

APPENDIX

SOLE APPENDIX BY MEANS OF THIS DOCUMENT, THE INVESTING PUBLIC IS MADE AWARE OF CERTAIN INFORMATION INCLUDING RISK FACTORS, SELECTED FINANCIAL INFORMATION AND DISCUSSION AND ANALYSIS BY THE MANAGEMENT OF GRUPO ELEKTRA, S.A.B. DE C.V. ("GRUPO ELEKTRA") ON THE FINANCIAL CONDITION AND RESULTS OF OPERATIONS PUBLISHED BY NUEVA ELEKTRA DEL MILENIO, S.A. DE C.V. AND GRUPO ELEKTRA IN THE PROSPECTUS (OFFERING MEMORANDUM) (THE "PROSPECTUS") OF THE POTENTIAL ISSUANCE OF NOTES SENIOR NOTES, WHICH ARE SUBJECT TO MARKET CONDITIONS, IN A FOREIGN PRIVATE OFFERING OF SECURITIES PURSUANT TO RULE 144A AND REGULATIONS OF THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"). FOR MORE INFORMATION, PLEASE REFER TO THE RELEVANT EVENT OF WHICH THIS ANNEX IS A PART.

RISK FACTORS

This section does not describe all the risks of an investment in the Offered Notes. The factors described below represent the principal risks inherent in investing in the Offered Notes. Additional risks and uncertainties not currently known to Elektra, NEM or the Issuer or that Elektra, NEM or the Issuer currently consider immaterial may also materially and adversely affect the business or operations of Elektra, NEM or the Issuer. Any of the following risks could result in a material adverse effect on Grupo Elektra's (including NEM's) business, financial condition, results of operations and an investment in the Offered Notes. Before making any investment decision, prospective investors should carefully read this Offering Memorandum in its entirety, including the risk factors set forth below. For additional information concerning the Mexican, New York and Luxembourg legal and regulatory environments of this transaction, see "Certain Legal Aspects Relating to the Transaction under Mexican, New York and Luxembourg Law."

Risks Related to Grupo Elektra

Risks Related to Both Grupo Elektra's Commercial Business Segment and its Financial Business Segment

Grupo Elektra may not be able to implement its business strategies successfully or manage its growth effectively.

Grupo Elektra's future growth will depend on the successful implementation of its business strategies. A principal focus of its business strategies is to grow by leveraging its scalable infrastructure, including its extensive network of points of contact (including through Elektra and Salinas y Rocha stores and Banco Azteca and Purpose Financial branches) to offer its customers a broader range of commercial and financial services products, which can be purchased through various sales channels, including brick-and-mortar stores, online via computers and mobile devices and by telephone.

Even if Grupo Elektra successfully implements its business strategies, it may not grow its business or improve its results of operations or financial condition. In addition, Grupo Elektra may decide to alter or discontinue aspects of its business strategies and may adopt alternative or additional strategies in response to business or competitive factors or factors or events beyond its control. Grupo Elektra's failure to execute its business strategies or to manage its growth effectively could adversely affect its business, results of operations and financial condition.

In addition, in the past Grupo Elektra has sought, and may in the future seek external funding to finance its activities and meet its expected goals. Access to funding will depend on many factors, including factors beyond Grupo Elektra's control, such as conditions in the international capital markets and investor perceptions of the risks of investing in Mexico and in emerging markets generally. If Grupo Elektra is unable to source sufficient funds through domestic savings and time deposits from Banco Azteca, by obtaining lines of credit from other financial institutions on favorable terms or at all, or by accessing the domestic or international debt or capital markets on favorable terms or at all, Grupo Elektra may not be able to implement its strategy, which could have a material adverse effect on its ability to sustain its business.

Grupo Elektra's success and ability to implement its business strategy and meet its expected goals and returns may be impacted by, among others, any of the following factors:

- inability to successfully respond to an increasing customer demand for its products and services;
- inability to allocate adequate resources to monitor and administer its activities and operations;
- difficulties to efficiently integrate newly acquired businesses and achieve economies of scale;
- failure to make correct assumptions, estimates and judgments with respect to its assets;
- difficulty in hiring, training and transmitting its culture and standards to qualified employees;
- future laws and regulations that may apply to Grupo Elektra and its business;
- rapid technological changes that may render its current products obsolete;

- increasing competition from existing and new market players; and
- the availability of external financing to grow its business.

Any of these factors may impact the success of Grupo Elektra's business plans, its financial condition, prospects or results of operations, which could result in Grupo Elektra being unable to meet its expected goals, to replicate its existing business model, or to develop its growth strategy and meet the demands of the market. Even if Grupo Elektra is able to implement some or all of the initiatives of its business strategy successfully, its operating results may not improve to the extent anticipated, or they may not improve at all.

Grupo Elektra may be unable to attract and retain qualified personnel.

Grupo Elektra's ability to grow its businesses and provide its customers with competitive products and services is partially dependent on its ability to attract and retain highly motivated people with the skills to serve its customers. Grupo Elektra's future growth is also dependent on qualified management personnel to implement its business plan and strategies. Competition for skilled employees in the markets in which Grupo Elektra operates is intense and, if it is unable to attract and retain highly skilled and motivated personnel, it may not be able to implement its business plan and strategies and, as a result, its business, results of operations and financial conditions could be materially adversely affected.

Any significant increase in labor costs, deterioration of employee relations, slowdowns or work stoppages at any of Grupo Elektra's locations, whether due to union activities, employee turnover, changes in the Mexican Federal Labor Law (*Ley Federal del Trabajo*) or the interpretation and regulation thereof, could have a material adverse effect on Grupo Elektra's business, financial condition, results of operations and prospects. A strike, work stoppage or other labor unrest could, in some cases, impair Grupo Elektra's ability to provide Grupo Elektra's services to customers, which could result in reduced net sales.

Grupo Elektra's results of operations have been, and may continue to be, adversely affected by U.S. and international financial market and economic conditions.

The U.S. economy heavily influences the Mexican economy, and therefore, the deterioration of the United States' economy, the termination of the United States–Mexico–Canada Agreement (the "*USMCA*") or other related events may impact the economy of Mexico. The USMCA is scheduled for its first mandate review in 2026, at which time any of the United States, Mexico or Canada can opt not to renew the trade accord. Potential re negotiations of the USMCA terms could lead to less favorable trade conditions for Mexico, impacting export revenues and economic stability. Economic conditions in Mexico have become increasingly correlated to economic conditions in the United States as a result of the former North American Free Trade Agreement ("*NAFTA*"), which preceded the USMCA and induced higher economic activity between the two countries and increased the remittance of funds from Mexican immigrants working in the United States to Mexican residents. In 2023, 83% of Mexico's total exports were purchased by the United States, the single country with the highest share of trade with Mexico. The terms of the USMCA, which entered into force on July 1, 2020, could have an impact on Mexico's economy generally and job creation in Mexico, which could significantly adversely affect Grupo Elektra's business, financial performance and results of operations. If changes in the economic, political or social situation were to result in a loss of jobs in Mexico, Grupo Elektra's customers' ability to pay could be affected by the loss of their source of income, which in return would reduce Grupo Elektra's ability to collect and, therefore, increase Grupo Elektra's levels of past-due loans.

Likewise, any action taken by the current U.S. or Mexico administrations, including changes to the USMCA and/or other U.S. government policies that may be adopted by the U.S. administration, 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 perceptions of increased economic protectionism in the United States, Mexico 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 Grupo Elektra's business, operating results and financial condition. Additionally, stricter enforcement of USMCA labor provisions may increase compliance costs for Mexican businesses, including Grupo Elektra.

Economic conditions in Mexico may also be affected by political developments in the United States, such as changes as a result of the U.S. presidential elections that will take place in November 2024. Grupo Elektra cannot predict whether potential changes in U.S. federal governmental and economic policy could adversely affect Mexico's economic conditions or the sectors in which Grupo Elektra operates. Grupo Elektra cannot provide any assurance that any political developments in the United States or elsewhere will not materially and adversely affect Grupo Elektra's business, results of operations, financial condition and prospects.

In particular, Grupo Elektra may face, among others, the following risks related to the international market and economic conditions:

- an economic downturn or insufficient recovery of the economy generally and the financial markets and any adverse social or political developments for any reason, including illnesses or epidemics, which could result in reduced demand for retail and financial products and services and may adversely impact Grupo Elektra's business, financial condition and results of operations;
- increased regulation of the retail and financial industry — compliance with such regulation will continue to increase Grupo Elektra's costs, may require Grupo Elektra to increase its commercial business and capital or reserves, may affect the pricing of Grupo Elektra's products and services, and may limit Grupo Elektra's ability to grow its commercial business and loan portfolio or pursue business opportunities;
- changes in tariffs or trade barriers under the USMCA framework could disrupt supply chains and increase operational costs;
- inability of corporate and individual borrowers to timely or fully comply with their existing obligations and make required weekly payments for retail purchases;
- the process Grupo Elektra uses to estimate losses inherent in its credit exposure requires complex judgments, including forecasts of economic conditions and how these economic conditions might impair the ability of borrowers to repay their loans, as well as the operational risks Grupo Elektra faces. The degree of uncertainty concerning economic conditions may adversely affect the accuracy of these estimates, which may, in turn, impact the reliability of the process;
- the derivatives markets and similar operations, including volatility affecting those instruments, could impact financial systems and the solvency of their participants;
- foreign currency exchange rate risk; and
- the value and liquidity of Banco Azteca's portfolio of investment securities may be adversely affected.

Uncertainty remains concerning the future economic environment in the United States, Mexico and the international markets. There is no assurance that local or global economic conditions as a whole will improve significantly. This economic uncertainty could negatively impact Grupo Elektra's business and operational results. Global investor confidence remains cautious. A slowdown of the economy in the United States or its failure to recover, fluctuations in crude oil prices and the uncertainty of U.S. monetary policy would likely aggravate the adverse effects of these difficult economic and market conditions on Grupo Elektra and others in the retail and financial services industries. Uncertain global financial conditions could negatively affect commodity prices, capital outflows, and growth. An escalation of Russia's war in Ukraine or the Israel-Hamas conflict in Gaza, along with any resulting economic sanctions or decoupling, could disrupt trade and impact supply chain components. Increased disruption and volatility in the global financial markets could have a material adverse effect on Grupo Elektra, including its ability to access funding, capital, and liquidity on financial terms acceptable to it, if at all.

If all or some of the foregoing risks were to materialize, they could have a material adverse effect on Grupo Elektra's financial condition and its results of operations.

Current and future legal or regulatory developments as well as litigation, regulatory proceedings and other legal proceedings (including the pending legal proceedings contesting certain income tax assessments against Group Elektra and NEM) against or adverse to Grupo Elektra, NEM or their respective officers, directors and controlling persons could have a material adverse effect on Grupo Elektra's business, prospects, results of operations and financial condition.

Grupo Elektra's businesses are subject to the applicable laws, statutes, regulations and policies in each jurisdiction in which Grupo Elektra operates. Such laws, statutes, regulations and policies may be changed at any time, and the interpretation and the application of those laws and regulations by regulators are also subject to change. There may be future changes in the legal or regulatory system or the interpretation and enforcement of the laws and regulations governing Grupo Elektra's businesses in any jurisdiction in which Grupo Elektra operates its businesses.

Grupo Elektra's businesses currently are and may be in the future subject to lawsuits, regulatory proceedings, tax claims and other legal proceedings, including government investigations, that could (1) generate adverse publicity, (2) cause Grupo Elektra to incur substantial expenditures and (3) significantly impair Grupo Elektra's business and/or force Grupo Elektra to cease doing

business in one or more sites. In particular, Grupo Elektra and NEM are engaged in certain pending tax legal proceedings. See “*Description of Grupo Elektra — Legal Proceedings — Tax Proceedings.*”

Moreover, Grupo Elektra’s officers, directors and controlling persons may be named in these lawsuits or subject to these matters. The indemnification agreements of Elektra and some of its subsidiaries provide that certain of its officers and directors are entitled to have Elektra indemnify some of them for damages and advance expenses incurred in defending against these lawsuits and proceedings, including governmental enforcement investigations and proceedings. Accordingly, Grupo Elektra may also incur significant expenditures in connection with matters involving its officers and directors.

Any of these legal or regulatory developments or any such lawsuits, regulatory proceedings or other legal matters, including the pending tax legal proceedings, could have a material adverse effect on Grupo Elektra’s business, prospects, results of operations and financial condition.

Grupo Elektra and NEM are currently engaged in several pending legal proceedings against the Mexican Tax Administration Service with respect to income tax assessments for the tax years 2006, 2008, 2010-2014, which if determined adversely to Grupo Elektra or NEM could have a material adverse effect on Grupo Elektra’s business, prospects, results of operations and financial condition.

Grupo Elektra and NEM are currently engaged in several pending legal proceedings against the Mexican Tax Administration Service (*Servicio de Administración Tributaria*, or the “SAT” in its Spanish acronym) with respect to income tax assessments for the tax years 2006, 2008 and 2010-2014, as described in further detail in “*Description of Grupo Elektra — Legal Proceedings — Tax Proceedings,*” Note 31 to the Grupo Elektra Annual Consolidated Financial Statements for the year ended December 31, 2023 and Note 23 to the Grupo Elektra Interim Consolidated Financial Statements. While Grupo Elektra believes there are serious and reasonable grounds for defenses to obtain a final favorable resolution for Grupo Elektra in these pending tax legal proceedings, there can be no assurance that Grupo Elektra will ultimately prevail in these legal proceedings. The amount of the tax liability ultimately payable by Grupo Elektra and NEM in these tax matters will depend on various factors such as the inflation adjustment, surcharges, interest and fines applied to the tax assessments, as well as potential offsets in one case against payments in another case and negotiations with the SAT that may reduce the amounts payable. Although the final amounts payable are subject to uncertainty, based on the information currently available to it, Grupo Elektra currently estimates that if all of these pending tax legal proceedings were decided against Grupo Elektra and NEM, its aggregate tax liability could reach approximately Ps.17,392 million (U.S.\$946 million), which is fully secured by collateral. See “*Description of Grupo Elektra — Legal Proceedings — Tax Proceedings.*”

Grupo Elektra’s independent auditor has issued an emphasis of matter in their independent auditor’s review report dated September 26, 2024 in relation to the tax proceedings that Grupo Elektra and NEM have filed against the disallowance of income tax credits for the fiscal years 2008, 2010, 2011 and 2012 and regarding the disallowance of the income tax credit related to fiscal year 2013 and the related tax assessments. If determined adversely to Grupo Elektra or NEM, these pending tax legal proceedings could have a material adverse effect on Grupo Elektra’s business, prospects, results of operations and financial condition.

Grupo Elektra often engages in a variety of transactions with companies owned by its controlling shareholders, which may cause conflicts of interest.

Grupo Elektra regularly engages in a variety of transactions with Banco Azteca, Afore Azteca, Seguros Azteca and other entities owned or controlled by Ricardo B. Salinas Pliego and other controlling shareholders, including TV Azteca, Total Play, Arrendadora Internacional Azteca, Servicios de Asesoría en Medios de Comunicación GS, Tiendas Super Precio, and UPAX. See “*Principal Shareholders*” and “*Related Party Transactions.*” For example, advertising through TV Azteca’s different platforms is an important element of its marketing strategy. Any impairment of Grupo Elektra’s ability to obtain advertising on attractive conditions may have a material adverse effect on Grupo Elektra’s business, results of operations or financial condition. Except as otherwise disclosed herein, Grupo Elektra is not aware of any material conflicts of interest between the private interests of the members of Grupo Elektra’s Board, administration or management and their duties to Grupo Elektra.

