MEXARREND®

Corporate Presentation 2Q20 Results

EMPRESA SOCIALMENTE RESPONSABLE

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Mexarrends' Key Milestones

1996 – Docuformas is founded by Adam Wiaktor with a focus on Xerox leasing equipment

DOCUFORMAS

2006 – Docuformas taps local capital markets, becoming the first mid-sized company to issue local debt in the Mexican Market.

Bolsa Mexicana

2008 – Colony Capital (formerly Aureos) invests in Docuformas.

Colony Capital

2014 – Docuformas acquires ARG, a leasing company specialized in transportation , creating the #2 biggest independent leasing player in Mexico.

2015 – Initial integration of the ARG acquisition.

2016 – Docuformas acquires ICI, expanding into the real estate lending business, and finalizes the ARG integration.

2017 – Docuformas taps international markets, issuing U.S. $150 million senior notes with 9.25% coupon.

2018 – Colony Capital and Alta Growth Capital invest U.S. $27 million in Docuformas. Counterparty rating increment to "BB-.

ALTA GROWTH CAPITAL

2019 – Docuformas merge its operative subsidiaries and changes its corporate name to Mexarrend.

Issuance of US $300 million senior notes with 10.25% coupon in the international markets .

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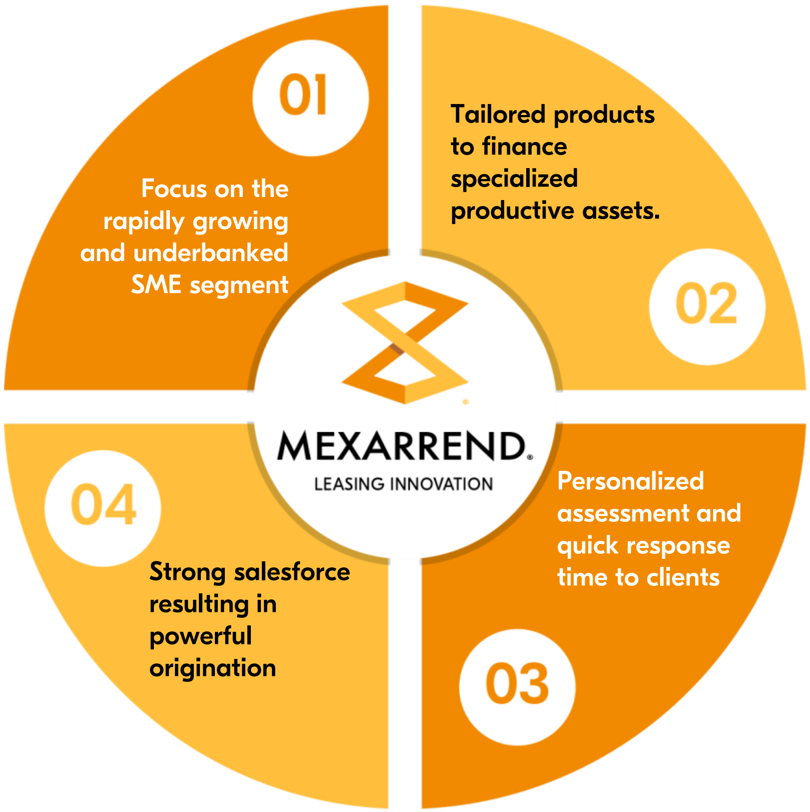
Mexarrend at a Glance

Competitive Advantages

- Leading independent leasing company in Mexico, providing specialized financing including leases, loans and factoring.
- Experienced management team, focused on profitable growth, robust risk management and compliance with high governance standards.
- We target the rapidly growing and under-banked SME segment.
- Tailored products to finance specialized productive assets.
- Personalized assessment and quick response time to clients.

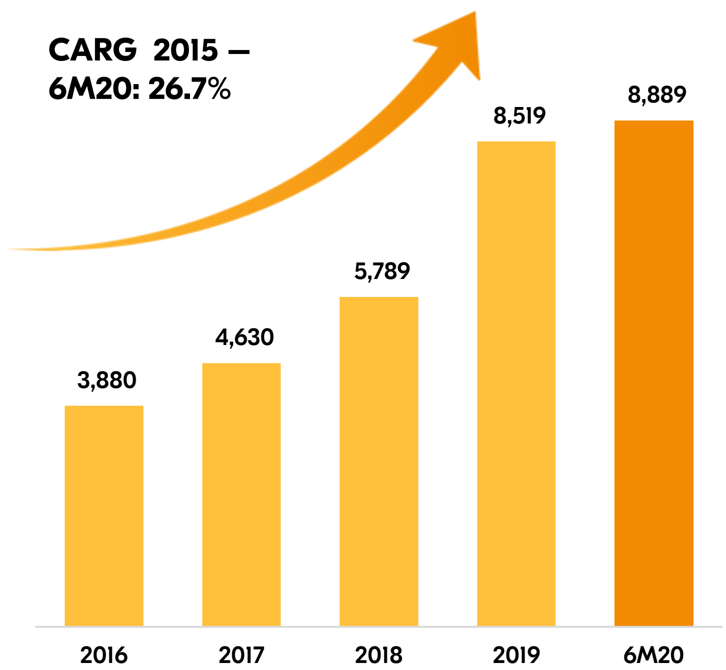


Portfolio Presence

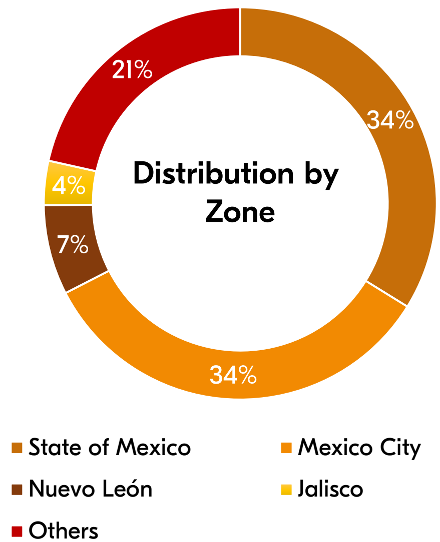
- Geographic reach extends beyond physical presence
- Presence in 30 states, over 93% of the country.

