Finprospera, S.A.P.I. de C.V. SOFOM E.N.R.
Financial Statement
As of December 31, 2023
and independent auditor's report

Finprospera, S.A.P.I. de C.V. SOFOM E.N.R.

Financial

As of December 31, 2023

Content:

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INDEPENDENT AUDITORS' REPORT

To the Shareholders' Meeting of:
Finprospera, S.A.P.I. de C.V. SOFOM E.N.R.

Opinion

We have audited the accompanying financial statements of **Finprospera, S.A.P.I. de C.V. SOFOM E.N.R. (**hereinafter **the Company)**, which comprise the statement of financial position as of December 31, 2023, as well as the statement of comprehensive income, statement of changes in stockholders' equity and cash flows for the year then ended, and the notes to the financial statements that include a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **Finprospera, S.A.P.I. de C.V. SOFOM E.N.R.**, as of December 31, 2023, and its financial performance and its cash flows for the year then ended, in conformity with Mexican Financial Reporting Standards (MFRS).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are described below in the "Auditor's responsibilities for the audit of the financial statements" section of this report. We are independent of **Finprospera, S.A.P.I. de C.V. SOFOM E.N.R., in** accordance with the International Code of Ethics for the Accounting Profession of the International Ethics Standards Board for Accountants (IESBA Code), together with the ethical requirements that are applicable to our audits of the financial statements in Mexico in accordance with the Code of Professional Ethics of the Mexican Institute of Public Accountants,
A.C. (IMCP Code) and we have fulfilled our other ethical responsibilities in accordance with those requirements and the IESBA and IMCP Codes. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matters

Previously, on September 4, 2023, another public accounting firm issued an unqualified audit report on the financial statements as of and for the year ended December 31, 2022, on which we expressed no opinion.

Responsibilities of management and those charged with governance of the Company with respect to the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with FRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, where applicable, going concern issues and using the going concern basis, unless, management intends to liquidate the Company or cease operations, or there is no other more realistic alternative.

Those charged with governance of the entity are responsible for overseeing the Company's financial reporting process.

Auditor's responsibility in connection with the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but it does not guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain an attitude of professional skepticism throughout the audit. Also:

I. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement due to fraud is higher than for a material misstatement due to error, as fraud may involve collusion, forgery, intentional omissions, deliberate misstatements, intentional misrepresentations, or the circumvention of internal control.

II. We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

III. We assessed the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

IV. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to express a modified opinion. Our conclusions are based on evidence obtained up to the date of our audit report; however, future events or conditions may cause the company to cease to be a going concern.

VI. Evaluate, on an overall basis, the presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance of the Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, as well as any significant deficiencies in internal control that we identify in the course of the audit.

Baker Tilly México, S.C.
Independent Member Firm of Baker Tilly International

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C.P.C. Parménides Lozano Rodríguez
Partner

Mexico City, August 30, 2024.

Finprospera, S.A.P.I. de C.V., SOFOM E.N.R.
Statement of financial position
As of December 31, 2023 and 2022
(amounts in Mexican pesos)

A C T I V E

	Notes	2023	2022
Circulating			
Cash and cash equivalents	3	**$ 66,248,238**	$ 69,313,215
Outstanding loan portfolio			
Payroll credit		**735,865,548**	693,309,129
Corporate credit		**96,305,370**	8,191,440
Non-performing loan portfolio			
Payroll credit		**9,874,549**	11,442,984
Allowance for loan losses		**(65,151,072)**	(47,750,103)
Loan portfolio, net	4	**776,894,395**	665,193,450
Recoverable taxes		**143,821**	68,442
Other accounts receivable	6	**3,416,193**	3,112,344
Total current assets		**846,702,647**	737,687,451
Furniture and equipment, net	7	**1,924,286**	1,847,369
Brokerage commissions	8	**56,459,475**	44,923,164
Deferred income tax	15	**19,073,398**	10,535,781
Deferred PTU	12	**6,607,749**	-
Right-of-use asset	13	**1,369,513**	3,423,783
Security deposits		**285,900**	257,137
Total assets		**$ 932,422,968**	$ 798,674,685

The accompanying notes are an integral part of this financial statement.

Finprospera, S.A.P.I. de C.V., SOFOM E.N.R.
Statement of financial position
As of December 31, 2023 and 2022
(amounts in Mexican pesos)

P A S S I V E

	Notes	2023	2022
Short-term:			
Bank loans	9	**$ 242,454,018**	$ 366,799,496
Related parts	5	**122,184,548**	92,974,770
Accounts payable		**1,847,447**	2,368,021
Taxes payable	10	**14,405,830**	13,131,711
Short-term right-of-use liability	13	**1,581,129**	-
Employee profit sharing		**4,108,251**	2,747,899
Total short-term liabilities		**386,581,223**	478,021,897
Long-term bank loans	9	**362,845,474**	173,408,490
Notes payable to investors	14	**81,620,000**	67,000,000
Long-term right-of-use liability	13	**-**	3,746,251
Employee benefits	11	**1,134,288**	930,328
Total long-term liabilities		**445,599,762**	245,085,069
Total liabilities		**832,180,985**	723,106,966
STOCKHOLDERS' EQUITY (Note 15):			
Capital stock		**103,298,000**	103,298,000
Retained earnings:			
Retained earnings		**(27,730,281)**	(41,728,307)
Net income for the year		**24,674,264**	13,998,026
Total		**(3,056,017)**	(27,730,281)
Total Stockholders' Equity		**100,241,983**	75,567,719
Total Liabilities and Stockholders' Equity		**$ 932,422,968**	$ 798,674,685

The accompanying notes are an integral part of this financial statement.

