

# FOMENTO ECONÓMICO MEXICANO, S.A.B. DE C.V.

## OFFER TO PURCHASE FOR CASH ANY AND ALL OF THE OUTSTANDING SECURITIES LISTED BELOW (THE “SECURITIES”):

<u>Securities</u>	<u>CUSIP / ISIN</u>	<u>Principal Amount Outstanding</u>	<u>Reference Security</u>	<u>Bloomberg Reference Page</u>	<u>Fixed Spread (basis points)<sup>(1)</sup></u>	<u>Hypothetical Offer Consideration<sup>(2)</sup></u>
4.375% Senior Notes due 2043	344419 AB2 / US344419AB20	US\$552,830,000	4.375% U.S. Treasury Note due August 15, 2043	PX1	+ 20	US\$871.32

- (1) The consideration payable per each US\$1,000 principal amount of Securities validly tendered (and not validly withdrawn) and accepted for purchase will be calculated in accordance with the formula set forth in Schedule I to this Offer to Purchase (as defined below), based on the fixed spread specified in the table above, plus the yield of the Reference Security as determined from the Bloomberg Reference Page specified in the table above as of 11:00 a.m. (New York City time), on November 6, 2023, unless extended (such date and time, as the same may be extended, the “Price Determination Date”).
- (2) Per US\$1,000 principal amount of Securities validly tendered (and not validly withdrawn) and accepted for purchase. The hypothetical offer consideration provided in the above table is for illustrative purposes only and was calculated based on the yield of the Securities through their maturity date and has been determined as of 11:00 a.m. (New York City time), on October 30, 2023, in accordance with the formula set forth in Schedule I to this Offer to Purchase. We make no representation with respect to the actual Offer Consideration (as defined below) payable in connection with the Tender Offer (as defined below), and such amounts may be greater or less than those shown in the above table depending on the yield of the Reference Security on the Price Determination Date.

**The Tender Offer will expire at 5:00 p.m. (New York City time) on November 6, 2023, unless extended (such date and time, as the same may be extended, the “Expiration Date”). To be eligible to receive the Offer Consideration, Holders (as defined below) must validly tender and not validly withdraw their Securities on or prior to the Expiration Date, or deliver a properly completed and duly executed Notice of Guaranteed Delivery (as defined below) on or prior to the Expiration Date and tender their Securities on or prior to 5:00 p.m. (New York City time) on the second business day following the Expiration Date (the “Guaranteed Delivery Date”). Securities validly tendered may be withdrawn at any time at or prior to 5:00 p.m. (New York City time) on the Expiration Date, unless extended, but not thereafter.**

Fomento Económico Mexicano, S.A.B. de C.V. (the “Company,” “we,” “us,” or “our”), a *sociedad anónima bursátil de capital variable* (publicly traded variable stock corporation) organized under the laws of the United Mexican States (“Mexico”), hereby offers to purchase for cash (the “Tender Offer”), any and all of its outstanding Securities from each registered holder of Securities (each, a “Holder” and, collectively, the “Holders”), upon the terms and subject to the conditions set forth in this Offer to Purchase (as it may be amended or supplemented from time to time, this “Offer to Purchase”). Holders who (i) validly tender and do not validly withdraw their Securities, in each case, on or prior to the Expiration Date or (ii) deliver a properly completed and duly executed Notice of Guaranteed Delivery on or prior to the Expiration Date and follow the guaranteed delivery procedures described herein (the “Guaranteed Delivery Procedures”) on or prior to the Guaranteed Delivery Date, will be eligible to receive the consideration described in the table above (the “Offer Consideration”). Holders will also receive the Accrued Interest (as defined below), from and including the last interest payment date to, but not including, the Settlement Date (as defined below) and Additional Amounts (as defined below) therein, if any, for Securities accepted for purchase in the Tender Offer. For the avoidance of doubt, Accrued Interest in respect of any Securities purchased in the Tender Offer will cease to accrue on, and will not be paid for any periods following, the Settlement Date, including those Securities tendered by the Guaranteed Delivery Procedures set forth herein.

The Tender Offer is subject to various conditions described herein. The Tender Offer is not contingent upon the valid tender of any minimum principal amount of Securities. See “Description of the Tender Offer—Conditions to the Tender Offer.”

The distribution of this document in certain jurisdictions may be restricted by law. See “Offer and Distribution Restrictions.”

Neither the U.S. Securities and Exchange Commission (the “SEC”) nor any U.S. state securities commission or foreign regulatory authority has approved or disapproved of the Tender Offer, passed upon the merits or fairness of the Tender Offer or passed upon the adequacy or accuracy of the disclosure in this Offer to Purchase. Any representation to the contrary is a criminal offense.

*The Dealer Manager for the Tender Offer is:*

**BofA Securities**

October 31, 2023

(Cover page, continued)

All of the Securities are registered in the name of Cede & Co., the nominee of The Depository Trust Company (“DTC”), and held in book-entry form through the facilities of DTC. A beneficial owner of the Securities that are held of record by a broker, dealer, commercial bank, trust company or other nominee must instruct such broker, dealer, commercial bank, trust company or other nominee to effect the transaction on behalf of such beneficial owner, and to transmit an Agent’s Message (as defined below) in connection with tenders made through the DTC Automated Tender Offer Program (“ATOP”).

Securities may be tendered only in minimum denominations of US\$150,000 principal amount and integral multiples of US\$2,000 in excess thereof (the “Minimum Denominations”). No alternative, conditional or contingent tenders will be accepted. Holders who tender less than all of their Securities must continue to hold Securities in the Minimum Denominations.

Holders whose Securities are accepted for purchase in the Tender Offer will receive accrued and unpaid interest in respect of such purchased Securities (the “Accrued Interest”) from and including the last interest payment date to, but not including, the Settlement Date and Additional Amounts, if any.

The Offer Consideration offered hereby for each US\$1,000 principal amount of Securities validly tendered (and not validly withdrawn) and accepted for purchase pursuant to the Tender Offer is the price (calculated as described in Schedule I to this Offer to Purchase) that would reflect:

(1) the present value on the Settlement Date of (x) US\$1,000, representing the principal amount payable on the scheduled maturity date of the Securities and (y) all scheduled interest payments from the Settlement Date up to and including the scheduled maturity date of the Securities, in each case, discounted on the basis of a yield equal to the sum of (a) the yield to maturity (the “Reference Yield”) of the reference security set forth in the table on the first page of the cover of this Offer to Purchase in the column under the heading “Reference Security” (the “Reference Security”), as calculated by the Dealer Manager (as defined below) in accordance with standard market practice, determined by reference to the bid-side price of the Reference Security at 11:00 a.m. (New York City time), on the Price Determination Date, as displayed on the Bloomberg Reference Page specified in the table on the first page of the cover of this Offer to Purchase in the column under the heading “Bloomberg Reference Page” or any recognized quotation source selected by the Dealer Manager in its sole discretion if such Bloomberg Reference Page is not available or is manifestly erroneous, *plus* (b) the fixed spread specified in the table on the first page of the cover of this Offer to Purchase in the column under the heading “Fixed Spread” (the “Fixed Spread”), *minus*

(2) Accrued Interest from and including the last interest payment date to, but not including, the Settlement Date,

such price being rounded to the nearest US\$0.01 per US\$1,000 principal amount of the Securities.

**THIS OFFER TO PURCHASE MAY NOT BE MADE PUBLICLY IN MEXICO, EXCEPT THAT THE TENDER OFFER MAY BE EXTENDED TO INVESTORS THAT QUALIFY AS INSTITUTIONAL INVESTORS (*INVERSIONISTAS INSTITUCIONALES*) OR QUALIFIED INVESTORS (*INVERSIONISTAS CALIFICADOS*), SOLELY PURSUANT TO THE PRIVATE OFFERING EXEMPTION SET FORTH IN ARTICLE 8 OF THE MEXICAN SECURITIES MARKET LAW (*LEY DEL MERCADO DE VALORES*). THIS OFFER TO PURCHASE IS SOLELY OUR RESPONSIBILITY AND HAS NOT BEEN REVIEWED OR AUTHORIZED BY THE MEXICAN NATIONAL BANKING AND SECURITIES COMMISSION (*COMISIÓN NACIONAL BANCARIA Y DE VALORES*). THE TENDER OF THE SECURITIES WILL BE MADE UNDER THE RESPONSIBILITY OF EACH INVESTOR.**

(End of cover page)

## IMPORTANT INFORMATION

The Tender Offer is being made upon the terms and subject to the conditions set forth in this Offer to Purchase and the accompanying notice of guaranteed delivery (the “Notice of Guaranteed Delivery” which, together with the Offer to Purchase, constitute the “Tender Offer Documents”). This Offer to Purchase contains important information that Holders are urged to read before any decision is made with respect to the Tender Offer. Any questions regarding procedures for tendering Securities or requests for additional copies of this Offer to Purchase and the Notice of Guaranteed Delivery should be directed to the Information Agent (as defined below). Copies of the Offer to Purchase and Notice of Guaranteed Delivery are available for Holders at the following internet site: <https://www.gbsc-usa.com/femsa/>.

Subject to applicable law, the Tender Offer may be amended, extended or, upon failure of a condition to be satisfied or waived prior to the Expiration Date, terminated.

Holders must tender their Securities in accordance with the procedures described under “Description of the Tender Offer—Procedures for Tendering.”

No dealer, salesperson or other person has been authorized to give any information or to make any representation not contained in, or incorporated by reference into, this Offer to Purchase, and, if given or made, such information or representation may not be relied upon as having been authorized by the Company, the Tender Agent, the Information Agent, the Dealer Manager or the trustee under the indenture governing the Securities (the “Trustee”). The delivery of this Offer to Purchase will not under any circumstance, create any implication that the information herein is current as of any time subsequent to the date hereof, or that there has been no change in the affairs of the Company as of such date.

After the Expiration Date, the Company or its affiliates may from time to time purchase additional Securities in the open market, in privately negotiated transactions, through tender offers, exchange offers, redemptions or otherwise, upon such terms and at such prices as the Company may determine. Additionally, the Company may redeem the Securities pursuant to the terms of the indenture governing the Securities. Any future purchases may be on the same terms or on terms that are more or less favorable to Holders of Securities than the terms of the Tender Offer and could be for cash or other consideration. Any future purchases will depend on various factors existing at that time. There can be no assurance as to which, if any, of these alternatives (or combinations thereof) we choose to pursue in the future. Any purchase or offer to purchase will be made in accordance with applicable law.

**None of the Company, the Dealer Manager, the Trustee, the Tender Agent or the Information Agent makes any recommendation as to whether or not Holders of the Securities should tender their Securities in the Tender Offer.**

**You should read this entire Offer to Purchase (including the information incorporated by reference) and related documents and any amendments or supplements carefully before making your decision to participate in the Tender Offer. None of the Company, the Trustee, the Tender Agent, the Information Agent, the Dealer Manager or any of their respective affiliates, directors, officers, agents, attorneys or employees has made or will make any assessment of the merits of the Tender Offer or of the impact of the Tender Offer on the interests of Holders either as a class or as individuals. You should not consider any information in this Offer to Purchase to be legal, business or tax advice. You should consult your own counsel, accountant and other advisors as to legal, tax, business, financial and related aspects of an acceptance of the Tender Offer.**

**Each Holder is solely responsible for making its own independent appraisal of all matters as such Holder deems appropriate (including those relating to the Tender Offer and the Company) and each Holder must make its own decision as to whether accept the Tender Offer or not. None of the Company, the Trustee, the Information Agent and the Tender Agent, the Dealer Manager or any of their respective affiliates, directors, officers, agents, attorneys or employees makes any recommendation as to whether Holders should tender, or refrain from tendering all or any portion of the principal amount of their Securities, and none of them has been authorized or has authorized any person to make any such recommendation. Holders must make their own decisions with regard to tendering Securities.**

Unless the context indicates otherwise, all references to a valid tender of Securities in this Offer to Purchase shall mean that such Securities have either (i) been validly tendered, at or prior to the Expiration Date, and such tender or delivery has not been validly withdrawn at or prior to the Expiration Date or (ii) a Notice of Guaranteed Delivery in respect of such Securities has been validly delivered at or prior to the Expiration Date and such Securities have been tendered at or prior to 5:00 p.m. (New York City time) on the Guaranteed Delivery Date.

