



## **Grupo IDESA, S.A. de C.V. Announces Expiration of Exchange Offer**

**MEXICO CITY, MEXICO, April 25, 2023** — Grupo IDESA, S.A. de C.V. (the “Company”) announced today the expiration and results of the exchange offer and consent solicitation (the “Offer and Solicitation”) for its 9.375% Senior Notes due 2026 (the “Existing Secured Notes”) on the terms previously announced in the offering and solicitation memorandum dated March 28, 2023 (as supplemented from time to time, the “Offering Memorandum”). The Offer and Solicitation expired at 5:00 pm, New York City time, on April 25, 2023 (the “Expiration Date”). The Existing Secured Notes tendered in the Offer and Solicitation will be exchanged for 6.500% Senior Notes due 2028 (the “New Secured Notes”). Settlement is expected to occur on April 28, 2023 (the “Settlement Date”), subject to the terms and conditions of the Offer and Solicitation. The Company also announced today that on April 21, 2023, it capitalized US\$310 million (equivalent to MXP\$5,615,805,000.00) of its outstanding debt with its main financial lender.

Based on information provided by the Exchange and Information Agent, as of the Expiration Date, approximately US\$287 million of the Existing Secured Notes (or approximately 92.2% of the outstanding principal amount thereof) has been validly tendered in the Offer and Solicitation with (i) approximately US\$117 million in aggregate principal amount of Existing Secured Notes electing Early A Consideration, (ii) approximately US\$170 million in aggregate principal amount of Existing Secured Notes electing Early B Consideration, and (iii) the remainder of the Existing Secured Notes receiving the Base Exchange Consideration. On the Settlement Date, Eligible Holders that elected Early A Consideration will receive approximately 86% and 14% of the Early A Consideration in cash and New Secured Notes, respectively. Additionally, the Minimum Tender Condition was satisfied as of the Early Tender Date.

The New Secured Notes have not been, and will not be, registered under the Securities Act of 1933, as amended (the “Securities Act”) or any state securities laws. Therefore, unless so registered, the New Secured Notes may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.

The Company has applied to list the New Secured Notes on the Official List of the Luxembourg Stock Exchange and for trading on the Euro MTF Market. The CUSIP numbers for the New Secured Notes are 40053L AC9 (144A) and P4954W AC4 (Regulation S).

The Offer and Solicitation are only made, and copies of the offering documents will only be made available, to a holder of the Existing Secured Notes who has certified its status as (1) both a “Qualified Purchaser” for purposes of Section 3(c)(7) under the Investment Company Act of 1940 and a “qualified institutional buyer” as defined in Rule 144A under the Securities Act or (2) a person who is not a “U.S. person” as defined in Rule 902(k) under the Securities Act who is not a “Disqualified Non-U.S. Holder” (each, an “Eligible Holder”).

The Offer and Solicitation are subject to certain conditions, as described in the Offering Memorandum. Concurrent with the expiration of the Offer and Solicitation, the Company has, in its discretion and subject to applicable law, waived the proposed amendment to the indenture for the Existing Secured Notes (the “2026 Indenture”) in the Offering Memorandum which stated that Section 12.6 of the 2026 Indenture will be amended to be governed by and construed in accordance with the laws of England and Wales. The 2026 Indenture, the Existing Secured Notes, and the Subsidiary Guarantees (as defined in the 2026 Indenture) will continue to be governed by and construed in accordance with the Law of the State of New York. In addition, the Company has removed paragraph (b) from the “Limitations Regarding the Braskem Idesa Shareholder Loans at Grupo Idesa Level” in the Description of Notes as disclosed in the Offering Memorandum, due to the fact that the capital structure of the Company has changed since 2020, and, further, that the collateral supporting the New Secured Notes has already been enhanced by (i) a first-priority lien on all shares of Etileno XXI; (ii) a conditional first-priority lien on any receivables (net of any taxes and retentions) payable to the Company and Etileno XXI under the Braskem Idesa shareholder loans; and (iii) a first-priority lien on all of the Company’s right to collect payment from available funds in respect of the Braskem Idesa shareholder loans. The Company has also removed certain additional requirements in connection with the delivery of notices under Section 12.1 of the 2026 Indenture. The Company does not believe any of these changes are material, and expects settlement to occur on April 28, 2023 as previously disclosed. To access the Offering Memorandum, please visit: <https://gbsc-usa.com/eligibility/idesa>

