Nueva Elektra del Milenio

Nueva Elektra del Milenio, S.A. de C.V.

Credit Rating Agency

Corporates
July 10, 2026
*A NRSRO Rating**

NEM LT Global*
HR BB+ (G)
Stable Outlook

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Information Disclosure Form

Rule 17g-7

The Rating Action Commentary (RAC) associated with this disclosure form is an integral part of the form.

1. **Symbol, Number, or Score in the Rating Scale used by HR Ratings as required by Paragraph (a)(1)(ii)(A) of Rule 17g-7:**

Entity/Instrument	Rating Action	Rating Type	Rating Code
Nueva Elektra del Milenio	Downgraded	Long Term Rating	HR BB+ (G) / Stable Outlook

2. **Version of the Procedure or Methodology used to determine the credit rating as required by Paragraph (a)(1)(ii)(B) of Rule 17g-7:**

The rating assigned by HR Ratings to the entity is based in accordance with the following methodologies established by the rating agency:

- Corporate Debt Credit Risk Evaluation, February 2024.
  https://www.hrratings.com/docs/metodologia/Corporates_2024.pdf
- General Methodological Criteria, October 2024.
  https://www.hrratings.com/docs/metodologia/General_Methodological_Criteria_2024.pdf

3. **Main assumptions and principles used in constructing the procedures and methodologies to determine the credit rating as required by Paragraph (a)(1)(ii)(C) of Rule 17g-7**

- Based on the Corporate Debt Credit Risk Evaluation

The methodology describes the process used to assess the ability and willingness to meet corporate debt payment obligations in a timely manner and as originally agreed, including dependent structured debt and real estate investment trusts. The process consists of a quantitative analysis based on four financial metrics (three for structured debt) and an analysis allowing for qualitative adjustments, including adjustments related to ESG factors.

The corporate methodology involves the creation of financial models based on HR Ratings projections and when relevant historical performance data. The projections are made under a Base and Stress scenario, both incorporating the relevant historical data. The formal rating period generally incorporates five years of information. The four metrics used in this analysis are: (i) debt service coverage; (ii) debt service coverage including end of previous period cash (iii) years to payment, which measures the ratio between annual free cash flow and net debt; and (iv) the ratio between a market value estimate of corporate assets and its total liabilities. For real estate companies, the fourth metric is replaced by the loan to value ratio.

For both the Base and Stress scenarios the annual weighted average of each metric value is calculated. These annual averages are converted into a numerical rating scale, which is the same for each metric. Subsequently, and for each scenario, the weighted average of the metric numerical ratings is calculated. The final quantitative score is the weighted average of the two scenarios. If historical information is available, this process generally considers two reported and three projected years. However, the methodology considers the possibility of using different rating or time periods, with fewer reported years, and in the case of real estate leasing companies with seven instead of five years.

The rating obtained through this quantitative analysis can be adjusted positively or negatively by applying qualitative notches, which are divided into two categories: general and ESG. General adjustments refer to factors that could over time affect the quantitative rating especially when HR Ratings concludes that these factors cannot be adequately incorporated into the quantitative models. This includes ESG factors that are analyzed to determine their significance for and potential influence on credit risk. The environmental factor analyzes the corporate's environmental approach and policies, considering its lines of business and daily operations, as well as exposure to natural phenomena and environmental regulations. For the social factor, the business approach is evaluated first then the corporate policies regarding all levels of employee benefits, career plans and ability to retain talent and inclusion are evaluated.

Finally, the corporate governance analysis considers five aspects: (i) internal regulations of the corporation, considering their scope, formality and mechanisms for continuous adaptation, (ii) quality of senior management and administration, considering their financial strategies and history of crisis management, (iii) transparency and quality of the information provided, as well as history of non-compliance, (iv) risk associated with the regulatory framework to which each corporation is susceptible and the risk associated with the macroeconomic environment, and (v) management and mitigation strategies associated with the entity's operational risk, as well as the technological tools available for performing daily operations.

The rating incorporates a negative notch as a result of limited label on the governance factor under the ESG analysis. This is due to Grupo Salinas, the Controlling group of Nueva Elektra del Milenio, which has carried out practices that have generated concern among bondholders of the other companies in the group.

- Based on the General Methodological Criteria

HR Ratings may determine that a borrower and/or its debt instrument are guaranteed either explicitly or implicitly by a sovereign or a sub-national government entity. There are also cases where a borrower or debt instrument has the backing of a third party, other than a sovereign or subnational public entity, to meet their financial obligations based on the relationship between the two entities. This relationship will be justified if the analysis reveals any of the following circumstances:

- The borrower has the explicit backing of a third party in which it is clearly stated that it would assume responsibility for the payment of its financial obligations in the event of financial stress.
- The borrower has the implicit backing of a third party as a result of one of the following circumstances:
    - It is part of a business or financial group and a high degree of operational dependence can be assumed.
    - The borrower has important relationships with another parent or holding company that would probably assume responsibility for its financial obligations in an adverse scenario.
    - The borrower is an important component of the production chain or has important synergies with the third party even if not formally part of it.