Transactions with affiliates may create potential conflicts of interest. To guard against these potential conflicts of interest, Grupo Elektra has established an Audit Committee of its Board of Directors to provide an independent review of transactions with affiliates to determine whether these transactions are related to Grupo Elektra’s business and are entered into on terms that are at least as favorable to Grupo Elektra as terms that would be obtainable in a similar transaction entered into on an arm’s-length basis with an unrelated third party. In addition, Grupo Elektra’s internal policy requires that the Audit Committee review and make recommendations to the Board on any proposed transaction that is not in the ordinary course of business with one or more of Grupo

Elektra's affiliates regardless of the transaction value. The Board has also approved a Related Party Transaction Policy that establishes restrictions and approvals that must be obtained before engaging in a transaction with any affiliate, and provides for internal and external controls and sanctions in the event it is breached. In addition, Grupo Elektra is subject to the LMV requirements with respect to related-party transactions as described under "*Related Party Transactions*". Despite these comprehensive measures, conflicts of interest may arise and negatively affect Grupo Elektra's results of operations. While Grupo Elektra intends to continue to transact business with related parties on an arm's-length basis, there can be no assurance that such transactions will be unaffected by conflicts of interest between such parties and Grupo Elektra.

Grupo Elektra may not be able to finance its working capital needs.

Grupo Elektra uses non-committed issuances of short-term stock exchange certificates (*certificados bursátiles*, or *Cebures*), which are normally refinanced with issuances of new stock exchange certificates. However, if market conditions deteriorate, there can be no assurance that such refinancing can be arranged on favorable conditions, or at all. If Grupo Elektra is unable to refinance these stock exchange certificates, it may not be able to meet its working capital needs. In addition, Grupo Elektra obtains letters of credit for its Italika motorcycle business and some of Elektra's suppliers from Bancomext and other Mexican commercial banks in connection with importing motorcycle parts and guaranteeing operations with certain national suppliers.

Grupo Elektra's results of operations are likely to fluctuate in future periods and, therefore, are difficult to predict.

Grupo Elektra's annual and quarterly results may experience significant fluctuations due to various factors beyond its control, including the seasonal nature of Grupo Elektra's business. Historically, the demand for Grupo Elektra's products and services tends to increase during the second and fourth quarters of the year due to the increase in consumer spending associated with Mothers' Day in Mexico in May, the annual nationwide shopping event "*El Buen Fin*" (The Good Weekend) in November and the Christmas holiday season. As a result, Grupo Elektra's quarterly operating results are not indicative of its results for a full year.

Grupo Elektra's business depends on the success of new products and services.

The success of Grupo Elektra's commercial and financial services business segment and its profitability depends on the success of new products and services offered at Grupo Elektra's stores and by Banco Azteca and Purpose Financial and how well their customers will respond to them. All of Grupo Elektra's new products and services are first analyzed in a detailed process of market research and pilot-tests. However, Grupo Elektra cannot guarantee that the new products and services will be successful once they are offered or that they will be successful in the future. If Grupo Elektra's competitors in the retail and consumer financing sectors are able to anticipate the market trends better than Grupo Elektra can, Grupo Elektra's market share could decrease.

Grupo Elektra's ability to maintain or expand its commercial and financial services businesses may be adversely affected.

Grupo Elektra's ability to maintain or expand its commercial and financial services businesses depends on a number of factors, some of which are beyond its control, including:

- the prevailing laws and regulatory environment of each jurisdiction in which Grupo Elektra operates or seeks to operate, which are subject to change at any time;
- its ability to obtain and maintain any regulatory approvals, government permits, or licenses that may be required;
- its ability to identify, implement and manage new products and services that are compatible with its business;
- the degree of competition in existing markets;
- its ability to maintain current customers and attract new customers;
- its ability to compete for expansion opportunities in suitable locations;
- its ability to recruit, train and retain qualified personnel;
- its ability to adapt its infrastructure and systems to accommodate new or replacement products and services;

- its ability to maintain adequate financing for its expansion plans;
- its ability to effectively manage operational risks, including cybersecurity threats and data privacy concerns; and
- its capacity to navigate and adapt to macroeconomic fluctuations and geopolitical developments that may impact its business operations.

There can be no assurance that Grupo Elektra's systems, procedures, controls and existing personnel will be adequate to support new or replacement retail or financial service products and services. In addition, Grupo Elektra's international operations increase the complexity of its organization, its administrative costs and the regulatory risks it faces and, therefore, could destabilize Grupo Elektra's business, prospects, results of operations and financial condition.

Grupo Elektra and NEM may be associated with news reports, allegations, investigations, legal or regulatory proceedings with respect to alleged misconduct relating to other companies under common control by Grupo Salinas or individuals associated with such entities, Grupo Elektra's and NEM's reputation and business could be adversely affected by the negative publicity associated with such matters.

A number of news reports relating to companies under common control by Grupo Salinas have been published that may be detrimental to the reputation of Grupo Elektra and NEM. Ricardo Salinas Pliego, who is part of the controlling shareholder group and Chairman of the Board of Grupo Elektra, was identified in a periodical as having personal interests in a transaction that is under investigation by the Mexican government regarding alleged government corruption involving the Mexican state-owned oil company, Pemex, and Fertinal, a Mexican fertilizer company to which Banco Azteca provided financing as a member of a lending syndicate. Neither Mr. Salinas Pliego nor Banco Azteca have been summoned or asked to appear before any governmental body in connection with such matter. Mr. Salinas Pliego and Banco Azteca have stated that they consider such reports without merit and in 2019 filed a libel suit against the periodical that initiated the reports before a Civil Court of Mexico City which is currently pending resolution. Mr. Salinas Pliego did not have and, as of the date of this Offering Memorandum, does not have personal interests, directly or indirectly, in Fertinal.

On July 26, 2024, Elektra received information from the controlling shareholder group concerning potential fraud by certain depositaries holding some of the controlling shareholder group's Elektra shares, which could cause unusual movements in Elektra's share price in the stock market. In response, Elektra disclosed the information in a material fact (*evento relevante*) notice filed with the Mexican Stock Exchange and notified the relevant authorities to determine the appropriate measures. On July 26, 2024, the Mexican Stock Exchange suspended the trading of Elektra's shares, until August 22, 2024. However, due to the lack of precise and definitive information related to the possible fraud, which would resolve the uncertainty in the market, Elektra requested a new suspension from the Mexican Stock Exchange, which was authorized by CNBV for up to 40 more business days until October 21, 2024. Grupo Elektra cannot predict how a future lifting of the stock trading suspension will affect its stock price. Additionally, S&P Dow Jones Indices recently removed Grupo Elektra's stock from the S&P/BMV IPC Index, which may have further implications for investor's sentiment and the Grupo Elektra's visibility in the financial markets.

In April 2024, Representative Henry Cuellar of Texas and his wife, Imelda Cuellar, were indicted by the U.S. Department of Justice (the "*DOJ*") on charges alleging corruption, bribery, and other criminal offenses by the Cuellars in connection with their alleged receipt of funds flowing downstream to them from payments that an Azerbaijani oil and gas company and an unnamed bank based in Mexico City made to third parties. Rep. Cuellar allegedly agreed to influence legislative activity and to advise and pressure high-ranking U.S. Executive Branch officials regarding measures beneficial to the bank related to accessing U.S. correspondent banks. These proceedings have attracted significant media attention and political interest in both the United States and Mexico. The Committee on Ethics of the U.S. House of Representatives has initiated an investigation into Rep. Cuellar. Certain news reports in the United States and Mexico have identified the Mexican bank as Grupo Elektra's subsidiary Banco Azteca and have identified a former Banco Azteca executive as being referenced in the indictment. The indictment also references an unnamed executive of a Mexican conglomerate of which Grupo Elektra and Banco Azteca are allegedly members.

Banco Azteca conducted an internal review related to this matter without negative findings. In addition, Banco Azteca has been in contact with the DOJ. To date, Banco Azteca has not been charged with any crimes. Banco Azteca is currently responding to a request from the DOJ for Banco Azteca to voluntarily produce documents and other information pertinent to the pending prosecution of the Cuellars.

Banco Azteca cannot predict the results of its internal review or the future actions of the DOJ. It is possible that the consequences resulting from Banco Azteca's internal review and the DOJ's investigation could have a material adverse effect on Banco Azteca's financial results or commercial operations. Should Banco Azteca be charged or otherwise sanctioned, the reputations of Banco Azteca, Grupo Elektra and NEM (as part of Grupo Elektra) could be materially damaged. Any of the foregoing, including damage to the reputations of Banco Azteca, Grupo Elektra and NEM, could adversely impact their commercial dealings and ability to conduct their businesses.

If, for any reason, either Grupo Elektra or NEM is unable to disassociate itself from these or other news reports, allegations, investigations and legal proceedings in the future, such failure could have a material adverse effect on Grupo Elektra's or NEM's reputation and commercial dealings. In addition, during the course of addressing the reputational harm from these matters, Grupo Elektra's Board and senior management may have to devote time, attention and energy to defending or repairing Grupo Elektra's reputation, including engaging in litigation, such as the libel suit in which Banco Azteca is currently engaged. Furthermore, there can be no assurance that these or other similar matters will not have a material adverse effect on Grupo Elektra's or NEM's reputation, commercial dealings and the price of their securities.

The loss of Grupo Elektra's market share to competitors may adversely affect its performance.

Grupo Elektra faces intense competition in each of its product categories. The Central American and Mexican retail markets are highly fragmented, encompassing large store chains, department stores, household appliance and consumer electronics stores, discount warehouse clubs and a broad range of smaller independent specialty stores targeting high-, middle- and lower-income levels. Grupo Elektra competes with other specialty stores, consumer electronics and appliance stores, department stores, and e-commerce websites some of which are national and international in scope and may have greater resources than Grupo Elektra possesses in that specific area. Some U.S. retail chains have also entered into strategic alliances with Grupo Elektra's competitors in certain local markets in Mexico, with the aim of opening new stores in those markets. In addition, free trade agreements such as the USMCA and other such alliances that Mexico or the other countries in which Grupo Elektra operates may enter into in the future may result in increased competition from the U.S. and European retailers that are already in or may enter into the markets in which Grupo Elektra operates. Grupo Elektra also competes, to a certain extent, with informal or "black" markets and street vendors. Any increase in the existing competition, the consolidation of the retail sector or the entry of new and more sophisticated competitors into Grupo Elektra's current or future markets could impact Grupo Elektra's business activities and, accordingly, have an adverse effect on Grupo Elektra's margins, results of operations, financial condition and prospects.

Moreover, price competition in the retail industry is intense. Grupo Elektra is subject to increasing pressure to reduce its prices as the industry continues to consolidate and more of Grupo Elektra's competitors are able to benefit from their economies of scale to offer lower prices. Banco Azteca also faces pressure on the pricing of the credit it extends to Grupo Elektra's customers as part of its consumer credit service. Grupo Elektra may be unable to increase or maintain its current gross margins, and the decrease of such margins would have a negative effect on Grupo Elektra's business.

Declines in consumer confidence and changes in spending habits could have a material adverse effect on Grupo Elektra's operating results.

Grupo Elektra's consumer-focused businesses are exposed to certain economic, political and social factors in Mexico and the other countries where it operates that could affect consumer confidence and spending habits.

Among other factors, Grupo Elektra is exposed to positive or negative variations in employment levels and salaries that may affect the per capita income of its target consumers and, consequently, Grupo Elektra's business performance. Sales in Grupo Elektra's retail stores and results from Grupo Elektra's financial business are related to changes in consumers' purchasing power. Any material changes in the overall economy that may affect or benefit Grupo Elektra's consumers' purchasing power would in turn affect or benefit Grupo Elektra's retail and financial business segments.

Grupo Elektra's assets are located in Mexico and are therefore subject to the provisions of the Mexican Asset Forfeiture Law (Ley Nacional de Extinción de Dominio or the "LNED").

The LNED empowers the public prosecutor (*agente del ministerio público*) to exercise forfeiture actions with respect to all types of assets related to crimes in a broad range of categories, including organized crime, kidnapping, crimes related to hydrocarbons, oil and petrochemicals, crimes against health, human trafficking, crimes for acts of corruption, cover-ups, crimes committed by public servants, theft of vehicles, resources of illicit origin and extortion. Pursuant to the LNED, the forfeiture action

may be exercised with respect to assets related to any of these crimes, including if the assets are used by a party other than the owner of the asset in order to commit the crime.

The LNEED permits a final judgment on forfeiture even in certain cases when the criminal trial has not yet concluded; provided the governmental authority determines that solid and reasonable grounds exist to infer the existence of assets that are covered by the LNEED. In such cases, if the affected person were to later prove its innocence and the asset has already been monetized, the affected person would only be able to recover the proceeds from the monetization of the asset.

Legal remedies are available to challenge the enforcement of the LNEED on the grounds of a possible violation of human and constitutional rights such as property rights and the presumption of innocence. If Grupo Elektra's assets are challenged under LNEED grounds, in order to defend Grupo Elektra's rights, it may be necessary to incur significant costs due to litigation and/or full or partial loss of the assets subject to domain extinction proceedings. All of the foregoing could adversely affect Grupo Elektra's business, reputation, results of operations and financial condition.

Grupo Elektra, including NEM, is subject to anti-corruption, anti-bribery, anti-money laundering, securities and antitrust laws and regulations in Mexico. Any violation of any such laws or regulations could have a material adverse impact on Grupo Elektra's reputation and results of operations and financial condition.

Grupo Elektra, including NEM, is subject to anti-corruption, anti-bribery, anti-money laundering, securities, antitrust and other international laws and regulations and are required to comply with the applicable laws and regulations of Mexico. In addition, they are subject to regulations on economic sanctions that restrict its dealings with certain sanctioned countries, individuals and entities. There can be no assurance that their internal policies and procedures will be sufficient to prevent or detect all inappropriate practices, fraud or violations of law by Grupo Elektra, NEM or its affiliates, employees, directors, officers, partners, agents and service providers or that any such persons will not take actions in violation of NEM's and Grupo Elektra's policies and procedures. Any violations by Grupo Elektra or NEM of anti-corruption, anti-bribery, anti-money laundering, securities and antitrust laws and regulations could have a material adverse effect on their business, reputation, results of operations and financial condition.

Risks Related to Grupo Elektra's Commercial Business

The success of Grupo Elektra's commercial business depends to a great extent on its ability to continue providing consumer financing to its customers.

Synergies between the financial services business and the commercial business are fundamental to Grupo Elektra's margins, asset turnover and profitability (see "Description of Grupo Elektra —Business Strengths —Commercial Business —Differentiated Shopping Experience —Integrated Consumer-Targeted Banking Services," and "Description of Grupo Elektra —Description of the Financial Services Business Segment —Grupo Elektra's Financial Services Business in Mexico and Central America"). Banco Azteca allows customers to effectively purchase goods and services by providing credit, which in turn allows Grupo Elektra's commercial business segment to use its liquidity to increase product offerings and improve operations. During the years ended December 31, 2022 and 2023 and the six-month period ended June 30, 2024, Banco Azteca financed 57%, 54% and 59%, respectively, of Grupo Elektra's retail sales. If Grupo Elektra is unable to continue providing consumer financing to its customers through Banco Azteca, it could negatively impact Grupo Elektra's business activities and, accordingly, have an adverse effect on Grupo Elektra's margins, results of operations, financial condition and prospects.

Grupo Elektra may have difficulty acquiring an adequate supply of high-quality, low-cost merchandise.

Grupo Elektra's future success largely depends on its ability to secure a sufficient volume of merchandise for its stores at an attractive cost. Historically, Grupo Elektra has been able to acquire high-quality merchandise at a low cost, but such merchandise may not be available in the future at all or in amounts sufficient to satisfy the demand from Grupo Elektra's customers. Grupo Elektra does not rely heavily on any one supplier of merchandise for its stores. However, Grupo Elektra purchases a substantial portion of its product inventories from Radiomóvil Dipsa, AT&T, Mabe, Whirlpool Mexico, Samsung, Xiaomi, LG, Spring Air, Motorola and Hisense. Together, merchandise supplied by these companies represented approximately 60% of Grupo Elektra's cumulative purchases of goods from external suppliers for the six-month period ended June 30, 2024. Grupo Elektra's business operations may be disrupted if it is unable to secure an adequate supply of merchandise at reasonable prices.

Grupo Elektra's future success depends on its ability to distribute its products to its stores in a timely and cost-efficient manner.

