



Executive Summary September 2022

We are nonbanking financial institution (SOFOM) belonging to the Mexican financial system. We offer credits through payroll loans with delegated collection for government employees. To obtain the credits, **dineritoXTRA** signs collaboration agreements with government entities.

#### Accelerated Growth in the Mexican Market

- Payroll loans represent a market of 12 trillion dollars in Mexico, with double-digit annual growth rates.
- It is an underpenetrated market with favorable demographics.

#### Attractive interest rates and Strong growing company

- The portfolio grew from \$205 million to \$395 million pesos, from the beginning of 2018 to the 3Q of 2022 a total increase of 92%. . Despite COVID-19 the CEO and the commercial team achieved to surpass the +350 million portfolio.
- Interest income has increased from \$18.8 million pesos in 2015 to \$128 million pesos during 2022. Even though the pandemic had an impact in the collection, the financial margin for the 3Q2022 was 64%

#### Highly experienced commercial team

- Close relationship with government entities and exclusivity in some cases (40 collaboration agreements since foundation)
- + than 200 promoters in different branches offer customer service in a professional and specialized way.

#### Subscription Process and Focus on Federal Agreements

- The efficient structure of the origination and underwriting processes have achieved default rates below 2% historically. The IMOR has shown an increase during the 2022 due to a lagged effect of the pandemic and delays in payments by agencies, we expect a downward adjustment.
- Focus on Federalized Agreements and specialized payroll control systems

#### Control under Master Trust

- This structure limits the risk of investors, ensuring the correct management of their credits.

# Timeline



**2011**

- Foundation

**2012**

- **dineritoXTRA** signs the first two collaboration agreements in Orizaba and Puebla.

**SOFOM**

**2013**

- Operations begin in Chiapas, Veracruz, and Puebla
- Becomes an Sofom ENR and capitalize \$22.6 MM MXN of equity.



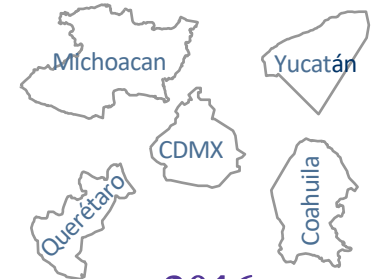
**2014**

- 6 new agreements start during the year.
- Operations begin in Hidalgo.
- During the year MLP/TF audited and supervised the company

**ALTUM  
CAPITAL**

**2015**

- Achieved the first line of credit \$30 MM MXN with Altum Capital
- PEMEX deal begins.
- Baker Tilly audits **dineritoXTRA**.



**2016**

- Capitalization of \$19.3 MM MXN
- 7 new agreements are signed
- Operations begin in Querétaro, Coahuila, Yucatán, Michoacán, and CDMX



**2017**

- Capitalization of \$7 MM MXN
- Achieved second loan with Altum Capital of \$30 MM MXN
- KPMG audits **dineritoXTRA**.



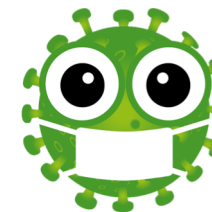
**2018**

- New origination record achieved and 11 agreements are signed.
- Third loan granted by Altum Capital for \$40 MM MXN
- Capitalization of \$38.5 MM MXN



**2019**

- First line of credit with OHP for \$10 MM USD
- Operations begin with Mintos Market place
- Branches of Jalisco, Durango, and Tlaxcala are inaugurated.



**2020**

- The financials of DX remained stable during COVID-19 pandemic
- PEMEX agreement didn't get renewed.
- Origination maintains the portfolio growth stable



**2021**

- New Agreement Signed
- **300+ Million MXN in Loan Portfolio**
- **100+ Million MXN in Interest Income**

# The team

More than 30 years of experience within the financial and credit sector. Originating and managing credits for Mexico's main banks and financial companies.

## Paul Bustos

CEO

Operating Partner, he has 29 years of experience in companies of the financial and real estate sector, where he has held management positions. In these positions he has acquired financial, analytical, business and managerial skills.

He has been the managing partner of **dineritoXTRA** for 8 years. He worked at Vector Casa de Bolsa, Banamex, Corporación Hipotecaria and Monex.

He has an MBA from Thunderbird School, School of Global Management.

## Uriel Quezada

COO

Uriel Quezada has 11 years of experience in the financial industry, where he has held management and executive positions in the areas of portfolio management, collection management and board of control. He successfully performed at SOFOMEs like Recuperate, AlphaCredit and Credimiago. He has managed portfolios worth more than \$ 10 billion pesos. He has experience in the development and operation of collection processes, as well as streamline and automate them

