72.7)	(100.3)	(57.8)
Other income	0.1	-	0.8	-
(Profit) Loss on subsidiary net assets classified as held for sale before income tax	(18.3)	-	(24.3)	-
Share of net profit of joint ventures accounted for using the equity method	9.6	5.5	11.7	7.6
Operating profit	172.0	118.3	173.3	123.8
Financing income	9.3	8.5	12.8	8.2
Financing cost	(117.8)	(108.2)	(148.5)	(86.7)
Financing cost, net	(108.5)	(99.7)	(135.7)	(78.4)
Income before income tax	63.5	18.6	37.6	45.3
Income tax expense	(46.5)	(13.0)	(31.7)	(31.7)
Net income	17.1	5.6	5.9	13.6
Comprehensive income:				
<i>Items that will not be reclassified to income</i>				
Remeasurement of pension and other post-retirement obligations	-	-	(2.4)	1.9

	For the nine months period ended		For the year ended	
	September 30, 2024	September 30, 2023	December 31, 2023	December 31, 2022
	(US\$ in millions)			
Deferred tax	-	-	0.7	(0.6)
Remeasurement of pension and other post-retirement obligations, net of tax	-	-	(1.7)	1.3
<i>Items that may be reclassified to income:</i>	-	-	-	-
Interest rate swap in joint ventures	0.1	0.1	0.1	0.1
Deferred tax	(0.0)	(0.0)	(0.0)	(0.0)
Interest rate swap in joint ventures, net of tax	0.1	0.1	0.1	0.1
Revaluation of power and compression plants	-	-	115.5	278.2
Deferred tax	-	-	(34.6)	(83.5)
Revaluation of power and compression plants net of tax	-	-	80.8	194.7
Comprehensive income	17.1	5.6	85.2	209.7

Consolidated Statements of Cash Flows

	For the nine months period ended,		For the year ended,	
	September 30, 2024	September 30, 2023	December 31, 2023	December 31, 2022
	(US\$ in millions)			
Cash flows from operating activities				
Income before income tax	63.5	18.6	37.6	45.3
<i>Adjustments for investing activities related items:</i>				
Depreciation and amortization	102.6	101.8	140.1	72.5
Fixed assets disposal	-	-	3.3	-
Share of net profit of joint ventures accounted for using the equity method	(9.6)	(5.5)	(11.7)	(7.6)
Loss on subsidiary net assets classified as held for sale before income tax	18.3	-	24.3	-
Interest income	(6.4)	(6.1)	(8.0)	(6.9)
<i>Adjustments for financing activities related items:</i>				
Interest expense of long-term debt net of deferred financing cost	104.5	102.0	136.8	83.9
Interest expense on leases	0.0	0.0	0.1	0.1
Foreign exchange adjustments	0.0	0.0	0.0	0.0
	273.0	210.8	322.5	187.2
<i>Change in assets and liabilities resulting from operating activities:</i>				
Accounts receivable	32.2	(58.0)	(10.7)	(34.5)
Accounts receivable from unconsolidated affiliates	(1.5)	(1.0)	0.1	(2.4)
Inventories	(0.1)	2.8	0.4	(0.6)
Prepayment and other current assets	(9.9)	(1.5)	(9.5)	(16.3)
Other non-current assets	0.8	(0.1)	0.1	0.2
Accounts payable and accrued expenses	(10.7)	23.1	(17.6)	36.0
Accounts payable to unconsolidated affiliates	(5.0)	10.7	6.1	5.3
Deferred rent	(0.3)	(4.5)	(6.0)	(3.0)
Other liabilities	(0.8)	(0.4)	(0.8)	(2.3)
Pension and other post-retirement obligations	3.0	2.8	7.6	4.6
Total changes in assets and liabilities resulting from operating activities	7.6	(26.2)	(30.3)	(12.9)
Net exchange differences	5.1	(5.2)	(0.5)	(1.8)
Income tax paid	(91.3)	(39.6)	(53.1)	(30.1)
Net cash provided by operating activities	194.5	139.7	238.7	142.4
Cash flows from investing activities				
Payments for property, plant and equipment	(32.7)	(7.4)	(7.5)	(85.1)
Consideration paid for a business combination, net of cash acquired	(150.3)	-	-	(250.8)
Proceeds from the sale of investment held for sale net of cash	13.1	-	-	-
Investment held for sale in subsidiary classified as asset held for sale	(9.1)	-	(0.3)	-
Dividends from joint ventures	8.4	-	-	2.7
Notes receivable from related parties	-	(2.0)	(2.0)	(58.8)
Payments from loan to related parties	-	2.0	2.0	-

	For the nine months period ended,		For the year ended,	
	September 30, 2024	September 30, 2023	December 31, 2023	December 31, 2022
	(US\$ in millions)			
Interest received	-	0.0	0.0	-
Net cash (used in) investing activities	(170.5)	(7.4)	(7.8)	(392.0)
Cash flows from financing activities				
Proceeds from long-term debt	200.0	-	-	210.0
Repayment of long-term debt	(44.7)	(40.5)	(69.7)	(60.5)
Proceeds from working capital facility	12.0	16.5	21.5	15.0
Repayment of working capital facility	(12.0)	(16.5)	(21.5)	(15.0)
Payment of deferred financing cost	(7.0)	-	-	(1.4)
Principal elements of lease payments	0.0	0.0	(1.0)	(0.5)
Interest paid	(63.7)	(65.3)	(129.7)	(95.5)
Capital stock contribution	-	-	0.1	212.7
Capital stock distribution	(67.9)	(21.0)	(21.0)	-
Net cash provided by (used in) financing activities	16.6	(126.7)	(221.2)	264.8
Net increase in cash and cash equivalents	40.6	5.6	9.7	15.2
Effect of exchange rate changes on cash and cash equivalents	(5.1)	5.2	0.5	1.8
Cash and cash equivalents at beginning of year	105.1	94.9	94.9	77.9
Cash and cash equivalents at end of year	140.6	105.7	105.1	94.9

Reconciliation of Net Income to Adjusted EBITDA

	For the nine months period ended,		For the year ended,	
	September 30, 2024	September 30, 2023	December 31, 2023	December 31, 2022
	(US\$ in millions)			
Net income	17.1	5.6	5.9	13.6
Financing cost, net	108.5	99.7	135.7	78.4
Income tax expense	46.5	13.0	31.7	31.7
Depreciation and amortization	102.6	101.8	140.1	72.5
Currency exchange (gains) losses recognized in cost of sales and services	23.1	(1.1)	(4.5)	2.7
Expenses (income) in relation to foreign exchange derivatives	(0.3)	1.3	1.3	1.1
Share of net profit of joint ventures accounted for using the equity method ⁽¹⁾	(9.6)	(5.5)	(11.7)	(7.6)
Share of Adjusted EBITDA from joint ventures ⁽¹⁾	8.2	4.6	15.4	10.3
Non-capitalized Long-Term Service Agreements	0.4	4.4	4.8	(12.3)
Variable major maintenance ⁽²⁾	14.9	23.2	29.8	4.3
(Profit) loss on subsidiary net assets classified as held for sale before income tax	18.3	-	24.3	-
Non-recurrent acquisition expenses in relation to Tierra Mojada	-	-	-	11.9
Carbon cost expenses in excess of the related recorded provisions	4.8	9.6	16.6	4.8
Pension and other post-retirement obligations (non-cash)	3.0	2.8	7.6	4.6
Deferred rent (non-cash) ⁽³⁾	(0.3)	(4.5)	(6.0)	(3.0)
Others ⁽⁴⁾	2.5	1.5	(0.0)	(0.2)
Adjusted EBITDA	339.6	256.3	390.9	212.8

(1) Our only joint venture is the Bajío Entities, which we are subtracting because already reflected in our Net income, and for which we add Adjusted EBITDA representing our ownership interest.

(2) Consists of maintenance expenses incurred in excess of contractual obligations.

(3) Consists of the true up of income generated from leased assets against previously recorded income in accordance with leasing contract schedules.

(4) Others comprise mainly of fees and licenses, miscellaneous, other expenses, transition payments to leavers, withholding expenses, property insurance and provision of services.

Our Adjusted EBITDA, increased by US\$83.3 million, or 32.5%, in the nine months period ended September 30, 2024 compared to the nine months period ended September 30, 2023. The following factors contributed to the increase in our Adjusted EBITDA: (a) Tierra Mojada's realized higher spark spread, (b) the one-

time-off monetization of La Rosita I spare gas transport capacity, US\$20.0 million (c) additional Adjusted EBITDA from La Lucha acquisition, (d) due to Adjusted EBITDA attributable to ECA (typically at a loss) not being recognized during 2024 given that it was registered as an asset held for sale, and (e) an anticipated monetization of MBP Capacity which would have otherwise been registered during the fourth quarter of 2024. Such increase in our Adjusted EBITDA was further driven by the following: (i) an increase in net income of US\$11.5 million as described in the “Management’s Discussion and Analysis of Financial Condition and Results of Operations - Condensed Consolidated Interim Statements of Income and Comprehensive Income for the Nine Months Periods Ended September 30, 2024 and 2023 - Net Income” section, (ii) an increase in income tax expense of US\$33.5 million as described in the “Management’s Discussion and Analysis of Financial Condition and Results of Operations - Condensed Consolidated Interim Statements of Income and Comprehensive Income for the Nine Months Periods Ended September 30, 2024 and 2023 - Income Tax Expense” section, (iii) an increase in currency exchange losses recognized in cost of sales and services of US\$24.2 million which mainly related to unrealized losses recorded in respect of foreign currency balances, and (iv) increase in loss on subsidiary net assets classified as held for sale before income tax of US\$18.3 million incurred in connection with the loss on the sale of ECA.

Our Adjusted EBITDA, increased by US\$178.1 million, or 83.7%, in 2023 compared to 2022. The following factors contributed to the increase in our Adjusted EBITDA: (a) non-comparability for the period given Tierra Mojada’s acquisition in November 2022, which was only accounted for two months in 2022 as opposed to the whole year in 2023, (b) stronger market fundamentals and hedging strategy in CAISO and (c) migrated capacity with higher contracted margins in MEM during 2023. Moreover, in December 2023, EAX obtained approval from CRE to migrate to the LIE framework all (299 MW) of the generation capacity formerly operated by EAX under the self-supply (*autoabastecimiento*) regime. These effects were partially offset by fuel losses due to higher dispatch on diesel in ECA. Such increase in our Adjusted EBITDA was further driven by the following: (i) an increase in financing cost, net of US\$57.2 million as described in the “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Consolidated Statements of Income and Comprehensive Income for the Years Ended December 31, 2023 and 2022— Financing Cost, Net” section, (ii) an increase in depreciation and amortization of US\$67.6 million due to a higher asset base given the non-comparability after Tierra Mojada’s acquisition and consolidation, (iii) an increase in non-capitalized Long-Term Service Agreements of US\$17.1 million due to higher costs of SLP, in the amount of US\$2.0 million, La Rosita I, in the amount of US\$11.8 million and LaRosita II, in the amount of US\$3.2 million, and (iv) an increase in variable major maintenance of US\$25.5 million due to major maintenance of US\$12.0 million in Tierra Mojada Plant and major maintenance of US\$13.1 million in La Rosita I.

For more information, see “Presentation of Financial and Other Information—Non-IFRS Financial Measures.”

Distributions Made by Cometa Energía and Tierra Mojada

	For the nine months period ended,		For the year ended,	
	September 30, 2024	September 30, 2023	December 31, 2023	December 31, 2022
	(US\$ in millions)			
Distributions received from:				
Cometa Energía.....	33.0	15.0	43.0	66.5
Tierra Mojada.....	73.7	38.2	42.2	30.0 ⁽¹⁾
Total distributions received	106.7	53.2	85.2	96.5

(1) Remained in escrow according to the share purchase agreement.

For recent developments relating to distributions received from Cometa Energía and Tierra Mojada, see “Summary—Recent Developments—Distributions Made by Cometa Energía and Tierra Mojada.”

For additional discussion of our long-term debt and capital structure, including pro forma for this offering and the Tender Offers, please see “Capitalization.”

RISK FACTORS

An investment in the Notes involves significant risks. In addition to the other information contained in this Offering Memorandum, you should carefully consider the following risk factors before making an investment in the Notes. For purposes of this section, when we state that a risk, uncertainty or problem may, could or will have an “adverse effect” on us or “adversely affect” us, we mean that the risk, uncertainty or problem could have an adverse effect on our funding costs, business, financial condition, results of operations, liquidity and/or prospects, the trading price of the Notes and/or our ability to repay the Notes, except as otherwise indicated. The risks described below are those that we currently believe may materially and adversely affect us. Additional risks not known to us or that we currently consider immaterial may also materially and adversely affect us. If any of the risks described below materializes or occurs, the value of the Notes could decline and you may lose some or all of your investment.

Risks Relating to Our Business and Industry

Our principal indirect subsidiaries, Cometa Energía and Tierra Mojada, operate in a highly regulated environment and their profitability depends on their ability to comply with a number of laws and regulations on a timely and efficient basis.

Cometa Energía and Tierra Mojada, our principal indirect subsidiaries (referred to in this “Risk Factors” section as our “principal subsidiaries”), operate under the various federal, state and municipal laws and regulations in Mexico and, on a limited basis, in the United States and are required to obtain and maintain various permits, licenses and approvals from or agreements with various governmental authorities and agencies to perform their activities. These laws, regulations, permits, licenses, approvals and agreements may limit the operating flexibility of our principal subsidiaries, which could have a material adverse effect on us.

In addition, in order to undertake new energy projects in Mexico or make changes or expansions to our existing projects, we may need to (i) obtain new permits, licenses and approvals from various federal, state and municipal governmental authorities and agencies in Mexico, (ii) enter into new regulated agreements with such authorities and agencies or (iii) amend the permits, licenses, approvals or agreements currently held or entered into by our operating subsidiaries with such governmental authorities and agencies, including CRE, CFET (which currently owns and operates the RNT), SEMARNAT, ASEA, CONAGUA, CENACE and SENER, as well as a favorable opinion of COFECE. Failure to obtain or amend such permits, licenses, approvals or agreements in the ordinary course may limit our ability to undertake new energy projects, which could have a material adverse effect on us.

Some of Cometa Energía’s power sales are also subject to regulation by FERC under the FPA, as Cometa Energía is authorized to sell power into the United States. Cometa Energía is also subject to regulation by DOE because it holds authorizations from the DOE to export electricity and natural gas out of the United States.

We cannot predict the future course of changes in the policies, laws and regulations that currently cover the activities of our principal subsidiaries or the effect that any changes in the regulatory environment will have on our business. We likewise cannot predict what future regulations may be proposed or enacted that might affect our business. In addition, due to the complex overlapping federal, state and municipal regulatory regimes in which our principal subsidiaries operate, we may from time to time discover that they are lacking, or non-compliant with, one or more permits. If there is a delay in obtaining any required regulatory permit, license or authorization to conduct operations or if any of our principal subsidiaries fails to obtain or maintain any required approval or permit, they may not be able to operate their projects, or may be forced to incur additional costs, which in turn could have a material adverse effect on us. See “Business—Legal, Administrative and Arbitration Proceedings.”

The long-term PPAs entered into by EAVIII, ECH and EAX with CFE that are currently operating in the IPP regime under the former LSPEE framework will expire within the next 2-3 years, which will require the capacity and energy associated with the Bajío Entities, Chihuahua and La Rosita I to be migrated to the LIE framework.

Once the term of the power generation permits that are associated with our IPPs expire (between 2027-2028), three of our principal subsidiaries (EAVIII, ECH and EAX) will have to migrate from LSPEE to the LIE

framework to continue operating. Under current regulations, migration of these permits will require each such subsidiary to, among others, (i) obtain approval from CRE to amend its existing power generation permit, (ii) obtain grid interconnection validation from CENACE, (iii) execute a new interconnection agreement with CFET to maintain its project interconnected to the SEN, and (iv) if necessary, execute a market participant agreement with CENACE to operate all or a portion of its capacity in the MEM. Similarly, CRE's approval will be required to extend or renew our natural gas transportation permits before they expire. Other governmental permits, licenses and authorizations at the federal, state and municipal level may also be required.

We cannot ensure that migration of the power generation permits associated with our IPPs will occur in the ordinary course because, to date, no permit of that nature has been migrated to the LIE framework by any plant in Mexico and also because, once the PPAs of our principal subsidiaries expire, the power generation capacity of their projects and the energy associated to such capacity will cease to be committed to CFE. Failure by our principal subsidiaries to satisfy these requirements and successfully migrate the capacity of their projects to the LIE framework in a timely manner could result in their inability to operate such projects, which could have a material adverse effect on us.

Changes to the legal framework regulating the energy sector in Mexico could have a material adverse effect on us.

Through the 2013 Energy Reform (as defined below), Mexico established a new regulatory regime for the Mexican electricity industry. Although after the 2013 Energy Reform the transmission and distribution of electricity remained within the exclusive power of the Mexican state as a strategic activity, the main effect of the 2013 Energy Reform was to open the generation and commercialization of electricity to private investment in a competitive environment with open and non-discriminatory access to the SEN.

On March 9, 2021, Mexico sought to revise the legal framework of the electricity industry through a reform to the LIE (such reform, the "LIE Reform").

The LIE Reform was subject to multiple legal claims, including constitutional (*amparo*) claims and opposition by private market participants and other persons, including COFECE and one state legislature. These claims, which resulted in injunctions that temporarily suspended the effects of the LIE Reform, were eventually upheld by federal judges and by the Mexican Supreme Court. As a result of these confirmations, most of the amendments introduced by the LIE Reform were declared unconstitutional and did not become effective. However, certain provisions of the LIE Reform were not ruled unconstitutional and remain in effect to date. Among these amendments, the transitory provisions of the LIE Reform (a) authorized CRE to revoke permits previously granted by it for generation under the self-supply (*autoabastecimiento*) framework if, in the view of CRE, such permits had been fraudulently obtained (*fraude a la ley*), and (b) instructed CFE to review the agreements entered into by it under the IPP framework to assess their legality and cost-effectiveness and allow their renegotiation or unilateral termination (such provisions, the "Transitory Provisions"). While we understand that neither CRE nor CFE has exercised the mandate included in the Transitory Provisions, we cannot assure that will not occur in the future, particularly considering that President Claudia Sheinbaum has recently declared that power generation projects currently operating under the self-supply (*autoabastecimiento*) regime will have migrate to the LIE framework. Note that only one subsidiary of Cometa Energía (SLP) operates a portion of the generation capacity of its power plant (182 MW) under the self-supply (*autoabastecimiento*) regime. While that subsidiary did not fraudulently obtain the self-supply permit, we cannot ensure that CRE will not seek to revoke that permit and to impose a fine on SLP, or if future changes to the electricity laws and regulations, including to the LIE, may force SLP to migrate its operation to the LIE Framework.

Recently, on December 1, 2024, new changes were made to the Mexican Constitution as proposed by former President Andrés Manuel López Obrador (the "2024 Constitutional Reform"). While these amendments do not affect the ability of private investment to participate in the generation and commercialization of electricity, they introduced a concept whereby private participation in those activities may not have preeminence (*prevalencia*) over CFE's participation. The 2024 Constitutional Reform does not expand on this concept or explain the extent of this condition. Implementing legislation is expected to be issued before the end of April 2025, which may also include changes to the legal framework to include, among others, the terms of the 2024-2030 Sector Strategy.

Also, effective December 21, 2024, the Mexican constitution was amended to eliminate certain autonomous agencies, including CRE, the CNH and COFECE. CRE and CNH will cease to exist upon the effectiveness of the laws and regulations implementing these constitutional amendments, which are expected to be issued on or before March 20, 2025. Once CRE and CNH are extinguished, their powers and authority will be assumed by a new agency of the federal government. Furthermore, although it was not included in the amendment to the Mexican Constitution, federal government officials have expressed the possibility of merging CENACE into CFE. We cannot predict the effects that these changes would have on the activities of our principal subsidiaries.

The issuance of any future laws and regulations regulating the energy sector, including those implementing the 2024 Constitutional Reform and the 2024-2030 Sector Strategy, including any other changes thereto resulting from future legal challenges to the revised legal framework, could have a material adverse effect on Cometa Energía's and Tierra Mojada's ability to operate, which could in turn have a material adverse effect on us. We cannot predict how the new regulatory framework under the 2024 Constitutional Reform and any future laws and regulations of the energy sector will be enforced.

Our principal subsidiaries, Cometa Energía and Tierra Mojada, are subject to numerous environmental, health and safety regulations that may become more stringent in the future and may result in increased liabilities and increased capital expenditures.

Our principal subsidiaries, Cometa Energía and Tierra Mojada, and their respective businesses are subject to comprehensive federal, state and municipal environmental, health and safety legislation, as well as supervision by Mexican governmental agencies that are responsible for the implementation of applicable laws, regulations, official standards, general administrative provisions and related policies. These laws, regulations, official standards and general administrative provisions mandate, among other requirements, that Cometa Energía and Tierra Mojada obtain and maintain environmental, health and safety licenses for the construction and operation of their facilities, including their respective facilities related to the generation of electricity, and the transportation of natural gas. These laws, regulations, official standards and general administrative provisions may also require the principal subsidiaries of Cometa Energía and Tierra Mojada to obtain and maintain the following with respect to the construction and operation of their respective facilities: environmental impact authorizations; environmental risk studies authorizations; accident prevention program authorizations; forestry land use change authorizations; air emissions or comprehensive environmental licenses; local land use permits and construction licenses; civil protection approvals, registrations and authorizations for the generation, transportation and disposal of waste, including hazardous, special management and urban solid waste; concession titles for the use of national water and the discharge of wastewaters; concession titles for the use and occupation of federal zones, construction of maritime infrastructure or installation of new equipment required for its operations; and, for the facilities related to the transportation of natural gas, the authorization of an industrial safety, operational safety and environmental protection administration system. See "Regulatory, Permits and Environmental Matters." The failure to obtain and maintain any of the foregoing could have a material adverse effect on the business, financial condition, results of operations, cash flows and prospects of Cometa Energía and Tierra Mojada and/or us.

Even once obtained, compliance with laws, regulations, official standards, general administrative provisions and related policies and related authorizations, permits, concessions, regulations and licenses may be impossible, expensive, difficult or economically unfeasible thereby curtailing future operations. Moreover, governmental agencies could take enforcement action against Cometa Energía or Tierra Mojada for their failure to comply with any of the foregoing. These enforcement actions could include, among other things, the imposition of fines or remediation obligations, the seizure of machinery and equipment, the revocation of permits and/or the temporary or permanent closure of part or all of a facility, and possibly imprisonment if environmental violations are classified as criminal offenses. Compliance with enhanced environmental, safety and health regulations, including as a result of any environmental contamination or pollution for which Cometa Energía or Tierra Mojada may be held liable in the future, could require Cometa Energía and Tierra Mojada, as applicable, to divert resources to make capital expenditures. In addition, complying with environmental health and safety laws, regulations, official standards and related policies and with related authorizations, permits, concessions and/or licenses, could cause delays in the operation, schedule of construction and improvements of any of Cometa Energía's or Tierra Mojada's ongoing projects and/or facilities for the generation of energy, and for the transportation, storage and distribution of natural gas and other hydrocarbons. Also, private persons may pursue legal actions to enforce compliance and to seek damages for personal injury, property damage, environmental damage or for violations of with respect to

environmental laws, as well as compensation or remedial action of any environmental damage, as may be the case, which is independent of any civil, criminal or administrative liability. The failure to comply with these authorizations, permits, concessions, regulations and license terms and conditions could have a material adverse effect on us.

The Mexican Federal Environmental Liability Law (*Ley Federal de Responsabilidad Ambiental*), which became effective in July 2013, provides for significant penalties for damages to the environment and could subject Cometa Energía and Tierra Mojada to material liability in the event of any such damage. We cannot predict the outcome of any action brought against Cometa Energía or Tierra Mojada or the extent to which Cometa Energía and Tierra Mojada, could be held liable under such law. See “Regulatory, Permits and Environmental Matters.” The cost of remediating or providing compensation for any environmental damage could be significant and could have a material adverse effect on us.

Furthermore, the Law of the National Agency of Industrial Safety and Environmental Protection for the Hydrocarbons Sector (*Ley de la Agencia Nacional de Seguridad Industrial y de Protección al Medio Ambiente del Sector Hidrocarburos*, or “LASEA”), enacted on August 2014, created a specific industrial safety, operational safety and environmental protection regime, which requires a thorough technical assessment of the risks that projects in the hydrocarbons sector face, including sufficient measures to address and manage them. Failure to comply with the obligations deriving from the LASEA entail the possibility of total or partial, temporary or permanent closure of facilities, in addition to the levying of hefty fines. This is relevant for the projects that hold gas transportation permits as is the case of some of our principal subsidiaries.

Mexico is also a party to many international agreements regarding environmental protection. We anticipate that the regulation of Cometa Energía’s and Tierra Mojada’s respective business operations under Mexican federal, state and local environmental laws and regulations may increase and become more stringent over time, including as a result of international agreements. Such international agreements, upon ratification by the Mexican Senate (*Senado de la República*), become a part of Mexican law.

Finally, on September 30, 2024, the Mexican Constitution was amended to elevate at the constitutional level the rights of indigenous and afro-Mexican communities to self-determination and autonomy, setting forth the obligation for all levels of government to undertake the prior and informed consultation with these communities of any potential laws, public policies and projects that may affect them, in order to obtain their approval. We anticipate that these constitutional amendments may impact any expansion of facilities or future projects of Cometa Energía and Tierra Mojada that may have a direct impact on indigenous or afro Mexican communities, for which a previous consent will have to be obtained. Obtaining such consents may not be warranted or may come at significant economic or operative costs for the projects.

The governmental permits, authorizations and agreements under which Cometa Energía and Tierra Mojada operate may be terminated or may not be renewed or extended due to various circumstances, some of which are beyond our control.

Cometa Energía and Tierra Mojada, our principal subsidiaries, operate in a highly regulated industry and require valid and effective governmental permits, authorizations and agreements from various federal, state and municipal authorities and agencies to operate their projects, sell electricity and comply with their contractual obligations. As a result, these subsidiaries depend on their permits, authorizations, and agreements and on their ability to amend, renew or extend them when their timeframe is coming to an end. The terms and conditions of our permits, authorizations and agreements and the applicable laws and regulations that govern them are interpreted by governmental authorities whose interpretation may differ from ours. In addition, some authorities in the energy sector have discretionary authority to issue, renew or extend permits, authorizations or agreements. Differences in interpretation may result in the revocation, rescission or termination of any such permits, authorizations or agreements, or a decision to not amend, extend or renew them before they elapse, which could require our principal subsidiaries to challenge any such decisions before the relevant governmental authorities, including Mexican courts.

Also, the permits, authorizations and agreements held by our principal subsidiaries include events of default that, if triggered, give the relevant governmental authorities, agencies and counterparties the right to initiate proceedings to revoke, rescind or terminate them and, in the case of permits and authorizations, the right to impose fines. If any such permit, authorization or agreement is revoked, rescinded, or terminated, it may be impossible for

our principal subsidiaries to continue operating their projects and comply with their contractual obligations. Specifically, if a power generation permit, a natural gas transportation permit or an interconnection agreement held by any of our principal subsidiaries were to be revoked, rescinded or terminated, they would be unable to operate and, therefore, to sell capacity and power to their customers, including to CFE under the IPP regime.

Any of the above could materially adversely affect us.

Compliance with or increased regulatory requirements could require significant operating and capital expenditures.

Some of our principal subsidiaries and their business are subject to extensive laws and regulations related to pipeline integrity, including, for example, the LASEA, general administrative provisions and certain Mexican official standards such as the NOM-007-ASEA-2016 (“NOM 007”), a regulation issued by ASEA relating to natural gas transportation. NOM 007 sets forth the minimum safety requirements that must be met regarding the design, materials, construction, testing, operation, maintenance and security of natural gas transportation facilities, as well as the technical specifications and minimum safety requirements that must be met regarding self-use natural gas transportation systems. Our applicable principal subsidiaries plan to continue their testing programs to assess and maintain the integrity of facilities as required by the applicable laws and regulations. However, the results of these tests could cause any of our principal subsidiaries to incur significant and unanticipated capital and operating expenditures for repairs or upgrades deemed necessary to ensure the continued safe and reliable operation of their respective facilities.

Further, additional laws and regulations that may be enacted in the future or new interpretations of existing laws and regulations could significantly increase the amount of these expenditures. There can be no assurance as to the amount or timing of future expenditures for integrity regulation applicable to Cometa Energía’s self-use pipelines, as applicable, and actual future expenditures may be different from the amounts we currently anticipate. Revised or additional regulations that result in increased compliance costs or additional operating restrictions, particularly if those costs are not fully recoverable from customers, could have a material adverse effect on us. See “Regulatory, Permits and Environmental Matters.”

Environmental regulations and social responses, including in connection with efforts to address climate change, could result in material adverse effects on us.

A number of legal and regulatory measures as well as social initiatives have been and may continue to be introduced both internationally and in Mexico, at the federal and/or state level, in an effort to reduce greenhouse gases and other carbon footprints, and to shift consumer markets toward renewable energy sources. According to the Ministry of the Environment, renewables must represent 35.0% of total generation in Mexico by 2024 and 50.0% by 2050.

Mexico has ratified the United Nations’ Framework Convention on Climate Change, as well as the Paris Agreement, committing to reducing its greenhouse gas emissions. As a result, several regulatory and institutional measures have been enacted by the Mexican Government, including the General Law on Climate Change (*Ley General de Cambio Climático*) and Regulations on matters of the National Registry of Emissions, under which all stationary sources of air emission generating 25,000 tons or more of CO₂ annually are required to measure and verify direct and indirect greenhouse gas emissions.

At the state level, a number of states such as Durango, Estado de México, Colima, San Luis Potosí, Nuevo León, Tamaulipas, Guanajuato, Querétaro, Yucatán and Zacatecas have implemented green taxes through which certain tax rates are imposed for the generation of greenhouse gas emissions into the atmosphere as a result of production activities, including combined cycle energy generation facilities. Other states where Cometa Energía and Tierra Mojada operate may implement similar measures in the future which may impact Cometa Energía’s and Tierra Mojada’s respective business profitability.

In addition, in 2020, the Mexican Government began a trial period of the Mexican Emissions Trading System (*Sistema de Comercio de Emisiones* or the “Mexican Emissions Trading System”), which will work as a cap-and-trade system. After the three-year trial period, the Mexican Government is expected to establish greenhouse

emissions limits per industry, including the fossil-fueled power industry. As of the date of this Offering Memorandum, no regulations or guidelines for the operational phase of this system establishing greenhouse emissions limits per industry have been published, but all sources of greenhouse gas emissions from the regulated sectors, including each of Cometa Energía's and Tierra Mojada's respective combined cycle energy generation facilities, will have to meet such limits or trade allowances in the Mexican Emissions Trading System.

We cannot anticipate at this time how or when the Mexican Emissions Trading System or the cap on greenhouse emissions or any other future act by the Mexican Government, at a federal or state level, will affect our principal subsidiaries, Cometa Energía and Tierra Mojada, and their respective operations. However, this system, as well as future legislation and regulations related to climate change, may compel Cometa Energía and Tierra Mojada to reduce the emissions of our energy infrastructure projects, undertake a nature-based solution project to offset its own emissions or acquire carbon credits from the market, which could force Cometa Energía or Tierra Mojada to incur additional costs and could have a material adverse effect on us.

We cannot predict the effects on our business of future changes to the legal framework for regulation of the energy sector in Mexico.

We cannot assure you that Cometa Energía and Tierra Mojada would be able to satisfy any requirement arising from changes to the legal framework regulating the energy sector in Mexico, including changes arising from the implementation of the 2024 Constitutional Reform and/or of the 2024-2030 Sector Strategy. If Cometa Energía or Tierra Mojada fail to satisfy any such requirement, including any requirement to obtain any permit, license, approval, or agreement in a timely fashion, they may be unable to operate or may experience delays in the development, construction and operation of their energy projects. Furthermore, any change in the operating and disclosure rules for the Mexican energy sector, or any cost increase associated with complying with any gas emissions reduction or social impact assessment obligations, or with obtaining the consent of indigenous communities for the development of new projects, could have a material adverse effect on us. The business and financial condition of Cometa Energía and Tierra Mojada could be adversely affected by any future regulatory measures adopted by the regulatory agencies that regulate their respective businesses and projects. We may also not be able to acquire sufficient CELs in the market to offset the amount of CELs required under the 2013 Energy Reform.

We may be involved in legal, regulatory and arbitration proceedings that could result in unfavorable decisions and financial penalties for us.

We are exposed to claims that could arise due to our operations. We cannot be certain that these claims will be resolved in our favor. Responding to the demands of litigation claims and responding to or initiating proceedings may divert management's time, attention and financial resources.

For example, we have had material litigation in the past related to fuel supply disputes, which represent the type of litigation we could face in the future. There is no guarantee that litigation such as these or any other future litigation will be resolved in our favor. Losing material litigation or regulatory disputes could have a material adverse effect on us. See “—We cannot predict the effects on our business of future changes to the legal framework for regulation of the energy sector in Mexico.”

Our principal subsidiaries, Cometa Energía's and Tierra Mojada's business depends on a limited number of customers with which they have entered into long-term agreements.

During the years ended December 31, 2022 and 2023, Cometa Energía's customers under long-term PPAs, as well as under long-term contracts relating to natural gas compression services, together accounted for 51% and 42% of Cometa Energía's total Adjusted EBITDA during such periods, respectively. During such periods, Tierra Mojada's customers under long-term PPAs accounted for 62% and 60%, respectively, of Tierra Mojada's total Adjusted EBITDA.

If the customers under one or more of these agreements were to fail to perform or become unable to meet their contractual obligations on a timely basis, or if any of these agreements were to be prematurely terminated, it could have an adverse effect on us. We cannot assure you that upon the termination of any of these agreements we

will be able to secure PPAs with other customers on a long-term basis, on otherwise favorable terms or at all, which could have an adverse effect on us.

Failure to perform under our revenue-generating contracts, the early termination or the inability to renew our revenue-generating contracts upon termination may result in reduced revenue and could materially adversely affect us.

Our principal assets are the Cometa Energía and the Tierra Mojada generating assets. As a result, in order to make payments on the Notes, we are dependent upon the cash flows produced from the generating assets, which are mainly derived from their respective PPAs and related agreements. These PPAs are subject to termination prior to expiration in certain circumstances, including default by us. When a PPA expires or if it is terminated, it may be difficult for us to secure a replacement PPA on acceptable terms or timing, if at all. The price received under subsequent arrangements may be reduced significantly, there may be a delay in securing a new PPA until a significant time after the expiration of the original PPA and, in the case of certain PPAs, the penalty for early termination may not compensate us for the loss of future revenues, any of which could materially adversely affect us. As it relates specifically to the PPAs entered into with CFE under the IPP regime, if they are terminated as a result of our default, CFE may exercise an option to take title of the generating asset associated with such PPA at no cost.

Our principal subsidiaries, Cometa Energía and Tierra Mojada, incur significant expenses to maintain and upgrade their operating equipment and plants, and any interruption in the operation of their facilities may decrease the capacity payments that Cometa Energía and Tierra Mojada are entitled to receive under their PPAs and consequently harm our operating performance.

The machines and equipment that Cometa Energía and Tierra Mojada use to produce their respective capacity are complex, have many parts and some are run on a continuous basis. Cometa Energía and Tierra Mojada must perform routine maintenance on their respective equipment and will have to periodically replace a variety of parts such as motors, pumps, pipes and electrical parts. In addition, Cometa Energía's and Tierra Mojada's respective facilities require periodic shutdowns to perform major maintenance and upgrades. These scheduled shutdowns of facilities result in decreased sales and increased costs in the periods in which a shutdown occurs, and could result in unexpected operational issues in future periods as a result of changes to equipment and operational and mechanical processes made during the shutdown period.

In addition to scheduled maintenance, Cometa Energía and Tierra Mojada may have to conduct unscheduled maintenance work on their power generation assets. In such cases, Cometa Energía's and Tierra Mojada's respective power generation assets might be unavailable for longer time periods than anticipated and, as a result, Cometa Energía's and Tierra Mojada's respective capacity payments could be further reduced. Additionally, if unscheduled maintenance is required, Cometa Energía and Tierra Mojada may need to make additional unanticipated capital investments to repair their respective assets and restore their availability and reliability, in which case the capital spent in connection with those repairs is also expensed as incurred. As a result, while Cometa Energía and Tierra Mojada maintain business interruption insurance that would help them restore their cash position in any such instances, unscheduled major maintenance works nevertheless impact Cometa Energía's and Tierra Mojada's respective results of operations in the periods in which such expenditures are made, which, in turn, may affect our ability to make payments under the Notes.

When our principal subsidiaries, Cometa Energía and Tierra Mojada, enter into fixed-price long-term contracts to provide services or commodities, they are exposed to inflation, interest rate, foreign exchange and counterparty credit risks.

If long-term contracts entered into by Cometa Energía and Tierra Mojada are at fixed prices, the profitability of such contracts may be adversely affected by inflationary pressures (in the case of contracts which are not adjusted for inflation), including rising operational costs and commodity prices, fuel costs, costs of labor, materials and equipment, rising interest rates that affect financing costs, and changes in the U.S. dollar to Mexican peso exchange rate. In addition, Cometa Energía's and Tierra Mojada's respective contract counterparties to long-term contracts may potentially default on their obligations under these agreements. We would be materially and adversely affected if the counterparties under these contracts did not perform (for example, as a result of force majeure events) their contractual obligations under these agreements. Although Cometa Energía and Tierra Mojada often require credit

support from banks or affiliates, such support often does not cover all of the potential losses that Cometa Energía and Tierra Mojada may incur and exposes Cometa Energía and Tierra Mojada, as applicable, to counterparty credit risk.

Any of the foregoing factors could have an adverse effect on us.

Upon the occurrence of certain events of default by Cometa Energía's project companies under the PPAs with CFE for the Chihuahua, La Rosita I and Bajío projects, CFE has the right to take possession and operate the projects and, further, to obligate the corresponding project companies to transfer the projects' assets to CFE, free of any liens, at no cost.

Upon the occurrence of an event of default by the Cometa Energía's project companies that have entered into a PPA with CFE (Chihuahua, La Rosita I and Bajío Entities) under the IPP regime, CFE has the right to take possession of and operate the relevant project at the project's cost and expense. If, after expiration of customary cure periods, the event of default continues, CFE may request the corresponding project company to transfer to CFE all of the project's assets, free and clear of any liens. The purchase price of the project assets is determined on the basis of the outstanding amount of the original debt incurred by each project company to finance the construction of its project. Since we have repaid the debt of the Chihuahua, La Rosita I and Bajío Entities projects in full, it is possible that the purchase price for the corresponding project assets will be equal to zero, which would not be sufficient to satisfy all of our mandatory repayments or other obligations under the Notes and other such permitted pari passu secured indebtedness.

Our principal subsidiaries, Cometa Energía's and Tierra Mojada's ability to generate electricity at their power generation facilities (other than La Lucha) depends on the availability of natural gas, and fluctuations in the supply of natural gas could materially adversely affect our results of operations in a number of ways.

The delivery of natural gas to fuel the power generation facilities of our principal subsidiaries, Cometa Energía and Tierra Mojada, is dependent upon a number of factors, including the continuing financial viability of contractual counterparties and the infrastructure available to serve each generation facility. Any disruption in the fuel delivery infrastructure or failure of a counterparty to perform may lead to delays, disruptions or curtailments in the production of power at one or more of Cometa Energía's and Tierra Mojada's respective generation facilities. This risk of disruption is compounded by the supplier concentration that characterizes many of Cometa Energía's and Tierra Mojada's respective operating companies.

Cometa Energía and Tierra Mojada source most of their natural gas from a limited number of suppliers. In the event of shipping delays which may affect their respective suppliers, Cometa Energía and Tierra Mojada could experience delays in the receipt and transportation of natural gas. Additionally, CF Energía, CFE and CENAGAS, who supply fuel to the Tierra Mojada, Bajío Entities, Chihuahua and San Luis de la Paz power generation facilities have historically been sole or monopolistic suppliers in Mexico, and may continue to exercise monopolistic control over their supply of fuel to Cometa Energía and Tierra Mojada.

If these suppliers do not perform under their contracts, the Tierra Mojada, Bajío Entities, Chihuahua and San Luis de la Paz plants would be unable to generate electricity at their facilities, and such a failure could prevent Cometa Energía's and Tierra Mojada's respective project companies from fulfilling their contractual obligations, which could have a material adverse effect on us. Continued supply of natural gas to the Tierra Mojada, Bajío Entities, Chihuahua and San Luis de la Paz plants, as applicable, is dependent upon a number of factors, over which we have no control. Additionally, the payment terms in Cometa Energía's and Tierra Mojada's respective agreements with suppliers are considered customary in the markets in which they participate; however, a material change in the payment terms with Cometa Energía's and Tierra Mojada's respective strategic suppliers could have a material adverse effect on us.

Furthermore, as CF Energía, CFE and CENAGAS continue to be the principal suppliers of natural gas, and as the transportation and distribution suppliers with which Cometa Energía and Tierra Mojada work are the principal suppliers of natural gas transportation and distribution services to substantially all generation facilities in Mexico fueled by natural gas, a change in the terms of any of these respective agreements with Cometa Energía, Tierra Mojada or other power generators, or a failure by either of these suppliers to meet their contractual obligations, could

have a significant effect on Mexico's entire electricity supply and, therefore, prompt Mexican governmental authorities to undertake remedial or other actions. Any such actions could adversely affect us.

Cometa Energía and Tierra Mojada are also exposed to the risk that the respective suppliers that owe Cometa Energía and Tierra Mojada money or commodities as a result of market transactions or other long-term agreements fail to perform their obligations under such agreements. Should such suppliers fail to perform, Cometa Energía and Tierra Mojada may be required to acquire alternative hedging arrangements or to honor underlying commitments by making purchases from other suppliers at then-current market prices. In such event, Cometa Energía and Tierra Mojada may incur additional losses to the extent of amounts paid to such suppliers. Furthermore, any financial difficulties suffered by Cometa Energía's and Tierra Mojada's respective suppliers could increase Cometa Energía's and Tierra Mojada's respective costs or adversely impact the operation of Cometa Energía's and Tierra Mojada's respective energy infrastructure. Cometa Energía's and Tierra Mojada's potential suppliers may also be subject to international political and economic pressures and risks, which may affect the supply of natural gas and diesel.

The financial condition of any of Cometa Energía's and Tierra Mojada's respective suppliers could be harmed by a number of events, including natural disasters, accidents or acts of terrorism, which could restrict the suppliers' ability to fulfill their obligations to us.

Moreover, most of Cometa Energía's and Tierra Mojada's respective fuel supply agreements are scheduled to expire during the life of the power plants which they service, including upon expiration of the PPAs entered into by Bajío Entities, Chihuahua and La Rosita I with CFE between 2027 and 2028. If Cometa Energía and Tierra Mojada are unable to renew their respective fuel supply agreements, or enter into supply contracts and, in particular, enter into long-term supply contracts, Cometa Energía and Tierra Mojada may be required to purchase natural gas in commodity price markets at prices that may be significantly greater than the prices Cometa Energía and Tierra Mojada previously paid for such commodities, or may be unable to purchase such commodities on competitive prices at all. As a result, we could face increased volatility in our earnings and cash flows and could experience substantial losses during certain periods which could have a material adverse effect on our business, financial condition, results of operations or liquidity. In addition, any termination of our natural gas transportation agreements could affect our operations and materially and adversely affect us.

Our ability to generate electricity at La Lucha depends on suitable meteorological conditions outside of our control. Unfavorable solar conditions may have an adverse impact on the electric energy output of La Lucha and the revenues generated by it, which may in turn have a material adverse impact on our financial condition and results of operation.

The electricity produced, and revenues generated by, our solar PV Facility, La Lucha, are highly dependent on suitable meteorological conditions and associated weather patterns over which we have no control. Unfavorable solar conditions, including those resulting from climate change and seasonal variations could impair the effectiveness of La Lucha's assets, reduce their output beneath their rated capacity and our ability to achieve forecasted revenues and cash flows. While we use sophisticated forecasting models, there can be no assurance that these forecasts will be accurate, and any significant discrepancies could have a material adverse effect on us.

Our principal subsidiaries, Cometa Energía's and Tierra Mojada's power generation business relies on power transmission facilities that Cometa Energía and Tierra Mojada do not own or control and that are subject to transmission constraints. If these facilities fail to provide Cometa Energía and Tierra Mojada with adequate transmission capacity, Cometa Energía and Tierra Mojada may be restricted in their ability to deliver wholesale electric power and may either incur additional costs or forego revenues.

Our principal subsidiaries, Cometa Energía's and Tierra Mojada's power generation business depends upon transmission facilities owned and operated by others to deliver the wholesale power and natural gas Cometa Energía and Tierra Mojada sell from their respective power generation plants. If transmission is disrupted, or if the transmission capacity infrastructure is inadequate, Cometa Energía's and Tierra Mojada's ability to sell and deliver wholesale power and natural gas may be adversely impacted. If the power transmission infrastructure in one or more of the markets that Cometa Energía and Tierra Mojada serve is inadequate, their recovery of wholesale costs and profits may be limited. If restrictive transmission price regulation is imposed, the transmission companies may not

have sufficient incentive to invest in expansion of transmission infrastructure. We cannot predict whether transmission facilities will be expanded in specific markets to accommodate competitive access to those markets, a failure of which could have a material adverse effect on us. Moreover, the specific constraints of the transmission infrastructure located near Cometa Energía's and Tierra Mojada's respective facilities could affect their ability to generate electricity. Such constraints could result from lack of infrastructure planning, maintenance, or failures, among other factors.

Cometa Energía and Tierra Mojada also depend on natural gas pipelines to interconnect with their respective suppliers and customers. If transportation is disrupted, or if capacity is inadequate, its ability to sell and deliver products and services may be hindered. As a result, Cometa Energía and Tierra Mojada may be responsible for damages incurred by customers, such as the additional cost of acquiring alternative natural gas, LPG or electricity supplies at then-current spot market rates, which could have a material adverse effect on us.

The operation of our principal subsidiaries, Cometa Energía's and Tierra Mojada's respective facilities involves various operating risks, including availability risks, technology risks and other risks beyond our control.

There are a variety of hazards and operating risks inherent in our principal subsidiary, Cometa Energía's and Tierra Mojada's respective business, such as leaks, interruptions to power supplies, technical failures, human error, flooding, explosions, fire and mechanical problems, as well as deliberate sabotage, that could result in substantial financial losses. In addition, these risks could result in serious injury and loss of human life, significant damage to property, ancillary facilities and natural resources, environmental pollution and impairment of operations, any of which also could result in substantial financial losses. Incidents that cause an interruption of service could negatively affect us, while the affected asset is temporarily out of service. The operation of Cometa Energía's and Tierra Mojada's respective business involves, among others, the following risks:

- the possibility of performing below expected levels of output or efficiency;
- facility shutdowns due to wear and tear, improper or untimely maintenance, defects, design errors or the breakdown or failure of equipment or processes, or shortages of replacement equipment, consumables such as oil and grease or spare parts;
- unanticipated costs of operations, maintenance and replacement of components, machinery or facilities;
- software defects;
- failure to operate at design specifications;
- operator error or operational accidents;
- breaches of security, including cyber-attacks and other external attacks;
- severe weather conditions or natural or other unanticipated disasters or similar events; and
- government exercise of eminent domain power or similar events.

The occurrence of any of these risks could have an adverse effect on our business, financial condition, results of operations, cash flows, prospects and/or affect our ability to make payments on the Notes.

Higher than anticipated renewable penetration in the grid could result in lower-than-expected dispatch levels. Additionally, fossil fuel sources of energy could face higher costs due to imposed regulation and higher financing costs, therefore increasing our generation costs.

To the extent other alternative sources or renewable sources of energy, cheaper than the technology used by Cometa Energía and Tierra Mojada, become available, the consumption or dispatch of the energy from Cometa

Energía's and Tierra Mojada's respective assets produce could diminish, which could have a material adverse effect on us.

Currently, our principal subsidiaries, Cometa Energía and Tierra Mojada use natural gas as its main source of energy for its operations, except for La Lucha. However, in the future other energy sources might become available at competitive costs. If we are unable to transition into using such energy sources, our fuel supply could become relatively more costly and, consequently, could have a material adverse effect on us.

Our business may be exposed to market risks, including fluctuations in commodity prices for fuel and electricity, which could have a material adverse effect on us.

Our long-term PPAs are currently structured to pass through our fixed and variable costs to counterparties, except for La Rosita I CFE PPA, for which we have a financial hedge to cover these risks. However, we cannot guarantee that financial hedges will be sufficient to cover our risks or that our future contracts will be structured in similar terms, or that any increased costs passed onto our counterparties will not adversely affect them, including their ability to meet their payment obligations under such agreements. Our business, financial condition, results of operations, cash flows, prospects and our ability to repay the Notes could be materially adversely affected if the prevailing market prices for the fuel or electricity that we buy or sell change in a direction, magnitude, or manner not anticipated and for which we had not provided adequately through purchase or sale commitments or other hedging transactions. Volatility in market prices for fuel and electricity may result from many factors that are beyond our control, and we may choose not to engage in hedging transactions to minimize such risks. Moreover, in some instances, we may hedge anticipated exposure to currency risks, including conversion of fuel and other operating costs from Pesos to U.S. dollars or vice-versa. If such currency hedges, which may be based on projected payments or revenues in particular currencies, deviate from actual payments or revenues in such currencies, or if we fail to appropriately hedge against any currency fluctuations, we may be exposed to prevailing currency exchange prices, which could materially adversely affect our business, financial condition, results of operations, cash flows, prospects and our ability to repay the Notes.

Our principal subsidiaries, Cometa Energía and Tierra Mojada may encounter significant competition from private companies, as well as from CFE.

The power generation industry is characterized by intense competition and our principal subsidiaries, Cometa Energía and Tierra Mojada may encounter competition from utilities, industrial companies and other independent power generators, in particular with respect to uncontracted output. In recent years, there has been increasing competition among generators for PPAs, and this has contributed to a reduction in electricity prices where supply has surpassed demand plus appropriate reserve margins. Further, changes in technology may facilitate the entrance of new competitors, increase the supply of electricity or reduce the cost of methods of producing power that Cometa Energía and Tierra Mojada do not currently use. If these technologies became cost-competitive, Cometa Energía and Tierra Mojada could face increasing competition and the value of an investment in a project could be reduced. In addition, Cometa Energía's and Tierra Mojada's respective projects may confront significant competition for investment opportunities and, to the extent that any opportunities are identified, Cometa Energía and Tierra Mojada may be unable to effect investments on attractive terms, if at all.

Governments of certain countries in Latin America have exercised and continue to exercise substantial influence over many aspects of the private sector. In some cases, governments own or control many companies, including some of the largest in their respective countries. For example, in Mexico, CFE and Pemex are public companies. On the one hand, CFE is the public national electricity company owned by the Mexican Government, generates the majority of the electricity consumed in Mexico and is exclusively responsible for the transmission and distribution of electricity for public service purposes throughout Mexico. On the other, Pemex, the public oil and gas company, also generates a significant amount of power, and the remaining power generation corresponds to independent power generators as self-suppliers. The availability of investment opportunities depends in part on governments continuing to liberalize their policies regarding foreign investment and to further encourage private sector initiatives.

Increasing competition among participants in the power generation industry or from governments, as well as actions carried out by the current Mexican Government seeking to strengthen CFE (See "—Risks Relating to

Mexico—Changes in Mexican governmental policies could adversely affect the economic and political situation in Mexico and our principal subsidiaries, Cometa Energía's and Tierra Mojada's respective business, financial condition, results of operations, cash flows, prospects and our ability to repay the Notes") may negatively affect Cometa Energía's and Tierra Mojada's respective results of operations and revenues.

Inadequate operating systems and procedures may increase operating costs and the potential incidence of operator error; equipment failure could have a detrimental effect on our principal subsidiaries, Cometa Energía's and Tierra Mojada's respective operations.

The ability of our principal subsidiaries, Cometa Energía's and Tierra Mojada's respective projects to meet availability requirements and generate the required amount of power to be sold to customers may be the primary determinants of Cometa Energía's and Tierra Mojada's respective financial results. There is a risk of equipment failure due to wear and tear, more frequent or larger than forecasted downtimes for equipment maintenance and repair, unexpected construction delays, latent defect, design error, operator error or force majeure events, among other things, any of which could adversely affect our financial results. Additionally, older equipment, even if maintained in accordance with good practices, is subject to operational failure, including events that are beyond Cometa Energía's and Tierra Mojada's control, and may require unplanned expenditures to operate efficiently. Unplanned outages of generation facilities, including extensions of scheduled outages due to mechanical failures or other problems occur from time to time and are an inherent risk of Cometa Energía's and Tierra Mojada's respective business. Unplanned outages typically increase operation and maintenance expenses and may reduce our revenues or require us to incur additional costs, sometimes in excess of the price received under the PPAs, as a result of obtaining replacement power from third parties in the open market to satisfy power supply obligations. Despite Cometa Energía's and Tierra Mojada's attempts to create redundancy and reduce systemic risks of equipment failure, we cannot guarantee that any or all of Cometa Energía's and Tierra Mojada's respective power generation equipment at any particular plant will not malfunction or otherwise be unavailable to generate electricity for an extended period of time. Any such extended malfunction or unavailability would have an adverse effect on our results of operations.

Our principal subsidiaries, Cometa Energía and Tierra Mojada may be subject to interruptions or failures in its information technology systems.

Our principal subsidiaries, Cometa Energía and Tierra Mojada relies on sophisticated information technology systems and infrastructure to support its business, including process control technology, environmental responsibility and safety, and monitoring. Any of these systems may be susceptible to outages due to fire, explosions, floods, power loss, telecommunications failures and similar events. Information technology system failures, network disruptions and breaches of data security could disrupt Cometa Energía's and Tierra Mojada's respective operations. Such failures could have an adverse effect on us, and we cannot assure you that Cometa Energía's and Tierra Mojada's respective business continuity plans, which we expect to continue, will be completely effective during an information technology failure or interruption.

New business technologies present a risk for attacks on our principal subsidiaries, Cometa Energía's and Tierra Mojada's respective information systems and the integrity of its energy grid and its natural gas pipeline infrastructure, which could result in energy delivery service failures, financial loss, violations of privacy laws, customer dissatisfaction and litigation, any of which, in turn, could have a material adverse effect on us.

Elements of our principal subsidiaries, Cometa Energía's and Tierra Mojada's respective energy infrastructure may be exposed to cybersecurity risks. In addition to general information and cyber risks, such as malware, malicious intent by insiders and inadvertent disclosure of sensitive information, the energy industry faces evolving cybersecurity risks associated with protecting sensitive and confidential customer information, smart-grid infrastructure, automated metering, and other electronic infrastructure components. Deployment of new business technologies represents a new and large-scale opportunity for attacks on information systems and confidential information as well as the integrity of the energy grid and natural gas infrastructure. While Cometa Energía's and Tierra Mojada's respective computer systems have been, and will likely continue to be, subjected to computer viruses or other malware, unauthorized access attempts and cyber or phishing attacks, to date Cometa Energía and Tierra Mojada have not experienced a material breach of cybersecurity. Addressing these risks is the subject of significant ongoing activities across Cometa Energía's and Tierra Mojada's respective business, but we cannot ensure that a successful attack will not occur. An attack on Cometa Energía's and Tierra Mojada's respective information systems,

the integrity of the energy grid or one of Cometa Energía's and Tierra Mojada's respective facilities, destruction of critical operating systems and data, or the unauthorized access to confidential customer information could result in energy delivery service failures, financial loss, violations of privacy laws, customer dissatisfaction and litigation, any of which, in turn, could have a material adverse effect on us.

In the ordinary course of business, Cometa Energía and Tierra Mojada collect and retain sensitive information, including personal identification information about customers and employees, customer energy usage and other information. The theft, damage or improper disclosure of sensitive electronic data can subject Cometa Energía and Tierra Mojada to penalties for violation of applicable privacy laws, subject Cometa Energía and Tierra Mojada to claims from third parties, require compliance with notification and monitoring regulations, and harm Cometa Energía's and Tierra Mojada's respective reputation.

Finally, as seen with recent cyber-attacks on U.S. corporations, the goal of a cyber-attack may be primarily to inflict large-scale harm on a company and the places where it operates. Any such cyber-attack could cause widespread disruptions to Cometa Energía's and Tierra Mojada's respective operating and administrative systems, including the destruction of critical information and programming, which could have a material adverse effect on our business operations and the integrity of the power grid, and/or release confidential information about Cometa Energía or Tierra Mojada and Cometa Energía's and Tierra Mojada's respective customers, employees and other constituents.

Our principal subsidiaries, Cometa Energía's and Tierra Mojada's respective insurance contracts may be inadequate, and, if a significant accident or event occurs for which Cometa Energía and Tierra Mojada are not adequately insured, our operations and financial results could be adversely affected.

Our principal subsidiaries, Cometa Energía and Tierra Mojada have insurance for its operations, including general public liability insurance covering liabilities to third parties for bodily injury, property damage, environmental liability insurance and property insurance covering the replacement cost of all owned real and personal property, including coverage for losses due to equipment breakdown, earthquake, fire, explosions, flood and resulting business interruption/extra expense, terrorism and sabotage, in amounts and with deductibles that Cometa Energía and Tierra Mojada consider appropriate. However, we cannot assure you that the insurance currently in place or other insurance that may be appropriate will be available in the future at commercially reasonable rates or at all. In addition, in any particular instance Cometa Energía's and Tierra Mojada's respective insurance coverage could prove to be insufficient, or an accident or casualty could occur that either is not covered or becomes the subject of a dispute. Currently, Cometa Energía and Tierra Mojada do not carry certain types of insurance (for example, for losses caused by war or government action) because these types of losses are often not economically insurable.

If certain casualties occur, if there is a total or partial loss of Cometa Energía's and Tierra Mojada's respective facilities, or if there is extended business interruption, there can be no assurance that the proceeds from Cometa Energía's and Tierra Mojada's applicable insurance policies will be sufficient to cover such loss or related lost revenues, increased expenses or the cost of repair or replacement. Further, there can be no assurance that at such time Cometa Energía's and Tierra Mojada's respective insurers or their reinsurers will be solvent. Such loss, including loss of revenue, increased expenses or additional costs could have an adverse effect on us.

Coverage under major equipment warranties may be limited.

Major equipment warranties and guarantees are subject to certain conditions that, if not satisfied, would limit the coverage of the warranties and guarantees, thus requiring our principal subsidiaries, Cometa Energía and Tierra Mojada to incur additional costs to repair the equipment or improve its efficiency, which could have an adverse effect on our financial condition and our ability to make payments on the Notes.

Our principal subsidiaries, Cometa Energía and Tierra Mojada regularly work with volatile and hazardous materials that subject it to risks that may materially impact our operations.

Cometa Energía's and Tierra Mojada's respective business involves using, storing, transporting and disposing of highly flammable and explosive materials, which are subject to extensive regulation. Even if Cometa Energía and Tierra Mojada complies with requisite environmental, sanitary, security, transportation, risk management

and safety requirements and standards, Cometa Energía's and Tierra Mojada's respective operations are subject to significant hazards associated with using, storing, transporting and disposing of such materials, including:

- explosions;
- fires;
- severe weather and natural disasters;
- mechanical failure, including pipeline or storage tank leaks and ruptures;
- discharges or releases of hazardous substances or gases;
- other environmental risks; and
- sabotage or terrorist attacks

If any of these hazards were to cause an accident, damage or destruction in relation to Cometa Energía's and Tierra Mojada's respective business or the environment, it could have a material adverse effect on us. See “—Our principal subsidiaries, Cometa Energía and Tierra Mojada, are subject to numerous environmental, health and safety regulations that may become more stringent in the future and may result in increased liabilities and increased capital expenditures.”

Natural disasters, health epidemics, accidents, major equipment failures, acts of terrorism or criminality could have an adverse effect on our principal subsidiary, Cometa Energía's and Tierra Mojada's respective business, financial condition, results of operations, cash flows, prospects and/or our ability to repay the Notes.

Our principal subsidiaries, Cometa Energía's and Tierra Mojada's respective facilities, including its power generation facilities, natural gas compression stations, pipeline, and office buildings may be damaged by natural disasters, health epidemics (such as COVID-19 and related variants, including the changes in regulation that may result in Mexico as a result), accidents, major equipment failures, acts of terrorism, sabotage or criminal acts. Substantially all of Cometa Energía's and Tierra Mojada's respective assets are located in areas of northern and central Mexico that are susceptible to earthquakes and wildfires. In addition, a health epidemic or other outbreak (such as the COVID-19 and related variants outbreak), may materially and adversely affect our business, financial condition, results of operations, cash flows, prospects and our ability to repay the Notes.

Natural disasters, health epidemics, accidents, major equipment failures, acts of terrorism or criminality could result in severe business disruptions, significant decreases in revenues and earnings and/or significant additional costs to Cometa Energía or Tierra Mojada. Any such incident could have a material adverse effect on us.

Depending on the nature and location of the facilities affected, any such incident also could cause catastrophic fires, leaks, explosions, spills or other significant damage to natural resources or property belonging to third parties, or cause personal injuries, health impacts or fatalities, or present a nuisance to impacted communities. Any of these consequences could lead to significant claims against Cometa Energía. Insurance coverage may significantly increase in cost or become unavailable for certain of these risks, and any insurance proceeds received may be insufficient to cover Cometa Energía's losses or liabilities, which could have a material adverse effect on us.

Severe weather conditions may also impact Cometa Energía's and Tierra Mojada's respective businesses. For example, the severe freeze in the United States and Mexico in early 2021, impacted the availability of some of Cometa Energía's and Tierra Mojada's respective power generation assets and caused gas and power shortages, resulting in additional costs and production disruptions and losses. Additionally, significant rainstorms and associated high winds, such as those caused by a strong El Niño weather pattern, could damage natural gas or power generation infrastructure, resulting in increased expenses, including higher maintenance and repair costs, and interruptions in electricity and natural gas delivery services. As a result, these events can have significant financial consequences, including regulatory penalties and disallowances if Cometa Energía's and Tierra Mojada's respective utilities

encounter difficulties in restoring service to their customers on a timely basis. Further, the cost of storm restoration efforts may not be fully recoverable through the regulatory process. Any such events could have a material adverse effect on us.

Our principal subsidiaries, Cometa Energía's and Tierra Mojada's respective risk management procedures may not prevent losses.

Cometa Energía's and Tierra Mojada's respective risk management is predominantly controlled by the finance department under policies approved by the Board of Directors. Our finance and treasury departments identify, evaluate and hedge financial risks in close cooperation with the Company's operating units. The Board of Directors has overall risk management policies and principles to which they adhere, as management defines policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity. Although Cometa Energía and Tierra Mojada have in place risk management systems and control systems that use advanced methodologies to quantify and manage risk, these systems may not always prevent material losses. Risk management procedures may not always be followed or may not always work as planned. In addition, daily value-at-risk and loss limits are based on historic price movements. If prices significantly or persistently deviate from historic prices, the limits may not protect Cometa Energía and Tierra Mojada from significant losses. As a result of these and other factors, there is no assurance that our or Cometa Energía's and Tierra Mojada's respective risk management procedures will prevent losses that could have a material adverse effect on us.

A portion of Cometa Energía's business is conducted through joint ventures, over which it shares joint control.

Cometa Energía has a 51% interest in the Bajío Entities, CB and Operaciones Compresión Bajío, S.de R.L. de C.V. ("OCB"), joint ventures with Tokyo Gas Bajío B.V., each of which owns the Bajío power generation facility and the Bajío natural gas compression station, respectively. The Bajío power generation facility began commercial operations in 2002, and the Bajío natural gas compression station began operations in 2001. As Cometa Energía shares joint control or ownership with Cometa Energía's joint venture partners on these projects, any failure to reach an agreement with Cometa Energía's joint venture partners may materially affect the development or operation of the projects associated with such joint ventures, as well as require Cometa Energía to sell its stake in such joint venture, purchase its joint venture partner's stake in the joint venture or resort to other means of dispute resolution. If any future joint venture partner were unwilling to cooperate effectively with Cometa Energía in the development, management and operation of the joint venture, this could have a material adverse effect on us.

In addition, Cometa Energía's joint ventures, including in respect of the Bajío power generation facility and the Bajío natural gas compression station, are managed through joint venture agreements that contain provisions customary for such arrangements, including provisions relating to restrictions on sales or other dispositions of equity interests, required capital calls, deadlock provisions and dispute resolution. As such, from time to time, disputes may arise between Cometa Energía and its joint venture partners under these agreements.

In addition, because control over the Bajío Entities, CB and OCB is shared between unrelated parties and no one party has the power to direct the activities that most significantly impact these entities' economic performance and partners in such joint ventures must agree on all major decisions, Cometa Energía does not consolidate the financial information of these entities, which are instead accounted as an investment in accordance with the equity method of accounting recognizing Cometa Energía's share of earnings or losses from an unconsolidated affiliate. As a result, any claim with respect to the Bajío power generation facility and the Bajío natural gas compression station will be limited to Cometa Energía's share of earnings or losses in the Bajío Entities, CB and OCB and any associated distributions thereof.

We depend on our employees and their knowledge of the energy sector and our principal subsidiaries, Cometa Energía's and Tierra Mojada's respective business, and we may not be able to replace employees if they leave.

Our employees are highly trained industry professionals with significant experience in the energy sector and particularly, in the power generation and natural gas compression business. Furthermore, the operation of our principal subsidiary, Cometa Energía's and Tierra Mojada's respective business is dependent upon being able to attract and retain qualified personnel, including specialized engineers and employees, who have the necessary and

required experience and expertise to manage and operate Cometa Energía's and Tierra Mojada's respective businesses. We believe that Cometa Energía's and Tierra Mojada's respective future success will depend on our continued ability to attract and retain highly skilled operational personnel with natural gas industry experience and competition for these persons in the industry is intense. In the event that Cometa Energía or Tierra Mojada were to lose the services of any such personnel, this could have a material adverse effect on us.

The operation of our principal subsidiaries, Cometa Energía's and Tierra Mojada's respective facilities depends on good labor relations with Cometa Energía's and Tierra Mojada's respective employees.

As of December 31, 2024, Cometa Energía and Tierra Mojada had 400 active employees, of whom 154 were Mexico City and Houston-based corporate employees and 246 provided operation and maintenance for Cometa Energía's and Tierra Mojada's respective facilities. Cometa Energía and Tierra Mojada has entered into and has in place five collective bargaining agreements with Saavi Energía's five different regional units of the *Sindicato Único de Trabajadores Electricistas de la República Mexicana* ("SUTERM") labor unions. Each of Cometa Energía's and Tierra Mojada's respective collective bargaining agreements are negotiated on a facility-by-facility basis, and the compensation terms are adjusted on an annual basis.

Cometa Energía's and Tierra Mojada's respective performance depends on favorable labor relationships with their respective employees, compliance with labor laws and regulation and the safety of their power generation assets. Any deterioration in these relationships, increased costs related to labor issues and injuries in our power generation assets may adversely affect us. Any failure to reach an agreement on new labor contracts or to negotiate these labor contracts might result in strikes or other labor disruptions. These potential labor disruptions could have an adverse effect on us. Labor disruptions, strikes or significant negotiated wage increases, whether due to union activities, employee turnover or otherwise, could have an adverse effect on us.

Our principal subsidiaries, Cometa Energía's and Tierra Mojada's respective business is capital-intensive and changes in capital requirements or the availability of capital could materially adversely affect us.

Any expansion of our principal subsidiaries, Cometa Energía's and Tierra Mojada's respective businesses will be capital-intensive and require significant investment. The amount and timing of the capital investments and expenditures for any new energy infrastructure projects will depend in part on market conditions. We may not be able to accurately predict the timing or amount of capital investment and expenditures that would be required for new projects.

To the extent that Cometa Energía and Tierra Mojada do not have sufficient internal resources available to fund new projects, it may be required to access external resources, which may be subject to certain limitations on the availability of credit and/or other financial alternatives and increases in interest rates or credit spreads. In difficult credit markets, Cometa Energía and Tierra Mojada may find it necessary to fund its operations and capital expenditures at a higher cost or on other terms that are unfavorable to us, or it may be unable to raise as much funding as it needs to support business activities. This could cause Cometa Energía and Tierra Mojada to reduce capital expenditures and could increase its cost of funding, both of which could reduce its short-term and long-term profitability, which could have a material adverse effect on us.

The volatility of oil and natural gas prices could have a material adverse effect on our principal subsidiary, Cometa Energía's and Tierra Mojada's respective suppliers, which could have a material adverse effect on our financial condition.

The income and cash flows of Cometa Energía's and Tierra Mojada's respective suppliers, including Pemex, depend on the prices of crude oil, petroleum products and natural gas. Oil prices are highly sensitive to trends in economic activity, actual and perceived threats to global geopolitical stability and to changes in production from OPEC and OPEC+ member states and other oil-producing nations. Any destabilization of or increased volatility in global oil prices could have a negative effect on Cometa Energía's and Tierra Mojada's respective suppliers' revenues. Any increases in oil and natural gas prices may not persist and could be followed by price decreases based on factors beyond our or our suppliers' control, including geopolitical events.

Our principal subsidiaries, Cometa Energía's and Tierra Mojada's respective businesses is exposed to market risks, including fluctuations in commodity prices, which could have a material adverse effect on us.

Our principal subsidiaries, Cometa Energía and Tierra Mojada buy energy-related commodities from time to time in order to satisfy contractual obligations with their respective customers. Cometa Energía's and Tierra Mojada's respective business, financial condition, results of operations, cash flows, prospects and/or its ability to repay the Notes could be materially adversely affected if the prevailing market prices for electricity, natural gas or other commodities that Cometa Energía and Tierra Mojada buys change in a direction or manner not anticipated and for which Cometa Energía and Tierra Mojada had not provided adequately through purchase or sale commitments or other hedging transactions. Volatility in market prices for fuel and electricity may result from many factors which are beyond Cometa Energía's and Tierra Mojada's control, and Cometa Energía and Tierra Mojada do not generally engage in hedging transactions to minimize such risks. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Quantitative and Qualitative Disclosures about Market Risk" and Note 5 to our Audited Financial Statements included elsewhere in this Offering Memorandum.

The prices Cometa Energía and Tierra Mojada pay for fuel oil and natural gas have been and may continue to be affected by, among other factors, the availability of fuel oil and natural gas in Mexico and, to a lesser extent, the United States, Cometa Energía's ability to enter into agreements with local companies producing or transporting fuel oil and natural gas, the prices established by the Mexican Government for these products and international supply and demand. An increase in fuel prices could adversely affect our results of operations and financial condition, which, in turn, may affect our ability to make payments under the Notes.

Changes in the relative value of the Mexican peso to the U.S. dollar may adversely affect our principal subsidiaries, Cometa Energía and Tierra Mojada.

The majority of our principal subsidiaries, Cometa Energía's and Tierra Mojada's respective revenues are either denominated in, or linked to the value of, the U.S. dollar and a small portion of our costs of total costs of revenues are paid in pesos and approximately one half of our total operation and maintenance costs are denominated in, or linked to the value of, the peso, a portion of which is incurred on a pass-through basis corresponding to costs associated to Cometa Energía's and Tierra Mojada's respective long-term PPAs. Consequently, if the peso depreciated materially relative to the U.S. dollar, Cometa Energía's and Tierra Mojada's respective revenues in U.S. dollar terms would be reduced and if the peso appreciated materially relative to the U.S. dollar its costs in pesos terms will increase and, as a result, Cometa Energía's and Tierra Mojada's respective profit margins could be affected. However, due to the mix of Cometa Energía's and Tierra Mojada's respective revenues and costs of revenues in pesos and U.S. dollars and the pass-through nature of certain of Cometa Energía's and Tierra Mojada's respective costs, currency fluctuations generally do not have a material impact on its operating profit. As a result, Cometa Energía and Tierra Mojada do not currently hedge any potential currency exchange risk.

Additionally, the decision by the U.S. Federal Reserve to increase interest rates on banks' reserves could impact the Mexican peso-U.S. dollar exchange rate. In 2023, the peso appreciated by 12.75% against the U.S. dollar and in 2022, the peso appreciated by 5.94% against the U.S. dollar. The Mexican Government has implemented a series of measures to limit the volatility of the peso. However, we cannot assure you that such measures will be applied in the future or will be effective if applied or how such measures will impact the Mexican economy and, in turn, us. For information regarding recent trends in the Mexican peso U.S. dollar exchange rate, see "Exchange Rate Information."

Our principal subsidiaries, Cometa Energía's and Tierra Mojada's respective projects may impact the lifestyle and conditions of local communities.

Historically, power generation projects are subject to high levels of scrutiny by political parties, environmental groups and other organized advocacy groups. The perception that a local community's lifestyle may be endangered by the development, construction and operation of a project, may trigger protests, political action, legal remedies or negative press that may threaten the long-term viability of a project delay of construction or even disrupt the normal operations.

Pursuant to the 2024 Constitutional Reform, significant expansions of existing power generation projects or development of new ones may require social impact assessments, indigenous consultations, and the previous, prior and informed consent of indigenous communities.

While our principal subsidiaries, Cometa Energía and Tierra Mojada, believe their respective operations incorporate the best industry practices in connection with social responsibility, in order to minimize any negative impact in all communities in which Cometa Energía and Tierra Mojada operates, delays or disruptions caused by organized efforts from these groups may deviate resources and attention, and ultimately affect Cometa Energía's and Tierra Mojada's respective revenues.

The interests of our shareholders may be contrary to our interests and the interests of the holders of the Notes.

We are indirectly owned and controlled by the Direct Shareholder, which is in turn an indirect, wholly owned subsidiary of certain investment funds advised and managed by GIP, who, except in the joint ventures, will have the power to elect the majority of our board of managers, officers and other representatives and determine, in the majority of cases, the outcome of any action requiring shareholder approval, including transactions with related parties, corporate reorganizations and, subject to contractual and legal restrictions, the timing and payment of dividends. Our board of managers will be responsible for establishing our general business policies and guidelines, as well as our long-term strategy. Pursuant to applicable regulation, our managers may be removed at a shareholders' meeting at any time. Our chief executive officers will be appointed and may be removed by the relevant board of directors at any time. Our shareholders, therefore, could substantially influence our policies, strategies and day-to-day management and operations. See "Management."

In circumstances involving a conflict of interest between our shareholders and the holders, our shareholders may exercise their ability to control us in a manner that would be adverse to the holders. For example, our shareholders may direct us, or cause our board of directors to direct us, not to engage in certain activities, to make certain expenditures and dividend payments and/or enter into transactions with affiliates, to the extent allowed under the terms of the Notes, which direction may be designed primarily to promote their own goals and not exclusively to enhance Cometa Energía's and Tierra Mojada's respective business.

The impact of such actions and each of these factors may adversely affect us.

If the commodities shipped in Cometa Energía's pipeline fail to meet certain specifications, it could result in curtailments by interconnecting pipelines or markets.

Certain Mexican official standards (*Normas Oficiales Mexicanas*) establish specifications for the products that may be delivered through natural gas pipelines. These specifications include requirements such as hydrocarbon dew point, compositions, temperature and foreign content (such as water, sulfur, carbon dioxide and hydrogen sulfide). If the total mix of products that our principal subsidiary, Cometa Energía delivers to a pipeline or market fails to meet the applicable product quality specifications set forth in the Mexican official standards (*Normas Oficiales Mexicanas*), Cometa Energía is required to disclose such noncompliance to the producer and to the pipeline or market that scheduled the delivery. The pipeline or market may refuse to accept all or a part of the non-compliant products scheduled for delivery to it, potentially reducing Cometa Energía's through-put volumes or revenues, which could have a material adverse effect on us.

We do not own all of the land on which our principal subsidiary, Cometa Energía's pipeline, facilities and ancillary infrastructure are located, so Cometa Energía's operations could be disrupted by actions of the landowners. Cometa Energía's pipeline crosses waterways, in which case Governmental Approval from entities such as the CONAGUA or the Federal Ministry of Infrastructure, Communications and Transportation (Secretaría de Infraestructura, Comunicaciones y Transportes, or "SICT") are required. Furthermore, delays or the impossibility of obtaining the release of rights-of-way to the land, through which some of Cometa Energía's future energy projects may be constructed, may cause material cost increases and delays in the start of operations.

Our principal subsidiary, Cometa Energía does not own all of the land on which its pipeline, facilities, power transmission lines and ancillary infrastructure have been constructed. Cometa Energía's pipelines cross waterways, in

which case Governmental Approval and concessions to occupy federal riverbank land from entities such as CONAGUA are required to maintain such a crossing. Likewise, Cometa Energía's pipelines occupy the right of way or cross federal roads that require the authorization from SICT or, when the pipeline occupies right of way of highways under state jurisdiction, an approval from the applicable state's roads and highways board. Cometa Energía would typically obtain the rights to construct and operate Cometa Energía's pipelines and ancillary infrastructure on land owned by third parties and governmental agencies for a specific period of time. We are therefore subject to the possibility of more onerous terms or increased costs to retain necessary land or right-of-way use if in the future it is determined that Cometa Energía did not have valid rights-of-way, CONAGUA concessions, SICT's permits or leases, or if such rights-of-way or leases lapse or terminate. The loss of these rights, through Cometa Energía's or our inability to renew rights-of-way or lease contracts or otherwise, could have a material adverse effect on us.

Cometa Energía may face construction delays or increases in costs of energy generation or pipeline projects as a result of delays or the impossibility of obtaining rights-of-way to the land through which power transmission lines, pipelines, installations or other infrastructure will be constructed. Moreover, power transmission line projects require the Mexican Government, the permit-holder, or both to obtain legal authorizations to use third party lands to construct and operate a particular project. If rights-of-way are not obtained on time, Cometa Energía may incur additional costs and delays in the start of operations. Furthermore, in the event that rights-of-way are impossible to obtain, Cometa Energía may be required to change the route of a project, which may also result in cost increases and delays in the start of operations, which could have a material adverse effect on us.

We may not be successful in obtaining new energy infrastructure project permits.

The market for new energy infrastructure projects in Mexico is highly competitive. Our principal subsidiaries, Cometa Energía and Tierra Mojada compete with Mexican and foreign companies for most of the new energy infrastructure projects in Mexico and some of Cometa Energía's and Tierra Mojada's respective competitors may have better access to capital and greater financial and other resources, which would give them a competitive advantage in bidding for such projects. Cometa Energía and Tierra Mojada may also experience increased competition for new energy infrastructure projects and the retention of key personnel.

Also, while we may compete for energy infrastructure projects, Saavi Energía may not be able to fully realize the benefit of these opportunities. Furthermore, Saavi Energía may not be able to obtain additional permits from CRE, CENACE, SEMARNAT, ASEA, CONAGUA or the SENER or a favorable opinion from COFECE, which may be required for new or existing energy infrastructure projects, as well as approval of amendments to the existing IPP generation permits issued by CRE, which will be required once the IPP generation permits expire. Further, the projections contained elsewhere in this Offering Memorandum relating to growth in the Mexican energy sector may not ultimately be correct. The inability to successfully obtain new energy infrastructure projects may adversely affect our ability to grow our business, which could have a material adverse effect on us.

Business development activities may not be successful and future projects to be constructed may not commence operation as scheduled or be completed within budget, which could materially increase our costs and materially impair our ability to recover our investments.

The acquisition, development, construction or expansion of natural gas pipelines, storage and distribution facilities, electricity generation and transmission facilities, and other energy infrastructure projects, involve numerous risks. Our principal subsidiaries, Cometa Energía and Tierra Mojada may be required to spend significant sums for preliminary engineering, permitting, fuel supply, resource exploration, legal, and other expenses before it can determine whether a project is feasible, economically attractive, or capable of being built.

- Success in developing a particular project is contingent upon, among other things:
 - obtaining the necessary property rights and any other real estate rights;
 - negotiation of satisfactory engineering, procurement and construction agreements;
 - negotiation of satisfactory operations and maintenance agreements;

- negotiation of supply and natural gas or electricity sales agreements or firm capacity service agreements;
- timely receipt of required governmental permits, licenses, authorizations, and rights-of-way and maintenance or extension of these authorizations;
- negotiation with local communities and minority groups (including indigenous communities);
- timely implementation and satisfactory completion of construction; and
- obtaining adequate and reasonably priced financing for the project.
- Successful completion of a particular project may be adversely affected by various factors, including:
 - unforeseen engineering problems;
 - unforeseen difficulty in obtaining, maintaining or extending governmental permits, licenses, authorizations, rights-of-way or easements;
 - construction delays and contractor performance shortfalls;
 - work stoppages, strikes or boycotts;
 - equipment unavailability or delay and cost increases;
 - adverse weather conditions;
 - environmental and geological conditions;
 - opposition or challenges (judicial or extrajudicial) by community organizers, stakeholders of industries affected by energy development activities, non-governmental environmental organizations or indigenous communities;
 - risks related to brownfield projects, such as hidden defects, inherited environmental liabilities and problems with rights-of-way;
 - unanticipated increases in costs associated with known or unknown adverse environmental conditions, including costs of compliance with environmental laws; and
 - impact of exchange rates on imported equipment and supplies.

Our principal subsidiaries, Cometa Energía and Tierra Mojada, may acquire other assets in the future which may involve certain risks to our results of operations.

Subject to certain limitations as described in “Description of the Notes,” our principal subsidiaries, Cometa Energía and Tierra Mojada, may acquire other power generation and power generation infrastructure assets in the future. Although we conduct what we believe to be a prudent and thorough level of investigation in connection with an acquisition, an unavoidable level of risk remains regarding any undisclosed or unknown liabilities of, or other issues concerning, the acquisition. Further, any acquisition would involve certain non-recurring costs associated with acquiring and integrating the operations of any new assets.

We may not be able to realize the intended benefits of any acquisitions, including the acquisition of La Lucha, or successfully integrate such acquisitions with their respective assets and operations within the expected costs or time. The failure to realize the business strategy related to such acquisitions could result in higher costs and

lower revenue than expected and have an adverse effect on our financial results and prospects. Any such effect on our financial results may mean that we are not able to meet our expectations for revenue or other financial or operational metrics.

Our principal subsidiaries, Cometa Energía's and Tierra Mojada's respective business might require the acquisition of additional real property that would require it to obtain additional permits, the failure of which to obtain may cause delays in the development, construction and operation of its power generation facilities.

The acquisition of additional real property may require our principal subsidiaries, Cometa Energía and Tierra Mojada, to secure additional permits to operate its power generation facilities or render its services, take additional actions to secure the requisite rights-of-way for its projects, perform social impact assessments or, upon consultation with the competent authorities, obtain the consent of indigenous communities for the development of its projects. We cannot assure you that Cometa Energía and Tierra Mojada would be able to secure any additional permit, approval or right-of-way required for any after-acquired real property. If Cometa Energía and Tierra Mojada fails to satisfy any such requirement or if it cannot obtain any such permit, approval or right-of-way in a timely fashion, it may be unable to operate or may experience delays in the development, construction and operation of its energy infrastructure projects. Furthermore, any change in the operating and disclosure rules for the Mexican energy sector, or any cost increase associated with complying with any gas emissions reduction or social impact assessment obligations, or with obtaining the consent of indigenous communities for the development of new projects, could have a material adverse effect on us.

Our principal subsidiaries, Cometa Energía and Tierra Mojada, have relied on and they may rely in the future on certain affiliates for services and financing, and there can be no assurance that they will be able to obtain such services or financing from their affiliates or from alternate third parties in the future.

Our principal subsidiaries, Cometa Energía and Tierra Mojada have historically relied on certain of Cometa Energía's and Tierra Mojada's affiliates to provide various gas natural supply and technical, administrative and management services, and it expects to continue to do so in the future. Cometa Energía and Tierra Mojada depends to a certain extent on these affiliates for the successful operation and development of Cometa Energía's and Tierra Mojada's respective energy infrastructure projects. Cometa Energía and Tierra Mojada have agreements in place pursuant to which these services are being rendered, as more fully described in "Certain Relationships and Related Party Transactions." However, there is no obligation on the part of these affiliates to provide these services upon the expiration of the existing agreements. While Cometa Energía and Tierra Mojada intends to continue to rely on affiliates for these services, it may not be able to obtain such services from these affiliates or any alternate third party in the future at reasonable prices or at all. Any failure to obtain fuel supply or these key technical, administrative and management services on acceptable terms could materially adversely affect its ability to satisfy contractual obligations, or to grow Cometa Energía's and Tierra Mojada's respective business, and could have a material adverse effect on us.

While we believe that the rates and terms of the borrowings Cometa Energía and Tierra Mojada have received in the past from Cometa Energía's and Tierra Mojada's affiliates are comparable to those Cometa Energía and Tierra Mojada would have obtained from unrelated third parties in arm's-length transactions, we can provide no assurance that Cometa Energía and Tierra Mojada will be able to obtain such borrowings from unrelated third parties at rates and on terms that are as favorable to it as those Cometa Energía and Tierra Mojada have received from Cometa Energía's and Tierra Mojada's affiliates. Cometa Energía and Tierra Mojada may not be able to obtain similar financing from our affiliates or any alternate third party at reasonable rates and terms or at all. Any failure to obtain sufficient debt financing on acceptable rates and terms could adversely affect its ability to satisfy contractual obligations, or to grow Cometa Energía's and Tierra Mojada's respective business, and could have a material adverse effect on us.

Our principal subsidiaries, Cometa Energía and Tierra Mojada, have contractual relationships with some of their affiliates that could lead to a conflict of interest.

Our principal subsidiaries, Cometa Energía and Tierra Mojada, have contractual relationships with some of their affiliates. We cannot assure you that any of these arrangements provide Cometa Energía and Tierra Mojada with terms that are substantially similar to those that we might have obtained from unaffiliated third parties. These

arrangements include services and financing agreements. We may have conflicts of interest in determining whether to enforce or make claims against Cometa Energía's and Tierra Mojada's affiliates in connection with any breach of any of their contracts with Cometa Energía and Tierra Mojada. In addition, if Cometa Energía and Tierra Mojada have to contract with third parties because Cometa Energía's and Tierra Mojada's affiliates are unable to meet their obligations under these contracts, no assurance can be made that Cometa Energía and Tierra Mojada could replicate the terms of these contracts, which could have a material adverse effect on our financial condition and ability to make payments on the Notes. See "Certain Relationships and Related Party Transactions."

Our principal subsidiaries, Cometa Energía and Tierra Mojada, are exposed to risks related to taxation in the countries in which they operate and changes in tax positions, or tax legislation or the interpretation thereof, may have a material adverse effect on us.

Our principal subsidiaries, Cometa Energía and Tierra Mojada are subject to complex and evolving tax legislation in the countries in which they operate. Significant judgment is required to determine and estimate our worldwide tax liabilities. Cometa Energía's and Tierra Mojada's respective future annual effective tax rates could be affected by numerous factors, including changes in applicable tax laws, the amount and composition of pretax income in countries with differing tax rates, changes to the transfer pricing policies related to their structure, or valuation of their deferred tax assets and liabilities. Changes in applicable tax laws in the jurisdictions in which Cometa Energía and Tierra Mojada are organized or operate, as well as certain changes resulting from the various global, regional and local initiatives to reform the international tax framework, such as those currently proposed by the Organization for Economic Co-operation and Development, including their action plan on Base Erosion and Profit Shifting, could have a material adverse effect on us. We believe Cometa Energía's and Tierra Mojada's respective tax estimates are reasonable but a final determination of tax by means of an assessment or an audit could be different from their tax provisions and accruals which could adversely affect their results of operations. Furthermore, the tax laws and regulations are very complex and are open to different interpretations and application. The interpretation and application of these laws and regulations could differ from that of the relevant tax authority, which could result in administrative or judicial procedures, actions or sanctions, which could be material.

Our principal subsidiaries, Cometa Energía and Tierra Mojada, is subject to the provisions contained in the Industrial Property Law (Ley Federal de Protección a la Propiedad Industrial).

The brands that Cometa Energía and Tierra Mojada operates are subject to the special provisions contained in the Industrial Property Law (*Ley Federal de Protección a la Propiedad Industrial*). These provisions are subject to frequent changes, which generally have a tendency to make them more stringent. Although future capital and operating expenses have been budgeted to maintain compliance with said law, it cannot be guaranteed that they will be sufficient in the face of a change or future application of a much stricter law than the current one. Therefore, we cannot assure you that the costs of complying with this law or the provisions related to this matter, current and future, or derived from a more strict or different interpretation of said law, and the responsibility that could be incurred by failure to comply with it will not adversely affect our business, financial condition, results of operations, cash flows, prospects and our ability to repay Notes.

Our principal subsidiaries, Cometa Energía and Tierra Mojada, are subject to risks due to breaches of the Federal Law on Protection of Personal Data Held by Private Parties (Ley Federal de Protección de Datos Personales en Posesión de los Particulares).

Our principal subsidiaries, Cometa Energía and Tierra Mojada, are subject to compliance with the Federal Law on Protection of Personal Data Held by Private Parties (*Ley Federal de Protección de Datos Personales en Posesión de los Particulares*). While Cometa Energía and Tierra Mojada have procedures in place to comply at all times with the provisions under such law, it is susceptible to breaches, due to its operations as well as complexity over digital protections, and its interactions across multiple systems including hardware, software, networks, applications, services or any other information technology that allow the exchange or computerized processing or digitized data. Cometa Energía and Tierra Mojada will be susceptible to any violation that interrupts the protection of customer information, administrative security measures, physical security, unauthorized access by third parties, protection of mobile equipment, maintenance of data warehouses, technical security measures, electronic support, and physical support, among others. Any breaches or perceived breaches of data privacy may lead to sanctions from

regulators as well as reduced confidence from clients and affect our reputation, which may adversely affect our business, financial condition, results of operations, cash flows, prospects and our ability to repay the Notes.

Our principal subsidiaries, Cometa Energía and Tierra Mojada, are exposed to behaviors incompatible with our ethics and compliance standards.

Given the number of contracts that our principal subsidiaries, Cometa Energía and Tierra Mojada, are a party to with our local and foreign suppliers and other counterparties, the geographic distribution of our operations and the great variety of actors that it interacts with in the course of our business, it is subject to the risk that its employees, contractors, or any person having relations with it may misappropriate its assets, manipulate its assets or information or engage in money laundering or the financing of terrorism, for such person's personal or business advantage. Cometa Energía's and Tierra Mojada's respective systems for identifying and monitoring these risks may not be effective to fully mitigate them in all situations. Such acts may result in material financial losses or reputational harm to us.

Risks Relating to Mexico

Adverse economic and political conditions in Mexico may materially adversely affect our principal subsidiaries, Cometa Energía's and Tierra Mojada's respective business, financial condition, results of operations, cash flows, prospects and our ability to repay the Notes.

Our principal subsidiaries, Cometa Energía and Tierra Mojada, conducts substantially all of its operations in Mexico and Cometa Energía's and Tierra Mojada's respective potential for growth is centered in Mexico; Cometa Energía's and Tierra Mojada's respective business is therefore significantly dependent upon the performance of the Mexican economy. Mexico has experienced economic crises in the past, caused by internal and external factors, characterized by, among other things, exchange rate instability (including large devaluations), high inflation, high domestic interest rates, political events, economic contraction, a reduction of international capital flows, a reduction of liquidity in the banking sector and high unemployment rates. As a result, such conditions, as well as the general condition of the Mexican economy, over which we have no control, could have a material adverse effect on our business, financial condition, results of operations, cash flows, prospects and our ability to repay the Notes.

The Mexican Government does not currently restrict the ability of Mexican companies or individuals to convert Mexican Pesos into U.S. dollars (except for certain restrictions related to cash transactions involving a U.S. dollar payment to a Mexican bank) or other currencies and Mexico has not had a fixed exchange rate policy since 1982. The Mexican Peso has been subject to significant devaluations against the U.S. dollar in the past and may be subject to significant fluctuations in the future. Severe devaluations or depreciations of the Mexican Peso may result in governmental intervention to institute restrictive exchange control policies, as has occurred before in Mexico and other countries in Latin America. Accordingly, fluctuations in the value of the Mexican Peso against other currencies, particularly the U.S. dollar, could have a material adverse effect on us. For information regarding recent trends in the Mexican peso-U.S. dollar exchange rate, see "Exchange Rate Information."

Mexico's gross domestic product ("GDP") grew by 2.0% in 2018, and declined 0.4% for the year ended December 31, 2019. In addition, Mexico's GDP growth declined by 8.4% for the year ended December 31, 2020, mostly driven by the COVID-19 pandemic. Subsequently, Mexico's GDP grew 6.0% and 3.7% for the years ended December 31, 2021, and 2022, respectively. For the year ended December 31, 2023, Mexico's GDP grew 3.3%. However, if the Mexican economy experiences a recession, including one resulting from a global recession, if inflation or interest rates increase significantly, if Mexico's sovereign debt credit ratings continue to be downgraded or if the Mexican economy continues to show low growth, no growth at all or is otherwise adversely impacted, this could have a material adverse effect on our business, financial condition, results of operations, cash flows, prospects and our ability to repay the Notes.

Changes in Mexican governmental policies could adversely affect the economic and political situation in Mexico and our principal subsidiaries, Cometa Energía's and Tierra Mojada's respective business, financial condition, results of operations, cash flows, prospects and our ability to repay the Notes.

The Mexican Government has exercised, and continues to exercise, significant influence over the Mexican economy. Accordingly, Mexican Governmental actions and policies concerning the economy, state-owned enterprises and state-controlled, funded or influenced financial institutions, including CFE (and its subsidiaries) and Pemex, could have a significant impact on private sector entities in general, on our principal subsidiaries, Cometa Energía and Tierra Mojada in particular, and on market conditions, prices and returns of Mexican securities. We cannot predict the impact that the political landscape will have on the Mexican economy. Furthermore, Cometa Energía's and Tierra Mojada's respective prospects could be affected by currency fluctuations, inflation, interest rates, regulation, taxation and other political, social and economic developments in or affecting Mexico.

In the context of the power industry, the current Mexican Government has publicly stated that one of its objectives is to strengthen CFE, and its role in the domestic energy market. While we cannot predict whether additional specific actions by the Mexican Government entities in the power sector and/or formal regulatory changes will be implemented, certain statements and communications made by high-ranking Mexican Government officials suggest that CFE intends to regain a major role in the Mexican power industry, including by means of giving preeminence (*prevalencia*) to CFE over other participants in the electricity industry. We cannot predict the exact form or extent of any changes, including whether and the extent to which they could be implemented. Any such changes may result in amendments to the existing legal framework of the electricity sector.

The Mexican Government occasionally makes significant changes in policies and regulations to manage expectations with respect to certain macroeconomic indicators and may do so again in the future. Actions to control inflation and other regulations and policies have involved, among other measures, increases in interest rates, changes in tax policies, price controls, currency devaluations and capital controls and limits on imports. Tax and labor legislation, in particular, in Mexico is subject to continuous change, and we cannot assure you that the Mexican Government will maintain existing political, social, economic or other policies, or that any such changes would not have a material adverse effect on our operations or financial performance.

The Mexican economy has suffered balance of payment deficits and shortages in foreign exchange reserves in the past and may yet do so again in the future. Although Mexico has imposed foreign exchange controls in the past, there are currently no exchange controls in Mexico. If Mexico experiences serious balance of payment difficulties or the threat of such difficulties in the future, it would have the right under the USMCA to impose foreign exchange controls on investments made in Mexico, including those made by United States and Canadian investors. Any such restrictive exchange control policy could prevent or restrict Cometa Energía's and Tierra Mojada's access to U.S. dollars to meet our U.S. dollar obligations and could also have a material adverse effect on our business, financial condition, results of operations, cash flows, prospects and our ability to repay the Notes. We cannot predict the impact of any such measures on the Mexican economy. See also “—We cannot predict the effects on our business of future changes to the legal framework for regulation of the energy sector in Mexico.”

The consequences of any expropriations on the Mexican economy or financial markets are uncertain. In addition, a total or partial expropriation of any of our assets may interfere with our ability to use and operate all or a portion of our business, which may have an adverse impact on us.

The current Mexican Government administration has shown to have sufficient control in the Mexican Congress to implement constitutional laws and reforms which, if effected, could have a material adverse impact on our business, financial position or operating results.

The political coalition led by Mexico's National Regeneration Movement (*Movimiento de Regeneración Nacional* or “Morena”) party has sufficient control in the Mexican Congress and several state legislatures to implement significant reforms with only minor support from other Mexican political parties. The Mexican general election held on June 2, 2024 further strengthened Morena's political position in Mexico, as it won the Mexican presidency, obtained a supermajority in the lower chamber of the Mexican Congress and increased the number of seats it held in the Mexican Senate. The new Mexican Congress assumed office on September 1, 2024 and the new Mexican president, Claudia Sheinbaum, assumed office on October 1, 2024.

The concentration of political power in Mexico and any changes in Mexican politics or the Mexican economy resulting therefrom could have a material adverse impact on our business, financial position, operating results and/or ability to repay the Notes. As described herein, the current Mexican Government administration has made public its intention to strengthen the role of CFE in the Mexican energy sector. See “—Risks Relating to Our Business and Industry— Changes to the legal framework regulating the energy sector in Mexico could have a material adverse effect on us” and “—Changes in Mexican governmental policies could adversely affect the economic and political situation in Mexico and our principal subsidiaries, Cometa Energía’s and Tierra Mojada’s respective business, financial condition, results of operations, cash flows, prospects and our ability to repay the Notes.”

Downgrades of Mexico and its state-owned companies, including CFE, could adversely affect our business, financial condition, results of operations, cash flows, prospects and our ability to repay the Notes.

On July 6, 2022, S&P affirmed the credit ratings of Mexico’s sovereign debt of BBB, citing fiscal and monetary prudence expected and the stability of debt as a percentage of GDP. On December 7, 2023, and August 23, 2023, Fitch affirmed each of Mexico’s sovereign debt and CFE’s credit rating to BBB -, respectively. Moody’s downgraded Mexico’s sovereign debt to Baa2 from Baa1 on July 8, 2022, and CFE’s credit ratings to Baa2 on July 12, 2022 and revised its outlook in each case to stable.

On July 24, 2024, Fitch Ratings issued a statement that the wide-ranging constitutional reforms first proposed by President Andrés Manuel López Obrador, including significant modifications to the Mexican judicial system, would negatively affect Mexico’s overall institutional profile while recognizing that the severity of their impact might become clearer once these are approved and implemented. Fitch had further stated that weak governance indicators already constrain the sovereign rating, and are only partly offset by a prudent, credible and consistent macroeconomic policy record.

These downgrades or other similar rating agency actions that may occur in the future could adversely affect the Mexican economy and, consequently, adversely affect us.

New and unanticipated tax reforms may be approved and affect our principal subsidiaries, Cometa Energía’s and Tierra Mojada’s respective business, financial condition, results of operations, cash flows, prospects and our ability to repay the Notes.

Mexican tax legislation is frequently amended. The Mexican Congress approved a tax reform submitted by the Mexican Executive Branch as part of a new economic plan, which included important amendments to the Mexican Income Tax Law (*Ley del Impuesto Sobre la Renta*), Mexican Federal Tax Code, Value Added Tax Law, Excise Tax Law, Hydrocarbons Revenue Law, and the Federal Duties Law. With some exceptions and amendments, all of the proposals submitted by the Mexican Executive Branch were ultimately approved by the Mexican Congress.

This reform was published in the Official Gazette on December 9, 2019, and most of the amended provisions became effective on January 1, 2020. This set of tax reforms is one of the most relevant in recent years and its main goal is to address tax evasion by strengthening the control mechanisms available to the tax authorities. Among the principal modifications contemplated by the tax reforms are strict restrictions on the deductibility of certain expenses, such as a new limitation on the deduction of net interest that exceeds 30% of taxpayers’ adjusted income, the non-deductibility of certain payments to related parties or through structured agreements with respect to income that is considered subject to preferential tax regimes, or that is subject to hybrid mechanisms. Likewise, important amendments were introduced with respect to the tax regime applicable to foreign entities or legal entities that are transparent for tax purposes, as well as to foreign entities or legal entities whose income is considered subject to preferential tax regimes.

The 2020 tax reform also introduced a new mandatory disclosure regime for transactions that are considered reportable transactions in terms of the provisions of Title VI, Sole Chapter of the Mexican Federal Tax Code, mainly directed to tax advisors of taxpayers.

On April 23, 2021, the Mexican Government published a decree pursuant to which several amendments were made to the Federal Labor Law, the Mexican Income Tax Law, Value Added Tax Law, among others, in order to prohibit outsourcing of personnel, limit subcontracting and amending profit-sharing rules. The amendments became effective on April 24, 2021, except for certain legal provisions which became effective on September 1, 2021.

On November 12, 2021, the Mexican Government published a decree that resulted in several amendments to the Mexican Income Tax Law, Value Added Tax Law, Excise Tax Law, and Mexican Federal Tax Code. However, no new taxes were introduced, nor were there any increases to existing taxes.

On January 1, 2022, a tax reform came into force with various modifications to the applicable legal framework which may affect our operating results; among them, changes in the parameters for determining foreign exchange gains or losses, limitations on the application of preferential withholding rates in the context of financing entered into with related parties, additional obligations regarding transfer pricing and the establishment of additional requirements for crediting the value added tax.

We cannot assure you that these or future tax reforms will not have a material adverse effect on us.

We may be materially adversely affected by economic and political developments in the United States and other countries.

Economic conditions in Mexico are highly correlated with economic conditions in the United States due to the high degree of economic activity between the two countries generally, as well as physical proximity. Adverse economic conditions in the United States or other related events could have a significant adverse effect on the Mexican economy, which could adversely affect Cometa Energía's and Tierra Mojada's respective business. In addition, political developments in the United States, including changes in the administration and governmental policies, can also have an impact on the exchange rate between the U.S. dollar and the peso, economic conditions in Mexico and the global capital markets.

On November 30, 2018, the United States, Canada and Mexico signed the United States-Mexico-Canada Agreement (USMCA). The USMCA was ratified in all three countries in March 2020 and replaced NAFTA on July 1, 2020. The USMCA did not target the power sector, but any action taken by the current U.S. or Mexican administrations, including changes to the USMCA that would increase the tariff rate between the countries, could have a negative impact on the Mexican economy, such as reductions in the levels of remittances, reduced commercial activity or bilateral trade, or declining foreign direct investment in Mexico. In addition, increased or perceived increased economic protectionism in the United States and other countries could potentially lead to lower levels of trade and investment and economic growth, which could have a similarly negative impact on the Mexican economy. These economic and political consequences could adversely affect our business, financial condition, results of operations, cash flows, prospects and our ability to repay the Notes.

The 2020 U.S. presidential election and the change in the U.S. administration had an impact on the worldwide economy and in Mexico, and the change in administration following the 2024 U.S. general election, including any political polarization or instability resulting therefrom, may have a similar impact. U.S. President Trump, whose administration took office on January 20, 2025, has expressed his intention to propose revisions to U.S. trade policies, including with respect to trade agreements, higher tariffs and other measures which would increase the price of goods imported into the United States, particularly from Mexico, consistent with his administration's actions during his first term as President. On February 1, 2025, President Donald J. Trump announced a 25% tariff on all products imported from Mexico. The tariffs were set to go into effect just after midnight on February 4, 2025. On February 3, 2025, President Trump and President Claudia Sheinbaum agreed to a 30-day pause on the implementation of the proposed tariffs to allow for a period of negotiations; however, there can be no assurances that such pause will remain in effect. The effects of the announced tariffs are yet to be seen. In addition, there can be no assurance that these or any further policies, actions, measures or tariffs imposed by the United States or Mexico, would not have a material adverse effect on our business, results of operations, or financial condition. Any such measures or other future decisions by the U.S. administration, including with respect to U.S. laws and policies governing foreign trade and foreign trade relations, could have a negative impact on the Mexican

economy by reducing the level of commercial activity between Mexico and the United States or effecting a slowdown in direct U.S. foreign investment in Mexico, which could adversely affect our business and our results of operations.

We cannot assure you that the U.S. government will not impose escalating or other tariffs on Mexico and that we will not be materially adversely affected by tariffs or other legislative or regulatory reforms in the future.

The legislative agenda, relationship between the executive and legislative branches, and upcoming elections in the United States may impact certain U.S. policies regarding issues of importance to Mexico and its economy, in particular trade and migration. We cannot guarantee that the future political environment in Mexico and the United States, over which we have no control, will not have a material adverse effect on our business, results of operations or financial condition. Moreover, we cannot assure you that the changes in policies and legislation by the administrations in office in the United States and Mexico, may not affect the Mexican economy, causing a significant adverse effect on our business, financial condition, results of operations and prospects.

An increase in interest rates in the United States could adversely impact the Mexican economy and may have a negative effect on our principal subsidiary, Cometa Energía's and Tierra Mojada's respective financial condition or performance.

A decision by the U.S. Federal Reserve to increase interest rates on banks' reserves may lead to a general increase in interest rates in the United States. This, in turn, may redirect the flow of capital away from emerging markets and into the United States, because investors may be able to obtain greater risk-adjusted returns in larger or more developed economies rather than in Mexico. Thus, companies in emerging market economies such as Mexico could find it more difficult and expensive to borrow capital and refinance existing debt. This may negatively affect our principal subsidiary, Cometa Energía's and Tierra Mojada's respective potential for economic growth and could have a material adverse effect on our business, financial condition, results of operations, cash flows, prospects and our ability to repay the Notes.

High inflation rates in Mexico may adversely affect electricity prices and our revenues.

Mexico has experienced, and may again experience, high levels of inflation. The annual rate of inflation, as measured by changes in the Mexican national consumer price index, was 3.4% in 2020, 5.7% in 2021, 7.9% in 2022 and 4.6% in 2023. In the past, inflation in Mexico has led to higher interest rates, depreciation of the peso and the imposition of substantial government controls over exchange rates and prices. An adverse change in the exchange rates or the Mexican economy may have a negative impact on price stability and result in higher inflation than its main trading partners, including the United States. To the extent inflation exceeds our electricity price increases, our electricity prices and revenues may be adversely affected in "real" terms. In 2022 and 2023, inflationary pressures intensified due to a number of factors, including the revitalization of demand for consumer goods, labor shortages, supply chain issues and the rise of the prices of energy, oil, gas and other commodities exacerbated by the war in Ukraine and the war between Israel and Hamas in the Gaza Strip. In an effort to contain inflation, central banks, including the Central Bank of Mexico, have increased interest rates. High inflation rates and interest rates can adversely affect Cometa Energía's and Tierra Mojada's respective business, financial condition, results of operations, cash flows, prospects and/or our ability to repay the Notes.

High interest rates in Mexico could increase our financing costs.

Mexico has experienced, and may again experience, high real and nominal interest rates. Mexico also has, and is expected to continue to have, high real and nominal interest rates relative to the United States. The interest rates on 28-day Mexican Government treasury securities (*Certificados de la Tesorería de la Federación* or "Cetes"), averaged 5.31%, 4.46%, 7.78% and 11.10% for the years ended December 31, 2020, 2021, 2022 and 2023, respectively. Accordingly, if we incur peso-denominated debt in the future, it could be at high interest rates, which could increase our financing costs and adversely affect Cometa Energía's and Tierra Mojada's respective business, financial condition, results of operations, cash flows, prospects and/or our ability to repay the Notes. A recession could affect our operations to the extent that we are unable to reduce our costs and expenses in response to falling demand of electricity not sold pursuant to CFE PPAs.

The Mexican Government exerts significant influence over the Mexican economy and energy landscape, with political, economic, social and judicial implications that we cannot predict and that could have a material adverse effect on Cometa Energía's and Tierra Mojada's respective businesses, financial condition, results of operations, cash flows, prospects and/or our ability to repay the Notes.

The Mexican Government has exercised, and continues to exercise, significant and increasing influence over the Mexican economy and energy sector and, as a result the 2024 Constitutional Reform and the implementation of the 2024-2030 Sector Strategy, it may propose additional changes to the applicable legal framework that could impact private investment in such sector. See “—Risk Factors Related to Our Business and Industry— Changes to the legal framework regulating the energy sector in Mexico could have a material adverse effect on us.”

Continuing with the ideals of former President Andres Manuel López Obrador, Mexico's current administration has ratified its inclination towards supporting CFE over private investors in the energy sector and, with the 2024 Constitutional Reform, the imminent implementing regulations and the elimination of CRE and CNH, it has begun to implement policy changes seeking to broaden its grip on the industry and prioritize CFE. As an example, consistent with the preeminence (*prevalencia*) condition that is expected to be enforced by CFE over other participants in the electricity industry as a result of the 2024 Constitutional Reform, President Claudia Sheinbaum has indicated that CFE will have a minimum stake of 54% in the country's generation of electricity. The existing regulatory uncertainty may lead to further shifts in policies, including changes in permitting procedures, tariff structures, or other regulations governing private energy projects. Such uncertainty can adversely affect the viability and profitability of Cometa Energía's and Tierra Mojada's respective current and future projects.

The government's emphasis on a state-controlled energy sector, including the extinction of CRE and CNH and the possible merger of CENACE into CFE, could reduce the competitiveness of the energy market, limiting private sector participation and potentially leading to higher energy costs for end consumers. Private energy generation projects may face challenges in maintaining their competitive edge and achieving projected returns amid an increasingly state-dominated market.

We cannot predict the impact that the political, social and judicial landscape in Mexico will have its economy, the energy sector and our business in Mexico. The implementing regulations of the 2024 Constitutional Reform and the enactment of additional laws or regulations or increased investigative and enforcement activities, could materially impact Cometa Energía's and Tierra Mojada's ability to operate their facilities at existing levels or at all, may result in increased costs for Cometa Energía and Tierra Mojada and their respective customers, may adversely affect our ability to develop new projects, may impair our ability to renew or obtain operational permits, and may negatively impact our ability to recover the carrying values of our investments in Mexico, any of which may have a material adverse effect on us.

The increase in violence in Mexico has adversely impacted, and may continue to adversely impact, the Mexican economy and may have a material adverse effect on our principal subsidiaries, Cometa Energía's and Tierra Mojada's respective business, financial condition, results of operations, cash flows, prospects and our ability to repay the Notes.

During recent years, Mexico has experienced a significant increase in violence relating to organized crime, particularly in Mexico's northern states near the U.S. border. This increase in violence has had an adverse impact on the economic activity in Mexico and may continue to do so. Despite the efforts of the Mexican Government to increase security measures by strengthening its military and police forces, drug-related violence and organized crime continues to threaten the Mexican economy and the peace and security of certain regions, resulting in economic and political instability and uncertainty in Mexico. Social instability in Mexico and adverse social or political developments in or affecting Mexico could adversely affect us and our financial performance. Also, violent crime may increase our insurance and security costs. In addition, systematic criminal activity and isolated criminal events could interrupt our principal subsidiaries, Cometa Energía's and Tierra Mojada's respective operations, affect its ability to generate revenue and increase the cost of its operations. Continued violence could result in the Mexican Government adopting additional security measures, such as transport restrictions, prohibiting the transit of goods and people at certain times, and interruptions cross-border trade. Corruption and links between criminal organizations and government authorities also create conditions that affect our business operations, as well as extortion and other acts of intimidation, which may have the effect of limiting the level of action taken by federal and local governments in

response to such criminal activity. These activities, their escalation and the violence associated with them, over which we have no control, could have a negative impact on the business environment in which Cometa Energía and Tierra Mojada operates, and therefore on its business, financial condition, results of operations, cash flows, prospects and its ability to repay the Notes.

Geopolitical challenges and other global uncertainties could have a material adverse effect on our principal subsidiaries, Cometa Energía's and Tierra Mojada's respective business, financial condition, results of operations, cash flows, prospects and/or our ability to repay the Notes.

Our principal subsidiaries, Cometa Energía and Tierra Mojada could experience negative impacts on their respective businesses, financial condition and results of operations due to geopolitical challenges and other uncertainties worldwide. Currently, the global economy faces a number of exceptional challenges. Russia's invasion of Ukraine and the war between Israel and Hamas in the Gaza Strip, could continue to cause significant disruption, instability and volatility in global markets, as well as prolong the currently elevated inflation rates (including contributing to further increases in energy, oil and other commodity prices and causing further disruption in supply chains) and lower or negative growth. The European Union, the United Kingdom, the United States and other governments have imposed significant sanctions and export controls against Russia and its interests, as well as restrictions on transit and seizure of assets of certain Russian persons within territories of the European Union and have threatened to impose additional sanctions and controls. Although the impact of such measures and Russia's possible responses to them are uncertain, any such measures could materially and adversely affect our principal subsidiaries, Cometa Energía's and Tierra Mojada's respective business, financial condition, results of operations, cash flows, prospects and/or our ability to repay the Notes. Moreover, geopolitical and economic risks have also increased in recent years as a result of trade tensions between the United States and China, Brexit, the rise of populism and tensions in the Middle East. Increasing trade tensions may lead, among other things, to a de-globalization of the world economy, increased protectionism or barriers to immigration, overall reduction in international trade in goods and services, as well as reduced financial market integration. All of the above could materially and adversely affect Cometa Energía's and Tierra Mojada's respective business, financial condition, results of operations, cash flows, prospects and/or our ability to repay the Notes.

Events and the perception of risk in other countries, may materially adversely affect the market price of Mexican securities, including that of the notes.

The market price of securities issued by Mexican companies or companies holding Mexican assets is affected to varying degrees by economic and market conditions in other countries, including the United States, China and other Latin American and emerging market countries. Therefore, investors' reactions to developments in these other countries may have an adverse effect on the market value of securities of companies holding Mexican assets. Crises in the United States or other emerging market countries may reduce investor interest in securities secured by Mexican companies, including those issued by us.

In the past, adverse economic conditions in other emerging market countries have resulted in capital flight and, as a consequence, in a decrease in the value of foreign investments in Mexico. The financial crisis that originated in the United States during the third trimester of 2008 triggered a recession of global scale. This crisis adversely affected the Mexican economy and Mexican capital markets, both directly and indirectly, and led to, among other things, fluctuations in the trading prices of securities issued by publicly-owned companies, scarcity of credit, cuts in expenditures, a slowdown in the global economy, exchange rate volatility, and inflationary pressures. Recent turmoil in other large economies, such as those in Europe and China, could also have such effect.