Finprospera, S.A.P.I. de C.V., SOFOM E.N.R.
Comprehensive income statement
As of December 31, 2023 and 2022
(amounts in Mexican pesos)

	Notes		2023	2022
Interest income		$	**306,758,627**	261,472,493
Commissions on fees charged			**9,896**	28,020
Other operating income			**5,313,254**	3,716,107
			312,081,777	265,216,620
Interest expense			**145,768,306**	101,755,863
Financial Margin			**166,313,471**	163,460,757
Allowance for loan losses			**(18,969,404)**	(9,688,719)
Financial Margin adjusted for credit risk			**147,344,067)**	153,772,038
Commissions paid			**35,638,037**	36,452,283
			111,706,030	117,319,755
Administrative expenses	17		**95,569,383**	103,520,884
Operating income			**16,136,647**	13,798,871
Interest income from investments			**-**	42,288
Income before income taxes			**16,136,647**	13,841,159
Income taxes	16		**(8,537,617)**	(156,867)
Net income for the year		**$**	**24,674,264**	13,998,026

The accompanying notes are an integral part of this financial statement.

Finprospera, S.A.P.I. de C.V., SOFOM E.N.R.
Statement of Changes in Stockholders' Equity
As of December 31, 2023 and 2022
(amounts in Mexican pesos)

	Capital stock	Results accumulated	Net income for the year	Total
BALANCES AS OF DECEMBER 31, 2021	103,298,000	(45,312,926)	3,584,619	61,569,693
Profit carryforward from fiscal year 2021	-	3,584,619	(3,584,619)	-
Net income for the year	-	-	13,998,026	13,998,026
BALANCES AS OF DECEMBER 31, 2022	**$ 103,298,000**	**$ (41,728,307)**	**$ 13,998,026**	**$ 75,567,719**
Profit carryforward from fiscal year 2022	**-**	**13,998,026**	**(13,998,026)**	**-**
Net income for the year	**-**	**-**	**24,674,264**	**24,674,264**
BALANCES AS OF DECEMBER 31, 2023	**103,298,000**	**(27,730,281)**	**24,674,264**	**100,241,983**

The accompanying notes are an integral part of this financial statement.

Finprospera, S.A.P.I. de C.V., SOFOM E.N.R.
Statement of cash flows
As of December 31, 2023 and 2022
(amounts in Mexican pesos)

		2023		2022
Operating activities				
Income before income taxes	**$**	**16,136,647**	$	13,841,159
Items in income that did not involve cash flows				
Depreciation		**430,501**		461,661
Allowance for expected credit losses		**17,400,969**		9,688,719
Amortization of commissions		**27,590,309**		28,317,053
Deferred ESPS		**(6,607,749)**		-
Net periodic cost of labor obligations		**203,960**		4,068
Sale of fixed assets		**-**		104,897
Interest on loans		**145,768,306**		101,755,863
		200,922,943		154,173,420
Changes in operating assets and liabilities:				
Loan portfolio		**(129,101,914)**		(173,880,899)
Sundry debtors and other		**(332,611)**		(2,771,436)
Recoverable taxes		**(75,379)**		902,668
Suppliers and sundry creditors		**13,988,572**		3,095,076
Taxes payable		**1,274,119**		3,693,857
Profit sharing		**1,360,352**		-
Net cash flows provided by operating activities		**88,036,082**		14,787,314
Investment activities				
Acquisition of furniture and equipment		**(507,418)**		(1,008,193)
Net cash flows used in investing activities		**(507,418)**		(1,008,193)
Financing activities				
Bank loans and other		**65,091,506**		727,171,613
Repayment of bank loans and others				(596,056,273)
Commissions and amortizable bonuses paid		**(39,126,620)**		(28,028,271)
Related party loans		**29,209,779**		105,911,200
Payment of related party loans				(62,252,211)
Related party interests		**-**		(12,579,214)
Interest on bank loans and other		**(145,768,306)**		(89,176,649)
Net cash flows provided by financing activities financing		**(90,593,641)**		44,990,195
(Decrease) increase in cash and cash equivalents equivalents		**(3,064,977)**		29,194,688
Cash and cash equivalents at beginning of period		**69,313,215**		40,118,527
Cash and cash equivalents at the end of the period	**$**	**66,248,238**	$	69,313,215

The accompanying notes are an integral part of this financial

Finprospera, S.A.P.I. de C.V., SOFOM E.N.R.
Notes to the financial statements
As of December 31, 2023 and 2022
(amounts in Mexican pesos)

1. Corporate purpose

Finprospera, S.A.P.I. de C.V. Sociedad Financiera de Objeto Múltiple Entidad No Regulada (hereinafter the Company and/or the Entity), was incorporated on November 28, 2013. Its domicile and principal place of business is Anatole France 311, Col. Polanco III Section, Miguel Hidalgo, Mexico City.

The principal activity of the Company is the regular and professional performance of payroll and corporate credit operations, obtaining all types of loans, mutuals, credits with or without specific guarantee or funding of any nature permitted by the applicable legislation, discounting, pledging or negotiating credit and factoring securities or simple credit contracts with or without guarantee and the performance of all acts and operations necessary for its growth.

