Driving growth toward comprehensive solutions of high added-value

3Q20

EARNINGS RELEASE

Message from the Executive Chairman

In this quarter, the health contingency continued to test Mega's resilience, before an environment of gradual economic recovery, but with the tangible possibility of new COVID-19 outbreaks. For this reason, against a backdrop of mixed developments, we continue to fully adhere to the stablished sanitary protocols, while maintaining a rigorous cost control and prudent origination processes; seeking to prioritize the well-being of our associates, as well as maintain the soundness of our financial position and portfolio quality.

Similarly, aiming to honor our commitment with clients, and according to the guidelines set by the CNBV (the Mexican banking watchdog), we will remain providing flexibility to all those clients who require it (upon a thorough analysis of their performance), as we seek to support their recovery endeavors.

On the other hand, the remaining proceeds from the Senior Notes issuance carried out early this year, combined with the positive results achieved in the 9M20 (as 2020 is trending to be the second best year in the Company's history, despite the economic situation), firmly enhance Mega's liquidity and solvency. In this regard, in addition to maintaining a cash balance of over Ps.1.2 billion as of the end of 3Q20, we count on over Ps.2.5 billion available credit lines.

This sound financial position has allowed us to keep accomplishing each and every one of the commitments stablished with our creditors in a timely manner, as well as capitalize on the opportunities that have arisen in the incorporation of high quality assets; outstanding the loans granting to SMEs led by women, under the "*Mega da mas*" program, following our alliance with the Coordinating Council of Women Entrepreneurs (CCME for its acronym in Spanish), formalized last quarter.

In this sense, amid the significant underserved market of funding for women entrepreneurs in Mexico, we foresee a large potential for this product; such that, in the medium term (~3 years), we estimate to increase its share to 40% of our consolidated portfolio.

Additionally, on our debt maturity profile, we feel certainly comfortable, since only 4.9% of the gross debt matures over the last quarter, which together with our current cash balance and limited exposure to FX volatility (100% of dollarized debt is hedged), allow us to maintain a high level of stability, as it was reflected in Mega's credit rating reaffirmation by Moody's and Verum this quarter (consistent with the S&P's rating action of June).

In relation to the scope of our business model, we believe that the fast growing needs for SMEs financing, and solid expectations of a lasting environment of low interest rates (given the economic conditions brought by COVID-19) will create several opportunities, which we plan to evaluate under a strongly oriented framework of asset quality, for the sake of our operating metrics, mostly the NPL ratio, that once again remained around the 2% mark as of quarter-end, thus performing even better than our projected estimates (set according to the methodology of the CNBV that we follow as a regulated entity).

Furthermore, and grounded on our outstanding transparency, especially noteworthy was the positive feedback received from analysts and investors that reaffirmed the high level of confidence the market has placed in Mega, which it is clearly shown at the resilient trading price of our Senior Notes, amid the unprecedent challenges posed by the context.

Wrapping up, I would like to acknowledge the hard work of all our associates over these months. And I take this opportunity to reaffirm our commitment to all our stakeholders to work diligently in the generation of incremental shared value through the successful alignment of our strategy to the prevailing trends of the new normal.

Guillermo Romo,
Executive Chairman

Message from the CEO

Over the quarter, we carried on with the execution of strategic initiatives aimed at adapting our operation to the new normal, prioritizing at all times the safety and well-being of our associates, highlighting the extension of the home office period for vulnerable groups and staggered schedules for the rest of the team (alternating between the office and remote work). Likewise, we continued to gear efforts towards the preservation of our financial position, diligently profiling our clients for the addition of high-quality assets or renewal of preexisting business agreements.

In this regard, many of the clients who required some flexibility in their contract terms towards the end of 1Q20 or during 2Q20, have already resumed their original payment schemes (a non-substantial share of the portfolio requested another extension, same that would end between December 2020 and January 2021, under the new guidelines set by the CNBV). This, together with our LTM origination activity, drove a sequential increase in the Interest Income (+5.6% QoQ).

And, despite the adoption of stricter credit granting standards, origination for the 9M20 has reached a fair tranche of the pre-pandemic target set for this year, a remarkable achievement at the light of the slow development of the contingency, and pretty much aligned to our updated projections for the new normal. This result follows: i) the expansion of our commercial footprint, since early this year we opened new branches in the prominent markets of Mexico City, Puebla and Cancun; ii) the incorporation of new clients, with higher purchasing power and solid credit profiles, as commercial banking continues to center most part of its endeavors on corporate credit restructuring (low focus on SMEs); and iii) the inherent benefits from our strategic alliance with the Coordinating Council of Women Entrepreneurs (CCME), as the share of credits for women-led SMEs in our total origination and loan portfolio has been ongoingly increasing.

Amid these positive drivers, the total portfolio climbed to Ps.10,929 million as of the end of 3Q20, posting a 27.9% annual growth. It is relevant to point that the deployment of a solid risk management framework, coupled with the timely advisory services we provided to our most affected clients, to refinance or settle their credits (the latter through the sale of the leased asset), allowed us to post an NPL ratio below than the forecasted at the beginning of the pandemic (2.2% vs. an estimate of 2.8%) being one of the lowest and healthiest indicators in the industry.

Turning to our commercial margin, this increased from Ps.61 million in 3Q19 to Ps.69 million this quarter, a 12.5% growth, supported by the leasing contracts formalized in the period. The average cost of funds was stable at 11.6%, while interest expense increased substantially, given a prudent origination pace and a large cash & cash equivalents balance that we have opted to hold despite the recognition of a negative carry. Consequently, the financial margin dropped 63.1% YoY, to Ps.85 million.

Even though the foregoing was partially offset by a 13.1% annual contraction in administrative expenses, in line with the savings plan launched in March, that is expected to last until year-end for the sake of our cash flows optimization, the Company recorded a quarterly net loss of Ps.7 million (adjusted for the effects of a negative carry, a net income of about Ps.30 million was recorded). And, adjusted for the negative carry from the international bonds issuance of 1Q20, FX non-cash valuation effects, and benefits obtained from the Jalisco government contract formalized in 2019, YTD net income records a significant double digit growth, of over 50%.

On the financial position front, although the deployment of proceeds from our Senior Notes issuance has continued through our origination endeavors, the cautious management of cash and a gradual increase in cash flow generation has enabled to maintain a high level of liquidity, close to that projected at the beginning of the contingency. And, as we had anticipated, our leverage ratio (gross debt/stockholders' equity) has followed a recovery trend, going from 8.9x in the 1Q20 and 7.0x in 2Q20, to 6.8x as of quarter-end.

To conclude, the results attained so far this year attest the strength of our business model that has allowed us to maintain an attractive profitability under a conservative risk profile, despite a challenging juncture. Consequently, we are clear that we are strongly positioned to keep contributing to the recovery of the micro, small and medium-sized enterprises: the igniting force that drive the economic growth of Mexico. In this context, we reaffirm all estimates set at our 2020 Guidance early this year: i) a double-digit growth rate in the total loan portfolio; and, ii) net income growth, on a comparable basis.