In addition, in recent years, economic conditions in Mexico have become increasingly correlated with economic conditions in the United States as a result of the USMCA and increased economic activity between the two countries. Adverse economic conditions in the United States, the termination or re-negotiation of the USMCA or other related events could have a significant adverse effect on the Mexican economy. We cannot assure you that events in other emerging market countries, in the United States or elsewhere will not have a material adverse effect on Cometa Energía's and Tierra Mojada's respective business, financial condition, results of operations, cash flows, prospects and/or our ability to repay the Notes.

The Mexican economy is still highly influenced by the economies of the United States, Europe and China. Therefore, if all commercial treaties or some of the existing commercial treaties with the United States, Europe or China are cancelled, modified or similar terminations occur, or the economic conditions in the United States, Europe and China are negative or have less growth, the Mexican economy could be adversely affected. These events could negatively affect Cometa Energía's and Tierra Mojada's respective business, financial condition, results of operations, cash flows, prospects and our ability to repay the Notes.

We are exposed to compliance obligations and risks under the Mexican Federal Anticorruption Law in Public Contracting, the U.S. Foreign Corrupt Practices Act and similar anti-bribery laws. Our failure to comply with these laws could result in penalties, harm our reputation and have an adverse effect on our business, results of operations and financial condition.

The Mexican Federal Anticorruption Law in Public Contracting (*Ley Federal Anticorrupción en Contrataciones Públicas*), the U.S. Foreign Corrupt Practices Act ("FCPA"), the UK Bribery Act and similar antibribery laws generally prohibit companies from, directly or indirectly through intermediaries, making improper payments to government officials or other persons for the purpose of obtaining or retaining business or any business advantage. Our operations require us to use third-party agents to conduct business or to interact with persons who may be considered governmental officials under the FCPA or other anti-bribery laws. Thus, we face the risk that our contractors and other third-party agents acting on our behalf may offer or provide unauthorized payments or other things of value or may otherwise act in a manner that could give rise to violations of such laws. We maintain internal controls, policies and procedures related to anti-bribery compliance, but we cannot assure you that our policies and procedures will protect us from unlawful acts committed by our contractors or other third-party agents. If we, our officers or our employees fail to comply with any applicable anti-corruption, anti-bribery or anti-money laundering laws, we and our officers and employees may be subject to criminal, administrative or civil penalties and other remedial measures, which could have material adverse effects on our business, financial condition and results of operations. Any investigation of potential violations of anti-corruption, anti-bribery or anti-money laundering laws by governmental authorities in Mexico or other jurisdictions could result in an inability to prepare our financial statements in a timely manner, including under certain circumstances the withdrawal of previously issued audited financial statements. Violations of these laws, or even allegations of such violations, could damage our reputation and be expensive to defend against and may disrupt our business and have an adverse effect on us.

The occurrence of certain events could result in an obligation to prepay, or accelerate, our subsidiary's indebtedness.

Cometa Energía and Tierra Mojada have incurred indebtedness in the international markets that is subject to certain conditions and obligations that, if not met by it, could give rise to an obligation to prepay or an event of default under such indebtedness. Such notes are subject to certain events of default that will permit acceleration of the principal of the notes plus accrued interest, and any other amounts due with respect to such notes. If a mandatory prepayment event or an event of default under any such indebtedness were to occur and the repayment obligations are accelerated, our business, financial condition and results of operations could be adversely affected.

Our level of indebtedness may adversely affect our business, results of operations, financial condition and our ability to comply with our obligations under the notes.

Our total debt as of September 30, 2024, was US\$2,255.0 million and, following the issuance of the Notes and the application of the proceeds as indicated herein, we will continue to have a substantial level of indebtedness. There can be no assurance that, subject to the terms and conditions of the Notes, we will not incur substantial additional debt in the future. A high level of indebtedness could have one or more of the following consequences:

- make it more difficult for us to satisfy our obligations with respect to the Notes;
- require us to dedicate a substantial portion of our cash flows from operations to payments on our debt, which would reduce the funds available for working capital, significant capital expenditures, acquisitions and other general corporate purposes;

- increase our vulnerability to general adverse economic conditions; and
- limit our ability to borrow additional funds and increase the cost of any such borrowing.

Risks Relating to the Notes and Our Corporate and Financing Structure

Payments on the Notes will be junior to any secured debt of the issuer and effectively junior to the debt obligations of our subsidiaries, including Cometa Energía and Tierra Mojada.

The Notes will constitute our senior unsecured obligations of the Issuer and will rank equal in right of payment with all of the Issuer's other existing and future senior unsecured indebtedness.

As of September 30, 2024, we had total debt of US\$2,255.0 million, all of which was secured debt of the Issuer's subsidiaries.

The Notes will be subordinated to the secured debt of the Issuer to the extent of the assets and property securing such debt. Payment on the Notes will also be structurally subordinated to the payment of secured and unsecured debt and other creditors of the Issuer's subsidiaries, including Cometa Energía and Tierra Mojada. Any right of the holders of the Notes to enforce upon the assets of the Issuer, including the capital stock of its subsidiaries, and the assets of the Issuer's subsidiaries upon any liquidation or reorganization will be subject to the prior claims of the Issuer's secured creditors and the creditors of its subsidiaries. The Indenture governing the Notes includes a limitation on the Issuer's ability and the ability of the Issuer's restricted subsidiaries (including Cometa Energía's and Tierra Mojada's) to incur certain indebtedness, although this limitation is subject to certain significant exceptions, and the debt incurred in compliance with these restrictions could be substantial.

We may not be able to generate sufficient cash flows to meet our debt service obligations or to fund our other liquidity needs.

The obligations to make payments of principal, premium, if any, and interest on the Notes will be solely the obligations of the Issuer. None of the Direct Shareholder or any of its affiliates (other than the Issuer) or their respective incorporators, stockholders, members, directors, managers, officers or employees will guarantee the payment of the Notes or for any claim based on, in respect of, or by reason of, such obligations or their creation.

Our ability to pay interest and principal with respect to the Notes depends entirely on payments by Cometa Energía and Tierra Mojada of dividends to us. We are a wholly owned special purpose subsidiary of the Direct Shareholder, and do not and are not expected to have any operations or employees. Our primary assets are 100% of the shares of El Aguila Holdings B.V., which in turn indirectly owns 99.9% of the shares of Cometa Energía, and 100% of the shares of Tierra Mojada, which in turn owns 100% of the shares of Tierra Mojada Luxembourg and Ektria Holding V B.V.. Cometa Energía and Tierra Mojada have pledged essentially all of their respective assets pursuant to the Cometa Indenture (as defined below) and the Tierra Mojada Facilities (as defined below). As such, the Issuer's ability to make payments of principal, interest and any other amounts due on the Notes depends entirely on its receipt of dividends from Cometa Energía and Tierra Mojada with respect to its indirect ownership of Cometa Energía and Tierra Mojada. If Cometa Energía and Tierra Mojada fail or are unable to pay dividends pursuant to the terms of the Cometa Indenture and the Tierra Mojada Facilities, the Issuer will not have sufficient resources to satisfy its obligations under the Notes.

Our ability to make scheduled payments on, or to refinance, our obligations with respect to our indebtedness, including the Notes, will depend on our financial and operating performance, which in turn will be affected by general economic conditions and by financial, competitive, regulatory and other factors beyond our control, such as the negative impact of the COVID-19 pandemic. We cannot assure you that our principal subsidiaries, Cometa Energía's or Tierra Mojada's respective business will generate sufficient cash flow or that future sources of capital will be available to us in an amount sufficient to enable us to service our indebtedness, including the Notes, or to fund our other liquidity needs. Moreover, the Cometa Revolver and the CCTM Revolver (as defined below) expire in February 2029 and September 2029, respectively, and the inability to renew or refinance such indebtedness on commercially reasonable terms or at all, could materially and adversely affect Cometa Energía's or Tierra Mojada's

business, financial condition, results of operations, cash flows and/or prospects, which in turn could have a material adverse effect on us. If we are unable to generate sufficient cash flow to satisfy our debt obligations, we may have to undertake alternative financing plans, such as refinancing or restructuring our debt, selling assets, reducing or delaying capital investments or seeking to raise additional capital. We cannot assure you that any refinancing would be possible, that any assets could be sold or, if sold, of the timing of the sales and the amount of proceeds that may be realized from those sales, or that additional financing could be obtained on acceptable terms, if at all. The Indenture that will govern the Notes will restrict our ability to dispose of assets and use the proceeds from the disposition and may also restrict our ability to raise debt or equity capital to be used to repay other indebtedness when it becomes due. We may not be able to consummate those dispositions or to obtain proceeds in an amount sufficient to meet any debt service obligations then due. Our inability to generate sufficient cash flows to satisfy our debt obligations, or to refinance our indebtedness on commercially reasonable terms, would materially and adversely affect us.

If we cannot make scheduled payments on our debt, we will be in default and holders of the Notes could declare all outstanding principal and interest to be due and payable, causing a cross-acceleration or cross-default under other debt agreements, and we could be forced into bankruptcy, liquidation or restructuring proceedings.

We are a holding company with no independent operations or generation or distribution assets and we are dependent on cash flow generated by our subsidiaries.

We are a holding company that indirectly owns Cometa Energía and Tierra Mojada and, as a result, do not conduct independent operations or possess significant assets other than investments in Cometa Energía's and Tierra Mojada's respective businesses. Therefore, we depend upon the receipt of sufficient funds from Cometa Energía's and Tierra Mojada's respective businesses (via dividends, loans or other distributions) to meet our obligations, including to repay our indebtedness, including the Notes, contribute committed capital to our businesses, and to pay dividends or other distributions to our shareholders. However, Cometa Energía and Tierra Mojada will generally be required to service its debt obligations before making distributions to us. Our ability to access such cash flow from our subsidiaries and investees may be limited in some circumstances and we may not have the ability to cause entities in which we own an interest to make distributions to us. Additionally, the terms of existing and future joint ventures, financings, or cooperative operational agreements, ratings considerations, and/or the laws and jurisdictions under which each of Cometa Energía's and Tierra Mojada's respective subsidiaries and investees are incorporated may also limit the timing and amount of any dividends, other distributions, loans or loan repayments to us.

While the Issuer has the obligation to cause, Cometa Energía and Tierra Mojada, to contribute dividends sufficient to pay amounts due on the Notes or to make funds available for that purpose it may not be able to do so. While the Indenture governing the Notes limits the ability of Cometa Energía and Tierra Mojada to incur consensual restrictions on its ability to pay dividends these limitations are subject to certain qualifications and exceptions most notably under the Cometa Indenture and the Tierra Mojada Facilities. In the event that we do not receive distributions made by Cometa Energía and Tierra Mojada, we may be unable to make required payments on our indebtedness, including the Notes.

Certain restrictive covenants contained in the Indenture governing the Notes will limit our operating and financial flexibility in operating Cometa Energía's and Tierra Mojada's respective business.

The Indenture governing the Notes will contain restrictive affirmative and negative (including in relation to indebtedness) and other covenants that limit or prohibit, among other things, the manner in which we and our Restricted Subsidiaries may structure or operate our and Cometa Energía's and Tierra Mojada's respective business, including by limiting our and Cometa Energía's and Tierra Mojada's respective Restricted Subsidiaries' ability to:

- incur indebtedness;
- make restricted payments and investments;
- create liens;
- change the nature of their business;

- sell assets; and
- consolidate, merge or enter into transactions with affiliates.

See “Description of the Notes—Negative Covenants of the Company and the Restricted Subsidiaries” and “Description of the Notes—Affirmative Covenants of the Company and the Restricted Subsidiaries.” As a result of these covenants, we will be limited in the manner in which we conduct our and Cometa Energía’s and Tierra Mojada’s respective business, and we may be unable to engage in favorable business opportunities.

Certain restrictive covenants contained in the Cometa Indenture and the Tierra Mojada Indenture governing the Cometa Notes and the Tierra Mojada Notes, respectively, will limit our operating and financial flexibility in operating Cometa Energía’s business.

Our principal assets consist of our ownership of Cometa Energía and Tierra Mojada. The Cometa Indenture and the Tierra Mojada Indenture governing the Cometa Notes and the Tierra Mojada Notes, respectively, contain restrictive affirmative and negative (including in relation to indebtedness) and other covenants that limit or prohibit, among other things, the manner in which we may structure or operate Cometa Energía’s and Tierra Mojada’s respective business, including by limiting Cometa Energía’s, Tierra Mojada’s and their respective subsidiaries’ ability to:

- incur indebtedness;
- make restricted payments and investments;
- create liens;
- change the nature of their business;
- sell assets; and
- consolidate, merge or enter into transactions with affiliates.

See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity—Debt Instruments—Cometa Notes (SSN35)” and “—Tierra Mojada Notes (SSN40).” As a result of these covenants, we will be limited in the manner in which we conduct Cometa Energía’s and Tierra Mojada’s respective business, and we may be unable to engage in favorable business.

Application of existing tax laws, rules and regulations is subject to interpretation by taxing authorities.

We may be subject to certain taxes in numerous jurisdictions, including Mexico and Luxembourg. While we may rely on consultations with outside accounting and tax experts in computing our obligations under tax laws, rules and regulations, we are required to take various tax accounting and reporting positions on complex matters that are not entirely free from doubt and for which we have not received rulings from the governing authorities. We are also subject to intercompany transfer pricing laws, including those relating to the flow of funds among our companies pursuant to agreements or other arrangements between our companies.

Tax authorities in any applicable jurisdiction may disagree with the positions we have taken or intend to take regarding the tax treatment or characterization of any of our transactions, such as the tax treatment or characterization of our indebtedness, existing and future intercompany loans and guarantees or the deduction of interest expenses. Although we believe our tax positions are reasonable, we cannot assure you that the applicable taxing authorities will agree with our positions.

If any applicable tax authorities were to successfully challenge the tax treatment or characterization of any of our intercompany transactions, it could result in the disallowance of deductions, a limitation on our ability to deduct interest expenses, the imposition of withholding taxes, the application of penalties and accrued interest on

intercompany loans or internal deemed transfers or other consequences that could have a material and adverse effect on our business, financial condition and results of operations, which could in turn adversely affect our ability to fulfill our obligations under the Notes or cause the market price of the Notes to decline.

The transfer of the Notes is restricted and it may be difficult to resell your Notes.

The Notes have not been registered under the Securities Act and will be subject to certain transfer restrictions. We do not intend to provide registration rights to holders of the Notes and do not intend to file any registration statement with the U.S. Securities and Exchange Commission in respect of the Note. Unless so registered, the Notes may not be offered or sold except pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act and any other applicable laws. By purchasing the Notes, prospective purchasers will be deemed to have made the acknowledgments, representations, warranties and agreements described under the heading “Transfer Restrictions” in this Offering Memorandum. In addition, an affiliate of the Issuer and one of the Initial Purchasers may place a purchase order and be allocated a portion of the Notes offered hereby. Investors should be aware that they may be required to bear the risks of this investment for an indefinite period of time. See “Plan of Distribution” and “Transfer Restrictions.” The Notes and the Indenture will contain provisions that will restrict the Notes from being offered, sold or otherwise transferred except to people outside the United States purchasing in offshore transactions pursuant to Regulation S or to qualified institutional buyers within the United States purchasing in reliance on Rule 144A or other exceptions under the Securities Act. It is the obligation of holders of the Notes to ensure that their offers and sales of the Notes within the United States and other countries comply with applicable securities laws. The Notes have not been registered with the Mexican National Securities Registry (*Registro Nacional de Valores*) and may not be publicly offered or sold and may not be the subject of intermediation in Mexico except pursuant to the private placement exemptions under Article 8 of the Mexican Securities Market Law.

Your ability to transfer the Notes may be limited by the absence of an active trading market, and there is no assurance that any active trading market will develop for the Notes.

The Notes are a new issue of securities for which there is currently no market. Although we will apply for the approval in-principle for the listing of the Notes on the SGX-ST, we cannot assure you that the Notes will receive final approval or will remain listed. The Initial Purchasers have advised us that they intend to make a market in the Notes, as permitted by applicable laws and regulations; however, the Initial Purchasers are not obligated to make a market in the Notes and they may discontinue their market-making activities at any time without notice. Therefore, we cannot assure you as to the development or liquidity of any trading market for the Notes. The liquidity of any market for the Notes will depend on a number of factors, including:

- the number of holders of Notes;
- our operating performance and financial condition;
- the market for similar securities;
- the interest of securities dealers in making a market in the Notes; and
- prevailing interest rates.

Historically, the market for project finance debt has been subject to disruptions that have caused substantial volatility in the prices of securities similar to the Notes. We cannot assure you that the market, if any, for the Notes will be free from similar disruptions or that any such disruptions may not adversely affect the prices at which you may sell your Notes. Therefore, we cannot assure you that you will be able to sell your Notes at a particular time or price, if at all.

We may incur additional indebtedness that could adversely affect holders of the Notes and expect to enter into a letter of credit facility.

We may be able to incur additional indebtedness in the future. Although the Indenture will contain restrictions on our incurrence of additional indebtedness, these restrictions on us are subject to a number of important qualifications and exceptions and we expect to enter into a letter of credit facility. See “Description of the Notes—Negative Covenants of the Company and the Restricted Subsidiaries.” If we incur additional indebtedness, the risks that we face as a result of such additional leverage could increase. The Indenture will permit us to issue additional indebtedness that ranks on an equal and ratable basis with the Notes. If we incur any additional debt that ranks on an equal and ratable basis with the Notes, the holders of that debt will be entitled to share ratably with the holders of the Notes in any proceeds distributed in connection with an insolvency, liquidation, reorganization, dissolution or other winding-up of us or our subsidiaries, as applicable, subject to satisfaction of certain debt limitations. This may have the effect of reducing the amount of proceeds paid to you.

Fraudulent conveyance laws may void the Notes or subordinate the Notes.

The issuance of the Notes may be subject to review under applicable bankruptcy law or relevant fraudulent conveyance laws if a bankruptcy lawsuit or similar action affecting the rights of creditors generally is commenced by us or by or on behalf of our creditors. While the relevant laws may vary from jurisdiction to jurisdiction and from time to time, in general under these laws, if a court were to find that, in such a lawsuit or action, at the time the Notes are issued, the debt was incurred with the intent of hindering, delaying or defrauding current or future creditors and received less than reasonably equivalent value or fair consideration for incurring the debt, and we:

- were insolvent or became insolvent as a result of issuing the Notes or the issuance of the Notes occurred within a specific period of time prior to such insolvency;
- were engaged or about to engage in a business or transaction for which the remaining assets of the Issuer constituted unreasonably small capital; or
- intended to incur, or believed that we or it would incur, debts beyond our or its ability to pay those debts as they matured, then the court could deem the issuance of Notes to be a fraudulent conveyance.

In such case, the court could void the payment obligations under the Notes or subordinate the Notes to presently existing and future indebtedness of ours, or require the holders of the Notes to repay any amounts received with respect to the Notes. In the event of a finding that a fraudulent conveyance occurred, you may not receive any repayment on the Notes. Further, the voidance of the Notes could result in an event of default with respect to our other debt that could result in acceleration of such debt. Although standards for determining insolvency vary from jurisdiction to jurisdiction, generally, an entity would be considered insolvent if at the time it incurred indebtedness:

- the sum of its debts, including contingent liabilities, was greater than the value (saleable or other) of all or certain of its assets;
- the present value (saleable or other) of all or certain of its assets was less than the amount that would be required to pay its probable liability on all or a specific portion of its existing debts and liabilities, including contingent liabilities, as they become absolute and mature; or
- it could not pay its debts as they become due.

We cannot be certain as to the standards a court would use to determine whether or not we were solvent or, regardless of the standard that a court uses, that the issuance of the Notes would not be subordinated to our other debt.

Our obligations will be subordinated to statutory preferences.

Under Mexican law, our obligations under the Notes are subordinated to specified statutory preferences for payment of claims, including claims for wages, social security, taxes, court fees and expenses, and other secured

claims. In the event of our liquidation, these preferences will have priority over any other claims, including claims by any holder in respect of the Notes, and, as a result, holders of Notes may be unable to recover amounts due under the Notes, in whole or in part.

The Notes will be structurally subordinated to all liabilities of subsidiaries.

Neither our current and future subsidiaries will guarantee the Notes, except to the extent we decide to do so at our discretion. See “Description of the Notes— Status, Ranking and No Recourse.” In the event of a bankruptcy, liquidation or reorganization of any non-guarantor subsidiary, holders of their indebtedness and their trade creditors will generally be entitled to payment of their claims from the assets of those entities before any assets are made available for distribution to us. As a result, the Notes will effectively be subordinated to the prior payment of all of the liabilities of all non-guarantor subsidiaries.

Non-guarantor subsidiaries are separate and distinct legal entities and have no obligation, contingent or otherwise, to pay amounts due pursuant to the Notes or to make any funds available therefor, whether by dividends, loans, distributions or other payments.

We may not have the ability to raise the funds necessary to finance the Change of Control Offer required by the Indenture.

Upon the occurrence of a “Change of Control Repurchase Event,” as defined in the Indenture, we will be required to offer to repurchase all outstanding Notes at 101% of the principal amount thereof plus accrued and unpaid interest and Additional Amounts, if any, to the date of repurchase. See “Description of the Notes— Repurchase Upon Change of Control Repurchase Event.” However, it is possible that we will not have sufficient funds at the time of the Change of Control Repurchase Event to make the required repurchase of Notes. In any case, third-party financing most likely would be required in order to provide the funds necessary for us to make the Change of Control Offer for the Notes and to refinance any other indebtedness that would become payable upon the occurrence of such events. We may not be able to obtain such additional financing on terms favorable to us or at all.

The definition of “Change of Control” in the Indenture will include a disposition of all or substantially all of the properties or assets of the Issuer and its Restricted Subsidiaries, taken as a whole, to any person, other than one or more Permitted Holders (as defined in the Indenture). Although there is a limited body of case law interpreting the phrase “all or substantially all,” there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of “all or substantially all” of the assets of the Issuer and its Restricted Subsidiaries, taken as whole.

As a result, it may be unclear as to whether a Change of Control has occurred and whether we are required to make an offer to repurchase the Notes.

In addition, a failure to make an offer to repurchase the Notes upon a Change of Control Repurchase Event would give rise to an event of default under the Indenture and could result in an acceleration of amounts due thereunder. Any such default and acceleration under the Indenture could trigger a cross-default or cross-acceleration under other indebtedness.

Payments claimed in Luxembourg on the Notes, pursuant to a judgment or otherwise, may be in Euros.

In the event of any proceedings being brought in a Luxembourg court in respect of a monetary obligation expressed to be payable in a currency other than the Euro, a Luxembourg court would have the power to give judgment expressed as an order to pay a currency other than in Euros. However, enforcement of the judgment against any party in Luxembourg would be available only in Euros and for such purposes, all claims or debts would be converted into Euros.

Credit ratings may not reflect all risks, are not recommendations to buy or hold securities and may be subject to revision, suspension or withdrawal at any time.

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to the structure, market, additional risk factors discussed herein and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal by the rating agency at any time. No assurance can be given that a credit rating will remain constant for any given period of time or that a credit rating will not be lowered or withdrawn entirely by the credit rating agency if, in its judgment, circumstances in the future so warrant. A suspension, reduction or withdrawal at any time of the credit rating assigned to the Notes by one or more of the credit rating agencies may adversely affect the cost and terms and conditions of our financings and could adversely affect the value and trading of the Notes.

The Notes will be held in book-entry form and therefore you must rely on the procedures of the relevant clearing system to exercise any rights and remedies.

The Notes will be issued in fully registered form. The Regulation S Global Notes and the Rule 144A Global Notes will be deposited, on the Issue Date, with, or on behalf of, the Indenture Trustee for the account of DTC registered in the name of a nominee of the DTC.

Ownership of beneficial interests in the Global Notes (the “Book-Entry Interests”) will be limited to persons that have accounts with DTC (“participants”) or persons that hold interests through such participants. Book-Entry Interests will be shown on, and transfers thereof will be effected only through, records maintained in book-entry form by DTC and their participants. Owners of beneficial interests in the Global Notes will not be entitled to receive definitive Notes in registered form, except under the limited circumstances described in “Book-Entry; Settlement and Clearance.” So long as the Notes are held in global form, holders of Book-Entry Interests will not be considered the owners or “holders” of Global Notes.

Payments of any amounts owing in respect of the Global Notes (including principal, premium, interest and additional amounts, if any) will be made by the Issuer to the paying agents. The paying agents will, in turn, make such payments to DTC, which will in turn distribute such payments to participants in accordance with its procedures. After payment to the DTC, we will have no responsibility or liability for the payment of interest, principal or other amounts to the holders of Book-Entry Interests. Accordingly, if you hold a Book-Entry Interest, you must rely on the procedures of DTC, or the procedures of the participant through which you hold your interest, to exercise any rights and obligations of a holder of Notes under the Indenture governing the Notes.

Unlike the holders of the Notes themselves, holders of Book-Entry Interests will not have the direct right to act upon the Issuer’s solicitations for consents, requests for waivers or other actions from holders of the Notes. Instead, if you hold a Book-Entry Interest, you will be permitted to act only to the extent you have received appropriate proxies to do so from DTC. The procedures implemented for the granting of such proxies may not be sufficient to enable you to vote on a timely basis. Similarly, upon the occurrence of an event of default under the Indenture governing the Notes, unless and until definitive registered Notes are issued in respect of all Book-Entry Interests, if you hold a Book-Entry Interest, you will be restricted to acting through DTC. The procedures to be implemented through DTC may not be adequate to ensure the timely exercise of rights under the Notes.

You may not be able to recover in civil proceedings for U.S. securities law violations.

The Issuer and its subsidiaries are companies incorporated outside the United States, except Saavi Energy Solutions, LLC, Saavi Power Mobile Holdings and Saavi Imperial Power. Most of the Issuer’s directors and executive officers are non-residents of the United States. Although the Issuer has submitted or will submit to the jurisdiction of certain New York courts in connection with any action under U.S. securities laws, you may be unable to effect service of process within the United States on the Issuer’s directors and executive officers. In addition, as most of the Issuer’s assets and those of the Issuer’s directors and executive officers are located outside of the United States, you may be unable to enforce against them judgments obtained in the U.S. courts predicated upon civil liability provisions of the federal securities laws of the United States. In addition, we have been informed that it is questionable whether a court in Luxembourg would accept jurisdiction and impose civil liability if proceedings were

commenced in such court predicated solely upon U.S. federal securities laws. See “Service of Process and Enforcement of Civil Liabilities.”

The insolvency laws of Luxembourg may not be as favorable to you as insolvency laws of jurisdictions with which you may be familiar and may preclude holders of the Notes from recovering payments due on the Notes.

The Issuer is organized under the laws of and has its centre of main interests (*centre des intérêts principaux*), for the purposes of the Regulation (EU) 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings (recast), as amended (the “EU Insolvency Regulation”) and its central administration (*administration centrale*) in, Luxembourg. Accordingly, insolvency proceedings affecting the Issuer would be governed by Luxembourg insolvency laws. The insolvency laws of Luxembourg may differ or may not be as favorable to your interests as creditors as the bankruptcy laws of United States or other jurisdictions. If the Issuer or our principal subsidiaries, Cometa Energía and Tierra Mojada experience financial difficulties, it is not possible to predict with certainty in which jurisdiction or jurisdictions insolvency or similar proceedings would first be commenced or how these proceedings would be resolved. The insolvency, administration and other laws of the jurisdictions in which our respective companies are organized or operate may be materially different from, or conflict with, each other. Any conflict between them could call into question whether, and to what extent, the laws of any particular jurisdiction should apply. There can be no assurance as to how the insolvency laws of these jurisdictions will be applied in relation to one another.

The insolvency and reorganization laws of Luxembourg may limit your ability to effectively enforce your rights under the Notes.

The rights of holders under the Notes may be subject to the insolvency, reorganization and administrative laws of Luxembourg, and you may not be able to effectively enforce your rights in such complex, reorganization, bankruptcy or insolvency proceedings. The Notes will be issued by the Issuer, which is incorporated under the laws of, and has its centre of main interests (*centre des intérêts principaux*), for the purposes of the EU Insolvency Regulation and its central administration (*administration centrale*) in, Luxembourg. Accordingly, insolvency proceedings affecting the Issuer would be governed by Luxembourg insolvency laws. The laws of Luxembourg may differ in material aspects from the laws generally applicable to U.S. corporations and security holders, including the provisions relating to interested directors, mergers, amalgamations and acquisitions, takeovers, security holder lawsuits and indemnification of directors or managers. Under Luxembourg law, the duties of directors or managers of a company are generally owed to the company only; creditors of Luxembourg companies generally do not have rights to take action against directors or managers of the company, except in limited circumstances. Managers of a Luxembourg company must, in exercising their powers and performing their duties, act in good faith and in the interests of the company as a whole and must exercise due care, skill and diligence in the performance of their duties. Directors or managers have a duty not to put themselves in a position in which their duties to the company and their personal interests may conflict and also are under a duty to disclose any direct or indirect, personal financial interest in any contract or arrangement with the company or any of its subsidiaries. If a manager of a Luxembourg company is found to have breached his or her duties to such company, he or she may be held personally liable to the company in respect of that breach of duty. A manager may be jointly and severally liable with other managers implicated in the same breach of duty. For a description of the main features of Luxembourg insolvency proceedings and certain aspects of insolvency laws in Luxembourg, see “Service of Process and Enforcement of Civil Liabilities.”

The Issuer is controlled by the Direct Shareholder, whose interests as an equity holder may conflict with yours as a creditor.

The Issuer is a wholly owned subsidiary of the Direct Shareholder, which is in turn owned by certain investment funds advised and managed by GIP. The Direct Shareholder has the right to control the election of the Issuer’s directors and thereby has the power to control the Issuer’s affairs and policies, including the appointment of management, the issuance of additional equity and the declaration and payment of dividends if allowed under the terms of the Indenture governing the Notes offered hereby and the terms of the Issuer’s other indebtedness outstanding at the time. The Direct Shareholder will not have any liability for any obligations under or relating to the Notes and its interests may be in conflict with yours as a holder of Notes. For example, if the Issuer encounters financial difficulties or is unable to pay its debts as they mature, the Direct Shareholder may pursue strategies that favor equity investors over debt investors. In addition, the Issuer’s equity holders may have an interest in pursuing

transactions that could enhance their equity investments, even though such transactions may involve risks to you as a holder of the Notes. Additionally, the Direct Shareholder may make investments in businesses that directly or indirectly compete with the Issuer, or may pursue acquisition opportunities that may be complementary to the Issuer's business and, as a result, those acquisition opportunities may not be available to the Issuer.

The Indenture will not be qualified under the Trust Indenture Act and the obligations of the Indenture Trustee are limited.

The Indenture will not be qualified as an indenture under the Trust Indenture Act of 1939 (the "Trust Indenture Act"), and the Indenture Trustee will not be required to qualify as a trustee under the Trust Indenture Act. Thus, the holders of the Notes will not have the benefit of the protection of the Trust Indenture Act with respect to the Indenture or the Indenture Trustee. The protections generally afforded to the holder of a security issued under an indenture that has been qualified under the Trust Indenture Act include:

- disqualification of the indenture trustee for "conflicting interests," as defined in the Trust Indenture Act;
- provisions preventing a trustee that is also a creditor of the Issuer from improving its own credit position at the expense of the security holders immediately prior to or after a default under such indenture;
- the requirement that the indenture trustee deliver reports at least annually with respect to certain matters concerning the indenture trustee and the securities; and
- unanimous voting thresholds for certain amendments.

USE OF PROCEEDS

We expect net proceeds from the sale of the Notes in this offering, after giving effect to the issue discount and deducting commissions paid to the Initial Purchasers and estimated expenses payable by us in connection with the offering, to be approximately US\$1,076.5 million. On the Issue Date, we intend to use these net proceeds as follows:

- approximately US\$100.0 million to finance the purchase of Cometa Notes tendered pursuant to the Cometa Tender Offer;
- approximately US\$115.0 million to finance the purchase of Tierra Mojada Notes tendered pursuant to the Tierra Mojada Tender Offer;
- approximately US\$350.0 million to finance the redemption in full of the Electricidad Firme Notes;
- approximately US\$150.0 million to repay and cancel the La Lucha Acquisition Financing;
- approximately US\$180.0 million to repay and cancel the Tierra Mojada Acquisition Financing;
- approximately US\$68.0 million to repay and cancel the SPMS Financing;
- approximately US\$100.0 million to make distributions to the Direct Shareholder; and
- the remainder of approximately US\$13.5 million to pay interest, breakage costs, premia, fees and other expenses related to the above and for general corporate purposes, including any cash and cash equivalents resulting impact.

Certain of the Initial Purchasers or their affiliates hold positions in the debt securities and/or credit facilities listed above and may receive a portion of the proceeds of the issuance of the Notes. For more information, see “Plan of Distribution—Other Relationships.”

CAPITALIZATION

The following table sets forth the Issuer’s cash and cash equivalents and capitalization as of September 30, 2024, on an actual basis and as adjusted to reflect the issuance of US\$1,100,000,000 in aggregate principal amount of the Notes offered hereby and the use of the proceeds from this offering, as described in “Use of Proceeds” and assuming each of the Tender Offers reaches its corresponding capped tender amount, as if these events had occurred on September 30, 2024. The financial information of the Issuer presented below is derived from the Unaudited Interim Financial Statements included elsewhere in this Offering Memorandum. You should read this table together with “Summary Financial and Other Data,” “Use of Proceeds,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the Consolidated Financial Statements included elsewhere in this Offering Memorandum.

	As of September 30, 2024	
	Actual	As Adjusted
	(US\$ in millions)	
Cash and cash equivalents ^{(1) (2)}	140.6	240.6
Cometa Notes ⁽³⁾	671.5	571.5
Tierra Mojada Notes ⁽⁴⁾	835.5	720.5
Electricidad Firme Notes ⁽⁵⁾	350.0	-
La Lucha Acquisition Financing ⁽⁶⁾	150.0	-
Tierra Mojada Acquisition Financing ⁽⁷⁾	180.0	-
SPMS Financing ⁽⁸⁾	68.0	-
Cometa Revolver ⁽⁹⁾	-	-
CCTM Revolver ⁽¹⁰⁾	-	-
Electricidad Firme L/C Facility ⁽¹¹⁾	-	-
Notes offered hereby ⁽¹²⁾	-	1,100.0
Total debt⁽¹³⁾.....	2,255.0	2,392.0
Total equity⁽¹⁴⁾.....	587.9	587.9
Total capitalization⁽¹⁵⁾.....	2,842.8	2,979.9

(1) On an actual basis, represents the cash and cash equivalents and capitalization of the Issuer, on a consolidated basis, as of September 30, 2024.

(2) On an as adjusted basis, represents the cash and cash equivalents of the Issuer, on a consolidated basis, adjusted to reflect the issuance of US\$1,100,000,000 in aggregate principal amount of the Notes offered hereby, the use of the proceeds from this offering, and assuming each of the Tender Offers reaches its corresponding capped tender amount, as if these events had occurred on September 30, 2024. Excludes any resulting impact of the US\$37.0 million to be used to pay interest, breakage costs, premia, fees and other expenses related to the above and for general corporate purposes. Includes US\$100.0 million to be distributed to the Direct Shareholder (see “Use of Proceeds”).

(3) Comprises US\$671.5 million of outstanding principal excluding US\$18.6 million of accrued interest and has US\$26.3 million of associated deferred financing costs. We intend to use a portion of the net proceeds of this offering to finance the purchase of a portion of the outstanding Cometa Notes pursuant to the Cometa Tender Offer (see “Summary—Recent Developments—Concurrent Tender Offers” and “Use of Proceeds”).

(4) Comprises US\$835.5 million of outstanding principal excluding US\$16.0 million of accrued interest and has US\$13.1 million of associated deferred financing costs. We intend to use a portion of the net proceeds of this offering to finance the purchase of a portion of the outstanding Tierra Mojada Notes pursuant to the Tierra Mojada Tender Offer (see “Summary—Recent Developments—Concurrent Tender Offers” and “Use of Proceeds”).

(5) Comprises US\$350.0 million of outstanding principal excluding US\$6.2 million of accrued interest and has US\$3.2 million of associated deferred financing costs. We intend to use a portion of the net proceeds of this

- offering to finance the redemption in full of the Electricidad Firme Notes (see “Summary—Recent Developments—Possible Call for Redemption of the Electricidad Firme Notes” and “Use of Proceeds”).
- (6) Comprises US\$150.0 million of outstanding principal excluding US\$2.9 million of accrued interest and has no associated deferred financing costs. We intend to use a portion of the net proceeds of this offering to repay in full the outstanding balance under, and to terminate in full, the La Lucha Acquisition Financing, including the release of all liens on the collateral securing such debt (see “Use of Proceeds”).
 - (7) Comprises US\$180.0 million of outstanding principal excluding US\$3.6 million of accrued interest and has US\$0.5 million of associated deferred financing costs. We intend to use a portion of the net proceeds of this offering to repay in full the outstanding balance under, and to terminate in full, the Tierra Mojada Acquisition Financing, including the release of all liens on the collateral securing such debt (see “Use of Proceeds”).
 - (8) Comprises US\$68.0 million of outstanding principal excluding US\$1.8 million of accrued interest and has US\$0.4 million of associated deferred financing costs. We intend to use a portion of the net proceeds of this offering to repay in full the outstanding balance under, and to terminate in full, the SPMS Financing and all related documentation, including the release of all liens on the collateral securing such debt (see “Use of Proceeds”).
 - (9) Represents the Cometa Revolver of US\$225.0 million at Cometa Energía (of which up to US\$80.0 million can be used for general purposes and up to 100% can be used to issue standby letters of credit). As of September 30, 2024, there was no outstanding balance on the committed amount under the Cometa Revolver.
 - (10) Represents the CCTM Revolver of US\$200.0 million at CCTM (of which up to US\$42.3 million can be used for general purposes and up to 100% can be used to issue standby letters of credit). As of September 30, 2024, there was no outstanding balance on the committed amount under the CCTM Revolver.
 - (11) Represents the Electricidad Firme L/C Facility of US\$60.0 million. It expires on September 19, 2025 (extendable on a yearly basis subject to issuing bank’s discretion through May 24, 2035). As of September 30, 2024, there was no outstanding balance on the committed amount under the Electricidad Firme L/C Facility.
 - (12) The Notes have been reflected in their aggregate principal amount of US\$1,100.0 million (issue price of 99.187%), gross of debt issuance costs and without giving effect to the issue discount.
 - (13) Excludes “Other long-term liabilities” amounting to US\$54.5 million, consisting of a payment of certain plant equipment acquired by SLP, certain deferred maintenance fee of GES and a contingent consideration for the acquisition of NP Energía La Lucha for the refund of a VAT receivable from the applicable taxing authority; which receivable was collected in the amount of US\$29.6 million and repaid to the seller on December 30, 2024.
 - (14) On an actual basis, represents total equity as reported in the Unaudited Interim Financial Statements; on an as adjusted basis, does not reflect the equity impact of premia, issue discount, costs, fees and expenses to be paid in connection with this offering of the Notes, and the impact of any interest, breakage costs, fees and other expenses and commissions to be paid in connection with the Cometa Tender Offer, the Tierra Mojada Tender Offer, the redemption in full of the Electricidad Firme Notes, the termination in full of La Lucha Acquisition Financing, the termination in full of the Tierra Mojada Acquisition Financing, the termination in full of the SPMS Financing estimated to be in an amount of US\$37.0 million and US\$100.0 million to be distributed to the Direct Shareholder.
 - (15) Total capitalization is equal to total debt, excluding accrued interest and deferred financing costs, net *plus* total equity.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The information below presents consolidated financial information for the Issuer. You should read the information below in conjunction with "Forward-Looking Statements," "Presentation of Financial and Other Information," "Summary Financial and Other Data," "Use of Proceeds" and "Capitalization," as well as the Consolidated Financial Statements included elsewhere in this offering memorandum.

The financial information presented in this "Management's Discussion and Analysis of Financial Condition and Results of Operations" section as of and for the years ended December 31, 2023 and 2022 and as of September 30, 2024, for the nine months periods ended September 30, 2024 and 2023 has been derived from the Audited Financial Statements and Unaudited Interim Financial Statements, respectively. See "Presentation of Financial and Other Information."

Except as the context otherwise indicates, when discussing historical results of operations in this "Management's Discussion and Analysis of Financial Condition and Results of Operations" section, "we," "our" and other similar terms are generally used to refer to the Issuer for the years ended December 31, 2023 and 2022 and for the nine months periods ended September 30, 2024 and 2023.

The results of operations for the periods presented are not necessarily indicative of the results to be expected for future periods. The results of operations for the nine months period ended September 30, 2024 are not necessarily indicative of the results to be expected for the year ended December 31, 2024. This section contains forward-looking statements that involve risks and uncertainties. Our actual results may vary materially from those discussed in such forward-looking statements as a result of various factors, including those set forth in "Risk Factors" and other matters set forth in this Offering Memorandum.

Overview

The Issuer, an indirect wholly owned subsidiary of certain investment funds advised and managed by GIP. GIP is a holding company whose primary asset as of the date of this Offering Memorandum is an indirect 99.9% ownership interest in Saavi Energía, which through direct and indirect subsidiaries develops, owns and operates power generation facilities and other energy infrastructure in Mexico and in Puerto Rico that include six CCGT, the solar PV Facility, three MPGUs, three natural gas compression stations (of which two are operating) and an operating natural gas pipeline that is associated to one of those stations.

Saavi Energía is the largest private power generator in Mexico in terms of permitted capacity, after the CFE, a state owned entity, and FIEMEX, a Mexican special purpose trust (*fideicomiso*) sponsored by the FONADIN and managed by MIP FF, with a significant investment from the Mexican Government. Saavi Energía, through its predecessor entities, has more than 25 years of experience in Mexico. Saavi Energía, directly and through a majority-owned partnership in EAVIII, owns and operates a geographically diversified portfolio of U.S. dollar-based, long-term contracted, operationally efficient and highly competitive assets with a total permitted generation capacity of 3,743 MW as of the date of this Offering Memorandum.

The following table sets forth key consolidated financial and operating data as of the dates and for the periods indicated:

	As of and for the nine months period ended	As of and for the twelve months period ended	As of and for the year ended	
	September 30, 2024	September 30, 2024	December 31, 2023	December 31, 2022
	(US\$ in millions, except total permitted generation capacity)			
Total assets	3,601.5	3,601.5	3,503.9	3,466.0
Total revenues	1,137.5	1,564.1	1,588.5	1,102.1
Operating profit.....	172.0	227.0	173.3	123.8
Adjusted EBITDA ⁽¹⁾	339.6	474.1	390.9	212.8
Net income	17.1	17.4	5.9	13.6
Total permitted generation capacity (MW)	3,743	3,743	3,864	3,864

(1) For the definition of Adjusted EBITDA, see “Presentation of Financial and Other Information—Non-IFRS Financial Measures” and, for a reconciliation of Net income to Adjusted EBITDA, see “Summary Financial and Other Data—Reconciliation of Net Income to Adjusted EBITDA.”

History

International Generating Company, the former owner of InterGen, was a pioneer in the gas-powered generation market in Mexico when it established the business now known as “Saavi Energía” in 1999 after CFE awarded a long-term PPA to EAVIII that resulted in the development, construction and, ultimately, operation in Bajío, Mexico, in 2002. Since its inception, Saavi Energía has become the largest private power generator in Mexico, in terms of permitted capacity, positioning itself as a leading developer and operator of power generation assets, recently expanding its total permitted generation capacity to 3,743 (including 100% of Bajío Entities) MW through operating acquisitions of generation assets Tierra Mojada (970 MW), La Lucha (131 MW) and SPMS (111 MW). The chart below highlights the growth of our business and key milestones from inception through the present.

Total Permitted Generation Capacity Evolution

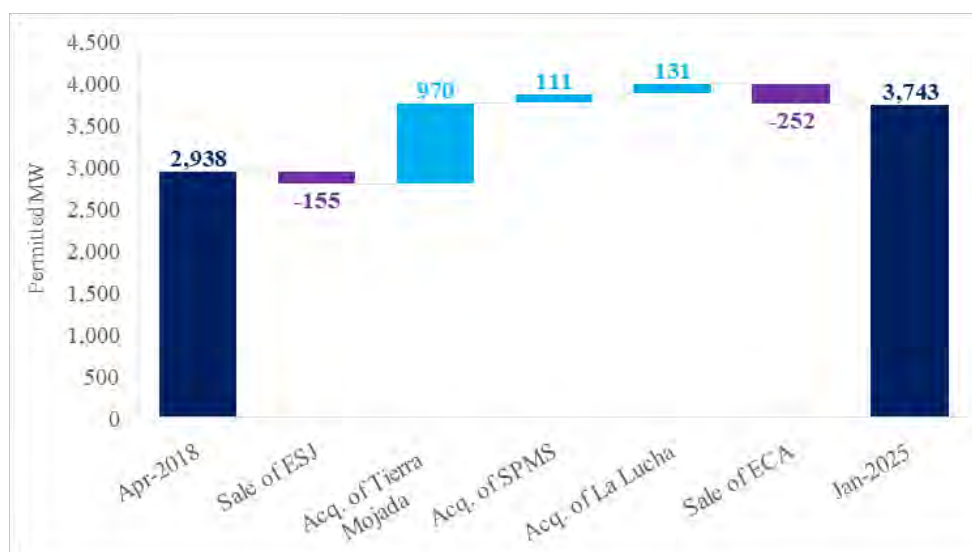
In April 2018, Cometa Energía, indirectly controlled by holding company El Aguila Holdings B.V., a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) organized under the laws of the Netherlands, wholly owned on an indirect basis by certain investment funds managed by Actis, acquired InterGen and its subsidiaries, as well as its equity investees and joint ventures, and created Saavi Energía.

In August 2021, GIP, through the Direct Shareholder, acquired from Actis’ affiliates all of the membership (*lidmaatschap*), including all membership rights (*lidmaatschaprechten*), in and relating to El Aguila Coöperatief BA, a cooperative with limited liability (*coöperatie met beperkte aansprakelijkheid*) organized under the laws of the Netherlands, that indirectly controls Cometa Energía through Electricidad Firme.

In November 2022, Tierra Mojada, a subsidiary of the Direct Shareholder, acquired Tierra Mojada Luxembourg from Fistera Energy Luxembourg II, S.à r.l., through which Tierra Mojada became the indirect owner of CCTM, which owns and operates the Tierra Mojada Plant. See “Summary— Our Asset Portfolio—Tierra Mojada Plant.”

In 2022, SPMS acquired three GE TM2500+ Generation 8 MPGUs with a total permitted generation capacity of 111 MW ISO (~37MW ISO/turbine) turbine generation.

In June 2024, Saavi Energía, through Cometa Energía, acquired 100% of the shares of NP Energía La Lucha, a wholly owned subsidiary of Canadian company Northland Power, which owns and operates a 131 MW solar PV Facility. See “Summary— Our Asset Portfolio—La Lucha.”



The Direct Shareholder is indirectly wholly owned by GIP or vehicles owned by GIP, one of the world's largest independent infrastructure managers that invests worldwide in infrastructure assets in both OECD and select emerging market countries. GIP, which manages funds and investment vehicles on behalf of its limited partners, has over US\$170 billion in assets under management and currently has ownership interests in 38 portfolio companies. GIP is an active investor in the power and energy sectors globally, with a current energy generation portfolio including over US\$15.8 billion of equity capital invested or committed across 22 GW in operation and more than 176 GW of development assets as of September 30, 2024. GIP brings a wealth of experience through its extensive involvement worldwide in the energy sector, which we expect to support Saavi Energía's continued successful operations. For more information, see "Principal Shareholders."

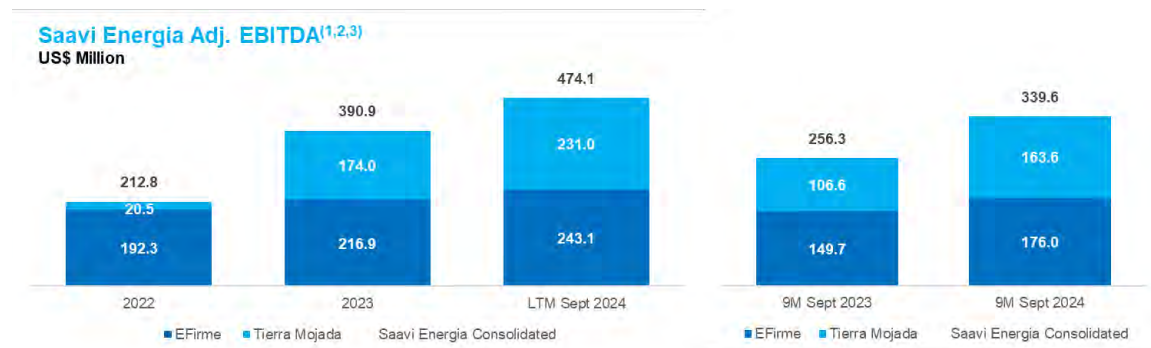
Adjusted EBITDA Evolution

Our Adjusted EBITDA has grown since 2022, primarily driven by our acquisitions of Tierra Mojada and La Lucha and the continued optimization, successful origination and execution of value creating initiatives, including the following:

- Prior to 2022, we had experience supplying equipment and service agreements related to emergency capacity (via third party leases and services providers). In 2022, SPMS acquired three GE TM2500+ Generation 8 MPGUs with a total permitted generation capacity of 111 MW ISO (~37MW ISO/turbine) turbine generation. The MPGUs are mainly used for temporary emergency generation services, a solution that we can now provide to clients with proprietary equipment leading to higher Adjusted EBITDA margins. With this portfolio of MPGUs, SPMS can provide emergency power solutions and/or quick *time-to-market* power solutions across different geographies. To date, we have supplied these units and power solutions in the Baja California market and in Puerto Rico.
- In 2022, Tierra Mojada Holdings S.à r.l. acquired the Tierra Mojada Plant, a 875 MW CCGT power plant strategically located near the city of Guadalajara, Mexico, an area that, according to market experts such as SENER, is expected to be an energy-importing region for the foreseeable future. The Tierra Mojada Plant's natural gas supply is price indexed to the Waha Hub located in Texas, which provides the plant with a competitive low-cost source of fuel compared to other generators in Mexico. In 2022, Tierra Mojada Holdings S.à r.l. also acquired Ektria, a qualified supplier.
- In 2024, Cometa Energía acquired La Lucha, a 131 MW solar PV Facility located in Mapimi, Durango, one of the highest irradiation regions in Mexico, and Saavi Energía's first renewable energy generating facility, which enabled the possibility of offering renewable attributes to potential customers, while also helping to reduce Saavi Energía's greenhouse gas and other carbon footprint.

- Since 2022, through a series of natural gas and power supply agreement optimizations, we have been able to increase margins from our generation asset base. These optimizations include the reallocation of available generation capacity between existing customers and to new ones; the ability to economically dispatch our available capacity in the MEM; the implementation of enhanced risk management policies by entering into new contracts and/or renegotiating existing contracts on more favorable terms and, in certain cases, dispatching our available capacity in the MEM; and efficiencies of scale and certain major fuel supply restructures in natural gas procurement and imbalance management across our portfolio.

The chart below illustrates our Adjusted EBITDA growth from 2022 to the twelve months period ended September 30, 2024⁽¹⁾⁽²⁾⁽³⁾:



(1) Our Adjusted EBITDA differs from the sum of EFirme and Tierra Mojada's respective Adjusted EBITDA mainly, among others, due to certain general and administrative expenses.

(2) Figures presented in the chart above for Tierra Mojada include Ektria.

(3) Our Adjusted EBITDA for 2022 includes the results of operation of Tierra Mojada Luxembourg as from the acquisition date of November 7, 2022, in accordance with our Consolidated Financial Statements. The Adjusted EBITDA of Tierra Mojada for the first ten months of 2022 amounted to US\$110.0 million.

In the twelve months period ended September 30, 2024 and the years ended December 31, 2023 and 2022, our Adjusted EBITDA was US\$474.1 million, US\$390.9 million, and US\$212.8 million, respectively. As of September 30, 2024, we had total debt (total long-term debt excluding the impact of related accrued interest and deferred financing costs, net) of US\$2,255.0 million, all of which was secured debt of the Issuer's subsidiaries. The Issuer individually has no debt. As of September 30, 2024, Cometa Energía and Electricidad Firme (Cometa Energía's holding company) had total secured debt of US\$1,239.5 million. As of September 30, 2024, Tierra Mojada and its holding company, Tierra Mojada Holdings S.à r.l., had total secured debt of US\$1,015.5 million. See "Risk Factors—Risks Relating to the Notes and Our Corporate and Financing Structure—Payments on the Notes will be junior to any secured debt of the Issuer and effectively junior to the debt obligations of our subsidiaries, including Cometa Energía and Tierra Mojada."

Sources of Revenue

Saavi Energía's participation in Mexico's power market is as follows:

Asset	Permit Holder	Regime	Contracted Capacity (MW) ⁽¹⁾
Chihuahua	ECH	IPP	278
		LIE	50
Bajío Entities	EAVIII	IPP	597
		LIE	131
La Rosita I	EAX	IPP	597

Asset	Permit Holder	Regime	Contracted Capacity (MW) ⁽¹⁾
		LIE	299
SLP	SLP	Self-Supply	182
		LIE	60
Tierra Mojada	CCTM	LIE	970
La Rosita II	EBC	CAISO	337
La Lucha	NP Energía La Lucha	LIE	131

(1) The capacity amounts are rounded.

Long-Term Private PPAs

Long-term private PPAs are contracts with private offtakers for power with a remaining tenor greater than three years. This segment is currently driven primarily by the following customers:

- (1) Newmont;
- (2) Linde;
- (3) Ektria's offtakers:
 - (a) Ammper Energía, S.A.P.I. de C.V.; and
 - (b) Integra Potencia Consultoria en Hidrocarburos y Electricidad S.A. de C.V.
- (4) SPMS with contracts of remaining tenor greater than three years.

The main contractual characteristics of these contracts are further described in "Description of Key Client Contractual Arrangements."

Short-Term Contracts

Short-term contracts are those power contracts with a remaining tenor of less than three years, and are divided in three main sources:

- (1) SPMS with contracts with remaining tenors of less than three years,
- (2) CAISO Resource Adequacy contracts, which are typically contracted up to three years on a rolling basis, and
- (3) several commercial and industrial (C&I) customers at the Bajío Entities, SLP, Chihuahua, and La Rosita II power plants.

CFE/CENAGAS Compression

At the ACS compression station, the counterparty is CFE and at the Bajío and Libramiento compression stations, the counterparty is CENAGAS. The main contractual characteristics of these contracts are further described in "Description of Key Client Contractual Arrangements."

CFE PPAs

This segment contains the (i) long-term PPA entered into with CFE, and the following three power plants: (a) Bajío Entities, (b) Chihuahua, and (c) La Rosita I and (ii) the long-term PPA entered into with CFEC and the Tierra Mojada Plant and represents Adjusted EBITDA resulting from the CFE PPAs. The main contractual characteristics of these contracts are further described in “Description of Key Client Contractual Arrangements.”

CAISO

This segment is comprised by Adjusted EBITDA from the wholesale market sold through La Rosita II power plant to the California Independent System Operator (CAISO).

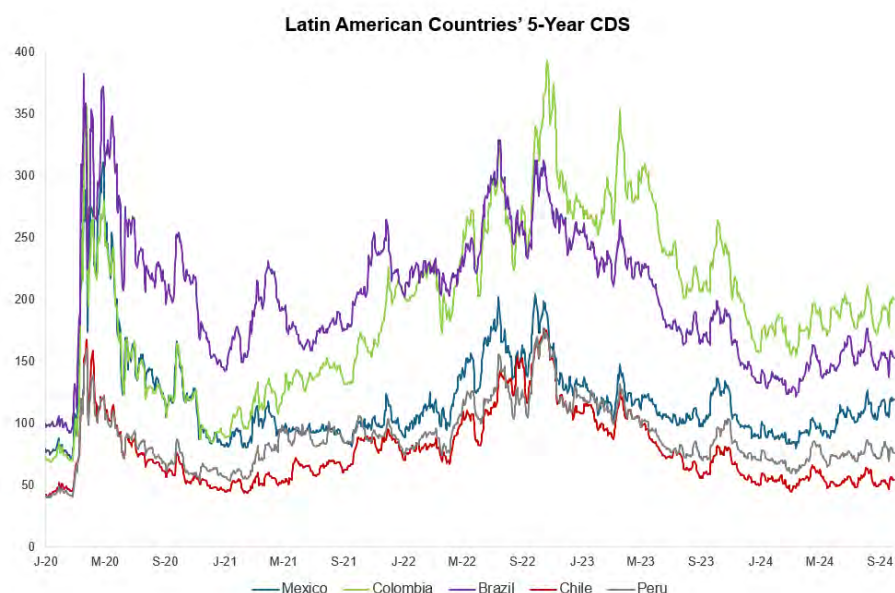
MEM

This segment includes Adjusted EBITDA generated from energy sold by San Luis de la Paz, Chihuahua, EAVIII, EAX, La Rosita I and La Lucha power plants to the MEM through SE, as a qualified supplier.

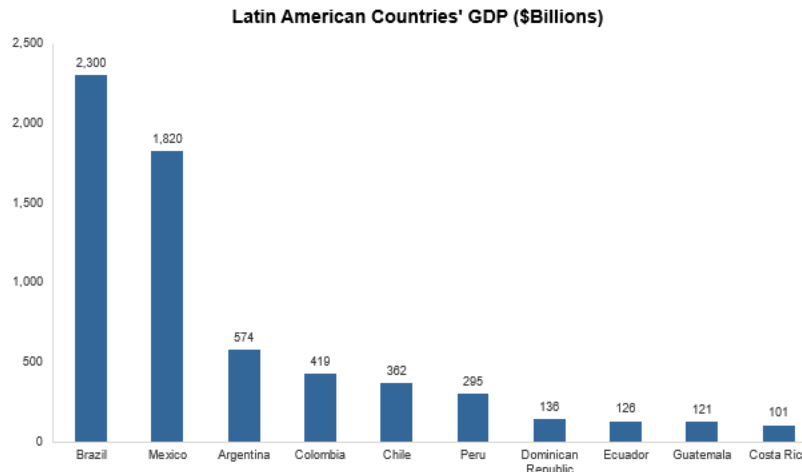
Trends and Factors Affecting Our Results of Operations

Mexican Economic Environment

Mexico is the second largest economy in Latin America and the fifteenth largest in the world, per the International Monetary Fund, with solid macroeconomic fundamentals, attractive industry dynamics and an investment grade sovereign credit profile. Moreover, its manufacturing sector is resilient, having shown steady growth through downturns, and is strongly interdependent with the US economy. Furthermore, its growing population with low average electricity consumption per capita underscores significant growth potential.



Bloomberg BVAL as of September 30, 2024



International Monetary Fund: World Economic Outlook, as of October 2024.

Selected Mexican Economic Indicators for the Years Ended December 31, 2018 through September 2024

Selected Economic Indicators for the Years Ended December 31, 2018 through September 30, 2024							
	2018	2019	2020	2021	2022	2023	3Q 2024
Real GDP (% change) ^{(1)(*)}	2.0	(0.4)	(8.4)	6.0	3.7	3.3	1.8
Electricity Demand in Mexico – BCA (% change vs previous period) ⁽³⁾	3.5	0.7	3.9	5.9	4.3	(1.3)	4.9
Electricity Demand in Mexico – SIN (% change) ⁽³⁾	4.2	2.3	(2.7)	3.4	3.3	3.7	1.0
Electricity Demand in California – CAISO (% change) ⁽⁴⁾	-1.2	(3.0)	(0.6)	0.8	2.0	(2.4)	1.9
National consumer price index (% change) ⁽²⁾	4.8	2.8	3.2	7.4	7.8	4.7	4.2
National producer price index without oil (% change) ⁽¹⁾	6.4	0.8	4.1	9.3	5.3	1.4	5.2
Merchandise export growth without oil (% change) ⁽¹⁾	8.9	3.5	(8.1)	16.5	15.7	3.9	
Interest rates (average % based on 28-day Cetes) ⁽²⁾	7.6	7.8	5.3	4.4	7.6	11.1	10.9

1. INEGI
2. Banco de Mexico
3. CENACE's Public Market Information System (Área Pública del Sistema de Información de Mercado)
4. CAISO OASIS Demand Forecast

(*) Year-on-year; not seasonally adjusted

Energy demand in Mexico is expected to grow in line with Gross Domestic Product (GDP), population growth, and greater transport electrification, according to SENER. This demand is currently surpassing pre-COVID-19 levels and continues to be driven by the industrial sector. Furthermore, research data from McKinsey shows that Mexico's energy sector investment requirements by 2030 (for the period spanning 2017-2030) amount to more than US\$350 billion, driven by the electricity consumption expected to grow above GDP growth. This investment gap in the electricity sector, with its increasing reliance on US natural gas imports, has created upwards pressure on power prices.

Acquisitions

As part of our growth strategy, which includes seizing acquisition opportunities that we believe complement our portfolio of assets and that will increase our consistent and predictable cash flows. In 2022, we acquired Tierra Mojada and, in 2024, we acquired La Lucha. Our consolidation of the results of acquired companies affect our results of operations. For more information on limitations to the comparability of the financial information presented in this Offering Memorandum deriving from these recent acquisitions, see “Presentation of Financial and Other Information—Acquisitions.”

Description of Key Client Contractual Arrangements

As of September 30, 2024, 47.7% of the Issuer’s LTM Adjusted EBITDA is the result of long-term take-or-pay contracts, which are described in further detail below:

Long-Term Contracts with Private Offtakers (Ektria’s offtakers, Newmont and Linde (through SE)). Saavi Energía’s private long-term PPAs are take-or-pay in nature. Saavi Energía’s electricity sales are denominated and paid in U.S. dollars and pesos to reflect actual operating costs, and are generally composed of the following seven elements:

(1) *Fixed Capacity Charges.* Fixed capacity charges are meant to cover financing expenses and equity returns, and operate as a take-or-pay provision whereby Saavi Energía receives payment for the contracted capacity regardless of Saavi Energía’s power plants’ dispatch by CENACE and whether the customer uses or actually requires it. Capacity charges are calculated on the basis of guaranteed availability and thus, differences between such guarantees and actual plant availability may result in an adjustment to the fixed capacity charges. Tariffs for fixed capacity charges are pre-established in the contract and can only be changed in case of a change in law that materially affects Saavi Energía.

(2) *Fixed O&M Charges.* Fixed O&M charges are meant to cover project fixed operating expenses (e.g., labor, fixed fuel and transmission charges and general and administrative), and operate as take-or-pay provisions whereby Saavi Energía receives payment for the contracted capacity regardless of Saavi Energía’s power plants dispatch by CENACE and whether the customer uses or actually requires it. Fixed O&M charges are subject to the same adjustments than the fixed capacity charges in connection with the plant’s availability. Tariffs for fixed O&M charges related to fuel transport reservation are updated according to the evolution of the pipelines operator’s regulated tariffs. All other fixed O&M tariffs are predetermined in the contract and can only be changed in case of a change in law that materially affects Cometa Energía.

(3) *Variable O&M Charges.* Variable O&M charges are meant to cover project variable operating expenses other than fuel (e.g. water usage, chemicals or variable long-term services agreements fees), and operate as a cost per unit of electricity generated. Tariffs for variable O&M charges are pre-established in the contract and are only changed in case of a change in law that materially affects Saavi Energía. Water tariffs may be updated from time to time depending on the contract.

(4) *Energy Charges (fuel pass-through).* Energy charges are meant to cover the cost of fuel for the generation delivered. The energy charges are passed through on a guaranteed fuel-to-electricity conversion rate basis, the guaranteed or contracted heat rate. Projects performing better than the contracted heat rate will generate additional margin, while projects performing worse than the contracted heat rate will generate additional fuel losses.

(5) *Fixed and Variable Wheeling Charges.* Fixed and variable wheeling charges are pass-through charges meant to recover the fixed and variable wheeling costs charged to Saavi Energía by CFE.

(6) *Startup Charges.* Startup charges are meant to cover the costs associated with starting a generation unit as a result of a dispatch nomination from the customer. These costs consist of fuel expended during startup, additional long-term service agreement fees or maintenance expenses from a startup and any imbalance charges to the grid. Startup charges operate as a fixed amount per startup, charged to the customer.

(7) *Others.* Saavi Energía may include additional non-material charges in long-term PPAs (i.e. replacement energy and clean energy certificates) on a case-by-case basis.

Long-Term Gas Compression Contracts with CFE and CENAGAS. Saavi Energía's long-term gas compression contracts are take-or-pay in nature. Saavi Energía's compression services are denominated and paid in U.S. dollars and pesos.

CFE pays a fixed monthly amount in U.S. dollars, subject to a monthly adjustment for the changes in the U.S. Producer Price Index for all commodities and the U.S. Consumer Price Index for all items, and a fixed monthly amount in Mexican pesos, subject to a monthly adjustment based on (i) changes in the INPP and (ii) availability.

CENAGAS pays (i) a fixed monthly amount in U.S. dollars associated with capex and tax recovery, and (ii) fixed monthly O&M charges in U.S. dollars, subject to a monthly adjustment based on CPI Index.

Long-Term CFE PPAs. Saavi Energía's long-term CFE PPAs are take-or-pay in nature as CFE or CFEC, as applicable, is obliged to pay for capacity charges regardless of the plant's dispatch. Saavi Energía's electricity sales are denominated and paid in U.S. dollars and pesos to reflect actual operating costs, and are generally comprised by the following five elements:

(1) *Fixed Capacity Charges.* Fixed capacity charges are meant to cover financing expenses and equity returns, and operate as a take-or-pay provision whereby Saavi Energía receives payment for the contracted capacity regardless of Saavi Energía's power plants' dispatch by CENACE, subject to certain exceptions for force majeure. Capacity charges are calculated on the basis of guaranteed availability and thus, differences between such guarantees and actual plant availability may result in an adjustment to the fixed capacity charges. Tariffs for fixed capacity charges are pre-established in the contract and can only be changed in case of a change in law that materially affects Saavi Energía.

(2) *Fixed O&M Charges.* Fixed O&M charges are meant to cover operating expenses (e.g., labor, fuel transport reservation and general and administrative), and operate as a take-or-pay provision whereby Saavi Energía receives payment for the contracted capacity regardless of Saavi Energía's power plants' dispatch by CENACE, subject to certain exceptions for force majeure. Fixed O&M charges are subject to the same adjustments than the fixed capacity charges in connection with the plants' availability. Tariffs for fixed O&M charges related to fuel transport reservation and labor costs are updated according to the evolution of the pipeline operators regulated tariffs evolution and unions' collective contracts, respectively. All other fixed O&M tariffs are predetermined in the contract and can only be changed in case of a change in law that materially affects Saavi Energía.

(3) *Variable O&M Charges.* Variable O&M charges are meant to cover project variable operating expenses other than fuel (e.g. water usage, chemicals or variable long-term services agreements fees), and operate as a cost per unit of electricity generated. Tariffs for variable O&M charges are pre-established in the contract and are only changed in case of a change in law that materially affects Saavi Energía. Water tariffs may be updated from time to time depending on the contract.

(4) *Energy Charges (fuel pass-through).* Energy charges are meant to cover the cost of fuel for the generation delivered. The energy charges are passed through on a guaranteed fuel-to-electricity conversion rate basis, the guaranteed or contracted heat rate. Projects performing better than the contracted heat rate will generate additional margin, while projects performing worse than the contracted heat rate will generate additional fuel losses.

(5) *Startup Charges.* Startup charges are meant to cover the costs associated with starting a generation unit as a result of a dispatch nomination from the customer. These costs consist of fuel expended during startup, additional long-term service agreement fees or maintenance expenses from a startup and any imbalance charges to the grid. Startup charges operate as a fixed amount per startup, charged to the customer.

Significant Accounting Policies

This discussion and analysis of our financial condition and the results of operations is based upon the Consolidated Financial Statements included herein. The presentation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from these estimates and assumptions. The selection of significant accounting policies is a factor to be considered when reviewing the Consolidated Financial Statements. Certain of our accounting policies are discussed in more detail in Note 3 (*Summary of Material Accounting Policies*) to the Audited Financial Statements and Note 3 (*Summary of Significant Accounting Policies*) to the Unaudited Interim Financial Statements included elsewhere in this Offering Memorandum.

Description of Key Financial Items

Set forth below is a brief description of the composition of the key line items of our consolidated income statement accounts:

(1) **Revenue:** The Issuer recognizes revenues from sales of electricity and gas since the incorporation date in accordance with IFRS 15, Revenue from contracts with customers. The analysis on revenue recognition shows that the Issuer records revenues from the sale of electricity and gas under long-term contracts based upon the output delivered provided at rates specified under the contract, unless the contract pricing terms are fixed, in this sense, revenue is recognized over time, when the client simultaneously receives and consumes the electricity and gas.

(2) **Cost of sales and services:** Cost of sales and services includes the costs of fuel, fuel transportation, interconnection costs as well as the costs in connection with operation and maintenance, depreciation, pension plan and other, bank commission, currency exchange gains and losses and other expenses.

(3) **General and administrative expenses:** General and administrative expenses includes costs in relation to wages and salaries, amortization of intangibles, management service fee, insurance costs as well as the costs in relation to duties and non-site property taxes, other expenses, contingent consideration which arose from the business acquisition held on 2018 and depended on the performance of the cash flow projected on the generation of electricity by Energía Campeche as well as the depreciation expenses.

(4) **Financing cost:** Financing cost includes the costs incurred in respect of interest expenses, fees incurred in relation to letter of credits and other finance related expenses.

Results of Operations

Condensed Consolidated Interim Statements of Income and Comprehensive Income for the Nine Months Periods Ended September 30, 2024 and 2023

	Nine months period ended September 30,		Variance	
	2024	2023	2024 vs 2023	
	(US\$ in millions)		(%)	
Revenues	1,137.5	1,161.9	(24.4)	(2.1)
Cost of sales and services	(882.2)	(976.4)	94.2	(9.6)
Gross profit	255.3	185.5	69.8	37.6
General and administrative expenses	(74.7)	(72.7)	(2.0)	2.8
Other income	0.1	-	0.1	-
Loss on subsidiary net assets classified as held for sale before income tax	(18.3)	-	(18.3)	-
Share of net profit of joint ventures accounted for using the equity method	9.6	5.5	4.1	74.5
Operating profit	172.0	118.3	53.7	45.4
Financing income	9.3	8.5	0.8	9.9
Financing cost	(117.8)	(108.2)	(9.5)	8.8

	Nine months period ended September 30, 2024	Nine months period ended September 30, 2023	Variance 2024 vs 2023	
		(US\$ in millions)		(%)
Financing cost, net	(108.5)	(99.7)	(8.7)	8.7
Income before income tax	63.5	18.6	45.0	242.3
Income tax expense	(46.5)	(13.0)	(33.5)	257.4
Net income	17.1	5.6	11.5	207.2
Interest rate swap in joint ventures	0.1	0.1	-	-
Deferred tax	0.0	0.0	0.0	0.0
Interest rate swap in joint ventures, net of tax	0.1	0.1	0.0	0.0
Comprehensive income	17.1	5.6	11.5	205.1

Revenues

Our revenues, which largely derive from the sale of energy and capacity and electricity generation decreased by US\$24.4 million, or 2.1%, for the nine months period ended September 30, 2024, compared to the same period in 2023. During the nine months period ended September 30, 2024, revenues were impacted by the asset disposal of ECA.

Cost of Sales and Services

Our cost of sales and services, which largely derives from fuel, fuel transportation and transmission costs, all of which are typically pass through, decreased by US\$94.2 million, or 9.6%, from US\$976.4 million for the nine months period ended September 30, 2023, compared to US\$882.2 million for the nine months period ended September 30, 2024. The decrease in total cost of sales and services is mainly driven by lower fuel costs, due to the exclusion of ECA as it is held for sale, and due to lower realized natural gas prices during 2024, offset by higher transmission costs due to higher merchant energy prices.

General and Administrative Expenses

General and administrative expenses for the nine months period ended September 30, 2024, were US\$74.7 million, which include US\$38.9 million of depreciation and amortization of intangible assets. For the nine months period ended September 2023, general and administrative expenses amounted to US\$72.7 million, which include US\$36.6 million of depreciation and amortization of intangible assets. The remaining amount after the effect of depreciation and amortization of intangible assets was US\$35.8 million for the nine months period ended September 30, 2024, and US\$36.1 million for the nine months period ended September 30, 2023, remaining relatively stable through the periods.

Other Income

Other income was US\$0.1 million for the nine months period ended September 30, 2024, and US\$ nil for the nine months period ended September 30, 2023, remaining relatively stable.

Share of Net Profit of Joint Ventures Accounted for Using the Equity Method

Share of net profit of joint ventures accounted for using the equity method increased US\$4.1 million, or 74.5%, from US\$5.5 million for the nine months period ended September 30, 2023 to US\$9.6 million for the nine months period ended September 30, 2024, mainly due to higher revenues at Bajío Entities as a result of an increase in C&I contracts, which effects were partially offset due to an increase in general and administrative expenses.

Profit (Loss) on Subsidiary Net Assets classified as held for sale before income tax

Loss on subsidiary net assets classified as held for sale before income tax increased due to the sale of ECA for the nine months period ended September 30, 2024, for which we signed an agreement at the end of 2023. We incurred a loss of US\$18.3 million for the nine months period ended September 30, 2024.

Financing Cost, Net

Financing cost, net amounted to US\$108.5 million for the nine months period ended September 30, 2024 compared to US\$99.7 million for the nine months period ended September 30, 2023, showing an increase of US\$8.7 million or 8.7% for the nine months period ended September 30, 2024 compared to the same period in 2023, mainly driven by La Lucha Acquisition Financing.

Income Tax Expense

Income tax expense increased by US\$33.5 million, or 257.4%, from an amount of US\$13.0 million, for the nine months period ended September 30, 2023 compared to an amount of US\$46.5 million for the same period in 2024, commensurate to the increase in Income before tax.

Net Income

We experienced an increase in our net income of US\$11.5 million, or 207.2%, from an amount of US\$5.6 million for the nine months period ended September 30, 2023 compared to an amount of US\$17.1 million for the same period in 2024, primarily driven by the following items which were individually explained above: (a) increase in Gross Profit of US\$69.8 million, (b) general and administrative expenses of US\$2.0 million, (c) increase in loss on subsidiary net assets classified as held for sale before income tax of US\$18.3 million, (d) increase in share of net profit of joint ventures accounted for using the equity method of US\$4.1 million, (e) increase in financing cost, net of US\$8.7 million, and, (f) increase in income tax expense of US\$33.5 million.

Comprehensive Income

Comprehensive income increased by US\$11.5 million from an amount of US\$5.6 million, for the nine months period ended September 30, 2023 compared to an amount of US\$17.1 million for the same period in 2024 reflecting the increase in net income as stated above.

Consolidated Statements of Income and Comprehensive Income for the Years Ended December 31, 2023 and 2022

	Year ended December 31, 2023	Year ended December 31, 2022	Variance 2023 vs 2022	
		(US\$ in millions)		(%)
Revenues	1,588.5	1,102.1	486.4	44.1
Cost of sales and services	(1,303.1)	(928.2)	(374.9)	40.4
Gross profit	285.4	173.9	111.5	64.1
General and administrative expenses	(100.3)	(57.8)	(42.6)	73.8
Other income	0.8	-	0.8	-
Profit (loss) on subsidiary net assets classified as held for sale before income tax	(24.3)	-	(24.3)	-
Share of net profit of joint ventures accounted for using the equity method	11.7	7.6	4.2	54.7
Operating profit	173.3	123.8	49.5	40.0
Financing income	12.8	8.2	4.6	55.8
Financing cost	(148.5)	(86.7)	(61.8)	71.3
Financing cost, net	(135.7)	(78.4)	(57.2)	73.0
Income before income tax	37.6	45.3	(7.7)	(17.0)
Income tax expense	(31.7)	(31.7)	0.0	(0.1)
Net income	5.9	13.6	(7.7)	(56.5)
Comprehensive income:				
Items that will not be reclassified to income:				
Remeasurement of pension and other post-retirement obligations	(2.4)	1.9	(4.3)	(223.4)
Deferred tax	0.7	(0.6)	1.3	(223.4)
Remeasurement of pension and other post-retirement obligations, net of tax	(1.7)	1.3	(3.0)	(223.4)
Items that may be reclassified to income:				
Interest rate swap in joint ventures	0.1	0.1	0.0	0.9
Revaluation of power and compression plants	115.5	278.2	(162.7)	(58.5)

	Year ended December 31, 2023	Year ended December 31, 2022	Variance 2023 vs 2022	
		(US\$ in millions)		(%)
Deferred tax	(34.6)	(83.5)	48.8	(58.5)
Revaluation of power and compression plants net of tax	80.8	194.7	(113.9)	(58.5)
Deferred tax	(0.0)	(0.0)	(0.0)	(0.0)
Interest rate swap in joint ventures, net of tax	0.1	0.1	0.0	1.4
Comprehensive income	85.2	209.7	(124.6)	(59.4)

General

On November 7, 2022, the Group acquired 100% of Tierra Mojada Luxembourg (the acquisition of Tierra Mojada) which indirectly owns CCTM and its power project. As such, our Consolidated Statements of Income and Comprehensive Income include two months of Tierra Mojada Luxembourg at December 31, 2022 and twelve months of operation at December 31, 2023.

Revenues

Our revenues, which largely derive from the sale of energy and capacity and electricity generation, increased by US\$486.4 million, or 44.1%, from an amount of US\$1,102.1 million, for the year ended December 31, 2022, compared to an amount of US\$1,588.5 million for the year ended December 31, 2023. The increase in revenues was primarily due to the Tierra Mojada acquisition in November 2022, recording full year impacts in 2023 against only two months in 2022. This increase was partially offset by lower revenues (primarily fuel revenues) from La Rosita I.

Cost of Sales and Services

Our cost of sales and services, which largely derive from fuel, fuel transportation and transmission costs, increased by US\$374.9 million, or 40.4%, from an amount of US\$928.2 million for the year ended December 31, 2022, compared to an amount of US\$1,303.1 million for the year ended December 31, 2023. This increase was primarily due to the Tierra Mojada acquisition in November 2022, recording full year impacts in 2023 against only two months in 2022. This increase was partially offset by a decrease in fuel costs.

General and Administrative Expenses

General and administrative expenses for the year ended December 31, 2023, were US\$100.3 million, including US\$52.8 million of depreciation and amortization of intangible assets. The remaining amount after the effect of depreciation and amortization of intangible assets was US\$47.5 million for the year ended December 31, 2023.

For the year ended December 31, 2022, total general and administrative expenses were US\$57.8 million, including US\$17.4 million of depreciation and amortization of intangible assets. The remaining amount after the effect of depreciation and amortization of intangible assets was US\$40.4 million for the year ended December 31, 2022.

The remaining increase in general and administrative expenses after excluding the effect of depreciation and amortization amounted to US\$7.1 million, or 17.6%, and was primarily due to an increase in wage, salaries and technology information of US\$4.5 million, from an amount of US\$15.1 million for the year ended December 31, 2022 to an amount of US\$19.6 million for the year ended December 31, 2023, and a US\$1.9 million decrease in contingent consideration from an amount of US\$2.0 million for the year ended December 31, 2022 to an amount of US\$0.1 million for the year ended December 31, 2023 (See—Note 26, “Analysis of cost of sales and general and administrative expenses” of the notes to our Audited Financial Statements).

Other Income

Other income was US\$0.8 million for the year ended December 31, 2023, and US\$ nil for the year ended December 31, 2022. The increase was driven by the fair value of gas swap financial instruments and embedded financial instruments entered into in 2023.

Profit (Loss) on Subsidiary Net Assets Classified as Held for Sale before Income Tax

Loss on subsidiary net assets classified as held for sale before income tax related to total consideration to be received and carrying amount of subsidiary net assets classified as held for sale, in each case with respect to the sale of ECA, which resulted in a loss amount of US\$24.3 million for the year ended December 31, 2023, compared to US\$ nil for the year ended December 2022.

Financing Cost, Net

Financing cost, net increased by US\$57.2 million or 73.0%, from an amount of US\$78.4 million for the year ended December 31, 2022 compared to an amount of US\$135.7 million for the year ended December 31, 2023, mainly due to the effects of our acquisition of Tierra Mojada in November 2022, recording full year impacts in 2023 against only two months in 2022, and new the incurrence of new financings (see “—Liquidity—Debt Instruments”).

Income Tax Expense

Income tax expense remained relatively stable at US\$31.7 million for both the years ended December 31, 2022 and December 31, 2023.

Net Income

For the reasons set forth above, we experienced a decrease in our net income of US\$7.7 million, or 56.5%, from an amount of US\$13.6 million for the year ended December 31, 2022 compared to an amount of US\$5.9 million for the year ended December 31, 2023, primarily driven by the following items which were individually explained above: (a) increase in general and administrative expenses of US\$42.6 million, (b) increase in Profit (Loss) on subsidiary net assets classified as held for sale before income tax of US\$24.3 million, and (c) increase in financing cost, net of US\$57.2 million, partially offset by; (d) increase in gross profit of US\$111.5 million, recording net revenue and cost of sales, (e) increase in shares of net profit of joint ventures accounted for using the equity method of US\$4.2 million, and (f) increase in other income of US\$0.8 million.

Comprehensive Income

Comprehensive income decreased by US\$124.6 million, or 59.4%, from an amount of US\$209.7 million for the year ended December 31, 2022 compared to an amount of US\$85.2 million the year ended December 31, 2023, mainly driven by the US\$113.9 million decrease in the proportions attributed to the revaluation of power and compression plants net of tax from an amount of US\$194.7 million for the year ended on December 31, 2022, compared to an amount of US\$80.8 million for the year ended December 31, 2023 as well as the US\$3.0 million decrease in the remeasurement of pension and other post-retirement obligations, net of tax from an amount of US\$1.3 million for the year ended December 31, 2022 compared to a negative amount of US\$1.7 million for the year ended December 31, 2023.

Reconciliation from Net Income to Adjusted EBITDA for nine months period ended September 2023 and 2024

	For the nine months period ended,		Variance	
	September 30, 2024	September 30, 2023		%
	(US\$ in millions)			
Net income	17.1	5.6	11.5	nm
Financing cost, net	108.5	99.7	8.7	8.7
Income tax expense	46.5	13.0	33.5	nm
Depreciation and amortization.....	102.6	101.8	0.8	0.8

	For the nine months period ended,		Variance	
	September 30, 2024	September 30, 2023		%
(US\$ in millions)				
Currency exchange (gains) losses recognized in cost of sales and services	23.1	(1.1)	24.2	nm
Expenses (income) in relation to foreign exchange derivatives	(0.3)	1.3	(1.5)	nm
Share of net profit of joint ventures accounted for using the equity method ⁽¹⁾	(9.6)	(5.5)	(4.1)	74.5
Share of Adjusted EBITDA from joint ventures ⁽¹⁾	8.2	4.6	3.6	78.4
Non-capitalized Long-Term Service Agreements	0.4	4.4	(4.0)	(91.6)
Variable major maintenance ⁽²⁾	14.9	23.2	(8.3)	(36.1)
(Profit) loss on subsidiary net assets classified as held for sale before income tax	18.3	-	18.3	nm
Non-recurrent acquisition expenses in relation to Tierra Mojada	-	-	-	-
Carbon cost expenses in excess of the related recorded provisions	4.8	9.6	(4.8)	(50.3)
Pension and other post-retirement obligations (non-cash)	3.0	2.8	0.2	5.7
Deferred rent (non-cash) ⁽³⁾	(0.3)	(4.5)	4.2	(93.7)
Others ⁽⁴⁾	2.5	1.5	1.0	69.4
Adjusted EBITDA	339.6	256.3	83.3	32.5

(1) Our only joint venture is the Bajío Entities, which we are subtracting because already reflected in our Net income, and for which we add Adjusted EBITDA representing our ownership interest.

(2) Consists of maintenance expenses incurred in excess of contractual obligations.

(3) Consists of the true up of income generated from leased assets against previously recorded income in accordance with leasing contract schedules.

(4) Others comprise mainly of fees and licenses, miscellaneous, other expenses, transition payments to leavers, withholding expenses, property insurance and provision of services.

Our Adjusted EBITDA was US\$256.3 million in the nine months period ended September 30, 2023, increased by US\$83.3 million, or 32.5%, to US\$339.6 million in the nine months period ended September 30, 2024. The following factors contributed to the increase in our Adjusted EBITDA: (a) Tierra Mojada's realized higher spark spread, (b) the one-time-off monetization of La Rosita I spare gas transport capacity, US\$20.0 million (c) additional Adjusted EBITDA from La Lucha acquisition, (d) due to Adjusted EBITDA attributable to ECA (typically at a loss) not being recognized during 2024 given that it was registered as an asset held for sale, and (e) an anticipated monetization of MBP Capacity which would have otherwise been registered during the fourth quarter of 2024. Such increase in our Adjusted EBITDA was further driven by the following: (i) an increase in net income of US\$11.5 million as described in the "Management's Discussion and Analysis of Financial Condition and Results of Operations - Condensed Consolidated Interim Statements of Income and Comprehensive Income for the Nine Months Periods Ended September 30, 2024 and 2023 - Net Income" section, (ii) an increase in income tax expense of US\$33.5 million as described in the "Management's Discussion and Analysis of Financial Condition and Results of Operations - Condensed Consolidated Interim Statements of Income and Comprehensive Income for the Nine Months Periods Ended September 30, 2024 and 2023 - Income Tax Expense" section, (iii) an increase in currency exchange losses recognized in cost of sales and services of US\$24.2 million which mainly related to unrealized losses recorded in respect of foreign currency balances, and (iv) an increase in loss on subsidiary net assets classified as held for sale before income tax of US\$18.3 million incurred in connection with the loss on the sale of ECA.

ECA is no longer part of the portfolio of Saavi Energía. On October 31, 2023, subject to certain conditions precedent, Energía Termoelectrica Mexicana, S.A. de C.V. and ECH agreed to sell 99.99% of the shares of ECA to a trust agreement controlled by CFE. The acquisition became effective on July 15, 2024. Up until the acquisition date, ECA required US\$9.0 million in repairs, funded by Cometa Energía, and had registered a loss amounting to US\$18.3 million which was recorded in the Issuer's Consolidated Statement of Income and Comprehensive Income. For the nine months period ended September 30, 2024, the Adjusted EBITDA of ECA amounted to negative US\$15.9 million which would have decreased our Adjusted EBITDA if ECA was still part of the Issuer's portfolio since 99.99% shares of ECA were sold indirectly to CFE on July 15, 2024.

We note that the Adjusted EBITDA for the nine months period ended September 30, 2024, benefited from stronger than usual market tailwinds as well as positive one-time offs which are not guarantees of future performance.

Reconciliation from Net Income to Adjusted EBITDA for years ended December 31, 2022 and 2023

	For the year ended		Variance	
	December 31, 2023	December 31, 2022		%
	(US\$ in millions)			
Net income	5.9	13.6	(7.7)	(56.5)
Financing cost, net	135.7	78.4	57.2	73.0
Income tax expense	31.7	31.7	0.0	(0.0)
Depreciation and amortization	140.1	72.5	67.6	93.3
Currency exchange (gains) losses recognized in cost of sales and services	(4.5)	2.7	(7.2)	nm
Expenses (income) in relation to foreign exchange derivatives	1.3	1.1	0.2	15.1
Share of net profit of joint ventures accounted for using the equity method ⁽¹⁾	(11.7)	(7.6)	(4.2)	54.8
Share of Adjusted EBITDA from joint ventures ⁽¹⁾	15.4	10.3	5.1	49.7
Non-capitalized Long-Term Service Agreements	4.8	(12.3)	17.1	nm
Variable major maintenance ⁽²⁾	29.8	4.3	25.5	nm
(Profit) loss on subsidiary net assets classified as held for sale before income tax	24.3	-	24.3	nm
Non-recurrent acquisition expenses in relation to Tierra Mojada	-	11.9	(11.9)	nm
Carbon cost expenses in excess of the related recorded provisions	16.6	4.8	11.8	nm
Pension and other post-retirement obligations (non-cash)	7.6	4.6	3.0	64.5
Deferred rent (non-cash) ⁽³⁾	(6.0)	(3.0)	(3.0)	nm
Others ⁽⁴⁾	(0.0)	(0.2)	0.2	(81.4)
Adjusted EBITDA	390.9	212.8	178.1	83.7

(1) Our only joint venture is the Bajío Entities, which we are subtracting because already reflected in our Net income, and for which we add Adjusted EBITDA representing our ownership interest.

(2) Consists of maintenance expenses incurred in excess of contractual obligations.

(3) Consists of the true up of income generated from leased assets against previously recorded income in accordance with leasing contract schedules.

(4) Others comprise mainly of fees and licenses, miscellaneous, other expenses, transition payments to leavers, withholding expenses, property insurance and provision of services.

Our Adjusted EBITDA was US\$212.8 million for the year ended December 31, 2022, increased by US\$178.1 million, or 83.7%, to US\$390.9 million for the year ended December 31, 2023. The following factors contributed to increase in our Adjusted EBITDA: (a) non comparability for the period given Tierra Mojada's acquisition in November 2022, which was only accounted for two months in 2022 as opposed to the whole year in 2023, (b) stronger market fundamentals and hedging strategy in CAISO and (c) migrated capacity with higher contracted margins in MEM during 2023. In December 2023, EAX obtained approval from CRE to migrate to the LIE framework all (299 MW) of the generation capacity formerly operated by EAX under the self-supply (*autoabastecimiento*) regime. These effects were partially offset by fuel losses due to higher dispatch on diesel in ECA. Such increase in our Adjusted EBITDA was further driven by the following: (i) an increase in financing cost, net of US\$57.2 million as described in the "—Consolidated Statements of Income and Comprehensive Income for the Years Ended December 31, 2023 and 2022— Financing Cost, Net" section, (ii) an increase in depreciation and amortization of US\$67.6 million due to a higher asset base given the non-comparability after Tierra Mojada's acquisition and consolidation, (iii) an increase in non-capitalized Long-Term Service Agreements of US\$17.1 million due to higher costs of SLP, in the amount of US\$2.0 million, La Rosita I, in the amount of US\$11.8 million and LaRosita II, in the amount of US\$3.2 million, and (iv) an increase in variable major maintenance of US\$25.5 million due to major maintenance of US\$12.0 million in Tierra Mojada Plant and major maintenance of US\$13.1 million in La Rosita I.

Liquidity and Capital Resources

Overview

We finance our liquidity needs through the earnings and cash flows of our subsidiaries and our investments in joint ventures, and we have and expect to incur occasional borrowings including under the Cometa Revolver and the CCTM Revolver.

Our principal capital needs, excluding debt service, are for major maintenance expenditures. Further, we may fund growth capital expenditures with equity contributions.

As of December 31, 2023 and 2022, we had cash and cash equivalents of US\$105.1 million and US\$94.9 million, respectively. As of September 30, 2024, we had cash and cash equivalents of US\$140.6 million. In addition to cash and cash equivalents, see below for information on the Cometa Revolver and the CCTM Revolver.

As of the date of this Offering Memorandum, we believe that our working capital will be sufficient to meet both our short-term (i.e., within 12 months) and long-term liquidity needs in light of the trends and factors we consider to be most significant to our business, as highlighted above. See “Business—Trends and Factors Affecting Our Results of Operations.”

Liquidity

Holding Company Structure

We are a holding company and our main investments are subsidiary holding companies, Cometa Energía and Tierra Mojada, which in turn own several energy and infrastructure subsidiaries. As a result, our ability to meet our obligations depends primarily on (i) the earnings and cash flows of Cometa Energía and Tierra Mojada from their respective subsidiaries and (ii) the income we expect to recognize from the ability of Cometa Energía and Tierra Mojada to make distributions or other payments to us.

Sources and Uses of Cash

The following table summarizes our sources and uses of cash:

	Nine months period ended September 30,		Year Ended December 31,	
	2024	2023	2023	2022
	(US\$ in millions)			
Net cash provided by operating activities	194.5	139.7	238.7	142.4
Net cash used in investing activities	(170.5)	(7.4)	(7.8)	(392.0)
Net cash provided by (used in) financing activities	16.6	(126.7)	(221.2)	264.8
Effect of exchange rate changes on cash and cash equivalents	(5.1)	5.2	0.5	1.8
Cash and cash equivalents at end of the year	140.6	105.7	105.1	94.9

- (1) For more information, see our consolidated statements of cash flows in our Consolidated Financial Statements included elsewhere in this Offering Memorandum.

Net Cash Provided by Operating Activities

Net cash provided by operating activities was US\$194.5 million for the nine months period ended September 30, 2024 compared to US\$139.7 million in the same period of 2023. This increase of US\$54.7 million was primarily driven by an increase in income before income tax of US\$45.0 million, loss on subsidiary net assets classified as held for sale before income tax of US\$18.3 million recognized for the nine months period ended September 30, 2024, and

total changes in assets and liabilities resulting from operating activities by US\$33.9 million which effects were partially offset by an increase in income tax paid of US\$51.7 million.

Net cash provided by operating activities was US\$238.7 million for the year ended December 31, 2023 compared to US\$142.4 million for the year ended December 31, 2022. This increase of US\$96.3 million was primarily driven by the acquisition of Tierra Mojada, in which the cash flow statements recognized in 2023 twelve months of operating activities and in 2022 two months of operating activities, resulted in a decrease on the income before income tax by US\$7.7 million and an increase in depreciation and amortization by US\$67.6 million, and increase in interest expense of long-term debt net of deferred financing costs and interest expense on leases net of interest income by US\$51.9 million. In addition, due to the intention to sell a subsidiary classified as an asset held for sale, we recognized in 2023 an expense of US\$24.3 million. The increase was partially offset by a decrease of US\$17.4 million in working capital and an increase of US\$22.9 million in income tax paid.

Net Cash Used in Investing Activities

Cash flows used in investing activities were US\$170.5 million for the nine months period ended September 30, 2024, compared to US\$7.4 million for the nine months period ended September 30, 2023. The variation of US\$163.0 million was predominantly driven by consideration paid for a business combination, net of cash acquired by US\$150.3 million paid in the nine months period ended September 30, 2024 only, incremental payments for property, plant and equipment by US\$25.3 million partially offset by positive cash flows from other investing activities by US\$12.5 million.

Cash flows used in investing activities were US\$7.8 million for the year ended December 31, 2023 compared to US\$392.0 million for the year ended December 31, 2022. This decrease of US\$384.2 million was predominantly driven by consideration paid for a business combination, net of cash acquired by US\$250.8 million paid in the year ended December 31, 2022 only, decreasing payments for property, plant and equipment by US\$77.6 million, decreasing notes receivables from related parties by US\$56.8 million.

Net Cash Provided by (Used in) Financing Activities

The net cash provided by financing activities in the nine months period ended September 30, 2024 compared to net cash used in financing activities for the nine months period ended September 30, 2023 increased by US\$143.4 million primarily driven by proceeds from long-term debt by US\$200.0 million received in the nine months period ended September 30, 2024 and US\$ nil in 2023, partially offset by capital stock distributions, of US\$46.9 million, payment of deferred financing cost by \$7.0 million in the nine months period ended September 30, 2024 and US\$ nil in 2023.

The net cash used in financing activities was US\$221.2 million for the year ended December 31, 2023 compared to net cash provided by financing activities of US\$264.8 million for the year ended December 31, 2022. This change of US\$486.0 million was primarily driven by proceeds from long-term debt by US\$210.0 million paid for the year ended December 31, 2022 and US\$ nil in 2023, increase in repayment of long-term debt and interest paid by US\$9.1 million and US\$34.2 million respectively, decrease in capital stock contribution for the year ended December 31, 2022 by US\$212.7 million and increase in capital stock distribution by US\$21.0 million for the year ended December 31, 2023.

Debt Instruments

As of September 30, 2024 and December 31, 2023, our consolidated debt consisted of the following:

	Final Maturity	As of September 30, 2024			As of December 31, 2023		
		Current	Long-Term	Total	Current	Long-Term	Total
		(US\$ in millions)					
Cometa Notes (SSN35)	Apr. 2035	19.8	651.7	671.5	29.2	660.3	689.6
Tierra Mojada Notes (SSN40)	Dec. 2040	42.1	793.4	835.5	35.6	826.5	862.2
Electricidad Firme Notes (SSN26)	Nov. 2026	-	350.0	350.0	-	350.0	350.0
La Lucha Acquisition Financing (Scotia)	Apr. 2031	-	150.0	150.0	-	-	-

		As of September 30, 2024			As of December 31, 2023		
	Final Maturity	Current	Long-Term	Total	Current	Long-Term	Total
(US\$ in millions)							
Tierra Mojada Acquisition Financing (CA26)	May 2026	-	180.0	180.0	-	130.0	130.0
SPMS Financing (Mizuho)	May 2025	10.4	57.6	68.0	3.2	64.8	68.0
Accrued Interest		49.0	-	49.0	14.6	-	14.6
Deferred Financing Costs, Net		-	(43.6)	(43.6)	-	(40.1)	(40.1)
		121.3	2,139.2	2,260.5	82.6	1,991.6	2,074.2

Cometa Notes (SSN35)

In April 2018, Cometa Energía, S.A. de C.V. issued US\$860.0 million in aggregate principal amount of 6.375% senior secured notes due 2035 (the “Cometa Notes”) under an indenture (as amended and supplemented to date, the “Cometa Indenture”), among Cometa Energía, the guarantors from time to time party thereunder, Citibank, N.A., as trustee, registrar, transfer agent and paying agent, Citibank, N.A., as offshore collateral agent and intercreditor agent, and Banco Nacional de México, S.A., Integrante del Grupo Financiero Banamex, División Fiduciaria, as offshore collateral agent. Principal and interest are payable in semi-annual installments in accordance with a sculpted amortization schedule. The proceeds of the Cometa Notes were used to refinance existing indebtedness and for general corporate purposes. As of September 30, 2024, the outstanding amount under the Cometa Notes was US\$671.5 million. The Cometa Notes are secured by the security interests over all the shares or equity interests and certain assets of Cometa Energía and the guarantors from time to time party to the Cometa Indenture. We intend to use a portion of the net proceeds of this offering to finance the purchase of a portion of the outstanding Cometa Notes pursuant to the Cometa Tender Offer (see “Summary—Recent Developments—Concurrent Tender Offers” and “Use of Proceeds”).

Tierra Mojada Notes (SSN40)

In December 2020, Tierra Mojada Luxembourg II, S.à r. l. (formerly FEL Energy VI S.à r.l.) issued US\$953.0 million in aggregate principal amount of 5.750% senior secured notes due 2040 (the “Tierra Mojada Notes”) under an indenture (as amended and supplemented to date, the “Tierra Mojada Indenture”), among Tierra Mojada Luxembourg II, S.à r. l. (formerly FEL Energy VI S.à r.l.), the guarantors from time to time party thereunder, including CCTM, Citibank, N.A., as trustee, registrar, transfer agent, paying agent and intercreditor agent, and Banco Actinver, S.A., CIBanco, S.A., Institución de Banca Múltiple, as onshore collateral agent, and Citibank, N.A., as offshore collateral agent. Principal and interest are payable in semi-annual installments in accordance with a sculpted amortization schedule. The proceeds of the Tierra Mojada Notes were used to refinance existing indebtedness and for general corporate purposes. As of September 30, 2024, the outstanding amount under the Tierra Mojada Notes was US\$835.5 million. The Tierra Mojada Notes are secured by a first priority security interest over (i) all the equity interests or shares, as applicable, in Tierra Mojada Luxembourg II, S.à r. l. (formerly FEL Energy VI S.à r.l.) and the guarantors from time to time party to the Tierra Mojada Indenture and (ii) substantially all of the assets of Tierra Mojada Luxembourg II, S.à r. l. (formerly FEL Energy VI S.à r.l.) and the guarantors under the Tierra Mojada Notes. We intend to use a portion of the net proceeds of this offering to finance the purchase of a portion of the outstanding Tierra Mojada Notes pursuant to the Tierra Mojada Tender Offer (see “Summary—Recent Developments—Concurrent Tender Offers” and “Use of Proceeds”).

Electricidad Firme Notes (SSN26)

In September 2021, Electricidad Firme de México Holdings, S.A. de C.V. issued US\$350.0 million in aggregate principal amount of 4.900% senior secured notes due 2036 (the “Electricidad Firme Notes”) under an indenture (as amended and supplemented to date, the “Electricidad Firme Indenture”), among Electricidad Firme, the guarantors from time to time party thereunder, The Bank of New York Mellon, as trustee, registrar, transfer agent and paying agent, and Banco Actinver, S.A., Institución de Banca Múltiple, División Fiduciaria, as collateral agent. Interest is payable in semi-annual installments and principal is payable upon maturity. The proceeds of the Electricidad Firme Notes were used to refinance existing indebtedness and for general corporate purposes. As of September 30, 2024, the outstanding amount under the Electricidad Firme Notes was US\$350.0 million. The Electricidad Firme Notes are secured by a first priority security interest over (i) all the equity interests or shares, as

applicable, in Electricidad Firme de México Holdings, S.A. de C.V. and the guarantors from time to time party to the Electricidad Firme Indenture and (ii) substantially all of the assets of Electricidad Firme de México Holdings, S.A. de C.V. and such guarantors. We intend to use a portion of the net proceeds of this offering to finance the redemption in full of the Electricidad Firme Notes (see “Summary—Recent Developments—Possible Call for Redemption of the Electricidad Firme Notes” and “Use of Proceeds”).

La Lucha Acquisition Financing (Scotia)

In June 2024, Cometa Energía, S.A. de C.V. entered into a secured credit agreement with Scotiabank Inverlat, S.A., Institución de Banca Múltiple, Grupo Financiero Scotiabank Inverlat, as administrative agent, sole lead arranger and bookrunner, and green loan structuring agent (the “La Lucha Acquisition Financing”).

The La Lucha Acquisition Financing bears variable interest payable in semi-annual installments and matures in April 2031. This facility has a restricted payment test requiring compliance with a Debt Service Coverage Ratio (as defined in the La Lucha Acquisition Financing) of 1.20x after giving *pro forma* effect to such restricted payment. The proceeds from the La Lucha Acquisition Financing were used to pay a portion of the purchase of La Lucha. As of September 30, 2024, the outstanding amount under the La Lucha Acquisition Financing was US\$150.0 million. The La Lucha Acquisition Financing is secured by a guarantee of payment and not of collection from subsidiary guarantors from time to time party to the La Lucha Acquisition Financing. We intend to use a portion of the net proceeds of this offering to repay in full the outstanding balance under, and to terminate in full, the La Lucha Acquisition Financing, including the release of all liens on the collateral securing such debt (see “Use of Proceeds”).

Tierra Mojada Acquisition Financing (CA26)

In November 2022, Tierra Mojada Holdings S.à r.l. entered into a secured credit agreement, together with GIP EM Bronco Luxco S.à r.l., as pledgor, with Scotiabank Inverlat, S.A. Institución De Banca Múltiple, as joint lead arranger and bookrunner, Grupo Financiero Scotiabank Inverlat, as administrative agent, and Sumitomo Mitsui Banking Corporation, as lender and collateral agent, to finance the acquisition of 100% of the equity interests in Tierra Mojada (the “Tierra Mojada Acquisition Financing”). The proceeds from the Tierra Mojada Acquisition Financing were used to partially fund the acquisition of Tierra Mojada and general corporate purposes. In this Offering Memorandum, we collectively refer to the Tierra Mojada Acquisition Financing and the Tierra Mojada Indenture as the “Tierra Mojada Facilities.”

As of September 30, 2024, the outstanding principal amount under the Tierra Mojada Acquisition Financing comprised: (i) Tranche “A” Loans: outstanding principal amount of US\$97.5 million, due and payable in May 2026, bearing a fixed interest rate payable in semi-annual installments; (ii) Tranche “B” Loans: outstanding principal amount of US\$32.5 million, due and payable in May 2026, bearing a variable interest rate payable in semi-annual installments; and (iii) Tranche “C” Loans: outstanding amount of US\$50.0 million, due and payable in May 2026, bearing a variable interest rate, payable in semi-annual installments. The Tierra Mojada Acquisition Financing is secured by (i) the shares of GIP EM Fortuna Luxco S.à r.l. and Tierra Mojada Luxembourg S.à r.l.; (ii) the receivables of GIP EM Bronco Luxco S.à r.l. and Tierra Mojada Luxembourg S.à r.l.; and (iii) an account of GIP EM Fortuna Luxco S.à r.l. and Tierra Mojada Luxembourg S.à r.l. We intend to use a portion of the net proceeds of this offering to repay in full the outstanding balance under, and to terminate in full, the Tierra Mojada Acquisition Financing, including the release of all liens on the collateral securing such debt (see “Use of Proceeds”).

SPMS Financing (Mizuho)

In May 2022, Saavi Power Mobile Solutions, LLC entered into a credit agreement, together with Electricidad Firme, as guarantor, with the lenders from time to time party thereto, Mizuho Bank, Ltd., as administrative agent, and Mizuho Bank, Ltd., as offshore collateral agent, in connection with a contract, dated May 2022, for the sale of equipment and services (the “TSA Contract”) (the “SPMS Financing”).

The SPMS Financing bears variable interest payable in semi-annual installments and matures in August 2026. The proceeds from the SPMS Financing were used to pay a portion of the TSA Contract price. As of September 30, 2024, the outstanding amount under the SPMS Financing was US\$68.0 million. The SPMS Financing

is secured by (i) all assets of Saavi Power Mobile Solutions, LLC, (ii) the ownership interests of Saavi Power Mobile Solutions Holdings, LLC, in Saavi Power Mobile Solutions, LLC, (iii) the equipment subject to certain contract for sale, and (iv) certain accounts held by Saavi Power Mobile Solutions, LLC. We intend to use a portion of the net proceeds of this offering to repay in full the outstanding balance under, and to terminate in full, the SPMS Financing and all related documentation, including the release of all liens on the collateral securing such debt (see “Use of Proceeds”).

Cometa Revolver

In February 2024, Cometa Energía entered into an amended and restated secured revolving credit facility with BNP Paribas Securities Corp., Citi Mexico, JPMorgan, The Bank of Nova Scotia, Scotiabank Inverlat and Mizuho Bank, Ltd. (the “Cometa Revolver”). The Cometa Revolver is fully committed for US\$225.0 million, of which we can use up to US\$80.0 million for general corporate purposes and up to the full amount to issue standby letters of credit. The Cometa Revolver bears interest at an annual rate of adjusted term SOFR (which comprises term SOFR *plus* a credit adjustment spread of 10 basis points) *plus* 1.75% and matures in February 2029. As of each of the date of this offering memorandum, September 30, 2024, December 31, 2023 and December 31, 2022, there was no outstanding balance on the committed amount. The Cometa Revolver is secured by the same collateral as the Cometa Notes, pursuant to an intercreditor agreement.

CCTM Revolver

In September 2024, CCTM entered into a revolving credit facility with The Bank of Nova Scotia, Goldman Sachs, JPMorgan, Mizuho Bank, Ltd., Scotiabank Inverlat and Sumitomo Mitsui Banking Corporation (the “CCTM Revolver”). The CCTM Revolver is fully committed for US\$200.0 million and has a US\$42.3 million sub-limit for working capital, while we can use up to the full amount to issue standby letters of credit. The CCTM Revolver bears interest at an annual rate of term SOFR *plus* 2.00% and matures in September 2029. As of each of the date of this offering memorandum, September 30, 2024, December 31, 2023 and December 31, 2022, there was no outstanding balance on the committed amount. The CCTM Revolver is secured by the same collateral as the Tierra Mojada Notes, pursuant to an intercreditor agreement.

Accrued Interest

Accrued interest comprises interest payable pursuant to the Cometa Notes, the Tierra Mojada Notes, the Electricidad Firme Notes, the La Lucha Acquisition Financing, the Tierra Mojada Acquisition Financing and the SPMS Financing, each as described above, as of September 30, 2024:

Loan Summary	Commitment	(Outstanding balance of total long-term debt excluding the impact of deferred financing costs, net)	Initial coupon	Days	Type	Rate	Accrued Interest
Cometa Notes	860.0	671.5	Apr. 24, 2024	159	Fixed	6.375%	18.6
Tierra Mojada Notes	953.0	835.5	Jun. 2, 2024	120	Fixed	5.750%	16.0
Electricidad Firme Notes	350.0	350.0	May. 20, 2024	130	Fixed	4.900%	6.2
La Lucha Acquisition Financing	150.0	150.0	Jun. 28, 2024	94	Float	7.514%	2.9
Tierra Mojada Acquisition Financing							
Tranche “A” Loans	97.5	97.5	Jun. 28, 2024	94	Fixed	8.059%	2.0
Tranche “B” Loans	32.5	32.5	Jun. 28, 2024	94	Float	8.864%	0.6
Tranche “C” Loans	50.0	50.0	Jul. 18, 2024	74	Float	7.729%	1.0
SPMS Financing	80.0	68.0	May 31, 2024	122	Float	7.701%	1.8
Total	2,573.0	2,255.0					49.0

Deferred Financing Costs, Net

Deferred financing costs, net aggregate the capitalized closing expenses and original issue discount fees, when they are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability and are amortized using the effective interest rate of the associated financial liability. The amortization is presented as part of the financial cost in the consolidated statements of income and comprehensive income. Amortization of deferred financing cost for the nine months periods ended September 30, 2024 and 2023 was US\$3.6 million and US\$2.7 million, respectively.

Capital Expenditures and Major Maintenance

Major maintenance has been accounted for as an expense under the profit and loss statement. Plants undergo scheduled maintenance after a pre-defined number of hours, during which several maintenance projects are generally performed on the main components of the power trains, such as turbines, generators, and transformers, as well as on other parts of the plants and their auxiliary equipment, such as the heat recovery steam generators, air cooled condensers, and cooling towers.

Planned maintenance activities generally include replacement of worn components with new or refurbished parts, inspection and testing of components or areas not easily accessible during the plants' normal operations.

The main purpose of performing planned major maintenance activities is to achieve:

- Increased reliability of equipment;
- Increased plant availability of gas turbine;
- Increased plant efficiency; and
- Extended life-cycles for the main equipment.

The following summarizes major maintenance performed for the nine months period ended September 30, 2024 and the years ended December 31, 2023 and 2022:

		Nine months period ended September 30, 2024	Year ended December 31, 2023	Year ended December 31, 2022	Major Maintenance Highlights
				(US\$ in millions)	
Cometa Energía	Major Maintenance / Life Extension	23.3	20.1	18.9	2022: ACS major maintenance; La Rosita II pre-summer maintenance; ECA major upgrades.
	Inventories	7.8	14.6	11.2	
	LTSA	14.2	18.3	14.3	2023: La Rosita I Major Inspection + Inventories; ECA unplanned outage; Chihuahua new warehouse.
	Cometa Energía Total	45.3	52.9	44.5	
Tierra Mojada	Major Maintenance / Life Extension	0.6	0.0	-	2024: All power plants underwent major maintenance, except Tierra Mojada.
	Inventories	1.3	0.4	-	
	LTSA	-	-	-	
	Tierra Mojada Total	1.9	0.4	-	
	Total	47.2	53.4	44.5	

Contingent Liabilities

Contingent consideration arising from the acquisition of ECA in 2018 depends on the future performance of the cash flow projected from the generation of electricity by ECA. This contingent consideration, if any, was payable semi-annually through December 2022 to InterGen N.V., if certain conditions were met. See Note 21.4 to the Audited Financial Statements for further detail.

Cash Distribution Policy

Distributions may be determined from time to time by the Board of Directors of the Issuer. As a general matter, if the Issuer does not have an alternative use for reinvestments of cash, it may distribute cash to its shareholders upon ensuring compliance with all applicable restrictive covenants.

Cometa Energía and Tierra Mojada Distribution Policy

With respect to Mexican entities, under Mexican law, statutory dividends may only be paid from retained earnings included in the financial statements that have been approved by shareholders if (i) losses from previous fiscal years have been recovered and (ii) the company has increased its legal reserve by at least 5% of its annual net profits, until such reserve reaches 20% of the company's capital stock.

Cometa Energía and Tierra Mojada do not have an explicit distribution policy. However, Cometa Energía and Tierra Mojada will cause any excess cash not reserved for capital expenditures, major maintenance or immediate working capital needs to be distributed by Cometa Energía and Tierra Mojada to the Issuer, subject to applicable restrictive covenants in Cometa Energía's finance documents and Tierra Mojada's finance documents, including (a) the restricted payment test requiring compliance with a Debt Service Coverage Ratio (as defined in the Cometa Indenture) of 1.20x after giving pro forma effect to such distribution and (b) the distributions test requiring compliance with (x) a Debt Service Coverage Ratio (as defined in the Tierra Mojada Indenture) of 1.20x and (y) a 12-month Projected Debt Service Coverage Ratio (as defined in the Tierra Mojada Indenture) of at least 2.0x, in each case, after giving pro forma effect to such distribution.

The following table sets forth distributions made by Cometa Energía and Tierra Mojada:

	For the nine months period ended,		For the year ended,	
	September 30, 2024	September 30, 2023	December 31, 2023	December 31, 2022
	(US\$ in millions)			
Distributions received from:				
Cometa Energía	33.0	15.0	43.0	66.5
Tierra Mojada	73.7	38.2	42.2	30.0 ⁽¹⁾
Total distributions received	106.7	53.2	85.2	96.5

(1) Remained in escrow according to the share purchase agreement.

For recent developments relating to distributions received from Cometa Energía and Tierra Mojada, see "Summary—Recent Developments—Distributions Made by Cometa Energía and Tierra Mojada."

Off-Balance Sheet Arrangements

We are often required to provide guarantees and/or letters of credit to ensure contractual obligations with respect to bid performance, financing, construction and operations of our subsidiaries. We may issue guarantees in connection with obligations under our power purchase agreements, operations and maintenance contracts, management service agreements and obligations we have as determined in various purchase and sale agreements. Letters of credit relate primarily to debt service requirements, electricity sales agreements and trading requirements.

