



**Driving growth with  
comprehensive high value-added  
solutions**

**4Q23**

**EARNINGS RELEASE**

*The information herein contained is confidential and intended for the exclusive use of its recipients, therefore its total or partial disclosure to any unauthorized third party is strictly prohibited.*

### Message from the Executive Chairman

Our fourth-quarter and full year 2023 results reflect a challenging period for the company, as we sought to deleverage our balance sheet and cut risk. To that end we focused on profitable clients, protecting asset quality, preserving liquidity, and strictly controlling expenses. Simultaneously, we continue to explore refinancing options and hope to have further updates on that soon.

Originations for the quarter decreased by 49.1% year-over-year, totaling Ps.829 million, primarily consisting of leases to SMEs with favorable risk profiles. For the full year originations stood at Ps.3.0 billion, 43.7% lower than 2022. This brought our total loan book, at the end of 2023, to Ps.16,171 million, down by 5.7% compared to 2022. While the decline in originations and loan book affected our net results, this was consistent with our strategic focus on maintaining a high-quality portfolio and prioritizing liquidity and cash generation over growth.

Regarding asset quality, the Non-Performing Loan (NPL) ratio remained at prudent levels, ending the quarter at 3.8%, unchanged compared to the previous two quarters, underlining our effective risk controls when lending. Meanwhile, the Company's solid cash flow generation helped reduce net debt by 10.4% YoY, which ended the quarter at Ps. 12,715 million. As a result, our leverage ratio improved from 5.7x in 4Q22 to 5.6x at the end of 4Q23.

Deleveraging substantially cut our revenues, and we reported a net loss of Ps.255.9 million in the quarter (negatively impacted by year-end adjustments) and Ps.15.6 million for the year, versus positive earnings in 2022. Our financial margin was negative Ps.497 million for the year. (Back in 2022 Mega benefited from the recognition of Ps.421 million in other income from Senior Notes repurchases, creating a challenging basis for comparison). As previously mentioned, this was driven by a strategic decision to downsize our business. Our individual loans remain profitable, and the company is generating free cash flow, as shown by the net debt reduction.

As we have mentioned before, Mega stands out in the sector as one of the few NBFIs fully regulated by the CNBV. This regulation ensures transparency and accountability through adherence to the strictest regulatory standards. Additionally, we continue to place strong emphasis on corporate governance and remain committed to addressing environmental, social, and governance (ESG) concerns. We actively collaborate with international organizations to foster partnerships and maintain a robust distribution network catering to SMEs.

Our access to liquidity is critical given the adverse conditions facing the sector. In November of 2023, we strengthened our financial position by securing USD5 million credit facility with Triodos at a SOFR rate of +5%. This financing agreement broadens and diversifies our sources of capital and demonstrates lenders' confidence in Mega.

In response to the industry's challenges, throughout the year we adopted a proactive strategy that intentionally limits our portfolio's growth and prioritizes cash flow generation. Our objective, moving forward, is to continue strengthening our balance sheet, and maintain the high quality of our asset portfolio. Additionally, we are actively incorporating more factoring in the loan book, prioritizing the most profitable loans possible. We believe this revenue source will complement Mega's business model, helping us diversify risk and improve revenues. We will also continue to focus on providing specialized financial solutions to SMEs, given their importance to the country's economy and continued growth potential.

Regarding sustainability, we remain committed to making meaningful progress. In 2023, we released our second sustainability report covering the year 2022, along with our first sustainable bond report. During the second half of 2023, we carried out a comprehensive analysis of our portfolio to assess the indirect

environmental and social impact of our investments. We continued to work with the JIM Model to measure the greenhouse gas emissions count in our portfolio and detect in which sectors we can reduce our carbon footprint.

We remain firmly committed to meeting all our financial obligations, and the decision to deleverage the balance sheet needs to be seen in that light. This reduction in origination and the loan book has negatively affected our reported earnings but puts us in a stronger situation to navigate the prevailing challenges in the sector. Our underlying business, loan by loan, remains very profitable, and as the results show, the company is cash flow generative. As we move forward, we are committed to maintaining transparency and open communication with our bond holders and other stakeholders.

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

## MEGA REPORTS A DECREASE IN TOTAL PORTFOLIO OF 5.7% WITH AN NPL RATIO OF 3.8% AND LEVERAGE OF 5.6x FOR 4Q23

Guadalajara, Jalisco, Mexico, March 4, 2024. - 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 unaudited financial results for the fourth quarter and full year 2023. 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

### 4Q23 Operational Highlights

- As of December 31, 2023, the loan portfolio totaled Ps.16,171 million, down 5.7% compared to Ps.17,151 million in 4Q22.
- During 4Q23, the average loan per client was Ps.11.6 million, increasing 32.1% compared to the Ps.8.8 million recorded in 4Q22.
- Originations decelerated 43.7% YoY, from Ps.1,629 million in 4Q22 to Ps.829 million this quarter, in line with the Company's strategy of prioritizing asset quality and liquidity over portfolio growth.
- At the end of 4Q23, the NPL ratio remained one of the lowest in the industry, remaining at 3.8% compared to 3Q23, versus the 3.0% recorded in 4Q22.

### 4Q23 Financial Highlights

- Total revenues for 4Q23 decreased by 47.4% YoY to Ps.432 million, reflecting a reduction in both interest income and the commercial margin.
- Financial margin decreased from Ps.451 million in 4Q22 to negative Ps.123 million in 4Q23.
- Net income decreased compared to the Ps.9 million reported in 4Q22.
- In comparison to 4Q22, net debt decreased 10.4% YoY as a result of solid cash flow generation, totaling Ps.12,715 million at the end of 4Q23.
- Leverage ratio improved from 5.7x in 4Q22 to 5.6x in 4Q23.

### 4Q23 Relevant Events:

- **17/11/23: Mega reports on the expansion of a credit line with Triodos.** Mega announced a \$5 million dollar credit line with Triodos, with an interest rate of SOFR + 5%. This step not only aids in diversifying funding sources but also reaffirms the confidence of Mega's creditors in the company. The funds will be directed towards supporting small and medium-sized enterprises in Mexico.
- **17/11/23: Mega Announces S&P Credit Rating Update.** S&P Global Ratings downgraded the Company's global scale credit rating to 'CCC+' from 'B', with a negative outlook. S&P Global Ratings stated that the change reflects current adverse economic conditions, and the sector's financing risks, which increases the refinancing risk for Mega as the 2025 bond maturity date approaches.
- **13/11/23: Mega Announces the Termination of the Exchange Offer for its Senior Notes.** Following the relevant events published on October 18, 2023, and October 26, 2023, Mega announced the termination of the previously announced Exchange Offer for all of its 8.250% Senior Notes due 2025 in favor of the new 12.500% Senior Notes due 2028, along with the request for consent to modify specific terms of the issuance agreement governing the Existing Notes.