2. Significant accounting policies applied

a) Basis of preparation

The financial statements have been prepared in accordance with Mexican Financial Reporting Standards (MFRS) issued by the Mexican Financial Reporting Standards Board, A.C. (CINIF) and on the basis that the Company operates as a going concern in accordance with MFRS.

b) Use of estimates

The preparation of financial statements in conformity with MFRS requires the use of certain estimates and critical assumptions in the valuation of some of its items, as well as in the disclosure of some contingent assets and liabilities. The actual values may vary in certain cases from the time the assumptions and estimates were determined.

FRS also require management to exercise judgment in the process of applying accounting policies. The areas involving a higher degree of judgment and uncertainty, or where assumptions and estimates are significant in the financial statements are shown below.

c) Reporting currency

The financial statements are prepared in Mexican pesos, which is the Company's functional currency.

d) Approval of financial statements

The issuance of the financial statements and the corresponding notes was authorized by Mr. Elias Credi Zetune, Legal Representative, on August 30, 2024. These financial statements must be approved at a later date by the Board of Directors and by the Ordinary Stockholders' Meeting of the Company. These bodies have the power to modify the accompanying financial statements at a date subsequent to their issuance in accordance with the General Corporations Law.

e) New accounting pronouncements

New standards and improvements adopted as from January 1, 2023

The Company did not adopt new accounting pronouncements issued by the CINIF that are effective as of January 1, 2023 as they are not applicable to the Company.

<u>Improvements to FRS 2023 that generate accounting changes</u>

NIF B-11 Disposal of long-lived assets and discontinued operations / NIF C-11 Stockholders' equity - *Long-lived assets held for distribution to owners*. With this improvement, adjustments are made to NIF B-11 to establish that such difference should also affect retained earnings, to require disclosure of certain information about these transactions and to include in the basis for conclusions the analysis performed on the aforementioned amendments. Additionally, as a consequence of the amendments to MFRS B-11, certain adjustments are made to MFRS C-11 in order to maintain consistency.

NIF B-15 Translation of foreign currencies - *Exception for translation to the functional currency.* Based on some comments received, the CINIF considered it appropriate to make some clarifications to ensure a clear understanding and application of the practical expedient.

Improvements to MFRS 2023 that do not generate accounting changes

NIF B-10 Effects of Inflation - *Inflation Levels in an Inflationary Environment.* The wording of certain paragraphs is modified to eliminate the reference to an annual average inflation rate of 8% to consider that the economic environment is inflationary, indicating that only when the cumulative inflation of the three preceding fiscal years is equal to or higher than 26%, an inflationary economic environment will be considered.

NIF C-2 Investment in Financial Instruments - *Valuation of an investment in financial instruments when the fair value is significantly different from the price of the consideration*. An introductory paragraph is added in order to point out the difference between FRS C-2 Investment in financial instruments and International Financial Reporting Standard (IFRS) 9 Financial Instruments, regarding the initial valuation of an investment in financial instruments when the fair value is significantly different from the price of the consideration and such fair value is not based on observable inputs.

NIF C-3 Accounts Receivable - *Reference to other accounts receivable and elimination of references to accounts receivable*. The scope of the standard specifies that it is also applicable to other accounts receivable and eliminates references to the concept of trade accounts receivable, a term that is no longer used in this NIF.

NIF C-4 Inventories - *Editorial clarifications*. The CINIF considered it convenient to include some improvements to clarify and clarify certain standard concepts. Additionally, an introductory paragraph of the section on Convergence with International Financial Reporting Standards (IFRS) was modified to clarify the difference with International Accounting Standard (IAS) 2, Inventories.

NIF D-6 Capitalization of the comprehensive financing result - *Capitalization of the cost of financing in production plants*. An introductory paragraph is added in order to point out the difference between FRS D-6 Capitalization of comprehensive financing result, and International Accounting Standard (IAS) 23 Borrowing Costs, regarding the capitalization of the cost of financing in production plants.

Improvements to MFRS 2024

In December 2023, the Mexican Financial Reporting and Sustainability Standards Board, A.C. (CINIF) issued a document called "Improvements to FRS 2024", which contains specific amendments to some existing FRS. The main improvements that generate accounting changes are as follows:

NIF A-1 Conceptual Framework for Financial Reporting Standards - Effective for years beginning on or after January 1, 2025, allowing early application as of 2024 if the disclosures of the particular NIF applicable to the type of entity are adopted in advance. Includes the definition of public interest entities and requires disclosure of whether the entity is considered a public interest entity or a non-public interest entity. It divides the disclosure requirements of the FRS into: i) disclosures applicable to all entities in general (public interest entities and non-public interest entities), and ii) additional disclosures mandatory only for public interest entities. Any changes should be recognized in accordance with FRS B-1 Accounting Changes and Error Corrections.

NIF C-6, Property, plant and equipment/NIF D-6, Capitalization of comprehensive financing result/NIF E-1, Agricultural activities - Effective for years beginning on or after January 1, 2024, allowing early application in 2023. Any changes it generates must be recognized in accordance with MFRS B-1, Accounting Changes and Error Corrections. This improvement specifies that a producing biological asset may be a qualifying asset as long as it has not been

The RIF could be capitalized as part of the acquisition cost of the asset. In addition, the scope of FRS C-6 includes production plants and animals.