**Certain of the statements in this Offer to Purchase and any documents incorporated by reference in this Offer to Purchase, including, without limitation, statements regarding future transactions, constitute forward-looking statements which involve certain risks. For information on these and other risks, please see “Special Note Regarding Forward-Looking Statements” and “Description of the Tender Offer” below and the reports and other documents filed with the SEC , as described below.**

### Important Dates and Times

Date	Calendar Date	Event
Commencement of the Tender Offer	October 31, 2023.	The day the Tender Offer is announced, and the Offer to Purchase is made available to Holders. Commencement will be announced by the issuance of a press release through a widely disseminated news or wire service.
Price Determination Date	11:00 a.m. (New York City time) on November 6, 2023, unless extended.	The day and time at which the Dealer Manager will determine (i) the Reference Yield and (ii) Offer Consideration.
Expiration Date	5:00 p.m. (New York City time) on November 6, 2023, unless extended.	The deadline (i) for Holders to validly tender Securities or deliver a duly completed Notice of Guaranteed Delivery in order to be eligible to receive the Offer Consideration on the Settlement Date and (ii) for Securities to be validly withdrawn, unless a later deadline is required by law (see “Description of the Tender Offer—Withdrawal of Tenders”).
Guaranteed Delivery Date	5:00 p.m. (New York City time) on the second business day after the Expiration Date, expected to be November 8, 2023, unless extended.	The deadline for Holders to validly tender Securities, if any, pursuant to the Guaranteed Delivery Procedures.
Settlement Date	Expected to be the third business day after the Expiration Date, expected to be November 9, 2023, unless extended.	The date Holders are paid the Offer Consideration and Accrued Interest to, but not including, the Settlement Date and Additional Amounts, if any, for any Securities validly tendered (and not validly withdrawn) and accepted for purchase in the amount and manner described in this Offer to Purchase.

**The above times and dates are subject to our right to extend, amend and/or terminate the Tender Offer (subject to applicable law and as provided in this Offer to Purchase). Holders of Securities are advised to check with any bank, securities broker or other intermediary through which they hold Securities as to when such intermediary would need to receive instructions from a beneficial owner in order for that beneficial owner to be able to participate in, or withdraw their instruction to participate in, the Tender Offer before the deadlines specified in this Offer to Purchase. The deadlines set by any such intermediary and DTC for the submission of tender instructions will be earlier than the relevant deadlines specified above.**

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## **ABOUT THIS OFFER TO PURCHASE**

In this Offer to Purchase, unless the context otherwise requires or as otherwise indicated, references to the “Company,” “we,” “us” and “our” refer to Fomento Económico Mexicano, S.A.B. de C.V.

References herein to “US Dollars” or “US\$” are to the lawful currency of the United States.

This Offer to Purchase does not constitute an offer or an invitation by, or on behalf of, us or by, or on behalf of, the Dealer Manager to participate in the Tender Offer in any jurisdiction in which it is unlawful to make such an offer or solicitation in such jurisdiction. The distribution of this Offer to Purchase in certain jurisdictions may be restricted by law. Persons into whose possession this Offer to Purchase comes are required by us and the Dealer Manager to inform themselves about and to observe any such restrictions. This Offer to Purchase may not be used for or in connection with an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. See “Offer and Distribution Restrictions.”

This Offer to Purchase contains summaries of certain documents which we believe are accurate, and it incorporates certain documents and information by reference. We refer you to the actual documents and information for a more complete understanding of what is discussed in this Offer to Purchase, and we qualify all summaries by such reference. We will make copies of such documents and information available to you upon request. See “Where You Can Find More Information.”

## OFFER AND DISTRIBUTION RESTRICTIONS

We have not filed this Offer to Purchase with, and it has not been reviewed by, any federal or state securities commission or regulatory authority of any country. No authority has passed upon the accuracy or adequacy of the Offer to Purchase, and it is unlawful and may be a criminal offense to make any representation to the contrary.

This Offer to Purchase constitutes neither an offer to purchase nor a solicitation of an offer to sell in any jurisdiction in which, or to or from any person to or from whom, it is unlawful to make such an offer or solicitation under applicable securities or “blue sky” laws. The delivery of this Offer to Purchase shall not under any circumstances create any implication that the information contained or incorporated by reference herein is correct as of any time subsequent to the date hereof or thereof, or that there has been no change in the information set forth herein or therein or in our or any of our subsidiaries or affiliates since the date hereof or thereof.

**United States.** The delivery of this Offer to Purchase will not under any circumstances create any implication that the information contained herein is correct as of any time subsequent to the date hereof or that there has been no change in the information set forth herein or in the affairs of the Company or any of its affiliates since the date hereof.

**Mexico.** The information contained in this Offer to Purchase is exclusively our responsibility and has not been filed with, or reviewed or authorized by, the Mexican National Banking and Securities Commission (*Comisión Nacional Bancaria y de Valores*). The Tender Offer does not constitute a public offering in Mexico and may only be made available in Mexico to investors that qualify as institutional or accredited investors (*inversionistas institucionales* or *inversionistas calificados*), solely pursuant to the private offering exemption set forth in Article 8 of the Mexican Securities Market Law (*Ley del Mercado de Valores*) and regulations thereunder. In making a decision, all Holders, including any Mexican Holders, must rely on their own review and examination of the Company.

**United Kingdom.** This Offer to Purchase and any other documents and/or materials relating to the Tender Offer are for distribution only to and are only directed at (i) persons who are outside the United Kingdom, or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the “Order”), or (iii) high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations etc.”) of the Order (all such persons together being referred to as “relevant persons”). The Tender Offer is only available to, and the Tender Offer will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this Offer to Purchase or any of its contents.



## WHERE YOU CAN FIND MORE INFORMATION

The Company is subject to the information requirements of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), applicable to a foreign private issuer, and accordingly files or furnishes reports, including annual reports on Form 20-F, reports on Form 6-K and other information with the SEC. Any information we file or furnish electronically will be available to the public over the Internet at the SEC’s website at [www.sec.gov](http://www.sec.gov) and at our website at <https://femsa.gcs-web.com/financial-reports/sec-filings>. This URL is intended to be an inactive textual reference only. It is not intended to be an active hyperlink to our website. The information on our website, even if it might be accessible through a hyperlink resulting from this URL, is not and shall not be deemed to be incorporated into this Offer to Purchase.

The following documents, which are available over the Internet at the SEC’s and our website, contain important information about us that is not included in or delivered with this Offer to Purchase and you are encouraged to read carefully before a decision is made with respect to the Tender Offer:

- our Annual Report on Form 20-F for the year ended December 31, 2022, filed with the SEC on April 24, 2023 (SEC File No. 001-35934);
- our report on Form 6-K, furnished to the SEC on October 27, 2023 (SEC File No. 001-35934) containing our financial results as of and for the nine months ended September 30, 2023; and
- any future reports on Form 6-K furnished to the SEC that are identified in those forms as being incorporated by reference into this Offer to Purchase, in each case after the date of this Offer to Purchase and prior to the Expiration Date.

You may request a copy of any such documents that have not been delivered with this Offer to Purchase, at no cost, by writing or telephoning us at General Anaya No. 601 Pte., Colonia Bella Vista, Monterrey, Nuevo León 64410, Mexico, Attention: Juan F. Fonseca, telephone (52-818) 328-6167; e-mail: [investor@femsa.com.mx](mailto:investor@femsa.com.mx).

## **SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS**

Some of the information contained or incorporated by reference in this Offer to Purchase contains words such as “believe,” “expect,” “anticipate” and similar expressions that identify forward-looking statements. Use of these words reflects our views about future events and financial performance. Actual results could differ materially from those projected in these forward-looking statements as a result of various factors that may be beyond our control, including, but not limited to:

- effects on the Company from changes in our relationship with or among our affiliated companies,
- fluctuation in the prices of raw materials,
- effects on our points of sale performances from changes in economic conditions,
- changes or interruptions in our information technology systems,
- effects on the Company from changes to our various suppliers’ business and demands,
- competition,
- significant developments in the countries where we operate,
- our ability to successfully integrate mergers and acquisitions we have completed in recent years,
- international economic or political conditions, including, but not limited to, the commencement or escalation of a war, armed hostilities, terrorist attacks or other national or international calamity, including in relation to the conflict in Ukraine or the emerging military conflict in Israel and the Gaza Strip, and
- health epidemics, pandemics and similar outbreaks including future outbreak of diseases, or the spread of existing diseases (including COVID-19 and its existing and future variants, if any) and their effect on customer behavior and on economic, political, social and other conditions in the countries where we operate and globally.

Forward-looking statements involve inherent risks and uncertainties. We caution you not to place undue reliance on these forward-looking statements. A number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. Some of these factors are discussed under “Risk Factors” in our most recent annual report on Form 20-F and any reports on Form 6-K that are or may be filed with the SEC, and under “Risk Factors” hereunder. They include economic and political conditions and government policies in the countries in which we operate, inflation rates, exchange rates, regulatory developments, customer demand and competition. See “Where You Can Find More Information” for information about how to obtain a copy of these documents. We caution you that the foregoing list of factors is not exclusive and that other risks and uncertainties may cause actual results to differ materially from those in forward-looking statements. You should evaluate any statements made by us in light of these important factors.

Forward-looking statements speak only as of the date they are made. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information or future events or for any other reason.

## SUMMARY OF THE TENDER OFFER

The following summary is provided for your convenience. It highlights material information in this Offer to Purchase and the Notice of Guaranteed Delivery but does not describe all of the details of the Tender Offer. Holders are urged to read the more detailed information set forth in this Offer to Purchase and the Notice of Guaranteed Delivery. Capitalized terms used but not defined in this summary have the meanings assigned to them elsewhere in this Offer to Purchase.

**Issuer and Purchaser** ..... Fomento Económico Mexicano, S.A.B. de C.V., a *sociedad anónima bursátil de capital variable* (publicly traded variable stock corporation) organized under the laws of Mexico.

**Securities** ..... 4.375% Senior Notes due 2043  
(CUSIP/ISIN 344419 AB2 / US344419AB20)

**The Tender Offer** ..... The Company hereby invites all Holders of its outstanding 4.375% Senior Notes due 2043 to tender any and all of their Securities, upon the terms and subject to the conditions set forth in the Tender Offer Documents.

As of the date of this Offer to Purchase, the aggregate outstanding principal amount of the Securities is US\$552,830,000.

**Offer Consideration** ..... Upon the terms and subject to the conditions set forth in the Tender Offer Documents, Holders who (i) validly tender and do not validly withdraw their Securities on or prior to the Expiration Date or (ii) deliver a properly completed and duly executed Notice of Guaranteed Delivery on or prior to the Expiration Date and follow the Guaranteed Delivery Procedures and tender their Securities on or prior to the Guaranteed Delivery Date, and whose Securities are accepted for purchase by us, will receive the Offer Consideration *plus* Accrued Interest to, but not including, the Settlement Date, and Additional Amounts, if any, for Securities purchased in the Tender Offer. The Offer Consideration will be payable in cash in US Dollars.

