



MEXARREND®

3Q21 Corporate Presentation



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Company Overview

Mexarrend at a Glance

Business Description

- Asset-based lender specialized in providing financing solutions for the acquisition of productive assets and equipment to Small and Medium Enterprises ("SMEs")
- Different and complementary business lines to cover our SME target segment
- Presence in 100% of Mexico



Capital Leases

Leasing products for various types of equipment with purchase option



Financing

Includes cash financing and equipment financing



Operating Leases

Leasing products for various types of equipment without purchase option

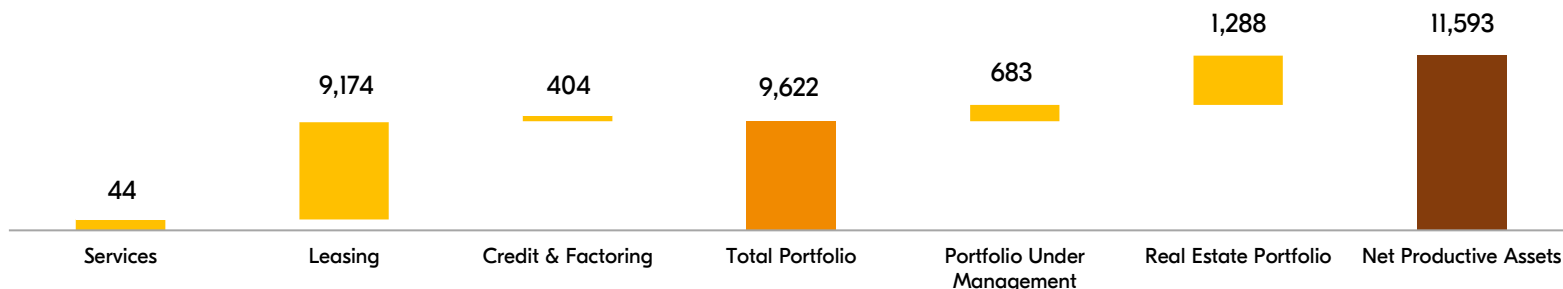


Renting

Equipment leasing with supplies, service and maintenance required

Net Productive Assets ("NPA") Breakdown by Product

As of 3Q21 | MXN\$ MM



Key Financial Highlights

	9M20	9M21	Var. %
Total Revenues	1,114	1,435	28.8
Net Income	18	55	205.0
Comprehensive Financing Result	150	234	56.0
Total Portfolio	9,056	9,622	6.3
Total Assets	10,964	11,387	3.9
Shareholder's Equity & Reserves ("SE")	1,195	1,810	51.5
Financial Debt*/Shareholders' Equity*	5.2x	4.6x	(0.6)x
Capitalization* (SE*/Total Assets*)	14.9%	16.9%	200pbs
SE*/Total Portfolio	16.8%	19.4%	260pbs
R O A A	0.2%	0.7%	50pbs
R O A E*	1.6%	4.4%	280pbs
Credit Rating (Fitch, Global)	B+	B+	-

**Net financial ratios, not accounting for the effects caused by variations in the exchange rate for the quarter due to the debt coverage, eliminating the effect of the OCI on Shareholders Equity*

Mexarrend 360°: Unique Proposition to Cover the Mexican Market

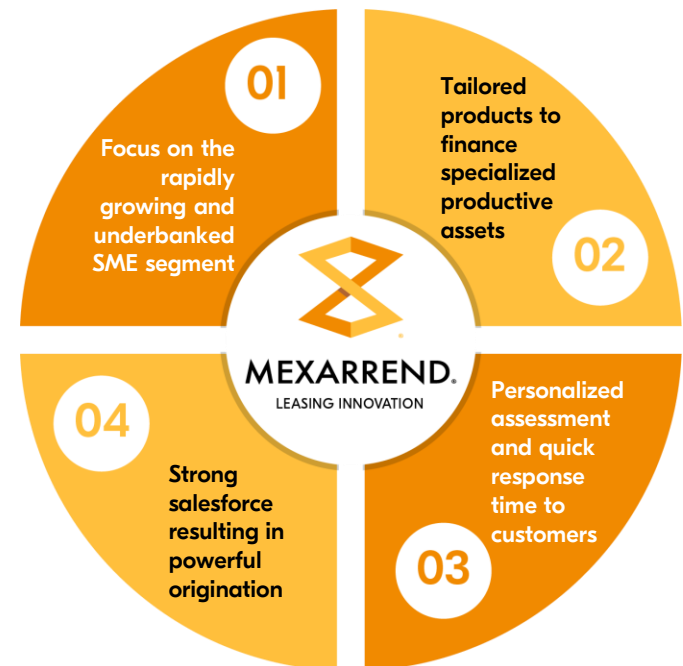
Lender covering the entire relevant market through four specialized divisions:



Key Milestones and Integrated Business Model



Business Model



Relevant Events as of September 2021



On February 10th, 2021, Mexarrend signed a warehousing revolving credit facility with Credit Suisse AG, Cayman Islands Branch, for \$3 billion pesos. The facility is structured to allow additional financing up to a total of \$4.2 billion pesos



On May 7th, 2021, Mexarrend renewed its short-term and long-term local bond issuance program ("*Certificados Bursátiles*") for up to \$2 billion pesos in the Bolsa Institucional de Valores ("BIVA") with a 5-year term. The program was rated "F2 (mex)" by Fitch and "HR2" by HR Ratings

On August 13th, 2021, Mexarrend received approval from the Mexican National Banking and Securities Commission ("CNBV") to update its local bond issuance program. The update allows short-term issuances to be for up to \$1.5 billion pesos, while the remainder will be for long-term issuances

