



**Driving growth toward  
comprehensive solutions of high  
added-value**

**2Q21**

**EARNINGS RELEASE**

## Message from the Executive Chairman

During 2Q21, Mega continued supporting the recovery of its SMEs' customers drawing on its innovative financial solutions offering, under an operating framework that strongly privileges the asset quality. In this sense, we remain pursuant to the conservative approach adopted early in the sanitary contingency, same that has led us to maintain one of the lowest NPLs of the industry (only 2.1%), despite the current headwinds.

Before this context, the proceeds from the reopening of our Senior Notes (conducted last quarter) have been paramount to tap on the gradual recovery of credit demand, without jeopardizing our liquidity. The foregoing is reflected in the 2Q21 origination, which surpassed the Ps.1,250 million mark, and in the cash & equivalents balance that closed June at Ps.2,844 million (+24.4% YoY).

Likewise, we keep supporting women entrepreneurs in Mexico towards increasing financing opportunities, in line with our strategic plan, while encouraging a greater share of this type of loans within our total loan portfolio.

All of the above, coupled with our outstanding transparency (Mega is the only regulated entity among top Mexican non-bank financial companies) and strong ESG commitment (attested in the rating assigned to Mega by Vigeo Airis), contributed for both S&P and Moody's to reaffirm our national and international credit ratings; sending a clear signal of our firm financial position and operational soundness.

It is also worth noting the that, even when 10.6% or Ps.1,460 million of our gross debt matures in the next 12 months, we count on over Ps.2,350 million in available credit lines and a robust cash balance. Therefore, we have a wide financing capacity to support our operating drive, and bolster the generation of value, for the benefit of our stakeholders.

Here, I would like to highlight that, despite the arising of recent inflationary pressures on the interest rates in Mexico, we do not foresee any significant impact on the Company's average cost of funds, since around 75% of the gross debt is subscribed at a fixed rate.

Finally, we are positive that the combination of our operating and financial resources, the vast experience of our team and a high confidence of our investors and creditors, will allow us to move forward in the achievement of our short and long-term goals. In consequence, we reaffirm the estimates set at our 2021 Guidance: i) total loan portfolio growth of ~19%; and ii) NPL Ratio of ~2.5%.

***Guillermo Romo,***  
**Executive Chairman**

## Message from the CEO

Amid an environment marked by the economic recovery attached to the progress attained at the vaccination plan and projections of rising interest rates (due to inflationary pressures in both Mexico and the U.S.), 2Q21 results kept showing the resiliency that has featured our operations and key metrics since the beginning of the pandemic (bolstered with a selective approach in origination and an effective use of resources).

Against this background, our best-in-class NPL was just 2.1%, even at the face of the ongoing growth trend of the portfolio, which amounted to Ps.12,589 million (+22.6% YoY) at the end of 2Q21. Similarly, 2Q21 interest income reached Ps.618 million, an increase of almost 100% compared to that of Ps.310 million in 2Q20. Consequently, 1H21 interest income totaled Ps.1,223 million, up 71.6% from Ps.713 million in the same quarter of 2020.

Separately, commercial margin decreased from Ps.171 million in 2Q20 to Ps.88 million this quarter. Likewise, 1H21 commercial margin was Ps.145 million, vs. Ps.216 million in 1H20.

This contraction, coupled with the 68.1% YoY increase in the quarterly interest expense (since 2Q21 was the first entire quarter to fully record the interest corresponding to the Senior Notes issued in 1Q21), took its toll on the financial margin, which decreased 4.1%, from Ps.142 million in 2Q20 to Ps.136 million this quarter. Meanwhile, 1H21 financial margin totaled Ps.348 million, 8.3% higher than that of the same period 2020. It is worth noting that cost of funds remained stable at 11.7%.

All-in-all, net income ended the quarter at Ps.28 million, lower than the figure recorded in the same period last year, amid a high base of comparison that followed the non-recurring gain from Senior Notes' buybacks conducted in 2Q20. 1H21 net income was Ps.119 million, vs. Ps.234 million in 1H20.

On the balance sheet side, despite a higher deployment of proceeds from the 1Q21 Senior Notes issuance, as a gradual economic recovery has supported a larger origination, the liquidity stood at a healthy level, with a cash balance of over Ps.2,800 million (+24.4% YoY). This, together with the normalization of leverage (6.8x in 2Q21 vs. 7.0x in 2Q20), has enabled us to preserve a sound financial position; reflected by the recent ratification of Mega's local and international credit ratings by S&P and Moody's.

Wrapping up, if we certainly anticipate a further momentum in 2H21, we are also aware of the prevailing challenges of the pandemic (new COVID-19 variations). In this sense, we will continue to closely monitor the evolution of our key operating and financial indicators, confident that we will be able to deploy a swift response against arising headwinds, to meet the objectives set at our 2021 Guidance, with strong focus to grow the portfolio towards the addition of high-quality assets that fit into our comprehensive framework of credit origination.

*Ignacio Gonzalez,*  
CEO

## MEGA REPORTS GROWTH OF 22.6% IN THE TOTAL PORTFOLIO AND ~100.0% IN INTEREST INCOME IN 2Q21, WITH AN NPL OF 2.1%

Guadalajara, Jalisco, Mexico, August 16, 2021. - 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 second quarter 2021. The figures presented in this report are expressed in millions of nominal Mexican Pesos (unless otherwise stated), 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.

### 2Q21 Relevant Developments

- **Periodic review of the credit ratings of Operadora de Servicios Mega, S.A. de C.V., SOFOM, E.R.** In June, S&P affirmed the Company's long-term global rating of 'BB-' as well as its short-and-long term national ratings of 'mxA-' and 'mxA-2', respectively. Likewise, in the same month Moody's informed that it completed the periodic review of Mega's 'Ba2' long-term corporate rating. As stated by both agencies, the ratings are grounded, among other factors, on Mega's asset quality, solid profitability and adequate level of capitalization and provisions, as well as on the consolidation of its leading position in the industry.
- **Mega closes the reopening of its international bonds.** At the end of 1Q21, Mega closed the reopening of its Senior Notes (originally placed in February 2020) for an additional USD\$150 million.

### 2Q21 Operational Highlights

- The consolidated loan portfolio, as of June 30, 2021, totaled Ps.12,589 million, an annual increase of 22.6%, mainly driven by the growth of the SME portfolio, which climbed from Ps.7,722 million in 2Q20 to Ps.10,302 million in 2Q21 (+33.4% YoY)
- The average loan per client in 2Q21 was Ps.8.8 million, 2.5% higher than Ps.8.6 million in 2Q20.
- 2Q21 origination decreased 15.3% YoY, to Ps.1,253 million, in line with the prudent approach adopted to preserve the asset quality, which is reflected in our stable NPL of 2.1% (vs. 2.1% in 2Q20 and 2.2% in 1Q21), one of the lowest in the industry