Grupo Elektra's success depends on its ability to distribute its products to Grupo Elektra's stores on a timely and cost-efficient basis. Grupo Elektra's 10 distribution centers where it operates receive inventory deliveries from Grupo Elektra's suppliers for processing and subsequent distribution to Grupo Elektra's stores and warehouses. The orderly operation of Grupo Elektra's receipt and distribution of inventory requires the effective management of its distribution centers and an adherence to Grupo Elektra's logistics guidelines. Grupo Elektra's operations exert pressure on its inventory receiving and distribution systems, which could be adversely affected by one or more of the following factors:

- the upgrade and expansion of Grupo Elektra's existing distribution centers and the installation of new distribution centers to accommodate Grupo Elektra's growth;
- any disruptions on the operation or Grupo Elektra's ability to improve or upgrade its information technology infrastructure and management information systems, in particular Grupo Elektra's supply chain management software system;
- disruptions in the delivery processes; and
- natural disasters, severe weather or casualties, such as fires, wildfires, explosions, hurricanes, tornadoes, cyclones, floods, landslides, volcanic eruptions, famines, droughts, extreme temperatures, lightning or earthquakes, which may adversely affect Grupo Elektra's inventory receipt and distribution processes.

Grupo Elektra's failure to distribute its products to its stores in a timely and cost-efficient manner could adversely affect its business, results of operations and financial condition.

Grupo Elektra's offer of mobile phone products and services depends on its suppliers.

The success of the virtual mobile network operator business offered at Grupo Elektra's stores and through its own brand OUI depends on product availability and the logistics of the companies that supply their products and services at Grupo Elektra's stores. The absence of these companies' products and services to Grupo Elektra's stores could diminish traffic within its stores and could also reduce Grupo Elektra's competitive advantage as the largest national distributor of mobile products and services. Therefore, Grupo Elektra's virtual mobile network operator business performance and operations may be adversely affected if the mobile phone companies' supply systems are disrupted.

Risks Related to Grupo Elektra's Financial Services Business

Risks Related to Grupo Elektra's Financial Services Business in Mexico and Central America

Banco Azteca's financial performance of and its ability to successfully offer consumer financing services is directly related to its ability to attract deposits. Banco Azteca may find it difficult to market its services to members of its targeted demographic of lower- and middle-income customers who generally do not have relationships with banking institutions. Accordingly, Banco Azteca may require additional capital investments in the future. In addition, Banco Azteca's consumer credit and personal loan portfolio is mainly comprised of individuals with limited or no previous credit history who may be more likely to default on their repayment obligations during periods of economic difficulty.

The operations and activities of Banco Azteca are subject to the legal regime applicable to the Mexican banking industry, although the accounting requirements prescribed by the CNBV and various other laws and regulations are not otherwise applicable to Grupo Elektra's other business operations. Such laws, regulations and requirements may impose restrictions upon Banco Azteca's operations and activities and the activities of Grupo Elektra in general. Any future change in the legal regime applicable to Banco Azteca could subject it to additional restrictions and affect its business operations and financial results. For more information on the legal regime applicable to Banco Azteca, see "*Description of Grupo Elektra — Regulation — Regulation Affecting Banco Azteca.*"

There can be no assurance that Banco Azteca's banking activities will be successful or profitable. In addition, there can be no assurance that the results of Banco Azteca will not have an adverse effect on Grupo Elektra's consolidated results of operations.

Banco Azteca faces competition from other banks and financial institutions.

Banco Azteca has faced and will continue to face strong competition in Mexico from banking institutions associated with Banco Azteca's competitors in the retail market, personal loans and digital banking, which serve the same middle- and low-income segment of the Mexican population as Banco Azteca, such as Bancoppel, S.A., Institución de Banca Múltiple (the consumer financing subsidiary of Coppel), Grupo Financiero BBVA México, Banco Compartamos, S.A. Institución de Banca Múltiple (the financial subsidiary of Gentera, S.A.B. de C.V.), and Consubanco, S.A., Institución de Banca Múltiple. Furthermore, competition in the banking industry for customers among the middle- and low-income segment may increase significantly as a result of the introduction of new banking and other financial products, such as credit cards and personal loans that target the middle- and low-income or as a result of changes in regulations applicable to financial institutions, which could enable new participants focusing on Banco Azteca's target market to enter the banking industry more easily. Any increase in competition could affect Grupo Elektra's market position if its competitors are able to offer more attractive financing terms. In the future, new competitors, including microfinance financial institutions and financial technology ("FinTech") companies, may emerge, and existing competitors may engage in more aggressive efforts to attract Banco Azteca's customers, which may adversely affect the volume and profitability of Banco Azteca's operations.

Changes in the Mexican banking regulatory framework may adversely affect the financial results of Banco Azteca.

Like the rest of the Mexican banks, Banco Azteca is subject to comprehensive regulation and supervision by Mexican regulatory authorities, such as the Mexican Central Bank, the CNBV, the Ministry of Finance and Public Credit (*Secretaría de Hacienda y Crédito Público*) and the Mexican Commission for Protection and Defense of Financial Services (*Comisión Nacional para Protección y Defensa de los Usuarios de Servicios Financieros* or CONDUSEF). These regulatory authorities have broad powers to adopt regulations and other requirements affecting or restricting virtually all aspects of Banco Azteca's capitalization, organization and operations, including the authority to regulate the interest rates and fees that it is allowed to charge and the other terms and conditions of its consumer lending transactions. Moreover, Mexican financial regulatory authorities possess significant power to enforce applicable regulatory requirements in the event of Banco Azteca's failure to comply with them, including by imposing fines, requiring the contribution of new capital, restricting Banco Azteca from paying dividends to Elektra or paying bonuses to employees, and restricting or revoking licenses or permits to operate its business. In the event Banco Azteca encounters significant financial problems or becomes insolvent or in danger of becoming insolvent, Mexican banking authorities would have the power to take over Banco Azteca's management and operations.

Mexican banking and financial services laws and regulations are subject to continuing review and changes, and any such future changes may have an adverse impact on, among other things, Banco Azteca's ability to grant and collect on loans, transfer non-performing loans and otherwise extend credit on terms and conditions and at adequately profitable interest rates, which could materially and adversely affect Banco Azteca's and Grupo Elektra's consolidated results of operations and financial position.

The revocations of Banco Azteca's license or government approvals to operate its business, or the imposition of any restrictions on Banco Azteca's ability to grant consumer loans, may in turn affect the sales volumes of Grupo Elektra's retail stores, which rely on the consumer financing supplied by Banco Azteca, and therefore affect Grupo Elektra's results of operations and financial position.

Banco Azteca is subject to the risk of nationalization or expropriation.

Like other Mexican banks, Banco Azteca is subject to the risk of nationalization or expropriation by Mexican authorities, as occurred in 1982. This means that the Mexican federal government could acquire ownership and/or control of Banco Azteca. In such an event, Elektra would be entitled to compensation as a result of such governmental action, but there is no guarantee that the amount of compensation Elektra would eventually receive would represent the full market value of its investment in Banco Azteca. In addition, Elektra would no longer be entitled to the dividend and other capital distributions paid by Banco Azteca. Such governmental action would compel Grupo Elektra to cease its bank financing activities and resume its pre-2003 installment sales financing options (which were conducted through a wholly-owned subsidiary before the establishment of Banco Azteca in 2003), which could have an adverse impact on Grupo Elektra's overall business model and profitability.

Future Mexican government restrictions on interest rates and banking fees may affect Banco Azteca's liquidity and profitability.

Grupo Elektra's Mexican consumer finance operations implemented through Banco Azteca are subject to the legal regime applicable to the Mexican banking industry in general, including bank charges that Banco Azteca considers to be reasonably within

market standards for its target consumer segment. The Mexican Law for Protection and Defense of Financial Services Users (*Ley de Protección y Defensa al Usuario de Servicios Financieros*) currently does not impose any limit on interest rates or banking fees, subject to certain exemptions, that a bank may charge, although it requires Banco Azteca to classify each customer loan according to a risk-based assessment based on specified criteria and establishing corresponding reserves. However, the possibility of imposing such limits has been and continues to be debated by the Mexican Congress and Mexican banking authorities. In the future, the Mexican banking authorities could impose restrictions on the interest rates or fees charged by banks or impose additional interest rate or fees information disclosure requirements. A substantial portion of Banco Azteca's revenues and operating cash flow is generated by the consumer credit services it offers, and any such limitations or additional information requirements could impact Banco Azteca's competitiveness and have a material adverse effect on Grupo Elektra's financial performance.

Any change in the Mexican laws applicable to Banco Azteca, including the imposition of credit approval requirements, could have an adverse effect on Grupo Elektra's financial condition and results of operations.

The consumer protection laws and their enforcement in Central American countries where Banco Azteca does business are comparable to Mexican law. A change in the regulatory environment in Mexico, or in the other countries where Banco Azteca operates, or the imposition of authorization requirements, could have a material adverse effect on Grupo Elektra's operations and its financial performance.

Guidelines for loan classification and loan loss reserves in Mexico may be less stringent than those in other countries.

Mexican banking regulations require Banco Azteca to classify each loan or type of loan (other than loans to the Mexican government, the Mexican Central Bank, the Mexican Bank Savings Institute (*Instituto de Protección al Ahorro Bancario*, or "IPAB") and certain international organizations) according to a risk assessment that is based on specified criteria, to establish corresponding reserves and, in the case of some non-performing assets, to write off certain loans. The criteria to establish reserves include both qualitative and quantitative factors. Mexican regulations relating to loan classification and determination of loan loss reserves are generally different than those applicable to banks under different accounting criteria frameworks. Banco Azteca may be required or deem it necessary to increase its loan loss reserves in the future. Increasing loan loss reserves for Banco Azteca could materially and adversely affect Banco Azteca and Grupo Elektra's results of operations and financial position.

Banco Azteca may be unable to effectively control the level of its non-performing or poor credit quality loans or have insufficient loan loss reserves to cover future loan losses.

Non-performing or low credit quality loans can negatively impact Banco Azteca and Grupo Elektra's results of operations. There can be no assurance that Banco Azteca will be able to effectively control and reduce the level of the impaired loans in its total loan portfolio. In particular, the amount of Banco Azteca's non-performing loans may increase in the future as a result of growth in Banco Azteca's total loan portfolio, including as a result of loan portfolios that Banco Azteca may acquire from time to time or otherwise, or factors beyond Banco Azteca's control, such as the impact of macroeconomic trends, political events affecting Mexico or changes to accounting principles or other laws or regulations applicable to Banco Azteca or events affecting Banco Azteca's target customers. In addition, Banco Azteca's current loan loss reserves may not be adequate to cover an increase in the amount of non-performing loans or any future deterioration in the overall credit quality of its total loan portfolio. As a result, if the quality of Banco Azteca's total loan portfolio deteriorates, it may be required to increase its loan loss reserves, which may adversely affect Banco Azteca and Grupo Elektra's financial condition and results of operations. Moreover, there is no precise method for predicting loan and credit losses, and there can be no assurance that Banco Azteca's loan loss reserves will be sufficient to cover actual losses. If Banco Azteca is unable to control or reduce the level of its non-performing or poor credit quality loans, Banco Azteca and Grupo Elektra's financial condition and results of operations could be materially and adversely affected.

Mexican banks such as Banco Azteca are subject to strict capitalization requirements, which if not met, could result in corrective measures or revocation of its banking authorization.

Mexican banks are required to maintain certain net capital amounts (*capital neto*) relative to market risk, risk-weighted assets incurred in its operation, and operations risk, which may not be less than the capital required for each type of risk. If Banco Azteca were not to comply with these requirements, two risk scenarios could arise: (1) pursuant to articles 134 bis and 134 bis 1 of the Mexican Banking Law (*Ley de Instituciones de Crédito*), the CNBV could impose a minimum corrective measure, or (2) pursuant to numeral V of article 28 of the Law of Credit Institutions, and under certain circumstances, the CNBV could revoke the authorization granted to Banco Azteca to operate as a banking institution in Mexico. The occurrence of either scenario, and the consequences therefrom, could adversely affect Banco Azteca's and Grupo Elektra's financial condition and results of operation.

Banco Azteca may not be able to detect money laundering, bribery, sanctions violations and other illegal or improper activities adequately or on a timely basis, which could expose Banco Azteca to additional liability and harm Grupo Elektra's business.

Banco Azteca is required to comply with applicable anti-money laundering laws and other regulations in Mexico. These laws and regulations require Banco Azteca, among other things, to adopt and enforce “know-your-customer” policies and procedures and to report suspicious and large transactions to the applicable regulatory authorities. While Banco Azteca has adopted policies and procedures to detect and prevent the use of its banking network for money laundering activities, such policies and procedures may not eliminate instances where Banco Azteca may be used by other parties to engage in money laundering and other illegal or improper activities. To the extent Banco Azteca fails to fully comply with applicable laws and regulations, the relevant government agencies to which Grupo Elektra reports have the power and authority to impose fines and other penalties on Banco Azteca, including revoking Banco Azteca's license to engage in commercial banking activities. In addition, Banco Azteca's and Grupo Elektra's business and reputation could suffer if it fails to detect and prevent customers who engage in money laundering or illegal or improper purposes.

Failure to successfully implement and continue to upgrade Banco Azteca's credit risk management system could materially and adversely affect Banco Azteca's business operations and prospects.

Credit risk is one of the principal types of risks inherent to Banco Azteca's business. Grupo Elektra may not be able to, on a timely basis, upgrade Banco Azteca's credit risk management system. For example, an important part of Banco Azteca's credit risk management system is to employ an internal credit rating system to assess the particular risk profile of a client. As this process involves detailed analyses of the client or credit risk, taking into account both quantitative and qualitative factors, it is subject to human error. In exercising their judgment, Grupo Elektra's employees may not always be able to assign an accurate credit rating to a client or credit risk, which may result in Banco Azteca's exposure to higher credit risks than is indicated by its risk rating system. Grupo Elektra may not be able to timely detect these risks before they occur, or due to limited resources or tools available to it, Grupo Elektra's employees may not be able to effectively implement them, which may increase Banco Azteca's credit risk. Failure to implement effectively, consistently follow or continuously refine Banco Azteca's credit risk management system may result in a higher risk exposure for Grupo Elektra, which could materially and adversely affect Grupo Elektra's results of operations and financial position.

Reductions in Banco Azteca's credit ratings would increase its cost of borrowing funds and affect its ability to raise new funds, attract deposits or renew maturing debt more difficult.

The credit ratings of Banco Azteca are an important component of its liquidity profile. Among other factors, the credit ratings of Banco Azteca depend on its financial strength, credit quality and concentrations in its total loan portfolio, the level and volatility of its earnings, its capital adequacy, the quality of management, the liquidity of its statement of financial position, the availability of a significant base of core retail and commercial deposits, and its ability to access funding sources. These factors are subject to constant change, thus credit ratings could be downgraded or withdrawn. For instance, in March 2024, Fitch Ratings Mexico downgraded Banco Azteca's viability rating to “BB-” from “BB”, the long-term foreign and local currency international Issuer Default Rating (IDR) to “BB-” from “BB” and the long-term national rating to “A(mex)” from “A+(mex)”, and in April 2024, Fitch Ratings Mexico affirmed and withdrew the ratings previously given to Banco Azteca and decided to no longer provide ratings or analytical coverage to Banco Azteca.

Changes in Banco Azteca's credit ratings could increase its cost of borrowing funds or extending maturing debt or its ability to access the capital markets for its financing needs. Banco Azteca's ability to compete successfully in the market for deposits depends on various factors, including its financial stability as reflected by its credit ratings. A downgrade in Banco Azteca's credit rating may adversely affect the perception of its financial stability and its ability to raise deposits.

Several regulated entities of Grupo Elektra (including Banco Azteca, Purpose Financial, NEM and Punto Casa de Bolsa) are subject to regulatory inspections, examinations, inquiries and audits that could result in intervention, sanctions and other penalties by the regulators and supervisors and changes in the regulatory framework could adversely affect Grupo Elektra's regulated subsidiaries.

Several regulated entities of Grupo Elektra are subject to comprehensive regulation and supervision by U.S. and Mexican regulatory authorities. Some of these regulatory authorities have broad powers to adopt regulations and other requirements that affect all aspects of such entities' capitalization, organization and operations, including changes to capital adequacy and reserve

requirements, compliance with rules relating to secrecy, the imposition of anti-money laundering measures and the authority to regulate the terms of products, including the interest rates commissions.