NIF C-10, Derivative financial instruments and hedging relationships - Effective for years beginning on or after January 1, 2024, allowing early application in 2023. It includes the accounting treatment of a hedge of equity financial instruments whose valuation at fair value is recognized in the ORI. Any changes generated must be recognized in accordance with FRS B-1 Accounting Changes and Error Corrections.

NIF B-2, Statement of cash flows/ NIF B-6, Statement of financial position/ NIF B-17, Determination of fair value/ NIF C-2, Investment in financial instruments/ NIF C-16, Impairment of financial instruments receivable/ NIF C-20, Financial instruments receivable for principal and interest/ INIF 24, Recognition of the effect of the application of new reference interest rates- Effective for years beginning on or after January 1, 2024, allowing its early application in 2023. Changes the term "financial instruments receivable or sellable" to "financial instruments receivable and sellable". Any accounting changes generated must be recognized in accordance with FRS B-1 Accounting Changes and Error Corrections.

NIF D-4, Income Taxes -Effective for years beginning on or after January 1, 2024, allowing early application in 2023. This Improvement clarifies the applicable rate that should be used to recognize current and deferred income tax assets and liabilities when there were benefits in tax rates for the period to encourage the capitalization of earnings (retained earnings). In these circumstances, current and deferred tax assets and liabilities should be determined at the rate that will be applicable to undistributed earnings in the period when they are paid as dividends in future periods. Any resulting accounting changes should be recognized in accordance with FRS B-1 Accounting Changes and Error Corrections.

f) Recognition of the effects of inflation on financial information

In accordance with MFRS B-10, beginning January 1, 2008, the effects of inflation were no longer recognized in the financial information.

Inflation for 2023 and 2022, determined through the National Consumer Price Index (NCPI), was 7.82% and 7.36%, respectively. Cumulative inflation for the three years immediately preceding 2023 and 2022 was 13.87% and 11.19%, respectively. Cumulative inflation for the three years to the end of 2023 is 19.39%; levels that, in accordance with MFRS, correspond to a non-inflationary environment for the years reported and the following year.

The financial statements as of December 31, 2023 and 2022 are prepared on the basis of the original historical value. In accordance with MFRS B-10, the Company does not recognize the effects of inflation on the financial information because it has operated in a non-inflationary economic environment since its incorporation and commencement of operations.

g) Presentation of the statement of comprehensive income

The costs and expenses shown in the accompanying statements of income are presented according to their function, since this classification allows an adequate evaluation of gross and operating profit margins.

h) Cash flow statements

The statements of cash flows have been prepared using the indirect method, which consists of presenting cash flows from operating activities based on income before income taxes, reconciled to those items that do not represent cash flows from investing and financing activities, and subsequently presenting changes in working capital and cash flows from investing and financing activities.

i) Credit portfolio

Current portfolio

Represents the amount of principal effectively granted to customers that is pending collection, including uncollected accrued interest, under the unpaid balance method or the application of the overall credit rate applied to the initial balance amortized over the life of the loans. Interest collected in advance is recognized in income for the year.

For the granting of credit, the financial situation of each customer, the total amount of income, seniority in the position or institution, among others, are analyzed. The loan portfolio is presented without segregating its short-term and long-term maturity.
Interest is recognized in the statement of income as it accrues, in accordance with the terms established in the agreements entered into with the borrowers.

The governmental institution is jointly and severally liable with the debtors for the payment of the amounts omitted and resulting in overdue accounts receivable. The joint and several obligation is in accordance with the financial factoring contracts and agreements entered into. The amount of the joint and several obligation is equivalent to the percentages of the unpaid balances determined within each promotion. The recognition of interest income on these loans is suspended at the time the loan is classified as past due and is only recorded as income once they are collected.

Past due portfolio

The unpaid balance of loans, including accrued interest, is recorded as nonperforming loans:

i. The borrower no longer works for the Company and cannot be located. In the case of borrowers who continue to make payments, they will be transferred to non-performing loans when they incur in the events described in the following paragraph:
ii. Its repayments have not been paid in full in accordance with the terms originally agreed, considering the debts consisting of loans with periodic partial payments of principal and interest and are 90 or more calendar days past due.

Past-due loans that are restructured remain in the past-due portfolio as long as there is no evidence of sustained payment (three timely payments). When a loan is considered past due, the accrual of interest is suspended.

Past-due loans are returned to the performing portfolio when the outstanding balances (principal and interest, among others) are fully paid.

iii. When the acquisition price of the portfolio is greater than its contractual value, as a deferred charge which will be amortized as the respective collections are made, in accordance with the proportion that these represent of the contractual value of the loan.

iv. When the difference arises from the acquisition of revolving credit facilities, the difference will be taken directly to income for the year at the date of acquisition.

j) Interest income

Interest on the loan portfolio is recognized as it accrues, except for interest on past-due loans, which is recognized at the time of collection.

Interest income is comprised of the yields generated by the loan portfolio based on the terms established in the agreements entered into with the borrowers and the interest rates agreed upon, amortization of interest collected in advance, as well as premiums or interest on deposits in financial institutions and investments in securities.

Interest income is recognized under the unpaid balance method. Under this method, interest income is determined by applying the interest rate corresponding to the principal balance payable during the reporting period.

The accrual of accrued interest on loan transactions is suspended when the unpaid balance of the loan is considered past due. When such overdue interest is collected, it is recognized directly in income for the year under interest income.

When partial payments are received on overdue repayments comprising principal and interest, the oldest interest is applied first.

