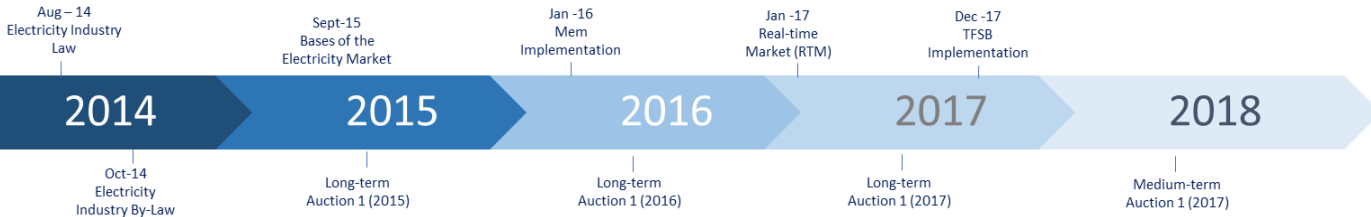


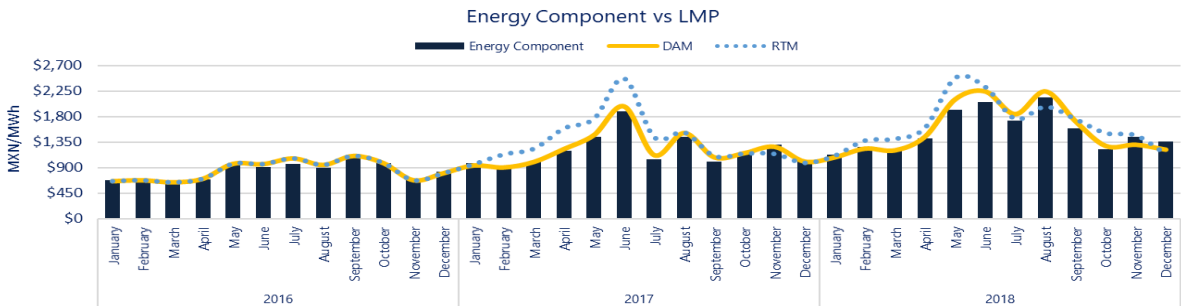
Mexican Wholesale Electricity Market's Retrospective

In January 2016, the Mexican Wholesale Electricity Market (MEM) started operations as a result of the changes to the Electricity regulation included in the energy reform of 2013, from which the Electricity Industry Law (LIE) emerged. The MEM is an energy and capacity market with 2,460 price nodes, based on different international markets, such as PJM (Northeast USA) & CAISO (California). The wholesale price consists of three components: energy, losses and congestion. The MEM requires financial coverage to the Qualified Suppliers (SC) and it is only accessible for loads > 1MW (with option to wholesale prices or tariffs) or connected loads after 2014 (only wholesale prices). There is a day-ahead market (DAM) in which suppliers and generators enter into a financial commitment 24 hours before delivery & a real-time market (RTM) which is a market of adjustments in which SC adjust the volumes, modifying their financial commitment to their physical reality.



Mexican Wholesale Electricity Market Prices¹

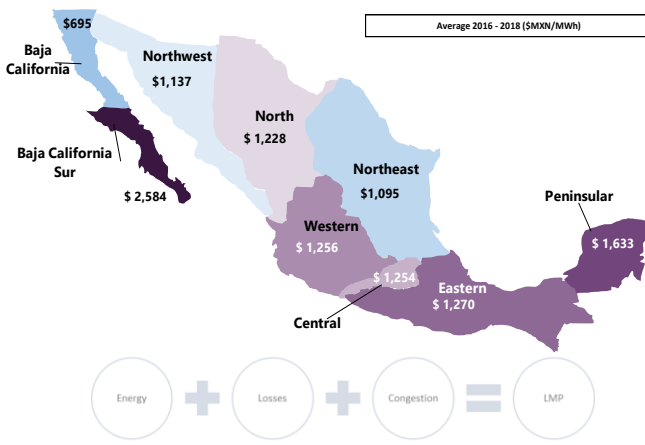
The National Electric System (SEN) consists of the National Interconnected System (SIN), Baja California, Baja California Sur and Mulegé. The graph below shows the behavior of the energy component and the monthly averages of the Local Marginal Price (LMP) observed for the day-ahead market compared to the LMP in the real-time market for the SIN.



¹ SIM Area Publica. CENACE.

Day-Ahead Market² (DAM) 2016-2018 Average

In January 2016, the Wholesale Electricity Market started operations and, with it, the local marginal prices for each of the zones on the SEN. During the MEM operation, Baja California Sur is the region that has shown the highest average price, followed by the peninsular region; Baja California and Northeast have shown the lowest price.



Real-Time Market² (RTM)

The RTM began operations on January 27th, 2017, whose objective is to adjust the differences between the transactions made in the Day-Ahead Market with the conditions of the real market, said market is post-clearance and published 5 days after the day of operation.

| Month | RTM vs DAM* | | | |
|----------------|-----------------|-----------------|-----------------------------|-----------------------------|
| | Difference 2017 | Difference 2018 | Variation 2017 ^a | Variation 2018 ^a |
| January | 2.1% | 2.4% | 2.3% | 7.5% |
| February | 25.2% | 11.1% | 1.3% | 2.4% |
| March | 22.9% | 16.3% | 1.8% | 1.8% |
| April | 29.2% | 10.4% | 1.6% | 3.5% |
| May | 19.1% | 17.5% | 2.7% | 4.3% |
| June | 24.4% | 3.2% | 2.2% | 14.7% |
| July | 27.8% | -4.8% | 1.3% | -6.3% |
| August | 0.4% | -12.2% | 58.3% | -3.0% |
| September | 1.8% | 1.9% | 14.4% | 31.0% |
| October | -1.0% | 17.3% | -32.0% | 3.2% |
| November | -10.0% | 12.4% | -2.9% | 3.5% |
| December | -2.4% | -6.4% | -14.5% | -5.3% |
| Average | 11.6% | 5.8% | 3.5% | 11.8% |

¹ Own calculation with data from the SIM, CENACE.