### 2Q21 Financial Highlights

- Benefited by a larger loan portfolio, interest income almost doubled year-over-year, from Ps.310 million in 2Q20 to Ps.618 million in 2Q21
- Financial margin was Ps.136 million, a 4.1% YoY drop due to the effect derived from a higher interest expense (68.1% YoY, consistent with the reopening of Senior Notes in March 2021) and a Ps.84 million or 48.9% contraction in the commercial margin.
- Net income ended the quarter at Ps.39 million, vs. Ps.261 million in 2Q20, decreasing on a year-over-year basis, mainly due to the high comparison base related to the non-recurring gain of Ps.147 million recorded in 2Q20, which resulted from the repurchase of a portion of the Senior Notes
- As of June 30, 2021, gross debt stood at Ps.13,872 million, 12.5% higher than that reported in 2Q20, an increase mainly attributable to the US\$150 million reopening of the Senior Notes in 1Q21. The average cost of funding remained at 11.7%, unchanged from 4Q20

## 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 regulator)
- Double-check of backlogs

## Key Figures

Financial (MXN million)	2Q21	2Q20	Δ%	1H21	1H20	Δ%
Interest income	618	310	99.7%	1,223	713	71.6%
Financial margin	136	142	(4.1%)	348	321	8.3%
Net income	39	261	(84.9%)	92	328	(71.9%)

Operational	2Q21	2Q20	Δ%
<b>Total loan portfolio (MXN Million)</b>	<b>12,589</b>	<b>10,272</b>	<b>22.6%</b>
<b>By type of loan:</b>			
SMEs (MXN Million)	10,302	7,722	33.4%
Government (MXN Million)	1,495	1,831	(18.4%)
Fin. Institutions (MXN Million)	126	106	18.8%
Consumption (MXN Million)	667	613	8.8%
<b>NPL ratio</b>	<b>2.1%</b>	<b>2.1%</b>	<b>0.03 pp.</b>
<b>By type of loan:</b>			
SMEs	2.6%	1.9%	0.7 pp.
Government	-	-	-
Fin. Institutions	-	-	-
Consumption	1.0%	0.9%	0.1 pp.
Average loan per client (MXN Thousand)	8.8	8.6	2.5%
Financial Ratios	2Q21	2Q20	Δ%
NIM <sup>4</sup>	4.3%	5.5%	(1.2 pp.)
Efficiency Ratio	43.7%	26.7%	17.0 pp.
Average cost of funds	11.7%	11.5%	0.2 pp.
Coverage ratio <sup>1,3</sup>	107.5%	90.4%	17.1 pp.
Total loan portfolio / Gross debt	0.9x	0.8x	0.1x
Leverage (Gross debt / Stockholders' equity)	6.8x	7.0x	(0.2x)
Stockholders' equity / Total assets (net of deposits) <sup>2</sup>	12.0%	11.9%	0.2 pp.
Stockholders' equity / Total portfolio (net of deposits) <sup>2</sup>	17.5%	19.6%	(2.1 pp.)
ROAA <sup>3</sup>	1.1%	5.1%	(4.0 pp.)
ROAE <sup>3</sup>	9.8%	42.7%	(32.9 pp.)

<sup>1</sup>Allowance for loan losses as a percentage of non-performing loan.

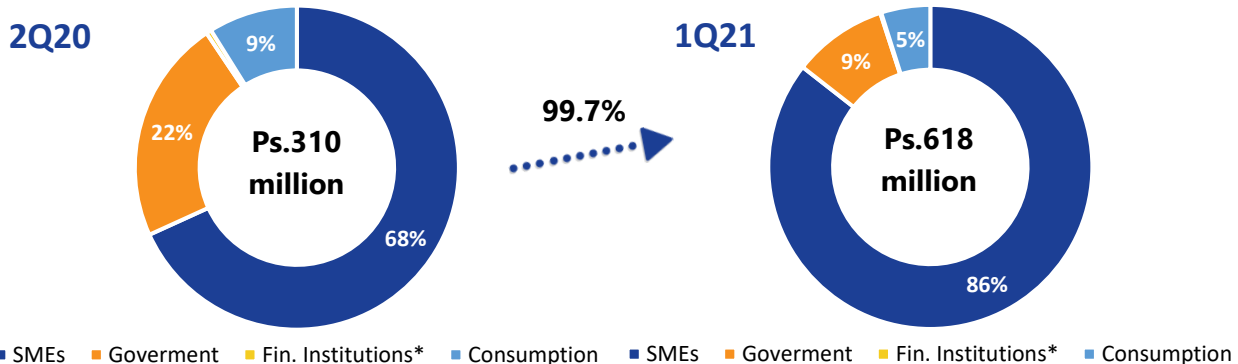
<sup>2</sup>Deposits in advance received at the beginning of the leasing contract.

<sup>3</sup>Using LTM figures as of June 30, 2021.

<sup>4</sup>Quarterly financial margin annualized / Total loan portfolio.

## 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).

During 2Q21, interest income increased 99.7%, to Ps.618 million, from Ps.310 million in 2Q20. This increase is mainly related to the higher income from the SME portfolio, which totaled Ps.529 million (vs. Ps.211 million in 2Q20) and accounted for 85.6% of the consolidated figure for the quarter. Regarding the contribution of the other segments, Government accounted for 9.4% (Ps.58 million, -15.9% YoY), Consumer for 4.9% (Ps.30 million, +10.2% YoY) and Financial Institutions for 0.1% (Ps.0.6 million, -62.6% YoY).

Similarly, 1H21 interest income rose 71.6% YoY, to Ps.1,223 million, driven by over a 100% increase in income from the SME segment, which amounted to Ps.1,043 million, with a contribution of 85.3%. Government, Consumer and Financial Institutions contributed 9.7%, 4.8% and 0.2%, respectively.

### Commercial Margin

2Q21 commercial margin totaled Ps.88 million, 48.9% below than the Ps.171 million recorded in 2Q20. 1H21 commercial margin was Ps.145 million vs. the Ps.216 million of the same period last year (-32.8%). These contractions are explained by a high base of comparison (from an accounting reclassification of the commercial margin of 2Q20).

It should be noting that the commercial margin is the income that comes from the difference between the cost at which Mega acquires an asset and its lease price, whether for traditional leases or those in which Mega acts as a commercial distributor.

### Interest Expense

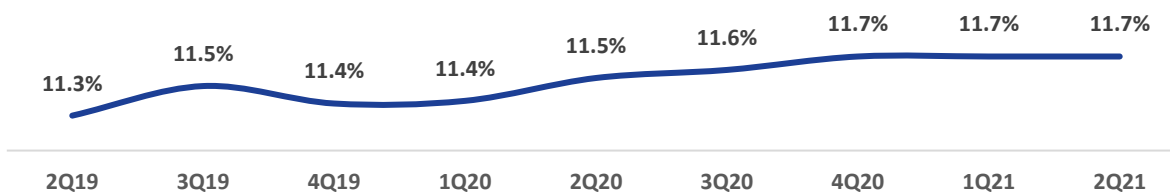
2Q21 interest expense increased 68.1% YoY, amounting to Ps.570 million. This variation is largely explained by the reopening of the Senior Notes for USD\$150 million at the end of 1Q21. As a result, 2Q21 became the first period that recognizes the interest on the Senior Notes in full.

For the six months of 2021, interest expense reached Ps.1,020 million, up 67.9% when compared to the Ps.608 million of 1H20.

