



MEXARREND®

3Q22 Corporate Presentation



EMPRESA
SOCIALMENTE
RESPONSABLE

Contact Information

For more information visit

www.mexarrend.mx

www.tangelolatam.com

Ramón Barreda

Funding Director & IRO

+52 (55) 4422 5716

ramon.barreda@tangelolatam.com

Miranda Investor Relations

Bernardo Miranda

+52 (55) 1451 3236

bernardo.miranda@miranda-partners.com

Enrique Ibarquengoitia

Funding & Investor Relations Associate

+52 (55) 6612 5875

enrique.ibarquengoitia@tangelolatam.com

Funding & Investor Relations

investors@tangelolatam.com

Index

Company Overview	<u>4</u>
Tangelo	<u>9</u>
Key Investment Highlights	<u>13</u>
1. <i>Mexarrend Attends Underserved Mexican SMEs with Well-Designed and Tailored Products</i>	<u>15</u>
2. <i>Powerful and Effective Go-to-Market Model that Results in Solid Growth with a Positive Bottom Line</i>	<u>17</u>
3. <i>Rigorous Risk Management Standards that Results in Low Write-Off Levels and Asset Quality</i>	<u>20</u>
4. <i>Solid Balance Sheet Supported by a Diversified Portfolio and a Prudent & Diversified Funding Profile</i>	<u>23</u>
5. <i>High Levels of Operational Efficiency and Strong Financial Ratios that Result in Solid Credit Ratings</i>	<u>26</u>
6. <i>Experience Management Backed by High Profile and Committed Shareholder's</i>	<u>27</u>
Environmental, Social and Corporate Governance (ESG)	<u>28</u>
Appendix: Financial Information	<u>31</u>



Company Overview

Mexarrend at a Glance

Business Description

- Asset-backed 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 30 states, 93% 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

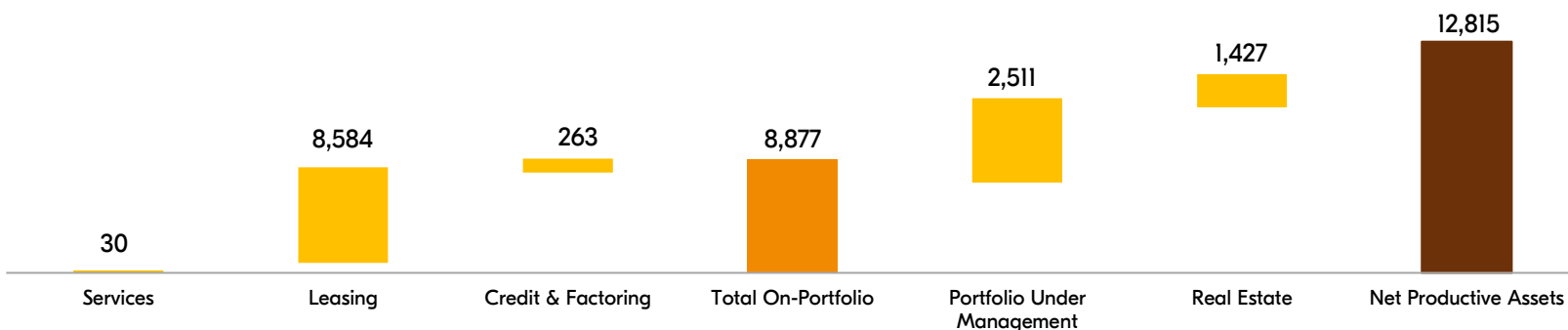


Renting

Equipment leasing with supplies, service and maintenance required

Net Productive Assets (“NPA”) Breakdown by Product

As of 3Q22 | MXNS MM



Key Financial Highlights

	9M21	9M22	Var. %
Total Revenues	1435	1954	36.2
Net Income	56	(11)	(119.6)
Comprehensive Financing Result	233	218	(6.4)
Total Portfolio	9,622	8,877	(7.7)
Total Assets	11,387	11,723	3.0
Shareholder’s Equity & Reserves (“SE”)	1,810	1,839	1.6
Financial Debt*/Shareholders’ Equity*	4.6x	4.6x	-
Capitalization* (SE*/Total Assets*)	16.9%	16.6%	(30)bps
SE*/Total Portfolio	19.4%	21.9%	250bps
R O A A	0.7%	-0.1%	(80)bps
R O A E*	4.3%	-0.8%	(510)bps
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

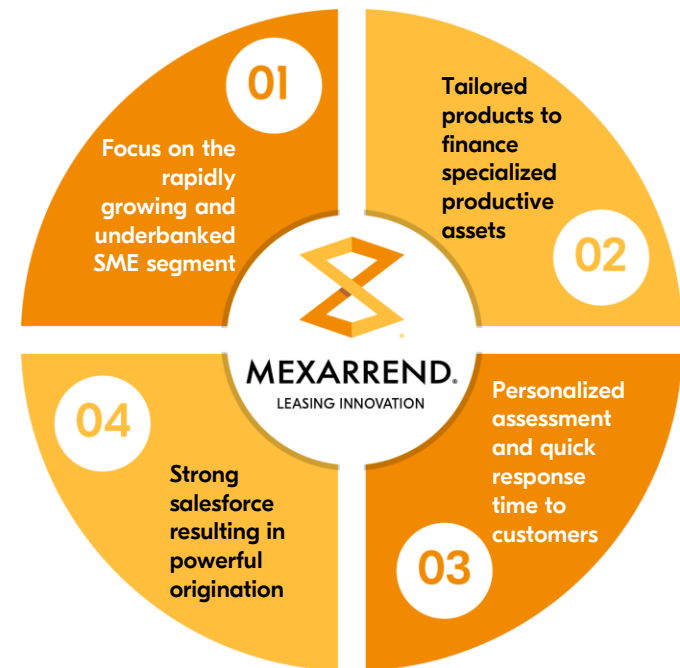
Lender covering the entire relevant market through four specialized divisions:



Key Milestones and Integrated Business Model



Business Model



Recent Relevant Events



On July 20th, 2022, **Tangelo**, announced that it made its first disbursement of the approved credit in 2020 with the **DFC**. The purpose of the loan is to finance SMEs in Mexico and support their economic development. The favorable credit conditions of the loan allow the company to be more balance-sheet efficient by having two years to use the rest of the credit line, which allows the company to maintain healthy cash levels. **DFC** approved a credit line to **Tangelo** for US\$45,000,000; the company expects to use the rest of the facility in the following quarters.



On September 8th, 2022, **Mexarrend** informed that **S&P**, **Fitch Ratings**, and **HR Ratings** downgraded **Mexarrend's** rating reflecting the recent developments in Mexico's Non-Bank Financial Institutions sector.



On September 14th, 2022, **Mexarrend** announced that it received the final approval of a credit line with **Banco Azteca** for \$600 million pesos, collateralized by Real Estate assets and accounts receivable.



On October 11th, 2022, **Mexarrend** announced the payment of its Senior International Bond issued in 2017 (DOCUFO 9 ¼). The issuance was originally for US\$150M, however most of the issuance was prepaid in 2019 through a tender offer, with US\$30.6M remaining.