The Offer Consideration offered hereby for each US\$1,000 principal amount of Securities validly tendered (and not validly withdrawn) and accepted for purchase pursuant to the Tender Offer, is the price (calculated as described in Schedule I to this Offer to Purchase) that would reflect:

- (1) the present value on the Settlement Date of (x) US\$1,000, representing the principal amount payable on the scheduled maturity date of the Securities and (y) all scheduled interest payments from the Settlement Date up to and including the scheduled maturity date of the Securities, in each case discounted on the basis of the Reference Yield as calculated by the Dealer Manager in accordance with standard market practice, *plus* (b) the Fixed Spread, *minus*

(2) Accrued Interest to, but not including, the Settlement Date, such price being rounded to the nearest US\$0.01 per US\$1,000 principal amount of the Securities.

The Reference Yield will be calculated in accordance with standard market practice and will be determined based on the yield that results from the bid-side price of the Reference Security as displayed on the Bloomberg Reference Page as set forth in the table on the front of the cover page of the Offer to Purchase as of the Price Determination Date.

On the Price Determination Date, the Company will notify the Tender Agent and will make a public announcement thereof to the Holders promptly after 11:00 a.m. (New York City time) on the Price Determination Date.

**Accrued Interest**..... In addition to the Offer Consideration, Holders whose Securities are validly tendered (and not validly withdrawn) and accepted for purchase in the Tender Offer, will receive accrued and unpaid interest in respect of such purchased Securities from and including the last interest payment date to, but not including, the Settlement Date. Interest will cease to accrue from and including the Settlement Date for all Securities purchased in the Tender Offer, including those tendered through the Guaranteed Delivery Procedures.

**Additional Amounts**..... In addition to the Offer Consideration and Accrued Interest, Holders whose Securities are validly tendered (and not validly withdrawn) and accepted for purchase in the Tender Offer, will receive additional amounts in respect of withholding taxes applicable to the Accrued Interest (including gains derived from the sale of the Securities in the Tender Offer that are treated as interest), if any (the “Additional Amounts”).

**Conditions to the Tender Offer**..... Our obligation to accept Securities tendered in the Tender Offer is subject to the satisfaction of certain conditions, including certain customary conditions, including that we will not be obligated to consummate the Tender Offer upon the occurrence of an event or events or the likely occurrence of an event or events that would or might reasonably be expected to prohibit, restrict or delay the consummation of the Tender Offer or materially impair the contemplated benefits to us of the Tender Offer.

Subject to applicable law and limitations described elsewhere in this Offer to Purchase, we may waive any of these conditions in our sole discretion.

See “Description of the Tender Offer—Conditions to the Tender Offer.”

**Expiration Date**..... 5:00 p.m. (New York City time) on November 6, 2023, as the same may be extended.

**Guaranteed Delivery Date**..... 5:00 p.m. (New York City time) on the second business day after the Expiration Date, expected to be on November 8, 2023, as the same may be extended.

**Settlement Date**..... The “Settlement Date” for the Tender Offer will be promptly following the Expiration Date and is expected to be November 9, 2023, which is the third business day following the Expiration Date, as the same may be extended.

On the Settlement Date, we will deposit, at the direction of the Tender Agent, with DTC an amount of cash sufficient to purchase any Securities validly tendered (and not validly withdrawn) and accepted for purchase in the amount and manner described in this Offer to Purchase. Promptly after such repurchase, the Securities will be deemed repaid and redeemed and will be cancelled by the Company.

**Withdrawal of Tenders**..... Securities validly tendered in the Tender Offer may be validly withdrawn at any time at or prior to the Expiration Date. Securities tendered after the Expiration Date may not be withdrawn, except in limited circumstances. After the Expiration Date, for example, tendered

	<p>Securities may not be validly withdrawn unless we amend or otherwise change the Tender Offer in a manner material to tendering Holders or are otherwise required by law to permit withdrawal (as determined by us in our reasonable discretion). With respect to a change in consideration, the Tender Offer will remain open for a minimum five-business-day period. See “Description of the Tender Offer—Withdrawal of Tenders.”</p>
<b>Right to Amend or Terminate</b> .....	<p>Subject to applicable law, the Tender Offer may be amended, extended or, upon failure of a condition to be satisfied or waived prior to the Expiration Date, terminated.</p> <p>Although we have no present plans or arrangements to do so, we reserve the right to amend, at any time, the terms of the Tender Offer consistent with the requirements of this Offer to Purchase and applicable law. We will give Holders notice of any amendments and will extend the Expiration Date if required by applicable law.</p>
<b>Procedures for Tendering</b> .....	<p>For a Holder to validly tender Securities pursuant to the Tender Offer, an Agent’s Message and any other required documents must be received by the Tender Agent at its address set forth on the back cover page of this Offer to Purchase or through ATOP at or prior to the Expiration Date or the Guaranteed Delivery Date pursuant to the Guaranteed Delivery Procedures. <b>There is no separate letter of transmittal in connection with this Offer to Purchase.</b> See “Description of the Tender Offer—Procedures for Tendering.”</p>
<b>Minimum Denominations</b> .....	<p>Securities may be tendered and accepted for payment only in principal amounts equal to US\$150,000 and integral multiples of US\$2,000 in excess thereof. No alternative, conditional or contingent tenders will be accepted. Holders who tender less than all of their Securities must continue to hold Securities in the Minimum Denominations.</p>
<b>Tax Considerations</b> .....	<p>For a summary of certain U.S. federal income tax and Mexican federal income tax of the Tender Offer to Holders of Securities, see “Certain U.S. Federal Income Tax Consequences” and “Certain Mexican Income Tax Consequences,” respectively.</p>
<b>Tender Agent and Information Agent</b> .....	<p>Global Bondholder Services Corporation (“GBSC”) is the Tender Agent (in such capacity, the “Tender Agent”) and also the Information Agent (in such capacity, the “Information Agent”) for the Tender Offer. The address and telephone numbers of GBSC are listed on the back cover page of this Offer to Purchase.</p>
<b>Dealer Manager</b> .....	<p>BofA Securities, Inc. is the Dealer Manager for the Tender Offer (the “Dealer Manager”). The address and telephone number of the Dealer Manager are listed on the back cover page of this Offer to Purchase.</p>
<b>Purpose of Tender Offer</b> .....	<p>The purpose of the Tender Offer is to repurchase any and all Securities validly tendered (and not validly withdrawn) and accepted for purchase in the Tender Offer, which will reduce the Company’s indebtedness.</p>
<b>Further Information; Questions</b> .....	<p>Questions concerning tender procedures and requests for additional copies of this Offer to Purchase should be directed to the Information Agent at its address or telephone numbers listed on the back cover page of this Offer to Purchase. Any questions concerning the terms of the Tender Offer should be directed to the Dealer Manager at the telephone number listed on the back cover page of this Offer to Purchase.</p>

## CERTAIN INFORMATION CONCERNING THE ISSUER

FEMSA participates in the retail industry through a Proximity Americas Division operating, among others, OXXO, a small-format store chain, and other related retail formats, and Proximity Europe which includes Valora, our European retail unit which operates convenience and foodvenience formats. In the retail industry, it also participates through a Health Division, which includes drugstores and related activities and Digital@FEMSA, which includes Spin by OXXO and Spin Premia, among other digital financial services initiatives. In the beverage industry, it participates through Coca-Cola FEMSA, the largest franchise bottler of Coca-Cola products in the world by volume. FEMSA also participates in the logistics and distribution industry through its Strategic Business Unit, which additionally provides point-of-sale refrigeration and plastic solutions to its business units and third-party clients. Across its business units, FEMSA has more than 350,000 employees in 18 countries. FEMSA is a member of the Dow Jones Sustainability MILA Pacific Alliance, the FTSE4Good Emerging Index and the Mexican Stock Exchange Sustainability Index: S&P/BMV Total México ESG, among other indexes that evaluate its sustainability performance.

### *FEMSA Forward*

On February 15, 2023, FEMSA announced the FEMSA Forward initiative, which consists of focusing on its core business verticals of proximity (consisting of retail and health), Coca-Cola FEMSA and digital. As part of such initiative, FEMSA (i) divested substantially all of its minority investment in Heineken N.V. and Heineken Holding N.V.; (ii) expects to divest its minority investment in Jetro Restaurant Depot and related entities in the first half of 2024; (iii) expects to divest a majority interest in Envoy Solutions, LLC on or about the date hereof; and (iv) continues to explore strategic alternatives for its other non-core, non-strategic business units.

Our principal executive offices are located at General Anaya No. 601 Pte., Colonia Bella Vista, Monterrey, Nuevo León 64410, Mexico. Our telephone number is + (52-818) 328-6167. We maintain a website, [www.femsa.com](http://www.femsa.com). The information contained on, or accessible through, our website is not incorporated by reference into this Offer to Purchase.

Additional information concerning us, our business and our financial condition is contained in our Annual Report on Form 20-F for the fiscal year ended December 31, 2022, as updated by our subsequent filings with the SEC. See “Where You Can Find More Information.” The information contained in such filings is not incorporated by reference into this Offer to Purchase.

## RISK FACTORS

You are encouraged to consider the specific factors discussed under “Risk Factors” in our most recent annual report on Form 20-F and any reports on Form 6-K that are or may be filed with the SEC, as well as the specific risk factors listed below and the other information included in this Offer to Purchase before making a decision as to whether to tender any of your Securities. The risks and uncertainties described below are not the only ones that are relevant to your decision as to whether to participate in the Tender Offer. There may be additional risks and uncertainties that we do not know about or that we currently believe are immaterial and do not merit disclosure. Any of the following risks, if they actually occur, could materially and adversely affect our business, results of operations, prospects and financial condition.

***Upon consummation of the Tender Offer, liquidity of the market for outstanding Securities may be substantially reduced, and market prices for outstanding Securities may decline as a result.***

To the extent tenders of Securities in the Tender Offer are consummated, Securities tendered and validly accepted by the Company will be repaid and redeemed, and the aggregate principal amount of outstanding Securities will be reduced, which reduction could be substantial. A reduction in the amount of outstanding Securities would likely adversely affect the liquidity of the non-tendered or unaccepted Securities. An issue of securities with a small outstanding principal amount available for trading, or float, generally results in a lower price than does a comparable issue of securities with a greater float. Therefore, the market price of Securities that are not tendered or not accepted may be adversely affected. A reduced float may also make the trading prices of Securities that are not tendered more volatile. None of the Company, the Dealer Manager, the Tender Agent or the Information Agent has any duty to make, or expects to make, a market in any remaining Securities.

***Securities not purchased in the Tender Offer will remain outstanding and we expressly reserve the right to purchase any such Securities.***

Securities not purchased in the Tender Offer will remain outstanding. The terms and conditions governing the Securities will remain unchanged. No amendments to these terms and conditions are being sought. We expressly reserve the right, in our sole discretion, from time to time to purchase any Securities that remain outstanding after the Expiration Date in the open market, in privately negotiated transactions, through tender offers, exchange offers or otherwise, on terms that may differ from, and be more advantageous to Holders than, those of the Tender Offer and could be for cash or other consideration, or to exercise any of our rights under the indenture governing the Securities, including our right to redeem the Securities.