Income generated by investments in securities is recognized in income as earned, in the latter case, using the straight-line method.

k) Interest expense

Interest accrued on financing received to fund the Company's operations from interbank loans, investors and other entities is included.

Interest expense considers bank loans. The amortization of costs and expenses associated with the initial granting of the loan are part of interest expense.

l) Financial intermediation margin

The Company's net interest margin is confirmed by the difference resulting from total interest income less interest expense.

m) Cash and cash equivalents

Cash and cash equivalents include deposits in bank accounts, foreign currencies and other similar cash equivalents. At the date of the financial statements, interest earned and valuation gains or losses are included in the results of operations as part of the comprehensive financing result.

n) Accounts receivable from customers

Accounts receivable from customers are initially recognized at the transaction price and subsequently at the amount of the unconditional consideration receivable, less any expected loss.

To recognize any impairment, the Company uses a simplified approach to measure expected credit losses (ECL) that utilizes a lifetime expected loss allowance for all trade accounts receivable. To measure ECL, accounts receivable are grouped based on credit risk characteristics and days past due. Expected loss rates (percentages) are applied based on customer payment profiles and corresponding credit losses experienced.

o) Prepayments

Prepayments mainly comprise insurance and advance payments to suppliers for which the benefit or risk acquired for the goods or services has not yet been transferred. The amounts are recorded based on the contractual values and are amortized in the statement of comprehensive income as the products are received or the services are rendered.

p) Furniture and equipment, net

Furniture and equipment are initially recognized at acquisition cost.

Depreciation of furniture and equipment is determined on the value of the assets, using the straight-line method and based on their estimated useful lives.

	Shelf life expected
Furniture and equipment	10 years
Computer equipment	3 years
Transport equipment	4 years

q) Leases

The Company recognizes the right-of-use asset arising from the lease contracts it has entered into as lessee. Its cost is composed of the initial measurement of the lease liability.

Right-of-use assets are depreciated on a straight-line basis from the commencement date to the end of the useful life of the right-of-use asset or the end of the lease term, whichever is shorter.

Lease liabilities are measured at the present value of future rentals, discounted at an interest rate implicit in the lease agreement, if such rate is readily determinable, the Company's incremental borrowing rate or a risk-free rate. After initial measurement, the liability is reduced by payments made and increased by interest. The liability is remeasured to reflect any revaluation or modification, or if there are changes in payments that are in substance fixed. The measurement adjustment is reflected in the right-of-use asset or in profit or loss if the right-of-use asset has already been reduced to zero.

r) Employee benefits

Direct benefits

Short-term employee benefit obligations for salaries, profit sharing, Christmas bonuses and paid annual leave are recognized as an expense in the fiscal year in which the employees have rendered their services to the Company.

Severance indemnities and seniority premium

The Mexican Federal Labor Law (LFT) provides for the payment of a seniority premium to employees who have completed fifteen or more years of service, as well as severance indemnities for voluntary or involuntary separation as mandatory termination or retirement benefits to employees. These benefits are determined based on actuarial calculations for the employees' years of service, covering the defined benefit obligation (DBO) in long-term liabilities.

Adjustments to DBOs for actuarial gains and losses are recognized in ORI and recycled to income based on the average remaining service life are recognized in income. Unrecognized past service costs, less the fair value of plan assets (if applicable), are recognized in income.

s) Employees' statutory profit sharing (PTU)

Current employee profit sharing payable is recognized in the results of the year in which it is incurred and is presented under each of the expenses to which it belongs in the statement of comprehensive income.

PTU is initially determined based on the taxable income in accordance with Section II of Article 10 of the Mexican Income Tax Law (tax mechanics). As a result of the Reform to the LFT published on April 23, 2021, the mechanics for the payment of PTU establishes a maximum amount to be paid, which is compared with the PTU calculated under the tax mechanics to determine the PTU incurred for the year.

Deferred ESPS is determined by the temporary differences resulting from the comparison of the book and tax values of assets and liabilities. The rate is determined based on the ESPS payable in accordance with the preceding paragraph, either the tax rate or the rate determined by the Company based on the maximum amount payable in accordance with the LFT. Deferred ESPS assets are recognized only when it is estimated that they will be recoverable in future years.

t) Income taxes

Income tax expense is the sum of current and deferred income tax (IT). Income tax incurred during the year is presented as a short-term liability net of the advances made during the year.

Deferred income tax is determined by comparing the tax and book values of assets and liabilities and applying the tax rate that is expected to apply in the year in which the asset is realized or the liability is settled.

A deferred income tax asset is recognized for deductible temporary differences, including tax loss carryforwards and other tax benefits, only to the extent that it is probable that future taxable profits will be available against which they can be utilized. The asset is evaluated periodically and reduced to the extent that it is no longer probable that sufficient tax benefits will be available to allow part or all of the asset to be utilized. Any estimated asset reserve is reversed to the extent that it is probable that future taxable profits will allow the asset to be recovered.

u) Provisions and contingent liabilities

Provisions are recognized when the Company has (i) a present obligation (legal or constructive) as a result of a past event, (ii) it is probable (more likely than not) that an outflow of resources will be required to settle the obligation, and (iii) the obligation can be reasonably estimated and quantified in monetary terms.

When the Company expects that part or all of a provision will be reimbursed, for example by an insurance contract, such reimbursement is recognized as a separate asset, but only when its receipt is virtually certain. The expense related to any provision is presented net of the reimbursement in the statement of income.