If the guarantee is explicit, the borrower or debt instrument will receive the same credit rating as the third party providing said guarantee, be it a public or private entity. If the backing is implicit, be it from a public or private entity, the borrower or debt instrument may receive the same rating as the third party providing the guarantee, or a rating no more than three notches below the third party’s rating, depending on the analysis of each case.

HR Ratings will take into consideration the possible impact on the rating of the entities offering this backing if such backing were to be provided in practice. In cases where the entities providing the backing have an impaired rating, the rating of the instrument or entity receiving the backing could be downgraded.

The rating considers the business support provided by Grupo Elektra, given that Nueva Elektra del Milenio (NEM) accounts for 26.2% of total revenue as of 2025. HR Ratings considers that NEM’s Debt maintains a *de facto* support from Grupo Elektra, therefore we considered that NEM’s rating is the same as Grupo Elektra.

4. **<u>Potential limitations of the credit rating as required by Paragraph (a)(1)(ii)(D) of Rule 17g-7</u>**

- HR Ratings does not validate, guarantee or certify the accuracy, correctness or completeness of any information and is not responsible for any errors or omissions or for results obtained from the use of such information.
- Ratings and/or opinions assigned by HR Ratings are based on an analysis of the creditworthiness of an entity, issue or issuer, and do not necessarily imply a statistical likelihood of default.
- The credit ratings do not opine on the liquidity of the issuer's securities or stock.
- The credit ratings do not consider the possible loss severity on an obligation default.
- The credit ratings are not an opinion of the market value of any issuer´s securities or stock, or the possibility that this value suffer a deterioration.

5. **<u>Information on the uncertainty of the credit rating as required by Paragraph (a)(1)(ii)(E) of Rule 17g-7</u>**

The Analysis Committee noted no material limitations on the reliability, accuracy and quality on the data relied on in determining the credit rating.

The Analysis Committee noted no lack of information on the scope of historical data that would have better informed any credit rating listed in this disclosure form.

6. **<u>Use of third-party due diligence services as required by Paragraph (a)(1)(ii)(F) of Rule 17g-7</u>**

HR Ratings did not use third party due diligence services for the rating.

7. **<u>Use of servicer or remittance reports to conduct surveillance of the credit rating as required by Paragraph (a)(1)(ii)(G) of Rule 17g-7</u>**

HR Ratings did not use Servicer or Remittance Reports for the rating.

8. **<u>Description of types of data about any obligor, issue, security or money market instrument relied upon for determining credit rating as required by Paragraph (a)(1)(ii)(H) of Rule 17g-7</u>**

Among the main information used for the rating is:

- Annual Audited reports by BDO from 2019 to 2025, provided by the Company.
- Internal Quarterly Financial Statements and Operational Results from 1Q18 to 1Q26, provided by the Company.
- Projections, budget and guidelines for 2025 for Grupo Elektra provided by the Company.
- Presentations issued by the Company.
- Relevant Events and Qualitative Data provided by the Company.

9. **Overall assessment of quality of information available and considered in determining credit rating as required by Paragraph (a)(1)(ii)(I) of Rule 17g-7**

The quality of the information provided by the entity is considered to be consistent with the quality observed in the ratings that use a similar methodology.

10. **Information relating to conflicts of interest as required by Paragraph (a)(1)(ii)(J) of Rule 17g-7**

The aforementioned rating was solicited by the entity or issuer, or on its behalf, and therefore, HR Ratings has received the corresponding fees for the rating services provided. The following information can be found on our website at www.hrratings.com: (i) The internal procedures for the monitoring and surveillance of our ratings and the periodicity with which they are formally updated, (ii) the criteria used by HR Ratings for the withdrawal or suspension of the maintenance of a rating, (iii) the procedure and process of voting on our Analysis Committee, and (iv) the rating scales and their definitions.

11. **Explanation or measure of potential volatility to the credit rating as required by Paragraph (a)(1)(ii)(K) of Rule17g-7**

1. Factors that are reasonably likely to lead to a change in the credit rating:

- **Change in Grupo Elektra's rating.** NEM's Rating is directly dependent on the Grupo Elektra rating, therefore an increase or decrease in the financial or commercial segments results of Grupo Elektra could directly impact its rating and result in a positive or negative minimum to strong impact on the rating.