^a Standard deviation divided by the mean.

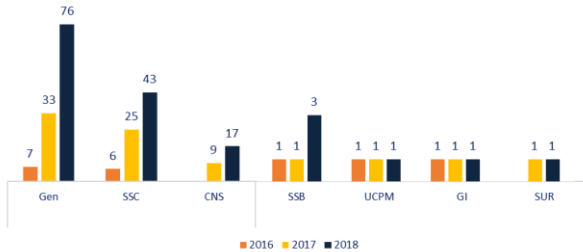
During the operation of the Market, on 2017 the RTM prices had a variation of a 11.6% in regard of the DAM prices; on 2018 the variation was of a 5.8%.

² Short-term Energy Market Manual, CENACE.

Market Participants³ (PM)

They are integrated by Generators (Gen), Intermediation Generator (GI); any representative of a Load Center: Basic Service Suppliers (SSB), Qualified Service Suppliers (SSC) and Suppliers of Last Resort (SUR); Non-supplier traders (CNS) and Qualified Users (Representatives and Market Participants).

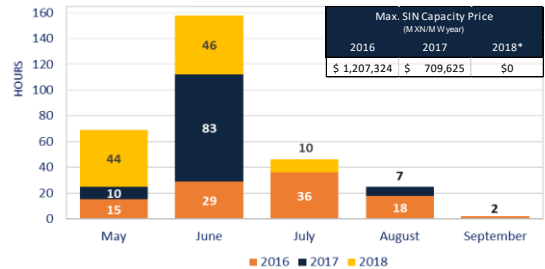
Market Participants⁴



Capacity Balancing Market⁵ (MBP)

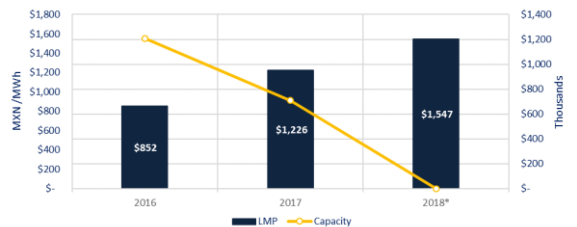
The objective of the Capacity Balancing Market is to establish price indicators that respond to the conditions of shortage or surplus of generation capacity in the SEN, for this the hours of greatest demand were taken into account in 2016 -2017 and the hours of lower level of ancillary services for 2018, which are called "critical hours".

Critical Hours Distribution



The Net Capacity Price⁷ is fixed through the Reference Technology, Turbogas⁷ has been considered as such on the last three years. Also, the price has behaved with a downward trend.

MEM Average Prices vs MBP Prices



*Preliminary calculation, may be changed.

Installed Capacity⁸

With the data provided by the PRODESEN 2018-2032, issued by the SENER, the growth of installed capacity on the country throughout the last years is observed.

| Technology | 2016 (MW) | 2017 (MW) | 2018* (MW) |
|--------------|---------------|---------------|---------------|
| Conventional | 52,331 | 53,358 | 54,492 |
| Renew able | 18,529 | 19,462 | 21,463 |
| Others | 2,651 | 2,866 | 3,545 |
| Total | 73,511 | 75,686 | 79,500 |

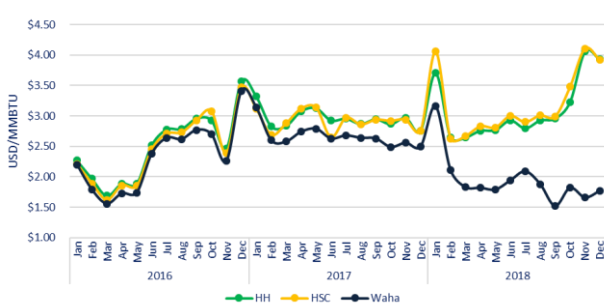
*Prospective from the SIE, SENER.

Clean energies have shown a greater growth than conventional energies, due to the implemented public policies.

Gas Prices

Below is the spot price of gas from 2016 to 2018.

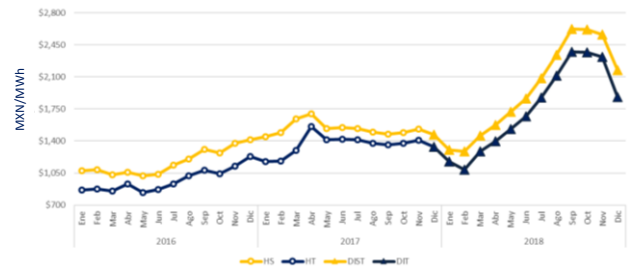
Gas Price - Historical



Final Tariff of Basic Supply⁹

From December 2017, the new tariff scheme in charge of the CRE came into effect, replacing the old tariff scheme determined by the SHCP.

Tariff of Basic Supply⁹ (MXN/MWh)



In the new tariff categories are considered fixed charges (per user) and variables charges (per capacity and generation) that adapt to the consumption and measurement of each user.