## Key Figures

Financial (MXN million)	4Q23	4Q22	Δ%	2023	2022	Δ%
Interest income	428,812	704,779	(39.2%)	2,610,274	2,112,681	23.6%
Financial margin	(123,130)	451,182	(>100%)	497,180	775,095	(35.9%)
Net income	(255,916)	9,076	(>100%)	(15,609)	360,726	(>100%)

Operational	4Q23	4Q22	Δ%
<b>Total loan portfolio (MXN Million)</b>	<b>16,171</b>	<b>17,151</b>	<b>(5.7%)</b>
<b>By type of loan:</b>			
SMEs (MXN Million)	14,891	15,116	(1.5%)
Government (MXN Million)	415	893	(53.5%)
Fin. Institutions (MXN Million)	347	472	(26.5%)
Consumption (MXN Million)	519	670	(22.6%)
<b>NPL ratio</b>	<b>3.8%</b>	<b>3.0%</b>	<b>0.8 pp.</b>
<b>By type of loan:</b>			
SMEs	3.8%	3.0%	0.8 pp.
Government	0.0%	0.0%	0.0 pp.
Fin. Institutions	0.0%	0.0%	0.0 pp.
Consumption	0.0%	0.0%	0.0 pp.
Average loan per client (MXN Thousand)	11.6	8.8	32.1%
<b>Financial Ratios</b>	<b>4Q23</b>	<b>4Q22</b>	<b>Δ%</b>
NIM <sup>4</sup>	(3.0%)	10.5%	(13.6pp.)
Efficiency Ratio	52.5%	35.5%	17.0pp.
Average cost of funds	13.3%	12.4%	0.9 pp.
Coverage ratio <sup>1,3</sup>	152.8%	108.2%	44.5 pp.
Total loan portfolio / Gross debt	1.2x	1.1x	0.10x
Leverage (Gross debt / Stockholders' equity)	5.6x	5.7x	(0.11x)
Stockholders' equity / Total assets (net of deposits) <sup>2</sup>	13.9%	14.3%	(0.4pp.)
Stockholders' equity / Total portfolio (net of deposits) <sup>2</sup>	15.7%	17.4%	(1.7pp.)
ROAA <sup>3</sup>	(0.1%)	1.9%	(1.9pp.)
ROAE <sup>3</sup>	(0.6%)	14.7%	(15.3pp.)

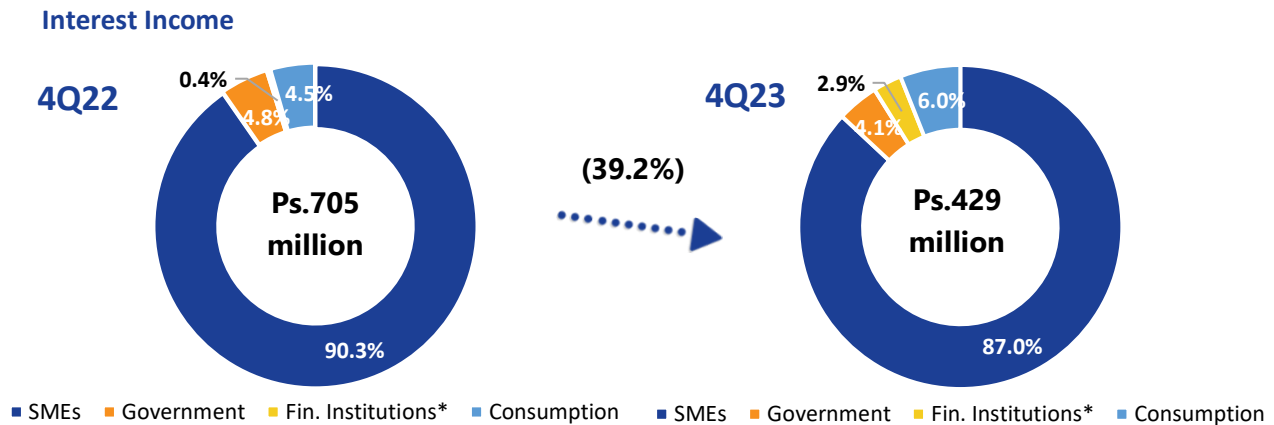
<sup>1</sup>Allowance for loan losses as a percentage of non-performing loan.

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

<sup>3</sup>Using LTM figures as of December 31, 2023.

<sup>4</sup>Annualized quarterly net interest margin / Total loan portfolio.

## Income Statement



\*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 4Q23, interest income decreased 39.2% YoY, from Ps.705 million in 4Q22 to Ps.429 million, as a result of a 5.7% YoY contraction in the total portfolio due to fewer originations. Interest income was split 87.0% from the SME portfolio, 4.1% from Government, 2.9% from Financial Institutions, and 6.0% from Consumption.

During 2023, interest income grew by 23.6%, reaching Ps. 2,610 million from Ps. 2,113 million in 2022, a result of higher interest rates charged to new customers as of June 2022 to reflect the current higher rate environment. For 2023, interest income was 89.7% from the SME portfolio, 3.7% from Government, 2.5% from Financial Institutions, and 4.1% from Consumption.

### Commercial Margin

The commercial margin declined from Ps.116 million in 4Q22 to Ps.3 million in 4Q23, a 97.4% decrease YoY, affected by lower origination volume (-43.7% YoY) during the quarter. For 2023, the commercial margin stood at Ps. 81 million, decreasing by 80.5% compared to the Ps. 413 million reported in 2022.

The commercial margin represents income derived from the difference between Mega's acquisition cost of an asset and its lease price, both for traditional leases and instances where Mega serves as a commercial distributor.

### Interest Expense

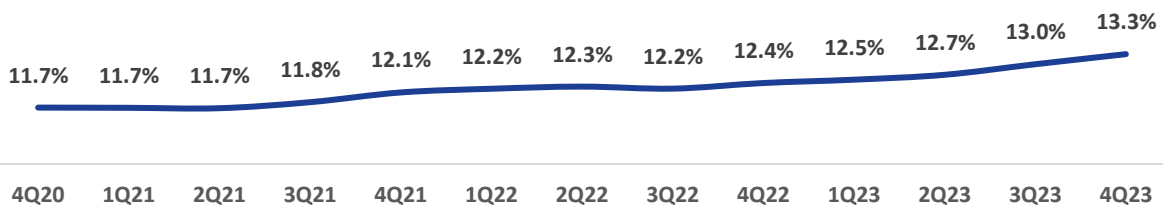
Interest expense increased 50.0% YoY, from Ps.370 million in 4Q22 to Ps.555 million in 4Q23, due to the rising rate environment.