## María Elena Marín

CFO

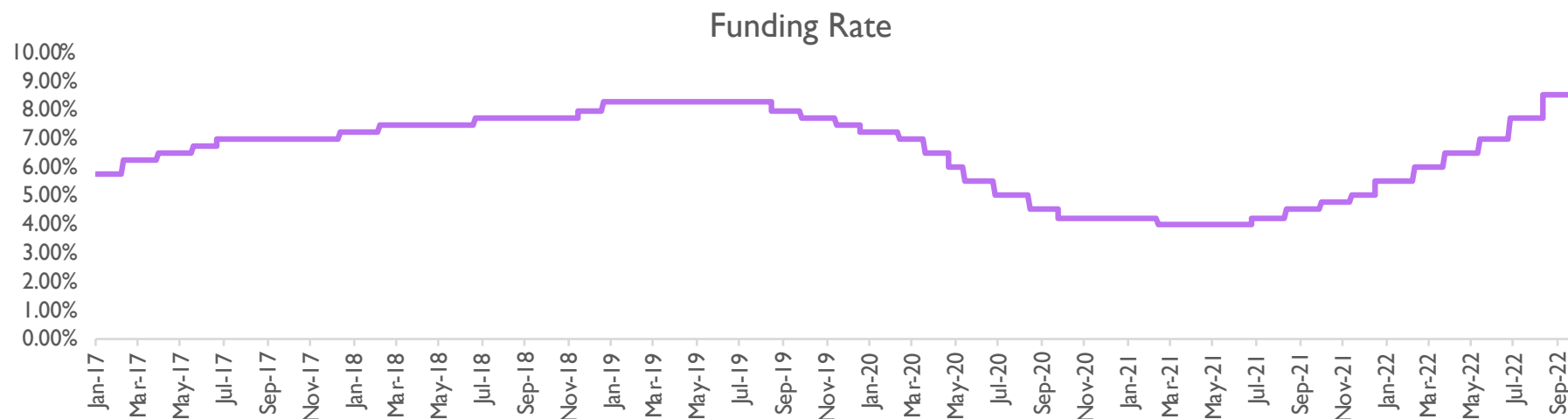
More than 29 years of experience in accounting and finance. He has served in managerial positions especially in the financial sector. She has had a notable participation in the accounting and operating strategies of financial assets in the company. She is an investment strategies advisor certified by the CNBV. She has a degree in accounting from UNAM and a specialization in Fiscal Strategies from La Salle University.

## Enrique Ceciliano

CSO

He has a work experience of more than 20 years, in financial, commercial and service areas. Since 2002 he has been working in management positions in specialized financial entities with a focus on payroll loans. First in Libertad Servicios Financieros and later in 2015 in DineritoXtra. He has a degree in Business Administration from the University of Advanced Studies.

# Mexico's Credit Market Penetration



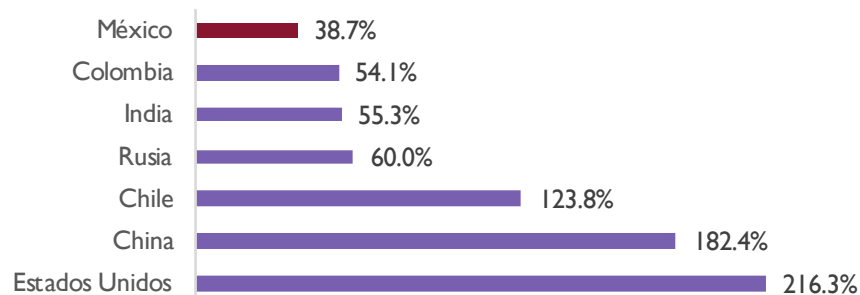
The decrease during 2020 in the rate is due to the policy of economic reactivation, however, there is an upward trend derived from the inflation observed, Mexican Peso remains strong, and we expect Banxico continues with this cycle of raises

GDP Per Capita vs Domestic Credit  
Granted by the Financial Sector as % of  
GDP



Little dynamism in the credit sector despite high levels of GDP per capita in the country.

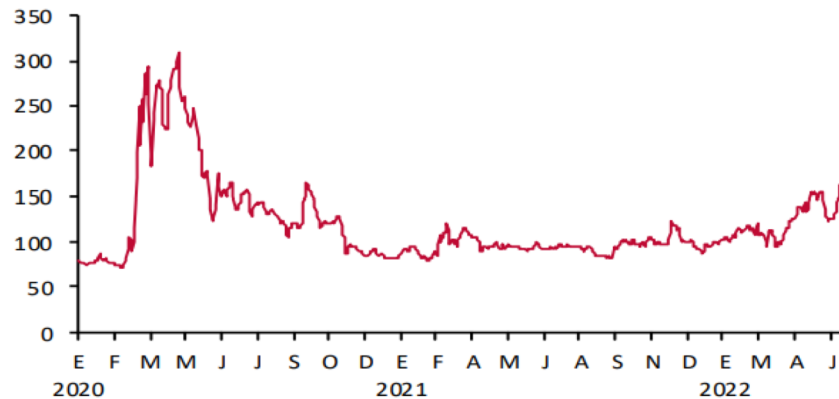
Domestic credit granted to the Private  
Sector as % of GDP



Our private sector obtains a lower proportion of credit than other emerging economies and has almost 3x lower leverage than developed ones