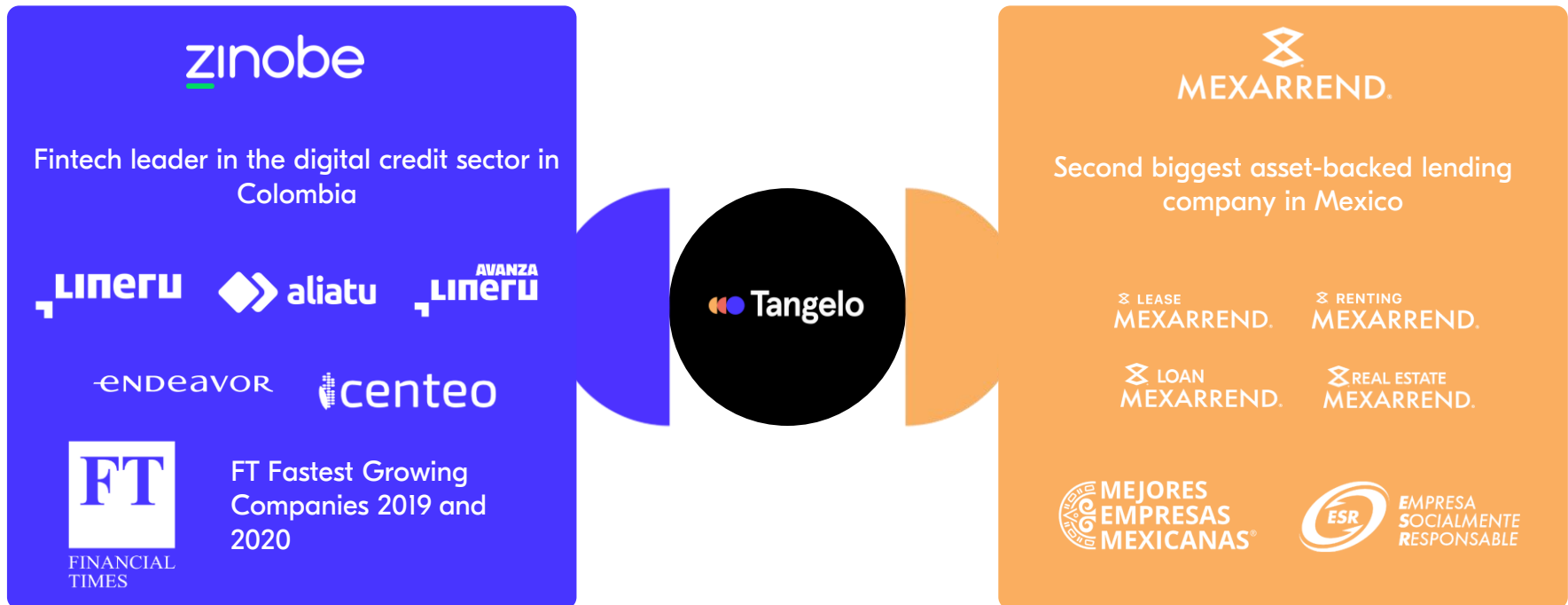
Despite challenging market conditions driven by rising interest rates and sector turbulence, **Mexarrend** has demonstrated its category leadership in Mexico and Latin America by consistently fulfilling its obligations.

A background image showing a hand holding a pen and writing on a document with charts and graphs, overlaid with a semi-transparent orange filter.

Tangelo

What is Tangelo?

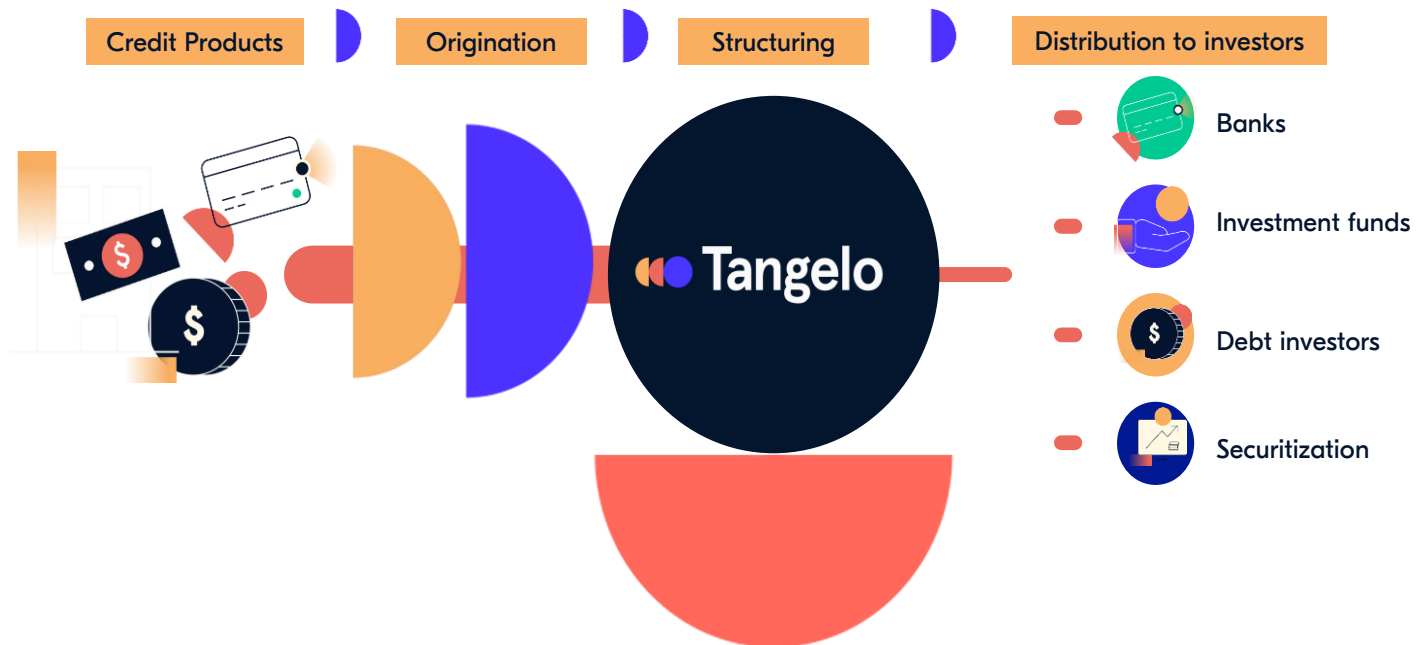
Tangelo brings together Mexarrend's more than twenty-five years' credit risk and operational experience, strengthened by deep institutional relationships, with Zinobe's advanced technological and analytics capabilities to provide integrated credit solutions targeting SMEs and consumers across Latin America.



The company will continue to grow its existing business lines with a focus on developing embedded solutions through its corporate and institutional partnerships. Tangelo has several important differentiating factors, given its diverse product and risk management capabilities spanning both consumer and business, which will enable more complete offerings.