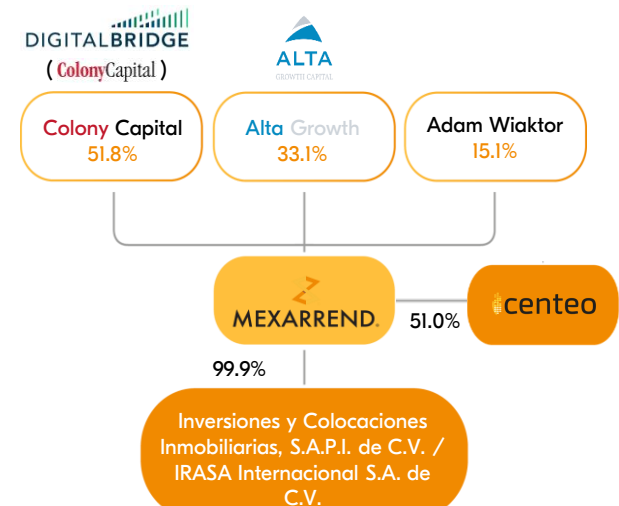


On June 8th, 2021, Mexarrend announced the release of its first sustainable product: Value Green Lease. The product stems from Mexarrend's commitment to drive constructive change in the market, having a positive environmental impact and helping in the reduction of CO2 emissions



On March 30th, 2021, Mexarrend's three existing groups of shareholders successfully completed the subscription of the \$10 million-dollar capital increase agreed in the shareholder's resolutions of December 30th, 2020

Shareholder's Structure



Key Investment Highlights

Asset-Based Lender Serving SMEs



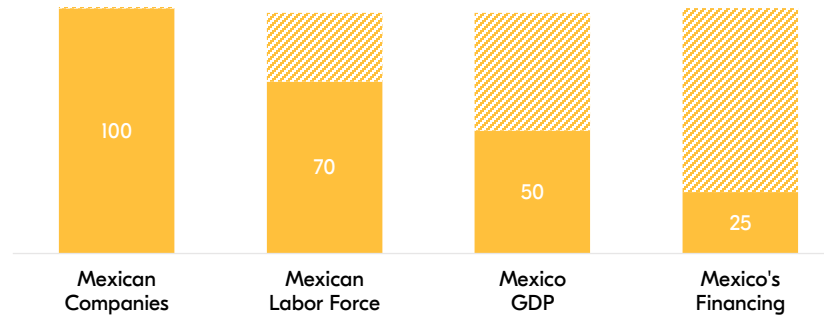
1. Mexarrend Attends Underserved Mexican SMEs...

Why are **SMEs** 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

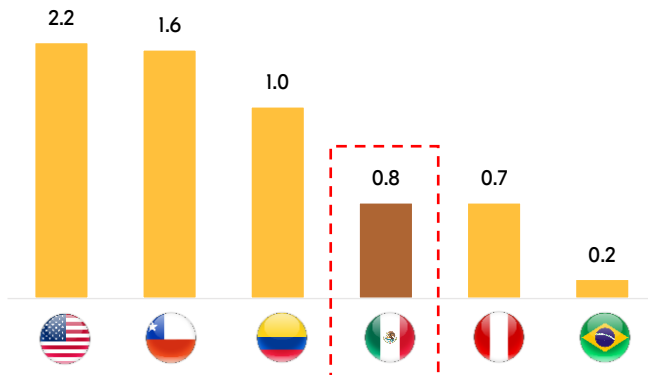
Within Companies, Mexican **SMEs** are Underserved...

% As of 2017



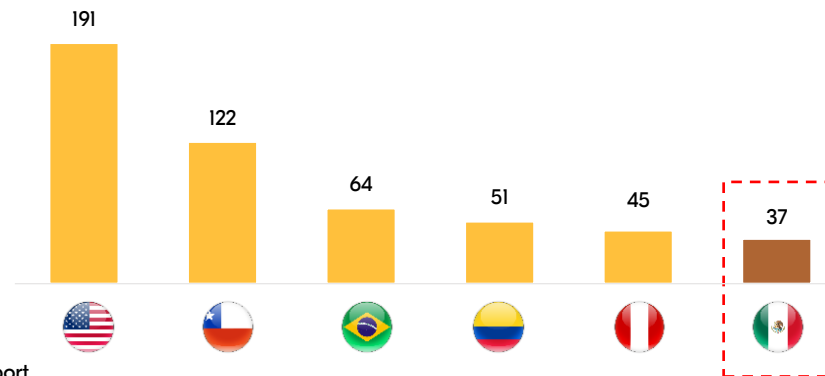
Leasing Volume

% As of 2019 of GDP






Domestic Credit to the Private Sector

% As of 2019



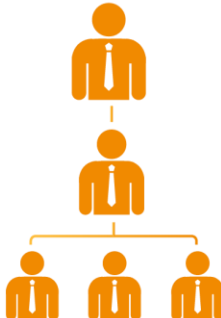
Sources: CNBV, the World Bank and White Clarke Group Global Leasing Report

1. ...With Well-Designed and Tailored Products



Product Type		Description	Tenor Range	Indicative Amounts Range
	Capital Lease	<ul style="list-style-type: none"> Leasing products for various types of equipment Option to purchase at the end of the lease term 	12 - 48 months	MXNS 1 - 40 MM
	Operating Lease	<div>Equipment</div> <ul style="list-style-type: none"> Leasing products for various types of equipment No option to purchase at the end of the lease term <div>Real Estate</div> <ul style="list-style-type: none"> Sale and lease-back of Real Estate assets Option to purchase at the end of the lease term 	24 - 60 months	MXNS 1 - 40 MM
	Renting	<ul style="list-style-type: none"> Integrated leasing and management solutions Equipment leasing with supplies, service and maintenance required by the included equipment 	12 - 36 months	MXNS 1 - 10 MM
	Financing	<div>Cash</div> <ul style="list-style-type: none"> Secured cash loans Complements banks offerings <div>Equipment</div> <ul style="list-style-type: none"> Purchase equipment and resale or lease it with financing Equipment serves as collateral for the loans 	12 - 48 months	MXNS 1 - 40 MM
	Fintech Platform	<div>Cash</div> <ul style="list-style-type: none"> Working capital loan <div>Supply chain financing</div>	3 - 12 months	MXNS 100K - 1 MM
			Up to 12 months	MXNS 50K - 1 MM

