

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to what action to take, you should immediately consult your broker, bank manager, lawyer, accountant, investment advisor or other professional.



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

March 28, 2023

To the beneficial owners of, and securities intermediaries through which beneficial owners hold, the following securities (the “Existing Secured Notes”) of Grupo Idesa, S.A. de C.V.. (“the Company”):

Existing Secured Notes	Outstanding Principal Amount	CUSIP Nos.	ISIN Nos.
9.375% Senior Notes due 2026	US\$311,045,336 ⁽¹⁾	Rule 144A No. 40053L AB1 Regulation S No. P4954W AB6	Rule 144A No. US40053LAB18 Regulation S No. USP4954WAB65

- (1) As of March 28, 2023. The aggregate principal amount of the Existing Secured Notes outstanding will increase through the Settlement Date (as defined in the Offering Memorandum) as the applicable PIK interest accrues on the Existing Secured Notes.

The Company is undertaking a transaction with respect to the Existing Secured Notes. If you are a beneficial owner of, or a securities intermediary through which a beneficial owner holds, Existing Secured Notes and you are an “Eligible Holder” (as defined below) that wishes to be contacted regarding the transaction, you must complete the attached eligibility letter (the “Eligibility Letter”) and return it to Global Bondholder Services Corporation at the address set forth in the Eligibility Letter. If you are not an Eligible Holder, please do not take any action at this time.

RESPONSES MUST BE RECEIVED BY THE EXCHANGE AND INFORMATION AGENT AS SOON AS POSSIBLE.

In the Eligibility Letter you will be asked to certify whether you are or, if you are not a beneficial owner of Existing Secured Notes, the beneficial owner holding Existing Secured Notes through you, is an “Eligible Holder.” An Eligible Holder is either:

- (A) a “U.S. Person” or a person located in the “United States,” that is both a “Qualified Institutional Buyer” and a “Qualified Purchaser”; or
- (B) not a “U.S. Person” or a person located in the “United States,” other than a dealer or other professional fiduciary organized, incorporated, or (if an individual) resident in the United States holding a discretionary account or similar account (other than an estate or trust) for the benefit or account of a non-“U.S. Person,” and not a “Disqualified Non-U.S. Holder”.

in each case, as those terms are defined under the U.S. Securities Act of 1933, as amended (the “Securities Act”) or the relevant legislation. For your reference, the definitions of “United States,” “U.S. Person,” “Qualified Institutional Buyer,” “Qualified Purchaser,” and “Disqualified Non-U.S. Holder” are set forth in Annexes A, B, C, D and E hereto, respectively.

The Company expects that holders who do not complete and return the attached Eligibility Letter will not be contacted in connection with the transaction it has undertaken with respect to the Existing Secured Notes.

Effective from the date of this letter, you and any beneficial owner of Existing Secured Notes held through you, as well as each of your or any such beneficial owner’s employees, representatives, or other agents may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the transactions undertaken by the Company with respect to the Existing Secured Notes and all materials of any kind, including opinions or other tax analyses that we may provide to you relating to such tax treatment and tax structure. However, the foregoing does not constitute an authorization to disclose the identity of the Company or its affiliates, agents or advisors, or, except to the extent relating to such tax structure or tax treatment, any specific pricing terms or commercial or financial information.

You may direct any questions you have as to this document to Global Bondholder Services Corporation, 65 Broadway, Suite 404, New York, New York, 10006, telephone number: (212) 430-3774 (Banks and Brokers), (855) 654-2015 (toll free) and e-mail: contact@gbsc-usa.com.

Very truly yours,
GRUPO IDESA, S.A. DE C.V.

Definition of United States

“United States” means the United States of America, its territories and possessions, any State of the United States, and the District of Columbia.