When the effect of the time value of money is significant, the amount of the provision is the present value of the disbursements expected to be required to settle the obligation. The discount rate applied in these cases is pre-tax, and reflects market conditions at the balance sheet date and, where appropriate, the specific risk of the related liability. In these cases, the increase in the provision is recognized as an interest expense.

Provisions for contingent liabilities are recognized only when it is probable that an outflow of resources will be required to settle the liability. Likewise, commitments are only recognized when they generate a loss.

The Company recognizes a contingent asset when the gain is realized.

v) Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans, accounts payable and other payables. The principal purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations.

The Company is exposed to (i) market risk (which includes interest rate risk and foreign currency exchange rate risk), (ii) credit risk and (iii) liquidity risk.

(i) Market risks

- Interest rate risk, due to variations in market interest rates that affect the value of contracted debt, lease obligations and derivative financial instruments.

(ii) Credit risk

Credit risk, the Company evaluates each prospectus by evaluating payment experience, financial structure, cash flow generation, as well as the loan portfolio at the end of each month. Each quarter the credit risk concentration is evaluated by client, group and subgroup, sectors and states.

(iii) Liquidity risk

Cash flow projections are made through the treasury to determine liquidity needs or surpluses, thus defining the most appropriate funding or investment channels. The Company has established lines of credit and immediately available revolving lines of credit with financial institutions.

(iv) Money laundering risk

Through the compliance officer, the Company, on a monthly basis, complies with and follows up on the provisions of the applicable regulations, and also provides information to the Board of Directors, the General Management, the areas involved and the corresponding authorities on transactions considered relevant, unusual and worrisome in accordance with the provisions of the Ministry of Finance and Public Credit (SHCP) and the National Banking and Securities Commission (CNBV).

w) Capital management

For purposes of the Company's capital management, capital includes issued capital, convertible preferred stock, additional paid-in capital and any other capital reserves attributable to shareholders of the controlling entity. The primary objective of the Company's capital management is to maximize shareholder value.

The Company manages its capital structure and makes adjustments to respond to changes in economic conditions and financial covenant requirements. To maintain or adjust its capital structure, the Company may adjust dividend payments, make capital repayments to shareholders or issue new shares. The Company monitors its capital using a debt-to-capital ratio, which is equal to the Company's net debt divided by its total capital plus its net debt.

In order to achieve this general objective, the Company's capital management activities, among other purposes, seek to ensure that the Company complies with the financial covenants related to its interest-bearing loans and borrowings, which include requirements regarding the Company's capital structure. Failure to comply with such financial covenants would allow the bank to demand immediate payment of the loans and credits. In the current period, the Company has not been in default of the financial covenants of any of its loans and credits subject to interest payments.

There have been no changes in the objectives, policies or processes the Company has used to manage capital during the years ended December 31, 2023 and 2022.

3. Cash and cash equivalents

As of December 31, 2023 and 2022, cash and cash equivalents consisted of the following:

	2023	2022
Cash in fixed fund	$ **48,568**	$ 40,355
Banks local currency	**5,732,541**	10,090,295
Trust accounts and funds	**60,467,129**	59,182,565
Total cash and cash equivalents	$ **66,248,238**	$ 69,313,215

As of December 31, 2023 and 2022, the investment accounts and trust funds consisted of the following:

	2023	2022
Actinver Trust 8610321	**$ 597,007**	$ 139,615
Actinver Trust 8610339	**22,671,661**	17,550,678
Actinver Trust 12397477	**31,068,766**	33,857,788
Actinver Trust 12692539	**301,677**	3,634,484
Consubanco Investment 25236037	**5,828,018**	-
	$ 60,467,129	$ 59,182,565

4. Performing and past due loan portfolio

As of December 31, 2023 and 2022, the loan portfolio consisted of the following:

	2023	2022
Outstanding loan portfolio		
Payroll credit	**$**	$ 693,309,129
Unsecured loan portfolio		8,191,440
Total performing loan portfolio	**832,170,918**	701,500,569
Non-performing loan portfolio		
Payroll loans	**9,874,549**	11,442,984
Total performing loan portfolio	**9,874,549**	11,442,984
Estimated credit loss	**(65,151,072)**	(47,750,103)
Loan portfolio, net	**$ 776,894,395**	$ 665,193,450

a) As of December 31, 2023 and 2022, the Company has not requested guarantees on loans granted to legal entities, classified as business activity.

b) Allowance for loan losses:

As of December 31, 2023 and 2022, the allowance for loan losses is analyzed as follows:

		2023		2022
Balance at beginning of period	**$**	**(47,750,103)**	$	(38,061,384)
Estimate created in the period		**(17,400,969)**		(9,688,719)
Balance at end of period	**$**	**(65,151,072)**	**$**	(47,750,103)

As of December 31, 2023 and 2022, the Company determines the effects of impairment of its financial instruments receivable, as required by FRS C-16 "Impairment of financial instruments receivable", for expected credit losses, based on the credit risk generated from the beginning, when the account receivable is recognized in accordance with the aforementioned FRS.