The beneficiary of the guarantee and/or letter of credit has the ability to draw against the commitments to the extent that the contractual obligations, as defined in the related agreements, allow such draws to be made.

The full amount of the Cometa Revolver may be used to post standby letters of credit. See “—Liquidity—Debt Instruments—Cometa Revolver.”

Quantitative and Qualitative Disclosures about Financial and Market Risk

Financial Risk

The Issuer’s risk management is predominantly controlled by the finance department under policies and principles approved by the Board of Directors. The Issuer’s finance and treasury departments identify, evaluate and hedge financial risks in close cooperation with the Issuer’s operating units. The Board of Directors has overall risk management policies and principles to which they adhere, as management defines policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity. See Note 5 to the Audited Financial Statements for further detail.

Credit Risk

Financial instruments which potentially expose us to concentrations of credit risk consist primarily of cash, cash equivalents, restricted cash, accounts receivable and contract assets. We maintain a significant portion of our corporate cash and cash equivalent balances with several financial institutions with high creditworthiness thereby spreading the credit risk. Most of our accounts receivable are concentrated with entities engaged in the energy industry.

These industry concentrations may impact our overall exposure to credit risk, either positively or negatively, in that the customers may be similarly affected by changes in economic, political, industry or other conditions. Receivables are generally collateralized, however the credit risk posed by industry concentration is offset by the diversification and creditworthiness of our customer base.

We are also exposed to credit risk as revenues are derived from a limited number of customers, in some cases, under long-term agreements. The prolonged failure of any of these customers to fulfill contractual obligations or make required payments could have a substantial negative impact on our consolidated results of operations and financial condition. However, management considers that the risk derived from the above is minimal based on accounts receivables track record and since its major customers pay on a monthly basis.

Liquidity Risk

Cash flow projections are prepared by our management, which monitors cash flow projections and liquidity requirements to ensure sufficient cash levels. Projections consider our financing plans and compliance with minimum financial ratios and legal or regulatory requirements. We are not subject to any externally imposed requirements for the management of our capital.

Market Risk

To efficiently manage operational and economic performance and minimize exposure to potential market risks, the Board of Directors is subject to a commodity risk management policy. Such policy sets forth the governing principles for the utilization of risk mitigation instruments for the purchase and sale of commodities in the forward market, as well as the required monitoring and reporting of the resulting positions.

BUSINESS

Overview

The Issuer, an indirect wholly owned subsidiary of certain investment funds advised and managed by GIP. GIP is a holding company whose primary asset as of the date of this Offering Memorandum is an indirect 99.9% ownership interest in Saavi Energía, which through direct and indirect subsidiaries develops, owns and operates power generation facilities and other energy infrastructure in Mexico and in Puerto Rico that include six CCGT, the solar PV Facility, three MPGUs, three natural gas compression stations (of which two are operating) and an operating natural gas pipeline that is associated to one of those stations.

Saavi Energía is the largest private power generator in Mexico in terms of permitted capacity, after the CFE, a state owned entity, and FIEMEX, a Mexican special purpose trust (*fideicomiso*) sponsored by the FONADIN and managed by MIP FF, with a significant investment from the Mexican Government. Saavi Energía, through its predecessor entities, has more than 25 years of experience in Mexico. Saavi Energía, directly and through a majority-owned partnership in EAVIII, owns and operates a geographically diversified portfolio of U.S. dollar-based, long-term contracted, operationally efficient and highly competitive assets with a total permitted generation capacity of 3,743 MW as of the date of this Offering Memorandum.

The following table sets forth key consolidated financial and operating data as of the dates and for the periods indicated:

	As of and for the nine months period ended	As of and for the twelve months period ended	As of and for the year ended	
	September 30, 2024	September 30, 2024	December 31, 2023	December 31, 2022
	(US\$ in millions, except total permitted generation capacity)			
Total assets	3,601.5	3,601.5	3,503.9	3,466.0
Total revenues	1,137.5	1,564.1	1,588.5	1,102.1
Operating profit	172.0	227.0	173.3	123.8
Adjusted EBITDA ⁽¹⁾	339.6	474.1	390.9	212.8
Net income	17.1	17.4	5.9	13.6
Total permitted generation capacity (MW)	3,743	3,743	3,864	3,864

(1) For the definition of Adjusted EBITDA, see “Presentation of Financial and Other Information—Non-IFRS Financial Measures” and, for a reconciliation of Net income to Adjusted EBITDA, see “Summary Financial and Other Data—Reconciliation of Net Income to Adjusted EBITDA.”

History

International Generating Company, the former owner of InterGen, was a pioneer in the gas-powered generation market in Mexico when it established the business now known as “Saavi Energía” in 1999 after CFE awarded a long-term PPA to EAVIII that resulted in the development, construction and, ultimately, operation in Bajío, Mexico, in 2002. Since its inception, Saavi Energía has become the largest private power generator in Mexico, in terms of permitted capacity, positioning itself as a leading developer and operator of power generation assets, recently expanding its total permitted generation capacity to 3,743 (including 100% of Bajío Entities) MW through operating acquisitions of generation assets Tierra Mojada (970 MW), La Lucha (131 MW) and SPMS (111 MW). The chart below highlights the growth of our business and key milestones from inception through the present.

Total Permitted Generation Capacity Evolution

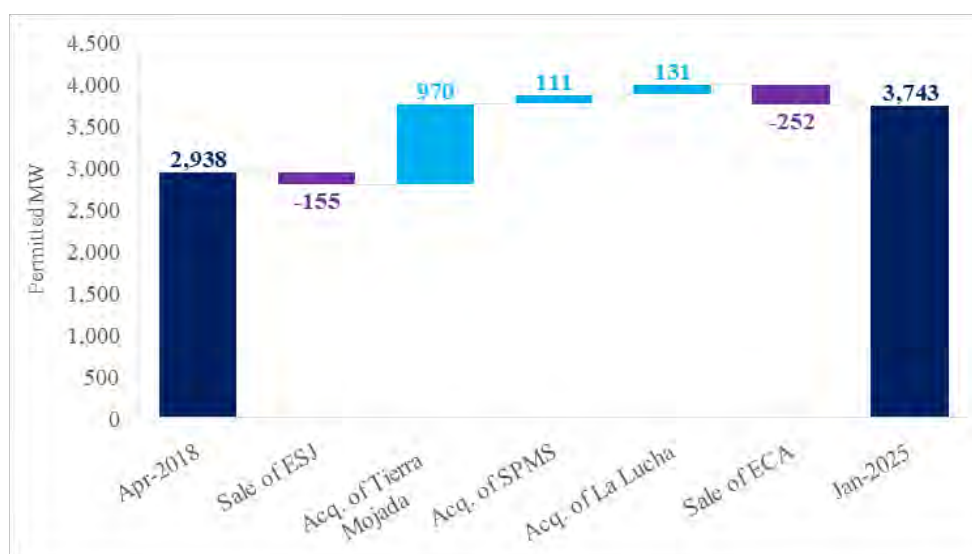
In April 2018, Cometa Energía, indirectly controlled by holding company El Aguila Holdings B.V., a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) organized under the laws of the Netherlands, wholly owned on an indirect basis by certain investment funds managed by Actis, acquired InterGen and its subsidiaries, as well as its equity investees and joint ventures, and created Saavi Energía.

In August 2021, GIP, through the Direct Shareholder, acquired from Actis’ affiliates all of the membership (*lidmaatschap*), including all membership rights (*lidmaatschaprechten*), in and relating to El Aguila Coöperatief BA, a cooperative with limited liability (*coöperatie met beperkte aansprakelijkheid*) organized under the laws of the Netherlands, that indirectly controls Cometa Energía through Electricidad Firme.

In November 2022, Tierra Mojada, a subsidiary of the Direct Shareholder, acquired Tierra Mojada Luxembourg from Fistera Energy Luxembourg II, S.à r.l., through which Tierra Mojada became the indirect owner of CCTM, which owns and operates the Tierra Mojada Plant. See “Summary— Our Asset Portfolio—Tierra Mojada Plant.”

In 2022, SPMS acquired three GE TM2500+ Generation 8 MPGUs with a total permitted generation capacity of 111 MW ISO (~37MW ISO/turbine) turbine generation.

In June 2024, Saavi Energía, through Cometa Energía, acquired 100% of the shares of NP Energía La Lucha, a wholly owned subsidiary of Canadian company Northland Power, which owns and operates a 131 MW solar PV Facility. See “Summary— Our Asset Portfolio—La Lucha.”



The Direct Shareholder is indirectly wholly owned by GIP or vehicles owned by GIP, one of the world’s largest independent infrastructure managers that invests worldwide in infrastructure assets in both OECD and select emerging market countries. GIP, which manages funds and investment vehicles on behalf of its limited partners, has over US\$170 billion in assets under management and currently has ownership interests in 38 portfolio companies. GIP is an active investor in the power and energy sectors globally, with a current energy generation portfolio including over US\$15.8 billion of equity capital invested or committed across 22 GW in operation and more than 176 GW of development assets as of September 30, 2024. GIP brings a wealth of experience through its extensive involvement worldwide in the energy sector, which we expect to support Saavi Energía’s continued successful operations. For more information, see “Principal Shareholders.”

Adjusted EBITDA Evolution

Our Adjusted EBITDA has grown since 2022, primarily driven by our acquisitions of Tierra Mojada and La Lucha and the continued optimization, successful origination and execution of value creating initiatives, including the following:

- Prior to 2022, we had experience supplying equipment and service agreements related to emergency capacity (via third party leases and services providers). In 2022, SPMS acquired three GE TM2500+ Generation 8 MPGUs with a total permitted generation capacity of 111 MW ISO (~37MW ISO/turbine) turbine generation. The MPGUs are mainly used for temporary emergency generation services, a solution

that we can now provide to clients with proprietary equipment leading to higher Adjusted EBITDA margins. With this portfolio of MPGUs, SPMS can provide emergency power solutions and/or quick *time-to-market* power solutions across different geographies. To date, we have supplied these units and power solutions in the Baja California market and in Puerto Rico.

- In 2022, Tierra Mojada Holdings S.à r.l. acquired the Tierra Mojada Plant, a 875 MW CCGT power plant strategically located near the city of Guadalajara, Mexico, an area that, according to market experts such as SENER, is expected to be an energy-importing region for the foreseeable future. The Tierra Mojada Plant's natural gas supply is price indexed to the Waha Hub located in Texas, which provides the plant with a competitive low-cost source of fuel compared to other generators in Mexico. In 2022, Tierra Mojada Holdings S.à r.l. also acquired Ektria, a qualified supplier.
- In 2024, Cometa Energía acquired La Lucha, a 131 MW solar PV Facility located in Mapimi, Durango, one of the highest irradiation regions in Mexico, and Saavi Energía's first renewable energy generating facility, which enabled the possibility of offering renewable attributes to potential customers, while also helping to reduce Saavi Energía's greenhouse gas and other carbon footprint.
- Since 2022, through a series of natural gas and power supply agreement optimizations, we have been able to increase margins from our generation asset base. These optimizations include the reallocation of available generation capacity between existing customers and to new ones; the ability to economically dispatch our available capacity in the MEM; the implementation of enhanced risk management policies by entering into new contracts and/or renegotiating existing contracts on more favorable terms and, in certain cases, dispatching our available capacity in the MEM; and efficiencies of scale and certain major fuel supply restructures in natural gas procurement and imbalance management across our portfolio.

The chart below illustrates our Adjusted EBITDA growth from 2022 to the twelve months period ended September 30, 2024⁽¹⁾⁽²⁾⁽³⁾:



(1) Our Adjusted EBITDA differs from the sum of EFirme and Tierra Mojada's respective Adjusted EBITDA mainly, among others, due to certain general and administrative expenses.

(2) Figures presented in the chart above for Tierra Mojada include Ektria.

(3) Our Adjusted EBITDA for 2022 includes the results of operation of Tierra Mojada Luxembourg as from the acquisition date of November 7, 2022, in accordance with our Consolidated Financial Statements. The Adjusted EBITDA of Tierra Mojada for the first ten months of 2022 amounted to US\$110.0 million.

In the twelve months period ended September 30, 2024 and the years ended December 31, 2023 and 2022, our Adjusted EBITDA was US\$474.1 million, US\$390.9 million, and US\$212.8 million, respectively. As of September 30, 2024, we had total debt (total long-term debt excluding the impact of related accrued interest and deferred financing costs, net) of US\$2,255.0 million, all of which was secured debt of the Issuer's subsidiaries. The Issuer individually has no debt. As of September 30, 2024, Cometa Energía and Electricidad Firme (Cometa Energía's holding company) had total secured debt of US\$1,239.5 million. As of September 30, 2024, Tierra Mojada and its holding company, Tierra Mojada Holdings S.à r.l., had total secured debt of US\$1,015.5 million. See "Risk Factors—Risks Relating to the Notes and Our Corporate and Financing Structure—Payments on the Notes will be

junior to any secured debt of the Issuer and effectively junior to the debt obligations of our subsidiaries, including Cometa Energía and Tierra Mojada.”

Technology

Saavi Energía’s six operating CCGT facilities are powered by (1) three General Electric 7FA combustion turbines, with one General Electric D11 steam turbine serving as a supplemental power source, (2) two Alstom 11N2E combustion turbines, with one Siemens steam turbine serving as a supplemental power source, (3) three Siemens 501 FD combustion turbines, with one Alstom steam turbine serving as a supplemental power source, (4) one Siemens 501 FD combustion turbine, with one Alstom steam turbine serving as a supplemental power source and (5) one General Electric 7FA combustion turbine, with one Siemens steam turbine serving as a supplemental power source and (6) GE 7HA.02 gas turbines, with one General Electric steam turbine serving as a supplemental power source. Saavi Energía’s CCGT facilities are powered by natural gas or a combination of natural gas and fuel oil and utilize low NOx environmental control technology.

Saavi Energía’s three natural gas compression stations are powered by (1) four solar Taurus 70/C40 gas turbines and has the capacity to compress 1,322 MMcf of natural gas daily, (2) six Caterpillar G3608 motors and six Ariel natural gas compressors, which together have the capacity to compress 200 MMcf of natural gas daily, and (3) an associated 65-km gas pipeline.

Saavi Energía owns three GE TM2500+ Generation 8 MPGUs aeroderivative gas turbines with a total permitted generation capacity of 111 MW ISO (~37MW ISO/turbine).

Saavi Energía’s solar PV Facility is powered by 460,000 TrinaSolar polycrystalline photovoltaic modules, 43 Power Electronics inverters and a Soltec north-south horizontal single-axis solar tracking system with a 163 MW peak capacity. We believe the technology of our facilities described above is comparable to the technology used in our industry.

Maintenance Schedules and Historical Availability

The following chart illustrates the historical availability, planned outage factor, unplanned outage factor, and Equivalent Availability of our facilities:

	Equivalent Availability (%)			Availability (%)			Planned Outage Factor (%)			Unplanned Outage Factor (%)		
	2022	2023	9M Sept '24	2022	2023	9M Sept '24	2022	2023	9M Sept '24	2022	2023	9M Sept '24
Bajío	98%	98%	99%	92%	97%	98%	6%	1%	1%	2%	2%	1%
Chihuahua	97%	98%	98%	97%	98%	86%	1%	0%	12%	3%	2%	2%
La Rosita 1	98%	97%	99%	96%	89%	85%	2%	8%	15%	2%	3%	1%
La Rosita 2	99%	97%	97%	83%	92%	90%	16%	5%	7%	1%	3%	3%
SLP	99%	99%	100%	97%	97%	83%	2%	2%	17%	1%	1%	0%
Tierra Mojada	94%	99%	99%	86%	90%	98%	8%	9%	1%	6%	1%	1%
Fleet Total	98%	98%	99%	92%	94%	90%	6%	4%	9%	2%	2%	1%

ACS

The ACS compression station, which is designed to compress approximately 1,300 MMcf/d, has routine minor inspections every 4,000 hours of operation with a major overhaul every 30,000 hours of operation in the solar gas turbines.

The plant has a 2022 to nine months period ended September 30, 2024 average Equivalent Availability of 100.0%, with diligent performance of the routine minor inspections. The first major overhaul for the compressor units occurred in 2022, when the compressor and combustion chamber were exchanged in the solar turbines on Unit B.

Bajío

The Bajío plant has installed state-of-the-art AGP technology resulting in improved output and heat rate, but also extended maintenance intervals.

The plant has a 2022 to nine months period ended September 30, 2024 average Equivalent Availability of 98.2%, with an unplanned outage factor of 1.8% over the same period, and without significant forced outage events.

ECA

ECA is no longer part of the portfolio of Saavi Energía. On October 31, 2023, subject to certain conditions precedent, Energía Termoeléctrica Mexicana, S.A. de C.V. and ECH agreed to sell 99.99% of the shares of ECA to a trust agreement controlled by CFE. The acquisition became effective on July 15, 2024, upon fulfillment of all required conditions. IG Sierra Juarez II, S. de R.L. de C.V., an indirect subsidiary of Saavi Energía, maintains a nominal equity non-voting share solely for the purpose of complying with the Mexican regulatory requirement to maintain a minimum of two shareholders in each entity.

Chihuahua

ECH has an operation support and maintenance services agreement with a consortium consisting of Liburdi Turbine Services and Power Services Group to supply parts and provide services, including periodic inspection, with respect to the generator, combustion and steam turbines at the Chihuahua plant.

The plant has a 2022 to nine months period ended September 30, 2024 average Equivalent Availability of 97.8%, with an unplanned outage factor of 2.2% over the same period, and without significant forced outage events.

Bajío and Libramiento Compression

The Libramiento compression station has a capacity of approximately 200 MMcf/d and an associated 65-km gas pipeline. The site has six Caterpillar motors and six Ariel natural gas compressors with maintenance intervals in various hourly increments.

The station has a 2022 to nine months period ended September 30, 2024 average Equivalent Availability of 100.0%, with the compressor units mostly on cold reserve.

The Bajío compression station is currently operating on a “cold-reserve” basis, meaning compression services will be provided when deemed necessary by CENAGAS.

San Luis de la Paz

San Luis de la Paz is a state-of-the-art plant with the AGP technology implemented by the OEM and resulting in improved output and heat rate, but also extended maintenance intervals.

The site has a 2022 to nine months period ended September 30, 2024 average Equivalent Availability of 99.1%, with an unplanned outage factor of 0.9% over the same period, and without significant forced outage events.

La Rosita I and La Rosita II

The 3x1 and 1x1 Siemens 501F configuration at these two sister plants has the maintenance intervals of 32,000 hours established as per the OEM guidelines.

La Rosita I has a 2022 to nine months period ended September 30, 2024 average Equivalent Availability of 98.3%, with an unplanned outage factor of 1.7% over the same period, and without significant forced outage events. La Rosita II has a 2022 to nine months period ended September 30, 2024 average Equivalent Availability of 97.9%, with an unplanned outage factor of 2.1% over the same period, and without significant forced outage events.

Tierra Mojada

Tierra Mojada had an operation support and maintenance services agreement with NAES Mexico, S. de R.L. de C.V. to provide planning and program implementation services, routine, preventive and predictive maintenance, maintenance and repairs, facility outages, facility administration, training and assistance to owner services, monitoring of compliance, site personnel and human resources, environmental support, and accounting, procurement and insurance management services to the Tierra Mojada Plant. This agreement was terminated in light of Mexico's subcontracting reform, and such services are now performed in-house to leverage our expertise while also leveraging synergies.

The plant has a 2022 to nine months period ended September 30, 2024 average Equivalent Availability of 97.5%, with an unplanned outage factor of 2.5% over the same period, and without significant forced outage events.

SPMS

The SPMS mobile turbines have routine minor inspections (boroscopy) every 4,000 hours of operation, hot gas path inspection every 8,000 hours of operation and a major overhaul every 24,000 hours of operation.

La Lucha

La Lucha power plant utilizes photovoltaic technology to generate electricity, with a total installed nominal capacity of 131 MW, have routine minor inspections every year (10,000 operating hours) of operation, intermediate maintenance every 20,000 hours of operation and a major overhaul every 50,000 hours of operation.

Material Agreements

Saavi Energía's has entered into a number of power purchase, power delivery agreements and compression services agreements that are key to the projects' operations as described below.

Key Power Purchase, Power Delivery Agreements and Compression Services Agreements

Bajío

Saavi Energía's indirect subsidiary, EAVIII, is a joint-venture partnership between Cometa Energía, which owns 51% of the shares in EAVIII, and Tokyo Gas Bajío B.V., which owns the remaining 49%. EAVIII was incorporated under the laws of Mexico on May 5, 1999 and has since entered into two material long-term power purchase agreements, one with CFE and the other with SE, who in turn has contracted with Linde, as a qualified supplier.

The Bajío Entities have also entered, through SE, as qualified suppliers, into several short-term PPAs with different counterparties for delivering excess capacity. The term of these short-term PPAs is one year or less, and they may be automatically renewed. The deliverable capacity varies for each such short-term PPA.

Under a PPA with CFE (the "Bajío CFE PPA"), CFE is required to purchase a monthly demonstrated net capacity and associated net energy output, which translates to 495 MW of the Bajío plant. As compensation, CFE pays (1) a fixed capacity charge in dollars, calculated based on the fixed capacity charge for the month, as adjusted for availability relative to the guaranteed availability, (2) a fixed operation and maintenance charge in both dollars and pesos, as adjusted for availability relative to the guaranteed availability and escalated based on the relevant price index, (3) a variable operation and maintenance charge in pesos, (4) a fuel charge in pesos based on the weighted average price of fuel for the month and the fuel consumption calculated using the guaranteed heat rate and (5) a startup charge in pesos, paid in the event the plant is required to restart after a shut-down instruction. The Bajío CFE PPA provides that EAVIII may enter into third-party PPAs for capacity above the contracted 495 MW output. EAVIII's power supply obligation pursuant to the Bajío CFE PPA is secured by a letter of credit in favor of CFE in the face amount of US\$20.0 million. Cometa Energía has provided US\$10.2 million in performance security, corresponding to the company's 51% ownership interest in the Bajío plant. The initial term of the Bajío CFE PPA

expires on March 9, 2027, unless terminated early. Payments under the Bajío CFE PPA are made in US\$ and pesos to reflect actual costs, this payment structure functions as a natural currency hedge. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Changes in Exchange Rates.”

Under the Linde PPA, Linde agrees to receive energy and associated products from SE, as qualified supplier, including firm capacity, energy, clean energy, and clean energy certificates, among others. As compensation, Linde pays fixed and variable charges for costs incurred by us, including its margin, as well as other regulated passthrough costs. As compensation for such products, Linde pays (1) a monthly payment in U.S. dollars consisting of a fixed capacity charge; (2) a monthly payment in both U.S. dollars and pesos, consisting of a fixed O&M charge that is payable based on the contracted capacity; (3) fixed compression charges and regulated charges payable in pesos as a pass-through for the costs incurred; (4) a fuel charge payable in U.S. dollars based on the contracted heat rate; (5) a variable O&M and wheeling charge payable in U.S. dollars based on the energy delivered to Linde; (6) a variable charge for the supply of clean energy payable in U.S. dollars; (7) a price per clean energy certificate payable in U.S. dollars; (8) a replacement energy charge payable in U.S. dollars; (9) a charge for services not included under the MEM, payable on a pass-through basis; (10) a congestion and losses adjustment in pesos, payable on a pass-through basis; and (11) a charge for regulated tariffs, as well as for any applicable regulated tariffs applicable to SE, payable on a pass-through basis in pesos.

Saavi Energía does not consolidate the financial information of EAVIII, which instead is accounted as an investment in accordance with the equity method of accounting recognizing Saavi Energía’s share of earnings or losses in EAVIII.

ECA

On July 15, 2024, 99.99% of the shares of ECA were sold indirectly to CFE. ECA sustained monetary losses prior to the sale of its shares to CFE.

Chihuahua

Saavi Energía’s indirect subsidiary, ECH, was incorporated under the laws of Mexico on March 20, 2001 and has since entered into a PPA with CFE (the “Chihuahua CFE PPA”). The term of the Chihuahua CFE PPA is through the 25th anniversary of the commercial operations date of September 9, 2003, unless terminated earlier. Under the Chihuahua CFE PPA, CFE is required to purchase a monthly demonstrated net capacity and associated net energy output of 259 MW nominal capacity and associated electrical output. As compensation, CFE pays (1) a fixed capacity charge in dollars, calculated based on the fixed capacity charge for the month, as adjusted for changes in the cost of financing, as adjusted, (2) a fixed operation and maintenance charge, as adjusted and escalated based on the relevant price index, (3) a variable operation and maintenance charge in pesos, (4) a fuel charge in pesos based on the weighted average price of fuel for the month and (5) a startup charge in pesos, paid in the event the plant is required to restart after an emergency shut down. Operating payments under the Chihuahua CFE PPA are made in US\$ and pesos to reflect actual costs, this payment structure functions as a natural currency hedge. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Changes in Exchange Rates.”

La Rosita I

Saavi Energía’s indirect subsidiary, EAX, has entered into a PPA with CFE (the “La Rosita I CFE PPA”). The term of the La Rosita I CFE PPA is through the 25th anniversary of the commercial operations date of July 20, 2003, unless terminated earlier. Under the La Rosita I CFE PPA, CFE is required to purchase a monthly demonstrated net capacity and associated net energy output of 489 MW nominal capacity and associated electrical output. As compensation, CFE pays (1) a fixed capacity charge in dollars, calculated based on the fixed capacity charge for the month, as adjusted for availability relative to the guaranteed availability, (2) a fixed operation and maintenance charge in both dollars and pesos, as adjusted for availability relative to the guaranteed availability and escalated based on the relevant price index, (3) a variable operation and maintenance charge in pesos, (4) a fuel charge in pesos based on the weighted average price of fuel for the month and the fuel consumption calculated with the guaranteed heat rate and (5) a startup charge in pesos, paid in the event the plant is required to restart after a shut- down instruction.

EAX, through SE, as a qualified supplier, has also entered into several short-term PPAs with different counterparties for delivering excess capacity. The term of these agreements is of one year, and they may be automatically renewed. The deliverable capacity varies for each agreement.

San Luis de la Paz

Saavi Energía's indirect subsidiary, SLP, has entered into the SLP PDA, the term of which is through the twentieth anniversary of its execution, unless terminated earlier. Newmont, upon notice no later than 18 months prior to the expiration of the existing term, may extend the agreement for up to three additional five-year periods. Under the SLP PDA, Newmont is required to purchase a monthly demonstrated net capacity and associated net energy output of 182 MW nominal capacity and associated electrical output. To the extent Newmont does not dispatch the full contracted capacity, SLP may deliver the shortfall to third parties on a non-firm basis. As compensation, Newmont pays (1) a fixed capacity charge per kW-month of contract capacity multiplied by an availability adjustment factor, (2) a fixed operation and maintenance charge payable in pesos, as adjusted and escalated based on the relevant price index, (3) a fixed fuel charge, (4) a fixed wheeling charge, (5) a fixed back-up charge, (6) a variable energy charge per hour, (7) a variable operation and maintenance charge payable in pesos, (8) a variable wheeling charge, (9) a variable back-up charge and (10) start-up payments.

Tierra Mojada

Saavi Energía's indirect subsidiary, CCTM has entered into a PPA with CFEC (the "Tierra Mojada PPA"). The term of the Tierra Mojada PPA is through the 20th anniversary of the start date occurred on January 1, 2021, unless terminated earlier. Under the Tierra Mojada PPA, CFEC is required to pay the monthly capacity fee under the Tierra Mojada's PPA is a take-or-pay provision whereby Tierra Mojada receives payment for the CFEC Contracted Capacity regardless of whether CFEC requires such capacity. Tierra Mojada guarantees certain levels of availability, which may be adjusted due to maintenance and other reasons, as long as the average availability within a three-year rolling period remains consistent with the levels set in the Tierra Mojada's PPA, which average approximately 95% over the 20-year term.

CCTM has also entered into several long-term PPAs with Ektria, as a qualified supplier, for delivering remaining contracted capacity. These agreements will expire between December 31, 2025 and May 2030.

Altamira Compression

Saavi Energía's indirect subsidiary, ACS, was incorporated under the laws of Mexico on March 30, 2012 and has since entered into two compression services agreements.

Under the compression service agreement with SLP (the "ACS/SLP CSA"), ACS provides compression services for up to 34.12 MMcf/d of natural gas capacity. As compensation, SLP pays a fixed monthly amount in U.S. dollars, subject to a monthly adjustment for the changes in the U.S. Producer Price Index for all commodities and the U.S. Consumer Price Index for all items, and a fixed monthly amount in Mexican pesos, subject to a monthly adjustment based on changes in the INPP. If ACS does not receive the natural gas necessary for compression for reasons not attributable to its own fault, SLP may not suspend or adjust these payments. There is no credit support requirement under the ACS/SLP CSA. The term of this contract is 20 years beginning on the commercial operation date, unless (i) terminated by prior agreement by the parties or (ii) extended due to the occurrence of an event of force majeure. The parties may negotiate an extension at their election.

Under the compression service agreement with CFE (the "ACS/CFE CSA"), ACS provides compression services for up to 465.88 MMcf/d of natural gas capacity. As compensation, CFE pays a fixed monthly amount in U.S. dollars, subject to a monthly adjustment for the changes in the U.S. Producer Price Index for all commodities and the U.S. Consumer Price Index for all items, and a fixed monthly amount in Mexican pesos, subject to a monthly adjustment based on changes in the INPP. If ACS does not receive the natural gas necessary for compression for reasons not attributable to its own fault, CFE may not suspend or adjust these payments. The term of this contract is 20 years after the commercial operation date, unless (i) prior agreement by the parties or (ii) extended due to the occurrence of an event of force majeure. ACS's power supply obligation under the ACS/CFE CSA is secured with

performance security in the form of a standby letter of credit, representing an initial amount that has been reduced annually.

Bajío Compression

Saavi Energía's indirect subsidiary, CB, was incorporated under the laws of Mexico on April 14, 2000 and has since entered into two compression services agreements.

As of April 2021, CB's station operates on a "cold-reserve" basis, meaning that compression services will be provided when deemed necessary by CENAGAS. Cometa Energía's management are currently exploring alternatives to re-contract. Our and Cometa Energía's management have been in active discussion with CENAGAS in order to explore extension and re-contracting alternatives for the CB's compression asset. We will continue to seek commercial alternatives for this asset that remains operationally functional, and can provide valuable services to the gas networks.

Libramiento Compression and Pipeline

On April 19, 2005, Green Energy Libramiento, S. de R.L. de C.V. ("GES") entered into an investment agreement with Pemex-Gas y Petroquímica Básica, which has since been assigned to CENAGAS, pursuant to which a framework was established for regulating the design, engineering, construction, operation and maintenance of the national gas pipeline system extension and the compression station by GES, as well as the recovery of the investment that GES would make for these purposes. CENAGAS shall make a monthly fixed capacity payment in U.S. dollars as compensation for supplying natural gas to the facility and receiving compression services. The term of the agreement is of 20 years. In the event of failure to execute any agreement in connection with the Compression Services Agreement or the failure to perform any of the obligations under the agreement by any party, CENAGAS and GES may terminate the agreement, by providing prior written notice to the other party.

MPGUs

On May 3, 2022, SE and SES entered into a services agreement with PYE for temporary emergency reliability generation (*Procotolo Correctivo*) to the Baja California power grid called by CENACE, indirectly via a contract with PYE. The term of the agreement was six months after the date of execution.

In 2022, a services agreement was executed with PYE for temporary emergency reliability generation (*Procotolo Correctivo*) to the Baja California power grid, indirectly provided through PYE, called by CENACE. Such agreement included a fixed-payment and was effective for six months after its execution.

During 2023, a lease agreement with NFE was entered into for the purpose of leasing the MPGUs for temporary power generation. The lease agreement included a fixed payment in U.S. dollars for each MPUG leased. Such agreement was early terminated by NFE, by reason of an alleged *force majeure*. Arbitration pertaining to the early termination is ongoing. See "Business—Legal, Administrative and Arbitration Proceedings."

La Lucha

Saavi Energía's indirect subsidiary, NFE La Lucha, was incorporated under the laws of Mexico on March 16, 2017, and was added to Saavi Energía's portfolio on July 1, 2024.

On July 1, 2024, La Lucha, through SE, as a qualified supplier, entered into a long-term PPA to supply up to 95% of the facility's generation (the "La Lucha PPA"). The La Lucha PPA entails the supply of energy (*energía*) and capacity (*potencia*) (which is sourced from Saavi Energía's thermal fleet), and will remain effective until 2036. As of the date of this Offering Memorandum, La Lucha's merchant position in the MEM is 5% of the generation.

Real Property and Land Use Rights

The real property of Saavi Energía's facilities falls mainly into four categories: (1) property acquired through purchase agreements (*contratos de compraventa*); (2) easements (*servidumbres*) contracted with private and communal landowners (*titulares and poseedores de parcelas ejidales, ejidos or comunidades*); (3) permits acquired from federal, state and municipal government entities for road crossings, rail road crossings, water body crossings and use of any other state owned land and infrastructure; and (4) leases (*arrendamientos*), usufructs (*usufructos*), real estate agreements that provide access to property, rights of way contracts documenting personal rights to use property (*contratos de uso*), rents, owned properties, and any other real estate arrangement that provides Saavi Energía a right to use said property, all used mainly to install above ground facilities, such as main line valves, metering stations and compression stations, among others. Although registered easements set forth in (2) above are preferable, in certain instances, whether due to property disputes among such third parties, probate proceedings or inability (in spite of reasonable efforts) to locate the registered owner of any such property, Saavi Energía has been unable to obtain registered easements (*servidumbres*) or other similar rights to use the properties where Saavi Energía's pipelines, facilities and ancillary infrastructure have been constructed and have had to rely on arrangements as set forth in (4) above, which Saavi Energía believes to be customary in Mexico. Saavi Energía believes that all of Saavi Energía's production facilities are in good operating condition. Saavi Energía believes that Saavi Energía has satisfactory title to Saavi Energía's generation units and facilities in accordance with standards generally accepted in the electric power industry. Saavi Energía cannot guarantee that titles leases, or other arrangements based upon which Saavi Energía has laid or constructed Saavi Energía's facilities, pipelines and ancillary infrastructure will not be challenged. See "Risk Factors—Risks Relating to Our Business and Industry—Our principal subsidiaries, Cometa Energía's and Tierra Mojada's respective business might require the acquisition of additional real property that would require it to obtain additional permits, the failure of which to obtain may cause delays in the development, construction and operation of its power generation facilities."

Health, Safety and Environmental Matters

Saavi Energía endeavors to comply with applicable Mexican national, state and municipal environmental laws, standards, rules and regulations, and Saavi Energía believes that its current operations are substantially in compliance with such standards, rules and regulations as they have historically been interpreted and enforced.

Saavi Energía's Health, Safety, Security and Environment ("HSSE") program considers a regional strategy development and implementation, training and qualification plans, full regulatory compliance systems management & reporting (Environmental & quality systems ISO-9000 & ISO-14000), as well as the development of security protocols and assessments.

The deployment of standard HSSE procedures and the use of a compliance matrix ensure Saavi Energía locations are in full compliance with all applicable environmental regulations and permits. All Mexico locations identify and assess the requirements of the safety and environmental regulations and the keep track of required actions using JD Edwards, an enterprise resource planning software. An obligatory compliance work order report is compiled monthly.

Security risk assessments are performed by third-party experts evaluating the site, its infrastructure and the local area on a routine basis, including perimeter protection, access control and surveillance.

The successful implementation of the HSSE strategy is demonstrated by the results that the region has achieved over the last years. For example, Saavi Energía's LTIF decreased in 2024 to its lowest level since 2019 and consistently outperforms the industry average with a three-year average of 0.14, a five-year average of 0.17 compared to the industry average of 1.00. Saavi Energía has not experienced a Lost Time Incident in almost two years at the plants under its operational control.

Saavi Energía strives to achieve operational excellence and world-class HSSE performance by fostering a continuous improvement culture and pursuing both internal and external subject-matter expert assessment. Saavi Energía continues to seek and adopt industry best practices, as well as practices from other industries and from

regulations outside its zone of operations. In this way, Saavi Energía continues to show that safety is both a core value and a fundamental company characteristic.

Competition

Power Generation

As previously noted, power generation in Mexico by private-sector companies was historically limited by applicable laws and regulations to certain types of generation facilities, namely, IPPs, export, small scale, and captive/self-supply. However, after the 2013 Energy Reform, the wholesale market was created, allowing sales between all market participants and opening to free competition the sectors of power generation and supply to qualified C&I energy consumers (C&I segment). See “Regulatory, Permits and Environmental Matters.” CENACE held annual auctions for the award of long-term and medium-term supply contracts for capacity, electricity and CELs, but has since suspended said auctions. See “Risk Factors—Risks Relating to Mexico—Changes in Mexican governmental policies could adversely affect Saavi Energía’s business, financial condition, results of operations, cash flows, prospects and/or our ability to repay the Notes.” Given that Saavi Energía participates in the segments of power generation, wholesale energy market supply to other market participants and qualified supply to qualified C&I energy consumers, we expect that going forward we will continue to face keen competition from other power generation owners and developers, including IEnova, Valia, FIEMEX, Naturgy, Engie, Enel, Atlas and Iberdrola, among others, who have made significant investments in Mexico in the past. The principal elements of competition are price, location, credit and availability, flexibility and reliability of service. General economic activity, conservation, legislation, governmental regulations, weather, additional generation capacities and other factors affect the supply and demand for electricity.

In the C&I supply segment, we experience competition from other qualified suppliers that are integrated within companies that also own generation assets, particularly Iberdrola and Engie, as well as from qualified suppliers who source their products from third-party generators, such as Amper, NEG and CFE with its qualified supply company who are very active in the C&I supply market. As the market matures, more customers understand the possibilities of switching suppliers and the first qualified supply contracts expire, we expect an increase in the competition for acquiring clients, also fostered by brokers and consultants who conduct competitive contracting processes on behalf of their clients.

Insurance

Saavi Energía covers all of its operations and assets with third-party insurance from authorized insurers in Mexico of internationally recognized financial strength of AM Best VIII or better or the S&P equivalent but not less than A-. Saavi Energía believes this is in accordance with industry best practice and is consistent with that contracted by other companies engaged in similar commercial operations with similar type assets.

For the group (except Mobile Units), this insurance includes: (1) property damage on a replacement costs basis for the assets, (2) commercial general and excess liability insurance covering liabilities to third parties for bodily injury arising from the operations with limits consistent with industry practice for similar operations, (3) automobile liability insurance covering liability to third parties for bodily injury and property damage arising out of the operation of all hired and non-owned automobiles rented or borrowed by Saavi Energía’s employees on company business, (4) workers’ compensation or similar workplace insurance as required by local law or legislation and employer’s liability insurance with minimum limits of consistent with industry practice and (5) such other general insurance as may be required for statutory obligations, lender’s and contractual obligations, operations and maintenance agreements, and PPAs, tolling and supply agreements. Additionally, for the plants within the Cometa Energía branch, assets have insurance for business interruption covering fixed and continuing expenses and debt service for periods not less than 12 months (with up to 60 day waiting period).

For the Mobile Units, typically contracted based on a lease and operation structure, Saavi Energía’s coverage includes commercial general and excess liability insurance covering liabilities to third parties for bodily injury. Additionally, the Lessee is required to have coverage for: (1) worker’s compensation as required by applicable Law, (2) employer’s liability, (3) commercial general and excess liability insurance covering liabilities to third parties for bodily injury arising from the operations, (4) all risk transit insurance covering the equipment for loss or damage,

(5) property damage on a replacement costs basis for the assets. For insurances 3-5, the Lessee shall include Lessor as an additional insured and include waivers of subrogation.

Saavi Energía's insurance policies comply with the company's various contractual commitments, including long term PPAs requirements. In addition, Saavi Energía believes that the level of insurance coverage that it maintains for Saavi Energía's properties, operations, personnel and businesses is reasonably appropriate for the risks that Saavi Energía faces. Saavi Energía's policies, including policy terms, conditions, limits, exclusions and deductibles are comparable to those obtained by other energy companies with similar operations.

Employees

Saavi Energía employs 149 Mexico City-based, two Houston-based and one Luxembourg-based corporate employees and 243 plant operations employees. The following table shows the number of Saavi Energía's active full-time employees by area of activity:

By Activity	Non-Unionized	Unionized
Plant Operations	82	151
C-Level Management	4	-
Finance	41	-
Commercial	45	-
Corporate Operations.....	13	-
Legal.....	5	-
Human Resources.....	11	-
Admin.....	43	-
Total.....	244	151

As a result of recent reforms to the Mexican federal labor laws, Saavi Energía, has modified its labor structure to comply with the requirements of these reforms. See "Risk Factors—Risks Relating to Mexico—New and unanticipated tax reforms may be approved."

Unions

As of September 30, 2024, 151 of 395, or 38% of Saavi Energía's employees were represented by unions, such that 151 of the 233 operational staff are unionized, whereas all 162 corporate employees are not. Employees are represented under five separate collective bargaining agreements, all of which were renegotiated during 2024. Historically, Saavi Energía has had good relations with Saavi Energía's unions. Each plant has a union representative on site for day-to-day issues. In addition, Saavi Energía's human resources department in the Mexico City office has direct relationships with each union's regional unit and national office. No strikes have occurred at any of the Saavi Energía plants to date.

Legal, Administrative and Arbitration Proceedings

From time to time Saavi Energía may become involved in litigation and administrative proceedings relating to claims arising in the ordinary course and business relating to Saavi Energía's operations and properties. These may include claims filed by suppliers and customers, federal, state or local governmental authorities, including tax authorities, neighboring residents and environmental and social activists, as well as labor disputes.

Specifically, certain subsidiaries of Saavi Energía have filed various *amparo* lawsuits against different governmental measures aimed to implement SENER's policy change in the power sector, including an *amparo* lawsuit filed by all the Saavi Energía power generating subsidiaries against the Decree that enacted the LIE Reform for the purpose of modifying market rules, reorganizing regulatory agencies and increasing the State's participation in the SEN. These *amparo* lawsuits were all admitted by the competent courts and Saavi Energía's subsidiaries obtained the corresponding permanent injunctions, and the effects of these new rules and policies have been suspended for the duration of the legal proceedings. See "Risk Factors—Risks Relating to our Business and Industry— We cannot predict the effects on our business of future changes to the legal framework for regulation of the energy sector in Mexico." and "Management's Discussion and Analysis of Financial Condition and Results of Operations—Trends and Factors Affecting Our Results of Operations—LIE Reform Regulatory Changes."

On June 28, 2024, SPMS filed a request for arbitration with respect to an early termination of a certain equipment lease agreement entered with NFE. Under such request, SPMS seeks damages ensuing from NFE's early termination. On September 9, 2024, NFE filed a counterclaim against SPMS seeking payment of monetary damages. On November 7, 2024, the arbitration panel was integrated and on January 6, 2025, the procedural timetable was issued. See Note 29.5 to the Audited Financial Statements included in this Offering Memorandum for further information.

INDUSTRY OVERVIEW AND COMPETITION

Overview

Prior to 1992, the generation, transmission, and distribution of electricity in Mexico was limited to the Mexican Government. These activities were performed primarily by CFE, the principal state-owned electric utility. In late 1992, a series of legal reforms allowed private investors to participate in the generation of electricity for non-public service purposes through six different arrangements: (i) independent power production (“IPP”), (ii) self-supply, (iii) cogeneration, (iv) small production (up to 30 MW), (v) import, and (vi) export. Under the IPP regime, private generators were allowed to produce electricity exclusively for sale to CFE. These arrangements were implemented by CFE through the execution of long-term agreements for the commitment of power generation capacity and the purchase and sale of associated electricity power (“CFE PPAs”) that were tendered by CFE pursuant to competitive international public bids.

In December 2013, the Mexican Congress approved a constitutional reform (the “2013 Energy Reform”) that opened most of the Mexican electric industry to private investment, except for transmission and distribution of electricity, which remained strategic areas under the control of the Mexican Government. In August 2014, the Mexican Congress enacted implementing legislation through the Electric Industry Law (*Ley de la Industria Eléctrica*, or “LIE”), which allowed private investors to participate in the generation and commercialization of electricity in a competitive market with open access to the national transmission and distribution networks. Since the LIE became effective, customers with more than 1.0 MW of demand (“Qualified Users”) may purchase electricity and other associated products through the Mexican Wholesale Electricity Market (*Mercado Eléctrico Mayorista*, or “MEM”).

Prior to the enactment of the LIE, CFE awarded 33 CFE PPAs. According to SENER, between 2016 and 2023, CFE went from controlling 58.9% of Mexico’s installed power generation capacity to 50.2%, as private generators operating under IPPs, self-supply, cogeneration and other arrangements gained market share.

In March 2021, the Mexican Congress amended the LIE to modify market rules, reorganize regulatory agencies and increase CFE’s participation in the National Electricity System (*Sistema Eléctrico Nacional*) of Mexico (“SEN”). Such amendments faced a number of challenges, including opposition by private market participants. These challenges were instituted in constitutional (*amparo*) claims that resulted in injunctions that suspended the effects of the 2021 amendments. Most of these claims were upheld by federal judges, including by the Mexican Supreme Court and, as a result of their decisions, most of the changes to the LIE were ruled unconstitutional and did not go into effect.

In accordance with the provisions of the 2013 Energy Reform and the LIE, the planning and control of the SEN and the transmission and distribution of electricity are strategic areas under the exclusive control of the Mexican Government. The Mexican Government, acting through SENER and currently the CRE, oversees the creation and enforcement of policies, regulation and supervision of the energy industry. SENER’s mandate includes the establishment, supervision and coordination of the country’s electricity policy, including the formulation of development programs in accordance with the National Development Plan (*Plan Nacional de Desarrollo*) and the planning and elaboration of the PRODESEN. The CRE is the regulatory agency responsible for granting permits for the generation of electricity and other ancillary activities. CENACE is responsible for the operational control of the SEN, the operation of the MEM and oversees the open access to the national transmission and general distribution networks.

In May 2024, SENER unveiled new guidance in the PRODESEN 2024-2038. The PRODESEN is the master planning instrument for the SEN issued by SENER and reflects the country’s policy with respect to generation, transmission and distribution of electricity in Mexico for next 15 years.

Recently, in October 2024, the Mexican Congress approved a new constitutional reform pursuant to which, among other non-material matters, private participation in the generation and commercialization of electricity in Mexico has been qualified to recognize certain preeminence (*prevalencia*) or priority of CFE in those activities. The reform does not explain the meaning of this condition which should be defined upon issuance of implementing legislation that is expected before the end of April 2025.

National Strategy for the Electricity Sector

On the back of the October 2024 amendments to the Mexican Constitution, in November 2024, the federal government presented the 2024-2030 Sector Strategy. The 2024-2030 Sector Strategy recognizes the country's need to develop new energy infrastructure to meet the growing electricity demand and take advantage of the nearshoring opportunity. The 2024-2030 Sector Strategy also sets forth the rules that will apply to the development of the new infrastructure, including the participation of private investment in the sector.

The 2024-2030 Sector Strategy is based upon the premise that, by 2030, Mexico's electricity demand will increase significantly, reaching a projected 64,979 MW. To address this growing demand, the 2024-2030 Sector Strategy considers different scenarios in which renewable energy could account for as much as 45% of Mexico's installed generation capacity by 2030. The 2024-2030 Sector Strategy contemplates an aggregate investment by CFE of approximately \$23.4 billion, allocated to generation, transmission and distribution. While the 2024-2030 Sector Strategy does not explain how CFE intends to finance the multi-billion-dollar investment, it does set out a series of arrangements whereby private investment will be able to participate in this effort. These arrangements may include (i) the execution by CFE of long-term contracts with private generators that may follow the lines of the CFE PPAs and (ii) the creation of "mixed generators" whereby CFE will join forces with private investors (on a 54/46 percent basis) to develop energy projects. The 2024-2030 Sector Strategy also recognizes that private generators will continue to be able to participate in the MEM.

Electricity Supply

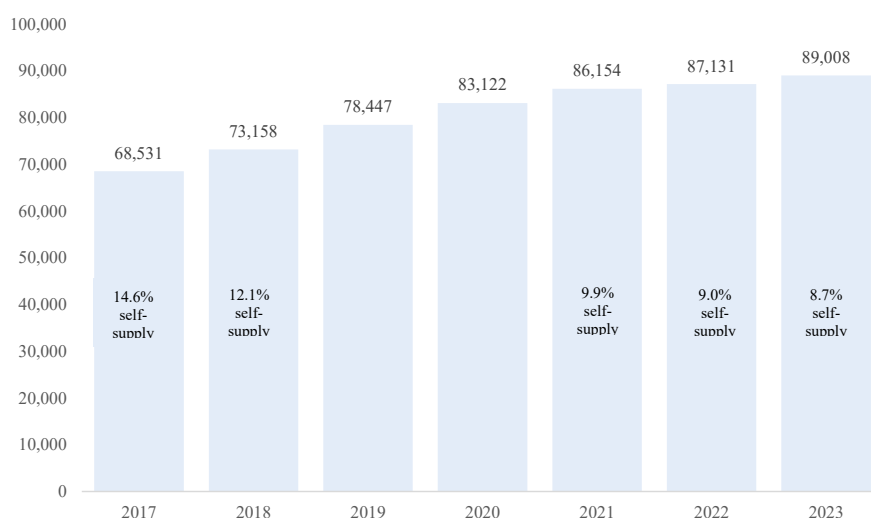
Installed Generation Capacity

As of December 31, 2022, the total installed capacity delivered to the SEN in operation of power plants was 87,130 MW, while as of year-end 2023 it increased to 89,008 MW, which reflects an increase of 2.2% compared to 2022. This total capacity is broadly categorized by source into conventional and renewable.

While total overall capacity had a 1.7% CAGR during the 4-year period between 2020-2023, renewables increased by 2.7% CAGR during the same period. Combined-cycle capacity had a 2.4% CAGR between 2020 and 2023, increasing its total installed capacity from 31,948 MW to 35,178 MW.

The following chart illustrates the evolution of Mexico's total installed capacity over the past seven years and the proportion of installed capacity under the "self-supply" regime.

Installed Capacity Evolution, 2017-2023 (MW)

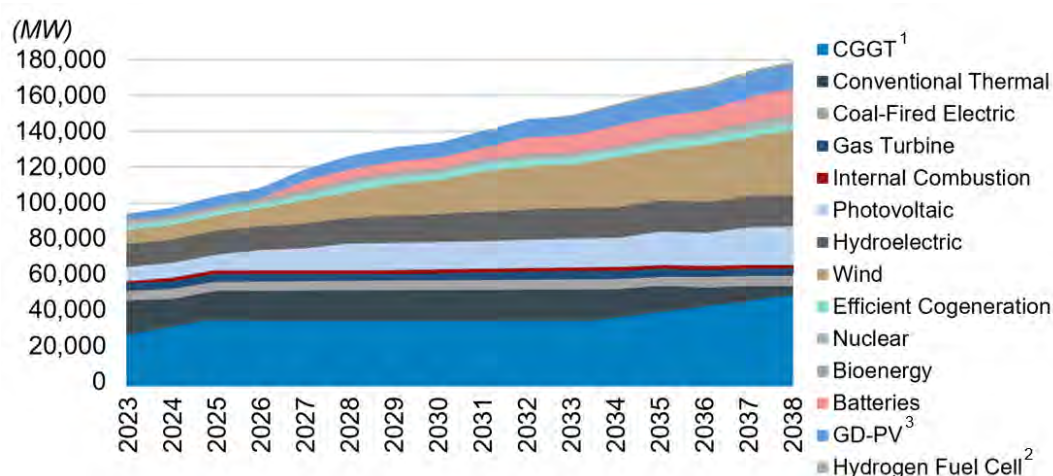


Source: PRODESEN 2024-2038.

Notes: Self-supply regime shown as a percentage of total installed capacity. No self-supply capacity information is available for 2019 or 2020.

As of December 31, 2023, the total installed capacity for both conventional and renewable energy in Mexico was 60,489 MW and 28,519 MW, respectively, for an aggregate installed capacity of 89,008 MW. Combined cycle power generation is still the leading energy source, representing 39.5% of the total, with hydroelectricity representing 14.2% and conventional thermal representing 12.7% of the total installed capacity in Mexico as of December 31, 2023, respectively. The chart below illustrates the breakdown of installed capacity as of December 2023 by energy type and expected installed capacity in 2038.

**Installed Capacity by Technology, 2024-2038
(Total)**



Source: PRODESEN 2024-2038.

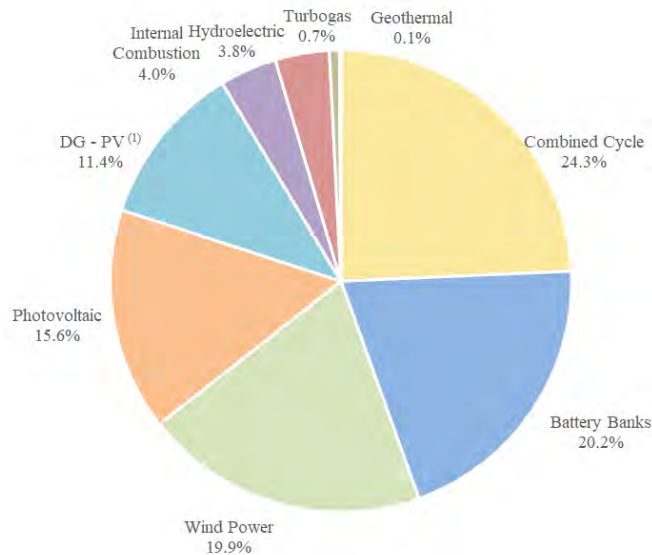
Notes:

1. Considers the proportion of 75.0% natural gas from combined cycles with hydrogen blending and the conversion of 12 combined cycle facilities from 100.0% natural gas to 75.0% natural gas and 25.0% hydrogen. (CGGT)
2. Considers combined cycles with hydrogen blending in a proportion of 25.0% hydrogen to 75.0% natural gas. (Hydrogen Fuel Cell)
3. GD-PV: Photovoltaic Distributed Generation. (GD-PV)

The past years have shown a shift from aging gas oil and diesel-fueled generation to natural gas, which is more efficient, and, more recently, renewables. One of the pillars of the 2013 Energy Reform was the Energy Transition Law (*Ley de Transición Energética*), which sets minimum mandatory proportions of clean energies in the total power generation mix. Pursuant to the Energy Transition Law and according to SENER, by 2024, renewables must represent 35.0% and 50.0% of total power generation in Mexico by 2030 and 2050, respectively. These generation targets will have to be supported by proportional increases in capacity. Notwithstanding, according to SENER, 24.3% of the total additional installed capacity until 2027 is expected to come from combined cycle technologies, followed by battery banks (20.2%). From 2028 to 2038, SENER expects a majority of capacity additions to come from wind power (33.0%), combined cycle (19.2%) and photovoltaic (12.8%).

The graphs below illustrate the expected capacity additions by type of technology in Mexico in the near term and through 2038.

**Expected Evolution of Installed Capacity Additions by Technology, 2024-2027E
(Percentage)**

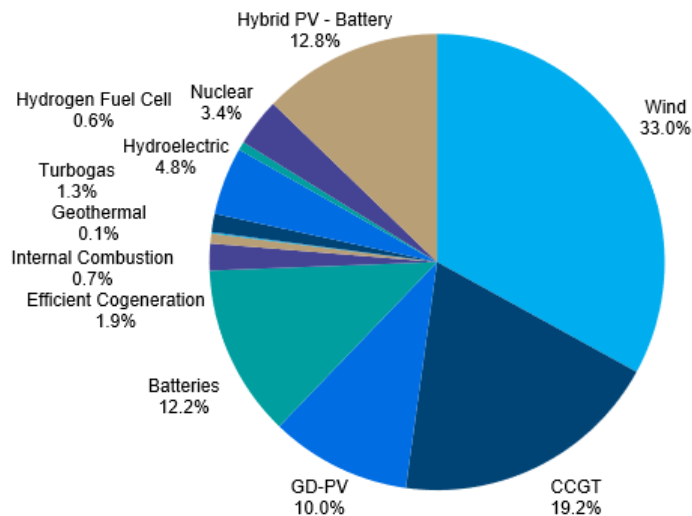


Source: PRODESEN 2024-2038.

Notes:

(1) Photovoltaic Distributed Generation.

**Expected Evolution of Installed Capacity Additions by Technology, 2028-2038E
(Percentage)**



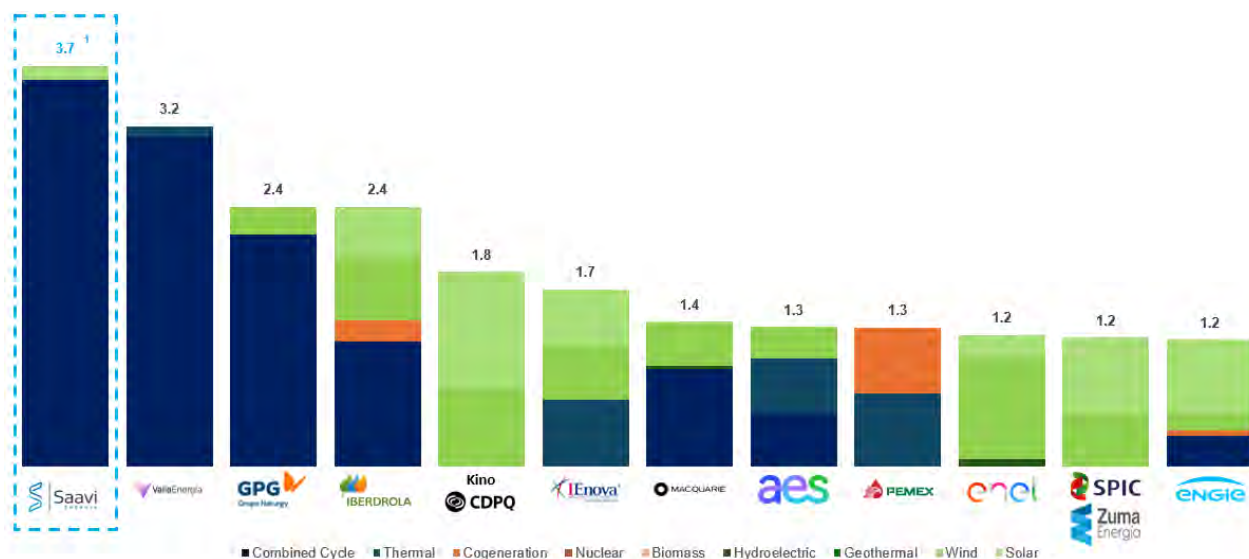
Source: PRODESEN 2024-2038.

Notes:

- (1) Combined cycle with an efficient cogeneration system.
- (2) Considers the proportion of 75.0% hydrogen from combined cycles with hydrogen blending.
- (3) GD-PV: Photovoltaic Distributed Generation.

The other major private participants in the Mexican electricity industry are primarily large, international companies. As set forth in the chart below, as of the date of this Offering Memorandum, we lead the industry in terms of installed capacity, followed by Buffalo Energy Mexico Holdings, S.A. de C.V.

Private Power Permitted / Installed Capacity in Mexico (GW)⁽¹⁾⁽²⁾



Sources: AME: Asociación Mexicana de Energía.

Notes: 1) Figure for Saavi Energía is permitted capacity; figures for others are installed capacity.

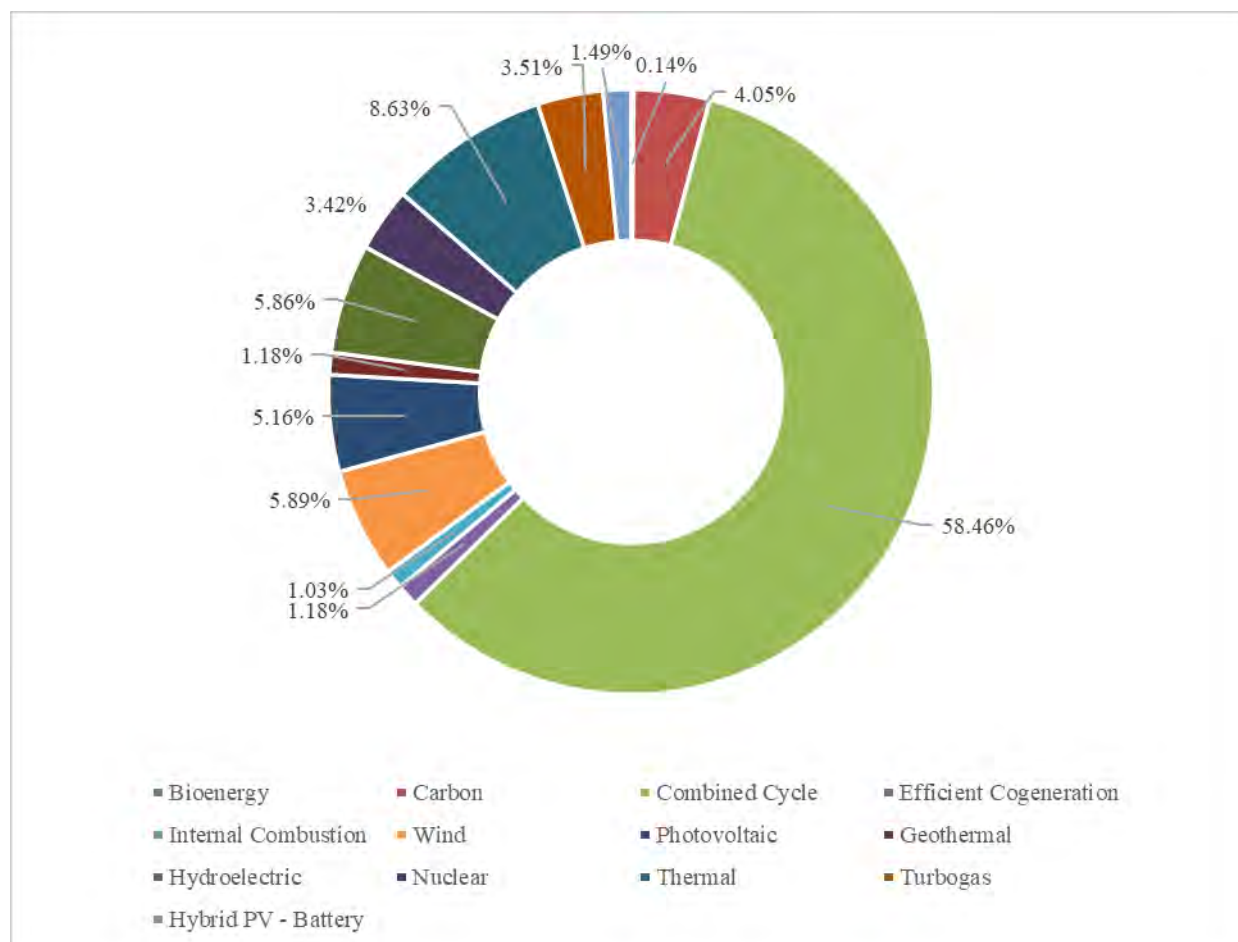
2) Considering private power producers only. Excludes FIEMEX Energía that is majority owned by FONADIN (*Fideicomiso Fondo Nacional de Infraestructura*).

Installed Generation Capacity Excluding CFE and Subsidiaries Generation

Mexico's electricity generation is currently more diversified than it has ever been. Between 2020 and 2023, total net electricity generation had a 2.6% CAGR, while wind and photovoltaic had CAGRs of 1.2% and 7.6%, respectively. During 2023, 18.5% and 81.5% of the total net electricity generation came from renewables and conventional energy sources, respectively.

The chart below illustrates the total electricity generation in Mexico, as well as the share of generation technology in the country's generation matrix as of December 31, 2023.

**Net Generation by Technology, 2023
(GWh, Percentage)**

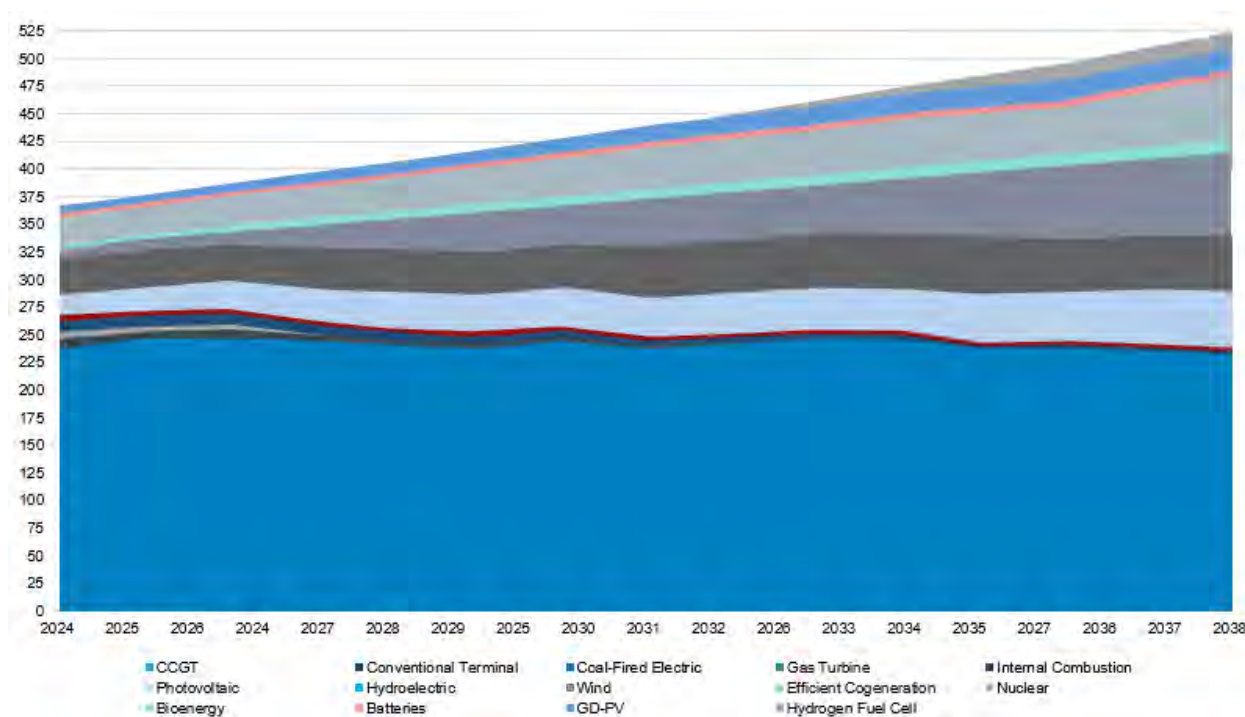


Source: PRODESEN 2024-2038.

Combined cycle generation continues to be the main source of electricity in Mexico, accounting for 58.5% of total generation as of December 31, 2023. According to SENER, total generation is expected to increase to over 520,000 GWh by 2038.

The following chart shows the breakdown of expected energy generation evolution by type as of January 1, 2024, and projections through 2038:

**Expected Evolution of Net Electricity Generation, PIIRCE⁽¹⁾ 2024–2038
(TWh)**



Source: PRODESEN 2024-2038.

Notes:

- (1) Indicative Program for the Installation and Retirement of Power Plants (*Programa Indicativo para la Instalación y Retiro de Centrales Eléctricas* or “PIIRCE”).
- (2) Considers electric power for export to Central America.

Clean Energy Certificate Requirements

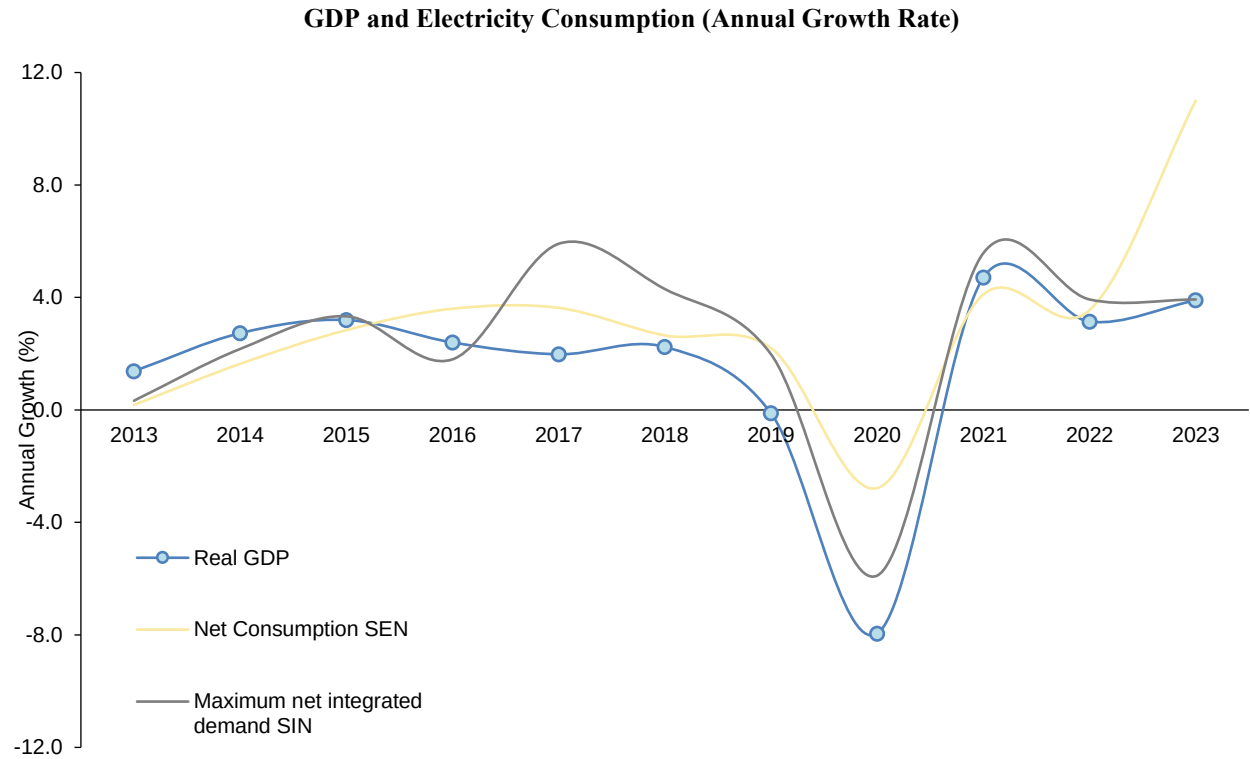
In 2015, the Energy Transition Law was enacted to develop and implement legal, regulatory and tax conditions aimed at promoting a sustainable and efficient use of energy, reduction of emissions and replacement of fossil fuels. This goal was supported by the introduction of CELs, which are currently issued by the CRE to power generation facilities developed after August 2014 to evidence the generation of renewable energy, as an incentive for the generation of clean energy.

Electricity Demand

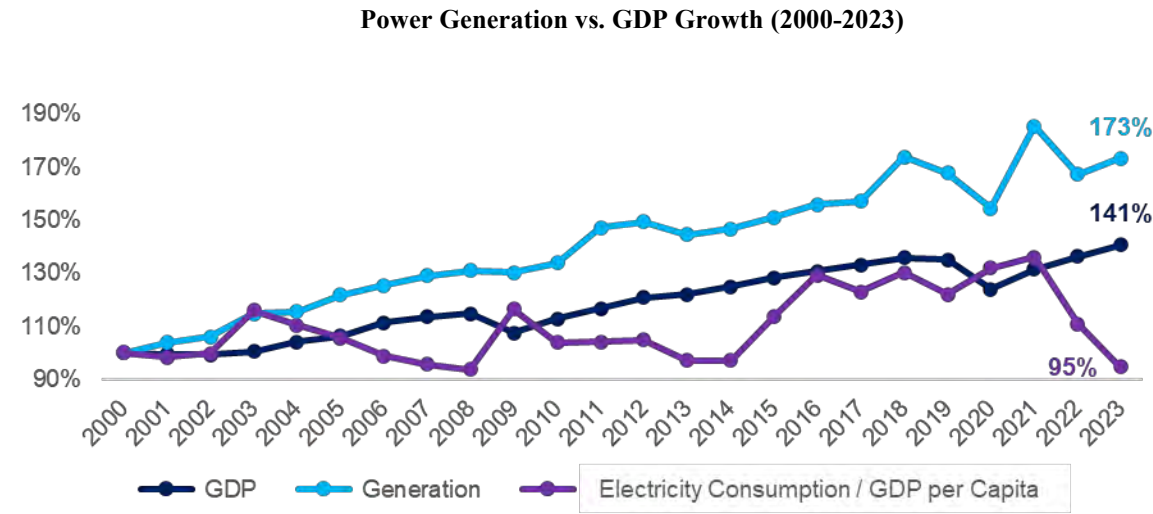
Consumption

Power consumption in Mexico is highly correlated with the country’s economic performance, as electricity is a key resource for growth in the commercial, industrial, residential, services, agricultural and other economic sectors.

The following chart shows the maximum and net consumption of electricity in Mexico per year alongside the country’s annual GDP growth:

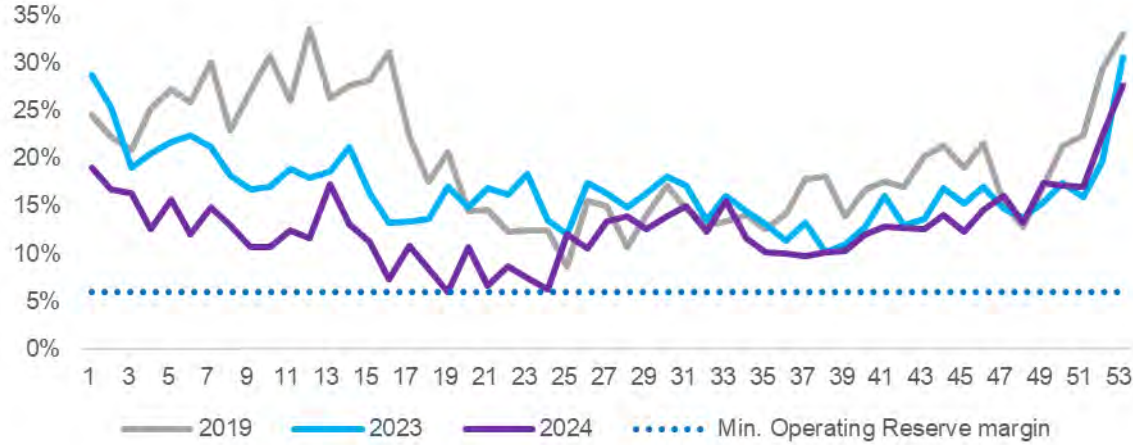


Source: PRODESEN 2024-2038.



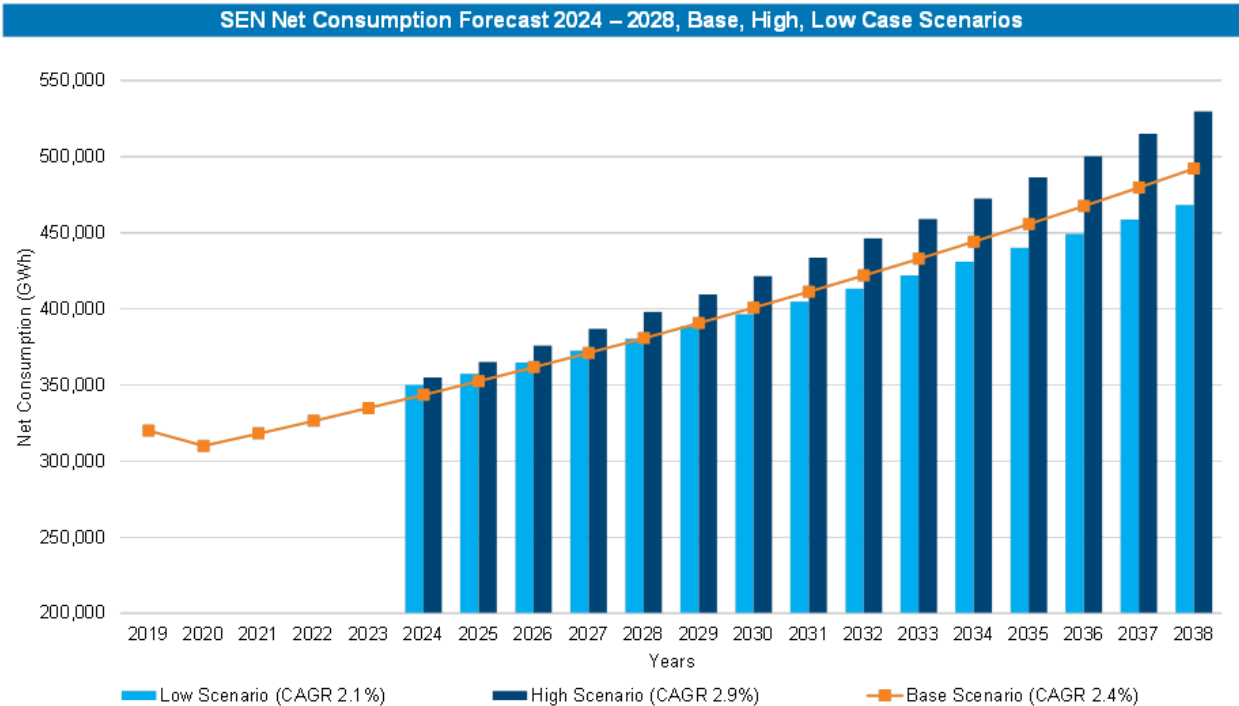
Source: PARMNT, CENACE

Average SIN Operating Reserve Margin per week



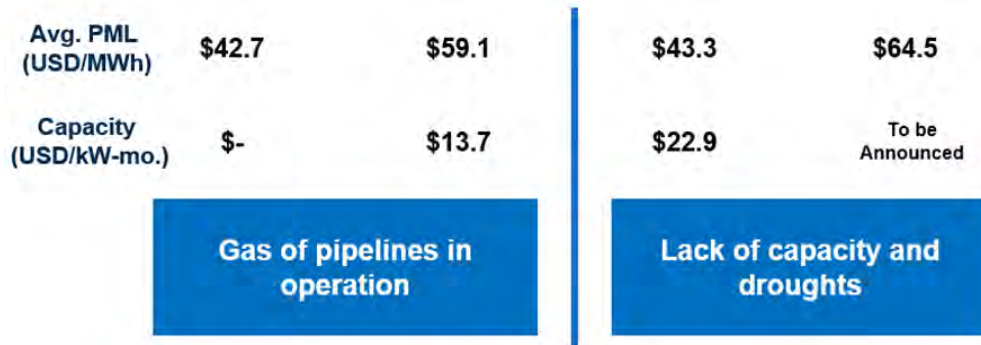
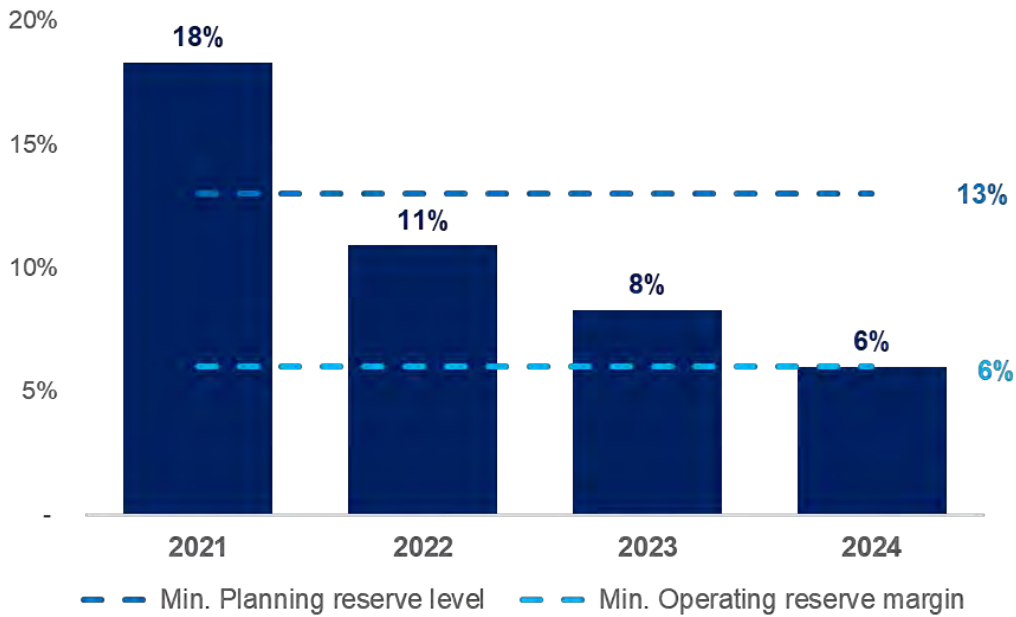
Energy demand is expected to grow in line with GDP, population growth and greater electrification in transportation. Below is the PRODESEN forecast for the SEN's net consumption evolution for the next 14 years as indicated by SENER under three scenarios: (i) planned, (ii) high and (iii) low. It is estimated that the planned scenario will have a 2.4% CAGR, while the high and low scenarios will have a CAGR of 2.9% and 2.1%, respectively.

National Electricity System (SEN) – Net Consumption Forecast



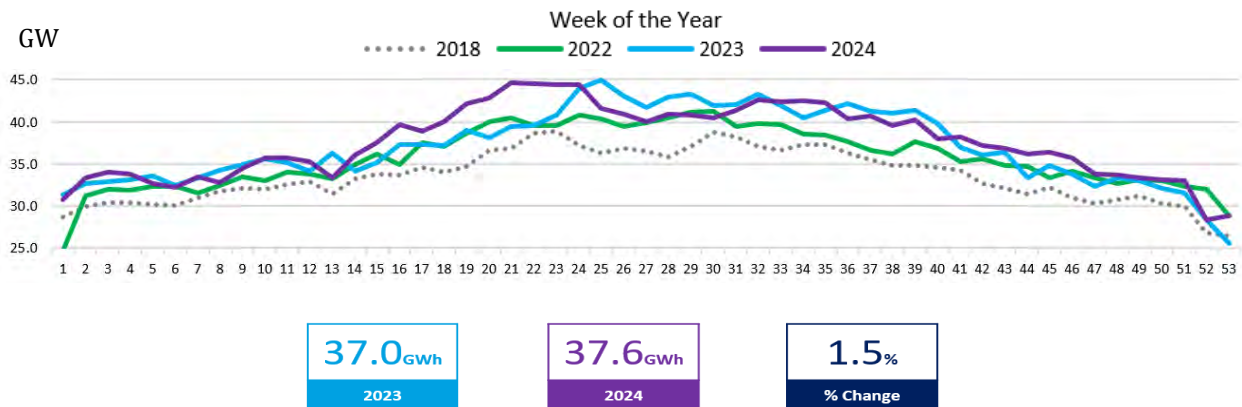
Source: PRODESEN 2024 - 2038

SIN Operating Reserve Margin



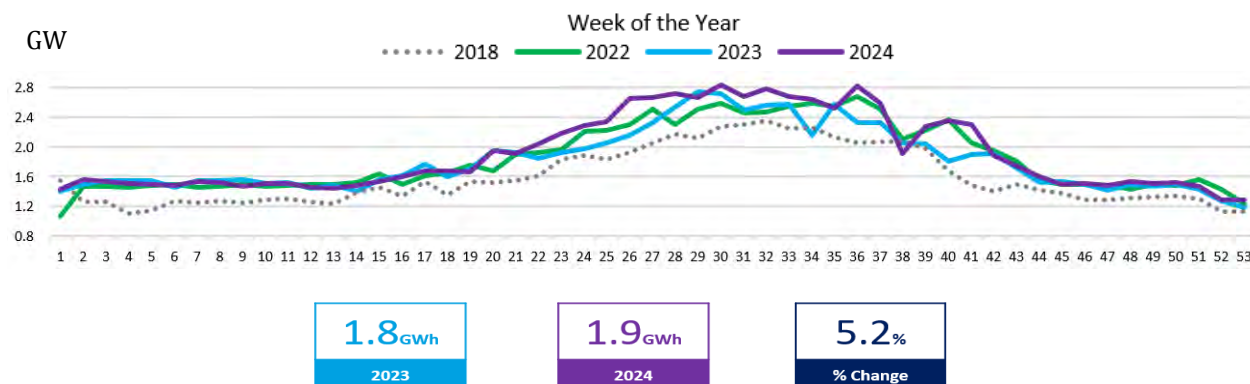
Average zone demand curves per week(1)

Mexico National Interconnected System (SIN)



Source: CENACE's public Market Information System

Mexico Baja System

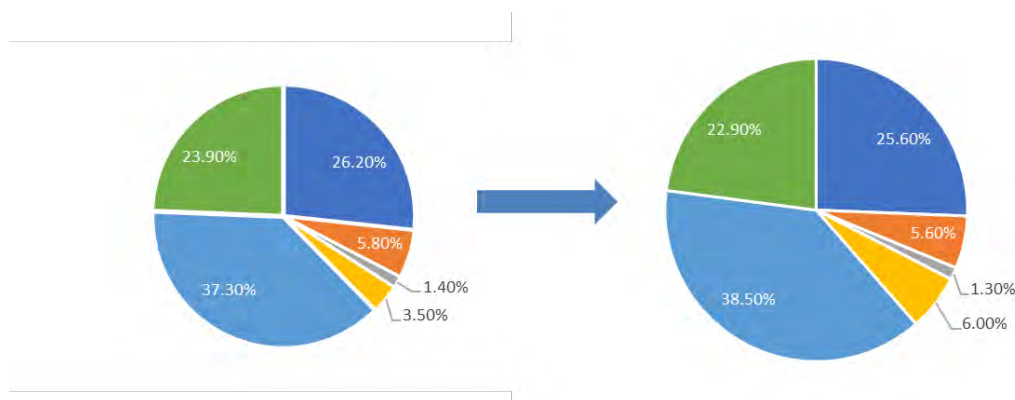


Source: CENACE's public Market Information System

Simplified Commercial Overview of Mexican Power Sector

The energy sector in Mexico is expected to maintain has a well-balanced final user distribution, with medium-sized enterprises (38.5%), residential (25.6%), large industrial (22.9%), and others (commercial, agriculture and services) (13.0%) driving the majority of consumption. The larger growth in consumption is expected to come from the agricultural sector, which is expected to grow at a CAGR of 3.5% from 2024-2038. Other sectors are also expected to experience similar growth ranging between 2.4% and 3.0%. The chart below illustrates the breakdown of total electricity consumption by economic sector for 2024 and expected for 2038.

SEN(1) Consumption by End User 2024-2038



Consumption by End User Expected CAGR (2024-2038)	
Non-Intensive Industry	3.0%
High-Intensive Industry	2.6%
Residential	2.6%
Commercial	2.5%
Agriculture	3.5%
Service	2.4%

Source: PRODESEN 2024-2038.
(1) National Electric System

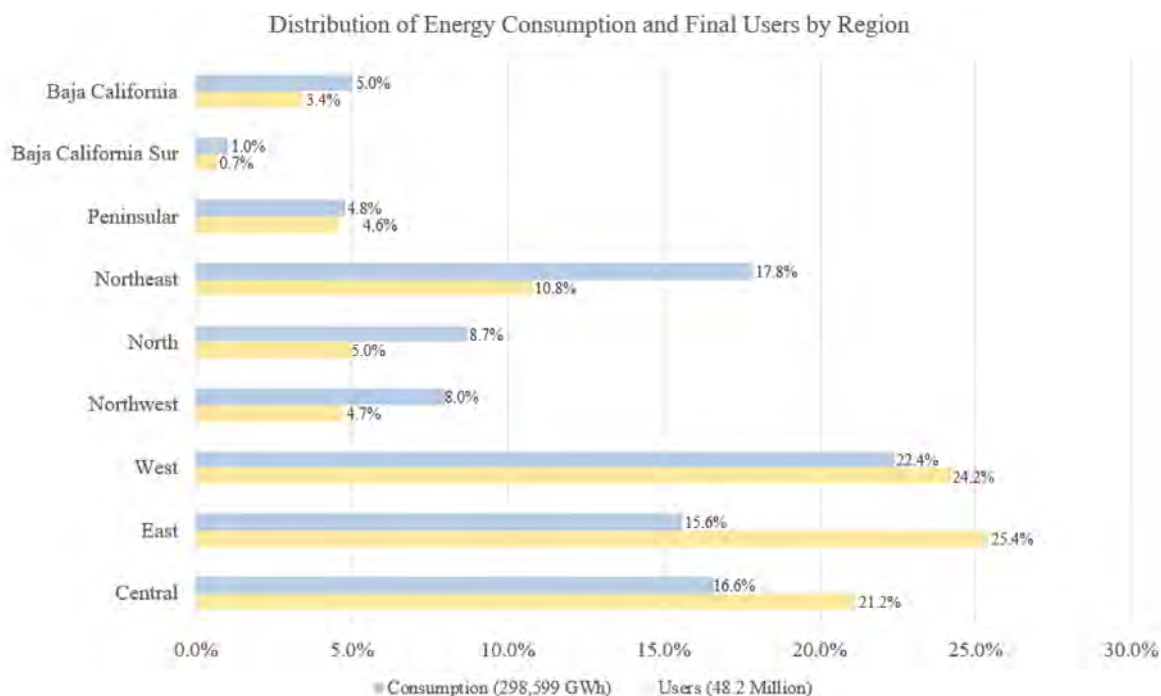
Industrial demand accounts for 60% of total Mexican demand and is expected to keep growing as qualified suppliers can compete with CFE to serve large retail customers.

Saavi Energía's strong existing C&I relationships and strategic location near industrial hubs position the company well to capture contracting opportunities.

The SEN is comprised of three independent systems: (i) the National Interconnected System (*Sistema Interconectado Nacional*), comprising seven interconnected control regions (Northwest, North, Northeast, Peninsular, East, Central and West regions), (ii) the Baja California System (*Sistema Eléctrico de Baja California* or "BCN"), in the north of the Baja California peninsula region and (iii) the Baja California Sur System (*Sistema Eléctrico de Baja California Sur* or "BCS") comprising the Baja California Sur and Mulegé regions in the south of the Baja California peninsula. Collectively, these 10 regions compose the SEN.

The chart below illustrates the distribution of energy consumption and final users by region, as of December 2023:

**Electricity Consumption and Users by Control Area, 2023
(Percentage)**

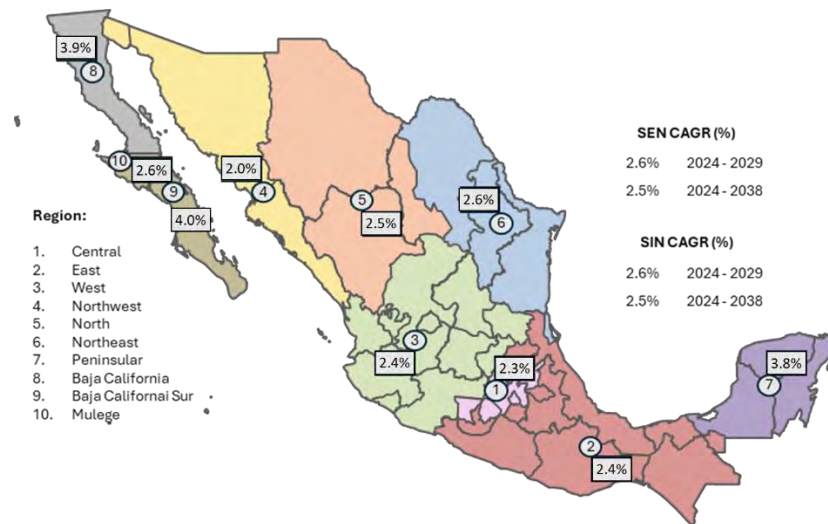


Source: PRODESEN 2024-2038.

Despite showing lower than expected growth rates during 2023, the East, West and Central regions continue to lead the overall consumption mix in Mexico (consuming 25.4%, 24.2% and 21.2% of total GWh, respectively).

The chart below summarizes expected growth consumption by region between 2024 and 2038.

Expected Consumption Growth by Region (CAGR, 2024-2038)

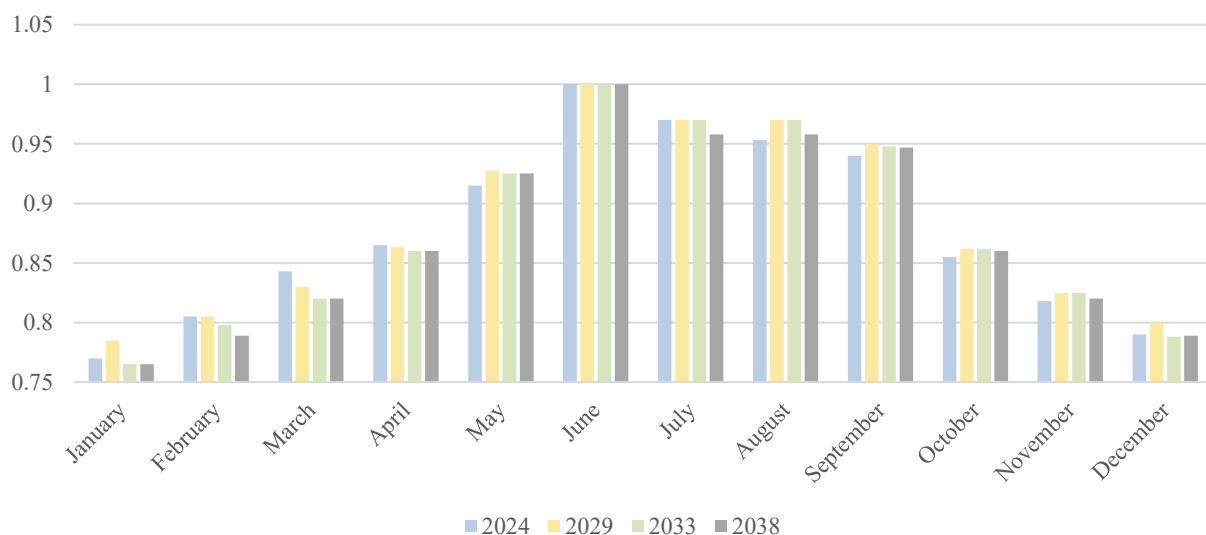


Source: PRODESEN 2024-2038.

Note: CAGR, base year 2023.

As with electricity consumption, peak demand is highly correlated with economic and population growth in Mexico. SENER makes an official projection for demand using historical correlation with major macroeconomic factors in an effort to identify the required infrastructure to support its growth. The optimal allocation and minimum capacity requirement of installed capacity is determined by the gross maximum demand on an annual basis. This demand is measured as the sum of the maximum demand experienced by each control area throughout a year. The chart below shows planned peak demand for 2024, 2029, 2033 and 2038, as projected by SENER, confirming typical market dynamics with peak demand occurring in June:

Expected Peak Demand, Planning Scenario



Source: PRODESEN 2024-2038.

Transmission Grid

The map below shows the transmission control areas under the SEN, which includes 10 control regions, each operated through a decentralized control center in the following cities: Mexico City, Mérida, Puebla, Guadalajara, Hermosillo, Gómez Palacio, Monterrey, Mexicali, La Paz and Santa Rosalía.

Mexico's Transmission Control Areas



Source: PRODESEN 2024-2038.

The National Interconnected System, which comprises the Central, East, West, Northwest, North, Northeast, and Peninsular regions shown above, is divided into these seven interconnected control regions that share capacity, reserves and resources. This allows for energy exchanges across regions, which improve the operation and efficiency of the overall energy interconnected system. The BCN grid is connected to the Western Electricity Coordinating Council (“WECC”) in the U.S. through two 230kV transmission lines, La Rosita-Imperial Valley and Tijuana-Miguel. On the other hand, the Baja California Sur and Mulegé grids in the BCS system operate independently.

The following map shows the breakdown of the SEN's total transmission lines as of December 2023.

National Electricity System (SEN) Transmission Grid, 2023



Source: PRODESEN 2024-2038.

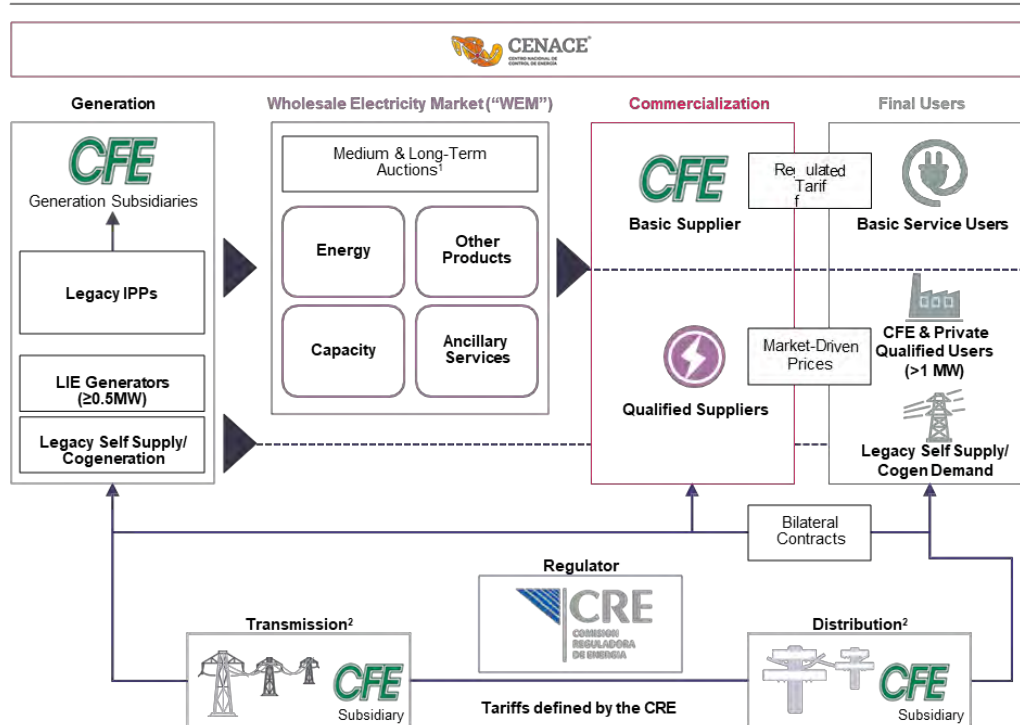
As illustrated above, Mexico's four grids operate completely independent of and isolated from each other. One of the major areas for improvement is the potential to improve the allocation of resources that results in inefficiencies from the separation in the grids, for example, in the operation of the BCS and Mulegé grids. The main consumption centers for the BCS grid are La Paz, Cabo San Lucas and San José del Cabo. The Mulegé grid, on the other hand, includes smaller towns towards the northern part of the state. Given that BCS has a relatively small electrical network for the amount towns it must support, and that the Mulegé grid cannot support its energy requirements, the BCS system must satisfy demand through internal combustion and other costly, highly-pollutant energy generation alternatives.

System Operation

As part of the 2013 Energy Reform, the LIE called for the creation of the MEM comprised of next-day and real-time markets, a capacity market and a market for CELs. Its main objective was to provide transparency to transactions within the power industry, as well as to guarantee competitive prices between suppliers and users.

Operation of the Wholesale Electricity Market

Electricity Market Structure



Source: CFE, CENACE

Regulating Entities for the Wholesale Electricity Market

The Ministry of Finance (*Secretaría de Hacienda y Crédito Público*) sets the Mexican Government's economic policy. It is responsible for the economic and fiscal characteristics of contracts and tender/auctions designated by SENER.

SENER sets the Mexican Government's policy relating to energy and plans national infrastructure projects and transmission and generation grid expansion. It also determines the clean energy portfolio minimums and oversees CFE.

CRE currently designs, implements and oversees the MEM. In this role, it issues supply and generation permits, natural gas transportation, registers Qualified Users in the market and issues CELs.

CENACE has operative control of the power market and the national energy system. It supervises power auctions and registers short-term transactions by allocating the relevant amount of electricity produced and injected into the system by generators to the supplier which has purchased it. CENACE also monitors prices of electricity in the short-term market and ensures compliance from participants. There is a possibility that CENACE is merged back into CFE.

Participants in the MEM

Generators (*Generadores*). Generators ("Generators") are private generation companies or subsidiaries of CFE which were spun-off after the 2013 Energy Reform as independent market participants. Generators compete with each other in the energy market and produce electricity using different types of technology. They may sell electricity into the MEM to qualified service suppliers, basic service suppliers and/or to participating Qualified Users. Generators can participate in long-term auctions (*Subastas de Largo Plazo*, or "LTAs") and can also enter into long-term agreements directly with qualified service suppliers, basic service suppliers and/or Qualified Users. In addition to

electricity, Generators can also sell capacity, CELs and financial transmission rights (*Derechos Financieros de Transmisión* or “FTRs”).

Each Generator participating in the short-term market is able to set its price for electricity, but it has to report its operating costs to CENACE on a daily basis. CENACE maintains a database of the operating costs of all generators to determine whether prices are being offered competitively.

CFE (transmission, distribution, commercialization). CFE operates and maintains the RNT, at the direction of CENACE and subject to prices currently determined by CRE. CFE can hire third parties through bidding processes to expand, maintain and improve the SEN and operate transmission projects, but ultimately, the service to the final users must be provided by CFE by law. With respect to distribution, CFE operates the RDG, at the direction of CENACE and with prices currently determined by the CRE. It also executes, at the direction of SENER, the expansion and improvement of the distribution grid. As to commercialization, CFE operates as the only basic service supplier.

Service Suppliers (*Suministradores*). Service suppliers are entities in the market that purchase products from Generators, to then supply such products to end users. These entities drive demand in the market in accordance with consumption from end users.

Qualified Service Suppliers (*Suministradores de Servicios Calificados*). Qualified service suppliers can purchase products in both the short-term and long-term markets but must only supply to Qualified Users for which the supply is non-regulated. In the long-term market, qualified service suppliers may execute non-regulated electricity coverage contracts with Generators at negotiated prices and quantities, to supply electricity to Qualified Users. They may also participate in regulated LTAs. In the short-term market, qualified service suppliers may purchase products in the spot market through CENACE to satisfy last minute demands of its Qualified Users. Qualified service suppliers can also buy and may sell CELs.

Qualified Users (*Usuarios Calificados*). Qualified Users are those with peak demand exceeding 1.0 MW. By virtue of their size, bargaining power and electricity consumption, transactions between qualified service suppliers and Qualified Users are not regulated and can be negotiated freely. Alternatively, Qualified Users can also enter the market as participating Qualified Users and purchase products directly from Generators, thus skipping the qualified service supplier intermediary.

Basic Service Suppliers (*Suministradores de Servicios Básicos*). Basic service suppliers provide regulated supply to basic (non-qualified) and exempt generators (as described below) operate. Basic service providers are required to purchase their products under model electricity coverage contracts awarded via LTAs. As of December 2023, CFE is the only basic service supplier.

Basic Users (*Usuarios de Suministro Básicos*). Basic users are retail and small-scale users of electricity with peak demand below 1.0 MW. These are usually residential users and small retail businesses.

Last Resort Suppliers (*Suministradores de Último Recurso*). Last resort suppliers provide regulated supply to Qualified Users whose load points are located in areas where last resort suppliers operate, at a regulated maximum price and for a given period, usually under a grid emergency scenario to maintain the continuity of the service.

CENACE. CENACE has the operative control of the MEM. It supervises long-term auctions and registers short-term transactions by allocating the relevant amount of electricity produced and injected into the SEN by Generators to the supplier who has purchased it. CENACE also monitors prices of electricity in the short-term market. As such, CENACE’s main functions are related to the balancing of the SEN, both from a physical and financial standpoint, by means of dispatching power plants and demand response assets and operating the transmission and distribution grids related to the MEM.

Market Products

The main product bought and sold in the MEM is electricity. Additionally, capacity, CELs, FTRs and ancillary services are also exchanged.

Capacity. Capacity is a commercial product determined by the amount of electricity which a GenCo made available to the grid system during peak hours (100 critical hours) throughout a year, in accordance with the calculations made by CENACE at the end of the given year and with a maximum price. Generators selling their capacity undertake the obligation to ensure production availability to the short-term market for a determined period of time.

Clean Energy Certificates. Participants in the MEM are required to purchase a certain amount of CELs from Generators based on the total amount of electricity purchased in the market. CELs are transferrable title certificates which may be purchased through bilateral transactions between two parties, so long as the transaction satisfies the monetary, reporting and verification requirements currently established by CRE necessary to verify the title certificates.

FTRs. Financial transmission rights allow market participants to hedge potential losses related to the price risk of delivering energy to the grid. FTRs are a financial contract entitling the FTR holder to a stream of revenues (or charges) based on the day-ahead hourly congestion price difference across an energy path. FTRs provide a way to bypass congestion charges associated with locational marginal pricing. They give market participants the ability to increase price certainty when delivering energy across the grid. FTRs are priced based on the economic value determined by the day-ahead hourly congestion prices.

Ancillary Services (*Servicios Conexos*). Ancillary services relate to the operation of the grid system and are necessary to ensure and maintain the quality, reliability, continuity and safety of the national grid. These services include operational and revolving reserves, monitoring of frequency and voltage and emergency start of the system.

Sub Markets

The MEM has four sub-markets: (i) the short-term energy market/spot market (*Mercado de Energía de Corto Plazo*) which is itself comprised of (a) the day-ahead market (*Mercado del Día en Adelanto*) and (b) the real-time market (*Mercado de Tiempo Real*), (ii) the capacity market (*Mercado para el Balance de Potencia*), (iii) the Clean Energy Certificates Market (*Mercado de Certificados de Energías Limpias*) and (iv) the Financial Transmission Rights Auctions market (*Subastas de Derechos Financieros de Transmisión*).

The day-ahead market first launched in January 2016. The LMPs are established in the grid, with nodal price calculations including energy, congestion, and loss components. CENACE also reports “distributed nodes” within the primary interconnection which represent average offtaker pricing around a given area. The day-ahead market has been the primary platform for price discovery so far (largely within the CFE subsidiaries) and a baseline for auction and contract pricing. The real-time market first began reporting prices in January 2017, and was fully operational as of the end of 2018. The hour-ahead market is intended to bridge the day-ahead and real-time markets.

Dispatch Order in Short-Term Markets

In short-term markets, power generation facilities are dispatched through an economic model, where the most cost-efficient (clean) plants are dispatched first until the total demand is met at a given point in time (merit order dispatch). The last plant dispatched in order to cover demand sets the locational marginal price, determined by its variable and maintenance costs, which also vary according to the generation technology.

Medium-Term Auctions

CENACE has the authority to organize medium-term auctions for existing capacity and electricity, with contract lengths of three years. Energy offers are defined by total energy as a fraction of load per year, for given load blocks (peak, intermediate and base), for a given grouped load zone, at a given offer price. Capacity offers are defined by quantity, price, year and capacity zone.

Long-Term Auctions

CENACE also has the authority to organize LTAs to incentivize investments in new capacity, although LTAs have not been organized since 2019. The products traded in these auction processes are energy, capacity and CELs. Recent energy and capacity contracts have had a 15-year term, while CEL contracts have had 20-year terms. Bids must be submitted as descending offer curves for each product, with maximum prices currently established by the CRE. CENACE then aggregates bids for each product and publishes an offer curve.

Bids in the market must conform to a few guidelines. First, participants must clear a pre-qualification process that involves qualification with CENACE, a technical, legal and financial strength screen and finally posting of guarantees along with the offer. Projects may submit offers for one or multiple products, subject to rules on minimum quantity and combinations of products offered.

Results of LTAs

As of 2017, through three LTAs, CFE had acquired 20.6 million CELs, 19.8 million MWh of electricity and 7.5 GW of capacity, accounting for a total investment of US\$8,600 million. In January 2019, SENER cancelled the fourth LTA and, since November 2019, LTAs remain suspended.

Since the 2013 Energy Reform, three energy auctions and one medium-term auctions have taken place with the goal of generating competitive processes for contracting long-term supply agreements between private generators and CFE as an offtaker.

The first LTA concluded in March 2016. It had 11 companies securing 16 long-term PPAs for a total of 5,386 MWh, or 84.7% of the original energy demand by CENACE. The energy auctioned represented 1.7% of Mexico's total annual generation in 2016.

The second auction concluded in September 2016. It had 23 winning bidders, mainly for solar, wind and other types of renewables. Following the second auction, 2,871 MW of new renewable energy capacity will be installed in Mexico. Prices for the PPAs obtained on this second round were 30.0% lower than those of the first auction. The energy auctioned represented 2.8% of Mexico's total annual generation in 2016.

CFE, as basic service supplier, was the only buyer in the first two auctions. Beginning with the third auction, any market participant was able to submit offers to buy. To facilitate the process, CENACE set up a clearinghouse through which all buyers and sellers can operate a single contract, rather than potentially splitting up and having multiple contracts for every generator-supplier pair.

The third and most-recent energy auction was the medium-term auction, which took place in 2017, allocating a total of 10 winning bids for solar and wind energy projects with a total generation capacity of approximately 2,562 MW. This auction was the first that allowed companies other than CFE to come in as offtakers for energy, CELs and power. The three auctions in total will allow the government to meet its goal of having 35.0% of the total national energy generation in 2024 come from renewable sources. The energy auctioned represented 1.7% of Mexico's total annual generation in 2017.

The fourth LTA was ultimately cancelled on January 31, 2019 and further auctions remain suspended.

Bilateral Transactions

Bilateral transactions among market participants are permitted under the existing regulatory framework. CENACE specifies three types of bilateral transactions: (i) financial, as a fixed energy delivery schedule ("TBFin Fijos"); (ii) financial, as a percentage of unit generation or supplier demand at a given node ("TBFin Referenciadas"); and (iii) capacity ("TBPot").

Energy contracts are purely financial and have no unit scheduling or delivery guarantees associated. The generator must clear generation in the market or cover the cost associated with the transaction. TBFin Fijo contracts may be bid in day-ahead or real-time, whereas TBFin Referenciadas may only bid in the real-time market. These contracts can be settled directly through their accounts with CENACE as obligations to buy/sell. Finally, TBPot contracts simply provide coverage for the supplier in the balancing capacity market and associated requirements, and are settled directly between parties. CFE basic supply, the regulated retail entity of CFE, cannot enter into bilateral transactions outside of the medium and long-term auctions. However, qualified service suppliers are allowed to enter into bilateral agreements without the need to go through formal mechanisms.

Market Dynamics - Clean Energy Certificates

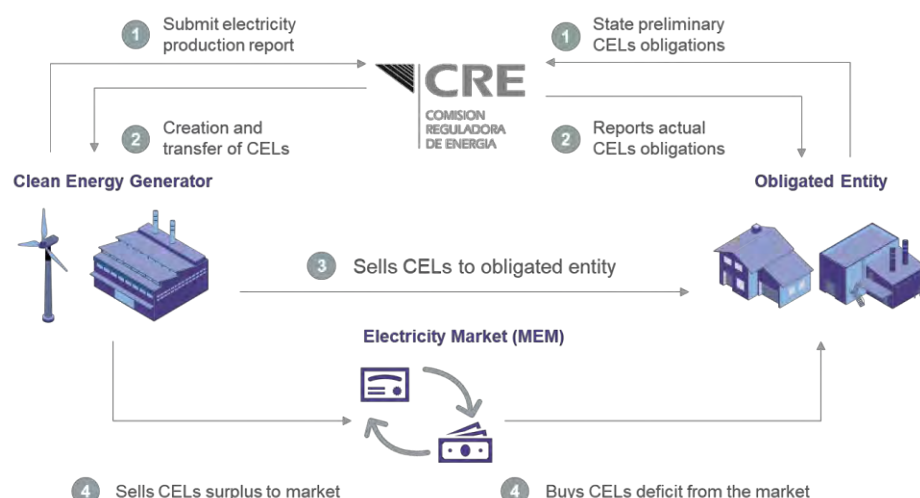
The issuance and subsequent trading of the CELs seeks to incentivize the production of clean energy and serve as a secondary source of income for renewable generators. For every 1.0 MWh of clean energy produced, generators

receive 1 Clean Energy Certificate, each of which will be subsequently tradeable on what is expected to become an open, spot market for CELs.

While the supply of CELs depends on the amount of clean energy produced by any non- to low-carbon-emitting generator, certain offtakers are required by regulation to acquire an amount of CELs that is determined as a percentage of their load that does not come from clean sources. These include service suppliers (*suministradores*) that buy electricity on behalf of qualified and basic users (the latter of which do not participate in the MEM) and self-supply generators on isolated sources. The requirement can either be met by purchasing CELs directly, if consuming conventional energy only, or by consuming renewable energy that blends in the CELs.

The requirements are established by SENER and are set by taking into consideration projected economic factors in the country and the governmental target for renewables in 2024. Failure to meet these requirements by the consumers may result in fines, which are currently dependent on the CRE's discretion, the number of CELs the consumer fell short by and the number, if any, of prior violations to the minimum clean energy sources requirement. The following diagram illustrates the operation of the Clean Energy Certificates market:

Clean Energy Certificates Market (Simplified Process)



Source: CRE

In October 2019, SENER issued a decree changing the eligibility criteria for generators to obtain and issue CELs, creating a surplus of CELs and making their price uncertain. The content of this decree was later included in the amendments to the LIE and has not yet been enforced.

Balancing Capacity

To ensure resource adequacy, CENACE has implemented annual capacity requirements for all load-serving entities. A balancing capacity market measures system capacity shortage or excess and operates ex-poste for the preceding year.

The capacity market centers on calculations of load and delivered capacity during 100 “critical hours” during the year. The critical hours are estimated for the upcoming year, but only finally calculated at the conclusion of the year. Since 2018 onwards the critical hours are defined by the hours with lowest operating reserves.

Prices

CFE Reference Tariff

Historically, CFE has published monthly reference prices for electricity. After the 2013 Energy Reform and the introduction of the spot market, CFE tariffs continue to be used as a reference for legacy contracts. These tariffs are

adjusted monthly using factors to update previous prices, including changes in input (fuel) prices and inflation, among others. Also, different adjustment factors are applied depending on the sector to which the end user belongs.

Starting in 2018, the calculation methodology for CFE's reference tariff was updated based on a "cost recovery" approach and eliminating some factors related to fuel and inflation. This process is still ongoing and CFE tariffs continue to be under a calibration phase.