During 2023, interest expenses totaled Ps.2,194 million, reflecting a 25.3% increase over the amount recorded in 2022.

Interest expense (MXN million)	4Q23	4Q22	Δ%	2023	2022	Δ%
<b>Loans from banks and others</b>	<b>222</b>	<b>106</b>	<b>&gt;100%</b>	<b>798</b>	<b>519</b>	<b>53.9%</b>
MXN	0	44	(100%)	349	205	70.1%
USD*	222	62	>100%	450	314	43.3%
<b>Debt securities</b>	<b>333</b>	<b>264</b>	<b>26.1%</b>	<b>1,395</b>	<b>1,232</b>	<b>13.2%</b>
MXN	0	95	(100%)	287	214	34.1%
USD*	333	169	97.2%	1,108	1,018	8.9%
<b>Total (MXN)</b>	<b>555</b>	<b>370</b>	<b>50.0%</b>	<b>2,194</b>	<b>1,751</b>	<b>25.3%</b>
<b>Average cost of funds</b>	<b>13.3%</b>	<b>12.4%</b>	<b>0.9 pp.</b>	<b>13.3%</b>	<b>12.4%</b>	<b>0.9 pp.</b>

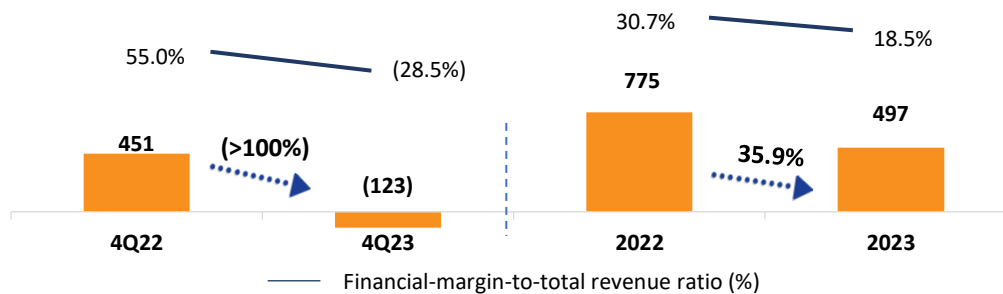
\*Using an exchange rate of Ps.16.919 per USD.

### Average Cost of Funds



The cost of funding rose 90 bps over the last 12 months, from 12.4% in 4Q22 to 13.3% in 4Q23. This was due to the current high-interest-rate environment and was offset by the international bond repurchases made over the last 12 months, as well as the substitution of more affordable funding and hedging strategies. Compared to 3Q23, the cost of funding increased 30bps.

### Financial Margin



The financial margin registered a loss of Ps.123 million in 4Q23 compared to Ps.451 million in 4Q22, resulting from higher interest expenses and adjustments. The financial-margin-to-total revenue ratio was -28.5% in 4Q23 versus 55.0% in 4Q22.

For the full year, the financial margin decreased by 35.9% YoY, reaching Ps. 497 million. The financial-margin-to-total revenue ratio declined from 30.7% in 2022 to 18.5% in 2023.

## Provision for Loan Losses

Provision for loan losses by type of loan (MXN million)	4Q23	4Q22	Δ%	2023	2022	Δ%
SMEs	41	93	(56.0%)	374	176	>100%
Government	0	(1)	(97.0%)	1	(1)	(>100%)
Fin. Institutions	(3)	0	(>100%)	10	(3)	(>100%)
Consumption	21	22	(0.8%)	68	45	49.7%
<b>Total</b>	<b>60</b>	<b>113</b>	<b>(47.4%)</b>	<b>453</b>	<b>218</b>	<b>&gt;100%</b>

During 4Q23, the provision for loan losses was Ps.60 million, decreasing by 47.4% vs. Ps.113 million in 4Q22. Provision for loan losses in 2023 amounted to Ps. 453 million, compared to Ps. 218 million in 2022 (+>100%).

## Adjusted Financial Margin

In 4Q23, the adjusted financial margin totaled negative Ps.183 million, vs. a positive balance of Ps.338 million in 4Q22, driven by the decrease in the financial margin, which more than offset the decline in provisions made for the period. Full year adjusted financial margin decreased by 92.1%, totaling Ps. 44 million in 2023 compared to Ps. 557 million in the previous year.

## Commission and Fee Expenses

Commissions and fees expenses rose 31.0%, from Ps.9 million in 4Q22 to Ps.12 million in 4Q23. For the full year, commission and fee expenses recorded an income of Ps.1 million in 2023, compared favorably to an expense of Ps.231 million in 2022.

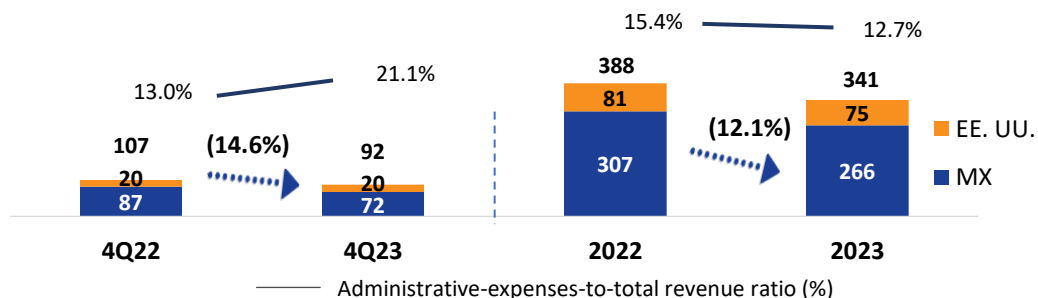
## Brokerage Expenses

Brokerage expenses in 4Q23 were Ps.34 million, a 5.5% decrease from the Ps.36 million recorded in 4Q22. Throughout 2023, brokerage expenses amounted to Ps. 3 million, compared with an expense of Ps. 21 million in 2022.

## Other Operating Income

Other operating income declined from Ps.99 million in 4Q22 to Ps.64 million in 4Q23. As for the full year, other operating income recorded a loss of Ps.69 million in 2023 vs. a profit of Ps.421 million in 2022. The unfavorable year-over-year comparison reflects the extraordinary gain from the repurchase of a portion of its Senior Notes in 2022.

