SAF – PENINSULA

July 2025

WHO WE ARE

SUSTAINABLE AVIATION FUEL

OPPORTUNITY

IMPACT

WHO WE ARE

SAF – PENINSULA is an initiative led by **Hallow Energy** with the strategic support from **two great Engineering Universities in Mexico**. It aims to be the first company to produce **Sustainable Aviation Fuel (SAF)** in Southeastern Mexico, contributing to the decarbonization of the aviation industry and addressing other environmental challenges in the process.

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SAF

What are we talking about?

- SAF: Sustainable Aviation Fuel
- A biofuel or e-fuel that reduces carbon emissions in aviation
- Produced from waste, used oils, biomass, or captured CO_2
- Blended with jet fuel without modifying engines or airport infrastructure

Sustainable fuel to reduce the carbon footprint.
A proven solution for one of the hardest industries to decarbonize.

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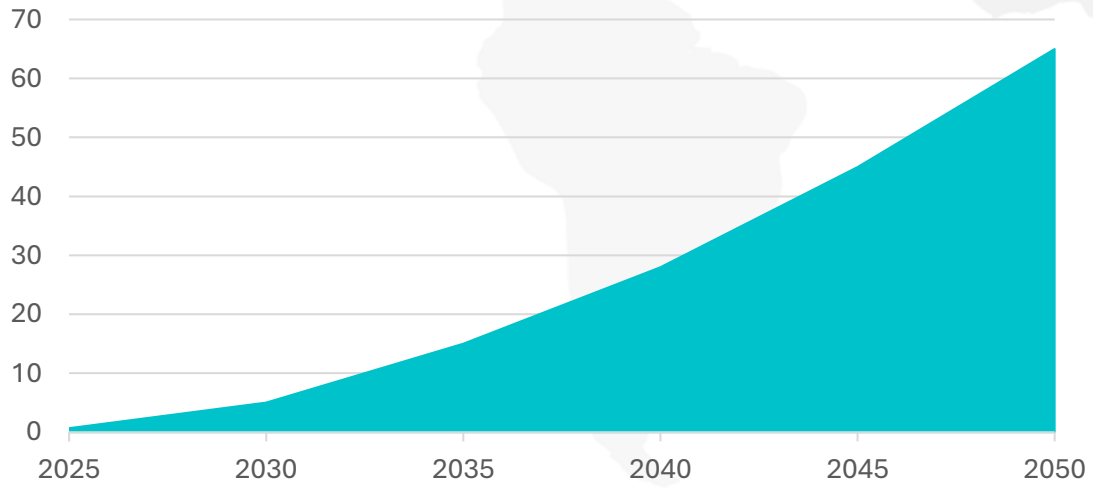
SAF

SAF Growing Demand

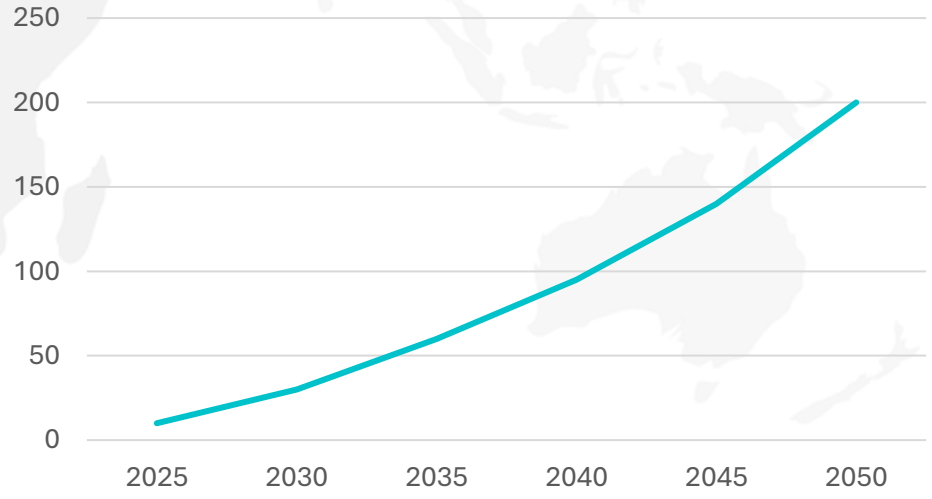
GLO BAL

- Aviation accounts for 2.5% to 4% of global CO_2 emissions
- Increasing international pressure to reduce emissions
- Regulations require SAF usage: 2% by 2025, 6% by 2030, >50% by 2050