Spot Prices

With the introduction of the day-ahead market in 2016, spot prices have become a relevant reference in the market. In this market, energy purchase and sale orders are received in the morning of the previous day, after which they are run through the dispatch model, which distributes the generation responsibilities within the generators. With the resulting dispatch curve, prices are calculated and subsequently published at the end of the following day. Prices in the MEM are nodal prices, meaning they are calculated in each node of the system, based on three components:

Energy component: accounts for the marginal cost of generating electricity.

Congestion component: accounts for the level of saturation of the grid.

Loss component: accounts for the transmission losses.

Natural Gas Sector Overview

As mentioned above, in December 2013 the Mexican Constitution was amended in order to increase the scope of private investment in the energy industry. The 2013 Energy Reform enabled the private sector to participate in the refining, marketing, transportation, storage, import and export of hydrocarbons, including the processing, compression, liquefaction, regasification, transportation, distribution, commercialization and retail of refined products and the transportation and storage of petrochemicals.

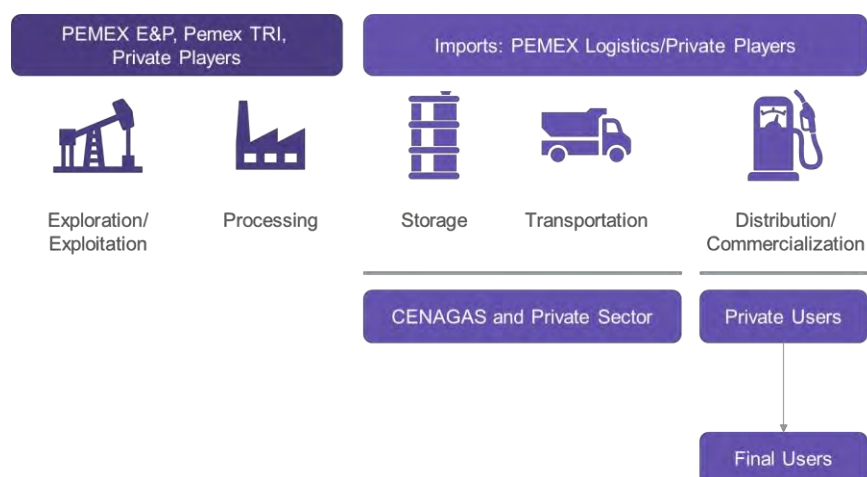
In connection with the 2013 Energy Reform, the Mexican Government launched the Integrated Strategy for the Supply of Natural Gas (*Estrategia Integral de Suministro de Gas Natural*) to incentivize the development of the national distribution and infrastructure for natural gas. Prior to the 2013 Energy Reform, the production and other activities related to natural gas were controlled by the Mexican Government through Pemex and its subsidiaries. Participation of the private sector was first allowed in 1995, although limited to transportation, storage and distribution activities.

As part of the 2013 Energy Reform, the Mexican Government created the CENAGAS, a decentralized public entity responsible for managing and operating Mexico's National Integrated Natural Gas Transportation and Storage System (*Sistema de Transporte y Almacenamiento Nacional Integrado de Gas Natural* or "SISTRANGAS"). Pursuant to the 2013 Energy Reform, Pemex transferred its midstream assets to CENAGAS. In January 2016 a transfer of 9,168 kilometers of natural gas pipeline was made to CENAGAS. The SISTRANGAS would be managed through Open-Access Pipeline Transportation Projects (*Temporadas Abiertas*), through which CENAGAS would assign available transportation capacity to different players, fostering competitive markets and the number of natural gas customers.

The 2024 Constitutional Reform transformed Pemex into a public company.

The diagram below illustrates the value chain of natural gas in Mexico and its primary participants:

Mexico's Natural Gas Value Chain

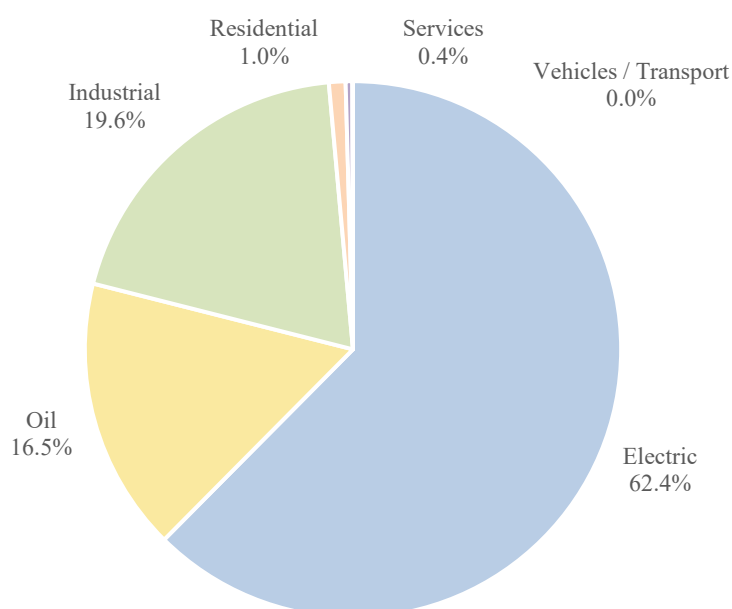


Source: SENER

Gas Demand

The 2013 Energy Reform boosted demand for and participation in the natural gas sector in Mexico. At year-end 2023 total natural gas consumption reached 8,462 MMcf/d, witnessing a growth of 26% compared to 2015. Demand is projected to reach 8,302 MMcf/d by 2037, a net reduction of 1.9%. The short-term growth in demand for natural gas is expected to be driven by the electricity sector, which in the long run is expected to maintain its share and total 62.4% of the demand expected in 2037 with a volume of 5,182 MMcf/d. The oil sector, however, is expecting a decline as a result of moderate E&P activity in the projected period. The following chart illustrates the projected demand for natural gas by sector for 2037:

**Natural Gas Demand in Mexico by Economic Sector, 2037
(Percentage)**



Source: SENER (Natural Gas Prospective 2023-2037).

In terms of geographical consumption, the Southeast region demands the most natural gas in the country. The map below illustrates the differences in natural gas demand as of 2037 between regions in the country, with the Northeast region representing 34.7% of the total:

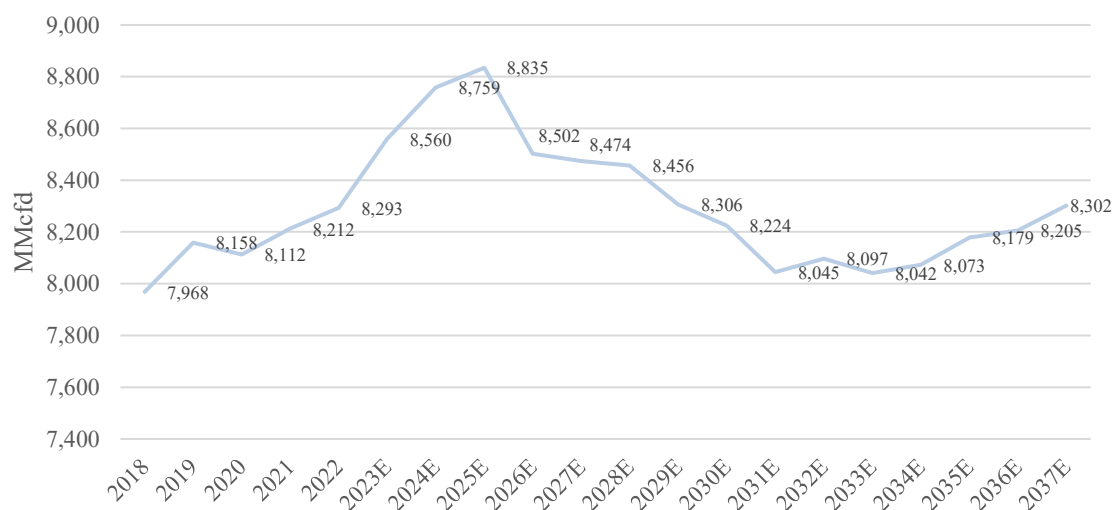
Expected Regional Demand for Natural Gas in Mexico, 2037 (MMcf/d)



Source: SENER (Natural Gas Prospective 2023-2037)

Total demand for natural gas is expected to reach 8,301.6 MMcf/d in 2037. The chart below illustrates the actual natural gas demand for the past 5 years, 2018-2023, and its expected evolution in between 2024 and 2037:

Expected Demand for Natural Gas in Mexico, 2024-2037 (MMcf/d)

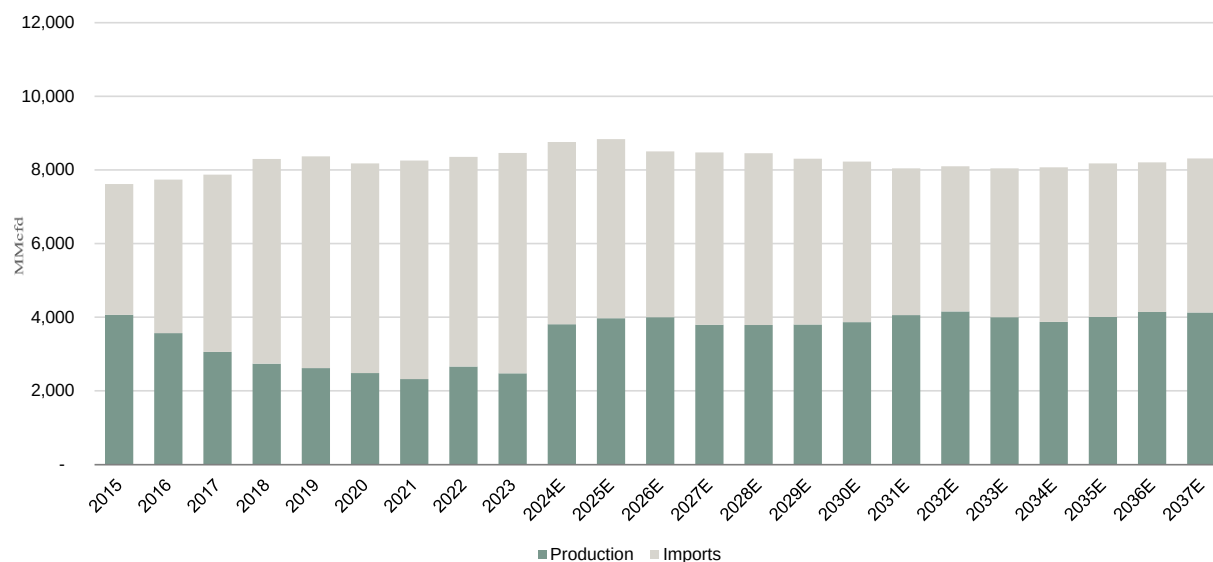


Source: SENER (Natural Gas Prospective 2023-2037), CONAHCYT (Historical data 2018-2022)

Despite the increased demand over the past decade, local production has been unable to keep up. Hence, Mexico has geared towards importing natural gas from the United States through pipelines. According to various reports issued by SENER, Mexico is a net importer of natural gas. Furthermore, the majority of imports (99.2%) come from the United States through pipelines as of December 31, 2023.

Natural gas imports to Mexico have experienced an increase given the gap between production and demand for natural gas in the country, as well as the low prices of natural gas in the United States as compared to the local costs of natural gas extraction.

Evolution of Natural Gas Production and Imports, 2015 – 2037E
(% of Total MMcf/d)



Source: SENER (Natural Gas Prospective 2023-2037)

Gas Transportation

Natural gas is transported throughout the country by the means of the seven systems that make up the SISTRANGAS. As of December 31, 2023, the network of natural gas pipelines in Mexico was composed of approximately 10,336 km of open access transport pipelines. The map below illustrates such systems:

Mexico's SISTRANGAS Map, 2023



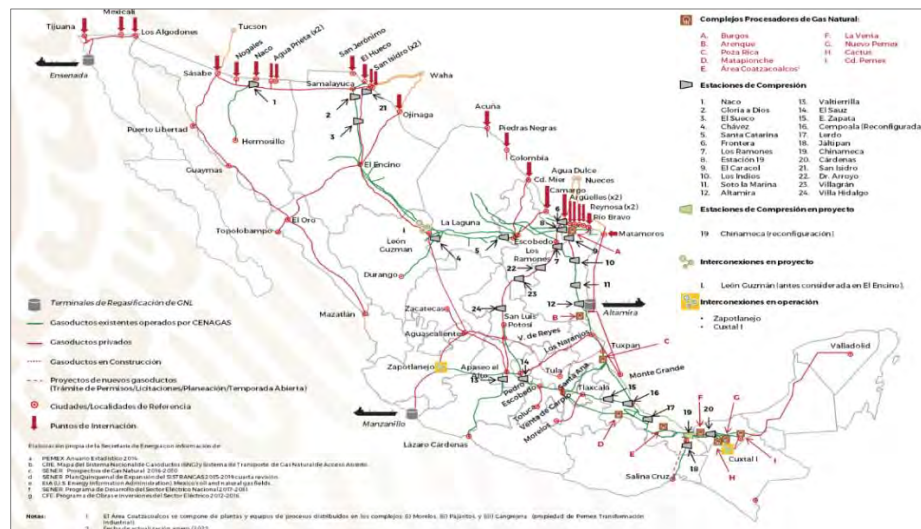
Source: CENAGAS

The liberalization of prices and market participants has also been accompanied by improvements in infrastructure. The open-access awards by the CENAGAS will further improve the natural gas infrastructure in the country moving forward, creating an extensive pipeline network that is expected to satisfy the increasing demand for natural gas.

Mexico's natural gas import pipeline is composed of 24 injections points along the border with the US, totaling an aggregate pipeline import capacity of 14 Bcf per day, of which its average usage has been less than 50%.

In addition, Mexico has several private natural gas pipelines with a length of 8,385 km. which transport imported natural gas from the border throughout the country.

Please see below chart for Mexico's natural gas infrastructure.



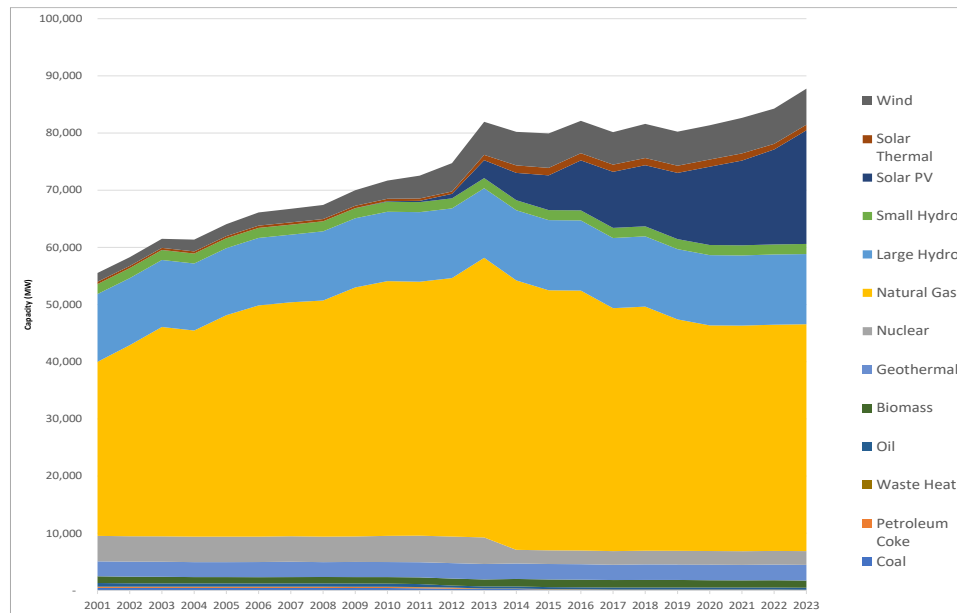
Source: SENER, January 2024

The California Independent System Operator (CAISO)

The CAISO, established in 1997, is responsible for ensuring the reliable and efficient use of the transmission grid in most of California and part of Nevada. It currently manages around 80% of the electricity demand within the state of California, serving over 30 million customers. It operates the transmission infrastructure within its footprint across high-voltage and long-distance powerlines that spans 26,000 miles to ensure enough energy is procured, confirmed and optimized to foster grid reliability.

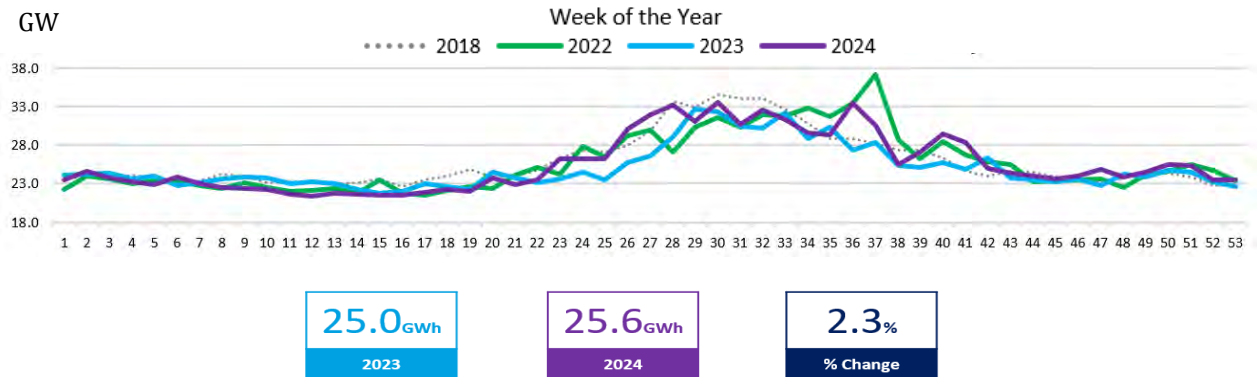
As previously mentioned, CAISO served around 30 million customers through 26,000 circuit miles of transmission lines with an approximate of 38,000 market transactions. Additionally, CAISO delivered 237.5 million MWh of electricity in 2023. As shown in the below diagram, California had approximately 87,750MW of electric generation capacity installed across the state amongst more than 1,600 power plants as of 2023. Natural gas-fired plants make up the largest share of capacity at approximately 40,000MW of the state total. Meanwhile, total renewable generation capacity was approximately 33,000MW, the generation being primarily solar and wind.

Installed In-State Electric Generation Capacity by Fuel Type (MW)



Source: California Energy Commission, 2023 (Quarterly Fuels and Energy Reporting Regulations)

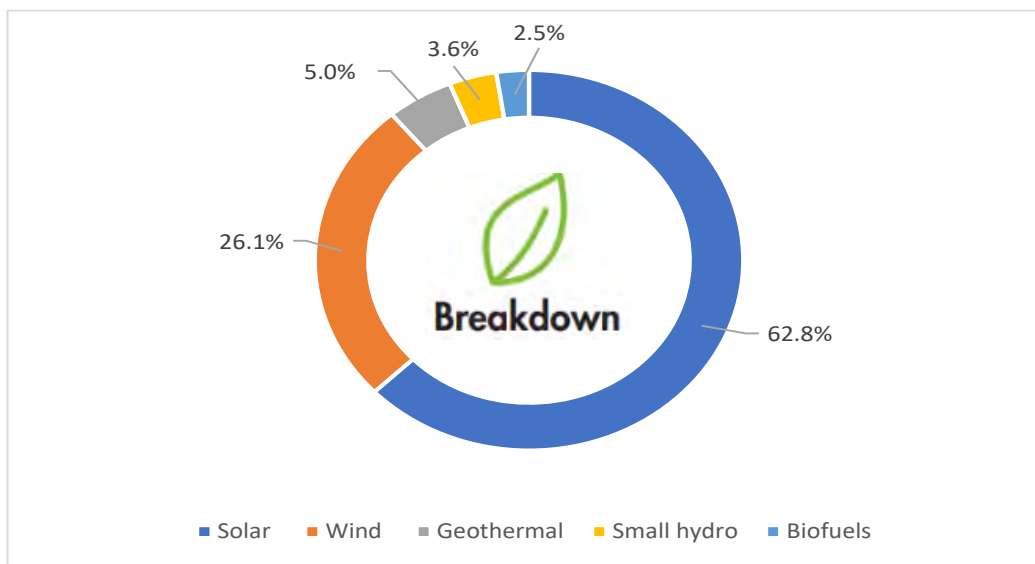
California Independent System Operator (CAISO)



Source: CENACE's public Market Information System

Please see below CAISO's renewable installed capacity as of December 2024:

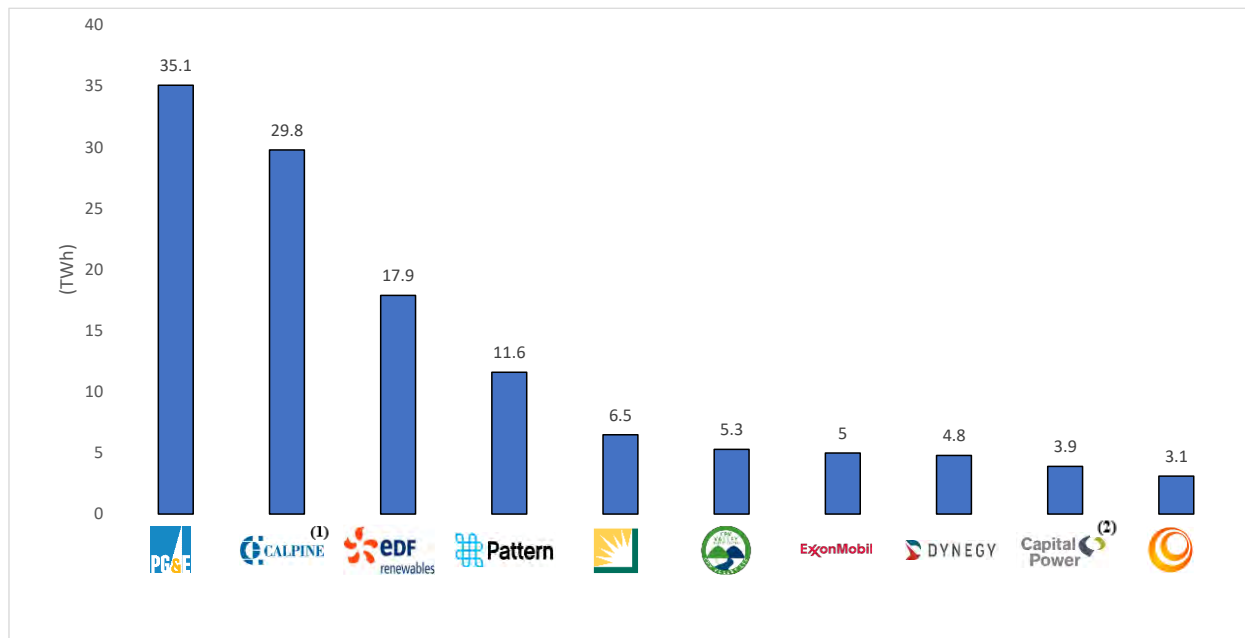
**CAISO installed renewable resources, 2024
(MW, Percentage)**



Source: CAISO, December 2024

*The ISO is using updated methodology to generate data. Only fully commercial units are now counted.

**Main Power Producers in California, 2024
(Electric Annual Generation in TWh)**



Source: GridInfo, October 2024

*Includes only Investor-owned utility companies and Independent Power Producers in California.

(1) Calpine TWh measure includes the Electric Annual Generation for some of its main producing subsidiaries: Metcalf energy Center (15.1 TWh), Geysers Power Co LLC(6 TWh), Delta Energy Center LLC(4.5 TWh), Los Medanos Energy Center LLC (3.4 TWh).

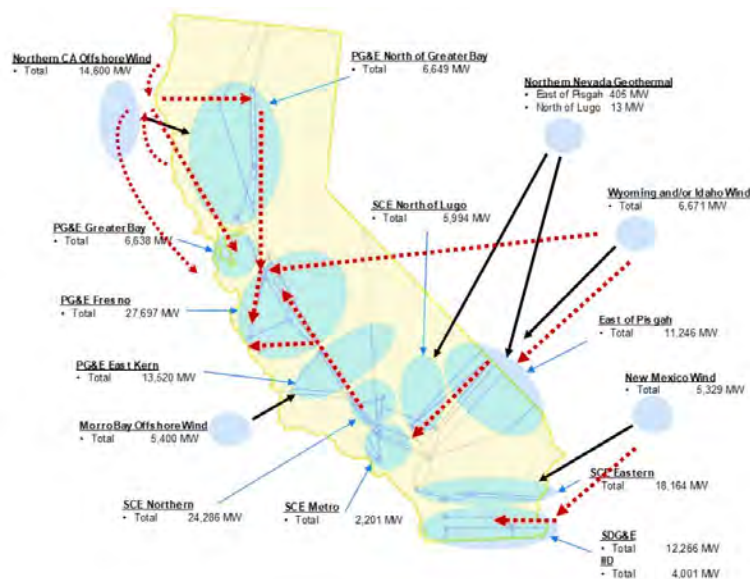
(2) Capital Power TWh measure is the Holding company of Arlington Valley LLC (3.9 TWh).

The state of California has set an ambitious target of having 60% of its electric retail sales come from renewable energy sources by 2030, 90% by 2035 and 95% by 2040. Such shift towards renewables made California especially reliant on natural gas to meet its base-load electricity needs, making electricity prices particularly sensitive to movements in natural gas prices. Changes in electricity generation correspond to renewables displacing natural gas CCGT generation. Over 9GW of natural gas capacity has retired in CAISO since 2016 due to a combination of economic and policy driven factors. Natural gas and electricity prices have risen since the lockdowns of COVID-19 and are expected to remain high, due to higher natural gas prices, increased electricity demand and expectations of increased frequency and intensity of severe weather events.

The ISO, working closely with the California Public Utilities Commission (CPUC), the California Energy Commission (CEC), other local regulatory authorities, and members of the energy industry, has developed a 2024 20-Year Transmission Outlook initially released in 2022. The Transmission Outlook provides a long-term conceptual plan for the transmission grid in the year 2045 to reliably serve load and interconnect resources in alignment with planning by the state's principal energy agencies to meet state policy objectives. According to the updated ISO 20-Year Transmission Outlook there is a projected reduction of 15,000MW of natural gas-fired generation from plants being retired while also providing an effective trajectory to achieving 2045 state greenhouse gas reduction objectives.

The below figure provides an illustrative diagram of the transmission development required to integrate the resources of the 2045 portfolio and reliably serve the projected load forecast:

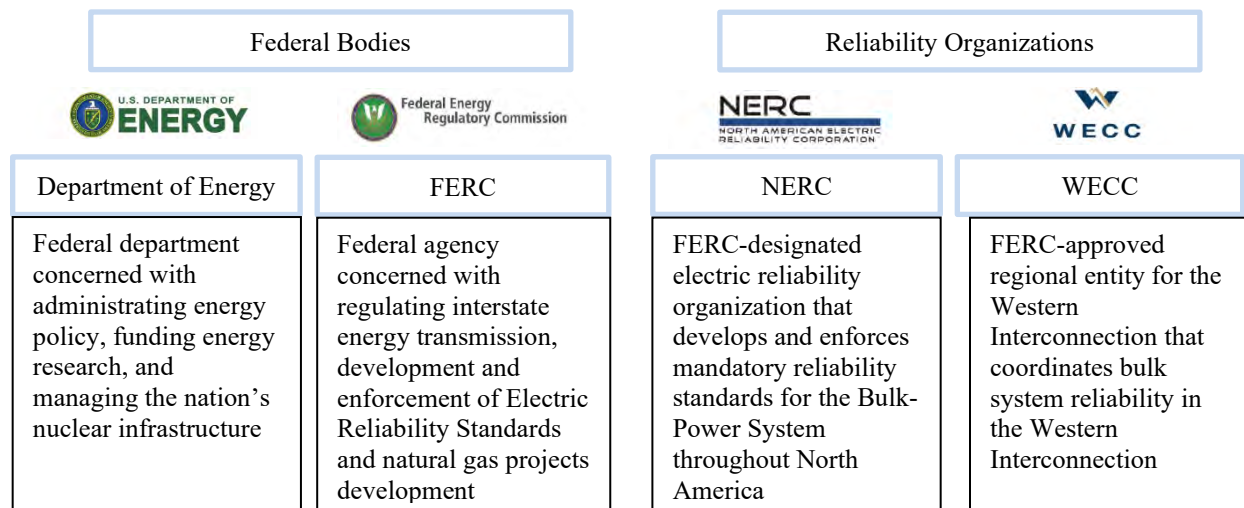
Required Transmission Development for 2045 (MW)



Source: CAISO, July 2024

As shown in the below diagram, CAISO markets and grid operations are regulated by the Federal Energy Regulatory Commission and comply with standards set by the North American Electric Reliability Corporation and the

Western Electricity Coordinating Council. A five-member Board of Governors appointed by the Governor of California and confirmed by the California State Senate governs the Company.



Source: Aurora Energy Research, Investopedia, FERC, NERC, WECC, CAISO

The grid which the company operates is one of the largest and most modern in the world, making the company a balancing authority within the Western Electricity Coordinating Council. Among the seven ISOs in the United States, CAISO has been a leader in integrating both renewables and storage into its grid and has the largest queue in both absolute numbers and relative to current installed capacity, consolidating its leading position in both categories throughout the United States.

California's Electric Transmission Lines presented below:



Source: Data Basin, 2022

REGULATORY, PERMITS AND ENVIRONMENTAL MATTERS

Saavi Energía is currently engaged in the generation of electricity and the provision of natural gas compression services. These activities in Mexico are governed by the Mexican Constitution along with a diverse body of laws, rules, regulations, general administrative provisions, guidelines and official technical standards.

Electricity Regulation in Mexico

The Mexican Constitution, the LIE and the laws and regulations arising therefrom set out the principal rules and regulations that govern our business. Pursuant to the provisions of the Mexican Constitution and the LIE, the Mexican State has exclusive authority over the following strategic areas: (i) the planning and control of the SEN, which is comprised by RNT, currently operated by CFET, the RGD, currently operated by CFED, the power plants interconnected to those networks and other equipment and facilities owned by CENACE, and (ii) the transmission and distribution of electricity in the country. The former activities are the responsibility of SENER and CENACE, who is specifically in charge of the operational control of the SEN. The latter activities are performed by CFE, currently through its subsidiaries CFET and CFED.

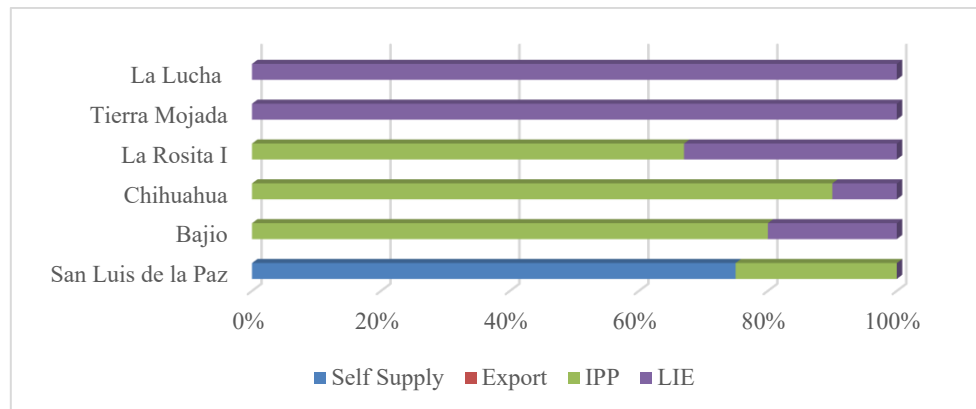
Prior to the 2013 Energy Reform, the generation, transmission, distribution and supply of electricity as a public service was reserved to the Mexican State, who performed those activities primarily through CFE. In December of 1992 the then applicable law (LSPEE) was amended and allowed the participation of private investment in certain electricity generation arrangements that were explicitly excluded from the concept of public service. These arrangements included the generation of electricity under IPP, small production (limited to 30 MW), self-supply (*autoabastecimiento*), cogeneration, export and import frameworks. Other than Tierra Mojada and La Lucha, which commenced operations after the 2013 Energy Reform, our operating subsidiaries initially operated under these arrangements:

- EAVIII, which owns and operates the Bajío Entities, obtained separate power generation permits from CRE to operate under the IPP regime (597 MW) and the self-supply (*autoabastecimiento*) regime (131 MW);
- EAX, which owns and operates La Rosita I, obtained separate power generation permit from CRE to operate under the IPP regime (597 MW), and the self-supply (*autoabastecimiento*) regime (80 MW);
- EBC, which owns and operates La Rosita II, obtained a power generation permit from CRE to operate under the export regime (337 MW);
- ECH, which owns and operates Chihuahua, obtained separate power generation permit from CRE to operate under the IPP regime (318 MW) and the self-supply (*autoabastecimiento*) regime (26 MW); and
- SLP, which owns and operates San Luis de la Paz, obtained a power generation permit from CRE to operate under the self-supply (*autoabastecimiento*) regime (220 MW).

Pursuant to the LIE, which replaced the LSPEE as a result of the 2013 Energy Reform, holders of permits granted by CRE under the LSPEE for any of the foregoing arrangements may continue operating their power plants under those permits and pursuant to the terms of the LSPEE and its regulations until the expiration of such permits or of their associated interconnection agreements. Upon such expiration, permit holders must migrate their operations to the LIE framework by amending their permits and complying with other technical and administrative requirements. Notwithstanding the foregoing, the LIE allowed LSPEE permit holders to migrate all or a portion of the capacity of their power plants to the LIE framework before the expiration of their permits or interconnection agreements. Based on the applicable LIE provisions, as of this date some of our operating subsidiaries have successfully migrated all or a portion of the generation capacity of their projects as follows:

- In December, 2023, EAX obtained approval from CRE to migrate to the LIE framework of all (299 MW) of the generation capacity formerly operated by EAX under the self-supply (*autoabastecimiento*) regime;
- In February, 2021, ECH CRE approved the migration to the LIE framework of all (50 MW) of the generation capacity formerly operated by ECH under the self-supply (*autoabastecimiento*) regime;
- In November, 2024, SLP obtained approval from CRE to migrate to the LIE framework of all (60 MW) of the generation capacity formerly operated by SLP under the self-supply (*autoabastecimiento*) regime; and
- In October, 2020, EAVIII CRE approved the migration to the LIE framework of all (131 MW) of the generation capacity formerly operated by EAVIII under the self-supply (*autoabastecimiento*) regime.

As a consequence, to date only a portion of the generation capacity of SLP (182 MW) currently remains operating under the self-supply (*autoabastecimiento*) regime and all of the generation capacity under the IPP permits of EAVIII, EAX and ECH remains operating in such regime. Once the IPP permits expire, which will occur concurrently with the termination of the PPAs entered into by such subsidiaries with CFE, we expect to migrate the operation of that generation capacity to the LIE framework. Our portfolio is divided in accordance with the applicable regime, as summarized below:



As a result of the 2013 Energy Reform, the generation and commercialization of electricity in Mexico can be performed by any person in an open and competitive environment, subject to obtaining and maintaining a permit currently under the responsibility of CRE. As a result of the 2024 Constitutional Reform, participation of private investment in these activities may not have preeminence (*prevalencia*) over CFE. The 2024 Constitutional Reform did not define or provide an explanation of the meaning of the term “*prevalencia*” which is expected to be regulated by implementing legislation that, pursuant to the 2024 Constitutional Reform, must be issued before the end of April 2025.

Commercialization of electricity under the LIE may be achieved through different arrangements, including through the MEM, a merchant market currently operated by CENACE in which, in addition to electricity, participants are able to trade capacity, CELs, FTRs and ancillary services such as operational and revolving reserves, the monitoring of frequency and voltage and emergency system start-up.

In terms of the Electricity Market Rules (*Bases del Mercado Eléctrico*), which govern the operation of the MEM, generators of electricity may participate in the MEM by selling electricity and associated products to CFE or to “Qualified Users.” Within such market, only entities who become market participant “Qualified Users” (i.e. entities that register with the CRE/CENACE and that have a yearly demand of at least 5 MW and a yearly energy intake of at least 20 GWh) are able to purchase electricity and associated products through long-term power coverage agreements or in a spot market either from CFE or from other third parties.

Under the LIE, power plants with an installed capacity of 0.5 MW or more as well as those represented by a generator in the MEM (regardless of the installed capacity) require a power generation permit. Power plants with an installed capacity of less than 0.5 MW do not require a power generation permit but need a supplier acting on their behalf to sell their energy and associated products in the MEM.

Pursuant to the LIE and implementing regulations, certain clean energy usage obligations (for the reduction of air emissions) are applicable to participants in the MEM. These usage obligations will be credited by CELs and are required as of 2018 in the proportion to the actual energy consumption that the SENER sets for each year (7.4% for 2020, 10.9% for 2021 and 13.9% for 2022, 2023 and 2024).

Pursuant to current laws and regulations, interconnection to the RNT and to the RGDs of power generation facilities operating under the LIE framework is based on an open access and non-discriminatory principle. To carry out and maintain the physical interconnection of the power plant to those networks, generators must execute a power interconnection agreement (*Contrato de Interconexión de Acceso Abierto y No Indevidamente Discriminatorio para Centrales Eléctricas Interconectadas a la Red Nacional de Transmisión o a las Redes Generales de Distribución*, “Power Interconnection Agreement”) with CFET or CFED, as applicable, under a form that has been approved by CRE. Power plants operating under the LSPEE framework, which include those owned by some of our operating subsidiaries, are interconnected to the RNT by effect of their PPAs (under the IPP scheme) or by reason of the execution of an interconnection agreement with CFET approved by CRE under the former LSPEE framework.

In accordance with the Electricity Market Rules, generation of electricity for commercialization in the MEM, even through PPAs, requires in general terms obtaining and maintaining (i) a power generation permit, currently under the responsibility of CRE pursuant to the LIE, (ii) a Market Participant Agreement (*Contrato de Participante en el Mercado*) entered into with CENACE, (iii) the validation from CENACE to interconnect the power plant to the RNT or the RGD, (iv) a power interconnection agreement entered into with CFET, and (v) financial guarantees with CENACE in an amount determined pursuant to the Electricity Market Rules that is sufficient to cover the generator’s exposure.

As facilities interconnected to the grid controlled by the California Independent System Operator (CAISO), La Rosita I and La Rosita II are subject to the electric reliability standards promulgated by the North American Electric Reliability Corporation and the Western Electricity Coordinating Council pursuant to Section 215 of the Federal Power Act. CAISO is subject to FERC jurisdiction and operates under a FERC jurisdictional tariff. CAISO prescribes rules for the terms of participation in the wholesale electric energy and ancillary services markets administered by CAISO. CAISO can impose rules, restrictions, and terms of service that are quasi-regulatory in nature and can have a material adverse effect on the business. For example, CAISO has developed bid-based locational pricing rules for the electric energy markets that it administers. In addition, CAISO has developed bidding, scheduling, and market behavior rules, both to curb the potential exercise of market power by electricity generating companies and to ensure certain market functions and system reliability. These rules, restrictions, and terms of service could materially adversely affect project subsidiaries’ ability to sell, and the price received for, energy and ancillary services.

United States electric utility regulations apply to the sales of electricity from the La Rosita I and La Rosita II power generation facilities into the United States. EBC, the owner of La Rosita II, sells power into the United States through Saavi Energy Solutions, LLC, a power marketer with market-based rate authority under the FPA. The power reaches the United States via the Baja Line, the United States portion of which is owned and operated by Baja California Power, Inc., an affiliate of EAX, EBC and Saavi Energy Solutions, LLC. Saavi Energy Solutions, LLC is engaged in the wholesale sale of electricity for resale in interstate commerce and is subject to regulation under the Federal Power Act by FERC. FERC regulation under the Federal Power Act includes regulations for establishing the rates, terms and conditions under which electricity generators are able to sell electricity at wholesale, as well as other ongoing regulation and compliance obligations, including, among other things, requirements to file electronic quarterly reports, periodic market power reports and, in the event that an issuer or an affiliate acquires ownership or control of additional energy assets, to notify FERC of these acquisitions, and to comply with applicable FERC requirements, including with respect to securities issuances, transfers of FERC-jurisdictional facilities, reliability standards, market behavior and manipulation, and accounting requirements. FERC possesses civil penalty authority of up to approximately \$1.3 million per violation of the FPA per day. FERC has broad jurisdiction to require the

disgorgement of unjust profits earned in connection with violations of the FPA, to revoke a seller's authorization to make wholesale sales at market-based rates or to establish other remedies for violations of the FPA.

EAX and EBC, the owners of the La Rosita I and La Rosita II power generation facilities are subject to the U.S. Public Utility Holding Company Act of 2005 ("PUHCA"). Under PUHCA, a "holding company" is any business entity, trust, or organized group of persons which directly or indirectly owns or controls 10% or more of the outstanding voting interests in a "public-utility company" or company which is a "holding company" of a public-utility company. Unless it qualifies for an exemption or obtains a waiver from FERC, a holding company is subject to certain regulations granting FERC access to books and records relating to transactions with affiliated public utilities or "natural gas companies," as defined in PUHCA, and FERC regulation of certain affiliate transactions and certain disclosure, accounting and cost-allocation matters. State utility regulatory commissions in some instances also have access to books and records of holding companies or public-utility companies that are not exempt from PUHCA. FERC regulations exempt companies that are holding companies only by virtue of their direct or indirect ownership of (1) "qualifying facilities" under the Public Utility Regulatory Policies Act of 1978, (2) EWGs, or (3) "foreign utility companies," as defined in PUHCA. In addition, FERC regulations provide that an EWG is exempt from FERC regulation under PUHCA, other than the procedures for obtaining and maintaining EWG status. In order to be an EWG, a project company must be exclusively engaged in owning or operating, or both owning and operating, an "eligible facility" and selling electricity at wholesale. An "eligible facility" is a generation facility used exclusively for the sale of electricity at wholesale. EAX and EBC are EWGs.

EAX, EBC, and ECH have been granted blanket authorization to export natural gas to Mexico by the DOE. These authorizations are effective for two-year terms and must be renewed. Saavi Energy Solutions, LLC is a party to a long-term firm natural gas transportation service agreement with El Paso Gas. Saavi Energy Solutions, LLC has requested and been waivered of capacity release regulations and policies governing the release of interstate natural gas pipeline capacity and the applicable capacity release provisions of El Paso's FERC Gas Tariff, but there is no guarantee that such waivers will continue to be granted.

EBC is also subject to DOE oversight by virtue of its authorization to export electricity from the United States granted in a 2002 permit. That electricity must not exceed an instantaneous transmission rate of 17 MW, and it may be transmitted to Mexico only over the Baja Line. Saavi Energy Solutions, LLC holds authorization from DOE to export electricity to Mexico for a five-year period that began on November 16, 2023.

Energy Sector Coordinated Regulatory Agencies Law

In addition to the LIE and the Hydrocarbons Law (*Ley de Hidrocarburos*), the Energy Sector Coordinated Regulatory Agencies Law (*Ley de los Órganos Reguladores Coordinados en Materia Energética*) establishes the powers and authority of the CRE as well as its structure and internal organization. The CRE is currently an agency of the Mexican government with technical, operating and management autonomy, and is the sole agency responsible for granting permits for sector regulated activities, including electricity generation, export and import and midstream and downstream activities such as the transportation, distribution and warehousing of natural gas, LPG, LNG, oil products and petrochemicals sectors in Mexico (except for permits to import and export crude oil, condensates, natural gas, and refined products, which are within the authority of SENER). The CRE is Saavi Energía's primary regulatory and supervising authority.

Effective December 21, 2024, the Mexican Constitution was amended to eliminate certain autonomous agencies, including CRE and CNH who will cease to exist upon the effectiveness of the laws and regulations implementing these constitutional amendments, which are expected to be issued on or before March 20, 2025. Once CRE and CNH are extinguished, their powers and authority will be assumed by SENER or by a new agency of the federal government.

Natural Gas, LPG and Oil Products

Article 27 of the Mexican Constitution sets forth the general principles that regulate activities involving oil, natural gas and other hydrocarbons in Mexico. Historically, Article 27 prohibited the Mexican Government from entering into agreements or granting concessions with respect to hydrocarbons activities and specified that certain

activities involving oil and other hydrocarbons were exclusively reserved to the Mexican Government under a vertical integration system.

As a result of the 2013 Energy Reform, the legal framework enables the Mexican Government to award contracts to private-sector entities in the upstream sector through public tenders, and also allows private-sector entities to obtain permits for the processing, refining, marketing, transportation, storage, import and export of hydrocarbons, including the processing, compression, liquefaction, regasification, transportation, distribution, marketing and retail of natural gas, the transportation, storage, distribution, marketing and retail of oil products, including LPG, and the transportation (through pipelines) and related storage of petrochemicals.

The Hydrocarbons Law (*Ley de Hidrocarburos*) preserves the concept of state ownership over hydrocarbons while located in the subsoil, and opens the hydrocarbon sector to the participation of private companies, subject to certain regulatory requirements.

In particular, in October 2014, two sets of implementing regulations for the Mexican Hydrocarbons Law were enacted: (i) the Mexican Hydrocarbons General Regulations (*Reglamento de la Ley de Hidrocarburos*) and (ii) the Regulations Relating to the Activities Specified in Title Three of the Mexican Hydrocarbons Law (*Reglamento de las actividades a que se refiere el Título Tercero de la Ley de Hidrocarburos*). These regulations and the General Administrative Rules (*Disposiciones Administrativas de Carácter General*) issued by the CRE regulate Mexico's natural gas, LNG, LPG, oil products and ethane markets.

The Hydrocarbons Law allows private-sector entities holding a permit granted by the CRE to store, transport, distribute, commercialize and carry out direct sales of hydrocarbons, as well as to own and operate pipelines and liquefaction, regasification, compression and de-compression stations or terminals, and related equipment in accordance with technical and other regulations. In addition, private-sector entities may import or export hydrocarbons subject to a permit from the SENER. Permits granted prior to the enactment of the Hydrocarbons Law, such as several of Saavi Energía's self-supply permits, including their general terms and conditions, will remain in force during their original term, and rights held by permit-holders will not be affected by the new laws and regulations. Additionally, Cometa Energía has obtained natural gas marketing permits, granted by the CRE.

Activities in the midstream and downstream natural gas, LPG and oil products industries are subject to the provisions of the Hydrocarbons Law, the Energy Sector Coordinated Regulatory Agencies Law (*Ley de los Órganos Reguladores Coordinados en Materia Energética*), the National Agency for Industrial Safety and Protection of the Environment of the Hydrocarbons Sector Law (*Ley de la Agencia Nacional de Seguridad Industrial y de Protección al Medio Ambiente del Sector Hidrocarburos*), the Hydrocarbon General Regulations, the Regulations Relating to the Activities Specified in Title Three of the Hydrocarbons Law and applicable environmental and safety regulations. General Administrative Provisions (*Disposiciones Administrativas de Carácter General*) issued by the Mexican energy and environmental authorities, Mexican Official Standards (*Normas Oficiales Mexicanas*) and terms and conditions set forth in related permits also regulate Saavi Energía's activities. See "Risk Factors—Saavi Energía operates in a highly regulated environment, and Saavi Energía's profitability depends on our ability to comply with a number of laws and regulations on a timely and efficient basis."

Building and operating natural gas, LNG, LPG and oil products storage facilities, pipelines and distribution systems require governmental permits and authorizations from federal, state and municipal authorities, such as the CRE, COFECE, SEMARNAT, ASEA, CONAGUA and the SENER, along with real estate rights-of-way and other related authorizations. Permits also impose a series of regulatory obligations and specific terms and conditions commonly referred to as "general terms and conditions" (*Términos y Condiciones Generales*). Pursuant to the Natural Gas Regulations, there were two types of natural gas storage and transportation permits: open-access (to provide services in a way similar to a utility) and self-use (granted exclusively to end-users or a group of end-users organized in a special purpose vehicle or company).

Open Access

Open access refers to systems where natural gas transportation and storage infrastructure is available to all users on a non-discriminatory basis. Permit holders subject to open access obligations that have available capacity are

bound to perform open seasons to allocate such capacity to third parties. Available capacity is deemed to exist when (1) a new system is developed, (2) the capacity of an existing system is increased in view of operational efficiencies or an extension of infrastructure, (3) existing capacity has not been allocated by means of a service contract, or if having been contracted under executed services agreements is not actually being used by the corresponding users or (4) the end user transfers the capacity through the permit-holder. The rates for open-access permits are currently determined by CRE.

Self-use, in contrast, refers to a system that applies to end-users that require natural gas transportation exclusively for their own benefit. Saavi Energía's subsidiaries hold four self-use transportation permits, related to the Bajío Entities, San Luis de la Paz, Chihuahua and La Rosita II facilities.

Marketing and Cross-Shareholding Restrictions

The Hydrocarbons Law establishes that a permit from the CRE is required to commercialize natural gas. The marketing companies, including some subsidiaries of Saavi Energía (i.e. CB and SE) are bound to maintain, directly or through third parties, transportation, distribution or storage services from other permit-holders. In addition, with certain exceptions set forth in the law, storage and open-access transportation permit-holders are generally banned from marketing natural gas stored in their facilities or transported through their systems.

The Hydrocarbons Law provides cross-shareholding restrictions with respect to marketing companies and open-access transportation or storage permit-holders. However, cross-shareholding may be allowed by the CRE, with the prior approval from COFECCE, *provided* that such cross-shareholding does not affect competition, market efficiency or effective open-access. Compliance with these requirements may be met by guaranteeing independent operations or by establishing legal and corporate mechanisms to prevent intervention in operations and management. According to the applicable rules, the following may be required: (1) the strict legal unbundling of permitted activities or a functional, operational and accounting separation, (2) participation limitations in a company's share capital, (3) maximum participation limitations for economic agents in the marketing market and (4) the reservation of capacity in storage facilities and pipelines.

Mexican Official Standards, General Administrative Provisions, Directives and General Rules

In addition to the laws and regulations mentioned above, the legal framework that regulates Saavi Energía's activities also includes (1) the Mexican Official Standards issued by the SENER, CRE and ASEA in connection with technical matters of Saavi Energía's business, such as product quality and technical specifications related to the design, construction, safety, operation and maintenance of Saavi Energía's transportation, storage and distribution systems and facilities, (2) the Directives issued by the CRE that regulate economic matters applicable to Saavi Energía's business such as prices and rates and accounting and insurance matters, (3) the General Administrative Provisions related to service provision issued by the CRE and the General Administrative Provisions related to environmental protection, industrial and operational safety issued by ASEA, and (4) public policy documents issued by the SENER regarding any of the activities of the hydrocarbons sector in which Saavi Energía participates.

Other Authorizations

There are several other authorizations, concessions, permits, licenses or registrations that may be required by the three different levels of government (municipal, state or federal) for the development, construction and operation and maintenance of power plants, natural gas systems and natural gas compression facilities. These include environmental permits, social permits, zoning permits, construction permits, concessions over and/or crossing of federal areas such as rivers, streams and maritime zones, among others.

Other Relevant Provisions

Our business operations, which are largely coming from Saavi Energía, are subject to other standards that may affect our and Saavi Energía's business, including state and municipal laws, and regulations related to zoning, construction and civil protection.

General Law of Administrative Responsibility

On July 18, 2016, the legal framework that creates Mexico's National Anticorruption System was published in the Official Gazette. This new legal framework implements the 2015 Constitutional reform on anticorruption matters and is comprised by several laws, including the General Law of Administrative Responsibility (*Ley General de Responsabilidades Administrativas*, or "GLAR"). Although it was published in the Official Gazette on July 18, 2016, the GLAR became effective on July 19, 2017.

The aforementioned law establishes certain mechanisms for private parties to prevent corruption, such as (i) organizational guidelines establishing areas in charge of doing business with the government and their obligations and responsibilities; (ii) a code of conduct for their employees; (iii) recruiting policies addressed to detect potential liabilities and/or conflicts of interest when conducting business with governmental entities; and (iv) monitoring procedures and accountability for the company's personnel, as well as disciplinary procedures for any employee who fails to comply with the company's policies and/or the applicable law.

Additionally, the GLAR sets forth certain rules and guidelines to prevent and sanction persons and companies for the unlawful participation in administrative procedures, influence peddling, bribery, wrongful exercise of public funds, collusion in public tenders (including procedures called by foreign entities), use of false information when applying for an administrative permit, authorization or concession, among others.

In view of the above, Saavi Energía is subject to the GLAR with respect to any activities that require the granting of a permit or a concession, public procurement processes, and/or any other administrative procedure carried out before a governmental entity.

The GLAR establishes the administrative procedures for the investigation of possible unlawful conduct and addressing claims. Pursuant to such law, the Ministry of the Public Function of the Federal Government (*Secretaría de la Función Pública*) and ministries of state governments are responsible for investigating and penalizing any minor offense, while the Federal Superior Audit Office (*Auditoría Superior de la Federación*) and the state audit offices will be responsible for investigating and penalizing major offenses.

Administrative misconduct by private parties will be subject to the Federal Administrative Court (*Sala Superior del Tribunal Federal de Justicia Administrativa*), which now has a special chamber in charge of judging severe corruption actions and is entitled to impose the corresponding penalties and required sanctions.

As to the extent of the penalties that may be applied to a private company upon any unlawful action, the GLAR provides for the following: (i) fines up to two times the amount obtained by the company from any unlawful action or between 1,000 up to 1,500,000 times the unit of measure (*unidad de medida y actualización*); (ii) disqualification from participating in any public procurement procedure for at least 3 months and up to 10 years; (iii) suspension of all commercial activities of the private company, for at least 3 months and up to 10 years; (iv) dilution of the company and (v) compensation for the damages caused to the federal public treasury, and/or federal, state or municipal entities.

Mexican Data Protection Law

Saavi Energía is subject to the provisions of the Mexican Data Protection Law (*Ley Federal de Protección de Datos Personales en Posesión de los Particulares*) that became effective in Mexico as of July 6, 2010. The Mexican Data Protection Law is applicable to individuals or private entities that collect, handle, store, or process personal data concerning Mexican citizens.

Pursuant to the Mexican Data Protection Law, the processing and transfer of personal data requires consent by the data owner prior to such processing or transfer. Consent can be obtained by means of a document referred to in the law as a "privacy notice," which informs the data owner of the personal data being collected, the purpose for the use of the personal data, any intended transfers and the data owner's rights of access, correction, and cancellation or opposition to the processing of the personal data. A data owner grants consent for the use of the personal data if it does not oppose the privacy notice. The privacy notice can be delivered through printed, digital, visual, electronic or

sonorous means or in any other format. According to the Mexican Data Protection Law, data owners are entitled to revoke their consent at any time. The Mexican Data Protection Law provides certain requirements for the transfer of personal data to third parties and certain exceptions for such requirements in which the transfer of information is permitted.

Constitutional Amendments on Class Actions

On July 29, 2010, Article 17 of the Mexican Constitution was amended in order to allow class actions to be brought in federal courts in connection with civil actions on matters related, among others, to consumer protection and environmental law. Consequently, on August 30, 2011, the Mexican Federal Code of Civil Procedure (*Código Federal de Procedimientos Civiles*), the Mexican Federal Consumer Protection Law and the Mexican General Law on Ecological Equilibrium and Environmental Protection (*Ley General del Equilibrio Ecológico y la Protección al Ambiente*) were amended to incorporate class actions. Such amendments became effective on March 1, 2012, though as of the date of this Offering Memorandum, to Saavi Energía's knowledge, only a few class actions have been brought before the federal courts in connection with environmental matters.

Constitutional Amendments on Rights of Indigenous and Afro Mexican Communities

On September 30, 2024, Mexico's Constitution was amended to elevate at the constitutional level the rights of indigenous and afro-Mexican communities to self-determination and autonomy, setting forth the obligation for all levels of government to undertake the prior and informed consultation with these communities of any potential laws, public policies and projects that may affect them, in order to obtain their approval. It is expected that secondary legislation will be enacted to enforce these constitutional rights; however, as of the date of this Offering Memorandum, no laws have been enacted and no related bills are under discussion in Mexico's Congress.

Mexican Federal Environmental Liability Law

The Mexican Federal Environmental Liability Law (*Ley Federal de Responsabilidad Ambiental*) enacted on July 7, 2013 regulates environmental liability arising from damages to the environment including remediation, restoration and compensation. In the event of intentional and unlawful action or inaction, the responsible party may be fined up to approximately Ps 70 million for 2025. This liability regime is independent from administrative, civil or criminal liability regimes.

Environmental liability may be attributed to an entity for conduct carried out by its representatives, managers, directors, employees, or officers who have an operational domain of their activities. The statute of limitations to claim environmental liability is 12 years from the environmental damage. The law allows the interested parties to solve disputes by means of alternative dispute resolution mechanisms, provided the public interest or third-party rights are not affected.

Mexican Federal Labor Law

In May 2019, the Mexican Federal Labor Law (*Ley Federal del Trabajo*) and other related regulations were amended regarding labor justice, freedom of association and collective bargaining. Pursuant to these reforms, new labor authorities and courts were created that, among other things, are intended to guarantee workers' rights and prevent and combat labor discrimination. The amendments altered the process of collective bargaining in Mexico resulting in increased union activity within the country.

On November 12, 2020, the Mexican Executive Branch proposed to the Mexican Congress an amendment to several labor and tax regulations, including the Mexican Federal Labor Law, intended to curtail the use of personnel subcontracting arrangements (the "Subcontracting Laws"). This reform was approved by Congress and published in the Official Gazette on April 23, 2021, becoming effective the day after its publication with certain exceptions. The Subcontracting Laws have three main components: (i) a significant limitation on indirect hiring (both outsourcing and insourcing), (ii) a limitation on the amount of employers' profit-sharing obligation, and (iii) the inclusion of new penalties in respect of tax deductions and fines. As a consequence of the approval and enactment of the Subcontracting Laws, several Mexican entities may be required to modify their current labor structure, labor costs

may increase, and the type and number of labor obligations Mexican companies will have to observe will change significantly.

Pursuant to the Mexican Federal Labor Law, employers are required to distribute and pay their employees 10% of their pre-tax profits each year within 60 days after the date on which the employer's annual tax statement was filed with the relevant authorities. The amount of profit sharing to be allocated and paid among employees is capped at either (i) three months of each employee's salary, or (ii) the average of the payments made in the previous three years to the employees, whichever amount is more favorable to the employees.

Finally, the Mexican Government has historically passed laws, regulations and decrees requiring companies in the private sector to increase wages and provide specified benefits to employees, and it may do so again in the future. Mexican employers, both in the public and private sectors, have experienced significant pressure from their employees and labor organizations to increase wages and to provide additional employee benefits. The Mexican Government, as a result, increased the minimum salary by 20% starting in January 2024 with an additional 12% increase mandated as of January 2025.

Any of the reforms discussed above, as well as other labor-related reforms that the Mexican Government undertakes in the future, may adversely affect our businesses, financial condition, results of operations, cash flows, and prospects.

Permits

Self-use Natural Gas Transportation Permits

Saavi Energía, through its subsidiaries, holds various permits granted by the CRE for self-use transportation of natural gas. These transportation permits allow them to receive, conduct and deliver natural gas through their self-supply transportation system to supply natural gas to Saavi Energía's power plants. These were issued for a term of 30 years and may be extended for additional periods of 15 years by filing a written request at least two years before the original term elapses.

Marketing Permits

Cometa Energía, through its subsidiaries SE and CB, holds permits granted by CRE for commercialization of natural gas.

Power Generation Permits

Saavi Energía, through its principal subsidiaries, EAVIII, EAX, ESLP, ECH and EBC, holds various permits granted by the CRE for the purpose of generating electricity under the IPP and self-supply (*autoabasto*) regimes, and under the LIE framework. In addition, SE and Ektria hold a qualified energy supplier (*suministro calificado*) permit to provide the power trading service as a qualified supplier.

Environmental Matters

Environmental Regulations

Our Mexican operations are subject to federal, state and local environmental authorities, laws, regulations, Mexican Official Standards, General Administrative Provisions and other technical standards. The distribution of jurisdiction over environmental matters among governmental authorities at the federal, state and municipal levels is based on a "residual formula" provided in the Mexican Constitution which establishes that those matters which are not expressly reserved to the Mexican Government fall under the jurisdiction of the local governments, referred to as concurrent jurisdiction. While energy projects mainly fall under the jurisdiction of the Mexican Government, some specific environmental matters such as the handling of special management or urban solid wastes and the opening of new access roads, land use, construction and civil protection may fall under state or municipal jurisdiction.

The primary federal environmental laws in Mexico applicable to Saavi Energía's business are: the Mexican General Law on Ecological Equilibrium and Environmental Protection (*Ley General de Equilibrio Ecológico y Protección al Medio Ambiente*); the Law of the National Agency for Industrial Safety and Environmental Protection of the Hydrocarbons Sector (*Ley de la Agencia Nacional de Seguridad Industrial y Protección al Ambiente en el Sector Hidrocarburos*); the Mexican General Law for the Prevention and Comprehensive Management of Wastes (*Ley General para la Prevención y Gestión Integral de los Residuos*); the Mexican National Waters Law (*Ley de Aguas Nacionales*); the Mexican General Law for Sustainable Forestry Development (*Ley General de Desarrollo Forestal Sustentable*); the Mexican Federal Environmental Liability Law (*Ley Federal de Responsabilidad Ambiental*), the Mexican General Law of National Assets (*Ley General de Bienes Nacionales*) and the Mexican General Law on Climate Change (*Ley General de Cambio Climático*). Pursuant to these laws, rules and regulations have been issued concerning environmental impact and risk matters, forestry land use change, noise emissions, air emissions, water extraction and wastewater discharge, waste management, environmental protection, industrial and operational safety, etc., to which Saavi Energía's businesses are also subject. Saavi Energía's businesses may also be subject to other laws, regulations and technical requirements relating to the protection of the environment such as the Mexican General Health Law (*Ley General de Salud*) and the Mexican Federal Regulations on Safety, Hygiene and Work Environment (*Reglamento Federal de Seguridad, Higiene y Medio Ambiente en el Trabajo*).

Non-compliance with the applicable environmental laws, regulations and Mexican Official Standards may result in the imposition of administrative fines or sanctions; revocations of authorizations, concessions, licenses, permits or registries; administrative arrests; seizure of polluting equipment; and in certain cases, temporary or permanent closure of facilities and even imprisonment, when environmental violations are classified as criminal offenses as well as in remediation, reparation or compensation obligations in matters of civil or environmental liability.

Our projects operate under licenses, permits, authorizations, concessions and registrations issued under these environmental laws. We believe that Saavi Energía has all material permits, licenses, registrations, concessions and/or authorizations for the facilities and projects that Saavi Energía operates, that these permits are in full force and effect (or are in the process of being renewed, if they have elapsed) and that Saavi Energía is in substantial compliance with applicable environmental laws and the respective permits. There are currently no material legal or administrative proceedings pending against Saavi Energía with respect to any environmental matters.

Saavi Energía follows internal policies and procedures to ensure compliance with applicable laws, regulations and Saavi Energía's permits. From time to time Saavi Energía updates its permits, authorizations, licenses, concessions and registrations and make periodic assessments in connection with their validity, including the amendment, renewal, extension or termination of such permits. In the event that as a result of such assessments any action is needed to renew, maintain, transfer or obtain any permit, authorization, license or approval, Saavi Energía undertakes the necessary actions to maintain the effectiveness thereof. Applications for the renewal of some of these permits, licenses, approvals and authorizations have been filed and are under review from applicable authorities.

Regulatory and Supervising Authorities

SEMARNAT is the primary federal environmental agency responsible for environmental policies and management and is empowered, among other things, to grant federal environmental impact and risk authorizations and federal air emissions licenses and to issue Mexican Official Environmental Standards (*Normas Oficiales Mexicanas*). ASEA has recently become the key environmental, as well as industrial and operational safety, regulator in the hydrocarbons sector.

There are four administrative departments within SEMARNAT (which are dependent on SEMARNAT and act on its behalf), and two decentralized administrative departments (with legal standing and economic autonomy from SEMARNAT, but under the coordination of SEMARNAT), which oversee specific areas of environmental law. The Mexican Environmental Protection Enforcement Agency (*Procuraduría Federal de Protección al Ambiente*, or "PROFEPA"), is the enforcement branch of the SEMARNAT, while ASEA has been entrusted with this authority in the hydrocarbons sector. PROFEPA is responsible for inspecting and verifying facilities (including through the voluntary environmental audit program described below), imposing sanctions, as well as presiding over administrative appeals filed by persons who have been sanctioned for failure to comply with the law, and ASEA has the function of inspecting and imposing sanctions related to the matters regulated by such agency.

CONAGUA is in charge of the management and administration of national waters, both surface and underground, the prevention of pollution to water, as well as the use and protection of certain national assets related to rivers, dams and other bodies of water. CONAGUA grants concessions for the use of national waters and permits for wastewater discharges into federal water-bodies. CONAGUA has its own enforcement department, independent from PROFEPA; however, PROFEPA also has administrative functions enacted by law to verify on matters of national waters.

Environmental Certifications, Policies and Programs

Clean Industry or Environmental Quality Certifications

As part of these voluntary environmental audit programs, companies agree to conduct biannual environmental audits of their own facilities and operations through an authorized third party consultant. Based on the audit findings, the consultant prepares and proposes to the company a corrective and/or improvement action plan and, depending on the certification process, advises the Mexican Environmental Protection Enforcement Agency or ASEA, as the case may be, on the results of the audit and the appropriateness of the resulting action plan. Subject to its review and approval of the audit findings and recommendations, PROFEPA or ASEA, as the case may be, enters into an agreement with the audited company for the implementation of the action plan.

A clean industry or an environmental quality certificate is the end product of this voluntary environmental audit program, which generally shows that the company or business has complied with the action plan and is in compliance with applicable federal and local environmental laws and regulations, and in some cases with international standards and prudent engineering and operational practices for the relevant business. The certificate is valid for a two-year period and can be continuously renewed for similar periods as long as the company continues to prove that it has maintained or improved the environmental compliance conditions present at the time when the certificate was first awarded.

Our goal is that all of Saavi Energía's other businesses participate in this program and obtain the corresponding certificates.

Corporate Environmental Policies

Saavi Energía conducts its business in compliance with Saavi Energía's Corporate Environmental Policy. This policy is communicated to Saavi Energía's employees and contractors and applied in new projects and the operation and maintenance of Saavi Energía's facilities and processes. We intend to continue following this or similar policies in the future. The commitments stated in this policy include:

- minimizing and controlling the environmental impact from Saavi Energía's operations and the services provided by Saavi Energía;
- sustainably managing Saavi Energía's resources and constantly monitoring Saavi Energía's operations and environmental management;
- optimizing and reviewing Saavi Energía's environmental performance report on Saavi Energía's consumption of water, fuels and energy, conforming to Saavi Energía's objectives and environmental goals, which are verified on an annual basis; and
- complying with applicable environmental laws, regulations and norms and the best practices in the industry.

Saavi Energía often imposes internal standards beyond Mexican regulatory requirements to Saavi Energía's operations.

Environmental Programs for the Conservation of Biodiversity

Saavi Energía has several ongoing environmental programs to conserve biodiversity as well as construction projects and operations that are focused on conservation, protection and restoration of species of flora and fauna, most of which have been designed and implemented as part of Saavi Energía's environmental impact and forestry authorizations.

Saavi Energía does not believe that it will incur material costs and liabilities related to environmental matters with respect to Saavi Energía's current projects, based on Saavi Energía's existing clean industry certificates, the implementation of Saavi Energía's corporate environmental policies and ongoing compliance monitoring programs. However, we cannot assure that future costs and liabilities associated with Saavi Energía's projects could not have a material adverse effect on our business, financial condition, results of operations, cash flows, prospects and/or our ability to repay the Notes.

MANAGEMENT

The Issuer

Board of Managers

The Issuer is managed by a board of managers (the “Issuer’s Board of Managers”). As of the date of this Offering Memorandum, the Issuer’s Board of Managers consists of four managers of class A and five managers of class B (the “Issuer Managers”). The Issuer’s shareholder, at a general meeting, appoints the Issuer Managers and determines their remuneration and term of office. The Issuer Managers may be removed from office at any time, with or without cause, by a decision of the Issuer’s shareholder.

The following table sets forth information regarding the members of the Issuer’s Board of Managers as of the date of this Offering Memorandum:

Name	Position	Date Appointed	Age
Mauricio Del Valle Ramos	Class A Manager	October 16, 2023	49
Olivier Godin.....	Class A Manager ⁽¹⁾	December 24, 2024	48
Giovanni Patuzzo	Class A Manager	June 15, 2022	37
Ronnie Hawkins	Class A Manager	October 16, 2023	55
Giovanni Oddo	Class A Manager	November 21, 2023	50
Christophe-Emmanuel Sacre	Class B Manager	June 15, 2022	39
Shao-Wei Chan	Class B Manager	February 29, 2024	38
Isabel Bonte.....	Class B Manager	February 29, 2024	52
Innocent Sanga	Class B Manager	July 31, 2024	49
Christel Pierre-Alexandre	Class B Manager	June 15, 2022	54

(1) Subject to possible change to Class B Manager.

Below is a summary of the business experience, activities and areas of expertise of the Issuer Managers as of the date of this Offering Memorandum:

Mauricio Del Valle Ramos. Mr. Del Valle serves as a Class A Manager on the Issuer’s Board of Managers. Mr. del Valle is Chief Executive Officer and a Board Member of Saavi Energia, having been with the company since 2018. Prior to his time at Saavi Energia, Mr. del Valle held multiple senior leadership positions at Calpine Corporation, most recently as Senior Vice President of Finance, and Chief Risk Officer. Mr. del Valle received a Bachelor of Science in Actuarial Science and a Master’s in Finance from Instituto Tecnológico Autónomo de México (ITAM), as well as an MBA from the University of Virginia, Darden School of Business.

Olivier Godin. Mr. Godin serves as a Class A Manager on the Issuer’s Board of Managers. Mr. Godin is the Accounting Director at Saavi Energia S.à r.l., having joined the Group in 2024. He has 20 years of experience in the Luxembourgish financial sector, including roles as CEO and COO at iBAN-X S.A., Audit Director at Grant Thornton Luxembourg, and Audit Senior Manager at PwC. Mr. Godin holds a Bachelor’s degree in Accounting from Haute Ecole Léon Eli Troclet, a University degree in Business Management from Facultés Universitaires Catholiques de Mons, and a Certificate of Additional Training for Candidate Company Auditors from the University of Luxembourg.

Giovanni Patuzzo. Mr. Patuzzo serves as a Class A Manager on the Issuer’s Board of Managers. Mr. Patuzzo is an Emerging Markets partner at the Ultimate Parent, having joined the firm in 2018. Mr. Patuzzo focuses on equity investments in Latin America for the Ultimate Parent and GIP Emerging Markets. He is based in New York. Prior to the Ultimate Parent, Mr. Patuzzo was a Vice President at Hastings Funds Management, where he led the origination and execution effort for the North American credit business, focusing on project and infrastructure finance. Previously, Mr. Patuzzo spent 6 years with HSBC in the Infrastructure and Project Finance Group with focus in the Americas. Mr. Patuzzo holds a BBA in Management from Universidad Peruana de Ciencias Aplicadas, Peru.

Ronnie Hawkins. Mr. Hawkins serves as a Class A Manager on the Issuer’s Board of Managers. Mr. Hawkins is a Partner at the Ultimate Parent, having joined the firm in 2018. Mr. Hawkins focuses on investment activity in Latin America for the Ultimate Parent and GIP Emerging Markets. He is based in New York. Prior to joining the Ultimate Parent, Mr. Hawkins served as a Managing Director at EIG Global Energy Partners, as well as

Harbour Energy. Prior to joining EIG in 2014, Mr. Hawkins was an Executive Vice President at GE, where he led GE Energy's Global Business Development activities from 2009 through 2013. Previously, Mr. Hawkins spent 19 years as a senior member of the energy investment banking departments at Credit Suisse and Citigroup. Mr. Hawkins received a double B.A. in Economics and Latin American Studies from the Honors Collegium of the University of California at Los Angeles and studied at the Catholic University of Chile.

Christophe-Emmanuel Sacre. Mr. Sacre serves as a Class B Manager on the Issuer's Board of Managers. Mr. Sacre is a Director at the Ultimate Parent, having joined the firm in 2018. Mr. Sacre has 17 years of professional experience in legal, financial and administrative management. Prior to the Ultimate Parent, Mr. Sacre was a Business Unit Manager at Intertrust Group, where he spent 7 years, and a Tax Advisor at PwC, primarily focusing on the banking and insurance sectors. Mr. Sacre received a master's degree in management studies from Université Catholique de Louvain and a degree in Corporate and Individual Taxation, International Taxation, and VAT from the Chamber of Commerce Luxembourg.

Shao-Wei Chan. Mr. Chan serves as a Class B Manager on the Issuer's Board of Managers. Mr. Chan is an Accounting Manager at the Ultimate Parent, having joined the Ultimate Parent in 2023. Prior to joining the Ultimate Parent, Mr. Chan had 12 years of experience in various roles, including Manager at Deloitte and Accountant at MAS International Group. Mr. Chan holds a Bachelor's degree from Haute Ecole Blaise Pascal and Tax Certificates from the Université de Luxembourg.

Isabel Bonte. Mrs. Bonte serves as a Class B Manager on the Issuer's Board of Managers. Mrs. Bonte is a Senior Financial Accountant at the Ultimate Parent, having joined the Ultimate Parent in 2023. Prior to joining the Ultimate Parent, Mrs. Bonte had 25 years of experience in various roles, including Senior Accountant at Key Partners and Audit Manager at Ernst & Young. Mrs. Bonte holds a Master's degree from EHSAL.

Innocent Sanga. Mr. Sanga serves as a Class B Manager on the Issuer's Board of Managers. Mr. Sanga is a Vice President – Finance, at the Ultimate Parent, having joined the company in 2024. Prior to joining the Ultimate Parent, Mr. Sanga worked for over 17 years in different accounting roles, heading and managing teams of accountants in the alternative investments fund administration sphere in the Channel Islands and Luxembourg, in particular private equity, real estate, infrastructure and debt funds and he has held several board mandates in different regulated and unregulated funds and entities in Luxembourg. A fellow of the Association of Chartered Certified Accountants, Mr. Sanga holds a Bachelor of Accountancy degree from the University of Malawi and a Master of Business Administration from the University of Southampton.

Giovanni Oddo. Mr. Oddo serves as a Class A Manager on the Issuer's Board of Managers. Mr. Oddo is the Head of Americas of Mubadala Investment Company's Infrastructure business unit. At Mubadala Investment Company, he has previously been responsible for investments in the oil and gas and energy sectors. Mr. Oddo has over 20 years of experience in infrastructure and energy investments, including former roles at General Electric International, Oil & Gas Division, and the Associate Program at JPMorgan Natural Resources Investment Banking in London. Mr. Oddo holds a Master's Degree in Mechanical Engineering from the University of Florence (Italy) and an MBA from London Business School (UK).

Christel Pierre-Alexandre. Mrs. Pierre-Alexandre serves as a Class B Manager on the Issuer's Board of Managers. Mrs. Pierre-Alexandre is a qualified and registered attorney with the Bar of Luxembourg and a Partner at Bonn Steichen & Partners (BSP), having joined the firm in 2012. Mrs. Pierre-Alexandre is a regular advisor to private equity houses on the structuring and financing of international buy-out transactions, joint ventures, corporate reorganizations, mergers and acquisitions, as well as corporate governance matters. Prior to joining BSP, she practiced in a "Big Four" firm and worked as a legal advisor for a "Magic Circle" law firm. Mrs. Pierre-Alexandre received a Master's degree in Private Law from the Université de Lorraine.

Actions of the Issuer's Board of Managers

According to the articles of association of the Issuer, *inter alia*:

- the Issuer's Board of Managers is vested with the broadest powers to act in the name of the Issuer and to take any actions necessary or useful to fulfill the Issuer's corporate purpose;
- the Issuer's Board of Managers may deliberate or act validly only if at least a majority of the managers are present or represented and at least one manager of class A and one manager of class B is present or represented at the meeting;
- decisions must be taken by a majority vote of the managers present or represented (including an affirmative vote of at least one manager of class A and one manager of class B) at a meeting; and
- the Issuer's Board of Managers may unanimously pass resolutions by circular means when expressing approval in writing, by facsimile, electronic mail or any other similar means of communication.

Cometa Energía and Tierra Mojada

Board of Directors

Cometa Energía and Tierra Mojada's management is led by Electricidad Firme's Board of Directors. Electricidad Firme's Board of Directors sets general guidelines and delegation of authority policies for Cometa Energía and Tierra Mojada's business and monitors the implementation of those guidelines by Cometa Energía and Tierra Mojada's executive officers. Members of Electricidad Firme's Board of Directors are appointed through a general shareholders' meeting for a term of one year. Members may be re-elected and removed from office at any time by a decision of Electricidad Firme's shareholders at a general shareholders' meeting. Electricidad Firme's Board of Directors meets at least once quarterly, and may meet extraordinarily as necessary.

The following table sets forth information regarding the members of Electricidad Firme's Board of Directors as of the date of this Offering Memorandum:

Name	Position	Date Appointed	Age
Mauricio del Valle Ramos	Member and Secretary	Cometa: August 19, 2021 Tierra Mojada: November 7, 2022	49
Jaime Andrés Tupper Bracho.....	Member	Cometa: August 19, 2021 Tierra Mojada: November 7, 2022	62
Ronnie Hawkins	Chairman and Member	Cometa: August 19, 2021 Tierra Mojada: November 7, 2022	55
Robert Michael Callahan	Member	Cometa: August 19, 2021 Tierra Mojada: November 7, 2022	60
Giovanni Oddo	Member	Cometa: June 20, 2022 Tierra Mojada: November 7, 2022	50
Claudia Jañez Sánchez.....	Independent Member	Cometa: February 23, 2022 Tierra Mojada: November 7, 2022	53
Laurie Jo Fitzmaurice	Independent Member	Cometa: February 23, 2022 Tierra Mojada: November 7, 2022	53

Below is a summary of the business experience, activities and areas of expertise of Electricidad Firme's directors as of the date of this Offering Memorandum:

Mauricio del Valle Ramos: See “—Board of Managers.”

Jaime Andrés Tupper Bracho: Mr. Tupper has been with the Company since 2019, and has 33 years of experience. Before joining the Company, Mr. Tupper served as President for Central America of AES, CEO of EnerGuate, Managing Director of Martano Inc. (Panama) and Senior Partner at Global Utilities Consultants

International (Panama). Mr. Tupper received a bachelor's degree from Universidad Metropolitana and a master's degree from Universidad Simon Bolivar.

Ronnie Hawkins: See “—Board of Managers.”

Robert Michael Callahan: Mr. Callahan is currently an Operating Partner for the Ultimate Parent with 30 years of experience, including 17 years with the Ultimate Parent. Mr. Callahan spent 15 years with General Electric in a variety of leadership, operational and commercial roles. Mr. Callahan received a bachelor's degree and a master's degree from Alfred University, as well as an MBA from The Ohio State University.

Giovanni Oddo: See “—Board of Managers.”

Claudia Jañez Sánchez: Ms. Jañez is the former President of Latam at Dupont, and has 28 years of industry experience. She previously served as General Electric's General Counsel for Mexico, California and the Caribbean. She currently holds independent member roles on the boards of several public & private corporations in Mexico. Ms. Jañez received a bachelor's degree from Universidad La Salle and a master's degree from IPADE Business School.

Laurie Jo Fitzmaurice: Ms. Fitzmaurice is an expert in the development of energy infrastructure including renewables, and natural gas pipelines and storage. She has been involved in \$7.5 billion in energy infrastructure investments over her 30-year career. Ms. Fitzmaurice received a bachelor's degree from Swathmore, and studied at Pontifica Universidad Catolica de Valparaiso.

Actions of the Board of Directors

The Board of Directors is authorized to take any action in connection with Cometa Energía and Tierra Mojada's operations not expressly reserved for shareholders.

Meetings of the Board of Directors are quorate if a majority of the board members are present. Resolutions at the meetings are valid if approved by a majority of the members of the Board of Directors. The chairman of the Board of Directors has the casting vote. Notwithstanding the Board of Directors' authority, Cometa Energía and Tierra Mojada's shareholders (pursuant to decisions validly taken at a shareholders' meeting) may override any actions taken by the Board of Directors.

Board members hold their positions during one-year terms but are allowed to continue in their positions until a new director is appointed, or until resignation or removal.

Members of the Board of Directors with a conflict of interest are required to abstain from participating and being present during the deliberation and voting of the matter at the relevant board meeting, without this affecting the necessary quorum for that particular meeting in which resolutions would be approved by the vote of the majority of the non-conflicted members.

Executive Officers

The following table sets forth information regarding our executive officers as of the date of this Offering Memorandum:

Name	Position	Year Appointed	Age
Mauricio del Valle Ramos	Chief Executive Officer	2024	49
Alfredo Salvo Domínguez	Chief Financial Officer	2024	38
Gerardo Cervantes Mosqueda.....	Chief Commercial Officer	2019	43
Hugo Rafael Alvear Jiménez	Chief Operating Officer	2023	49

Below is a summary of the business experience, activities and areas of expertise of our executive officers as of the date of this Offering Memorandum:

Mauricio del Valle Ramos: See “—Board of Managers.”

Alfredo Salvo Domínguez: Mr. Salvo has been with the Company since 2019. He is the former Head of M&A at América Móvil, former head of Financing at América Móvil, and former Head of Investments at Blue Marine. Mr. Salvo has experience investing and funding across several infrastructure segments. He received a bachelor’s degree from Universidad Anahuac Mexico and a Master of Economics from New York University.

Gerardo Cervantes Mosqueda: Mr. Cervantes has been with the Company since 2019. He previously held positions at ENEL as Chief Commercial Officer for Mexico & Central America, and as Power Director at Naturgy (Gas Natural Fenosa). He received a bachelor’s degree from Tecnológico de Monterrey and a master’s degree from IPADE Business School.

Hugo Rafael Alvear Jiménez: Mr. Alvear has been with the Company since 2022. He previously held positions as Country Operations and Plant Manager at Kallpa Generation and Chief Operations Leader at TEBSA. Mr. Alvear received a bachelor’s degree from Universidad del Norte and a master’s degree from Saïd Business School.

Family Relations

No family relations exist between any of the members of the Issuer’s Board of Managers, our Board of Directors or our executive officers.

PRINCIPAL SHAREHOLDERS

As of the date of this Offering Memorandum, the Issuer's share capital is US\$200,000, represented by 200,000 shares, all of which are held by GIP EM Bronco Luxco S.à r.l., which is an indirect, wholly owned subsidiary of certain investment funds advised and managed by GIP.

As of October 1, 2024, Global Infrastructure Management, LLC was acquired by and became a direct wholly owned subsidiary of BlackRock, Inc., which is one of the world's leading providers of investment, advisory and risk management solutions.

For more information on our corporate structure, see "Summary—Corporate Structure." For more information on GIP, see "Summary—Competitive Strengths—We have an experienced management team backed by a world-class sponsor."

RELATED PARTY TRANSACTIONS

The following is a description of certain transactions since January 1, 2022 to which we have been a party and in which our indirect controlling shareholder or one or more of our directors, the members of our senior management or, or an affiliate or immediate family member thereof, had or will have a direct or indirect material interest. It is our policy to conduct all related party transactions at an arm's-length basis. The Issuer believes the terms obtained or consideration that it paid or received, as applicable, in connection with the transactions described below were comparable to terms available or the amounts that would be paid or received, as applicable, from unaffiliated third parties.

In the ordinary course of our business, we engage in a number of transactions with our indirect controlling shareholder and with companies that are owned or controlled, directly or indirectly, by our indirect controlling shareholder or an affiliate thereof.

Loans incurred at the level of certain shareholders (including the Direct Shareholder)

In 2021 and 2022, certain of our indirect shareholders incurred certain ten-year payment in kind loans, as borrowers, owing to Electricidad Firme de México Holdings, S.A. de C.V., as lender, in an original aggregate principal amount of US\$145.0 million (the "Payment in Kind Shareholder Loans"). As of September 30, 2024, the aggregate principal amount outstanding, *plus* accrued interest (including interest paid in kind), was US\$167.1 million. The Payment in Kind Shareholder Loans accrue payment-in-kind interest at an annual rate of 5.26%. We intend to set off and fully terminate and discharge the obligations payable by our indirect shareholders under the Payment in Kind Shareholder Loans after the Issue Date.

In addition, in 2022, Electricidad Firme de México Holdings, S.A. de C.V., as lender, and the Direct Shareholder, as borrower, entered into a ten-year loan in an original aggregate principal amount of US\$1.3 million. As of September 30, 2024, the aggregate amount outstanding, *plus* accrued interest (including interest paid in kind), was US\$1.4 million. This loan accrues payment-in-kind interest at an annual rate of 5.26%.

In 2021, El Aguila Holdings B.V., as lender, and the Direct Shareholder, as borrower, have entered into a four-year loan in an original aggregate principal amount of US\$7.0 million. As of September 30, 2024, the aggregate amount outstanding, *plus* accrued interest, was US\$7.0 million.

In the ordinary course of our business, we engage in a number of transactions with our indirect controlling shareholder and with companies that are owned or controlled, directly or indirectly, by our indirect controlling shareholder or an affiliate thereof.

DESCRIPTION OF THE NOTES

The following summary of certain provisions of the Indenture and the Notes (including the related Note Guarantees) is not complete and is subject to, and qualified in its entirety by reference to, all of the provisions of the Indenture and the Notes. The holders of the Notes will be entitled to the benefits of, be bound by, and be deemed to have notice of, all of the provisions of the Indenture and the Notes, including, without limitation, the immunities and rights of the Indenture Trustee.

General

In this “Description of the Notes,” the words “Company” or “Issuer” refers only to Saavi Energia S.à r.l. (formerly, GIP EM Bronco Luxco 2 S.à r.l.), a *société à responsabilité limitée*, incorporated and existing under the laws of the Grand Duchy of Luxembourg (“Luxembourg”), registered with the Luxembourg Trade and Companies Register under number B269128 and with registered office at 18, Rue Charles Darwin, L-1433 Luxembourg, Grand Duchy of Luxembourg, and not to any of its Subsidiaries, as defined herein. The definitions of certain other terms used in this description are set forth throughout the text or under “Certain Definitions.”

The Company will issue US\$1,100,000,000 in aggregate principal amount of 8.875% Senior Notes due 2035 (the “Notes”). The Notes will be issued under an indenture (the “Indenture”) to be dated as of the Issue Date between the Company and The Bank of New York Mellon, as trustee (the “Indenture Trustee”) registrar, transfer agent and paying agent.

The Notes will constitute senior unsecured obligations of the Issuer and will rank equally in right of payment with all of the Issuer’s existing and future senior unsubordinated indebtedness.

The Notes will be due and payable on February 10, 2035.

The Indenture will not be qualified under the Trust Indenture Act of 1939, as amended, and holders of the Notes will not be entitled to the protections provided under the Trust Indenture Act to holders of debt securities issued under an indenture that is so qualified.

As of the Issue Date there will be no Unrestricted Subsidiaries and no Project Finance Subsidiaries other than Saavi Imperial Power, which is a subsidiary of Cometa Energía, S.A. de C.V. and which will be an Unrestricted Subsidiary. Under the circumstances described below in the covenant “—Negative Covenants of the Company and the Restricted Subsidiaries—Limitation on Designation of Unrestricted Subsidiaries and Project Finance Subsidiaries” the Company will be permitted to designate additional Subsidiaries as “Unrestricted Subsidiaries” and “Project Finance Subsidiaries.” Unrestricted Subsidiaries will not be subject to any of the restrictive covenants in the Indenture. Further, Unrestricted Subsidiaries and Project Finance Subsidiaries will not guarantee the Notes.

Status, Ranking and No Recourse

The Notes:

- will be general, unsecured, senior obligations of the Company;
- will rank equally in right of payment with all existing and future Senior Indebtedness of the Company;
- will be effectively subordinated to all future secured Indebtedness of the Company, to the extent of the value of the collateral securing such secured Indebtedness;
- will be structurally subordinated to all existing and future Indebtedness, claims of holders of Preferred Stock and other liabilities of Subsidiaries of the Company; and
- will rank contractually senior in right of payment to all future Subordinated Indebtedness of the Company.

All obligations in connection with the Notes are solely obligations of the Company, with no recourse to any other Person or entity. No Person nor any Permitted Holder or any other Affiliate of the Company, or any of their respective incorporators, stockholders, members, managers, representatives, partners, directors, officers or employees, has guaranteed or will guarantee the payment of the Notes or have any obligation or liability with respect to payment of the Notes or in respect of the Company's obligations under the Notes and/or any of the other Financing Documents. Each holder of Notes by accepting a Note waives and releases all such liability.

The waiver and release are part of the consideration for issuance of the Notes. The waiver may not be effective to waive liabilities under the federal securities laws.

The Notes will be structurally subordinated to all existing and future Indebtedness, claims of holders of Preferred Stock and other liabilities of Subsidiaries of the Company. As of September 30, 2024, on a *pro forma* basis after giving effect to this offering, the Company would have had US\$1,100 million of Indebtedness outstanding, all of which would be in the form of the Notes. As of September 30, 2024, the Company had a total debt (total long-term debt excluding the impact of related accrued interest and deferred financing costs, net) on a consolidated basis of US\$2,255.0 million and also had a maximum exposure under letter of credits amounting to US\$285.0 million. As indicated above, payments on the Notes will be structurally subordinated to all Indebtedness and other liabilities of the Company's Subsidiaries. See "Risk Factors—Risks Related to Mexico – Our level of indebtedness may adversely affect our business, results of operations, financial condition and our ability to comply with our obligations under the notes."

Principal, Maturity and Interest

The Notes will bear interest at 8.875% per annum from February 10, 2025 or from the immediately preceding interest payment date to which interest has been paid, payable semi-annually in arrears on each Scheduled Payment Date of each year, commencing on August 10, 2025, to the holders of record of the Notes at the close of business on January 26 or July 26, respectively, immediately preceding the corresponding interest payment date (each, a "Regular Record Date"). Interest on the Notes will be computed on the basis of a 360-day year of twelve 30-day months.

The Notes will bear an additional 2.0% interest beginning at the time that an Event of Default has occurred and while such Event of Default is continuing.

Principal on the Notes will be paid on February 10, 2035 (the "Maturity Date"). The Notes will not be entitled to the benefit of any sinking fund to retire them.

Note Guarantees

General

As of the Issue Date, none of the Company's Subsidiaries will guarantee the Notes. The Indenture will provide that any Restricted Subsidiary may, but shall be under no obligation to, execute and deliver a supplemental indenture to the Indenture providing for a Note Guarantee by such Restricted Subsidiary. If any Restricted Subsidiary, in its sole discretion, becomes a Guarantor, then the due and punctual payment of all amounts payable under the Notes, including principal, premium, if any, and interest, together with all other payment obligations of the Company under the Indenture and the Notes, will be unconditionally and irrevocably guaranteed on a senior basis by such Guarantor.

Each Guarantor, if any, that makes a payment under its Note Guarantee will be entitled to contribution from any other Guarantor.

The Indenture will limit the obligations of each Guarantor under its Note Guarantee to an amount not to exceed the maximum amount that can be guaranteed by such Guarantor by law or without resulting in its obligations under its Note Guarantee being voidable or unenforceable under applicable laws relating to fraudulent transfer, or under similar laws affecting the rights of creditors generally. By virtue of this limitation, a Guarantor's obligation under its Note Guarantee could be significantly less than amounts payable with respect to the Notes, or a Guarantor

may have effectively no obligation under its Note Guarantee. See “Risk Factors—Risks Relating to the Notes and Our Corporate and Financing Structure—Fraudulent conveyance laws may void the Notes or subordinate the Notes.”

Release of the Note Guarantees and Guarantors

A Note Guarantee of a Guarantor, if any, will be automatically and unconditionally released (and thereupon shall terminate and be discharged and be of no further force and effect):

- in connection with any sale or other disposition (including by merger or otherwise) of Capital Stock of the Guarantor after which such Guarantor is no longer a Restricted Subsidiary, if the sale of all such Capital Stock of that Guarantor complies with the applicable provisions of the Indenture;
- upon a defeasance or satisfaction and discharge of the Indenture that complies with the provisions under “Defeasance” or “—Satisfaction and Discharge;”
- upon payment in full of the aggregate principal amount of all Notes then outstanding and all other obligations under the Indenture and the Notes then due and owing; or
- if the Company properly designates such Guarantor as an Unrestricted Subsidiary under the Indenture.

Upon any occurrence giving rise to a release of a Note Guarantee as specified above the Indenture Trustee will execute any documents reasonably required (in form and substance reasonably satisfactory to the Indenture Trustee) in order to evidence or effect such release, discharge and termination in respect of such Note Guarantee; *provided* that the Indenture Trustee shall be entitled to an Officer’s Certificate and Opinions of Counsel stating that all conditions precedent to any such release, discharge and termination or other release in the Indenture and the other Financing Documents have been satisfied. Neither the Company nor any Guarantor will be required to make a notation on the Notes to reflect any Note Guarantee or any such release, termination or discharge.

Further Issuances

The Company will initially issue an aggregate of US\$1,100,000,000 of Notes, but may, subject to the limitations set forth under “Negative Covenants of the Company and the Restricted Subsidiaries—Limitation on Incurrence of Additional Indebtedness,” issue an unlimited principal amount of the Notes.

The Company may, without your consent, issue additional Notes (the “Additional Notes”) in one or more transactions, which have substantially identical terms (other than issue price, date of issuance and date from which the interest will accrue) as the Notes issued on the Issue Date. Such Additional Notes may be issued with the same or different CUSIP numbers; *provided, however*, that unless such Additional Notes are fungible with the Notes for U.S. federal income tax purposes, such Additional Notes must be issued under a different CUSIP number. Any Additional Notes will be consolidated and form a single class with the other Notes issued on the Issue Date, so that, among other things, holders of any Additional Notes will have the right to vote together with holders of Notes issued on the Issue Date as one class. Unless the context otherwise requires, for all purposes under the Indenture and this “Description of the Notes,” references to the Notes includes any Additional Notes actually issued.

Form, Denomination and Registration

The Global Notes (and beneficial interests therein) will be issued in registered form only, without interest coupons, in denominations of US\$200,000 and integral multiples of US\$1,000 in excess thereof. No Notes will be issued in bearer form. Notes offered and sold in reliance upon Rule 144A under the Securities Act will be issued in the form of one or more Rule 144A Global Notes. Notes offered and sold in reliance on Regulation S under the Securities Act will be issued in the form of one or more Regulation S Global Notes. Each of the Global Notes will be initially registered in the name of The Depositary Trust Company (“DTC”) or its nominee and deposited with the Indenture Trustee as custodian for DTC. Beneficial interest in the Global Notes will be shown on, and transfers thereof will be affected only through, the book entry records maintained by DTC and its direct and indirect participants (including Euroclear and Clearstream).

Payments and Paying Agents

The Company will make all payments on the Notes exclusively in such coin or legal currency of the United States as at the time of payment will be legal tender for the payment of public and private debts.

The Company will make payments of principal and interest on the Notes to the Indenture Trustee, which will pass such funds to the paying agents or to the holders of the Notes. Initially, the Indenture Trustee will act as registrar, transfer agent and paying agent for the Notes.

The Company will make payments of principal upon surrender of the relevant Notes at the specified office of the Indenture Trustee or any of the paying agents. The Company will pay interest on the Notes to the Persons in whose name the Notes are registered on the Regular Record Date. Payments of principal and interest in respect of each Global Note will be paid by wire transfer of immediately available funds to DTC. Payments of principal and interest in respect of any certificated notes will be made by Dollar check drawn on a bank in the City of New York and mailed to the holder of such Note at its registered address. Upon application by the holder of at least US\$1 million in aggregate principal amount of Notes to the specified office of the Indenture Trustee or any paying agent not less than 15 days before the due date for any payment in respect of a Note, such payment may be made by transfer to a Dollar account maintained by the payee with a bank in The City of New York.

All payments will be subject in all cases to any applicable tax or other laws and regulations, but without prejudice to the provisions of “—Additional Amounts.” For the purposes of the preceding sentence, the phrase “applicable tax or other laws and regulations” will include any obligation on the Company to withhold or deduct from a payment pursuant to FATCA (as defined below). No commissions or expenses will be charged to the holders in respect of such payments.

Subject to any applicable abandoned property law, the Indenture Trustee and the paying agents will pay to the Company upon its request any monies held by them for the payment of principal or interest that remains unclaimed for two years, and, thereafter, holders entitled to such monies must look to the Company for payment as its general creditors. After the return of such monies by the Indenture Trustee or the paying agents to the Company, neither the Indenture Trustee nor the paying agents shall be liable to the holders in respect of such monies.

Open Market Purchases

To the extent permitted under applicable law, the Company, the Restricted Subsidiaries and their respective Affiliates may acquire Notes by means other than a redemption, whether pursuant to a tender offer, privately negotiated transaction, open market purchase or otherwise, so long as the acquisition does not violate the terms of the Indenture.

Optional Redemption with Make-Whole Premium

The Company may redeem on one or more occasions some or all of the Notes before they mature.

Prior to February 10, 2030, the Notes will be redeemable, in whole or in part, at the Company’s option at any time and from time to time at a redemption price equal to the greater of (1) 100% of the principal amount of the Notes to be redeemed and (2) the present value at such redemption date of (i) the redemption price of Notes at February 10, 2030 (such redemption price being set forth under “—Optional Redemption without Make-Whole Premium”), *plus* (ii) all required interest payments that would otherwise be due to be paid during the period between the redemption date and February 10, 2030 (excluding accrued and unpaid interest and any Additional Amounts (as defined below) to the redemption date), discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the applicable Treasury Rate plus 50 basis points, plus, in either case accrued and unpaid interest and Additional Amounts, if any, on the principal amount being redeemed to such redemption date.

The Company shall be responsible for determining the redemption price of the Notes in connection with any such redemption, and the Indenture Trustee shall have no duty to verify any such determination.

Optional Redemption without Make-Whole Premium

At any time, or from time to time, after February 10, 2030, the Company may redeem the Notes, at its option, in whole or in part, at the following redemption prices, expressed as percentages of the principal amount on the redemption date, plus any accrued and unpaid interest to, but excluding, the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date), if redeemed during the twelve-month period commencing on February 10 of any year set forth below:

Year	Percentage
2030	104.438%
2031	102.958%
2032	101.479%
2033 and thereafter	100.000%

Optional Redemption upon Equity Event

In addition, at any time, or from time to time, on or prior to February 10, 2028, the Company may, at its option, use the net cash proceeds of one or more Equity Events to redeem in the aggregate up to 40% of the aggregate principal amount of the Notes originally issued at a redemption price equal to 108.875% of the principal amount thereof, plus accrued and unpaid interest to, but excluding, the date of redemption (subject to the right of the holders of record on the relevant record date to receive interest due on the relevant interest payment date); *provided, however*, that at least 50% of the original aggregate principal amount of the Notes must remain outstanding immediately after giving effect to each such redemption (excluding any Notes held by the Company or any of its Subsidiaries). Notice of any such redemption must be given not more than 180 days after the date of the closing of the relevant Equity Event.

Optional Redemption upon Tax Event

At any time on or after the Issue Date, upon the occurrence of any of the following:

- (1) any change in, repeal of, or amendment to, the laws or treaties (or any regulations or rulings promulgated thereunder) of Luxembourg or any other Relevant Taxing Jurisdiction affecting taxation (including any announced prospective changes), which change or amendment becomes effective on or after the date of the Indenture (or, if the Relevant Taxing Jurisdiction became a Relevant Taxing Jurisdiction after the date of the Indenture, the date on which the then-current Relevant Taxing Jurisdiction became a Relevant Taxing Jurisdiction under the Indenture) to the extent not publicly announced before the date of the Indenture; or
- (2) any change in the existing official position regarding the application or interpretation of such laws, treaties, regulations or rulings (including a holding, judgment or order by a court of competent jurisdiction), which change, amendment, application or interpretation becomes effective on or after the date of the Indenture (or, if the Relevant Taxing Jurisdiction became a Relevant Taxing Jurisdiction after the date of the Indenture, the date on which the then-current Relevant Taxing Jurisdiction became a Relevant Taxing Jurisdiction under the Indenture) to the extent not publicly announced before the date of the Indenture;

then, the Issuer may, at its option, redeem all, but not less than all, of the then-outstanding Notes upon giving prior written notice to the Indenture Trustee and giving not less than 10 nor more than 60 days' notice to the holders of the Notes, at a redemption price equal to 100% of the aggregate outstanding principal amount thereof, plus accrued and unpaid interest and Additional Amounts thereon, if any, to, but excluding, the date fixed by the Issuer for redemption, if the Board of Directors of the Issuer determines in good faith that the Issuer has become obligated, or on the occasion of the next Scheduled Payment Date in respect of the Notes will be obligated, to pay Additional Amounts greater than the Additional Amounts that the Issuer would be required to pay absent such change. Notwithstanding the foregoing, the Issuer shall not be entitled to redeem the Notes pursuant to the preceding provisions of this section if the obligation to pay such Additional Amounts could be avoided by the Issuer taking commercially reasonable measures available to it (including, without limitation, making payment through a paying agent located in another jurisdiction). For the avoidance of doubt, reasonable measures do not include changing the jurisdiction of incorporation of the Issuer or any successor to the Issuer.

The notice of redemption may not be given earlier than 90 days prior to the earliest date on which the Issuer would be obligated to pay Additional Amounts if a payment in respect of the Notes were then due. Prior to the delivery or, where relevant, mailing of any notice of redemption of the Notes pursuant to the foregoing, the Issuer will deliver to the Indenture Trustee:

(1) an Officer's Certificate stating that the Issuer is entitled to effect such redemption in accordance with the terms of the Indenture and setting forth in reasonable detail a statement of facts showing that the conditions precedent to the right of the Issuer to so redeem have occurred and that there are no commercially reasonable measures available to it which could be taken to avoid such obligation to pay such Additional Amounts; and

(2) a written opinion of counsel and/or written advice of a qualified tax expert, such counsel or tax expert being from an internationally recognized law or accounting firm, that the Issuer has or will become obliged to pay Additional Amounts in excess of the Additional Amounts the Issuer otherwise would be required to pay absent such change in accordance with this "Optional Redemption Upon Tax Event" as a result of the occurrence of one or more of the circumstances referred to in the first paragraph of this section.

The Indenture Trustee will accept and will be entitled to conclusively rely upon the Officer's Certificate and opinion or such written advice as sufficient evidence of the satisfaction of the conditions precedent described above.

Optional Redemption Procedures

The procedures in this "Optional Redemption Procedures" section will apply to any redemption pursuant to "—Optional Redemption with Make-Whole Premium," "—Optional Redemption without Make-Whole Premium" and "—Optional Redemption upon Tax Event" above. In the event that less than all of the Notes are to be redeemed at any time, selection of Notes for redemption will be made, (a) in the case of certificated notes, by the Indenture Trustee by lot; or (b) in the case of global notes, by the applicable depository in accordance with its customary policies and procedures. No Notes of a principal amount of US\$200,000 or less may be redeemed in part and Notes of a principal amount in excess of US\$200,000 may be redeemed in multiples of US\$1,000 only.

Notice of any redemption will be given to the Indenture Trustee at least 10 days before the redemption date (or such shorter notice as may be acceptable to the Indenture Trustee) and the Indenture Trustee shall in turn transmit notice of any such redemption to each holder of the Notes at least 5 but not more than 60 days before the redemption date in accordance with the provisions described under "—Notices."

If Notes are to be redeemed in part only, the notice of redemption will state the portion of the principal amount thereof to be redeemed. A new Note in a principal amount equal to the unredeemed portion thereof (if any) will be issued in the name of the holder thereof upon cancellation of the original Note (or adjustments to the amount and beneficial interests in a global note will be made, as appropriate).

We will pay the redemption price for any Note together with accrued and unpaid interest and Additional Amounts, if any, thereon up to, but not including, the date of redemption. On and after the redemption date, interest will cease to accrue on Notes or portions thereof called for redemption as long as we have deposited with the paying agent funds in satisfaction of the applicable redemption price pursuant to the Indenture. Upon redemption of any Notes by us, such redeemed Notes will be cancelled.

Any notice of redemption may, at our discretion, be subject to one or more conditions precedent, including completion of a refinancing transaction or other corporate transaction. In addition, if such redemption or purchase is subject to satisfaction of one or more conditions precedent, we may, in our discretion, delay the redemption date until such time (but no more than 60 days after the date of the notice of redemption) as any or all such conditions shall be satisfied or waived, or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied or waived by the redemption date, or by the redemption date so delayed.

Notwithstanding the foregoing provisions of this "Optional Redemption Procedures" section, we are not prohibited from acquiring the Notes by means other than a redemption, whether pursuant to a tender offer, open market purchase or otherwise.

Mandatory Redemption Provisions; Purchases of Notes

The Notes will be subject to mandatory redemption prior to their Stated Maturity at a redemption price equal to 100% of the outstanding principal amount of the Notes being redeemed, plus accrued and unpaid interest to the redemption date, plus Additional Amounts, if any (but without payment of any premium), payable in respect of the Notes. For the avoidance of doubt, the proceeds being applied to a mandatory redemption of the Notes will also be applied *pro rata* to the repayment and/or redemption of principal, accrued and unpaid interest, and Additional Amounts, if any, payable in respect of any Additional Debt that by its terms requires such redemption.

The Company will not be required to make any mandatory redemption or sinking fund payments with respect to the Notes.

Repurchase Upon Change of Control Repurchase Event

Except as otherwise described below, by no later than 30 days after the occurrence of a Change of Control Repurchase Event, the Company must give notice thereof to the Indenture Trustee and the holders of the Notes (which notice may be delivered by the Indenture Trustee, upon the written request and at the expense of the Company) a notice (a “Change of Control Notice”) offering to purchase all of the Notes then outstanding on a selected date that is no earlier than 30 days and no later than 60 days (or such additional time as may be required by Applicable Laws) after the date of such notice, which selected date must be a Business Day (such offer, a “Change of Control Offer”). In connection with any Change of Control Offer, the Company will hold such offer open for at least 20 (but not more than 30) Business Days (or such additional time as may be required by Applicable Laws).

The Change of Control Notice must advise each holder of the Notes in sufficient detail as to how to tender its Notes should it elect to accept such offer.

The Company will: (a) subject to the next paragraph, accept (except to the extent such would violate Applicable Laws) for purchase all or any part (equal to US\$200,000 and multiples of US\$1,000 in excess thereof) of the Notes that have been tendered in (but not withdrawn from) such Change of Control Offer, and (b) pay (such payment to be made in Dollars) each applicable holder for its Notes a purchase price equal to 101% of the principal amount outstanding of such Notes plus all accrued and unpaid interest (if any) thereon to but excluding the purchase date plus Additional Amounts, if any, payable in respect of such Notes.

In any such Change of Control Offer, a holder may elect to condition its tender of its Notes subject to the condition that a minimum percentage (selected by such holder) of the outstanding principal balance of the Notes has been tendered in (but not withdrawn from) the offer; *it being understood* that, in determining whether such percentage has been achieved, the Notes of such holder and other holders that have so conditioned their tenders with the same or a higher percentage will not be considered to have been tendered. The Company shall be responsible for determining whether the applicable percentage has been achieved. The Indenture Trustee shall have no obligation to make this determination.

If the Company purchases only a portion of an outstanding Note in connection with a Change of Control Offer, the Company will, promptly upon cancellation of the original Note, issue in the name of the holder thereof a new Note in a principal amount equal to the portion thereof not purchased. The unpurchased portion of any Note will not be less than the minimum denomination of a Note specified in “Book-Entry; Settlement and Clearance.”

The Company will comply, to the extent applicable, with the requirements of Rule 14e-1 under the Exchange Act and any other Applicable Laws in connection with a Change of Control Offer. To the extent that the provisions of any Applicable Laws conflict with provisions of this covenant, the Company will comply with such Applicable Laws and will not be deemed to have breached its obligations under this covenant by virtue of its compliance with such Applicable Laws.

Each registered holder of the Notes (except as otherwise required by law) will be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, writing on, or theft or loss of, the definitive Note issued in respect of it) and no Person will be liable for so treating the holder.

If holders of not less than 90% in aggregate principal amount of the outstanding Notes validly tender and do not withdraw such Notes in connection with any tender offer or a Change of Control Offer and the Company, or any third party making a Change of Control Offer in lieu of the Company as described below, purchases all of the Notes validly tendered and not withdrawn by such holders, the Company will have the right, upon not less than 10 nor more than 60 days' prior notice, given not more than 30 days following such purchase pursuant to the Change of Control Offer described above, to redeem all Notes that remain outstanding following such purchase at a redemption price in cash equal to the applicable payment in the Change of Control Offer plus, to the extent not included in such payment, accrued and unpaid interest, if any, thereon, to, but not including, the date of redemption, plus Additional Amounts, if any, payable in respect of such Notes. In determining whether the holders of at least 90% of the aggregate principal amount of the outstanding Notes have validly tendered and not validly withdrawn such Notes in a tender offer, including a Change of Control Offer, Notes owned by the Company or its Affiliates or by funds controlled or managed by any Affiliate of the Company, or any successor thereof, shall be deemed to be outstanding for the purposes of such tender offer or Change of Control Offer.

The Company will not be required to make a Change of Control Offer upon a Change of Control Repurchase Event if (1) a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by the Company and purchases all Notes properly tendered and not withdrawn under the Change of Control Offer, or (2) notice of redemption has been given pursuant to the Indenture as described above under the caption “—Optional Redemption with Make-Whole Premium,” “—Optional Redemption without Make-Whole Premium,” “—Optional Redemption upon Tax Event,” unless and until there is a default in payment of the applicable redemption price. A Change of Control Offer may be made in advance of a Change of Control Repurchase Event, with the obligation to pay and the timing of payment conditioned upon the occurrence of a Change of Control Repurchase Event, if a definitive agreement to effect a Change of Control is in place at the time the Change of Control Offer is made.

Additional Amounts

All payments made of, or in respect of, principal, interest or premium, if any, under or with respect to the Notes or the Note Guarantees will be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, levies, imposts, assessments or other governmental charges of whatever nature (including related penalties, interest and other liabilities) (“Taxes”) imposed or levied by or on behalf of the government of Luxembourg, or any political subdivision or any authority or agency therein or thereof having power to tax, or any other jurisdiction in which the Issuer or any Guarantor (or any successor of the Issuer or any Guarantor) is organized, incorporated or is otherwise resident for tax purposes, or any jurisdiction from or through which payment is made (each, a “Relevant Taxing Jurisdiction”), unless the Issuer or such Guarantor is required to withhold or deduct Taxes by law.

If the Issuer or any Guarantor or any paying agent is so required to withhold or deduct any amount for or on account of Taxes imposed by a Relevant Taxing Jurisdiction from any payment made under or with respect to the Notes and the Note Guarantees, the Issuer or the Guarantor, as the case may be, will pay such additional amounts (“Additional Amounts”) as may be necessary so that the net amount received by the holders of the Notes and beneficial owners of the Notes (including Additional Notes) after such withholding or deduction will not be less than the amount the holders of the Notes and beneficial owners would have received if such Taxes had not been withheld or deducted; *provided, however*, that the foregoing obligation to pay Additional Amounts does not apply to:

- (1) any Taxes that would not have been so imposed but for:
 - (a) the existence of any present or former connection between the holder or beneficial owner of such Note or Note Guarantee (or between a fiduciary, settlor, beneficiary, member or shareholder of such holder, if such holder or beneficial owner is an estate, a trust, a partnership, or a corporation) and the Relevant Taxing Jurisdiction, including such holder or beneficial owner being or having been a national, domiciliary or resident of or treated as a resident thereof or being or having been physically present or engaged in a trade or business therein or having or having had a permanent establishment, other than solely holding such Note or Note Guarantee, receiving payments of any nature on the Note or Note Guarantee, or enforcing rights under the Note or Note Guarantee;

(b) the presentation of such Note (in cases in which presentation is required) more than 30 days after the later of the date on which the payment of the principal of, or interest or premium, if any, on, such Note became due and payable pursuant to the terms thereof or was made or duly provided for, except to the extent that the holder or beneficial owner thereof would have been entitled to such Additional Amounts if it had presented such Note for payment on any date within such 30-day period; or

(c) the failure of the holder or beneficial owner to comply with any certification, identification or other reporting requirement concerning nationality, residence, identity or connection with the Relevant Taxing Jurisdiction of the holder or beneficial owner of such Note if compliance is required by law, regulation or by an applicable income tax treaty to which the Relevant Taxing Jurisdiction is a party, as a precondition to exemption for, or reduction in the rate of tax, assessment or other governmental charge and the Issuer or the relevant Guarantor, if applicable, has given any such holder reasonable advance notice to comply with such certification, identification or other reporting requirement;

(2) any estate, inheritance, gift, sales, transfer, capital gains, personal property Tax or similar Tax;

(3) any Taxes which are payable otherwise than by deduction or withholding from payments of (or in respect of) principal of, or any premium or interest on, the Notes or the Note Guarantees;

(4) any payment under or with respect to a Note or Note Guarantee to any holder who is a fiduciary or partnership or any Person other than the sole beneficial owner of such payment, to the extent that a beneficiary or settlor with respect to such fiduciary, a member of such a partnership or the beneficial owner of such payment would not have been entitled to the Additional Amounts had such beneficiary, settlor, member or beneficial owner been the actual holder of such Note or Note Guarantee;

(5) where such withholding or deduction is imposed on or in respect of any Note pursuant to Sections 1471 to 1474 of the Code, any successor law or regulation implementing or complying with, or introduced in order to conform to, such sections or any intergovernmental agreement or any agreement entered into pursuant to Section 1471(b)(1) of the Code ("FATCA");

(6) any Taxes arising as a result of the entry into force of the Dutch Withholding Tax Act 2021 (*Wet Bronbelasting 2021*) on January 1, 2021, substantially in the form as published in the Official Gazette (*Staatsblad*) Stb. 2019, 513 of December 27, 2019 (or any successor regulation thereof);

(7) where such withholding or deduction is imposed on or in respect of any Note pursuant to Luxembourg law dated 23 December 2005 as amended, at the date of this issuance of the Note(s), introducing a withholding tax on certain payments made to Luxembourg individual residents; or

(8) any combination of clauses (1) through (7) above.