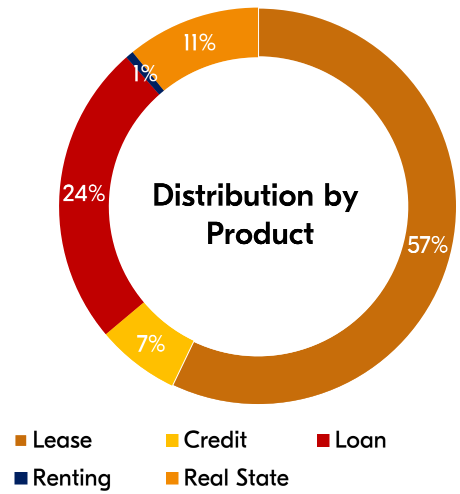
Diversified Portfolio

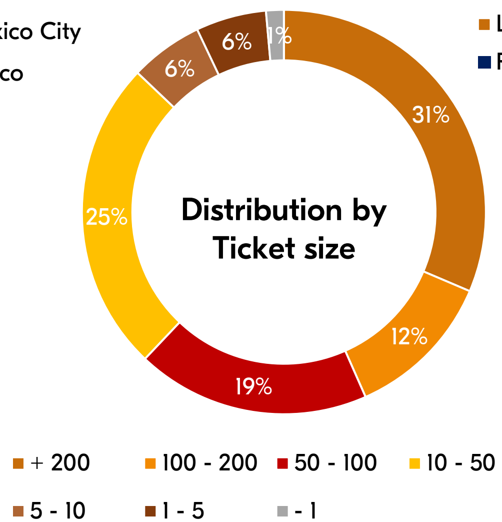
Total Portfolio

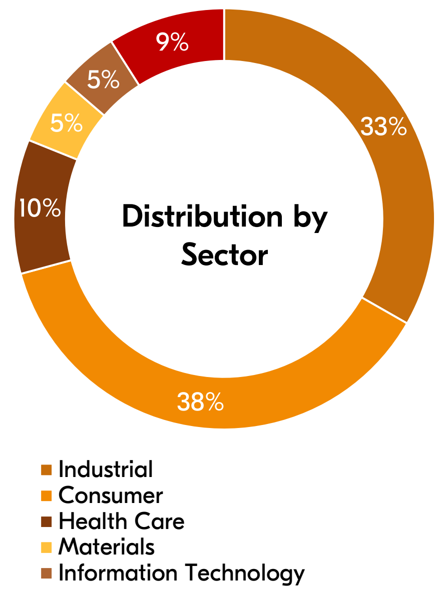


Diversified Portfolio Across Clients and Industries









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Leading and Established Leasing Specialist

1. Diverse product strategy.

2. Rapid origination.

3. Diversified portfolio.

4. Efficient operating platform.

5. Prudent leverage policy.

6. Consistent revenue growth & profitability.

7. Highly experienced team.

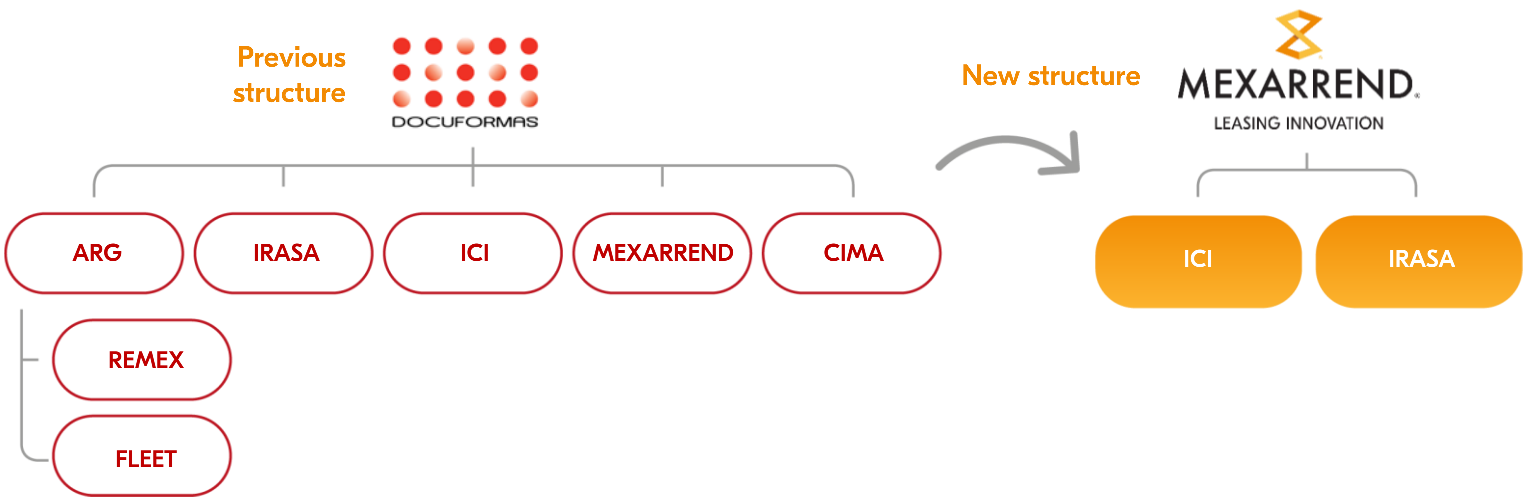
A differentiated and established platform

- 24 years of experience meeting the needs of SMEs in Mexico.
- Tailor-made systems and technology.
- Mix of third-party and in-house IT solutions.
- Robust and efficient origination and collections processes.
- Purchasing power with equipment manufacturers, dealers and suppliers.
- Access to multiple, reliable and competitive funding sources.
- Focus on employee development.

The industry is characterized by "barriers to scaling" rather than barriers to entry, where players' lack of access to financing stands out.

Merger and brand change

- The change of image seeks to leverage on the reputation that Docuformas has in the market, but seeking to improve our products and processes, adapting the best practices in the market.
- The merger process was carried out to simplify the corporate structure of the company, once the integration of the acquisitions made in the last year.



Corporate Structure and Experienced Management Backed by High Profile and Committed Shareholders.

Corporate Structure

Colony Capital Funds
49.8%

Alta Growth
35.7%

Adam Wiaktor
14.5%

Mexarrend, S.A.P.I. de C.V.

Inversiones y Colocaciones Inmobiliarias, S.A.P.I. de C.V / IRASA Internacional SA de CV

- **At the end of 2018, a capital injection of US $ 27 million was received.**
- **New management team, Alejandro Monzo (CEO) and Abelardo Loscos (CFO).**
- **Adam Wiaktor remains a shareholder and board member.**

Corporate Structure and Experienced Management Backed by High Profile and Committed Shareholders.

Highly Qualified and Renowned Board of Directors with Strong Investors

8 Members

- **Miguel Ángel Olea** – Chairman
- **Miguel Ángel Noriega** – Observer
- **Eduardo Cortina** – Board Director
- **Ignacio Gómez-Urquiza** – Board Director
- **Alberto Mulás** – Independent
- **Javier García-Teruel** – Board Director
- **Erik Carlberg y González de la Vega** – Board Director
- **Adam Wiaktor** – Board Director & Special Advisor

ColonyCapital

- ✓ US international investment firm
- ✓ Over 27 years of practical investment experience
- ✓ US$43 Bn of Assets Under Management

ALTA GROWTH CAPITAL

- ✓ Mexican middle market Private Equity fund
- ✓ Over 10 years of investment experience
- ✓ ~US$350 MM of Assets Under Management