SAF as % of Total Aviation Fuel



SAF Global Demand (Million Tons)



Economy in the Peninsula

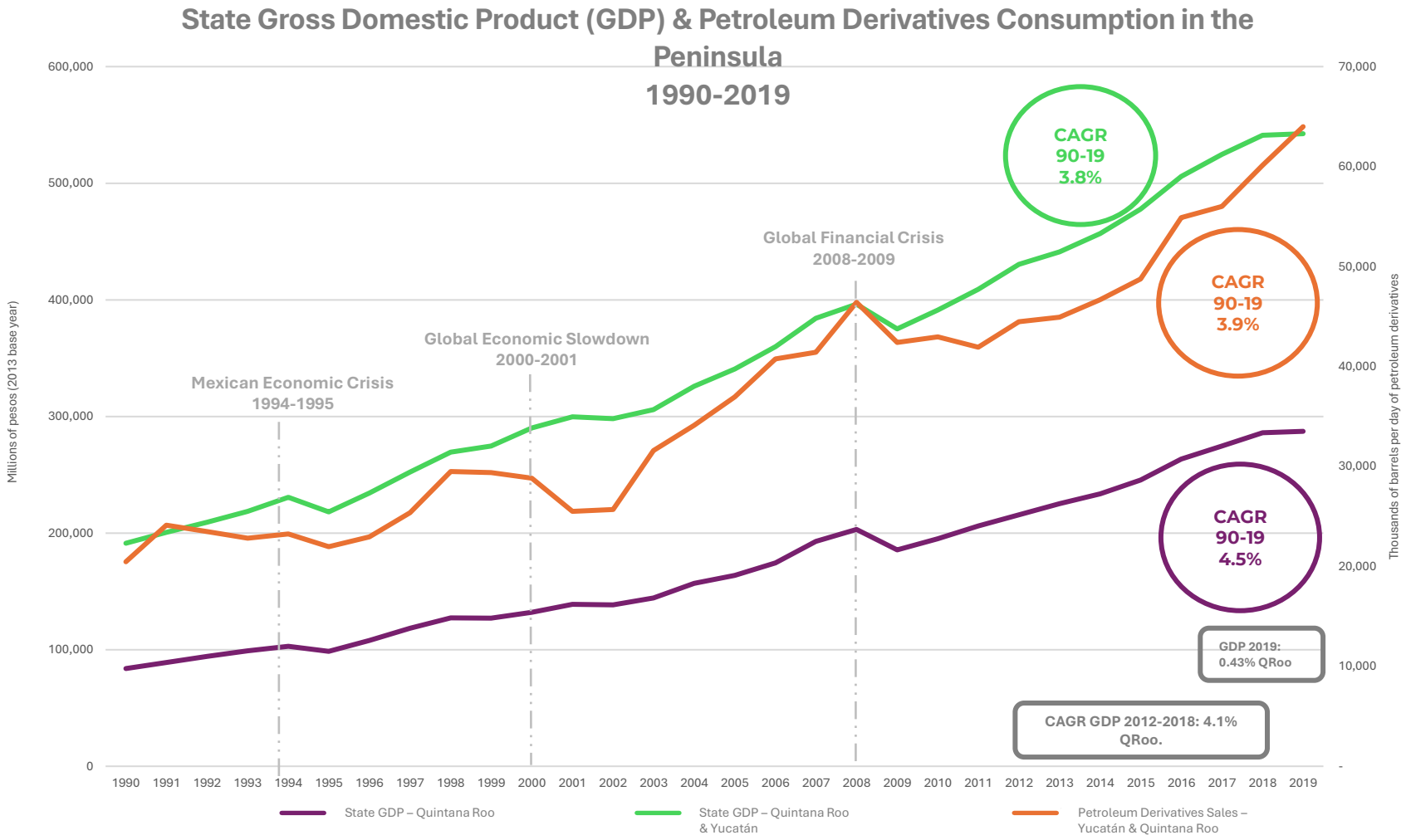
GDP and Petroleum Consumption Relationship

The demand for jet fuel, diesel, and gasoline is linked to the economic performance of the Peninsula.