Ignacio Gonzalez,

CEO

MEGA REPORTS ANNUAL GROWTH RATES OF 27.9% IN ITS TOTAL PORTFOLIO AND 9.9% IN TOTAL INCOME DURING 3Q20, WITH AN NPL RATIO OF 2.2%

Guadalajara, Jalisco, Mexico, November 23, 2020. - Operadora de Servicios Mega, S.A. de C.V., SOFOM E.R. ("Mega") a company focused on leasing and credit origination in Mexico and the United States, announced today its financial results for the third quarter 2020 ("3Q20"). The figures presented in this report are expressed in nominal Mexican Pesos, are preliminary and non-audited, prepared in accordance with regulatory accounting standards issued by the National Banking and Securities Commission (CNBV) and may include minor differences due to rounding.

3Q20 Relevant Developments

- **Operadora de Servicios Mega, S.A. de C.V., SOFOM, E.R., credit ratings were reaffirmed.** On August 13, 2020, Verum reaffirmed Mega's short- and long-term ratings of '1/M' and 'A/M', respectively. Similarly, Verum reaffirmed the '1/M' rating of Mega's Short-term Debt Securities Program for up to Ps.1,000 million (due September 2022)
- **Periodic review of ratings of Operadora de Servicios Mega, S.A. de C.V., SOFOM, E.R.** On July 22, 2020, Moody's announced it had completed a periodic review of Mega's 'Ba2' long-term corporate rating, which continues to reflect among other elements, the Company's manageable asset quality and good profitability (grounded on its focus on leasing of high-value equipment to borrowers within resilient value chains)

3Q20 Operational Highlights

- As of September 30, 2020, the total loan portfolio recorded a 27.9% growth, from Ps.8,545 million at the end of 3Q19 to Ps.10,929 million, primarily driven by the annual growths of 39.2% (+Ps.2,354 million) and 68.4% (+Ps.286 million) in the SMEs and Consumption portfolios, respectively
- During 3Q20, the average loan per client was Ps.9.7 million (+15.5% YoY)
- Origination increased from Ps.522 million in 3Q19 to Ps.670 million this quarter, a 28.4% hike, from a greater underwriting activity mostly across all business segments, outstanding the segments of SMEs (+23.8% YoY or +Ps.109 million) and Consumption (+46.5% YoY or +Ps.29 million)
- Even though the 3Q20 NPL ratio increased 73 bps., to reach a 2.2% level, it remains one of the lowest in the industry. Furthermore, in a sequential basis, it marginally increased by just 10 bps., thus reflecting its high degree of resilience

3Q20 Financial Highlights

- During 3Q20, interest income expanded by 9.3%, to Ps.327 million, from Ps.299 million in the 3Q19, driven by a larger portfolio
- 3Q20 financial margin totaled Ps.85 million, decreasing 63.1% YoY, as the 9.9% YoY increase (+Ps.36 million) recorded in total income was offset by the surge in interest expense (+Ps.180 million), mainly related to the USD$350 million Senior Notes issuance conducted early this year
- In 3Q20, the Company recorded a net loss of Ps.7 million, vs. a Ps.49 million net income in 3Q19, attributed to a higher interest expense. Excluding the effect of negative carry, net income stood at a positive level of ~Ps.30 million
- Gross debt amounted to Ps.11,811 million (71% is subscribed at a fixed rate) as of quarter-end, 3.6% less than that recorded last quarter. The average cost of funds remained at 11.6% (+10 bps. QoQ)

Mega's Response to COVID-19 Pandemic

Health and safety of our people as our top priority

- The split of the staff into three work teams. The first, comprised of staff members belonging to risk groups (~20%) works entirely from home. The remaining two teams alternate between home office and the Company's premises; ensuring that, in the event of a contagion, a significant portion of the staff would be safe of infection
- Suspension of business travels

Support to clients

- Keeping close contact with our clients, to identify and address arising challenges, providing payment flexibility to the most troubled ones
- Consultancy services on the sale of leased asset to certain clients, thus enabling them to settle their loans

Preservation of asset quality

- In-depth analysis of the sectors where we participate, to adjust our exposure accordingly to the perceived risk (Mega is not currently exposed to Oil & Gas, Construction or Airlines industries, which have been affected the most)
- Implementation of stricter origination standards for new clients, with additional stress tests and more stringent criteria; mainly focused on sectors with attractive growth prospects, leveraging on our cutting-edge technological tools

Maintain a conservative risk management

- All debt contracted in foreign currency is 100% hedged
- Loan portfolio is adequately provisioned with allowances for loan losses, which are calculated under the expected loss methodology outlined by the CNBV (the Mexican banking watchdog)
- Double-check of backlogs

Key Figures

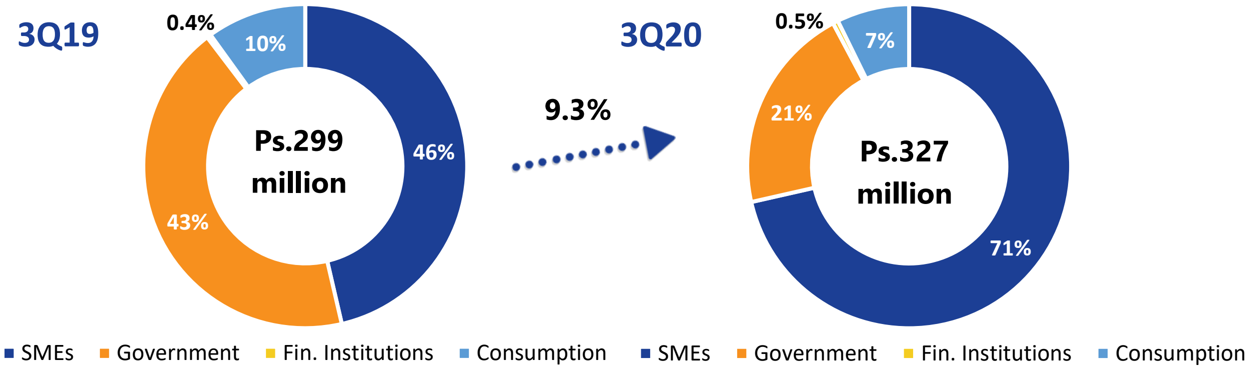
Financial (MXN million)	3Q20	3Q19	Δ%	9M20	9M19	Δ%
Interest income	**327**	**299**	**9.3%**	**1,040**	**608**	**71.1%**
Financial margin	**85**	**229**	**(63.1%)**	**406**	**733**	**(44.6%)**
Net income	**(7)**	**49**	**(>100.0%)**	**321**	**363**	**(11.6%)**

Operational	3Q20	3Q19	Δ%
Total loan portfolio (MXN Million)	**10,929**	**8,545**	**27.9%**
By type of loan:			
SMEs (MXN Million)	8,359	6,006	39.2%
Government (MXN Million)	1,751	2,054	(14.7%)
Fin. Institutions (MXN Million)	116	67	72.2%
Consumption (MXN Million)	703	418	68.4%
NPL ratio	**2.2%**	**1.5%**	**0.7 pp.**
By type of loan:			
SMEs	2.8%	2.0%	0.8 pp.
Government	-	-	-
Financial Institutions	-	-	-
Consumption	1.0%	1.1%	(0.1 pp.)
Average loan per client (MXN Thousand)	9,671	8,375	15.5%
Financial Ratios			
NIM	3.1%	10.7%	(7.6 pp.)
Efficiency Ratio	32.2%	32.3%	(0.1 pp.)
Average cost of funds	11.6%	11.5%	0.1 pp.
Coverage ratio[1,3]	92.3%	96.8%	(4.5 pp.)
Total loan portfolio / Gross debt	0.9x	1.3x	(0.4x)
Leverage (Gross debt / Stockholders' equity)	6.8x	4.9x	1.8x
Stockholders' equity / Total assets (net of deposits)[2]	12.3%	15.0%	(2.7 pp.)
Stockholders' equity / Total portfolio (net of deposits)[2]	18.1%	18.1%	0.0 pp.
ROAA[3]	3.3%	6.4%	(3.1 pp.)
ROAE[3]	27.5%	41.9%	(14.4 pp.)