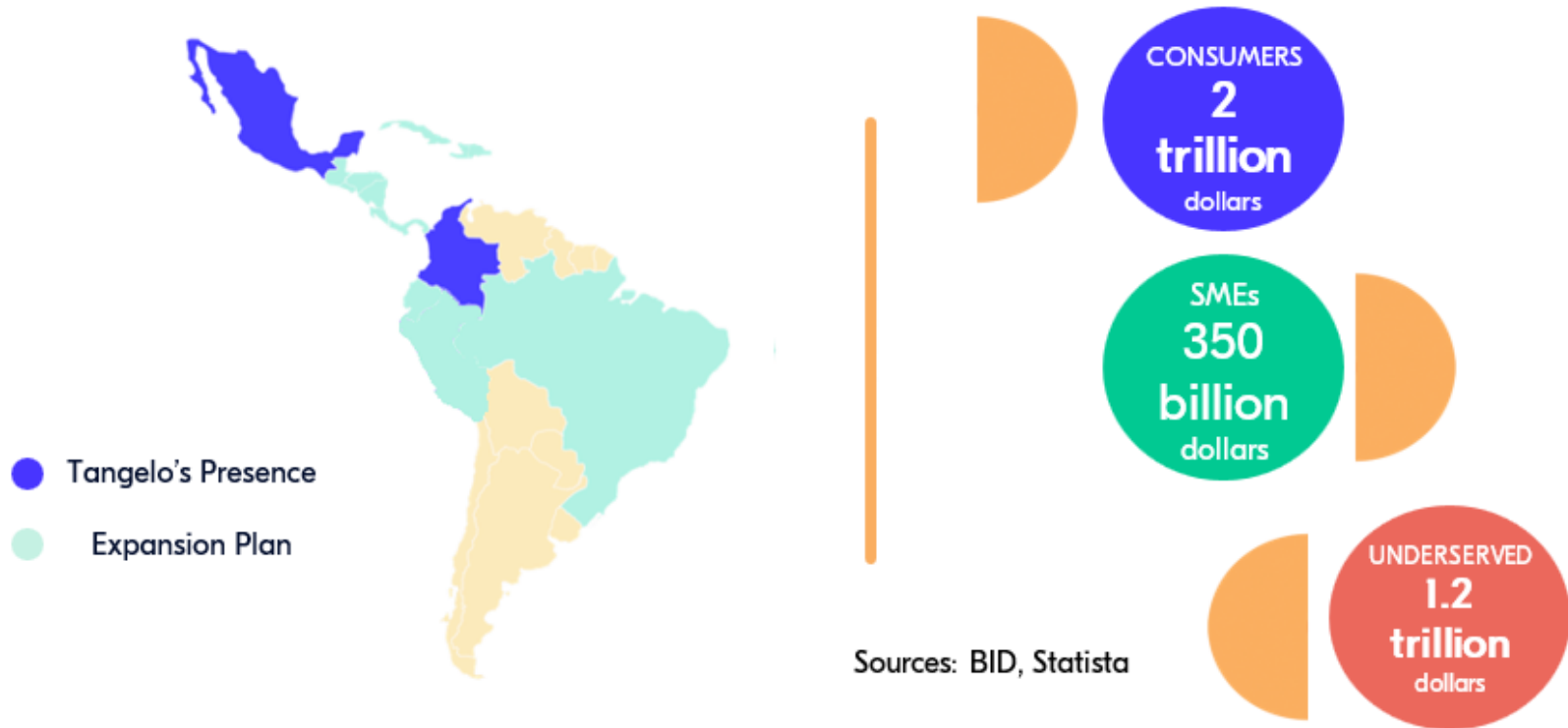
Capital Markets

Tangelo will strengthen its risk distribution strategy for investors through its new Capital Markets division, which will expand financial institution and fund relationships to promote an efficient balance sheet strategy. The company has already applied a variety of funding and de-risking structures working with local and international investors. The new group will focus on optimizing leverage and funding costs through financial structuring and the flexibility brought from the technologically advanced infrastructure.



Tangelo's Geographic Presence and Opportunities

The business combination puts Tangelo in a leading competitive position with a combined track record of more than USD 1 billion in funding, 3 million loans granted, and USD 500 million in assets-under-management with a positive net income.





Key Investment Highlights

Asset-Based Lender Serving SMEs

1

Mexarrend Attends Underserved Mexican SMEs with Well-Designed and Tailored Products

2

Powerful and Effective Go-to-Market Model that Results in Solid Growth with a Positive Bottom-Line

3

Rigorous Risk Management Standards that Results in Low Write-Off Levels and Asset Quality

4

Solid Balance Sheet Supported by a Diversified Portfolio and a Prudent & Diversified Funding Profile

5

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

6

Experienced Management Backed by High Profile and Committed Shareholder's

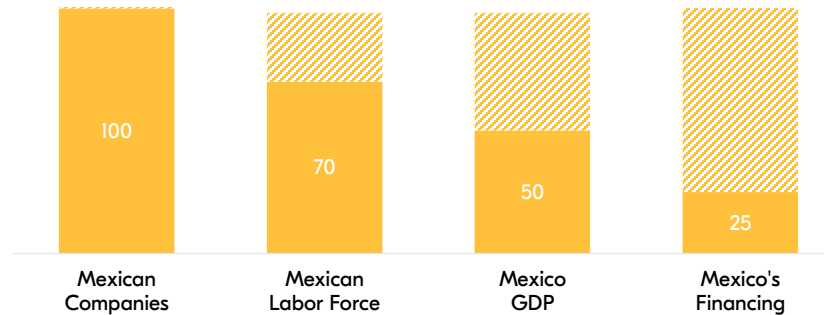
I. Mexarrend Attends Underserved Mexican SMEs...

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

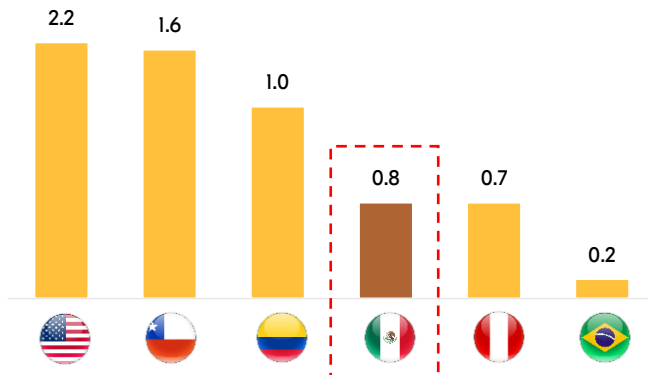
Within Companies, Mexican SMEs are Underserved...