In addition, the limitations on the obligation to pay Additional Amounts set forth in clause (1)(c) above shall not apply with respect to payments made by any Guarantor or other Person that is a resident of Mexico for tax purposes regardless of whether Subsection a) of Section II of Article 166 of the Mexican Income Tax Law is in effect or is applicable to payments under the Notes.

In addition, clause (1)(c) above shall not be construed to require a non-Mexican pension or retirement fund, a non-Mexican tax-exempt organization, a non-Mexican financial institution or any other holder or beneficial owner of a note to obtain registration or make any other filing with the Mexican Ministry of Finance and Public Credit for the purpose of establishing eligibility for an exemption from or reduction of withholdings or deductions for Mexican Taxes.

If the Issuer or any Guarantor, if any, will be obligated to pay Additional Amounts with respect to any payment under or with respect to the Notes or the Note Guarantees, respectively, the Issuer or such Guarantor, as applicable, will deliver to the Indenture Trustee notice of payment in the form of an Officer's Certificate no later than three Business Days prior to the applicable payment date. In either circumstance, the Officer's Certificate must state

that Additional Amounts will be payable and the amount so payable. The Officer's Certificate must also set forth any other information necessary to enable the paying agent to pay Additional Amounts to holders of the Notes and beneficial owners on the relevant payment date.

The Issuer will provide the Indenture Trustee with official receipts or other documentation satisfactory to the Indenture Trustee evidencing the payment of the Taxes with respect to which Additional Amounts are paid. Copies of such documentation will be made available to the holders of the Notes, beneficial owners of the Notes or the paying agent, as applicable, upon request therefor.

Whenever there is mentioned, in any context, the payment of principal, interest, premium or Additional Amounts, if any, or any other amount payable on or with respect to any of the Notes, that reference will be deemed to include payment of Additional Amounts provided for in this section to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

The Issuer or any Guarantor will pay any present or future stamp, issue, registration, court or documentary taxes or any other excise or property Taxes, charges or similar levies that arise in any jurisdiction from the execution, issue delivery, enforcement or registration of the Notes, the Note Guarantees, the Indenture or any other related document or instrument, or the receipt of any payments with respect to the Notes or the Note Guarantees, excluding taxes, charges, duties or similar levies imposed by any jurisdiction outside of a Relevant Taxing Jurisdiction, except for any Luxembourg registration duties (*droits d'enregistrement*) payable in case of voluntary registration in respect to the Notes, Note Guarantees, the Indenture or any other related document or instrument with the *Administration de l'Enregistrement, des Domaines et de la TVA* in Luxembourg where such registration, submission or filing is or was not required to maintain, preserve, or enforce the rights of the holders of the Notes.

The above obligations will survive following any termination, defeasance or discharge of the Indenture, any transfer by a holder or beneficial owner of its Notes, and will apply, *mutatis mutandis*, to any jurisdiction in which any successor Person to the Issuer or any Guarantor is then organized, incorporated or is otherwise resident for tax purposes or any jurisdiction from or through which payment is made, or any political subdivision or any authority or agency therein or thereof having power to tax.

Affirmative Covenants of the Company and the Restricted Subsidiaries

Set forth below are summaries of certain affirmative covenants contained in the Indenture.

Compliance with Laws, Etc.

The Company will, and will cause each Restricted Subsidiary to, comply with all Applicable Laws and all orders, writs, injunctions and decrees applicable to it or to its business or property (including any Environmental Law), except where any failure to so comply could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; *provided* that the Company or any of the Restricted Subsidiaries may, at its expense, contest by appropriate proceedings conducted in good faith the validity or application of any such requirement of Applicable Law, so long as the institution of such proceedings would not reasonably be expected to result in a Material Adverse Effect.

Payment of Obligations

Each of the Company and the Guarantors, if any, will pay, discharge or otherwise satisfy in full, at or before maturity or before they become delinquent, all of its respective obligations and liabilities arising pursuant to the Notes or the Note Guarantees, as applicable, including all payments of principal, interest, any premium and any Additional Amounts.

The Company will, and will cause each Restricted Subsidiary to, pay and discharge as the same become due and payable all of its obligations and liabilities, including (i) all tax liabilities, assessments and governmental charges or levies upon it or its properties or assets, unless the same are subject to contest in good faith and for which reasonable reserves have been provided for; (ii) all premiums owed under any insurance policies and (iii) all lawful claims that, if unpaid, would by law become a Lien upon its properties, except in the case of clauses (i), (ii) and (iii)

where the failure to do so could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

Preservation of Existence, Etc.

The Company will, and will cause each Restricted Subsidiary to, (i) preserve and maintain its corporate existence, and (ii) take all reasonable action to obtain and maintain in full force and effect all governmental authorizations and all other rights, privileges, permits, licenses and franchises necessary or desirable in the normal conduct of its business, except where the failure to maintain such governmental authorizations could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

Use of Proceeds

The Company shall use the net proceeds from the offering of the Notes in the manner set forth in this offering memorandum under “Use of Proceeds.”

Maintenance of Ratings

The Company will at all times use commercially reasonable efforts to maintain a rating of the Notes by at least two Rating Agencies, *provided, however*, that, in the event that one or more Rating Agency (i) ceases to exist, (ii) ceases to issue ratings of the type issued in respect of the Notes as of the Issue Date or (iii) refuses or otherwise declines to provide a rating for the Notes (other than due to the Company’s failure to (A) provide such Rating Agency with such reports and other information or documents, as such Rating Agency shall reasonably request to monitor and continue to assign ratings to the Notes, (B) pay customary fees to such Rating Agency in connection therewith or (C) take any other action reasonably requested by such Rating Agency in connection therewith) (and, in each of cases (i) through (iii) above, the Company is unable to substitute another Rating Agency in place of such Rating Agency), the failure by the Company to obtain or maintain such rating shall not constitute a Default or Event of Default; *it being understood* that the Company shall not request any Rating Agency to cease rating the Notes and/or the Company. For the avoidance of doubt, the Company shall not have any obligation to maintain any particular minimum rating or level of rating in respect of itself or the Notes.

Distributions

The Company shall cause the Restricted Subsidiaries to make distributions in amounts, to the extent available, that are sufficient in order to cover any amounts of debt service due under the Notes (including any Additional Amounts).

Changes in Covenants When Notes Rated Investment Grade

In the event of the occurrence of a Fall Away Event with respect to the Notes (and notwithstanding the failure of the Company subsequently to maintain an Investment Grade Rating), the covenants and provisions described below under the captions:

- (1) “*Limitation on Incurrence of Additional Indebtedness*”;
- (2) “*Limitation on Restricted Payments*”;
- (3) “*Limitation on Asset Sales*”;
- (4) “*Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries*”;
- (5) clause (d) of the covenant described under “*Limitation on Merger, Consolidation and Sale of Assets*”; and
- (6) “*Limitation on Transactions with Affiliates*,”

shall each no longer be in effect for the remaining term of the Notes.

Negative Covenants of the Company and the Restricted Subsidiaries

Set forth below are summaries of certain negative covenants contained in the Indenture.

Limitation on Incurrence of Additional Indebtedness

(1) The Company will not, and will not permit any of the Restricted Subsidiaries to, directly or indirectly, incur any Indebtedness, except that the Company and any Restricted Subsidiary may incur Indebtedness if, after giving *pro forma* effect to the Incurrence thereof and the application of the proceeds therefrom, the Company's Consolidated Net Leverage Ratio is equal to or less than 6.0 to 1.0; *provided, that*, any Restricted Subsidiary of the Company, that is not a Guarantor, other than any OpCo and any Restricted Subsidiary of any OpCo, may not incur any Indebtedness under this paragraph other than (a) any Indebtedness not to exceed US\$10 million and (b) Indebtedness of such Restricted Subsidiary of the Company under the Electricidad Firme L/C Facility outstanding from time to time in a principal amount not to exceed US\$60.0 million.

The foregoing restrictions on the Incurrence of Indebtedness shall not be applicable with respect to Project Finance Subsidiaries.

(2) Notwithstanding clause (1) above, the Company and the Restricted Subsidiaries, as applicable, may incur the following Indebtedness ("Permitted Indebtedness"); *provided, that*, any Restricted Subsidiary of the Company, that is not a Guarantor, other than any OpCo and any Restricted Subsidiary of any OpCo, may not incur any Permitted Indebtedness under this paragraph:

- (a) Indebtedness in respect of the Notes and the Note Guarantees thereof, excluding any Additional Notes and guarantees thereof;
- (b) Indebtedness of the Company and the Restricted Subsidiaries outstanding on the Issue Date, including Indebtedness under the Electricidad Firme L/C Facility outstanding from time to time in a principal amount not to exceed US\$60.0 million;
- (c) Guarantees by any Restricted Subsidiary of Indebtedness of the Company or any Restricted Subsidiary (other than a Project Finance Subsidiary) permitted under the Indenture; *provided that*, if any such Guarantee is of Subordinated Indebtedness, then the Guarantee of the Company of such Subordinated Indebtedness shall be subordinated to the Notes;
- (d) Permitted Swap Debt entered into by the Company and the Restricted Subsidiaries not for speculative purposes;
- (e) intercompany Indebtedness between the Company and any Restricted Subsidiary (other than a Project Finance Subsidiary) or between any Restricted Subsidiaries (other than a Project Finance Subsidiary); *provided that*:
 - (i) such Indebtedness must be unsecured and, to the extent Incurred by the Company or any Guarantor, expressly subordinated to the prior payment in full of all obligations under the Notes and the Indenture; and
 - (ii) in the event that at any time any such Indebtedness ceases to be held by the Company or a Restricted Subsidiary, such Indebtedness shall be deemed to be Incurred by the Company or the applicable Restricted Subsidiary, as the case may be, and shall be subject to compliance with this covenant and not permitted by this clause (e) at the time such event occurs;
- (f) Indebtedness of the Company or any of the Restricted Subsidiaries arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business; *provided that* such Indebtedness is extinguished within five business days of Incurrence;
- (g) Indebtedness of the Company or any of the Restricted Subsidiaries in respect of performance bonds, bankers' acceptances, workers' compensation claims, bid, surety or appeal bonds, payment obligations in

connection with, insurance premiums or similar obligations, security deposits and bank overdrafts (and letters of credit in connection with, in lieu of or in respect of each of the foregoing);

(h) Refinancing Indebtedness in respect of:

- (i) Indebtedness Incurred pursuant to clause (1) above; or
 - (ii) Indebtedness Incurred pursuant to clause (a), (b), (h) and (u) hereof;
- (i) Indebtedness arising from agreements providing for indemnification, adjustment of purchase price or similar obligations, or Guarantees or letters of credit, surety bonds or performance bonds securing any obligations of the Company or any Restricted Subsidiary pursuant to such agreements, in any case Incurred in connection with the disposition of any business, assets or Subsidiary (other than Guarantees of Indebtedness Incurred by any Person acquiring all or any portion of such business, assets or Subsidiary for the purpose of financing such acquisition), so long as the amount does not exceed the gross proceeds (including non-cash proceeds) actually received by the Company or any Restricted Subsidiary thereof in connection with such disposition;
 - (j) Indebtedness constituting letters of credit (and the reimbursement obligations in respect thereof) entered into in the ordinary course of business;
 - (k) Indebtedness Incurred by the Company or any Restricted Subsidiary in the ordinary course of business to finance working capital; *provided* that the aggregate amount of all such Indebtedness at any time outstanding shall not exceed the greater of (i) US\$157,500,000 and (ii) 35.0% of the Consolidated EBITDA of the Company for the most recently ended Test Period (calculated on a *pro forma* basis);
 - (l) trade liabilities incurred in the ordinary course of business and not overdue by more than 90 days or that are being contested in good faith;
 - (m) Indebtedness in the form of Equity Contribution commitments to a Project Finance Subsidiary;
 - (n) performance or other similar Guarantees by the Company or any Restricted Subsidiary (including any contingent liabilities all calculated in accordance with IFRS) supporting the obligations of a Project Finance Subsidiary under construction management agreements, construction agreements, fuel supply agreements, operation and maintenance agreements, fuel handling agreements and other similar agreements relating to the business of such Project Finance Subsidiary (and letters of credit in connection with, in lieu of or in respect of each of the foregoing);
 - (o) Indebtedness to the extent that the net proceeds thereof are promptly deposited to defease or to satisfy and discharge the Notes in accordance with the Indenture;
 - (p) contractual obligations incurred in the ordinary course of business constituting debt other than debt for borrowed money;
 - (q) Indebtedness with respect to capitalized leases and purchase money obligations to finance the purchase, repair or improvement of fixed or capital assets, not to exceed US\$10 million outstanding, in the aggregate, at any time;
 - (r) lines of credit, letters of credit, letters of guarantee, performance, bid or other bonds and similar obligations for the purpose of importing materials, plant, equipment or spare parts for use in the ordinary course of business;
 - (s) Indebtedness in respect of capital expenditures that are necessary to operate or maintain the business and assets of operating Project Finance Subsidiaries in accordance with Prudent Industry Practices or to comply with applicable law;
 - (t) the Incurrence of Shareholder Subordinated Indebtedness in connection with the declaration and payment of a Shareholder Dividend (as defined below);

- (u) Acquired Indebtedness (not incurred in contemplation of the acquisition), so long as after giving effect to the Incurrence thereof and the application of the proceeds therefrom the Company could incur at least US\$1.00 of additional Indebtedness pursuant to the Consolidated Net Leverage Ratio test set forth in clause (1) above; and
- (v) Indebtedness of the Company or any Restricted Subsidiary in an aggregate principal amount not to exceed the greater of (i) US\$225,000,000 and (ii) 50.0% of the Consolidated EBITDA of the Company for the most recently ended Test Period (calculated on a *pro forma* basis) at any time outstanding.

(3) Neither the Company nor any Guarantor will Incur any Indebtedness that is contractually subordinate in right of payment to any other Indebtedness, unless such Indebtedness is expressly subordinate in right of payment to the Notes to the same extent and on the same terms as such Indebtedness is subordinate to such other Indebtedness; *provided, however*, that no Indebtedness will be deemed to be contractually subordinated in right of payment to any other Indebtedness solely by virtue of being unsecured or by virtue of being secured on a first or junior Lien basis.

(4) For purposes of determining compliance with, and the outstanding principal amount of, any particular Indebtedness Incurred pursuant to and in compliance with this covenant:

- (a) the outstanding principal amount of any item of Indebtedness will be counted only once (without duplication for guarantees or otherwise);
- (b) in the event that an item of Indebtedness meets the criteria of more than one of the categories of Permitted Indebtedness described in clauses (2)(a) through (2)(v) above, or is entitled to be incurred pursuant to clause (1) above, the Company may, in its sole discretion, divide and classify, or at any time reclassify, all or a portion of such item of Indebtedness in any manner that complies with this covenant without giving *pro forma* effect to the Indebtedness (or any portion thereof) Incurred pursuant to clause (2) above when calculating the amount of Indebtedness (or any portion thereof) that may be Incurred pursuant to clause (1) above;
- (c) The amount of Indebtedness Incurred by a Person on the Incurrence date thereof shall equal the amount recognized as a liability on the balance sheet of such Person in accordance with IFRS and the amount of Indebtedness issued at a price that is less than the principal amount thereof will be equal to the amount of liability in respect thereof determined in accordance with IFRS. Accrual of interest, the accretion or amortization of original issue discount, the payment of regularly scheduled interest in the form of additional Indebtedness of the same instrument or the payment of regularly scheduled dividends on Disqualified Capital Stock in the form of additional Disqualified Capital Stock with the same terms will not be deemed to be an Incurrence of Indebtedness for purposes of this covenant; and
- (d) with respect to any U.S. dollar-denominated restriction on the incurrence of Indebtedness, the U.S. dollar- equivalent principal amount of Indebtedness denominated in a foreign currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was incurred, in the case of term Indebtedness, or first committed, in the case of revolving credit Indebtedness; *provided that*, if such Indebtedness is incurred to Refinance other Indebtedness denominated in a foreign currency, and such Refinancing would cause the applicable U.S. dollar-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such Refinancing, such U.S. dollar-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such Refinancing Indebtedness does not exceed the principal amount of such Indebtedness being Refinanced. Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that the Company may incur pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations in the exchange rate of currencies. The principal amount of any Indebtedness incurred to Refinance other Indebtedness, if incurred in a different currency from the Indebtedness being Refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such Refinancing Indebtedness is denominated that is in effect on the date of such Refinancing.

Limitation on Restricted Payments

The Company will not, and will not permit any of the Restricted Subsidiaries to, directly or indirectly, take any of the following actions (each, a “Restricted Payment”):

(1) declare or pay any dividend or make any distribution or return of capital, whether in cash or in kind, on or in respect of shares of Capital Stock of the Company or any Restricted Subsidiary to holders of such Capital Stock, other than:

- (a) dividends, distributions or returns of capital, whether in cash or in kind, or payments or repayments in the form of Subordinated Indebtedness (that, to the extent Incurred by any Guarantor, is expressly subordinated to the prior payment in full of the Notes) to the Company and/or a Restricted Subsidiary (other than a Project Finance Subsidiary, except to the extent that the dividend, distribution or return of capital is made by a Project Finance Subsidiary to another Project Finance Subsidiary); or
- (b) dividends, distributions or returns of capital, whether in cash or in kind, or payments or repayments in the form of Subordinated Indebtedness (that, to the extent Incurred by any Guarantor, is expressly subordinated to the prior payment in full of the Notes) on a *pro rata* basis to the Company and the Restricted Subsidiaries (other than a Project Finance Subsidiary, except to the extent that the dividend, distribution or return on of capital is made by a Project Finance Subsidiary to another Project Finance Subsidiary), on the one hand, and the other holders of Capital Stock of such Restricted Subsidiary, on the other hand (or on a less than *pro rata* basis to any minority holder);

(2) make any principal payment on, purchase, defease, redeem, prepay, decrease or otherwise acquire or retire for value, or make any scheduled repayment or scheduled sinking fund payment of, as the case may be, any Subordinated Indebtedness except (i) a payment of interest, (ii) a repayment, redemption, repurchase, defeasance or acquisition or retirement in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case, due within one year of the date of such repurchase, defeasance or acquisition or retirement and (iii) Subordinated Indebtedness permitted to be Incurred under clause (c) of the definition of “Permitted Indebtedness”; and/or

(3) make any Restricted Investment;

if immediately after giving effect thereto:

- (a) a Default or an Event of Default shall have occurred and be continuing;
- (b) the Company is not able to Incur at least US\$1.00 of additional Indebtedness pursuant to clause (1)(a) of “—Limitation on Incurrence of Additional Indebtedness”;
- (c) the aggregate amount (the amount expended for these purposes, if other than in cash, being the Fair Market Value of the relevant property) of the proposed Restricted Payment and all other Restricted Payments made subsequent to the Issue Date up to the date thereof shall exceed the sum of:
 - (i) 100% of cumulative Consolidated EBITDA of the Company beginning on January 1, 2025, through the last day of the last full fiscal quarter ended for which the Company’s quarterly or annual consolidated financial information is available immediately prior to the date such Restricted Payment; *minus* (y) an amount equal to 150% of the cumulative Consolidated Interest Expense of the Company for such period, *plus*
 - (ii) 100% of the aggregate net cash proceeds and the Fair Market Value of property other than cash received by the Company from any Person from any:
 - (A) (I) contribution to the equity capital of the Company not representing an interest in Disqualified Capital Stock, excluding any Equity Contribution pursuant to (x) the “—Limitation on Designation of Unrestricted Subsidiaries and Project Finance Subsidiaries” covenant below and (y) clause (17) of the definition of “Permitted Investment,” and,

(II) issuance and sale of Qualified Capital Stock of the Company subsequent to January 1, 2025; or

(B) issuance and sale subsequent to January 1, 2025 (and, in the case of Indebtedness of a Restricted Subsidiary, at such time as it was a Restricted Subsidiary) of certain Indebtedness of the Company, any Guarantors or any Restricted Subsidiary (other than a Project Finance Subsidiary) that has been converted into or exchanged for Qualified Capital Stock of the Company; excluding, in each case, any net cash proceeds: (x) received from a Guarantor or a Restricted Subsidiary of the Company; or (y) applied in accordance with the other clauses of this covenant; *plus*

(iii) to the extent that any Restricted Investment is sold for cash or otherwise liquidated or repaid for cash or designated as a Restricted Subsidiary, the cash proceeds with respect to such Restricted Investment (less the cost of disposition, if any) in the case of any sale, liquidation or repayment and the Fair Market Value of the Company's Restricted Investments as of the date of Designation in the case of any Designation; *provided* that, if such Restricted Investment was made prior to the Issue Date, such amount shall not be included in determining if the Company can make a Restricted Payment provided for in clauses (a), (b) and (c) of the first paragraph of this covenant; *plus*

(iv) to the extent that any Unrestricted Subsidiary of the Company designated as such on or after the Issue Date is redesignated as a Restricted Subsidiary and not as a Project Finance Subsidiary, the Fair Market Value of the Company's Investment in such Subsidiary as of the date of such redesignation; and any Project Finance Subsidiary of the Company Designated as such on or after the Issue Date has such Designation revoked and such Project Finance Subsidiary remains a Restricted Subsidiary after the Issue Date, the Fair Market Value of the Company's Investment in such Subsidiary as of the date of such revocation; *plus*

(v) to the extent that the Company, any Guarantors or a Restricted Subsidiary terminates all or any part of any commitment to make an Investment that was previously accounted for as a Restricted Payment, the amount of the terminated commitment; *plus*

(vi) to the extent not included above under this clause, 100% of any dividends, distributions or cash received by the Company, any Guarantors or any of the Restricted Subsidiaries from an Unrestricted Subsidiary, Project Finance Subsidiary or any Person in which the Company, a Guarantor or a Restricted Subsidiary owns a minority interest; *plus*

(vii) the Starter Amount.

(d) Notwithstanding the foregoing, in the event that the Company or any Restricted Subsidiary, as the case may be, is not able to make a Restricted Payment pursuant to subclause (b) above, the Company or such Restricted Subsidiary, as the case may be, may make such a Restricted Payment if, after giving *pro forma* effect to the Restricted Payment, the Consolidated Net Leverage Ratio of the Company is equal to or less than 5.0 to 1.0 and the requirements of subclause (a) above is still met.

Notwithstanding the preceding paragraph, this covenant does not prohibit:

(1) the payment of any dividend or other distribution or redemption within 60 days after the date of declaration of such dividend or call for redemption if such payment would have been permitted on the date of declaration or call for redemption pursuant to the preceding paragraph;

(2) the voluntary prepayment, purchase, defeasance, redemption or other acquisition or retirement for value of any Subordinated Indebtedness solely in exchange for, or through the application of net cash proceeds of a substantially concurrent sale, other than to a Restricted Subsidiary of the Company, of Refinancing Indebtedness for such Subordinated Indebtedness;

(3) repurchases of Capital Stock deemed to occur upon exercise of stock options, warrants or other similar rights if such Capital Stock represents a portion of the exercise price of such options, warrants or other similar rights or nominal cash payments in lieu of issuances of fractional shares;

(4) the payment of other dividends, distributions or other amounts to fund the repurchase, redemption or other acquisition or retirement for value of any of the Company's Capital Stock or any Capital Stock of any of the Restricted Subsidiaries held by any then-existing or former director, officer, employee, independent contractor or consultant of the Company, its direct or indirect parent or any of the Restricted Subsidiaries or their respective assigns, estates or heirs; *provided, however*, that the price paid for all repurchased, redeemed, acquired or retired Capital Stock, other than as a result of death or disability, does not exceed US\$15 million in the aggregate in any fiscal year (with unused amounts in any fiscal year being carried over to succeeding fiscal years subject to a maximum of US\$25 million in any fiscal year); *provided further* that the amounts in any fiscal year may be increased by an amount not to exceed: (A) the cash proceeds received by the Company from the sale of Capital Stock of the Company to any present or former employees, directors, officers or consultants (or their respective permitted transferees) of the Company or any of the Restricted Subsidiaries following the Issue Date; plus (B) the cash proceeds of "key man" life insurance policies received by the Company or any of the Restricted Subsidiaries since the Issue Date;

(5) the payment at any time of all or any part of a Restricted Investment, if at the time of the entering into the commitment to make the Restricted Investment, the making of such Restricted Investment would have been permitted under any provision of the Indenture; *provided* that, at the time of entering into such commitment to make the Restricted Investment the entire amount of such commitment was permitted to be made as a Restricted Payment under the Indenture as if the entire amount was made on the date of such commitment and the entire amount of such commitment is included in the calculation required under clause (3) of the first paragraph above;

(6) repurchases of Subordinated Indebtedness at a purchase price not greater than (a) 101% of the principal amount or accreted value, as applicable, of such Subordinated Indebtedness and accrued and unpaid interest thereon in the event of a Change of Control or (b) 100% of the principal amount or accreted value, as applicable, of such Subordinated Indebtedness and accrued and unpaid interest thereon in the event of an Asset Sale, in connection with any change of control offer or asset sale offer required by the terms of such Subordinated Indebtedness, but only if: (i) in the case of a Change of Control, the Company has first complied with and fully satisfied its obligations under the covenant described above under the caption "Repurchase Upon Change of Control Repurchase Event"; or (ii) in the case of an Asset Sale, the Company has first complied with and fully satisfied its obligations under the covenant described above under the caption "—Limitation on Asset Sales";

(7) the declaration and payment of any dividends to the Initial Shareholder, whether in cash or in kind, *provided* that the amount of such dividends is promptly used by the Initial Shareholder to create Shareholder Subordinated Indebtedness Incurred by the Company or any Guarantor (the "Shareholder Dividend");

(8) [reserved];

(9) the payment at any time of all or any part of a Restricted Investment, if at the time of the entering into the commitment to make such Restricted Investment, the making of such Restricted Investment would have been permitted under any provision of the Indenture; *provided* that, at the time of entering into such commitment to make such Restricted Investment (i) the entire amount of such commitment was permitted to be made as a Restricted Payment under the Indenture as if the entire amount was made on the date of such commitment and (ii) the entire amount of such commitment is included in the calculation required under clause (3) of the first paragraph above;

(10) any Restricted Payment in connection with any Permitted Reorganization;

(11) the Restricted Payment to be made on or about the Issue Date in an amount of up to US\$100 million, with a portion of the net proceeds of the Notes; and

(12) any Restricted Payment or Restricted Investment in an amount not to exceed the outstanding aggregate principal amount, plus accrued interest, including interest paid in kind, of Payment in Kind Shareholder Loans outstanding on such date, that results in the setoff, termination, cancellation and full discharge of the Payment in Kind Shareholder Loans (or portion thereof) in an amount equal to the Restricted Payment or Restricted Investment.

In determining the aggregate amount of Restricted Payments made subsequent to the Issue Date, only amounts expended pursuant to clauses (1) (without duplication for the declaration of the relevant dividend), (4) and (5) (without duplication of the original commitment) above shall be included in the calculation required by clause (3) of the first paragraph above and amounts expended pursuant to clauses (2), (3), (6), and (7) above shall not be included in such calculation.

The amount of any Restricted Payments not in cash will be the Fair Market Value on the date of such Restricted Payment of the property, assets or securities proposed to be paid, transferred or issued by the Company or the relevant Restricted Subsidiary, as the case may be, pursuant to such Restricted Payment. For purposes of determining compliance with this “*Limitation on Restricted Payments*” covenant, in the event that a Restricted Payment meets the criteria of more than one of the categories described in clauses (1) through (12) above, including the first paragraph of this covenant or the definition of “Permitted Investment”, the Company will be permitted to classify such Restricted Payment and later reclassify all or a portion of such Restricted Payment in any manner that complies with this covenant.

Limitation on Asset Sales

The Company will not, and will not permit any of the Restricted Subsidiaries to, consummate an Asset Sale unless:

- (a) the Company or a Restricted Subsidiary, as the case may be, receives consideration at the time of the Asset Sale at least equal to the Fair Market Value of the assets sold or otherwise disposed of; and
- (b) at least 75% of the consideration received for the assets sold by the Company or the Restricted Subsidiary, as the case may be, in the Asset Sale shall be in the form of (1) cash or Cash Equivalents, (2) assets (other than current assets as determined in accordance with IFRS or Capital Stock) to be used by the Company or any Restricted Subsidiary in a Permitted Business, (3) Capital Stock in a Person engaged primarily in a Permitted Business that will become a Restricted Subsidiary as a result of such Asset Sale, (4) Indebtedness assumed pursuant to a customary novation agreement or (5) a combination of any of the foregoing.

The Company and one or more Restricted Subsidiaries, as the case may be, may apply within 30 months of any Asset Sale an amount equal to the Applicable Percentage of the Net Cash Proceeds from any such Asset Sale to:

- (a) repay (i) any Indebtedness of a Subsidiary that is not a Guarantor or (ii) any secured Indebtedness (in each case, other than Indebtedness owed to the Company or any Restricted Subsidiary) of the Company or a Restricted Subsidiary;
- (b) repay Obligations under the Notes (and the Note Guarantees), any Additional Notes (and the guarantees thereof) or repay other Indebtedness (other than a Project Finance Subsidiary unless the Asset Sale was made by a Project Finance Subsidiary) which ranks *pari passu* in right of payment with the Notes; including, without limitation, at the Company’s option, redeeming Notes in accordance with the provisions set forth under “—Optional Redemption,” purchasing Notes through privately negotiated transactions or open market purchases, in each case, at purchases that are at or above 100% of the principal amount thereof, or by making an offer (in accordance with the procedures set forth below for an Asset Sale Offer) to all holders of Notes to repurchase their Notes at a purchase price equal to 100% of the principal amount of the Notes to be purchased, plus accrued and unpaid interest to, but excluding, the date of purchase; or
- (c) purchase or enter into a binding contract to purchase (or within such 30-month period, the Board of Directors shall have made a good faith determination to purchase; *provided* that the Company or one or more Restricted Subsidiaries shall have purchased or entered into a binding contract to purchase within 365 days of such good-faith determination to purchase):
 - (i) assets (other than current assets as determined in accordance with IFRS or Capital Stock) to be used by the Company or any Restricted Subsidiary (other than a Project Finance Subsidiary unless the Asset Sale was made by a Project Finance Subsidiary) in a Permitted Business; or

- (ii) Capital Stock of a Person engaged in a Permitted Business that will become, upon purchase, a Restricted Subsidiary (other than a Project Finance Subsidiary unless the Asset Sale was made by a Project Finance Subsidiary);

from a Person other than the Company and the Restricted Subsidiaries; or

- (d) to make Capital Expenditures;

provided that the Applicable Percentage of the Net Cash Proceeds resulting from an Asset Sale of the Capital Stock, shall in the Company's discretion, (x) be held in escrow for the benefit of the holders of Notes pursuant to an escrow arrangement that is customary in the international capital markets for transactions of such type or (y) be transferred (pursuant to an equity contribution or intercompany loan constituting Subordinated Indebtedness) to the Surviving Entity (as hereinafter defined), in each case, until an amount equal to the product of the Net Cash Proceeds resulting from such Asset Sale shall have been applied in accordance with the terms of this covenant.

Notwithstanding the foregoing, if an Asset Sale is the result of an involuntary expropriation, nationalization, taking or similar action by or on behalf of any Governmental Authority, such Asset Sale need not comply with clauses (a) and (b) of the first paragraph of this covenant. In addition, the Applicable Percentage of the proceeds of any such Asset Sale shall not be deemed to have been received (and the 30 month period in which to apply any Net Cash Proceeds shall not begin to run) until the Applicable Percentage of the proceeds to be paid by or on behalf of the Governmental Authority have been paid in cash to the Company or the Restricted Subsidiary making such Asset Sale and if any litigation, arbitration or other action is brought contesting the validity of or any other matter relating to any such expropriation, nationalization, taking or other similar action, including the amount of the compensation to be paid in respect thereof, until such litigation, arbitration or other action is finally settled or a final judgment or award has been entered and any such judgment or award has been collected in full.

For the purpose of this covenant, any securities, notes or other obligations received by the Company or any such Restricted Subsidiary from such transferee will be deemed to be cash to the extent, and in the amount, that they are converted by the Company or such Restricted Subsidiary into cash or Cash Equivalents within 90 days of the receipt thereof (subject to ordinary settlement periods).

To the extent there are any remaining Applicable Percentage of the Net Cash Proceeds that have not been applied as described in clause (a), (b) and (c) of the third preceding paragraph 30 months after the Asset Sale, the Company will make an offer to purchase Notes (an "Asset Sale Offer"), at a purchase price equal to 100% of the principal amount of the Notes to be purchased, plus accrued and unpaid interest to, but excluding, the date of purchase (the "Asset Sale Offer Amount"). The Company will purchase pursuant to an Asset Sale Offer from all tendering holders on a *pro rata* basis, and, at the Company's option, on a *pro rata* basis with the holders of any other Senior Indebtedness with similar provisions requiring the Company to offer to purchase the other Senior Indebtedness with the Applicable Percentage of the proceeds of Asset Sales, that principal amount (or accreted value in the case of Indebtedness issued with original issue discount) of Notes and the other Senior Indebtedness to be purchased equal to such remaining Applicable Percentage of the Net Cash Proceeds. The Company may satisfy its obligations under this covenant with respect to the remaining Applicable Percentage of the Net Cash Proceeds of an Asset Sale by making an Asset Sale Offer prior to the expiration of the relevant 30-month period.

Notwithstanding the foregoing, the Company may defer an Asset Sale Offer until there is an aggregate amount of remaining Applicable Percentage of the Net Cash Proceeds from one or more Asset Sales equal to or in excess of the greater of (i) US\$157,500,000 and (ii) 35.0% of the Consolidated EBITDA of the Company for the most recently ended Test Period (calculated on a *pro forma* basis) (or the equivalent in other currencies). At that time, the entire amount of remaining Net Cash Proceeds, will be applied as required pursuant to this covenant.

Each notice of an Asset Sale Offer will be provided to the holders within 30 days following such 30th month (except as permitted pursuant to clause (b) of the fifth preceding paragraph), with a copy to the Indenture Trustee, offering to purchase the Notes as described above. Each notice of an Asset Sale Offer will state, among other things, the purchase date, which must be no earlier than 30 days nor later than 60 days from the date the notice is sent, other than as may be required by law (the "Asset Sale Offer Payment Date"). Upon receiving notice of an Asset Sale Offer, holders may elect to tender their Notes in whole or in part in integral multiples of US\$1,000 in exchange for cash; *provided* that the principal amount of such tendering holder's Note shall not be less than US\$200,000.

To the extent holders of Notes and holders of other Senior Indebtedness, if any, which are the subject of an Asset Sale Offer properly tender and do not withdraw Notes or the other Senior Indebtedness in an aggregate amount exceeding the amount of remaining Applicable Percentage of the Net Cash Proceeds, the Company will purchase the Notes and purchase and/or prepay the other Senior Indebtedness on a *pro rata* basis (based on amounts tendered) as set forth above. If only a portion of a Note is purchased pursuant to an Asset Sale Offer, a new Note in a principal amount equal to the portion thereof not purchased will be issued in the name of the holder thereof upon cancellation of the original Note (or appropriate adjustments to the amount and beneficial interests in a Global Note will be made, as appropriate).

The Company will comply with the requirements of Rule 14e-1 under the Exchange Act and any other applicable securities laws in connection with the purchase of Notes pursuant to an Asset Sale Offer. To the extent that the provisions of any applicable securities laws or regulations conflict with the “Asset Sale” provisions of the Indenture, the Company will comply with these laws and regulations and will not be deemed to have breached its obligations under the “Asset Sale” provisions of the Indenture by doing so. If it would be unlawful in any jurisdiction to make an Asset Sale Offer, the Company will not be obligated to make such offer in such jurisdiction and will not be deemed to have breached its obligations under the Indenture by doing so.

Upon completion of an Asset Sale Offer, the amount of remaining Applicable Percentage of the Net Cash Proceeds will be reset at zero. Accordingly, to the extent that the aggregate amount of Notes and other Indebtedness tendered pursuant to an Asset Sale Offer is less than the aggregate amount of remaining Net Cash Proceeds, the Company may use any remaining Net Cash Proceeds in any manner not otherwise prohibited by the Indenture.

Limitation on Designation of Unrestricted Subsidiaries and Project Finance Subsidiaries

The Company may designate after the Issue Date any Subsidiary of the Company or any Subsidiary of a Subsidiary of the Company (or any Subsidiary thereof) as an “Unrestricted Subsidiary” or a “Project Finance Subsidiary” under the Indenture (a “Designation”) only if:

- (1) no Event of Default shall have occurred and be continuing at the time of, and no Default or Event of Default shall have occurred and be continuing after giving effect to, such Designation and any transactions between the Company or any of the Restricted Subsidiaries and such Unrestricted Subsidiary or Project Finance Subsidiary, as applicable, are in compliance with “—Limitation on Transactions with Affiliates;” and
- (2) the Company (A) makes such Investment with Equity Contributions received by it, (B) would be permitted to make an Investment at the time of Designation (assuming the effectiveness of such Designation and treating such Designation as an Investment at the time of Designation) as a Restricted Payment pursuant to the first paragraph of “—Limitation on Restricted Payments;”, or (C) in the case of a Designation of a Project Finance Subsidiary only, would be permitted to make an Investment at the time of Designation (assuming the effectiveness of such Designation and treating such Designation as an Investment at the time of Designation), pursuant to clause (15) of the definition of “Permitted Investment” in an amount (the “Designation Amount”) equal to the amount of the Company’s Investment in such Subsidiary on such date (as determined in accordance with the second paragraph of the definition of “Investment”).

Neither the Company nor any Restricted Subsidiary will at any time provide credit support for, subject any of its property or assets (other than the Capital Stock of any Unrestricted Subsidiary or Project Finance Subsidiary) to the satisfaction of, or Guarantee, any Indebtedness of any Unrestricted Subsidiary or Project Finance Subsidiary (including any undertaking, agreement or instrument evidencing such Indebtedness) or be directly or indirectly liable for any Indebtedness of any Unrestricted Subsidiary or Project Finance Subsidiary unless such credit support or Indebtedness was permitted to be Incurred as Indebtedness under the covenant “—Limitation on Incurrence of Additional Indebtedness.”

The Company may revoke any Designation of a Subsidiary as an Unrestricted Subsidiary or Project Finance Subsidiary (a “Revocation”) only if:

- (1) no Event of Default shall have occurred and be continuing at the time of, and no Default or Event of Default shall have occurred and be continuing, after giving effect to such Revocation; and

(2) all Indebtedness of such Unrestricted Subsidiary or Project Finance Subsidiary, as applicable, outstanding immediately following such Revocation would, if Incurred at such time, be permitted to be Incurred pursuant to the Indenture.

The Designation of a Subsidiary as an Unrestricted Subsidiary or Project Finance Subsidiary, as applicable, shall be deemed to include the Designation of all of the Subsidiaries of such Subsidiary. All Designations and Revocations must be evidenced by resolutions of the Board of Directors of the Company, delivered to the Indenture Trustee certifying compliance with the preceding provisions.

Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries

- (a) Except as provided in paragraph (b) below, the Company will not, and will not permit any of the Restricted Subsidiaries to, directly or indirectly, create or otherwise cause or permit to exist or become effective any encumbrance or restriction on the ability of any Restricted Subsidiary to:
 - (1) pay dividends or make any other distributions on its Capital Stock to the Company or any other Restricted Subsidiary or pay any Indebtedness owed to the Company or any other Restricted Subsidiary;
 - (2) make loans or advances to the Company or any other Restricted Subsidiary (it being understood that the subordination of loans or advances made to the Company or any Restricted Subsidiary to other Indebtedness Incurred by the Company or any Restricted Subsidiary shall not be deemed a restriction on the ability to make loans or advances); or
 - (3) transfer any of its property or assets to the Company or any other Restricted Subsidiary.
- (b) Paragraph (a) above will not apply to encumbrances or restrictions existing under or by reason of:
 - (1) applicable law, rule, regulation or order (including, without limitation, (i) by any national stock exchange on which any Restricted Subsidiary has its Capital Stock listed and (ii) pursuant to any fiduciary obligations imposed by law);
 - (2) the Indenture or the Notes;
 - (3) the terms of any Indebtedness or other agreement existing on the Issue Date and any extensions, renewals, replacements, amendments or refinancings thereof; *provided* that such extension, renewal, replacement, amendment or refinancing is not, taken as a whole, materially more restrictive with respect to such encumbrances or restrictions than those in existence on the Issue Date;
 - (4) customary non-assignment provisions in contracts, agreements, leases, permits and licenses;
 - (5) restrictions with respect to a Restricted Subsidiary of the Company imposed pursuant to a binding agreement which has been entered into for the sale or disposition of all or substantially all of the Capital Stock or assets of such Restricted Subsidiary; *provided* that such restrictions apply solely to the Capital Stock or assets of such Restricted Subsidiary being sold;
 - (6) customary restrictions imposed on the transfer of copyrighted or patented materials;
 - (7) Purchase Money Indebtedness and Capitalized Lease Obligations for assets acquired in the ordinary course of business and pursuant to the covenant described under “—Limitation on Incurrence of Additional Indebtedness” that impose encumbrances and restrictions only on the assets so acquired or subject to lease;
 - (8) customary provisions in a joint venture or other similar agreement with respect to a Restricted Subsidiary that was entered into in the ordinary course of business;
 - (9) any agreement governing Acquired Indebtedness, which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person or the properties or assets of the Person so acquired;

- (10) restrictions on the transfer of assets subject to any Permitted Lien;
- (11) restrictions on cash or other deposits or net worth imposed by customers under contracts or other arrangements entered into or agreed to in the ordinary course of business;
- (12) the terms of any Indebtedness of any Project Finance Subsidiary;
- (13) with respect to any agreement governing Indebtedness of any Restricted Subsidiary that is permitted to be Incurred by the covenant described under the heading “—Limitation on Incurrence of Additional Indebtedness” and any extensions, renewals, replacements, amendments or refinancings thereof; *provided* that (i) the encumbrance or restriction is not materially disadvantageous to the holders of the notes than is customary in comparable financings and (ii) the Company determines that on the date of the Incurrence of such Indebtedness, that such encumbrance or restriction would not be expected to materially impair the Company’s ability to make principal or interest payments on the Notes; *provided further* that such extension, renewal, replacement, amendment or refinancing is not, taken as a whole, materially more restrictive with respect to such encumbrances or restrictions than those in existence in such agreement being extended, renewed, amended or refinanced; and
- (14) Refinancing Indebtedness; *provided* that the restrictions contained in the agreements governing such Refinancing Indebtedness are not materially more restrictive, taken as a whole, than those contained in the agreements governing the Indebtedness being Refinanced.

Limitation on Liens

The Company will not, and will not permit any of its Restricted Subsidiaries (other than any Project Finance Subsidiary) to, directly or indirectly, create, incur, assume or suffer to exist any Lien securing Indebtedness of any kind on any asset now owned or hereafter acquired, except Permitted Liens, unless contemporaneously therewith effective provision is made to secure the Notes and the Guarantees equally and ratably with or prior to such obligation with a Lien on the same assets of the Company or such Restricted Subsidiary, as the case may be or, in the case of any Lien securing Subordinated Indebtedness, effective provision is made to secure the Notes and the Guarantees with a Lien on the same assets of the Company or such Restricted Subsidiary, as the case may be, that is prior to the Lien securing such Subordinated Indebtedness.

Any Lien created for the benefit of holders pursuant to this covenant shall be automatically and unconditionally released and discharged, without any action on the part of the holders, upon the release and discharge of each of the Liens described in the immediately preceding paragraph.

Limitation on Merger, Consolidation and Sale of Assets

The Company will not, in a single transaction or series of related transactions, consolidate or merge with or into any Person (whether or not the Company is the surviving or continuing Person), or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of the Company’s properties and assets (determined on a consolidated basis for the Company and the Restricted Subsidiaries), to any Person unless:

- (a) either:
 - (1) the Company shall be the surviving or continuing corporation; or
 - (2) the Person (if other than the Company) formed by such consolidation or into which the Company is merged or the Person which acquires by sale, assignment, transfer, lease, conveyance or other disposition the properties and assets of the Company and of the Company’s Restricted Subsidiaries substantially as an entirety (the “Surviving Entity”):
 - A) shall be organized and validly existing under the laws of (i) Bermuda, (ii) the Cayman Islands, (iii) the United Kingdom, (iv) the Netherlands, (v) Luxembourg, (vi) the United States of America, any State thereof or the District of Columbia, (vii) Mexico and (viii) any country which is a member country of the Organization for Economic Co-Operation and Development; and

- B) shall expressly assume, by supplemental indenture (in form and substance reasonably satisfactory to the Indenture Trustee), executed and delivered to the Indenture Trustee, the due and punctual payment of the principal of, and premium, if any, and interest on all of the Notes and the performance and observance of every covenant of the Notes and the Indenture on the part of the Company to be performed or observed;
- (b) immediately after giving effect to such transaction and the assumption contemplated by clause (a)(2)(B) above (including giving effect on a pro forma basis to any Indebtedness, including any Acquired Indebtedness, Incurred or anticipated to be Incurred in connection with or in respect of such transaction), the Company or such Surviving Entity, as the case may be, (i) will be able to Incur at least US\$1.00 of additional Indebtedness pursuant to clause (1) of “—Negative Covenants of the Company and the Restricted Subsidiaries—Limitation on Incurrence of Additional Indebtedness” or (ii) would have (x) an Unconsolidated Interest Coverage Ratio that is equal to or greater than the Company’s Unconsolidated Interest Coverage Ratio immediately prior to such transaction or (y) a Consolidated Net Leverage Ratio that is equal to or less than the Company’s Consolidated Net Leverage Ratio immediately prior to such transaction;
 - (c) immediately after giving effect to such transaction and the assumption contemplated by clause (a)(2)(B) above (including, without limitation, giving effect on a pro forma basis to any Indebtedness, including any Acquired Indebtedness, Incurred or anticipated to be Incurred and any Lien granted in connection with or in respect of the transaction), no Default or Event of Default shall have occurred or be continuing; and
 - (d) the Company or the Surviving Entity has delivered to the Indenture Trustee an Officers’ Certificate and an Opinion of Counsel, each stating that the consolidation, merger, sale, assignment, transfer, lease, conveyance or other disposition and, if required in connection with such transaction, the supplemental indenture, comply with the applicable provisions of the Indenture and that all conditions precedent in the Indenture relating to the transaction have been satisfied.

The provisions of this covenant above will not apply to any consolidation or merger, or any sale, assignment, transfer, lease, conveyance or other disposition of properties and assets, of any Restricted Subsidiary (other than a Project Finance Subsidiary) to the Company; any merger of the Company into a wholly owned Subsidiary (other than a Project Finance Subsidiary) of the Company created for the purpose of holding the Capital Stock of the Company so long as the Indebtedness of the Company and the Restricted Subsidiaries taken as a whole is not increased thereby.

Upon any consolidation, combination or merger or any transfer of all or substantially all of the properties and assets of the Company and the Restricted Subsidiaries in accordance with this covenant, in which the Company is not the continuing Person, the Surviving Entity formed by such consolidation or into which the Company is merged or to which such conveyance, lease or transfer is made will succeed to, and be substituted for, and may exercise every right and power of, the Company under the Indenture and the Notes with the same effect as if such Surviving Entity had been named as such. Upon such substitution, unless the successor is one or more of the Company’s Restricted Subsidiaries, the Company will be released from its obligations under the Indenture. For the avoidance of doubt, compliance with this covenant will not affect the obligations of the Company (including a Surviving Entity, if applicable) under “—Repurchase Upon Change of Control Repurchase Event” if applicable.

For purposes of this covenant, the transfer, assignment, conveyance or other disposition of voting rights or similar rights in respect of corporate governance shall not be deemed to be a sale, assignment, transfer, lease, conveyance or other disposition of all or substantially all of the Company’s properties and assets.

Limitation on Transactions with Affiliates

(1) The Company will not, and will not permit any of the Restricted Subsidiaries to, directly or indirectly, enter into any transaction or series of related transactions (including, without limitation, the purchase, sale, lease or exchange of any property or the rendering of any service) involving aggregate consideration in excess of US\$25 million (or equivalent in other currencies) with, or for the benefit of, any of its Affiliates (each, an “Affiliate Transaction”), unless:

- (a) the terms of such Affiliate Transaction are no less favorable in all material respects to the Company or the applicable Restricted Subsidiary than those that could reasonably be expected to be obtained in a comparable transaction at such time on an arm's-length basis from a Person that is not an Affiliate of the Company;
 - (b) in the event that such Affiliate Transaction involves aggregate payments, or transfers of property or services with a Fair Market Value, in excess of US\$35 million (or the equivalent in other currencies), the terms of such Affiliate Transaction will be approved by a majority of the members of the Board of Directors of the Company (including a majority of the disinterested members thereof, but only to the extent there are disinterested members with respect to such Affiliate Transaction), the approval to be evidenced by a Board Resolution stating that the Board of Directors has determined that such transaction complies with the preceding provisions; and
 - (c) In the event that such Affiliate Transaction involves aggregate payments, or transfers of property or services with a Fair Market Value, in excess of US\$65 million (or the equivalent in other currencies), the Company will, prior to the consummation thereof, obtain a favorable opinion as to the fairness of such Affiliate Transaction to the Company and the relevant Restricted Subsidiary (if any) from a financial point of view from an Independent Financial Advisor.
- (2) Paragraph (1) above will not apply to:
- (a) Affiliate Transactions with or among the Company and any Restricted Subsidiary or between or among Restricted Subsidiaries (other than a Project Finance Subsidiary) and Affiliate Transactions between or among a Project Finance Subsidiary and any other Project Finance Subsidiary;
 - (b) reasonable fees and compensation paid to, and any indemnity provided on behalf of (and entering into related agreements with), officers, directors, employees, consultants or agents of the Company or any Restricted Subsidiary;
 - (c) any issuance or sale of Capital Stock of the Company;
 - (d) Affiliate Transactions undertaken pursuant to (i) any contractual obligations or rights in existence on the Issue Date, (ii) any contractual obligation of any Restricted Subsidiary or any Person that is merged into the Company or any Restricted Subsidiary on the date such Person becomes a Restricted Subsidiary or is merged into the Company or any Restricted Subsidiary and (iii) any amendment or replacement agreement to the obligations and rights described in subclauses (i) and (ii), so long as such amendment or replacement agreement is not more disadvantageous to the holders in any material respect, taken as a whole, than the original agreement;
 - (e) (i) transactions with customers, clients, distributors, suppliers or purchasers or sellers of goods or services, in each case in the ordinary course of business and on market terms, or (ii) transactions with joint ventures or other similar arrangements entered into in the ordinary course of business, on market terms and consistent with past practice or industry norms;
 - (f) the provision of administrative services to any joint venture, Unrestricted Subsidiary or Project Finance Subsidiary on substantially the same terms provided to or by Restricted Subsidiaries or other transactions to such entities on terms consistent with generally accepted transfer pricing guidelines;
 - (g) any Restricted Payments made in compliance with “—Limitation on Restricted Payments” and Permitted Investments permitted under the Indenture;
 - (h) loans and advances to officers, directors and employees of the Company or any Restricted Subsidiary for travel, moving and other relocation expenses, in each case made in the ordinary course of business and not exceeding US\$2 million outstanding at any one time;
 - (i) any Shareholder Subordinated Indebtedness expressly permitted under the Indenture; and
 - (j) any Permitted Reorganization.

Conduct of Business

The Company and the Restricted Subsidiaries will not engage in any business other than a Permitted Business.

Reporting Requirements

The Company will provide the Indenture Trustee and the holders of the Notes, with the following reports and notices:

- (a) as soon as available, and in any event within sixty (60) days after the end of each of the first three (3) Fiscal Quarters, an unaudited consolidated balance sheet of the Company and its Subsidiaries as at the end of such Fiscal Quarter period, and the related consolidated statements of income or operations and cash flows for such Fiscal Quarter, prepared in accordance with IFRS;
- (b) as soon as available, and in any event within one hundred fifty (150) days after the end of the Fiscal Year in which the Issue Date occurs and one hundred twenty (120) days after the end of each Fiscal Year thereafter, an audited consolidated balance sheet of the Company and its Subsidiaries as at the end of such Fiscal Year, and the related consolidated statements of income or operations and cash flows for such Fiscal Year, in accordance with IFRS, audited and accompanied by (i) an opinion of the Independent Auditors, which opinion shall state that such financial statements present fairly, in all material respects, our financial position at the end of, and for, such fiscal year, prepared in accordance with IFRS and (ii) an operating and financial review of the financial statements, including a discussion of the results of operations, financial condition and liquidity and capital resources, and a discussion of material commitments and contingencies and critical accounting policies;
- (c) without duplication, upon request, English language versions or summaries in electronic format of such other reports or notices as may be filed or submitted by (and within ten (10) days after filing or submission by) the Company with the SGX-ST, or any other stock exchange on which the Notes may be listed, in each case, to the extent that any such report or notice is generally available to the Company's debt holders, *provided, however*, that the Company shall not be required to furnish such information to the extent such information is available on the Company's website or to the extent that the information contained therein is not materially different than the information provided pursuant to clauses (a) and (b) above;
- (d) so long as the Company is not subject to Section 13 or Section 15(d) of the Exchange Act and exempt from reporting pursuant to Rule 12g3-2(b) of the Exchange Act, upon request, to any holder and any prospective purchaser of the Notes, the information required pursuant to Rule 144A(d)(4) under the Securities Act; and
- (e) promptly (but in any event within ten (10) Business Days after a Responsible Officer of the Company obtains Knowledge or is aware thereof), a notice of: (i) the occurrence of any Default or Event of Default under the Notes and (ii) a Change of Control.

Simultaneously with the delivery of each set of financial statements referred to in clause (a) above, the Company will provide the Indenture Trustee with an Officer's Certificate stating (1) that such financial statements fairly and accurately present the consolidated financial condition and results of operations of the Company and the Restricted Subsidiaries on the dates and for the periods indicated in accordance with the IFRS, subject to the absence of footnotes and normally recurring year-end adjustments and (2) whether a Default or Event of Default exists on the date of such Officer's Certificate and, if a Default or Event of Default exists, setting forth the detail thereof and the action which the Company is taking or propose to take with respect thereto. Except where otherwise indicated, all reports, notices, certificates and other documents delivered pursuant to this "Reporting Requirements" covenant shall be in the English language.

Delivery of reports, information and documents to the Indenture Trustee is for informational purposes only and its respective receipt of such reports shall not constitute actual or constructive notice of any information contained therein or determinable from information contained therein, including the Restricted Subsidiaries' or any other Person's compliance with any of its covenants under the Indenture or the Notes (as to which the Indenture Trustee is entitled to rely conclusively on Officer's Certificates).

Events of Default

Pursuant to the Indenture each of the following events, acts, occurrences or conditions, will constitute an event of default under the Notes (each an “Event of Default”). “Default” means any condition or event that with the lapse of time or the giving of notice, or both, would become an Event of Default.

- (1) default in the payment when due of the principal of or premium, if any, on any Notes, including the failure to make a required payment to purchase Notes tendered pursuant to an optional redemption, Change of Control Offer or an Asset Sale Offer;
- (2) default for 30 days or more in the payment when due of interest or Additional Amounts on any Notes;
- (3) the failure to perform or comply with any of the provisions described under “—Negative Covenants of the Company and the Restricted Subsidiaries—Limitation on Merger, Consolidation and Sale of Assets”;
- (4) the failure by the Company or any Restricted Subsidiary to comply with any other covenant or agreement contained in the Indenture or in the Notes for 60 days or more after written notice to the Company from the Indenture Trustee or the holders of at least 25% in aggregate principal amount of the outstanding Notes;
- (5) default by the Company or any Restricted Subsidiary which shall not have been cured or waived under any Indebtedness which:
 - (a) is caused by a failure to pay principal of or premium, if any, or interest on such Indebtedness after the expiration of any applicable grace period provided in such Indebtedness on the date of such default; or
 - (b) results in the acceleration of such Indebtedness prior to its Stated Maturity;

and the principal or accreted amount of Indebtedness covered by clause (a) or (b) at the relevant time exceeds the greater of (i) \$112,500,000 and (ii) 25.0% of the Consolidated EBITDA of the Company for the most recently ended Test Period (calculated on a *pro forma* basis) individually or in the aggregate (or the equivalent in other currencies) or more; *provided* that this clause (5) shall not apply to the Indebtedness of any Project Finance Subsidiary except to the extent that such Indebtedness also constitutes Indebtedness of the Company or any Restricted Subsidiary (other than a Project Finance Subsidiary) at the time of such default;

(6) failure by the Company or any of the Restricted Subsidiaries to pay one or more final, non-appealable judgments against any of them, aggregating the greater of (i) \$112,500,000 and (ii) 25.0% of the Consolidated EBITDA of the Company for the most recently ended Test Period (calculated on a *pro forma* basis) (or the equivalent in other currencies) or more (excluding therefrom any amount reasonably expected to be covered by insurance), which judgment(s) are not paid, discharged or stayed for a period of 60 days or more; *provided* that this clause (6) shall not apply to judgments against any Project Finance Subsidiary except to the extent that such judgment also constitutes a judgment against the Company or any Restricted Subsidiary (other than a Project Finance Subsidiary);

(7) Any Insolvency Proceeding occurs with respect to the Company or any of the Restricted Subsidiaries;

(8) Any Governmental Authority asserting *de jure* or *de facto* governmental or police powers in Mexico shall, by moratorium laws or otherwise, cancel, suspend or defer the obligation of the Company or any Restricted Subsidiary to pay any amount required to be paid under the Indenture or its Note Guarantee, respectively, when the same becomes due and payable thereunder and such cancellation, suspension or deferral shall continue for ten (10) or more consecutive Business Days; and

(9) Except as permitted by the Financing Documents, any Note Guarantee is held in any judicial proceeding to be unenforceable or invalid or ceases for any reason to be in full force and effect, or any Guarantor denies or disaffirms in writing its obligations under its Note Guarantee or, except as permitted by the Financing Documents, the Company denies or disaffirms in writing any obligation of the Company arising under the Indenture or any other Financing Document.

Upon the occurrence and during the continuation of any Event of Default, the Indenture Trustee or the holders of at least 25% in aggregate principal amount of the Notes then outstanding, by notice then given in writing to

the Company (and to the Indenture Trustee if given by the holders of the Notes), may declare the aggregate principal balance of all Notes immediately due and payable; *provided* that any Event of Default under clause (7) above will automatically result in the aggregate principal balance of all Notes becoming immediately due and payable.

At any time after a declaration of acceleration with respect to the Notes as described in the preceding paragraph, holders of a majority in principal amount of the outstanding Notes may rescind and cancel such declaration and its consequences:

- if the rescission would not conflict with any judgment or decree;
- if all existing Events of Default have been cured or waived, except nonpayment of principal or interest that has become due solely because of the acceleration;
- to the extent the payment of such interest is lawful, interest on overdue installments of interest and overdue principal, which has become due otherwise than by such declaration of acceleration, has been paid; and
- if the Company has paid the Indenture Trustee its reasonable compensation and reimbursed the Indenture Trustee for its reasonable expenses, disbursements and advances.

No rescission will affect any subsequent Default or impair any rights relating thereto.

Holders of a majority in principal amount of the outstanding Notes may waive any existing Default or Event of Default under the Indenture, and its consequences, except a default under clauses (1), (2) and (7) above.

The Indenture Trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request or direction of any of the holders of the Notes, unless such holders will have offered to the Indenture Trustee indemnity and/or security satisfactory to the Indenture Trustee. Subject to such provision for the indemnification of and security to the Indenture Trustee, the holders of a majority in aggregate principal amount of the outstanding Notes will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Indenture Trustee in respect of the Notes or exercising any trust or power conferred on the Indenture Trustee in respect of the Notes.

Satisfaction and Discharge

The Indenture will be discharged and will cease to be of further effect (except as to surviving rights of registration of transfer or exchange of the Notes and the rights of the Indenture Trustee and agents under the Indenture, as expressly provided for in the Indenture) as to all outstanding Notes when:

- (a) either:
 - (1) all of the Notes previously authenticated and delivered (except lost, stolen or destroyed Notes which have been replaced or paid and Notes for whose payment money has previously been deposited in trust and thereafter repaid to the Company or discharged from such trust) have been delivered to the Indenture Trustee for cancellation; or
 - (2) all Notes not previously delivered to the Indenture Trustee for cancellation (i) have become due and payable or will become due and payable at Stated Maturity within one year or (ii) are to be called for redemption within one year under irrevocable arrangements satisfactory to the Indenture Trustee for the giving of notice of redemption by the Indenture Trustee in the name, and at the expense, of the Company and, in each case, the Company has irrevocably deposited or caused to be deposited with the Indenture Trustee cash in Dollars, US Government Securities, or a combination thereof, in such amounts as will be sufficient, in the opinion of an internationally recognized firm of independent public accountants expressed in a written certificate delivered to the Indenture Trustee, without reinvestment to pay and discharge the entire indebtedness on the Notes not previously delivered to the Indenture Trustee for cancellation, for principal of, premium, if any, and interest on the Notes to the date of deposit (in the case of Notes that have become due and payable) or to the maturity or redemption date, as the case may

be, and any Additional Amounts payable with respect thereto, together with irrevocable written instructions from the Company directing the Indenture Trustee to apply such funds to the payment;

- (b) no Default or Event of Default will have occurred and be continuing on the date of such deposit or will occur as a result of such deposit and such deposit will not result in a breach or violation of, or constitute a default under, any other instrument to which the Company or any Restricted Subsidiary is a party or by which the Company or any Restricted Subsidiary is bound;
- (c) the Company has paid all other sums payable by it under the Indenture and the Notes; and
- (d) the Company has delivered to the Indenture Trustee an Officer's Certificate and Opinion of Counsel stating that all conditions precedent under the Indenture relating to the satisfaction and discharge of the Indenture have been complied with.

Upon satisfaction of the conditions set forth in this "Satisfaction and Discharge" section, the Indenture Trustee, upon the Company's written request and at the Company's expense, shall acknowledge in writing the satisfaction and discharge of the Indenture.

Defeasance

The Company may at any time terminate all of its obligations with respect to the Notes and all obligations of the Guarantors, if any, with respect to their Note Guarantees ("defeasance"), except for certain obligations, including those to the Indenture Trustee and the agents appointed under the Indenture, those regarding any trust established for a defeasance and obligations to register the transfer or exchange of the Notes, to replace mutilated, destroyed, lost or stolen Notes, to maintain agencies in respect of Notes and those expressly stated to survive any termination or defeasance. The Company may at any time terminate its obligations and any obligations of any Guarantors under certain covenants set forth in the Indenture, and any omission to comply with such obligations will not constitute a Default or an Event of Default with respect to the Notes ("covenant defeasance"). In order to exercise either defeasance or covenant defeasance, the Company must irrevocably deposit in trust, for the benefit of the holders of Notes, with the Indenture Trustee cash in Dollars, US Government Securities, or a combination thereof, in such amounts as will be sufficient, in the opinion of an internationally recognized firm of independent public accountants expressed in a written certificate delivered to the Indenture Trustee, without consideration of any reinvestment, to pay the principal of, premium, if any, on and interest on the Notes to redemption or maturity and comply with certain other conditions, including the delivery of an opinion of legal counsel of nationally recognized standing in the United States to the effect that the holders of the Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of the defeasance and will be subject to U.S. federal income tax on the same amount and in the same manner and at the same time as would otherwise have been the case (and in the case of a defeasance that is not a covenant defeasance, such opinion shall be based on a change in applicable U.S. federal income tax law or a published ruling of the U.S. Internal Revenue Service).

Amendment, Supplement, Waiver

Subject to certain exceptions, the Indenture and the Notes may be amended or supplemented with the consent of the holders of at least a majority in principal amount of the Notes then outstanding, and any past Default or compliance with any provision in the Indenture and the Notes may be waived with the consent of the holders of at least a majority in principal amount of the Notes then outstanding. However, without the consent of each holder of an outstanding Note affected thereby, no amendment may:

- (a) reduce the rate of or extend the time for payment of interest on the Notes;
- (b) reduce the principal, or change the Stated Maturity, of the Notes;
- (c) reduce the amount payable upon redemption or repurchase of the Notes or change the time at which the Notes may or must be redeemed or repurchased;
- (d) make any change in the provisions of the Indenture described under "—Additional Amounts" that adversely affects the rights of any holder of Notes;

- (e) change the currency for, or place of payment of, principal, premium or interest on the Notes;
- (f) impair the right to institute suit for the enforcement of any payment on or with respect to the Notes or the Note Guarantees;
- (g) waive certain Defaults or Events of Default with respect to the Notes, except with respect to those under clauses (1), (2) and (7) under “Events of Default” above;
- (h) release any Guarantor from any of its obligations under its Note Guarantee or the Indenture, except in accordance with the terms of the Indenture;
- (i) amend, change or modify the obligation of the Company to make and consummate a Change of Control Offer in the event of a Change of Control Repurchase Event in accordance with the covenant described under the caption “—Repurchase Upon Change of Control Repurchase Event” after such Change of Control Repurchase Event has occurred, including, in each case, amending, changing or modifying any definition relating thereto;
- (j) except as otherwise permitted under the covenant described under the captions “—Negative Covenants of the Company and Restricted Subsidiaries—Limitation on Merger, Consolidation and Sale of Assets,” consent to the assignment or transfer by the Company or any Guarantor of any of their rights or obligations under the Indenture;
- (k) reduce the principal amount of Notes whose holders must consent to any amendment or waiver; or
- (l) make any change in the amendment or waiver provisions which require each holder’s consent.

The holders of the Notes will receive prior notice as described under “—Notices” of any proposed amendment to such Notes or the Indenture described in the immediately preceding paragraph. After an amendment described in the immediately preceding paragraph becomes effective, the Company is required to deliver to the holders of the Notes a notice briefly describing such amendment. However, the failure to give such notice to all holders of the Notes, or any defect therein, will not impair or affect, with respect to such Notes, the validity of the amendment.

The consent of the holders of the Notes is not necessary to approve the particular form of any proposed amendment. It is sufficient if such consent approves the substance of the proposed amendment.

The Company, the Guarantors, if any, the Indenture Trustee and any other applicable agent under the Indenture may, without the consent or vote of any holder of the Notes, amend or supplement the Indenture and the Notes for the following purposes:

- (a) to cure any ambiguity, omission, defect or inconsistency;
- (b) evidence the succession of another Person to the Company and the assumption by such successor of the covenants contained in the Indenture or otherwise established with respect to the Notes, in each case in accordance with the Indenture;
- (c) to add guarantees or collateral with respect to the Notes;
- (d) to add to the covenants of the Company and/or its Subsidiaries for the benefit of holders of the Notes;
- (e) to surrender any right conferred upon the Company or any of its Subsidiaries;
- (f) to evidence and provide for the acceptance of an appointment by a successor trustee;
- (g) to provide for the issuance of Additional Notes;
- (h) to conform the text of the Indenture or the Notes to any provision of this “Description of the Notes”;

- (i) to comply with the regulations of any securities exchange on which the Notes may be listed;
- (j) to release any Note Guarantee in accordance with the Notes and the Indenture;
- (k) to make any other change that does not materially adversely affect the rights of any holder of the Notes;
- (l) evidence and provide for the acceptance and appointment under the Indenture or any other Financing Document of a successor Indenture Trustee or other successor agent thereunder pursuant to the requirements thereof; or
- (m) permit or facilitate the issuance of Notes in definitive form.

In executing any amendment, waiver or supplemental indenture to the Indenture or the Notes, the Indenture Trustee and any other agent under the Indenture, will be entitled to receive an Officer's Certificate and an Opinion of Counsel, each stating that such amendment, waiver or supplemental indenture is authorized or permitted by the Indenture, that all covenants and conditions precedent to such amendment, supplement or waiver under the Indenture have been complied with, and that it shall be valid and binding upon the Company and the Guarantors, if any, in accordance with its terms.

Pursuant to the Indenture, each holder, by its acceptance of a Note, will authorize and direct the Indenture Trustee and each agent under the Indenture to execute and deliver from time to time, if so requested in writing by the Company, and without the consent of the holders of the Notes, one or more documents or agreements as are expressly contemplated to be executed by the Indenture Trustee or any such agent in accordance with the terms of the Financing Documents (collectively, "Permitted Supplemental Agreements"); *provided* that the entry by any such party into any such Permitted Supplemental Agreement will be subject to the prior receipt of (i) an Officer's Certificate from the Company certifying that (A) each of the conditions precedent specified in the Financing Documents to the entry by the Indenture Trustee or the applicable agent, as the case may be, into such Permitted Supplemental Agreement, and the requirements set forth in the Financing Documents in respect of the relevant transactions contemplated by such Permitted Supplemental Agreement, have been satisfied; and (ii) an Opinion of Counsel stating that, in the opinion of such counsel, the execution, delivery and performance by (A) the Company, the Indenture Trustee, and/or the applicable agent, as applicable, and any other relevant other counterparty(ies) to the Permitted Supplemental Agreement, will not result in any conflict with or breach of any Financing Document.

Listing

Application will be made for the listing and quotation of the Notes on the Official List of the SGX-ST. Each of the Company, any Guarantor, and the Indenture Trustee are (without the need for any approvals, consents or instructions from any holders of the Notes, but in accordance with all other provisions applicable thereto) authorized to join in the execution of any amendment (including amendment and restatement) of any Financing Document(s) to the extent required to provide such a listing, in writing. Promptly after such a listing, the Company will so notify the Indenture Trustee, which will provide notice thereof to each of the holders of the Notes (such notice to be prepared by the Company).

In the event that the Notes are admitted to listing on the SGX-ST, the Company will use its commercially reasonable efforts to maintain such listing; *provided* that, if as a result of any legislation the Company could be required to publish financial information either more regularly than it otherwise would be required to or according to accounting principles which are materially different from the IFRS which it would otherwise use to prepare its published financial information, or if the Company determines that it is unduly burdensome, in its good faith determination, to maintain a listing on the SGX-ST, the Company may delist the Notes from the SGX-ST and, in the event of such delisting, the Company will use its commercially reasonable efforts to seek an alternative admission to listing, trading and/or quotation for the Notes by another listing authority, stock exchange and/or quotation system as it may decide; *provided* that such listing authority, stock exchange or quotation system is used for listing and trading in the international debt capital markets. Although the Company cannot assure you as to the liquidity that may result from a listing on the SGX-ST, delisting the Notes from the SGX-ST may have a material effect on the ability of holders of the Notes to resell the Notes in the secondary market.

Notices

For so long as Notes in global form are outstanding, notices to be given to holders will be given to the depositary, in accordance with its applicable policies as in effect from time to time. If Notes are issued in individual definitive form, notices to be given to holders will be deemed to have been given upon the mailing by first class mail, postage prepaid, of such notices to holders of the Notes at their registered addresses as they appear in the registrar's records. Neither the failure to give any notice to a particular holder of the Notes, nor any defect in a notice given to a particular holder of the Notes, will affect the sufficiency of any notice given to another holder of the Notes.

For so long as the Notes are listed on the SGX-ST and in accordance with the rules and regulations of such exchange, the Company will publish notices in a newspaper with general circulation in Singapore, which is expected to be the *Business Times, Singapore Edition*. Notices shall be deemed to have been given on the date of publication as aforesaid or, if published on different dates, on the date of the first such publication.

Governing Law and Submission to Jurisdiction

The Notes and the Indenture will be governed by, and construed in accordance with, the laws of the State of New York.

Each of the parties to the Indenture will irrevocably submit to the exclusive jurisdiction of the U.S. federal and New York State courts located in the Borough of Manhattan, City and State of New York and to the courts of its own corporate domicile in respect of actions brought against it as a defendant for purposes of all legal actions and proceedings instituted in connection with the Notes and the Indenture stated to be governed by the laws of the State of New York. Each of the parties to the Indenture will irrevocably and unconditionally waive (and each holder of Notes (by acquiring a Note or a beneficial interest therein or otherwise accepting the benefits of the Indenture and the other applicable Financing Documents) will be deemed to irrevocably and unconditionally waive), to the fullest extent permitted by Applicable Law, any objection that it may now or thereafter have to the laying of the venue of any such proceeding brought in such a court, any claim that any such proceeding brought in such a court has been brought in an inconvenient forum and any objection based on place of residence or domicile.

The Company and the Guarantors, if any, will appoint on or prior to the Issue Date, and each future Guarantor will appoint upon provision of its Note Guarantee, C T Corporation System located at 28 Liberty Street, New York, NY, 10005, United States of America, as their authorized agent upon which process may be served in any such action.

Each future Mexican Guarantor, if any, will grant upon provision of its Note Guarantee, an irrevocable power of attorney under the laws of Mexico in favor of C T Corporation System for lawsuits and collections.

Currency Indemnity

Dollars are the sole currency of account and payment for all sums payable by the Company and any Guarantor under or in connection with the Notes, the Indenture and the Note Guarantees, including damages. To the greatest extent permitted under applicable law, any amount received or recovered in a currency other than Dollars (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of the Company or any Guarantor or otherwise) by any holder of a Note in respect of any sum expressed to be due to it from the Company or any Guarantor will only constitute a discharge to the Company or such Guarantor to the extent of the Dollar amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If that Dollar amount is less than the Dollar amount expressed to be due to the recipient under any Note, the Indenture or any Note Guarantee, the Company and each Guarantor, if any, will indemnify the Indenture Trustee or such holder, as applicable, against any loss sustained by it as a result; and if the amount of Dollars so purchased is greater than the sum originally due to such holder, the Indenture Trustee or such holder, as applicable, will, by executing the Indenture and/or accepting a Note, be deemed to have agreed to repay such excess. In any event, the Company and each Guarantor, if any, will indemnify the recipient against the cost of making any such purchase.

For the purposes of the preceding paragraph, it will be sufficient for the holder of a Note to certify in a satisfactory manner (indicating the sources of information used) that it would have suffered a loss had an actual purchase of Dollars been made with the amount so received in that other currency on the date of receipt or recovery (or, if a purchase of Dollars on such date had not been practicable, on the first date on which it would have been practicable, it being required that the need for a change of date be certified in the manner mentioned above). These indemnities will constitute a separate and independent obligation from the other obligations of the Company and the Guarantors, will give rise to a separate and independent cause of action, will apply irrespective of any indulgence granted by any holder of a Note and will continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note.

Waiver of Immunity

To the extent that the Company, any of the Restricted Subsidiaries or any of their respective properties, assets or revenues may have or may hereafter become entitled to any right of immunity, on the grounds of sovereignty or otherwise, from any legal action, suit or proceeding, from the giving of any relief in any such legal action, suit or proceeding, from setoff or from counterclaim from the jurisdiction of any Mexican, New York State or U.S. federal or other applicable court, from service of process, from attachment upon or prior to judgment, from attachment in aid of execution of judgment, or from execution of judgment, or other legal process or proceeding for the giving of any relief or for the enforcement of any judgment, in any such court in which proceedings may at any time be commenced, with respect to the obligations and liabilities of the Company or any of the Restricted Subsidiaries, or any other matter under or arising out of or in connection with, the Notes or the Indenture, the Company and each Guarantor irrevocably and unconditionally waives or will waive, and will cause each other Restricted Subsidiary to waive, such right, and agrees not to plead or claim any such immunity and consents to such relief and enforcement. To the extent that the Company, any of the Restricted Subsidiaries or any of their respective properties, assets or revenues may hereafter become entitled to any such right of immunity, such waiver may not be effective if it affects the interests of any third parties as they relate to the Company or any such Restricted Subsidiary or if such waiver is expressly forbidden under Mexican law.

Indenture Trustee

The Bank of New York Mellon will act as the Indenture Trustee under the Indenture.

The Indenture contains provisions for the immunities and the protections and rights of the Indenture Trustee under the Indenture, for which reference is made to the Indenture. The obligations of the Indenture Trustee to the holders of the Notes are subject to such immunities and rights as set forth therein. In addition, the Indenture will contain provisions permitting the holders of specified percentages in principal amount of the Notes at the time then outstanding, on behalf of the holders of all Notes, to direct the Indenture Trustee in connection with actions to be taken, or rights to be exercised, under the Indenture and the other Financing Documents, including without limitation in connection with the exercise of rights and remedies following the occurrence and during the continuation of an Event of Default, in each case on and subject to the terms and conditions set forth in the Indenture.

The Indenture Trustee will be responsible for (among other things): (a) maintaining a record of the aggregate holdings of Notes and accepting Notes for exchange and registration of transfer, (b) making payments in respect of the Notes to the holders of the Notes to the extent funds are available therefor and (c) transmitting notices to the holders and from such holders to the Company (in each case, as contemplated by the Indenture). In the event of a transfer of a Note, new Notes will be obtainable at the office of the Indenture Trustee in connection with such transfer.

Certain Definitions

“Acceptable FX Bank” means any (a) financial institution that (i) is organized under the laws of the United States, Europe, Canada or Japan, any state thereof or the District of Columbia or is the principal banking subsidiary or principal banking branch of a bank holding company organized under the laws of the United States, Europe, Canada or Japan, any state thereof or the District of Columbia, and is a member of the Federal Reserve System of the United States, and (ii) has combined capital and surplus of at least US\$1,000,000,000, or (b) any commercial bank that (i) is organized under the laws of Mexico or is the principal banking subsidiary of a bank holding company organized under the laws of Mexico, and is a member of Banco de México, (ii) issues (or the parent of which issues)

commercial paper at least “Prime-1” (or the then equivalent grade) by Moody’s or at least “A-1” (or the then-equivalent grade) by S&P and (iii) has combined capital and surplus of at least US\$1,000,000,000.

“Acceptable Swap Bank” means any (a) financial institution that (i) is organized under the laws of the United States, Europe, Canada or Japan, any state thereof or the District of Columbia or is the principal banking subsidiary or principal banking branch of a bank holding company organized under the laws of the United States, Europe, Canada or Japan, any state thereof or the District of Columbia, and is a member of the Federal Reserve System of the United States, and (ii) has combined capital and surplus of at least US\$1,000,000,000, or (b) any commercial bank that (i) is organized under the laws of Mexico or is the principal banking subsidiary of a bank holding company organized under the laws of Mexico, and is a member of Banco de México, (ii) issues (or the parent of which issues) commercial paper at least “Prime-1” (or the then equivalent grade) by Moody’s or at least “A-1” (or the then equivalent grade) by S&P and (iii) has combined capital and surplus of at least US\$1,000,000,000.

“Acquired Indebtedness” means Indebtedness of a Person or any of its Subsidiaries existing at the time such Person becomes a Restricted Subsidiary or at the time it merges or consolidates with the Company or any of the Restricted Subsidiaries or is assumed in connection with the acquisition of assets from such Person. Such Indebtedness will be deemed to have been Incurred at the time such Person becomes a Restricted Subsidiary or at the time it merges or consolidates with the Company or a Restricted Subsidiary or at the time such Indebtedness is assumed in connection with the acquisition of assets from such Person.

“Additional Debt” means any Refinancing Indebtedness and any Incremental Debt.

“Affiliate” means, with respect to any specified Person, any other Person who directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, such specified Person. The term “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise. For purposes of this definition, the terms “controlling,” “controlled by” and “under common control with” have correlative meanings.

“Affiliate Transaction” has the meaning set forth under “—Negative Covenants of the Company and the Restricted Subsidiaries—Limitation on Transactions with Affiliates.”

“Applicable Laws” means, with respect to any Person and any project, all applicable international, foreign, federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority.

“Applicable Percentage” means 100%; *provided* that, so long as no Event of Default shall have occurred and be continuing or would result therefrom, the Applicable Percentage shall be 0.00% if, on a *pro forma* basis after giving effect to such Asset Sale and the use of proceeds therefrom, the Consolidated Net Leverage Ratio would be less than or equal to 4.50 to 1.00.

“Asset Acquisition” means:

- (a) an Investment by the Company or any Restricted Subsidiary in any other Person pursuant to which such Person will become a Restricted Subsidiary, or will be merged with or into the Company or any Restricted Subsidiary; or
- (b) the acquisition by the Company or any Restricted Subsidiary of the assets of any Person (other than a Subsidiary of the Company) which constitute all or substantially all of the assets of such Person or comprises any division or line of business of such Person or any other properties or assets of such Person other than in the ordinary course of business; or
- (c) any Revocation with respect to an Unrestricted Subsidiary or Project Finance Subsidiary.

“Asset Sale” means any direct or indirect sale, disposition, issuance, conveyance, transfer, lease (other than operating leases entered into in the ordinary course of business), assignment or other transfer (other than a Lien or Sale and Leaseback Transaction incurred in accordance with the Indenture) (each, a “disposition”), by the Company or any Restricted Subsidiary of:

- (a) any Capital Stock of any Restricted Subsidiary; or
- (b) any property or assets (other than cash, Cash Equivalents or Capital Stock) of the Company or any Restricted Subsidiary not in the ordinary course of business.

Notwithstanding the preceding, the following items will not be deemed to be Asset Sales:

- (1) the disposition of all or substantially all of the assets of the Company and the Restricted Subsidiaries as permitted under “—Negative Covenants of the Company and the Restricted Subsidiaries—Limitation on Merger, Consolidation and Sale of Assets” or any disposition which constitutes a Change of Control;
- (2) any Asset Swap; *provided* that:
 - (a) for any Asset Swap involving assets with a Fair Market Value in excess of US\$60 million (or the equivalent in other currencies), the terms of such Asset Swap will be approved by a majority of the members of the Board of Directors of the Company (including, if applicable, a majority of the disinterested members) and evidenced by a Board Resolution; and
 - (b) for any Asset Swap involving assets with a Fair Market Value in excess of US\$100 million (or the equivalent in other currencies), the Company will, prior to the consummation thereof, obtain a favorable opinion as to the fairness of such Asset Swap to the Company and the relevant Restricted Subsidiary (if any) from a financial point of view from an Independent Financial Advisor.
- (3) any transaction or series of related transactions involving assets with a Fair Market Value not in excess of the greater of (i) US\$90,000,000 and (ii) 20.0% of the Consolidated EBITDA of the Company for the most recently ended Test Period (calculated on a *pro forma* basis);
- (4) the sale, lease, sublease, license, sublicense, consignment, conveyance or other disposition of real property, capital assets or equipment, inventory, indefeasible right of uses, accounts receivable or other assets in the ordinary course of business;
- (5) the making of a Restricted Payment permitted under “—Negative Covenants of the Company and the Restricted Subsidiaries—Limitation on Restricted Payments” and any Permitted Investment;
- (6) a disposition to the Company or a Restricted Subsidiary (other than a Project Finance Subsidiary), including a Person that is or will become a Restricted Subsidiary (other than a Project Finance Subsidiary) immediately after the disposition;
- (7) a disposition to a Project Finance Subsidiary by another Project Finance Subsidiary, including a Person that is or will become a Project Finance Subsidiary immediately after the disposition;
- (8) a disposition of the Capital Stock of an Unrestricted Subsidiary;
- (9) the sale or disposition of cash or Cash Equivalents;
- (10) dispositions of receivables and related assets or interests in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements;
- (11) any issuance of Disqualified Capital Stock otherwise permitted under “—Negative Covenants of the Company and the Restricted Subsidiaries—Limitation on Incurrence of Additional Indebtedness”; and

(12) the settlement, compromise, release, dismissal or abandonment of any action or claims against any Person.

“Asset Sale Offer” has the meaning set forth under “—Negative Covenants of the Company and the Restricted Subsidiaries—Limitation on Asset Sales.”

“Asset Sale Offer Amount” has the meaning set forth under “—Negative Covenants of the Company and the Restricted Subsidiaries—Limitation on Asset Sales.”

“Asset Sale Offer Payment Date” has the meaning set forth under “—Negative Covenants of the Company and the Restricted Subsidiaries—Limitation on Asset Sales.”

“Asset Sale Transaction” means any Asset Sale and, whether or not constituting an Asset Sale, (1) any sale or other disposition of Capital Stock, (2) any Designation with respect to an Unrestricted Subsidiary or Project Finance Subsidiary and (3) any sale or other disposition of property or assets excluded from the definition of Asset Sale by clause (5) of that definition.

“Asset Swap” means any sale or other transfer of any assets of the Company or the Restricted Subsidiaries; *provided* that (i) within 30 months of such sale or transfer, the Company or the Restricted Subsidiaries has exchanged such assets for, or used the proceeds from such sale or transfer of such assets to purchase, (x) assets (other than current assets as determined in accordance with IFRS or Capital Stock) to be used by the Company or any Restricted Subsidiary (other than a Project Finance Subsidiary unless such sale or transfer was made by a Project Finance Subsidiary) in a Permitted Business or (y) Capital Stock of a Person engaged in a Permitted Business that will become, upon purchase, a Restricted Subsidiary (other than a Project Finance Subsidiary unless the sale or transfer was made by a Project Finance Subsidiary) and (ii) any Net Cash Proceeds from such sale or other transfer that are not applied as described in the preceding clause (i) within the time period described therein shall be applied in accordance with the covenant described under “—Negative Covenants of the Company and the Restricted Subsidiaries—Limitation on Asset Sales.”

“Authorized Officer” means: (a) with respect to the Company, any of the Company’s directors, managers, chief financial officer, secretary, alternate secretary or attorney-in-fact with sufficient authority of the Company from time to time and (b) with respect to any other Person, the general director, the president, any vice president, secretary, chief accountant, treasurer, attorney-in-fact with sufficient authority or any other officer of such Person.

“beneficial owner” has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the Exchange Act. The terms “Beneficially Owns” and “Beneficially Owned” have a corresponding meaning.

“Board of Directors” means, as to any Person, the board of directors, management committee or similar governing body of such Person or any duly authorized committee thereof; *provided* that, if such Person has a dual board structure, the term “Board of Directors” shall refer to the board body responsible for the oversight of the business operations of such Person unless the members of such body may be replaced by action taken by the other board body (a “senior board”), in which case the term “Board of Directors” shall refer to the senior board.

“Board Resolution” means, with respect to any Person, a copy of a resolution certified by the Secretary or an Assistant Secretary of such Person to have been duly adopted by the Board of Directors of such Person and to be in full force and effect on the date of such certification, and delivered to the Indenture Trustee.

“Business Day” means any day other than a Saturday, Sunday or other day on which commercial banks are authorized or required to close under the laws of New York, New York, United States of America or Mexico City, Mexico.

“Capital Expenditures” means, for any Person, the aggregate amount of all expenditures of such Person for fixed or capital assets made during such period which, in accordance with IFRS, would be classified as capital expenditures.

“Capital Stock” means:

- (a) with respect to any Person that is a corporation, any and all shares, interests, participations or other equivalents (however designated and whether or not voting) of corporate stock, including each class of Common Stock and Preferred Stock of such Person;
- (b) with respect to any Person that is not a corporation, any and all partnership or other equity or ownership interests of such Person; and
- (c) any warrants, rights or options to purchase or acquire any of the instruments or interests referred to in clause (a) or (b) above, but excluding Indebtedness convertible into equity.

“Capitalized Lease Obligations” means, as to any Person, the obligations of such Person under a lease that are required to be classified and accounted for as capital lease obligations under IFRS, including any Refinancing of such obligations that does not increase the aggregate principal amount thereof as of the date of Refinancing. For purposes of this definition, the amount of such obligations at any date will be the capitalized amount of such obligations at such date, determined in accordance with IFRS.

“Cash Equivalents” means:

- (a) Dollar Permitted Investments;
- (b) Peso Permitted Investments;
- (c) any liabilities, as shown on the Company’s most recent consolidated balance sheet or any Restricted Subsidiary (other than contingent liabilities and liabilities that are subordinated to the Notes) that are assumed or forgiven by the transferee of any such assets pursuant to a novation or indemnity agreement that releases the Company or such Restricted Subsidiary from or indemnifies the Company or such Restricted Subsidiary against further liability;
- (d) any securities, Notes or other Obligations received by the Company or any Restricted Subsidiary from such transferee that are within 180 days after the Asset Sale (subject to ordinary settlement periods), converted by the Company or such Restricted Subsidiary into cash or Cash Equivalents, to the extent of the cash received in that conversion; and
- (e) accounts receivable of a business retained by the Company or any of its Restricted Subsidiaries, as the case may be, following the sale of such business, provided such accounts receivable (x) are not past due more than 60 days, and (y) do not have a payment date greater than 90 days from the date of the invoices creating such accounts receivable.

“Change of Control” means the occurrence of one or more of the following events:

- (a) prior to the initial public offering of capital stock of the Company, the Permitted Holders collectively ceasing to own, directly or indirectly, more than 50% of the shares of the Company entitled to vote at meetings of shareholders;
- (b) On the date of or after the initial public offering of capital stock referred to in clause (a), the Company becomes aware of (by way of a report or any other filing pursuant to Section 13(d) of the Exchange Act, proxy, vote, written notice or otherwise) the acquisition by any person or group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act, or any successor provision), including any group acting for the purpose of acquiring, holding or disposing of securities (within the meaning of Rule 13d-5(b)(1) under the Exchange Act), other than one or more Permitted Holders, in a single transaction or in a related series of transactions, by way of merger, consolidation or other business combination or purchase, of direct or indirect ownership of 35% or more of the total Voting Interests of the Company and the Permitted Holders shall own, directly or indirectly, less than such Person or group of the total Voting Interests of the Company;

- (c) the Permitted Holders (including through an Affiliate thereof) at any time ceasing to have the power to direct the management and/or the policies of the Company and the Restricted Subsidiaries;
- (d) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Company and the Restricted Subsidiaries, taken as a whole, to any “person” (as that term is used in Section 13(d)(3) of the Exchange Act) other than to the Issuer, any Restricted Subsidiary of the Issuer or to one or more Permitted Holders; or
- (e) the adoption of a plan relating to the liquidation or dissolution of the Company.

“Change of Control Repurchase Event” means the occurrence of both a Change of Control and a Ratings Decline.

“Cometa Indenture” means that certain indenture dated April 24, 2018, entered into among Cometa Energía, S.A. de C.V., as issuer, Citibank, N.A., as trustee, registrar, paying agent, and offshore collateral agent, Banco Nacional de México, S.A., integrante del Grupo Financiero Banamex, División Fiduciaria, as onshore collateral agent, and the guarantors from time to time party thereto.

“Common Stock” of any Person means any and all shares, interests or other participations in, and other equivalents (however designated and whether voting or non-voting) of such Person’s common equity interests, whether outstanding on the Issue Date or issued after the Issue Date, and includes, without limitation, all series and classes of such common equity interests.

“Consolidated EBITDA” means, for any period:

- (a) consolidated revenue; *minus*
- (b) consolidated cost of sales; *minus*
- (c) consolidated administrative expenses; *plus*
- (d) consolidated other non-operating income, net; *plus*
- (e) non-cash or non-recurring losses or expenses included in any of the foregoing; *plus*
- (f) any dividends, distributions or cash received by the Company or any of the Restricted Subsidiaries from an Unrestricted Subsidiary or any Person in which the Company owns a minority interest;

as each such item is reported on the most recent consolidated financial statements delivered by the Company to the Indenture Trustee and prepared in accordance with IFRS.

“Consolidated Interest Expense” means, for any period, the aggregate accrued interest expense of the Company for such period (determined on a consolidated basis, without duplication), including the portion of any payments made in respect of Capitalized Lease Obligations allocable to interest expense.

“Consolidated Net Leverage Ratio” means, with respect to any Person as of any date of determination, the ratio of the aggregate amount of Consolidated Total Net Indebtedness for such Person as of such date to Consolidated EBITDA for such Person for the four most recent full fiscal quarters for which financial statements are available ending prior to the date of such determination.

For purposes of this definition, Consolidated Total Net Indebtedness and Consolidated EBITDA will be calculated after giving effect on a *pro forma* basis in good faith for the period of such calculation for the following:

- (1) the Incurrence, repayment or redemption of any Indebtedness (including Acquired Indebtedness) of such Person or any of its Subsidiaries (Restricted Subsidiaries (in the case of the Company)), and the application of the proceeds thereof, including the Incurrence of any Indebtedness (including Acquired Indebtedness), and the application of the proceeds thereof, giving rise to the need to make such determination, occurring

during such period or at any time subsequent to the last day of such period and prior to or on such date of determination, to the extent, in the case of an Incurrence, such Indebtedness is outstanding on the date of determination, as of such Incurrence, and

- (2) the application of the proceeds thereof, repayment or redemption occurred on the first day of such period; and any Asset Sale Transaction or Asset Acquisition by such Person or any of its Subsidiaries (Restricted Subsidiaries (other than any Project Finance Subsidiary) in the case of the Company), including any Asset Sale or Asset Acquisition giving rise to the need to make such determination, occurring during such period or at any time subsequent to the last day of such period and prior to or on such date of determination, as if such Asset Sale Transaction or Asset Acquisition occurred on the first day of such period.

For purposes of making such *pro forma* computation, the amount of Indebtedness under any revolving credit facility or letter of credit will be computed based on:

- (a) the average daily balance of such Indebtedness during such period; or
- (b) if such facility was created or letter of credit issued after the end of such period, the average daily balance of such Indebtedness during the period from the date of creation of such facility or issuance of such letter of credit to the date of such calculation, in each case giving *pro forma* effect to any borrowings related to any transaction referred to in clause (2) above; *provided that*, with respect to letters of credit, only the reimbursement and loan obligations in respect thereof shall be included in such computation. For purposes of calculating the above ratios debt and EBITDA related to Project Finance Subsidiaries will be excluded.

“Consolidated Total Net Indebtedness” means, with respect to any Person as of any date of determination, an amount equal to the aggregate amount (without duplication) of all Indebtedness of such Person and its Subsidiaries (Restricted Subsidiaries (other than any Project Finance Subsidiary) in the case of the Company) outstanding at such time *less* the sum of (without duplication) consolidated cash and Cash Equivalents and consolidated marketable securities recorded as current assets (including the net proceeds from the issuance of the Notes so long as such proceeds are invested in cash and Cash Equivalents and/or consolidated marketable securities recorded as current assets), except for any Capital Stock in any Person, *in all cases* determined in accordance with IFRS and as set forth in the most recent consolidated balance sheet of the Company and the Restricted Subsidiaries (excluding any Project Finance Subsidiaries).

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. “Controlling” and “Controlled” have meanings correlative thereto.

“Debtor Relief Laws” means the Bankruptcy Code of the United States, the *Ley de Concursos Mercantiles* of Mexico and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws of the United States, Mexico or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

“Designated Jurisdiction” means any country or territory to the extent that such country or territory itself is the subject of Sanctions that broadly prohibit dealings with that country or territory. As of the Issue Date, the Designated Jurisdictions are the Crimea region, the so-called Donetsk People’s Republic region, the so-called Luhansk People’s Republic region, the non-government controlled areas of Zaporizhzhia and Kherson or any other covered region of Ukraine identified pursuant to Executive Order 14065, Cuba, Iran, North Korea, Syria and Venezuela.

“Designation” has the meaning set forth under “—Negative Covenants of the Company and the Restricted Subsidiaries—Limitation on Designation of Unrestricted Subsidiaries and Project Finance Subsidiaries.”

“Designation Amount” has the meaning set forth under “—Negative Covenants of the Company and the Restricted Subsidiaries—Limitation on Designation of Unrestricted Subsidiaries and Project Finance Subsidiaries.”

“Disqualified Capital Stock” means that portion of any Capital Stock which, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable at the option of the holder thereof), or upon

the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or is redeemable at the sole option of the holder thereof, in any case, on or prior to the 91st day after the final maturity date of the Notes.

“Dollar” or “US\$” means the lawful currency of the United States.

“Dollar Permitted Investments” means any of the following types of Investments, free and clear of all Liens:

- (a) readily marketable obligations issued or directly and fully guaranteed or insured by the United States or any agency or instrumentality thereof having maturities of not more than 360 days from the date of acquisition thereof; *provided* that the full faith and credit of the United States is pledged in support thereof;
- (b) time deposits with, or insured certificates of deposit or bankers’ acceptances of, any commercial bank that (i) (A) is a lender or (B) is organized under the laws of the United States, any state thereof or the District of Columbia or is the principal banking subsidiary of a bank holding company organized under the laws of the United States, any state thereof or the District of Columbia, and is a member of the Federal Reserve System of the United States, (ii) issues (or the parent of which issues) commercial paper rated as described in clause (e) of this definition and (iii) has combined capital and surplus of at least US\$1,000,000,000, in each case with maturities of not more than ninety (90) days from the date of acquisition thereof;
- (c) readily marketable Dollar-denominated obligations issued or directly and fully guaranteed or insured by Mexico or any federal agency or instrumentality thereof having maturities of not more than one hundred eighty (180) days from the date of acquisition thereof; *provided* that the full faith and credit of Mexico is pledged in support thereof;
- (d) Dollar-denominated time deposits with, or insured certificates of deposit or bankers’ acceptances of, any commercial bank that (i) is organized under the laws of Mexico or is the principal banking subsidiary of a bank holding company organized under the laws of Mexico, and is a member of Banco de México, (ii) issues (or the parent of which issues) commercial paper at least “Prime-1” (or the then equivalent grade) by Moody’s or at least “A-1” (or the then equivalent grade) by S&P and (iii) has combined capital and surplus of at least US\$1,000,000,000, in each case with maturities of not more than ninety (90) days from the date of acquisition thereof;
- (e) commercial paper issued by any Person organized under the laws of any state of the United States and rated at least “Prime-1” (or the then-equivalent grade) by Moody’s or at least “A-1” (or the then equivalent grade) by S&P, in each case with maturities of not more than ninety (90) days from the date of acquisition thereof;
- (f) Investments, classified in accordance with IFRS as current assets of the Company, in money market investment programs registered under the United States Investment Company Act of 1940, which are administered by financial institutions that have the highest rating obtainable from either Moody’s or S&P, and the portfolios of which are limited solely to Investments of the character, quality and maturity described in clauses (a), (b), (c), (d) and (e) of this definition; and
- (g) money market funds having a rating in the highest investment category granted thereby by a recognized credit rating agency.

“Electricidad Firme L/C Facility” means that certain letter of credit facility agreement entered into among Electricidad Firme de México Holdings, S.A. de C.V., as borrower, Scotiabank Inverlat, S.A., Institución de Banca Múltiple, Grupo Financiero Scotiabank Inverlat, as administrative agent and sole lead arranger, and the issuing banks from time to time party thereto pursuant to which a letter of credit facility has been established as the same may be, from time to time, amended, supplemented, modified, restated, replaced or assigned by Electricidad Firme de México Holdings, S.A. de C.V. to the Issuer or any of its Restricted Subsidiaries.

“Electricidad Firme Mexico Notes” means those certain 4.900% senior secured notes due 2026 issued by Electricidad Firme de México Holdings, S.A. de C.V. pursuant to that certain indenture dated September 20, 2021, entered into among Electricidad Firme de México Holdings, S.A. de C.V., as issuer, The Bank of New York Mellon, as trustee, Banco Actinver, S.A., Institución de Banca Múltiple, Grupo Fiduciaria Actinver, as collateral agent,

Electricidad Cometa de México, S.A. de C.V., as initial guarantor, and the other guarantors from time to time party thereto.

“Environmental Laws” means any and all Applicable Laws, in each case as now or hereafter in effect and applicable to the Company, and/or the Restricted Subsidiaries, relating to Environmental or Social Matters.

“Environmental or Social Matter” means any of: (a) the protection of human health, safety or the environment or to emissions, discharges, releases or threatened releases of pollutants, contaminants, chemicals or toxic or hazardous substances or wastes into the environment, including, without limitation, ambient air, soil, surface water, ground water, wetlands, land or subsurface strata, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants, chemicals or toxic or hazardous substances or wastes, (b) nuisance, noise, defective premises, health and safety at work, industrial illness, industrial injury due to environmental factors, environmental health problems (including asbestosis or any other illness or injury caused by exposure to asbestos), (c) conservation, preservation or protection of the natural or man-made environment or any living organisms supported by the natural or man-made environment, (d) conservation of archaeological and historical sites, rights-of-way, resettlement, expropriation and indemnification, indigenous groups, traffic, or any other matters whatsoever affecting social conditions and (e) labor, worker rights or human rights.

“Equity Contribution” means any contribution of funds by a direct or indirect parent of the Company to an account of the Company or any Restricted Subsidiary, including via an equity investment or another similar type of contribution, but not including any loan or other type of borrowing by the Company or any Restricted Subsidiary.

“Equity Event” means a public or private offering of Qualified Capital Stock of the Company.

“Equity Interests” means, with respect to any Person, all of the shares of capital stock of (or other ownership or profit interests in) such Person, all of the warrants, options or other rights for the purchase or acquisition from such Person of shares of capital stock of (or other ownership or profit interests in) such Person, all of the securities convertible into or exchangeable for shares of capital stock of (or other ownership or profit interests in) such Person or warrants, rights or options for the purchase or acquisition from such Person of such shares (or such other interests), and all of the other ownership or profit interests in such Person (including partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination.

“Exchange Act” means the U.S. Securities Exchange Act of 1934, as amended.

“Fair Market Value” means the value (excluding, for the avoidance of doubt, any assumption of Indebtedness in connection with such transaction) that would be paid by a buyer to an unaffiliated seller, determined in good faith by the Board of Directors of the Company (unless otherwise provided in the Indenture) and evidenced by a Board Resolution; *provided* that, with respect to any price less than US\$25 million (or the equivalent in other currencies) only a good faith determination by the Company’s senior management will be required.

“Fall Away Event” means such time as the Notes shall have an Investment Grade Rating from at least two Rating Agencies and the Company shall have delivered to the Indenture Trustee an Officer’s Certificate certifying that the foregoing condition has been satisfied.

“Financing Documents” means the Notes, the Indenture and any other documentation providing for Additional Debt or otherwise specified as a Financing Document in the Indenture.

“Fiscal Quarters” means, with respect to the Company and any of the Restricted Subsidiaries, the periods commencing on (a) January 1 in any calendar year and ending on the next succeeding March 31, (b) April 1 in any calendar year and ending on the next succeeding June 30, (c) July 1 in any calendar year and ending on the next succeeding September 30, and (d) October 1 in any calendar year and ending on the next succeeding December 31; each a “Fiscal Quarter.”

“Fiscal Year” means, with respect to each of the Company and any of the Restricted Subsidiaries, the period commencing on January 1 in any Year and ending on the next succeeding December 31.

“Fitch” means Fitch Ratings, Inc. and any successor to its rating agency business.

“FX Swap Contract” means a Swap Contract entered into between the Company or one or more of the Restricted Subsidiaries, as applicable, and an Acceptable FX Bank, to protect against the risk of foreign exchange fluctuations in respect of any Additional Debt, for a period concurrent with the tenor of such Additional Debt through its maturity.

“GIP” means, collectively, GIM EM Manager, LLC and any of its respective Affiliates.

“Global Note” has the meaning set forth in “Book-Entry; Settlement and Clearance” in this Offering Memorandum.

“Governmental Approvals” means any permit, authorization, registration, consent, approval, waiver, exception, variance, claim, license, franchise, exemption, publication, filing, covenant, order, ruling, certification, notice to and declaration of or with any Governmental Authority, including any approvals relating to anything that is required for: (a) the ownership, construction, finance, use, operation and maintenance of the property and assets of the Company and the Restricted Subsidiaries and all such other matters as may be necessary in connection with the business and operations of the Company and the Restricted Subsidiaries and (b)(i) the Company’s and the Restricted Subsidiaries’ respective formations and (ii) the compliance by the Company and the Restricted Subsidiaries with, and the enforceability of, any of the Financing Documents and the making of any payments at the times and in the currencies contemplated under the Financing Documents.

“Governmental Authority” means the government of Mexico, the United States, or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

“Guarantee” means, as to any Person, (a) any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation payable or performable by another Person (the “primary obligor”) in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation, (ii) to purchase or lease property, securities or services for the purpose of assuring the obligee in respect of such Indebtedness or other obligation of the payment or performance of such Indebtedness or other obligation, (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity or level of income or cash flow of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation, or (iv) entered into for the purpose of assuring in any other manner the obligee in respect of such Indebtedness or other obligation of the payment or performance thereof or to protect such obligee against loss in respect thereof (in whole or in part), or (b) any Lien on any assets of such Person securing any Indebtedness or other obligation of any other Person, whether or not such Indebtedness or other obligation is assumed by such Person (or any right, contingent or otherwise, of any holder of such Indebtedness to obtain any such Lien). The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guaranteeing Person in good faith. The term “Guarantee” as a verb has a corresponding meaning.

“Guarantor” means any Restricted Subsidiary, other than any OpCo and any Restricted Subsidiary of any OpCo, that executes a Note Guarantee in accordance with the provisions of the Indenture and its respective successor and assign until released from its obligations under such Note Guarantee and the Indenture in accordance with the terms of the Indenture.

“IFRS” means, International Financial Reporting Standards as issued by the International Accounting Standards Board.

“Incremental Debt” means Indebtedness of the Company or any of the Restricted Subsidiaries other than (a) Indebtedness under the Indenture (excluding any Additional Notes), (b) Permitted Swap Debt and (c) Refinancing Indebtedness.

“Incur” means, with respect to any Indebtedness or other obligation of any Person, to create, issue, incur (including by conversion, exchange or otherwise), assume, Guarantee or otherwise become liable in respect of such Indebtedness or other obligation on the balance sheet of such Person (and “Incurrence,” “Incurred” and “Incurring” will have meanings correlative to the preceding). For the avoidance of doubt, any completion guarantee entered into by a Person that qualifies as Indebtedness of such Person shall be Incurred on the date the completion guarantee becomes a legal, valid and binding obligation of such Person.

“Indebtedness” means with respect to any Person, without duplication:

- (a) the principal amount (or, if less, the accreted value) of all obligations of such Person for borrowed money;
- (b) the principal amount (or, if less, the accreted value) of all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;
- (c) all Capitalized Lease Obligations of such Person, other than power purchase agreements and fuel supply and transportation agreements that are treated as such;
- (d) Purchase Money Indebtedness;
- (e) all letters of credit, banker’s acceptances or similar credit transactions, including (without duplication) reimbursement obligations in respect thereof;
- (f) Guarantees and other contingent obligations of such Person in respect of Indebtedness referred to in clauses (a) through (e) above and clauses (h) through (j) below;
- (g) all Indebtedness of any other Person of the type referred to in clauses (a) through (f) which is secured by any Lien on any property or asset of such Person (other than the Capital Stock of such Person, if any such Person is a Project Finance Subsidiary or an Unrestricted Subsidiary), the amount of such Indebtedness being deemed to be the lesser of the Fair Market Value of such property or asset or the amount of the Indebtedness so secured;
- (h) all obligations under Permitted Swap Debt of such Person to the extent such Permitted Swap Debt appear as a liability on the balance sheet of such Person, prepared in accordance with IFRS;
- (i) all Disqualified Capital Stock issued by such Person with the amount of Indebtedness represented by such Disqualified Capital Stock being equal to the greater of its voluntary or involuntary liquidation preference and its maximum fixed repurchase price, but excluding accrued dividends, if any; *provided that*:
 - (1) if the Disqualified Capital Stock does not have a fixed repurchase price, such maximum fixed repurchase price will be calculated in accordance with the terms of the Disqualified Capital Stock as if the Disqualified Capital Stock were purchased on any date on which Indebtedness will be required to be determined pursuant to the Indenture; and
 - (2) if the maximum fixed repurchase price is based upon, or measured by, the fair market value of the Disqualified Capital Stock, the fair market value will be the Fair Market Value thereof; and
- (j) all liabilities recorded on the balance sheet of such Person in connection with any equity commitments made to a Project Finance Subsidiary; and
- (k) net obligations of such Person under any Swap Contract.

Notwithstanding anything to the contrary contained herein, Indebtedness shall not include any liabilities recorded on the balance sheet of the Company or any Restricted Subsidiary in connection with any Equity Contribution commitments for any Project Finance Subsidiary or completion guarantees or equity commitments that are treated as Restricted Payments at the election of the Company. The amount of any net obligation under any Swap Contract on any date shall be deemed to be the Swap Termination Value thereof as of such date.

“Indenture Trustee” means The Bank of New York Mellon, as trustee under the Indenture.

“Independent Auditors” means PricewaterhouseCoopers, Société coopérative or such other independent auditor of recognized international standing having no affiliation with the Company, the Permitted Holders or any of their Affiliates.

“Independent Financial Advisor” means an accounting firm, appraisal firm, investment banking firm or consultant that is, in the reasonable judgment of the Company’s Board of Directors, qualified to perform the task for which it has been engaged and which is independent in connection with the relevant transaction.

“Initial Shareholder” means GIP EM Bronco Luxco S.à r.l.

“Insolvency Proceeding,” with respect to any Person, means (a) entry by any competent Governmental Authority of any jurisdiction or a court having jurisdiction in the premises of (i) a decree or order for relief in respect of such Person in an involuntary case or proceeding under any applicable Debtor Relief Law or (ii) an involuntary or contested decree or order adjudging such Person as bankrupt or insolvent, or approving as properly filed a petition seeking suspension of payment, reorganization, arrangement, adjustment or composition of or in respect of such Person under any applicable Debtor Relief Law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of such Person or of any substantial part of the property of such Person, or ordering the dissolution, winding up or liquidation of the affairs of such Person and the continuance of any such decree or order referred to in clauses (i) and (ii) above remains undismissed or unstayed and in effect for a period of ninety (90) consecutive days, (b) commencement by such Person of a voluntary case or proceeding under any applicable Debtor Relief Law or of any other case or proceeding to be adjudicated as bankrupt or insolvent, or the consent by such Person to the entry of a decree or order for relief in respect of such Person in an involuntary case or proceeding under any applicable Debtor Relief Law or to the commencement of any bankruptcy or insolvency case or proceeding against such Person, or the filing by such Person of a petition or answer or consent seeking reorganization or relief under any applicable Debtor Relief Law; or consent by such Person to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of such Person or of any substantial part of the property of such Person, or the making by such Person of an assignment for the benefit of creditors or (c) the admission by such Person in writing of its inability to pay its debts generally as they become due, or the taking of corporate action by such Person in furtherance of any such action.

“Interest Rate Swap Contract” means a Swap Contract entered into between the Company or one or more of the Restricted Subsidiaries, as applicable, and a Swap Counterparty, to protect against the risk of interest rate fluctuations in respect of any Additional Debt, for a period concurrent with the tenor of Additional Debt, as applicable, through its maturity.

“Investment” means, with respect to any Person, any:

- (a) direct or indirect loan, advance or other extension of credit (including, without limitation, a Guarantee) to any other Person (other than advances or extensions of credit to customers in the ordinary course of business or any debt or extension of credit by a bank deposit other than a time deposit),
- (b) capital contribution (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others) to any other Person, or
- (c) purchase or acquisition by such Person of any Capital Stock, bonds, notes, debentures or other securities or evidences of Indebtedness issued by, any other Person.

The Company will be deemed to have made an “Investment” in an Unrestricted Subsidiary or a Project Finance Subsidiary, as applicable, at the time of its Designation, which will be valued at the Fair Market Value of the sum of the net assets of such Unrestricted Subsidiary or a Project Finance Subsidiary, as applicable, at the time of its Designation and the amount of any Indebtedness of such Unrestricted Subsidiary or a Project Finance Subsidiary, as applicable, owed to the Company or any Restricted Subsidiary immediately following such Designation. Any property transferred to or from an Unrestricted Subsidiary or a Project Finance Subsidiary, as applicable, will be valued at its Fair Market Value at the time of such transfer. If the Company or any Restricted Subsidiary sells or otherwise disposes of any Capital Stock of a Restricted Subsidiary (including any issuance and sale of Capital Stock by a Restricted Subsidiary) such that, after giving effect to any such sale or disposition, such Restricted Subsidiary

would cease to be a Subsidiary, the Company will be deemed to have made an Investment on the date of any such sale or disposition equal to sum of the Fair Market Value of the Capital Stock of such former Restricted Subsidiary held by the Company or any Restricted Subsidiary immediately following such sale or other disposition and the amount of any Indebtedness of such former Restricted Subsidiary Guaranteed by the Company or any Restricted Subsidiary or owed to the Company or any other Restricted Subsidiary immediately following such sale or other disposition.

“Investment Grade Rating” means a rating equal to or higher than BBB- (or the equivalent) by Fitch, Baa3 (or the equivalent) by Moody’s and BBB- (or the equivalent) by S&P.

“Issue Date” means the first date of issuance of Notes under the Indenture.

“Knowledge” means, with respect to the Company, the actual knowledge of any of its Authorized Officers.

“Lien” means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge or preference, priority, *fideicomiso* or other security interest or preferential arrangement in the nature of a security interest of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to real property, and any financing lease having substantially the same economic effect as any of the foregoing); *provided* that the lessee in respect of a Capitalized Lease Obligation or Sale and Leaseback Transaction will be deemed to have Incurred a Lien on the property leased thereunder.

“Material Adverse Effect” means a material adverse effect on:

- (a) the operations, business, condition (financial or otherwise), properties or prospects of the Company and the Restricted Subsidiaries, taken as a whole;
- (b) the Company’s or any Guarantor’s ability to perform its payment obligations under the Financing Documents to which it is a party;
- (c) the Company’s ability to perform its material obligations to which it is a party; or
- (d) the legality, validity, effectiveness or enforceability of any Financing Document.

“Mexican Income Tax Law” means the *Ley del Impuesto sobre la Renta*.

“Moody’s” means Moody’s Investors Service, Inc. and any successor to its rating agency business.