***Payments of the Offer Consideration or any portion thereof claimed in Mexico, pursuant to a judgment or otherwise, may be discharged in pesos.***

In the event that judicial proceedings are brought against us in Mexico, either to enforce a judgment or as a result of an original action brought in Mexico, or if payment is otherwise claimed from us in Mexico, in connection with the Offer Consideration we would not be required to discharge those obligations in a currency other than Mexican currency. Under Article 8 of the Monetary Law of the United Mexican States (*Ley Monetaria de los Estados Unidos Mexicanos*) an obligation, whether resulting from a judgment or by agreement, denominated in a currency other than Mexican currency, which is payable in Mexico, may be satisfied in Mexican currency at the rate of exchange in effect on the date on which payments are made. Such rate is currently determined by the Bank of Mexico (*Banco de México*) and published every banking day in the Official Federal Gazette (*Diario Oficial de la Federación*). As a result, you may suffer a U.S. dollar shortfall if you obtain a judgment or a payment in Mexico. You should be aware that no separate action exists or is enforceable in Mexico for compensation for any shortfall.

***Holders are Responsible for complying with the procedures of the Tender Offer.***

Holders of Securities are responsible for complying with all of the procedures for tendering Securities for purchase. If the instructions are not strictly complied with, the Agent’s Message or Notice of Guaranteed Delivery may be rejected at the Company’s sole discretion. None of the Company, the Dealer Manager, the Tender Agent or the Information Agent nor any of their respective directors, employees or affiliates assumes any responsibility for informing any Holder of Securities of irregularities with respect to such Holder’s participation in the Tender Offer or in respect of instructions to, or existing arrangement with, any custodian acting for Holders.

***The Tender Offer may be cancelled, delayed or amended.***

The Tender Offer is subject to the satisfaction of certain conditions. See “Description of the Tender Offer—Conditions to the Tender Offer.” Even if the Tender Offer is consummated, it may not be consummated on the schedule described in this Offer to Purchase. Accordingly, Holders participating in the Tender Offer may have to wait longer than expected to receive their Offer Consideration (or to have their Securities returned to them in the event that we terminate the Tender Offer), during which time such Holders will not be able to effect transfers or sales of their Securities tendered in the Tender Offer. In addition, subject to applicable law, the Tender Offer may be amended, extended or, upon failure of a condition to be satisfied or waived prior to the Expiration Date, terminated.

***Responsibility to Consult Advisers; No Recommendation is Being Made with Respect to the Tender Offer.***

Holders of Securities should consult their own tax, accounting, financial and legal advisers regarding the suitability to themselves of the tax or accounting consequences of participating in the Tender Offer.

None of the Company, the Dealer Manager, the Tender Agent or the Information Agent or their respective directors, employees or affiliates is acting for any Holder, or will be responsible to any Holder for providing any protections which would be afforded to its clients or for providing advice in relation to the Tender Offer, and accordingly none of the Company, the Dealer Manager, the Tender Agent or the Information Agent or their respective directors, employees and affiliates makes any recommendation whatsoever regarding the Tender Offer, or any recommendation as to whether Holders should tender their Securities pursuant to the Tender Offer.

Each Holder must make its own decision whether to tender its Securities and, if so, the principal amount of Securities to tender, based on such Holder’s assessment of current market value and other relevant factors.

***Consideration for the Securities May Not Reflect Their Fair Value.***

The consideration offered in the Tender Offer to Holders of validly tendered (and not validly withdrawn) and accepted for purchase Securities does not reflect any independent valuation of the Securities and does not take into account events or changes in financial markets (including interest rates) after the commencement of the Tender Offer. We have not obtained or requested a fairness opinion from any banking or other firm as to the fairness of the consideration for the Securities. If a Holder tenders its Securities, such Holder may or may not receive more or as much value than if such Holder chose to keep them.

***Certain Tax Matters.***

See “Certain U.S. Federal Income Tax Consequences” and “Certain Mexican Income Tax Consequences” for a discussion of certain U.S. federal income tax and Mexican federal income tax considerations, respectively, of the Tender Offer to Holders of Securities.



## DESCRIPTION OF THE TENDER OFFER

### Purpose of the Tender Offer

The purpose of the Tender Offer is to repurchase any and all Securities validly tendered (and not validly withdrawn) and accepted for purchase in the Tender Offer, which will reduce the Company's indebtedness.

### General

The Company hereby invites all Holders of its outstanding 4.375% Senior Notes due 2043 to tender any and all of their Securities, upon the terms and subject to the conditions set forth in the Tender Offer Documents.

As of the date of this Offer to Purchase, the aggregate outstanding principal amount of the Securities is US\$552,830,000.

### Offer Consideration

Upon the terms and subject to the conditions set forth in the Tender Offer Documents, Holders who (i) validly tender their Securities on or prior to the Expiration Date or (ii) deliver a properly completed and duly executed Notice of Guaranteed Delivery on or prior to the Expiration Date and follow the Guaranteed Delivery Procedures and tender their Securities on or prior to the Guaranteed Delivery Date, and whose Securities are accepted for purchase by us, will receive the Offer Consideration *plus* Accrued Interest to, but not including, the Settlement Date, and Additional Amounts, if any, for Securities purchased in the Tender Offer. Such consideration will be payable in cash in US Dollars.

### Accrued Interest

In addition to the Offer Consideration, Holders whose Securities are validly tendered (and not validly withdrawn) and accepted for purchase in the Tender Offer, will receive Accrued Interest in respect of such purchased Securities from and including the last interest payment date to, but not including, the Settlement Date.

### Additional Amounts

In addition to the Offer Consideration and Accrued Interest, Holders whose Securities are validly tendered (and not validly withdrawn) and accepted for purchase in the Tender Offer, will receive Additional Amounts in respect of withholding taxes applicable to the Accrued Interest (including gains derived from the sale of the Securities in the Tender Offer that are treated as interest), if any.

### Denominations

Securities may be tendered and accepted for payment only in principal amounts equal to US\$150,000 and integral multiples of US\$2,000 in excess thereof. No alternative, conditional or contingent tenders will be accepted. Holders who tender less than all of their Securities must continue to hold Securities in the Minimum Denominations.

### Expiration Date; Extensions

The Expiration Date is 5:00 p.m. (New York City time) on November 6, 2023, unless extended, in which case the Expiration Date will be such time and date to which the Expiration Date is extended.

Subject to applicable law, the Company, in its sole discretion, may extend the Expiration Date for any reason, with or without extending the deadline for Securities to be validly withdrawn. To extend the Expiration Date, the Company will notify the Tender Agent and the Information Agent and will make a public announcement thereof before 9:00 a.m. (New York City time) on the next business day after the previously scheduled Expiration Date. Such announcement will state that the Company is extending the Expiration Date, as the case may be, for a specified period. During any such extension, all Securities previously tendered in an extended Tender Offer will remain subject to the Tender Offer and may be accepted for purchase by us.

The Company expressly reserves the right, subject to applicable law, to:

- terminate, withdraw or otherwise decide not to proceed with the Tender Offer prior to the Expiration Date and not accept for purchase or payment any Securities not theretofore accepted for payment pursuant to the Tender Offer for any reason, waive any and all of the conditions set forth in this Offer to Purchase and otherwise amend, modify or waive at any time, or from time to time the terms of the Tender Offer in any respect; and
- extend the Expiration Date and the Settlement Date.

Subject to the qualifications described above, if the Company exercises any such right, the Company will give written notice thereof to the Tender Agent and will make a public announcement thereof as promptly as practicable. Without limiting the manner in which the Company may choose to make a public announcement of any extension, amendment or termination of the Tender Offer, the Company will not be obligated to publish, advertise or otherwise communicate any such public announcement, other than by making a timely press release and in accordance with applicable law.

The minimum period during which the Tender Offer will remain open following material changes in the terms of the Tender Offer or in the information concerning the Tender Offer will depend upon the facts and circumstances of such changes, including the relative materiality of the changes. With respect to a change in consideration, the Tender Offer will remain open for a minimum five-business-day period after the date of such change. If the terms of the Tender Offer are amended in a manner determined by the Company to constitute a material change, the Company will promptly disclose any such amendment in a manner reasonably calculated to inform Holders of such amendment, and the Company will extend the Tender Offer for a minimum three-business-day period following the date that notice of such change is first published or sent to Holders to allow for a adequate dissemination of such change, if the Tender Offer would otherwise expire during such time period.

### **Settlement Date**

Upon the terms and subject to the conditions of the Tender Offer, we will accept for purchase as soon as reasonably practicable after the Expiration Date all Securities validly tendered at or prior to the Expiration Date or the Guaranteed Delivery Date pursuant to the Guaranteed Delivery Procedures and not validly withdrawn as of the Expiration Date in the Tender Offer. We will pay the Offer Consideration and any additional required cash amounts on the Settlement Date for the Tender Offer. We will not be obligated to pay any cash amounts with respect to the Tender Offer unless the Tender Offer is consummated. The Settlement Date is expected to be the third business day after the Expiration Date, which is the first business day after the Guaranteed Delivery Date. Promptly after such repurchase, the Securities will be deemed repaid and redeemed and will be cancelled by the Company.

### **Conditions to the Tender Offer**

Notwithstanding any other provision of the Tender Offer Documents, with respect to the Tender Offer, we will not be obligated to (i) accept for purchase any validly tendered Securities or (ii) pay any cash amounts or complete the Tender Offer unless each of the following conditions is satisfied at or prior to the Expiration Date:

- (1) there shall not have been instituted, threatened or be pending any action, proceeding, application, claim, counterclaim or investigation (whether formal or informal) (or there shall not have been any material adverse development to any action, application, claim, counterclaim or proceeding currently instituted, threatened or pending) before or by any court, governmental, regulatory or administrative agency or instrumentality, domestic or foreign, or by any other person, domestic or foreign, in connection with the Tender Offer that, in our reasonable judgment, either (i) is, or is reasonably likely to be, materially adverse to the business, operations, properties, condition (financial or otherwise), income, assets, liabilities or prospects of the Company or any of its subsidiaries, taken as a whole, (ii) would, or is reasonably likely to, prohibit or prevent, or significantly restrict or delay, consummation of the Tender Offer or (iii) would require a modification to the terms of the Tender Offer that would materially impair the contemplated benefits of the Tender Offer to us;

- (2) no order, statute, rule, regulation, executive order, stay, decree, judgment or injunction shall have been proposed, enacted, entered, issued, promulgated, enforced or deemed applicable by any court or governmental, regulatory or administrative agency or instrumentality that, in our reasonable judgment, either (i) would or is reasonably likely to prohibit or prevent, or significantly restrict or delay, consummation of the Tender Offer or (ii) is, or is reasonably likely to be, materially adverse to our business, operations, properties, condition (financial or otherwise), income, assets, liabilities or prospects;
- (3) there shall not have occurred or be reasonably likely to occur any event or condition affecting our or our affiliates' business or financial affairs and our subsidiaries that, in our reasonable judgment, either (i) is, or is reasonably likely to be, materially adverse to our business, operations, properties, condition (financial or otherwise), income, assets, liabilities or prospects, or (ii) would, or is reasonably expected to, prohibit or prevent, or significantly restrict or delay, consummation of the Tender Offer;
- (4) the Trustee shall not have objected in any respect to or taken action that could, in our reasonable judgment, adversely affect the consummation of the Tender Offer in any significant manner or shall not have taken any action that challenges the validity or effectiveness of the procedures used by us in the making of any offer or the acceptance of some or all of the Securities pursuant to the Tender Offer;
- (5) there shall not exist, in our reasonable judgment, any actual or threatened legal impediment that would prohibit or prevent, or significantly restrict or delay, our acceptance for purchase of, or purchase of, all of the Securities;
- (6) there shall not have occurred (i) any general suspension or shortening of hours of, or limitation on prices for, trading in securities in the U.S or Mexican securities or financial markets (whether or not mandatory), (ii) a material impairment in the trading markets for the Securities or securities generally, (iii) a declaration of a banking moratorium or any suspension of payments in respect of banks in the United States or Mexico or other major financial markets, (iv) any limitation (whether or not mandatory) by any governmental authority on, or other event having a reasonable likelihood of affecting, the extension of credit by banks or other lending institutions in the United States or Mexico, (v) a commencement of a war, armed hostilities, terrorist acts or other national or international calamity (including, but not limited to, in relation to the conflict in Ukraine or the emerging military conflict in Israel and Palestine) directly or indirectly involving the United States or Mexico, or any attack on, outbreak or escalation of hostilities or acts of terrorism or other national or international calamity, or (vi) in the case of any of the foregoing existing on the date hereof, a material acceleration or worsening thereof;
- (7) any other change or development, including a prospective change or development, in general economic, financial, monetary or market conditions that, in the Company's reasonable judgment, has or may have a material adverse effect on the market price or trading of the Securities or upon the value of the Securities to the Company; and
- (8) we shall have obtained all governmental approvals and third-party consents that we, in our reasonable judgment, consider necessary for the completion of the Tender Offer as contemplated by this Offer to Purchase and all such approvals or consents shall remain in effect.