% As of 2017



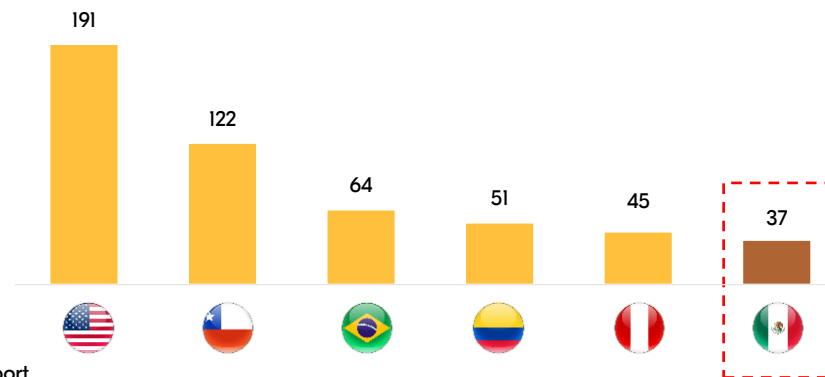
Leasing Volume

% As of 2019 of GDP








Domestic Credit to the Private Sector

% As of 2019

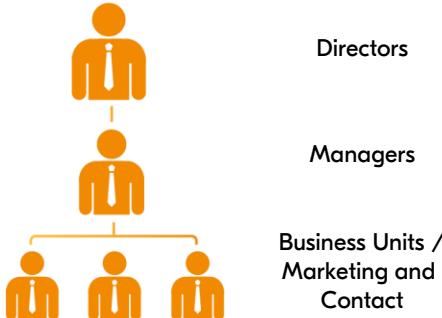




Sources: CNBV, the World Bank and White Clarke Group Global Leasing Report

I. ...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	<ul style="list-style-type: none"> Leasing products for various types of equipment No option to purchase at the end of the lease term 	24 - 60 months	MXNS 1 - 40 MM
	Real Estate	<ul style="list-style-type: none"> Sale and lease-back of Real Estate assets Option to purchase at the end of the lease term 	5 - 7 years	MXNS 30 - 150 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	<ul style="list-style-type: none"> Secured cash loans Complements banks offerings 	12 - 48 months	MXNS 1 - 40 MM
	Equipment	<ul style="list-style-type: none"> Purchase equipment and resale or lease it with financing Equipment serves as collateral for the loans 	24 - 60 months	MXNS 1 - 40 MM
	Fintech Platform	<ul style="list-style-type: none"> Working capital loan 	3 - 12 months	MXNS 100K - 1 MM
	Cash	<ul style="list-style-type: none"> Supply chain financing 	Up to 12 months	MXNS 50K - 1 MM

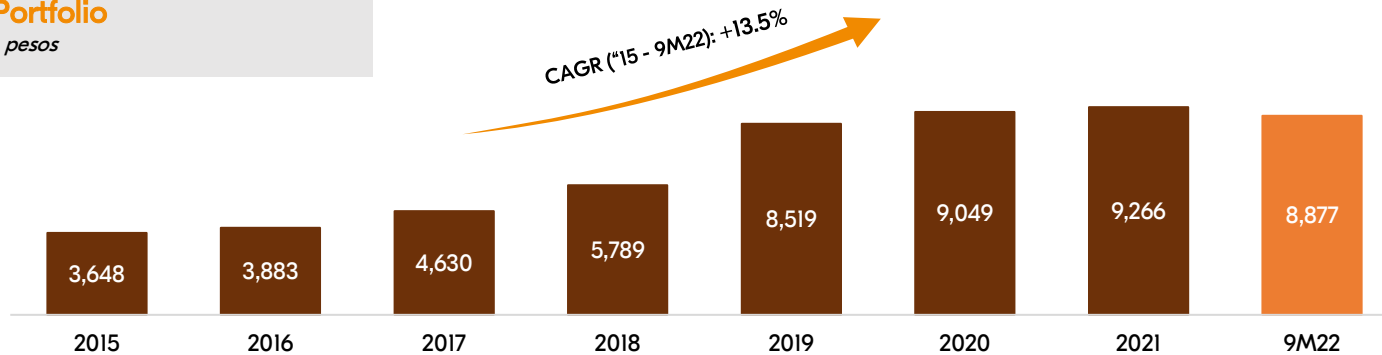
2. Powerful and Effective Go-to-Market Model...

Direct Sales Force				
	Organizational Structure	#	% Sales	Key Highlights
Sales Team		+60 Employees	~55%	<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		+49 Vendors	~15%	<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 • 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
Brokers		+35 Brokers	~30%	