Interest expense (MXN Million)	2Q21	2Q20	Δ%	1H21	1H20	Δ%
<b>Loans from banks and others</b>	<b>187</b>	<b>99</b>	<b>89.1%</b>	<b>403</b>	<b>256</b>	<b>57.5%</b>
MXN	28	50	(43.5%)	213	144	47.6%
USD*	159	49	>100.0%	190	112	70.1%
<b>Debt securities</b>	<b>383</b>	<b>240</b>	<b>59.4%</b>	<b>617</b>	<b>352</b>	<b>75.2%</b>
MXN	0.1	16	(99.2%)	1	44	(98.7%)
USD*	382	224	70.7%	616	308	>100.0%
<b>Total (MXN)</b>	<b>570</b>	<b>339</b>	<b>68.1%</b>	<b>1,020</b>	<b>608</b>	<b>67.8%</b>
<b>Average cost of funds</b>	<b>11.7%</b>	<b>11.5%</b>	<b>0.2 pp.</b>	<b>11.7%</b>	<b>11.4%</b>	<b>0.3 pp.</b>

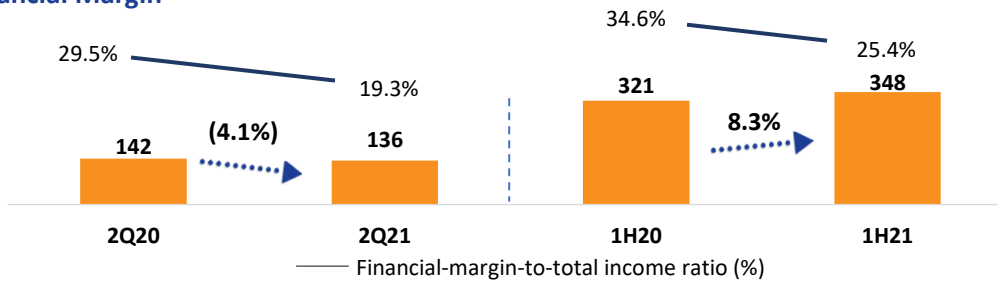
\*Using an exchange rate of Ps.19.9062 per USD.

### Average cost of funds



For the third quarter in a row, the funding cost stood at 11.7%, 20 bps. above than that of 2Q20, a variation explained by the negative carry resulted from excess cash (largely from the Senior Notes reopening last quarter), as asset quality has been prioritized over volume in origination pursues.

### Financial Margin



The financial margin decreased 4.1% compared to the Ps.142 million in 2Q20, totaling Ps.136 million, a ratio equal to 19.3% of total income (-10.2 pp.). This reduction was caused, among other factors, by the effects of both accounting reclassifications made on 2Q20 results and the negative carry.

Contrary, in the first half of 2021 financial margin was up 8.3% YoY, amounting to Ps.348 million with a ratio to total income of 25.4% (-9.2 pp.).



## Provision for Loan Losses

Provision for loan losses by type of loan (MXN million)	2Q21	2Q20	Δ%	1H21	1H20	Δ%
SMEs	45	21	>100.0%	58	40	46.2%
Government	(4)	-	-	(3)	4	(>100.0%)
Fin. Institutions	(3)	3	(>100.0%)	(3)	3	(>100.0%)
Consumption	8	16	(53.0%)	12	23	(49.9%)
<b>Total</b>	<b>46</b>	<b>40</b>	<b>14.5%</b>	<b>64</b>	<b>70</b>	<b>(8.3%)</b>

The provision for loan losses was Ps.46 million in 2Q21, up 14.5% vs. Ps.40 million in 2Q20. 1H21 provision for loan losses was Ps.64 million, down 8.3% YoY, reflecting a more favorable economic backdrop, which has allowed lower provisions for consumer loans during the period.

## Adjusted Financial Margin

2Q21 adjusted financial margin was down, to Ps.91 million, from Ps.102 in 2Q20, due to certain accounting reclassifications conducted in 2Q20 results, as well as a lower financial margin and higher provisions for loan losses during the quarter. On the other hand, the adjusted financial margin for 1H21 was up 12.9%, from Ps.252 million in 1H20 to Ps.284 million at the end of the 6M, on the back of improved financial margin, as well as of the high credit quality of the portfolio, same that allowed the Company to stabilize provisions for loan losses at optimal levels, thus supporting profitability.

## Commission and Fee Expenses

2Q21 and 1H21 commissions and fees expenses increased over a 100% YoY, amounting to Ps.11 million and Ps.21 million, respectively, due to commissions and services paid in the reopening of our Senior Notes.

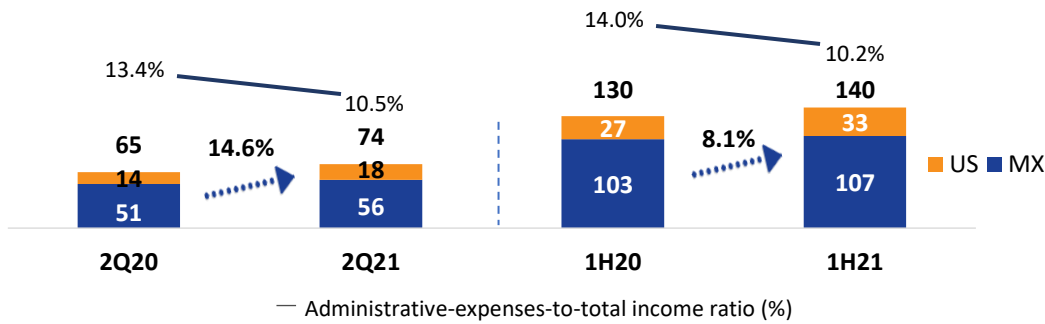
## Brokerage Expenses

Brokerage expenses for 2Q21 and 1H21, amounted to Ps.10 million and Ps.19 million, respectively, negatively compared to the positive figures of Ps.26 million in 2Q20 and Ps.25 million recorded in 1H20.

## Other Operating Income

2Q21 and 1H21 other operating income was ~Ps.4 million in both periods, compared to ~Ps.153 million in the same periods 2020. This substantial decrease is due to the non-recurring gain of Ps.147 million realized from the repurchase of a portion of the Company's Senior Notes in 2Q20.

## Administrative Expenses



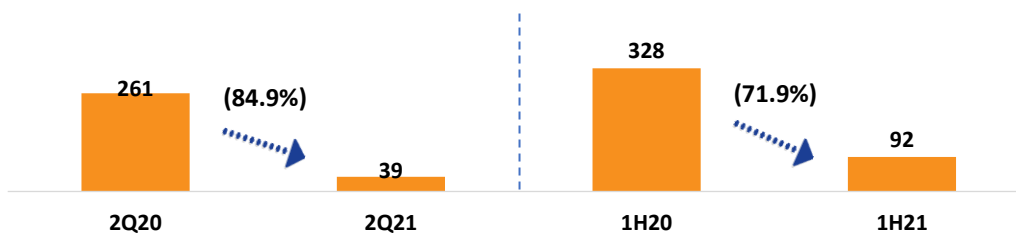
2Q21 administrative expenses increased 14.6%, totaling Ps.74 million, from Ps.65 million in 2Q20, in line with the Company's larger operations. Nevertheless, it is worth highlighting the effectiveness of the expense containment plan implemented since March 2020, as well as the Company's revenue growth trend, shown by the 2.9 pp. contraction in the administrative expenses to total revenue ratio, which was only 10.5% in 2Q21.

Following the same dynamics, administrative expenses went from Ps.130 million, with an administrative expense to total revenue ratio of 14.0% in 1H20, to Ps.140 million (+8.1%), with a ratio of 10.2% (-3.7 pp.) as of June 30, 2021.