The conditions described above are for our sole benefit, and we may assert them regardless of the circumstances giving rise to any such condition, including any action or inaction by us, and may be waived by us, in whole or in part, at any time and from time to time, in our sole discretion, but subject to the following sentence and applicable law. If any of the foregoing conditions have not been met, we may (but will not be obligated to), at any time at or prior to the Expiration Date, subject to the terms of this Offer to Purchase and applicable law, (a) terminate the Tender Offer, (b) extend the Tender Offer, on the same or amended terms, and thereby delay acceptance of any tendered and not withdrawn Securities, or (c) waive the unsatisfied condition or conditions and accept all validly tendered Securities. Our failure at any time to exercise any of such rights will not be deemed a waiver of any other right, and each right will be deemed an ongoing right which may be asserted at any time and from time to time.

Neither you nor any other person who tenders Securities for purchase will have the ability to prevent us from waiving a condition or will have the ability to withdraw Securities tendered if we waive any of the foregoing conditions after the Expiration Date, except as may be required by applicable law. We also have the right to determine whether or not any of the conditions were satisfied and to terminate or extend the Tender Offer if any condition of the Tender Offer was not satisfied. Our decision as to whether or not a condition was satisfied will be final and binding, and you will have no right to take any actions if you disagree with our conclusions.

Subject to applicable law, we expressly reserve the right, in our sole discretion, to extend or terminate the Tender Offer at any time. If we terminate the Tender Offer, all of the Securities validly tendered pursuant to such terminated Tender Offer will not be accepted for purchase and will be returned promptly to the tendering Holders thereof in accordance with applicable law at our expense.

### **Additional Purchases of Securities**

After the Expiration Date, the Company or its affiliates may from time to time purchase additional Securities in the open market, in privately negotiated transactions, through tender offers, exchange offers, redemptions or otherwise, upon such terms and at such prices as the Company may determine. Additionally, the Company may redeem the Securities pursuant to the terms of the indenture governing the Securities. Any future purchases may be on the same terms or on terms that are more or less favorable to Holders of Securities than the terms of the Tender Offer and could be for cash or other consideration. Any future purchases will depend on various factors existing at that time. There can be no assurance as to which, if any, of these alternatives (or combinations thereof) we choose to pursue in the future. Any purchase or offer to purchase will be made in accordance with applicable law.

### **Procedures for Tendering**

The following summarizes the procedures to be followed by all Holders in tendering their Securities.

All of the Securities are held in book-entry form and registered in the name of Cede & Co., as the nominee of DTC. Only Holders are authorized to tender their Securities pursuant to the Tender Offer. Therefore, to tender Securities that are held through a broker, dealer, commercial bank, trust company or other nominee, a beneficial owner thereof must instruct such nominee to tender the Securities on such beneficial owner's behalf according to the procedure described below. **There is no separate letter of transmittal in connection with this Offer to Purchase.** See “—Book Entry Transfer” and “—Other Matters” for discussions of the items that all Holders who tender Securities in the Tender Offer will be deemed to have represented, warranted and agreed.

For a Holder to tender Securities validly pursuant to the Tender Offer (other than through the Guaranteed Delivery Procedures), (1) an Agent's Message and any other required documents must be received by the Tender Agent at its address set forth on the back cover page of this Offer to Purchase and (2) tendered Securities must be transferred pursuant to the procedures for book-entry transfer described below and a confirmation of such book-entry transfer must be received by the Tender Agent at or prior to the Expiration Date.

To effectively tender Securities, DTC participants should transmit their acceptance through the ATOP of DTC, for which the Tender Offer will be eligible, and DTC will then edit and verify the acceptance and send an Agent's Message to the Tender Agent for its acceptance. Delivery of tendered Securities must be made to the Tender Agent pursuant to the book-entry delivery procedures set forth below.

#### *Book-Entry Transfer*

The Tender Agent will establish an account with respect to the Securities at DTC for purposes of the Tender Offer, and any financial institution that is a participant in DTC may make book-entry delivery of the Securities by causing DTC to transfer such Securities into the Tender Agent's account in accordance with DTC's procedures for such transfer. DTC will then send an Agent's Message to the Tender Agent. The confirmation of a book-entry transfer into the Tender Agent's account at DTC as described above is referred to herein as a “Book-Entry Confirmation.” Delivery of documents to DTC does not constitute delivery to the Tender Agent.

The term “Agent's Message” means a message transmitted by DTC to, and received by, the Tender Agent and forming a part of the Book-Entry Confirmation, which states that DTC has received an express acknowledgment

from the participant in DTC described in such Agent's Message, stating the aggregate principal amount of Securities that have been tendered by such participant pursuant to the Tender Offer, that such participant has received the Offer to Purchase and that such participant agrees to be bound by and makes the representations and warranties contained in the terms of the Tender Offer and that the Company may enforce such agreement against such participant.

The tender by a Holder pursuant to the procedures set forth herein will constitute an agreement between such Holder and us in accordance with the terms and subject to the conditions set forth herein and in the other Tender Offer Documents.

By tendering Securities pursuant to the Tender Offer, a Holder will have represented, warranted and agreed to the matters set forth under "Other Matters".

**Holders of Securities desiring to tender Securities pursuant to ATOP must allow sufficient time for completion of the ATOP procedures during normal business hours of DTC.** Except as otherwise provided herein, delivery of Securities will be made only when the Agent's Message is actually received by the Tender Agent. No documents should be sent to us or the Dealer Manager. If you are tendering through a nominee, you should check to see whether there is an earlier deadline for instructions with respect to your decision.

#### *Guaranteed Delivery*

If a Holder desires to tender Securities pursuant to the Tender Offer and (1) such Holder cannot comply with the procedure for book-entry transfer by the Expiration Date or (2) such Holder cannot deliver the other required documents to the Tender Agent by the Expiration Date, such Holder may effect a tender of Securities pursuant to a guaranteed delivery (the "Guaranteed Delivery Procedures") if all of the following are complied with:

- such tender is made by or through an Eligible Institution (as defined below);
- at or prior to the Expiration Date, either (a) the Tender Agent has received from such Eligible Institution at the address of the Tender Agent set forth on the back cover of this Offer to Purchase, a properly completed and duly executed Notice of Guaranteed Delivery (delivered by facsimile transmission, mail or hand) in substantially the form provided by us setting forth the name and address of the DTC participant tendering Securities on behalf of the Holder(s) and the principal amount of Securities being tendered, or (b) in the case of Securities held in book-entry form, such Eligible Institution has complied with ATOP's procedures applicable to guaranteed delivery; and, in either case, representing that the Holder(s) own such Securities, and that the tender is being made thereby and guaranteeing that, no later than 5:00 p.m. (New York City time), on the Guaranteed Delivery Date, a properly transmitted Agent's Message, together with confirmation of book-entry transfer of the Securities specified therein pursuant to the procedures set forth under the caption "Procedures for Tendering" will be deposited by such Eligible Institution with the Tender Agent; and
- no later than 5:00 p.m. (New York City time), on the Guaranteed Delivery Date, a properly transmitted Agent's Message, together with confirmation of book-entry transfer of the Securities specified therein pursuant to the procedures set forth under the caption "Procedures for Tendering," and all other required documents are received by the Tender Agent.

Interest will cease to accrue from and including the Settlement Date for all Securities purchased in the Tender Offer, including those tendered pursuant to the Guaranteed Delivery Procedures.

The Eligible Institution that tenders Securities pursuant to the Guaranteed Delivery Procedures must (i) no later than the Expiration Date, comply with ATOP's procedures applicable to guaranteed delivery, and (ii) no later than the Guaranteed Delivery Date, deliver the Agent's Message, together with confirmation of book-entry transfer of the Securities specified therein, to the Tender Agent as specified above. **Failure to do so could result in a financial loss to such Eligible Institution.**

If a Holder is tendering Securities through ATOP pursuant to the Guaranteed Delivery Procedures, the Eligible Institution should not complete and deliver the Notice of Guaranteed Delivery, but such Eligible Institution will be bound by the terms of the Tender Offer, including the Notice of Guaranteed Delivery, as if it was executed and delivered by such Eligible Institution. Holders who hold Securities in book-entry form and tender pursuant to the

Guaranteed Delivery Procedures should, at or prior to the Guaranteed Delivery Date, only comply with ATOP's procedures applicable to guaranteed delivery.

Securities may be tendered pursuant to the Guaranteed Delivery Procedures only in Minimum Denominations. No alternative, conditional or contingent tenders will be accepted.

### **Other Matters**

Subject to, and effective upon, the acceptance of the Securities tendered in accordance with the terms and subject to the conditions of the Tender Offer, a tendering Holder, by submitting or sending an Agent's Message to the Tender Agent in connection with the Tender of Securities, will have acknowledged that under certain circumstances set forth in this Offer to Purchase, the Company may terminate or amend the Tender Offer or may postpone the acceptance for payment of, or the payment for, Securities tendered or may not be required to purchase any of the Securities tendered, all subject to applicable law.