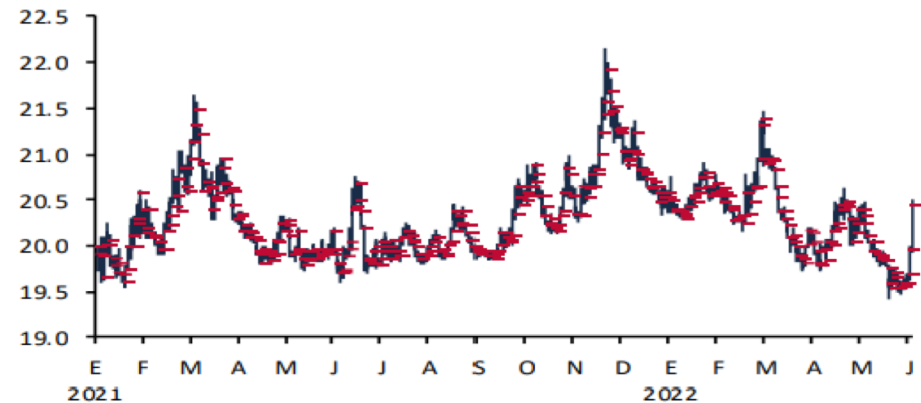
# The opportunity of the credit market in Mexico

Credit Default Swap 5 years  
(Basis Points)



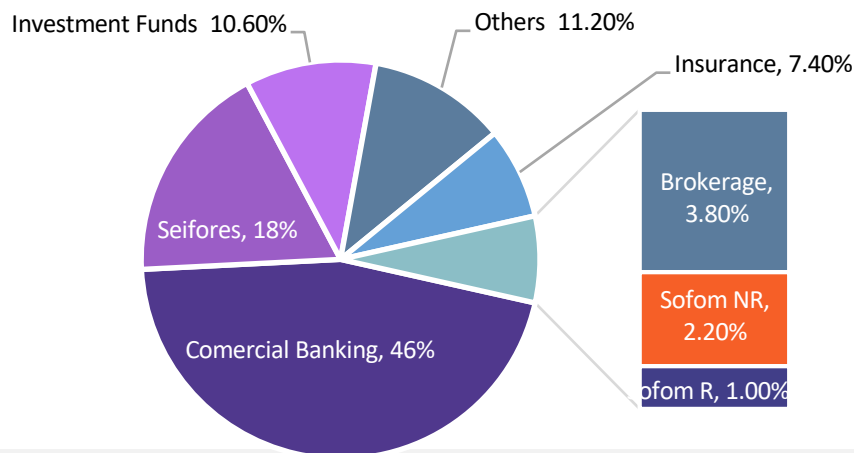
Mexico has recovered its risk levels prior to the pandemic

Exchange Rate  
(USD - MXN)



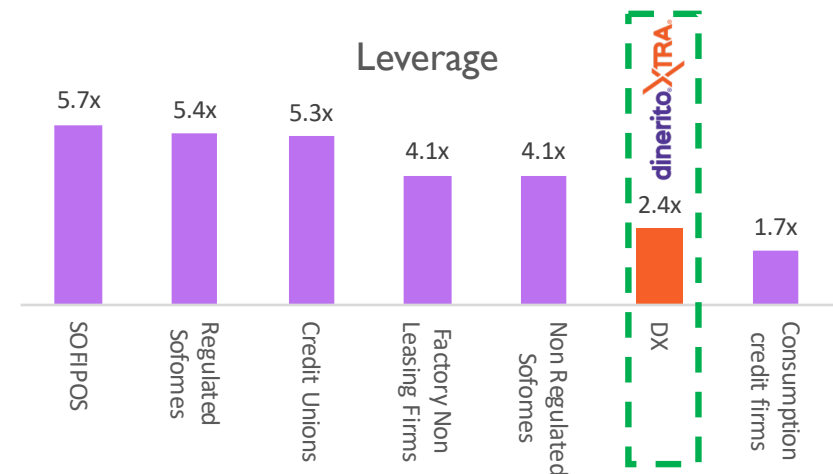
Mexico has evolved through the pandemic and the war in Ukraine as one of the strongest currencies and more stable

% of Asset Share in the Financial System



Unregulated financial institutions represent a large proportion of the financial system.

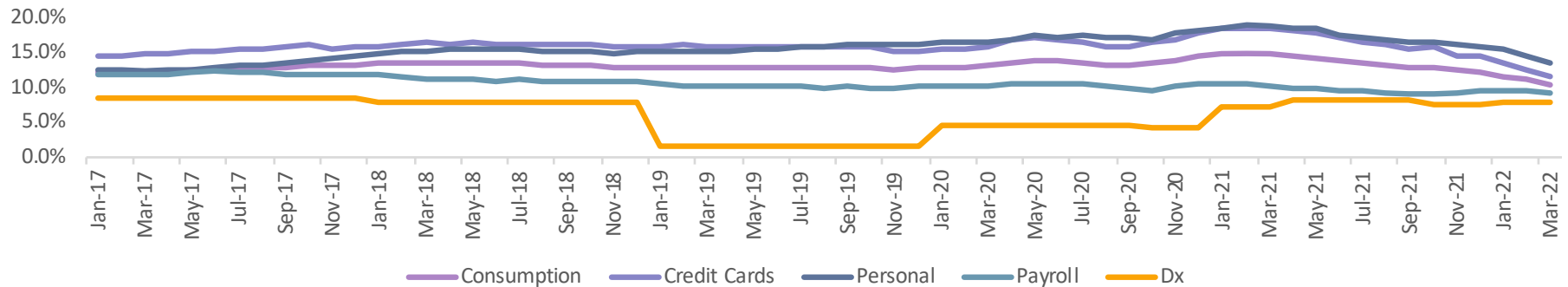
Leverage



Dinerito's leverage shows ample growth potential for the portfolio against other types of companies.