## Administrative Expenses





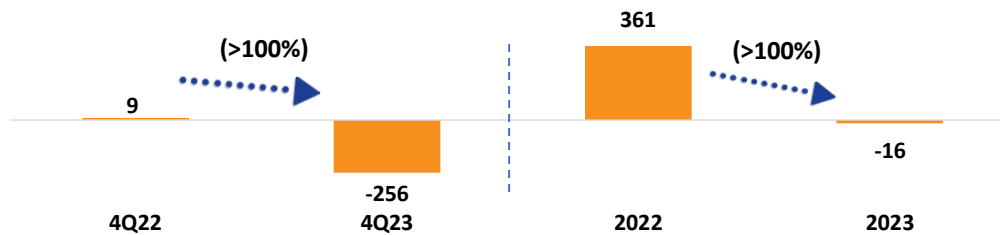
Administrative expenses decreased from Ps.107 million in 4Q22 to Ps.91 million in 4Q23, representing a 14.6% contraction, which reflects the Company's efforts to improve its efficiency and profitability through select reductions to its expense structure. In the full year 2023, administrative expenses totaled Ps.341 million, a 12.1% decrease compared to the Ps. 388 million reported in 2022.

The administrative expenses to total revenue ratio increased by 8.1pp YoY in the 4Q23 and decreased by 2.7 pp YoY in 2023.

### Income Tax

During 4Q23, a deferred tax of Ps. 26 million was recorded, a 2.5% increase compared to Ps. 25 million in 4Q22. On the other hand, in 2023, a credit of Ps. 127 million was recorded, vs. a deferred tax of Ps. 161 million in 2022.

### Net Income

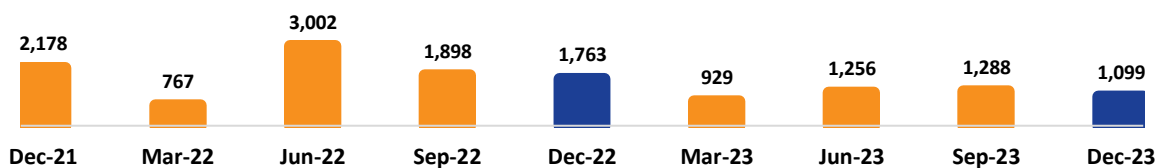


In 4Q23, a net loss of Ps.255.9 million was recorded, compared to a gain in the same period of 2022. This decrease was mainly driven by the negative impact of year-end adjustments.

In the full year 2023, a net loss of Ps.16 million was incurred, compared to a gain of Ps. 361 million in the full year 2022. This decline was driven by a non-recurring gain in other income during the full year 2022 stemming from the repurchase of a portion of our Senior Notes, partially offset by tax gains.

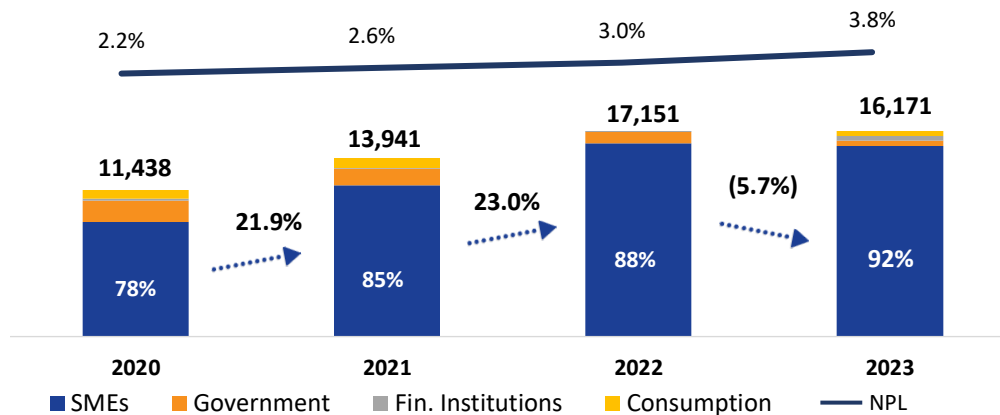
## Balance Sheet

### Cash



As of December 31, 2023, the cash balance stood at Ps.1,099 million, vs. Ps.1,763 million at the end of 4Q22, a decrease of 37.7%, maintaining solid liquidity levels.

## Total Loan Portfolio



In line with the origination pace over the past 12 months, the total loan portfolio decreased from Ps.17,151 million in 2022 to Ps.16,171 million in 2023, a 5.7% decline. The NPL ratio remained at 3.8% compared to the 3Q23, vs. 3.0% in 4Q22.

## Non-Performing Loans (NPL)

NPL by segment	NPL			MXN million		
	4Q23	4Q22	Δ%	4Q23	4Q22	Δ%
SMEs	3.8%	3.0%	0.80 pp.	607	508	19.7%
Government	0.0%	0.0%	0.00 pp.	0	0	-
Fin. Institutions	0.0%	0.0%	0.00 pp.	0	0	-
Consumption	0.0%	0.0%	0.01 pp.	3	1	>100%
<b>Total</b>	<b>3.8%</b>	<b>3.0%</b>	<b>0.78 pp.</b>	<b>611</b>	<b>509</b>	<b>20.0%</b>

## Provision for Loan Losses

In accordance with the expected loss methodology established by current CNBV regulations, the allowance for loan losses was Ps.933 million in 4Q23, 69.4% higher than the Ps.551 million recorded in 4Q22. As a result, the coverage ratio stood at 152.8%, a 44.5 pp. rise compared to 4Q22.

## Other Accounts Receivable, Net

Other accounts receivable, net, decreased 60.3%, from Ps.683 million in 2022 to Ps.271 million in 2023.

## Other Assets, Deferred Charges, and Intangible Assets

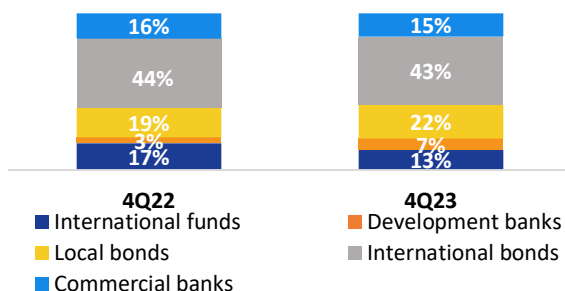
At the end of 2023, other assets, deferred charges, and intangible assets decreased 38.3%, from Ps.710 million in 2022 to Ps.439 million in 2023.