Moreover, Mexican and U.S. financial regulatory authorities possess significant powers to enforce applicable regulatory requirements, including the imposition of fines, requiring that new capital be contributed, inhibiting several regulated entities of Grupo Elektra from paying dividends to shareholders or paying bonuses to employees, or the revocation of licenses to operate Grupo Elektra's business (including its banking or money transmitter licenses).

Certain of Grupo Elektra's subsidiaries, including Seguros Azteca and Seguros Azteca Daños, are engaged in the insurance business (life and casualty, respectively) and are subject to comprehensive regulation and supervision by Mexican authorities. These authorities have broad powers to adopt regulations and other requirements that would significantly affect the organization and/or operations of these insurance entities. Areas subject to regulation include: (1) minimum capital requirements; (2) registration requirements for products and services; (3) risk reserves; (4) disclosure requirements for the investment portfolio; (5) accounting standards; and (6) external auditors. Moreover, Mexican insurance regulatory authorities possess significant powers to enforce applicable regulatory requirements in the event Grupo Elektra's insurance subsidiaries fail to comply with them.

Mexican insurance laws and regulations are subject to continuing review and changes, and any such changes in the future may have an adverse impact on, among other things, Grupo Elektra's insurance subsidiaries' ability to successfully launch new insurance products, which may have an adverse effect on their respective financial conditions.

Grupo Elektra also has a subsidiary, Afore Azteca, engaged in the pension fund market. Mexican law currently allows employees to choose the financial institution that will administer their mandatory pension fund contributions. In the event that regulations are changed such that employees are no longer free to choose their pension fund manager, Grupo Elektra's pension fund administration subsidiary may be adversely affected.

Upon the occurrence of certain events, the CNBV may revoke Banco Azteca's banking license.

Pursuant to the Mexican Banking Law, the CNBV may revoke Banco Azteca's banking license upon the occurrence of certain events, including failure to: (1) comply with any minimum corrective measures ordered by the CNBV; (2) comply with the minimum capital ratios required under the Mexican Banking Law; (3) pay certain of its debts or comply with its obligations with one or more participants in clearing systems or with its depositors; or (4) comply with restrictions on certain types of transactions prohibited by the Mexican Banking Law, among others.

If the CNBV were to revoke Banco Azteca's banking license, Banco Azteca's and Grupo Elektra's business, results of operations and financial condition as a whole could be materially and adversely affected.

Risks Related to Grupo Elektra's Financial Services Business in the United States

Purpose Financial's business is regulated under federal and state law and related regulations. Purpose Financial's failure to comply with these laws and regulations could have a material adverse effect on Purpose Financial's and Grupo Elektra's business, prospects, results of operations and financial condition.

Purpose Financial is subject to the enforcement, supervision and rulemaking authority of its primary federal regulator, the Consumer Financial Protection Bureau ("CFPB"). Laws and regulations applicable to Purpose Financial's business and subject to CFPB authority include the Truth-in-Lending Act ("TILA"), the Equal Credit Opportunity Act ("ECOA"), the Electronic Funds Transfer Act ("EFTA"), the Fair Credit Reporting Act ("FCRA"), the Fair Debt Collection Practices Act ("FDCPA"), the Gramm-Leach-Bliley Act ("GLBA") and the Consumer Financial Protection Act including unfair, deceptive and abusive acts or practices ("UDAAP"). Among other things, these laws and regulations require disclosure of the principal terms of each transaction to every customer, prohibit misleading advertising, protect against discriminatory lending practices and proscribe unfair credit practices.

In July 2020, the CFPB issued a revision to the Small Dollar Lending rule previously issued in 2017, impacting those consumer loan products offered by Purpose Financial. The original rule required certain underwriting restrictions ("Underwriting Provisions") and restrictions and disclosures regarding the lender's ability to collect payments ("Payment Provisions"). The Underwriting Provisions have since been removed from the rule, but the Payment Provisions remain. The effective date of the rule has been stayed due to a lawsuit challenging the CFPB's authority to adopt such rules. The lawsuit is nearing completion, which

could result in an effective date in 2025. The Payment Provisions affect the consumer credit products that Purpose Financial offers, and, if confirmed by the court, they could have a material adverse effect on Purpose Financial's business.

Failure to comply with applicable regulations could subject Purpose Financial to regulatory enforcement action that could result in civil, monetary, or other penalties and could have a material adverse effect on Grupo Elektra's business, prospects, results of operations and financial condition.

Other federal laws applicable to Purpose Financial's business include the Bank Secrecy Act, the Money Laundering Control Act of 1986, the Money Laundering Suppression Act of 1994 and the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (the "*PATRIOT Act*") and the Federal Trade Commission Act.

The CFPB, Federal Trade Commission ("*FTC*") and other U.S. federal agencies, as well as state attorneys general and private plaintiffs, can enforce the above statutory requirements. Any failure to comply with any of these federal laws and regulations could have a material adverse effect on Purpose Financial's business, prospects, results of operations and financial condition.

Various anti-cash advance legislation has been proposed or introduced in the U.S. Congress. Federal and state legislators continue to receive pressure from consumer advocates and other industry opposition groups to adopt such legislation. Recently, legislation was proposed to apply the military lending interest rate cap of 36% to payday loans, vehicle title loans and tax refund loans. Any federal legislation or regulation that places restrictions on cash advances and similar services could have a material adverse effect on Grupo Elektra's business, prospects, results of operations and financial condition. Any federal law that would impose a 36% annual interest rate limit or prohibit or severely restrict cash advance services would likely eliminate Purpose Financial's ability to continue its current operations.

Purpose Financial's business is regulated under a variety of enabling state statutes, which may impose significant costs, limitations, or prohibitions on the way Purpose Financial conducts or expands its business. As of June 30, 2024, Purpose Financial operated in 23 states of the United States.

Laws prohibiting cash advances and similar products and services or impacting their ability to be offered profitably could be passed in any state at any time, or existing enabling laws could expire or be amended, any of which could have a material adverse effect on Purpose Financial's and Grupo Elektra's business, prospects, results of operations and financial condition. From time to time, Purpose Financial may also choose to continue to operate in a location even if applicable legislation or regulations cause it to operate at a loss in that location. However, Purpose Financial may decide to exit such location entirely if it determines that the existing laws and regulations do not permit profitable operations in that state. Any similar actions or events could have a material adverse effect on Purpose Financial's and Grupo Elektra's business, prospects, results of operations and financial condition.

Statutes authorizing cash advance and similar products and services typically provide the state agencies that regulate banks and financial institutions with significant regulatory powers to administer and enforce the law. In most states, Purpose Financial is required to apply for a license, file periodic written reports regarding business operations, and undergo comprehensive state examinations to ensure that it complies with applicable laws. Under statutory authority, state regulators have broad discretionary power and may impose new licensing requirements, interpret or enforce existing regulatory requirements in different ways or issue new administrative rules, even if not contained in state statutes, that affects the way Purpose Financial conducts business and may force Purpose Financial to terminate or modify its operations, which in turn could have a material adverse effect on Purpose Financial's and Grupo Elektra's business, prospects, results of operations and financial condition.

In some cases, Purpose Financial relies on the interpretations of state attorneys general and the staff of state regulatory bodies with respect to the laws and regulations of their respective jurisdictions. These staff interpretations generally are not binding legal authority and may be subject to challenge in administrative or judicial proceedings. Additionally, as the staff of state regulatory bodies change, it is possible that their interpretations of applicable laws and regulations also may change to the detriment of Purpose Financial's business. As a result, Purpose Financial's reliance on staff interpretations could have a material adverse effect on Purpose Financial's and Grupo Elektra's business, results of operations and financial condition.

Additionally, state attorneys general, banking regulators and state and local courts scrutinize cash advances and other alternative financial products and services and may take actions that require Purpose Financial to modify, suspend, or cease its operations in their respective jurisdictions, which in turn could have a material adverse effect on Purpose Financial's and Grupo Elektra's business, prospects, results of operations and financial condition.

Unauthorized disclosure of sensitive or confidential customer data could expose Purpose Financial to protracted and costly litigation and penalties and cause it to lose customers.

To conduct its business, Purpose Financial is required to manage, use and store large amounts of personally identifiable information, consisting primarily of confidential personal and financial data regarding its customers. Purpose Financial also depends on its IT networks and systems, and those of third parties, to process, store and transmit this information. As a result, Purpose Financial is subject to numerous U.S. and foreign laws and regulations designed to protect this information, such as various U.S. federal and state laws governing the protection of financial or other individually identifiable information. Security breaches involving Purpose Financial's files and infrastructure could lead to unauthorized disclosure of confidential information, as well as shutdowns or disruptions of its information systems.

If any person, including Purpose Financial's employees or those of third-party vendors, negligently disregards or intentionally breaches Purpose Financial's established controls with respect to such data or otherwise mismanages or misappropriates that data, Purpose Financial could be subject to costly litigation, monetary damages, fines and/or criminal prosecution. Unauthorized disclosure of sensitive or confidential customer data by any person, whether through systems failure, unauthorized access to Purpose Financial's IT systems, fraud, misappropriation, or negligence, could result in negative publicity, damage to Purpose Financial's reputation or operating brands, and a loss of customers. Any unauthorized disclosure of personally identifiable information could subject Purpose Financial to liability under data privacy laws at the federal and state level and adversely affect its business, prospects, results of operations and financial condition.

Risks Related to Mexico and Grupo Elektra's International Operations

Fluctuations in the U.S. economy or the global economy in general may adversely affect Mexico's economy and Grupo Elektra's business.

Mexico's economy, as well as the economies of the other countries in which Grupo Elektra operates, are vulnerable to global market downturns and economic slowdowns. Moreover, Mexico's economy is largely influenced by the economic conditions in the United States as a result of various factors, including the volume of commercial transactions under the USMCA and the level of U.S. investments in Mexico. Therefore, events and conditions that affect the U.S. economy can also affect Grupo Elektra's business, results of operations and financial condition, both indirectly and directly.

The global economy, including Mexico and the United States, has been and may in the future be materially and adversely affected by a significant lack of liquidity, loss of confidence in the financial sector, disruption in the credit markets, reduced business activity, rising unemployment, decline in interest rates and erosion of consumer confidence during the recent global recession. This situation has had a direct adverse effect on the purchasing power of Grupo Elektra's customers in Mexico and other countries. The macroeconomic environment in which Grupo Elektra operates is beyond its control, and the future economic environment may continue to be less favorable than in recent years. Grupo Elektra's level of revenues depends in large part on the ability of its stores to maintain high sales volumes, efficient inventory and distribution levels and strict control systems, which in turn depend on the continued recuperation of the Mexican and global economy. There can be no assurance that such recuperation will continue or the current economic conditions will ameliorate. The risks associated with current and potential changes in the Mexican and United States economies are significant and could have a material adverse effect on Grupo Elektra's business and results of operations.

Financial problems or an increase in risk related to investment in emerging economies could limit foreign investment in Mexico and adversely affect the Mexican economy. Mexico has historically experienced uneven periods of economic growth and has recently been adversely affected by global economic crisis. Although Mexico, the U.S. and other governments have taken steps to increase liquidity in the financial markets, there can be no assurance that such measures will lead to sustained growth of the overall business environment in which Grupo Elektra operates and Grupo Elektra cannot predict the impact any future economic downturn could have on its results of operations and financial condition. However, consumer demand generally decreases during economic downturns.

The political environment in Mexico could negatively affect Grupo Elektra's operating results.

In Mexico, political instability has been a determining factor in business investment. Significant changes in laws, public policies and/or regulations could affect Mexico's political and economic situation, which could in turn adversely affect Grupo Elektra's business. Any change in the current consumer protection or consumer finance regulatory policies could have a significant effect on Mexican retailers and consumer finance services providers, including Grupo Elektra, variations in interest rates, demand for Grupo Elektra's products and services, market conditions and the prices of and returns on Mexican securities.

Mexico's presidential and congressional elections in June 2024 introduced a period of political and economic uncertainty, with the ruling political party and its allies winning a super-majority in the lower house of Congress and a majority in the Senate, which would permit the ruling party to implement significant changes in statutes, laws, regulations and policies affecting wide range of political, economic and regulatory matters. Changes in government policies, economic strategies, and regulatory frameworks, such as the new reform to the Mexican Constitution regarding the judicial branch which was published in the Official Gazette and came into law on September 15, 2024 (the “*Judicial Reform*”), could significantly impact various sectors, including those in which Grupo Elektra operates, and negatively affect investor confidence and the business environment in the country.

Under the Judicial Reform, among other things, beginning in 2025, (i) Supreme Court Justices, judges, and magistrates will no longer be appointed and will be democratically elected via citizen vote, (ii) the number of Supreme Court Justices will be reduced from 11 to 9, (iii) Justices will now serve for 12 years, down from the previous 15 years, with no re-election permitted, (iv) a lower threshold of 6 votes (instead of 8) will now be required to set binding precedent and 6 votes (instead of unanimous) will be needed to declare laws unconstitutional, and (v) a new judicial administration body and disciplinary court will be created. As a result, confidence in the judiciary and Mexican courts has been negatively affected, protests both for and against the Judicial Reform being organized, and judges and court workers have gone on strike, slowing down the processing of cases. There is uncertainty as to the enforceability of judgements in Mexican courts, in original actions or in actions for enforcement of judgments obtained in courts of jurisdictions outside of Mexico. Secondary legislation is expected to outline the specifics of the electoral process for judges and operations of the disciplinary court. The impact of the Judicial Reform in Mexico or Grupo Elektra is uncertain, and Grupo Elektra cannot predict whether further changes in law, policy, and regulations in Mexico, including the Judicial Reform, could affect Grupo Elektra’s business operations, financial condition, operating results, cash flows and prospects.

Social and political instability in or affecting Mexico could adversely affect Grupo Elektra’s business, financial condition and result of operations, as well as market conditions and prices of its securities. These and other future developments in the Mexican political or social environment may cause disruptions to Grupo Elektra’s business operations and decreases in its sales and net income.

The Mexican government has exercised, and continues to exercise, a significant influence over many aspects of the Mexican economy. Thus, the actions and policies of the Mexican federal government relating to the economy as a whole, and in particular taxes, salaries, pension, transport and similar services, could have a significant impact on Grupo Elektra, as well as a more general impact on market conditions, prices and yields on Mexican variable and fixed income securities. Grupo Elektra cannot predict whether changes in the law, policy and regulations in Mexico, including measures related to new or increased taxes, and/or environmental policy, could affect Grupo Elektra’s business activities, financial condition, operating results, cash flows and prospects.

Grupo Elektra’s business is highly dependent on the Mexican economy and economic developments in Mexico may adversely affect Grupo Elektra’s business and results of operations.

Grupo Elektra is a Mexican corporation, and the majority of its subsidiaries, including NEM, are also Mexican corporations. For the years ended December 31, 2022 and 2023 and the six-month period ended June 30, 2024, Grupo Elektra’s operations in Mexico accounted for 87%, 89% and 89%, respectively, of its total consolidated revenues of Ps.164,691 million (U.S.\$8,962 million), Ps.184,151 million (U.S.\$10,021 million) and Ps.92,745 million (U.S.\$5,047 million), respectively, and 81%, 101% and 87%, respectively, of Grupo Elektra’s total consolidated profit (loss) from operations of Ps.7,976 million (U.S.\$434 million), Ps.9,288 million (U.S.\$505 million) and Ps. 8,063 (U.S.\$439), respectively. As a result, Grupo Elektra’s business may be significantly affected by the general condition of the Mexican economy, by the depreciation of the Mexican peso, by inflation and high interest rates in Mexico, or by political developments in Mexico. Declines in growth, high rates of inflation, high interest rates and low private consumption in Mexico have a generally adverse effect on Grupo Elektra’s operations. If inflation in Mexico increases while economic growth slows, Grupo Elektra’s business, results of operations and financial condition will be affected. In addition, high interest rates and economic instability could increase Grupo Elektra’s costs of financing.