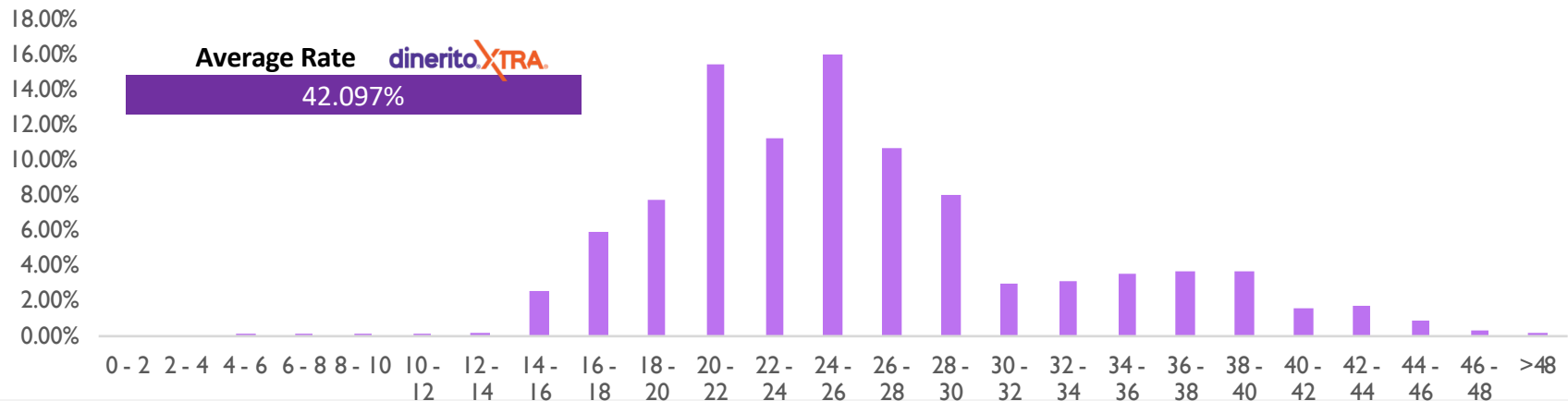
# Portfolio Statistics of the Payroll Credit Market

Performance by Sector



**dineritoXTRA** has the best current and non-current loans, as well as a NPL rate that remained stable in 2019 and 2020 under 5%, with a slight increase during 2021 that was reflected in the economy in general

Distribution of the amount owe as a function of the rate for payroll credits



The average rate of **dineritoXTRA** is in the high-yield percentiles of the distribution, added to the good NPL metrics, which shows a great risk-yield ratio. Additionally, we have noticed a slight increase in rates to reduce the risks derived from the pandemic.

# Our product

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- A payroll loan is a personal credit, it is a simple medium-term credit backed by the income that an individual receives through their payroll.
- **dinerito.XTRA.** guarantees the payment through an agreement with the government entities were they are responsible of discounting the payment from the employee.



## Term

12 to 96 Months



## Interest Rate

42.1% on average.