## Debt

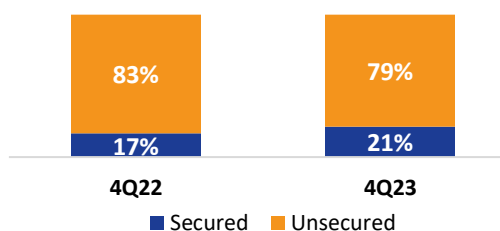
(MXN million)	4Q23	4Q22	Δ%
<b>Short-term</b>	<b>2,680</b>	<b>2,298</b>	<b>16.6%</b>
<i>As a % of gross debt</i>	<i>19%</i>	<i>14%</i>	<i>5.0 pp.</i>
<b>Long-term</b>	<b>11,134</b>	<b>13,649</b>	<b>(18.4%)</b>
<i>As a % of gross debt</i>	<i>81%</i>	<i>86%</i>	<i>(5.0pp.)</i>
<b>Gross debt</b>	<b>13,814</b>	<b>15,947</b>	<b>(13.4%)</b>
<b>Net debt</b>	<b>12,715</b>	<b>14,183</b>	<b>(10.4%)</b>
Leverage (Gross debt / Equity)	5.6x	5.7x	(0.11x)

Gross debt decreased from Ps.15,947 million in 4Q22 to Ps.13,814 million in 4Q23 (-13.4% YoY). In addition, the leverage decreased by 0.11x compared to the same period of the previous year, reaching 5.6x at the end of 4Q23.

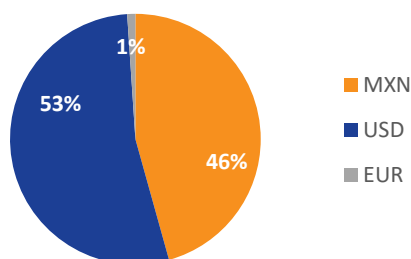
### Debt Breakdown by Source



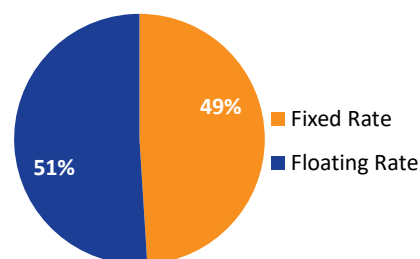
### Secured vs. Unsecured Debt



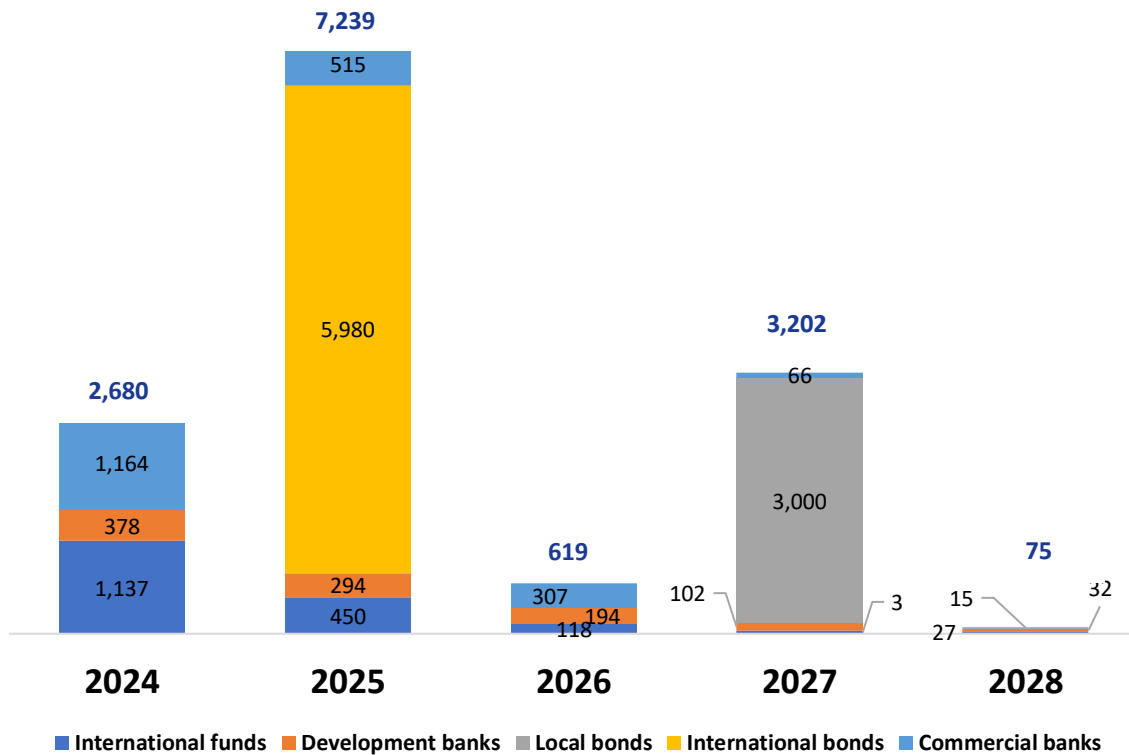
### Debt by Currency



### Debt by Rate

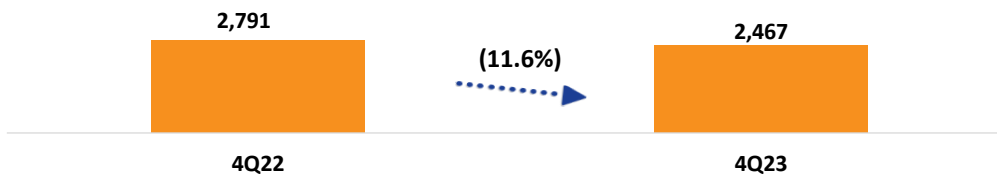


## Debt Maturity Profile



Company's debt maturity schedule is as follows: 19.4% in 2024, 52.4% in 2025, 4.5% by 2026, 23.2% by 2027, and 0.5% by 2028.

## Stockholders' Equity



Stockholders' equity decreased 11.6% compared to 4Q22, reaching Ps. 2,467 million at the end of 4Q23, resulting from a net loss generated over the last 12 months.

During the fourth quarter of 2023, the capital structure comprised 84.4% liabilities and 13.6% equity, relatively unchanged compared to the same period of the previous year.