[1]Allowance for loan losses as a percentage of non-performing loan.
[2]Deposits in advance received at the beginning of the leasing contract.
[3]Using YTD figures as of September 30, 2020.

Income Statement

Interest Income



*These represent the alliances with banks that do not have asset leasing operations, as we provide leasing services to our bank partner's clients. It is worth noting that said banks assume the credit risk of each transaction, while we earn a fee (for each transaction).

In the 3Q20, interest income reached Ps.327 million, increasing 9.3% when compared to Ps.299 million in 3Q19, driven by a 68.4% YoY growth (+Ps.95 million) in SMEs income, which more than offset the lower interest income in Government (-47.6% YoY, -Ps.62 million). In this sense, 71.5% of quarterly interest income derived from SMEs, 20.8% from Government, 7.3% from Consumption an 0.5% from Financial Institutions.

Year to date, interest income posted a 71.1% annual climb, to Ps.1,040 million, attributed to the recorded growth in all segments, primarily SMEs (+83.2% YoY, +Ps.339 million) and Government (+59.3% YoY, +Ps.77 million). In this context, 71.9% of YTD interest income stemmed from SMEs, 19.8% from Government, 7.8% from Consumption and 0.5% from Financial Institutions.

Commercial margin

Commercial margin grew 12.5%, from Ps.61 million in 3Q19 to Ps.69 million this quarter. YTD, the commercial margin amounted to Ps.285 million, a 41.3% annual decrease, given a high base of comparison that follows the positive effects of the multi-lease contract closed with the state of Jalisco last year.

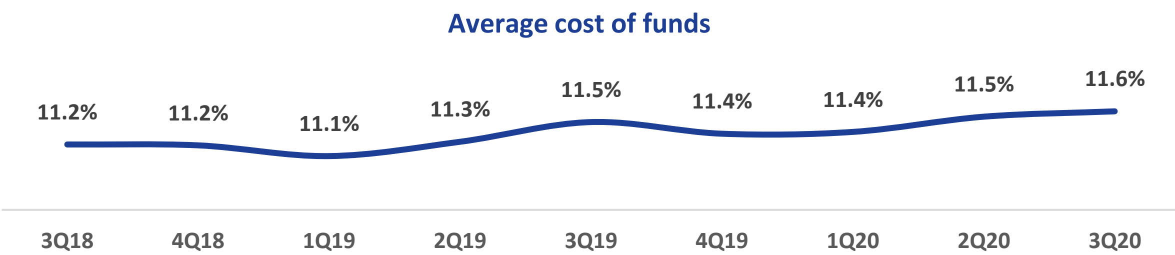
It is worth noting that the commercial margin represents the difference between the cost at which Mega acquires an asset and the asset leasing price (the price at which the asset is quoted to customers for purposes of calculating lease payments and the purchase price of the asset). This applies for typical lease transactions and those in which Mega serves as commercial distributor.

Interest expense

During the 3Q20, interest expense recorded an over 100% increase, totaling Ps.311 million, vs. Ps.131 million in 3Q19, as a result of the Company's higher outstanding debt, following the issuance of Senior Notes for USD$350 million conducted in 1Q20. Nevertheless, in a sequential basis, interest expense was down 8.2%, in line with the environment of lower interest rates. YTD, interest expense reached Ps.919 million, Ps.559 million more than that of the same period 2019 (>100% YoY).

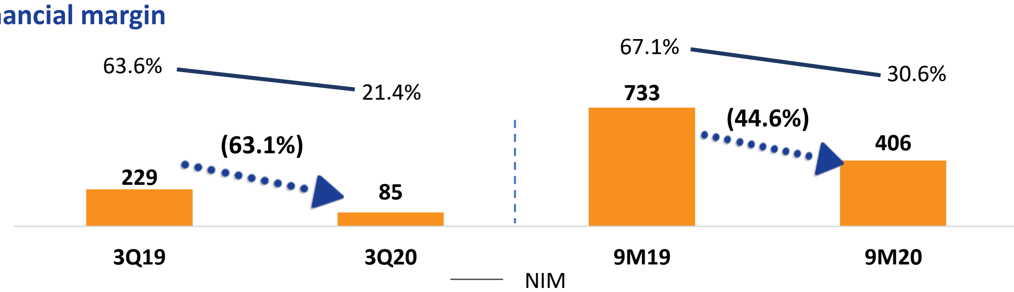
Interest expense (MXN Million)	3Q20	3Q19	Δ%	9M20	9M19	Δ%
Loans from banks and others	**95**	**122**	**(22.1%)**	**351**	**316**	**11.1%**
MXN	64	101	(36.6%)	208	228	(8.8%)
USD*	31	21	47.6%	143	88	62.5%
Debt securities	**216**	**9**	**>100.0%**	**568**	**44**	**>100.0%**
MXN	7	9	(22.2%)	51	44	15.9%
USD*	209	-	-	517	-	-
Total (MXN)	**311**	**131**	**>100.0%**	**919**	**360**	**>100.0%**
Average cost of funds	**11.6%**	**11.5%**	**0.1 pp.**	**11.6%**	**11.5%**	**0.1 pp.**

*We used a conversation factor of Ps.21.9907 to USD.



3Q20 Average cost of funds was 11.6%, slightly above than that posted in 3Q19 (+10 bps.), explained by the higher costs of USD-denominated debt (inherent to the placement of our Senior Notes in 1Q20) and the MXN depreciation vs. the USD. In this sense, we are currently exploring a number of options to capitalize on the environment of lower interest rates, for softening the cost of funding.

Financial margin



During 3Q20, the financial margin amounted to Ps.85 million, down 63.1% when compared to the Ps.229 million in 3Q19, with a 21.4% margin, as the growth in total income was not able to offset the higher interest expense. YTD, the financial margin dropped 44.6% YoY, to Ps.406 million, with a margin of 30.6%.

Provision for loan losses

Provision for loan losses by type of loan (MXN million)	3Q20	3Q19	Δ%	9M20	9M19	Δ%
SMEs	26	16	60.5%	66	27	>100.0%
Government	(1)	-	>100.0%	3	5	(39.3%)
Fin. Institutions	(3)	1	(>100.0%)	-	1	(58.5%)
Consumption	17	8	>100.0%	40	20	>100.0%
Total	**39**	**25**	**58.7%**	**109**	**52**	**>100.0%**

In 3Q20, provision for loan losses was Ps.39 million, 58.7% higher than the Ps.25 million recorded in 3Q19, consistent with the expansion of the total portfolio. The foregoing, coupled with the provisions created over the past two quarters (given COVID-19), drove YTD provision for loan losses to surge over a 100% YoY, thus totaling Ps.109 million.

Adjusted financial margin

Following a reduced financial margin and a higher level of provisions for loan losses, 3Q20 adjusted financial margin decreased 77.9% YoY, totaling Ps.45 million. Likewise, YTD adjusted financial margin dropped to Ps.297 million (-56.4% YoY).