Definition of U.S. Person

- (1) “U.S. Person” means:
- (i) Any natural person resident in the United States;
 - (ii) Any partnership or corporation organized or incorporated under the laws of the United States;
 - (iii) Any estate of which any executor or administrator is a U.S. person;
 - (iv) Any trust of which any trustee is a U.S. person;
 - (v) Any agency or branch of a foreign entity located in the United States;
 - (vi) Any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person;
 - (vii) Any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated, or (if an individual) resident in the United States; and
 - (viii) Any partnership or corporation if:
 - (A) Organized or incorporated under the laws of any foreign jurisdiction; and
 - (B) Formed by a U.S. person principally for the purpose of investing in securities not registered under the Securities Act, unless it is organized or incorporated, and owned, by accredited investors (as defined in Rule 501(a)) who are not natural persons, estates or trusts.
- (2) The following are not “U.S. Persons”:
- (i) Any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-U.S. person by a dealer or other professional fiduciary organized, incorporated, or (if an individual) resident in the United States;
 - (ii) Any estate of which any professional fiduciary acting as executor or administrator is a U.S. person if:
 - (A) An executor or administrator of the estate who is not a U.S. person has sole or shared investment discretion with respect to the assets of the estate; and
 - (B) The estate is governed by foreign law;
 - (iii) Any trust of which any professional fiduciary acting as trustee is a U.S. person, if a trustee who is not a U.S. person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a U.S. person;
 - (iv) An employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country;
 - (v) Any agency or branch of a U.S. person located outside the United States if:
 - (A) The agency or branch operates for valid business reasons; and

(B) The agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located; and

(vi) The International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations, and their agencies, affiliates and pension plans, and any other similar international organizations, their agencies, affiliates and pension plans.

Definition of Qualified Institutional Buyer

“Qualified Institutional Buyer” means:

(1)(i) Any of the following entities, acting for its own account or the accounts of other qualified institutional buyers, that in the aggregate owns and invests on a discretionary basis at least \$100 million in securities of issuers that are not affiliated with the entity:

(A) Any insurance company as defined in Section 2(13) of the Securities Act of 1933, as amended (the “Act”);

Note: A purchase by an insurance company for one or more of its separate accounts, as defined by section 2(a)(37) of the Investment Company Act of 1940 (the "Investment Company Act"), which are neither registered under section 8 of the Investment Company Act nor required to be so registered, shall be deemed to be a purchase for the account of such insurance company.

(B) Any investment company registered under the Investment Company Act of 1940 (the “Investment Company Act”) or any business development company as defined in Section 2(a)(48) of that Act;

(C) Any small business investment company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958;

(D) Any plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees;

(E) Any employee benefit plan within the meaning of Title I of the Employee Retirement Income Security Act of 1974;

(F) Any trust fund whose trustee is a bank or trust company and whose participants are exclusively plans of the types identified in subparagraph (1)(i)(D) or (E) above, except trust funds that include as participants individual retirement accounts or H.R. 10 plans;

(G) Any business development company as defined in Section 202(a)(222) of the Investment Advisers Act of 1940;

(H) Any organization described in Section 501(c)(3) of the Internal Revenue Code, corporation (other than a bank as defined in Section 3(a)(2) of the Act or a savings and loan association or other institution referenced in Section 3(a)(5)(A) of the Act or a foreign bank or savings and loan association or equivalent institution), partnership, or Massachusetts or similar business trust; and

(I) Any investment adviser registered under the Investment Advisers Act.

(ii) Any dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), acting for its own account or the accounts of other qualified institutional buyers, that in the aggregate owns and invests on a discretionary basis at least \$10 million of securities of issuers that are not affiliated with the dealer, provided that securities constituting the whole or a part of an unsold allotment to or subscription by a dealer as a participant in a public offering shall not be deemed to be owned by such dealer;

(iii) Any dealer registered pursuant to Section 15 of the Exchange Act acting in a riskless principal transaction (as defined below) on behalf of a qualified institutional buyer;

Note: A registered dealer may act as agent, on a non-discretionary basis, in a transaction with a qualified institutional buyer without itself having to be a qualified institutional buyer.

(iv) Any investment company registered under the Investment Company Act, acting for its own account or for the accounts of other qualified institutional buyers, that is part of a family of investment companies which own in aggregate at least \$100 million in securities of issuers, other than issuers that are affiliated with the investment company or are part of such family of investment companies. “Family of investment companies” means any two or more investment companies registered under the Investment Company Act, except for a unit investment trust whose assets consist solely of shares of one or more registered investment companies, that have the same investment adviser (or, in the case of unit investment trusts, the same depositor), provided that:

(A) Each series of a series company (as defined in Rule 18f-2 under the Investment Company Act) shall be deemed to be a separate investment company; and