2. Powerful and Effective Go-to-Market Model...

Direct Sales Force

	Organizational Structure	#	% Sales	Key Highlights
Sales Team	 <p>Directors</p> <p>Managers</p> <p>Business Units / Marketing and Contact</p>	+60 Employees	~69%	<ul style="list-style-type: none"> Salesforce is engaged in the whole process, from origination to collection Limited number of clients per business unit: <ul style="list-style-type: none"> Maximum of 30 clients per unit Constant communication with clients (at least once a month) Incentives-based compensation structure (clawback mechanism) Physical presence in Mexico City and Monterrey

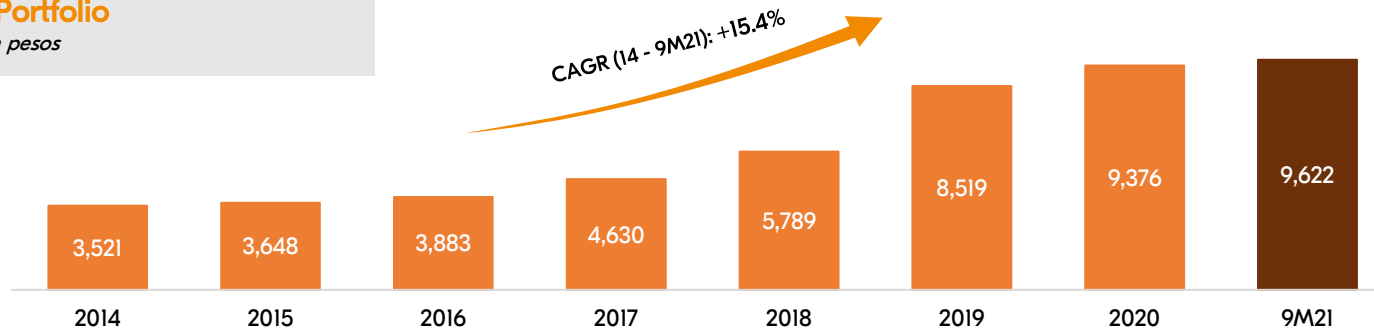
Indirect Sales Force

	Organizational Structure	#	% Sales	Key Highlights
Vendors		+26 Vendors	~8%	<ul style="list-style-type: none"> Allows Mexarrend to leverage vendors' expertise and their sales force since vendors require a fast response time Channel expected to gain relevance over the next years and enables expanded geographical reach: <ul style="list-style-type: none"> Strategic channel to open new markets
Brokers	 <p>Presence in 30 States</p>	+64 Brokers	~23%	<ul style="list-style-type: none"> We select brokers that are capable business partners: <ul style="list-style-type: none"> Brokers that are well positioned to seek and originate financing transactions within their immediate business circles

2. ...That Results in Solid Growth...