Grupo Elektra’s business is highly dependent on the Mexican economy and economic developments in Mexico may adversely affect Grupo Elektra’s business and results of operations. Rating agency credit ratings of Mexico and PEMEX, the state-owned oil and gas company whose performance has a significant impact on the country’s ratings, are an indicator of the health and outlook on the Mexican economy. Since 2021, the leading credit ratings agencies have downgraded the credit ratings of Mexico’s sovereign debt from BBB (Fitch Ratings), Baa1 (Moody’s) and BBB (S&P) to its current ratings of BBB- (Fitch Ratings), Baa2 (Moody’s) and BBB (S&P) and the PEMEX’s long-term issuer default rating from BB- (Fitch Ratings), Baa3 (Moody’s) and BBB (S&P) to its current ratings of B+ (Fitch Ratings), B3 (Moody’s) and BBB (S&P). On July 14, 2023, Fitch downgraded PEMEX’s long-term Issuer Default Rating (IDR) to B+ on rating watch negative. On December 20, 2023, Fitch removed the rating watch

negative outlook on PEMEX and assigned a stable rating outlook. On February 9, 2024, Moody's downgraded its ratings on PEMEX's corporate family, PEMEX's existing senior unsecured notes and PEMEX's guarantee from B1 to B3 (negative outlook). On May 16, 2024, Moody's completed a periodic review of Mexico and left its Baa2 long term issuer rating, with stable outlook unchanged. On July 18, 2024, Fitch Ratings affirmed Mexico's long-term foreign-currency IDR at BBB- with a stable outlook. These rating actions could adversely affect the Mexican economy and, consequently, Grupo Elektra as well as its business, financial condition, operating results and prospects.

On December 21, 2023, Verum affirmed Grupo Elektra's rating of AA (outlook stable) on a local scale. On March 11, 2024, Fitch Ratings downgraded Grupo Elektra's and NEM's rating to BB- (outlook stable) on a global scale and Grupo Elektra's rating to A (outlook stable) on a local scale. On March 26, 2024, Moody's Local Mexico affirmed Grupo Elektra's rating of AA- (outlook stable) on a local scale. On April 26, 2024, HR Ratings affirmed Grupo Elektra's rating of AA on a local scale (outlook stable), and on May 16, 2024 affirmed NEM's ratings of AA (outlook stable) on a local scale and BBB (outlook stable) on a global scale. Regarding Banco Azteca, on January 16, 2024, Moody's Local Mexico affirmed its long-term rating on bank deposits of A (outlook stable) on a local scale. On April 18, 2024, Fitch affirmed and withdrew the bank's rating of BB- on a global scale at the request of Banco Azteca. On June 13, 2024, Moody's affirmed Banco Azteca's counterparty risk rating of Ba1 on a global scale, and its rating on bank deposits of Ba2. On July 5, 2024, HR Ratings affirmed Banco Azteca's rating of AA- (outlook stable) on a local scale. These and any possible future ratings downgrades have increased and could in the future further increase Grupo Elektra's cost of financing and adversely affect Grupo Elektra's business, financial condition, operating results and prospects.

Depreciation of the Mexican peso or currencies of the jurisdictions where Grupo Elektra operates relative to the U.S. dollar could adversely affect Grupo Elektra's financial condition, its ability to repay debt and other obligations and results of operations.

Depreciation of the Mexican peso and of the currencies of the jurisdictions where Grupo Elektra operates relative to the U.S. dollar increases the cost of Grupo Elektra's operations, and of its debt obligations denominated in U.S. dollars, and thereby negatively affects Grupo Elektra's financial position and results. As of June 30, 2024, Grupo Elektra had U.S.\$372 million of indebtedness denominated in foreign currency, mainly U.S. dollars (see "*Operating and Financial Review — Management Overview — Indebtedness*"). A severe devaluation or depreciation of the Mexican peso, which is Grupo Elektra's main operating currency, may result in disruption of the international foreign exchange markets and may limit Grupo Elektra's ability to transfer or to convert Mexican pesos into U.S. dollars and other currencies to make timely payments of interest and principal on Grupo Elektra's U.S. dollar-denominated debt or obligations in other currencies.

The Mexican peso is a free-floating currency and, as such, it experiences exchange rate fluctuations relative to the U.S. dollar over time. During 2023, the Mexican peso appreciated relative to the U.S. dollar by approximately 12.7% compared to 2022 whereas of June 30, 2024 the Mexican peso depreciated 8.8% compared to 2023. The Mexican peso reached its highest level of depreciation during 2024 on September 12, 2024 (18.7%). Through September 19, 2024, the Mexican peso has depreciated 14% since December 31, 2023. While the Mexican government does not currently restrict, and since 1982 has not restricted, the right or ability of Mexican or foreign persons or entities to convert Mexican pesos into U.S. dollars or to transfer other currencies out of Mexico, the Mexican government could impose restrictive exchange rate policies in the future, as it has done in the past. There can be no assurance that the Mexican government will not institute a restrictive exchange control policy. Any such restrictive exchange control policy could prevent or restrict access to U.S. dollars and limit its ability to service its debt. Moreover, Grupo Elektra cannot predict what impact a restrictive exchange control policy would have on the Mexican economy generally. Currency fluctuations may have an adverse effect on Grupo Elektra's financial position, results of operations and cash flow in future periods. When the financial markets are volatile, as they have been in recent periods, Grupo Elektra's results may be substantially affected by variations in exchange rates and commodity prices and, to a lesser degree, interest rates. These effects include foreign exchange gain and loss on assets and liabilities denominated in U.S. dollars, fair value gain and loss on derivative financial instruments, commodities prices and changes in interest income and interest expense. These effects can be much more volatile than Grupo Elektra's operating performance and its operating cash flows.

Furthermore, a severe devaluation or depreciation of the Mexican peso may also result in disruption of the international foreign exchange markets and may limit Grupo Elektra's ability to transfer or to convert Mexican pesos into U.S. dollars and other currencies to make timely payments of interest and principal on its indebtedness and payments to its suppliers.

Fluctuations in interest rates and inflation may adversely affect Grupo Elektra's business.

Any negative fluctuation in interest rates could have an adverse effect on Grupo Elektra's financial condition because the amount of interest it owes may increase with regard to its present liabilities and indebtedness or any liabilities and indebtedness

incurred in the future. See “*Grupo Elektra’s Management Discussion and Analysis of Financial Condition and Results of Operations—Management Overview—Indebtedness.*”

Inflation in Mexico has historically been higher than that of more developed economies. According to Mexican Central Bank, annual inflation was 7.4%, 7.8% and 4.7% for the years ended December 31, 2021, 2022 and 2023, respectively, and for the six-month period ended June 30, 2024, annualized inflation was 5.0%. Any significant increase in the inflation rate in Mexico or the other countries where Grupo Elektra operates could adversely affect its financial condition and results of operations because inflation can adversely affect consumer purchasing power.

If the Mexican government imposes exchange controls and restrictions, Grupo Elektra may not be able to service Grupo Elektra’s debt in U.S. dollars.

In the past, the Mexican economy has experienced balance of payment deficits and shortages in foreign exchange reserves. There can be no assurance that the Mexican government will not institute a restrictive exchange control policy. Any such restrictive exchange control policy could prevent or restrict access to U.S. dollars and limit its ability to service its debt. Moreover, Grupo Elektra cannot predict what impact a restrictive exchange control policy would have on the Mexican economy generally.

Grupo Elektra’s international operations expose it to numerous risks.

Grupo Elektra’s international operations increase the complexity of its organization, its administrative costs and the regulatory risks it faces and, therefore, could destabilize Grupo Elektra’s business, prospects, results of operations and financial condition. Grupo Elektra operates in various foreign countries, including Guatemala, Honduras, Panama and the United States. Grupo Elektra intends to pursue any beneficial commercial opportunities that may arise in these and other countries, particularly in Central America. In the six-month period ended June 30, 2024, Grupo Elektra’s net revenues from operations in countries other than Mexico represented approximately 11% of its total net revenues. Grupo Elektra is subject to the risks inherent in conducting business across national boundaries, any one of which could negatively impact its business. These risks include:

- economic downturns;
- currency exchange rate fluctuations;
- changes in governmental policy;
- international developments;
- acts of war or terrorism;
- political instability;
- import-export quotas;
- changes in local labor conditions;
- changes in tax and other laws and regulations;
- natural disasters, severe weather or casualties;
- expropriation and nationalization of Grupo Elektra’s assets in a particular jurisdiction; and
- protectionist government policies, including immigration policy.

Accordingly, the governmental actions, political developments, regulatory and legal changes or administrative practices of foreign countries in which Grupo Elektra operates could have a significant impact on it. There can be no assurance that changes in the governmental policies of these countries will not adversely affect Grupo Elektra’s business, results of operations, financial condition and prospects.

In addition, Grupo Elektra is exploring opportunities to expand its business into new geographic markets where it currently has no operational experience. Extending Grupo Elektra's business to new markets may present challenges and issues that have not yet been encountered, including substantial additional regulatory oversight. If Grupo Elektra cannot adapt its business to the challenges of any new market, Grupo Elektra's results of operations, financial condition and prospects could be adversely affected.

The Mexican government exercises significant influence over the economy.

The Mexican government has in the past exercised, and continues to exercise, significant influence over the Mexican economy. The Mexican government's economic plans in the past often have not fully achieved their objectives, and Grupo Elektra cannot assure you that current and future economic plans of the Mexican government will achieve Grupo Elektra's stated goals. Similarly, Grupo Elektra cannot determine what effect these plans or their implementation will have on the Mexican economy or on Grupo Elektra's business. Future Mexican governmental actions could have a significant effect on Mexican companies, including Grupo Elektra, and market conditions.

Security risks in Mexico could increase, and this could adversely affect Grupo Elektra's results.

Mexico has experienced periods of violence in the past due to the activities of drug cartels. In recent months, shopping centers in certain regions of Mexico, including Mexico City, have reported increases in criminal activities and violence. In response, the Mexican government has implemented various security measures, such as the creation of the national guard, a new military police force. Despite these efforts, crime continues to exist in Mexico. These activities, their possible escalation and the violence associated with them may have a negative impact on the Mexican economy or on Grupo Elektra's operations in the future. Grupo Elektra cannot assure you that future developments in connection with criminal activity within Mexico, over which Grupo Elektra has no control, will not have a material adverse effect on Grupo Elektra's business and operations.

Changes in taxes and other fiscal assessments, may adversely affect Grupo Elektra.

In the past, the Mexican government has enacted reforms to the tax and other assessment regimes to which Grupo Elektra and its customers are subject. Such reforms have included changes in the rate of assessments and, occasionally, enactment of temporary taxes, the proceeds of which are earmarked for designated governmental purposes. There is no assurance that such reforms will not be enacted in the future. In addition, there can be no assurance that new tax laws, regulations and interpretations or changes in existing in tax laws, regulations and interpretations would not have a material adverse effect on Grupo Elektra's business, prospects, results of operations and financial condition.

The effects of such changes have not been, and cannot be, quantified. There can be no assurance that any such changes will not have an adverse effect on Grupo Elektra or its customers. Furthermore, any such changes may produce uncertainty in the financial system, increasing the cost of borrowing for Grupo Elektra as a whole and contributing to the increase in Banco Azteca's non-performing loan portfolio.

GRUPO ELEKTRA SUMMARY FINANCIAL DATA

The following summary financial data of Grupo Elektra as of and for each of the years ended December 31, 2023, 2022 and 2021 have been derived from the Grupo Elektra Audited Annual Consolidated Financial Statements and notes thereto included in this Offering Memorandum. The following selected financial data of Grupo Elektra as of June 30, 2024 and for the six-month periods ended June 30, 2024 and 2023 have been derived from the Grupo Elektra Interim Consolidated Financial Statements and notes thereto included in this Offering Memorandum. The Grupo Elektra Consolidated Financial Statements have been prepared in accordance with IFRS, as issued by the IASB.

Except as disclosed in this Offering Memorandum, there has been no material adverse change in the prospects of Grupo Elektra and its consolidated subsidiaries (including NEM) taken as a whole since the date of the most recent Grupo Elektra Audited Annual Consolidated Financial Statements.

The financial data provided below should be read in conjunction with the Grupo Elektra Annual Consolidated Financial Statements and the notes thereto and the Grupo Elektra Interim Consolidated Financial Statements and the notes thereto.

Non-IFRS Financial Measures

Grupo Elektra uses certain non-IFRS financial measures for financial and operational decision-making purposes. To provide

investors and others with additional information regarding Grupo Elektra's financial results and operating performance, the following table sets forth an unaudited reconciliation of consolidated EBITDA and Adjusted EBITDA to consolidated (loss) profit for the period/year for the periods indicated:

	Twelve Months Ended June 30, 2024		Six Months Ended June 30, 2024			Year Ended December 31, 2023			
	(U.S.\$)(1)) (in millions) (Unaudited)	(Ps.)) (in millions) (Unaudited)	(U.S.\$)(1)) (in millions) (Unaudited)	(Ps.)) (in millions) (Unaudited)	(Ps.)) (in millions) (Unaudited)	(U.S.\$)(1)) (in millions) (Unaudited)	(Ps.)) (in millions) (Unaudited)	(Ps.)) (in millions) (Unaudited)	(Ps.)) (in millions) (Unaudited)
Profit (loss) for the period	91	1,666	59	1,077	5,403	326	5,993	(7,353)	12,944
(+) Interest (comprehensive financial results).....									(4,615)
..	409	7,509	340	6,249	(250)	55	1,009	18,532)
(+) Income tax	59	1,083	28	510	2,261	154	2,834	(2,925)	5,513
(+) Depreciation and amortization	518	9,514	253	4,641	4,784	526	9,657	9,258	8,446
EBITDA (unaudited).....	1,076	19,772	679	12,477	12,198	1,061	19,494	17,513	22,287
(+) Loss (income) from discontinued operations	1	12	0	2	(5)	0	5	1	132
(+) Equity in the net loss (profit) of associated companies.....	4	77	12	226	(404)	(30)	(553)	(279)	(304)
(+) Other expenses (income), net(2).....	130	2,396	(1)	(15)	5	131	2,416	905	(99)
Adjusted EBITDA (unaudited).....	1,211	22,256	690	12,689	11,794	1,162	21,361	18,139	22,015

(1) Solely for the convenience of the reader, peso amounts for the twelve months ended June 30, 2024, the six months ended June 30, 2024 and the year ended December 31, 2023 have been translated into U.S. dollars at the Mexican Central Bank Exchange Rate on June 30, 2024 of Ps.18.3773 per U.S.\$1.00. See "Exchange Rates and Currency."

(2) This includes goodwill impairment, loss on portfolio sale, other asset impairments and other items as disclosed in footnote 28 in the Grupo Elektra Annual Consolidated Financial Statements for the year ended December 31, 2023.

The following table sets forth an unaudited reconciliation of consolidated Net Debt to bank loans and other loans as of the dates indicated:

	As of June 30,			As of December 31,			
	2024 (U.S.\$)(1) (in millions) (Unaudited)	2024 (Ps.) (in millions) (Unaudited)	2023 (Ps.) (in millions) (Unaudited)	2023 (U.S.\$)(1) (in millions) (Unaudited)	2023 (Ps.) (in millions) (Unaudited)	2022 (Ps.) (in millions) (Unaudited)	2021 (Ps.) (in millions) (Unaudited)
Bank loans and other loans	1,921	35,310	35,640	1,941	35,673	38,126	32,593
(+) Lease liabilities	836	15,360	15,927	817	15,011	16,180	12,284
Total Debt (unaudited)	2,757	50,670	51,567	2,758	50,685	54,306	44,877
(-) Current cash and cash equivalents(2)	2,319	42,608	40,688	2,339	42,981	40,089	38,563
Net Debt (unaudited)	439	8,062	10,879	419	7,703	14,217	6,313

(1) Solely for the convenience of the reader, peso amounts as of June 30, 2024 and December 31, 2023 have been translated into U.S. dollars at the Mexican Central Bank Exchange Rate on June 30, 2024 of Ps.18.3773 per U.S.\$1.00. See “Exchange Rates and Currency.”