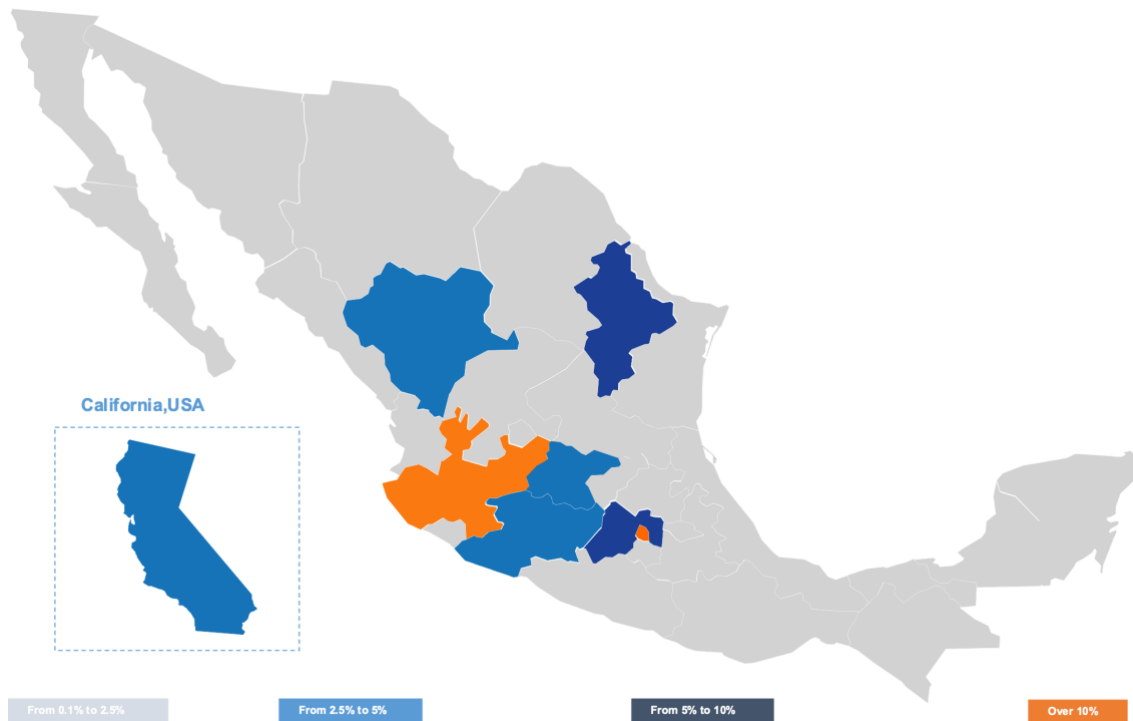
## Operational Summary

### Key Operational Figures

Segment	4Q23				4Q22				Δ%			
	Portfolio (MXN million)	Clients	NPL	Average loan	Portfolio (MXN million)	Clients	NPL	Average loan	Portfolio	Clients	NPL	Average loan
SMEs	14,891	616	3.8%	11.4	15,116	722	3.0%	9.3	(1.5%)	(14.7%)	0.8%	22.6%
Government	415	3	0.0%	293.8	893	3	0.0%	293.8	(53.5%)	0.0%	0.0%	0.0%
Fin. Institutions	347	4	0.0%	59.0	472	4	0.0%	37.8	(26.5%)	0.0%	0.0%	56.1%
Consumption	519	2,884	0.02%	0.2	670	3,185	0.01%	0.2	(22.6%)	(9.5%)	0.01%	17.9%
<b>Total</b>	<b>16,171</b>	<b>3,507</b>	<b>3.8%</b>	<b>11.6</b>	<b>17,151</b>	<b>3,914</b>	<b>3.0%</b>	<b>8.8</b>	<b>(5.7%)</b>	<b>(10.4%)</b>	<b>0.8%</b>	<b>32.1%</b>

Type of loan (MXN million)	Origination									
	4Q23	%	4Q22	%	Δ%	2023	%	2022	%	Δ%
SMEs	814	98.1%	1,537	94.4%	(47.1%)	2,798	93.2%	4,631	86.8%	(39.6%)
Government	0	0.0%	0	0.0%	0.0%	0	0.0%	11	0.2%	(100.0%)
Fin. Institutions	0	0.0%	21	1.3%	(100.0%)	0	0.0%	335	6.3%	(100.0%)
Consumption	16	1.9%	71	4.4%	(77.9%)	204	6.8%	357	6.7%	(42.9%)
<b>Total</b>	<b>829</b>	<b>100.0%</b>	<b>1,629</b>	<b>100.0%</b>	<b>(49.1%)</b>	<b>3,002</b>	<b>100.0%</b>	<b>5,334</b>	<b>100.0%</b>	<b>(43.7%)</b>

### Geographic Portfolio Distribution



At the end of 4Q23, the portfolio was distributed as follows: Jalisco (45.1%), The State of Mexico (13.0%), Mexico City (7.9%), Nuevo León (4.5%), Michoacán (3.8%), the United States (3.4%), Guanajuato (3.4%), Durango (2.6%) and Querétaro (2.4%).

## SMEs

As of December 31, 2023, the SME loan portfolio totaled Ps.14,891 million, decreasing 1.5% YoY, driven by fewer originations over the last 12 months. The NPL ratio remained at 3.8% in 4Q23, vs. 3.0% in 4Q22, and 4.1% in 3Q23.

## Government

The government loan portfolio stood at Ps.415 million, with no originations during the period, in line with the Company's focus on other segments. The NPL ratio of the government loan portfolio remained at zero at the end of 4Q23 (given the quality of the assets that make up this portfolio).

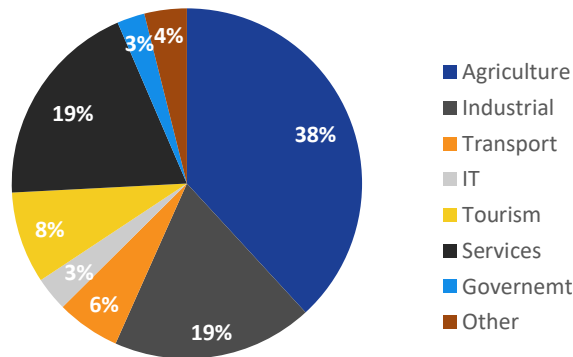
## Financial Institutions

As of December 31, 2023, the financial institutions loan portfolio stood at Ps. 347 million, down by 26.5% from Ps. 472 million in 4Q22. The NPL ratio of this segment remains at zero.

## Consumption

During 4Q23, the consumption loan portfolio decreased 22.6% YoY, totaling Ps.519 million. The NPL for this segment remained relatively unchanged, increasing by 0.02%.