## Amount

2,500 to 280,000 MXN



## Age

18 to 65 years



## Payment frequency

Montly, Biweekly, and Weekly



## Source of payment

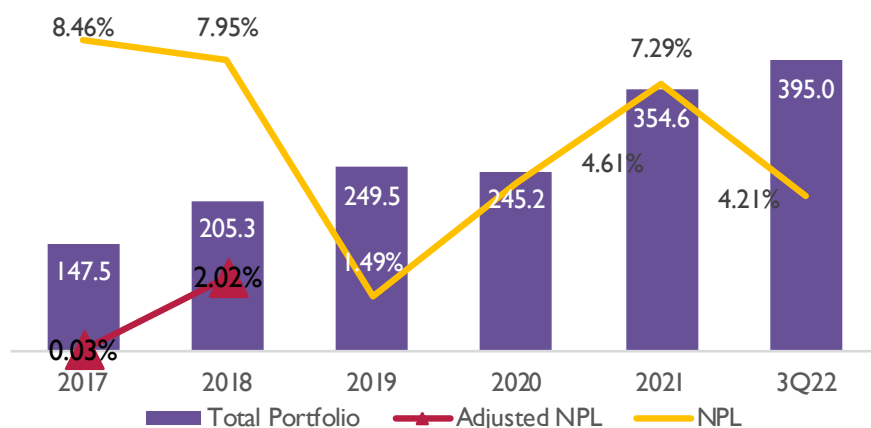
Payroll discount



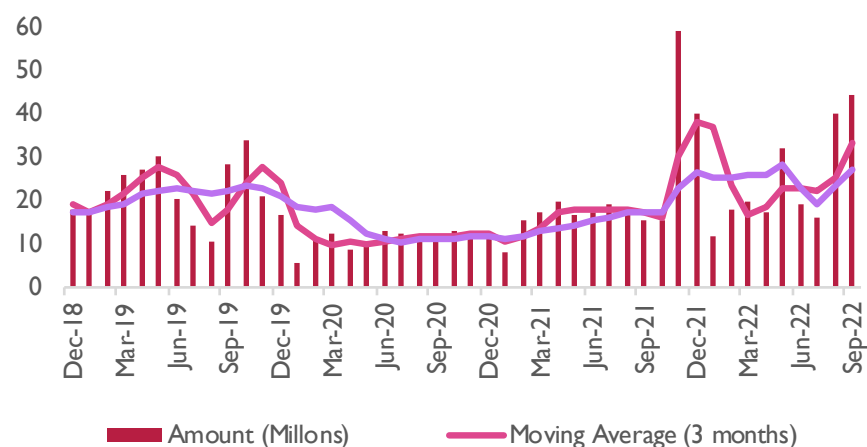
# Loan Portfolio

During the third quarter, new lines of credit were achieved. The additional funding made possible to exceed 650 million pesos of outstanding capital + interest and to be close to a portfolio of 400 million pesos. We continue to grow in origination and maintaining healthy collection.

## Portfolio evolution (MXN M)

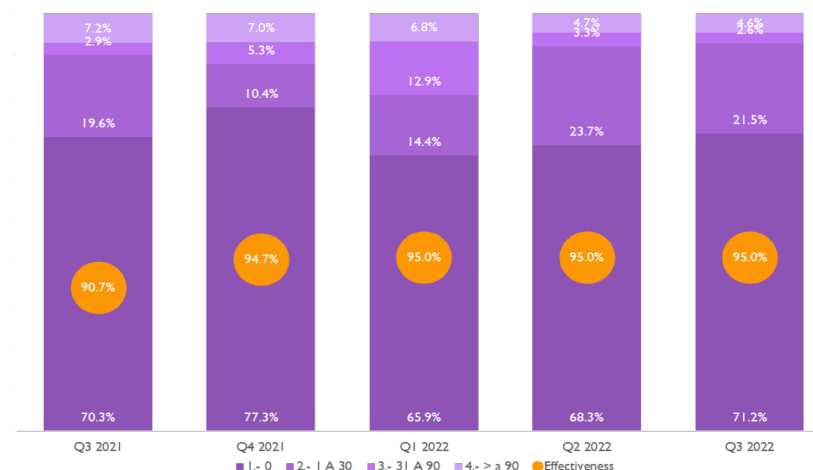


## Historical Origination (MXN MM)



Note: Adjusted NPL(Non-Performing Loans) does not take into account the broken portfolio of Chiapas for previous years

## Portfolio by buckets



## Main portfolio indicators

Date	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22
Active agreements	17	17	20	21	24	27
Active Promoters	107	118	119	119	113	129
Credits/Promoter	4.02	5.13	11.60	9.12	16.09	18.47
# Credits	1,276	1,818	1,380	1,085	1,818	2,383
% Credits	23.68%	33.74%	25.61%	19.85%	33.27%	43.60%
\$ Placed	47.14	74.74	63.81	41.79	65.53	101.56
% Placed	21.21%	33.63%	28.71%	19.31%	30.28%	46.93%
\$ Dispersed	35.87	62.92	50.16	30.42	50.14	82.12
% Dispersed	20.19%	35.42%	28.24%	18.14%	29.91%	48.98%

# Value Creation



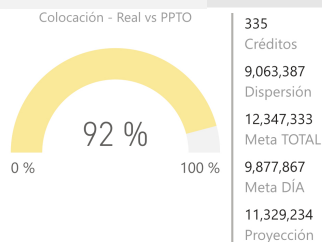
## Technological platform

- dineritoXTRA uses the "ZELL" system, which operate on a WEB based platform through a "SQL" database and with dedicated hosting on



## Power BI Dashboards

- Self developed dashboards for origination, collection and loan portfolio monitoring
- Live information



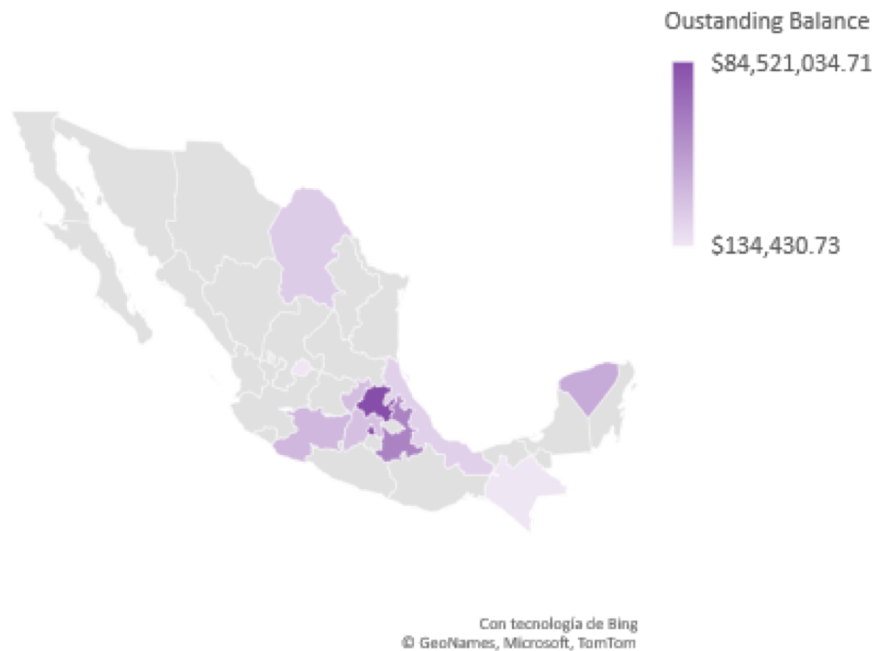
## Main Advantages

- Assignment and Administration of Loans
- Administration of Digital Files
- Status Control (Central Desk)
- Validation of Conditions with Defined Policies
- Generation of Forms and Legal Documents
- Collection Administration
- Non Performing Loan Control