Subject to, and effective upon, the acceptance of, and the payment of cash with respect to the Securities tendered in accordance with the terms and subject to the conditions of the Tender Offer, a tendering Holder, by submitting or sending an Agent's Message to the Tender Agent in connection with the Tender of Securities, will have:

- irrevocably agreed to sell, assign and transfer to or upon our order or our nominees' order, all right, title and interest in and to, and any and all claims in respect of or arising or having arisen as a result of the tendering Holder's status as a holder of, all Securities tendered, such that thereafter it shall have no contractual or other rights or claims in law or equity against us or any fiduciary, trustee, fiscal agent or other person connected with the Securities arising under, from or in connection with such Securities;
- waived any and all rights with respect to the Securities tendered (including, without limitation, any existing or past defaults and their consequences in respect of such Securities and the indenture governing the Securities);
- released and discharged us and the trustee of the Securities from any and all claims the tendering Holder may have, now or in the future, arising out of or related to the Securities tendered, including, without limitation, any claims that the tendering Holder is entitled to receive additional principal or interest payments with respect to the Securities tendered (other than as expressly provided in this Offer to Purchase) or to participate in any repurchase, redemption or defeasance of the Securities tendered;
- irrevocably constituted and appointed the Tender Agent the true and lawful agent and attorney-in-fact of such tendering Holder (with full knowledge that the Tender Agent also acts as our agent) with respect to any tendered Securities, with full power of substitution and resubstitution (such power of attorney being deemed to be an irrevocable power coupled with an interest) to (a) deliver such Securities or transfer ownership of such Securities on the account books maintained by DTC together with all accompanying evidences of transfer and authenticity, to or upon our order, (b) present such Securities for transfer on the register, and (c) receive all benefits or otherwise exercise all rights of beneficial ownership of such Securities (the Tender Agent will act as agent for participating Holders of the Securities for the purpose of receiving Securities from, and transmitting cash payments to, such Holders), all in accordance with the terms of the Tender Offer;
- acknowledged that tenders of Securities may be withdrawn by written notice of withdrawal received by the Tender Agent, and that in the event of a termination of a Tender Offer, the Securities tendered pursuant to the Tender Offer will be credited to the account maintained at DTC from which such Securities were delivered;
- acknowledged that (a) tenders of Securities pursuant to any of the procedures described in this Offer to Purchase and acceptance of such Securities by the Company will constitute a binding agreement between Holders and the Company upon the terms and subject to the conditions of this Offer to Purchase and (b) validly tendered Securities (or defectively tendered Securities with respect to which the Company has or has caused to be waived such defect) will be deemed to have been accepted by the Company if, as and when the Company gives oral or written notice thereof to the Tender Agent;

- acknowledged that the Company will pay the applicable Accrued Interest from, and including, the last interest payment date for the relevant Securities up to, but not including, the Settlement Date with respect to such Securities accepted for purchase;
- acknowledged that (a) the delivery and surrender of any Securities is not effective, and the risk of loss of the Securities does not pass to the Tender Agent, until receipt by the Tender Agent of an Agent's Message properly completed and duly executed, together with all accompanying evidences of authority and any other required documents in form satisfactory to the Company and (b) all questions as to form of all documents and the validity (including time of receipt) and acceptance of tenders and withdrawals of Securities will be determined by the Company, in its sole discretion, which determination shall be final and binding;
- acknowledges that none of the Company, the Dealer Manager, the Information Agent, the Tender Agent or the Trustee, nor any of their respective directors, employees or affiliates, is making any recommendation as to whether or not Holders should tender Securities in response to the Tender Offer; and
- represented, warranted and agreed that:
  - it is the beneficial owner of, or a duly authorized representative of one or more beneficial owners of, the Securities tendered hereby, and it has full power and authority to tender, sell, assign and transfer the Securities tendered;
  - all authority conferred or agreed to be conferred shall not be affected by, and shall survive, the Holders' death or incapacity, and any obligation of the Holders hereunder shall be binding upon the Holders' heirs, executors, administrators, trustees in bankruptcy, personal and legal representatives, successors and assigns;
  - the Securities being tendered were owned as of the date of tender, free and clear of any liens, charges, claims, encumbrances, interests and restrictions of any kind, and the Company will acquire good, indefeasible and unencumbered title to those Securities, free and clear of all liens, charges, claims, encumbrances, interests and restrictions of any kind, when the Company accepts the same;
  - it will not sell, pledge, hypothecate or otherwise encumber or transfer any Securities tendered hereby from the date of this Offer to Purchase, and any purported sale, pledge, hypothecation or other encumbrance or transfer will be void and of no effect;
  - it is a holder of Securities and is tendering Securities for its own account or for a discretionary account or accounts on behalf of one or more Holders as to which it has been instructed and has the authority to make the statements contained in this Offer to Purchase;
  - it is otherwise a person to whom it is lawful to make available this Offer to Purchase or to make the Tender Offer in accordance with applicable laws;
  - it has had access to such financial and other information and has been afforded the opportunity to ask such questions of representatives of the Company and receive answers thereto, as it deems necessary in connection with its decision to participate in the Tender Offer;
  - it acknowledges that the Company, the Dealer Manager and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of the acknowledgements, representations and warranties made by its submission of this Offer to Purchase, are, at any time prior to the consummation of the Tender Offer, no longer accurate, it shall promptly notify the Company and the Dealer Manager;
  - if it is tendering the Securities as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account;

- in evaluating the Tender Offer and in making its decision whether to participate in the Tender Offer by the tender of Securities, the Holder has received this Offer to Purchase and has made its own independent appraisal, without reliance on the Company, the Dealer Manager, the Tender Agent or the Information Agent, of the matters referred to in this Offer to Purchase and in any related communications;
- the tender of Securities shall constitute an undertaking to execute any further documents and give any further assurances that may be required in connection with any of the foregoing, in each case on and subject to the terms and conditions described or referred to in this Offer to Purchase;
- it has observed the laws of all relevant jurisdictions, obtained all requisite governmental, exchange control or other required consents, complied with all requisite formalities and paid any issue, transfer or other taxes or requisite payments due from any of them in each respect in connection with any offer or acceptance in any jurisdiction, and that it and such person or persons have not taken or omitted to take any action in breach of the terms of the Tender Offer or which will or may result in the Company or any other person acting in breach of the legal or regulatory requirements of any such jurisdiction in connection with the Tender Offer or the tender of Securities in connection therewith;
- it is not acting on behalf of any person who could not truthfully make the foregoing representations, warranties and undertakings or those set forth in the Agent's Message; and
- it is outside the United Kingdom or, if not outside of the United Kingdom:
  - it (i) has professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"), (ii) is a person falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations, etc.") of the Order, (iii) is a member or creditor of certain bodies corporate as defined by or within Article 43(2) of the Order, or (iv) is a person to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the offer to purchase any securities may otherwise lawfully be communicated; and
  - it is not a retail investor in the United Kingdom. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 and any rules or regulations made thereunder to implement Directive 2016/97/EU, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA; and
  - it is not an investor resident in a Member State of the European Economic Area, or, if a Holder is a resident in a Member State of the European Economic Area, such Holder is not a retail investor in the European Economic Area. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended ("MiFID II"); (ii) a customer within the meaning of Directive 2016/97/EU, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Regulation (EU) 2017/1129.

**By tendering Securities pursuant to the Tender Offer, a Holder will have agreed that the delivery and surrender of the Securities is not effective, and the risk of loss of the Securities does not pass to the Tender Agent, until receipt by the Tender Agent of a properly transmitted Agent's Message. All questions as to the form of all documents and the validity (including time of receipt) and acceptance of tenders and withdrawals of Securities will be determined by us, in our sole discretion, which determination shall be final and binding.**

Notwithstanding any other provision of this Offer to Purchase, payment of the Offer Consideration, the Accrued Interest and Additional Amounts, if any, with respect to the Securities tendered for purchase and accepted by



us pursuant to the Tender Offer will occur only after timely receipt by the Tender Agent of a Book-Entry Confirmation with respect to such Securities, together with an Agent's Message and any other required documentation. The tender of Securities pursuant to the Tender Offer by the procedures set forth above will constitute an agreement between the tendering Holder and us in accordance with the terms and subject to the conditions of the Tender Offer. The method of delivery of Securities, the Agent's Message and all other required documents is at the election and risk of the tendering Holder. In all cases, sufficient time should be allowed to ensure timely delivery.

**Alternative, conditional or contingent tenders will not be considered valid.** We reserve the right to reject any or all tenders of Securities that are not in proper form, that the Company reasonably believes were made by a holder of Securities that is not a Holder or the acceptance of which would, in our opinion, be unlawful. We also reserve the right, subject to applicable law and limitations described elsewhere in this Offer to Purchase, to waive any defects, irregularities or conditions of tender as to particular Securities, including any delay in the submission thereof or any instruction with respect thereto. A waiver of any defect or irregularity with respect to the tender of one Security shall not constitute a waiver of the same or any other defect or irregularity with respect to the tender of any other Security. Our interpretations of the terms and conditions of the Tender Offer will be final and binding on all parties. Any defect or irregularity in connection with tenders of Securities must be cured within such time as we determine, unless waived by us. Tenders of Securities shall not be deemed to have been made until all defects and irregularities have been waived by us or cured. None of the Company, the Trustee, the Dealer Manager, the Tender Agent, the Information Agent or any other person will be under any duty to give notice of any defects or irregularities in tenders of Securities or will incur any liability to Holders for failure to give any such notice.

### **Acceptance of Securities**

Assuming the conditions to the Tender Offer are satisfied or waived, we will pay the Offer Consideration, together with Accrued Interest to, but not including, the Settlement Date, and Additional Amounts, if any, on the Settlement Date for Securities that are properly tendered and accepted in the Tender Offer.

We reserve the right, in our sole discretion, but subject to applicable law and limitations described elsewhere in this Offer to Purchase, to (a) delay acceptance of Securities tendered under any Tender Offer (subject to Rule 14e-1 under the Exchange Act, which requires that we pay the consideration offered or return Securities deposited by or on behalf of the Holders promptly after the termination or withdrawal of the Tender Offer) or (b) terminate any Tender Offer at any time prior to the Expiration Date if the conditions thereto are not satisfied or waived by us.

For purposes of the Tender Offer, we will have accepted for purchase validly tendered Securities (or defectively tendered Securities with respect to which we have waived such defect) if, as and when we give oral (promptly confirmed in writing) or written notice thereof to the Tender Agent. We will pay any cash amounts by depositing such payment at the direction of the Tender Agent, with DTC. Subject to the terms and conditions of the Tender Offer, payment of any cash amounts will be made by the Tender Agent on the Settlement Date upon receipt of such notice. The Tender Agent will act as an agent for participating Holders of the Securities for the purpose of receiving Securities from, and transmitting cash payments to, such Holders. With respect to tendered Securities that are to be returned to Holders, such Securities will be credited to the account maintained at DTC from which such Securities were delivered after the expiration or termination of the Tender Offer.

If, for any reason, acceptance for purchase of tendered Securities, or delivery of any cash amounts for validly tendered and accepted Securities, pursuant to the Tender Offer is delayed, or we are unable to accept tendered Securities for purchase or deliver any cash amounts for validly tendered and accepted Securities pursuant to the Tender Offer, then the Tender Agent may, nevertheless, on behalf of us, retain the tendered Securities, without prejudice to our rights described under “—Expiration Date; Extensions” and “—Conditions to the Tender Offer” above and “—Withdrawal of Tenders” below, but subject to Rule 14e-1 under the Exchange Act, which requires that we pay the consideration offered or return the Securities tendered promptly after the termination or withdrawal of the Tender Offer.

If any tendered Securities are not accepted for purchase for any reason pursuant to the terms and conditions of the Tender Offer, such Securities will be credited to the account maintained at DTC from which such Securities were delivered promptly following the Expiration Date or the termination of the Tender Offer.

Holders of Securities tendered and accepted by us pursuant to the Tender Offer will be entitled to accrued and unpaid interest on their Securities to, but excluding, the Settlement Date, which interest shall be payable on the Settlement Date. Under no circumstances will any additional amounts be payable because of any delay by the Tender Agent or DTC in the transmission of funds to Holders of accepted Securities or otherwise.

Tendering Holders of Securities accepted in the Tender Offer will not be obligated to pay brokerage commissions or fees to us, the Dealer Manager, the Tender Agent or the Information Agent with respect to the tender of their Securities.

### **Withdrawal of Tenders**

Securities validly tendered in the Tender Offer may be validly withdrawn at any time at or prior to the Expiration Date. Securities tendered after the Expiration Date may not be withdrawn, except in limited circumstances. After the Expiration Date, for example, tendered Securities may not be validly withdrawn unless we amend or otherwise change the Tender Offer in a manner material to tendering Holders or are otherwise required by law to permit withdrawal (as determined by us in our reasonable discretion). With respect to a change in consideration, the Tender Offer will remain open for a minimum five-business-day period. If the terms of the Tender Offer are amended in a manner determined by the Company to constitute a material change, the Company will promptly disclose any such amendment in a manner reasonably calculated to inform Holders of such a amendment, and the Company will extend the Tender Offer for a minimum three-business-day period following the date that notice of such change is first published or sent to Holders to allow for a adequate dissemination of such change, if the Tender Offer would otherwise expire during such time period. If the Tender Offer is terminated, Securities tendered pursuant to the Tender Offer will be returned promptly to the tendering Holders.