Total Portfolio

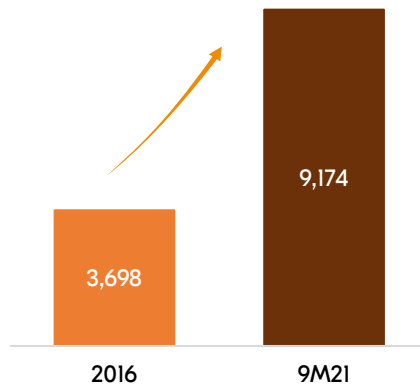
In million pesos



Leasing Portfolio

In million pesos

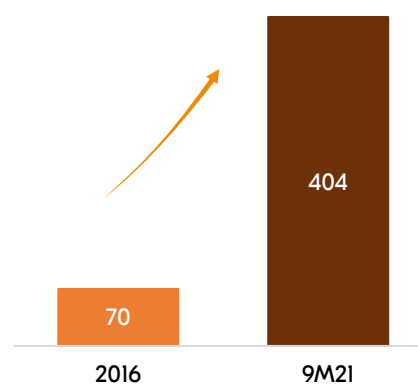
CAGR (16 - 9M21): +20.0%



Credit & Factoring Portfolio

In million pesos

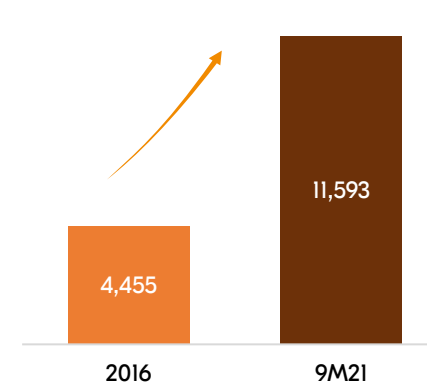
CAGR (16 - 9M21): +42.0%



Net Productive Assets

In million pesos

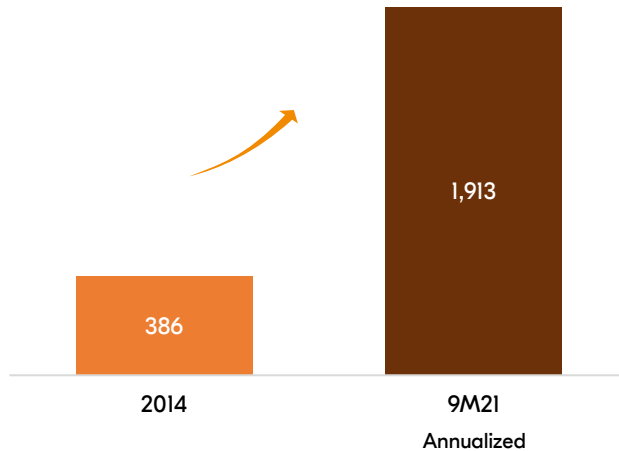
CAGR (16 - 9M21): +21.1%



2. ...With a Positive Bottom-Line

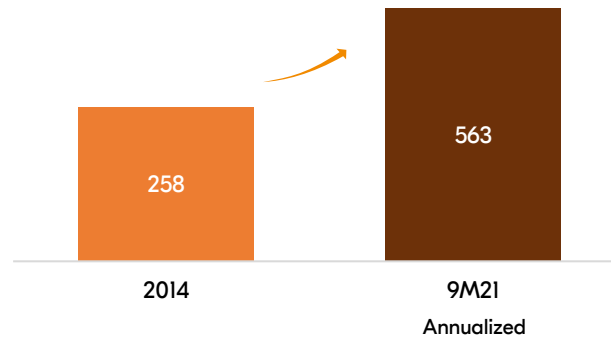
Revenues

In million pesos



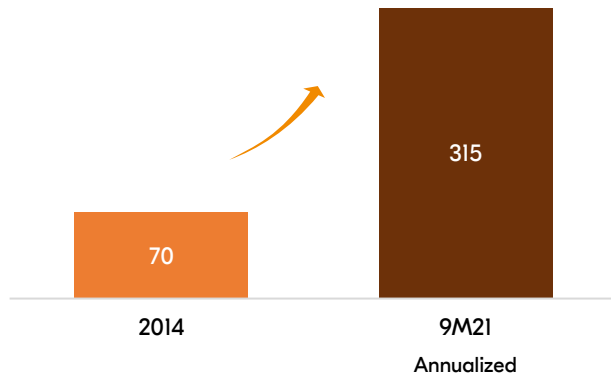
Gross Income

In million pesos



Operating Income

In million pesos




Consistent top line growth that results in a positive bottom-line year over year since its inception, due to:

- Specific target market
- Competitive go to market strategy
- Strong corporate practices
- Experienced management
- Potential credit risks are spotted early on


3. Rigorous Risk Management Standards...

Rigorous Risk Management Standards

Fast and Disciplined Credit Approval



Constant communication with potential clients throughout the assessment process

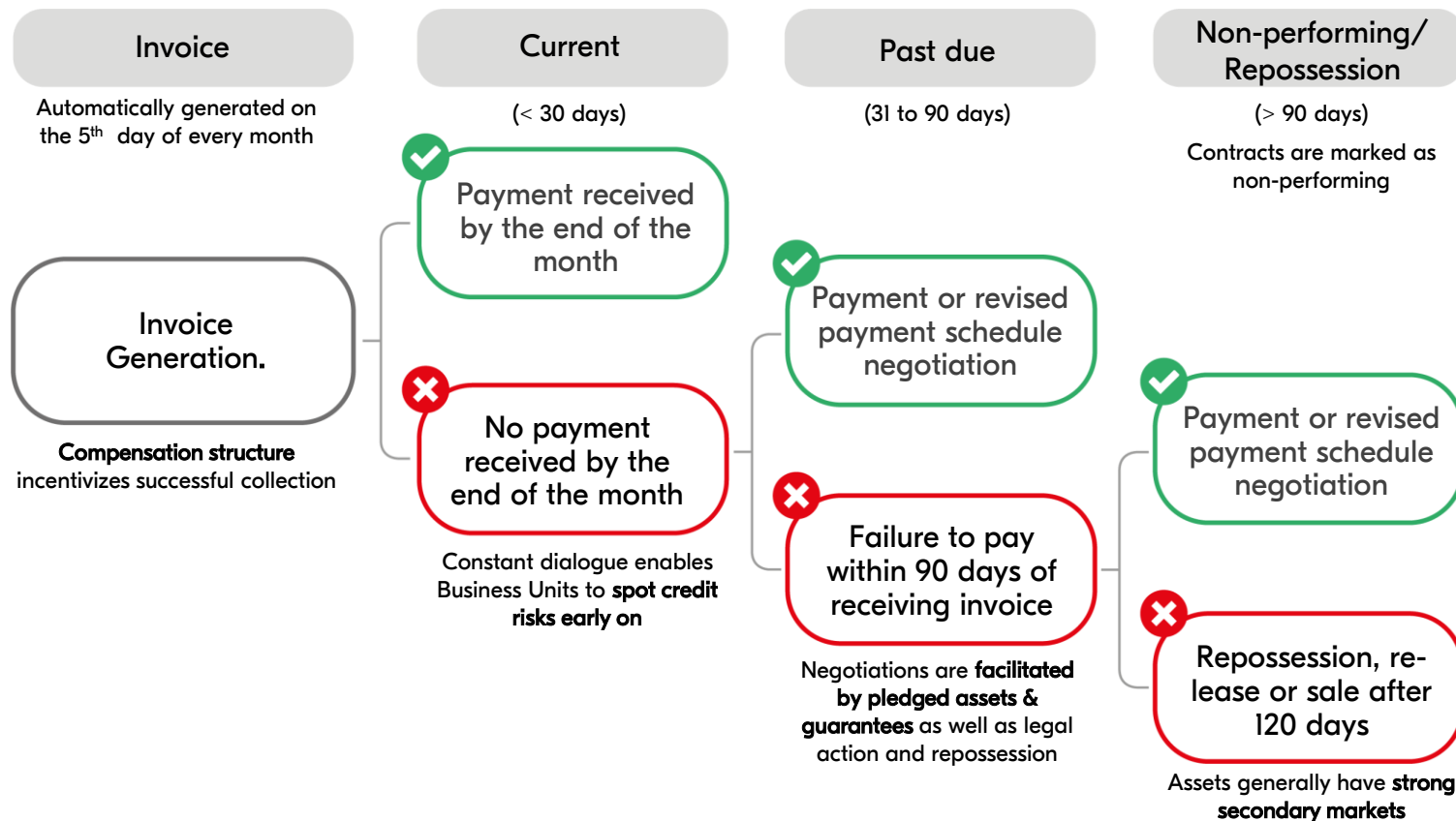


- Credit process enables turnaround times of 5 to 15 business days, significantly faster than a traditional bank
- Independent members strengthen the Credit Committee
- The Company follows strict risk assessment processes incorporating quantitative and qualitative parameters