## Income Tax

During 2Q21, income tax was Ps.8 million compared to a tax benefit of Ps.5 million in 2Q20. In contrast, a tax benefit of Ps.27 million was recorded in 1H21, higher than the Ps.7 million recorded in 1H20.

## Net Income

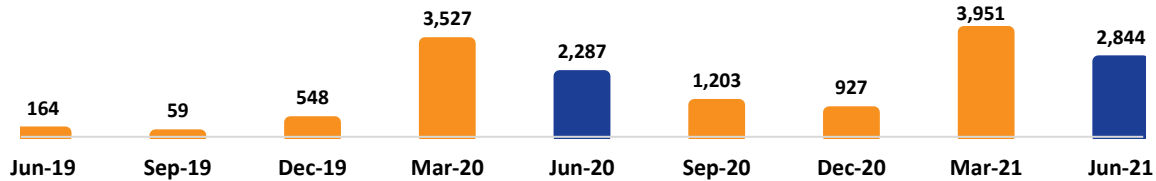


2Q21 net income totaled Ps.39 million, compared to Ps.261 million in 2Q20. This decrease is due to the high comparison base resulting from a non-recurring gain of Ps.147 million related to the repurchase of a portion of Mega's Senior Notes in 2Q20 (recognized as other income). Similarly, 1H21 net income ended below the figure recorded in the same period last year, at Ps.92 million (-71.9%).

Excluding the other income line and the FX net result, 2Q21 net income reach Ps.25 million, comparing favorably vs. Ps.2 million in 2Q20. And 1H21 net income surged 40.9% year-over-year, to Ps.115 million.

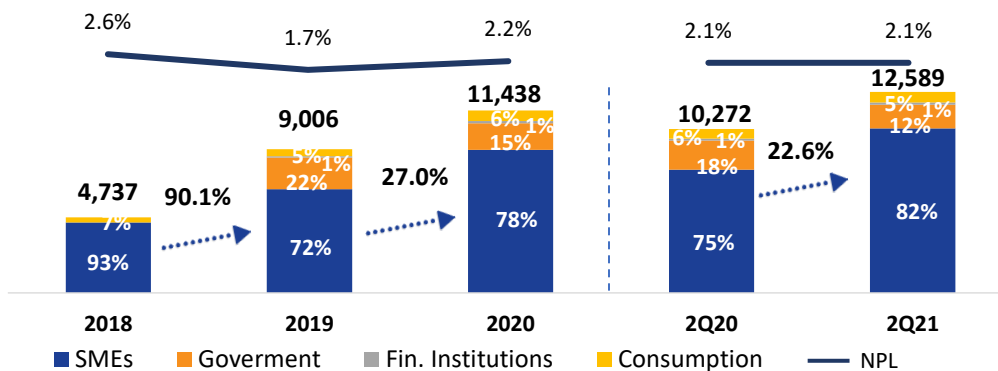
## Balance Sheet

### Cash



As of June 30, 2021, the cash balance was Ps.2,844 million, 24.4% higher than the Ps.2,287 recorded in the same period last year, but decreasing 28.0% sequentially, following the deployment of the proceeds raised from the USD\$150 million Senior Notes reopening (carried out in March 2021).

### Total Loan Portfolio



The consolidated loan portfolio closed the quarter at Ps.12,589 million, up 22.6% YoY, driven by a strong origination growth, which reached 5 quarters recording double-digit annual growth rates.

NPL ratio posted minimal changes on a sequential and annual basis, increasing 3 bps. versus the same quarter last year and decreasing 6 bps. versus 1Q21, remaining one of the lowest in the industry, at 2.11%.

### Non-performing Loans (NPL)

NPL by type of loan	NPL			MXN million		
	2Q21	2Q20	Δ	2Q21	2Q20	Δ%
SMEs	2.6%	1.9%	0.7 pp.	259	208	24.8%
Government	-	-	-	-	-	-
Fin. Institutions	-	-	-	-	-	-
Consumption	1.0%	0.9%	0.1 pp.	7	5	23.6%
<b>Total</b>	<b>2.1%</b>	<b>2.1%</b>	<b>0.04 pp.</b>	<b>266</b>	<b>213</b>	<b>24.8%</b>

## Allowance for Loan Losses

At the end of 2Q21, the allowance for loan losses was Ps.286 million, an annual increase of 48.3%, mainly due to pandemic effects and the consolidation of a larger portfolio (provisions booked under the expected loss methodology, in accordance with current regulations in Mexico). And, following the stable NPL ratio that remains at ~2% (despite portfolio expansion), the coverage ratio (allowance for loan losses as a percentage of past-due loan portfolio) grew 15.2 pp. QoQ, to reach 107.5% (vs. 90.4% in 2Q20).

## Other Accounts Receivable, Net

Other accounts receivable, net, decreased 20.4%, from Ps.973 million in 2Q20 to Ps.775 million this quarter.

## Other Assets, Deferred Charges, and Intangible Assets

Other assets, deferred charges and intangible assets were Ps.744 million in 2Q21, 50.4% above Ps.495 million in 2Q20.

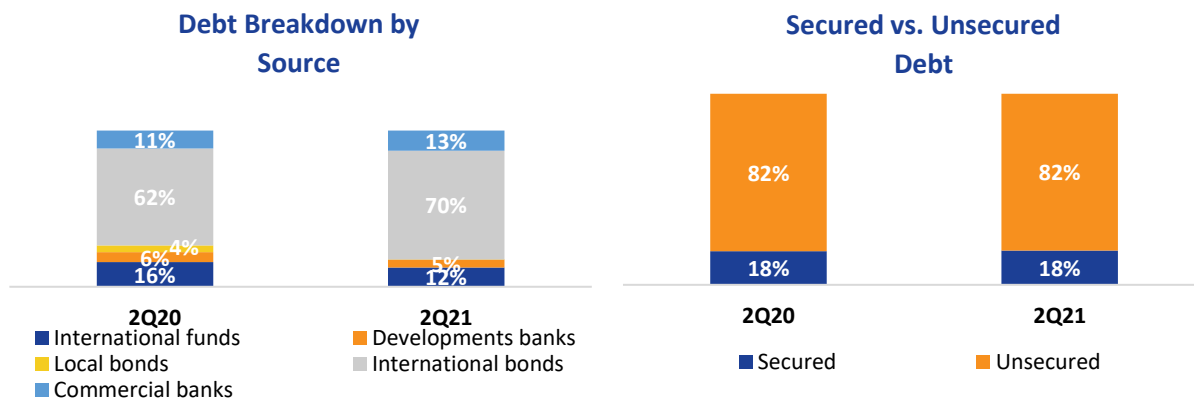
## Debt

(MXN Million)	2Q21	2Q20	Δ%
<b>Short-term</b>	<b>1,460</b>	<b>1,934</b>	<b>(24.5%)</b>
<i>As a % of gross debt</i>	<i>10.6%</i>	<i>15.8%</i>	<i>(5.2 pp.)</i>
<b>Long-term</b>	<b>12,322</b>	<b>10,320</b>	<b>19.4%</b>
<i>As a % of gross debt</i>	<i>89.4%</i>	<i>84.2%</i>	<i>5.2 pp.</i>
<b>Gross debt</b>	<b>13,782</b>	<b>12,254</b>	<b>12.5%</b>
<b>Net debt</b>	<b>10,938</b>	<b>9,967</b>	<b>9.7%</b>
Leverage (Gross debt / Equity)	6.8x	7.0x	(0.2x)

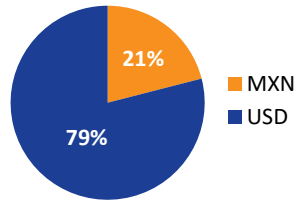
At the end of 2Q21, gross debt totaled Ps.13,782 million, compared to Ps.13,178 million in 2Q20 (+12.5% or Ps.1,528 million). This variation was attributed to the reopening of the Company's Senior Notes.