Well-Designed and Flexible Product Offering

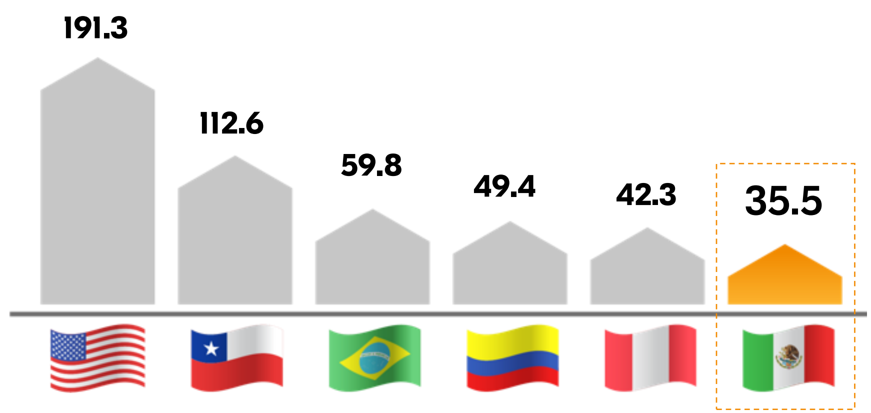
Leasing	**Capital**	Product lease with option to purchase at the end of the term.	24-36 months MX $1-40mm
	Equipment	Product lease without option to purchase at end of the term.	
	Real Estate	Sale and lease back of real estate assets.	5-7 years MX $15-60mm
Renting		Equipment leasing with supplies, service and maintentance.	12-36 months MX $1-10mm
Financing	**Cash**	Secured and unsecured cash loans as non-asset-based lending.	24-36 months MX $1-40mm
	Equipment	Purchase and resale or lease of equipment with financing. Equipment serves as collateral.	

Underserved Mexican SMEs

Why are SME clients underbanked?

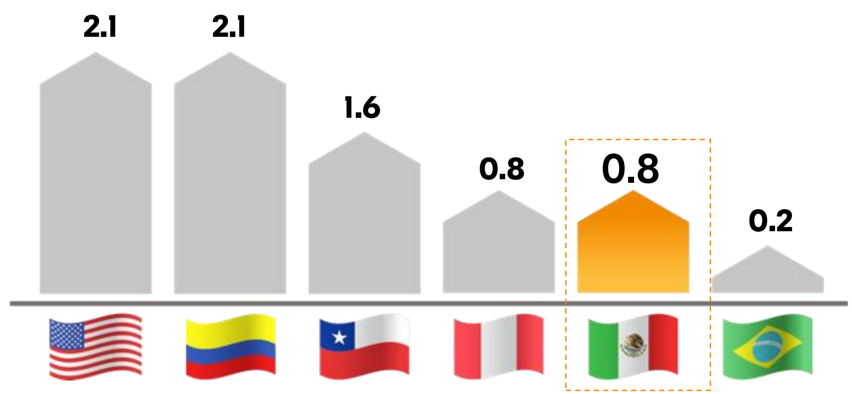
- **Banks are not set up to cater to SMEs' needs.**
- **Banks have heavy fixed cost structures that make SMEs unattractive clients due to smaller "ticket size".**
- **Banks' reputational and legal risk burden makes KYC* requirements onerous.**
- **Banks have stricter reserve and capitalization requirements.**

Domestic credit to the private sector (% of 2017 GDP)



Opportunity for financing, particularly in the leasing space

% leasing volume (as of 2017 GDP)



Effective Direct and Indirect Sales Forces

Direct sales force

70 employees

Directors

Managers

Estructura de equipo de muestra

Business Units / Marketing and Contact

Salesforce platform engaged in the whole process from origination to collection

Indirect sales force

Vendors

Others (+20

Brokers

+37external brokers

Fast and Disciplined Credit Approval

Credit approval process

Credit package → Risk analyses → Credit committee → Legal review → Documentation and closing

Constant communication with potential clients throughout the assessmentprocess

- Credit process enables turnaround times of 5 to 15 business days1, significantly faster than a traditional bank.
- Independent members strengthen the Credit Committee.
- The Company follows strict risk assessment processes incorporating quantitative and qualitative parameters.

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Efficient Collection Process

The collection process is greatly facilitated by Mexarrend maintaining ownership of leased assets.

Invoice

Automatically generated on the 5th day of every month

Invoice Generation

Compensation structure incentivizes successful collection

Current

(<30 days)

Payment received by the end of the month.

No payment received by the end of the month.

Constant dialogue enables Business Units to spot credit risks early on

Past due

(31 to 90 days)

Payment or revised payment schedule negotiation.

Failure to pay within 90 days of receiving invoice.

Negotiations are facilitated by pledged assets & guarantees as well as legal action and repossession

Non-performing / repossession

(>90 days)

Contracts are marked as non-performing

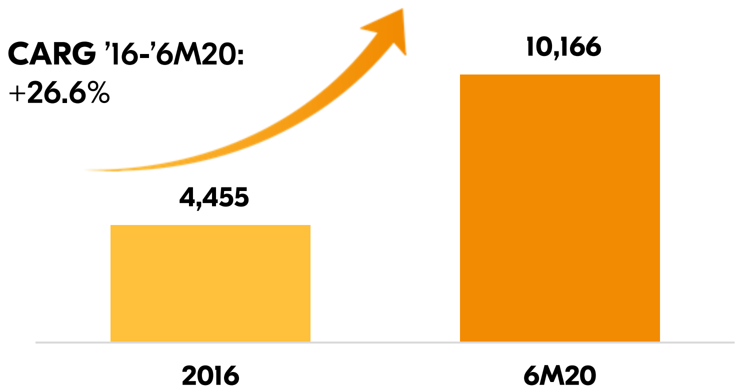
Payment or revised payment schedule negotiation.

Repossession, re-lease or sale after 120 days.

Assets generally have strong secondary markets.

Origination and Top-Line Growth

Net Earning Assets
Ps$ MM



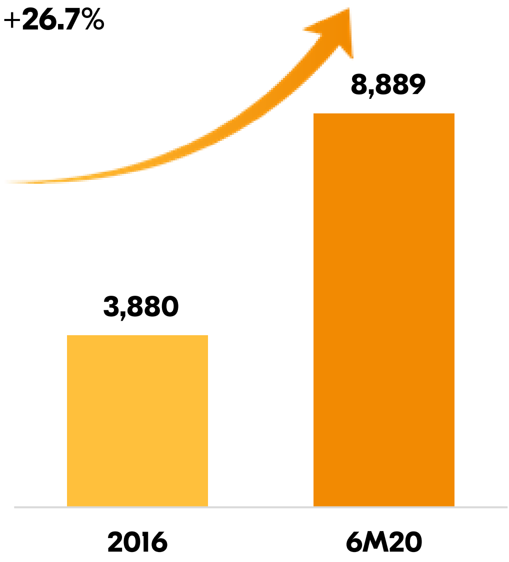
Consistent top line growth year over year since its inception ,due to:

- ✓ **Specific target market**
- ✓ **Competitive go to market strategy**
- ✓ **Strong corporate practices**
- ✓ **Experienced management**