## Portfolio Breakdown by Economic Sector



\*\*\*\*\*

## Fixed-Income Analysts

Institution	Analyst	Credit Ratings	E-mail
S&P Global Ratings	Mariana Bisteni	'CCC+'	<a href="mailto:mariana.bisteni@spglobal.com">mariana.bisteni@spglobal.com</a>
Moody's Investors Service	Rodrigo Marimon	'B2'	<a href="mailto:rodrigo.marimon@moodys.com">rodrigo.marimon@moodys.com</a>
Moody's Local MX	Vicente Gomez	'BB+.mx'	<a href="mailto:vicente.gomez@moodys.com">vicente.gomez@moodys.com</a>
Verum	Daniel Martinez	'BBB-/M' / '3/M'	<a href="mailto:daniel.martinez@verum.mx">daniel.martinez@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 20 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.*

## 4Q23 RESULTS CONFERENCE CALL

Operadora de Servicios Mega, S.A. de C.V. SOFOM E.R., invites you to join their 4Q23 results conference call.

### Conference Call Details:

**Tuesday, March 5, 2024**

**10:00 A.M. Mexico City (CST)**

**11:00 A.M. Eastern Standard Time (EST)**

### Presented by:

Guillermo Romo – Executive Chairman

Jaime Gómez – CFO

Mega will publish its **results on Monday, March 4, 2024** (after market close)

### How to join the conference call via the internet:

1. Please sign up ahead of time to access the webinar at:  
[https://us02web.zoom.us/webinar/register/WN\\_yAC99g-qQs-zzgTGgn-YJw](https://us02web.zoom.us/webinar/register/WN_yAC99g-qQs-zzgTGgn-YJw)
2. After registering, you will receive a confirmation email with instructions on how to join the webinar.
3. **Webinar ID:** 878 4944 5419

### How to join the conference call via telephone:

1. Dial one of the Mexican or International numbers below.
2. Enter the Webinar ID (878 4944 5419), followed by the # sign.
3. If the meeting has not yet started, press # to wait.
4. You will be prompted to enter your unique participant ID. Press # to skip.

#### Mexico

+52 558 659 6002  
+52 554 161 4288  
+52 554 169 6926

#### United States

+1 312 626 6799 (Chicago)  
+1 346 248 7799 (Houston)  
+1 646 558 8656 (New York)

**Other international numbers available:** <https://us02web.zoom.us/j/knEOJCkC>

**Recording:** Available 60 minutes after the conference at: [www.gfmega.com](http://www.gfmega.com)



## Consolidated Financial Statement

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

### Consolidated Income Statement

For the three- and twelve-month periods ended December 31, 2023, and 2022

(Thousands of Mexican pesos)	4Q23	4Q22	Δ%	4Q23 (Thousands of USD <sup>1</sup> )	2023	2022	Δ%	2023 (Thousands of USD <sup>1</sup> )
Interest income	428,812	704,779	(39.2%)	25,345	2,610,274	2,112,681	23.6%	154,281
Commercial margin	2,977	116,281	(97.4%)	176	80,556	413,221	(80.5%)	4,761
<b>Total Revenue</b>	<b>431,789</b>	<b>821,060</b>	<b>(47.4%)</b>	<b>25,521</b>	<b>2,690,829</b>	<b>2,525,903</b>	<b>6.5%</b>	<b>159,042</b>
Interest expense	(554,919)	(369,879)	50.0%	(32,799)	(2,193,650)	(1,750,808)	25.3%	(129,656)
<b>Financial margin</b>	<b>(123,130)</b>	<b>451,182</b>	<b>(&gt;100%)</b>	<b>58,320</b>	<b>497,180</b>	<b>775,095</b>	<b>(35.9%)</b>	<b>288,698</b>
Provision for loan losses	(59,663)	(113,419)	(47.4%)	(3,526)	(452,976)	(217,792)	>100%	(26,773)
<b>Adjusted Financial Margin</b>	<b>(182,793)</b>	<b>337,763</b>	<b>(&gt;100%)</b>	<b>61,846</b>	<b>44,204</b>	<b>557,303</b>	<b>(92.1%)</b>	<b>315,471</b>
Commission and fee expenses	(11,731)	(8,957)	31.0%	(693)	1,034	(31,141)	(>100%)	61
Brokerage expenses	(34,400)	(36,384)	(5.5%)	(2,033)	3,301	(20,643)	(>100%)	195
Other operating income	(63,802)	(99,214)	(35.7%)	(3,771)	(68,809)	420,881	(>100%)	(4,067)
Administrative expenses	(91,167)	(106,706)	(14.6%)	(5,388)	(340,784)	(387,864)	(12.1%)	(20,142)
<b>Income before income taxes</b>	<b>(383,893)</b>	<b>86,501</b>	<b>(&gt;100%)</b>	<b>62,123</b>	<b>(361,055)</b>	<b>538,535</b>	<b>(&gt;100%)</b>	<b>331,680</b>
Income tax	(25,619)	(24,996)	2.5%	(1,514)	126,617	(160,838)	(>100%)	7,484
<b>Net income (excluding FX items)</b>	<b>(409,512)</b>	<b>61,505</b>	<b>(&gt;100%)</b>	<b>63,638</b>	<b>(234,437)</b>	<b>377,697</b>	<b>(&gt;100%)</b>	<b>324,196</b>
<b>Net margin</b>	<b>(94.8%)</b>	<b>7.5%</b>	<b>(&gt;100 pp.)</b>	<b>&gt;100%</b>	<b>(8.7%)</b>	<b>15.0%</b>	<b>(23.7pp.)</b>	<b>&gt;100%</b>
FX gain	304,655	(234,259)	(>100%)	18,007	1,418,504	1,092,777	29.8%	83,841
FX loss	(151,059)	181,830	(>100%)	(8,928)	(1,199,676)	(1,109,748)	8.1%	(70,907)
<b>Net income</b>	<b>(255,916)</b>	<b>9,076</b>	<b>(&gt;100%)</b>	<b>72,716</b>	<b>(15,609)</b>	<b>360,726</b>	<b>(&gt;100%)</b>	<b>337,130</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. 16.919 per U.S. dollar, the exchange rate to settle foreign currency obligations on December 31, 2023, determined by the Mexican Central Bank.