3. Rigorous Risk Management Standards (Cont'd)...

Efficient Collection Process

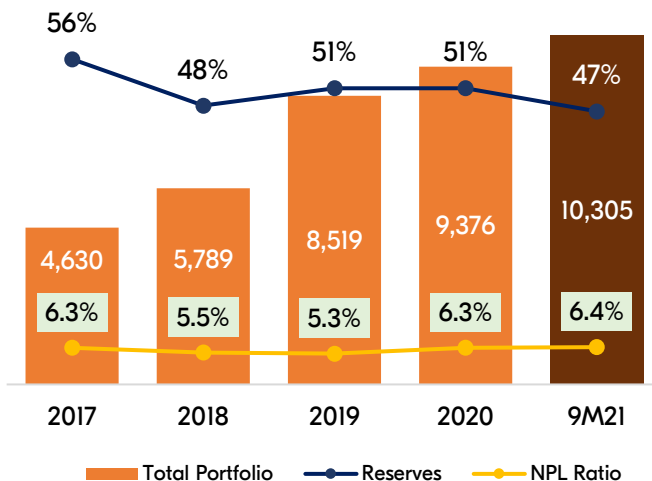
The collection process is greatly facilitated by Mexarrend maintaining ownership of leased assets



3. ...That Results in Low Write-Off Levels and Asset Quality

NPL

In million pesos

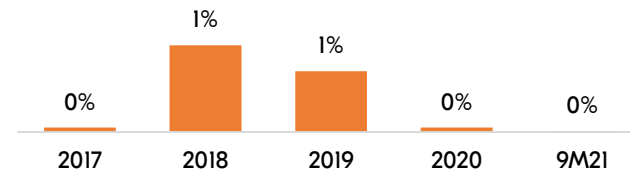


Mitigants

- 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

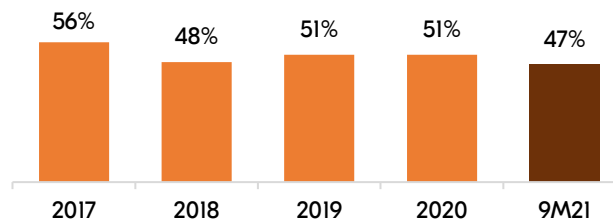
Write-Offs

Write-Offs / Total Portfolio



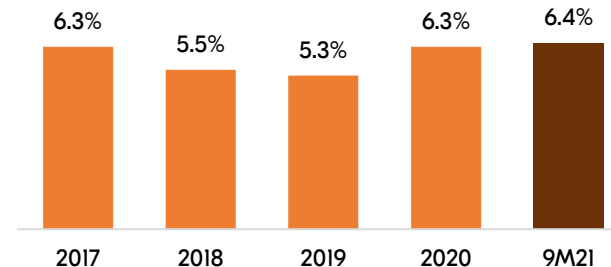
Coverage Ratio

Ending Reserves / Non-Performing Lease Portfolio



Non-Performing Lease

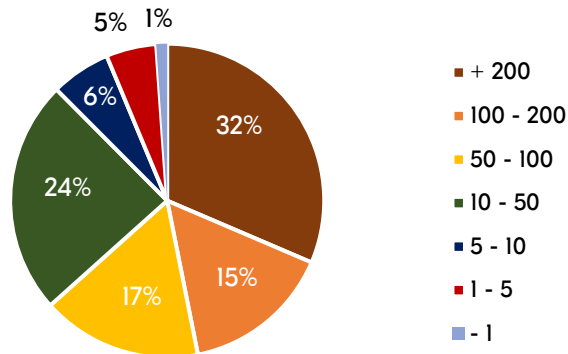
Non-Performing Lease Portfolio / Portfolio



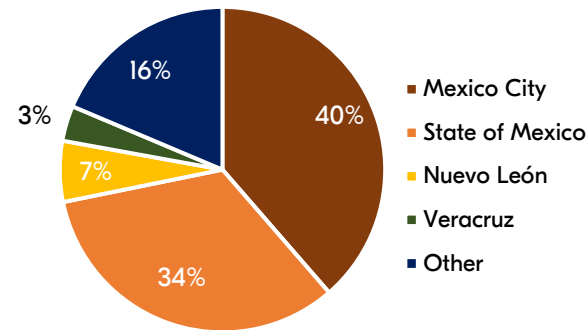
4. Solid Balance Sheet Supported by a Diversified Portfolio...

Portfolio Distribution by Ticket Size

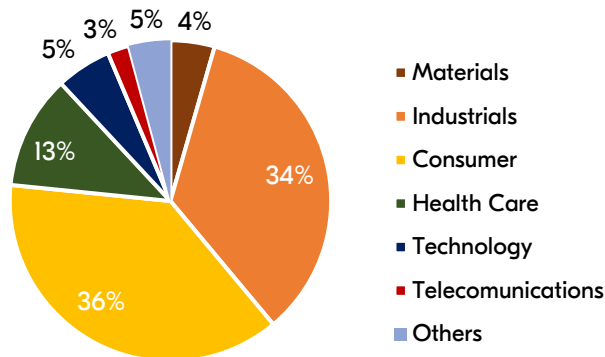
In million pesos



Portfolio Distribution by Geography



Portfolio Distribution by Industry



Mexarrend operates under strict credit policies aligned with its priority of maintaining a high-quality portfolio. Approximately 95% of customers have contracts for transactions of less than \$50 million pesos, therefore demonstrating a low concentration level per customer