Solid Gross Profit Growth with Positive Bottom-Line

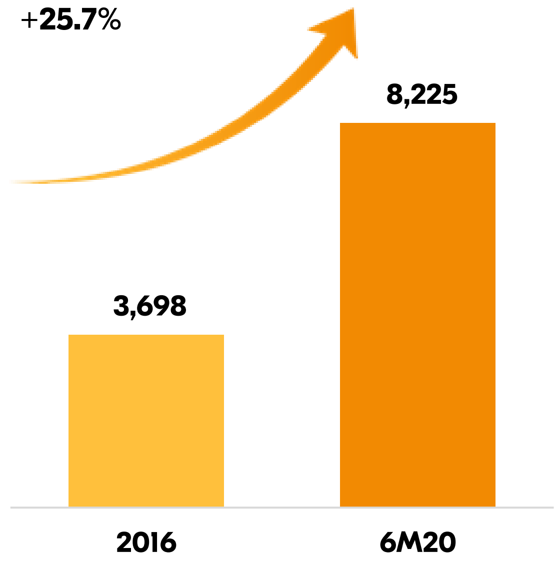
Total Portfolio
MXN MM

CARG '16- '6M20:
+**26.7%**



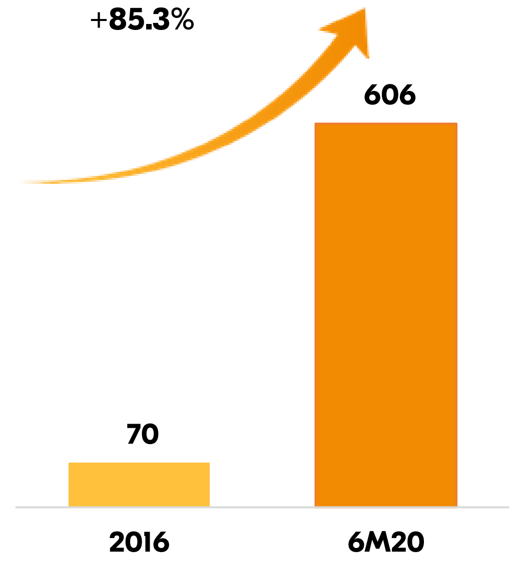
Leasing Portfolio
MXN MM

CARG '16-'6M20:
+**25.7%**



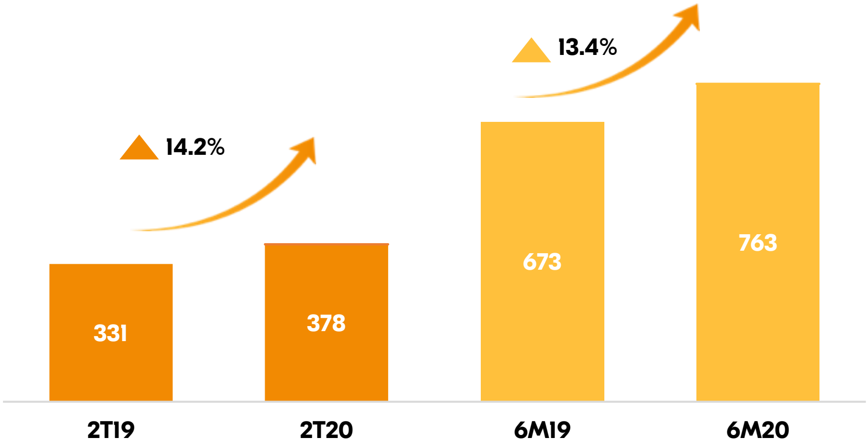
Credit
MXN MM

CARG '16-'6M20:
+**85.3%**

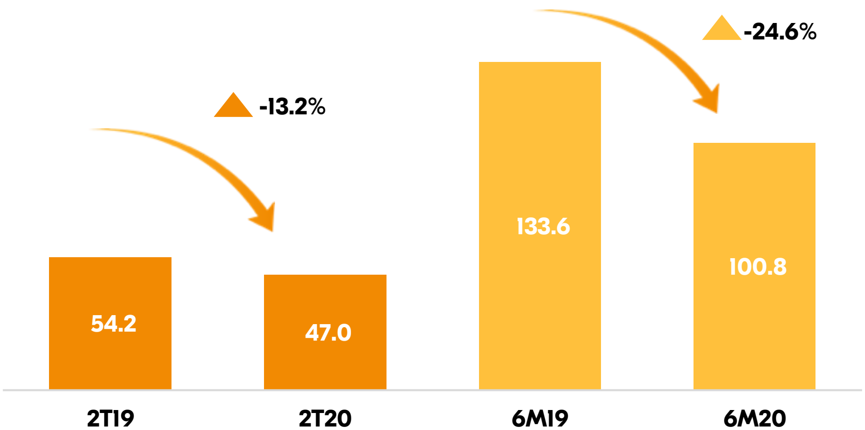


Solid Gross Profit Growth with Positive Bottom-Line

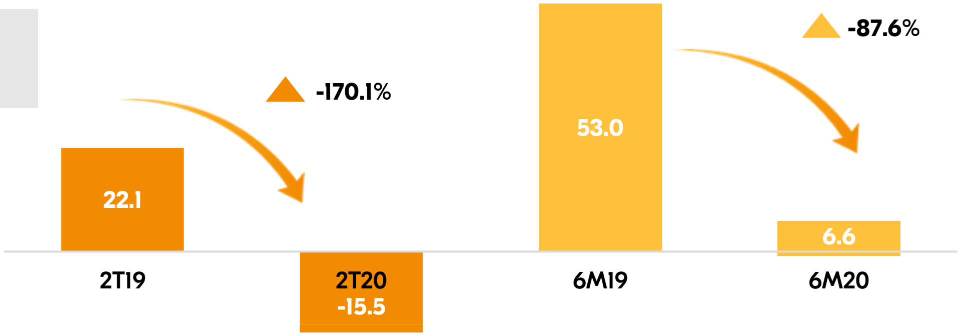
Revenues
MXN MM



Operating Income
MXN MM



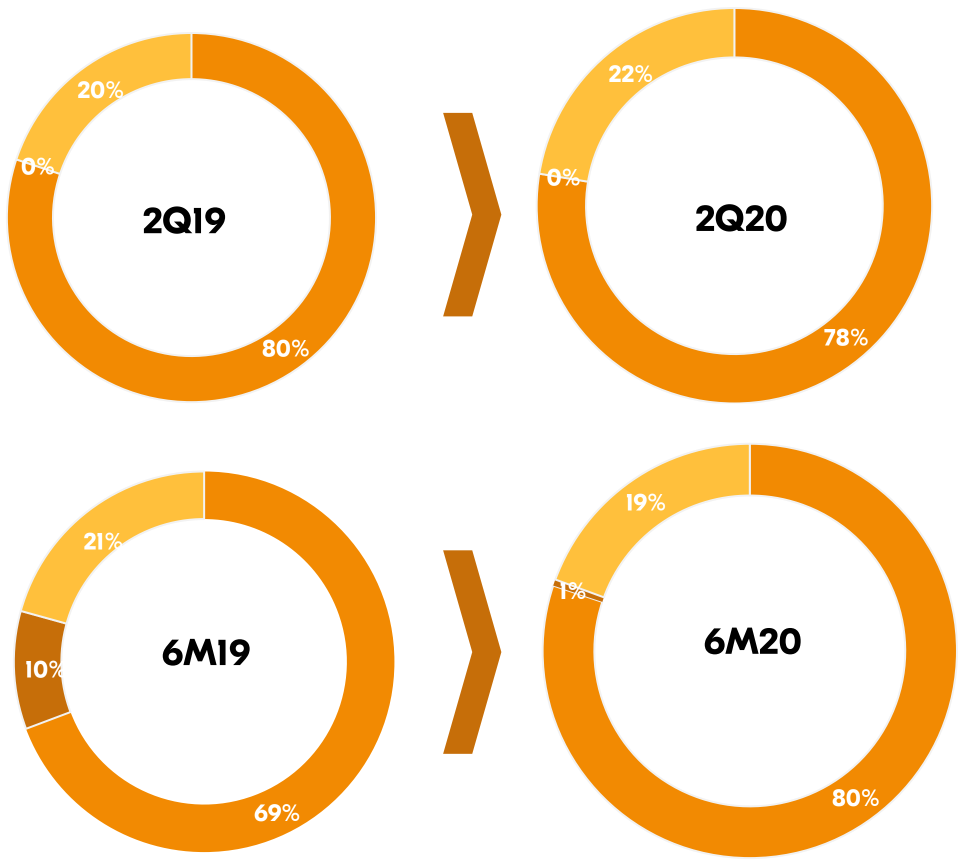
Net Income
MXN MM



Solid Gross Profit Growth with Positive Bottom-Line

Revenue by Business Line

MXN MM



Interest capital leases

Equipment financing

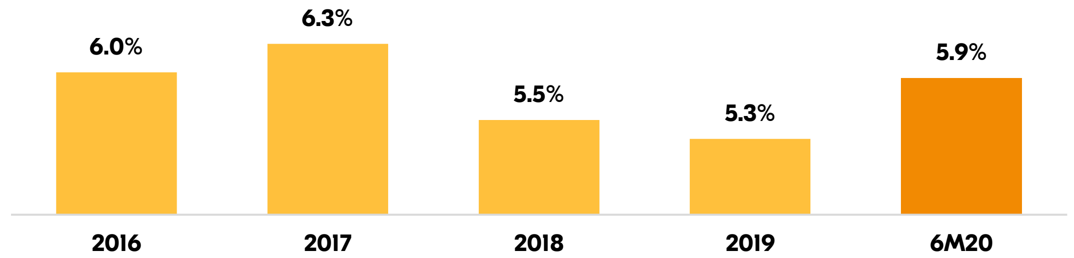
Operating leases


WEDNESDAY
TUESDAY
MONDAY

Robust Asset Quality

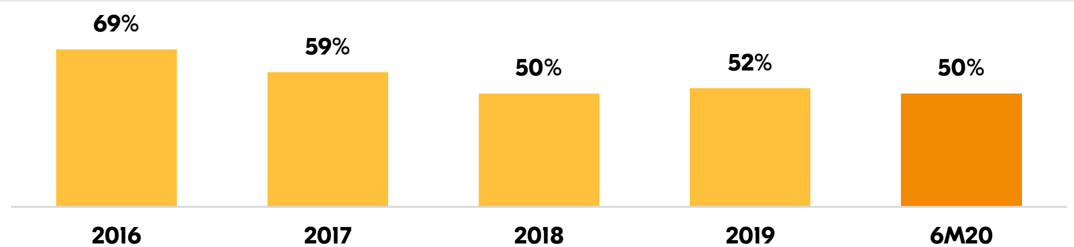
Ratio of non-performing leases (%)

Non-performing lease portfolio1 / total portfolio