(2) Cash and cash equivalents includes restricted cash of Ps 10,845 million as of June 30, 2024, Ps.13,009 million as of June 30, 2023, Ps 12,401 million as of December 31, 2023, Ps 10,423 million as of December 31, 2022 and Ps 8,753 million as of December 31, 2021. The restricted cash includes commitments on interbank loans from 1 to 3 days, regulatory deposits Central Banks from Central America and funds required to be maintained by Banco Azteca in accordance with policy established by the Mexican Central Bank. See also Note 5 of the Grupo Elektra Interim Consolidated Financial Statements.

For additional information regarding these non-IFRS financial measures, see “Presentation of Financial Information and Other Information.”

GRUPO ELEKTRA’S MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the Grupo Elektra Annual Consolidated Financial Statements and the Grupo Elektra Interim Consolidated Financial Statements and related notes thereto included elsewhere in this Offering Memorandum and should also be read in conjunction with the “Presentation of Financial Information and other Information,” “Grupo Elektra Selected Financial Data” and other financial information contained in this Offering Memorandum.

Grupo Elektra’s annual consolidated financial statements have been prepared in accordance with IFRS and its interim consolidated financial statements have been prepared in accordance with IAS 34, as issued by the IASB, which require Grupo Elektra’s management to make certain estimates and assumptions to determine the valuation of certain items included in its financial statements and to make appropriate disclosures therein. Although the actual results may differ from such estimates, Grupo Elektra’s management believes that the estimates, assumptions and disclosure used were adequate under the circumstances. See Note 3 to the Grupo Elektra Annual Consolidated Financial Statements for the years ended December 31, 2023, 2022 and 2021.

Overview

Grupo Elektra operates two business segments, the financial services business and the commercial business.

Financial Services Business

Grupo Elektra’s financial services business includes the results of its Latin American financial services operations, which are conducted under the Azteca brand, with Banco Azteca in Mexico being the flagship brand and its U.S. financial services business currently through Purpose Financial, Inc. This segment currently operates in Mexico, Guatemala, Honduras, Panama, and 23 states of the United States, and also includes operations in the following business units: Seguros Azteca, Seguros Azteca Daños, Afore Azteca, Punto Casa de Bolsa and Purpose Financial, Inc. Grupo Elektra’s financial services business offers products and services such as consumer credit, personal loans, commercial credit, savings deposits, time deposits, credit card accounts and other consumer finance services; accident, health and life insurance products; pension fund administration services; and full-service brokerage services, among others. Purpose Financial is the largest non-bank provider of cash advance services in the United States, as measured by number of stores with 827 stores as of June 30, 2024.

Commercial Business

Grupo Elektra’s commercial business includes the financial results derived from the sale of products and services such as motorcycles, telephony, home appliances, home goods, entertainment, consumer electronics, furniture, computers, electronic money transfers, extended warranties for products sold, cellphone minutes, among other services and products. The commercial business mainly operates through two store chains: Elektra in Mexico and Central America, which is owned and operated by NEM, and Salinas y Rocha in Mexico, which is owned and operated by Grupo Elektra’s subsidiary Salinas y Rocha S.A. de C.V. In addition, the commercial business includes the results of operations of digital retail channels, such as e-commerce, Elektra app and baz super app. Grupo Elektra’s money transfer business is conducted through NEM.

Mexican Economic Environment

In 2023, Mexico's economy grew at an average rate of 3.2%, with the economy according to data released by INEGI. This growth was largely driven by secondary economic activities (manufacturing), which was offset by primary economic activities (raw materials). The growth of Mexico's economy experienced in 2023 was higher than the growth experienced in 2022, which was largely driven by secondary economic activities (manufacturing).

For the six-month period ended June 30, 2024, Mexico's economy grew by 1.4% as compared to the same period in 2023, according to data released by INEGI. Economic activity was mainly boosted by a 1.9% growth in tertiary economic activities (service sector), which represented 59.4% of GDP, as of the first quarter of 2024. Secondary economic activities (manufacturing) grew 1.0%, and primary economic activities (raw materials) decreased 2.3%. The Central Bank of Mexico (Banco de Mexico) has estimated that Mexico's GDP could grow by 1.5% for the full year of 2024.

Grupo Elektra's business is highly dependent on the Mexican economy and economic developments in Mexico may adversely affect Grupo Elektra's business and results of operations. Rating agency credit ratings of Mexico and PEMEX, the state-owned oil and gas company whose performance has a significant impact on the country's ratings, are an indicator of the health and outlook on the Mexican economy. Since 2021, the leading credit ratings agencies have downgraded the credit ratings of Mexico's sovereign debt from BBB (Fitch Ratings), Baa1 (Moody's) and BBB (S&P) to its current ratings of BBB- (Fitch Ratings), Baa2 (Moody's) and BBB (S&P) and the PEMEX's long-term issuer default rating from BB- (Fitch Ratings), Baa3 (Moody's) and BBB (S&P) to its current ratings of B+ (Fitch Ratings), B3 (Moody's) and BBB (S&P). On July 14, 2023, Fitch downgraded PEMEX's long-term Issuer Default Rating (IDR) to B+ on rating watch negative. On December 20, 2023, Fitch removed the rating watch negative outlook on PEMEX and assigned a stable rating outlook. On February 9, 2024, Moody's downgraded its ratings on PEMEX's corporate family, PEMEX's existing senior unsecured notes and PEMEX's guarantee from B1 to B3 (negative outlook). On May 16, 2024, Moody's completed a periodic review of Mexico and left its Baa2 long term issuer rating, with stable outlook unchanged. On July 18, 2024, Fitch Ratings affirmed Mexico's long-term foreign-currency IDR at BBB- with a stable outlook. These rating actions could adversely affect the Mexican economy and, consequently, Grupo Elektra as well as its business, financial condition, operating results and prospects.

On December 21, 2023, Verum affirmed Grupo Elektra's rating of AA (outlook stable) on a local scale. On March 11, 2024, Fitch Ratings downgraded Grupo Elektra's and NEM's rating to BB- (outlook stable) on a global scale and Grupo Elektra's rating to A (outlook stable) on a local scale. On March 26, 2024, Moody's Local Mexico affirmed Grupo Elektra's rating of AA- (outlook stable) on a local scale. On April 26, 2024, HR Ratings affirmed Grupo Elektra's rating of AA on a local scale (outlook stable), and on May 16, 2024 affirmed NEM's ratings of AA (outlook stable) on a local scale and BBB (outlook stable) on a global scale. Regarding Banco Azteca, on January 16, 2024, Moody's Local Mexico affirmed its long term rating on bank deposits of A (outlook stable) on a local scale. On April 18, 2024, Fitch affirmed and withdrew the bank's rating of BB- on a global scale at the request of Banco Azteca. On June 13, 2024, Moody's affirmed Banco Azteca's counterparty risk rating of Ba1 on a global scale, and its rating on bank deposits of Ba2. On July 5, 2024, HR Ratings affirmed Banco Azteca's rating of AA- (outlook stable) on a local scale. These and any possible future ratings downgrades have increased and could in the future further increase Grupo Elektra's cost of financing and adversely affect Grupo Elektra's business, financial condition, operating results and prospects.

Principal Trends, Uncertainties and Events Affecting Grupo Elektra's Financial Condition and Results of Operations

The following are the most important trends, uncertainties and events that Grupo Elektra believes are reasonably likely to have a material adverse effect on its business, financial condition or results of operation or that would otherwise cause the disclosed financial information not to be indicative of its future operating results or its financial condition:

Unpredictable impacts from political, economic, and social conditions could significantly affect the Mexican economy. Grupo Elektra cannot assure that political, economic, or social developments in Mexico, beyond its control, will not have an adverse impact on its business, financial condition, results of operations, and prospects. The social and political environment in Mexico could detrimentally influence the Mexican economy, potentially leading to substantial negative effects on Grupo Elektra's operations. This may result in decreased demand for financial products and services, substantial depreciation of financial assets and investments, heightened volatility in financial markets, fluctuations in exchange rates, and increased loan defaults. In the commercial sector, these factors could diminish demand for Grupo Elektra's consumer products, force store closures, necessitate reorientation of product offerings, disrupt the supply chain, and result in product or service shortages. See "Risk Factors – Risks Related to Mexico and Grupo Elektra's International Operations – Grupo Elektra's business is highly dependent on the Mexican economy and economic developments in Mexico may adversely affect Grupo Elektra's business and results of operations."; changes in the credit quality of the loan portfolio as a result of inorganic or organic growth and weakness in certain sectors of the Mexican economy could cause Grupo Elektra to increase its loan reserves on its non-performing loan portfolio, resulting in additional costs. See "Risk Factors –

Risks Related to Grupo Elektra's Financial Services Business – Banco Azteca may be unable to effectively control the level of its non-performing or poor credit quality loans or have insufficient loan loss reserves to cover future loan losses.”; restrictions and/or increase in the cost of imports could affect the supply chain of Italika. See “Risk Factors – Risks Related to Grupo Elektra's Commercial Business – Grupo Elektra may have difficulty acquiring an adequate supply of high-quality, low-cost merchandise.”; inflationary pressures that may lead to increases in interest rates and decreases in growth could affect the purchasing power of Grupo Elektra's customers. See “Risk Factors – Risks Related to Mexico and Grupo Elektra's International Operations – Fluctuations in interest rates and inflation may adversely affect Grupo Elektra's business.”; global climate changes may have an effect on Grupo Elektra's businesses; for example, the increase in the cost of energy and fuels which have a climate impact can directly impact the industrial sector and affect the profitability of Grupo Elektra's commercial activities. See “Risk Factors – Risks Related to Grupo Elektra – Risks Related to Both Grupo Elektra's Commercial Business Segment and its Financial Business Segment – Grupo Elektra's results of operations have been, and may continue to be, adversely affected by U.S. and international financial market and economic conditions.”; increased regulation, government intervention and new laws prompted by a global financial crisis which could change the financial services industry and require Grupo Elektra to modify its businesses or operations; risks related to litigation, regulatory proceedings and other legal proceedings, including the pending legal proceedings against the Mexican Tax Administration Service with respect to income tax assessments. See “Risk Factors – Risks Related to Grupo Elektra – Risks Related to Both Grupo Elektra's Commercial Business Segment and its Financial Business Segment – Current and future legal or regulatory developments as well as litigation, regulatory proceedings and other legal proceedings against or adverse to Grupo Elektra and its officers, directors and controlling persons could have a material adverse effect on Grupo Elektra's business, prospects, results of operations and financial condition.”; and seasonality may have an impact on Grupo Elektra's annual and quarterly results. See “Risk Factors – Risks Related to Grupo Elektra – Risks Related to Both Grupo Elektra's Commercial Business Segment and its Financial Business Segment – Grupo Elektra's results of operations are likely to fluctuate in future periods and, therefore, are difficult to predict.”

Seasonality

Historically, the demand for Grupo Elektra's products and services tends to increase during the second and fourth quarters of the year due to the increase in consumer spending associated with Mothers' Day in Mexico, which occurs in May, the annual nationwide shopping event “El Buen Fin” (The Good Weekend), which occurs in November and the Christmas holiday season. As a result, Grupo Elektra's quarterly operating results are not indicative of its results for a full year.

Results of Operations

Six-Months Ended June 30, 2024 Compared with Six-Months Ended June 30, 2023

Revenue

Grupo Elektra's revenue for the six-month period ended June 30, 2024 increased by 7% to Ps.92,745 million (U.S.\$5,047 million) from Ps.86,494 million (U.S.\$4,707 million) for the same period in 2023, primarily due to a 9% increase in revenue from the commercial business and a 6% growth in revenue from the financial services business.

The increase in the commercial business revenue for the six-months ended June 30, 2024 to Ps.35,977 million (U.S.\$1,958 million) from Ps.32,988 million (U.S.\$1,795 million) for the same period in 2023 was largely driven by growth in motorcycle sales, telephony and white goods. The increase in revenue in Grupo Elektra's commercial business includes a 4% decrease in revenues from NEM's money transfer business to Ps.2,066 million (U.S.\$112 million) from Ps.2,161 million (U.S.\$118 million), primarily due to a 6% appreciation in the average U.S. dollar-peso exchange rate during first six months of 2024, compared to the same period in the previous year. However, during same the number of money transfer transactions increased 1.5% from 35.8 million to 36.3 million and the amount paid in pesos increased 3.2% period from Ps.14.8 billion to Ps.15.3 billion.

The increase in financial service revenue to Ps.56,768 million (U.S.\$3,089 million) for the six-months ended June 30, 2024 from Ps.53,505 million (U.S.\$2,911 million) for the same period in 2023 largely reflects a growth in Banco Azteca's revenues in Mexico. This growth aligns with the ongoing expansion of the gross credit portfolio.

In the six-month period ended June 30, 2024, 61% of Grupo Elektra's revenue was derived from the financial services business, and 39% was attributable to the commercial business, whereas, for the same period in 2023, 62% of Grupo Elektra's revenue was derived from the financial services business and 38% from the commercial business.

Costs

Grupo Elektra's costs for the six-month period ended June 30, 2024 increased by 6% to Ps.44,457 million (U.S.\$2,419 million) from Ps.41,985 million (U.S.\$2,285 million) for the same period in 2023.

Commercial costs for the six-month period ended June 30, 2024 increased 7%, to Ps.25,652 million (U.S.\$1,396 million) from Ps.23,986 million (U.S.\$1,305 million) for the same period in 2023 due to a corresponding increase in sales of products and services.

Financial services costs for the six-month period ended June 30, 2024 increased by 4% to Ps.18,805 million (U.S.\$1,023 million) from Ps.17,999 million (U.S.\$979 million) for the same period in 2023, due to higher interest payments, which were partially offset by lower loan loss reserves, at Banco Azteca due to improved quality in the consolidated credit portfolio.

General Expenses

Grupo Elektra's general expenses for the six-month period ended June 30, 2024 increased 9% to Ps.35,599 million (U.S.\$1,937 million), from Ps.32,715 (U.S.\$1,780 million) for the same period in 2023 due to a corresponding increase in sales and operations.

Depreciation and Amortization

Grupo Elektra's depreciation and amortization for the six-month period ended June 30, 2024, decreased by 3% to Ps.4,641 million (U.S.\$253 million) from Ps.4,784 million (U.S.\$260 million) for the same period in 2023. This decrease was primarily due to a lower number of acquisitions of tangible and intangible assets.

Other Expenses (Income), net

For the six-month period ended June 30, 2024, other income totaled Ps.15 million (U.S.\$1 million) compared to other expenses of Ps.5 million (U.S.\$0.3 million) for the same period in 2023. The decrease is mainly attributable to the impairment charge at Purpose Financial caused by the loss of future expected economic benefits associated with right-of-use assets and the early termination of real estate lease contracts due to the closing of Purpose Financial stores.

Profit from Operations

As a result of the above, profit from operations for the six-month period ended June 30, 2024 increased by 15% to Ps.8,063 million (U.S.\$439 million) from Ps.7,004 million (U.S.\$381 million) in the same period in 2023.

Comprehensive Financial Results

Grupo Elektra's comprehensive financial results are primarily impacted by foreign exchange gains (losses) and financial derivative instruments associated with the commercial business and, to a lesser extent, with its financial services business conducted mainly through Seguros Azteca, Seguros Azteca Daños, Afore Azteca and Purpose Financial.

Grupo Elektra's comprehensive financial results for the six-month period ended June 30, 2024 resulted in a comprehensive financial expense of Ps.6,249 million (U.S.\$340 million) compared to comprehensive financial income of Ps.250 million (U.S.\$14 million) for the same period in 2023. This was mainly due to a non-cash loss in valuation of derivative financial instruments of Ps.3,586 million (U.S.\$195 million) compared to non-cash income on the valuation of the same instruments for Ps.1,861 million (U.S.\$101 million) for the same period in 2023.

Income Tax

For the six-month period ended June 30, 2024, Grupo Elektra's results led to lower income tax expense of Ps.510 million (U.S.\$28 million), compared to an income tax expense of Ps.2,261 million (U.S.\$123 million) for the same period in 2023. As of June 30, 2024, the income tax rate applicable to Grupo Elektra was 32%.

Profit for the Period/Year

As a result of the foregoing, Grupo Elektra's profit for the six-month period ended June 30, 2024 was Ps.1,077 million (U.S.\$59

million) compared to a profit of Ps.5,403 million (U.S.\$294 million) for the same period in 2023.