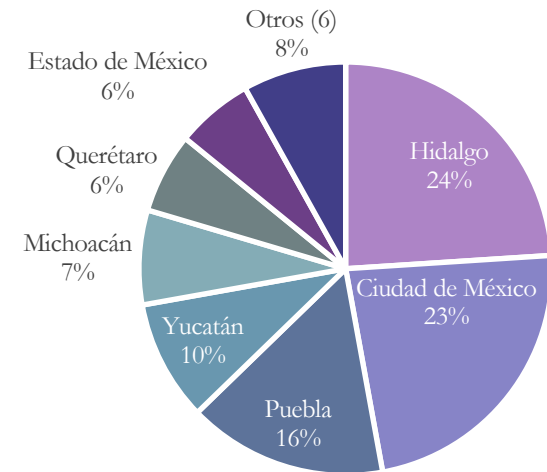
# Presence

Presence by State (Portfolio Value))

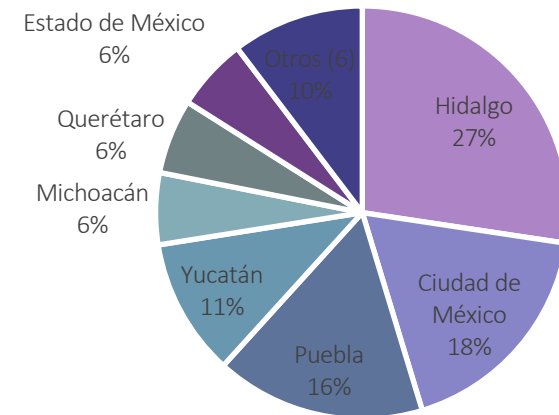


- The value of the portfolio depends on the number of agreements per State, but also on the average amount of the credit.
- **dineritoXTRA** has a presence in a large part of the country and year after year it has started operations in new states.
- Great presence in Federal agreements placed from Mexico City and growing presence in Yucatan

Outstanding Balance by State



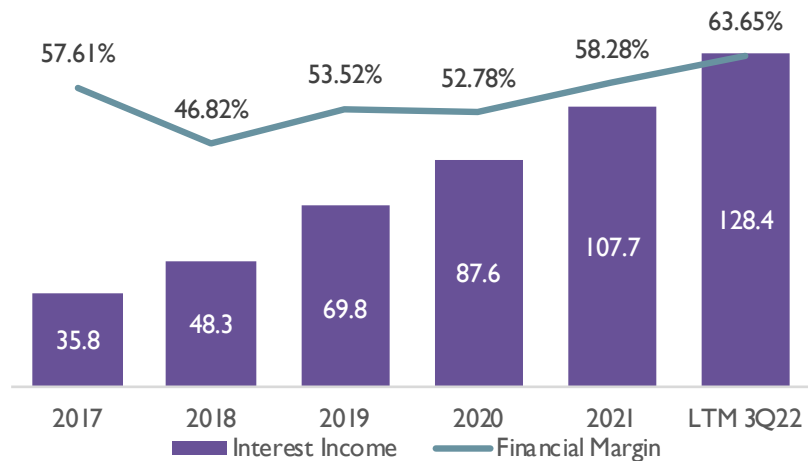
Credits by state



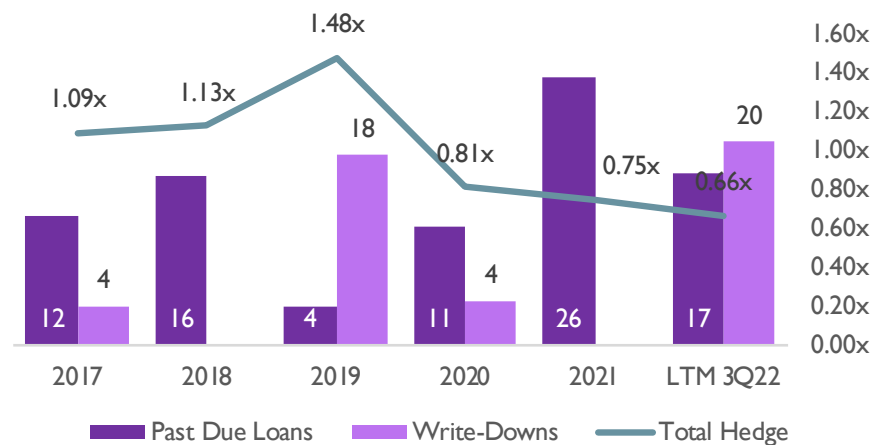
# Financial Results

Financial income continues to grow derived from the growth in the loan portfolio, however some investments in technology and other extraordinary expenses have generated a reduction in the margin of autonomy