Commission and fee expenses

During 3Q20, commission and fee expenses posted a 11.5% annual increase, reaching Ps.5 million. YTD, commission and fee expenses were up 18.6% YoY, to Ps.14 million.

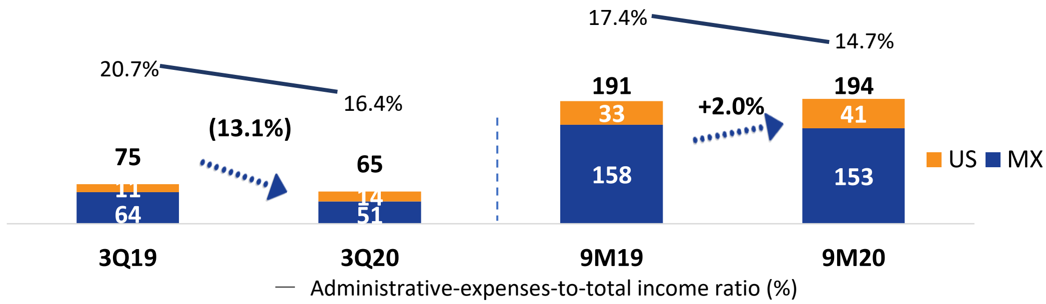
Brokerage expense

In 3Q20, a credit balance of Ps.9 million was registered in brokerage expenses, vs. the Ps. 1 million paid in 3Q19. YTD, brokerage expense was Ps.16 million, an increase of over a 100% vs. the Ps.6 million of the same period 2019.

Other operating income

Other operating income was down, from Ps.13 million in 3Q19 to Ps.7 million in 3Q20, a 47.0% annual decrease. YTD, other operating income reached Ps.160 million (+>100% YoY), driven by the gain recorded in 2Q20 (associated to the buyback transactions for a portion of our Senior Notes).

Administrative expenses



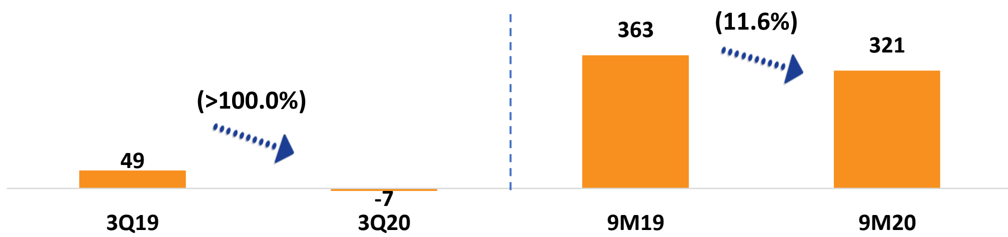
As a result of the savings program launched in March, administrative expenses in 3Q20 contracted 13.1%, from Ps.75 million in 3Q19 to Ps.65 million in 3Q20. In consequence, the administrative expenses to total income ratio stood at 16.4% (-4.3 pp. YoY).

Year to date, administrative expenses increased only 2.0%, to Ps.194 million, but the administrative expenses to total income ratio was down 2.7 pp. YoY, to 14.7%.

Income tax

During 3Q20, a tax benefit of Ps.1 million was recorded, positively compared to the Ps.5 million tax payable registered in 3Q19. YTD, income tax was Ps.6 million, a 67.5% lower than that of Ps.19 million in the same period last year.

Net income

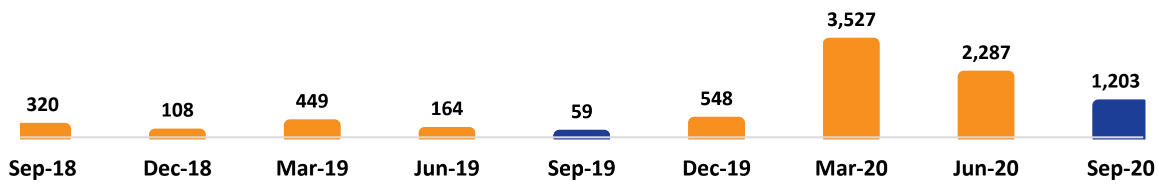


In 3Q20, the Company registered a net loss of Ps.7 million, vs. a Ps.49 million profit in 3Q19, since the positive effect of the incremental total income, the reduction in administrative expenses and credit balance in the brokerage expense line were more than offset by a larger amount in the line of interest expense. On a comparable basis, excluding the negative carry effect, the bottom-line posts a net income of ~Ps.30 million.

YTD, net income reached Ps.321 million, 11.6% less than the Ps.363 million recorded in the same quarter 2019. On a comparable basis, excluding the negative carry, non-cash FX valuation effects and benefits from the Jalisco government multi-lease contract closed in 2019, net income for the 9M20 records an increase of ~65.0% when compared to that of the same period last year; trending in line with the estimates set at our 2020 Guidance.

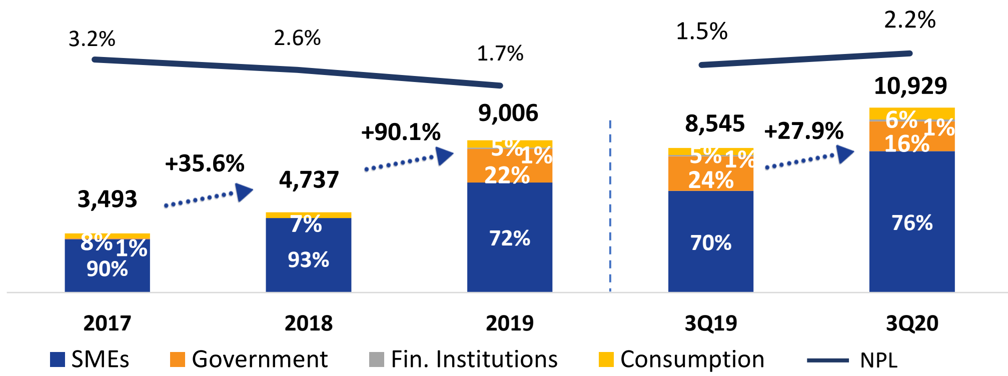
Balance Sheet

Cash



As of September 30, 2020, the cash balance stood at Ps.1,203 million, vs. Ps.59 million in 3Q19, given the USD$350 million Senior Notes issuance carried out early this year. The decrease reported in the cash balance during the past two quarters followed the scheduled deployment of such proceeds and the origination activity conducted.

Total loan portfolio



Following the swift pace in origination over the LTM (despite the stricter standards implemented to privilege the asset quality, amid the effects of the pandemic), the total loan portfolio expanded 27.9%, from Ps.8,545 million in 3Q19 to Ps.10,929 million as of quarter-end.

Due to the deployment of comprehensive origination standards and support provided to most affected clients by the sanitary contingency, the NPL ratio remained stable vs. 2Q20, staying at a 2.2% ratio (+10 bps. QoQ). It is relevant to underscore that only a non-substantial share of the total loan portfolio required further relief measures during 3Q20, same that will conclude no later than 1Q21.