(B) Investment companies shall be deemed to have the same adviser (or depositor) if their advisers (or depositors) are majority-owned subsidiaries of the same parent, or if one investment company’s adviser (or depositor) is a majority-owned subsidiary of the other investment company’s adviser (or depositor);

(v) Any entity, all of the equity owners of which are qualified institutional buyers, acting for its own account or the accounts of other qualified institutional buyers; and

(vi) Any bank as defined in Section 3(a)(2) of the Act, any savings and loan association or other institution as referenced in Section 3(a)(5)(A) of the Act, or any foreign bank or savings and loan association or equivalent institution, acting for its own account or the accounts of other qualified institutional buyers, that in the aggregate owns and invests on a discretionary basis at least \$100 million in securities of issuers that are not affiliated with it and that has an audited net worth at least \$25 million as demonstrated in its latest annual financial statements, as of a date not more than 16 months preceding the date of sale under the rule in the case of a U.S. bank or savings and loan association, and not more than 18 months preceding such date of sale for a foreign bank or savings and loan association or equivalent institution.

(2) In determining the aggregate amount of securities owned and invested on a discretionary basis by an entity, the following instruments and interests shall be excluded: bank deposit notes and certificates of deposit; loan participations; repurchase agreements; securities owned but subject to a repurchase agreement; and currency, interest rate and commodity swaps.

(3) The aggregate value of securities owned and invested on a discretionary basis by an entity shall be the cost of such securities, except where the entity reports its securities holdings in its financial statements on the basis of their market value, and no current information with respect to the cost of those securities has been published. In the latter event, the securities may be valued at market for purposes of this section.

(4) In determining the aggregate amount of securities owned by an entity and invested on a discretionary basis, securities owned by subsidiaries of the entity that are consolidated with the entity in its financial statements prepared in accordance with generally accepted accounting principles may be included if the investments of such subsidiaries are managed under the direction of the entity, except that, unless the entity is a reporting company under Section 13 or 15(d) of the Exchange Act, securities owned by such subsidiaries may not be included if the entity itself is a majority-owned subsidiary that would be included in the consolidated financial statements of another enterprise.

(5) For the purposes of paragraph (1)(iii), “riskless principal transaction” means a transaction in which a dealer buys a security from any person and makes a simultaneous offsetting sale of such security to a qualified institutional buyer, including another dealer acting as riskless principal for a qualified institutional buyer.

Definition of Qualified Purchaser

(A) “Qualified Purchaser” means:

(1) Any natural person (including any person who holds a joint, community property, or other similar shared ownership interest in an issuer that is excepted under Section 3(c)(7) of the Investment Company Act with that person's qualified purchaser spouse) who owns not less than \$5,000,000 in investments, as defined by the Securities and Exchange Commission;

(2) Any company that owns not less than \$5,000,000 in investments and that is owned directly or indirectly by or for two or more natural persons who are related as siblings or spouse (including former spouses), or direct lineal descendants by birth or adoption, spouses of such persons, the estates of such persons, or foundations, charitable organizations, or trusts established by or for the benefit of such persons;

(3) Any trust that is not covered by clause (2) and that was not formed for the specific purpose of acquiring the securities offered, as to which the trustee or other person authorized to make decisions with respect to the trust, and each settlor or other person who has contributed assets to the trust, is a person described in clause (1), (2), or (4); or;

(4) Any person, acting for its own account or the accounts of other qualified purchasers, who in the aggregate owns and invests on a discretionary basis, not less than \$25,000,000 in investments.

(B) The Commission may adopt such rules and regulations applicable to the persons and trusts specified in clauses (i) through (iv) of subparagraph (A) as it determines are necessary or appropriate in the public interest or for the protection of investors.

(C) The term “qualified purchaser” does not include a company that, but for the exceptions provided for in Sections 3(c)(1) or 3(c)(7) of the Investment Company Act, would be an investment company, unless all beneficial owners of its outstanding securities (other than short-term paper), determined in accordance with section 3(c)(1)(A), that acquired such securities on or before April 30, 1996 (hereafter in this paragraph referred to as “pre-amendment beneficial owners”), and all pre-amendment beneficial owners of the outstanding securities (other than short-term paper) of any excepted investment company that, directly or indirectly, owns any outstanding securities of such excepted investment company, have consented to its treatment as a qualified purchaser.