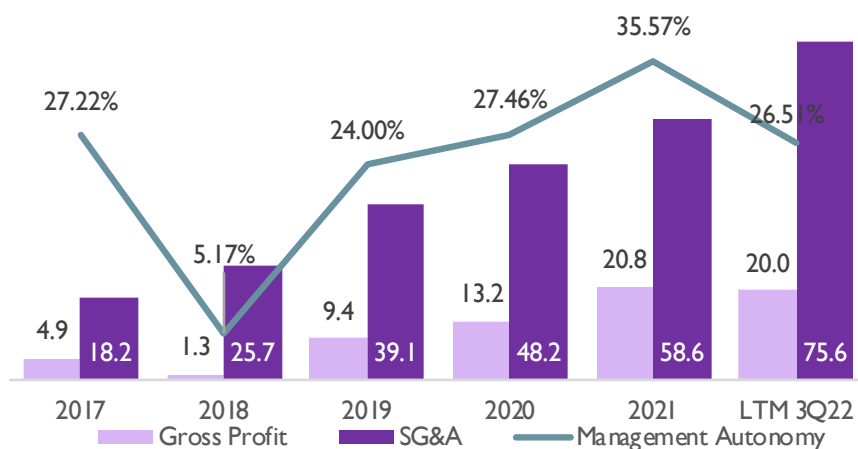
## Interest Income (MXN MM)



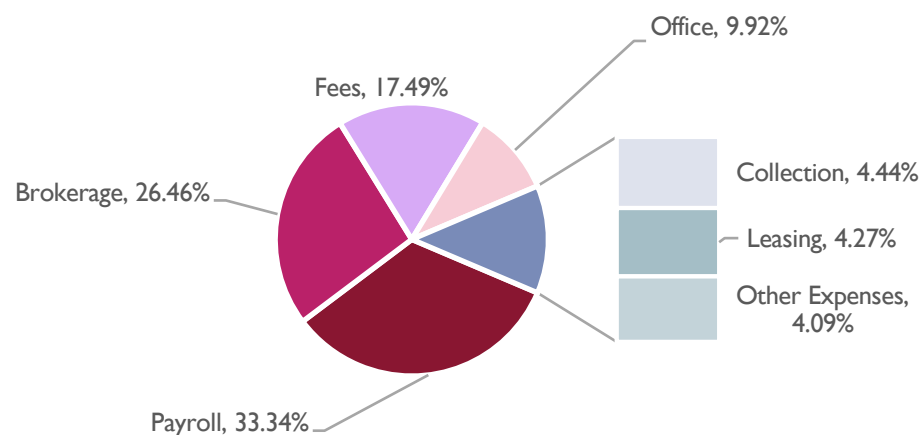
## Loan Loss Coverage Ratio (MXN MM)



## Normalized SG&A Autonomy<sup>1</sup>



## SG&A composition Sep-2022



Managenerial Autonomy: Ajusted Operative Utility/ Management Expenses  
 Note: Adjusted operating profit without considering allowance for credit risks | Numbers adjusted for FX losses

# Anual Financial Results

MXN '000	2018	2019	2020	2021	LTM 3Q22	Δ (%) 2019	Δ (%) 2020	Δ (%) 2021	Δ (%) 3Q22	Observations	
Income Statement											
Interest Income	48,264	69,782	87,585	107,693	128,366	44.6%	25.5%	23.0%	19.2%	Interest income remains stable and growing, ~130 million LTM Sep-22	
Interest Expenses	20,933	24,634	30,393	30,920	37,376	17.7%	23.4%	1.7%	20.9%		
Management Expenses	25,672	39,076	48,166	58,560	75,552	52.2%	23.3%	21.6%	29.0%		
Net Income	-3,395	5,047	-2,483	10,119	10,702	248.7%	-149.2%	507.5%	5.8%		
Balance Sheet											
Current Portfolio	189,002	245,789	233,867	328,705	378,335	30.0%	-4.9%	40.6%	15.1%	• +90 million capital • ~400 million Total portfolio • Debt financing strategy • The increase in the average interest rate had a positive effect on interest income. • The cash recovery cycle was reduced, which implies an improvement in the collection and origination of loans.	
Past-due Portfolio	16,330	3,721	11,311	25,859	16,640	-77.2%	204.0%	128.6%	-35.6%		
Total Portfolio	205,332	249,510	245,178	354,564	394,975	21.5%	-1.7%	44.6%	11.4%		
Net Portfolio	186,946	244,015	236,018	335,218	383,912	30.5%	-3.3%	42.0%	14.5%		
Liabilities with Financial Cost	114,323	172,236	195,421	301,508	329,735	50.7%	13.5%	54.3%	9.4%		
Equity	75,480	80,528	78,044	88,164	92,586	6.7%	-3.1%	13.0%	5.0%		
Financial Ratios											
Leverage	1.51x	2.33x	2.69x	3.36x	3.56x	0.82x	0.37x	0.67x	0.20x		
Liquidez	1.83x	2.24x	1.87x	2.70x	2.53x	0.41x	-0.37x	0.83x	-0.16x		
ROAA	-2.0%	2.2%	-0.9%	2.9%	2.5%	4.21%	-3.07%	3.80%	-0.45%		
ROAE	-5.9%	6.5%	-3.1%	12.2%	11.6%	12.33%	-9.60%	15.31%	-0.60%		
NPL Index	8.0%	1.5%	4.6%	7.3%	4.2%	-6.46%	3.12%	2.68%	-3.08%		
Net NPL Index	-1.1%	-0.7%	0.9%	1.9%	1.5%	0.37%	1.64%	1.03%	-0.49%		
ICOR	1.13x	1.48x	0.81x	0.75x	0.66x	0.35x	-0.67x	-0.06x	-0.08x		
Average Interest Rate	27.4%	30.7%	35.4%	35.9%	34.5%	3.33%	4.73%	0.50%	-1.44%		
Average Interest Rate (under net portfolio)	30.1%	32.4%	36.5%	37.7%	35.4%	2.29%	4.11%	1.21%	-2.28%		
Financial Cost	20.5%	17.2%	16.5%	12.4%	12.7%	-3.29%	-0.66%	-4.09%	0.27%		
Financial Margin %	56.6%	64.7%	65.3%	71.3%	70.9%	8.07%	0.60%	5.99%	-0.41%		