2. The magnitude of the change that could occur under different market conditions determined by HR Ratings to be relevant to the rating:

- **Change in Sovereign Rating.** Any change, positive or negative, minimum to strong, to the sovereign rating for Mexico and its outlook, would be reflected directly in the global rating for NEM.
- **Stronger Market Competition.** If Grupo Elektra is not able to maintain its market position to adjust to a highly competitive environment, it could lead to a lower FCF generation that could cause a negative minimum impact on the rating.
- **Inflationary Pressures.** If higher inflationary pressures were observed and Grupo Elektra is not able to increase prices or adjust their costs, this could lead to lower revenue, EBITDA and FCF, which could translate into a negative minimum impact on the rating.

NOTE: The Credit Analysis Committee must convene to review and discuss the changes that could occur under different market conditions. All the ratings issued by HR Ratings must be approved by the Credit Analysis Committee in accordance with the applicable methodology and the information available at the time. However, the magnitude of a potential change in the rating that could reasonably occur as a result of the impact of the factors listed above are characterized by the following summary chart:

Rating change impact	Number of notches
Minimum	(0-1)
Moderate	(2 - 3)
Strong	>3

12. Historical performance and expected probability of default and expected loss in event of default as required by Paragraph (a)(1)(ii)(L) of Rule 17g-7

For historical performance of each rating listed in the disclosure form, click on the link in the ratings table presented on the first page of this document.

Our credit ratings need to be understood as rankings of the relative creditworthiness of different entities or credits. Creditworthiness takes into consideration both the ability and willingness to meet debt obligations in the manner prescribed in the relevant documentation. Default refers to the noncompliance of previously agreed obligations.

As our ratings measure relative creditworthiness, they do not necessarily reflect any specific statistical probability of default. However, HR Ratings provides to the market participants the default rate for historical default and loss statistics for the class or subclass of the credit rating. Although the default rate is not the expected probability of default or loss given default, we consider it the ratio that could be interpreted by market participants as such. The default rate for each of the asset classes in which HR Ratings provides ratings and for each rating category is publicly available for each calendar year at: https://www.hrratings.com/regulatory_disclosure/transition_matrix.xhtml

13. Assumptions made by HR Ratings in determining announced credit ratings and examples of how assumptions impact the rating as required by Paragraph (a)(1)(ii)(M) of Rule 17g-7

1. Assumptions made in the ratings process that, without accounting for any other factor, would have the greatest impact on the credit rating if proven false or inaccurate:

   HR Ratings bases its ratings and/or opinions on information obtained from sources that are believed to be accurate and reliable. The assumption is that the information provided is reliable and credible, however, does not validate, guarantee or certify the accuracy, correctness or completeness of any information and is not responsible for any errors or omissions or for results obtained from the use of such information.

   - **Credit rating based on Grupo Elektra's rating.** NEM credit rating is directly related to Grupo Elektra rating due to the importance of the Company to the Group as it consolidates the commercial business and is an important cash flow generator. However, any modification to the business structure or organigram of Grupo Elektra that changes this relationship could affect the credit rating of NEM. The global credit rating of NEM is based on the current Sovereign credit rating for Mexico which is HR BBB+ (G) with Stable Outlook reviewed on October 28, 2025.

- **Revenue Growth.** It is assumed that both Grupo Elektra and NEM will present a revenue increase in the forecast period due to a higher demand in products and services. If both entities confront a slowdown in demand, this will translate into lower FCF generation.
- **Access to financial sources.** It is expected that Grupo Elektra will be able to source sufficient funds through domestic savings and time deposits from Banco Azteca. If Grupo Elektra and NEM are unable to access these financial sources, they may not have enough cash flow to implement their strategies and achieve the expected growth and could result into a deterioration of our Debt Service Coverage Ratio (DSCR) due to a lower cashflow generation possibly negatively impacting their credit rating.
- **Indebtedness levels.** Considering Grupo Elektra and NEM's business plans and investments is expected that both entities will maintain high cash levels that will reduce its gross debt level. A deviation of this assumption that resulted in a higher level of years of payment of Net debt to Free Cash Flow could result in a lower credit rating.
- **Banco Azteca will effectively control its delinquency ratio.** Is assumed that Banco Azteca will maintain a delinquency ratio below 10%, but, if Banco Azteca is not able to effectively control the levels of its non-performing or poor credit quality loans this could results in a deterioration of Banco Azteca's credit rating and in consequence Grupo Elektra and NEM credit ratings since the bank is part of the consolidated results of the Group.