5. Related parts

a) Balances payable with related parties as of December 31, 2023 and 2022 are analyzed below:

Balances payable		**2023**		2022
Siahou Sitton Guindi	**$**	**116,309,245**	$	89,208,770
Elias Credi Zetune		**4,621,122**		1,943,030
Esther Sitton Frid		**751,675**		770,000
More				
Accrued interest payable		**502,506**		1,052,970
	$	**122,184,548**	$	92,974,770

The Company borrows funds from its related parties Elias Credi Zetune and Esther Sitton Frid to meet its short-term obligations, which are payable at a variable rate of interest.

b) During the years ended December 31, 2023 and 2022, the following transactions with related parties were performed

Accrued interest payable:		**2023**		2022
Siahou Sitton Guindi	**$**	**23,852,213**	$	15,175,024
	$	**23,852,213**	$	15,175,024

Accrued interest payable

Loans made with Siahou Sitton Guindi through a mutual agreement signed on December 29, 2018 in the amount of $200,000,000 for a term of 5 years and an interest rate of 23% per annum fixed.

6. Other accounts receivable

As of December 31, 2023 and 2022, this caption consisted of the following:

		2023		2022
Prepaid insurance	**$**	**21,351**	$	21,351
Sundry debtors		**3,394,842**		2,784,582
Officials and employees		**-**		306,411
	$	**3,416,193**	$	3,112,344

7. Furniture and equipment

As of December 31, 2023 and 2022, this caption consisted of the following:

	Year ended December 31								
	2023					2022			
		Initial investment		**Accumulated depreciation**	**Shelf life**		Initial investment	Accumulated depreciation	Shelf life
Furniture and office equipment	**$**	**2,001,032**	**$**	**(602,990)**	**-**	$	1,941,742	$ (405,468)	-
Office equipment		**985,617**		**(734,579)**	**20 years**		886,517	(592,735)	20 years
Computer Equipment		**434,546**		**(159,340)**	**4 years**		244,128	(226,815)	4 years
transportation									
Total Fixed Assets		**3,421,195**		**(1,496,909)**			3,072,387	(1,225,018)	
Net Fixed Assets	**$**	**1,924,286**				$	1,847,369		

Depreciation charged to income during 2023 and 2022 amounted to $430,501 and $385,963, respectively.

8. Brokerage commissions

As of December 31, 2023 and 2022, this caption consisted of the following:

		2023		2022
Brokerage commission	**$**	**129,634,234**	$	90,507,614
Accumulated depreciation		**(73,174,759)**		(45,584,450)
	$	**56,459,475**	$	44,923,164

9. Bank and other loans

As of December 31, 2023 and 2022, obligations with financial institutions and other entities are summarized as follows:

		2023		2022
Consubanco, S.A. Institución de Banca Múltiple(1)	**$**	**513,000,000**	**$**	333,000,000
Corporación Financiera de Arrendamiento S.A de C.V. SOFOM ENR (2)		**33,583,339**		40,000,000
FIMUBAC, S.A. de C.V. SOFOM ENR (3)		**29,002,745**		29,182,119
Ficein Unión de Crédito S.A de C.V. (4)		**23,475,815**		33,944,031
Serfimex Capital, S.A.P.I de C.V. SOFOM ENR (5)		**6,237,592**		9,791,549
Banco Autofin México, S.A.		**-**		94,920,288

Total loans	**605,299,491**	540,207,986

(1) On May 21, 2020, a Simple Credit Agreement was signed between Banco Actinver, S.A., Institución de Banca Múltiple, Grupo Financiero Actinver as trustee of the Irrevocable Administration and Payment Trust identified with number 4562 (the borrower) and Consubanco S.A. Institución de Banca Múltiple as Lender. This agreement establishes a Simple Credit up to an amount equal to $200,000,000,000 accruing interest on the unpaid balances at a fixed annual rate equal to 17% payable monthly and with a principal maturity date of up to 60 months after each drawdown.

(2) Current account line of credit in the amount of $40,000,000 with an ordinary interest rate of 18.3% and a credit term specified in each promissory note.

(3) Current account line of credit for an amount of $50,000,000,000 and a credit term specified in each promissory note.

(4) Current account line of credit in the amount of $40,000,000 with an ordinary interest rate of 12.78% and a credit term specified in each promissory note.

(5) Simple line of credit in the amount of $10,000,000 with an interest rate of 17.52%.

10. Taxes payable

As of December 31, 2023 and 2022, this caption consisted of the following:

		2023		2022
Value added tax	**$**	**12,939,533**	$	12,005,840
Income tax		**358,340**		390,494
Payroll tax		**36,663**		34,502
Social security		**1,071,294**		700,875
	$	**14,405,830**	$	13,131,711

11. Employee benefits

The amounts for defined benefit employee benefits as of December 31, 2023 and 2022 are summarized as follows:

		Premium for seniority		Benefits for termination		Total
Defined benefit obligation						
Present value of OBD at December 31, 2022	$	202,181	**$**	728,147	**$**	930,328
Net cost for the period		**45,359**		**114,796**		**160,155**
Interest cost		**18,217**		**62,056**		**80,273**
Payments made against reserve		**-**		**-**		**-**
Plan Profit/(Loss)		**(7,219)**		**(29,249)**		**(36,468)**
Present value of DBO as of December 31, December 31, 2008 2023	**$**	**258,538**	**$**	**875,750**	**$**	**1,134,288**

12. Employee profit sharing

Under current tax regulations, ESPS is determined by applying the rate of 10% to the taxable income, adjusted for inflation, the effects of inflation on depreciation, ESPS payments made during the year and the amount of other non-deductible employee benefits paid.

		2023
PTU Accrued	$	**1,360,352**
Deferred ESPS		**(6,607,749)**

Deferred PTU

Deferred ESPS is determined by considering only the temporary differences arising from the reconciliation between net income for the year and taxable income for ESPS purposes.