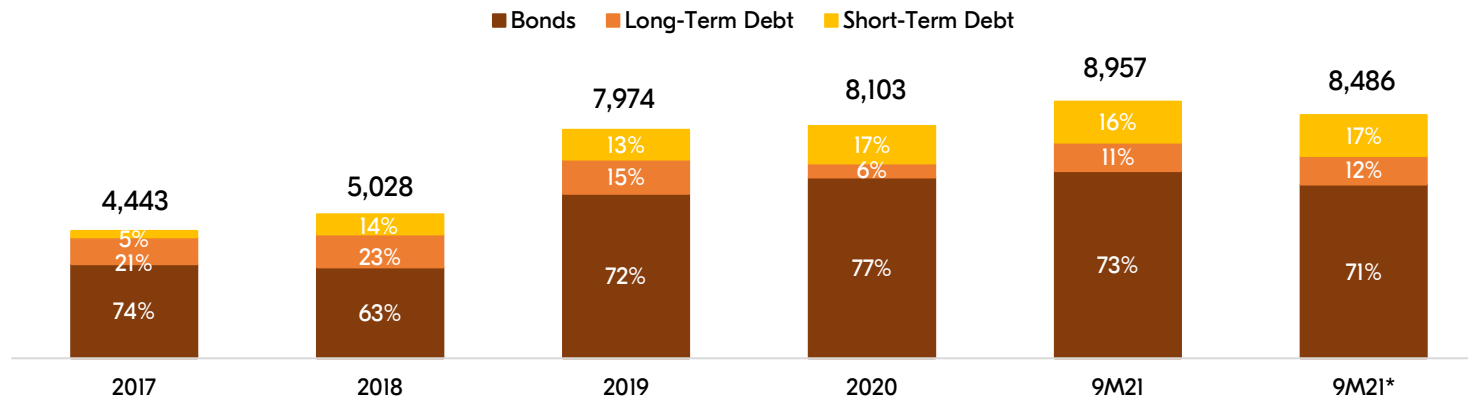
The geographic diversification of our portfolio is in line with the percentage of participation in the economy. The highest concentration is found in Mexico City and the metropolitan area, which includes the State of Mexico. In terms of industry, our portfolio is well diversified

Our sales force operates throughout the country from our headquarters in Mexico City and currently has a representative office in Monterrey, to better serve the northern region

4. ...And a Prudent & Diversified Funding Profile

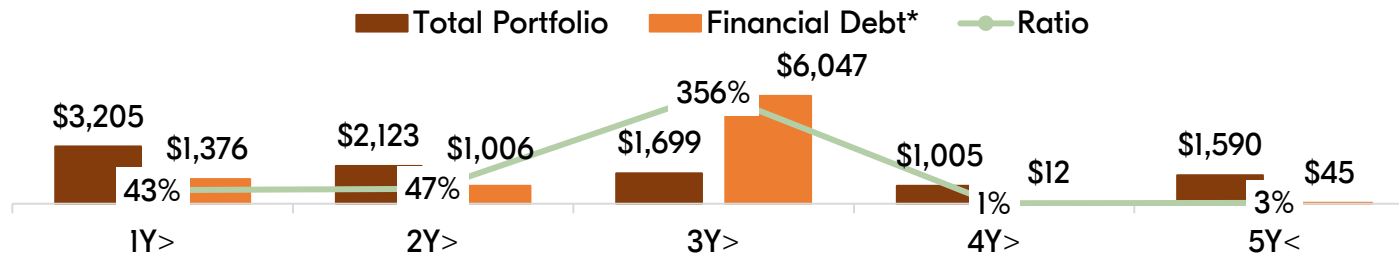
Financial Debt Composition

In million pesos



Current Debt & Run-Off

In million pesos

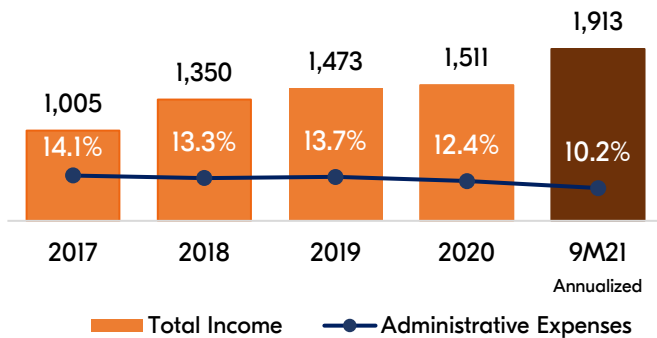


*Note: Consider the hedges for the US\$ denominated financial debt

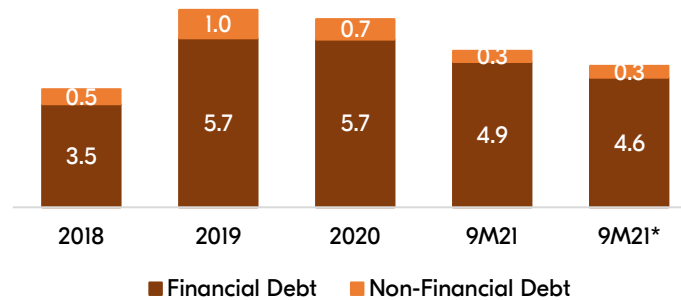
5. High Levels of Operational Efficiency and Strong Financial Ratios that Result in Solid Credit Ratings