Nota: El cambio en las razones se calculo en absolutos

# Income Statement: Real vs Projected (2022)

Income Statement Mexican Pesos September 30th, 2022				
CONCEPT	Sep-22 (Real)	Sep-22 (Projected)	Δ Nominal	Δ %
<b>Interest Income</b>	<b>98,141,060</b>	<b>95,733,911</b>	<b>2,407,149</b>	<b>2.45%</b>
Interest Expenses	-25,820,784	-25,649,558	-171,227	0.66%
<b>Gross Profit</b>	<b>72,320,276</b>	<b>70,084,353</b>	<b>2,235,923</b>	<b>3.09%</b>
Gross Margin	73.7%	67.9%	5.8%	7.80%
SG&A	-59,515,774	-50,450,318	-9,065,456	15.23%
<b>Operating Income</b>	<b>12,804,502</b>	<b>19,634,035</b>	<b>-6,829,533</b>	<b>-53.34%</b>
Operating Margin	13.0%	20.5%	-7.5%	-57.19%
Exchange Loss/Utility	1,207,372	-2,350,989	3,558,361	294.72%
Loan Loss Reserve	-9,284,419	-6,055,480	-3,228,938	34.78%
Other (Income/Expenses)	-305,454	0	-305,454	100.00%
<b>Pretax Income</b>	<b>4,422,002</b>	<b>11,227,566</b>	<b>-6,805,564</b>	<b>-153.90%</b>
Income tax	0	0	0	0.00%
<b>Net Income</b>	<b>4,422,002</b>	<b>11,227,566</b>	<b>-6,805,564</b>	<b>-153.90%</b>
Net Margin	5%	11%	-6%	-135.36%

Better than expected interest income

We saw an increase in the SG&A expected due to investment in technologies and other developments that will allow ton continue the growth

The model contemplate impacts due to exchange rate variation, but they were positive due to a lower-than-expected exchange rate

# Balance Sheet: Real vs Projected (2022)

## Balance Sheet September 30th, 2022

ASSET	Sep-22 (Real)	Sep-22 (Projected)	Δ Nominal	Δ%
<u>Current Asset</u>				
Cash and Equivalents & Other securities	41,054,871	11,465,531	29,589,340	72%
Net loan portfolio	383,911,516	403,992,743	-20,081,227	-5%
Amortized Cost	29,916,151	34,271,419	-4,355,268	-15%
	454,882,538	449,729,694	5,152,844	1%
<u>Long term Asset</u>				
Net, Land, Equipment, and Building	1,050,394	438,937	611,457	58%
Leasing for right of use	11,449,456	11,449,456	0	0%
Other assets	2,382,205	1,857,425	524,781	22%
<u>Total Long Term Asset</u>	14,882,055	13,745,817	1,136,237	8%
<b>Total Asset</b>	<b>469,764,593</b>	<b>463,475,511</b>	<b>6,289,081</b>	<b>1%</b>
<b>LIABILITIES AND EQUITY</b>				
<u>Short Term Liabilities</u>				
Sundry creditors and other accounts payable	43,408,175	13,804,176	-29,603,999	-68%
Taxes payable	4,035,893	4,916,010	880,118	22%
	47,444,068	18,720,187	-28,723,881	-61%
<u>Long Term Liabilities</u>				
Notes payable	329,734,899	345,364,135	-15,629,236	-5%
<b>Total Liabilities</b>	<b>377,178,967</b>	<b>364,084,322</b>	<b>13,094,646</b>	<b>3%</b>
<u>Equity</u>				
Common Stock	89,690,000	89,690,000	0	0%
Retained Earnings	-1,526,377	-1,526,377	0	0%
Net Income	4,422,002	11,227,566	-6,805,564	-154%
<u>Total Equity</u>	<b>92,585,626</b>	<b>99,391,190</b>	<b>-6,805,564</b>	<b>-7%</b>
<b>Total Equity and Liabilities</b>	<b>469,764,593</b>	<b>463,475,511</b>	<b>6,289,081</b>	<b>1%</b>