Other Comprehensive Income

Operation of foreign subsidiaries are translated to pesos based on average market exchange rates for the applicable period, with gains or losses reflected in other comprehensive income (loss).

For the six-month period ended June 30, 2024, Grupo Elektra's other comprehensive income was Ps.1,781 million (U.S.\$97 million), compared to other comprehensive loss of Ps.2,920 million (U.S.\$171 million) for the same period in 2023. The increase is mainly due to exchange rate gains arising on translation of foreign operations in subsidiaries compared to exchange rate losses for the same period in 2023.

Total Comprehensive Income

As a result of the above, Grupo Elektra's total comprehensive income for the six-month period ended June 30, 2024 was Ps.2,858 million (U.S.\$156 million) compared to total comprehensive income of Ps.2,484 million (U.S.\$135 million) for the same period in 2023.

Year Ended December 31, 2023 Compared with Year Ended December 31, 2022

Revenue

Grupo Elektra's revenue in 2023 increased by 12% to Ps.184,151 million (U.S.\$10,021 million) from Ps. 164,691 million (U.S.\$8,962 million) in 2022. This growth was primarily due to a growth in revenues of 18% in the financial services business and 3% in the commercial business. The increase in financial income reflects an increase in Banco Azteca Mexico's revenues, in the context of the continued growth of the gross loan portfolio during the period. The increase in sales in the commercial business reflects solid growth in sales of Italika motorcycles, white goods, and household items.

In 2023, 60% of Grupo Elektra's revenue was derived from the financial services business, and 40% was attributable to the commercial business, whereas, in 2022, 57% of Grupo Elektra's revenue was derived from the financial services business and 43% from the commercial business.

Costs

Grupo Elektra's costs in 2023 increased by 19% to Ps.94,472 million (U.S.\$5,141 million) from Ps. 79,441 million (U.S.\$4,323 million) in 2022. This increase resulted from a 30% increase in financial costs due to higher provisions for loan losses largely driven by the growth of the loan portfolio. Additionally, higher interest payments, consistent with rising market rates, and a 3% increase in commercial expenses, in line with the growth in segment revenues, contributed to the overall cost increase.

General Expenses

Grupo Elektra's general expenses in 2023 increased by 2% to Ps.68,317 million (U.S.\$3,717 million) from Ps.67,6110 million (U.S.\$3,652 million) in 2022. This increase resulted from the implementation of logistics supply strategies, which continue to enhance the product distribution process to meet merchandise demand promptly, both on the sales floor and through Grupo Elektra's Omnichannel operations. This increase was offset by lower operating expenses, due to effective strategies that improve Grupo Elektra's operational efficiency, alongside stringent budgeting and process optimization across the organization.

Depreciation and Amortization

Grupo Elektra's depreciation and amortization in 2023 increased by 4% to Ps.9,657 million (U.S.\$526 million) from Ps.9,258 million (U.S.\$504 million) in 2022. This increase was primarily due to the increase in the number of acquisitions of tangible and intangible assets.

Other Expenses, net

In 2023, other expenses, net increased to Ps.2,416 million (U.S.\$131 million) from Ps.905 million (U.S.\$49 million) in 2022. This

increase was primarily due to the impairment of intangible assets of Purpose Financial and the sale of the portfolio of a client from Banco Azteca's commercial portfolio.

Profit from Operations

As a result of the foregoing, profit from operations in 2023 increased 16% to Ps.9,288 million (U.S.\$505 million) from Ps.7,976 million (U.S.\$434 million) in 2022.

Comprehensive Financial Results

Grupo Elektra's comprehensive financial results are primarily impacted by foreign exchange gains (losses) and financial derivative instruments associated with the commercial business segment and, to a lesser extent, with the financial services business conducted mainly through Seguros Azteca, Seguros Azteca Daños, Afore Azteca and Purpose Financial.

Grupo Elektra's comprehensive financial results in 2023 resulted in a comprehensive financial expense of Ps.1,009 million (U.S.\$55 million) compared to a comprehensive financial expense of Ps.18,532 million (U.S.\$1,008 million) in 2022. This was mainly due to a non-cash gain on the valuation of derivative financial instruments of Ps.2,345 million (U.S.\$128 million) compared to a non-cash loss on the valuation of the same instruments for Ps.14,323 million (U.S.\$779 million) for the same period in 2022.

Income Tax

In 2023, Grupo Elektra's results led to an income tax expense of Ps.2,834 million (U.S.\$154 million) compared to an income tax credit of Ps.2,925 million (U.S.\$159 million) in 2022. As of December 31, 2023, the income tax rate applicable to Grupo Elektra was 32%.

Profit (Loss) for the Period/Year

As a result of the foregoing, Grupo Elektra's profit in 2023 was Ps.5,993 million (U.S.\$326 million), compared to a loss of Ps.7,353 million (U.S.\$400 million) in 2022.

Other Comprehensive Loss

Operation of foreign subsidiaries are translated to pesos based on average market exchange rates for the applicable period, with gains or losses reflected in other comprehensive income (loss).

In 2023, Grupo Elektra's other comprehensive loss was Ps.3,381 million (U.S.\$184 million), compared to other comprehensive loss of Ps.1,597 million (U.S.\$87 million) in 2022. This increase is mainly due to foreign exchange rate differences based on market rates on the translation of foreign subsidiaries' operations, recognizing a foreign currency translation loss on the valuation of foreign subsidiaries of Ps.2,955 million (U.S.\$161 million) in 2023, compared with a foreign currency translation loss of Ps.1,450 million (U.S.\$79 million) in 2022.

Total Comprehensive Income

As a result of the above, Grupo Elektra's total comprehensive income in 2023 was Ps.2,612 million (U.S.\$142 million) compared to total comprehensive loss of Ps.8,950 million (U.S.\$487 million) in 2022.

Year Ended December 31, 2022 Compared with Year Ended December 31, 2021

Revenue

Grupo Elektra's revenue in 2022 increased by 13% to Ps.164,691 million (U.S.\$8,962 million) from Ps. 146,019 million (U.S.\$7,946 million) in 2021. This growth was primarily due to a growth in revenues of 17% in the financial services business and 7% in the commercial business.

The growth in revenue was the result of an increase in Banco Azteca revenues in Mexico, in the context of a growing gross loan

portfolio for the period, mainly in consumer and commercial gross loan portfolio, as a result of the recovery in the Mexican economy from the COVID-19 pandemic and an increase in the sales of merchandise on credit, as well as an increase in the leading Mexican interest rate (the TIIE). The growth in the commercial business revenues reflects solid growth in sales of Italika motorcycles, white goods, and telephony.

In 2022, 57% of Grupo Elektra's revenue was derived from the financial services business, while the remaining 43% came from the commercial business; whereas, in 2021, 55% of Grupo Elektra's revenue was derived from the financial services business and 45% from the commercial business.

Costs

Grupo Elektra's costs in 2022 increased by 15% to Ps.79,441 million (U.S.\$4,323 million) from Ps.69,179 million (U.S.\$3,764 million) in 2021 as a result of a 22% increase in the financial costs derived from a higher provision for credit risks due to an increase in the loan portfolio, and a 11% increase in commercial costs as a result of higher costs in the supply chain and campaigns aimed at further boosting merchandise sales.

General Expenses

Grupo Elektra's general expenses for 2022 increased by 22% to Ps.67,110 million (U.S.\$3,652 million) compared to Ps.54,825 million (U.S.\$2,983 million) in 2021 primarily due to a corresponding increase in sales and operations. This increase is attributed to the development of supply logistics strategies aimed at enhancing the product distribution process to meet the growing demand for merchandise, both on the sales floor and through the Grupo Elektra's Omnichannel operations. Additionally, the development of systems to further elevate efficiency standards in digital banking and Omnichannel sales, along with higher personnel and maintenance expenses due to the expansion of points of contact, contributed to the rise in expenses.

Depreciation and Amortization

Grupo Elektra's depreciation and amortization in 2022 increased by 10% to Ps.9,258 million (U.S.\$504 million) from Ps.8,446 million (U.S.\$460 million) in 2021. This increase in depreciation and amortization was due to an increase in tangible and intangible assets.

Other Expenses (Income), net

In 2022, other expenses, net were Ps.905 million (U.S.\$49 million) as compared to other income, net Ps.99 million (U.S.\$5 million) in 2021. The increase was primarily due to the payment of a tax credit in October 2022, and to a lesser extent, the impairment of certain assets and licenses.

Profit from Operations

As a result of the foregoing, profit from operations in 2022 decreased by 42% to Ps.7,976 million (U.S.\$434 million), compared to a profit from operations of Ps.13,668 million (U.S.\$744 million) in 2021.

Comprehensive Financial Results

Grupo Elektra's comprehensive financial results are associated with the commercial business and, to a lesser extent, with its financial services business conducted mainly through Seguros Azteca, Seguros Azteca Daños, Afore Azteca and Purpose Financial. Grupo Elektra's comprehensive financial results resulted in a comprehensive financial expense of Ps.18,532 million (U.S.\$1,008 million) in 2022 from comprehensive financial income of Ps.4,615 million (U.S.\$251 million) in 2021. This was mainly due to a non-cash loss on the valuation of derivative financial instruments of Ps.14,323 million (U.S.\$779 million) compared to non-cash gains on the valuation of the same instruments of Ps.6,987 million (U.S.\$380 million) in 2021.

Income Tax

In 2022, Grupo Elektra's lower results led to an income tax credit of Ps.2,925 million (U.S.\$159 million), compared to an income tax of Ps.5,513 million (U.S.\$300 million) in 2021. As of December 31, 2022, the income tax rate applicable to Grupo Elektra was 28%.

Profit (Loss) for the Period/Year

As a result of the foregoing, Grupo Elektra's loss in 2022 was Ps.7,353 million (U.S.\$400 million), compared to a profit of Ps.12,944 million (U.S.\$704 million) in 2021.

Other Comprehensive Income

Operation of foreign subsidiaries are translated to pesos based on average market exchange rates for the applicable period, with gains or losses reflected in other comprehensive income (loss).

In 2022, Grupo Elektra's other comprehensive loss was Ps.1,597 million (U.S.\$87 million), compared to other comprehensive income of Ps.1,718 million (U.S.\$93 million) in 2021. The decrease was mainly due to foreign exchange rate differences based on market rates on the translation of operation of foreign subsidiaries, recognizing foreign currency translation losses on the valuation of foreign subsidiaries of Ps.1,450 million (U.S.\$79 million) in 2022, compared with a foreign currency translation gains of Ps.896 million (U.S.\$49 million) in 2021.

Total Comprehensive Income (Loss)

As a result of the above, in 2022, Grupo Elektra's total comprehensive loss was Ps.8,950 million (U.S.\$487 million) compared to total comprehensive income of Ps.14,662 million (U.S.\$798 million) in 2021.

Liquidity and Capital Resources

Through ongoing review of budget and rolling forecasts of income, costs, general expenses and cash flow, Grupo Elektra's management ensures that Grupo Elektra has funds available to meet its financial services and commercial business obligations. These obligations, in the financial services business, arise from withdrawals of deposits, repayments at maturity of short-term notes, extensions of loans or other forms of credit and working capital needs and in the commercial business, principally from the obligations to the supply chain.

Factors that may influence the levels of liquidity and capital resources of Grupo Elektra include:

- the ability of Grupo Elektra to generate sufficient free cash flow;
- the ability of Grupo Elektra's subsidiaries to make distributions or to adapt to changes in the supply chain; or customers' purchasing power and patterns, and to redesign the supply of current categories or products;
- general economic conditions in the markets where Grupo Elektra operates and elsewhere, demand for Grupo Elektra's products, the competitive environment, demographic changes in its market areas and regulation;
- technological disruptions which affect access to bank financing and the capital markets, including interest rate fluctuations, availability of credit and operational risks of Grupo Elektra's business.

Grupo Elektra's principal sources of liquidity for its financial services business include cash and marketable financial instruments on hand and short-term revolving credit lines and for the commercial business include cash from operations, marketable financial instruments, a dual program of stock exchange certificates, a long-term program of stock exchange certificates and a senior notes program listed on the Luxembourg Stock Exchange, among other available credit facilities. Grupo Elektra believes that these sources of liquidity will be sufficient to fund its capital needs for at least the next 12 months.

Working Capital

Grupo Elektra's net working capital as of June 30, 2024 was Ps.(37,050) million (U.S.\$(2,016) million) compared to Ps.(32,123) million (U.S.\$(1,748) million) as of June 30, 2023. During the period, the net loan portfolio grew 9%, or Ps.7,336 million (U.S.\$399 million), and cash, cash equivalents and marketable securities increased 2%, or Ps.2,456 million (U.S.\$134 million), obligations owned by debtors from repurchase agreements grew Ps.4,807 million (U.S.\$262 million) and inventory increased 2%, or Ps.401 million (U.S.\$22 million). On the liabilities side, repurchase agreements increased 83%, or Ps.12,841 million (U.S.\$699 million), while consolidated deposits grew 2%, or Ps.4,194 million (U.S.\$228 million), mainly driven by Banco Azteca's operations, partially offset by a 9%, or Ps.289 million (U.S.\$16 million), decrease in lease liabilities.

Grupo Elektra's net working capital as of December 31, 2023 was Ps.(33,224) million (U.S.\$(1,808) million) compared to

Ps.(21,280) million (U.S.\$(1,158) million) as of December 31, 2022. The decrease is mainly due to a 8%, or Ps.1,541 million (U.S.\$84 million), decrease in inventories and a 96%, or Ps.1,517 million (U.S.\$83 million), decrease in obligations owned by debtors from repurchase agreements, partially offset by a 5%, or Ps.6,651 million (U.S.\$362 million), increase in cash, cash equivalents and marketable securities, whereas the net loan portfolio grew 3%, or Ps.2,042 million (U.S.\$111 million). On the liabilities side, there was a 90%, or Ps.16,281 million (U.S.\$886 million), increase in Banco Azteca's repurchase agreements, consolidated deposits grew 1%, or Ps.1,133 million (U.S.\$62 million), which was partially mitigated by a 34%, or Ps.2,613 million (U.S.\$142 million), decrease in interest-bearing debt.

Grupo Elektra's net working capital as of December 31, 2022 was Ps.(21,280) million (U.S.\$1,158 million) compared to Ps.(17,925) million (U.S.\$(975) million) as of December 31, 2021. The decrease is mainly due to a 16%, or Ps.11,104 million (U.S.\$604 million), increase in the loan portfolio, offset by a 9%, or Ps.12,238 million (U.S.\$666 million), decline in cash, cash equivalents and marketable securities. On the liabilities side, there was a 17%, or Ps.30,849 million (U.S.\$1,679 million), increase in consolidated deposits, a 18%, or Ps.437 million (U.S.\$24 million), increase in leases, which was partially mitigated by a 46%, or Ps.6,691 million (U.S.\$364 million), decrease in interest-bearing debt, and a 50%, or Ps.18,240 million (U.S.\$993 million), decrease in Banco Azteca's repurchase agreements.

Treasury Policies

Grupo Elektra offers financial and specialized trade services as part of its commercial business. Retail sales corresponding to specialized trade are traditionally made throughout the year; however, the main sales take place in the months of May, November and December of each year due to holiday season and special events such as Mother's Day, "El Buen Fin" (an annual discounted sales event) and Christmas. The income received is used to pay Grupo Elektra's suppliers, operating expenses, capital expenditures, maintenance of stores and distribution centers. The excess cash flow generated is generally invested in government securities of Mexico and/or bank instruments, as well as in foreign currency, with first-rate financial institutions, since they are used to meet Grupo Elektra's commitments according to the payment conditions agreed with each of them. Grupo Elektra's borrowings are based on the domestic and foreign market conditions at the time, applicable considerations of short and long-term cash flow. Banco Azteca's main activity consists of attracting deposits from the general public and placing loans.