Efficiency Ratio

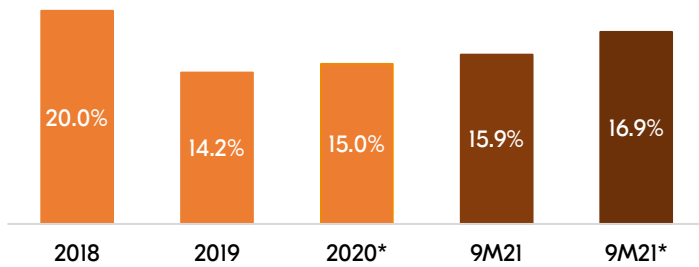
In million pesos



Leverage Ratio



Capitalization Ratio



Credit Ratings

Global

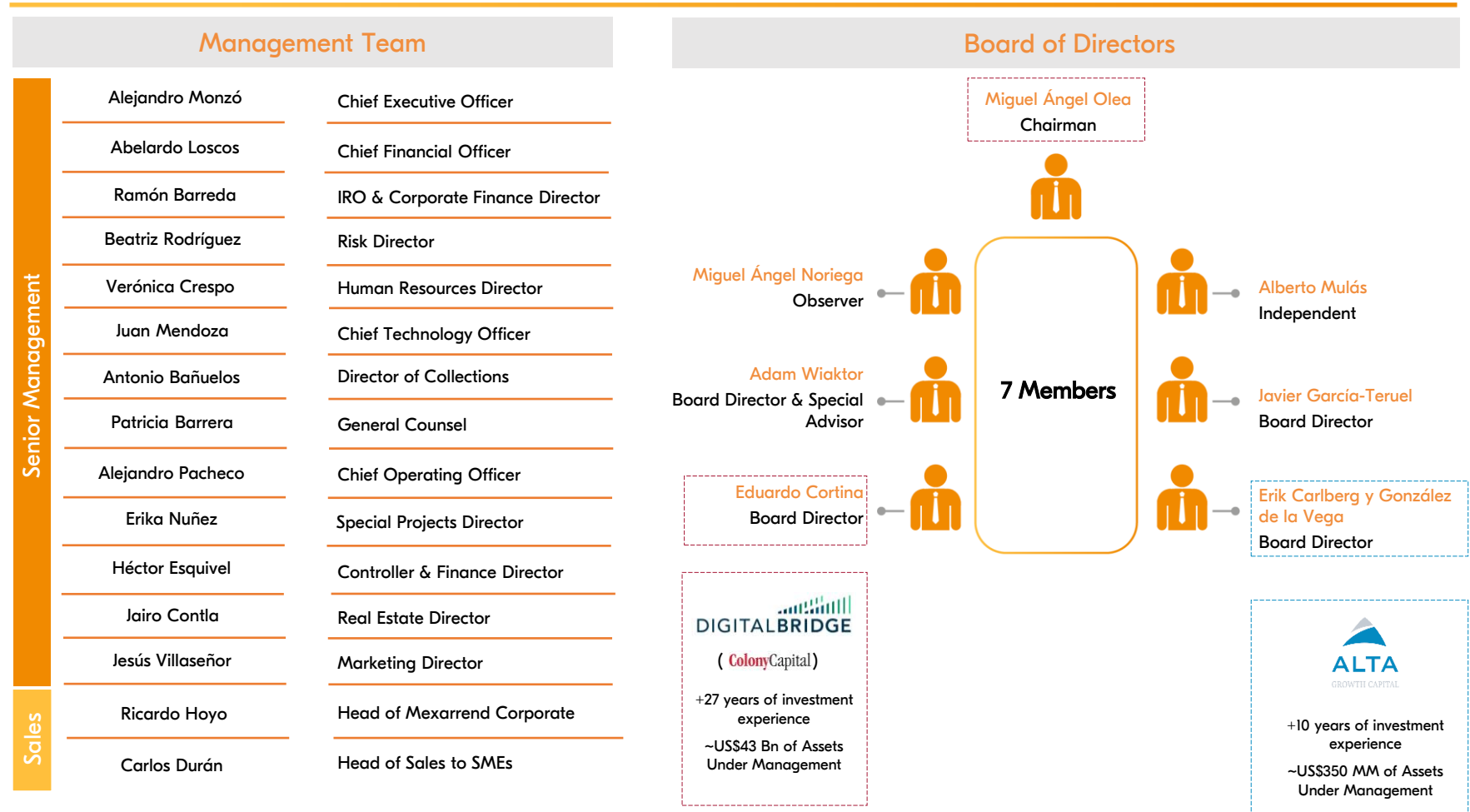
	2020	3Q21
S&P Global	B	B
FitchRatings	B+	B+

Local

	2020	3Q21
HR Credit Rating Agency	HR A	HR A
FitchRatings	BBB+	BBB+

*Note: Consider the hedges for the US\$ denominated financial debt

6. Experience Management Backed by High Profile and Committed Shareholder's



Environmental, Social and Corporate Governance (ESG)

Mexarrend 5 Pillars

We are a sustainable company, committed to our environment, seeking to be efficient and highly productive considering our 5 pillars:



Our Sustainable Strategic Future



Distinctive Socially Responsible Company

We incorporate into our philosophy the purpose of being a sustainable company for the second consecutive year



Participation in a Global Compact Network

Share best practices and ratified our strategy to the 10 objectives of the pact.



Environmental and Social Management System

Within our business core we evaluate the social and environmental impacts, to whom we grant financing, supported by a socio-environmental policy aligned to the IFCs



EPIC Lab

On September 2021, Mexarrend partnered with the EPIC Lab seeking to inspire more young people to become entrepreneur



Value Green Lease

Value Green Lease is Mexarrend's first green product which seeks to finance environmentally responsible productive assets



Sustainability Report

On March 18th, 2021, Mexarrend published its first [Sustainability Report](#), which focuses on explaining all the initiatives, achievements, metrics and objectives that we have as an organization

A blue-tinted photograph of a business meeting. Two people are seated at a desk with laptops. One person's hand is pointing at a document on a clipboard, while the other holds a pen. The document features various financial charts, including line graphs, pie charts, and bar charts, along with tables of data. The overall scene suggests a professional discussion of financial information.