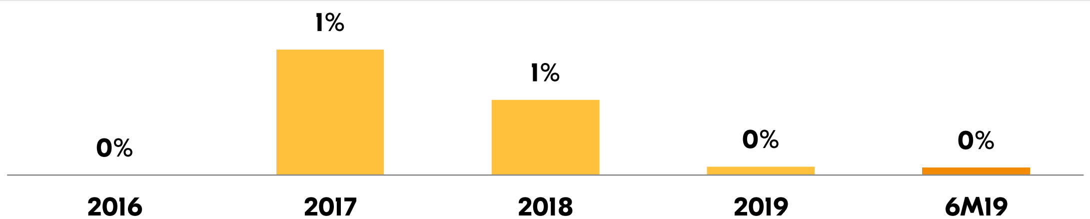
Coverage ratio (%)

Ending reserves / Non-performing lease portfolio1



Write-offs (% of portafolio)

Write-offs / Total portfolio



Mitigants

- **Focus on productive assets minimizes the risk of non-payment.**
- **Strong secondary market for productive assets.**
- **Collateral is executable and disposable.**
- **The Company maintains insurance policies covering 100% of its underlying assets.**
- **Guarantees on assets minimize “real loss”, reinforced by a conservative approach to NPLs.**

Strong Balance Sheet

Global

	2017	2019	2T20
S&P	B+	BB-	B
Fitch Ratings	B+	BB-	B+

Local

	2017	2019	2T20
HR Rating	HR A-	HR A	HR A
Fitch	BBB+	BBB+	BBB+

- Balance sólido, respaldado por niveles de apalancamiento conservadores

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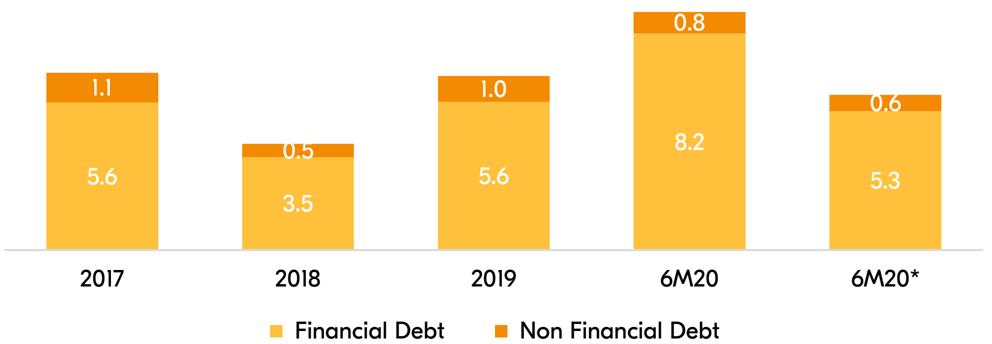
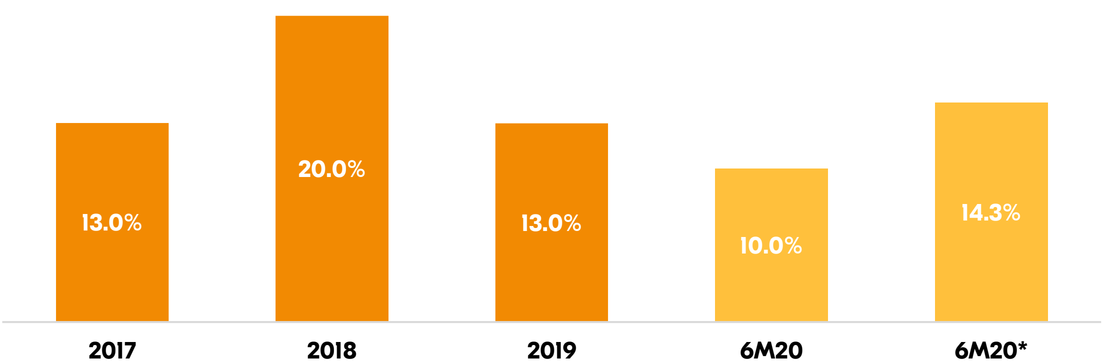
Strong Balance Sheet