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

Consolidated Balance Sheet

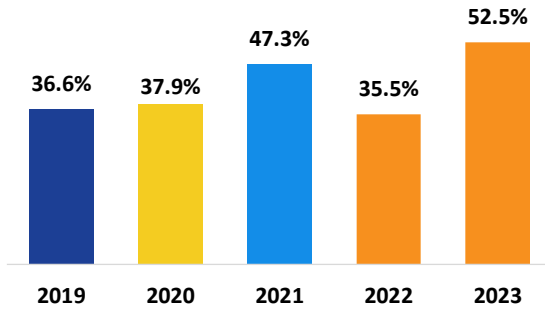
As of December 31, 2023, and 2022

(Thousands of Mexican pesos)	Dec-31 2023	Dec-31 2022	Δ%	Dec-31 2023 (Thousands of USD <sup>1</sup> )
<b>Assets</b>				
Cash	1,099,078	1,763,172	(37.7%)	64,961
Derivatives held for trading	60,295	71,266	-	3,564
Derivatives held for hedging	82,078	100,531	(18.4%)	4,851
Total performing loan portfolio	15,560,319	16,642,619	(6.5%)	919,695
Total non-performing loan portfolio	610,648	508,687	20.0%	36,092
<b>Total loan portfolio</b>	<b>16,170,967</b>	<b>17,151,306</b>	<b>(5.7%)</b>	955,787
Allowance for loan losses	(932,802)	(550,572)	69.4%	(55,133)
Deferred items	(102,173)	(156,884)		(6,039)
<b>Total loan portfolio (net)</b>	<b>15,135,992</b>	<b>16,443,850</b>	<b>(8.0%)</b>	894,615
Other accounts receivable, net	271,352	683,008	(60.3%)	16,038
Foreclosed assets, net	113,556	63,805	78.0%	6,712
Property, furniture and equipment, net	151,331	70,048	>100%	8,944
Goodwill	134,265	134,265	0.0%	7,936
Long-lived assets available for sale	0	60,306	(100%)	0
Deferred income tax	707,013	479,321	-	41,788
Other assets, deferred charges, and intangible assets	438,637	710,374	(38.3%)	25,926
Right-of-use asset	0	3,617	-	0
<b>Total Assets</b>	<b>18,193,597</b>	<b>20,583,563</b>	<b>(11.6%)</b>	<b>1,075,335</b>
<b>Liabilities and Stockholders' Equity</b>				
Listed securities	8,979,776	10,081,090	(10.9%)	530,751
Short-term debt	2,679,931	2,298,047	16.6%	158,398
Long-term debt	2,154,655	3,567,498	(39.6%)	127,351
Derivatives for trading purposes	42,770	57,042	(25.0%)	2,528
Derivatives held for hedging	1,039,300	178,394	>100%	61,428
Lease liabilities	0	3,617	-	0
Sundry creditors	353,388	508,858	(30.6%)	20,887
Contributions payable	6,219	-	-	368
Sundry creditors for collateral received cash	456,208	1,069,322	(57.3%)	26,964
Deferred credits and advance collections	14,779	28,708	(48.5%)	874
<b>Total Liabilities</b>	<b>15,727,027</b>	<b>17,792,576</b>	<b>(11.6%)</b>	<b>929,548</b>
<b>Stockholders' Equity</b>				
Capital stock	636,216	636,216	0.0%	37,604
Additional paid in capital	0	0	-	0
Retained earnings	1,947,324	1,606,871	21.2%	115,097
Cumulative foreign translation adjustment	(34,708)	17,985	(>100%)	(2,051)
Net income of the period	(15,609)	360,726	(>100%)	(923)
Valuation result of cash flow hedging instruments	(66,652)	169,188	(>100%)	(3,939)
<b>Total Stockholders' Equity</b>	<b>2,466,570</b>	<b>2,790,986</b>	<b>(11.6%)</b>	<b>145,787</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>18,193,597</b>	<b>20,583,562</b>	<b>(11.6%)</b>	<b>1,075,335</b>

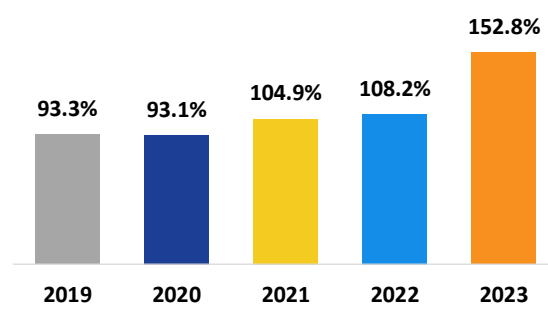
<sup>1</sup>U.S. dollar amounts are translated from pesos into dollars, solely for the convenience of the reader, using an exchange rate of Ps. 16.919 per U.S. dollar, the exchange rate to settle foreign currency obligations on December 31, 2023, determined by the Mexican Central Bank.

## Financial Ratios

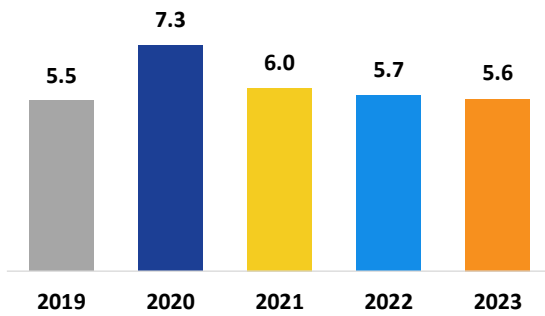
### Efficiency Ratio



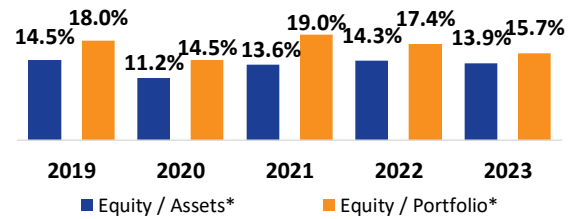
### Coverage Ratio



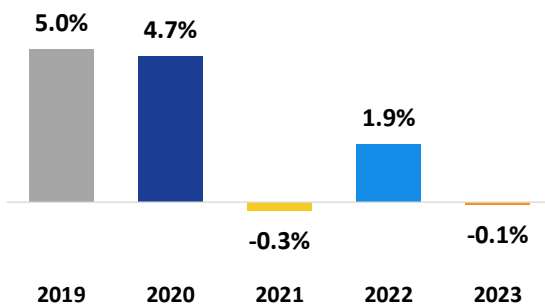
### Leverage (times)



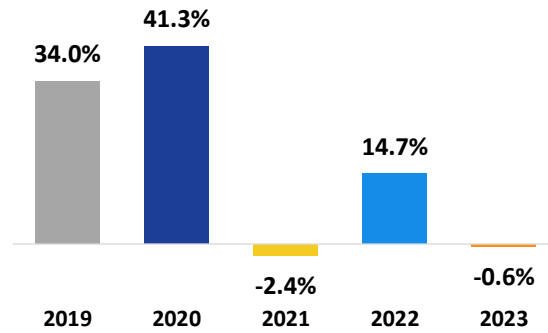
### Capitalization Ratios



### ROAA



### ROAE



\*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 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 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).