At June 30, 2024, the total deposits of Banco Azteca in Mexico were Ps.224,808 million (U.S.\$12,233 million), while the gross loan portfolio was Ps.173,266 million (U.S.\$9,428 million). At December 31, 2023, the total deposits of Banco Azteca in Mexico were Ps.214,536 million (U.S.\$11,674 million), while the gross loan portfolio was Ps.169,557 million (U.S.\$9,226 million). At December 31, 2022, total deposits of Banco Azteca in Mexico were Ps.215,137 million (U.S.\$11,707 million), while the gross loan portfolio was Ps.161,307 million (U.S.\$8,778 million). At December 31, 2021, total deposits of Banco Azteca in Mexico were Ps.183,721 million (U.S.\$9,997 million), while the gross loan portfolio was Ps.123,198 million (U.S.\$6,704 million). The difference between deposits and loans generates surplus cash that is invested in liquid and low risk instruments issued by the government of Mexico. In foreign currency operations, surpluses are invested in short-term instruments issued by first-rate foreign banks. During the first six-months of 2024 and in each of 2023, 2022, and 2021, treasury operations complied with the market risk and liquidity limits, as well as the maximum exposure limits in foreign currency.

Main Accounts of the Statement of Financial Position

Consolidated Deposits

At June 30, 2024, Grupo Elektra's consolidated deposits were Ps.228,782 million (U.S.\$12,449 million), 2% more than Ps.224,588 million (U.S.\$12,221 million) at June 30, 2023. At December 31, 2023, Grupo Elektra's consolidated deposits were Ps.216,880 million (U.S.\$11,802 million), 0.5% more than Ps.215,747 million (U.S.\$11,740 million) at the end of 2022, compared to Ps.184,898 million (U.S.\$10,061 million) at the end of 2021.

Consolidated Loan Portfolio

At June 30, 2024, Grupo Elektra's gross loan portfolio was Ps.180,327 million (U.S.\$9,812 million), compared to Ps.168,443 million (U.S.\$9,166 million) at June 30, 2023. At December 31, 2023, Grupo Elektra's gross loan portfolio was Ps.174,897 million (U.S.\$9,517 million), compared to Ps.166,944 million (U.S.\$9,084 million) at the end of 2022, and Ps.140,706 (U.S.\$7,656 million) at the end of 2021. The increase during 2024 and 2023 is mainly due to the growth of Banco Azteca's gross loan portfolio in Mexico, which increased 6% from Ps.163,398 million (U.S.\$8,891 million) to Ps.173,266 million (U.S.\$9,428 million), from June 30, 2023 to June 30, 2024, and 5% from Ps.161,307 million (U.S.\$8,778 million) to Ps.169,557 million (U.S.\$9,226 million), from December 31, 2022 to December 31, 2023, and was Ps.123,198 million (U.S.\$6,704 million) at the end of 2021.

Cash, Cash Equivalents and Investment in Securities

Cash, cash equivalents, and current investment in securities totaled Ps.137,872 million (U.S.\$7,502 million) as of June 30, 2024 compared to Ps.135,416 million (U.S.\$7,369 million) as of June 30, 2023. For the commercial business, the total balance of cash, cash equivalents and temporary investments was Ps.15,721 million (U.S.\$855 million) as of June 30, 2024 compared to Ps.16,274 million (U.S.\$886 million) as of June 30, 2023. In the financial services business, cash, cash equivalents, and temporary investments was Ps.122,150 million (U.S.\$6,647 million) as of June 30, 2024 compared to Ps.119,143 million (U.S.\$6,483 million) as of June 30, 2023. At June 30, 2024, the commercial business debt with cost decreased to Ps.35,274 million (U.S.\$1,919 million) from Ps.35,502 million (U.S.\$1,932 million) as of June 30, 2023, resulting in a net debt of Ps.19,552 million (U.S.\$1,064 million) compared to a net debt of Ps.19,228 million (U.S.\$1,046 million) as of June 30, 2023. This increase in net debt was driven by the decrease in cash flow generated by the commercial business.

Cash, cash equivalents and current investment in securities totaled Ps.137,056 million (U.S.\$7,458 million) as of December 31, 2023 compared to Ps.130,405 million (U.S.\$7,096 million) as of December 31, 2022. For the commercial business, the total balance of cash, cash equivalents and temporary investments was Ps.14,541 million (U.S.\$791 million) as of December 31, 2023 compared to Ps.15,984 million (U.S.\$870 million) as of December 31, 2022. In the financial services business, cash, cash equivalents and temporary investments was Ps.122,515 million (U.S.\$6,667 million) as of December 31, 2023 compared to Ps.114,422 million (U.S.\$6,226 million) as of December 31, 2022. By the end of 2023, the commercial business's debt with cost decreased to Ps.35,639 million (U.S.\$1,939 million) from Ps.37,983 million (U.S.\$2,067 million) as of December 31, 2022, resulting in a net debt of Ps.21,098 million (U.S.\$1,148 million) compared to a net debt of Ps.21,999 million (U.S.\$1,197 million) as of December 31, 2022. This decrease in net debt was driven by a decrease in debt due to the amortization of the Series 2021-1 Notes and an increase in cash flow generated by the commercial business.

Cash, cash equivalents and current investment securities totaled Ps.130,405 million (U.S.\$7,096 million) as of December 31, 2022, compared to Ps.142,644 million (U.S.\$7,762 million) as of December 31, 2021. For the commercial business, the total balance of cash, cash equivalents and temporary investments was Ps.15,984 million (U.S.\$870 million) as of December 31, 2022, compared to Ps.16,540 million (U.S.\$900 million) as of December 31, 2021. In the financial services business, cash, cash equivalents and temporary investments was Ps.114,422 million (U.S.\$6,226 million) compared to Ps.126,103 million (U.S.\$6,862 million) as of December 31, 2021. By the end of 2022, the commercial business's debt with cost increased to Ps.37,983 million (U.S.\$2,067 million) from Ps.32,468 million (U.S.\$1,767 million) as of December 31, 2021, resulting in a net debt of Ps.21,999 million (U.S.\$1,197 million) compared to a net debt of Ps.15,927 million (U.S.\$867 million) as of December 31, 2021. This increase was driven by the increase in debt issued in the Mexican market and decrease in cash flow generated by the commercial business.

During 2018, Grupo Elektra established a dual bond program of stock exchange certificates in Mexican pesos for up to Ps.15,000 million (U.S.\$816 million) which was increased to up to Ps.20,000 million (US\$1,088 million) in 2019. This program expired in May 2023 and the outstanding balance of the notes at June 30, 2024 was Ps.3,000 million (U.S.\$163 million).

In April 2021, Grupo Elektra established a new program of long-term stock exchange certificates in Mexican pesos for up to Ps.20,000 million (US\$1,088 million) or its equivalent in UDIs. As of June 30, 2024, Grupo Elektra has an available amount of Ps.1,835 million (US\$1,000 million) or its equivalent to UDIs under this facility.

In June 2023, Grupo Elektra established a new dual bond issuance program for up to Ps.20,000 million (U.S.\$1,088 million), or its equivalent in UDIs, which will allow Grupo Elektra to issue short-term certificates with a term of up to 364 days, for an amount of up to Ps.4,000 million (U.S.\$218 million), and long-term certificates for up to Ps.20,000 million (U.S.\$1,088 million), with a term of up to 30 years, in both cases without exceeding the total amount of the program. Grupo Elektra had an available balance of Ps.14,500 million (U.S.\$789 million), or its equivalent in UDIs, as of June 30, 2024.

The following chart sets forth Grupo Elektra's cash generation and application for the periods indicated:

	Six-Months Ended June 30,			Year Ended December 31,			
	2024 (U.S.\$)(1) (in millions) (Unaudited)	2024 (Ps.)	2023 (Ps.)	2023 (U.S.\$)(1) (in millions) (Unaudited)	2023 (Ps.)	2022 (Ps.)	2021 (Ps.)
Net cash flows from operating activities	919	16,888	10,856	1,098	20,182	4,677	24,820
Net cash flows from investing activities	(568)	(10,445)	(3,403)	(336)	(6,173)	4,840	(21,819)
Net cash flows from financing activities	(371)	(6,816)	(6,855)	(605)	(11,117)	(7,991)	(2,097)

Solely for the convenience of the reader, peso amounts for the six-month period ended June 30, 2024 and for the year ended December 31, 2023 have been translated into U.S. dollars at the Mexican Central Bank Exchange Rate on June 30, 2024 of Ps.18.3773 per U.S.\$1.00. See “Exchange Rates and Currency.”

Net Cash Flows from Operating Activities

For the six-months ended June 30, 2024, net cash flows from operating activities were Ps.16,888 million (U.S.\$919 million) compared to net cash flows from operating activities of Ps.10,856 million (U.S.\$591 million) for the same period in 2023. This change was mainly due to a decrease in the profit before income tax to a profit of Ps.1,589 million (U.S.\$86 million) in the 2024 period from Ps.7,659 million (U.S.\$417 million) in the 2023 period.

For the year ended December 31, 2023, net cash flows from operating activities increased by 331% to Ps. 20,182 million (U.S.\$1,098 million) from Ps.4,677 million (US\$255 million) for the year ended December 31, 2022. This change was primarily due to an increase in the profit before income tax to a profit of Ps.8,832 million (U.S.\$481 million) from a loss of Ps.10,277 million (U.S.\$559 million) in 2022.

For the year ended December 31, 2022, net cash flows from operating activities decreased by 81% to Ps.4,677 million (U.S.\$255 million) from Ps.24,820 million (U.S.\$1,351 million) for the year ended December 31, 2021. This change was primarily due to a decrease in the profit before income tax to a loss of Ps.10,277 million (U.S.\$559 million) from a profit of Ps.18,588 million (U.S.\$1,011 million) in 2021.

Net Cash Flows from Investing Activities

For the six-months ended June 30, 2024, net cash flows used in investing activities were Ps.(10,445) million (U.S.\$(568) million) compared to net cash flows used in investing activities of Ps.(3,403) million (U.S.\$(185) million) for the same period in 2023. This change was mainly due to an increase in temporary investments in 2024 as compared to 2023.

For the year ended December 31, 2023, net cash flows used in investing activities decreased by 228% to Ps.(6,173) million (U.S.\$(336) million) compared to net cash flows used in investing activities of Ps.4,840 million (U.S.\$263 million) in 2022. This change was primarily due to an increase in temporary investments and foreign exchange.

For the year ended December 31, 2022, net cash flows used in investing activities increased by 122% to Ps.4,840 million (U.S.\$263 million) from Ps.(21,819) million (U.S.\$(1,187) million) in 2021. This change was mainly due to a decrease in temporary investments.

Net Cash Flows from Financing Activities

For the six-months ended June 30, 2024, net cash flows used in financing activities increased by 0.6% to Ps.(6,816) million (U.S.\$(371) million) from Ps.(6,855) million (U.S.\$(373) million) for the same period in 2023. This change was mainly due to lower capital and interest payments on debt and an increase in repurchase of shares.

For the year ended December 31, 2023, net cash flows used in financing activities were Ps.(11,117) million (U.S.\$(605) million) compared to net cash flows used in financing activities of Ps.(7,991) million (U.S.\$(435) million) in 2022. This change was primarily

due to a decrease in net proceeds and payments of debt, higher payment of interest and lease liabilities, partially offset by a decrease in repurchase of shares.

For the year ended December 31, 2022, net cash flows from financing activities were Ps.(7,991) million (U.S.\$(435) million) compared to negative net cash flows from financing activities of Ps.(2,097) million (U.S.\$(114) million) in 2021. This change was mainly due to lower net proceeds and payments of debt, higher payment of interest, lease liabilities and repurchase of shares. For more detail, see “Consolidated Statements of Cash Flows” set forth in the Grupo Elektra Annual Consolidated Financial Statements.

Indebtedness

The following table sets forth Grupo Elektra’s debt facilities, stock exchange certificates and other indebtedness outstanding as of June 30, 2024:

Description	Ps. in millions	Equivalent in U.S.\$ millions(5)	Currency	Interest Rate (Fixed/Floating)	Maturity
Commercial Business					
Cebures Elektra 00223	1,500	82	Ps.	TIEE + 1.10%	21-Nov-24
Cebures Elektra 00124	1,460	79	Ps.	TIEE + 1.20%	11-Feb-25
Cebures Elektra 22	2,085	113	Ps.	TIEE + 1.79%	27-Mar-25
Cebures Elektra 22-3	525	29	Ps.	TIEE + 1.85%	9-Oct-25
Cebures Elektra 23	500	27	Ps.	TIEE + 1.60%	9-Oct-25
Cebures Elektra 21U(1)	3,653	199	Ps.	4.53%	7-Apr-26
Banco Multiva(2)	1,279	70	Ps.	TIEE + 2.75%	22-Jun-26
Cebures Elektra 23L	1,092	59	Ps.	TIEE + 1.50%	4-Dec-26
Cebures Elektra 20	2,500	136	Ps.	9.35%	5-May-27
Bancomext(1)(2)	617	34	Ps.	TIEE + 2.50%	21-Jul-27
Cebures Elektra 22-2	3,004	163	Ps.	10.55%	26-Aug-27
Series 2021-1 Notes(3)	6,796	370	U.S.\$	4.875%	15-Jan-28
Cebures Elektra 22-4	3,350	182	Ps.	11.97%	13-Jul-28
Cebures Elektra 22U	4,313	235	Ps.	6.24%	24-Aug-28
Cebures Elektra 22-2U	1,210	66	Ps.	6.98%	12-Jul-29
Cebures Elektra 23-2L	1,390	76	Ps.	11.97%	30-Nov-29
Subtotal	35,274	1,919			
Financial Business					
BAC Honduras (line of credit)	18	1	U.S.\$	BCH + 3.16%	26-Sep-24
BAC Honduras (line of credit)	18	1	U.S.\$	BCH + 4.21%	20-Mar-25
Subtotal	37	2			
TOTAL DEBT(4)	35,310	1,921			

Interest rate included in the chart corresponds to the interest rate paid to investors/banks. However, the stock exchange certificates, and the bank loans have been hedged by Elektra with interest rate swaps.

NEM is an obligor under this facility.

Amount net of issuance expenses. Nominal value as of June 30, 2024: US\$375 million.

Does not include lease liabilities. On July 15, 2024 and October 15, 2024, principal amortization payments of U.S.\$25 million each were paid from cash held in the Series 2021-1 Reserve Account and as of the date of this Offering Memorandum, the outstanding principal amount is U.S.\$325 million (Ps. 5,973 million).

Solely for the convenience of the reader, peso amounts have been translated into U.S. dollars at the Mexican Central Bank Exchange Rate on June 30, 2024 of Ps.18.3773 per U.S.\$1.00. See “Exchange Rates and Currency.”

Capital Expenditures

Capital expenditures for the six-months ended June 30, 2024 were Ps.2,159 million (U.S.\$117 million) for the maintenance of the contact points, mainly in Mexico, and technology investments for the maintenance of digital platforms of both, the financial services and commercial businesses. During the six-month period ended June 30, 2024, two new Elektra stores were opened. The expansion plan is on hold until the economic situation can be more predictable.

Capital expenditures for the year ended December 31, 2023 were Ps.5,463 million (U.S.\$297 million) mainly for improvements, maintenance, and to a lesser extent, the opening of points of contact. For the year ended December 31, 2023, the number of points of contact stood at 6,174, 3% lower than in the previous year. The decrease is the result of strategies focused on maximizing the profitability of the company's points of contact. In the United States, 107 Purpose Financial units were closed, while in Mexico the net closure was 75 points of contact (five new stores opened and 80 financial services points of contact closed). This was partially offset by the opening of five units in Central America. Leveraging our leadership in the Mexican motorcycle market, we continued to strengthen the Elektra Motos store format, a multi-brand motorcycle store that offers a complete range of possibilities for the end user, where we also provide our customers the option of buying on credit.

Capital expenditures for the year ended December 31, 2022 were Ps.12,961 million (U.S.\$705 million) as part of the expansion plan that included 350 contact point openings in Mexico and Central America, improvement and maintenance of the contact points in Mexico and Central America; and technology investments for the maintenance and improvement of digital channels.

Capital expenditures for the year ended December 31, 2021 were Ps.7,262 million (U.S.\$395 million) mainly for improvement and maintenance of the contact points and technology investments for the development of digital channels.