For a withdrawal of a tender of Securities to be effective, a written or facsimile transmission notice of withdrawal must be timely received by the Tender Agent at its address set forth on the back cover page of this Offer to Purchase at or prior to the Expiration Date, by mail, fax or hand delivery or by a properly transmitted "Request Message" through ATOP. Any such notice of withdrawal must:

- (a) specify the name of the Holder who tendered the Securities to be withdrawn and, if different, the name of the registered holder of such Securities (or, in the case of Securities tendered by book-entry transfer, the name of the DTC participant whose name appears on the security position as the owner of such Securities);
- (b) contain the description of the Securities to be withdrawn (including the principal amount of the Securities to be withdrawn); and
- (c) except in the case of a notice of withdrawal transmitted through ATOP, be signed by such participant in the same manner as the participant's name is listed in the applicable Agent's Message, or be accompanied by evidence satisfactory to us that the person withdrawing the tender has succeeded to the beneficial ownership of such Securities.

The signature on a notice of withdrawal must be guaranteed by a recognized participant (a "Medallion Signature Guarantor") unless such Securities have been tendered for the account of an Eligible Institution (as defined below). If the Securities to be withdrawn have been delivered or otherwise identified to the Tender Agent, a signed notice of withdrawal will be effective immediately upon the Tender Agent's receipt of written or facsimile notice of withdrawal. An "Eligible Institution" is one of the following firms or other entities identified in Rule 17Ad-15 under the Exchange Act (as the terms are defined in such Rule 17Ad-15):

- a bank;
- a broker, dealer, municipal securities dealer, municipal securities broker, government securities dealer or government securities broker;
- a credit union;
- a national securities exchange, registered securities association or clearing agency; or

- a savings institution that is a participant in a Securities Transfer Association recognized program.

Withdrawal of tenders of Securities may not be rescinded, and any Securities properly withdrawn will thereafter not be validly tendered for purposes of the Tender Offer. Withdrawal of Securities may only be accomplished in accordance with the foregoing procedures. Securities validly withdrawn may thereafter be retendered at any time on or before the Expiration Date by following the procedures described under “—Procedures for Tendering.”

We will determine all questions as to the form and validity (including time of receipt) of any notice of withdrawal of a tender, in our sole discretion, which determination shall be final and binding. None of the Company, the Trustee, the Dealer Manager, the Tender Agent or the Information Agent, nor any of their respective directors, employees or affiliates, or any other person will be under any duty to give notification of any defect or irregularity in any notice of withdrawal of a tender or incur any liability for failure to give any such notification.

If we are delayed in our acceptance for purchase or purchase of any Securities or if we are unable to accept for purchase or purchase any Securities pursuant to the Tender Offer for any reason, then, without prejudice to our rights hereunder, but subject to applicable law, tendered Securities may be retained by the Tender Agent on our behalf and may not be validly withdrawn (subject to Rule 14e-1 under the Exchange Act, which requires that we issue or pay the consideration offered or return the Securities deposited by or on behalf of the Holders promptly after the termination or withdrawal of the Tender Offer).

### **Tender Agent**

GBSC has been appointed as the Tender Agent for the Tender Offer. All correspondence in connection with the Tender Offer should be sent or delivered by each Holder of Securities, or a beneficial owner’s custodian bank, depository, broker, trust company or other nominee, to the Tender Agent at the address and telephone numbers set forth on the back cover page of this Offer to Purchase. We will pay the Tender Agent reasonable and customary fees for its services and will reimburse it for its reasonable and documented out-of-pocket expenses in connection therewith.

### **Information Agent**

GBSC has also been appointed as the Information Agent for the Tender Offer and will receive reasonable and customary compensation for its services, and we will reimburse it for its reasonable and documented out-of-pocket expenses in connection therewith. Questions concerning tender procedures and requests for additional copies of this Offer to Purchase should be directed to the Information Agent at the address and telephone numbers set forth on the back cover page of this Offer to Purchase. Holders of Securities may also contact their custodian bank, depository, broker, trust company or other nominee for assistance concerning the Tender Offer.

### **Dealer Manager**

We have retained BofA Securities, Inc. to act as dealer manager in connection with the Tender Offer. We will reimburse the Dealer Manager for its reasonable and documented out-of-pocket expenses. The obligations of the Dealer Manager to perform such function are subject to certain conditions. We have agreed to indemnify the Dealer Manager against certain liabilities, including liabilities under the federal securities laws, in connection with their services. Questions regarding the terms of the Tender Offer may be directed to the Dealer Manager at the addresses and telephone numbers set forth on the back cover page of this Offer to Purchase.

At any given time, the Dealer Manager may trade Securities or other of our securities for their own accounts or for the accounts of their customers and, accordingly, may hold a long or short position in the Securities. To the extent the Dealer Manager hold Securities during the Tender Offer, they may tender such Securities under the Tender Offer.

From time to time in the ordinary course of business, the Dealer Manager and their affiliates have provided, and may provide in the future, investment or commercial banking services to us and our affiliates in the ordinary course of business for customary compensation.

The Dealer Manager may contact Holders by mail, telephone, facsimile transmission, personal interviews and otherwise may request broker dealers and the other nominee holders to forward materials relating to the Tender Offer to beneficial holders. Questions regarding the terms of the Tender Offer may be directed to the Dealer Manager at its addresses and telephone numbers listed on the back cover of this Offer to Purchase

In addition, in the ordinary course of their business activities, the Dealer Manager and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Company or its affiliates. If the Dealer Manager or its affiliates has a lending relationship with the Company or its affiliates, the Dealer Manager or its affiliates routinely hedge, and the Dealer Manager or its affiliates may hedge, their credit exposure to the Company or its affiliates consistent with their customary risk management policies. Typically, dealer managers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in the Company's or its affiliates' securities. The Dealer Manager and its affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Affiliates of the Dealer Manager are lenders and arrangers under certain of our or our affiliates' debt facilities, and have acted as initial purchasers in certain of our and our affiliates' debt offerings.

**None of the Company, the Dealer Manager, the Trustee, the Tender Agent or the Information Agent makes any recommendation as to whether or not Holders of the Securities should tender their Securities in the Tender Offer.**

None of the Dealer Manager, the Tender Agent or the Information Agent nor any of their respective officers, directors, employees or affiliates assumes any responsibility for the accuracy or completeness of the information concerning us or our affiliates or the Securities contained or referred to in the Tender Offer Documents or for any failure by us to disclose events that may have occurred and may affect the significance or accuracy of such information.

We will not make any payment to brokers, dealers or others soliciting acceptances of the Tender Offer other than the Dealer Manager, as described above.

Any questions or requests for assistance or for additional copies of the Tender Offer Documents may be directed to the Information Agent at one of the telephone numbers provided on the back cover of this Offer to Purchase. Holders may also contact the Dealer Manager at the telephone numbers provided on the back cover of this Offer to Purchase for assistance concerning the Tender Offer.

### **Other Fees and Expenses**

Tendering Holders of Securities will not be required to pay any fee or commission to the Dealer Manager. However, if a tendering Holder handles the transaction through its broker, dealer, commercial bank, trust company or other institution, such Holder may be required to pay brokerage fees or commissions.

The Company will pay brokerage firms and other custodians, nominees and fiduciaries reasonable and documented out-of-pocket expenses incurred by them in forwarding copies of this Offer to Purchase and related materials to the beneficial owners of Securities.

## CERTAIN MEXICAN INCOME TAX CONSEQUENCES

This summary is based upon the federal Mexican Income Tax Law (*Ley del Impuesto Sobre la Renta*) in effect on the date of this Offer to Purchase, which is subject to change, including retroactively. THIS SUMMARY IS NOT INTENDED TO BE TAX ADVICE TO ANY PARTICULAR HOLDER, WHICH CAN BE RENDERED ONLY IN LIGHT OF THAT HOLDER'S PARTICULAR TAX SITUATION. ACCORDINGLY, EACH HOLDER IS URGED TO CONSULT SUCH HOLDER'S OWN TAX ADVISOR WITH RESPECT TO THE SPECIFIC TAX CONSEQUENCES OF THE TENDER OFFER TO SUCH HOLDER, INCLUDING THE APPLICATION AND AVAILABILITY OF ANY TAX TREATY TO SUCH HOLDER. ALL HOLDERS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

This summary of certain Mexican federal income tax considerations refers only to holders of Securities (i) that are not residents of Mexico for Mexican tax purposes and (ii) that do not hold Securities or a beneficial interest therein, through a permanent establishment for tax purposes in Mexico (any such non-resident holder, a "Foreign Holder"). For purposes of Mexican taxation, an individual is a resident of Mexico if he or she has established his or her primary residence in Mexico, unless he or she has a place of residence in another country, in which case such individual will be considered a resident of Mexico for tax purposes if such individual has his or her center of vital interest (*centro de intereses vitales*) is located in Mexico. An individual would be deemed to maintain his or her center of vital interests in Mexico if, among other things, (i) more than 50% of his or her total income for a calendar year results from Mexican sources, or (ii) his or her principal center of professional activities is located in Mexico.

A legal entity is a resident of Mexico if it maintains the principal place of its management in Mexico or has established its effective management in Mexico. Under applicable regulations, the principal management of a business or the effective location of management is deemed to exist in Mexico if the individual or individuals having the authority to decide or execute the decisions of control, management, operation or administration are located in Mexico.

A Mexican citizen is presumed to be a resident of Mexico unless such person can demonstrate the contrary. If a person has a permanent establishment for tax purposes in Mexico, such person shall be required to pay taxes in Mexico on income attributable to such permanent establishment in accordance with the Mexican federal income tax law.

### **Taxation of Foreign Holders that Participate in the Tender Offer**

#### *Sale of the Securities Pursuant to the Tender Offer.*

The tender of the Securities by a Foreign Holder pursuant to the Tender Offer will be considered a taxable event for Mexican federal income tax purposes. As a result of such event, a Foreign Holder may be subject to income tax on gains obtained on the sale of the Securities pursuant to the Tender Offer.

#### *Gains obtained from the Sale of the Securities Pursuant to the Tender Offer.*

Under the federal Mexican Income Tax Law (*Ley del Impuesto Sobre la Renta*), gains obtained by a Foreign Holder on the sale of the Securities pursuant to the Tender Offer will be considered Mexican sourced interest income and, as such, will be subject to Mexican income tax withholding (as described below). The gain or loss obtained by a Foreign Holder will be determined by subtracting from the consideration received by the Foreign Holder, the Foreign Holder's tax basis in the Securities. The Foreign Holder's tax basis in the Securities will be the amount received by us for such Securities originally.

#### *Interest Payments.*

Under the federal Mexican Income Tax Law (*Ley del Impuesto Sobre la Renta*), payments of interest on the Securities (including gains derived from the sale of the Securities in the Tender Offer that are treated as interest and Accrued Interest) made to a Foreign Holder are subject to Mexican withholding taxes assessed at a rate of 4.9%, given that the requirements under Article 166(II)(a) of the federal Mexican Income Tax Law (*Ley del Impuesto Sobre la Renta*) were satisfied:

- such fund is duly incorporated pursuant to the laws of its country of residence and is the beneficial owner of the interest payment;
- such income is exempt from taxes in its country of residence; and
- such fund, or the Company on behalf of the fund, provides to the Mexican Tax Administration Service (*Servicio de Administración Tributaria*), information required from time to time in accordance with rules issued by the Mexican Tax Administration Service for these purposes.