The compound annual growth rate (CAGR) of the state GDP of Quintana Roo and Yucatán was 3.8% (1990–2019).

The CAGR of petroleum product sales (jet fuel, diesel, and gasoline) was 3.9% (1990–2019).

Much of this demand growth comes from international and domestic tourism arriving in the Peninsula.



Economy in the Peninsula

Growth Rates in Jet Fuel Consumption

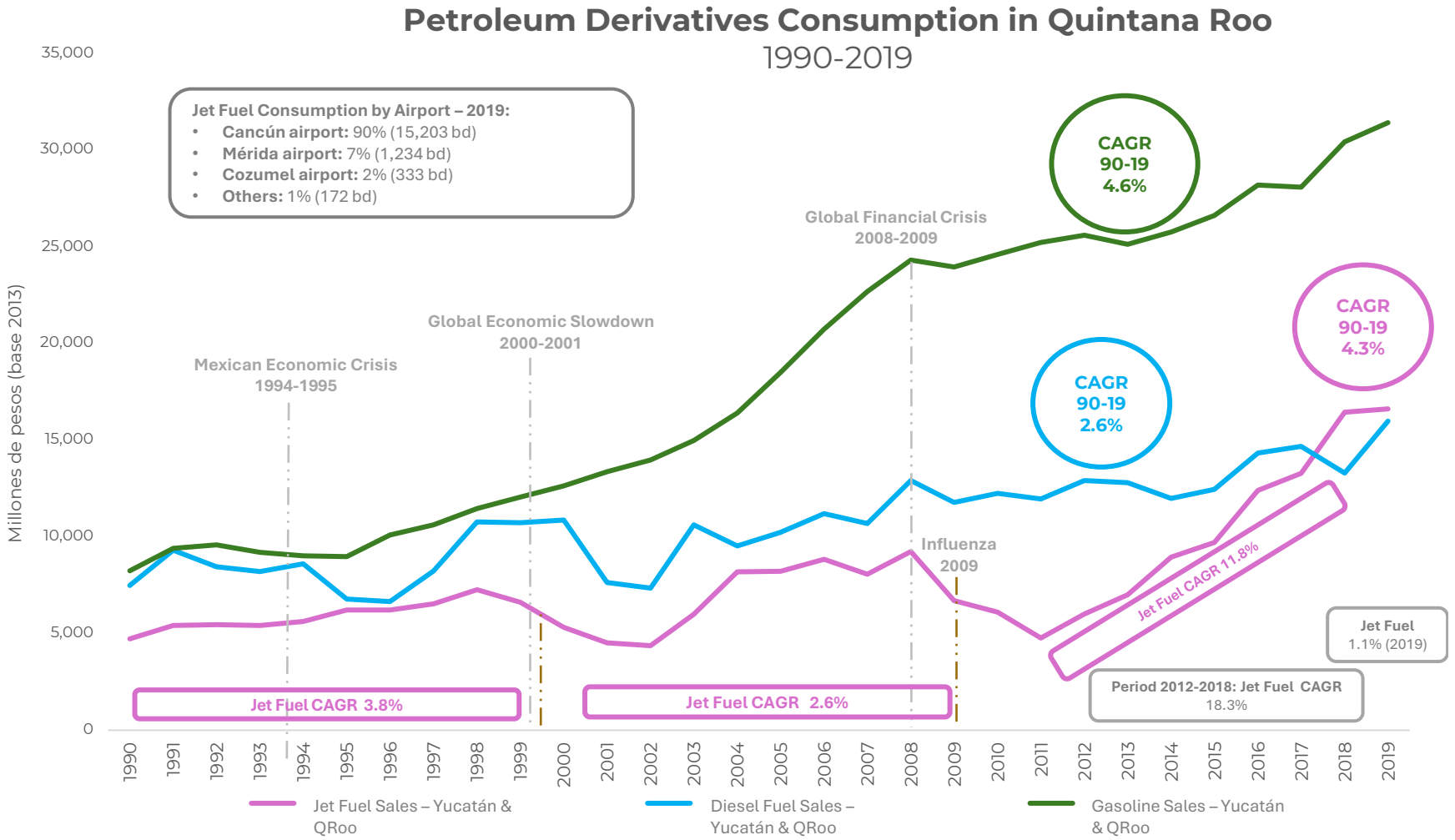
Unlike diesel and gasoline consumption, jet fuel consumption in the Peninsula is tied to the global economy.