On the other hand, it is worth noting the 10.6% of short-term maturities, with 89.4% long-term. Likewise, the leverage ratio decreased 0.2x YoY to 6.8x.

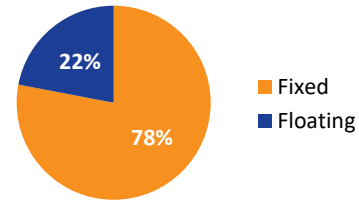
Net debt was Ps.10,938 million at the end of the 2Q21, 9.7% higher than that of 2Q20.



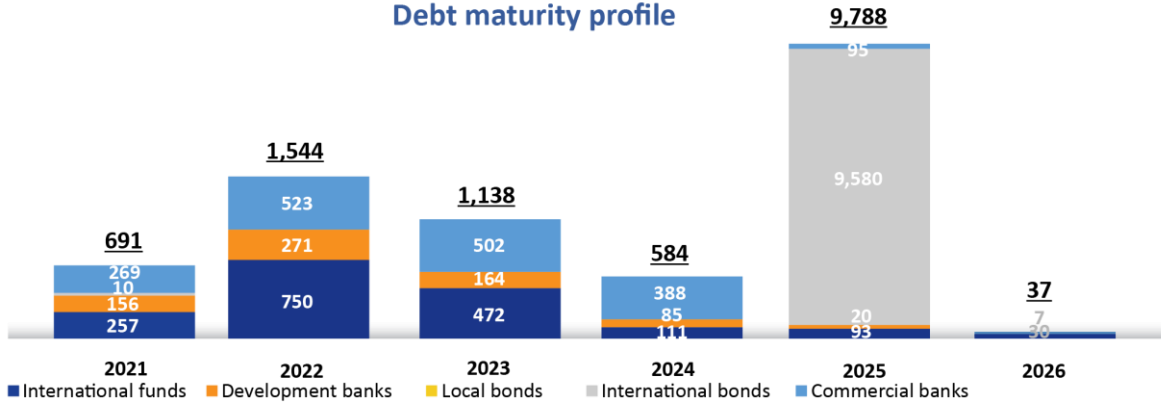
Debt by currency



Debt by rate

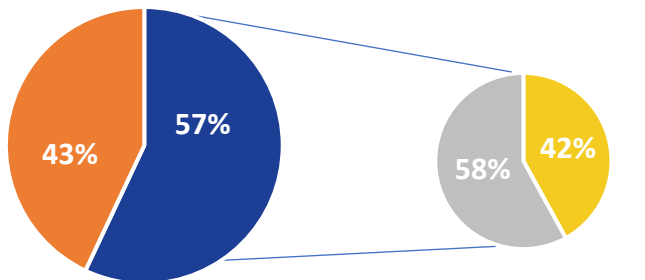


Debt maturity profile



Only 5.0% matures in the remainder of 2021, 11.2% in 2022, 8.3% during 2023, 4.2% in 2024, 71.0% through 2025 and the remaining 0.3% in 2026.

**Use of Senior Notes Proceeds (Includes USD\$150 million reopening)**

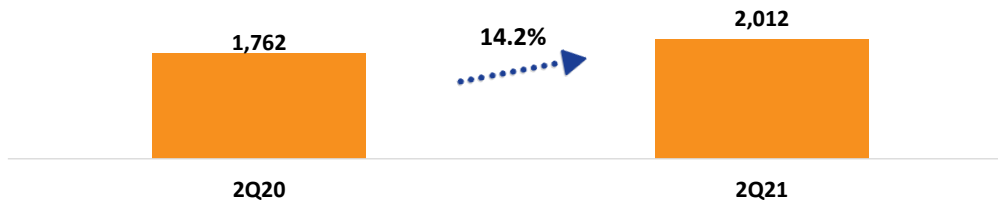


Reopening Resources	(MXN Million)
USD\$150 million TAP Issue	3,020
Proceeds in cash	2,440
<b>% pending to deployment</b>	<b>81%</b>

Note: The graph shows the sum of the proceeds from both issuances.  
 \*Including working capital, credit origination, among others.

As of June 30, 2Q21, Mega has deployed more than half of the sum of the proceeds from both Senior Notes issues, which add up to USD\$500 million (USD\$350 million-first issuance and USD\$150 million-reopening), of which 43% were used for refinancing and 57% for origination. It is worth noting that Mega has already used 100% of the proceeds obtained from the original issuance, while over 80% of those from the reopening are still available (amounting to Ps.2,440 million).

## Stockholders' Equity



Stockholders' equity increased 14.2% to Ps.2,012 million in 2Q21, from Ps.1,762 million in the same period 2020. As of June 30, 2021, the capital structure was composed 88.7% by liabilities and 11.3% by equity; versus the 89.1% of liabilities and 10.9% of equity reported in 2Q20.