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

Total Portfolio

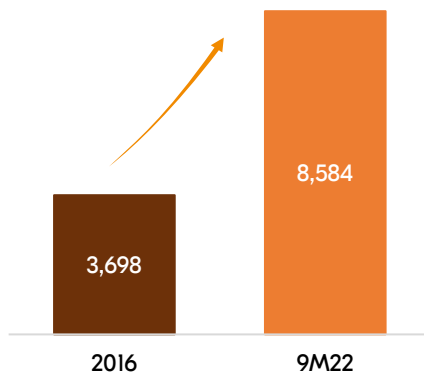
In million pesos



Leasing Portfolio

In million pesos

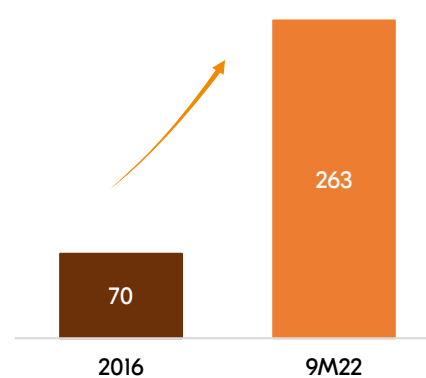
CAGR ('16 - 9M22): +15.1%



Credit & Factoring Portfolio

In million pesos

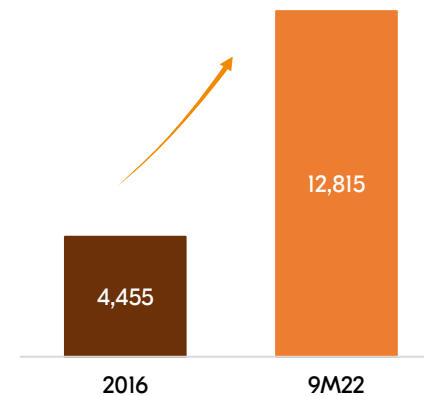
CAGR ('16 - 9M22): +24.7%



Net Productive Assets

In million pesos

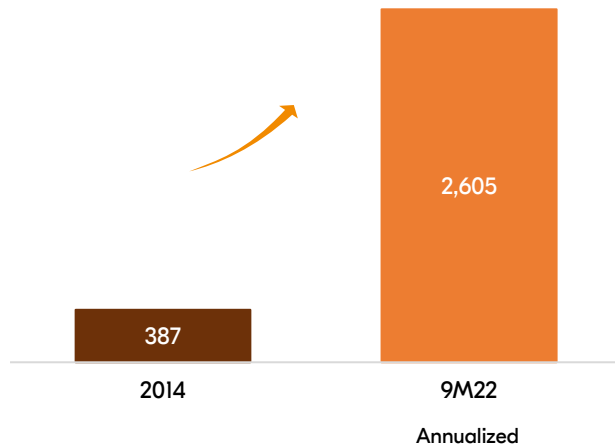
CAGR ('16 - 9M22): +19.3%



2. ...With a Positive Bottom-Line

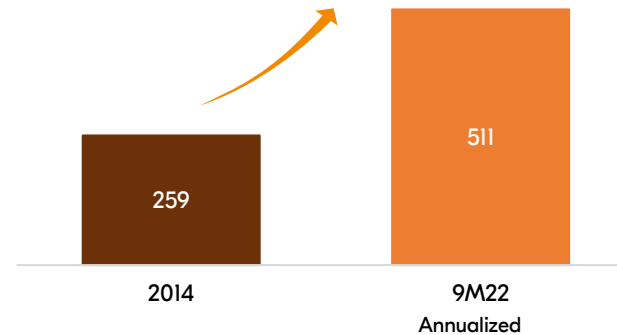
Revenues

In million pesos



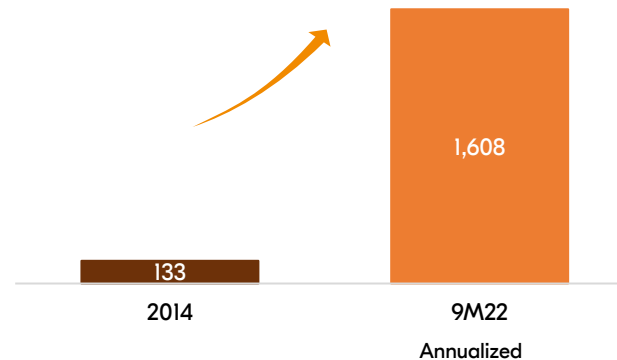
Gross Income

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



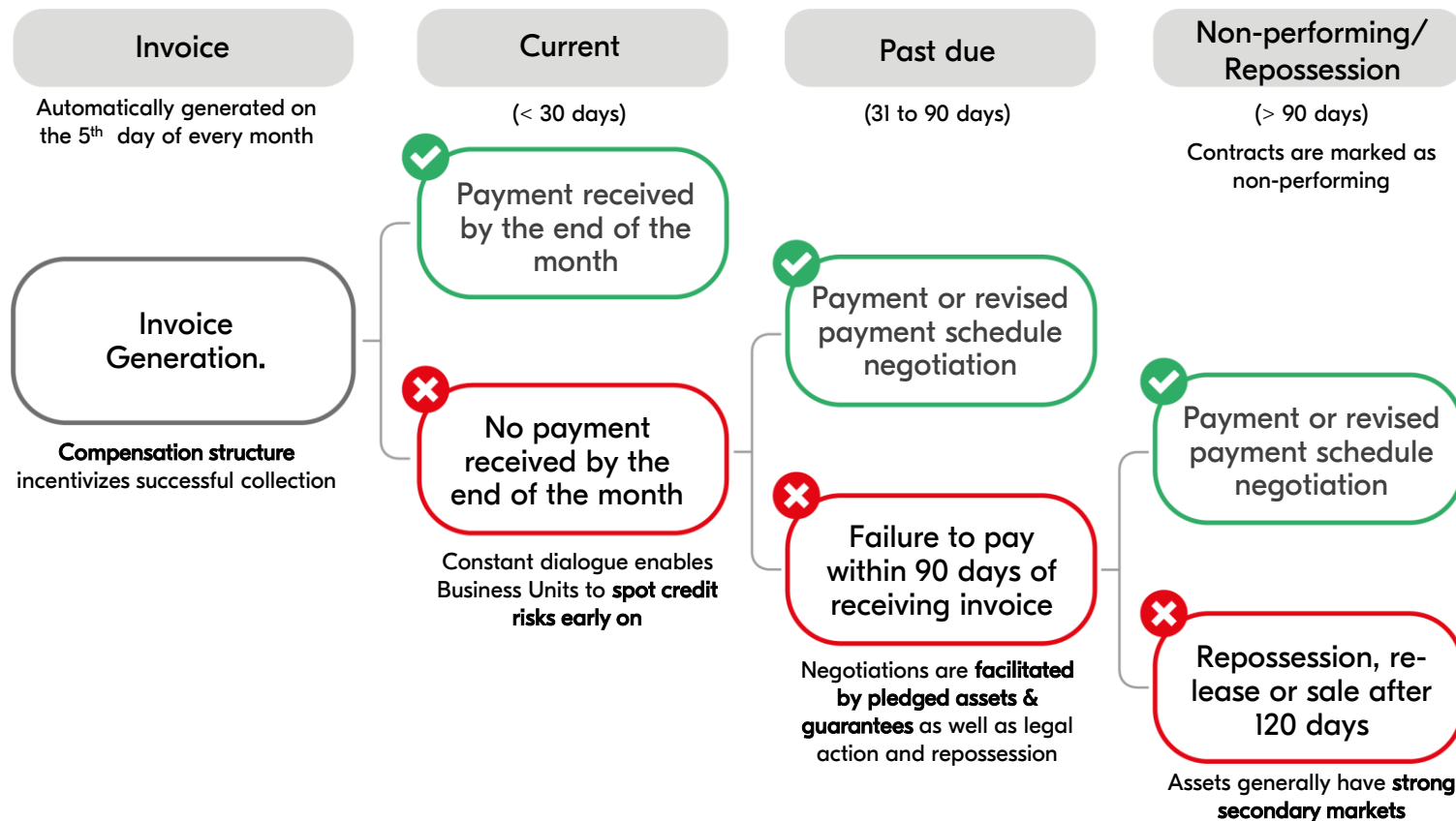
Constant communication with potential clients throughout the assessment process

- 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)...

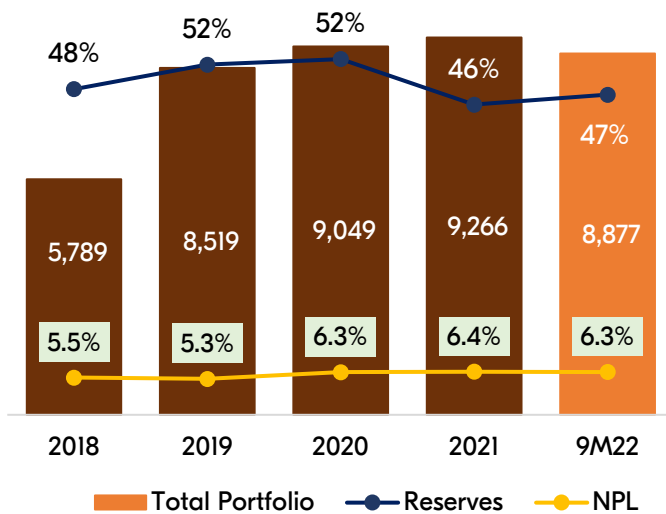
Efficient Collection Process

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



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

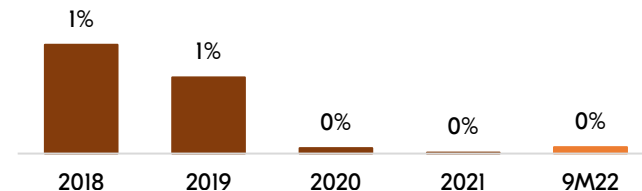
NPL
In million pesos



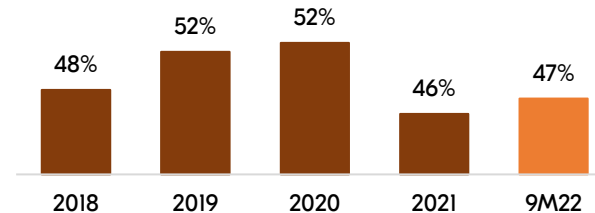
Mitigants

- 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

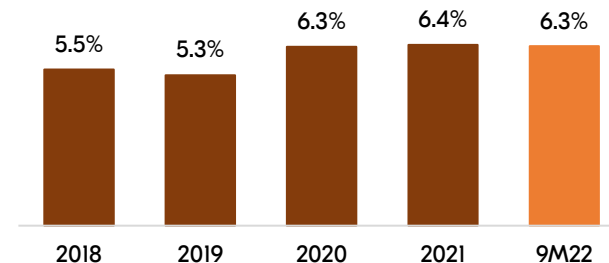
Write-Offs
Write-Offs / Total Portfolio



Coverage Ratio
Ending Reserves / Non-Performing Lease Portfolio



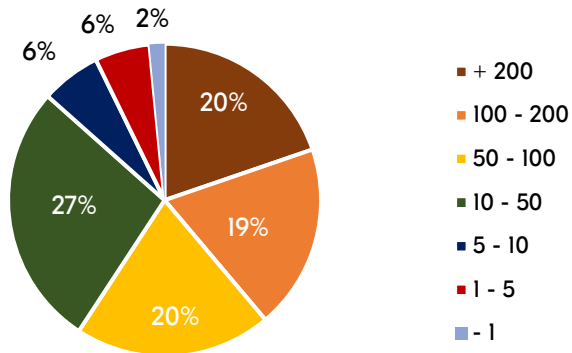
Non-Performing Lease
Non-Performing Lease Portfolio / Portfolio