Compared to diesel and gasoline growth rates, jet fuel rates in the Peninsula are higher.

- Ranging from 1.1% (lowest) to 18.3% (highest)

Trend from 2018 to 2023

- From 2018 to the end of 2023, passenger traffic at Cancún Airport grew by 28.5%
- From 2018 to the end of 2023, passenger traffic at Mérida Airport grew by 31.7%
- Jet fuel consumption growth rates

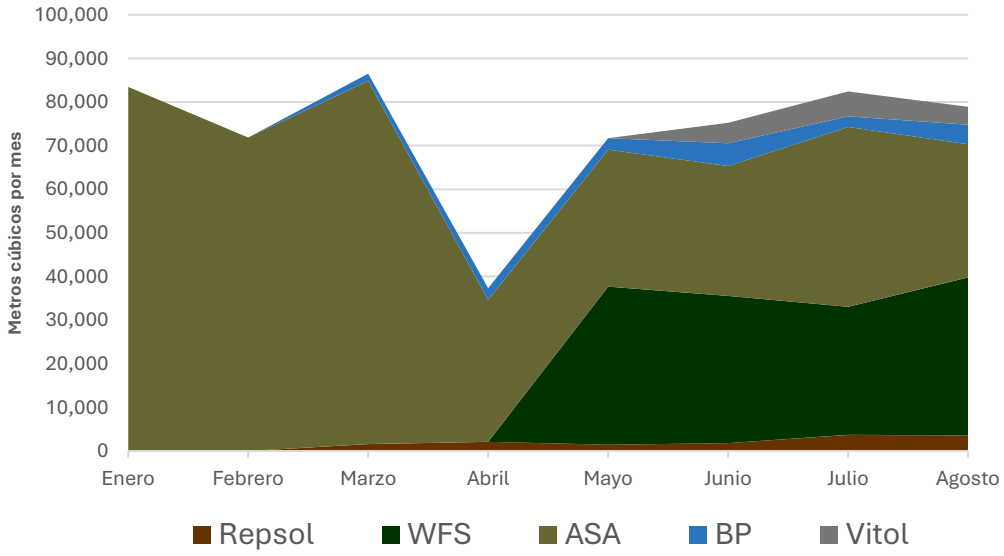


Hydrocarbons in the Peninsula

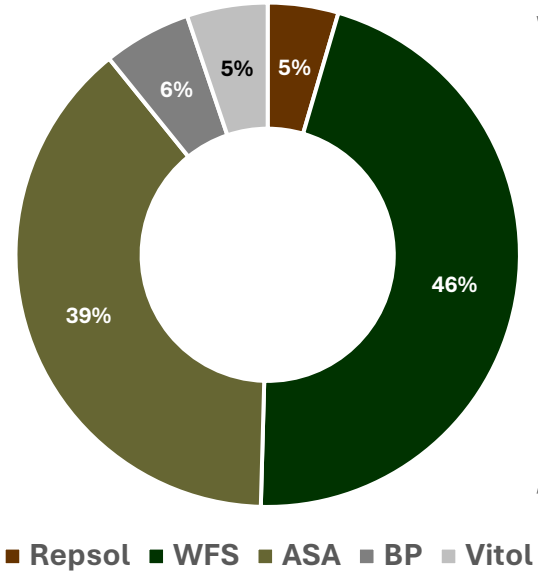
Jet Fuel Market at Cancún Airport

- Cancún Airport is the second most important in Mexico, with an average annual jet fuel consumption of 15.2 mbd, and operations grew 28.5% from 2018 to the end of 2023.
  - In 2024, annual jet fuel consumption in Cancún reached 6.7 million barrels, one million more than in 2019.
- Pemex TRI is the only jet fuel marketer in the Peninsula and supplies the market with imported product.
  - Imports mainly come from the Gulf of Mexico region in the United States.
  - Pemex TRI does not offer into-plane service, so final sales are handled by other marketers such as WFS, ASA, Repsol, and BP.*
- ASA Cancún is the only jet fuel storage provider at the airport and holds a 39% market share (as of August 2019) in final sales.
  - Demand aggregator WFS holds a 46% market share in final jet fuel sales.