2. Analysis, using specific examples, of how each of the assumptions identified in the preceding paragraph impacts the credit rating:

- If Grupo Elektra or Mexico's sovereign rating changes, NEM's rating will be directly impacted in the same way and magnitude.
- If the Company does not achieve the income projected, it should result in a lower FCF generation, and it could result in a rating downgrade.
- If Grupo Elektra and NEM are unable to access internal financial sources, they may not have enough cash flow to implement their strategies and achieve the expected growth and could result into a deterioration of their Debt Service Coverage Ratio (DSCR) due to a lower cashflow generation negatively impacting their credit rating.
- If Grupo Elektra decreases the years to payment metric, with an average below 0.7 years between 2026 and 2027, it could possibly benefit their credit rating.
- If Banco Azteca increases the delinquency ratio up to 10%, it could possibly negatively impact Grupo Elektra financial results and therefore impact its credit rating.

14. Representations, warranties and enforcement mechanisms available to investors as required by Paragraph (a)(1)(ii)(N) of Rule 17g-7

The reporting of representations, warranties, and enforcement mechanisms does not apply to any of the credit ratings listed in this disclosure form.

Credit Rating Attestation

I, Jesús Pineda, Corporates / ABS Associate Director, have the responsibility for this rating action and, to the best of my knowledge:

- No part of the credit rating was influenced by any other business activities.
- The credit rating was based solely upon the merits of the obligor, security, or money market instrument being rated; and
- The credit rating was an independent evaluation of the credit risk of the obligor, security, or money market instrument

Mexico City, July 10, 2026

/s/ Jesus Pineda
Corporates / ABS Associate Director
HR Ratings

***HR Ratings de México, S.A. de C.V. ("HR Ratings"), is a credit rating agency authorized by the National Banking and Securities Commission (CNBV) and certified as a Credit Rating Agency (CRA) by the European Securities and Markets Authority (ESMA) and the Financial Conduct Authority (FCA). HR Ratings LLC is registered by the Securities and Exchange Commission (SEC) as a Nationally Recognized Statistical Rating Organization (NRSRO) for the assets of public finance, corporates and financial institutions as described in section 3 (a) (62) (A) and (B) subsection (i), (iii) and (v) of the US Securities Exchange Act of 1934 ("HR Ratings").**

The rating was solicited by the entity or issuer, or on its behalf, and therefore, HR Ratings has received the corresponding fees for the rating services provided. The following information can be found on our website at www.hrratings.com: (i) The internal procedures for the monitoring and surveillance of our ratings and the periodicity with which they are formally updated, (ii) the criteria used by HR Ratings for the withdrawal or suspension of the maintenance of a rating, (iii) the procedure and process of voting on our Analysis Committee, and (iv) the rating scales and their definitions.

The ratings and/or opinions of HR Ratings are opinions regarding the credit quality and/or the asset management capacity, or relative to the performance of the tasks aimed at the fulfillment of the corporate purpose, by issuing companies and other entities or sectors, and are based on exclusively in the characteristics of the entity, issue and/or operation, regardless of any business activity between HR Ratings and the entity or issuer. The ratings and/or opinions granted are issued on behalf of HR Ratings and not of its management or technical personnel and do not constitute recommendations to buy, sell or maintain any instrument, or to carry out any type of business, investment or operation, and may be subject to updates at any time, in accordance with the rating methodologies of HR Ratings.

HR Ratings bases its ratings and/or opinions on information obtained from sources that are believed to be accurate and reliable. HR Ratings, however, does not validate, guarantee or certify the accuracy, correctness or completeness of any information and is not responsible for any errors or omissions or for results obtained from the use of such information. Most issuers of debt securities rated by HR Ratings have paid a fee for the credit rating based on the amount and type of debt issued. The degree of creditworthiness of an issue or issuer, opinions regarding asset manager quality or ratings related to an entity's performance of its business purpose are subject to change, which can produce a rating upgrade or downgrade, without implying any responsibility for HR Ratings. The ratings issued by HR Ratings are assigned in an ethical manner, in accordance with healthy market practices and in compliance with applicable regulations found on the www.hrratings.com rating agency webpage. HR Ratings' Code of Conduct, rating methodologies, rating criteria and current ratings can also be found on the website.

Ratings and/or opinions assigned by HR Ratings are based on an analysis of the creditworthiness of an entity, issue or issuer, and do not necessarily imply a statistical likelihood of default, HR Ratings defines as the inability or unwillingness to satisfy the contractually stipulated payment terms of an obligation, such that creditors and/or bondholders are forced to take action in order to recover their investment or to restructure the debt due to a situation of stress faced by the debtor. Without disregard to the aforementioned point, in order to validate our ratings, our methodologies consider stress scenarios as a complement to the analysis derived from a base case scenario. The fees HR Ratings receives from issuers generally range from US$1,000 to $1,000,000 (one million dollars, legal tender in the United States of America) (or the equivalent in another currency) per offering. In some cases, HR Ratings will rate all or some of a particular issuer's offerings for an annual fee. Annual fees are estimated to vary between $5,000 and US$2,000,000 (five thousand to two million dollars, legal tender in the United States of America) (or the equivalent in another currency).

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