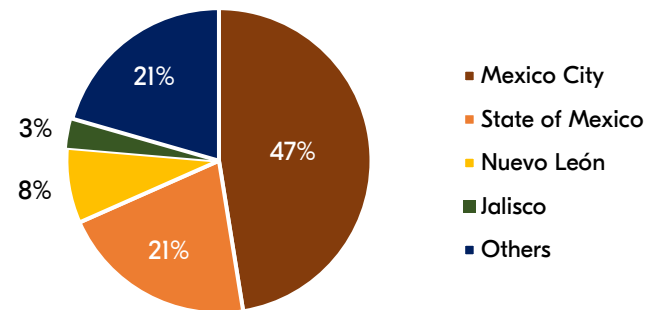
4. Solid Balance Sheet Supported by a Diversified Portfolio...

Portfolio Distribution by Ticket Size

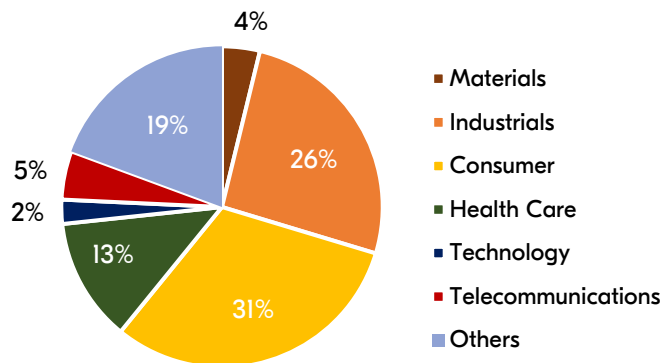
In million pesos



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

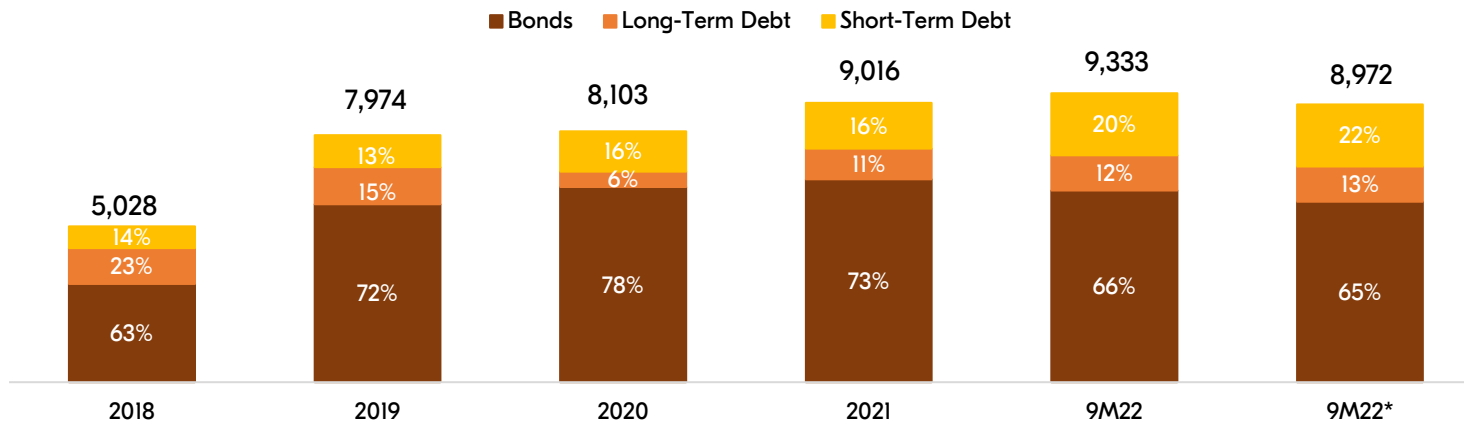
The geographic diversification of our portfolio is in line with the percentage of participation in the economy. The highest concentration is found in Mexico City and the metropolitan area, which includes the State of Mexico. In terms of industry, our portfolio is well diversified