Monthly Jet Fuel Sales – 2019
(*Cancún Airport only*)



Jet Fuel Sales – August 2019
(Cancún *Airport only*)



Jet Fuel Sales – August 2025
(*Cancún Airport only*)

- As of today, data on jet fuel consumption is no longer publicly available.
- Through its subsidiary PMI and Pemex TRI, Pemex imports jet fuel.
- The Mexican Army is responsible for distributing the jet fuel consumed in the Peninsula.
- It is likely that the companies that provided last-mile jet fuel delivery in 2019 have exited the market.

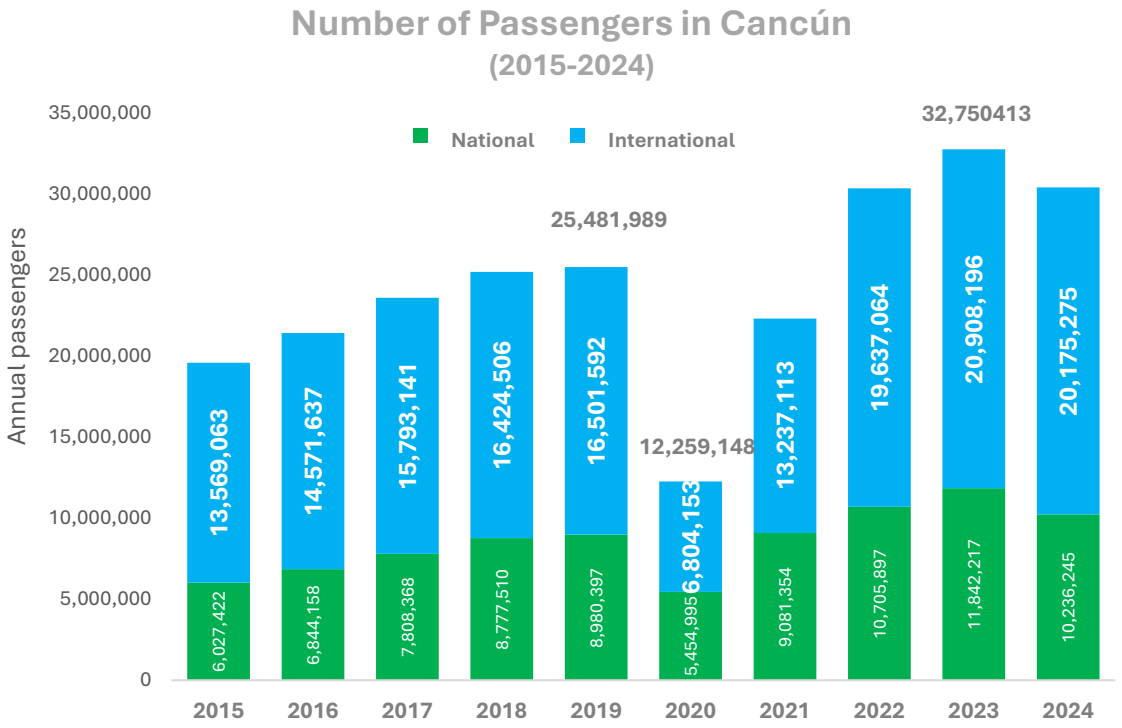
Source: Pemex TRI – Supply Subdirectorate Database, August 2019.