“Net Cash Proceeds” means, with respect to any Asset Sale, the proceeds in the form of cash or Cash Equivalents, including payments in respect of deferred payment obligations when received in the form of cash or Cash Equivalents (other than the portion of any such deferred payment constituting interest) received by the Company or any of the Restricted Subsidiaries from such Asset Sale, net of:

- (a) reasonable out-of-pocket expenses and fees relating to such Asset Sale (including, without limitation, legal, accounting and investment banking fees, brokerage commissions, sales commissions and other direct costs);
- (b) taxes paid or payable in respect of such Asset Sale after taking into account any reduction in consolidated tax liability due to available tax credits or deductions and any tax sharing arrangements;
- (c) repayment of Indebtedness including premiums and accrued interest that are either (i) secured by a Lien permitted under the Indenture that is required to be repaid in connection with such Asset Sale or (ii) otherwise required to be repaid in connection with such Asset Sale; and
- (d) appropriate amounts to be provided by the Company or any Restricted Subsidiary, as the case may be, as a reserve, in accordance with IFRS, against any liabilities associated with such Asset Sale and retained by the Company or any Restricted Subsidiary, as the case may be, after such Asset Sale, including, without limitation, pension and other post-employment benefit liabilities, liabilities related to environmental matters

and liabilities under any indemnification obligations associated with such Asset Sale, but excluding any reserves with respect to Indebtedness.

“Note Guarantee” means a Guarantee of the Notes pursuant to the Indenture.

“Obligations” means, with respect to any Person, any payment, performance or other obligation of such Person of any kind, including any liability of such Person on any claim, whether or not the right of any creditor to payment in respect of such claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, disputed, undisputed, legal, equitable, secured or unsecured, and whether or not such claim is discharged, stayed or otherwise affected by any Insolvency Proceeding.

“Officer’s Certificate” means a certificate signed by an Authorized Officer and delivered to the Indenture Trustee.

“OpCo” means (i) Cometa Energia S.A. de C.V., (ii) Tierra Mojada Luxembourg II S.à r.l. and (iii) Ektria Suministro, S. de R.L. de C.V., or, in each case, any permitted successor thereof pursuant to the terms of the Indenture (including, without limitation, any Subsidiary of the Issuer that becomes the parent of the Subsidiaries of Cometa Energia S.A. de C.V., Tierra Mojada Luxembourg II S.à r.l. and Ektria Suministro, S. de R.L. de C.V., as applicable, as a result of their respective winding-up or dissolution).

“Opinion of Counsel” means a written opinion from legal counsel who is reasonably acceptable to the Indenture Trustee that meets the requirements of the Indenture and delivered to the Indenture Trustee. Except as otherwise specified in the Indenture, the counsel may be counsel to the Company and any Restricted Subsidiaries.

“Payment in Kind Shareholder Loans” means Indebtedness comprised of those certain payment in kind loans in an original aggregate principal amount of US\$145,032,083, dated as of September 28, 2021, October 27, 2021, November 3, 2021, December 20, 2021, April 5, 2022, April 6, 2022, April 14, 2022 and October 31, 2022, in each case between Electricidad Firme de México Holdings, S.A. de C.V. as lender and Global Infrastructure Partners Emerging Markets Fund I, L.P., GIP EM Bronco, Co-Investment Fund I, L.P., Cayman Core Energy Investments 1, LLC, Cayman Core Energy Investments 2, LLC, Cayman Core Energy Investments 3, LLC, Florida Core Energy Investments 1, LLC, Florida Core Energy Investments 2, LLC, GIP EM Bronco Co-Investment Fund II, L.P., GIP EM Bronco Co-Investment Fund III, L.P., and GIP EM Bronco Aggregator, L.P., each as a borrower under the corresponding credit agreement or credit agreements, as applicable.

“Permit” means any authorization, consent, certification, determination, license, approval, permit, registrations, order, ruling, certification, identification number, exemption, notice, declaration or similar right, undertaking or other action of, to or by, or any filing, qualification or registration with, any Governmental Authority.

“Permitted Business” means (i) the business or businesses conducted by the Company, its Subsidiaries and other operating businesses described in this offering memorandum as of the Issue Date, any other power generation and storage technologies business (including, without limitation, solar, geothermal, wind, and battery energy storage) and fuel and gas supply, and (ii) any business reasonably ancillary, complementary, similar or related to the business or businesses provided for in clause (i) above.

“Permitted Holder” means (i) the Initial Shareholder, (ii) any fund managed by GIP EM Manager, LLC or any Affiliate thereof or (iii) any Qualified Transferee.

“Permitted Indebtedness” has the meaning set forth under “—Negative Covenants of the Company and the Restricted Subsidiaries—Limitation on Incurrence of Additional Indebtedness.”

“Permitted Investments” means:

- (1) Investments by the Company or any Restricted Subsidiary (other than a Project Finance Subsidiary) in any Person that is, or that result in any Person becoming, immediately after such Investment, a Restricted Subsidiary (other than a Project Finance Subsidiary) or constituting a merger or consolidation of such Person into the Company or with or into a Restricted Subsidiary (other than a Project Finance Subsidiary);

- (2) Investments in the Company (including purchases by the Company or any Restricted Subsidiary of the Notes or any other Indebtedness of the Company or any wholly-owned Restricted Subsidiary);
- (3) Investments in cash and Cash Equivalents;
- (4) any Investment existing on, or made pursuant to written agreements existing on, the Issue Date (including the Payment in Kind Shareholder Loans) and any extension, modification or renewal of such Investments (but not Investments involving additional advances, contributions or other investments of cash or property or other increases thereof (unless a binding commitment therefore has been entered into on or prior to the Issue Date), other than as a result of the accrual or accretion of interest or original issue discount or payment-in-kind pursuant to the terms of such Investment as of the Issue Date);
- (5) Investments permitted pursuant to clause (2)(c) or (d) of “—Negative Covenants of the Company and the Restricted Subsidiaries—Limitation on Transactions with Affiliates”;
- (6) any Investments received in compromise or resolution of (A) obligations of Persons that were incurred in the ordinary course of business of the Company or any of the Restricted Subsidiaries, including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any Persons; or (B) litigation, arbitration or other disputes;
- (7) Investments by the Company or the Restricted Subsidiaries as a result of non-cash consideration permitted to be received in connection with an Asset Sale made in compliance with the covenant described under “—Negative Covenants of the Company and the Restricted Subsidiaries—Limitation on Asset Sales”;
- (8) Investments permitted under clause 2(d) of “—Negative Covenants of the Company and the Restricted Subsidiaries—Limitation on Incurrence of Additional Indebtedness”;
- (9) loans and advances to officers, directors and employees made in the ordinary course of business of the Company or any Restricted Subsidiary of the Company in an aggregate principal amount not to exceed US\$2 million at any one time outstanding.
- (10) any Investment acquired from a Person which is merged with or into the Company or any Restricted Subsidiary, or any Investment of any Person existing at the time such Person becomes a Restricted Subsidiary and, in either such case, is not created as a result of or in connection with or in anticipation of any such transaction;
- (11) any acquisition of assets or Capital Stock solely in exchange for the issuance of Capital Stock (other than Disqualified Capital Stock) of the Company;
- (12) Investments by the Company or any Restricted Subsidiary consisting of deposits, prepayment and other credits to suppliers or lessors in the ordinary course of business;
- (13) Investments by the Company or any Restricted Subsidiary in customers and suppliers in the ordinary course of business which either (a) generate accounts receivable, or (b) are accepted in settlement of bona fide disputes;
- (14) advances, loans or extensions of trade credit in the ordinary course of business by the Company or any Restricted Subsidiary;
- (15) Investments in Project Finance Subsidiaries in an aggregate amount outstanding at any one time not to exceed the greater of (a) (i) US\$337,500,000 and (ii) 75.0% of the Consolidated EBITDA of the Company for the most recently ended Test Period (calculated on a *pro forma* basis) *plus* (b) the net proceeds from this offering that is not used to repay existing Indebtedness;
- (16) Investments in Persons primarily engaged in a Permitted Business, (a) in an aggregate amount outstanding at any one time not to exceed the greater of (i) US\$337,500,000 and (ii) 75.0% of the Consolidated EBITDA of the Company for the most recently ended Test Period (calculated on a *pro forma* basis), or (b) with Equity Contributions or Restricted Payments that comply with the “Limitation on Restricted Payments” covenant;

- (17) Investments by the Company or any Restricted Subsidiary in Persons primarily engaged in a Permitted Business only with Equity Contributions or Restricted Payments that comply with the “—Negative Covenants of the Company and Restricted Subsidiaries—Limitation on Restricted Payments” covenant; and
- (18) any Investment in connection with any Permitted Reorganization.

“Permitted Liens” means such of the following as to which no enforcement, collection, execution, levy or foreclosure proceeding shall have been commenced:

- (1) Liens imposed by law, such as statutory Liens of landlords and Liens of carriers, warehousemen, mechanics, suppliers, material-men, repairmen and other Liens imposed by law (including tax Liens) incurred in the ordinary course of business or Liens arising solely by virtue of any statutory or common law (but not contractual) provisions relating to bankers’ liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a creditor depository institution;
- (2) Liens Incurred or deposits made in the ordinary course of business (i) in connection with workers’ compensation, unemployment insurance and other types of social security (including any Lien securing letters of credit issued in the ordinary course of business consistent with past practice in connection therewith) or (ii) to secure the performance of tenders, statutory obligations, surety and appeal bonds, bids, leases, government performance and return-of-money bonds and other similar obligations (exclusive of obligations for the payment of borrowed money);
- (3) Liens securing reimbursement obligations with respect to commercial letters of credit which encumber documents and other property relating to such letters of credit and products and proceeds thereof;
- (4) Liens encumbering deposits made to secure obligations arising from statutory, regulatory, contractual, or warranty requirements of the Company, including rights of offset and set-off;
- (5) Liens securing Permitted Swap Debt that relate to Indebtedness that is Incurred in accordance with “—Negative Covenants of the Company and the Restricted Subsidiaries—Limitation on Incurrence of Additional Indebtedness”;
- (6) Liens securing Indebtedness under the Electricidad Firme L/C Facility outstanding from time to time in a principal amount not to exceed US\$60,000,000, any Liens existing on the Issue Date (or required to be created pursuant to sections 5.17 and 5.19 of the Cometa Indenture) and any extension, renewal or replacement thereof or of any Lien in clauses (7), (8), (9), (13), (17), (18) or (19) below; *provided, however*, that the total amount of Indebtedness so secured is not increased plus any premiums, fees and expenses in connection with such extension, renewal or replacement;
- (7) Liens on any property or assets (including Capital Stock of any person) securing Indebtedness Incurred solely for purposes of financing the acquisition, construction or improvement of such property or assets after the Issue Date; *provided* that (a) the aggregate principal amount of Indebtedness secured by the Liens will not exceed (but may be less than) the cost (i.e., purchase price) of the property or assets so acquired, constructed or improved and (b) the Lien is incurred before, or within 365 days after the completion of, such acquisition, construction or improvement and does not encumber any other property or assets of the Company or any Restricted Subsidiary; and *provided further* that, to the extent that the property or asset acquired is Capital Stock, the Lien also may encumber other property or assets of the person so acquired;
- (8) any Lien securing Indebtedness for the purpose of financing all or part of cost of the acquisition, construction or development of a project; *provided* that the Liens in respect of such Indebtedness are limited to assets (including Capital Stock of the project entity) and/or revenues of such project; and *provided further* that the Lien is incurred before, or within 365 days after the completion of, that acquisition, construction or development and does not apply to any other property or assets of the Company or any Restricted Subsidiary;
- (9) any Lien existing on any property or assets of any person before that person’s acquisition (in whole or in part) by, merger into or consolidation with the Company or any Restricted Subsidiary after the Issue Date;

provided that the Lien is not created in contemplation of or in connection with such acquisition, merger or consolidation;

- (10) Liens for taxes, assessments or other governmental charges not yet subject to penalties for nonpayment or which are being contested in good faith by appropriate proceedings; *provided* that appropriate reserves required pursuant to IFRS have been made in respect thereof;
- (11) Liens arising by means of judgment, decree or order of any court, not giving rise to an Event of Default so long as such Lien is adequately bonded and any appropriate legal proceedings which may have been duly initiated for the review of such judgment, decree or order have not been finally terminated or the period within which such proceeding may be initiated has not expired and any Liens that are required to protect or enforce rights in any administrative, arbitration or other court proceeding in the ordinary course of business;
- (12) Liens constituting any interest of title of a lessor, a licensor or either's creditors in the property subject to any lease;
- (13) any Lien securing Indebtedness Incurred pursuant to clause (2)(i) or (2)(k) under the covenant "—Negative Covenants of the Company and the Restricted Subsidiaries—Limitation on Incurrence of Additional Indebtedness."
- (14) Liens securing Indebtedness Incurred by a Subsidiary that was a Project Finance Subsidiary at the time of such Incurrence and the granting of such Liens that continue to exist after the date that the Company revokes the designation of such Subsidiary as a Project Finance Subsidiary;
- (15) Liens on the property of the Company or any Restricted Subsidiary Incurred in the ordinary course of business to secure performance of obligations with respect to statutory or regulatory requirements, performance bids, trade contracts, letters of credit performance or return-of-money bonds, surety bonds, obligations in connection with a bid or other process for the award of a power purchase agreement, or other obligations of a like nature and Incurred in a manner consistent with Prudent Industry Practice, in each case which are not Incurred in connection with the borrowing of money, the obtaining of advances or credit or the payment of the deferred purchase price of property and which do not in the aggregate impair in any material respect the use of property in the operation of the business of the Company and their Restricted Subsidiaries, taken as a whole;
- (16) any provision for the retention of title to any property by the vendor or transferor of such property which property is acquired by the Company or a Restricted Subsidiary in a transaction entered into in the ordinary course of business of the Company or a Restricted Subsidiary and for which kind of transaction it is customary market practice for such retention of title provision to be included;
- (17) Liens on and pledges of the Capital Stock of any Unrestricted Subsidiary or any Project Finance Subsidiary to secure Indebtedness of that Unrestricted Subsidiary or that Project Finance Subsidiary, respectively;
- (18) (a) mortgages, liens, security interests, restrictions, encumbrances or any other matters of record that have been placed by any developer, landlord or other third party on property over which the Company or any Restricted Subsidiary has easement rights or on any real property leased by the Company or any Restricted Subsidiary or similar agreements relating thereto, and (b) any condemnation or eminent domain proceedings or compulsory purchase order affecting real property;
- (19) Liens in favor of the Company or any Restricted Subsidiary;
- (20) Liens on goods (and the proceeds thereof) and documents of title and the property covered thereby securing Indebtedness in respect of commercial letters of credit issued to facilitate the purchase, shipment or storage of such inventory or other goods;
- (21) Liens on any escrow account used in connection with pre-funding a refinancing of Indebtedness otherwise permissible by the Indenture;

- (22) Liens securing an amount of Indebtedness outstanding at any one time not to exceed the greater of (i) US\$450,000,000 and (ii) 100.0% of the Consolidated EBITDA of the Company for the most recently ended Test Period (calculated on a *pro forma* basis); and
- (23) Liens securing Indebtedness and other Obligations under clause (u) of the second paragraph of the covenant described under “—Negative Covenants of the Company and the Restricted Subsidiaries—Limitation on Incurrence of Additional Indebtedness”; *provided* that such Liens shall only be permitted if such Liens are limited to all or part of the same property or assets, including Capital Stock (plus property and assets affixed or appurtenant thereto and additions, improvements, accessions, proceeds, dividends or distributions thereof, including after-acquired property that is (i) affixed or incorporated into the property or assets covered by such Lien, (ii) after-acquired property or assets subject to a Lien securing such Indebtedness, the terms of which Indebtedness require or include a pledge of after-acquired property or assets and (iii) the proceeds and products thereof) acquired, or of any Person acquired or merged, consolidated or amalgamated with or into the Company or any Restricted Subsidiary, in any transaction to which such Indebtedness or other Obligation relates.

“Permitted Reorganization” means (a) any internal reorganization of, or among, the Company and its Subsidiaries including: (i) liquidation (or similar) of any Subsidiary of the Company; (ii) merger or consolidation of any Subsidiary of the Company; (iii) transfer of shares in a Subsidiary; (iv) capital increases, reductions or redemptions of any Subsidiary of the Company; (v) dilutions of paid in equity; (vi) share for share transactions; (vii) transformations into a different form of entity; and (viii) accounts receivable assignments; *provided* that, following any such internal reorganization, the assets of any such Subsidiary are held by a Restricted Subsidiary of the Company (b) any internal transaction necessary for Ciclo Combinado Tierra Mojada, S. de R.L. de C.V. to become a Subsidiary of Cometa Energia, S.A. de C.V. or any of its Subsidiaries or (c) upon full repayment of the Electricidad Firme Mexico Notes, any transaction necessary for Electricidad Firme de Mexico Holdings, S.A. de C.V. (but not any of its Subsidiaries) to become a direct Subsidiary of the Initial Shareholder; *provided* that, at the time of any such transfer, Electricidad Firme de Mexico Holdings, S.A. de C.V. shall have no assets other than the assets it holds on the Issue Date; *provided* that any Permitted Reorganization does not (1) result in the creation, incurrence, granting or assumption of any Lien in favor of any Person (other than the holders of the Notes) over any property of the Company or any of the Restricted Subsidiaries that was not subject to a Lien in favor of such Person immediately prior to the taking of such step or transaction, or (2) result in the creation, incurrence, granting or assumption of any Lien granted by the Company or any of the Restricted Subsidiaries in favor of any Person (other than the holders of the Notes) extending to any other property of the Company or any of the Restricted Subsidiaries that was not already subject to such Lien immediately prior to the taking of any such step or transaction, (3) impair in any way the ability of the Company and the Guarantors, if any, to make anticipated principal or interest payments on the Notes or any Guarantees, or (4) cause material adverse tax consequences to the holders of the Notes.

“Permitted Swap Contracts” means Interest Rate Swap Contracts and FX Swap Contracts in each case entered into in the ordinary course of business and not for speculative purposes.

“Permitted Swap Debt” means Indebtedness incurred under the Permitted Swap Contracts.

“Person” means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

“Peso” means the lawful currency of Mexico.

“Peso Permitted Investment” means any Peso-denominated obligation issued or directly and fully guaranteed or insured by Mexico or any federal agency or instrumentality thereof and maturing not more than one hundred eighty (180) days after the acquisition thereof; *provided* that (a) the full faith and credit of Mexico is pledged in support thereof; (b) demand deposit accounts with Mexican banks specified in clause (c) of this definition maintained in the ordinary course of business; and (c) certificates of deposit, bank promissory notes and bankers’ acceptances denominated in Pesos, maturing not more than one hundred eighty (180) days after the acquisition thereof and issued or guaranteed by any one of the five largest banks (based on assets as of the immediately preceding December 31) organized under the laws of Mexico and which are not under intervention or controlled by the *Instituto para la Protección al Ahorro Bancario* or any successor thereto.

“Preferred Stock” of any Person means any Capital Stock of such Person that has preferential rights over any other Capital Stock of such Person with respect to dividends, distributions or redemptions or upon liquidation.

“Project Finance Subsidiary” means any Restricted Subsidiary and any Restricted Subsidiary thereof that is a special purpose vehicle established to finance a project for the acquisition, construction, development and exploitation of any power plant, transmission facility, distribution facility, fuel shipment receiving facility, gas pipeline, battery energy storage facility or other related facility.

“projected” means, with respect to any amount or ratio, such amount or ratio calculated by the Company, in good faith, using assumptions that are consistent in all material respects with those used to calculate such amount or ratio on a historical basis in accordance with the Indenture. The term “project” as a verb has a corresponding meaning.

“Prudent Industry Practices” means those practices, methods, techniques and standards that are generally accepted, as they may change from time to time, for use in the international electric energy industry and commonly used in safe and prudent electric energy engineering and operations to design, engineer, construct, test, operate and maintain equipment similar to the assets owned by the Issuer and its Subsidiaries.

“Purchase Money Indebtedness” means all obligations of a Person issued or assumed as the deferred purchase price of property, all conditional sale obligations and all obligations under any title retention agreement due more than six months after such property is acquired and excluding trade accounts payable and other accrued liabilities arising in the ordinary course of business that are not overdue by 90 days or more or are being contested in good faith by appropriate proceedings promptly instituted and diligently conducted.

“Qualified Capital Stock” means any Capital Stock that is not Disqualified Capital Stock and any warrants, rights or options to purchase or acquire Capital Stock that is not Disqualified Capital Stock or that are not convertible into or exchangeable into Disqualified Capital Stock.

“Qualified Transferee” means a Person (other than a natural person) who (i) owns or operates, or has owned or operated, in the two-year period prior to the date on which it acquires (directly or indirectly) the capital stock of the Company, directly or indirectly through one or more of its Affiliates, at least 1.6 GW of power assets (or is a direct or indirect Subsidiary of an entity that meets such requirement) and (ii) (x) has directly or indirectly through one or more of its Affiliates a tangible net worth of at least one billion U.S. Dollars or assets under management of at least one billion U.S. Dollars (or is a direct or indirect Subsidiary of an entity that meets either requirement) or (y) the ratings (from at least one of S&P, Moody’s or Fitch) of the unsecured senior indebtedness of such Person are at least “BBB – ” (or its equivalent); *provided* that in no case shall any Person that (1) is the subject of any Sanctions, (2) is located, organized or resident in any Designated Jurisdiction, (3) is a department, agency or instrumentality of, or otherwise controlled by or acting on behalf of, the government of any country that is the target of any of the economic sanctions programs administered by the OFAC (31 C.F.R. Parts 500 through 598) or (4) is included on OFAC’s Specially Designated Nationals List or the Consolidated Sanctions List maintained by OFAC, HMT’s Consolidated List of Financial Sanctions Targets or the Investment Ban List, or any similar list enforced by any other relevant Sanctions authority, constitute a Qualified Transferee.

“Rating” means the then current credit rating of the Notes by a Rating Agency.

“Rating Agency” means Fitch, S&P, Moody’s or any other nationally recognized United States rating agency.

“Ratings Affirmation” means, in the case of any event or proposed event, an affirmation by each Rating Agency then rating the Notes (unless less than all the Rating Agencies then rating the Notes is specified in the applicable condition), that its Rating of the Notes will not be lower immediately after giving effect to the event or proposed event.

“Ratings Decline” means in connection with a Change of Control Repurchase Event, the occurrence, on or within 60 days after the earlier to occur of public notice of (a) the occurrence of a Change of Control and (b) the intention by the Company or any other Person or Persons to effect a Change of Control (or 90 days if any of the Rating Agencies has publicly announced that it is considering a possible ratings change as a result of a Change of

Control), of the downgrade of the rating of the Notes by at least two Rating Agencies (if the Notes are rated by two or more Rating Agencies at the time of the corresponding public notice of any Change of Control) or one Rating Agency (if the Notes are rated by only one Rating Agency at the time of the corresponding public notice of any Change of Control); *provided, however*, that any such Ratings Decline will not be considered to be attributable to a Change of Control if, before such Ratings Decline, the Company has obtained a Ratings Affirmation stating that such Change of Control will not cause a Ratings Decline.

“Refinance” means, in respect of any Indebtedness, to issue any Indebtedness in exchange for or to refinance, replace, defease or refund such Indebtedness in whole or in part or, in the case of a revolving credit facility, any reborrowing of amounts previously advanced and repaid thereunder. “Refinanced” and “Refinancing” will have correlative meanings.

“Refinancing Indebtedness” means Indebtedness of the Company or any Restricted Subsidiary (other than a Project Finance Subsidiary) issued to Refinance any other Indebtedness of the Company or a Restricted Subsidiary (other than a Project Finance Subsidiary) so long as:

- (1) the aggregate principal amount (or initial accreted value, if applicable) of such new Indebtedness as of the date of such proposed Refinancing does not exceed the aggregate principal amount (or initial accreted value, if applicable) of the Indebtedness being Refinanced (plus the amount of any premium required to be paid under the terms of the instrument governing such Indebtedness and the amount of reasonable fees, expenses and defeasance costs, if any, incurred by the Company in connection with such Refinancing);
- (2) such new Indebtedness has:
 - (a) a Weighted Average Life to Maturity that is equal to or greater than the Weighted Average Life to Maturity of the Indebtedness being Refinanced; and
 - (b) a final maturity that is equal to or later than the final maturity of the Indebtedness being Refinanced;
- (3) if the Indebtedness being Refinanced is:
 - (a) Indebtedness of the Company, then such Refinancing Indebtedness will be Indebtedness of the Company;
 - (b) Indebtedness of a Restricted Subsidiary, then such Refinancing Indebtedness will be Indebtedness of the Company and/or such Restricted Subsidiary; and
 - (c) Subordinated Indebtedness, then such Refinancing Indebtedness shall be subordinate to the Notes at least to the same extent and in the same manner as the Indebtedness being Refinanced.

“Regulation S Global Notes” has the meaning set forth in “Book-Entry; Settlement and Clearance” in this Offering Memorandum.

“Relevant Taxing Jurisdiction” has the meaning set forth in “—Additional Amounts”.

“Responsible Officer” means (a) with respect to the Indenture Trustee, any vice president, assistant vice president, assistant secretary, any senior associate, any associate, any trust officer or any other officer of the Indenture Trustee, customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his or her knowledge of and familiarity with the particular subject, in each case having direct responsibility for the administration of the Indenture and (b) with respect to any other Person, the chief executive officer, the president, chief financial officer, general counsel, treasurer or assistant treasurer of a Person. Any document delivered hereunder that is signed by a Responsible Officer of any Person shall be conclusively presumed to have been authorized by all necessary corporate, trust, partnership and/or other action on the part of such Person and such Responsible Officer shall be conclusively presumed to have acted on behalf of such Person.

“Restricted Investment” means any Investment other than a Permitted Investment.

“Restricted Payment” has the meaning set forth under “—Negative Covenants of the Company and the Restricted Subsidiaries—Limitation on Restricted Payments.”

“Restricted Subsidiary” means any Subsidiary of the Company other than an Unrestricted Subsidiary or a Project Finance Subsidiary.

“Revocation” has the meaning set forth under “—Negative Covenants of the Company and the Restricted Subsidiaries—Limitation on Designation of Unrestricted Subsidiaries and Project Finance Subsidiaries.”

“Rule 144A Global Notes” has the meaning set forth in “Book-Entry; Settlement and Clearance” in this Offering Memorandum.

“S&P” means S&P Global Ratings and any successor to its rating agency business.

“Sale and Leaseback Transaction” means any direct or indirect arrangement with any Person or to which any such Person is a party providing for the leasing to the Company or a Restricted Subsidiary of any property, whether owned by the Company or any Restricted Subsidiary at the Issue Date or later acquired, which has been or is to be sold or transferred by the Company or such Restricted Subsidiary to such Person or to any other Person by whom funds have been or are to be advanced on the security of such property.

“Sanctions” means the economic or financial sanctions, requirements or trade embargoes imposed, administered or enforced from time to time by (a) U.S. governmental authorities (including OFAC, the U.S. Department of State and the U.S. Department of Commerce), the United Nations Security Council, the European Union and Her Majesty’s Treasury, and (b) any corresponding laws of jurisdictions in which the Company or any of its Subsidiaries operates, to the extent applicable to the Company or such Subsidiary, as the case may be.

“Scheduled Payment Date” means the 10th day of each February and the 10th day of each August, in each case following the Issue Date; *provided* that, if any such date is not a Business Day, then such day will not be a payment date and such Scheduled Payment Date will be the first preceding Business Day.

“Senior Indebtedness” means the Notes and any other Indebtedness of the Company that ranks equal in right of payment with the Notes.

“SGX-ST” means the Singapore Exchange Securities Trading Limited.

“Shareholder Dividend” has the meaning set forth under “—Negative Covenants of the Company and the Restricted Subsidiaries—Limitation on Restricted Payments.”

“Shareholder Subordinated Indebtedness” means any equity-like, unsecured subordinated loan from the Initial Shareholder (or any Affiliate thereof) to the Company or any Guarantor that, in each case (1) is expressly subordinated in right of payment and liquidation to the Notes and the Note Guarantees and (2) in respect of which no payment is required or permitted prior to the Stated Maturity of the Notes except to the extent and in amount that may actually be paid as a Restricted Payment under the Indenture under the “Limitation on Restricted Payments” covenant pursuant to a written agreement to that effect or to the extent and in an amount transferred among the Company and the Guarantors.

“Significant Subsidiary” means a Subsidiary of the Company, constituting a “Significant Subsidiary” of the Company in accordance with Rule 1-02(w) of Regulation S-X under the Securities Act in effect on the date hereof; *provided* that, for the purposes of Event of Default (7) with respect to a Project Finance Subsidiary only, the significance of such Subsidiary shall be calculated with respect to the Company’s (a) investment in and advances to, and (b) equity in the income from continuing operations before income taxes, extraordinary items and the cumulative effect of changes in accounting principles in, such Subsidiary.

“Starter Amount” means US\$100.0 million.

“Stated Maturity” means, with respect to any security, the date specified in such security as the fixed date on which the principal of such security is due and payable, including pursuant to any mandatory redemption provision

(but excluding any provision providing for the repurchase of such security at the option of the holder thereof upon the happening of any contingency unless such contingency has occurred).

“Subordinated Indebtedness” means any Indebtedness of the Company or any Restricted Subsidiary that is expressly subordinated in right of payment to the Notes.

“Subsidiary” means, with respect to any Person (the “parent”) at any date, any Person the account of which would be consolidated with those of the parent in the parent’s consolidated financial statements if such financial statements were prepared in accordance with IFRS as of such date.

“Surviving Entity” has the meaning set forth under “—Negative Covenants of the Company and the Restricted Subsidiaries—Limitation on Merger, Consolidation and Sale of Assets.”

“Swap Contract” means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options, forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions, or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a “Master Agreement”), including any such obligations or liabilities under any Master Agreement.

“Swap Counterparty” means (a) with respect to any Interest Rate Swap Contract, any Acceptable Swap Bank and (b) with respect to any FX Swap Contract, any Acceptable FX Bank.

“Swap Termination Value” means, in respect of any one or more Swap Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Contracts, (a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a), the amount(s) determined as the mark-to-market value(s) for such Swap Contracts, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Contracts.

“Test Period” in effect at any time means the Company’s most recently ended four consecutive fiscal quarters for which internal financial statements are available (as determined in good faith by the Company).

“Treasury Rate” means, as of any redemption date, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days prior to the redemption date (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to February 10, 2030; *provided* that, if the period from the redemption date to such date is less than one year, the weekly average yield on actively traded United States Treasury securities adjusted to a constant maturity of one year will be used. The Treasury Rate will be determined by the Issuer or its agent. The Indenture Trustee shall have no obligation to determine the Treasury Rate.

“Unconsolidated Interest Coverage Ratio” means, for any Person, for the most recently ended period of four consecutive fiscal quarters for which financial statements of such Person have been provided to the Indenture Trustee pursuant to the Indenture, the ratio of Unconsolidated Operating Cash Flow to Unconsolidated Interest Expense for such period; *provided* that:

- (1) if the Company has
 - (a) Incurred any Indebtedness since the beginning of such period that remains outstanding on the date of the transaction giving rise to the need to calculate the Unconsolidated Interest Coverage Ratio or if the

transaction giving rise to the need to calculate the Unconsolidated Interest Coverage Ratio is an Incurrence of Indebtedness, Unconsolidated Operating Cash Flow and Unconsolidated Interest Expense for such period will be calculated on a pro forma basis as if such Indebtedness had been Incurred on the first day of such period, except that in making such computation, the amount of Indebtedness under any revolving credit facility outstanding on the day of such calculation will be deemed to be (i) the average daily balance of such Indebtedness during such period or such shorter period for which such facility was outstanding; or (ii) if such facility was created after the end of such period, the average daily balance of such Indebtedness during the period from the date of creation of such facility to the date of such calculation; or

- (b) repaid, repurchased, defeased or otherwise discharged any Indebtedness since the beginning of such period or if any Indebtedness is to be repaid, repurchased, defeased or otherwise discharged (in each case, other than Indebtedness Incurred under any revolving credit facility, unless such Indebtedness has been permanently repaid and has not been replaced) on the date of the transaction giving rise to the need to calculate the Unconsolidated Interest Coverage Ratio, Unconsolidated Operating Cash Flow and Unconsolidated Interest Expense for such period will be calculated on a pro forma basis as if such discharge had occurred on the first day of such period and as if the Company, as applicable, had not earned the interest income actually earned during such period in respect of cash or Cash Equivalents used to repay, repurchase, defease or otherwise discharge such Indebtedness; and
- (2) if since the beginning of such period or on the date of the transaction giving rise to the need to calculate the Unconsolidated Interest Coverage Ratio, the Company has made or makes any Asset Sale Transaction or Asset Acquisition, then Unconsolidated Operating Cash Flow for such period will be calculated on a pro forma basis as if such Asset Sale Transaction or Asset Acquisition had occurred on the first day of such period.

For purposes of this definition, whenever Unconsolidated Interest Expense or Unconsolidated Operating Cash Flow is to be calculated on a pro forma basis, the pro forma calculations will be determined in good faith by a responsible financial or accounting officer of the Company. If any Indebtedness bears a floating rate of interest and the effects of such Indebtedness are to be calculated on a pro forma basis, the interest expense related to such Indebtedness will be calculated as if the rate in effect on the date of determination had been the applicable rate for the entire period (taking into account any interest rate agreement applicable to such Indebtedness if such interest rate agreement has a remaining term as at the date of determination in excess of twelve months). For purposes of calculating the above dividends paid by Project Finance Subsidiaries will be included as part of the numerator of the Company's Unconsolidated Interest Coverage Ratio.

"Unconsolidated Interest Expense" means, for any period, the aggregate accrued interest expense of the Company for such period (determined on an unconsolidated basis, without duplication), including the portion of any payments made in respect of Capitalized Lease Obligations allocable to interest expense.

"Unconsolidated Operating Cash Flow" means, for any period, for any Person, the sum of the following amounts (determined on an unconsolidated basis, without duplication), but only to the extent received in cash by the Company from a Person during such period:

- (1) dividends paid to the Company by their respective Subsidiaries, in each case, during such period;
- (2) consulting and management fees paid to the Company for such period;
- (3) interest and other distributions paid during such period with respect to cash and Cash Equivalents of the Company;
- (4) distributions arising from any capital reduction;
- (5) interest payments made with respect to any intercompany loans provided to any Subsidiary; and
- (6) loans made or repaid to the Company from Subsidiaries in anticipation of the payment of dividends which funds for the payment of such dividends have been set aside for such period,

less the sum of the following expenses (determined on an unconsolidated basis without duplication), in each case to the extent paid by the Company during such period and regardless of whether any such amount was accrued during such period:

- (1) income tax expenses of the Company; and
- (2) Unconsolidated Operating Expenses.

“Unconsolidated Operating Expenses” means the expenses paid in cash in conducting normal business operations, including wages, salaries, administrative expenses, professional expenses, insurance and rent, of any Person, for any period, determined on an unconsolidated basis.

“Unrestricted Subsidiary” means any Subsidiary of the Company or a Restricted Subsidiary Designated as such pursuant to “—Negative Covenants of the Company and the Restricted Subsidiaries—Limitation on Designation of Unrestricted Subsidiaries and Project Finance Subsidiaries”; any such Designation may be revoked by a Board Resolution of the Company, subject to the provisions of such covenant.

On the Issue Date, there will be no Unrestricted Subsidiaries.

“US Government Securities” means securities that are direct obligations of the United States of America for the timely payment of which its full faith and credit is pledged.

“Voting Interests” means shares of capital stock issued by a corporation, or equivalent Equity Interests in any other Person, the holders of which are ordinarily, in the absence of contingencies, entitled to vote for the election of directors (or persons performing similar functions) of such Person, even if the right so to vote has been suspended by the happening of such a contingency.

“Weighted Average Life to Maturity” means, when applied to any Indebtedness at any date, the number of years (calculated to the nearest one-twelfth) obtained by dividing:

- (1) the then outstanding aggregate principal amount or liquidation preference, as the case may be, of such Indebtedness into;
- (2) the sum of the products obtained by multiplying:
 - (a) the amount of each then remaining installment, sinking fund, serial maturity or other required payment of principal or liquidation preference, as the case may be, including payment at final maturity, in respect thereof, by
 - (b) the number of years (calculated to the nearest one-twelfth) which will elapse between such date and the making of such payment.

“Working Capital Borrowings” means borrowings that are used solely for working capital purposes or to pay distributions to partners of the Company incurred pursuant to a credit facility, commercial paper facility or similar financing arrangement; *provided* that when such borrowings are incurred it is the intent of the borrower to repay such borrowings within 12 months from the date of such borrowings other than from additional Working Capital Borrowings.

“Year” means, as of any date of determination, the period commencing on such date and ending on the next succeeding December 31 and, thereafter, each period commencing on January 1 in any calendar year and ending on the next succeeding December 31.

BOOK-ENTRY; SETTLEMENT AND CLEARANCE

The Notes are being offered and sold to qualified institutional buyers in reliance on Rule 144A (“Rule 144A Notes”). Notes also may be offered and sold to non-U.S. persons outside of the United States in offshore transactions in reliance on Regulation S (“Regulation S Notes”). Notes will be issued at the closing of this offering only against payment in immediately available funds.

Rule 144A Notes initially will be represented by one or more Notes in registered, global form without interest coupons (collectively, the “Rule 144A Global Notes”). Regulation S Notes initially will be represented by one or more Notes in registered, global form without interest coupons (collectively, the “Regulation S Global Notes” and, together with the Rule 144A Global Notes, the “Global Notes”).

The Global Notes will be deposited upon issuance with the Indenture Trustee as custodian for DTC, in New York, New York, and registered in the name of DTC or its nominee, in each case, for credit to an account of a direct or indirect participant in DTC, as described below. Through and including the fortieth day after the later of the commencement of this offering and the closing of this offering (such period through and including such fortieth day, the “restricted period”), beneficial interests in the Regulation S Global Notes may be transferred to a person that takes delivery through Rule 144A Global Notes in accordance with the certification requirements described below.

Beneficial interests in the Rule 144A Global Notes may not be exchanged for beneficial interests in the Regulation S Global Notes at any time except in the limited circumstances described below. See “Exchanges Between Regulation S Notes and Rule 144A Notes.”

Except as set forth below, the Global Notes may be transferred, in whole and not in part, only to another nominee of DTC or to a successor of DTC or its nominee. Beneficial interests in the Global Notes may not be exchanged for Notes in certificated form except in the limited circumstances described below. See “Exchange of Global Notes for Certificated Notes.” Except in the limited circumstances described below, owners of beneficial interests in the Global Notes will not be entitled to receive physical delivery of Notes in certificated form.

In addition, transfers of beneficial interests in the Global Notes will be subject to the applicable rules and procedures of DTC and its direct or indirect participants (including, if applicable, those of Euroclear and Clearstream), which may change from time to time.

Depository Procedures

The following description of the operations and procedures of DTC, Euroclear and Clearstream is provided solely as a matter of convenience. These operations and procedures are solely within the control of the respective settlement systems and are subject to changes by them. We take no responsibility for these operations and procedures and urge investors to contact the system or their participants directly to discuss these matters. DTC has advised us that DTC is a limited purpose trust company created to hold securities for its participating organizations (collectively, the “participants”) and to facilitate the clearance and settlement of transactions in those securities between participants through electronic book entry changes in accounts of its participants. The participants include securities brokers and dealers (including the Initial Purchasers), banks, trust companies, clearing corporations and certain other organizations. Access to DTC’s system is also available to other entities such as banks, brokers, dealers and trust companies that clear through or maintain custodial relationship with a participant, either directly or indirectly (collectively, the “indirect participants”). Persons who are not participants may beneficially own securities held by or on behalf of DTC only through the participants or the indirect participants. The ownership interests in, and transfers of ownership interests in, each security held by or on behalf of DTC are recorded on the records of the participants and indirect participants.

DTC has also advised us that, pursuant to procedures established by it:

- (1) upon deposit of the Global Notes, DTC will credit the accounts of participants designated by the Initial Purchasers with portions of the principal amount of the Global Notes; and

(2) ownership of these interests in the Global Notes will be shown on, and the transfer of ownership of these interests will be effected only through, records maintained by DTC (with respect to the participants) or by the participants and the indirect participants (with respect to other owners of beneficial interests in the Global Notes).

Investors in the Global Notes may hold their interests therein directly through DTC or through organizations (including Euroclear and Clearstream) that are participants in such system. Euroclear and Clearstream will hold interests in the Global Notes on behalf of their participants through customers' securities accounts in their respective names on the books of their respective depositories. All interests in a Global Note, including those held through Euroclear or Clearstream, may be subject to the procedures and requirements of DTC. Those interests held through Euroclear or Clearstream may also be subject to the procedures and requirements of such systems. The laws of certain states require that certain persons take physical delivery in definitive form of securities that they own. Consequently, the ability to transfer beneficial interests in a Global Note to such persons will be limited to that extent. Because DTC can act only on behalf of participants, which in turn act on behalf of indirect participants, the ability of a person having beneficial interests in a Global Note to pledge such interests to persons that do not participate in the DTC system, or otherwise take actions in respect of such interests, may be affected by the lack of a physical certificate evidencing such interests.

Except as described below, owners of interests in the Global Notes will not have Notes registered in their names, will not receive physical delivery of Notes in certificated form and will not be considered the registered owners or "holders" thereof under the Indenture for any purpose.

Payments in respect of the principal of, and interest and premium and additional amounts, if any, on a Global Note registered in the name of DTC or its nominee will be payable to DTC in its capacity as the registered holder under the Indenture. Under the terms of the Indenture, the Issuer and the trustee will treat the persons in whose names the Notes, including the Global Notes, are registered as the owners of the Notes for the purpose of receiving payments and for all other purposes. Consequently, neither the Issuer, the trustee, the transfer agent, the registrar, the paying agent nor any agent of the Issuer or of the trustee has or will have any responsibility or liability for:

(1) any aspect of DTC's records or any participant's or indirect participant's records relating to or payments made on account of beneficial ownership interests in the Global Notes or for maintaining, supervising or reviewing any of DTC's records or any participant's or indirect participant's records relating to the beneficial ownership interests in the Global Notes; or

(2) any other matter relating to the actions and practices of DTC or any of its participants or indirect participants.

DTC has advised us that its current practice, upon receipt of any payment in respect of securities such as the Notes (including principal and interest) is to credit the accounts of the relevant participants with the payment on the payment date unless DTC has reason to believe it will not receive payment on such payment date. Each relevant participant is credited with an amount proportionate to its beneficial ownership of an interest in the principal amount of the relevant security as shown on the records of DTC. Payments by the participants and the indirect participants to the beneficial owners of Notes will be governed by standing instructions and customary practices and will be the responsibility of the participants or the indirect participants and will not be our responsibility or that of DTC or the trustee. Neither the Issuer nor the trustee will be liable for any delay by DTC or any of its participants in identifying the beneficial owners of the Notes, and the Issuer and the trustee may conclusively rely on and will be protected in relying on instructions from DTC or its nominee for all purposes.

Subject to the transfer restrictions set forth under "Transfer Restrictions," transfers between participants in DTC will be effected in accordance with DTC's procedures, and will be settled in same-day funds, and transfers between participants in Euroclear and Clearstream will be effected in accordance with their respective rules and operating procedures.

Subject to compliance with the transfer restrictions applicable to the Notes described herein, cross-market transfers between the participants in DTC, on the one hand, and Euroclear or Clearstream participants, on the other, will be effected through DTC in accordance with DTC's rules on behalf of Euroclear or Clearstream, as the case may

be, by its respective depository; *however*, such cross market transactions will require delivery of instructions to Euroclear or Clearstream, as the case may be, by the counter-party in such system in accordance with the rules and procedures and within the established deadlines (Brussels time) of such system. Euroclear or Clearstream, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its respective depository to take action to effect final settlement on its behalf of delivering or receiving interests in the relevant Global Note in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Euroclear participants and Clearstream participants may not deliver instructions directly to the depositories for Euroclear or Clearstream. DTC has advised us that it will take any action permitted to be taken by a holder of Notes only at the direction of one or more participants to whose account DTC has credited the interests in the Global Notes and only in respect of such portion of the aggregate principal amount of the Notes as to which such participant or participants has or have given such direction. However, if there is an event of default under the Notes, DTC reserves the right to exchange the Global Notes for legended Notes in certificated form, and to distribute such Notes to its participants.

Although DTC, Euroclear and Clearstream have agreed to the foregoing procedures to facilitate transfers of interests in the Rule 144A Global Notes and the Regulation S Global Notes among participants in DTC, Euroclear and Clearstream, they are under no obligation to perform or to continue to perform such procedures, and may discontinue such procedures at any time. Neither the Issuer nor the trustee nor any of their respective agents will have any responsibility for the performance by DTC, Euroclear or Clearstream or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Exchange of Global Notes for Certificated Notes

A Global Note is exchangeable for definitive Notes in registered certificated form (“certificated notes”) if:

- (1) DTC (a) notifies the Issuer that it is unwilling or unable to continue as depository for the Global Notes and DTC fails to appoint a successor depository or (b) has ceased to be a clearing agency registered under the Exchange Act;
- (2) the Issuer, at its option, notifies the trustee in writing that it has elected to cause the issuance of the certificated notes; or
- (3) there has occurred and is continuing a Default or Event of Default (in each case, as defined in “Description of the Notes”) with respect to the Notes.

In addition, beneficial interests in a Global Note may be exchanged for certificated Notes upon prior written notice given to the trustee by or on behalf of DTC in accordance with the Indenture. In all cases, certificated Notes delivered in exchange for any Global Note or beneficial interests in Global Notes will be registered in the names, and issued in any approved denominations, requested by or on behalf of the depository (in accordance with its customary procedures) and will bear the applicable restrictive legend referred to in “Transfer Restrictions,” unless that legend is not required by applicable law.

Exchanges Between Regulation S Notes and Rule 144A Notes

Beneficial interests in the Regulation S Global Notes may be exchanged for beneficial interests in the Rule 144A Global Notes only if:

- (1) such exchange occurs in connection with a transfer of the Notes pursuant to Rule 144A; and
- (2) the transferor first delivers to the trustee a written certificate (in the form provided in the Indenture) to the effect that the Notes are being transferred to a person:
 - (a) who the transferor reasonably believes to be a qualified institutional buyer within the meaning of Rule 144A purchasing for its own account or the account of a qualified institutional buyer in a transaction meeting the requirements of Rule 144A; and

(b) in accordance with all applicable securities laws of the states of the United States and other jurisdictions.

Beneficial interests in the Rule 144A Global Notes may be transferred to a person who takes delivery in the form of an interest in the Regulation S Global Notes, whether before or after the expiration of the restricted period, only if the transferor first delivers to the trustee a written certificate (in the form provided in the Indenture) to the effect that such transfer is being made in accordance with Rule 903 or Rule 904 of Regulation S.

Transfers involving exchanges of beneficial interests between the Regulation S Global Notes and the Rule 144A Global Notes will be effected in DTC by means of an instruction originated by the DTC participant and approved by the trustee through the DTC Deposit/ Withdraw at Custodian system. Accordingly, in connection with any such transfer, appropriate adjustments will be made to reflect a decrease in the principal amount of the Regulation S Global Note and a corresponding increase in the principal amount of the Rule 144A Global Note or vice versa, as applicable. Any beneficial interest in one of the Global Notes that is transferred to a person who takes delivery in the form of an interest in the other Global Note will, upon transfer, cease to be an interest in such Global Note and will become an interest in the other Global Note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interest in such other Global Note for so long as it remains such an interest. Transfers between Regulation S Notes and Rule 144A Notes will need to be done on a delivery free of payment basis and separate arrangements will need to be made outside of DTC for payment.

TAXATION

The following discussion summarizes certain U.S. federal, Luxembourg and Mexican income tax considerations that may be relevant to you if you invest in the Notes. This summary is based on laws, regulations, rulings and decisions now in effect in the U.S., Luxembourg and Mexico, which, in each case, may change. Any change could apply retroactively and could affect the continued validity of this summary.

This summary does not describe all of the tax considerations that may be relevant to you or your situation, particularly if you are subject to special tax rules. You should consult your tax advisors about the tax consequences of holding the Notes, including the relevance to your particular situation of the considerations discussed below, as well as of state, local and other tax laws.

Each prospective purchaser is urged to consult its own tax advisor about the tax consequences of an investment in the notes under the state and local laws of the United States and Luxembourg, and the laws of any other jurisdiction where the purchaser may be subject to taxation.

Certain U.S. Federal Income Tax Considerations

The following is a general discussion of certain U.S. federal income tax considerations relevant for the ownership and disposition of the Notes, but does not purport to be a complete analysis of all potential tax effects. This discussion is based upon the United States Internal Revenue Code of 1986, as amended (the “Code”), Treasury regulations issued thereunder (the “Treasury Regulations”), and judicial and administrative interpretations thereof, each as in effect on the date hereof, and all of which are subject to change, possibly with retroactive effect. This discussion is limited to consequences relevant to a U.S. Holder (as defined below). This discussion does not address the impact of the Medicare tax on net investment income, the effects of any alternative minimum tax or the effects of any U.S. federal tax laws other than U.S. federal income tax laws (such as estate and gift tax laws) or any state, local or non-U.S. tax laws. No rulings from the U.S. Internal Revenue Service (the “IRS”) have been or are expected to be sought with respect to the matters discussed below. There can be no assurance that the IRS will not take a different position concerning the tax consequences of the ownership or disposition of the Notes or that any such position would not be sustained.

This discussion does not address all of the U.S. federal income tax consequences that may be relevant to a holder in light of such holder’s particular circumstances, including the consequences to holders subject to special rules, such as financial institutions, U.S. expatriates, insurance companies, dealers in securities or currencies, traders in securities that elect a market to market method of accounting for U.S. federal income tax purposes, U.S. holders whose functional currency is not the U.S. dollar, tax-exempt organizations, regulated investment companies, real estate investment trusts, partnerships or other pass-through entities (or investors in such entities), persons subject to special tax accounting rules as a result of any item of gross income with respect to the Notes being taken into account in an applicable financial statement, persons that purchase Notes in this offering and participate in a substantially contemporaneous redemption of any of our existing debt and persons holding the Notes as part of a “straddle,” “hedge,” “conversion transaction” or other integrated transaction. In addition, this discussion is limited to persons who purchase the Notes for cash at original issue and at their “issue price” (the first price at which a substantial amount of the Notes is sold to the public for cash, excluding sales to bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers) and who hold the Notes as capital assets within the meaning of section 1221 of the Code.

EACH PROSPECTIVE INVESTOR IN THE NOTES IS URGED TO CONSULT ITS TAX ADVISORS ABOUT THE TAX CONSEQUENCES OF AN INVESTMENT IN THE NOTES UNDER THE STATE AND LOCAL LAWS OF THE UNITED STATES AND LUXEMBOURG, THE LAWS OF ANY OTHER JURISDICTION WHERE SUCH INVESTOR MAY BE SUBJECT TO TAXATION AND APLICABLE TAX TREATIES.

For purposes of this discussion, “U.S. Holder” means a beneficial owner of a Note that for U.S. federal income tax purposes is:

- a citizen or individual resident of the United States;
- a corporation created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- a trust if (1) a court within the United States is able to exercise primary supervision of the administration of the trust and one or more “United States persons” (as defined in the Code) have the authority to control all substantial decisions of the trust or (2) a valid election is in place to treat the trust as a United States person; or
- an estate the income of which is subject to U.S. federal income taxation regardless of its source.

If an entity or arrangement treated as a partnership for U.S. federal income tax purposes holds the Notes, the U.S. federal income tax treatment of a partner in the partnership generally will depend on the status of such partners and the status and activities of the partnership. A partnership considering an investment in the Notes, and owners of such partnership, should consult their tax advisors regarding the U.S. federal income tax consequences to them of the purchase, ownership and disposition of the Notes.

Characterization of the Notes

In certain circumstances, we may be required to make certain other payments on the Notes that would increase the yield of the Notes. See “Description of the Notes—Change of Control” and “—Optional Redemption.” This obligation may implicate the provisions of Treasury Regulations relating to contingent payment debt instruments (“CPDIs”). According to the applicable Treasury Regulations, certain contingencies will not cause a debt instrument to be treated as a CPDI if such contingencies, as of the date of issuance, are “remote or incidental” or certain other circumstances apply. We do not intend to treat the Notes as CPDIs. Our position is binding on a holder, unless the holder discloses in the proper manner to the IRS that it is taking a different position. Our position, however, is not binding on the IRS and if the IRS were to successfully challenge our position, and the Notes were treated as CPDIs, U.S. Holders would be required to accrue interest income on the Notes at a rate higher than their yield to maturity, regardless of the holder’s method of accounting, and to treat as ordinary income rather than capital gain any gain recognized on a sale, exchange, retirement or redemption of a Note. The remainder of this discussion assumes that the Notes will not be considered CPDIs. U.S. Holders are urged to consult their tax advisors regarding the potential application to the Notes of the contingent payment debt instrument rules and the consequences thereof.

Interest

Payments of stated interest on a Note (including any Additional Amounts paid with respect to withholding tax on the Notes and without reduction for any amounts withheld) generally will be includible in a U.S. Holder’s gross income as ordinary interest income at the time the interest and Additional Amounts are received or accrued in accordance with the U.S. Holder’s regular method of tax accounting for U.S. federal income tax purposes. It is expected, and the remainder of this discussion assumes, that the Notes will not be issued with original issue discount for U.S. federal income tax purposes.

Interest income in respect of the notes will generally constitute foreign source income for purposes of determining whether any foreign tax credit is available to a U.S. Holder under the U.S. federal income tax laws and will generally constitute “passive category income.” The rules regarding foreign tax credits and deduction of foreign taxes are complex. U.S. Holders should consult their tax advisors regarding the availability of foreign tax credits or deductions in respect of foreign income taxes based on their particular circumstances.

Sale, Exchange, Retirement, Redemption or Other Taxable Disposition

Upon the sale, exchange, retirement, redemption or other taxable disposition of a Note, a U.S. Holder generally will recognize taxable gain or loss in an amount equal to the difference, if any, between the amount realized on the taxable disposition (other than amounts attributable to accrued and unpaid interest, which will be includible in income as ordinary interest income in accordance with the U.S. Holder’s regular method of tax accounting as

described above) and the U.S. Holder's adjusted tax basis in the Note. A U.S. Holder's adjusted tax basis in a Note generally will be equal to the cost of the Note to the U.S. Holder. Any such gain or loss generally will be capital gain or loss and generally will be long-term capital gain or loss if the Note has been held for more than one year at the time of its taxable disposition. In the case of certain non-corporate U.S. Holders (including individuals), any such long-term capital gain may be subject to lower rates of U.S. federal income tax. The deductibility of capital losses is subject to limitations.

Any gain or loss recognized will generally be treated as U.S.-source income for foreign tax credit purposes. The rules governing the foreign tax credit are complex. U.S. Holders are urged to consult their tax advisors regarding the availability of the foreign tax credit under their particular circumstances.

Backup Withholding and Information Reporting

In general, payments of interest and the proceeds from sales or other dispositions (including retirements or redemptions) of Notes held by a U.S. Holder may be required to be reported to the IRS unless the U.S. Holder is an exempt recipient and, when required, demonstrates this fact. In addition, a U.S. Holder that is not an exempt recipient may be subject to backup withholding unless it provides a taxpayer identification number and otherwise complies with applicable certification requirements. U.S. Holders may be required to provide such certification on IRS Form W-9. Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against a U.S. Holder's U.S. federal income tax liability and may entitle such holder to a refund of the amounts withheld, provided the required information is furnished to the IRS in a timely manner.

"Specified Foreign Financial Assets" Reporting

Certain U.S. Holders who are individuals (and certain entities) that hold an interest in "specified foreign financial assets" (which may include the Notes) exceeding certain thresholds are required to report information (on IRS form 8938) relating to such assets, subject to certain exceptions (including an exception for Notes held in accounts maintained by certain financial institutions). U.S. Holders who fail to report the required information could be subject to substantial penalties. In addition, the statute of limitations for assessment of tax would be suspended, in whole or part. U.S. Holders should consult their tax advisors regarding the effect, if any, of this requirement on their ownership and disposition of the Notes.

Certain Luxembourg Tax Considerations

The following information is of a general nature only, is based on the laws and practice applicable in Luxembourg as at the date of this Offering Memorandum and is subject to changes in law (or interpretation) later introduced, whether or not on a retroactive basis. It is not intended to be, nor should it be construed to be, legal or tax advice. The information contained within this section is limited to certain Luxembourg tax issues and prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a withholding tax or a tax of a similar nature, or to any other concepts, refers to Luxembourg tax law and concepts only.

Also, please note that a reference to Luxembourg income tax encompasses corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*), a solidarity surcharge (*contribution au fonds pour l'emploi*) as well as personal income tax (*impôt sur le revenu*) generally. Corporate taxpayers may further be subject to net wealth tax (*impôt sur la fortune*) as well as other duties, levies or taxes. Corporate income tax, municipal business tax, the solidarity surcharge and the net wealth tax invariably apply to most corporate taxpayers resident in Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax and the solidarity surcharge. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply as well.

Withholding Tax

Non-Resident Holders of Notes

Under Luxembourg general tax laws currently in force, interest payments (including accrued but unpaid interest) and principal repayments made to non-residents of Luxembourg in the context of the holding, disposal, redemption or repurchase of the Notes which are not profit-sharing will not be subject to any Luxembourg withholding tax.

Resident Holders of Notes

Under Luxembourg general tax laws currently in force and subject to the law of December 23, 2005, as amended (the “Relibi Law”), there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Notes, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident holders of Notes.

Under the Relibi Law, payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the benefit of an individual beneficial owner who is a resident of Luxembourg are subject to a withholding tax of 20%. Payments of interest under the Notes coming within the scope of the Relibi Law will be subject to a withholding tax at a rate of 20%. Such withholding tax is in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of tax in application of the Relibi Law is assumed by the Luxembourg paying agent.

In addition, pursuant to the Relibi Law, Luxembourg resident individuals can opt to self-declare and pay a 20% tax on payments of interest or similar income made or ascribed by paying agents located in a member state of the European Union other than Luxembourg, a member state of the European economic area. The 20% tax is final when Luxembourg resident individuals are acting in the context of the management of their private wealth.

Income Taxation

Non-Resident Holders of Notes

A non-resident holder of Notes, not having a permanent establishment or permanent representative in Luxembourg to which/whom such Notes are attributable, is not subject to Luxembourg income tax on interest accrued or received, redemption premiums or issue discounts, under the Notes. A gain realized by such non-resident holder of Notes on the sale or disposal, in any form whatsoever, of the Notes is further not subject to Luxembourg income tax.

A non-resident corporate holder of Notes or an individual holder of Notes acting in the course of the management of a professional or business undertaking, who has a permanent establishment or permanent representative in Luxembourg to which or to whom such Notes are attributable, is subject to Luxembourg income tax on interest accrued or received, redemption premiums or issue discounts, under the Notes and on any gains realized upon the sale or disposal, in any form whatsoever, of the Notes.

Resident Holders of Notes

Resident Corporate Holders of Notes

A Luxembourg resident corporate holder of Notes must include any interest accrued or received, any redemption premium or issue discount, as well as any gain realized on the sale or disposal, in any form whatsoever, of the Notes, in its taxable income for Luxembourg income tax assessment purposes.

A Luxembourg resident corporate holder of Notes that is (i) an undertaking for collective investment (“UCI”) within the meaning of the law of December 17, 2010 as amended, (ii) a special investment fund (“SIF”) within the meaning of the law of February 13, 2007, as amended, (iii) a private wealth management company (“SPF”)

within the meaning of the law of May 11, 2007, as amended, or (iv) a reserved alternative investment fund (“RAIF”) treated as a SIF for Luxembourg tax purposes and governed by the law of July 23, 2016, as amended, is neither subject to Luxembourg income tax in respect of interest accrued or received, any redemption premium or issue discount, nor on gains realized on the sale or disposal, in any form whatsoever, of the Notes.

Resident Individual Holders of Notes

A Luxembourg resident individual holder of Notes, acting in the course of the management of his/her private wealth, is subject to Luxembourg income tax at progressive rates in respect of interest received, redemption premiums or issue discounts, under the Notes, except if (i) withholding tax has been levied on such payments in accordance with the Relibi Law, or (ii) the individual holder of the Notes has opted for the application of a 20% tax in full discharge of income tax in accordance with the Relibi Law, which applies if a payment of interest has been made or ascribed by a paying agent established in a EU Member State (other than Luxembourg), or in a Member State of the European Economic Area (other than a EU Member State). A gain realized by a Luxembourg resident individual holder of Notes, acting in the course of the management of his/her private wealth, upon the sale or disposal, in any form whatsoever, of Notes is not subject to Luxembourg income tax, provided this sale or disposal takes place more than six months after the Notes were acquired and provided the Notes do not constitute zero coupon notes. However, any portion of such gain corresponding to accrued but unpaid interest income is subject to Luxembourg income tax, except if tax has been levied on such interest in accordance with the Relibi Law.

A Luxembourg resident individual holder of Notes acting in the course of the management of a professional or business undertaking to which the Notes are attributable must include any interest received or accrued, as well as any gain realized on the disposal of the Notes, in its taxable basis. If applicable, the tax levied in accordance with the Relibi Law will be credited against his/her final tax liability.

Other Taxes and Duties

It is not necessary under Luxembourg law that the contractual documents be filed, recorded or enrolled with any court or other authority in Luxembourg or that any stamp, registration or similar tax be paid on or in relation to the contractual documents.

Under current Luxembourg tax law and current administrative practice, it is not necessary that the Notes be notarized, filed, recorded or enrolled with any court or other authority in Luxembourg, or that any stamp, transfer, capital, registration or similar tax be paid on or in relation to the execution and delivery of the Notes in accordance therewith or the performance of the Issuer’s obligations under the Notes, except in case the Notes (i) are voluntarily presented to the registration formalities or (ii) are appended to a document (*annexé à un acte*) that requires mandatory registration or deposited in the minutes of a notary (*déposé au rang des minutes d’un notaire*), in which case a registration duty will be due, the amount of which depending on the nature of the document to be registered.

The Luxembourg courts or the official Luxembourg authority may require that the Notes, the Indenture, and any document in connection therewith and any judgment obtained in a foreign court be translated into French or German.

Where a holder of Notes is a resident of Luxembourg for inheritance tax purposes at the time of his/her death, the Notes are included in his/her taxable estate for inheritance tax assessment purposes.

Gift tax may be due on a gift or donation of Notes if embodied in a Luxembourg deed passed in front of a Luxembourg notary or recorded in Luxembourg.

Value-Added Tax

There is no Luxembourg value-added tax payable in respect of payments in consideration for the issue of the Notes or in respect of the payment of a redemption amount or principal under the Notes or the transfer of a Note; provided that Luxembourg value added tax may, however, be payable in respect of fees charged for certain services

rendered to the Issuer, if for Luxembourg value added tax purposes such services are rendered, or are deemed to be rendered, in Luxembourg and an exemption from value added tax does not apply with respect to such services.

Net Wealth Tax

Luxembourg resident corporate holders of Notes and non-resident corporate holders of Notes having a permanent establishment or a permanent representative in Luxembourg to which or whom the Notes are attributable, are subject to Luxembourg net wealth tax on such Notes, unless the holder of Notes is: (i) a resident or non-resident individual taxpayer, (ii) an UCI within the meaning of the law of December 17, 2010 as amended, (iii) a capital company within the meaning of the law dated June 15, 2004, as amended, (iv) a securitization vehicle within the meaning of the law dated March 22, 2004 as amended, (v) a SIF within the meaning of the law of February 13, 2007, as amended, (vi) a SPF within the meaning of the law of May 11, 2007 as amended, (vii) a professional pension institution within the meaning of the law of July 13, 2005 as amended, or (viii) a RAIF within the meaning of the law of July 23, 2016, as amended.

However, please note that (i) securitization companies governed by the law of March 22, 2004, on securitization, as amended, (ii) capital opaque companies governed by the law of June 15, 2004, on venture capital vehicles, as amended, (iii) professional pension institutions governed by the law of July 13, 2005 as amended, and (iv) opaque RAIFs governed by the law of July 23, 2016, as amended, and which fall under the special tax regime set out under article 48 thereof remain subject to the minimum net wealth tax.

FATCA

Under the Foreign Account Tax Compliance Act provisions of the Code and related U.S. Treasury guidance (“FATCA”), a withholding tax of 30% will be imposed in certain circumstances on (i) payments of certain U.S. source income (including interest and dividends) and (ii) payments made two or more years after the date on which the final U.S. Treasury regulations that define “foreign passthru payments” are published by certain foreign financial institutions (such as banks, brokers, investment funds or certain holding companies) (“FFIs”) that are “attributable” to withholdable payments (“foreign passthru payments”). It is uncertain at present when payments will be treated as “attributable” to withholdable payments.

FATCA withholding would apply with respect to a Noteholder that (a) does not certify its FATCA status to the Issuer, (b) is an FFI that has not entered into an agreement with the United States to comply with FATCA and is not treated as in compliance with FATCA pursuant to an intergovernmental agreement or (c) is a non-U.S. entity that is not an FFI and has not identified (when so required) any “substantial” U.S. owners (generally, any specified U.S. person that directly or indirectly owns more than a specified percentage of such entity) and, in each case, that does not otherwise establish an exemption from FATCA withholding (a “Noncompliant holder of Notes”).

The Model 1 Intergovernmental Agreement between the Government of the United States of America and the Government of the Grand Duchy of Luxembourg to Improve International Tax Compliance and to Implement FATCA was signed on Friday 28 March 2014 in Luxembourg (the “IGA Model 1”). The IGA Model 1 is particularly complex and the full extent of its application to the Issuer and any financial institution, broker, agent or other intermediary located in Luxembourg (collectively, “Intermediaries”) is still to be confirmed. The IGA Model 1 was ratified by the Luxembourg Parliament on 1 July 2015 and was promulgated as Luxembourg law on 24 July 2015. With the exchange of diplomatic notes between the government of Luxembourg and the United States on 31 March 2015, article 10 of the IGA Model 1 has been amended and the ratification of the Double Tax Treaty protocol by the United States as a condition for the entry into force of the IGA has been abolished. All the necessary procedures have therefore been completed and the IGA Model 1 effectively entered into force on 29 July 2015.

Under IGA Model 1, the Issuer or Intermediaries are exempt from U.S. withholding tax provided the Issuer or any Intermediary reports certain information to the Luxembourg tax authorities. The Luxembourg tax authorities will then convey this information to the U.S. Internal Revenue Service. In the case of payments made by the Issuer or any Intermediary to certain foreign financial institutions that are not deemed compliant with FATCA (a “Non-Participating Foreign Financial Institution” or “NPFFI”), the Issuer or any Intermediary may be required to withhold 30% on payments made to such Non-Participating Foreign Financial Institutions or to instruct withholding agents to withhold on payments that are deemed to be allocable to such holders, and report to the Luxembourg tax authorities

information regarding such NPFFI or any Recalcitrant Holder (as defined under FATCA). The Issuer might find itself in a position to close out any NPFFI (by, for example, forcing it to sell its Interest) in order for the Issuer to comply with its obligations under IGA Model 1 and to avoid U.S. withholding tax.

Furthermore, the Issuer's ability to be exempted from the withholding taxes under FATCA may not be within its control and may, in some cases, depend on the actions of an Intermediary, other withholding agents in the chain of custody, or the Noteholders or their beneficial owners. In addition, even if a beneficial owner of a payment complies with requests for identifying information, the ultimate payment to such beneficial owner could be subject to withholding if an Intermediary or other agent in the chain of payment is subject to withholding for its failure to comply with FATCA.

Intermediaries located in countries other than Luxembourg generally will be subject to requirements similar to those discussed above with respect to Intermediaries located in countries other than Luxembourg or otherwise may enter into a reporting and withholding agreement with the IRS in respect of FATCA, pursuant to which such Intermediaries will assume certain reporting and withholding obligations with respect to their accountholders.

Noteholders should consult their own tax advisor or otherwise seek professional advice regarding the impact of FATCA on their investment.

Common Reporting Standard

Capitalized terms used in this section should have the meaning as set forth in the CRS Law (as defined below), unless provided otherwise herein.

The Issuer may be subject to the Standard for Automatic Exchange of Financial Account Information in Tax matters (the "Standard") and its Common Reporting Standard as set out in the amended Luxembourg law of December 18, 2015 (the "CRS Law") implementing Directive 2014/107/EU which provides for an automatic exchange of financial account information between Member States of the European Union as well as the OECD's multilateral competent authority agreement on automatic exchange of financial account information signed on October 29, 2014 in Berlin, with effect as of January 1, 2016.

In case the Issuer qualifies as a Luxembourg Reporting Financial Institution under the terms of the CRS Law, it will be required to annually report to the Luxembourg tax authorities personal and financial information related, inter alia, to the identification of, holdings by and payments made to (i) certain holders of Notes qualifying as Reportable Persons and (ii) Controlling Persons of certain passive non-financial entities which are themselves Reportable Persons. This information, as exhaustively set out in Annex I of the CRS Law (the "Information"), will include personal data related to the Reportable Persons. Holders of Notes are hereby informed that, as data controller, the Issuer will process the Information for the purposes as set out in the CRS Law. Holders of Notes qualifying as passive non-financial entities undertake to inform their Controlling Persons, if applicable, of the processing of their Information by the Issuer. Additionally, the Issuer is responsible for the processing of personal data and each holder of Notes has a right to access the data communicated to the Luxembourg tax authorities and to correct such data (if necessary). Any data obtained by the Issuer are to be processed in accordance with the applicable data protection legislation. Holders of Notes are further informed that the Information related to Reportable Persons will be disclosed to the Luxembourg tax authorities annually for the purposes set out in the CRS Law. The Luxembourg tax authorities will, under their own responsibility, eventually exchange the reported information to the competent authority of the Reportable Jurisdiction(s). In particular, Reportable Persons are informed that certain operations performed by them will be reported to them through the issuance of statements, and that part of this information will serve as a basis for the annual disclosure to the Luxembourg tax authorities. Similarly, holders of Notes undertake to inform the Issuer within thirty (30) days of receipt of these statements should any included personal data be not accurate. Holders of Notes further undertake to immediately inform the Issuer of, and provide the Issuer with all supporting documentary evidence of any changes related to the Information after occurrence of such changes. Any holder of Notes that fails to comply with the Issuer's Information or documentation requests may be held liable for penalties imposed on the Issuer as a result of such holder of Notes failure to provide the Information or subject to disclosure of the Information by the Issuer to the Luxembourg tax authorities and the Issuer may, in its sole discretion, redeem the Notes of such holder of Notes.

Holders of Notes should consult their own tax advisor or otherwise seek professional advice regarding the impact of the CRS Law on their investment.

DAC 6

On 25 May 2018, the EU Council adopted a directive (2018/822 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation) that imposes a reporting obligation on parties involved in transactions that may be associated with aggressive tax planning (“DAC 6”).

More specifically, the reporting obligation applies to cross-border arrangements that, among others, satisfy one or more “hallmarks” provided for in DAC 6 (the “Reportable Arrangements”).

In the case of a Reportable Arrangement, the information that must be reported includes the name of all relevant taxpayers and intermediaries as well as an outline of the Reportable Arrangement, the value of the Reportable Arrangement and identification of any EU Member States likely to be concerned by the Reportable Arrangement.

The reporting obligation in principle rests with persons that design, market or organize the Reportable Arrangement and professional advisors (intermediaries). However, in certain cases, the taxpayer itself can be subject to the reporting obligation.

The information reported will be automatically exchanged between the tax authorities of all EU Member States.

ERISA CONSIDERATIONS

A fiduciary of a pension, profit-sharing or other employee benefit plan subject to ERISA (each, an “ERISA Plan”), should consider the fiduciary standards of ERISA in the context of the ERISA Plan’s particular circumstances before authorizing an investment in the Notes. Among other factors, the fiduciary should consider whether the investment would satisfy the prudence and diversification requirements of ERISA and would be consistent with the documents and instruments governing the ERISA Plan, and whether the investment would involve a prohibited transaction under ERISA or the Code.

Section 406 of ERISA and Section 4975 of the Code prohibit ERISA Plans, as well as individual retirement accounts, Keogh plans, and other plans that are subject to Section 4975 of the Code (together with ERISA Plans, “Plans”), from engaging in certain transactions involving “plan assets” with persons who are “parties in interest” under ERISA or “disqualified persons” under the Code with respect to the Plan. A violation of these prohibited transaction rules may result in excise tax or other liabilities under ERISA or the Code for those persons, unless exemptive relief is available under an applicable statutory, regulatory or administrative exemption. Employee benefit plans that are governmental plans (as defined in Section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA) and non-U.S. plans (as described in Section 4(b)(4) of ERISA) (“Non-ERISA Arrangements”) are not subject to the requirements of Section 406 of ERISA or Section 4975 of the Code but may be subject to provisions under any other federal, state, local, non U.S. or other laws or regulations that are similar to such provisions of ERISA or the Code (collectively, “Similar Laws”).

The acquisition and holding of the Notes by a Plan or any entity whose underlying assets include “plan assets” by reason of any Plan’s investment in the entity (a “Plan Asset Entity”) with respect to which the Issuer, the registrar and paying agent, the Initial Purchasers or a manager or any of their respective affiliates (the “Transaction Parties”) is or becomes a party in interest or disqualified person may result in a prohibited transaction under ERISA or Section 4975 of the Code, unless the notes are acquired and held pursuant to an applicable exemption. In addition, the fiduciary of a Plan or Plan Asset Entity that engages in such a non-exempt prohibited transaction may be subject to penalties and liabilities under ERISA and the Code. The U.S. Department of Labor has issued various prohibited transaction class exemptions, or “PTCEs,” that may provide exemptive relief if required for direct or indirect prohibited transactions that may arise from the purchase or holding of the Notes. These exemptions include PTCE 84-14 (for certain transactions determined by independent qualified professional asset managers), PTCE 90-1 (for certain transactions involving insurance company pooled separate accounts), PTCE 91-38 (for certain transactions involving bank collective investment funds), PTCE 95-60 (for transactions involving certain insurance company general accounts), and PTCE 96-23 (for transactions managed by in-house asset managers). In addition, ERISA Section 408(b)(17) and Section 4975(d)(20) of the Code provide an exemption for the purchase and sale of the Notes, *provided* that neither the Issuer nor any of its affiliates have or exercise any discretionary authority or control or render any investment advice with respect to the assets of any Plan involved in the transaction, and *provided, further*, that the Plan pays no more and receives no less than “adequate consideration” in connection with the transaction (the “service provider exemption”). There can be no, and we do not provide any, assurance that all of the conditions of any such exemptions will be satisfied with respect to any particular transaction involving the Notes.

Any purchaser or holder of the Notes or any interest therein will be deemed to have represented by its purchase and holding of the Notes or any interest therein that it either (1) is not a Plan, a Plan Asset Entity or a Non-ERISA Arrangement and is not purchasing the Notes on behalf of or with the assets of any Plan, Plan Asset Entity or Non-ERISA Arrangement or (2) (a) the purchase and holding of the Notes will not constitute a non-exempt prohibited transaction under ERISA or the Code or a similar violation under any applicable Similar Laws, and (b) none of the Transaction Parties has acted or will act as a fiduciary to any Plan or Plan Asset Entity, or will be relied upon for any advice, with respect to the Plan or Plan Asset Entity’s decision to acquire, continue to hold or transfer a Note. See “Transfer Restrictions.”

Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is important that fiduciaries or other persons considering purchasing the Notes on behalf of or with the assets of any Plan, Plan Asset Entity or Non-ERISA Arrangement consult with their counsel regarding the availability of exemptive relief under any of the PTCEs listed above, the service provider exemption or the potential consequences of any purchase or holding under Similar Laws, as applicable. Purchasers of the Notes have exclusive responsibility for ensuring that their purchase and holding of the Notes do not violate the fiduciary or

prohibited transaction rules of ERISA or the Code or any similar provisions of Similar Laws. The sale of any Notes to a Plan, Plan Asset Entity or Non-ERISA Arrangement is in no respect a representation by us or any of our affiliates or representatives that such an investment meets all relevant legal requirements with respect to investments by any such Plans, Plan Asset Entities or Non-ERISA Arrangements generally or any particular Plan, Plan Asset Entity or Non-ERISA Arrangement or that such investment is appropriate for such Plans, Plan Asset Entities or Non-ERISA Arrangements generally or any particular Plan, Plan Asset Entity or Non-ERISA Arrangement.

PLAN OF DISTRIBUTION

Subject to the terms and conditions stated in the purchase agreement entered into between the Issuer and the Initial Purchasers, we have agreed to sell to the Initial Purchasers, and each Initial Purchaser has severally and not jointly agreed to purchase, the principal amount of Notes set forth opposite its name below.

Initial Purchasers	Principal Amount of Notes to be Purchased
J.P. Morgan Securities LLC.....	US\$220,000,000
Mizuho Securities USA LLC.....	US\$220,000,000
Scotia Capital (USA) Inc.	US\$220,000,000
SMBC Nikko Securities America, Inc.	US\$220,000,000
BNP Paribas Securities Corp.	US\$73,334,000
Citigroup Global Markets Inc.	US\$73,333,000
Goldman Sachs & Co. LLC.....	US\$73,333,000
Total	US\$1,100,000,000

The obligations of the Initial Purchasers under the purchase agreement, including their agreement to purchase Notes from us, are several and not joint. The purchase agreement provides that the Initial Purchasers will purchase all the Notes if any of them are purchased.

The Initial Purchasers initially propose to offer the Notes for resale at the issue price that appears on the cover of this Offering Memorandum. After the initial offering, the Initial Purchasers may change the offering price and any other selling terms. The Initial Purchasers may offer and sell Notes through certain of their affiliates.

We will indemnify the Initial Purchasers and their controlling persons against certain liabilities, including liabilities under the Securities Act, or contribute to payments that the Initial Purchasers may be required to make in respect of those liabilities.

No Sales of Similar Securities

In the purchase agreement, we have agreed to not offer or sell any of our debt securities (other than the Notes) for a period of 60 days after the date of this Offering Memorandum without the prior consent of the Initial Purchasers.

Notes Are Not Being Registered

The Notes have not been registered under the Securities Act or the securities laws of any other jurisdiction. In the purchase agreement, each Initial Purchaser has agreed that:

- The Notes may not be offered or sold within the United States or to U.S. persons except pursuant to an exemption from the registration requirements of the Securities Act or in transactions not subject to those registration requirements.
- During the initial distribution of the Notes, it will offer or sell Notes only to qualified institutional buyers in compliance with Rule 144A and to non-U.S. persons outside the United States in compliance with Regulation S.

In addition, until 40 days following the commencement of this offering, an offer or sale of Notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act unless the dealer makes the offer or sale in compliance with Rule 144A or another exemption from registration under the Securities Act.

New Issue of Notes

The Notes are a new issue of securities, and there is currently no established trading market for the Notes. In addition, the Notes are subject to certain restrictions on resale and transfer as described under “Transfer Restrictions.” Application is expected to be made for the listing and quotation of the Notes on the SGX-ST, in accordance with its rules and regulations. The Initial Purchasers have advised us that they intend to make a market in the Notes, but they are not obligated to do so. The Initial Purchasers may discontinue any market making in the Notes at any time in their sole discretion. Accordingly, we cannot assure you that a liquid trading market will develop for the Notes, that you will be able to sell your Notes at a particular time, or that the prices that you receive when you sell any Notes will be favorable.

You should be aware that the laws and practices of certain countries require investors to pay stamp taxes and other charges in connection with purchases of securities.

We expect that delivery of the Notes will be made to investors on or about February 10, 2025, which will be the fourth business day following the date of this Offering Memorandum (such settlement being referred to as “T+4”). Under Rule 15c6-1 under the Securities Exchange Act of 1934, as amended, trades in the secondary market are required to settle in one business day, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade Notes prior to the delivery of the Notes hereunder may be required, by virtue of the fact that the Notes initially settle in T+4, to specify an alternate settlement arrangement at the time of any such trade to prevent a failed settlement. Purchasers of the Notes who wish to trade the Notes prior to their date of delivery hereunder should consult their advisors.

Price Stabilization and Short Positions

In connection with the offering of the Notes, the Initial Purchasers (or persons acting on their behalf) may overallocate Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. Overallocation involves sales in excess of the offering size, which creates a short position for the Initial Purchasers. Stabilizing transactions involve bids to purchase the Notes in the open market for the purpose of pegging, fixing or maintaining the price of the Notes. Syndicate covering transactions involve purchases of the Notes in the open market after the distribution has been completed in order to cover short positions. However, there is no assurance that the Initial Purchasers will undertake stabilization action. Any stabilization action or overallocation must be conducted by the relevant Initial Purchaser (or persons acting on their behalf) in accordance with all applicable laws and rules.

Other Relationships

Certain of the Initial Purchasers have performed, or may in the future perform, commercial banking, investment banking and advisory services for us and our affiliates from time to time for which they have received, or may in the future receive, customary fees and commissions and reimbursement of expenses.

In addition, in the ordinary course of their business activities, the Initial Purchasers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. The Initial Purchasers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long or short positions in such securities and instruments.

Certain of the Initial Purchasers will be acting as dealer managers pursuant to the Tender Offers.

Certain of the Initial Purchasers or their affiliates hold positions in the debt securities and/or credit facilities of the Issuer’s affiliates, as described in “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity—Debt Instruments,” and may receive a portion of the proceeds of the issuance of the Notes (see “Use of Proceeds”).

Sales Outside the United States

Neither we nor the Initial Purchasers are making an offer to sell, or seeking offers to buy, the Notes in any jurisdiction where the offer and sale is not permitted. You must comply with all applicable laws and regulations in force in any jurisdiction in which you purchase, offer or sell the Notes or possess or distribute this Offering Memorandum, and you must obtain any consent, approval or permission required for your purchase, offer or sale of the Notes under the laws and regulations in force in any jurisdiction to which you are subject or in which you make such purchases, offers or sales. Neither we nor the Initial Purchasers will have any responsibility therefor.

Following is a brief overview of certain selling restrictions in the jurisdictions listed:

European Economic Area

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“EEA”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “MiFID II”); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the Insurance Distribution Directive), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “PRIIPs Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

United Kingdom

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the U.K. For these purposes, a “retail investor” means a person who is one (or more) of:

- (1) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or
- (2) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No. 1286/2014 as it forms part of domestic law by virtue of the EUWA (the “U.K. PRIIPs Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the U.K. has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the U.K. may be unlawful under the U.K. PRIIPs Regulation.

This document is for distribution only to persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the “Financial Promotion Order”), (ii) are persons falling within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations, etc.”) of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as “relevant persons”). This document is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this document relates is available only to relevant persons and will be engaged in only with relevant persons.

United Arab Emirates

The Notes have not been, and are not being, publicly offered, sold, promoted or advertised in the United Arab Emirates other than in compliance with the laws of the United Arab Emirates governing the issue, offering and sale of securities. Further, this Offering Memorandum does not constitute a public offer of securities in the United Arab Emirates and is not intended to be a public offer. This Offering Memorandum has not been approved by or filed with the Central Bank of the United Arab Emirates or the Securities and Commodities Authority.

Abu Dhabi Global Market

This Offering Memorandum is for distribution only to persons who (a) are outside the Abu Dhabi Global Market, or (b) are Authorised Persons or Recognised Bodies (as such terms are defined in the Financial Services and Markets Regulations 2015 (“FSMR”)), or (c) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 18 of FSMR) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as “relevant persons” for the purposes of this paragraph). This Offering Memorandum is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons.

This offer document is an Exempt Offer in accordance with the Market Rules of the ADGM Financial Services Regulatory Authority. This Exempt Offer document is intended for distribution only to Persons of a type specified in the Market Rules. It must not be delivered to, or relied on by, any other Person. The ADGM Financial Services Regulatory Authority has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The ADGM Financial Services Regulatory Authority has not approved this Exempt Offer document nor taken steps to verify the information set out in it, and has no responsibility for it. The Notes to which this Exempt Offer relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the Notes offered should conduct their own due diligence on the Notes. If you do not understand the contents of this Exempt Offer document you should consult an authorised financial advisor.

Dubai International Financial Centre

This Offering Memorandum relates to an Exempt Offer in accordance with the Market Rules of the Dubai Financial Services Authority (“DFSA”). This Offering Memorandum is intended for distribution only to persons of a type specified in the Market Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this Offering Memorandum nor taken steps to verify the information set forth herein and has no responsibility for the Offering Memorandum. The Notes to which this Offering Memorandum relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the Notes offered should conduct their own due diligence on the Notes. If you do not understand the contents of this Offering Memorandum, you should consult an authorized financial advisor.

This Offering Memorandum is for distribution only to persons who (a) are outside the Dubai International Financial Centre, (b) are persons who meet the “Professional Client” criteria set out in Rule 2.3.4 of the DFSA Conduct of Business Module or (c) are persons to whom an invitation or inducement in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as “relevant persons” for the purposes of this paragraph). This Offering Memorandum is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this document relates is available only to relevant persons and will be engaged in only with relevant persons.

Argentina

The Notes have not been registered with the *Comisión Nacional de Valores* and may not be offered publicly in Argentina. The Notes may not be publicly distributed in Argentina. Neither we nor the Initial Purchasers will solicit the public in Argentina in connection with this Offering Memorandum.

Brazil

The Notes have not been and will not be issued nor publicly placed, distributed, offered or negotiated in Brazilian capital markets. The issuance of the Notes has not been or will be registered with the Securities Commission of Brazil (*Comissão de Valores Mobiliários*, or “CVM”). Any public offering or distribution, as defined under Brazilian laws and regulations, of the Notes in Brazil is not legal without prior registration under Law No. 6,385/76, as amended, and Instruction No. 400, issued by the CVM on December 29, 2003, as amended.

Documents relating to the offering of the Notes, as well as information contained therein, may not be supplied to the public in Brazil (as the offering of the Notes is not a public offering of securities in Brazil), nor be used in connection with any offer for subscription or sale of the Notes to the public in Brazil. Therefore, the Notes are not being offered or sold in Brazil, except in circumstances which do not constitute a public offering, placement, distribution or negotiation of securities in the Brazilian capital markets regulated by Brazilian laws and regulations. Persons wishing to offer or acquire the Notes within Brazil should consult with their own counsel as to the applicability of registration requirements or any exemption therefrom.

Canada

No prospectus has been filed with any securities commission or similar regulatory authority in Canada in connection with the offer and sale of the Notes described herein. The Notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, and not be an individual.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Offering Memorandum (including any amendment hereto) contains a misrepresentation, *provided* that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (“NI 33-105”), this offering is conducted pursuant to an exemption from the requirement that Canadian investors be provided with certain underwriter conflicts of interest disclosure that would otherwise be required pursuant to subsection 2.1(1) of NI 33-105.

No securities commission or similar regulatory authority in Canada has reviewed or in any way passed upon this document or on the merits of the Notes described herein and any representation to the contrary is an offence. Any resale of the Notes acquired by a Canadian investor must be made in accordance with applicable Canadian securities laws, which may require resales to be made in accordance with Canadian prospectus requirements or pursuant to exemptions therefrom. These resale restrictions may under certain circumstances apply to resales of the Notes outside of Canada.

Chile

Pursuant to Chilean Securities Market Law and the Chilean Financial Markets Commission (*Comisión para el Mercado Financiero*, the “CMF”) Rule 336, the Notes may be privately offered in Chile to certain “qualified investors” identified as such by SVS Rule 336 (which in turn are further described in Rule N°. 216, dated June 12, 2008, and Rule No. 410, dated July 27, 2016, both of the CMF). CMF Rule 336 requires the following information to be provided to prospective investors in Chile:

1. Date of commencement of the offer: January 27, 2025. The offer of the Notes is subject to Rule (*Norma de Carácter General*) No. 336, dated June 27, 2012, issued by the CMF.

2. The subject matter of this offer are securities not registered with the Securities Registry (*Registro de Valores*) of the CMF, nor with the foreign securities registry (*Registro de Valores Extranjeros*) of the CMF, due to the Notes not being subject to the oversight of the CMF.
3. Since the Notes are not registered in Chile there is no obligation by the issuer to make publicly available information about the Notes in Chile.
4. The Notes shall not be subject to public offering in Chile unless registered with the relevant Securities Registry of the CMF.

Colombia

The Notes have not been and will not be offered in Colombia through a public offering of securities pursuant to Colombian laws and regulations, nor will the Notes be registered in the Colombian National Registry of Securities and Issuers (*Registro Nacional de Valores y Emisores*) maintained by the Colombian Superintendence of Finance (*Superintendencia Financiera de Colombia*) or listed on a regulated securities trading system such as the Colombian Stock Exchange (*Bolsa de Valores de Colombia*). Therefore, the Notes may not be offered, sold or negotiated in Colombia, except under circumstances which do not constitute a public offering of securities under applicable Colombian securities laws and regulations. The Offering Memorandum does not constitute and may not be used for, or in connection with, a public offering as defined under Colombian law and shall be valid in Colombia only to the extent permitted by Colombian law. This Offering Memorandum is for the sole and exclusive use of the addressee as a designated individual/investor, and cannot be considered as being addressed to or intended for the use of any third party, including any of such party's shareholders, administrators or employees, or by any other third party resident in Colombia. The information contained in this Offering Memorandum is provided for assistance purposes only, and no representation or warranty is made as to the accuracy or completeness of the information contained herein.

Hong Kong

The Notes may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong) and no advertisement, invitation or document relating to the Notes may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Italy

The offering of the Notes has not been registered pursuant to Italian securities legislation. Any offer, sale or delivery of the Notes in the Republic of Italy or distribution of copies of this Offering Memorandum or any other document relating to the Notes in the Republic of Italy must be:

(i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018 and Legislative Decree No. 385 of 1 September 1993, as amended; and

(ii) in compliance with any other applicable laws and regulations.

Please note that, in accordance with Article 100-bis of the Financial Services Act, the subsequent distribution of the Notes on the secondary market in Italy must be made in compliance with the rules on offers of securities to be made to the public provided under the Financial Services Act and the Regulation 11971/1999. Failure

to comply with such rules may result, inter alia, in the sale of such Notes being declared null and void and in the liability of the intermediary transferring the Notes for any damages suffered by the investors.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (the “Financial Instruments and Exchange Law”) and each Initial Purchaser has agreed that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

Luxembourg

The Notes may not be offered or sold to the public in the Grand Duchy of Luxembourg, directly or indirectly, and, neither this Offering Memorandum nor any other circular, prospectus, form of application, advertisement, communication or other material may be distributed, or otherwise made available in, or from or published in, the Grand Duchy of Luxembourg, except in circumstances which do not constitute a public offer of securities to the public.

Peru

The Notes and the information contained in this Offering Memorandum are not being publicly marketed or offered in Peru and will not be distributed or caused to be distributed to the general public in Peru. Peruvian securities laws and regulations on public offerings will not be applicable to this offering of the Notes and therefore, the disclosure obligations set forth therein will not be applicable to the Issuer or the sellers of the Notes before or after their acquisition by prospective investors. The Notes and the information contained in this Offering Memorandum have not been and will not be reviewed, confirmed, approved or in any way submitted to the Superintendency of Capital Markets (*Superintendencia del Mercado de Valores*) nor have they been registered under the Securities Market Law (*Ley del Mercado de Valores*) or any other Peruvian regulations. Accordingly, the Notes cannot be offered or sold within Peruvian territory except to the extent any such offering or sale qualifies as a private offering under Peruvian regulations and complies with the provisions on private offerings set forth therein.

The Notes may not be offered or sold in Peru except in compliance with the securities law thereof.

Singapore

This Offering Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the Notes were not offered or sold or caused to be made the subject of an invitation for subscription or purchase and will not be offered or sold or caused to be made the subject of an invitation for subscription or purchase, and this Offering Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, has not been circulated or distributed, nor will it be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018.

Any reference to the SFA is a reference to the Securities and Futures Act 2001 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

Switzerland

This Offering Memorandum does not constitute an offer to the public or a solicitation to purchase or invest in any Notes. No Notes have been offered or will be offered to the public in Switzerland, except that offers of Notes may be made to the public in Switzerland at any time under the following exemptions under the Swiss Financial Services Act (“FinSA”):

(a) to any person which is a professional client as defined under the FinSA; or

(b) in any other circumstances falling within Article 36 FinSA in connection with Article 44 of the Swiss Financial Services Ordinance,

provided that no such offer of Notes shall require the Issuer or any Initial Purchaser to publish a prospectus pursuant to Article 35 FinSA.

The Notes have not been and will not be listed or admitted to trading on a trading venue in Switzerland.

Neither this Offering Memorandum nor any other offering or marketing material relating to the Notes constitutes a prospectus as such term is understood pursuant to the FinSA and neither this Offering Memorandum nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

TRANSFER RESTRICTIONS

General

The Notes have not been registered, and will not be registered, under the Securities Act or any state securities laws, or the securities laws of any other jurisdiction, and the Notes may not be offered or sold except pursuant to an effective registration statement or pursuant to transactions exempt from, or not subject to, registration under the Securities Act. Accordingly, the Notes are being offered and sold only:

- to qualified institutional buyers (as defined in Rule 144A) pursuant to Rule 144A under the Securities Act; and
- outside of the United States, to certain persons, other than U.S. persons, in offshore transactions meeting the requirements of Regulation S under the Securities Act.

Purchasers' Representations and Restrictions on Resale and Transfer

Each purchaser of Notes (other than the Initial Purchasers in connection with the initial issuance and sale of the Notes) and each owner of any beneficial interest therein will be deemed, by its acceptance or purchase thereof, to have represented and agreed as follows:

(1) it is purchasing the Notes for its own account or an account with respect to which it exercises sole investment discretion and it and any such account is either (a) a qualified institutional buyer and is aware that the sale to it is being made pursuant to Rule 144A or (b) a non-U.S. person that is outside the United States;

(2) it acknowledges that the Notes have not been registered under the Securities Act or with any securities regulatory authority of any state and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except as set forth below;

(3) it understands and agrees that Notes initially offered to qualified institutional buyers will be represented by a Global Note and that Notes offered outside the United States pursuant to Regulation S will also be represented by a Global Note;

(4) it will not resell or otherwise transfer any of such Notes except (a) to us or any of Saavi Energía's subsidiaries, (b) within the United States to a qualified institutional buyer in a transaction complying with Rule 144A under the Securities Act, (c) outside the United States in compliance with Rule 903 or Rule 904 of Regulation S under the Securities Act, (d) pursuant to an exemption from registration under the Securities Act (if available) or (e) pursuant to an effective registration statement under the Securities Act, in each case in accordance with all applicable securities laws of the states of the United States and other jurisdictions;

(5) it agrees that it will give to each person to whom it transfers the Notes notice of any restrictions on transfer of such Notes;

(6) it acknowledges that prior to any proposed transfer of Notes (other than pursuant to an effective registration statement) the holder of such Notes may be required to provide certifications relating to the manner of such transfer as provided in the Indenture, including with respect to Notes sold or transferred pursuant to Rule 144A or Regulation S;

(7) it acknowledges that the trustee, registrar or transfer agent for the Notes may not be required to accept for registration or transfer any Notes acquired by it, except upon presentation of evidence satisfactory to us that the restrictions set forth herein have been complied with;

(8) it acknowledges that we, the Initial Purchasers and other persons will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of the

acknowledgements, representations and agreements deemed to have been made by its purchase of the Notes are no longer accurate, it will promptly notify us and the Initial Purchasers;

(9) if it is acquiring the Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each account; and

(10) it either (1) is not a Plan, a Plan Asset Entity or a Non-ERISA Arrangement and is not purchasing the Notes on behalf of or with the assets of any Plan, Plan Asset Entity or Non-ERISA Arrangement or (2) (a) the purchase and holding of the Notes will not constitute a non-exempt prohibited transaction under ERISA or the Code or a similar violation under any applicable Similar Laws, and (b) none of the Transaction Parties has acted or will act as a fiduciary to any Plan or Plan Asset Entity, or will be relied upon for any advice, with respect to the Plan or Plan Asset Entity's decision to acquire, continue to hold or transfer a Note (see "ERISA Considerations").

Legends

The following is the form of restrictive legend that will appear on the face of the Restricted Global Note and that will be used to notify transferees of the foregoing restrictions on transfer. This legend will only be removed with the Issuer's consent. If we so consent, it will be deemed to be removed.

THE SECURITIES EVIDENCED HEREBY HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED ("SECURITIES ACT"), OR ANY STATE OR OTHER SECURITIES LAWS, AND MAY NOT BE OFFERED, SOLD, PLEDGED, OR OTHERWISE TRANSFERRED EXCEPT IN ACCORDANCE WITH THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF OR OF A BENEFICIAL INTEREST HEREIN, THE HOLDER OF THIS SECURITY BY ITS ACCEPTANCE HEREOF (1) REPRESENTS THAT IT, AND ANY ACCOUNT FOR WHICH IT IS ACTING, (A) IS A QUALIFIED INSTITUTIONAL BUYER (WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT ("RULE 144A")) OR (B) IS NOT A U.S. PERSON AND IS ACQUIRING THIS SECURITY IN AN OFFSHORE TRANSACTION PURSUANT TO RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT ("REGULATION S") AND, WITH RESPECT TO (A) AND (B), EXERCISES SOLE INVESTMENT DISCRETION WITH RESPECT TO SUCH ACCOUNT, (2) AGREES FOR THE BENEFIT OF THE ISSUER THAT IT WILL NOT OFFER, SELL, PLEDGE OR OTHERWISE TRANSFER THIS SECURITY OR ANY BENEFICIAL INTEREST HEREIN, EXCEPT (A)(I) TO THE ISSUER OR ANY SUBSIDIARY THEREOF, (II) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BECOME EFFECTIVE UNDER THE SECURITIES ACT, (III) TO A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A, (IV) IN AN OFFSHORE TRANSACTION COMPLYING WITH THE REQUIREMENTS OF RULE 903 OR RULE 904 OF REGULATION S, OR (V) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT (IF AVAILABLE), AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND OTHER JURISDICTIONS, AND (3) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. THE TERMS "OFFSHORE TRANSACTION," "UNITED STATES" AND "U.S. PERSON" HAVE THE RESPECTIVE MEANINGS GIVEN TO THEM BY REGULATION S.

THIS LEGEND MAY ONLY BE REMOVED AT THE OPTION OF THE ISSUER.

PRIOR TO THE REGISTRATION OF ANY TRANSFER IN ACCORDANCE WITH CLAUSE (2)(A)(V) ABOVE, THE ISSUER RESERVES THE RIGHT TO REQUIRE THE DELIVERY OF SUCH LEGAL OPINIONS, CERTIFICATIONS OR OTHER EVIDENCE AS MAY REASONABLY BE REQUIRED IN ORDER TO DETERMINE THAT THE PROPOSED TRANSFER IS BEING MADE IN COMPLIANCE WITH THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. NO REPRESENTATION IS MADE AS TO THE AVAILABILITY OF ANY EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

The following is the form of restrictive legend that will appear on the face of the Regulation S Global Note and that will be used to notify transferees of the foregoing restrictions on transfer:

THE SECURITIES EVIDENCED HEREBY HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (“SECURITIES ACT”), OR ANY STATE OR OTHER SECURITIES LAWS. PRIOR TO EXPIRATION OF THE 40- DAY DISTRIBUTION COMPLIANCE PERIOD (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT (“REGULATION S”)), THIS SECURITY MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, A U.S. PERSON, EXCEPT TO A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT IN A TRANSACTION MEETING THE REQUIREMENTS OF THE INDENTURE. THE TERMS “UNITED STATES” AND “U.S. PERSON” HAVE THE RESPECTIVE MEANINGS GIVEN TO THEM BY REGULATION S.

LISTING AND GENERAL INFORMATION

Clearing Systems

An application has been made to have the Notes accepted for clearance through Euroclear and Clearstream. In addition, the Notes have been accepted for clearance through DTC. The CUSIP and ISIN numbers for the Regulation S Notes are L02668AA6 and USL02668AA66, respectively. The CUSIP and ISIN numbers for the Rule 144A Notes are 78518PAA3 and US78518PAA30, respectively.

Listing

Application will be made for the listing and quotation of the notes on the Official List of the SGX-ST. We cannot assure you that the Notes will receive final approval or will remain listed.

The Issuer does not publish non-consolidated financial statements. To the best of the Issuer's knowledge, the independent auditors' report included in this Offering Memorandum has been accurately reproduced. For so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, in the event that the Notes that are issued in global certificated form are exchanged for Notes in definitive registered form or definitive registered Notes, the Issuer will appoint and maintain a paying agent in Singapore, where the Notes may be presented or surrendered for payment or redemption. In addition, in the event that the Notes that are issued in global certificated form are exchanged for Notes in definitive registered form or definitive registered Notes, an announcement of such exchange will be made by or on behalf of the Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of the certificates in definitive form, including details of the paying agent in Singapore.

The Notes have not been and will not be listed in the BMV or registered with the National Securities Registry and therefore the Notes may not be offered or sold publicly, or otherwise be the subject of brokerage activities, in Mexico except pursuant to a private placement exemption set forth under Article 8 of the Mexican Securities Market Law.

Authorization

We have obtained all necessary consents, approvals and authorizations in connection with the issuance and performance of the Notes.

LEGAL MATTERS

Certain legal matters in connection with the offering will be passed upon for us by Milbank LLP, as to matters of U.S. federal and New York State law; by Galicia Abogados, S.C., as to matters of Mexican law; and by Bonn Steichen & Partners S.C.S., as to certain matters of Luxembourg law. Certain legal matters will be passed upon for the Initial Purchasers by Davis Polk & Wardwell LLP, as to matters of U.S. federal and New York State law; by Pérez-Llorca México, S.C., as to matters of Mexican law; and by Allen Overy Shearman Sterling SCS, as to certain matters of Luxembourg law. Milbank LLP and Davis Polk & Wardwell LLP will rely, as to all matters of Mexican law, on the opinion of Galicia Abogados, S.C., our Mexican counsel, and Pérez-Llorca México, S.C., Mexican counsel to the Initial Purchasers, and as to all matters of Luxembourg law, on the opinion of Bonn Steichen & Partners S.C.S., our Luxembourg counsel.

INDEPENDENT AUDITORS

The Issuer's consolidated financial statements as at and for the years ended December 31, 2023 and 2022, included elsewhere in this Offering Memorandum, have been audited by PricewaterhouseCoopers, Société coopérative, independent auditors (*réviseur d'entreprises agréé*).

PricewaterhouseCoopers, Société coopérative are members of the Luxembourg *Institut des Réviseurs d'Entreprises*.

The business address of PricewaterhouseCoopers, Société coopérative is 2, Rue Gerhard Mercator, L-2182 Luxembourg, Grand Duchy of Luxembourg.

SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES

Luxembourg

The Issuer is a company incorporated and established under the laws of Luxembourg under the form of a private limited liability company (*société à responsabilité limitée*) and it may be difficult for you to obtain or enforce judgments against it or its directors in the United States.

In the terms and conditions of the Notes, the Issuer will (1) agree that the courts of the state of New York, will have jurisdiction to hear and determine any suit, action or proceeding, and to settle any disputes, which may arise out of or in connection with the notes and, for such purposes, the Issuer will irrevocably submit to the jurisdiction of such courts and (2) name an agent for service of process in the Borough of Manhattan in New York. See “Description of the Notes.”

The Issuer is organized under the laws of Luxembourg. Most of its assets are located outside the United States. Furthermore, the majority of the Issuer’s managers do not reside in the United States. As a result, investors may find it difficult to effect service of process within the United States upon the Issuer or these persons or to enforce outside the United States judgments obtained against the Issuer or these persons in U.S. courts, including judgments in actions predicated upon the civil liability provisions of the U.S. federal securities laws. Likewise, it may also be difficult for an investor to enforce in U.S. courts judgments obtained against us or these persons in courts located in jurisdictions outside the United States, including actions predicated upon the civil liability provisions of the U.S. federal securities laws. It may also be difficult for an investor to bring an original action in a Luxembourg court predicated upon the civil liability provisions of the U.S. federal securities laws against the Issuer or these persons. It may be possible for investors to effect service of process within Luxembourg upon the Issuer provided that The Hague Convention on the Service Abroad of Judicial and Extrajudicial Documents in Civil or Commercial Matters of November 15, 1965 is complied with.

As there is no treaty in force governing the reciprocal recognition and enforcement of judgments in civil and commercial matters between the United States and Luxembourg, courts in Luxembourg will not automatically recognize and enforce a final judgment rendered by a U.S. court. A valid final, non-appealable and conclusive judgment against an issuer incorporated in Luxembourg with respect to the notes obtained from a court of competent jurisdiction in the United States remains in full force and effect after all appeals as may be taken in the relevant state or federal jurisdiction with respect thereto have been taken, may be entered and enforced through a court of competent jurisdiction of Luxembourg, subject to compliance with the enforcement procedures (*exequatur*) set out in the relevant provisions of the Luxembourg New Code of Civil Procedure (*Nouveau Code de Procédure Civile*) and Luxembourg case-law, being:

- the U.S. court had full jurisdiction over the subject matter leading to the judgment (that is, its jurisdiction was in compliance both with Luxembourg private international law rules and with the applicable domestic U.S. federal or state jurisdictional rules);
- the U.S. court has applied to the dispute the substantive law which would have been applied by Luxembourg courts or, at least, the order must not contravene the principles underlying those rules (based on case law and legal doctrine, it is not certain that this condition would still be required for an *exequatur* to be granted by a Luxembourg court);
- the judgment must not have been obtained by fraud but in compliance with the rights of the defendant to appear, and if the defendant appeared, to present its defense and its own procedural laws;
- the considerations of the foreign order, as well as the judgment, do not contravene international public policy as understood under the laws of Luxembourg or have been given proceedings of a penal, criminal or tax nature (which would include awards of damages made under civil liabilities provisions of the U.S. federal securities laws, or other laws, to the extent that the same would be classified by Luxembourg courts

as being of a penal or punitive nature (for example, fines or punitive damages) or rendered subsequent to an evasion of Luxembourg law (*fraude à la loi*). Ordinarily an award of monetary damages would not be considered as a penalty, but if the monetary damages include punitive damages such punitive damages may be considered as a penalty); and

- the judgment is enforceable (*exécutoire*) in the U.S.

If an original action is brought in Luxembourg, without prejudice to specific conflict of law rules, Luxembourg courts may refuse to apply the designated law (i) if it were not pleaded and proved or (ii) if such foreign law would be contrary to the mandatory provisions (*lois impératives*) or overriding mandatory provisions (*lois de police*) of Luxembourg law or manifestly incompatible with Luxembourg public policy.; (iii) to the extent that relevant contractual obligations or matters fall outside of the scope of Regulation (EC) No 593/2008 of the European Parliament and the Council of 17 June 2008 on the law applicable to contractual obligations; or (iv) if all other elements relevant to the situation are located in a country other than the jurisdiction of the chosen governing law, in which case the Luxembourg courts may apply the applicable mandatory provisions of such country; or (v) where the chosen governing law is not the law of an EU Member State, if all other elements relevant to the situation are located in one or several EU Member States, in which case the Luxembourg courts may apply applicable mandatory EU law provisions (as implemented in Luxembourg); or (vi) where contractual obligations are to be or have been performed in another country where such performance is prohibited by overriding mandatory provisions; or (vii) if a party is subject to insolvency proceedings, in which case the Luxembourg courts would apply the law of the jurisdiction where such insolvency proceedings have been duly opened (*lex concursus*) to the effects of such insolvency proceedings without prejudice to the exceptions provided for in the EU Insolvency Regulation.

In practice, Luxembourg courts now tend not to review the merits of a foreign judgment, although there is no clear statutory prohibition of such review.

Further, in the event of any proceedings being brought in a Luxembourg court in respect of a monetary obligation expressed to be payable in a currency other than Euro, a Luxembourg court would have power to give judgment expressed as an order to pay a currency other than Euro. However, enforcement of the judgment against any party in Luxembourg would be available only in Euro and for such purposes, all claims or debts would be converted into Euro.

Further, the Issuer's managers and officers, past and present, are entitled to indemnification from us to the fullest extent permitted by Luxembourg law against liability and all expenses reasonably incurred or paid by them in connection with any losses or liabilities, claims, actions, suits or proceedings in which any of them is involved by virtue of such person being or having been a director or officer and against amounts paid or incurred by such person in the settlement thereof, subject to limited exceptions. To the extent allowed by applicable law, the rights and obligations among us and any of our current or former managers and officers will, in principle, be governed by the laws of Luxembourg and subject to the jurisdiction of the Luxembourg courts, unless such rights or obligations do not relate to or arise out of their capacities as managers or officers. As a result, in the event any proceedings brought in the United States under U.S. federal securities laws impose any liability on the Issuer's managers and officers in their respective capacities, although there is doubt as to whether U.S. courts could enforce such a provision in an action brought in the United States under U.S. federal securities laws, such provision could make enforcing judgments obtained outside Luxembourg more difficult to enforce against our assets in Luxembourg or in jurisdictions that would apply Luxembourg law.

A contractual provision allowing the service of process against a party to a service agent could be overridden by Luxembourg statutory provisions allowing the valid serving of process against a party in accordance with applicable laws at the domicile of the party.

Subject to the foregoing, purchasers of the notes may be able to enforce judgments in civil and commercial matters obtained from U.S. federal or state courts in Luxembourg. We cannot, however, assure you that attempts to enforce judgments in Luxembourg will be successful.

Following is a description of the main features of Luxembourg insolvency proceedings and certain aspects of insolvency laws in Luxembourg. For more information, see “Risk Factors—Risks Relating to the Notes and Our Corporate and Financing Structure—The insolvency and reorganization laws of Luxembourg may limit your ability to effectively enforce your rights under the Notes.”

Luxembourg Insolvency Proceedings

Under Luxembourg insolvency laws, the following types of reorganisation proceedings and bankruptcy proceedings may be opened against, or be available to, the Issuer to the extent that the Issuer has its central administration (*administration centrale*) or its centre of main interests (*centre des intérêts principaux*) (for the purposes of the EU Insolvency Regulation) in Luxembourg:

a) judicial reorganisation proceedings (*réorganisation judiciaire*) as provided for in the Luxembourg act of 7 August 2023 on business continuity and the modernisation of bankruptcy (the “LBCA”); and

b) bankruptcy (*faillite*) as provided for in the Luxembourg code of commerce (the “Luxembourg Code of Commerce”) (as amended pursuant to the LBCA).

In addition to these insolvency proceedings, the Issuer may also be subject to prevention measures with a view to detecting financial difficulties of undertakings at an early stage and facilitating business preservation and reorganisation. The Issuer may also enter into negotiations with creditors with a view to reaching an amicable agreement (*accord amiable*) pursuant to the LBCA.

Detection of Undertakings in Financial Distress and Companies Likely to Be Declared Bankrupt

The LBCA provides for prevention measures with a view to detecting financial difficulties of a business at an earlier stage and facilitating business preservation and reorganisation.

The Minister of the Economy and the Minister for Small and Medium-Sized Businesses are responsible, within their respective areas of competence, for detecting debtors in financial distress when such financial difficulties are likely to jeopardize the continuity of the Issuer’s business. If the competent Minister believes that the Issuer is in financial distress, she/he may arrange a meeting with the Issuer to review its situation and to explain the various options available for a reorganisation of its business.

The Evaluation Committee for Businesses in Difficulties (*Cellule d’évaluation des entreprises en difficulté*) main mission is to assess whether a bankruptcy petition is appropriate or not.

Conservatory Measures – Business Conciliator Appointment

The Issuer can request the appointment of a business conciliator (*conciliateur d’entreprise*) by the Minister of the Economy or the Minister for Small and Medium-Sized Businesses. The business conciliator’s mission, be it as part, or outside, of a judicial reorganisation procedure, consists either (i) in preparing (*préparer*) and facilitating (*favoriser*) the conclusion and performance of an amicable agreement, (ii) in securing (*obtenir*) the agreement of the creditors on a reorganisation plan, or (iii) the transfer by court order of all or part of the assets or activities to one or more third parties.

In cases of serious breaches (*manquements graves et caractérisés*) committed by the Issuer that threaten its business continuity, the presiding judge (*magistrat président la chambre du tribunal*) may appoint a court officer (*mandataire de justice*). The court officer’s mission is defined by a court order and may continue during a judicial reorganization, subject to court decisions.

Reorganisation by Amicable Agreement (Accord Amiable)

If the Issuer’s business is at risk, it is entitled to enter into an amicable agreement with all or part (i.e. at least two of them) of its creditors with a view to reorganise all or part of its assets or activities. To avoid that a creditor is

provided with an unfair advantage, the Issuer is not entitled to enter into a separate agreement with only one of its creditors.

Nature of Amicable Agreement and Appointment of Business Conciliator

An amicable agreement is an extrajudicial process, but the Issuer can also apply for a judicial reorganization to obtain a stay (*sursis*) to conclude such amicable agreement. The Issuer has the option to appoint a business conciliator (*conciliateur d'entreprise*) to facilitate and potentially assist in implementing the agreement.

Court Certification of Amicable Agreement

Once an amicable agreement is reached, the Issuer can request the commercial district court (the “Commercial Court”) (*tribunal d'arrondissement siégeant en matière commerciale*) to certify (*homologuer*) an amicable agreement, subject to the court’s evaluation of its effectiveness in restructuring assets or activities of such Issuer. A court-certified agreement is enforceable and exempt from certain clawbacks (i.e. articles 445 (2) and article 446 of the Luxembourg Commercial Code). Disclosure of an amicable agreement to third parties requires the Issuer’s consent. The Issuer, another creditor or a third party cannot sue the creditors who are party to the certified amicable agreement for the sole reason that such amicable agreement would not preserve the continuity of all or part of the Issuer’s business.

Judicial Reorganisation (Réorganisation Judiciaire)

The purpose of judicial reorganisation proceedings is to preserve, under the supervision of a judge, the continuity of all or part of the assets or activities of the Issuer. Judicial reorganisation proceedings allow a stay (*sursis*) to the Issuer with the aim of:

- a) reaching an amicable agreement (*réorganisation par accord amiable*),
- b) carrying out a judicial reorganisation by collective agreement (*réorganisation judiciaire par accord collectif*), or
- c) carrying out a judicial reorganisation by transfer by court order (*réorganisation judiciaire par transfert par décision de justice*).

These judicial reorganisation proceedings replace the controlled management proceedings (*gestion contrôlée*), the suspension of payments (*sursis de paiements*) and composition to prevent bankruptcy (*concordat préventif de la faillite*).

General Administration and General Features of Judicial Reorganisation Proceedings

As soon as its business is jeopardised (*mise en péril de l'entreprise*), the Issuer is entitled to apply for judicial reorganisation proceedings to the district court sitting in commercial matters. The judicial reorganisation proceedings is opened by a decision of such court ruling on the application of the Issuer, either in the short (*à bref délais*) or in the longer term (*à terme*).