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

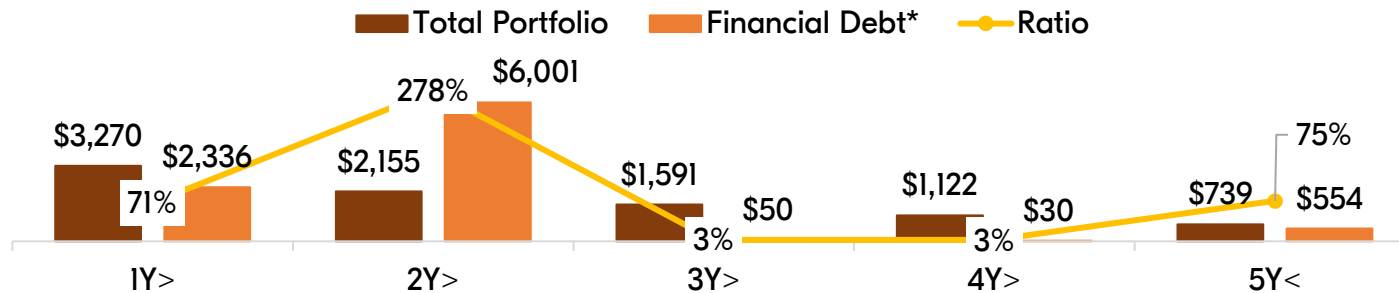
Financial Debt Composition

In million pesos



Current Debt & Run-Off

In million pesos

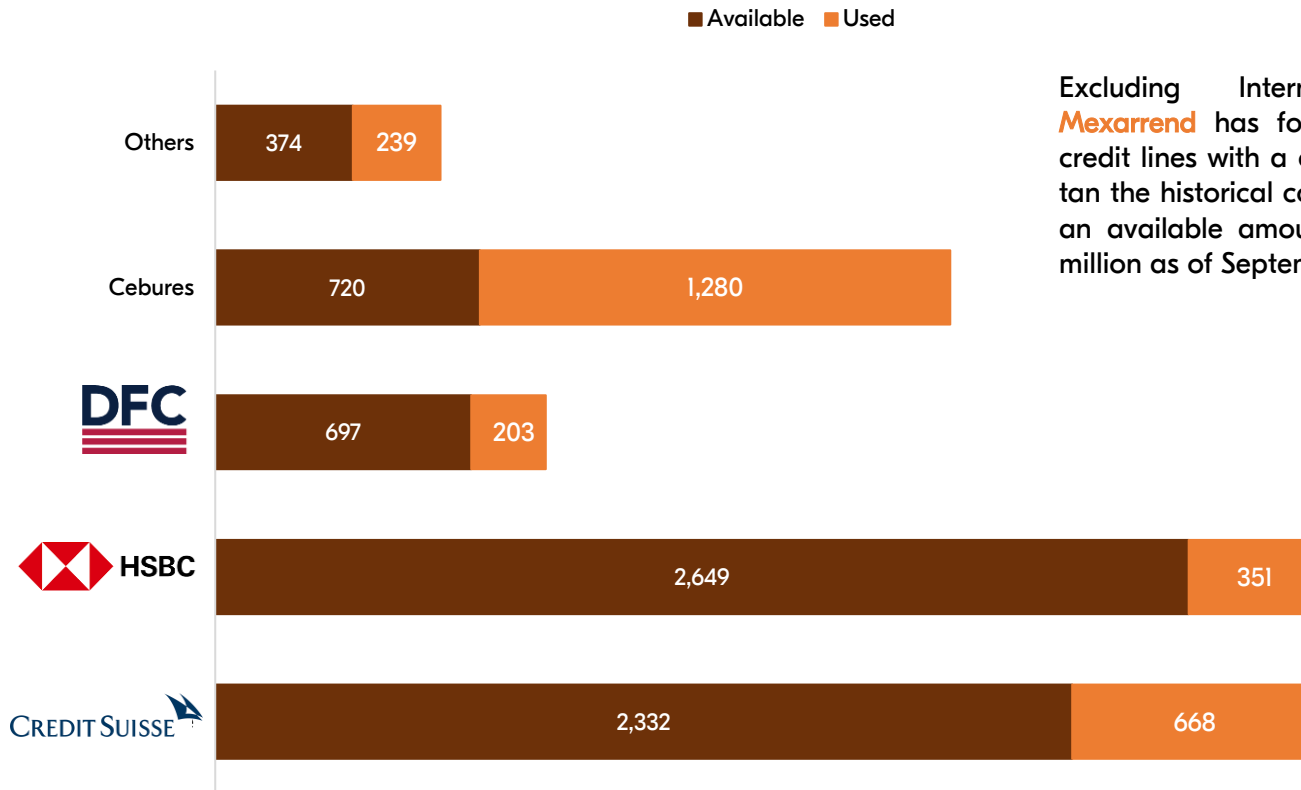


*Note: Consider the hedges for the US\$ denominated financial debt

4. ... And a Prudent & Diversified Funding Profile (Cont'd)

Available Funding

In million pesos

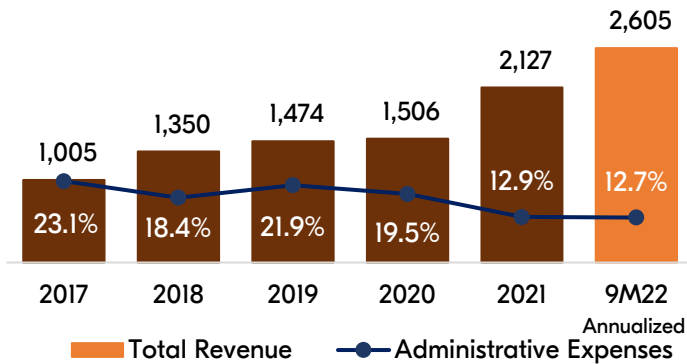


Excluding International Bonds, **Mexarrend** has four main financing credit lines with a cost of funds lower than the historical cost, which results in an available amount of MXN \$6,771 million as of September, 2022.

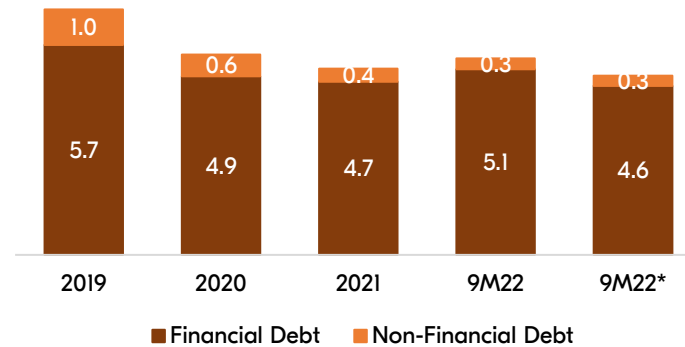
5. High Levels of Operational Efficiency and Strong Financial Ratios that Result in Solid Credit Ratings

Efficiency Ratio

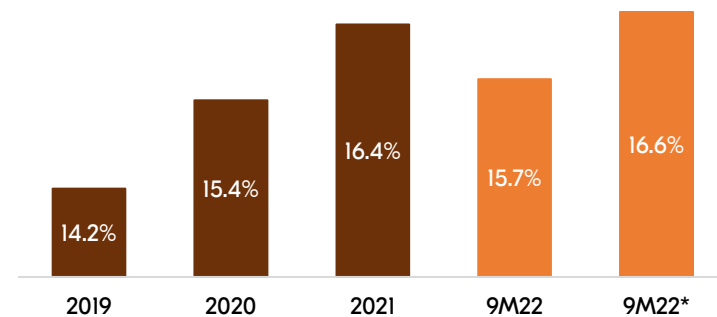
In million pesos



Leverage Ratio



Capitalization Ratio



Credit Ratings

Global

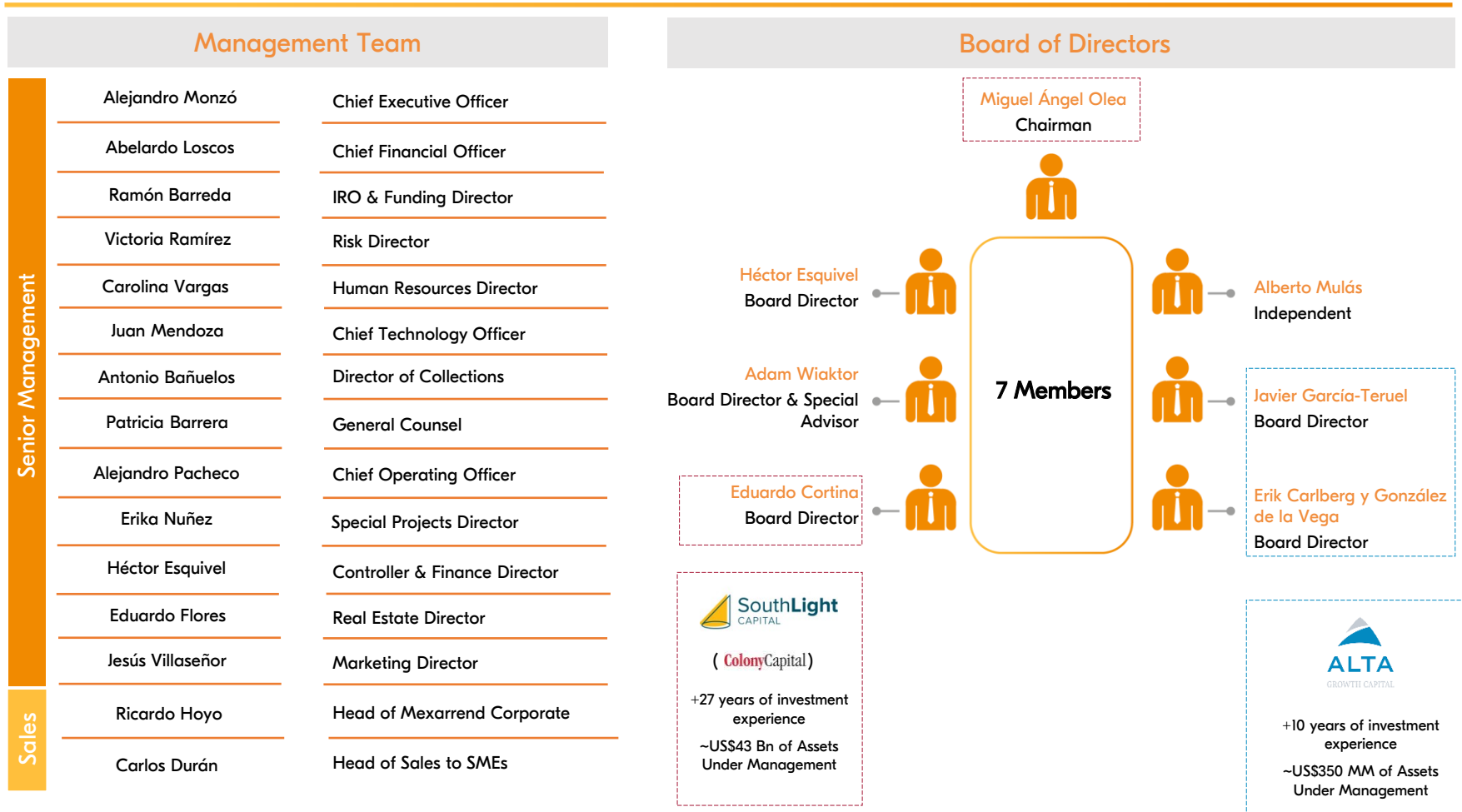
	2021	3Q22
S&P Global	B	CCC+
FitchRatings	B+	B