Non-performing loans (NPL)

NPL by type of loan	NPL			MXN million		
	3Q20	3Q19	Δ	3Q20	3Q19	Δ%
SMEs	2.8%	2.0%	0.8 pp.	233	121	92.4%
Government	-	-	-	-	-	-
Fin. Institutions	-	-	-	-	-	-
Consumption	1.0%	1.1%	(0.1 pp.)	7	5	54.0%
Total	**2.2%**	**1.5%**	**0.7 pp.**	**240**	**126**	**91.0%**

In 3Q20, the NPL ratio was 2.2%, increasing 70 bps. year-over-year and 10 bps. quarter-over-quarter, thus reflecting the effects of the sanitary contingency in a lesser extent than the estimates projected at our forecasts. It is worth noting that, seeking to preserve the portfolio quality, the Company has substantially strengthened its origination policies.

Allowance for loan losses

As of quarter-end, the allowance for loan losses was Ps.222 million, a 82.0% annual growth over the Ps.122 million recorded in 3Q19, derived from a higher number of provisions (mainly due to the pandemic and a larger loan portfolio), which are built-up under the expected loss methodology set at the applicable regulations of the CNBV. Consequently, the coverage ratio (allowance for loan losses as a percentage of the non-performing loans) increased 1.9 pp. QoQ, reaching 92.3% (vs. 96.8% in 3Q19).

Other accounts receivable, net

Other accounts receivable, net, increased from Ps.727 million in 3Q19 to Ps.903 million this quarter (+24.1% YoY), as the growth in the total loan portfolio resulted in a higher recoverable VAT.

Other assets, deferred charges and intangible assets

Other assets, deferred charges and intangible assets reached Ps.582 million, 6.1% more than the Ps.549 million registered in the same period 2019.

Debt

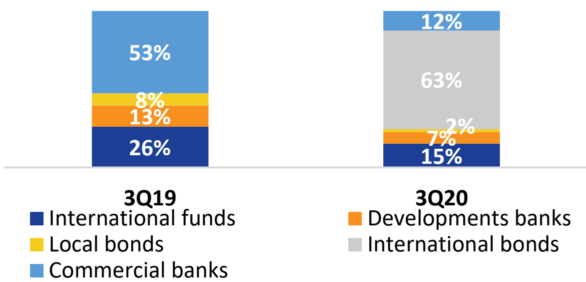
(MXN Million)	3Q20	3Q19	Δ%
Short-term	**1,445**	**1,573**	**(8.1%)**
As a % of gross debt	12.2%	23.5%	(11.3 pp.)
Long-term	**10,365**	**5,110**	**>100.0%**
As a % of gross debt	87.8%	76.5%	11.3 pp.
Total debt	**11,811**	**6,683**	**76.7%**
Net debt	**10,608**	**6,625**	**60.1%**
Leverage (Gross debt / Stockholders' equity)	6.8x	4.9x	1.8x

In 3Q20, the gross debt posted a 76.7% YoY increase, from Ps.6,683 million to Ps.11,811 million; primarily reflecting the USD$350 million Senior Notes issuance of 1Q20. In contrast, on a sequential basis, the gross debt dropped 3.6%.

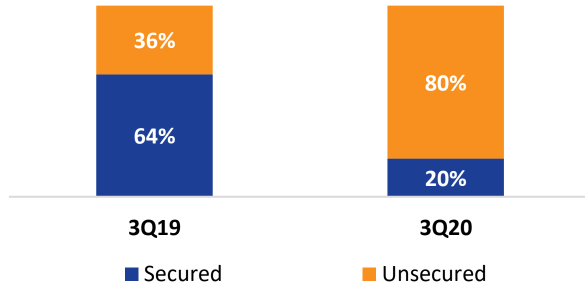
Only 12.2% of gross debt matures in the upcoming 12 months (vs. 23.5% in 3Q19). Separately, the leverage ratio was 6.8x, 1.8x above than that of the same period last year, but 0.2x below than the recorded in 2Q20.

Following the same trend as gross debt, but in a lower proportion given the high balance of cash and equivalents, net debt stood at Ps.10,608 million as of quarter-end (+60.1% YoY).

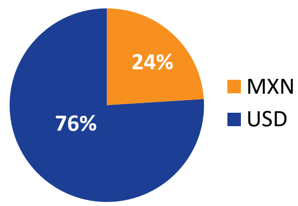
Debt Breakdown by Source



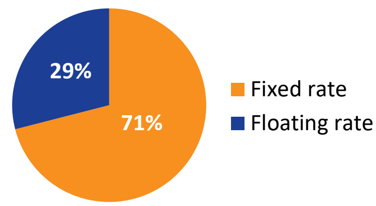
Secured vs. Unsecured



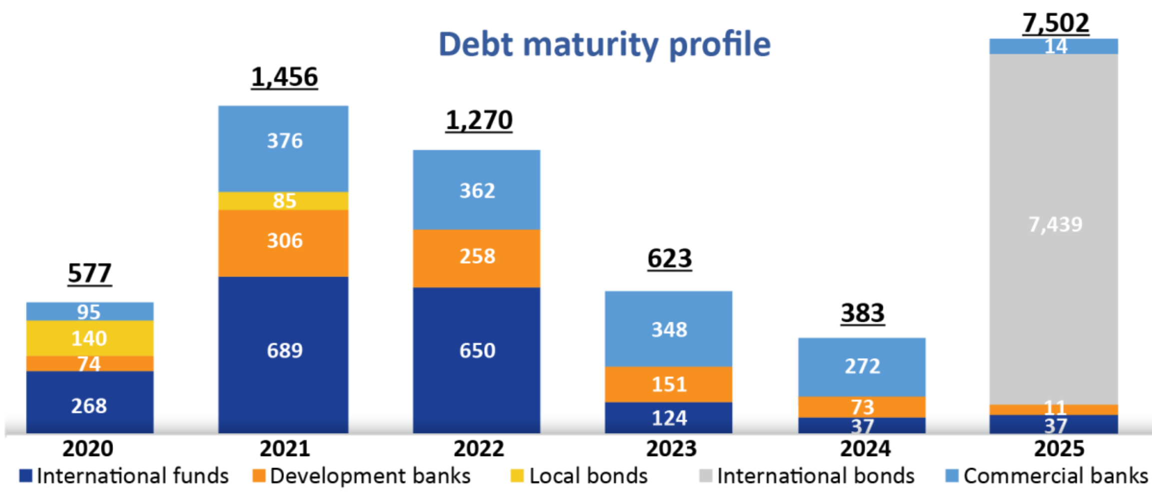
Debt by currency



Debt by rate

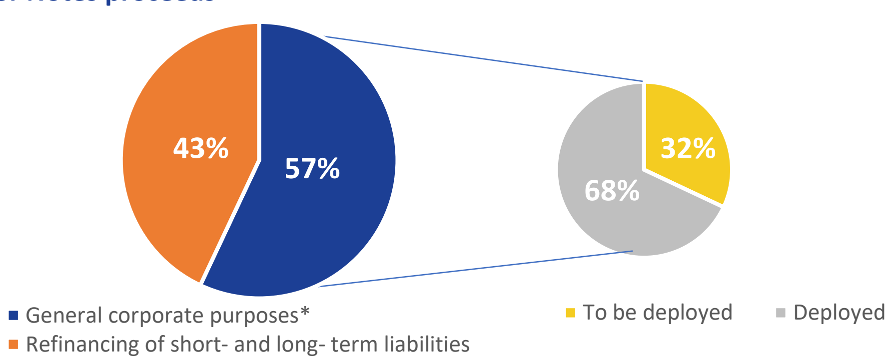


Debt maturity profile



The debt maturity profile as of the end of 3Q20 was: 4.9%, in 4Q20; 12.3%, during 2021; 10.8%, in 2022; 5.3%, in 2023; 3.2%, during 2024; and, the remainder 63.5% matures in 2025.

