

PEMEX received an additional fiscal credit of MXN 73.3 billion

February 22, 2020

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- A Decree was published, in the Official Gazette of the Federation as of February 19th, 2021, by which the Government of Mexico grants an additional tax benefit to Petróleos Mexicanos, in the amount of MXN 73.3 billion for its application in the remainder of 2021 - this is the maximum amount of the tax credit that will be equivalent to 14% of the hydrocarbon's sale-
- It is worth noting that this is an additional support to the Profit-Sharing Duty (DUC, by its Spanish acronym) reduction rate that came into effect since January 2020, which represents 80% of the company's direct fiscal burden
- In 2020, the Profit-Sharing Duty rate decreased seven points to 58% from 65%, in 2021 the rate will reach 54%
- The tax benefit for the year 2020 for this same concept amounted to \$65 billion
- This measure will have a positive impact on the State-Owned Company considering that in 2019 the Profit-Sharing Duty payment amounted to MXN 349.6 billion, while, in 2020 with figures as of 3Q20 L12M, the total amounted to MXN 199.9 billion, 42.8% less -supported also by lower revenues representing a smaller calculation base-
- This is an additional measure to the support granted by the Federal Government to Petróleos Mexicanos in order to increase its financial flexibility through capitalization, tax benefits, assets exchange, among others
- We expect further support through 2021, a period in which the company faces debt maturities of around \$120 billion

Agency	S&P	Moody's	Fitch
Issuer Rating	BBB	Ba2	BB-
Outlook	Negative	Negative	Stable

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Federal Government Support in 2020
Million pesos

Concept	MXN	Observations
Profit Sharing Duty rate decreases to 58% from 65%	39,918	The new rate applied in February's tax declaration
Capital injections established in the approved budget	46,256	
Cash-out of Pension Liability promissory Notes	4,984	Redeemed
Additional support because of low oil prices:	65,000	Applicable for tax payment
Exchange assets	96,500	
Total annual	\$251,758	

Source: Pemex

Certification of Analysts.

We, Gabriel Casillas Olivera, Alejandro Padilla Santana, Delia María Paredes Mier, Juan Carlos Alderete Macal, Manuel Jiménez Zaldívar, Marissa Garza Ostos, Tania Abdul Massih Jacobo, Francisco José Flores Serrano, Katia Celina Goya Ostos, Santiago Leal Singer, José Itzamna Espitia Hernández, Valentín III Mendoza Balderas, Víctor Hugo Cortes Castro, Hugo Armando Gómez Solís, Miguel Alejandro Calvo Domínguez, Luis Leopoldo López Salinas, Leslie Thalía Orozco Vélez, Gerardo Daniel Valle Trujillo, Eridani Ruibal Ortega and Juan Barbier Arizmendi, certify that the points of view expressed in this document are a faithful reflection of our personal opinion on the company (s) or firm (s) within this report, along with its affiliates and/or securities issued. Moreover, we also state that we have not received, nor receive, or will receive compensation other than that of Grupo Financiero Banorte S.A.B. of C.V for the provision of our services.

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	Reference
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