*Additional Amounts.*

We have agreed, subject to specified exceptions and limitations, to pay Additional Amounts to holders participating in the Tender Offer to cover Mexican withholding taxes on Accrued Interest (including gains derived from the sale of the Securities in the Tender Offer that are treated as interest), such that the amount received by such holders after deduction of the withholding tax on interest payments (including gains treated as interest with respect to the sale of the Securities tendered in the Tender Offer and the applicable Accrued Interest) will equal the Offer Consideration and the Accrued Interest.

*Other Taxes.*

A Foreign Holder will not be liable for Mexican estate, gift, inheritance or similar taxes with respect to the sale of the Securities, nor will it be liable for any Mexican stamp, issue, registration or similar taxes.

## **CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES**

The following is a summary of certain U.S. federal income tax consequences of the Tender Offer that may be relevant to a beneficial owner of Securities that is a citizen or resident of the United States or a domestic corporation or otherwise subject to U.S. federal income tax on a net income basis in respect of the Securities (a “U.S. Holder”), or in certain cases to a beneficial owner of Securities that is not a U.S. Holder (a “Non-U.S. Holder”). This summary is based on laws, regulations, rulings and decisions now in effect, all of which are subject to change, possibly with retroactive effect. The discussion does not deal with special classes of Holders, such as dealers in securities or currencies, banks, financial institutions, insurance companies, tax-exempt organizations, entities classified as partnerships and the partners therein, non-resident alien individuals present in the United States for 183 days or more during the taxable year, persons holding Securities as a position in a “straddle” or conversion transaction, or as part of a “synthetic security” or other integrated financial transaction or persons that have a functional currency other than the US Dollar. This discussion assumes that the Securities are held as “capital assets” within the meaning of Section 1221 of the Internal Revenue Code of 1986, as amended (the “Code”). The discussion does not address the alternative minimum tax, the Medicare tax on net investment income, special timing rules under Section 451(b) of the Code or other aspects of U.S. federal income or state and local taxation that may be relevant to a Holder.

### **Sales of the Securities**

Sales of Securities pursuant to the Tender Offer by U.S. Holders will be taxable transactions for U.S. federal income tax purposes. Subject to the discussion of the market discount rules set forth below, a U.S. Holder selling Securities pursuant to the Tender Offer will recognize capital gain or loss in an amount equal to the difference between the amount realized and the U.S. Holder’s adjusted tax basis in the Securities sold at the time of sale. A U.S. Holder’s amount realized generally should equal the amount of cash received, including any amounts withheld under Mexican withholding tax but excluding any amounts attributable to Accrued Interest, which will be subject to tax as described below to the extent not previously included in the U.S. Holder’s income. A U.S. Holder’s adjusted tax basis in a Security will generally equal the amount paid therefor, increased by the amount of any market discount previously taken into account by the U.S. Holder and reduced by the amount of any amortizable bond premium previously amortized by the U.S. Holder with respect to the Securities. Any gain or loss will be long-term capital gain or loss if the U.S. Holder’s holding period for the Securities on the date of sale was more than one year. Long-term capital gains of non-corporate U.S. Holders are subject to tax at a reduced rate. The deductibility of capital losses is subject to limitations.

In general, if a U.S. Holder acquired Securities with market discount, any gain realized by a U.S. Holder on the sale of such Securities will be treated as ordinary income to the extent of the portion of the market discount that has accrued while the Securities were held by the U.S. Holder, unless the U.S. Holder has elected to include market discount in income currently as it accrues.

Under the new foreign tax credit requirements adopted by the IRS in regulations promulgated in December 2021, a U.S. Holder will not generally be entitled to a foreign tax credit for any Mexican tax imposed on gain from the sale of Securities pursuant to the Tender Offer, except in the case of either (i) a U.S. Holder that is eligible for, and properly elects to claim, the benefits of the income tax treaty between the United States and Mexico (the “Treaty”) or (ii) for tax years ending before January 1, 2024, a U.S. Holder that consistently elects for tax years ending before January 1, 2024 to apply a modified version of the U.S. foreign tax credit rules under recently issued temporary guidance, and complies with specific requirements set forth in such guidance. Additionally, capital gain or loss recognized by a U.S. Holder on the sale of Securities generally will be U.S. source gain or loss for U.S. foreign tax credit purposes (except to the extent that the U.S. Holder establishes the right to treat any gain as foreign source income under the Treaty). Consequently, even if a Mexican tax qualifies as a creditable tax, a U.S. Holder who is not able to treat any gain (upon which the tax is imposed) as foreign source income under the Treaty may not be able to credit the tax against its U.S. federal income tax liability unless such credit can be applied (subject to generally applicable conditions and limitations) against tax due on other income treated as derived from foreign sources. If the Mexican tax is not a creditable tax or claimed as a credit by the U.S. Holder pursuant to the Treaty, the tax would reduce the amount realized on the sale of the Securities even if the U.S. Holder has elected to claim a foreign tax credit for other taxes in the same year. U.S. Holders should consult their own tax advisors regarding the application of the foreign tax credit rules to a sale of the Securities and any Mexican tax imposed on such sale.

## **Payment of Interest**

Amounts paid that are attributable to Accrued Interest on the Securities, including any amounts withheld in respect of Mexican withholding taxes and Additional Amounts, if any, paid in respect thereof, will be subject to tax as ordinary interest income to the extent not previously included in the U.S. Holder's income.

Subject to generally applicable limitations and conditions, Mexican interest withholding tax paid at the appropriate rate applicable to the U.S. Holder may be eligible for credit against such U.S. Holder's U.S. federal income tax liability. These generally applicable limitations and conditions include the new foreign tax credit requirements adopted by the IRS in regulations promulgated in December 2021, and any Mexican tax will generally need to satisfy these requirements in order to be eligible to be a creditable tax for a U.S. Holder. However, in the case of either (i) a U.S. Holder that is eligible for, and properly elects, the benefits of the Treaty, or (ii) for tax years ending before January 1, 2024, a U.S. Holder that consistently elects for tax years ending before January 1, 2024 to apply a modified version of the foreign tax credit rules under recently issued temporary guidance, and complies with specific requirements set forth in such guidance, the Mexican tax on interest will generally be treated as meeting the new requirements and therefore as a creditable tax. In all other cases, the application of these requirements to the Mexican tax on interest is uncertain, and we have not determined whether these requirements have been met. If the Mexican interest withholding tax is not a creditable tax for a U.S. Holder or the U.S. Holder does not elect to claim a foreign tax credit for any foreign income taxes paid or accrued in the same taxable year, the U.S. Holder may be able to deduct the Mexican tax in computing such U.S. Holder's taxable income for U.S. federal income tax purposes. Interest (including any Additional Amounts) will constitute income from sources without the United States and, for U.S. Holders that elect to claim U.S. foreign tax credits, will generally constitute "passive category income" for foreign tax credit purposes.

The availability and calculation of foreign tax credits and deductions for foreign taxes depend on a U.S. Holder's particular circumstances and involve the application of complex rules to those circumstances. U.S. Holders should consult their own tax advisors regarding the application of these rules to their particular situations.

## **Non-Tendering Holders**

A Holder who does not tender its Securities in the Tender Offer or does not have its tender of Securities accepted for purchase pursuant to the Tender Offer will not recognize any gain or loss with respect to such Securities as a result of the Tender Offer.

## **Information Reporting and Backup Withholding**

A U.S. Holder who tenders its Securities may be subject to backup withholding unless the U.S. Holder (i) is a corporation or comes within certain other exempt categories and demonstrates this fact, or (ii) provides a correct taxpayer identification number, certifies as to no loss of exemption from backup withholding and otherwise complies with applicable requirements of the backup withholding rules. The amount of any backup withholding with respect to the tender of Securities will be allowed as a credit against the U.S. Holder's federal income tax liability and may entitle the U.S. Holder to a refund, *provided* that the required information is timely furnished to the IRS. In order for a Non-U.S. Holder to qualify for exemption from backup withholding, the Holder generally may be required to submit an IRS Form W-8BEN or W-8BEN-E or other applicable IRS Form W-8, signed under penalties of perjury, attesting to that Holder's non-U.S. status.



## SCHEDULE I

### Formula for Determining the Offer Consideration for the Securities

- YLD = The Repurchase Yield, which is the sum of (A) the Reference Yield of the Reference Security, as calculated by the Dealer Manager in accordance with standard market practice, determined by reference to the bid-side price of the Reference Security at 11:00 a.m. (New York City time), on the Price Determination Date, as displayed on the Bloomberg Reference Page specified in the table on the first page of the cover of this Offer to Purchase or any recognized quotation source selected by the Dealer Manager in its sole discretion if such Bloomberg Reference Page is not available or is manifestly erroneous, *plus* (B) the Fixed Spread.
- CFi = The aggregate amount of cash per US\$1,000 principal amount scheduled to be paid on the “ith” out of the N remaining cash payment dates to the maturity date. Scheduled payments of cash include interest and, on the maturity date, interest and principal.
- CPN = The contractual annual rate of interest payable on the Securities expressed as a decimal number.
- N = The number of remaining scheduled semi-annual interest payments from, but not including, the Settlement Date to, and including, the scheduled maturity date of the Securities.
- S = The number of days from and including the semi-annual interest payment date immediately preceding the Settlement Date up to, but not including, the Settlement Date. The number of days is computed using the 30/360 day-count convention.
- exp = Exponentiate. The term to the left of “exp” is raised to the power indicated by the term to the right of “exp.”
- $\sum_{k=1}^N$  = Summate. The term in the brackets to the right of the summation symbol is separately calculated “N” times (substituting for “k” in that term each whole number between 1 and N, inclusive), and the separate calculations are then added together.
- Accrued Interest =  $US\$1,000(CPN)(S/360)$
- Offer Consideration = The price per US\$1,000 principal amount of the Securities (excluding Accrued Interest) using the Formula for Offer Consideration set forth below. A tendering Holder will receive a total amount per US\$1,000 principal amount (rounded to the nearest cent) equal to the Offer Consideration plus Accrued Interest.

### Formula for the Offer Consideration for Securities

$$\sum_{k=1}^N \left[ \frac{CFi}{\left(1 + \frac{YLD}{2}\right)^{\exp\left(k - \frac{S}{180}\right)}} \right] - US\$1,000(CPN)\left(\frac{S}{360}\right)$$

Any questions regarding procedures for tendering Securities or requests for assistance or additional copies of this Offer to Purchase and the Notice of Guaranteed Delivery should be directed to the Information Agent at the telephone numbers and address listed below. A Holder may also contact the Dealer Manager at the address or telephone number set forth below or such Holder's broker, dealer, commercial bank or trust company or nominee for assistance concerning the Tender Offer. Copies of the Offer to Purchase and Notice of Guaranteed Delivery are available for Holders at the following web address: <https://www.gbsc-usa.com/femsa/>.

*The Tender Agent and Information Agent for the Tender Offer is:*

**Global Bondholder Services Corporation**

65 Broadway Suite 404  
New York, New York 10006  
Attn: Corporate Actions  
Email: [contact@gbsc-usa.com](mailto:contact@gbsc-usa.com)

By facsimile:  
(For Eligible Institutions only)  
(212) 430-3775  
Confirmation:  
(212) 430-3774

Banks and Brokers call: (212) 430-3774  
Toll free (855) 654-2014  
International call: (001) 212 430-3774

<i>By Mail:</i>	<i>By Overnight Courier:</i>	<i>By Hand:</i>
65 Broadway Suite 404 New York, New York 10006	65 Broadway Suite 404 New York, New York 10006	65 Broadway Suite 404 New York, New York 10006

*The Dealer Manager for the Tender Offer is:*

**BofA Securities, Inc.**  
One Bryant Park  
New York, New York 10036  
United States of America  
Attention: Liability Management Group  
Toll Free: (888) 292-0070  
Collect: (646) 855-8988