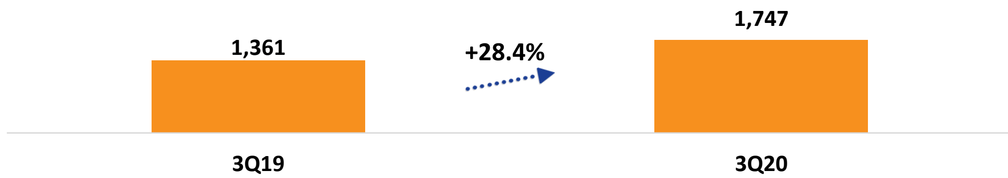
Use of Senior Notes proceeds



*Including working capital, credit origination, among others.

Out of the proceeds obtained, 43% was used for refinancing liabilities, while the remaining 57% will be gradually deployed for general corporate purposes. In this regard, as of September 30, 2020, 68% of the resources labelled for general corporate purposes have been already used.

Total Stockholders' Equity



Stockholders' equity as of 3Q20 reached Ps.1,747 million, from Ps.1,361 million in 3Q19 (+28.4%). With regards to the capital structure, at the end of the third quarter, it was comprised of 88.7% liabilities and 11.3% equity, vs. 86.6% liabilities and 13.4% equity in 3Q19.

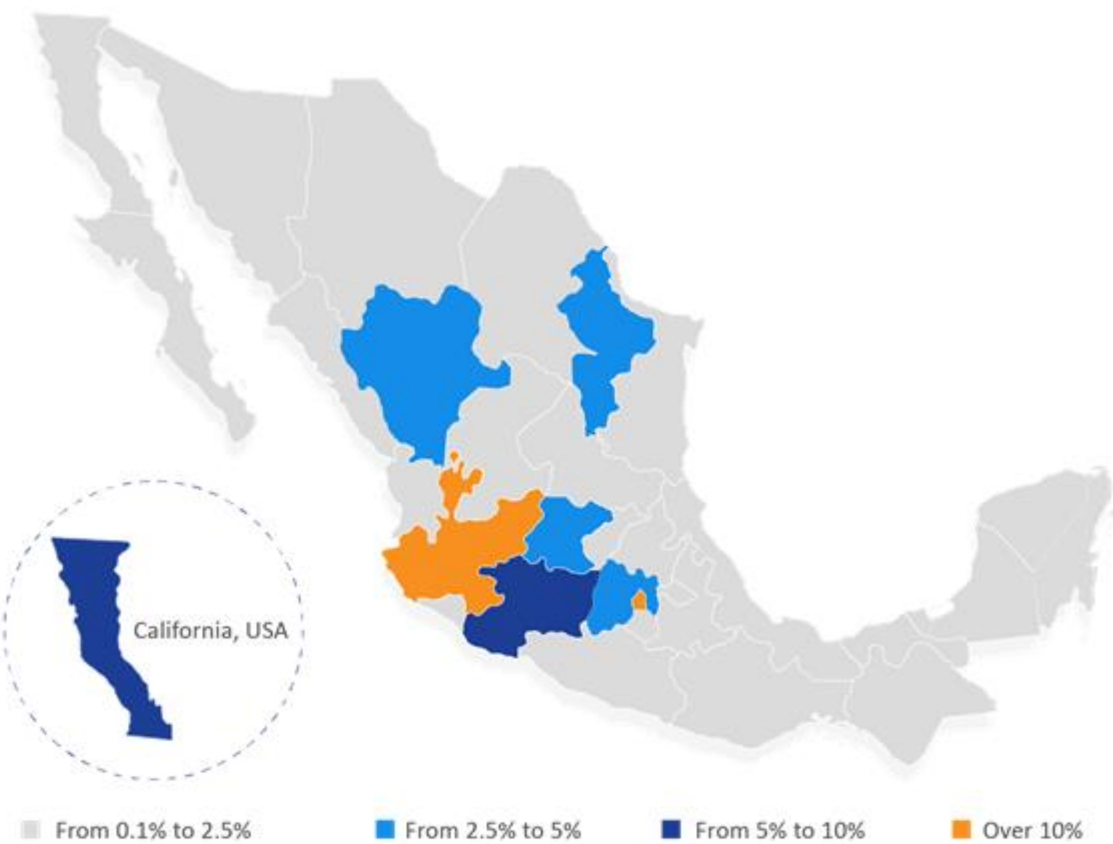
Operational Summary

Key operational figures

Type of loan	3Q20				3Q19				Δ%			
	Portfolio (MXN million)	Customers	NPL ratio	Average loan	Portfolio (MXN million)	Customers	NPL ratio	Average loan	Portfolio	Customers	NPL ratio	Average loan
SMEs	8,359	632	2.8%	7.8	6,006	550	2.0%	6.7	39.2%	14.9%	0.8 pp.	17.5%
Government	1,751	2	-	437.9	2,054	2	-	394.8	(14.7%)	-	-	10.9%
Fin. Institutions	116	3	-	12.8	67	2	-	13.4	72.2%	50.0%	-	(4.3%)
Consumption	703	2,769	1.0%	0.3	418	2,247	1.1%	0.2	68.4%	23.2%	(0.1 pp.)	36.6%
Total	**10,929**	**3,406**	**2.2%**	**9.7**	**8,545**	**2,801**	**1.5%**	**8.4**	**27.9%**	**21.6%**	**0.7 pp.**	**15.5%**

Type of loan (MXN million)	Origination									
	3Q20	%	3Q19	%	Δ%	9M20	%	9M19	%	Δ%
SMEs	569	85.0%	460	88.2%	23.8%	2,603	90.1%	1,963	45.2%	32.6%
Government	-	-	-	-	-	-	-	2,158	49.6%	(100.0%)
Fin. Institutions	10	1.6%	-	-	-	51	1.8%	30	0.7%	71.1%
Consumption	90	13.4%	62	11.8%	46.5%	233	8.1%	197	4.5%	18.2%
Total	**670**	**100.0%**	**522**	**100.0%**	**28.4%**	**2,887**	**100.0%**	**4,347**	**100.0%**	**(33.6%)**

Geographical portfolio distribution

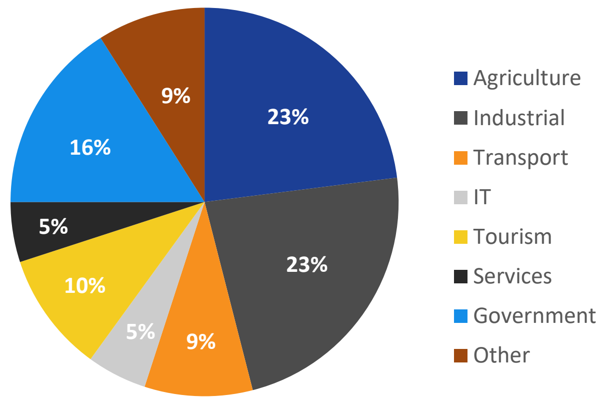


As of September 30, 2020, Mega's loan portfolio was mainly concentrated in the following entities: Jalisco (40.9%), Mexico City (15.7%), Michoacan (7.3%), California, United States (5.1%) and Nuevo Leon (4.8%). It is worth highlighting that the increasing participation of Mexico City (+6.4 pp., vs. 1Q20) reflects the sound performance we have recorded in this prominent market (where new branches were opened early this year during the sanitary contingency) as high-profile clients have opted for Mega and its value proposal, instead of the traditional banking solutions.