THIS PRESS RELEASE IS NOT AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY SECURITY. THE OFFER AND SOLICITATION ARE BEING MADE SOLELY BY THE OFFERING MEMORANDUM THAT MAY BE OBTAINED FROM THE EXCHANGE AND INFORMATION AGENT AND ONLY TO SUCH PERSONS AND IN SUCH JURISDICTIONS AS IS PERMITTED UNDER APPLICABLE LAW. ANY PUBLIC OFFERING OF SECURITIES TO BE MADE IN THE UNITED STATES WILL BE MADE BY MEANS OF A PROSPECTUS THAT MAY BE OBTAINED FROM THE COMPANY OR THE SELLING SECURITY HOLDER THAT WILL CONTAIN DETAILED INFORMATION ABOUT THE COMPANY AND MANAGEMENT, AS WELL AS FINANCIAL STATEMENTS.

**The New Secured Notes have not been and will not be registered under the Securities Act. The Offer and Solicitation are made in the United States only to U.S. Persons that are qualified purchasers for purposes of Section 3(c)(7) under the Investment Company Act of 1940, as amended (the “1940 Act”) who are also “qualified institutional buyers” within the meaning of Rule 144A under the Securities Act and to a person who is not a “U.S. person” as defined in Rule 902(k) under the Securities Act who is not a “Disqualified Non-U.S. Holder.” The New Secured Notes are also being offered outside the United States in compliance with Regulation S under the Securities Act. The Company, as issuer of the New Secured Notes, has not been registered as an investment company under the 1940 Act.**

**THE OFFER AND SOLICITATION IS NOT BEING MADE IN MEXICO. THE NEW SECURED NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED WITH THE MEXICAN NATIONAL SECURITIES REGISTRY (*REGISTRO NACIONAL DE VALORES*) MAINTAINED BY**

**THE *COMISIÓN NACIONAL BANCARIA Y DE VALORES* (NATIONAL BANKING AND SECURITIES COMMISSION OF MEXICO, OR THE “CNBV”) AND, THEREFORE, THE NEW SECURED NOTES MAY NOT BE PUBLICLY OFFERED OR SOLD NOR BE THE SUBJECT OF BROKERAGE ACTIVITIES IN MEXICO, ABSENT AN AVAILABLE EXEMPTION UNDER THE MEXICAN SECURITIES MARKET LAW (*LEY DEL MERCADO DE VALORES*). AS REQUIRED UNDER THE MEXICAN SECURITIES MARKET LAW, THE COMPANY WILL NOTIFY CNBV OF THE OFFERING OF THE NEW SECURED NOTES OUTSIDE OF MEXICO. SUCH NOTICE WILL BE DELIVERED TO THE CNBV TO COMPLY WITH A LEGAL REQUIREMENT AND FOR INFORMATION PURPOSES ONLY, AND THE DELIVERY OF SUCH NOTICE TO, AND THE RECEIPT OF SUCH NOTICE BY, THE CNBV, DOES NOT CONSTITUTE OR IMPLY ANY CERTIFICATION AS TO THE INVESTMENT QUALITY OF THE NEW SECURED NOTES, THE COMPANY’S SOLVENCY, LIQUIDITY OR CREDIT QUALITY OR THE ACCURACY OR COMPLETENESS OF THE INFORMATION SET FORTH HEREIN. THIS ANNOUNCEMENT AND THE OFFERING MEMORANDUM HAVE NOT BEEN FILED WITH THE CNBV, AND THE CNBV HAS NOT REVIEWED OR AUTHORIZED THE CONTENT OF THIS ANNOUNCEMENT OR THE OFFERING MEMORANDUM.**

**Exchange and Information Agent**

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**Grupo IDESA, S.A. de C.V.**

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