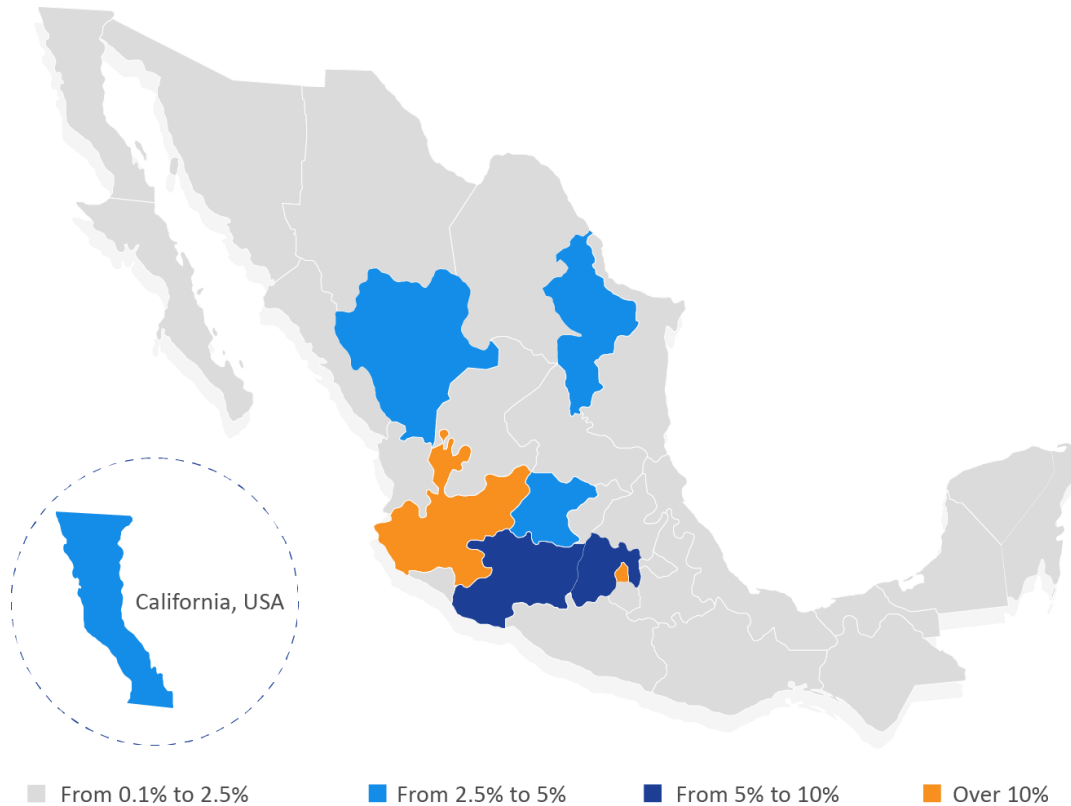
## Operational Summary

### Key Operational Figures

Type of loan	2Q21				2Q20				Δ%			
	Portfolio (MXN million)	Customers	NPL ratio	Average loan	Portfolio (MXN million)	Customers	NPL ratio	Average loan	Portfolio	Customers	NPL ratio	Average loan
SMEs	10,302	795	2.6%	7.9	7,722	667	1.9%	7.5	33.4%	19.2%	0.7 pp.	5.2%
Government	1,495	2	-	498.2	1,831	2	-	457.8	(18.4%)	-	-	8.8%
Fin. Institutions	126	3	-	12.6	106	3	-	10.6	18.8%	-	-	18.6%
Consumption	667	3,015	1.0%	2.3	613	2,665	0.9%	0.3	8.8%	13.1%	0.1 pp.	>100.0%
<b>Total</b>	<b>12,589</b>	<b>3,815</b>	<b>2.1%</b>	<b>8.8</b>	<b>10,272</b>	<b>3,337</b>	<b>2.1%</b>	<b>8.6</b>	<b>22.6%</b>	<b>14.3%</b>	<b>0.04 pp.</b>	<b>2.5%</b>

Type of loan (MXN million)	Origination									
	1Q21	%	1Q20	%	Δ%	1H21	%	1H20	%	Δ%
SMEs	1,222	97.5%	1,379	93.2%	(11.4%)	2,157	95.6%	2,034	91.7%	6.0%
Government	-	-	-	-	-	-	-	-	-	-
Fin. Institutions	-	-	31	2.1%	(100.0%)	-	-	41	1.8%	(100.0%)
Consumption	31	2.5%	70	4.7%	(55.6%)	100	4.4%	142	6.4%	(29.5%)
<b>Total</b>	<b>1,253</b>	<b>100.0%</b>	<b>1,480</b>	<b>100.0%</b>	<b>(15.3%)</b>	<b>2,257</b>	<b>100.0%</b>	<b>2,217</b>	<b>100.0%</b>	<b>1.8%</b>

## Geographical Portfolio Distribution

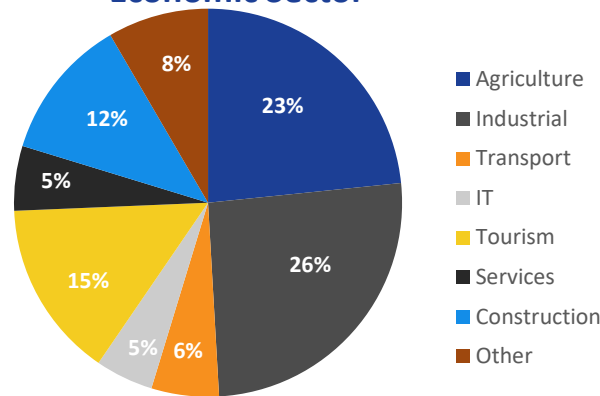


Mega's loan portfolio, as of June 30, 2021, was mainly concentrated in Jalisco (39.5%), Mexico City (17.6%), Michoacán (8.5%), State of Mexico (7.2%) and California, United States (4.5%). Outstands the 5.3 pp. annual increase in the participation of Mexico City in the Company's portfolio, which has been driven by the solid branch performance posted since its opening in 1Q20, recalling that in that period its weight in the portfolio was 9.3%.

### SMEs

The SME loan portfolio reached Ps.10,302 million at the end of 2Q21, an increase of 33.4% compared to the Ps.7,722 million in 2Q20. During 2Q21, origination totaled Ps.1,222 million, vs. Ps.1,379 million in 2Q20 (a period in which Mega capitalized significant business opportunities with companies that met the strict origination standards implemented in the face of the pandemic, mainly in Mexico City). 1H21 origination was 6.0% higher than that of 1H20, reaching Ps.2,157 million. The NPL ratio stood at 2.6% (+60 bps. YoY, -10 bps. QoQ).

## SME Portfolio Breakdown by Economic Sector



### Government

Given that Mega's origination efforts are primarily focused on the SME segment, and the government's austerity policy that has been in place since the onset of the health contingency, the Company has not identified business opportunities in this segment since 2019. Consequently, the Government portfolio has gone down, closing the quarter at Ps.1,495 million (-18.4% YoY). On the other hand, the NPL ratio of the Government portfolio remained nil, following the excellent payment compliance that characterizes the segment's customers.

### Financial Institutions

The financial institutions loan portfolio reached Ps.126 million, 18.8% higher than the Ps.106 million of 2Q20, although no loans were granted during the first half of 2021 (effect more than offset by the strong performance achieved in the second half of 2020). The delinquency rate remains at 0.0%, supported by the strict origination standards followed by our banking counterparties.

### Consumption

The consumption loan portfolio totaled Ps.667 million in 2Q21, 8.8% higher than the Ps.613 million recorded as of June 30, 2020. Quarterly origination amounted Ps.31 million, Ps.49 million or 55.6% below than that recorded in 2Q20, while for the 1H21 it decreased 29.5% YoY, to Ps.100 million. The NPL ratio increased 10 bps. year-over-year, to just 1.0%.

\*\*\*\*\*



## Fixed-income Analysts

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

## 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.*

## 2Q21 Earnings Conference Call

Operadora de Servicios Mega, S.A. de C.V. SOFOM E.R., invites you to participate in its **2Q21 CONFERENCE CALL**

**Date:** Tuesday, August 17<sup>th</sup>, 2021

**Time:**  
10:00 a.m. (CST, Mexico City)  
11:00 a.m. (EST, N.Y.)

**Presenters:**  
Guillermo Romo – Chairman  
Ignacio Gonzalez – CEO  
Jaime Gomez – CFO

**MP3 Recording:** Available 60 min. after the conference call at: [gfmega.com](http://gfmega.com)

**Dial-in number:**

- Mexico & international: **001-201-689-8031**
- USA: **+1-877-407-8031**
- Passcode: **MEGA**

From your PC you can go to: <http://webcast.investorcloud.net/mega/index.html>

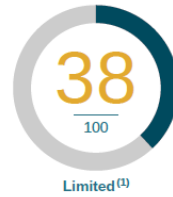
[ir@gfmega.com](mailto:ir@gfmega.com)  
+52 (33) 3777 1640

**2Q21 earnings release date:**  
Monday, August 16<sup>th</sup>, 2021  
(after market close)

## ANNEX / Vigeo Eiris – MEGA’S ESG Profile Assessment

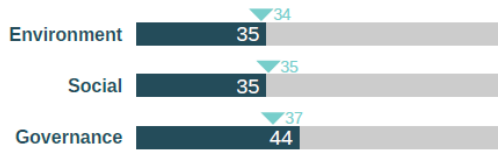
During January, Vigeo Eiris (a Moody's subsidiary that evaluates the integration of social, environmental and governance factors into the strategy, operation and management of companies), issued its opinion on Mega's ESG performance, assigning a rating among the top 30% of best ranked companies of its sector, in LatAm, and overall of the universe of companies rated by Vigeo Eiris, and which places Mega as the third best evaluated company in the Mexican financial sector (including banks), only surpassed by Banorte (44 pts.) and Santander (39 pts.).