SMEs

At quarter-end, SMEs loan portfolio posted a 39.2% growth when compared to the Ps.6,005 million in 3Q19, amounting to Ps.8,359 million, attributable to the 32.6% YoY increase in YTD origination. During the quarter, origination increased 23.8% YoY, to Ps.569 million, and its NPL ratio was 2.8% (+80 bps. YoY).

SMEs by economic sector



Government

The government loan portfolio as of the end of 3Q20 was Ps.1,751 million, decreasing 14.7% in an annual basis, since, pursuant to Mega's origination approach, primarily aimed at SMEs, our commercial endeavors are gearing towards business opportunities out of this segment. Here it is relevant to highlight the underlying fundamentals of these type of credits, as they are featured by its longer terms and high quality (supported by credit profiles backed in secured income sources), as it is the case of the multi-lease contract subscribed with the Government of Jalisco, entity that, even at the face of sanitary emergency, has duly met all its obligations according to the established schedule of payments (NPL ratio of 0.0%).

Financial institutions

As of the third quarter, financial institutions loan portfolio reported an annual growth of Ps.49 million or 72.2%, to reach Ps.116 million. Origination totaled Ps.10 million (vs. nil origination in 3Q19), and the NPL ratio was 0.0%, finding support in the stringent origination standards deployed by our banking counterparts.

Consumption

During 3Q20, consumption loan portfolio reached Ps.703 million, 68.4% higher than the Ps.418 million recorded as of September 30, 2019. Quarterly origination totaled Ps.90 million, up Ps.28 million or 46.5%, vs. that reported in 3Q19. The NPL ratio decreased 10 bps. in an annual basis, standing at a ratio of just 1.0%.

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Fixed-income analysts

Institution	Analyst	Credit rating	E-mail
S&P Global Ratings	Rodrigo Cuevas	'BB-' / 'mxA-'	rodrigo.cuevas@spglobal.com
Moody's	Felipe Carvallo	'Ba2'	felipe.carvallo@moodys.com
Verum	Jonathan Felix	'A/M' / '1/M'	jonathan.felix@verum.mx

About Mega

Operadora de Servicios Mega, S.A. de C.V., SOFOM E.R. ("Mega") is a company specialized in leasing and credit origination in Mexico and the United States, with more than 15 years of experience, offering financial solutions to companies underserved by traditional banks. Mega's unique portfolio is diversified across regions and sectors, with high growth potential.

Forward-Looking Statements

Certain statements contained in this earnings release constitute forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Company to be materially different from those expressed or implied by the forward-looking statements in this earnings release. The reader should understand that the results obtained may differ from the projections contained in this document, as past results in no way offer any guarantee of future performance. For this reason, the Company assumes no responsibility for any indirect factors or elements beyond its control that might occur inside Mexico or abroad and which might affect the outcome of these projections.

3Q20 Earnings Conference Call

Consolidated Financial Statements

Operadora de Servicios Mega, S.A. de C.V., SOFOM, E.R.

Consolidated Income Statement

For the three-and-nine-month periods ended September 30, 2020 and 2019

(Thousands of Mexican pesos)	3Q20	3Q19	Δ%	3Q20 (Thousands of dollars[1])	9M20	9M19	Δ%	9M20 (Thousands of dollars[1])
Interest income	327,118	299,250	9.3%	14,875	1,039,823	607,646	71.1%	47,285
Commercial margin	68,620	60,981	12.5%	3,120	284,843	485,080	(41.3%)	12,953
Total income	**395,737**	**360,230**	**9.9%**	**17,996**	**1,324,665**	**1,092,725**	**21.2%**	**60,238**
Interest expense	(311,106)	(130,996)	>100.0%	(14,147)	(918,751)	(360,050)	>100.0%	(41,779)
Financial margin	**84,631**	**229,234**	**(63.1%)**	**3,849**	**405,914**	**732,675**	**(44.6%)**	**18,458**
Provision for loan losses	(39,442)	(24,854)	58.7%	(1,794)	(109,183)	(52,245)	>100.0%	(4,965)
Adjusted financial margin	**45,189**	**204,380**	**(77.9%)**	**2,055**	**296,731**	**680,430**	**(56.4%)**	**13,493**
Commission and fee expenses	(4,814)	(4,316)	11.5%	(219)	(13,861)	(11,688)	18.6%	(630)
Brokerage expenses	8,535	(1,312)	(>100.0%)	388	(16,388)	(5,920)	>100.0%	(745)
Other operating income	6,903	13,023	(47.0%)	314	159,737	20,563	>100.0%	7,264
Administrative expenses	(64,849)	(74,653)	(13.1%)	(2,949)	(194,479)	(190,592)	2.0%	(8,844)
Income before income taxes	**(9,036)**	**137,122**	**(>100.0%)**	**(411)**	**231,740**	**492,793**	**(53.0%)**	**10,538**
Income tax	564	(4,531)	(>100.0%)	26	(6,063)	(18,631)	(67.5%)	(276)
Net income (excluding FX items)	**(8,472)**	**132,591**	**(>100.0%)**	**(385)**	**225,677**	**474,162**	**(52.4%)**	**10,262**
Net margin	**(2.1%)**	**36.8%**	**(38.9 pp.)**	**(2.1%)**	**17.0%**	**43.4%**	**(26.4 pp.)**	**17.0%**
FX gain	19,078	13,825	38.0%	868	154,433	111,562	38.4%	7,023
FX los	(18,017)	(97,192)	(81.5%)	(819)	(59,392)	(222,761)	(73.3%)	(2,701)
Net income	**(7,412)**	**49,223**	**(>100.0%)**	**(337)**	**320,717**	**362,962**	**(11.6%)**	**14,584**

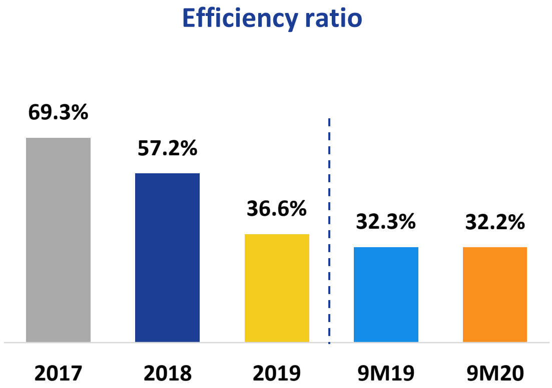
[1]U.S. dollar amounts are translated from pesos into dollars, solely for the convenience of the reader, using an exchange rate of Ps.21.9907 per U.S. dollar, the exchange rate to settle foreign currency obligations on September 30, 2020 determined by the Mexican Central Bank and published in the Official Gazette.