The application (*requête*) should include, among other things, a statement of the facts from which it appears that the continuity of the business is jeopardised, either shortly or in the longer term, the purpose of the reorganisation, financial statements and proposed measures to restore solvency and profitability.

As soon as the application is filed, the presiding judge of the chamber of the court appoints a delegated judge (*juge délégué*) to report to the court seized of the case on the admissibility and the basis of the application based on the hearing of the Issuer as well as any other person whom he/she considers useful to his/her investigation.

Within 48 hours of the filing of the application, the court registry officer (*greffier*) notifies the State Prosecutor, who may attend any of the operations of the procedure.

Within 15 days, the court reviews the application, summons the Issuer for a hearing, and, if conditions are met, officially opens the reorganisation process.

The court defines objectives of the judicial reorganisation which are, among other things, the duration of the stay (*sursis*), the way that the vote of creditors is organized in case of judicial reorganisation by collective agreement or the mission of the court officer (*mandataire de justice*) in case of judicial reorganisation by transfer by court order, based on a report by the delegated judge (*juge délégué*).

Common Effects of Judicial Reorganisation Proceedings

Suspensive Effects of an Application for the Opening of Judicial Reorganisation Proceedings

The main effect of filing an application for the opening of judicial reorganisation proceedings is to obtain, as from the filing of the application until the date of the judgment opening the judicial reorganisation, suspensive effects in that: (i) the Issuer cannot be declared bankrupt (except that a company which pursues activities contrary to criminal law, or which seriously contravenes the laws governing commercial companies, may be wound-up and liquidated by the District Court), (ii) the Issuer cannot (in the case of a company) be dissolved or be subject to administrative dissolution without liquidation (*dissolution administrative sans liquidation*) and (iii) no realisation of any movable or immovable property of the Issuer can take place following the exercise of any enforcement measure (*voies d'exécution*).

Main Effects of the Opening of a Judicial Reorganisation Proceedings

Within 15 days of the filing of the application for judicial reorganisation, the court should examine the merits of the application for judicial reorganisation. It should summon the Issuer to a hearing during which it will be heard in chambers, unless the Issuer has expressly indicated its willingness to be heard in open court.

After hearing the report of the delegated judge, if the opening conditions are met, then the court would declare the judicial reorganisation procedure open.

In addition, the court should in the judgment opening the judicial reorganisation or, as the case may, in a subsequent judgment:

- i. sets the duration of the initial stay (*sursis*), which may not exceed four months, and which allows in particular to suspend any enforcement measure (*voies d'exécution*) (subject to certain exceptions);
- ii. in case of judicial reorganisation by collective agreement, designates the place, day and time when the hearing will take place at which the vote on the reorganisation plan and a decision on the certification (*homologation*) will take place, unless the stay is extended; and
- iii. in case of judicial reorganisation by transfer by court order, appoints a court officer (*mandataire de justice*) for organizing and carrying out the transfer in the name and on behalf of the Issuer; the court determines the purpose of the transfer or leaves it to the discretion of the court officer.

If necessary to achieve the aims of the judicial reorganisation procedure, the court can appoint a court officer (*mandataire de justice*) upon request from the Issuer or a third-party during proceedings.

Within 14 days of the opening judgment, the Issuer must notify creditors, with the court registry (*greffe*) maintaining a creditors list for consultation.

In the event of serious and substantiated misconduct (*faute grave et caractérisée*), the court may replace the management of the Issuer by appointing an interim administrator (*administrateur provisoire*) during the stay (*sursis*).

The initial stay (*sursis*) can be extended by the court within the limit of 12 months from the judgment granting the stay.

Bankruptcy, Attachments, and Enforcement Action

During the stay:

i. the Issuer cannot be declared bankrupt (except at its own initiative), it cannot (in the case of a company) be dissolved and cannot be subject to an administrative dissolution without liquidation (*dissolution administrative sans liquidation*); and

ii. no individual enforcement action or attachment by virtue of outstanding claims (*créances sursitaires*) may be pursued or exercised against the movable or immovable property of the Issuer.

However, attachments (*saisies*) previously carried out retain their protective nature (*caractère conservatoire*), unless the court orders their release when requested to do so by application and insofar as this release does not impose significant prejudice on the creditors.

If the day fixed for carrying out the forced sale of movable or immovable property expires within two months following the filing of the application for judicial reorganisation and if the Issuer has not made use of the right to request the suspension thereof, or if the application is rejected, the sale operations on attachments may continue notwithstanding the opening judgment.

However:

i. if the Issuer has not applied for the suspension of the forced sale of the movables, then it may still ask the court, by application, to pronounce the suspension after having heard the delegated judge in its report, the creditor and the Issuer, this request having no suspensive effect; and

ii. in addition, the notary must suspend the property sale operations if, at least three working days before the day fixed for proceeding with the forced sale, (i) the court pronounces the suspension of the forced sale operations before or jointly with the opening judgment at the express request of the Issuer in its application for judicial reorganisation, (ii) an amount corresponding to the actual costs incurred by the notary is paid to the office of a bailiff, and (iii) the notary is immediately informed by the bailiff.

In any case, the Issuer must immediately inform in writing the notary or the bailiff in charge of selling the property of the filing of the application for judicial reorganisation as well as the introduction of an application for suspension of the sale.

Contracts in the Course of Performance

The stay (*sursis*) does not in principle put an end to contracts in the course of performance or their performance.

However, if the reorganisation of the Issuer absolutely requires it, the Issuer may unilaterally suspend the performance of its contractual obligations. The claim for damages that may be due to the co-contracting party because of this non-performance is subject to the stay.

The stay does not affect a claim arising from contracts in court for successive services relating to services performed after the opening judgment.

Finally, all claims relating to services provided to the Issuer during the procedure are considered as claims of the estate in a bankruptcy or liquidation if there is a close link between the end of the judicial reorganisation procedure and this insolvency procedure, this close link being characterised if the insolvency procedure is opened within the period of 12 months following the end of the reorganisation procedure.

Penalty clauses, including interest rate increase clauses, remain ineffective during the stay period and until the full execution of the reorganisation plan. However, the creditor may include in its outstanding claim the actual damage suffered because of the non-compliance with the material obligation.

Payment and Set-off

The stay does not prohibit voluntary payments by the Issuer to its creditors, insofar as this payment is necessary for the continuity of the business. These payments cannot be cancelled for having been made in a suspicious period in the event of a subsequent bankruptcy.

Set-off between outstanding claims and claims arising during the stay is only permitted if these claims are related (*créances connexes*).

Early termination of reorganisation proceedings can occur (i) at the request of the Issuer, (ii) if continuity of business or activity is at risk, or (iii) if incomplete or inaccurate information was provided to the delegated judge.

Judicial Reorganisation by Collective Agreement (Réorganisation Judiciaire par Accord Collectif)

General Administration of Judicial Reorganisation by Collective Agreement

The judicial reorganisation by collective agreement aims to secure an agreement binding on all creditors, including those who oppose it, provided that specific conditions regarding creditor acceptance and claim value are met. This procedure enhances the judicial reorganisation process, featuring a reorganisation plan (*plan de réorganisation*) comprising satisfaction measures and potential restructuring actions.

After filing an application for judicial reorganisation, the Issuer must submit a reorganisation plan to the court registry at least twenty days before the hearing. The reorganisation plan can include various proposals like converting claims into equity, differential settlement of claim categories, interest waivers or voluntary transfers of assets or activities.

The Issuer must inform each creditor registered on the list of the outstanding claims of their claim amount before the vote of the reorganisation plan.

If the plan safeguards creditors' best interests, it should be approved by the court, discharging the Issuer from certain specified claims upon full plan implementation. Creditors, as well as the delegated judge and the Issuer, can present their observations during the voting hearing.

The approval of the reorganisation plan results from a favourable vote of (i) the majority of the creditors in each class, (ii) representing by their uncontested or provisionally admitted claims half of all the amounts due in principal. The reorganisation plan must be implemented within five years of its certification.

The court verifies new financing necessity and adherence to creditors' best interests, granting certification if approved by relevant parties in each class. If not, the court may grant certification under specific conditions or extend the suspension period for a new voting hearing. Certification can be refused if procedural formalities are violated, the plan lacks viability, or public order is violated.

Effect of Judicial Reorganisation by Collective Agreement

Once a reorganisation plan is certified, it becomes legally binding on all outstanding creditors (*créanciers sursitaires*). Contested claims recognized by the courts after certification are paid in accordance with the procedures provided for claims of the same nature, while uncontested claims not initially listed are paid after the plan is fully executed, following procedures for claims of the same nature.

Complete plan implementation definitively absolves the Issuer of all included claims, excluding co-debtors and personal guarantors. Additionally, any creditor can request plan revocation if the Issuer is clearly unable to fulfil it, causing harm.

The Issuer's bankruptcy declaration automatically revokes the reorganisation plan, returning the Issuer and creditors to their pre-plan positions, except for payments and completed transactions.

Judicial Reorganisation by Transfer by Court Order

General Administration of Judicial Reorganisation by Transfer by Court Order

In judicial reorganisation by transfer by court order, a court officer (*mandataire judiciaire*) oversees the transfer of the Issuer's assets or activities, ensuring business continuity. This transfer can involve successive sales, transfers or mergers. The Commercial Court orders the transfer either with the Issuer's consent during the reorganisation process or upon request from the State Prosecutor (*procureur d'Etat*), a creditor, or an interested party under specific circumstances, such as reorganisation plan failure or conditions for bankruptcy fulfilment.

The court officer prepares a project detailing the contemplated transfers and offer content. The transfer can involve selling movable or immovable assets essential for maintaining the Issuer's economic activity or taking the form of a merger (*fusion*). The court grants authorization for the transfer, giving priority to offers that ensure job retention through a social agreement when comparable offers exist. If employment court certification is required, the transferee is bound only by the obligations in the approved deed.

Subsequently, the court officer executes the transfer, including the transfer of rights and obligations from existing employment contracts to the transferee. The transferee assumes obligations related to employees only if communicated in writing by the assignor or the court officer. Specific provisions govern the transfer of immovable properties.

Effects of the Judicial Reorganisation by Transfer by Court Order

The sales must take place in accordance with the draft deed (*projet d'acte*) approved by the court and by its effect. Consequently, creditors with prior rights to the sold assets will possess an equal claim over the proceeds of the sales. Then, the court officer invites all the creditors mentioned on the list of creditors established by the Issuer to make a declaration to the court registry.

The early termination of the judicial reorganisation proceedings is applicable to the judicial reorganisation by transfer by court order. In addition, when the appointed court officer considers that all the activities likely to be transferred have been transferred, and in any case before the end of the stay, it files an application before the court for the closure of the judicial reorganisation procedure.

If the Issuer is declared bankrupt or in compulsory liquidation before the court officer has fully fulfilled his mandate, the latter shall require the court to discharge him.

Bankruptcy Proceedings (Faillite)

(i) General administration of bankruptcy proceedings

The opening of bankruptcy proceedings may be requested by Issuer or by any of its creditors. Following such request, the Commercial Court having jurisdiction may open bankruptcy proceedings in the event that the Issuer (a) has ceased to make payments (*cessation de paiements*) and (b) has lost its commercial creditworthiness (*ébranlement de crédit*). If the Commercial Court considers that these conditions are met, it may open bankruptcy proceedings on its own motion, absent a request made by the Issuer or a creditor, the debtor (who must acknowledge its cessation of payments) or the public prosecutor.

If the Commercial Court declares the Issuer bankrupt, it will appoint one or more bankruptcy receivers (*curateur(s)*), depending on the complexity of the proceedings and a supervising judge (*juge-commissaire*) to supervise the bankruptcy proceedings.

The period within which creditors must file their proof of claims (*déclaration de créance*) is specified in the judgment adjudicating the company bankrupt. Claims filed after such period may nevertheless be considered by the bankruptcy receiver subject to certain limitations as to distributable proceeds.

The bankruptcy receiver takes over the management and control of Issuer in place of the managers. The bankruptcy receiver will realize the Issuer's assets and distribute the proceeds to the Issuer's creditors in accordance with the statutory order of payment and, if there are any funds left, to the bankrupt company's shareholders. The bankruptcy receiver represents the Issuer as well as the creditors collectively (*masse des créanciers*).

The bankruptcy receiver will need to obtain of the Commercial Court permission for certain acts, such as agreeing to a settlement of claims or deciding to pursue the business of the Issuer during the bankruptcy proceedings.

Bankruptcy is governed by public policy and rules, which generally delay the process and limit restructuring options of the group to which the bankrupt company belongs.

On closing of the bankruptcy proceedings, the Issuer will normally be dissolved.

(ii) Effects of bankruptcy proceedings

The main effect of bankruptcy proceedings is the suspension of all measures of enforcement against the Issuer, except, subject to certain limited exceptions, for secured creditors, and the payment of unsecured creditors of the Issuer in accordance with their rank upon the realization of the assets of the Issuer.

In principle, contracts of the Issuer are not automatically terminated on commencement of bankruptcy proceedings, save for contracts for which the identity or solvency of the company was crucial (*intuitu personae* agreements) for the other party. However, certain contracts are terminated automatically by law, such as employment contracts, unless expressly confirmed by the receiver. Contractual provisions purporting to terminate a contract upon bankruptcy are generally held as being valid. The receiver may choose to terminate contracts of the company subject to the rule of "*exceptio non adimpleti contractus*" and the creditors' interest.

Unsecured claims of the Issuer (such as the Issuer's liabilities under the Notes) will, in the event of a liquidation of the Issuer, only rank after (i) the cost of liquidation (including any debt incurred for the purpose of such liquidation) and (ii) the debts of the Issuer that are entitled to priority under Luxembourg law (*privilege*). Preferential debts under Luxembourg law include, claims with general rights of priority (*privilèges généraux*), such as tax and social security claims, and claims with special rights of priority (*privilèges spéciaux*) which carry the right to be paid in priority out of the proceeds of the sale of a specific asset due to a claim associated with that asset.

Assets over which a security interest has been granted will in principle not be available for distribution to unsecured creditors of the Issuer (except after enforcement and to the extent a surplus is realised and subject to application of the relevant priority rules, liens and privileges arising mandatorily by law). During insolvency proceedings, all enforcement measures by unsecured creditors of the Issuer are suspended.

The Luxembourg insolvency laws may also affect payments made by the Issuer, as well as other transactions (listed in the pertinent section of the Luxembourg Commercial Code) concluded or performed by the Issuer, during the suspect period (*période suspecte*) which is fixed by the Luxembourg court and dates back not more than six months as from the date on which the Luxembourg court formally adjudicates a person bankrupt, and, as for specific payments and transactions, during an additional period of ten days before the commencement of such period, are subject to cancellation by the Luxembourg court upon proceedings instituted by the Luxembourg insolvency receiver.

In particular,

(a) article 445 of the Luxembourg Commercial Code sets out that specific transactions entered into during the suspect period and an additional period of ten days preceding the suspect period fixed by the court (e.g. the granting of a security interest for antecedent debts; the payment of debts which have not fallen due, whether payment is made in cash or by way of assignment, sale, set-off or by any other means; the payment of debts which have fallen due by any other means than in cash or by bill of exchange; transactions without consideration or for materially inadequate consideration) must be set aside or declared void, as the case may be, if so requested by the insolvency receiver;

(a) article 446 of the Luxembourg Commercial Code states that payments made for matured debts as well as other transactions concluded for consideration during the suspect period are subject to cancellation by the court upon proceedings instituted by the insolvency receiver if they were concluded with the knowledge of the bankrupt's cessation of payments; and

(b) regardless of the suspect period, article 448 of the Luxembourg Commercial Code and article 1167 of the Luxembourg Civil Code (*actio pauliana*) give the creditor the right to challenge any fraudulent payments and transactions made prior to the bankruptcy, without limitation of time.

Mexico

Certain of our subsidiaries are companies organized and existing under the laws of Mexico. Most of our directors, officers, principal shareholders, certain directors and officers of certain of our subsidiaries, and certain experts named in this Offering Memorandum, reside outside the United States. A significant portion of our assets and the assets of certain of our subsidiaries are located, and a majority of our revenues and the revenues of certain of our subsidiaries are derived from, sources outside the United States. As a result, it may not be possible for investors to effect service of process within the United States or in any other jurisdiction outside of Mexico upon such persons, or us, or to enforce against them, or us, in courts of any jurisdiction outside of Mexico judgments predicated upon the laws of any such jurisdiction, including any judgment predicated upon the civil liability provisions of United States federal and state securities laws, or other laws of the United States.

Personal service of process is considered to be a basic procedural requirement and a fundamental right under Mexican law. If for purposes of proceedings outside Mexico service of process is made by mail or other method that is not personal, such service of process does not constitute personal service under Mexican law. The courts of Mexico would not enforce a final judgment based on such a service of process.

We have been advised by our Mexican counsel, by Galicia Abogados, S.C., that no treaty exists between the United States and Mexico for the reciprocal enforcement of judgments issued in the other country. Generally, Mexican courts would enforce final judgments rendered in the United States if certain requirements are met, including the review in Mexico of the U.S. judgment to ascertain compliance with certain basic principles of due process and the non-violation of Mexican law or public policy (*orden público*), *provided* that U.S. courts would grant reciprocal treatment to Mexican judgments. Additionally, there is doubt as to the enforceability, in original actions in Mexican courts, of liabilities predicated, in whole or in part, on U.S. federal securities laws and as to the enforceability in Mexican courts of judgments of U.S. courts obtained in actions predicated on the civil liability provisions of U.S. federal securities laws. See “Risk Factors—Risks Relating to the Notes and Our Corporate and Financing Structure—You may not be able to recover in civil proceedings for U.S. securities law violations.”

In connection with the issuance of the Notes, the Issuer has appointed CT Corporation System, as its authorized agent upon whom process may be served in connection with any action instituted in any United States federal or state court having subject matter jurisdiction in the Borough of Manhattan in New York arising out of or base upon the Indenture governing the Notes. See “Description of the Notes.”

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Saavi Energia S.à r.l. (formerly GIP EM Bronco Luxco 2 S.à r.l.) and subsidiaries

Condensed consolidated interim statement of financial position as of September 30, 2024, Condensed consolidated interim statement of income and comprehensive income, Changes in stockholders' equity and Cash flows for the nine months period ended at September 30, 2024 and the explanatory notes to the condensed consolidated interim financial statements

Saavi Energia S.à r.l. and subsidiaries

Condensed Consolidated Interim Statement of Financial Position

September 30, 2024 and December 31, 2023

Figures in thousands of U.S. Dollars (unaudited except for December 31, 2023)

<u>Assets</u>	<u>Notes</u>	<u>2024</u>	<u>2023</u>
CURRENT ASSETS:			
Cash and cash equivalents		\$ 140,611	\$ 105,103
Accounts receivable		175,731	139,018
Contract assets		79,511	90,132
Accounts receivable from related parties	8	11,880	8,397
Inventories		187	109
Prepayments and other current assets		49,087	57,823
Derivative financial instruments		<u>1,660</u>	<u>3,969</u>
		458,667	404,551
Subsidiary asset classified as held for sale	9	<u>-</u>	<u>65,894</u>
Total current assets		<u>458,667</u>	<u>470,445</u>
Property, plant and equipment, net	10	1,943,836	1,823,507
Investments accounted for using the equity method	11	160,745	159,509
Intangible assets, net	12	526,955	552,537
Goodwill	12	335,243	326,914
Deferred tax assets		865	865
Notes receivable with relates parties	8	170,431	166,061
Derivative financial instruments		1,928	442
Other non-current assets		<u>2,865</u>	<u>3,612</u>
Total non-current assets		<u>3,142,868</u>	<u>3,033,447</u>
Total assets		<u>\$3,601,535</u>	<u>\$3,503,892</u>
Liabilities and Equity			
CURRENT LIABILITIES:			
Accounts payable and accrued expenses		\$ 189,720	\$ 220,955
Accounts payable to related parties	8	8,969	13,988
Derivative financial instruments		1,085	3,456
Current portion of other long-term liabilities	14	38,001	6,761
Current portion of long-term debt	13	<u>121,302</u>	<u>82,625</u>
		359,077	327,785
Subsidiary liabilities directly associated with assets classified as held for sale		<u>-</u>	<u>43,515</u>
Total current liabilities		<u>359,077</u>	<u>371,300</u>
Long-term debt	13	2,139,163	1,991,550
Deferred tax liabilities		455,721	452,794
Deferred rent		9,278	9,558
Derivative financial instruments		1,591	155
Other long-term liabilities	14	16,495	13,701
Liabilities associated to an asset retirement obligation		3,161	-
Pension and other post-retirement obligations		<u>29,187</u>	<u>26,212</u>
Total non-current liabilities		<u>2,654,596</u>	<u>2,493,970</u>
Total liabilities		<u>3,013,673</u>	<u>2,865,270</u>
EQUITY:			
Share capital and premium	15	124,246	192,130
Accumulated income		49,451	22,770
Other comprehensive income		<u>414,165</u>	<u>423,722</u>
Total equity		<u>587,862</u>	<u>638,622</u>
Total liabilities and equity		<u>\$3,601,535</u>	<u>\$3,503,892</u>

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Saavi Energia S.à r.l. and subsidiaries

Condensed Consolidated Interim Statement of Income and Comprehensive Income

For the nine-month periods ended on September 30, 2024 and 2023

Figures in thousands of U.S. Dollars (Unaudited)

	<u>Notes</u>	<u>2024</u>	<u>2023</u>
Revenues	4	\$ 1,137,481	\$ 1,161,890
Cost of sales and services	17	<u>(882,206)</u>	<u>(976,411)</u>
Gross profit		255,275	185,479
General and administrative expenses	17	(74,721)	(72,686)
Other income	4	120	-
Profit (loss) on subsidiary net assets classified as held for sale before income tax	17	(18,306)	-
Share of net profit of joint ventures accounted for using the equity method	11	<u>9,620</u>	<u>5,514</u>
Operating profit		<u>171,988</u>	<u>118,307</u>
Financing income	18	9,313	8,477
Financing cost	18	<u>(117,763)</u>	<u>(108,224)</u>
Financing cost, net		<u>(108,450)</u>	<u>(99,747)</u>
Income before income tax		63,538	18,560
Income tax expense		<u>(46,470)</u>	<u>(13,004)</u>
Net income		<u>17,068</u>	<u>5,556</u>
Interest rate swap in joint ventures		80	80
Deferred tax		<u>(24)</u>	<u>(24)</u>
Interest rate swap in joint ventures, net of tax	11	<u>56</u>	<u>56</u>
Comprehensive income		<u>\$ 17,124</u>	<u>\$ 5,612</u>

The accompanying notes are an integral part of part of these condensed consolidated interim financial statements.

Saavi Energia S.à r.l. and subsidiaries

Condensed Consolidated Interim Statement of Changes in Stockholders' Equity For the nine-month periods ended on September 30, 2024

Figures in thousands of U.S. Dollars (Unaudited except for December 31, 2023)

	Notes	Share capital and premium		Accumulated income	Other comprehensive income	Total
		Share capital	Share premium			
Balance at December 31, 2023		\$ 200	191,930	\$ 22,770	\$ 423,722	\$ 638,622
<i>Shareholders' transaction:</i>						
Share premium decrease	15	-	(67,884)	-	-	(67,884)
<i>Comprehensive income:</i>						
Net income		-	-	17,068	-	17,068
<i>Items that may be reclassified to income:</i>						
Transfers from revaluation surplus to accumulated income, net of tax		-	-	9,613	(9,613)	-
Revaluation of power and compression plants net of tax		-	-	-	-	-
Interest rate swap amortization in unconsolidated affiliates	11	-	-	-	56	56
		-	-	26,681	(9,557)	17,124
Balance at September 30, 2024		\$ 200	\$ 124,046	\$ 49,451	\$ 414,165	\$ 587,862

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Saavi Energia S.à r.l. and subsidiaries

Condensed Consolidated Interim Statement of Changes in Stockholders' Equity For the nine-month periods ended on September 30, 2023

Figures in thousands of U.S. Dollars (Unaudited except for December 31, 2023)

		<u>Share capital and premium</u>		<u>Accumulated income</u>	<u>Other comprehensive income</u>	<u>Total</u>
	<u>Notes</u>	<u>Share capital</u>	<u>Share premium</u>			
Balance at December 31, 2022		\$ 200	\$ 212,830	\$ 5,892	\$ 355,422	\$ 574,344
<i>Shareholders' transaction:</i>						
Share premium decrease	15	-	(20,950)	-	-	(20,950)
<i>Comprehensive income:</i>						
Net income		-	-	5,556	-	5,556
<i>Items that may be reclassified to income:</i>						
Transfers from revaluation surplus to accumulated income, net of tax		-	-	8,224	(8,224)	-
Revaluation of power and compression plants net of tax		-	-	-	-	-
Interest rate swap amortization in unconsolidated affiliates	11	-	-	-	56	56
		-	-	13,780	(8,168)	5,612
Balance at September 30, 2023		\$ 200	\$ 191,880	\$ 19,672	\$ 347,254	\$ 559,006

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Saavi Energia S.à r.l. and subsidiaries

Condensed Consolidated Interim Statement of Cash Flows

For the nine months period ended on September 30, 2024 and 2023

Figures in thousands of U.S. Dollars (Unaudited)

	Notes	2024	2023
Cash flows from operating activities			
Income before income tax		\$ 63,538	\$ 18,560
<i>Adjustments for investing activities related items:</i>			
Depreciation and amortization	17	102,629	101,762
Share of net profit of joint ventures accounted for using the equity method	11	(9,620)	(5,514)
Loss on subsidiary net assets classified as held for sale before income tax	17	18,306	-
Interest income	18	(6,356)	(6,058)
<i>Adjustments for financing activities related items:</i>			
Interest expense of long-term debt net of deferred financing cost	18	104,515	102,013
Interest expense on leases	18	2	3
Foreign exchange adjustments		21	(3)
		<u>273,035</u>	<u>210,763</u>
<i>Change in assets and liabilities resulting from operating activities:</i>			
Accounts receivable		32,196	(58,007)
Accounts receivable from unconsolidated affiliates		(1,516)	(1,039)
Inventories		(78)	2,799
Prepayment and other current assets		(9,927)	(1,518)
Other non-current assets		814	(122)
Accounts payable and accrued expenses		(10,695)	23,088
Accounts payable to unconsolidated affiliates		(5,019)	10,696
Deferred rent		(280)	(4,479)
Other liabilities		(813)	(443)
Pension and other post-retirement obligations		2,954	2,799
Total changes in assets and liabilities resulting from operating activities		<u>7,636</u>	<u>(26,226)</u>
Net exchange differences		<u>5,118</u>	<u>(5,197)</u>
Income tax paid		<u>(91,329)</u>	<u>(39,595)</u>
Net cash provided by operating activities		<u>194,460</u>	<u>139,745</u>
Cash flows from investing activities			
Proceeds from the sale of investment held for sale net of cash	9	13,127	-
Investment held for sale in subsidiary classified as asset held for sale	9	(9,054)	-
Payments for property, plant and equipment		(32,720)	(7,435)
Consideration paid for a business combination, net of cash acquired		(150,275)	-
Dividends from joint ventures	11	8,440	-
Notes receivable from related parties		-	(2,000)
Payments from loan to related parties		-	2,000
Interest received		-	24
Net cash used in investing activities		<u>(170,482)</u>	<u>(7,411)</u>
Cash flows from financing activities			
Proceeds from long-term debt	20	200,000	-
Repayment of long-term debt	20	(44,732)	(40,465)
Proceeds from working capital facility	20	12,000	16,500
Repayment of working capital facility	20	(12,000)	(16,500)
Payment of deferred financing cost	20	(7,032)	-
Principal elements of lease payments		(2)	25
Interest paid	20	(63,702)	(65,349)
Capital stock distribution	15	(67,884)	(20,950)
Net cash provided by (used in) financing activities		<u>16,648</u>	<u>(126,739)</u>
Net increase in cash and cash equivalents		40,626	5,595
Effects of exchange rate changes on cash and cash equivalents		(5,118)	5,197
Cash and cash equivalents at beginning of the year		<u>105,103</u>	<u>94,911</u>
Cash and cash equivalents at end of year		<u>\$ 140,611</u>	<u>\$ 105,703</u>
Non-cash financing and investing activities	20		

The accompanying notes are an integral part of these consolidated interim financial statements.

Saavi Energia S.à r.l. and subsidiaries

Notes to the condensed consolidated interim financial statements

September 30, 2024 and December 31, 2023

Figures in thousands of U.S. Dollars (\$) (Unaudited except for December 31, 2023)

Note 1 - History, Company activities and relevant events:

1.1 History and Company activities

Saavi Energia S.à r.l., until December 18, 2024 denominated as GIP EM Bronco Luxco 2 S.à r.l. (individually the Company and collectively with its subsidiaries, Saavi Energia or Group) is a direct subsidiary of GIP EM Bronco Luxco, S.à r.l., is registered with the Trade and Companies Register of Luxembourg with the number B 269128 and has its registered office at 18 Rue Charles Darwin in L-1433 Luxembourg. The ultimate controlling party is GIP EM Bronco Aggregator SCSp.

Saavi Energia was incorporated under Dutch law on April 6, 2018, as El Aguila Cooperative B.A. in Amsterdam, The Netherlands. On March 14, 2022, the Company changed its name to El Aguila B.V. On June 15, 2022, the Company (a) transferred its corporate seat from Amsterdam, The Netherlands, to Luxembourg, Grand Duchy of Luxembourg, without dissolution but on the contrary with full corporate and legal continuance and (b) was converted into a private limited liability company (société à responsabilité limitée) with the name Saavi Energia S.à r.l.

The object of the Group is holding of participations, in any form whatsoever, in Luxembourg and foreign companies, therefore indirectly owns Electricidad Firme de Mexico Holdings, S.A. de C.V., (Electricidad Firme de Mexico Holdings or Firme) and its subsidiaries and GIP EM Fortuna Luxco S.à r.l. (Fortuna) and its subsidiaries, both, Firme and Fortuna own and operate a diverse portfolio of electric generation facilities. Firme also owns and operates a diverse portfolio of gas compression facilities, and related infrastructure.

The portfolio includes subsidiaries that are consolidated, and joint ventures accounted for under the equity method. These subsidiaries own and operate six natural gas-fired Combined Cycle Power Plants (CCPP), one Solar Plant and three Mobile Power Generation Units (MPGU). Some other characteristics of the plant portfolio, such as the total megawatts, location, year of commercial operation, and characteristic of the permits to generate electric power in accordance with the Mexican Regulation such as: a) Independent Power Producer (IPP); b) External Producer (EP); c) Self Supply (SS); d) and e) Electric Power Generation (EPG) are as follows:

		Interest held	Year of commercial operation	Permits	Megawatts	Location	Type
<i>Equity Method:</i>							
Energía Azteca VIII	¹	51.0	2002	IPP, EPG	625	Guanajuato, Mexico	CCPP
<i>Consolidated:</i>							
Energía Campeche	²	100.0	2003	IPP	252	Campeche, Mexico	CCPP
Energía Chihuahua	²	100.0	2003	IPP, SS ⁸ , EPG	276	Chihuahua, Mexico	CCPP
Energía Azteca X	²	100.0	2003	IPP, SS ⁸ , EPG, M	768	Mexicali, Mexico	CCPP
Energía de Baja California	¹	100.0	2003	EP, EPG	320	Mexicali, Mexico	CCPP
Energía San Luis de la Paz	²	100.0	2015	SS ⁸ , M	230	Guanajuato, Mexico	CCPP
Ciclo Combinado Tierra Mojada	²	100.0	2021	IPP, G	874.5	Jalisco, Mexico	CCPP
Saavi Power Mobile Solutions	^{3 & 6}	100.0	2022	-	111	Arizona, U. S. A.	MPGU
NP Energía La Lucha	²	100.0	2023	EPG	130.7	Durango, Mexico	SP

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The portfolio also includes subsidiaries and a joint venture that own and operate Gas Compression plants; the permits of those plants were awarded by Centro Nacional de Gas (CENAGAS). The compression capacity expressed in Million Cubic Feet (MCF) per day and some other characteristics are as follows:

		<u>Interest held</u>	<u>Year of commercial operation</u>	<u>Plant characteristics</u>	
				<u>MCF</u>	<u>Location</u>
<i>Equity Method:</i>					
Compresión Bajío	¹	51.0	2001	100.0	Querétaro, Mexico
<i>Consolidated:</i>					
Compresión Altamira	²	100.0	2014	1,300.0	Tamaulipas, Mexico
Green Energy Libramiento	¹	100.0	2007	100.0	Querétaro, Mexico

The portfolio includes also the following subsidiaries:

Subsidiary		<u>2024</u>	<u>2023</u>	<u>Activity</u>
<i>In México:</i>				
Electricidad Firme de México Holdings	²	100	100	Sub-holding Company
Electricidad Cometa de México	²	100	100	Sub-holding Company
Cometa Energía	²	100	100	Sub-holding Company
Aguas Industriales la Rosita	¹	100	100	Maintenance
Aztec Energy X B. V. y Compañía		100	100	Sub-holding Company
Controladora Ciclo Combinado				
Tierra Mojada ²	²	100	100	Sub-holding Company
Ektria Suministro	¹	100	100	Energy marketing
Energía Termoeléctrica Mexicana	²	100	100	Sub-holding Company
Gasoducto la Rosita	¹	100	100	Maintenance
GDD de Personal	¹	100	100	Personal services
IG Sierra Juárez II	¹	100	100	Sub-holding Company
Saavi Energía	¹	100	100	Energy marketing
Saavi Generación	¹	100	100	Dormant company
Saavi Operaciones México	¹	100	100	Personal Services
<i>In the United States:</i>				
Saavi Energy Solutions, LLC	³	100	100	Energy marketing
Saavi Imperial Power	³	100	100	Start-up Company
Saavi Power Mobile Solutions Holdings	³	100	-	Energy marketing
<i>In the United Kingdom:</i>				
Saavi Energia (UK), Ltd	³	100	100	Sub-holding Company

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Subsidiary		<u>2024</u>	<u>2023</u>	<u>Activity</u>
<i>In the Netherlands:</i>				
Aztec Energy I	4	100	100	Dormant company
Aztec Energy III	4	100	100	Dormant company
Aztec Energy VII	4	100	100	Dormant company
Aztec Energy X	4	100	100	Dormant company
Ektria Holdings	4	100	100	Sub-holding Company
El Aguila Holdings	4	100	100	Dormant company
La Rosita Energy	4	100	100	Dormant company
Saavi Bajio	4	100	100	Dormant company
Saavi Energia	4	100	100	Dormant company
Tierra Mojada Holdings III	4	100	100	Sub-holding Company
<i>In Luxembourg:</i>				
Tierra Mojada Holdings ⁹	5	100	100	Sub-holding Company
Tierra Mojada Luxembourg	5	100	100	Sub-holding Company
Tierra Mojada Luxembourg II	5	100	100	Sub-holding Company

- (1) A limited liability company, S. de R. L. de C. V. with a \$0.1 fixed portion of equity without withdrawal rights.
- (2) A limited liability company, S. A. de C. V. with a \$25 fixed portion of equity without withdrawal rights.
- (3) A limited liability company, LLC in the United States of America or in the United Kingdom, with a \$1 fixed portion of equity without withdrawal rights.
- (4) A private limited liability company, B.V. with a fixed portion of equity no greater than \$25 fixed portion without withdrawal rights.
- (5) A limited liability company, S. à r.l. with a \$1 fixed portion of equity without withdrawal rights.
- (6) The three MU are kept in Arizona when are not in operation, nevertheless by nature of the business the equipment could be installed in different locations, according to the commercial need.
- (7) See Note 7, *Business combination*.
- (8) SS until June 2024 for Chihuahua and December 2024 for EAX.
- (9) On December 18, 2024, the Sole Shareholder change the name of the Company from GIP EM Fortuna Holdings to Tierra Mojada Holdings.

1.2 Relevant events

On October 31, 2023, The Group signed a Purchase and Sale Agreement with Comisión Federal de Electricidad, for the sale of 100% of the interest in its subsidiary Energía Campeche, See Note 9 - *Subsidiary net asset classified as held for sale*.

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On October 13, 2023 the Group celebrated a Binding Offer Letter to acquire 100% of the stock interest in NP Energia la Lucha (la Lucha or the project), from NP Desarrollo en Energía de México, and NP Development Holdings Inc, the project owns and operates a 130.7 MW solar photovoltaic power plant located in Durango Mexico, then the Stock Purchase Agreement was signed in March 4, 2024 and the acquisition was concluded on July 15, 2024 with the regulator's approval. The Group concluded they obtained the control from 1 January 2024, therefore, that was determined as the acquisition date. See Note 7, *Business combination*.

1.3 Climate change

Climate change and the effects associated with it could have an effect on the Company's operations. Water is an essential raw material in combined cycle plants, and thus extremely important for the Company's operations. Any effect from climate change is reduced due to the fact that the Group uses treated wastewater in some of its facilities and well water in others where the Group has contractually guaranteed volumes of supply which significantly exceed its needs. Furthermore, the Group recycles and reuses a portion of its water. Therefore, the Group has not identified any risk that could materially impact the financial performance or position of the Group as of September 30, 2024 and December 31, 2023.

Note 2 - Basis of preparation:

The accompanying condensed consolidated interim statement of financial position as of September 30, 2024, the condensed consolidated interim statements of income and comprehensive income, changes in stockholders' equity and cash flows for the nine months period ended at September 30, 2024 and 2023 and the explanatory notes to the condensed consolidated interim financial statements are unaudited and have been prepared in accordance with IAS 34 "Interim financial reporting". The condensed consolidated interim financial statements does not include all of the notes normally included in an annual consolidated financial statements. Accordingly, this report should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2023, which have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

The financial information as of December 31, 2023 presented in these condensed consolidated interim financial statements is derived from the Company's audited consolidated financial statements for the year ended December 31, 2023.

There are no standards, amendments to standards or interpretations that are effective for the period beginning on January 1, 2024 that have a material effect on the condensed consolidated interim financial statements of the Company.

Certain new accounting standards and amendments to accounting standards have been published that are not mandatory for the year ending on December 31, 2024 have not been early adopted by the Group. The management is evaluating the impact of them:

Amendments to IAS 21, *Lack of Exchangeability* (effective for annual periods beginning on or after January 1, 2025), Amendments to IFRS 9 and IFRS 7, *Classification and Measurement of Financial Instruments* (effective for annual periods beginning on or after January 1, 2026), Amendments to IFRS 9 and IFRS 7, *Contracts Referencing Nature-dependent Electricity* (effective for annual periods beginning on or after January 1, 2026), IFRS 18, *Presentation and Disclosure in Financial Statements* (effective for annual periods beginning on or after 1 January 2027).

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Notes to the condensed consolidated interim financial statements

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Note 3 - Summary of significant accounting policies:

The accounting policies adopted are consistent with those of the previous financial year, except for:

Income tax

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss (estimated average annual tax rate). See Note 19, *Income tax*.

Note 4 - Segment information:

4.1 Description of segments and principal activities.

CEO, CFO and FP&A (denominated as CODM under IFRS 8, Operating Segments), examine the Group's performance per type of revenues and has identified four (4) reportable-operating segments of its business: a) Electricity generation, b) Gas compression, c) Joint ventures and d) Corporate.

4.2 Performance of the reportable-operating segments.

The Group CODM primarily uses the operating profit to assess the performance of the reportable operating segments. However, Management also receives information about the segments revenue and assets on a monthly basis.

4.3 Statements of financial position and statements of income on Management's report.

The statements of financial position at September 30, 2024 and December 31, 2023 and the statements of income on Management's report for the nine months period ended as of September 30, 2024 and 2023 of the reportable-operating segments are as follows:

	September 30, 2024				
	Electricity generation	Gas compression	Joint ventures	Corporate	Total
<i>Interim statement of financial position:</i>					
Property, plant and equipment, net	\$ 1,856,959	\$ 84,316	\$ -	\$ 2,561	\$ 1,943,836
Investments accounted for using the equity method	-	-	160,745	-	160,745
Intangible assets, net	507,925	17,330	-	1,700	526,955
Goodwill	315,906	403	18,934	-	335,243
Other assets	<u>388,394</u>	<u>18,129</u>	<u>55</u>	<u>228,178</u>	<u>634,756</u>
Total assets ⁽¹⁾	<u>\$ 3,069,184</u>	<u>\$ 120,178</u>	<u>\$ 179,734</u>	<u>\$ 232,439</u>	<u>\$ 3,601,535</u>
Debt	(\$ 1,090,732)	\$ -	\$ -	(\$ 1,169,733)	(\$ 2,260,465)
Deferred rent liability	(9,278)	-	-	-	(9,278)
Other liabilities	<u>(690,191)</u>	<u>(37,308)</u>	<u>(277)</u>	<u>(16,154)</u>	<u>(743,930)</u>
Total liabilities ⁽¹⁾	<u>(\$ 1,790,201)</u>	<u>(\$ 37,308)</u>	<u>(\$ 277)</u>	<u>(\$ 1,185,887)</u>	<u>(\$ 3,013,673)</u>

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September 30, 2024 and December 31, 2023

Nine months period ended as of September 30, 2024

	Electricity generation	Gas compression	Joint ventures	Corporate	Total
<i>Interim statement of income on Management's report:</i>					
Revenues:					
Lease	\$ 100,716	\$ 39,124	\$ -	\$ -	\$ 139,840
Deferred rent	<u>280</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>280</u>
Lease - Net	100,996	39,124	-	-	140,120
Electricity	971,645	-	-	-	971,645
Operating and maintenance	23,685	-	-	-	23,685
Other services and others	<u>(2,059)</u>	<u>3,328</u>	<u>-</u>	<u>762</u>	<u>2,031</u>
Total revenues ²	1,094,267	42,452	-	762	1,137,481
Cost of sales and services	<u>(854,107)</u>	<u>5,288</u>	<u>-</u>	<u>(33,387)</u>	<u>(882,206)</u>
Gross profit	240,160	47,740	-	(32,625)	255,275
General and administrative expenses and other	(49,963)	(5,744)	(98)	(18,916)	(74,721)
Other income	(456)	-	-	576	120
Loss on subsidiary net assets classified as held for sale before income tax	(18,306)	-	-	-	(18,306)
Share of net profit of joint ventures	<u>-</u>	<u>-</u>	<u>9,620</u>	<u>-</u>	<u>9,620</u>
Operating profit	<u>\$ 171,435</u>	<u>\$ 41,996</u>	<u>\$ 9,522</u>	<u>(\$ 50,965)</u>	<u>\$ 171,988</u>

December 31, 2023

	Electricity generation	Gas compression	Joint ventures	Corporate	Total
<i>Statement of financial position:</i>					
Property, plant and equipment, net	\$ 1,730,892	\$ 90,749	\$ -	\$ 1,866	\$ 1,823,507
Investments accounted for using the equity method	-	-	159,509	-	159,509
Intangible assets, net	530,263	20,574	-	1,700	552,537
Goodwill	307,577	403	18,934	-	326,914
Subsidiary asset classified as held for sale	65,894	-	-	-	65,894
Other assets	<u>357,278</u>	<u>21,316</u>	<u>2</u>	<u>196,935</u>	<u>575,531</u>
Total assets ⁽¹⁾	<u>\$ 2,991,904</u>	<u>\$ 133,042</u>	<u>\$ 178,445</u>	<u>\$ 200,501</u>	<u>\$ 3,503,892</u>
Debt	(\$ 1,050,113)	\$ -	\$ -	(\$ 1,024,062)	(\$ 2,074,175)
Deferred rent liability	(9,558)	-	-	-	(9,558)
Subsidiary liabilities directly associated with Assets classified as held for sale	(43,515)	-	-	-	(43,515)
Other liabilities	<u>(678,082)</u>	<u>(40,531)</u>	<u>(277)</u>	<u>(19,132)</u>	<u>(738,022)</u>
Total liabilities ⁽¹⁾	<u>(\$ 1,781,268)</u>	<u>(\$ 40,531)</u>	<u>(\$ 277)</u>	<u>(\$ 1,043,194)</u>	<u>(\$ 2,865,270)</u>

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Nine months period ended as of September 30, 2023

	Electricity generation	Gas compression	Joint ventures	Corporate	Total
<i>Interim statement of income on Management's report:</i>					
Revenues:					
Lease	\$ 104,439	\$ 38,416	\$ -	\$ -	\$ 142,855
Deferred rent	4,479	-	-	-	4,479
Lease - Net	108,918	38,416	-	-	147,334
Electricity	973,486	-	-	597	974,083
Operating and maintenance	40,358	-	-	-	40,358
Other services and others	103	12	-	-	115
Total revenues	1,122,865	38,428	-	597	1,161,890
Cost of sales and services	(986,488)	(23,544)	-	33,621	(976,411)
Gross profit	136,377	14,884	-	34,218	185,479
General and administrative expenses and other	(57,582)	(4,112)	(145)	(10,847)	(72,686)
Share of net profit of joint ventures	-	-	5,514	-	5,514
Operating profit	\$ 78,795	\$ 10,772	\$ 5,369	\$ 23,371	\$ 118,307

Transactions between segments, which were eliminated in consolidation, are mainly related to sales of gas compression services from the Gas Compression segment to the Electricity Generation segment for \$ 1,893 and \$1,858 for the nine-month period ended September 30, 2024 and 2023, respectively.

- (1) Segment assets and liabilities are measured in the same way as in the annual financial statements. These assets are allocated based on the operations of the segment.
- (2) From the total revenues, 90% have been generated in Mexico and 10% have been generated from sales in U.S.A.

Note 5 - Financial assets and financial liabilities:

- 5.1 This note provides information about the Group's financial instruments, including, an overview of all financial instruments held by the Group.
- 5.2 The Group holds the following financial instruments as of September 30, 2024 and December 31, 2023, which has been recorded at amortized cost, except for Derivative financial instruments:

	2024	2023
Cash and cash equivalents	\$ 140,611	\$ 105,103
Accounts receivable	175,731	139,018
Accounts receivable from related parties	11,880	8,397
Notes receivable with related parties	170,431	166,061
Derivative financial instruments	3,588	4,411
Other non-current assets	2,865	3,612
Financial assets	\$ 505,106	\$ 426,602

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	<u>2024</u>	<u>2023</u>
Accounts payable and accrued expenses	\$ 189,720	\$ 220,955
Accounts payable to related parties	8,969	13,988
Derivative financial instruments	2,676	3,611
Current portion of other long-term liabilities	38,001	6,761
Current portion of long-term debt	121,302	82,625
Long-term debt	2,139,163	1,991,550
Other long-term liabilities	<u>16,495</u>	<u>13,701</u>
Financial liabilities	<u>\$ 2,516,326</u>	<u>\$ 2,333,191</u>

The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above.

Note 6 - Capital management:

The Company manages its capital to ensure that it will be able to continue as a going concern and comply with applicable regulations. The capital structure of the Company consists of capital stock contributions, related party long-term debt and long-term debt, See Note 13, *Debt*. Additionally, the Company is not subject to any externally imposed requirements for the Management of its capital.

Note 7 - Business combination:

7.1 On October 13, 2023 the Group celebrated a Binding Offer Letter to acquire 100% of the stock interest in NP Energia la Lucha (la Lucha or the project), from NP Desarrollo en Energía de México, and NP Development Holdings Inc, the project owns and operates a 130.7 MW solar photovoltaic power plant located in Durango Mexico, then the Stock Purchase Agreement was signed in March 4 2024 and the acquisition was concluded on July 15, 2024 with the regulator's approval . The Group concluded they obtained the control from March 4, 2024, therefore, that was determined as the acquisition date. The acquisition is part of the strategy to generate green energy and increase the Group revenues.

In accordance with IFRS 3, *Business combination*, the acquisition is considered a business combination, and therefore, it has been recorded using the acquisition method. The acquisition has been recorded by distributing the total assets acquired, including intangible assets and assumed liabilities, based on the fair values determined at the date of acquisition. The excess of the acquisition cost over the net of the fair values of the assets acquired and liabilities assumed has been recorded as goodwill.

A goodwill of \$7,353 was recognized at the business combination date. The goodwill associated with this business combination is not deductible for income tax purposes. The goodwill consists of the fair value of the net assets and the: a) Fair value of property, plant and equipment; b) identification of the implicit intangible asset within the substation equipment, that represents future benefits, and c) Deferred tax of the fair value adjustments.

The fair value of the Trade and accounts receivable considered in the business combinations approximate their carrying value. The liabilities have been determined at fair value as of the date of the business combination.

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7.2 Details of the consideration transferred are:

Consideration paid ¹	\$ 157,326
Contingent consideration ²	<u>30,874</u>
Total purchase consideration	<u>\$ 188,200</u>

7.3 The fair values of the assets and liabilities at the date of acquisition were as follows:

Assets

CURRENT ASSETS:

Cash and cash equivalents	\$ 7,051
Accounts receivable	34,454
Prepayments and other current assets	<u>31</u>

Total current assets

41,536

Property, plant and equipment	135,176
Intangible assets	10,786
Deposits and other assets	<u>67</u>

Total assets

187,565

Liabilities

Accounts payable and accrued expenses	539
Other long-term liabilities	7,134
Pension and other post-retirement obligations	<u>21</u>

Total liabilities

7,694

Goodwill	179,871
	<u>8,329</u>

Implied net assets

\$ 188,200

7.4 Since the asset acquired were recently constructed management concluded that the book value is similar to its fair value.

The goodwill recognized by the Group represents non-separable assets due to the growth potential and development opportunities of the Group and it is attributable to the subsidiary position in the market and synergies expected to arise after the company's acquisition of the new subsidiary.

7.5 From March 4 to September 30, 2024, the amounts of revenues and net income from NP Energia la Lucha recognized as part of the Condensed consolidated interim statement of income and comprehensive income are \$9,734 and \$797, respectively. The amount of revenues and net income from NP Energia la Lucha generated from January 1 to September 30, 2024 are \$10,872 and \$1,774 respectively.

¹ The consideration paid include \$151,300 as base purchase price and \$6,026 of working capital.

² See Note 14, *Other long-term liabilities* and Note 22, *Subsequent events*.

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September 30, 2024 and December 31, 2023

Note 8 - Related party balances and transactions:

8.1 Balances with related parties at September 30, 2024 and December 31, 2023 were as follows:

	<u>2024</u>	<u>2023</u>
Energía Azteca VIII, S. de R. L. de C. V.	\$ 4,713	\$ 3,198
Compresión Bajío, S. de R. L. de C. V.	1,703	1,557
Servicios Azteca VIII, S. de R. L. de C. V.	311	361
Other unconsolidated joint ventures'	<u>36</u>	<u>131</u>
Accounts receivable from unconsolidated joint ventures	<u>6,763</u>	<u>5,247</u>
Global Infrastructure Partners Emerging Markets Found I, L. P.	2,570	707
GIP EM Bronco, Co-Investment Fund II, L.P.	1,265	1,804
Other unconsolidated shareholders	<u>1,282</u>	<u>639</u>
Accounts receivable from shareholders	<u>5,117</u>	<u>3,150</u>
<i>Accounts receivable from related parties</i>	<u>\$ 11,880</u>	<u>\$ 8,397</u>
Global Infrastructure Partners Emerging Markets Found I, L. P.	\$ 72,890	\$ 71,916
GIP EM Bronco Co-Investment Fund II, L. P.	51,366	48,838
GIP EM Bronco Co-Investment Fund I, L. P.	24,170	23,850
GIP EM Bronco Co-Investment Fund III, L. P.	8,756	8,501
Other notes receivable from shareholders	<u>13,249</u>	<u>12,956</u>
<i>Notes receivable from related parties (shareholders)</i>	<u>\$ 170,431</u>	<u>\$166,061</u>
Energía Azteca VIII, S. de R. L. de C. V.	\$ 6,399	\$ 10,017
Operaciones Compresión Bajío, S. de R. L. de C. V.	1,838	2,811
Other joint ventures	<u>732</u>	<u>1,160</u>
<i>Accounts payable to related parties</i>	<u>\$ 8,969</u>	<u>\$ 13,988</u>

8.2 Transactions income/(expense) with related parties for the nine months period ended as of September 30, 2024 and 2023 were as follows:

	<u>2024</u>	<u>2023</u>
<i>Financing income:</i>		
Global Infrastructure Partners Emerging Markets Found I, L. P.	2,838	2,675
GIP EM Bronco, Co-Investment Fund II, L.P.	1,988	1,910
Others	<u>1,530</u>	<u>1,473</u>

8.3 Transactions with related parties are described as follows:

The Group through a subsidiary delivers the energy produced by Energía Azteca VIII (EAVIII) to CeNaCe. As a result, CeNaCe invoices to the Group an energy and maintenance cost that is subsequently invoiced to EAVIII.

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The Group sales natural gas to Compresión Bajío, S. de R. L. de C. V. at the market price, plus a margin.

The Group lends to affiliates from its indirect shareholders the amount of \$170,431 and \$166,061 at September 30, 2024 and December 31, 2023, respectively; loans bear a 5.26% of interest rate. Interest is capitalized annually and starting on those dates is recorded in the finance expense line of the consolidated statements of income and comprehensive income. See Note 18, *Analysis of the financing cost*, net the principal expires in 10 years, nevertheless the Borrower shall have the right at any time and from time to time to prepay the outstanding principal amount of the loans, in whole or in part and/or their interests.

- 8.4 The total amount of employee's benefits granted to key Management staff or directors of the entity, overall, grouped in each of the following categories is shown as follows:

	<u>2024</u>	<u>2023</u>
Wage and salaries	\$2,128	\$2,837
Short and long-term direct benefits	1,007	1,343
Other benefits	76	101

There are no loans granted by the Company to its key Management staff.

Note 9 - Subsidiary net asset classified as held for sale:

- 9.1 On October 31, 2023, the Group signed a Purchase and Sale Agreement with Comisión Federal de Electricidad to sell the investment in its subsidiary Energía Campeche, identified within the Electricity Generation reportable-operating segment.

- 9.2 The financial information related to the sale is as follows:

Total consideration to be received	\$ 22,379
Carrying amount of subsidiary net assets classified as held for sale	<u>(46,709)</u>
Loss on subsidiary net assets classified as held for sale before income tax	(24,330)
Income tax expense	<u>-</u>
Loss on subsidiary net assets classified as held for sale after income tax	<u>(\$ 24,330)</u>

- 9.3 The carrying amount at December 31, 2023 of the net asset is as follows:

Cash and cash equivalents	\$ 316
Accounts receivable	8,999
Inventories	10,381
Prepayments and other current assets	669
Property, plant and equipment, net	66,155
Deferred tax ¹	3,565
Other non-current assets	<u>139</u>
Subsidiary assets classified as held for sale ²	<u>90,224</u>

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Accounts payable and accrued expenses	(9,051)
Deferred rent	(26,827)
Pension and other post-retirement obligations	<u>(7,637)</u>
Subsidiary liabilities directly associated with assets classified as held for sale	<u>(43,515)</u>
Carrying amount of subsidiary net asset classified as held for sale	<u>\$ 46,709</u>

In 2024, an additional investment of \$9,054 was transferred to the subsidiary classified as net asset held for sale and the final consideration to be received decreased to \$13,054 due to changes in the working capital, therefore the company recognize an additional loss on subsidiary net assets classified as held for sale before income tax by \$18,306.

- (1) Deferred tax recognized by the sale of the investment in subsidiary classified as held for sale.
- (2) Subsidiary assets classified as held for sale in the consolidated statement of financial position are presented net of the loss on subsidiary net assets classified as held for sale after income tax.

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Note 10 - Property, plant and equipment, net:

10.1 At September 30, 2024 and December 31, 2023 the components of plant were as follows:

	Assets classified as held						Business					
	December 31, 2022	Acquisition	for sale ⁽²⁾	Decrease	Surplus	Depreciation	December 31, 2023	Acquisition ⁽¹⁾	Acquisition	Surplus	Depreciation	September 30, 2024
Power plants	\$ 1,578,062	\$ 5,431	(\$ 131,802)	(\$ 4,104)	\$ -	\$ -	\$ 1,447,587	\$ -	\$ 48,561	\$ -	\$ -	\$ 1,496,148
Power plant surplus	441,578	-	-	-	129,241	-	570,819	-	-	-	-	570,819
Power plant depreciation	(206,329)	-	46,901	-	-	(91,259)	(250,687)	-	-	-	(57,081)	(307,768)
Power plant, net	<u>1,813,311</u>	<u>5,431</u>	<u>(84,901)</u>	<u>(4,104)</u>	<u>129,241</u>	<u>(91,259)</u>	<u>1,767,719</u>	<u>-</u>	<u>48,561</u>	<u>-</u>	<u>(57,081)</u>	<u>1,759,199</u>
Compression plants	109,010	68	-	-	-	-	109,078	-	100	-	-	109,178
Compression plant surplus	49,637	-	-	-	(13,755)	-	35,882	-	-	-	-	35,882
Compression plant depreciation	(32,961)	-	-	-	-	(12,663)	(45,624)	-	-	-	(8,790)	(54,414)
Compression plant, net	<u>125,686</u>	<u>68</u>	<u>-</u>	<u>-</u>	<u>(13,755)</u>	<u>(12,663)</u>	<u>99,336</u>	<u>-</u>	<u>100</u>	<u>-</u>	<u>(8,790)</u>	<u>90,646</u>
Solar plant	-	-	-	-	-	-	-	133,554	-	-	-	133,554
Solar plant surplus	-	-	-	-	-	-	-	-	-	-	-	-
Solar plant depreciation	-	-	-	-	-	-	-	(4,086)	-	-	(3,125)	(7,211)
Solar plant, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>129,468</u>	<u>-</u>	<u>-</u>	<u>(3,125)</u>	<u>126,343</u>
Power, compression and solar plants, net	<u>\$ 1,938,997</u>	<u>\$ 5,499</u>	<u>(\$ 84,901)</u>	<u>(\$ 4,104)</u>	<u>\$ 115,486</u>	<u>(\$ 103,922)</u>	<u>\$ 1,867,055</u>	<u>\$ 129,468</u>	<u>\$ 48,661</u>	<u>\$ -</u>	<u>(\$ 68,996)</u>	<u>\$ 1,976,188</u>

⁽¹⁾ See Note 7, *Business combination*.

⁽²⁾ See Note 9, *Subsidiary net asset classified as held for sale*.

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10.2 At September 30, 2024 and December 31, 2023 the components of property, plant and equipment were as follows:

	Assets classified as held						Business					
	December 31, 2022	Acquisition	for sale ⁽²⁾	Decrease	Surplus	Depreciation	December 31, 2023	Acquisition ⁽¹⁾	Acquisition	Surplus	Depreciation	September 30, 2024
Power, compression and solar plants, net	<u>\$ 1,938,997</u>	<u>\$ 5,499</u>	<u>(\$ 84,901)</u>	<u>(\$ 4,104)</u>	<u>\$ 115,486</u>	<u>(\$103,922)</u>	<u>\$ 1,867,055</u>	<u>\$ 129,468</u>	<u>\$ 48,661</u>	<u>\$ -</u>	<u>(\$68,996)</u>	<u>\$ 1,976,188</u>
Asset retirement obligation	-	-	-	-	-	-	-	2,845	-	-	-	2,845
Depreciation	-	-	-	-	-	-	-	(52)	-	-	-	(52)
Asset retirement obligation, net	-	-	-	-	-	-	-	2,793	-	-	-	2,793
Office equipment and others	14,245	1,993	-	(223)	-	-	16,015	131	2,753	-	-	18,899
Depreciation	(8,088)	-	345	1,005	-	(4,203)	(10,941)	(2)	-	-	(6,994)	(17,937)
Office equipment and others, net	<u>6,157</u>	<u>1,993</u>	<u>345</u>	<u>782</u>	<u>-</u>	<u>(4,203)</u>	<u>5,074</u>	<u>129</u>	<u>2,753</u>	<u>-</u>	<u>(6,994)</u>	<u>962</u>
Right-of-use assets	2,700	574	-	-	-	-	3,274	3,330	-	-	-	6,604
Depreciation	(539)	-	-	-	-	(727)	(1,266)	(544)	-	-	(25)	(1,835)
Right-of-use assets, net	<u>2,161</u>	<u>574</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(727)</u>	<u>2,008</u>	<u>2,786</u>	<u>-</u>	<u>-</u>	<u>(25)</u>	<u>4,769</u>
Unfavorable term of the contract	(173,060)	-	-	-	-	-	(173,060)	-	-	-	-	(173,060)
Depreciation	<u>80,511</u>	<u>-</u>	<u>18,401</u>	<u>-</u>	<u>-</u>	<u>17,252</u>	<u>116,164</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,754</u>	<u>125,918</u>
Unfavorable term of the - contract, net	<u>(92,549)</u>	<u>-</u>	<u>18,401</u>	<u>-</u>	<u>-</u>	<u>17,252</u>	<u>(56,896)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,754</u>	<u>(47,142)</u>
Land	<u>6,266</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,266</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,266</u>
Property, plant and equipment, net	<u>\$ 1,861,032</u>	<u>\$ 8,066</u>	<u>(\$ 66,155)</u>	<u>(\$ 3,322)</u>	<u>\$ 115,486</u>	<u>(\$ 91,600)</u>	<u>\$ 1,823,507</u>	<u>\$ 135,176</u>	<u>\$ 51,414</u>	<u>\$ -</u>	<u>(\$66,261)</u>	<u>\$ 1,943,836</u>

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10.3 The table below presents its unfavorable terms of the contract liabilities amount at September 30, 2024 and December 31, 2023, which are reflected in its consolidated statements of financial position:

<u>Contract</u>	<u>End of contract</u>	<u>2024</u>	<u>2023</u>
Energía Chihuahua	Aug-28	\$ 8,086	\$ 9,601
Energía Azteca X	Jun-28	30,522	36,627
Green Energy Libramiento	Sep-27	<u>8,534</u>	<u>10,668</u>
		<u>\$ 47,142</u>	<u>\$ 56,896</u>

10.4 At September 30, 2024 and December 31, 2023, the portion of the assets used to lease were as follows:

	<u>2024</u>	<u>2023</u>
Power and compression plants	\$ 1,054,902	\$ 1,018,268
Power and compression plants surplus	372,095	372,095
Depreciation	<u>(245,459)</u>	<u>(201,211)</u>
	1,181,538	1,189,152
Land	<u>4,461</u>	<u>4,461</u>
Property accounted for as operating lease	<u>\$ 1,185,999</u>	<u>\$ 1,193,613</u>

10.5 At September 30, 2024 and December 31, 2023, the consolidated statements of financial position show the following amounts as a lease:

	<u>2024</u>	<u>2023</u>
<i>Within property, plant and equipment:</i>		
Right-of-use assets	\$ 6,604	\$ 3,274
Depreciation	<u>(1,835)</u>	<u>(1,266)</u>
Total right-of-use assets	<u>\$ 4,769</u>	<u>\$ 2,008</u>
<i>Within the following liabilities:</i>		
Accounts payable and accrued expenses	\$ 654	\$ 654
Other long-term liabilities	<u>944</u>	<u>974</u>
Total lease liabilities	<u>\$ 1,598</u>	<u>\$ 1,628</u>

10.6 The consolidated statements of income and comprehensive income show the following amounts relating to leases at September 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
<i>General and administrative expenses:</i>		
Depreciation	\$ 25	\$ 26
<i>Interest expense:</i>		
Lease interest	<u>2</u>	<u>3</u>
Lease	<u>\$ 27</u>	<u>\$ 29</u>

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Note 11 - Investments accounted for using the equity method:

The interests in joint ventures balances reflected in the consolidated statements of financial position include unrecognized gains (losses) from its share of OCI- Net of applicable taxes, related to derivative instruments entered into by the joint ventures.

11.1 At September 30, 2024 and December 31, 2023 the Group interests in joint venture accounted for under the equity method is comprised by Energía Azteca VIII and Compresión Bajío mainly (Bajío), as follows:

	Equity Investment	Share of OCI	Total equity
December 31, 2022	\$ 148,171	(\$ 467)	\$147,704
Comprehensive income pro rata share accounted for using the equity method:			
Net profit	11,730	-	11,730
Interest rate swap amortization	<u>-</u>	<u>75</u>	<u>75</u>
December 31, 2023	159,901	(392)	159,509
Dividend	(8,440)	-	(8,440)
Comprehensive income pro rata share accounted for using the equity method:			
Net profit	9,620	-	9,620
Interest rate swap amortization	<u>-</u>	<u>56</u>	<u>56</u>
September 30, 2024	<u>\$ 161,081</u>	<u>(\$ 336)</u>	<u>\$160,745</u>

11.2 The statements of financial position as of September 2024 and December 31, 2023, the equity method investments in Bajío are summarized below:

	2024	2023
<i>Statement of financial position:</i>		
Cash and cash equivalents	\$ 16,624	\$ 3,090
Other current assets	76,147	106,805
Non-current assets	<u>237,775</u>	<u>246,283</u>
Total assets	<u>330,546</u>	<u>356,178</u>
Financial liabilities excluding trade payable	38	11,191
Other financial liabilities ²	24,103	24,308
Non-current non-financial liabilities	<u>90,921</u>	<u>108,357</u>
Total liabilities	<u>115,062</u>	<u>143,856</u>
Total equity	<u>\$ 215,484</u>	<u>\$ 212,322</u>
Share of equity	<u>51%</u>	<u>51%</u>
Group's pro rata share of equity ¹	<u>\$ 109,897</u>	<u>\$ 108,284</u>

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11.3 The results of operations for the nine months period ended as of September 30, 2024 and 2023, the equity method investments, are summarized below:

	<u>2024</u>	<u>2023</u>
<i>Statement of income:</i>		
Net revenues ³	\$ 228,655	\$ 198,116
Depreciation and amortization	(10,797)	(11,306)
Interest income	95	28
Interest expense	(330)	(38)
Income tax expense	(4,490)	(4,360)
Net income	18,137	10,812
Group's pro rata share of net income	9,250	5,515

- (1) The difference between the Interests in joint ventures balance and the pro rata share of equity is the fair value adjustment recognized as part of the business combination at the acquisition date.
- (2) The statements of financial position and income statements for the Bajío Project represents the assets, liabilities, equity, revenue and costs of Energía Azteca VIII and Compresión Bajío.
- (3) Within total revenues for the Energía Azteca VIII there is approximately \$18,670 and \$19,468 of intercompany revenues for the period of nine months ended as of September 30, 2024 and 2023, respectively. There are offsetting costs of revenues included within the operating profit line. These revenues and costs represent transactions between Energía Azteca VIII and Compresión Bajío and are presented on a gross basis in the above summary. In addition, the associated intercompany accounts receivable and accounts payable as of September 30, 2024 and December 31, 2023 of approximately \$2,938 and \$2,966 are also presented on a gross basis within the current assets and current liabilities lines.

Note 12 - Goodwill and intangibles assets, net:

12.1 At September 30, 2024 and December 31, 2023 the components of intangible assets and goodwill were as follows:

	December 31, <u>2022</u>	<u>Amortization</u>	December 31, <u>2023</u>	<u>Business acquisition ⁽¹⁾</u>	<u>Amortization</u>	September 30, <u>2024</u>
Customer relationship	\$ 655,465	\$ -	\$ 655,465	-	\$ -	\$655,465
Amortization	<u>(54,437)</u>	<u>(48,491)</u>	<u>(102,928)</u>	<u>-</u>	<u>(36,368)</u>	<u>(139,296)</u>
Customer relationship, net	<u>601,028</u>	<u>(48,491)</u>	<u>552,537</u>	<u>-</u>	<u>(36,368)</u>	<u>516,169</u>
Substation equipment	-	-	-	10,786	-	10,786
Amortization	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Substation equipment, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,786</u>	<u>-</u>	<u>10,786</u>
Intangible assets, net	<u>\$ 601,028</u>	<u>(\$ 48,491)</u>	<u>\$ 552,537</u>	<u>\$ 10,786</u>	<u>(\$36,368)</u>	<u>\$526,955</u>
Goodwill	<u>\$ 326,914</u>	<u>\$ -</u>	<u>\$ 326,914</u>	<u>\$ 8,329</u>	<u>\$ -</u>	<u>\$335,243</u>

(1) See Note 7, *Business combination*.

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Note 13 - Debt:

13.1 At September 30, 2024 and December 31, 2023 the consolidated long-term debt acquired in U. S. dollars consisted of the following:

	2024			2023		
	<u>Current</u>	<u>Long-term</u>	<u>Total</u>	<u>Current</u>	<u>Long-term</u>	<u>Total</u>
SSN40 *	\$ 42,079	\$ 793,395	\$ 835,474	\$ 35,641	\$ 826,509	\$ 862,150
SSN35 *	19,775	651,727	671,502	29,233	660,325	689,558
SSN26 *	-	350,000	350,000	-	350,000	350,000
Mizuho *	10,400	57,600	68,000	3,200	64,800	68,000
CA26 *	-	180,000	180,000	-	130,000	130,000
Scotia *	-	150,000	150,000	-	-	-
Accrued interest	49,048	-	49,048	14,551	-	14,551
Deferred financing costs, net	-	(43,559)	(43,559)	-	(40,084)	(40,084)
	<u>\$121,302</u>	<u>\$2,139,163</u>	<u>\$2,260,465</u>	<u>\$ 82,625</u>	<u>\$1,991,550</u>	<u>\$ 2,074,175</u>

13.2 At September 30, 2024 and December 31, 2023 the started date, maturity date, hierarchy level and fair value of the consolidated long-term debt is as follows.

	<u>Started date</u>	<u>Maturity date</u>	<u>Level</u>	<u>Fair value</u>	
				<u>2024</u>	<u>2023</u>
SSN40 *	Dec-20	Dec-40	1	\$792,798	\$779,969
SSN35 *	Oct-18	Apr-35	1	655,305	647,556
SSN26 *	Sep-21	Nov-26	1	341,558	315,350
Mizuho *	May-22	May-25	2	68,000	68,000
CA26 *	Nov-23	May-26	2	180,000	130,000
CA31 *	Jun-24	Apr-31	2	150,000	-

* See Note 13.3.

13.3 Senior Secured Notes 2040 (SSN40) bear interests at 5.75% through December 2040. Principal and interest are payable in semi-annual installments in accordance with the amortization schedule started on December 2020, through December 2040.

Senior Secured Notes 2035 (SSN35) bear interests at 6.375% through April 2035. Principal and interest are payable in semi-annual installments in accordance with the amortization schedule started on October 2018, through April 2035.

Senior Secured Notes 2026 (SSN26) bear interests at 4.90%, through November 2026. Interest is payable in semi-annual installments in accordance with the amortization schedule started on September 2021, through November 2026. Principal is payable at the maturity date.

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From Mizuho Bank, Ltd. (Mizuho) the subsidiary Saavi Power Mobile Solutions LLC acquired a loan of \$80,000, (non-recourse to Cometa with a parent company guarantee from Electricidad Firme), bearing interest at SOFR 6M plus an applicable margin (2.375% until May 31, 2025, and 2.75% from June 1, 2025 until expiration), with a principal amortization profile until August, 2026 and interest payable in semi-annual installments.

From Scotiabank Inverlat S. A., Institución de Banca Múltiple, Grupo Financiero Scotiabank Inverlat (Scotia) and Sumitomo Mitsui Banking Corporation (SMBC) the subsidiary GIP EM Fortuna S.à r.l. acquired a credit agreement (CA26) of \$130,000, in two tranches: the tranche A bears interest at 8.06% and the tranche B bears interest at SOFR plus 3.00; both tranches are paid the last day of each June and December. On July 26, 2024 a new tranche C was agreed by \$50,000 and bears interest at SOFR plus 3.00; also is paid the last day of each June and December.

From Scotiabank Inverlat S. A., Institución de Banca Múltiple, Grupo Financiero Scotiabank Inverlat and The Bank of Nova Scotia, the subsidiary Cometa Energía, acquired a credit agreement (CA31) of \$150,000, bears interest at SOFR plus a margin (from 2.25 to 4.75); is paid on April 24 and October 24 of each year until 2031.

- 13.4 The SSN40 and SSN35, establish certain affirmative and negative covenants, which have been duly met by September 30, 2024 and December 31, 2023.

The SSN40 and SSN35 include covenants related, among others, to the following:

- Limitations on capital investments.
- Preservation of material permits.
- Restrictions on distribution.
- Restrictions on incurrence of debt.
- Insurance payments.
- Restrictions on sales, transfers or leases of properties.
- Restrictions to make loans other than permitted ones.
- Restrictions to issue any equity interests or any other security convertible into any other equity interests in the borrower's capital to any person other than to the sponsor and the equity holder.
- Prohibition to make restricted payments unless each of the applicable conditions are satisfied.
- Restrictions to enter into any agreement that modifies any finance document or creates any Lien.
- The shares of Cometa Energia and its subsidiaries, Tierra Mojada Luxembourg II and Ciclo Combinado Tierra Mojada were pledged in the trust created for such purpose, whose the net asset value is as follows:

	<u>2024</u>	<u>2023</u>
Cometa Energia and its subsidiaries	\$ 251,683	\$ 233,215
Tierra Mojada Luxembourg II	78,854	199,959
Ciclo Combinado Tierra Mojada	285,536	161,919

Additionally, the SSN26, the Mizuho and CA26 have customary financial covenants, which have been duly met by September 30, 2024 and December 31, 2023 when applicable.

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September 30, 2024 and December 31, 2023

13.5 As of September 30, 2024 and December 31, 2023, The Group has a revolving credit agreement (also known as working capital facility) of \$225,000 at Cometa (of which up to \$80,000 can be used for general purposes and up to 100% can be used for posting Letters of Credit). It bears an interest of SOFR6M plus 10bps (SOFR adjustment) plus 1.75%. This facility expires on February 2029.

At Electricidad Firme, the Group has a Letter of Credit Facility of \$60,000 which has fixed fee of 1.75%. It expires on September 2024. As of September 30, 2024 and December 31, 2023 there are no pending balances in both revolving credit agreements.

13.6 Amortization of deferred financing cost for the nine months period ended as of September 30, 2024 and 2023 was \$3,557 and \$2,714, respectively. See Note 18, *Analysis of the financing cost, net*.

Note 14 - Other long-term liabilities:

14.1 At September 30, 2024 and December 31, 2023, other long-term liabilities were as follows:

	2024				2023			
	Current		Non-current		Current		Non-current	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
Energía San Luis de la Paz	\$ 852	\$ 152	\$ 6,769	\$ 5,028	\$ 887	\$ 120	\$ 7,293	\$ 5,146
Green Energy Libramiento	4,147	1,976	-	-	3,944	1,810	-	-
Non-current portion of lease liabilities	-	-	4,698	-	-	-	1,262	-
Contingent consideration	30,874	-	-	-	-	-	-	-
Total	<u>\$ 35,873</u>	<u>\$ 2,128</u>	<u>\$ 11,467</u>	<u>\$ 5,028</u>	<u>\$ 4,831</u>	<u>\$ 1,930</u>	<u>\$ 8,555</u>	<u>\$ 5,146</u>

14.2 Energía San Luis de la Paz acquired plant equipment that will be paid in accordance with the Equivalent Operating Hours (EOH) of the Group's power plant until 2038 in accordance with its forecast, interest was computed using a 5% discount rate.

14.3 The Maintenance fee of Green Energy Libramiento is deferred until a maintenance occurs, we do not expect to have a maintenance in the following year, therefore it is shown as part of the non-current liabilities. Interest was computed using a 5% discount rate.

14.4 Contingent consideration arise from the business combination held on the year and depends on the Value Added Tax (VAT) receivable of NP Energía la Lucha that have been reported to the Taxing Authority and will be paid after NP Energia la Lucha receives the relevant refund from such applicable Taxing Authority. See Note 7, *Business combination* and Note 22, *Subsequent events*.

Note 15 - Stockholders' equity:

15.1 The capital stock at September 30, 2024 and December 31, 2023 is composed as follows:

Description	Number of shares		Amount	
	2024	2023	2024	2023
Class A, B, C, D, E, F, G, H, I and J. by 20,000 each class	<u>200,000</u>	<u>200,000</u>	<u>\$ 200</u>	<u>\$ 200</u>
Total	<u>200,000</u>	<u>200,000</u>	<u>\$ 200</u>	<u>\$ 200</u>

Saavi Energia S.à r.l. and subsidiaries

Notes to the Consolidated Financial Statements

September 30, 2024 and December 31, 2023

Class A, B, C, D, E, F, G, H, I and J shares have the following characteristics: grant voting rights at any Shareholders meeting to be held and representing the fixed portion of equity with withdrawal right.

- 15.2 On June 28, 2023, the Company agreed to repay a portion of the capital reserve to the Sole Shareholder by (\$20,950).

On July 15 and on July 24, 2024, the Sole Shareholder decided to decrease the Company's share capital by an amount of \$19,284 and \$48,600, respectively.

After the previous decreases, the capital reserve at September 30, 2024 and December 31, 2023 is composed as follows:

	<u>2024</u>	<u>2023</u>
Capital reserve	<u>\$124,246</u>	<u>\$192,130</u>

- 15.3 The Company is required to allocate a minimum of 5% of its annual not consolidated net income to a legal reserve, until this reserve equals 10% of the subscribed share capital. This reserve may not be distributed.

- 15.4 At September 30, 2024 and December 31, 2023 the legal reserve is composed as follows:

	<u>2024</u>	<u>2023</u>
Legal reserve	<u>\$ -</u>	<u>\$ -</u>

Substantially, all consolidated Company earnings were generated by its Subsidiaries. Retained earnings can be distributed to the Company's Shareholders to the extent that the Subsidiaries have distributed earnings to the Company.

Note 16 - Analysis of revenues:

- 16.1 An analysis of the revenues for the nine months periods as of September 30, 2024 and 2023 is shown in the Note 4, *Segment information*.

- 16.2 The Group electricity generation segment derives revenue from the transfer of goods (electricity) and ancillary services (maintenance and other) over time.

- 16.3 The amount from operation and maintenance revenues, for the remaining performance obligations after September 30, 2024 and December 31, 2023 are shown below:

	<u>2024</u>	<u>2023</u>
2024	\$ 15,911	\$ 63,643
2025	52,449	52,449
2026	54,934	54,934
2027	52,195	52,195
2028	45,074	45,074
2029	36,743	
Thereafter	<u>370,653</u>	<u>407,396</u>
Total	<u>\$ 627,959</u>	<u>\$ 675,691</u>

Saavi Energia S.à r.l. and subsidiaries

Notes to the Consolidated Financial Statements

September 30, 2024 and December 31, 2023

16.4 Due to the characteristics of the power purchase contracts at Ciclo Combinado Tierra Mojada, Energía Azteca X, Energía Campeche, Energía Chihuahua, Energía San Luis de La Paz, and Compression Services of Compresión Altamira and Green Energy Libramiento consolidated subsidiaries, the power capacity and compression services are represented under IFRS 16, *Leases*, as operating leases. Operating lease income includes minimum lease payments, such as capacity payments and contingent rentals, and was \$139,840 and \$142,855 for the nine months period ended as of September 30, 2024 and 2023.

16.5 Estimated minimum lease receivables, which do not include contingent rentals, to be received under operating leases subsequent to September 30, 2024 and December 31, 2023, are as follows:

	<u>2024</u>	<u>2023</u>
2024	\$ 43,726	\$ 174,903
2025	177,919	174,376
2026	178,032	173,846
2027	172,068	168,542
2028	151,297	147,753
2029	137,071	-
Thereafter	<u>1,194,386</u>	<u>1,346,650</u>
	<u>\$ 2,054,499</u>	<u>\$ 2,186,070</u>

Note 17 - Analysis of cost of sales and general and administrative expenses:

An analysis of the nature of relevant costs and expenses classified by function in the consolidated statements of income and comprehensive income for the nine months period as of September 30, 2024 and 2023 is as follows:

	<u>2024</u>	<u>2023</u>
Fuel ¹	\$ 133,106	\$ 455,735
Fuel transportation	283,961	243,386
Interconnection ¹	332,738	151,136
Operation and maintenance	42,883	59,295
Depreciation	63,740	65,183
Pension plan and other	2,954	2,799
Currency exchange (gains) losses	<u>22,824</u>	<u>(1,123)</u>
Costs	<u>882,206</u>	<u>976,411</u>
Amortization of intangible assets	36,368	36,368
Wage, salaries and technology information	19,944	13,664
Management service and fee	8,315	10,547
Insurance	5,172	8,339
Duties and non-site property taxes	2,310	3,612
Contingent consideration	-	(100)
Depreciation	2,521	211
Other expenses	<u>91</u>	<u>45</u>
General and administrative	<u>74,721</u>	<u>72,686</u>

Saavi Energia S.à r.l. and subsidiaries

Notes to the Consolidated Financial Statements

September 30, 2024 and December 31, 2023

	<u>2024</u>	<u>2023</u>
Loss on subsidiary net assets classified as held for sale before income tax	<u>18,306</u>	<u>-</u>
Total	<u>\$ 975,233</u>	<u>\$ 1,049,097</u>

¹ Decreases in fuel and increase in interconnection compared 2024 to 2023 are mainly driven by prices due to market conditions and fuel consumption used only in 2023 by Energía Campeche. See Note 9, *subsidiary net asset classified as held for sale*.

Note 18 - Analysis of the financing cost, net:

18.1 The financing income for the nine months period ended as of September 30, 2024 and 2023 is composed as follows:

	<u>2024</u>	<u>2023</u>
Interest from related parties	\$ 6,356	\$ 6,058
Banks deposits and others	<u>2,957</u>	<u>2,419</u>
Financing income	<u>\$ 9,313</u>	<u>\$ 8,477</u>

18.2 The financing cost for the nine months period ended as of September 30, 2024 and 2023 is composed as follows:

	<u>2024</u>	<u>2023</u>
Interest on long-term debt	(\$ 98,199)	(\$ 96,865)
Other interest expenses	(2,759)	(2,434)
Amortization of deferred financing cost	<u>(3,557)</u>	<u>(2,714)</u>
Long -term debt net of deferred financing cost	(104,515)	(102,013)
Interest on leases	<u>(2)</u>	<u>(3)</u>
Interest expense	<u>(104,517)</u>	<u>(102,016)</u>
Letter of credit and fees	(6,922)	(2,666)
Finance expenses and fees	(6,283)	(3,427)
Financial component	<u>(41)</u>	<u>(115)</u>
Other financial expenses	<u>(13,246)</u>	<u>(6,208)</u>
Financing cost	<u>(\$117,763)</u>	<u>(\$108,224)</u>

Saavi Energia S.à r.l. and subsidiaries

Notes to the Consolidated Financial Statements

September 30, 2024 and December 31, 2023

Note 19 - Income tax:

19.1 Income tax expense is recognized based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year. The estimated average annual tax rate used for the nine months period as of September 30, 2024, is 26%, compared to 30% for the nine months period ended as of September 30, 2023. The tax rate is decrease in 2023, due to the effect of the share of net profit of joint ventures, accounted for using the equity methods, the loss on the subsidiary net assets classified as held for sale before income tax and unrecognized tax losses

Note 20 – Condensed consolidated Interim Statement of cash flows:

20.1 The reconciliation between the opening and closing balances in the condensed consolidated interim statement of financial position for liabilities arising from financing activities, are shown below:

	<u>2024</u>	<u>2023</u>
Balances at January 1	\$ 2,074,175	\$2,139,917
Proceeds from working capital facility	12,000	16,500
Repayment of working capital facility	(12,000)	(16,500)
Proceeds from long-term debt	200,000	-
Repayment of long-term debt	(44,732)	(40,465)
Payment of deferred financing cost	(7,032)	-
Interest expense net of deferred financing cost	101,756	99,579
Interest paid	<u>(63,702)</u>	<u>(65,349)</u>
Balances at September 30	2,260,465	2,133,682
Current portion of long-term debt	<u>(121,302)</u>	<u>(128,653)</u>
Debt	<u>\$ 2,139,163</u>	<u>\$ 2,005,029</u>

20.2 At September 30, 2024 non-cash transaction of investing activities consist in capitalization of prepaid assets into property, plant and equipment by \$18,694. At September 30, 2023 there are not non-cash transaction of investing or financing activities.

Note 21 - Commitments and contingencies:

21.1 Power sales contract: Several of the Group power plants rely on power sales and gas compression contracts with one or a limited number of entities for the majority and, in some cases, all of the relevant plant's output over the term of the power sales contract. The minimum terms of power sales contracts for projects currently in operation expire between 2027 and 2035. The operations of these plants are dependent on the continued performance by customers of their obligations under the relevant power sales contracts and, in particular, on the credit quality of the purchasers. If a substantial portion of its long-term power sales contracts were modified or terminated, this could increase its exposure to market price volatility, and the Group could be adversely affected to the extent that the Group would be unable to find other customers at the same level of contract profitability. The Group has also contracts with various fuel suppliers and transportation providers to supply and transport fuel to its power plants.

Saavi Energia S.à r.l. and subsidiaries

Notes to the Consolidated Financial Statements

September 30, 2024 and December 31, 2023

21.2 Long term sales agreement: Certain of the Group subsidiaries have entered into gas turbine major maintenance LTSAs with the original equipment manufacturer of the particular gas turbines or other qualified third parties. These agreements provide for labor and supervision during scheduled inspections, repairs and overhauls of gas turbine equipment, including provisions for forced outage support. The agreements (with the exception of the agreement of Chihuahua) further allow for the supply of replacement, refurbished and critical capital spare parts required for the maintenance of the equipment in accordance with prudent industry practice.

These agreements have terms typically accommodating two or three major maintenance cycles which vary based on the equipment for each power subsidiary. These agreements may or may not contain termination provisions by the Group at its convenience, based on certain conditions in exchange for a fixed fee. Equivalent Operating Hours (EOH) accrued vary with output, plant cycling regimes, contractual guidelines and gas turbine events, such as trips and load shedding. The estimated annual fixed and variable amounts due under the LTSAs as of December 31, 2026 and 2025 is expected to total approximately \$31,181 and \$26,959, respectively. Due to the variable nature of these payments, The Group only estimates two years of commitments.

21.3 Fuel purchase commitments: The Group has committed to purchase gas from different suppliers without a minimum volume of gas.

21.4 Letters of Credit (LOC): The Group is often required to provide guarantees and/or letters of credit to ensure contractual obligations with respect to bid performance, financing, construction and operations of the subsidiaries. The Group may issue guarantees in connection with obligations under the power purchase agreements, operations and maintenance contracts, management service agreements and obligations that the Group has determined in various purchase and sale agreements. Letters of credit relate primarily to debt service requirements, electricity sales agreements and trading requirements. The beneficiary of the guarantee and/or LOC has the ability to draw against the commitments to the extent that the contractual obligations, as defined in the related agreements, allow such draws to be made.

Saavi Energia S.à r.l. and subsidiaries have maximum exposure under LOCs issued and outstanding at September 30, 2024 and December 31, 2023, are as follows:

	2024		2023	
<u>Company's Subsidiary</u>	<u>Amounts outstanding</u>	<u>Expirations date ⁽³⁾</u>	<u>Amounts outstanding</u>	<u>Expirations date</u>
Tierra Mojada Luxembourg II	\$133,550	2025	\$129,396	2024
Cometa Energía ⁽¹⁾	<u>46,315</u>	2025	<u>46,315</u>	2024
	<u>179,865</u>		<u>175,711</u>	

Saavi Energía S.à r.l. and subsidiaries

Notes to the Consolidated Financial Statements

September 30, 2024 and December 31, 2023

Cometa's Subsidiaries and Joint Ventures ⁽²⁾

Energía Azteca X	32,428	2025	30,932	2024
Saavi Energía	22,191	2025	7,363	2024
Energía Chihuahua	15,000	2025	15,000	2024
Saavi Energy Solutions	11,069	2028	15,769	2028
Energía Azteca VIII	10,761	2025	10,459	2024
Compresión Altamira	5,699	2034	5,638	2034
Compresión Bajío	2,970	2025	2,735	2024
Energía San Luis de la Paz	2,074	2025	3,336	2024
NP Energía La Lucha	1,715	2025	-	-
Energía de Baja California	985	2025	838	2024
Energía Campeche	-	-	15,000	2024
Other	<u>213</u>	2025	<u>263</u>	2024
	<u>105,105</u>		<u>107,333</u>	
	<u>\$284,970</u>		<u>\$283,044</u>	

(1)- Letters of credit outstanding related to Cometa Energía, were issued under letters of credit provided by Electricidad Firme de México Holdings.

(2)- Letters of credit outstanding related to these subsidiaries and joint ventures were issued under letters of credit provided by Cometa Energía.

(3)- Some letters of credit have a 2024 expiration date but automatically extend annually.

Electricidad Firme de México Holdings. pays LOC fees of 1.75% per annum.

Each account party pays LOC fees ranging from 2.63% to 2.75% per annum on outstanding LOCs.

21.5 Legal proceedings - The Group is involved in certain legal proceedings in the normal course of business. The Group is under the opinion that none of these proceedings will have a material adverse effect on its consolidated financial position or cash flows, individually or in the aggregate.

21.6 The Company was in an arbitration process initiated by a supplier on which the Company has filed a counterclaim. On November 2023 the arbitration process concluded in favor of the Company, as a result, the supplier compensated the Company for the amount of \$28,814.

In accordance with the agreement with the previous owners of the Company, if the process was in favor to the Company, it will have to be reimbursed to them. As a result, at 31 December 2023 the Company has an account payable, equivalent to the amount previously mentioned, the previous owners, which was paid on January 4, 2024 to its previous owners.

Note 22 - Subsequent events:

For the period ended September 30, 2024, subsequent events have been evaluated through January 23, 2025, the date which the condensed consolidated interim financial statements were available to be issued.

On December 18, 2024, the Sole Shareholder change the name of the Company from GIP EM Bronco Luxco 2 S.à r.l. to Saavi Energía S.à r.l.

Saavi Energia S.à r.l. and subsidiaries

Notes to the Consolidated Financial Statements

September 30, 2024 and December 31, 2023

On December 30, 2024, the Group paid the amount collected of the contingent consideration to Northland Power, therefore the Group do not aim any amount of the business combination, See Note 7, *Business combination*.

After September 30, 2024 the Group paid debt as follows:

	<u>Date</u>	<u>Principal</u>	<u>Interest</u>
SSN40 *	November 27, 2024	\$ 8,966	\$ 24,020
SSN35 *	October 22, 2024	11,177	21,404
SSN26 *	November 18, 2024	-	8,575
CA26	December 31, 2024	-	7,330
Mizuho *	November 29, 2024	3,200	2,647
CA31 *	October 22, 2024	<u>-</u>	<u>3,695</u>
		<u>\$ 23,343</u>	<u>\$ 67,671</u>

* See Note 13, *Debt*.

Note 23 - Authorization of issuance of the consolidated interim financial statements:

The accompanying condensed consolidated interim financial statements and notes were issued on January 23, 2025, by the Board of Managers.



Saavi Energia S.à r.l. (formerly GIP EM Bronco Luxco 2 S.à r.l.) and subsidiaries

Consolidated Statements of Financial Position as of December 31, 2023 and 2022 and Consolidated Statements of Income and Comprehensive Income, Change in Stockholders' Equity and Cash Flows for the years ended as of December 31, 2023 and 2022



Audit report

To the Board of Managers of
Saavi Energia S.à r.l.

Our opinion

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of Saavi Energia S.à r.l. (the "Company") and its subsidiaries (the "Group") as at 31 December 2023 and 31 December 2022, and of its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards.

What we have audited

The Group's consolidated financial statements comprise:

the consolidated statements of financial position as at 31 December 2023 and 31 December 2022;
the consolidated statements of income and comprehensive income for the years then ended;
the consolidated statements of changes in stockholders' equity for the years then ended;
the consolidated statements of cash flows for the years then ended; and
the notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the consolidated financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

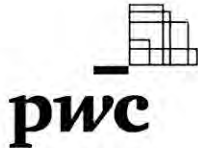
We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements. We have fulfilled our other ethical responsibilities under those ethical requirements.

Responsibilities of the Board of Managers for the consolidated financial statements

The Board of Managers is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as the Board of Managers determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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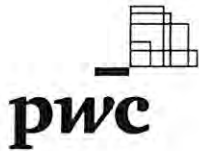
In preparing the consolidated financial statements, the Board of Managers is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Managers either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the consolidated financial statements

The objectives of our audit are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Managers;
- conclude on the appropriateness of the Board of Managers' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;



- obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Restriction on distribution and use

This report, including the opinion, has been prepared for and only for the Board of Managers in accordance with the terms of our engagement letter and is not suitable for any other purpose. We do not accept any responsibility to any other party to whom it may be distributed.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 23 January 2025

A handwritten signature in blue ink, appearing to read "Tal Ribon", is written over the printed name.

Tal Ribon

Saavi Energia S.à r.l. and subsidiaries
Consolidated Statements of Financial Position
December 31, 2023 and 2022 and January 1, 2022

Figures in thousands of U.S. Dollars

Assets	Notes	December 2023	December 2022	January 1 2022¹
CURRENT ASSETS:				
Cash and cash equivalents	10	\$ 105,103	\$ 94,911	\$ 77,908
Accounts receivable	11	139,018	67,084	35,669
Contract assets	12	90,132	136,434	66,094
Accounts receivable from related parties	13	8,397	8,434	3,808
Inventories	14	109	10,882	10,305
Prepayments and other current assets	3.12	57,823	49,029	30,949
Derivative financial instruments	15	<u>3,969</u>	<u>-</u>	<u>-</u>
		404,551	366,774	224,733
Subsidiary asset classified as held for sale	16	<u>65,894</u>	<u>-</u>	<u>-</u>
Total current assets		<u>470,445</u>	<u>366,774</u>	<u>224,733</u>
Property, plant and equipment, net	17	1,823,507	1,861,032	1,012,564
Investments accounted for using the equity method	18	159,509	147,704	142,753
Intangible assets, net	19	552,537	601,028	109,027
Goodwill	19	326,914	326,914	68,908
Deferred tax assets	28	865	631	17,003
Notes receivable from related parties	13	166,061	157,999	94,466
Derivative financial instruments	15	442	-	-
Other non-current assets		<u>3,612</u>	<u>3,946</u>	<u>2,371</u>
Total non-current assets		<u>3,033,447</u>	<u>3,099,254</u>	<u>1,447,092</u>
Total assets		<u>\$ 3,503,892</u>	<u>\$ 3,466,028</u>	<u>\$1,671,825</u>
Liabilities and Equity				
CURRENT LIABILITIES:				
Accounts payable and accrued expenses	3.22	\$ 220,955	\$ 211,429	\$ 97,243
Accounts payable to related parties	13	13,988	7,933	2,646
Derivative financial instruments	15	3,456	-	-
Current portion of long-term debt	20	82,625	92,872	47,057
Current portion of other long-term liabilities	22	<u>6,761</u>	<u>6,225</u>	<u>7,828</u>
		327,785	318,459	154,774
Subsidiary liabilities directly associated with assets classified as held for sale	16	<u>43,515</u>	<u>-</u>	<u>-</u>
Total current liabilities		<u>371,300</u>	<u>318,459</u>	<u>154,774</u>
Long-term debt	20	1,991,550	2,047,045	1,055,900
Deferred tax liabilities	28	452,794	444,577	226,915
Deferred rent	21	9,558	42,389	45,361
Derivative financial instruments	15	155	-	-
Other long-term liabilities	22	13,701	15,358	15,806
Pension and other post-retirement obligations	23	<u>26,212</u>	<u>23,856</u>	<u>21,122</u>
Total non-current liabilities		<u>2,493,970</u>	<u>2,573,225</u>	<u>1,365,104</u>
Total liabilities		<u>2,865,270</u>	<u>2,891,684</u>	<u>1,519,878</u>
EQUITY:				
Share capital and premium	24	192,130	213,030	374
Accumulated income (loss)		22,770	5,892	(12,041)
Other comprehensive income		<u>423,722</u>	<u>355,422</u>	<u>163,614</u>
Total equity		<u>638,622</u>	<u>574,344</u>	<u>151,947</u>
Total liabilities and equity		<u>\$ 3,503,892</u>	<u>\$ 3,466,028</u>	<u>\$ 1,671,825</u>

The accompanying notes are an integral part of these consolidated financial statements.

¹ Unaudited

Saavi Energia S.à r.l. and subsidiaries
Consolidated Statements of Income and Comprehensive Income
For the years ended December 31, 2023 and 2022

Figures in thousands of U.S. Dollars

	<u>Notes</u>	<u>2023</u>	<u>2022</u>
Revenues	7 and 25	\$ 1,588,510	\$ 1,102,146
Cost of sales and services	26	<u>(1,303,076)</u>	<u>(928,217)</u>
Gross profit		285,434	173,929
General and administrative expenses	26	(100,343)	(57,750)
Other income	7 and 15	800	-
Profit (loss) on subsidiary net assets classified as held for sale before income tax	16	(24,330)	-
Share of net profit of joint ventures accounted for using the equity method	18	<u>11,730</u>	<u>7,580</u>
Operating profit		<u>173,291</u>	<u>123,759</u>
Financing income	27	12,842	8,243
Financing cost	27	<u>(148,505)</u>	<u>(86,671)</u>
Financing cost, net		<u>(135,663)</u>	<u>(78,428)</u>
Income before income tax		37,628	45,331
Income tax expense	28	<u>(31,715)</u>	<u>(31,746)</u>
Net income		<u>5,913</u>	<u>13,585</u>
Comprehensive income:			
<i>Items that will not be reclassified to income:</i>			
Remeasurement of pension and other post-retirement obligations		(2,357)	1,910
Deferred tax	28	<u>707</u>	<u>(573)</u>
Remeasurement of pension and other post-retirement obligations, net of tax	23	<u>(1,650)</u>	<u>1,337</u>
<i>Items that may be reclassified to income:</i>			
Interest rate swap in joint ventures		107	106
Deferred tax		<u>(32)</u>	<u>(32)</u>
Interest rate swap in joint ventures, net of tax	18	<u>75</u>	<u>74</u>
Revaluation of power and compression plants	17	115,486	278,206
Deferred tax	28	<u>(34,646)</u>	<u>(83,461)</u>
Revaluation of power and compression plants net of tax		<u>80,840</u>	<u>194,745</u>
Comprehensive income		<u>\$ 85,178</u>	<u>\$ 209,741</u>

The accompanying notes are an integral part of these consolidated financial statements.

Saavi Energia S.à r.l. and subsidiaries

Consolidated Statements of Changes in Stockholders' Equity

For the years ended December 31, 2023 and 2022

Figures in thousands of U.S. Dollars

	Notes	Share capital and premium		Accumulated income	Other comprehensive income	Total
		Share capital	Share premium			
Balance at January 1, 2022 ¹		\$ 374	-	(\$ 12,041)	\$ 163,614	\$ 151,947
<i>Shareholders' transaction:</i>						
Share premium transfer	24	(354)	354	-	-	-
Share capital and premium increase		180	212,476	-	-	212,656
		(174)	212,830	-	-	212,656
<i>Comprehensive income:</i>						
Net income		-	-	13,585	-	13,585
<i>Items that may be reclassified to income:</i>						
Transfers from revaluation surplus to accumulated income, net of tax		-	-	4,348	(4,348)	-
Revaluation of power and compression plants, net of tax- consolidated entities		-	-	-	194,745	194,745
Interest rate swap amortization in unconsolidated affiliates	18	-	-	-	74	74
<i>Items that will not be reclassified to income:</i>						
Pension and other post-retirement obligations, net of tax - consolidated entities	23	-	-	-	1,337	1,337
		-	-	17,933	191,808	209,741
		200	212,830	5,892	355,422	574,344
Balance at December 31, 2022		-	-	-	-	-
<i>Shareholders' transaction:</i>						
Share premium decrease	24	-	(20,950)	-	-	(20,950)
Share premium increase	24	-	50	-	-	50
		-	(20,900)	-	-	(20,900)
<i>Comprehensive income:</i>						
Net income		-	-	5,913	-	5,913
<i>Items that may be reclassified to income:</i>						
Transfers from revaluation surplus to accumulated income, net of tax		-	-	10,965	(10,965)	-
Revaluation of power and compression plants, net of tax - consolidated entities		-	-	-	80,840	80,840
Interest rate swap amortization in unconsolidated affiliates	18	-	-	-	75	75
<i>Items that will not be reclassified to income:</i>						
Pension and other post-retirement obligations, net of tax - consolidated entities	23	-	-	-	(1,650)	(1,650)
		-	-	16,878	68,300	85,178
		200	191,930	22,770	423,722	638,622
Balance at December 31, 2023		-	-	-	-	-

The accompanying notes are an integral part of these consolidated financial statements.

¹⁾ Unaudited

Saavi Energia S.à r.l. and subsidiaries

Consolidated Statements of Cash Flows

For the years ended December 31, 2023 and 2022

Figures in thousands of U.S. Dollars

	Notes	2023	2022
Cash flows from operating activities			
Income before income tax		\$ 37,628	\$ 45,331
<i>Adjustments for investing activities related items:</i>			
Depreciation and amortization	17, 19 and 26	140,091	72,456
Fixed assets disposal		3,322	-
Share of net profit of joint ventures accounted for using the equity method	18	(11,730)	(7,580)
Loss on subsidiary net assets classified as held for sale before income tax	16	24,330	-
Interest income	27	(8,013)	(6,933)
<i>Adjustments for financing activities related items:</i>			
Interest expense of long-term debt net of deferred financing cost	27 and 29	136,829	83,850
Interest expense on leases	27	66	58
Foreign exchange adjustments		(4)	-
		<u>322,519</u>	<u>187,182</u>
<i>Change in assets and liabilities resulting from operating activities:</i>			
Accounts receivable		(10,696)	(34,465)
Accounts receivable from unconsolidated affiliates		88	(2,386)
Inventories		392	(577)
Prepayment and other current assets		(9,463)	(16,335)
Other non-current assets		78	247
Accounts payable and accrued expenses		(17,581)	36,034
Accounts payable to unconsolidated affiliates		6,055	5,287
Deferred rent		(6,004)	(2,972)
Other liabilities		(771)	(2,327)
Pension and other post-retirement obligations	23 and 26	7,636	4,644
Total change in assets and liabilities resulting from operating activities		<u>(30,266)</u>	<u>(12,850)</u>
Net exchange differences		<u>(470)</u>	<u>(1,839)</u>
Income tax paid		<u>(53,066)</u>	<u>(30,125)</u>
Net cash provided by operating activities		<u>238,717</u>	<u>142,368</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(7,492)	(85,056)
Consideration paid for a business combination, net of cash acquired		-	(250,765)
Proceeds from investment held for sale		(316)	-
Dividends from joint ventures	18	-	2,703
Notes receivable from related parties		(2,000)	(58,840)
Payments from loan to related parties		2,000	-
Interest received		24	-
Net cash used in investing activities		<u>(7,784)</u>	<u>(391,958)</u>
Cash flows from financing activities			
Proceeds from long-term debt	29	-	210,000
Repayment of long-term debt	29	(69,663)	(60,548)
Proceeds from working capital facility	29	21,500	15,000
Repayment of working capital facility	29	(21,500)	(15,000)
Payment of deferred financing cost	29	-	(1,415)
Principal elements of lease payments		(965)	(470)
Interest paid	29	(129,683)	(95,469)
Capital stock contribution	24	50	212,656
Capital stock distribution	24	(20,950)	-
Net cash (used in) provided by financing activities		<u>(221,211)</u>	<u>264,754</u>
Net increase in cash and cash equivalents		9,722	15,164
Effect of exchange rate changes on cash and cash equivalents		470	1,839
Cash and cash equivalents at beginning of the year		<u>94,911</u>	<u>77,908</u>
Cash and cash equivalents at end of year	10	<u>\$ 105,103</u>	<u>\$ 94,911</u>
Non-cash financing and investing activities	29		

The accompanying notes are an integral part of these consolidated financial statements.

Saavi Energia S.à r.l. and subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2023 and 2022

Figures in thousands of U.S. Dollars (\$)

Note 1 - History, Company activities and relevant events:

1.1 History and Company activities

Saavi Energia S.à r.l., until December 18, 2024 denominated as GIP EM Bronco Luxco 2 S.à r.l. (individually the Company and collectively with its subsidiaries, Saavi Energia or Group), is a direct subsidiary of GIP EM Bronco Luxco, S.à r.l., is registered with the Trade and Companies Register of Luxembourg with the number B 269128 and has its registered office at 18 Rue Charles Darwin in L-1433 Luxembourg. The ultimate controlling party is GIP EM Bronco Aggregator SCSp.

Saavi Energia was incorporated under Dutch law on April 6, 2018, as El Aguila Cooperative B.A. in Amsterdam, The Netherlands. On March 14, 2022, the Company changed its name to El Aguila B.V. On June 15, 2022, the Company (a) transferred its corporate seat from Amsterdam, The Netherlands, to Luxembourg, Grand Duchy of Luxembourg, without dissolution but on the contrary with full corporate and legal continuance and (b) was converted into a private limited liability company (société à responsabilité limitée) with the name Saavi Energia S.à r.l.

The object of the Group is holding of participations, in any form whatsoever, in Luxembourg and foreign companies, therefore indirectly owns Electricidad Firme de Mexico Holdings, S. A. de C. V. (Electricidad Firme de Mexico Holdings or Firme) and its subsidiaries and GIP EM Fortuna Luxco S.à r.l. (Fortuna) and its subsidiaries, both, Firme and Fortuna own and operate a diverse portfolio of electric generation facilities. Firme also owns and operates a diverse portfolio of gas compression facilities, and related infrastructure.

The portfolio includes subsidiaries that are consolidated, and joint ventures accounted for under the equity method, See Note 3.1, *Principles of consolidation and equity accounting* for further information. These subsidiaries own and operate six natural gas-fired Combined Cycle Power Plants (CCPP) and three Mobile Power Generation Units (MPGU). Some other characteristics of the plant portfolio, such as the total megawatts, location, year of commercial operation, and characteristic of the permits to generate electric power in accordance with the Mexican Regulation such as: a) Independent Power Producer (IPP); b) External Producer (EP); c) Self Supply (SS); d) Qualified Supply (QS)* and e) Electric Power Generation (EPG) are as follows:

		Interest held	Year of commercial operation	Permits	Megawatts	Location	Type
<i>Equity Method:</i>							
Energía Azteca VIII	¹	51.0	2002	IPP, PG	625	Guanajuato, Mexico	CCPP
<i>Consolidated:</i>							
Energía Campeche	²	100.0	2003	IPP	252	Campeche, Mexico	CCPP
Energía Chihuahua	²	100.0	2003	IPP, SS ⁷ , EPG	276	Chihuahua, Mexico	CCPP
Energía Azteca X	²	100.0	2003	IPP, SS ⁷ , EPG, M	768	Mexicali, Mexico	CCPP
Energía de Baja California	¹	100.0	2003	EP, EPG	320	Mexicali, Mexico	CCPP
Energía San Luis de la Paz	²	100.0	2015	SS, M	230	Guanajuato, Mexico	CCPP
Ciclo Combinado Tierra Mojada	²	100.0	2021	IPP, G	874.5	Jalisco, Mexico	CCPP
Saavi Power Mobile Solutions	^{3 & 6}	100.0	2022	-	111	Arizona, U. S. A.	MPGU

Saavi Energia S.à r.l. and subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2023 and 2022

* The generator permit has been granted on October 29, 2020, to be able to operate under the wholesale market and offer its products to Qualified Suppliers or other market participants.

The portfolio also includes subsidiaries and a joint venture that own and operate Gas Compression plants; the permits of those plants were awarded by Centro Nacional de Gas (CENAGAS). The compression capacity expressed in Million Cubic Feet (MCF) per day and some other characteristics are as follows:

		Interest held	Year of commercial operation	Plant characteristics	
				MCF	Location
<i>Equity Method</i>					
Compresión Bajío	¹	51.0	2001	100.0	Querétaro, Mexico
<i>Consolidated</i>					
Compresión Altamira	²	100.0	2014	1,300.0	Tamaulipas, Mexico
Green Energy Libramiento	¹	100.0	2007	100.0	Querétaro, Mexico

The portfolio includes also the following subsidiaries:

Subsidiary		December 31		January 1	Activity
		<u>2023</u>	<u>2022</u>	<u>2022</u> ⁹	
<i>In Mexico:</i>					
Electricidad Firme de México Holdings	²	100	100	100	Sub-holding Company
Electricidad Cometa de México	²	100	100	100	Sub-holding Company
Cometa Energía	²	100	100	100	Sub-holding Company
Aguas Industriales la Rosita	¹	100	100	100	Maintenance
Aztec Energy X B. V. y Compañía		100	100	100	Sub-holding Company
Controladora Ciclo Combinado					
Tierra Mojada ²	²	100	100	100	Sub-holding Company
Ektria Suministro	¹	100	100	100	Energy marketing
Energía Termoeléctrica Mexicana	²	100	100	100	Sub-holding Company
Gasoducto la Rosita	¹	100	100	100	Maintenance
GDD de Personal	¹	100	100	100	Personal services
IG Sierra Juárez II	¹	100	100	100	Sub-holding Company
Saavi Energía	¹	100	100	100	Energy marketing
Saavi Generación	¹	100	100	100	Dormant company
Saavi Operaciones México	¹	100	100	100	Personal Services
<i>In the United States:</i>					
Saavi Energy Solutions, LLC	³	100	100	100	Energy marketing
Saavi Imperial Power	³	100	100	100	Start-up Company
Saavi Power Mobile Solutions Holdings	³	100	100	-	Energy marketing
<i>In the United Kingdom:</i>					
Saavi Energia (UK), Ltd	³	100	100	100	Sub-holding Company

Saavi Energia S.à r.l. and subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2023 and 2022

Subsidiary	December 31		January 1	Activity	
	<u>2023</u>	<u>2022</u>	<u>2022</u> ⁹		
<i>In the Netherlands:</i>					
Aztec Energy I	⁴	100	100	100	Dormant company
Aztec Energy III	⁴	100	100	100	Dormant company
Aztec Energy VII	⁴	100	100	100	Dormant company
Aztec Energy X	⁴	100	100	100	Dormant company
Ektria Holdings	⁴	100	100	-	Sub-holding Company
El Aguila Holdings	⁴	100	100	100	Dormant company
La Rosita Energy	⁴	100	100	100	Dormant company
Saavi Bajio	⁴	100	100	100	Dormant company
Saavi Energia	⁴	100	100	100	Dormant company
Tierra Mojada Holdings III	⁴	100	100	-	Sub-holding Company
<i>In Luxembourg:</i>					
Tierra Mojada Holdings	⁵	100	100	-	Sub-holding Company
Tierra Mojada Luxembourg	⁵	100	100	-	Sub-holding Company
Tierra Mojada Luxembourg II	⁵	100	100	-	Sub-holding Company

(1) A limited liability company, S. de R. L. de C. V. with a \$0.1 fixed portion of equity without withdrawal rights.

(2) A limited liability company, S. A. de C. V. with a \$25 fixed portion of equity without withdrawal rights.

(3) A limited liability company, LLC in the United States of America or Ltd in the United Kingdom, with a \$1 fixed portion of equity without withdrawal rights.

(4) A private limited liability company, B.V. with a fixed portion of equity no greater than \$25 fixed portion without withdrawal rights.

(5) A limited liability company, S.à r.l. with a \$1 fixed portion of equity without withdrawal rights.

(6) The three MU are kept in Arizona when are not in operation, nevertheless by nature of the business the equipment could be installed in different locations, according to the commercial need.

(7) SS until June 2024 for Chihuahua and December 2024 for EAX.

(8) On December 18, 2024, the Sole Shareholder change the name of the Company from GIP EM Fortuna to Tierra Mojada Holdings.

(9) Unaudited

1.2 Relevant events

On October 31, 2023, The Group signed a Purchase and Sale Agreement with Comisión Federal de Electricidad, for the sale of 100% of the interest in its subsidiary Energía Campeche See Note 16 - *Subsidiary net asset classified as held for sale.*

Saavi Energia S.à r.l. and subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2023 and 2022

On November 7, 2022, GIP EM Fortuna completed the acquisition of Tierra Mojada Luxembourg, S.à r.l., and its subsidiaries to Fistera Energy Luxembourg II, S.à r.l. in accordance with the Share Purchase Agreement, therefore GIP EM Fortuna became, indirectly, the owner of CCTM.

1.3 Climate change

Climate change and the effects associated with it could have an effect on the Company's operations. Water is an essential raw material in combined cycle plants, and thus extremely important for the Company's operations. Any effect from climate change is reduced due to the fact that the Group uses treated wastewater in some of its facilities and well water in others where the Group has contractually guaranteed volumes of supply which significantly exceed its needs. Furthermore, the Group recycles and reuses a portion of its water. Therefore, the Group has not identified any risk that could materially impact the financial performance or position of the Group as of December 31, 2023 and 2022.

Note 2 - Basis of preparation:

The accompanying consolidated financial statements of the Company have been prepared in accordance with "IFRS Accounting Standards", which comprise IFRS Accounting Standards, IAS Standards and Interpretations developed by the IFRS Interpretation Committee (IFRIC Interpretations) or its predecessor body, the Standing Interpretations Committee (SIC Interpretations).

These financial statements, for the year ended 31 December 2023, are the first consolidated financial statements the Group has prepared and they have been prepared in accordance with IFRS. Accordingly, the Group has prepared financial statements that comply with IFRS applicable as at 31 December 2023, together with the comparative period data for the year ended 31 December 2022, as described in the summary of material accounting policies. In preparing the financial statements, the Group's opening statement of financial position was prepared as at January 1, 2022, the Group's date of transition to IFRS.

There is no transition to IFRS and as such no reconciliation from previous generally accepted accounting principles is required as well as no restatement of prior periods is necessary. The deemed cost exemption in IFRS 1 has been used which allows first-time adopters to avoid having to recreate cost information for certain assets. The exemption allows the Group to assess the deemed cost as the asset's fair value and use it as the basis for subsequent depreciation and impairment tests.

There are no standards, amendments to standards or interpretations that are effective for the annual period beginning on January 1, 2023 that have a material effect on the consolidated financial statements of the Company.