Disciplined Leverage



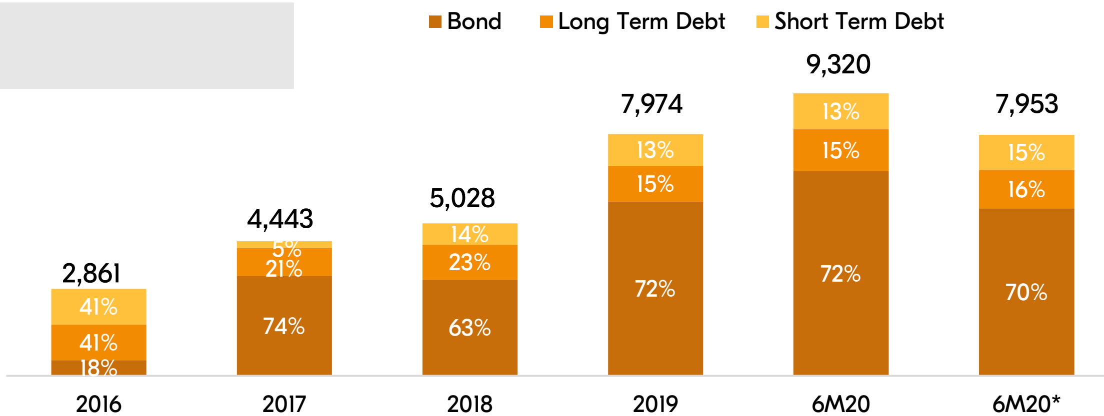
*Note: Consider the hedges that we have in place for the financial debt and do not consider the OCI account of the equity that reflects the variations on the fair market value of the aforementioned hedges..

Capitalization Ratio



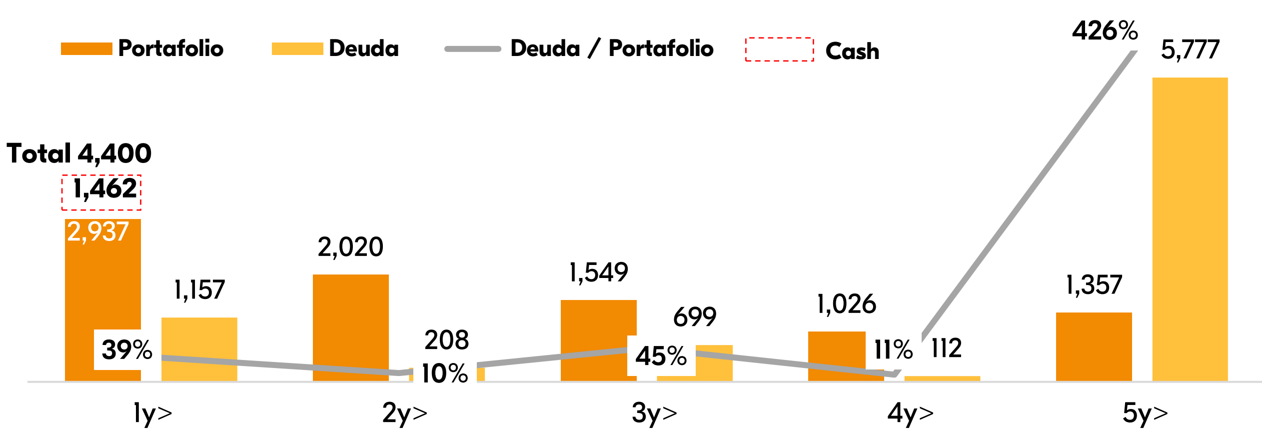
Well-Diversified Sources of Funding and Adequate Run-off

Well-diversified Sources of Funding
MXN MM



* Note: Consider the hedges that we have in place for the US$ denominated financial debt. .

Current Debt & Portfolio Profile
MXN MM



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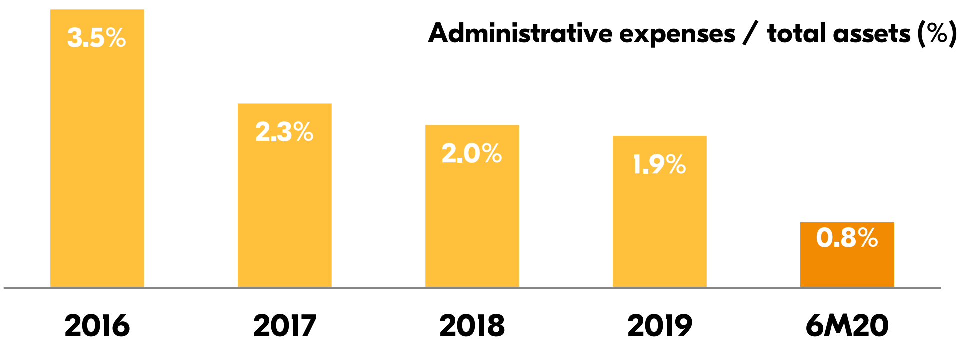
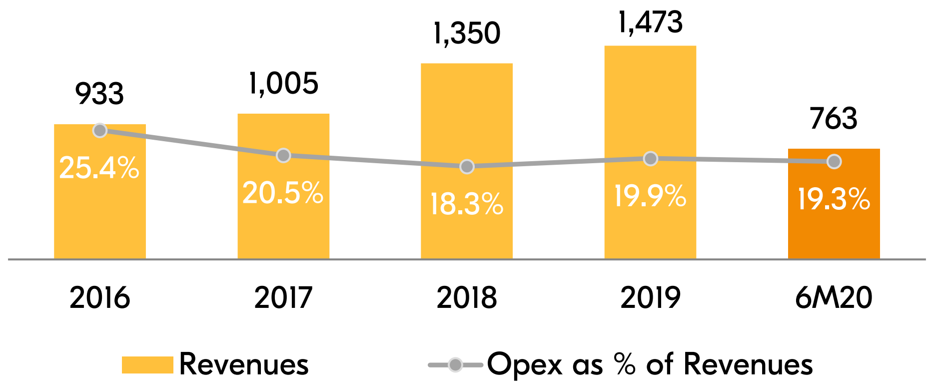
High Levels of Operational Efficiency

Strong levels of operational efficiency have historically been achieved



Efficiency ratio (%)