### ESG OVERALL SCORE



Rank in Sector	26/91
Rank in Region	172/846
Rank in Universe	1426/4894
Company Reporting Rate	66%
Sector Average Reporting Rate	71%
High severity controversies	No

### ESG PERFORMANCE (/100)

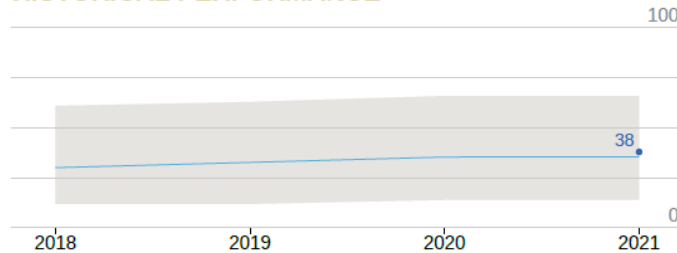


Likewise, Mega obtained ratings equal or higher than its sector's average, highlighting the corporate governance component, where it recorded a rating of 44 points, vs. an average of 37 points, in

line with its strong adherence to best corporate practices, which in November 2020 allowed it to achieve the Prime Certification (a distinction awarded by the BMV, BIVA, AMIB, Nafin and Bancomext, to promote the institutionalization and strengthening of corporate governance of Mexican companies).

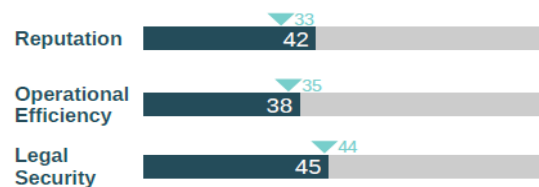
As shown below, Mega's overall rating lies above the industry over the past 4 years.

### HISTORICAL PERFORMANCE



Finally, according to Vigeo Eiris, Mega counts on a strong grounds in reputational, operational and legal risk mitigation matters, having ratings above the average of its peers.

### RISK MITIGATION INDEX (/100)



Company performance
  Sector average performance
  Sector performance

## Consolidated Financial Statements

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

### Consolidated Income Statement

For the three-month periods ended June 30, 2021 and 2020

(Thousands of Mexican pesos)	2Q21	2Q20	Δ%	2Q21 (Thousands of U.S. dollars <sup>1</sup> )	1H21	1H20	Δ%	1H21 (Thousands of U.S. dollars <sup>1</sup> )
Interest income	618,402	309,736	99.7%	12,310	1,222,654	712,705	71.6%	24,338
Commercial margin	87,542	171,268	(48.9%)	1,743	145,268	216,223	(32.8%)	2,892
<b>Total income</b>	<b>705,944</b>	<b>481,004</b>	<b>46.8%</b>	<b>14,053</b>	<b>1,367,922</b>	<b>928,928</b>	<b>47.3%</b>	<b>27,230</b>
Interest expense	(569,729)	(338,961)	68.1%	(11,341)	(1,019,999)	(607,645)	67.9%	(20,304)
<b>Financial margin</b>	<b>136,215</b>	<b>142,043</b>	<b>(4.1%)</b>	<b>25,394</b>	<b>347,923</b>	<b>321,283</b>	<b>8.3%</b>	<b>47,534</b>
Provision for loan losses	(45,502)	(39,746)	14.5%	(906)	(63,949)	(69,741)	(8.3%)	(1,273)
<b>Adjusted financial margin</b>	<b>90,713</b>	<b>102,297</b>	<b>(11.3%)</b>	<b>26,300</b>	<b>283,974</b>	<b>251,542</b>	<b>12.9%</b>	<b>48,807</b>
Commission and fee expenses	(11,097)	(4,750)	>100.0%	(221)	(20,879)	(9,047)	>100.0%	(416)
Brokerage expenses	10,506	(25,736)	(>100.0%)	209	18,538	(24,923)	(>100.0%)	369
Other operating income	3,859	153,349	(97.5%)	77	4,290	152,834	(97.2%)	85
Administrative expenses	(74,096)	(64,664)	14.6%	(1,475)	(140,154)	(129,630)	8.1%	(2,790)
<b>Income before income taxes</b>	<b>19,885</b>	<b>160,496</b>	<b>(87.6%)</b>	<b>28,281</b>	<b>145,769</b>	<b>240,776</b>	<b>(39.5%)</b>	<b>52,467</b>
Income tax	8,494	(5,432)	(>100.0)	169	(26,898)	(6,627)	(>100.0)	(535)
<b>Net income (excluding FX items)</b>	<b>28,379</b>	<b>155,064</b>	<b>(81.7%)</b>	<b>28,112</b>	<b>118,871</b>	<b>234,149</b>	<b>(49.2%)</b>	<b>53,003</b>
<b>Net margin</b>	<b>4.0%</b>	<b>39.3%</b>	<b>(35.3 pp.)</b>	<b>4.0%</b>	<b>8.7%</b>	<b>27.8%</b>	<b>(19.1 pp.)</b>	<b>8.7%</b>
FX gain	(226,079)	(206,230)	9.6%	(11,357)	261,240	135,355	93.0%	13,124
FX loss	237,137	312,169	(24.0%)	11,913	(287,914)	(41,375)	>100.0%	14,464
<b>Net Income</b>	<b>39,437</b>	<b>261,003</b>	<b>(84.9%)</b>	<b>28,668</b>	<b>92,197</b>	<b>328,129</b>	<b>(71.9%)</b>	<b>51,663</b>

<sup>1</sup>U.S. dollar amounts are translated from pesos into dollars, solely for the convenience of the reader, using an exchange rate of Ps.19.9062 per U.S. dollar, the exchange rate to settle foreign currency obligations on June 30, 2021 determined by the Mexican Central Bank and published in the Official Gazette.