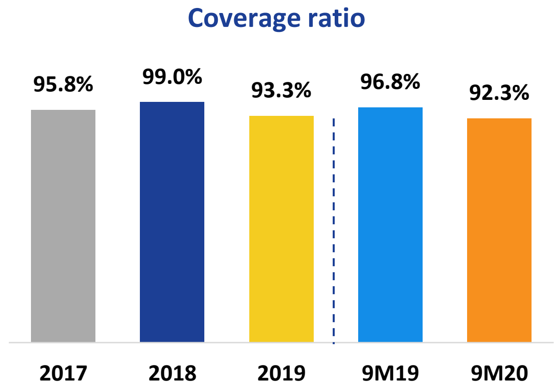
Operadora de Servicios Mega, S.A. de C.V., SOFOM, E.R.
Consolidated Balance Sheet
As of September 30, 2020 and 2019

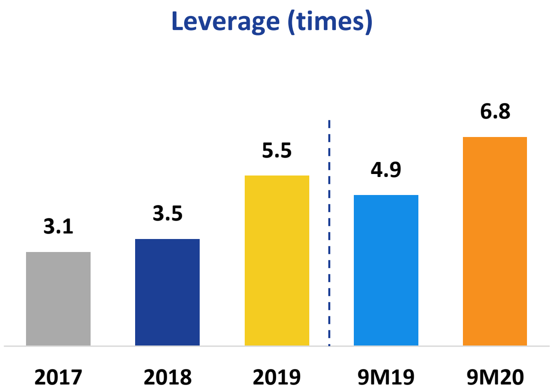
(Thousands of Mexican pesos)	Sep-30 2020	Sep-30 2019	Δ%	Sep-30 2020 (Thousands of Dollars[1])
Assets				
Cash	1,202,781	58,521	>100.0%	54,695
Derivatives held for trading	-	39	(100.0%)	-
Derivatives held for hedging	1,656,065	-	-	75,308
Total performing loan portfolio	10,668,891	8,419,209	27.0%	486,064
Total non-performing loan portfolio	240,273	125,287	91.0%	10,926
Total loan portfolio	**10,929,164**	**8,545,035**	**27.9%**	**496,990**
Allowance for loan losses	(221,669)	(121,808)	82.0%	(10,080)
Total loan portfolio (net)	**10,707,495**	**8,423,227**	**27.1%**	**486,910**
Other accounts receivable, net	902,740	727,471	24.1%	41,051
Foreclosed assets, net	148,519	112,565	31.9%	6,754
Property, furniture and equipment, net	77,550	71,434	8.6%	3,526
Goodwill	134,265	134,265	-	6,106
Long-lived assets available for sale	60,306	60,306	-	2,742
Other assets, deferred charges and intangible assets	581,773	548,559	6.1%	26,455
Total Assets	**15,471,495**	**10,136,387**	**52.6%**	**703,547**
Liabilities and Stockholders' Equity				
Listed securities	7,664,203	518,600	>100.0%	348,520
Short-term debt	1,445,301	1,573,191	(8.1%)	65,723
Long-term debt	2,701,099	4,591,495	(41.2%)	122,829
Derivatives for trading purposes	35,590	67,121	(47.0%)	1,618
Derivatives held for hedging	120,870	-	-	5,496
Sundry creditors	92,960	694,693	(86.6%)	4,227
Sundry creditors for collateral received cash	1,270,471	1,048,848	21.1%	57,773
Deferred income taxes	69,106	63,312	9.2%	3,143
Deferred credits and advance collections	324,908	218,626	48.6%	14,775
Total Liabilities	**13,724,507**	**8,775,887**	**56.4%**	**624,105**
Stockholders' Equity				
Capital stock	418,435	418,405	0.0%	19,028
Additional paid in capital	-	-	-	-
Retained earnings	967,005	556,643	73.7%	43,973
Cumulative foreign translation adjustment	40,831	22,491	81.5%	1,857
Net income of the period	320,717	362,962	(11.6%)	14,584
Total Stockholders' Equity	**1,746,988**	**1,360,501**	**28.4%**	**79,442**
Total Liabilities and Stockholders' Equity	**15,471,495**	**10,136,387**	**52.6%**	**703,547**

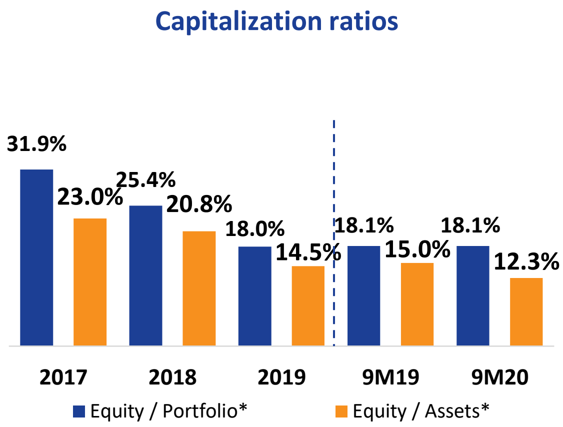
[1]U.S. dollar amounts are translated from pesos into dollars, solely for the convenience of the reader, using an exchange rate of Ps.21.9907 per U.S. dollar, the exchange rate to settle foreign currency obligations on September 30, 2020 determined by the Mexican Central Bank and published in the Official Gazette.

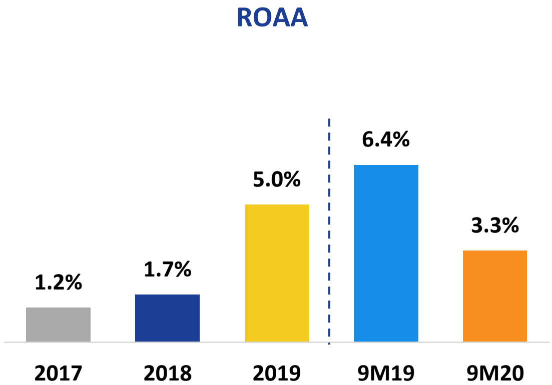
Financial Ratios

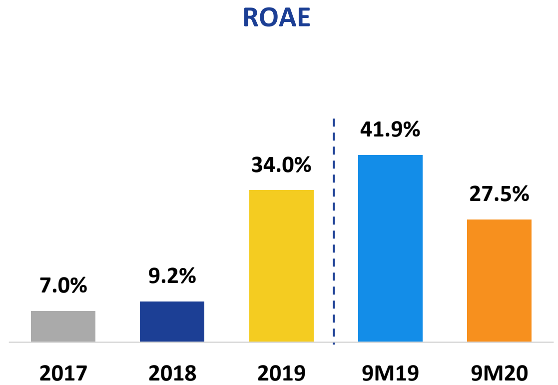












*Net of deposits

Glossary

Total loan portfolio: Total performing loan portfolio + Total non-performing loan portfolio.

NIM: Financial margin annualized / Total loan portfolio.

Non-performing loan ratio: Past-due leases and loans, calculated as of the first day such leases and loans are more than 90 days in arrears / Total loan portfolio.

Efficiency Ratio: Calculated as the sum of Administrative and Operating Expenses divided by the sum of Financial and Commercial Margins.

Coverage ratio: Allowance for loan losses as a percentage of non-performing loans.

Leverage: Total debt / Stockholders' equity.

Return on Average Assets (ROAA): Net income annualized / Average total assets.

Return on Average Stockholders' Equity (ROAE): Net income annualized / Average stockholders' equity.

Mega L.P.: It is a subsidiary based in San Diego, California, focused on purchasing selected pre-owned personal vehicle loans from local dealerships.

Fin. Institutions: These represent the alliances with banks that do not have asset leasing operations, as we provide leasing services to our bank partner's clients. It is worth noting that said banks assume the credit risk of each transaction, while we earn a fee (for each transaction).