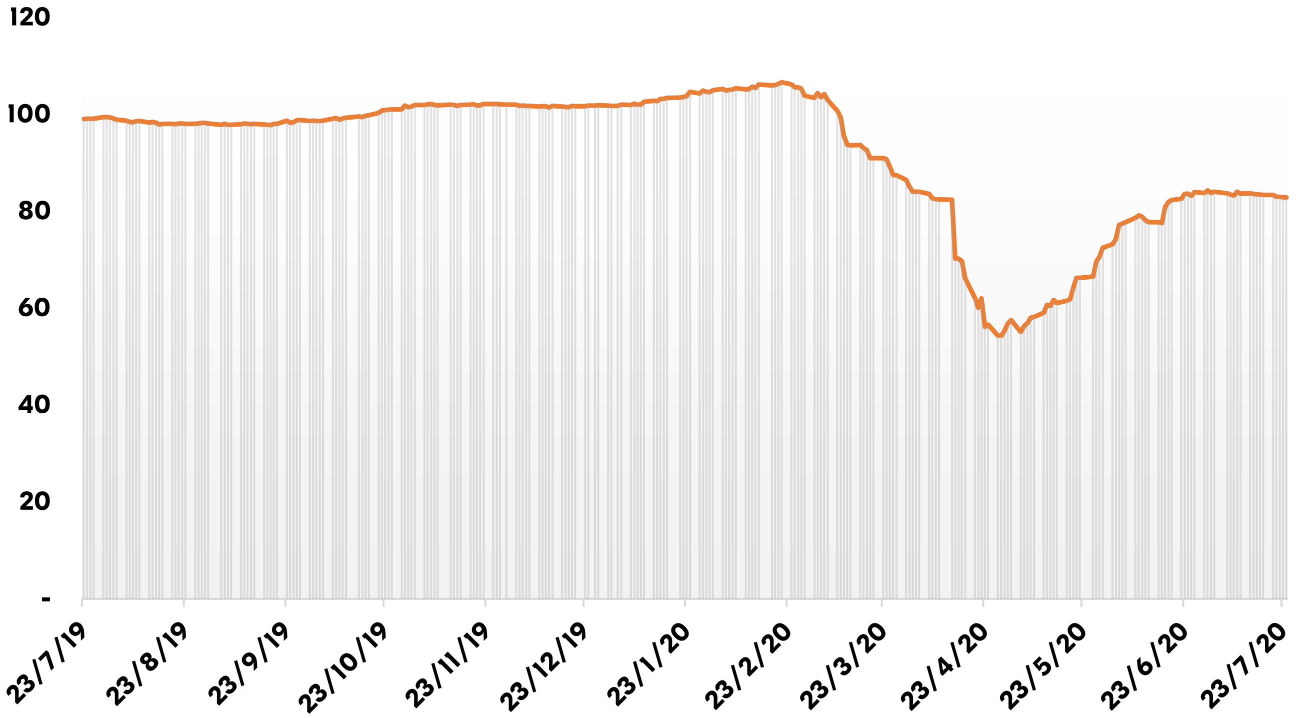
The sales force operates under a variable compensation structure

Sales Force Incentives Aligned with Origination Quality

- Business units are in charge of the collection process as well as origination
- Compensation structure aligns incentives
- Incentive-based compensation structure:
- Sales person receives full commission at the moment the sale is closed
- Clawback mechanism if the loan / lease non-perform within the next 12 months

Bond Performance (BMV: DOCUFOR)

Performance of the bond issued in July 2019 for US$300 million with a 5-year term (2024) and a coupon of 10.250% is shown below. The recent performance of the has been impacted by the volatility and uncertainty of the markets due to the COVID-19 pandemic.



Fuente: Bloomberg con información al cierre del mercado del 24 de julio de 2020.

Financial Summary

Financial and Operating Summary

Financial Metrics	2Q19	2Q20	Var. %	6M19	6M20	Var. %
Total Revenues	331.1	378.1	14.2%	672.7	763.0	13.4%
Cost of Sales	198.0	259.7	31.2%	389.9	515.1	32.1%
Gross Profit	133.1	118.5	(11.0)%	282.8	248.0	(12.3)%
Gross Margin (%)	40.2%	31.3%	(890)pbs	42.0%	32.5%	(950)pbs
Operating Expenses	78.9	71.4	(9.5)%	149.2	147.2	(1.3)%
Operating Income	54.2	47.0	(13.2)%	133.6	100.8	(24.6)%
Operating Margin (%)	16.4%	12.4%	(400)pbs	19.9%	13.2%	(670)pbs
Other (income), expenses, net	0.4	2.1	NA	0.5	4.1	NA
Comprehensive Financing Result	26.9	62.2	131.2%	74.2	89.3	20.4%
Income before Income Taxes	26.9	(17.2)	NA	58.9	7.3	(87.6%)
Income Taxes	4.7	(1.7)	NA	5.9	0.7	(88.1%)
Net Income	22.1	(15.5)	NA	53.0	6.6	(87.6)%
Net Income Margin (%)	6.7%	(4.1)%	NA	7.9%	0.9%	(700)pbs

Operating Metrics	6M19	6M20	Var. %
Total Portfolio	7,325.6	8,889.2	21.3%
Leasing	6,490.1	8,225.3	26.7%
Credit and Factoring	786.3	605.8	(23.0)%
Services	49.2	58.1	18.1%
Non-Performing Loans	5.2%	5.9%	70pbs
Real Estate Portfolio	909.0	1,277.2	40.5%
Net Productive Assets	8,234.6	10,166.4	23.5%

Financial Ratios	6M19	6M20	Var. %
R O A A (annualized)	1.5%	0.1%	(140)pbs
R O A E (annualized)	9.3%	1.0%	(830)pbs
Financial Debt / Stockholders' Equity*	3.6x	5.3x	1.7x
Capitalization (Stockholders' Equity / Total Assets)*	19.4%	14.3%	(510pbs)
Stockholder's Equity/ Total Portfolio*	21.2%	17.0%	(420pbs)
Leasing Portfolio / Total Portfolio	88.6%	92.5%	3.9%
Total Portfolio / Financial Debt*	1.3x	1.1x	0.2x
Current Assets / Current Liabilities	1.4x	1.9x	0.5x

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Income Statement (MXN MM)

REVENUES	2Q19	2Q20	Var. %	6M19	6M20	Var. %
Interest on capital leases	265.2	293.4	10.6%	466	611.2	31.2%
Equipment financing	-	-	-	67.5	3.8	-
Operating leases	65.9	84.7	29%	139.2	148	6%
Total income	331.1	378.1	14.2%	672.7	763	13.4%
COSTS						
Interest expense	159.1	219.1	37.7%	271.4	440.7	62.4%
Equipment financing	-	-	-	49.4	4.5	(90.1)%
Depreciation of assets under operating leases	38.9	40.6	4%	69.1	69.8	1%
Total costs	198	259.7	31.2%	389.9	515.1	32.1%
GROSS INCOME	133.1	118.5	(11.0)%	282.8	248	(12.3)%
Selling expenses	18.5	7.3	(60.5%)	31.2	19.1	(38.8%)
Administrative expenses	44.2	46.1	4.3%	86.8	93.1	7.3%
Loan loss reserve	16.2	18	11%	31.2	35	12%
Operating expenses	78.9	71.4	(9.5%)	149.2	147.2	(1.3%)
OPERATING INCOME	54.2	47.0	(13.2)%	133.6	100.8	(24.6)%
Other (income) expenses, net	0.4	2.1	425.0%	0.5	4.1	720.0%
Interest income	(19)	(19.6)	3.2%	(26.8)	(48.2)	79.9%
Interest expenses	23.4	51.6	120.5%	57.3	106.9	86.6%
Net exchange loss (profit)	(33.4)	(362)	983.8%	(81.2)	1,359.8	NA
Valuation of financial derivative instruments	30.8	349.9	1036.0%	72.7	(1,410.0)	NA
Premiums of financial derivate instruments	25.1	42.4	68.9%	52.2	80.8	54.9%
Comprehensive financing result	26.9	62.2	131.2%	74.2	89.3	20.4%
INCOME BEFORE INCOME TAXES	26.9	(17.2)	NA	58.9	7.3	(87.6)%
Taxes	4.7	(1.7)	NA	5.9	0.7	(88.1)%
NET INCOME	22.1	(15.5)	NA	53.0	6.6	(87.6)%