Local

	2021	3Q22
HR Credit Rating Agency	HR A	HR BBB+
FitchRatings	BBB+	BBB-

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

6. Experienced 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.



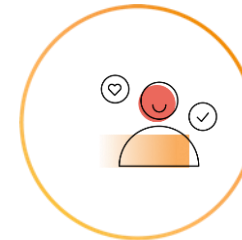
Environmental and Social Management System

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



Value Green Lease

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



Sustainability Report

On June 27th, 2021, Tangelo published its second [Sustainability Report](#), which focuses on explaining all the initiatives, achievements, metrics and objectives that we have as an organization



Most Ethic Companies

Tangelo participated in the "Most Ethic Companies" evaluation in an effort lead by the AMITAI, a company dedicated to running a comprehensive ethics and compliance system in Latin America, obtaining the 33^o place

A blue-tinted photograph of a business meeting. Several people are gathered around a table, looking at a large document on a clipboard. The document contains various financial charts, including line graphs, pie charts, and bar charts. One person is pointing at a specific data point on the chart, while another is holding a pen, ready to write. In the background, there are laptops and other office equipment. The overall atmosphere is professional and collaborative.

Appendix Financial Information

Reading Mexarrend's Financial Statements

Key components of Mexarrend's Income Statement and Balance Sheet

<p>Total Revenues</p>	<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>
<p>Costs</p>	<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>
<p>Balance Sheet (Assets)</p>	<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	3Q21	3Q22	Var.%	9M21	9M22	Var.%
Interest on Capital Leases	460	356	(22.6)	1,209	1,462	20.9
Operating Leases	80	75	(6.3)	226	492	117.7
Total Income	540	431	(20.2)	1,435	1,954	36.2
COST						
Interest Cost	332	321	(3.3)	894	1,189	33.0
Depreciation of Assets Under Operating Leases	44	44	-	119	382	221.0
Total Costs	376	365	(2.9)	1,013	1,571	55.1
GROSS INCOME	164	66	(59.8)	422	383	(9.2)
Selling Expenses	12	14	16.7	32	39	21.9
Administrative Expenses	52	69	32.7	146	192	31.5
Loan Loss Reserves	4	6	50.0	8	18	125.0
Operating Expenses	68	89	30.9	186	249	33.9
OPERATING INCOME	96	(23)	(124.0)	236	134	(43.2)

Income Statement (Cont'd)

in million pesos

	3Q21	3Q22	Var.%	9M21	9M22	Var.%
Other (Income) Expenses, Net	2	-	-	7	1	(85.7)
Interest Income	(3)	(5)	(66.7)	(11)	(12)	(9.1)
Interest Expenses	24	61	154.2	69	116	68.1
Net Exchange Profit (Loss)	203	13	(93.6)	159	(110)	(169.2)
Valuation of Financial Derivative Instruments	(227)	37	116.3	(187)	158	184.5
Premiums of Financial Derivative Instruments	80	41	(48.8)	204	131	(35.8)
Extraordinary Expenses	-	(65)	-	(1)	(65)	(6,400.0)
Equity Income in Affiliates	-	(1)	-	-	-	-
Comprehensive Financing Result	77	81	5.2	233	218	(6.4)
INCOME BEFORE INCOME TAXES	17	(104)	(711.8)	(4)	(85)	(2,025.0)
Taxes	(22)	(38)	(72.7)	(60)	(74)	(23.3)
NET INCOME	39	(66)	(269.2)	56	(11)	(119.6)

Balance Sheet

in million pesos

ASSETS	9M21	9M22	Var.%
CURRENT ASSETS			
Cash and Cash Equivalents	685	258	(62.3)
Accounts Receivables	2,169	3,188	47.0
Loan Loss Reserves	(306)	(313)	(2.3)
Taxes to Recupérate	203	186	(8.4)
Sundry Debtors	6	37	516.7
Other Assets	179	186	3.9
Assets Held for Sale	14	9	(35.7)
TOTAL CURRENT ASSETS	2,950	3,551	20.4
NON-CURRENT ASSETS			
Property, Plant and Equipment - Net	1,812	2,045	12.9
Long-Term Receivables	5,590	5,340	(4.5)
Other Assets	106	112	5.7
Financial Derivative Instruments	349	(2)	(100.6)
Deferred Taxes	346	443	28.0
Intangible Assets	234	234	-
TOTAL NON-CURRENT ASSETS	8,437	8,172	(3.1)
TOTAL ASSETS	11,387	11,723	3.0

Balance Sheet (Cont'd)

in million pesos

LIABILITIES	9M21	9M22	Var.%
CURRENT LIABILITIES			
Current Portion of Long-Term Debt	1,379	2,367	71.6
Accounts Payable	3	1	(66.7)
Sundry Creditors	595	524	(11.9)
Related Party Creditors	11	11	-
Income Taxes and Other Taxes Payable	11	14	27.3
TOTAL CURRENT LIABILITIES	1,999	2,917	45.9
NON-CURRENT LIABILITIES			
Long-Term Debt	7,578	6,967	(8.1)
Deferred Income Taxes	-	-	-
Derivatives	-	-	-
TOTAL NON-CURRENT LIABILITIES	7,578	6,967	(8.1)
TOTAL LIABILITIES	9,577	9,884	3.2
SHAREHOLDER'S EQUITY AND RESERVES			
Capital Stock	1,530	1,530	-
Retained Earnings	277	423	52.7
Other Comprehensive Income (Valuation of Financial Derivatives)	(53)	(103)	(94.3)
Current Year Net Income	56	(11)	(119.6)
TOTAL SHAREHOLDER'S EQUITY AND RESERVES	1,810	1,839	1.6
LIABILITIES + SHAREHOLDER'S EQUITY	11,387	11,723	3.0

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).