Certain new accounting standards and amendments to accounting standards have been published that are not mandatory for the year ending on December 31, 2023 have not been early adopted by the Group. The management is evaluating the impact of them:

Amendments to IAS 21, Lack of Exchangeability (effective for annual periods beginning on or after January 1, 2025), Amendments to IFRS 9 and IFRS 7, Classification and Measurement of Financial Instruments (effective for annual periods beginning on or after January 1, 2026), Amendments to IFRS 9 and IFRS 7 Contracts Referencing Nature-dependent Electricity (effective for annual periods beginning on or after January 1, 2026), IFRS 18, Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after January 1, 2027).

The opening balance as at January 1, 2022 has not been audited.

Saavi Energia S.à r.l. and subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2023 and 2022

Note 3 - Summary of material accounting policies:

This note provides a list of the material accounting policies adopted in the preparation of these consolidated financial statements. The Group consolidated financial statements consist of Saavi Energia S.à r.l. and subsidiaries.

General information:

3.1 Principles of consolidation and equity accounting

The consolidated financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company.

These consolidated financial statements include the accounts of the Company and all other entities in which Bronco 2 has a controlling financial interest and equity-method investments where the Group has significant influence. All material intercompany transactions and balances between consolidated entities have been eliminated. The net effect of the settlement of these intercompany transactions is reflected in net parent investment in the consolidated statements of financial position and in net distributions to parent in the financing activities section of the consolidated statements of cash flows.

Subsidiaries.

Subsidiaries are all entities over which the Company has control, those entities are fully consolidated. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Intercompany transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by us.

Joint arrangements

Under IFRS 11, *Joint Arrangements*, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. With regards to joint agreements, the Company only has joint ventures.

Joint ventures

Interests in joint ventures are accounted for using the equity method (see below), after initially being recognized at cost in the consolidated statements of financial position.

The Group does not consolidate Energía Azteca VIII and Compresión Bajío on 2023 and 2022 because the Group has determined that control is shared between unrelated parties and that no one party has the power to direct the activities that most significantly impact the entities economic performance.

The partners must agree on all major decisions for each of the partnerships; as a result, the Group is not the primary beneficiary of them.

Saavi Energia S.à r.l. and subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2023 and 2022

For total assets and liabilities of them refer to Note 18, *Investments accounted for using the equity method*.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy adopted by the Group.

Equity method

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the Company's share of the post-acquisition profits or losses of the investee in profit or loss and the Company's share of movements in Other Comprehensive Income (OCI) of the investee in OCI. Dividends received or receivable from joint ventures are recognized as a reduction in the carrying amount of the investment.

When the Company's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Company does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealized gains on transactions between the Company and its joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by us.

3.2 Segment reporting

Reportable-operating segments are reported in a manner consistent with the internal reporting provided to the Board. At operational level, Chief Executive Officer (CEO), Chief Financial Officer (CFO), and the Finance Planning and Analysis Director (FP&A) assess the financial performance and position of the Group and propose strategic decisions.

3.3 Rounding of amounts

All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest thousand currency units unless otherwise stated.

3.4 Business combination

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- Fair values of the assets transferred.
- Liabilities incurred to the former owners of the acquired business.
- Equity interests issued by the Group.
- Fair value of any asset or liability resulting from contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent consideration assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

Saavi Energia S.à r.l. and subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2023 and 2022

Acquisition-related costs are expensed as incurred.

The excess of the: i) consideration transferred, and ii) acquisition-date fair value of any previous equity interest in the acquired entity, over the fair value of the net identifiable assets acquired is recorded as goodwill.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified as financial liability and is subsequently remeasured to fair value with changes in fair value recognized in the consolidated statements of income and comprehensive income.

3.5 Financial instruments

The carrying amounts of cash and cash equivalents, restricted cash, receivables, accounts payable and accrued liabilities approximate fair value because of the short-term maturity of these instruments.

Classification

The Group classifies the financial assets at amortized cost, when both of the following criteria are met:

- The asset is held within a business model whose objective is to collect the contractual cash flows and
- The contractual terms give rise to cash flows that are solely payments of principal and interest.

The Group reclassifies debt and investments when and only when its business model for managing those assets and liabilities changes.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Group measures a financial asset at its fair value, plus transaction costs that are directly attributable to the acquisition of the financial asset.

Saavi Energia S.à r.l. and subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2023 and 2022

Debt instruments

Subsequent measurement of debt instruments is represented under amortized cost methodology. These debt instruments are financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest and are measured at amortized cost. Interest income from these financial assets is included in financing income using the effective interest rate method.

Impairment

The Group assess on a forward-looking basis the expected credit loss associated with debt instruments carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For accounts receivables, the Group applies the simplified approach permitted by IFRS 9, *Financial Instruments*, which requires expected lifetime losses to be recognized from initial recognition of the receivables. See Note 3.9, *Accounts receivable* and Note 11, *Accounts receivable*.

3.6 Fair value measurements

Financial instruments recorded at fair value are classified by the valuation method used for each instrument, as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Information (inputs) other than budget prices included in level 1 that can be confirmed for the asset or liability, either directly (i.e., specific prices) or indirectly (i.e., derived from specific prices).

Level 3 - Information (inputs) on the asset or liability not based on data that can be confirmed in active markets (i.e., financial models and unobservable information).

Level 3 - Fair value measurement provisions in goodwill

The starting point of the process for determining the non-recurring Level 3 fair value measurements used to recognize the impairments for goodwill are the cash flow projections based on each Cash Generating Units (CGU) business plan, including revenue and power generation forecast and projected capital and maintenance expenditures. For periods not covered by contractual arrangements or where other market data is not available, these projections are dependent on the Company's views of revenue and power generation forecasts, gas and carbon pricing, and projected capital and maintenance expenditures.

A financial asset or liability's classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement. The Group assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels.

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3.7 Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Company's subsidiaries are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in US dollars, which is the Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency. The Group recognizes in the consolidated statements of income and comprehensive income, foreign exchange gains and losses resulting from:

- a) Settlement of the transactions using the exchange rates at the dates of the transactions.
- b) Translation of monetary assets and liabilities denominated in foreign currencies using the exchange rate at year end.

Foreign exchange gains and losses related to borrowings are presented in the consolidated statements of income and comprehensive income, within financing costs. All other foreign exchange gains and losses (such as: accounts receivables and payables) are presented in the consolidated statements of income and comprehensive income on a net basis within Cost of sales and services.

Accounting principles for consolidated statement of financial position

3.8 Cash and cash equivalents

The Group considers all highly liquid investments that are readily convertible to cash and which are subject to insignificant risk of changes in value. Investments normally only qualify as cash equivalent if they have an original maturity when purchased of three months or less to be cash equivalents. Cash and cash equivalents held by certain consolidated subsidiaries are not restricted to specific uses within them; however, the terms of Green Energy Libramiento limit the Group's ability to distribute those funds and use them for corporate purposes. See Note 10, *Cash and cash equivalents*, for further information on these balances.

3.9 Accounts receivable

Accounts receivable represent amounts due from customers and contracts assets and are generated by sales of goods or services provided in the normal course of the Company's operations. When collection is expected in a period of one year or less from the closing date (or in the normal operating cycle of the business if this cycle exceeds this period), they are presented as current assets. If this is not met, they are presented as non-current assets.

Other accounts receivable represent amounts arising from the Value Added Tax (VAT) in the normal course of Company's operations, which are expected to be collected over a period of one year or less from the closing date (or in the normal cycle of business operations in the event that this cycle exceeds this period), are presented as current asset. If the above is not met, they are presented as non-current assets.

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Accounts receivables are recognized at fair value, less the allowance for un-collectability, when applicable. See Note 11, *Accounts receivable*.

3.10 Contract assets or liabilities

The Group obtains rights to receive consideration from the customer and assume obligations to transfer goods or services to the customer (performance obligations) in certain contracts with a customer. The combination of those rights and performance obligations gives rise to an asset or a liability depending on the relationship between the remaining rights and the performance obligations. If the goods transferred or services rendered by the Group exceed the payment, a contract asset is recognized. If the payments exceed the goods transferred or services rendered, a contract liability is recognized.

3.11 Inventories

Inventories represent Liquid Fuel (Diesel) of Energia Campeche, in an amount approximately equivalent to the diesel required to generate energy during 10 days at full capacity and also include the Emission allowances inventory of one of our subsidiaries.

Inventories are expressed at their cost, determined through averaging. Values determined like this do not exceed their net realization value. The inventory is classified as current assets or non-current assets if it is expected to deliver said inventory within a period greater than one year from the date of consolidated statements of financial position. Cash inflows and outflows are classified as an operating activity in the consolidated statements of cash flows.

In each accounting period inventories are subject to impairment tests with the purpose of identifying obsolescence, damaged items or low market value. In the event that the amount of future economic benefits from inventory, i.e., its estimated net realization value, is lower than its net carrying amount, an impairment loss is recognized which is recorded in the cost of sales of the period presented. See Note 14, *Inventories*.

3.12 Prepayments and other current assets

Prepayments represent such expenditures made by the Company where the risks and benefits inherent to the goods to be acquired or services to be received have not been transferred. Prepayments are recorded at their cost and presented in the consolidated statements of financial position as current or non-current assets, depending on the destination item. Prepayments of goods and/or services related to property, plant and equipment are included in this line. Advance payments in foreign currency are recognized at the exchange rate of the date of the transaction, without modification by subsequent exchange rate fluctuations between currencies.

Once goods and/or services related to prepayments are received, they should be recognized as an expense or an asset in the accounting period, according to their respective nature.

3.13 Derivatives and hedging activities

Derivatives are initially recognized at fair value on the date a derivative contract is entered into, and they are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged. The Group designates certain derivatives as either:

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- hedges of the fair value of recognized assets or liabilities or a firm commitment (fair value hedges), or
- hedges of a particular risk associated with the cash flows of recognized assets and liabilities and highly probable forecast transactions (cash flow hedges).

At inception of the hedge relationship, the Group documents the economic relationship between hedging instruments and hedged items, including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions.

Derivative instruments of the Group do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognized immediately in the consolidated statements of income and comprehensive income and are included as other income and other expenses.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through the statement of income. Embedded derivatives are measured at fair value with changes in fair value recognized in the statement of income.

3.14 Asset held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognized for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognized for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the non-current asset is recognized at the date of derecognition.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. Loss on the remeasurement of the current asset classified as held for sale that does not meet the definition of a discontinued operation is included in the consolidated statements of income and comprehensive income from continuing operations.

3.15 Property, plant and equipment, net

Property, plant and equipment, consists mainly of land, power and compression plants, capital spares and other equipment. "

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Power and compression plants are recognized at fair value based on periodic, but at least annual valuations less subsequent depreciation. A revaluation surplus increases its carrying amounts and is credited to Other Comprehensive Income in shareholders' equity, net of tax. Decreases that reverse previous increases of the same asset are first recognized in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss.

Each year, the difference between depreciation based on the revalued carrying amount of the power and compression plants charged to profit and loss and the depreciation based on the asset's original cost, net of tax, is reclassified from the reserve for the reevaluation of power and compression plants to accumulated income (loss).

All other property, plant and equipment is recognized at historical cost less depreciation. Significant additions or improvements that increase cash flows or extend asset lives are capitalized while expenditures for maintenance and repairs to maintain facilities in operating condition are expensed as the work is incurred.

The cost of the property, plant and equipment that is depreciated over the estimated useful life of the asset using the straight-line method less a residual value as follows:

	Useful life (years)
Power plants	20 - 40
Compression plants	10 - 20
Office equipment and other	3 - 10

3.16 Unfavorable terms of contract

Unfavorable terms of the contract (UTC) represent a property, plant and equipment decrease, that was recognized, as part of the business combination, for operating lease arrangements, whose terms are unfavorable compared to current market terms, which is depreciated to the end of the contract using the straight-line method. See Note 17, *Property, plant and equipment, net*.

3.17 Leases as a lessee

The Group recognized lease liabilities measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate. The associated right-of-use assets were measured at the amount equal to the lease liability.

The Company leases different right-to-use assets. Rental contracts are typically made for fixed periods but may have extension options. Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

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The right-of-use asset from the lease is recognized as property, plant and equipment and a corresponding liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and financing cost. The financing cost is charged to consolidated statements of income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable.
- Variable lease payments that are based on an index or a rate.
- Lease payments to be made under certain potential extension options are also included in the measurement of the liability.

The lease payments are discounted using the incremental borrowing rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use assets in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company, where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.

The Company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use assets.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of the lease liability.
- Any lease payments made at or before the commencement date less any lease incentives received.

3.18 Intangible assets, net

Customer-related intangible assets include, but are not limited, to customer contracts and related customer relationships, acquired in a business combination. Those customer relationships meet the definition of an intangible asset when legal rights are identified to protect customer relationships since it provides evidence that the entity is nonetheless able to control the expected future economic benefits flowing from the customer relationship and are recognized at fair value at the acquisition date.

All intangible assets with finite useful lives are amortized over their useful lives (10 to 18 years). Intangible assets include the value of acquired power sales contracts. The value assigned to these contracts is being amortized on a straight-line basis over the term of the contracts. See Note 19, *Goodwill and intangibles assets, net*.

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3.19 Goodwill

The Group applies the following accounting guidelines to business acquisitions: i) purchase method is used only as a valuation rule, which requires the purchase price to be assigned to acquired assets and assumed liabilities based on their fair values at acquisition date; ii) acquired intangible assets are identified, valued and recognized, and iii) the non-assigned portion of the purchase price represents goodwill.

Goodwill is not amortized but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. See Note 19, *Goodwill and intangibles assets, net*.

3.20 Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

3.21 Other non-current assets

Consist mainly in guaranteed deposits derived from payments made in cash or cash equivalents in order to ensure the supply of goods, services or other benefits that will be received in the normal course of future operations of the entity.

3.22 Accounts payable and accrued expenses

This item includes obligations with suppliers and other payables for purchases of goods or services acquired in the normal course of Group's operations as well as the VAT and other taxes different than the income tax. When payment is expected in a period of one year or less from the closing date, they are presented as current liabilities.

3.23 Derecognition of financial liabilities

The Group derecognizes a financial liability only when it is extinguished either when the Group:

- Discharges the liability by paying the creditor.
- Is legally released from primary responsibility for the liability.

When the Group makes an exchange with an existing lender of debt instruments with substantially different terms, the Group extinguishes the original financial liability and recognizes a new financial liability.

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The terms are substantially different if the discounted present value of the cash flows under the new terms, including any deferred financing cost not amortized, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability.

When the condition above is not met, the Group applies a qualitative assessment of the terms, based on the specific facts and circumstances in each case, for the derecognition of the financial liability. Additionally, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

The difference between the carrying amount of an extinguished or transferred financial liability (or part of a financial liability) and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statements of income and comprehensive income.

3.24 Income taxes

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable income or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realized, or the deferred tax liability is settled.

Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax liabilities and assets are not recognized for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

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Current and deferred tax are recognized in the consolidated statements of income and comprehensive income, except to the extent that it relates to items recognized in OCI or directly in equity. In this case, the tax is also recognized in OCI or directly in equity, respectively.

On adoption of IFRIC 23, there were no impacts identified about tax provisions considered in tax calculations or tax events related to its transactions.

3.25 Uncertain tax position

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

3.26 Debts

Debts are initially recognized at fair value, net of transaction costs incurred. Debts are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the Debts using the effective interest method.

Debts are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

Debts are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

3.27 Deferred financing cost

Incremental costs incurred that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. These costs include fees and commissions paid to third parties but exclude debt premiums or discounts, financing costs or internal administrative or holding costs. Deferred financing costs are those that would not have been incurred if the Group had not acquired, issued or disposed of the financial instrument.

When there is an exchange of debt instruments or modification of terms accounted for as an extinguishment, any costs or fees incurred are recognized as part of the gain or loss on the extinguishment. If the exchange or modification is accounted for as modification, costs or fees incurred, should adjust the carrying amount of the liability and are amortized over the remaining term of the modified liability.

The Group debt issuance costs related to a recognized debt liability are presented as a direct deduction from the carrying amount of the related debt liability, which is consistent with the presentation of debt discounts. See Note 20, *Debt*.

Deferred financing cost is amortized using the effective interest rate of the associated financial liability. The amortization is presented as part of the financial cost in the consolidated statements of income and comprehensive income.

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3.28 Deferred rent

Revenues from leases are recognized on a straight-line basis (levelized) in the consolidated statements of income and comprehensive income, the difference between the lease payment and the income levelized is recognized in the consolidated statements of financial position as a Deferred rent.

In a business combination, The Group do not recognize the acquirer's deferred rent using the acquisition method because it does not meet the definition of an asset or liability. The Group recognize the liability related to deferred rent starting from the acquisition date. See Note 21, *Deferred rent*.

3.29 Other long-term liabilities

Energía San Luis de la Paz has liabilities related to plant equipment previously acquired that will be paid in accordance with the schedule of the Long-Term Service Agreement (LTSA). Deferred income in Green Energy Libramiento will be incurred with future maintenance and is shown within accounts payable and other long-term liabilities in the consolidated statements of financial position. See Note 22, *Other long-term liabilities*.

3.30 Pension and other post-retirement obligations

Certain wholly owned subsidiaries of the Company maintain tax-qualified, non-contributory pension plans that cover all union employees, as well as a postretirement medical plan for eligible retirees. In addition, these subsidiaries also provide for legally required termination indemnity and seniority premiums. In applying these accounting policies, the Group has made estimates related to actuarial assumptions, including discount rates, health care cost trends, and future compensation. See Note 23, *Pension and post-retirement obligation*.

Defined benefits

A benefit plan is considered to be an amount receivable by employees at retirement, usually depending on one or more factors such as age, years of service, and compensation.

The liability recognized in the statements of financial position in relation to defined benefit plans is the present value of defined benefit obligations at the date of the statements of financial position, minus the fair value of plan assets. Defined Benefit Obligations (DBO) are calculated annually by independent actuaries using the projected unit-cost method.

The present value of DBO is determined by discounting estimated future cash flows at the discount rates established in IAS 19, using interest rates of high-quality government bonds expressed in the currency in which the benefits are to be paid and with maturities approximating the terms of pension liabilities. In México there is no deep market in such bonds as stated by IAS 19, therefore an interest rate on Mexican government bonds (CETES) is used.

Actuarial gains and losses arising from adjustments and changes to actuarial assumptions are recorded directly in stockholders' equity under OCI in the year in which they accrue.

The Group determines its net financial expense (income) applying the discount rate to the net liability (asset) for defined benefits, net. Past service costs are recognized immediately in the consolidated statements of income and comprehensive income.

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Retirement benefits

Retirement benefits are paid when the employee reaches certain age and seniority conditions for the payments of these benefits.

The Group recognizes retirement benefits as a constructive obligation that will be paid to all employees once retirement ages have been reached.

Employees' Statutory Profit Sharing (ESPS) payable

The Group recognizes a liability and an expense for bonuses and ESPS, based on a formula that takes into consideration the profit attributable to the Company's shareholders and certain adjustments in accordance with the Subsidiaries Country Income Tax Law and Subsidiaries Country Labor Law. The Group recognizes a provision when it is contractually bound or when there is a past practice that gives rise to a constructive obligation.

The profit-sharing obligation will be capped at an amount per employee. The maximum profit sharing payable will be the higher of three months' salary or the average profit sharing received over the last three years.

Short-term benefits

The Group provides short-term employee benefits, which can include wages, salaries, annual bonuses and bonuses payable over the following 12 months. The Group recognizes a provision without discount, when it is contractually obligated or when the former practice has created an obligation.

3.31 Contributed equity

Ordinary shares class A, B, C, D, E, F, G, H, I, J and the capital reserve are classified as equity. See Note 24, *Stockholders' equity*.

3.32 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

3.33 Other Comprehensive Income

The Other Comprehensive Income (OCI) is comprised by a) revaluation surplus of Power and compression plants net, b) share in OCI of associates, c) remeasurement related to employees' benefits, and d) as well as income tax related to OCI. OCI represents revenues, costs and expenses while already accrued are pending realization, which is expected in the long term, and its value may change due to changes in the fair value of assets or liabilities that gave rise to them, so it may not come to realization in part or in full. OCI is recycled when it is no longer realized and recognized as a separate component in stockholders' equity to be recognized in consolidated statements of income and comprehensive income in the period in which the asset or liability that gave rise to take place.

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Accounting principles for profit (loss) recognition

3.34 Revenue recognition

Revenues from the Group recognized in the statements of income and comprehensive income from: i) electricity sales, ii) other ancillary services and iii) power capacity and compression services. Due to the characteristics of the power capacity and compression services, they are represented under IFRS 16, *Leases*, as operating leases.

Identification of separate performance obligations

The Group evaluates separate performance obligations within a contract when it identifies a promise to transfer a good or service to the customer that is distinct or a series of distinct goods or services that are substantially the same and have the same pattern of transfer to the customer. The Transaction price is allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost-plus margin.

Customers are invoiced on a monthly basis and consideration is payable when invoiced. Unbilled sales or services are based and adjusted to the amount billed, therefore there are no significant changes to revenue amounts recognized. As of December 31, 2023 and 2022, there are no contract liabilities.

Billing requirements to the Group customers generally result in a monthly basis billing in the following month of the good or service delivered. Once billed, payment is generally required within a month. Based on the terms of its agreements, payment is generally received at or shortly after delivery of the good or service. During the year ended December 31, 2023 and 2022, there were no material credit or impairment losses recognized relating to accounts receivable balances associated with contracts with customers.

Revenue from electricity

The Group recognizes revenues from sales of electricity and gas since the incorporation date in accordance with IFRS 15, *Revenue from contracts with customers*. The analysis on revenue recognition shows that the Group records revenues from the sale of electricity and gas under long-term contracts based upon the output delivered provided at rates specified under the contract, unless the contract pricing terms are fixed, in this sense, revenue is recognized over time, when the client simultaneously receives and consumes the electricity and gas.

As a practical expedient, when the Group has a right to consider from a customer an amount that corresponds directly with the value to the customer of the entity's performance completed to date, the Group recognize revenue in the amount to which the entity has a right to invoice.

Revenues from the physical sale of electricity under short-term contracts or via the Mexican Wholesale Market (MEM) are at contractual or market rates, respectively, based on the volumes delivered.

Sales are recognized when control of the products has been transferred, being when the products are delivered to the client, the client has full discretion over the product and price to sell the products and there is no unfulfilled obligation that could affect the client's acceptance of the products. Delivery occurs when the products have been delivered and either the wholesaler has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

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Revenue from these sales is recognized based on the price specified in the contract. A receivable is recognized when the products are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Other ancillary services

In addition to the Group generation activities, The Group manages and performs the operations and maintenance services under service contracts for certain subsidiaries in which the Group has an interest. Revenues from consolidated subsidiaries are eliminated in consolidation.

Revenue from providing services is recognized in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognized based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously.

Power capacity and compression services

The Group analyzed power sales and compression services contracts and amendments to existing contracts in accordance with IFRS 16, *Leases*. Currently, the power sales contracts and compression services contracts in place at the Energía Azteca X, Energía San Luis de la Paz, Energía Campeche, Energía Chihuahua and Energía Azteca VIII (equity method investee) power companies, as well as the Green Energy Libramiento and Compresión Altamira gas compression companies, meet the criteria for lease treatment. Accordingly, these power sales and compression services contracts are accounted for as operating leases. The non-contingent lease rental revenues reported under these contracts for the consolidated subsidiaries are included in lease rentals derived from power purchase and compression services agreements in the consolidated statements of income and comprehensive income.

Lease income from operating leases where the Group is a lessor is recognized in income on a straight-line basis over the lease term, See Note 3.28 *Deferred rent*. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognized as expense over the lease term on the same basis as lease income. The respective leased assets are included in the consolidated statements of financial position based on their nature. The Group did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

Financing income

Financing income from a financial asset is recognized when economic benefits will likely flow to the Group and the amount of revenue can be measured reliably. The interest income is booked on a timely manner, in reference to the outstanding principal and the rate of applicable effective interest. Financing income is shown after the operating profit in the consolidated statements of income and comprehensive income.

3.35 Insurance recoveries

The Group enters into insurance policies with various carriers to provide for reimbursement of incurred costs during unplanned outages as well as recovery of lost revenues. The Group considers "incurred costs" to be repair and maintenance costs and replacement power costs incurred in order to deliver power under a contracted position. Business interruption recoveries for lost revenues are those recoveries that relate to un-hedged positions or capacity revenues under a long-term power sales agreement.

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When an insurance recovery relates to reimbursement of an incurred cost, the amount is recorded as a receivable from the insurance provider when collection is deemed probable by Management. The amount is recorded as an offset to the line item in the consolidated statements of income and comprehensive income where the incurred cost is recorded, or where the lost capacity revenue under the long-term power sales agreement would have been recorded.

For recovery of business interruption that is not directly calculable, the policy is to recognize these recoveries only when the amount has been collected or when payment has been explicitly confirmed by the insurance provider(s) and therefore collection is certain. The Group recognized \$nil and \$3 of income for the proceeds received for business interruption in lease rentals - power purchase and compression services agreements in the consolidated statements of income and comprehensive income for the year ended as of December 31, 2023 and 2022.

For the year ended at December 31, 2023 and 2022, the Group collected insurance recoveries by \$nil and \$nil, respectively for a liability policy.

Note 4 - Critical accounting estimates and judgments:

Estimates and judgments used in preparing the consolidated financial statements are constantly evaluated and are based on historical experience and other factors, including projections of future events considered to be reasonable in current circumstances.

4.1 Accounting estimations and critical assumptions

The Group prepares estimations and projections of future events to recognize certain items of its consolidated financial statements. The resulting accounting estimates recognized are likely to differ from actual results or events. The estimations and projections with a higher risk of material adjustment in the future are as follows:

Estimated goodwill impairment

The Group tests whether goodwill has suffered any impairment on an annual basis or more frequently if events or changes in circumstances indicate that it might be impaired. For the impairment tests, the recoverable amount of the CGU is determined based on calculations that require the use of assumptions. The calculations use cash flow projections based on financial budgets. See Note 19, *Goodwill and intangibles assets, net*.

Revaluation on plants

Plants are recognized at fair value based on annual valuations calculated by the Client, less subsequent depreciations. See Note 17, *Property, plant and equipment, net*.

The company calculated two methodologies: the replacement cost method and the cost-to-capacity method and an average was considered, methodologies are described as follows:

- **Replacement Cost Method:** This method estimates the current replacement cost using data such as cost guides, price lists, and consultations with suppliers. An index is applied from published and industry-accepted sources. The index may also be adjusted for country specific inflation.

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Cost-to-Capacity Method: This method uses historical costs and capacity in order to develop current cost estimates for an entire facility or a particular piece of machinery and equipment. In this method, cost is a function of size raised to an exponential or scale factor. Depreciation factors, representing physical deterioration, are applied to each asset's current replacement or reproduction cost based on the estimated economic useful life and age of the assets. Finally, functional and economic obsolescence are considered and applied where appropriate to conclude on fair value.

The inputs level 3 used by the Company's management to determine the fair values of the selected assets are based on the characteristics of these assets. The valuation methods and key assumptions are as follows:

	<u>2023</u>	<u>2022</u>
Obsolescence factor	62.81%	56.01%

The sensitivity of obsolescence factor impact the surplus of property, plants and equipment in 2023 and 2022 is as follows:

	<u>Change in assumption</u>	<u>2023</u>	<u>2022</u>
Surplus of property, plants and equipment	(1.00)	(\$ 21,821)	(\$28,134)
Surplus of property, plants and equipment	1.00	21,821	28,134

4.2 Critical accounting judgments in applying the Group's accounting policies

Basis for consolidation and classification of joint arrangements

Evaluation of the existence of control in subsidiaries, joint control or significant influence over investments in joint ventures are explained in Note 3.1, *Principles of consolidation and equity accounting*.

Deferred tax assets

The recognition of deferred tax assets is based upon whether it is more likely than not that there will be sufficient and suitable taxable profits against which to utilize the assets in the future. Judgment is required when determining probable future taxable profits, which are estimated using the budget of taxable income and deductible expenses that will result in taxable profits for future years. Prior to recording deferred tax assets for tax losses, relevant tax law is considered to determine the availability of the losses to offset against the future taxable profits. *See Note 28, Income tax.*

Note 5 - Financial Risk Management:

5.1 Financial risks

The Group's risk management is predominantly controlled by the finance department under policies approved by the Board of Managers. Group's Finance and Treasury Departments identify, evaluate and hedge financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as Management defines policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

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Where all relevant criteria are met, hedge accounting would be applied to remove the accounting mismatch between the hedging instrument and the hedged item. This will effectively result in recognizing interest expense at a fixed interest rate for the hedged floating rate loans and inventory at the fixed foreign currency rate for the hedged purchases.

Credit risk

Financial instruments which potentially expose the Group to concentrations of credit risk consist primarily of cash, cash equivalents, restricted cash, accounts receivable and contract assets. The Group maintains a significant portion of its corporate cash and cash equivalent balances with several financial institutions thereby spreading the credit risk. Most of its accounts receivable are concentrated with entities engaged in the energy industry.

These industry concentrations may impact its overall exposure to credit risk, either positively or negatively, in that case the customers may be similarly affected by changes in economic, political, industry or other conditions. Receivables are generally collateralized, however the credit risk posed by industry concentration is offset by the diversification and creditworthiness of its customer base.

The Group is also exposed to credit risk as revenues are derived from a limited number of customers, in some cases, under long-term agreements. The prolonged failure of any of these customers to fulfill contractual obligations or make required payments could have a substantial negative impact on its consolidated results of operations and financial condition. However, Management considers that the risk derived from the above is minimal based on accounts receivables track record and since its customers pay on a monthly basis.

The Group is responsible for managing and analyzing each of its new customer's credit risk prior to determining exposure and additional requirements. If clients are rated independently these ratings are used; otherwise the Group assesses the credit quality of the customer based on their financial situation, past experience and other factors.

The allowance for doubtful accounts represents an estimate of the losses arising from customer inability to make required payments. Estimations are required in order to determine the allowance for doubtful accounts. The Group conducts evaluations of its customers and adjusts: a) the credit limits based on payment history and b) current customer solvency information, aging of the accounts receivable portfolio, historic collection experience and legal situation.

Cash and cash equivalents are subject to limited credit risk because they are kept in financial institutions with high creditworthiness, with which the Group holds short-term investments locally rated: Invex (F1+), BBVA (A-2), Citibanamex (F1+), Bank of America (A-1), Citibank (F1), JP Morgan Chase Bank (A-2) and Mizuho (A-1).

Liquidity risk

Cash flow projections are prepared by Management, who continually monitors cash flow projections and liquidity requirements to ensure enough cash levels. Projections consider the Group's financing plans and compliance with minimum financial ratios and legal or regulatory requirements.

The following tables show the Group's liabilities grouped per maturity date as of December 31, 2023 and 2022 and January 1, 2022. The amounts shown in the tables are undiscounted contractual cash flows:

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<u>December 31, 2023</u>	<u>Less than 1 years</u>	<u>Between 1 and 5 years</u>	<u>More than 5 years</u>	<u>Total</u>
Accounts payable and accrued expenses	\$ 220,955	\$ -	\$ -	\$ 220,955
Long-term debt	68,074	942,043	1,089,591	2,099,708
Interest of long-term debt	124,535	413,378	253,483	791,396
Other long-term liabilities	<u>6,761</u>	<u>3,987</u>	<u>9,714</u>	<u>20,462</u>
Subtotal	420,325	1,359,408	1,352,788	3,132,521
Related parties	<u>13,988</u>	<u>-</u>	<u>-</u>	<u>13,988</u>
Total	<u>\$434,313</u>	<u>\$ 1,359,408</u>	<u>\$ 1,352,788</u>	<u>\$3,146,509</u>

<u>December 31, 2022</u>	<u>Less than 1 years</u>	<u>Between 1 and 5 years</u>	<u>More than 5 years</u>	<u>Total</u>
Accounts payable and accrued expenses	\$ 211,429	\$ -	\$ -	\$ 211,429
Long-term debt	77,663	922,926	1,168,782	2,169,371
Interest of long-term debt	128,362	460,082	415,014	1,003,458
Other long-term liabilities	<u>6,225</u>	<u>3,997</u>	<u>11,361</u>	<u>21,583</u>
Subtotal	423,679	1,387,005	1,595,157	3,405,841
Related parties	<u>7,933</u>	<u>-</u>	<u>-</u>	<u>7,933</u>
Total	<u>\$431,612</u>	<u>\$ 1,387,005</u>	<u>\$ 1,595,157</u>	<u>\$3,413,774</u>

<u>January 1, 2022¹</u>	<u>Less than 1 years</u>	<u>Between 1 and 5 years</u>	<u>More than 5 years</u>	<u>Total</u>
Accounts payable and accrued expenses	\$ 97,243	\$ -	\$ -	\$ 97,243
Long-term debt	-	484,989	637,971	1,122,960
Interest of long-term debt	65,374	238,146	198,594	502,114
Other long-term liabilities	<u>7,828</u>	<u>4,452</u>	<u>11,354</u>	<u>23,634</u>
Subtotal	170,445	727,587	847,919	1,745,951
Related parties	<u>2,646</u>	<u>-</u>	<u>-</u>	<u>2,646</u>
Total	<u>\$173,091</u>	<u>\$ 727,587</u>	<u>\$ 847,919</u>	<u>\$1,748,597</u>

¹ Unaudited

5.2 Market risks

Foreign exchange risk

The Group operation is mainly exposed to variations in the exchange rate between the Mexican peso and US dollars. The management believes that it is a low risk due to the fact that transactions in Mexican pesos are no relevant to the consolidated financial statements.

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Interest risk

The Group is exposed to interest rate risk and is managed by the Company maintaining an appropriate mix between fixed rate and variable rate debt, as follows:

		December 31 2023	December 31 2022	January 1 2022 ¹
SSN40 *	Fixed rate	\$ 862,150	\$ 880,524	\$ -
SSN35 *	Fixed rate	689,558	736,847	772,960
SSN 26*	Fixed rate	350,000	350,000	350,000
Mizuho	Fixed and variable rate	68,000	72,000	-
CA26	Fixed and variable rate	130,000	130,000	-

Price risk

The Group considers that although it could be exposed to a price risk from revenues, the nature of the revenue allows the Group to transfer this risk by invoicing the cost plus a margin to some customers. For the remaining clients the Company has embedded derivative contracts with the clients to sell the energy at a fixed price and contract derivative gas swaps to avoid significant fluctuations in the cost.

5.3 Additional risks. The Group owns, operates, acquires and develops non-regulated electric generation and gas compression facilities that are subject to risks that could adversely affect its results of operations, financial condition and/or cash flows. Risks include, but are not limited to, items such as shown below:

- Operations risks associated with operating the plants, including the breakdown or failure of power generation equipment, transmission lines, or other necessary equipment leading to unplanned outages or other operational issues, operator error, performance below expected output or efficiency levels, labor disputes, force majeure or other catastrophic events;
- Its marketing and trading activities of un-contracted capacity from some of the power companies do not fully remove the exposure to market risks;
- Transmission constraints within a number of its core regions;
- Its ability to obtain adequate insurance coverage for all losses the Group might incur in the event of loss or damage to a power or compression subsidiary;

Contractual obligations and covenants (power purchase, gas compression and fuel supply agreements):

- Contractual covenants that require, among other things, project availability and generation minimums, maintenance of certain types and levels of insurance, compliance with obligations and scheduled payments and for the respective project entity to be financially viable. Should a project be out of compliance with one or more of its contractual obligations, the counterparty, if allowed under the agreement, may declare an event of default under the contract. If such an event of default were uncured it could, under certain circumstances, lead to the cancellation of the respective agreement.

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- Disruption of fuel supply to the power subsidiaries or termination of fuel supply and transportation agreements.

Campeche's fuel supply agreement. In accordance with the current Mexican energy reform, the fuel supply agreement originally provided by Pemex Gas y Petroquímica Básica (Pemex), was terminated in 2017. In consideration of Energía Campeche's location and its natural gas infrastructure, executing a new fuel supply arrangement at similar terms to the previous contract, or at all, has been difficult. This resulted in the subsidiary being dispatched on diesel, which is not as favorable as being dispatched on natural gas.

¹ Unaudited

Note 6 - Capital management:

The Company manages its capital to ensure that it will be able to continue as a going concern and comply with applicable regulations. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders after complying with all financial obligations. The capital structure of the Company consists of capital stock contributions, related party long-term debt and long-term debt. See Note 20, *Debt*. Additionally, the Company is not subject to any externally imposed requirements for the Management of its capital.

Note 7 - Segment information:

7.1 Description of segments and principal activities.

CEO, CFO and FP&A (denominated as CODM under IFRS 8, *Operating Segments*), examine the Group's performance per type of revenues and has identified four (4) reportable-operating segments of its business: a) Electricity generation, b) Gas compression, c) Joint ventures and d) Corporate.

7.2 Performance of the reportable-operating segments.

The Group CODM primarily uses the operating profit to assess the performance of the reportable operating segments. However, Management also receives information about the segments revenue and assets on a monthly basis.

7.3 Statements of financial position and statements of income on Management's report.

The statements of financial position at December 31, 2023 and 2022 and January 1, 2022 and the statements of income on Management's report for the year ended as of December 31, 2023 and 2022 of the reportable-operating segments are as follows:

	December 31, 2023				
	Electricity generation	Gas compression	Joint ventures	Corporate	Total
<i>Statement of financial position</i>					
Property, plant and equipment, net	\$ 1,730,892	\$ 90,749	\$ -	\$ 1,866	\$ 1,823,507
Investments accounted for using the equity method	-	-	159,509	-	159,509
Intangible assets, net	530,263	20,574	-	1,700	552,537
Goodwill	307,577	403	18,934	-	326,914
Subsidiary asset classified as held for sale	65,894				65,894
Other assets	357,278	21,316	2	196,935	575,531
Total assets ⁽¹⁾	<u>\$ 2,991,904</u>	<u>\$ 133,042</u>	<u>\$178,445</u>	<u>\$ 200,501</u>	<u>\$ 3,503,892</u>

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	December 31, 2023				
	Electricity generation	Gas compression	Joint ventures	Corporate	Total
Debt	(\$ 1,050,113)	\$ -	\$ -	(\$ 1,024,062)	(\$ 2,074,175)
Deferred rent liability	(9,558)	-	-	-	(9,558)
Subsidiary liabilities directly associated with Assets classified as held for sale	(43,515)				(43,515)
Other liabilities	(678,082)	(40,531)	(277)	(19,132)	(738,022)
Total liabilities ⁽¹⁾	(\$ 1,781,268)	(\$ 40,531)	(\$ 277)	(\$ 1,043,194)	(\$ 2,865,270)

*Statement of income on Management's
report.*

Revenues:					
Lease	\$ 140,882	\$ 51,307	\$ -	\$ -	\$ 192,189
Deferred rent	6,004	-	-	-	6,004
Lease, net	146,886	51,307	-	-	198,193
Electricity	1,336,593	-	-	-	1,336,593
Operating and maintenance	49,589	-	-	-	49,589
Other services and others	(1,273)	4,460	-	948	4,135
Total revenues ⁽²⁾	1,531,795	55,767	-	948	1,588,510
Cost of sales and services	(1,323,028)	(33,352)	-	53,304	(1,303,076)
Gross profit	208,767	22,415	-	54,252	285,434
General and administrative expenses and other	(68,695)	(8,425)	(193)	(23,030)	(100,343)
Other income	800	-	-	-	800
Loss on subsidiary net assets classified as held for sale before income tax	(24,330)	-	-	-	(24,330)
Share of net profit of joint ventures	-	-	11,730	-	11,730
Operating profit	\$ 116,542	\$ 13,990	\$ 11,537	\$ 31,222	\$ 173,291

	December 31, 2022				
	Electricity generation	Gas compression	Joint ventures	Corporate	Total
<i>Statement of financial position</i>					
Property, plant and equipment, net	\$ 1,743,071	\$ 115,665	\$ -	\$ 2,296	\$ 1,861,032
Investments accounted for using the equity method	-	-	147,704	-	147,704
Intangible assets, net	574,430	24,438	-	2,160	601,028
Goodwill	307,577	403	18,934	-	326,914
Other assets	318,298	10,867	7	200,178	529,350
Total assets ⁽¹⁾	\$ 2,943,376	\$ 151,373	\$ 166,645	\$ 204,634	\$ 3,466,028
Debt	(\$ 1,070,824)	\$ -	\$ -	(\$ 1,069,093)	(\$ 2,139,917)
Deferred rent liability	(42,389)	-	-	-	(42,389)
Other liabilities	(650,915)	(41,260)	(276)	(16,927)	(709,378)
Total liabilities ⁽¹⁾	(\$ 1,764,128)	(\$ 41,260)	(\$ 276)	(\$ 1,086,020)	(\$ 2,891,684)

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	December 31, 2022				
	Electricity generation	Gas compression	Joint ventures	Corporate	Total
<i>Statement of income on Management's report:</i>					
Revenues:					
Lease	\$ 73,164	\$ 49,585	\$ -	\$ -	\$ 122,749
Deferred rent	2,972	-	-	-	2,972
Lease, net	76,136	49,585	-	-	125,721
Electricity	916,164	-	-	-	916,164
Operating and maintenance	57,633	-	-	-	57,633
Other services and others	1,134	257	-	1,237	2,628
Total revenues ⁽²⁾	1,051,067	49,842	-	1,237	1,102,146
Cost of sales and services	(920,010)	(21,341)	-	13,134	(928,217)
Gross profit	131,057	28,501	-	14,371	173,929
General and administrative expenses and other	(52,055)	(5,906)	(301)	512	(57,750)
Share of net profit of joint ventures	-	-	7,580	-	7,580
Operating profit	\$ 79,002	\$ 22,595	\$ 7,279	\$ 14,883	\$ 123,759
	January 1, 2022 ⁽³⁾				
	Electricity generation	Gas compression	Joint ventures	Corporate	Total
<i>Statement of financial position:</i>					
Property, plant and equipment, net	\$ 920,351	\$ 88,728	\$ -	\$ 3,485	\$ 1,012,564
Investments accounted for using the equity method	-	-	142,753	-	142,753
Intangible assets, net	78,105	30,922	-	-	109,027
Goodwill	49,571	403	18,934	-	68,908
Other assets	153,035	19,610	-	165,928	338,573
Total assets ⁽¹⁾	\$ 1,201,062	\$ 139,663	\$ 161,687	\$ 169,413	\$ 1,671,825
Debt	\$ -	\$ -	\$ -	(\$ 1,102,957)	(\$ 1,102,957)
Deferred rent liability	(45,361)	-	-	-	(45,361)
Other liabilities	(314,889)	(35,307)	(267)	(21,097)	(371,560)
Total liabilities ⁽¹⁾	(\$ 360,250)	(\$ 35,307)	(\$ 267)	(\$ 1,124,054)	(\$ 1,519,878)

Transactions between segments, which were eliminated in consolidation, are mainly related to sales of gas compression services from the Gas Compression segment to the Electricity Generation segment for \$2,485 and \$2,402 for the year ended at December 31, 2023 and 2022, respectively.

- (1) Segment assets, liabilities are measured in the same way as in the consolidated financial statements. These assets are allocated based on the operations of the segment.
- (2) From the total revenues, 90% have been generated in Mexico and 10% have been generated from sales in U.S.A.
- (3) Unaudited

Note 8 - Financial assets and financial liabilities:

8.1 This note provides information about the Group's financial instruments, including an overview of all financial instruments held by the Group.

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- 8.2 The Group holds the following financial instruments as of December 31, 2023 and 2022 and January 1, 2022 which has been recorded at amortized cost, except for Derivative financial instruments:

	December 31		January 1
	2023	2022	2022 ¹
Cash and cash equivalents	\$ 105,103	\$ 94,911	\$ 77,908
Accounts receivable	139,018	67,084	35,669
Accounts receivable from related parties	8,397	8,434	3,808
Notes receivable from related parties	166,061	157,999	94,466
Derivative financial instruments	4,411	-	-
Other non-current assets	<u>3,612</u>	<u>3,946</u>	<u>2,371</u>
Financial assets	<u>\$ 426,602</u>	<u>\$ 332,374</u>	<u>\$ 214,222</u>
Accounts payable and accrued expenses	\$ 220,955	\$ 211,429	\$ 97,243
Accounts payable to related parties	13,988	7,933	2,646
Derivative financial instruments	3,611	-	-
Current portion of long-term debt	82,625	92,872	47,057
Current portion of other long-term liabilities	6,761	6,225	7,828
Long-term debt	1,991,550	2,047,045	1,055,900
Other long-term liabilities	<u>13,701</u>	<u>15,358</u>	<u>15,806</u>
Financial liabilities	<u>\$ 2,333,191</u>	<u>\$ 2,380,862</u>	<u>\$ 1,226,480</u>

The Group's exposure to various risks associated with the financial instruments is discussed in Note 5, *Financial Risk Management*. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above.

¹ Unaudited

Note 9 - Business combination:

- 9.1 On November 7, 2022 (business combination date, or the transaction date), The Group acquired 100% Tierra Mojada Luxembourg, S.à r.l. which indirectly owns Ciclo Combinado Tierra Mojada and its power project. The acquisition is part of the strategy to increase the Group's revenues.

In accordance with IFRS 3, *Business combination*, the acquisition is considered a business combination, and therefore, it has been recorded using the acquisition method. The acquisition has been recorded by distributing the total assets acquired, including intangible assets and assumed liabilities, based on the fair values determined at the date of acquisition. The excess of the acquisition cost over the net of the fair values of the assets acquired and liabilities assumed has been recorded as goodwill.

A goodwill of \$258,006 was recognized at the business combination date. The goodwill associated with this business combination is not deductible for income tax purposes. The goodwill consists of the fair value of the net assets and the: a) Fair value of property, plant and equipment; b) identification of the implicit intangible asset within the customer relationship, that represents future benefits and c) Deferred tax of the fair value adjustments.

The fair value of the Trade and accounts receivable considered in the business combinations approximates their carrying value. The liabilities have been determined at fair value as of the date of the business combination.

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9.2 Details of the consideration transferred are:

Consideration paid	\$ 328,284
Contingent consideration	<u>-</u>
Total purchase consideration	<u>\$ 328,284</u>

9.3 The fair values of the assets and liabilities at the date of acquisition were as follows:

Assets

CURRENT ASSETS:

Cash and cash equivalents	\$ 77,519
Accounts receivable	65,855
Prepayments and other current assets	<u>1,745</u>

Total current assets 145,119

Property, plant and equipment	540,017
Intangible assets	508,667
Deposits and other assets	<u>1,822</u>

Total assets 1,195,625

Liabilities

Accounts payable and accrued expenses	72,555
Current portion of the long-Term debt	31,493
Long-term debt	872,417
Deferred income tax	<u>148,882</u>

Total liabilities 1,125,347

Goodwill	70,278
	<u>258,006</u>

Implied net assets \$ 328,284

9.4 The fair values of the assets and liabilities at the date of acquisition were estimated in accordance with the following Caption Item Methodology:

Property, plant and equipment.

Actual replacement costs of an asset, less depreciation due to physical, functional and economic factors.

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Customer relationship.

Multi-period excess earnings method under the income approach. Customer relationships are contract-based intangible assets product of the business combination of Tierra Mojada. They are assumed identifiable regardless of whether the rights are transferrable or separable from the entity. In conducting its purchase price allocation, the acquirer had allocated value to the related customer relationships, assuming to have indefinite useful lives.

Long-term debt.

Present value in accordance with the cancelation value.

The fair value adjustments specified in the previous table were obtained from Group Management for the purpose of applying the purchase method to the acquisition.

The projections used to apply the methodologies described above were based on the business plans approved by the Administration of the Group at the time of acquisition, which subsequently served as the basis for the analysis of deterioration made by the Administration at the date of the consolidated financial statements.

The goodwill recognized by the Group represents non-separable assets due to the growth potential and development opportunities of the Group and it is attributable to the subsidiary position in the market and synergies expected to arise after the company's acquisition of the new subsidiary.

- 9.5 From November 7 to December 31, 2022, the amounts of revenues and net income from Tierra Mojada Luxembourg, S.à r.l. and its subsidiaries recognized as part of the consolidated statement of income and comprehensive income are \$86,043 and \$3,603, respectively. The amount of revenues and net income from Tierra Mojada Luxembourg, S.à r.l. and its subsidiaries generated from January 1 to December 31, 2022 are \$866,234 and \$39,462 respectively.

Note 10 - Cash and cash equivalents:

- 10.1 For purposes of the consolidated statements of cash flows, cash and cash equivalents include cash in banks and investments in money market instruments with maturities of less than 90 days and restricted cash. Cash and cash equivalents are integrated as follows:

	December 31		January 1
	2023	2022	2022 ¹
Cash at bank and in hand	\$ 99,349	\$ 89,715	\$ 72,770
Deposits at call	-	-	335
Restricted cash	<u>5,754</u>	<u>5,196</u>	<u>4,803</u>
Cash and cash equivalents	<u>\$ 105,103</u>	<u>\$ 94,911</u>	<u>\$ 77,908</u>

- 10.2 Restricted cash - As of December 31, 2023 and 2022 and January 1, 2022 \$5,754, \$5,196, and \$4,803¹ of the cash balances are restricted to pay Operating and Maintenance costs of Green Energy Libramiento under its investment agreements.

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Restricted cash is invested in highly liquid investments and is presented within the cash and cash equivalents in the consolidated statements of financial position and in the consolidated statements of cash flows.

¹ Unaudited

Note 11 - Accounts receivable:

11.1 At December 31, 2023 and 2022 and January 1, 2022 the components of accounts receivable were as follows:

	December 31		January 1
	<u>2023</u>	<u>2022</u>	<u>2022¹</u>
Trade	\$ 60,102	\$ 32,812	\$ 10,319
Value added tax	38,073	9,727	8,282
Income tax	40,813	20,065	16,347
Other	<u>30</u>	<u>4,480</u>	<u>721</u>
Accounts receivable	<u>\$ 139,018</u>	<u>\$ 67,084</u>	<u>\$ 35,669</u>

11.2 At December 31, 2023 and 2022, there is no impairment of financial assets. Consequently, the Group has not recognized any allowance for doubtful accounts.

¹ Unaudited

Note 12 - Contract assets:

12.1 At December 31, 2023 and 2022 the Group recognized contract assets from Operating and maintenance services (O&M) and Electricity sales as follows:

	<u>O&M</u>	<u>Electricity</u>	<u>Total</u>
January 1, 2022 ¹	\$ 2,427	\$ 63,667	\$ 66,094
Reverse	(2,427)	(63,667)	(66,094)
Post	<u>2,698</u>	<u>133,736</u>	<u>136,434</u>
December 31, 2022	2,698	133,736	136,434
Reverse	(2,698)	(133,736)	(136,434)
Post	<u>2,936</u>	<u>87,196</u>	<u>90,132</u>
December 31, 2023	<u>\$ 2,936</u>	<u>\$ 87,196</u>	<u>\$ 90,132</u>

12.2 Contract assets are billed and collected in the following month period in all cases. The contract assets of the electricity sales are determined in accordance with the gas consumptions and electricity consumptions at the rates stipulated in its contracts. There are no unrecognized liabilities in relation to costs to fulfill its gas supply contracts.

¹ Unaudited

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Note 13 - Related party balances and transactions:

13.1 Balances with related parties at December 31, 2023 and 2022 and January 1, 2022 were as follows:

	December 31 2023	December 31 2022	January 1 2022 ¹
Energía Azteca VIII, S. de R. L. de C. V.	\$ 3,198	\$ 2,498	\$ 1,828
Compresión Bajío, S. de R. L. de C. V.	1,557	2,423	-
Servicios Azteca VIII, S. de R. L. de C. V.	361	315	369
Other joint ventures	<u>131</u>	<u>99</u>	<u>752</u>
Accounts receivable from joint ventures	<u>5,247</u>	<u>5,335</u>	<u>2,949</u>
GIP EM Bronco, Co-Investment Fund II, L.P.	1,804	1,714	-
Other shareholders	<u>1,346</u>	<u>1,385</u>	<u>859</u>
Accounts receivable from shareholders	<u>3,150</u>	<u>3,099</u>	<u>859</u>
<i>Accounts receivable from related parties</i>	<u>\$ 8,397</u>	<u>\$ 8,434</u>	<u>\$ 3,808</u>
Global Infrastructure Partners Emerging Markets Found I, L. P.	\$ 71,916	\$ 68,322	\$ 64,908
GIP EM Bronco Co-Investment Fund II, L. P.	48,838	46,398	
GIP EM Bronco Co-Investment Fund I, L. P.	23,850	22,660	21,126
GIP EM Bronco Co-Investment Fund III, L. P.	8,501	8,076	3,182
Other notes receivable from shareholders	<u>12,956</u>	<u>12,543</u>	<u>5,250</u>
<i>Notes receivable from related parties (shareholders)</i>	<u>\$ 166,061</u>	<u>\$157,999</u>	<u>\$ 94,466</u>
Energía Azteca VIII, S. de R. L. de C. V.	\$ 10,017	\$ -	\$ -
Other unconsolidated joint ventures and affiliates	<u>3,971</u>	<u>7,933</u>	<u>2,646</u>
<i>Accounts payable to related parties (unconsolidated joint ventures)</i>	<u>\$ 13,988</u>	<u>\$ 7,933</u>	<u>\$ 2,646</u>

13.2 Transactions income/(expense) with related parties for year ended as of December 31, 2023 and 2022 were as follows:

	2023	2022
<i>Financing income:</i>		
Global Infrastructure Partners Emerging Markets Fund I, L. P.	\$ 3,542	\$ 3,537
GIP EM Bronco, Co-Investment Fund II, L. P.	2,531	1,714
GIP EM Bronco, Co-Investment Fund I, L. P.	1,175	1,155
GIP EM Bronco, Co-Investment Fund III, L. P.	425	355
Other related parties	<u>340</u>	<u>172</u>

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13.3 Transactions with related parties are described as follows:

The Group through a subsidiary delivers the energy produced by Energía Azteca VIII (EAVIII) to CeNaCe. As a result, CeNaCe invoices to the Group an energy and maintenance cost that is subsequently invoiced to EAVIII.

The Group sales natural gas to Compresión Bajío, S. de R. L. de C. V. at the market price, plus a margin.

Administrative services provided by others, may also incur costs on behalf of the Group and its affiliates, which are then directly billed to each associated entity. These primarily include employee costs, as well as legal and other third-party costs related to the Group's operation.

The Group has recorded these costs as general and administrative expenses in the consolidated statements of income and comprehensive income, for the year ended as of December 31, 2023 and 2022.

The Group lends to affiliates from its indirect shareholders the amount of \$158,991 and \$151,047 in 2023 and 2022, respectively, whose bears 5.26% of interest rate. Interest is capitalized annually and starting on those dates is recorded in the finance expense line of the consolidated statements of income and comprehensive income. See Note 27, *Analysis of the financing cost*, net the principal expires in 10 years, nevertheless the Borrower shall have the right at any time and from time to time to prepay the outstanding principal amount of the loan, in whole or in part and/or its interest.

13.4 The total amount of employee's benefits granted to key Management staff or directors of the entity, overall, grouped in each of the following categories is shown as follows:

		<u>2023</u>	<u>2022</u>
Wage and salaries	\$	2,837	\$ 2,459
Short and long-term direct benefits		1,343	1,242
Other benefits		101	138

There are no loans granted by the Group to its key Management staff.

¹ Unaudited

Note 14 - Inventories:

14.1 At December 31, 2023 and 2022 and January 1, 2022 the inventories were as follows:

	<u>December 31</u>	<u>December 31</u>	<u>January 1</u>
	<u>2023</u>	<u>2022</u>	<u>2022</u> ¹
Fuel	\$ 109	\$ 10,882	\$ 10,305
Inventories	\$ 109	\$ 10,882	\$ 10,305

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14.2 Emission allowances

In the United States at the Federal and California state levels, several legislative initiatives have been introduced to address climate change through the imposition of nationwide and state level regulatory limits on the emissions of greenhouse gases. On October 2011, the California Air Resources Board (ARB) adopted a "cap and trade" regulation. Companies subject to the regulation are required to submit allowances (each the equivalent of one ton of carbon dioxide) to cover their annual emissions.

The regulation is divided into two phases: the first phase, which started in 2013, includes all major industrial sources and electricity utilities (including in-state power generators and importers of electricity from out-of-state) and the second phase, which started in 2015, includes distributors of transportation fuels and natural gases.

Energía de Baja California sold power on a merchant basis in the California market during 2023 and 2022. In 2023 the plant sold 1,361,836 megawatts/h which are not subject to allowances under the cap-and-trade regulation and in 2022 the plant sold 644,251 megawatts/h covered for allowances under the cap-and-trade regulation.

¹ Unaudited

Note 15 - Derivatives:

15.1 The consolidated statements of financial position show the following line items of derivative financial instruments at December 31, 2023 and 2022 and January 1, 2022:

	December 31 2023	2022	January 1 2022 ¹
<i>Current assets:</i>			
Electricity embedded derivative	<u>\$3,969</u>	<u>\$ -</u>	<u>\$ -</u>
Total current derivative financial instrument assets	<u>\$3,969</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Non-current assets:</i>			
Gas swap	<u>\$ 442</u>	<u>\$ -</u>	<u>\$ -</u>
Total non-current derivative financial instrument assets	<u>\$ 442</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Current liabilities:</i>			
Gas swap	<u>\$3,456</u>	<u>\$ -</u>	<u>\$ -</u>
Total current derivative financial instrument liabilities	<u>\$3,456</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Non-current liabilities:</i>			
Electricity embedded derivative	<u>\$ 155</u>	<u>-</u>	<u>-</u>
Total non-current derivative financial instrument liabilities	<u>\$ 155</u>	<u>\$ -</u>	<u>\$ -</u>

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15.2 Classification of derivatives

For some clients the Company has contracts to sell the energy at a fixed price and they are considered embedded derivative financial instruments. In addition, for those clients, the Company contracts derivative gas swaps to avoid significant fluctuations in the cost. These derivatives are considered a speculative investment and are accounted at fair value through the statement of income and comprehensive income.

The full fair value of hedging derivatives is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months. It is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

15.3 Fair value measurement

The Group uses inputs from market derived from specific prices of gas that are considered using significant observable inputs (Level 2).

15.4 Amounts recognized in the statements of income and comprehensive income.

At December 31, 2023 and 2022 the following amounts were recognized in the statements of income and comprehensive income in relation to derivatives:

	<u>2023</u>	<u>2022</u>
<i>Other income:</i>		
Electricity embedded derivative	\$4,371	\$ -
<i>Other expenses:</i>		
Gas swap	(3,571)	-
Other income, net	<u>\$ 800</u>	<u>\$ -</u>

15.5 The sensitivity of derivatives to change the principal assumptions (price of Houston Channel and Waha) in 2022 is nil, in 2023 is:

	<u>Change in assumption</u>	<u>Increase in assumption</u>	<u>Decrease in assumption</u>
Other income	1.00	(\$ 7,962)	\$ 7,962
Other expenses	1.00	7,734	(7,734)

¹ Unaudited

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Note 16 - Subsidiary net asset classified as held for sale:

16.1 On October 31, 2023, the Group signed a Purchase and Sale Agreement with Comisión Federal de Electricidad to sell the investment in its subsidiary Energía Campeche identified within the Electricity Generation reportable-operating segment.

16.2 The financial information related to the sale is as follows:

Total consideration to be received	\$ 22,379
Carrying amount of subsidiary net assets classified as held for sale	<u>(46,709)</u>
Loss on subsidiary net assets classified as held for sale before income tax	(24,330)
Income tax expense	<u>-</u>
Loss on subsidiary net assets classified as held for sale after income tax	<u>(\$ 24,330)</u>

16.3 The carrying amount at December 31, 2023 of the net asset is as follows:

Cash and cash equivalents	\$ 316
Accounts receivable	8,999
Inventories	10,381
Prepayments and other current assets	669
Property, plant and equipment, net	66,155
Deferred tax assets ¹	3,565
Other non-current assets	<u>139</u>
Subsidiary assets classified as held for sale ²	<u>90,224</u>
Accounts payable and accrued expenses	(9,051)
Deferred rent	(26,827)
Pension and other post-retirement obligations	<u>(7,637)</u>
Subsidiary liabilities directly associated with assets classified as held for sale	<u>(43,515)</u>
Carrying amount of subsidiary net asset classified as held for sale	<u>\$ 46,709</u>

(1) Deferred tax recognized by the sale of the investment in subsidiary classified as held for sale.

(2) Subsidiary assets classified as held for sale in the consolidated statement of financial position are presented net of the loss on subsidiary net assets classified as held for sale after income tax.

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Note 17 - Property, plant and equipment, net:

17.1 At December 31, 2023 and 2022 the components of plant were as follows:

	January 1, 2022		Business acquisition		December 31, 2022		Subsidiary assets classified as held for sale				December 31, 2023	
							Acquisition	Surplus	Depreciation	Decrease	Surplus	Depreciation
Power plants	\$ 957,205	\$ 537,041	\$ 83,816	\$ -	\$ -	\$ 1,578,062	\$ 5,431	\$ -	\$ -	(\$ 4,104)	\$ -	\$ 1,447,587
Power plant surplus	193,932	-	-	247,646	-	441,578	-	-	-	-	129,241	570,819
Power plant depreciation	(143,153)	-	-	-	(63,176)	(206,329)	-	-	(91,259)	-	-	(250,687)
Power plant, net	1,007,984	537,041	83,816	247,646	(63,176)	1,813,311	5,431	(84,901)	(4,104)	(91,259)	129,241	1,767,719
Compression plants	108,659	-	351	-	-	109,010	68	-	-	-	-	109,078
Compression plant surplus	19,077	-	-	30,560	-	49,637	-	-	(13,755)	-	-	35,882
Compression plant depreciation	(24,835)	-	-	-	(8,126)	(32,961)	-	-	(12,663)	-	-	(45,624)
Compression plant, net	102,901	-	351	30,560	(8,126)	125,686	68	-	(13,755)	-	(12,663)	99,336
Power and compression plants, net	\$ 1,110,885	\$ 537,041	\$ 84,167	\$ 278,206	(\$ 71,302)	\$ 1,938,997	\$ 5,499	(\$ 84,901)	(\$ 4,104)	(\$ 103,922)	\$ 115,486	\$ 1,867,055

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17.2 At December 31, 2023 and 2022 the components of property, plant and equipment were as follows:

	January 1, 2022, 2022	Business acquisition	Acquisition	Surplus	Depreciation	December 31, 2022	Acquisition	Subsidiary assets classified as held for sale	Decrease	Surplus	Depreciation	December 31, 2023
Power and compression plants, net	\$ 1,110,885	\$ 537,041	\$ 84,168	\$ 278,206	(\$ 71,302)	\$ 1,938,997	\$ 5,499	(\$ 84,901)	(\$ 4,104)	\$ 115,486	(\$ 103,922)	\$ 1,867,055
Office equipment and others	12,386	970	889	-	-	14,245	1,993	-	(223)	-	-	16,015
Depreciation	(6,801)	-	-	-	(1,287)	(8,088)	-	345	1,005	-	(4,203)	(10,941)
Office equipment and others, net	5,585	970	889	-	(1,287)	6,157	1,993	345	782	-	(4,203)	5,074
Right-of-use assets	1,721	-	979	-	-	2,700	574	-	-	-	-	3,274
Depreciation	(86)	-	-	-	(453)	(539)	-	-	-	-	(727)	(1,266)
Right-of-use assets, net	1,635	-	979	-	(453)	2,161	574	-	-	-	(727)	2,008
Unfavorable term of the contract	(173,060)	-	-	-	-	(173,060)	-	-	-	-	-	(173,060)
Depreciation	63,259	-	-	-	17,252	80,511	-	18,401	-	-	17,252	116,164
Unfavorable term of the - contract, net	(109,801)	-	-	-	17,252	(92,549)	-	18,401	-	-	17,252	(56,896)
Land	4,260	2,006	-	-	-	6,266	-	-	-	-	-	6,266
Property, plant and equipment, net	\$ 1,012,564	\$ 540,017	\$ 86,036	\$ 278,206	(\$ 55,790)	\$ 1,861,032	\$ 8,066	(\$ 66,155)	(\$ 3,322)	\$ 115,486	(\$ 91,600)	\$ 1,823,507

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17.3 At December 31, 2023 and 2022 the carrying amount that would be recognized if power and compression plants were stated at historical cost basis, would be as follows:

	January 1, 2022	Business acquisition	Acquisition	Surplus	Depreciation	December 31, 2022	Subsidiary assets classified as held for sale				December 31, 2023
							Acquisition	Decrease	Surplus	Depreciation	
Power plants	\$ 957,205	\$ 537,041	\$ 83,815	\$ -	\$ -	\$ 1,578,061	\$ 5,432	(\$ 4,104)	\$ -	\$ -	\$ 1,447,587
Power plant depreciation	(143,153)	-	-	-	(58,328)	(201,481)	-	-	-	(79,412)	(233,992)
Power plant, net	814,052	537,041	83,815	-	(58,328)	1,376,580	5,432	(4,104)	-	(79,412)	1,213,595
Compression plants	108,659	-	352	-	-	109,011	68	-	-	-	109,079
Compression plant depreciation	(24,835)	-	-	-	(6,763)	(31,598)	-	-	-	(8,845)	(40,443)
Compression plant, net	83,824	-	352	-	(6,763)	77,413	68	-	-	(8,845)	68,636
Power and compression plants, net	\$ 897,876	\$ 537,041	\$ 84,167	\$ -	(\$ 65,091)	\$ 1,453,993	\$ 5,500	(\$ 4,104)	\$ -	(\$ 88,257)	\$ 1,282,231

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17.4 The table below presents its unfavorable terms of the contract liabilities amount at December 31, 2023 and 2022 and January 1, 2022, which are reflected in its consolidated statements of financial position:

<u>Contract</u>	<u>End of contract</u>	<u>December 31</u>		<u>January 1</u>
		<u>2023</u>	<u>2022</u>	<u>2022 ¹</u>
Energía Campeche	April- 28	\$ -	\$ 22,648	\$ 26,895
Energía Chihuahua	Aug-28	9,601	11,623	13,644
Energía Azteca X	Jun-28	36,627	44,766	52,905
Green Energy Libramiento	Sep-27	<u>10,668</u>	<u>13,512</u>	<u>16,357</u>
		<u>\$ 56,896</u>	<u>\$ 92,549</u>	<u>\$109,801</u>

17.5 At December 31, 2023 and 2022 and January 1, 2022, the portion of the assets used to lease were as follows:

	<u>December 31</u>		<u>January 1</u>
	<u>2023</u>	<u>2022</u>	<u>2022 ¹</u>
Power and compression plants	\$ 1,018,268	\$ 1,148,581	\$ 767,787
Power and compression plants surplus	372,095	308,966	142,979
Depreciation	<u>(201,211)</u>	<u>(175,683)</u>	<u>(126,950)</u>
	1,189,152	1,281,864	783,816
Land	<u>4,461</u>	<u>4,461</u>	<u>3,085</u>
Property accounted for as operating lease	<u>\$ 1,193,613</u>	<u>\$ 1,286,325</u>	<u>\$ 786,901</u>

17.6 At December 31, 2023 and 2022 and January 1, 2022, the consolidated statements of financial position show the following amounts as a lessee:

	<u>December 31</u>		<u>January 1</u>
	<u>2023</u>	<u>2022</u>	<u>2022 ¹</u>
<u>Within property, plant and equipment:</u>			
Right-of-use assets	\$ 3,274	\$ 2,700	\$ 1,721
Depreciation	<u>(1,266)</u>	<u>(539)</u>	<u>(86)</u>
Total right-of-use assets	<u>\$ 2,008</u>	<u>\$ 2,161</u>	<u>\$ 1,635</u>
<u>Within the following liabilities:</u>			
Accounts payable and accrued expenses	\$ 654	\$ 617	\$ 326
Other long-term liabilities	<u>974</u>	<u>1,591</u>	<u>1,315</u>
Total lease liabilities	<u>\$ 1,628</u>	<u>\$ 2,208</u>	<u>\$ 1,641</u>

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17.7 The consolidated statements of income and comprehensive income show the following amounts relating to leases at December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
<i>General and administrative expenses:</i>		
Depreciation	\$ 727	\$ 453
<i>Interest expense:</i>		
Lease interest	<u>66</u>	<u>58</u>
Lease	<u>\$ 793</u>	<u>\$ 511</u>

¹ Unaudited

Note 18 - Investments accounted for using the equity method:

The interests in joint ventures balances reflected in the consolidated statements of financial position include unrecognized gains (losses) from its share of OCI- Net of applicable taxes, related to derivative instruments entered into by the joint ventures.

18.1 At December 31, 2023 and 2022 the Group interests in joint venture accounted for under the equity method are comprised by Energía Azteca VIII and Compresión Bajío (Bajío), as follows:

	<u>Equity Investment</u>	<u>Share of OCI</u>	<u>Total equity</u>
January 1, 2022 ¹	\$ 143,294	(\$ 541)	\$142,753
Shareholders' transaction: Dividends	(2,703)	-	(2,703)
Comprehensive income pro rata share accounted for using the equity method: Net profit	7,580		7,580
Interest rate swap amortization	<u>-</u>	<u>74</u>	<u>74</u>
December 31, 2022	148,171	(467)	147,704
Comprehensive income pro rata share accounted for using the equity method: Net profit	11,730	-	11,730
Interest rate swap amortization	<u>-</u>	<u>75</u>	<u>75</u>
December 31, 2023	<u>\$ 159,901</u>	<u>(\$ 392)</u>	<u>\$159,509</u>

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18.2 The statements of financial position as of December 31, 2023 and 2022 and January 1, 2022, the equity method investments in Bajío are summarized below:

	December 31 2023	2022	January 1 2022 ¹
<i>Statement of financial position:</i>			
Cash and cash equivalents	\$ 3,090	\$ 128	\$ 5,710
Other current assets	106,805	88,602	80,749
Non-current assets	<u>246,283</u>	<u>260,349</u>	<u>277,797</u>
Total assets	<u>356,178</u>	<u>349,079</u>	<u>364,256</u>
Financial liabilities excluding trade payables	11,191	40	89
Other financial liabilities ³	24,308	33,311	30,082
Non-current non-financial liabilities	<u>108,357</u>	<u>129,261</u>	<u>154,174</u>
Total liabilities	<u>143,856</u>	<u>162,612</u>	<u>184,345</u>
Total equity	<u>\$ 212,322</u>	<u>\$ 186,467</u>	<u>\$ 179,911</u>
Share of equity	<u>51%</u>	<u>51%</u>	<u>51%</u>
Group's pro rata share of equity ²	<u>\$ 108,284</u>	<u>\$ 95,098</u>	<u>\$ 91,755</u>

18.3 The results of operations for the year ended as of December 31, 2023 and 2022, the equity method investments in Bajío are summarized below:

	2023	2022
<i>Statement of income:</i>		
Net revenues ⁴	\$ 292,537	\$ 361,332
Depreciation and amortization	(15,237)	(14,890)
Interest income	33	81
Interest expense	(734)	(598)
Income tax expense	(11,090)	(7,315)
Net income	22,999	14,863
Group's pro rata share of net income	11,730	7,580

(1) Unaudited

(2) The difference between the Interests in joint ventures balance and the pro rata share of equity is the fair value adjustment recognized as part of the business combination at the acquisition date.

(3) The statements of financial position and income statements for the Bajío Project represent the assets, liabilities, equity, revenues and costs of Energía Azteca VIII and Compresión Bajío.

(4) Within total revenues for the Energía Azteca VIII there is approximately \$26,337 and \$37,989 of intercompany revenues for the years ended December 31, 2023 and 2022, respectively. There are offsetting costs of revenues included within the operating profit line. These revenues and costs represent transactions between Energía Azteca VIII and Compresión Bajío and are

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presented on a gross basis in the above summary. In addition, the associated intercompany accounts receivable and accounts payable as of December 31, 2023 and 2022 of approximately \$2,966 and \$5,548 are also presented on a gross basis within the current assets and current liabilities lines.

Note 19 - Goodwill and intangibles assets, net:

19.1 At December 31, 2023 and 2022 the components of customer relationship and goodwill were as follows:

	January 1, 2022 ¹	Business acquisition	Amortization	December 31, 2022	Amortization	December 31 2023
Customer relationship	\$ 146,798	\$ 508,667	\$ -	\$ 655,465	\$ -	\$655,465
Amortization	<u>(37,771)</u>	<u>-</u>	<u>(16,666)</u>	<u>(54,437)</u>	<u>(48,491)</u>	<u>(102,928)</u>
Customer relationship, net	<u>\$ 109,027</u>	<u>\$ 508,667</u>	<u>(\$ 16,666)</u>	<u>\$ 601,028</u>	<u>(\$48,491)</u>	<u>\$552,537</u>
Goodwill	<u>\$ 68,908</u>	<u>\$ 258,006</u>	<u>\$ -</u>	<u>\$ 326,914</u>	<u>\$ -</u>	<u>\$326,914</u>

19.2 Estimated amortization expense for the finite-lived intangible assets is expected to approximate \$48,491 for each of the next five years and thereafter. The Group will amortize the remaining balance of Customer relationship outstanding balance over the remaining weighted average life. See Note 3.18. *Intangible assets, net*.

19.3 The Group determined a goodwill in the acquisition of Electricidad Firme de México and its subsidiaries held on 2018.

19.4 The Group tests whether goodwill has suffered any impairment on annual basis determining for each Cash Generating Units (CGU), the recoverable amount using the higher between a) the fair value less costs of disposal and b) the value in use and then, comparing it to the carrying amount of the net assets excluding outflows associated with financing (interest-bearing debt, dividends and interest payable).

19.5 The fair value less costs of disposal require i) calculations of cash flow projections based on financial budgets approved by Management, including revenue and generation forecasts, projected capital and maintenance expenditures; ii) the time value of the money, applying the appropriate discount rate to those future cash flows. At December 31, 2023 and 2022 the discount rate determined was 9.20% and 9.85%, pre-tax return, and no impairment was identified. The fair value analysis was based on the income approach using significant unobservable inputs (Level 3). The key assumptions used in the fair value less costs of disposal method were:

Discount rate: Reflects the specific risks related to the market rates of the industry in which the Group operates.

Revenue, operating costs of sales and services and general and administrative expenses: Were determined in accordance with contractual agreements except for the fuel price which is determined in accordance with the expected market conditions.

¹ Unaudited

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Note 20 - Debt:

20.1 At December 31, 2023 and 2022 and January 1, 2022 the consolidated long-term debt acquired in U. S. dollars consisted of the following:

	December 31, 2023			December 31, 2022			January 1, 2022 [*]		
	Current	Long-term	Total	Current	Long-term	Total	Current	Long-term	Total
SSN40 *	\$ 35,641	\$ 826,509	\$ 862,150	\$ 18,374	\$ 862,150	\$ 880,524	\$ -	\$ -	\$ -
SSN35 *	29,233	660,325	689,558	47,289	689,558	736,847	36,112	736,848	772,960
SSN26 *	-	350,000	350,000	-	350,000	350,000	-	350,000	350,000
Mizuho *	3,200	64,800	68,000	12,000	60,000	72,000	-	-	-
CA26 *	-	130,000	130,000	-	130,000	130,000	-	-	-
Accrued interest	14,551	-	14,551	15,209	-	15,209	10,945	-	10,945
Deferred financing costs, net	-	(40,084)	(40,084)	-	(44,663)	(44,663)	-	(30,948)	(30,948)
	<u>\$ 82,625</u>	<u>\$ 1,991,550</u>	<u>\$ 2,074,175</u>	<u>\$ 92,872</u>	<u>\$ 2,047,045</u>	<u>\$ 2,139,917</u>	<u>\$ 47,057</u>	<u>\$ 1,055,900</u>	<u>\$ 1,102,957</u>

* See Note 20.3.

20.2 At December 31, 2023 and 2022 and January 1, 2022 the started date, maturity date, hierarchy level and fair value of the consolidated long-term debt is as follows.

	Started date	Maturity date	Level	Fair value		
				December 31, 2023	December 31, 2022	January 1 2022 [*]
SSN40 *	Dec-20	Dec-40	1	\$ 779,969	\$ 754,847	\$ -
SSN35 *	Oct-18	Apr-35	1	647,556	675,822	876,845
SSN26 *	Sep-21	Nov 26	1	315,350	304,815	348,040
Mizuho *	May-22	May-25	2	68,000	72,000	-
CA26 *	Nov-22	May-26	2	130,000	130,000	-

* See Note 20.3.

20.3 Senior Secured Notes 2040 (SSN40) bear interests at 5.75% through December 2040. Principal and interest are payable in semi-annual installments in accordance with the amortization schedule started on December 2020, through December 2040.

Senior Secured Notes 2035 (SSN35) bear interests at 6.375% through April 2035. Principal and interest are payable in semi-annual installments in accordance with the amortization schedule started on October 2018, through April 2035.

Senior Secured Notes 2026 (SSN26) bear interests at 4.90%, through November 2026. Interest is payable in semi-annual installments in accordance with the amortization schedule started on September 2021, through November 2026. Principal is payable at the maturity date.

From Mizuho Bank, Ltd. (Mizuho) the subsidiary Saavi Power Mobile Solutions LLC acquired a loan of \$80,000, (non-recourse to Cometa with a parent company guarantee from Electricidad Firme), bearing interest at SOFR 6M plus an applicable margin (2.375% until May 31, 2025, and 2.75% from

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June 1, 2025 until expiration), with a principal amortization profile until August, 2026 and interest payable in semi-annual installments.

From Scotiabank Inverlat S. A., Institución de Banca Múltiple, Grupo Financiero Scotiabank Inverlat (Scotia) and Sumitomo Mitsui Banking Corporation (SMBC) the subsidiary GIP EM Fortuna S.à r.l. acquired a credit agreement (CA26) of \$130,000, in two tranches: the tranche A bears interest at 8.06% and the tranche B bears interest at SOFR plus 3.00; both tranches are paid the last day of each June and December.

- 20.4 The SSN40 and SSN35, establish certain affirmative and negative covenants, which have been duly met by December 31, 2023 and 2022.

The SSN40 and SSN35 include covenants related, among others, to the following:

- Limitations on capital investments.
- Preservation of material permits.
- Restrictions on distribution.
- Restrictions on incurrence of debt.
- Insurance payments.
- Restrictions on sales, transfers or leases of properties.
- Restrictions to make loans other than permitted ones.
- Restrictions to issue any equity interests or any other security convertible into any other equity interests in the borrower's capital to any person other than to the sponsor and the equity holder.
- Prohibition to make restricted payments unless each of the applicable conditions are satisfied.
- Restrictions to enter into any agreement that modifies any finance document or creates any Lien.
- The shares of Cometa Energia and its subsidiaries, Tierra Mojada Luxembourg II and Ciclo Combinado Tierra Mojada were pledged in the trust created for such purpose, whose the net asset value is as follows:

	<u>2023</u>	<u>2022</u>
Cometa Energia and its subsidiaries	\$ 233,215	\$ 208,451
Tierra Mojada Luxembourg II	199,959	167,540
Ciclo Combinado Tierra Mojada	161,919	111,375

Additionally, the SSN26, the Mizuho and CA26 have customary financial covenants, which have been duly met by December 31, 2023 and 2022 when applicable.

- 20.5 As of December 31, 2023 and 2022, The Group has a revolving credit agreement (also known as working capital facility) of \$225,000 at Cometa (of which up to \$80,000 can be used for general purposes and up to 100% can be used for posting Letters of Credit). It bears an interest of SOFR6M plus 10bps (SOFR adjustment) plus 1.75%. This facility expires on February 2029.

At Electricidad Firme, the Group has a Letter of Credit Facility of \$60,000 which has fixed fee of 1.75%. It expires on September 2024. As of December 31, 2023 and 2022 there are no pending balances in both revolving credit agreements.

- 20.6 Amortization of deferred financing cost for the years ended as of December 31, 2023 and 2022 was \$4,579 and \$2,915, respectively. See Note 27, *Analysis of the financing cost, net*.

¹ Unaudited

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Note 21 - Deferred rent:

At December 31, 2023 and 2022 and January 1, 2022, the deferred rent liabilities reflected in the consolidated statements of financial position and the timing of reversal are as follows:

Contract	Liability increase until	Through the end of contract	December 31		January 1
			2023	2022	2022 ²
Energía Campeche ¹		Apr-28	\$ -	\$ 32,969	\$ 36,623
Energía Chihuahua	Jan-23	Aug-28	10,857	10,987	10,557
Energía Azteca X		Jun-28	(1,299)	(1,567)	(1,819)
Deferred rent			<u>\$ 9,558</u>	<u>\$ 42,389</u>	<u>\$ 45,361</u>

¹ See Note 16, *Subsidiary net asset classified as held for sale*.

² Unaudited

Note 22 - Other long-term liabilities:

22.1 At December 31, 2023 and 2022 and January 1, 2022, Other long-term liabilities were as follows:

	2023				2022			
	Current		Non-current		Current		Non-current	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
Energía San Luis de la Paz	\$ 887	\$ 120	\$ 7,293	\$ 5,146	\$ 859	\$ 70	\$ 8,501	\$ 5,266
Green Energy Libramiento	3,944	1,810	-	-	3,598	1,598	-	-
Other	-	-	1,262	-	100	-	1,591	-
Total	<u>\$4,831</u>	<u>\$1,930</u>	<u>\$ 8,555</u>	<u>\$5,146</u>	<u>\$4,557</u>	<u>\$1,668</u>	<u>\$10,092</u>	<u>\$ 5,266</u>
January 1, 2022 ¹								
	Current		Non-current					
	Principal	Interest	Principal	Interest				
Energía San Luis de la Paz	\$ 977	\$ 27	\$ 9,135	\$ 5,356				
Green Energy Libramiento	3,323	1,394	-	-				
Other	2,107	-	1,315	-				
Total	<u>\$6,407</u>	<u>\$1,421</u>	<u>\$10,450</u>	<u>\$ 5,356</u>				

22.2 Energía San Luis de la Paz acquired plant equipment that will be paid in accordance with the Equivalent Operating Hours (EOH) of the Group's power plant until 2038 in accordance with its forecast, interest was computed using a 5% discount rate.

22.3 The Maintenance fee of Green Energy Libramiento is deferred until a maintenance occurs, the Group expects to have a maintenance in the 2024, therefore it is shown as part of the current liabilities. Interest was computed using a 5% discount rate.

¹ Unaudited

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Note 23 - Pension and post-retirement obligations:

23.1 Certain subsidiaries maintain tax-qualified, non-contributory pension plans that cover all union employees, and some others also have a post-retirement medical plan for eligible retirees. In addition, The Group maintains the following:

- Termination Indemnity - legally required severance for all employees' equivalent to three months of pay.
- Seniority Premium - legally required severance for all employees with fifteen or more years of employment who are dismissed, with or without cause, or who resign. This is equivalent to twelve days of pay for every year of service but cannot exceed two times an individual employee's annual salary.

All plans, as well as the termination indemnity and seniority premium liabilities, are denominated in Mexican pesos. The amounts in the following tables are all presented at the U.S. dollar to Mexican peso spot rate as of December 31, 2023 and 2022.

23.2 The components of the Group's total periodic benefit costs for the year ended December 31, 2023 2022:

	December 31, 2023				
	Pension plan	Seniority premium	Termination Post-Retirement		
			Indemnity	Medical	Total
Service cost	\$4,000	\$ 3	\$ 45	\$ 1,085	\$5,133
Interest cost	<u>1,667</u>	<u>125</u>	<u>336</u>	<u>375</u>	<u>2,503</u>
Total periodic benefit cost	<u>\$5,667</u>	<u>\$128</u>	<u>\$ 381</u>	<u>\$ 1,460</u>	<u>\$7,636</u>
	December 31, 2022				
	Pension plan	Seniority premium	Termination Post-Retirement		
			Indemnity	Medical	Total
Service cost	\$2,074	\$ 96	\$ 147	\$ 545	\$2,862
Interest cost	<u>1,211</u>	<u>73</u>	<u>224</u>	<u>274</u>	<u>1,782</u>
Total periodic benefit cost	<u>\$3,285</u>	<u>\$169</u>	<u>\$ 371</u>	<u>\$ 819</u>	<u>\$4,644</u>

23.3 The projected benefit obligation at December 31, 2023 and 2022 and January 1, 2022 which is reflected in the Pension and other post-retirement obligations line in the consolidated statements of financial position, was as follows:

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	December 31, 2023				
	Pension plan	Seniority premium	Termination Post-Retirement		
			Indemnity	Medical	Total
Projected benefit obligation at beginning of year	\$ 15,775	\$ 1,201	\$ 3,340	\$ 3,540	\$ 23,856
Amount recognized in AOCI at beginning of year	<u>247</u>	<u>(467)</u>	<u>(459)</u>	<u>184</u>	<u>(495)</u>
Accrued benefit cost at beginning of year	16,022	734	2,881	3,724	23,361
Net periodic benefit cost	5,667	234	992	1,460	8,353
Benefits paid	<u> </u>	<u>(106)</u>	<u>(611)</u>	<u> </u>	<u>(717)</u>
Accrued benefit cost at end of year	21,689	862	3,262	5,184	30,997
Subsidiary liabilities directly associated with assets classified as held for sale	<u>(5,685)</u>	<u>(362)</u>	<u>(482)</u>	<u>(1,108)</u>	<u>(7,637)</u>
Accrued benefit cost at end of year	16,004	500	2,780	4,076	23,360
Amount recognized in AOCI at end of year	<u>1,035</u>	<u>817</u>	<u>1,422</u>	<u>(422)</u>	<u>2,852</u>
Projected benefit obligation at end of year	<u>\$ 17,039</u>	<u>\$ 1,317</u>	<u>\$ 4,202</u>	<u>\$ 3,654</u>	<u>\$ 26,212</u>
	December 31, 2022				
	Pension plan	Seniority premium	Termination Post-Retirement		
			Indemnity	Medical	Total
Projected benefit obligation at beginning of year	\$ 14,280	\$ 869	\$ 2,756	\$ 3,217	\$ 21,122
Amount recognized in AOCI at beginning of year	<u>(1,543)</u>	<u>(304)</u>	<u>(246)</u>	<u>(312)</u>	<u>(2,405)</u>
Accrued benefit cost at beginning of year	12,737	565	2,510	2,905	18,717
Net periodic benefit cost	3,285	222	602	819	4,928
Benefits paid	<u> </u>	<u>(53)</u>	<u>(231)</u>	<u> </u>	<u>(284)</u>
Accrued benefit cost at end of year	16,022	734	2,881	3,724	23,361
Amount recognized in AOCI at end of year	<u>(247)</u>	<u>467</u>	<u>459</u>	<u>(184)</u>	<u>495</u>
Projected benefit obligation at end of year	<u>\$ 15,775</u>	<u>\$ 1,201</u>	<u>\$ 3,340</u>	<u>\$ 3,540</u>	<u>\$ 23,856</u>

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	January 1, 2022 ¹				
	Pension plan	Seniority premium	Termination Post-Retirement		
			Indemnity	Medical	Total
Projected benefit obligation at beginning of year	\$ 14,678	\$ 752	\$ 3,032	\$ 4,209	\$ 22,671
Amount recognized in AOCI at beginning of year	<u>(3,488)</u>	<u>(216)</u>	<u>(426)</u>	<u>(1,661)</u>	<u>(5,791)</u>
Accrued benefit cost at beginning of year	11,190	536	2,606	2,548	16,880
Net periodic benefit cost	1,547	95	222	357	2,221
Benefits paid	<u> </u>	<u>(66)</u>	<u>(318)</u>	<u> </u>	<u>(384)</u>
Accrued benefit cost at end of year	12,737	565	2,510	2,905	18,717
Amount recognized in AOCI at end of year	<u>1,543</u>	<u>304</u>	<u>246</u>	<u>312</u>	<u>2,405</u>
Projected benefit obligation at end of year	<u>\$ 14,280</u>	<u>\$ 869</u>	<u>\$ 2,756</u>	<u>\$ 3,217</u>	<u>\$ 21,122</u>

At December 31, 2023 and 2022 and January 1, 2022 the Group has plan assets by \$963, \$714 and \$694, respectively into the pension plan.

- 23.4 Amounts related to these plans included in accumulated other comprehensive income as of December 31, 2023 and 2022 were as follows:

	December 31, 2023				
	Pension plan	Seniority premium	Termination Post-Retirement		
			Indemnity	Medical	Total
Net prior service cost	(\$ 1,817)	(\$ 185)	(\$934)	(\$ 32)	(\$2,968)
Other	<u>535</u>	<u>(165)</u>	<u>(29)</u>	<u>270</u>	<u>611</u>
AOCI	<u>(\$ 1,282)</u>	<u>(\$ 350)</u>	<u>(\$963)</u>	<u>\$ 238</u>	<u>(\$2,357)</u>

	December 31, 2022				
	Pension plan	Seniority premium	Termination Post-Retirement		
			Indemnity	Medical	Total
Net prior service cost	\$ 1,672	(\$158)	(\$ 228)	\$ 415	\$ 1,701
Other	<u>118</u>	<u>(5)</u>	<u>15</u>	<u>81</u>	<u>209</u>
AOCI	<u>\$ 1,790</u>	<u>(\$163)</u>	<u>(\$ 213)</u>	<u>\$ 496</u>	<u>\$ 1,910</u>

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23.5 The actuarial assumptions were as follows:

Weighted-average assumptions to determine benefit obligation and net periodic benefit cost as of December 31, 2023 and 2022:

	<u>2023</u> (%)	<u>2022</u> (%)
Discount rate	9.25	9.25
Rate of compensation increase	4.50	4.50
Social security increase	3.50	3.50
Long-term inflation	3.50	3.50

23.6 The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions in 2023 and 2022 is:

		<u>Impact on defined benefit obligation</u>			
		<u>Increase in assumption</u>		<u>Decrease in assumption</u>	
<u>Change Assumption</u>		<u>2023</u> (%)	<u>2022</u> (%)	<u>2023</u> (%)	<u>2022</u> (%)
Discount rate	0.25	(0.11)	(1.98)	0.11	2.04
Rate of compensation	0.25	0.09	1.64	(0.09)	(1.61)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognized in the consolidated statement of financial position.

23.7 Based on current assumptions, the Group expects to make the following benefit payments over the next ten years:

	<u>2023 - Termination Post-Retirement</u>				
	<u>Pension plan</u>	<u>Seniority premium</u>	<u>Indemnity</u>	<u>Medical</u>	<u>Total</u>
2024	\$ 114	\$ 50	\$ 436	\$ -	\$ 600
2025	139	53	417	-	609
2026	166	58	448	-	672
2027	646	75	428	-	1,149
2028	1,670	165	421	-	2,256
2029-2033	6,773	1,306	2,271	-	10,350

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	2022 -Termination Post-Retirement				
	Pension plan	Seniority premium	Indemnity	Medical	Total
2023	\$ 107	\$ 43	\$ 337	\$ -	\$ 487
2024	124	48	329	-	501
2025	148	50	321	-	519
2026	731	86	352	-	1,169
2027	739	79	338	-	1,156
2028-2032	4,328	1,128	1,896	-	7,352

	January 1, 2022 -Termination Post-Retirement ¹				
	Pension plan	Seniority premium	Indemnity	Medical	Total
2022	\$ 89	\$ 29	\$ 252	\$ -	\$ 370
2023	101	32	242	-	375
2024	117	35	236	-	388
2025	140	37	231	-	408
2026	683	62	261	-	1,006
2027-2031	4,239	735	1,432	-	6,406

¹ Unaudited

Note 24 - Stockholders' equity

24.1 At the date of the Transfer, the Shareholder resolved to reclassify the share capital of \$20 represented by 20,000 ordinary shares of \$1 each.

On October 28, 2022, the Sole Shareholder decided to increase the Company's share capital by an amount of \$180.

After the previous increase, the capital stock at December 31, 2023 and 2022 and January 1, 2022 is composed as follows:

Description	Number of shares			Amount		
	December 2023	December 2022	January 1 2022 ¹	December 2023	December 2022	January 1 2022 ¹
Class A, B, C, D, E, F, G, H, I and J. by 20,000 each class	200,000	200,000	-	\$200	\$200	\$ -
Membership equity	-	-	374,000	-	-	\$374
Total	200,000	200,000	374,000	\$200	\$200	\$374

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Class A, B, C, D, E, F, G, H, I and J shares have the following characteristics: grant voting rights at any Shareholders meeting to be held and representing the fixed portion of equity with withdrawal right.

- 24.2 At the date of the Transfer, the Sole Shareholder resolved to reclassify the share capital of \$354 to the capital reserve and on November 3, 2022, the Sole Shareholder agreed to provide additional capital reserve to the Company by \$212,476.

On June 28, 2023, the Company agreed to repay a portion of the capital reserve to the Sole Shareholder by (\$20,950) and on November 21, 2023, the Sole Shareholder agreed to provide additional capital reserve to the Company by \$50.

After the previous increase, the capital reserve at December 31, 2023 and 2022 and January 1, 2022 is composed as follows:

	December 31 2023	December 31 2022	January 1 2022 ¹
Capital reserve	\$ 191,930	\$212,830	\$ -

- 24.3 The Company is required to allocate a minimum of 5% of its annual not consolidated net income to a legal reserve, until this reserve equals 10% of the subscribed share capital. This reserve may not be distributed.

At December 31, 2023 and 2022 and January 1, 2022 the legal reserve is composed as follows:

	December 31 2023	December 31 2022	January 1 2022 ¹
Legal reserve	\$ -	\$ -	\$ -

¹ Unaudited

Note 25 - Analysis of revenues:

- 25.1 An analysis of the revenues for the year ended December 31, 2023 and 2022 is shown in the Note 7, *Segment information*.
- 25.2 The Group electricity generation segment derives revenue from the transfer of goods (electricity) and ancillary services (maintenance and other) over time.
- 25.3 The amount from operation and maintenance revenues, for the remaining performance obligations after December 31, 2023 and 2022 are shown below:

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	<u>2023</u>	<u>2022</u>
2023	\$ -	\$ 63,375
2024	63,643	63,643
2025	52,449	63,819
2026	54,934	66,304
2027	52,195	63,566
2028	45,074	
Thereafter	<u>407,396</u>	<u>457,688</u>
Total	<u>\$ 675,691</u>	<u>\$ 778,395</u>

25.4 Due to the characteristics of the power purchase contracts at Ciclo Combinado Tierra Mojada Energía Azteca X, Energía Campeche, Energía Chihuahua, Energía San Luis de La Paz, and Compression Services of Compresión Altamira and Green Energy Libramiento consolidated subsidiaries, the power capacity and compression services are represented under IFRS 16, *Leases*, as operating leases. Operating lease income includes minimum lease payments, such as capacity payments and contingent rentals, and was \$192,189 and \$122,749 for the year ended as of December 31, 2023 and 2022.

25.5 Estimated minimum lease receivables, which do not include contingent rentals, to be received under operating leases subsequent to December 31, 2023 and 2022, are as follows:

	<u>2023</u>	<u>2022</u>
2023	\$ -	\$ 180,452
2024	174,903	179,891
2025	174,376	179,336
2026	173,846	179,431
2027	168,542	169,940
2028	147,753	
Thereafter	<u>1,346,650</u>	<u>1,486,723</u>
	<u>\$ 2,186,070</u>	<u>\$ 2,375,773</u>

Note 26 - Analysis of cost of sales, general and administrative, other income and other expenses:

An analysis of the nature of relevant costs and expenses classified by function in the consolidated statements of income and comprehensive income for the year ended as of December 31, 2023 and 2022 is as follows:

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	<u>2023</u>	<u>2022</u>
Fuel	\$ 577,128	\$ 662,516
Fuel transportation	333,149	66,161
Interconnection	221,183	94,368
Operation and maintenance	79,890	41,362
Depreciation	87,250	55,092
Pension plan and other	7,636	4,644
Bank commission	1,333	1,115
Currency exchange (gains) losses	(4,493)	2,743
Others	<u>-</u>	<u>216</u>
Costs	<u>1,303,076</u>	<u>928,217</u>
Amortization of intangible assets	48,491	16,666
Wage, salaries and technology information	19,635	15,112
Management service and fee	11,750	14,346
Insurance	10,850	7,905
Duties and non-site property taxes	4,903	3,945
Other expenses	464	1,059
Contingent consideration ¹	(100)	(1,981)
Depreciation	<u>4,350</u>	<u>698</u>
General and administrative	<u>100,343</u>	<u>57,750</u>
Loss on subsidiary net assets classified as held for sale before income tax	<u>24,330</u>	<u>-</u>
Total	<u>\$ 1,427,749</u>	<u>\$ 985,967</u>

¹ Contingent consideration arise from the business acquisition held on 2018 and depended on the performance of the cash flow projected on the generation of electricity by Energía Campeche. This consideration were payable semi-annually from 2019 to 2021 to InterGen N. V., when certain conditions were met.

Note 27 - Analysis of the financing cost, net:

27.1 The financing income for the year ended as of December 31, 2023 and 2022 is composed as follows:

	<u>2023</u>	<u>2022</u>
Interest from related parties	\$ 8,013	\$ 6,933
Banks deposits and others	<u>4,829</u>	<u>1,310</u>
Financing income	<u>\$12,842</u>	<u>\$ 8,243</u>

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27.2 The financing cost for the year ended as of December 31, 2023 and 2022 is composed as follows:

	<u>2023</u>	<u>2022</u>
Interest on long-term debt	(\$129,025)	(\$ 77,567)
Other interest expenses	(3,225)	(3,368)
Amortization of deferred financing cost	<u>(4,579)</u>	<u>(2,915)</u>
Long -term debt net of deferred financing cost	(136,829)	(83,850)
Interest on leases	<u>(66)</u>	<u>(58)</u>
Interest expense	<u>(136,895)</u>	<u>(83,908)</u>
Letter of credit and fees	(5,608)	(1,415)
Finance expenses and fees	(5,865)	(1,259)
Financial component	<u>(137)</u>	<u>(89)</u>
Other financial expenses	<u>(11,610)</u>	<u>(2,763)</u>
Financing cost	<u>(\$148,505)</u>	<u>(\$ 86,671)</u>

Note 28 - Income tax:

28.1 For the year ended at December 31, 2023 and 2022, the income tax expense is as follows:

	<u>2023</u>	<u>2022</u>
Current income tax	(\$ 61,236)	(\$ 30,628)
Deferred tax	<u>29,521</u>	<u>(1,118)</u>
	<u>(\$ 31,715)</u>	<u>(\$ 31,746)</u>

28.2 Luxembourg: The current rate of Luxembourg corporation tax rate is 24.9%. The tax income differs from the accounting income, mainly in differences from Luxembourg GAAP against IFRS Accounting Standards.

México: Income tax of the year is calculated by applying a 30% rate on the taxable profit. The tax income differs from the accounting income, mainly in such items accumulated and deducted differently for accounting and tax purposes, by the recognition of inflation effects for tax purposes, as well as such items only affecting either the accounting or tax income.

Netherlands: The Dutch corporate income tax rate is as follows:

	<u>2023</u>	<u>2022</u>
Step-up rate	19.0%	15.0%
Taxable amount up to	€200,000	€395,000
Highest rate	25.8%	25.8%
Taxable amount from	€200,000	€395,000

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UK Tax: The current rate of UK corporation tax rate is 19% (effective from April 1, 2017).

US Tax: The corporate tax rate in the United States is 21%. In addition, the former 20 years loss carryover provision has been replaced and newly generated tax losses carryforward from 2018 onward may now be carried forward indefinitely, subject to certain limitations. Given the limited deferred taxes that the Group has related to the United States jurisdiction, the impact to the consolidated statements of financial position and consolidated statements of income and comprehensive income for the year ended and of December 31, 2023 and 2022 was not significant.

28.3 At December 31, 2023 and 2022, the main temporary differences on which the deferred tax was recognized are analyzed as follows:

			Adjustment to the		
			Subsidiary net	Statement	
	2022	assets classified	of income	Equity	2023
		as held for sale			
Accrued expenses and provision	\$ 13,066	(\$ 3,565)	\$ 10,693	\$ 707	\$ 20,901
Deferred rent	12,716	-	(9,849)	-	2,867
Property plant and equipment	(290,722)	-	(113,682)	(34,646)	(439,050)
Customer relationship	(180,308)	-	153,781	-	(26,527)
Prepaid expenses	(8,450)	-	(1,670)	-	(10,120)
Tax losses	9,752	-	(9,752)	-	-
Net deferred tax liability	(\$ 443,946)	(\$ 3,565)	\$ 29,521	(\$ 33,939)	(\$ 451,929)
	January 1,	Business	Statement	Equity	2022
	2022	combination	of income		
Accrued expenses and provision	\$ 10,246	\$ 2,641	\$ 752	(\$ 573)	\$ 13,066
Deferred rent	13,607	-	(891)	-	12,716
Property plant and equipment	(200,516)	1,963	(8,708)	(83,461)	(290,722)
Customer relationship	(32,708)	(152,600)	5,000	-	(180,308)
Prepaid expenses	(5,677)	(379)	(2,394)	-	(8,450)
Tax losses	5,136	(507)	5,123	-	9,752
Net deferred tax liability	(\$ 209,912)	(\$148,882)	(\$ 1,118)	(\$ 84,034)	(\$443,946)

28.4 As of December 31, 2023 and 2022, the Group had consolidated Tax losses carryforward that expire:
a) Luxembourg in 17 years b) México in 10 years; c) Netherlands, 9 years; d) United Kingdom do not expire, and e) United States, 20 years. The Tax losses carryforwards are comprised as follows:

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2023

Year of loss	Luxembourg	México	Netherlands	United Kingdom	United States
2014	\$ -	\$ 35,589	\$ -	\$ -	\$ -
2016	-	499	4,216	-	-
2017	153	-	1,237	-	-
2018	278	24,213	8,873	-	-
2019	557	2,526	2,827	-	-
2020	6,300	46,499	7,106	-	-
2021	7,566	114,366	-	-	-
2022	7,001	23,677	-	-	-
2023	<u>2,268</u>	<u>4,279</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 24,123</u>	<u>\$ 251,648</u>	<u>\$ 24,259</u>	<u>\$ -</u>	<u>\$ -</u>

2022

Year of loss	Luxembourg	México	Netherlands	United Kingdom	United States
2014	-	\$ 29,560	\$ -	\$ -	\$ -
2015	-	35	-	-	-
2016	-	17,067	4,216	-	-
2017	153	4,059	1,237	-	-
2018	278	74,160	8,873	-	-
2019	557	8,001	2,827	-	-
2020	6,300	101,097	7,106	-	-
2021	7,566	104,405	-	-	-
2022	<u>7,001</u>	<u>43,984</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 21,855</u>	<u>\$ 382,368</u>	<u>\$ 24,259</u>	<u>\$ -</u>	<u>\$ -</u>

A tax losses carryforward of \$300,030 and \$395,603 was not included as of December 31, 2023 and 2022 in the deferred tax assets due to the low probability to be realized. The Group assessment must cover all gross deferred tax assets, of which the largest asset relates to tax losses carryforward. Realization of a portion of the gross deferred tax assets is dependent on generating sufficient sources of future taxable income. Although realization is not assured, Management believes it is not probable that the net deferred tax asset will be realized in the foreseeable future, consequently the Group has not recorded deferred tax assets for these entities.

- 28.5 Taxing authorities routinely examine its tax returns. The Group is subject to different taxing jurisdictions, tax agreements and treaties. Management believes that the tax returns filed in the various tax jurisdictions may have positions that could be challenged by these tax authorities in the normal course of a tax audit.

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If new information is identified in subsequent periods that would impact the Group's current position on certain tax matters, the Group will record the impact in the period when the new information is identified.

The Group had no unrecognized tax benefits and liabilities as of December 31, 2023 and 2022, related to uncertain tax positions.

- 28.6 The reconciliation of pre-tax income at the statutory rate to income tax expense presented in the consolidated statements of income and comprehensive income for the year ended December 31, 2023 and 2022 is as follows:

	<u>2023</u>	<u>2022</u>
Income before income tax	\$ 37,628	\$ 45,331
Effect of:		
Share of net profit of joint ventures accounted for using the equity method	(11,730)	(7,580)
Loss on subsidiary net assets classified as held for sale before income tax	24,330	-
Unrecognized tax losses	<u>74,801</u>	<u>65,084</u>
	125,029	102,835
Statutory tax rate applied to pre-tax income	<u>24.9%</u>	<u>24.9%</u>
Pre-tax income at the Luxembourg statutory rate	(31,132)	(25,606)
<i>Decrease (increase) of tax expense resulting from statutory inclusions/exclusions from taxable income:</i>		
Foreign income not taxed at statutory rate	676	738
Difference in overseas tax rates	(4,433)	(2,465)
Exchange fluctuation effect for tax purposes	5,408	(554)
Non-deductible expenses	(4,982)	1,089
Inflation adjustment for tax purposes	(7,953)	(4,948)
Nontaxable income	<u>10,701</u>	<u>-</u>
Total income tax expense	(<u>\$ 31,715</u>)	(<u>\$ 31,746</u>)

- 28.7 There are no uncertain tax positions as of December 31, 2023 and 2022.

- 28.8 The Group is within the scope of the OECD Pillar Two model rules. Pillar Two legislation was enacted in Luxembourg, the jurisdiction in which the Company is incorporated, and will come into effect from 1 January 2024. Since the Pillar Two legislation was not effective at the reporting date, the Group has no related current tax exposure. The Group applies the mandatory exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023. Given the nuanced nature of the new legislation, and further clarifications awaited from the OECD the Group continues to assess any exposure to the Pillar Two legislation.

¹ Unaudited

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Note 29 - Consolidated statements of cash flows:

29.1 The reconciliation between the opening and closing balances in the consolidated statements of financial position for liabilities arising from financing activities, are shown below:

	<u>2023</u>	<u>2022</u>
Balances at January 1	\$ 2,139,917	\$1,102,957
Proceeds from working capital facility	21,500	15,000
Repayment of working capital facility	(21,500)	(15,000)
Proceeds from business acquisition	-	903,910
Proceeds from long-term debt	-	210,000
Repayment of long-term debt	(69,663)	(60,548)
Payment of deferred financing cost	-	(1,415)
Interest expense net of deferred financing cost	133,604	80,482
Interest paid	<u>(129,683)</u>	<u>(95,469)</u>
Balances at December 31	2,074,175	2,139,917
Current portion of long-term debt	<u>(82,625)</u>	<u>(92,872)</u>
Debt	<u>\$ 1,991,550</u>	<u>\$ 2,047,045</u>

29.2 At December 31, 2023 non-cash transaction of financing activities consist in the initial recognition of the Right-of-use assets by \$573. At December 31, 2022 non-cash transaction of financing activities consist in the initial recognition of the Right-of-use assets by \$979.

Note 30 - Commitments and contingencies:

30.1 Power sales contract: Several of the Group power plants rely on power sales and gas compression contracts with one or a limited number of entities for the majority and, in some cases, all of the relevant plant's output over the term of the power sales contract. The minimum terms of power sales contracts for projects currently in operation expire between 2027 and 2035. The operations of these plants are dependent on the continued performance by customers of their obligations under the relevant power sales contracts and, in particular, on the credit quality of the purchasers. If a substantial portion of its long-term power sales contracts were modified or terminated, this could increase its exposure to market price volatility, and the Group could be adversely affected to the extent that the Group would be unable to find other customers at the same level of contract profitability. The Group has also contracts with various fuel suppliers and transportation providers to supply and transport fuel to its power plants.

30.2 Long term sales agreement: Certain of the Group subsidiaries have entered into gas turbine major maintenance LTSAs with the original equipment manufacturer of the particular gas turbines or other qualified third parties. These agreements provide for labor and supervision during scheduled inspections, repairs and overhauls of gas turbine equipment, including provisions for forced outage support. The agreements (with the exception of the agreement of Chihuahua) further allow for the supply of replacement, refurbished and critical capital spare parts required for the maintenance of the equipment in accordance with prudent industry practice.

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These agreements have terms typically accommodating two or three major maintenance cycles which vary based on the equipment for each power subsidiary. These agreements may or may not contain termination provisions by the Group at its convenience, based on certain conditions in exchange for a fixed fee. Equivalent Operating Hours (EOH) accrued vary with output, plant cycling regimes, contractual guidelines and gas turbine events, such as trips and load shedding. The estimated annual fixed and variable amounts due under the LTSAs as of December 31, 2025 and 2024 is expected to total approximately \$26,959 and \$50,615, respectively. Due to the variable nature of these payments, The Group only estimates two years of commitments.

- 30.3 Fuel purchase commitments: The Group has committed to purchase gas from different suppliers without a minimum volume of gas.
- 30.4 Letters of Credit (LOC): The Group is often required to provide guarantees and/or letters of credit to ensure contractual obligations with respect to bid performance, financing, construction and operations of the subsidiaries. The Group may issue guarantees in connection with obligations under the power purchase agreements, operations and maintenance contracts, management service agreements and obligations that the Group has determined in various purchase and sale agreements. Letters of credit relate primarily to debt service requirements, electricity sales agreements and trading requirements. The beneficiary of the guarantee and/or LOC has the ability to draw against the commitments to the extent that the contractual obligations, as defined in the related agreements, allow such draws to be made.

Saavi Energia S.à r.l. and subsidiaries have maximum exposure under LOCs issued and outstanding at December 31, 2023 and 2022, are as follows:

Company's Subsidiary	2023		2022	
	Amounts outstanding	Expirations date ⁽³⁾	Amounts outstanding	Expirations date
Tierra Mojada Luxembourg II	\$129,396	2024	\$122,195	2023
Cometa Energía ⁽¹⁾	<u>46,315</u>	2024	<u>59,977</u>	2023
	<u>175,711</u>		<u>182,172</u>	
Cometa's Subsidiaries and Joint Ventures ⁽²⁾				
Energía Azteca X	30,932	2024	30,345	2023
Saavi Energy Solutions	15,769	2028	33,700	2023
Energía Chihuahua	15,000	2024	15,355	2023
Energía Campeche	15,000	2024	15,000	2023
Energía Azteca VIII	10,459	2024	10,200	2023
Saavi Energía	7,363	2024	2,057	2023
Compresión Altamira	5,638	2034	7,254	2034
Energía San Luis de la Paz	3,336	2024	4,852	2023
Compresión Bajío	2,735	2024	4,641	2023
Energía de Baja California	838	2024	838	2023
Other	<u>263</u>	2024	<u>48</u>	2023
	<u>107,333</u>		<u>124,290</u>	
	<u>\$283,044</u>		<u>\$306,462</u>	

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- (1)- Letter of credit outstanding related to Cometa Energía, were issued under letters of credit provided by Electricidad Firme de México Holdings.
- (2)- Letters of credit outstanding related to these subsidiaries and joint ventures were issued under letters of credit provided by Cometa Energía.
- (3)- Some letters of credit have a 2024 expiration date but automatically extend annually.

Electricidad Firme de México Holdings pays LOC fees of 1.75% per annum.

Each account party pays LOC fees ranging from 2.63% to 2.75% per annum on outstanding LOCs.

30.5 Legal proceedings - The Group is involved in certain legal proceedings in the normal course of business. The Group is under the opinion that none of these proceedings will have a material adverse effect on its consolidated financial position or cash flows, individually or in the aggregate.

30.6 The Company was in an arbitration process initiated by a supplier on which the Company has filed a counterclaim. On November 2023 the arbitration process concluded in favor of the Company, as a result, the supplier compensated the Company for the amount of \$28,814.

In accordance with the agreement with the previous owners of the Company, if the process was in favor to the Company, it will have to be reimbursed to them. As a result, at 31 December 2023 the Company has an account payable, equivalent to the amount previously mentioned.

Note 31 - Subsequent events:

For the year ended December 31, 2023, subsequent events have been evaluated through January 23, 2025, the date which the consolidated financial statements were available to be issued.

On January 4, 2024, the Company paid to its previous owners the amount received from the arbitration process described in Note 30.6, *Commitments and contingencies*.

On October 13, 2023 the Group celebrated a Binding Offer Letter to acquire 100% of the stock interest in NP Energia la Lucha (la Lucha or the project), from NP Desarrollo en Energía de México, and NP Development Holdings Inc, the project owns and operates a 130.7 MW solar photovoltaic power plant located in Durango Mexico, then the Stock Purchase Agreement was signed in March 4, 2024 and the acquisition was concluded on July 15, 2024 with the regulator's approval. The Group concluded they obtained the control from March 4, 2024, therefore, that was determined as the acquisition date. The purchase price consideration was \$188,200.

In 2024, an additional investment of \$9,054 was transferred to the subsidiary classified as net asset held for sale and the final consideration to be received decreased to \$13,054 due to changes in the working capital, therefore the company recognize an additional loss on subsidiary net assets classified as held for sale before income tax by \$18,306.

On September 23, 2024, the Group changes its address to 18 Rue Charles Darwin in L-1433 Luxembourg, and subsequently on December 18, 2024 the sole Shareholder changes the name of the Company from GIP EM Bronco Luxco 2 S.à r.l. to Saavi Energia S.à r.l.

After December 31, 2023 the Group paid debt as follows:

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	<u>Date</u>	<u>Principal</u>	<u>Interest</u>
SSN40 *	May 29, 2024	\$ 26,675	\$ 24,787
SSN40 *	November 27, 2024	8,966	24,020
SSN35 *	April 22, 2024	18,056	21,980
SSN35 *	October 22, 2024	11,177	21,404
SSN26 *	May 15, 2024	-	8,575
SSN26 *	November 18, 2024	-	8,575
CA26*	June 28, 2024	-	5,416
CA26*	December 31, 2024	-	7,330
Mizuho *	May 30, 2024	-	2,686
Mizuho *	November 29, 2024	3,200	2,647
CA31 *	October 22, 2024	-	3,695
		<u>\$ 68,074</u>	<u>\$131,115</u>

Note 32 - Authorization of issuance of the consolidated financial statements:

The accompanying consolidated financial statements and notes were issued on January 23, 2025, by the Board of Managers.

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Saavi Energia S.à r.l.

8.875% Senior Notes due 2035

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Mizuho

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February 4, 2025