Appendix

Financial Information

Reading Mexarrend's Financial Statements

Key components of Mexarrend's Income Statement and Balance Sheet

Total Revenues	<p>Interest on Capital Leases → Includes interest earned on capital lease payments and portfolio sales</p> <p>Equipment Financing → Equipment financed under payment plans, includes both the interest and the principal</p> <p>Operating Leases → Includes (i) the rental revenue from ICI's lease of real estate property, (ii) rental income associated with the operating lease business of ARG and (iii) the fees for certain maintenance and insurance services</p>
Costs	<p>Interest Expenses → Includes the funding costs for the assets leased under all of our capital, operating leases and transportation services (renting) and other related services</p> <p>Cost of Credit Operations → Includes the costs of equipment that is purchased as part of our equipment financing business</p> <p>Depreciation of Assets Under Operating Leases → Depreciation of the Real Estate asset being rented by ICI and the depreciation of all the operating lease equipment leased by ARG as part of its renting business</p>
Balance Sheet (Assets)	<p>Accounts Receivable → The net investment in leases</p> <p>Other Assets (Non-Current) → Mostly security deposits</p> <p>Property, Plant and Equipment – Net → Includes the properties from the Real Estate business derived from ICI and other equipment of the Company</p>

Income Statement

in million pesos

INCOME	3Q20	3Q21	Var.%	9M20	9M21	Var.%
Interest on Capital Leases	289	460	59.2	900	1,209	34.3
Equipment Financing	-	-	-	4	-	-
Operating Leases	62	80	29.0	210	226	7.6
Total Income	351	540	53.8	1,114	1,435	28.8
COST						
Interest Cost	233	332	42.5	674	894	32.6
Cost of Credit Operations	-	-	-	4	-	-
Depreciation of Assets Under Operating Leases	24	44	83.3	93	119	27.9
Total Costs	257	376	46.3	771	1,013	31.3
GROSS INCOME	94	164	74.5	343	422	23.0
Selling Expenses	7	12	71.4	27	32	18.5
Administrative Expenses	47	52	10.6	140	146	4.3
Loan Loss Reserves	18	4	(77.8)	52	8	(84.6)
Operating Expenses	72	68	(5.6)	219	186	(15.0)
OPERATING INCOME	22	96	336.4	124	236	90.3

Income Statement (Cont'd)

in million pesos

	3Q20	3Q21	Var.%	9M20	9M21	Var.%
Other (Income) Expenses, Net	2	2	-	6	7	16.6
Interest Income	(9)	(3)	66.7	(57)	(11)	80.7
Interest Expenses	32	24	(25.0)	138	69	(50.0)
Net Exchange Profit (Loss)	(242)	202	183.4	1,119	159	(85.8)
Valuation of Financial Derivative Instruments	235	(227)	(196.6)	(1,175)	(187)	84.1
Premiums of Financial Derivative Instruments	44	80	81.8	125	204	63.2
Extraordinary Expenses	-	-	-	-	-	-
Comprehensive Financing Result	60	76	26.7	150	234	56.0
INCOME BEFORE INCOME TAXES	(40)	18	145.0	(32)	(5)	84.3
Taxes	(51)	(22)	56.9	(50)	(60)	(20.0)
NET INCOME	11	40	263.6	18	55	205.5

Balance Sheet

in million pesos

ASSETS	9M20	9M21	Var. %
CURRENT ASSETS			
Cash and Cash Equivalents	1,002	686	(31.5)
Accounts Receivables	2,537	2,169	(14.5)
Loan Loss Reserves	(281)	(306)	(8.9)
Taxes to Recupérate	279	203	(27.2)
Sundry Debtors	21	5	(76.2)
Other Assets	161	179	11.2
Inventory	28	14	(50.0)
TOTAL CURRENT ASSETS	3,747	2,950	(21.3)
NON-CURRENT ASSETS			
Property, Plant and Equipment - Net	1,750	1,812	3.5
Long-Term Receivables	4,190	5,590	33.4
Other Assets	112	106	(5.4)
Financial Derivative Instruments	733	349	(52.4)
Deferred Taxes	198	346	74.7
Intangible Assets	234	234	-
TOTAL NON-CURRENT ASSETS	7,217	8,437	16.9
TOTAL ASSETS	10,964	11,387	3.9

Balance Sheet (Cont'd)

in million pesos

LIABILITIES	9M20	9M21	Var.%
CURRENT LIABILITIES			
Current Portion of Long-Term Debt	1,274	1,379	8.2
Accounts Payable	128	3	(97.7)
Sundry Creditors	597	595	(0.3)
Related Party Creditors	12	11	(8.3)
Income Taxes and Other Taxes Payable	9	11	22.2
TOTAL CURRENT LIABILITIES	2,020	1,999	(1.0)
NON-CURRENT LIABILITIES			
Long-Term Debt	7,749	7,578	(2.2)
Deferred Income Taxes	-	-	-
Derivatives	-	-	-
TOTAL NON-CURRENT LIABILITIES	7,749	7,578	(2.2)
TOTAL LIABILITIES	9,769	9,577	(2.0)
SHAREHOLDER'S EQUITY AND RESERVES			
Capital Stock	1,323	1,530	15.6
Retained Earnings	184	277	50.5
Other Comprehensive Income (Valuation of Financial Derivatives)	(330)	(52)	84.2
Current Year Net Income	18	55	205.6
TOTAL SHAREHOLDER'S EQUITY AND RESERVES	1,195	1,810	51.5
LIABILITIES + SHAREHOLDER'S EQUITY	10,964	11,387	3.9

Disclaimer

This document may contain certain forward-looking statements. These statements are non-historical facts, and they are based on the current vision of the Management of Mexarrend S.A.P.I. de C.V. for future economic circumstances, the conditions of the industry, the performance of the Company and its financial results. The terms "anticipated", "believe", "estimate", "expect", "plan" and other similar terms related to the Company, are solely intended to identify estimates or predictions. Some numbers were rounded up for presentation purposes. The statements relating to the implementation of the main operational and financial strategies and plans of investment of equity, the direction of future operations and the factors or trends that affect the financial condition, the liquidity or the operating results of the Company are examples of such statements. Such statements reflect the current expectations of the management and are subject to various risks and uncertainties. There is no guarantee that the expected events, trends or results will occur. The statements are based on several suppositions and factors, including economic general conditions and market conditions, industry conditions and various factors of operation. Any change in such suppositions or factors may cause the actual results to differ from expectations. 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 the ended years presented in this report were assessed by independent auditors Galaz, Yamazaki, Ruiz Urquiza, S.C. (Members of Deloitte Touche Tohmatsu Limited).