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Balance sheet (MXN MM)

ASSETS	6MT19	6M20	Var. %
CURRENT ASSETS			
Cash and cash equivalents	713.7	1,462.5	104.9%
Accounts receivable	2,412.5	2,368.4	(1.8)%
Loan loss reserve	(188.7)	(266.3)	41.1%
Taxes to recuperate	205.1	270.6	31.9%
Sundry debtors	19.8	2.0	(90.0)%
Related party debtors	47.9	0.0	(100.0)%
Other assets	29.5	139.7	373.7%
Inventory	10.6	21.0	98.0%
TOTAL CURRENT ASSETS	3,250.4	3,997.9	23.0%
NON-CURRENT ASSETS			
Property, plant and equipment - net	1,292.8	1,745.3	35.0%
Long-term receivables	2,993.8	4,267.8	42.6%
Other assets	82.1	93.3	13.6%
Financial derivative instruments	26.8	790.4	2849.1%
Deferred taxes	148.7	256.8	72.7%
Intangible assets	234.2	234.2	0.0%
TOTAL NON-CURRENT ASSETS	4,778.4	7,387.7	54.6%
TOTAL ASSETS	8,028.8	11,385.6	41.8%

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Balance sheet (MXN MM)

LIABILITIES			
CURRENT LIABILITIES			
Current portion of long-term debt	1,600.1	1,176.7	(26.5)%
Accounts payable	49.7	13.0	(73.8)%
Sundry creditors	696.7	899.3	29.1%
Related party creditors	6.3	14.1	124.2%
Income taxes and other taxes payable	31.7	0.3	(99.0)%
TOTAL CURRENT LIABILITIES	2,384.5	2,103.5	(11.8%)
NON-CURRENT LIABILITIES			
Long-term debt	4,012.5	8,143.6	103.0%
Deferred income tax	129.8	-	(100.0)%
TOTAL NON-CURRENT LIABILITIES	4,142.3	8,143.6	96.6%
TOTAL LIABILITIES	6,526.8	10,247.2	57.0%
STOCKHOLDERS' EQUITY AND RESERVES			
Capital stock	1,322.8	1,322.8	0.0%
Retained earnings	180.1	184.2	2.3%
Valuation of financial derivative instruments	(53.9)	(375.1)	596.0%
Current year net income	53.0	6.6	(87.6)%
TOTAL STOCKHOLDERS' EQUITY AND RESERVES	1,502.0	1,138.4	(24.2%)
LIABILITIES + STOCKHOLDERS' EQUITY	8,028.8	11,385.6	41.8%

COVID-19 Contingency Plan

COVID-19 Contingency Plan

During 2Q 2020 we worked remotely, demonstrating the efficiency of our BCP ("Business Continuity Plan"). Starting in the second week of July, we began to gradually reincorporate our team of collaborators into the offices, always prioritizing the health and safety of our staff, in accordance with the protocols indicated.
We continue to implement the strategy that we defined a few months ago, based on the following points:

- Our priority is to maintain adequate levels of liquidity and capitalization ratios. We only plan to expand our portfolio and client base if economic conditions allow it.

- We are monitoring collections closely and with extreme care, keeping in frequent contact with all clients. Given the diversification of our portfolio and our careful selection of both loans and clients, we are confident that the quality of our assets will remain robust and healthy, even with the impact of this crisis.

COVID-19 Contingency Plan

- Considering the risks, and the impact of the crisis, caused by the COVID-19 pandemic, on our operations, we will be supporting our existing clients and their liquidity to the extent possible, always ensuring that we have the guarantees in place to support these operations. We have carefully selected our clients, and we are duly diversified both geographically and by sector.

- We have a healthy and robust debt profile, with low amortizations in the short and medium term, as most of our maturities correspond to the international bond issuance that matures in 2024 (bullet payment). Our liquidity levels are high and appropriate to navigate the current market situation of high volatility and uncertainty.

- Our coupons for the international debt denominated in USD for both the 2022 and 2024 bonds are covered through cross currency swaps until maturity, protecting them from any variation in foreign exchange rates.

- We have modified our shareholder agreement, in which Mexarrend shareholders extended the option which was originally considered to contribute additional equity that expired in February 2020, until the end of 2020. They are committed to Mexarrend's growth and long-term generation of value.

COVID-19 Contingency Plan

- Starting in March, we began a rapprochement plan with the entirety of our client portfolio in order to understand their liquidity, financial position and business needs in the new environment.

- Negotiations were tailored in order to offer an adequate solution for each client. In most cases, a 3-month grace period for monthly payments and increasing payments for the remainder of 2020 was offered. This was analyzed on a case-by-case basis to ensure that we were managing a temporary liquidity issue and not a solvency issue.

- The results are shown below, by the client and by the industry in which a change to the original payment scheme was negotiated. The results show the number of accounts as a percentage of the total portfolio.

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Plan Cero Summary

Sector	Total Portfolio Accounts	Total Portfolio %	Plan Cero Accounts	Plan Cero %
Health Care Equipment & Services	269	34.4%	44	16.4%
Transportation	81	10.4%	22	27.2%
Commercial & Professional Services	56	7.2%	8	14.3%
Materials	54	6.9%	8	14.8%
Consumer Services	53	6.8%	12	22.6%
Capital Goods	50	6.4%	6	12.0%
Media	35	4.5%	11	31.4%
Diversified Financial Services	35	4.5%	3	8.6%
Consumer Durables & Apparel	21	2.7%	6	28.6%
Software & Services	21	2.7%	2	9.5%
Retail	16	2.0%	5	31.3%
Food & Staples Retailing	16	2.0%	2	12.5%
Real Estate	13	1.7%	1	7.7%
Automobiles & Components	12	1.5%	5	41.7%
Food, Beverage & Tobacco	11	1.4%	0	0.0%
Insurance	10	1.3%	0	0.0%
Pharmaceuticals, Biotechnology & Life Science	8	1.0%	3	37.5%
Telecommunication Services	7	0.9%	0	0.0%
Technology, Hardware & Equipment	7	0.9%	0	0.0%
Energy	3	0.4%	1	33.3%
Household & Personal Products	2	0.3%	0	0.0%
Banks	2	0.3%	0	0.0%
Total Portfolio	**782**	**100.0%**	**139**	**17.8%**

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All figures are expressed in Mexican Pesos unless otherwise stated, and were prepared in accordance with the requirements from the National Banking and Securities Commission (CNBV). Figures for year ended 2015, 2016, 2017 and 2018 were assessed by independent auditors Galaz, Yamazaki, Ruiz Urquiza, S.C. (Members of Deloitte Touche Tohmatsu Limited).