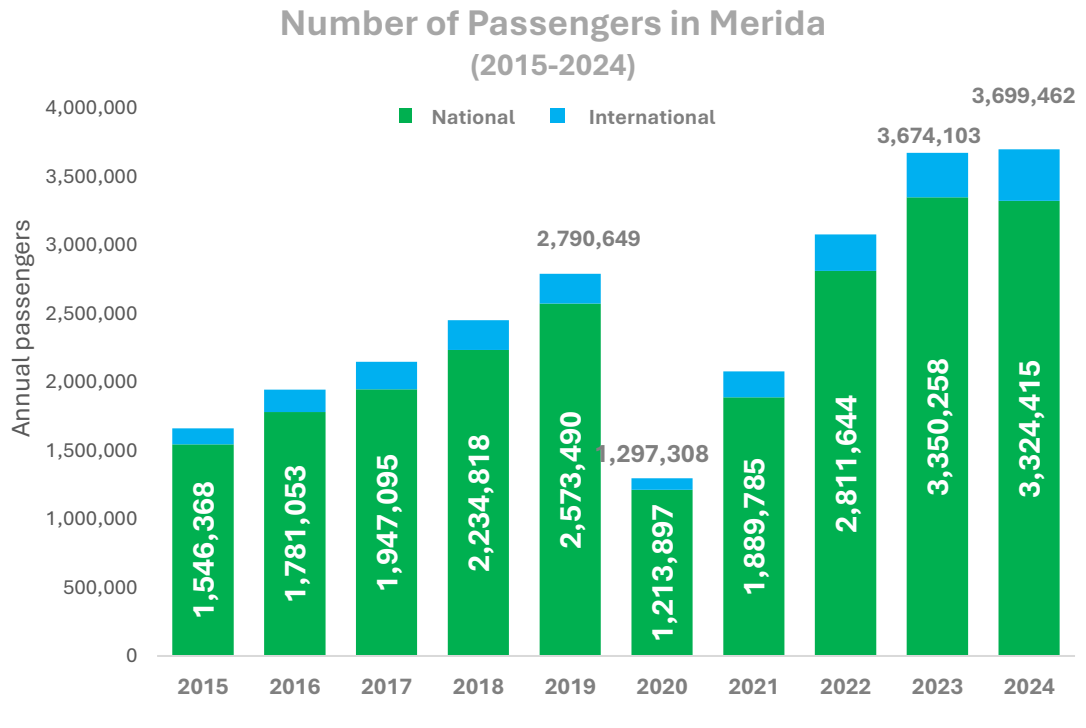
***Note:** Vitol appears to have exited the jet fuel business in the Peninsula.

Operations at Cancún and Mérida Airports

Operations in the Peninsula

- Annual passenger volume at Cancún and Mérida airports continues to grow.
  - In 2023, Cancún Airport reached 32.75 million passengers, 7 million more than in 2019.
    - In 2023, nearly 21 million passengers were international, and only 11.8 million were national.
  - Mérida Airport reached 3.7 million users in 2024, nearly 1 million more than in 2019.
    - Most passengers were national, but nearly half a million were international in 2024.





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SAF

Great Potential in Mexico

MÉXICO

Liters of jet fuel consumed in Mexico over the last decade

45,000 MM

Expected CAGR of the SAF market (2025–2034)

46.2%

Liters of SAF consumption expected in 2030

340 MM

Year from which airlines flying from Europe must use SAF (ReFuelEU)

2025

CANCÚN

2º

Mexico's busiest airport

32.75 MM

Annual passengers in 2023

MÉRIDA

2º

Peninsula's busiest airport

3.67 MM

Annual passengers in 2023

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Strategic Location

- Second most important airport in Mexico
- Access to seaports for importing inputs and exporting products
- Future integration with the Maya Train for fuel transportation

H.E.F.A. **H**ydroprocessed **E**sters **F**atty **A**cids

Technology

- Most mature and certified SAF technology (80% of global production)
- Certified by ASTM D7566 for commercial aviation use
- Commercial-scale ready and compatible with multiple feedstocks

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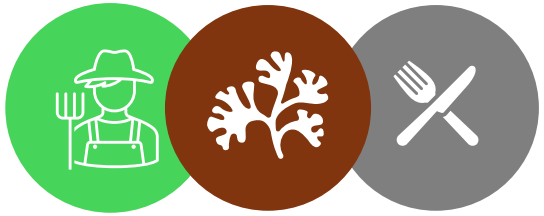

Raw Materials

- **Sargassum:** abundant; solves environmental and tourism issues
- **Used Cooking Oils:** from hotels and restaurants
- **Non-edible Crops (Jatropha and Camelina):** resilient to the Peninsula's climate and do not compete with food production

In addition to its strategic location and one of Mexico's most important airports, the Peninsula has abundant raw materials for SAF production.