Definition of Disqualified Non-U.S. Holder

“Disqualified Non-U.S. Holder” means a person that is either (a) located or resident in a member state of the European Economic Area that has implemented the Prospectus Directive (a “Relevant Member State”) who is not an “Eligible EEA Investor” (the expression “Prospectus Directive” means Directive 2003/71/EC together with any amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State and any applicable implementing measures in each relevant member state), or (b) located or resident in the United Kingdom who is not (i) an investment professional falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Order”) or (ii) a high net worth entity or other person falling within Article 49(2)(a) to (d) of the Order.

“Eligible EEA Investor” means an investor who is (a) a “qualified investor” within the meaning of the law in a relevant member state implementing Article 2(1)(e) of the Prospectus Directive; and (b) in the case of any Base Exchange Consideration or Total Exchange Consideration, as the case may be, that may be acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, (i) a person who will not have acquired the Base Exchange Consideration or Total Exchange Consideration on behalf of, or with a view to offering or reselling the Base Exchange Consideration or Total Exchange Consideration to, persons in any relevant member state other than qualified investors; or (ii) where the Base Exchange Consideration or Total Exchange Consideration may be acquired by it on behalf of persons in any relevant member state other than qualified investors, the offer of Base Exchange Consideration or Total Exchange Consideration to it would not be treated under the Prospectus Directive as having been made to such other persons.

Eligibility Letter

To: Grupo IDESA, S.A. de C.V.
C/O: Global Bondholder Services Corporation
65 Broadway, Suite 404
New York, New York 10006
Attn: Corporate Actions
For Telephone Confirmation: (855) 654-2015 (toll free) or (212) 430-3774 (Banks and Brokers)
By Email: contact@gbsc-usa.com

Ladies and Gentlemen:

The undersigned acknowledges receipt of your letter dated March 28, 2023. Capitalized terms used and not defined in this Eligibility Letter shall have the meanings set forth in your letter.

The undersigned hereby represents and warrants to Grupo IDESA, S.A. de C.V. , (“the Company”) as follows:

(1) it is the beneficial owner of, or is a securities intermediary through which one or more beneficial owners hold, the principal amounts indicated on the signature page of this Eligibility Letter of the following securities of the Company (the “Existing Secured Notes”):

<u>Debt</u>	<u>Outstanding Principal Amount</u>	<u>CUSIP No.</u>	<u>ISIN's</u>
Senior Notes due 2023 (the “Existing Secured Notes”)	US\$311,045,336 ⁽¹⁾	Rule 144ANo. 40053L AB1 Regulation S No. P4954W AB6	Rule 144A No. US40053LAB18 Regulation S No. USP4954WAB65

(1) As of March 28, 2023. The aggregate principal amount of the Existing Secured Notes outstanding will increase through the Settlement Date (as defined in the Offering Memorandum) as the applicable PIK interest accrues on the Existing Secured Notes.

(2) is, or, in the event that the undersigned is a securities intermediary acting on behalf of one or more beneficial owners of Existing Secured Notes, the undersigned has received a written certification from each such beneficial owner (dated as of a specific date on or since the close of the most recent fiscal year of such beneficial owner) to the effect that such beneficial owner is an “Eligible Holder” because it is (*check one box*):

- a “U.S. person” who is a “Qualified Purchaser” under Section 3(c)(7) under the Investment Company Act of 1940 and a “qualified institutional buyer” as defined in Rule 144A of the Securities Act.
- 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 undersigned understands that it is providing the information contained herein solely for purposes of enabling the Company to contact the undersigned and deliver to it materials regarding the transaction with respect to the Existing Secured Notes. This letter neither is an offer with respect to the Existing Secured Notes nor creates any obligations whatsoever on the part of the Company or the undersigned.

The undersigned acknowledges and agrees, subject to your letter dated March 28, 2023, that it will not copy or reproduce any part of any materials received in connection with the transactions the Company has undertaken and will not distribute any part of such materials or disclose any of their contents to anyone other than, if applicable, the aforementioned beneficial owners on whose behalf the undersigned is acting.

Dated: _____, 2023

Very truly yours,

By: _____
(Signature)

(Name and Title)

(Institution)

Aggregate Principal
amount of Existing Secured Notes:

144A:

US\$ _____

DTC Number: _____

Regulation S:

US\$ _____

DTC Number: _____

(Address)

(City/State/Zip Code)

(Country)

(Phone)

(Facsimile)

(Email)