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

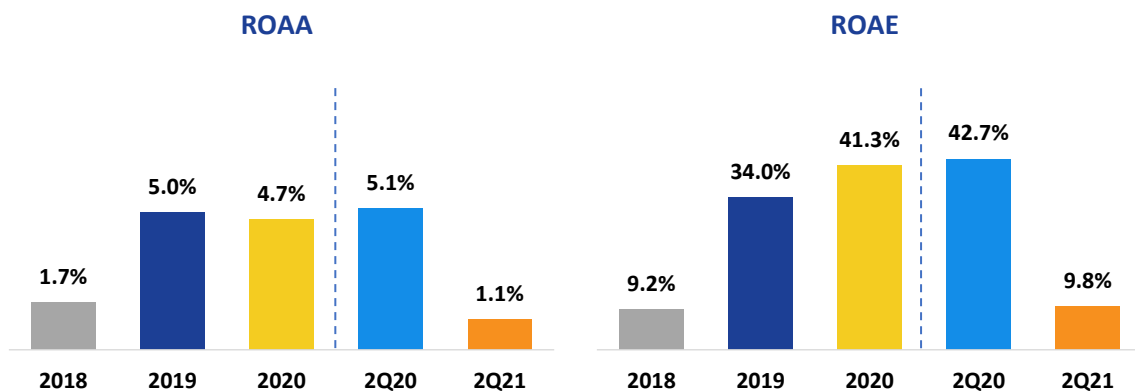
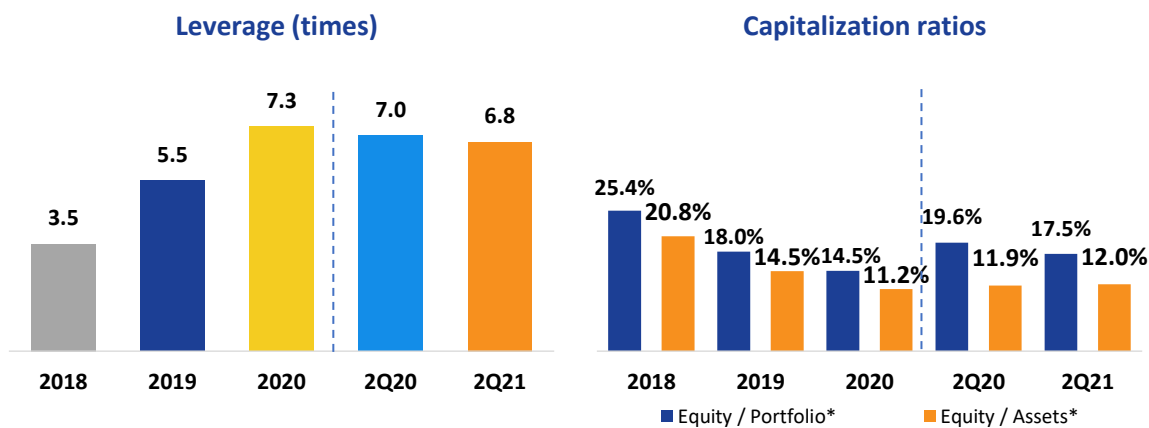
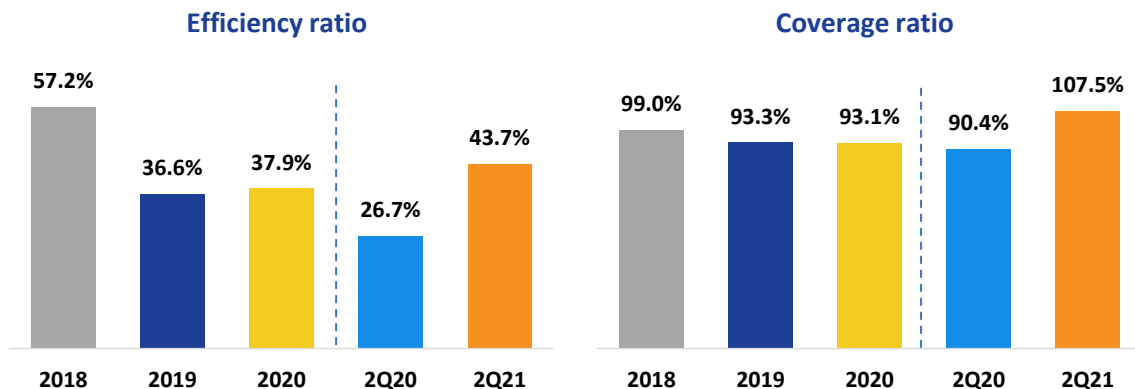
### Consolidated Balance Sheet

As of June 30, 2021 and 2020

(Thousands of Mexican pesos)	Jun-30 2021	Jun-30 2020	Δ%	Jun-30 2021 (Thousands of USD <sup>1</sup> )
<b>Assets</b>				
Cash	2,843,675	2,286,574	24.4%	56,607
Derivatives held for trading	-	-	-	-
Derivatives held for hedging	410,830	1,856,194	(77.9%)	8,178
Total performing loan portfolio	12,322,986	10,058,506	22.5%	245,304
Total non-performing loan portfolio	266,120	213,365	24.7%	5,297
<b>Total loan portfolio</b>	<b>12,589,106</b>	<b>10,271,871</b>	<b>22.6%</b>	<b>250,601</b>
Allowance for loan losses	(285,981)	(192,777)	48.3%	(5,693)
<b>Total loan portfolio (net)</b>	<b>12,303,125</b>	<b>10,079,094</b>	<b>22.1%</b>	<b>244,908</b>
Other accounts receivable, net	775,004	973,326	(20.4%)	15,427
Foreclosed assets, net	135,819	164,075	(17.2%)	2,704
Property, furniture and equipment, net	70,674	80,586	(12.3%)	1,407
Deferred income tax	134,265	134,265	-	2,673
Goodwill	60,306	60,306	-	1,200
Long-lived assets available for sale	331,882	-	-	6,607
Other assets, deferred charges and intangible assets	744,174	494,662	50.4%	14,814
Lease right-of-use assets	12,289	-	-	245
<b>Total Assets</b>	<b>17,822,043</b>	<b>16,129,082</b>	<b>10.5%</b>	<b>354,769</b>
<b>Liabilities and Stockholders' Equity</b>				
Listed securities	9,589,523	8,144,907	17.7%	190,891
Short-term debt	1,459,741	1,398,418	4.4%	29,058
Long-term debt	2,732,435	2,710,477	0.8%	54,392
Derivatives for trading purposes	11,448	44,124	(74.1%)	228
Derivatives held for hedging	235,039	112,562	>100.0%	4,679
Sundry creditors	12,289	-	-	245
Sundry creditors for collateral received cash	15,653	94,142	(83.4%)	312
Deferred income taxes	1,113,837	1,276,532	(12.7%)	22,172
Deferred credits and advance collections	639,923	585,649	9.3%	12,738
<b>Total Liabilities</b>	<b>15,809,888</b>	<b>14,366,811</b>	<b>10.0%</b>	<b>314,715</b>
<b>Stockholders' Equity</b>				
Capital stock	418,435	418,435	-	8,329
Additional paid in capital	170,000	-	-	3,384
Retained earnings	1,567,225	967,005	62.1%	31,197
Cumulative foreign translation adjustment	(30,533)	48,703	(>100.0%)	(608)
Valuation result of cash flow hedging instruments	92,197	328,129	(71.9%)	(1,835)
Net income of the period	(205,169)	-	-	(4,084)
<b>Total Stockholders' Equity</b>	<b>2,012,155</b>	<b>1,762,271</b>	<b>14.2%</b>	<b>40,054</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>17,822,043</b>	<b>16,129,082</b>	<b>10.5%</b>	<b>354,769</b>

<sup>1</sup>U.S. dollar amounts are translated from pesos into dollars, solely for the convenience of the reader, using an exchange rate of Ps.19.9062 per U.S. dollar, the exchange rate to settle foreign currency obligations on June 30, 2021 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 (NPL):** 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, Commission and fee, and Brokerage Expenses divided by the sum of Other operating income and Financial margin.

**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 preowned 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).