		2023
Fixed assets	$	**202,079**
Prepayments		**(621,565)**
Allowance for doubtful accounts		**65,151,072**
Right-of-use asset		**(1,369,513)**
Provision for retirement		**1,134,288**
Liabilities for right of use		**1,581,1 2 9**
Time differences		**66,077,490**
Rate		**10%**
Deferred PTU	**$**	**6,607,749**

13. Leases

The Company leases real estate. Except for short-term leases and low-value assets, each lease is accounted for in the statement of financial position as a right-of-use asset and a lease liability. The Company classifies its right-of-use assets in a manner consistent with its furniture and equipment.

The lease has been entered into in U.S. dollars for a mandatory 3-year term. The leases are non-cancelable or can only be cancelled if a significant termination penalty is incurred.

a) Right-of-use assets

Underlying Assets	Beginning Balance	High	Decreases	Ending Balance
Offices	3,423,783	-	(2,054,270)	1,369,513

b) Right-of-use liability

Underlying Assets	Beginning Balance	High	Payments	Ending Balance
Offices	3,746,251	-	(2,165,122)	1,581,129

a) Amounts recognized in profit for the year

	2023	2022
Depreciation of right of use assets	**2,054,270**	2,054,270
Interest on lease liabilities	**331,109**	588,996
	2,385,379	2,643,266

b) Maturities of lease liabilities

Year of maturity	2023	2022
Up to 12 months (short term)	1,581,129	-
Between 2 and 5 years (long term)	-	3,746,251

14. Notes payable to investors

As of December 31, 2023 and 2022, this caption consisted of the following:

	2023	2022
Victoria Salem Marcos	**$ 20,000,000**	$ 20,000,000
Antonio Cherem Salem	**20,000,000**	20,000,000
Isaac Cherem Salem	**20,000,000**	20,000,000
Jack Zaga Kalash	**4,500,000**	4,500,000
Moisés Zaga Mochón	**1,500,000**	1,500,000
Daniel Zaga Kalash	**1,500,000**	1,000,000
Martha Alanis Ruiz	**9,620,000**	-
Dalia Kalash Gindi	**4,500,000**	-
	$ 81,620,000	$ 67,000,000

15. Stockholders' equity

As of December 31, 2023 and 2022, capital stock consisted of the following:

	2023		2022	
	No. of shares	**Amount**	No. of shares	Amount
Fixed	50,000	**$ 50,000**	50,000	$ 50,000
Variable	103,248,000	**103,248,000**	103,248,000	103,248,000
Total capital stock		**$ 103,298,000**		$ 103,298,000

Total capital stock is represented by 103,298,000 common, nominative shares, with a par value of $1 peso, which are fully subscribed and paid.

a) In accordance with the General Corporations Law, at least 5% of net income for the year must be set aside to form the legal reserve, until the amount of the reserve reaches 20% of capital stock at par value. The legal reserve

The legal reserve may be capitalized, but must not be distributed unless the Company is dissolved, and must be replenished when it decreases for any reason. As of December 31, 2023, the balance of the legal reserve is $0.

b) The distribution of stockholders' equity, except for the restated amounts of contributed equity and tax retained earnings, will result in income tax payable by the Company at the rate in effect at the time of the distribution. The tax paid on such distribution may be credited against the income tax of the year in which the tax on dividends is paid and in the following two years, against the tax of the year and the provisional payments thereof.

c) In accordance with the Income Tax Law (LISR), in the event of distribution of profits or reduction of equity, except for taxable income accounts (CUFIN) and restated capital contributions (CUCA), which do not exceed stockholders' equity, income tax applicable to dividends payable by the Company will be payable at a rate equivalent to 42.86% of the dividend paid. In this case, the tax paid on such distribution may be credited against the Company's income tax for the year or the following two years.

d) In accordance with the new provisions of the Income Tax Law that became effective as of January 1, 2014, in the case of distribution of profits generated as of 2014, a 10% withholding will be made on the amount of the distribution, if it is paid to shareholders who are individuals or residents abroad.

16. Income tax

On December 11, 2013, the new Income Tax Law is published effective January 1, 2014, the tax rate of 30% is maintained.

For the years ended December 31, 2023 and 2022, the Company generated taxable income of $13,610,936 and $22,716,002, respectively, which were amortized with tax loss carryforwards. The effective income tax rate differs from the statutory rate, mainly due to accounting and tax inflationary effects and non-deductible expenses.

	Year ended December 31			
		2023		2022
In the results of the period Income tax				
for the period Income tax payable		**-**		**-**
Deferred income tax		**(8,537,617)**		**(156,867)**
Total income tax	**$**	**(8,537,617)**	$	**(156,867)**

The Company follows the practice of fully recognizing the effects of deferred taxes, as established by FRS D-4 "Income Taxes", issued by the CINIF.

The deferred income tax was determined using the asset and liability method, which compares the book and tax values of assets and liabilities, resulting in temporary differences to which the corresponding tax rates are applied.

As of December 31, 2023, the main temporary differences on which deferred income tax is recognized are summarized as follows:

	2023
Fixed assets	**$ 202,079**
Prepayments	**(621,565)**
Allowance for doubtful accounts	**65,151,072**
Right-of-use asset	**(1,369,513)**
PTU payable	**4,108,251**
Provision for retirement	**1,134,288**
Liabilities for right of use	**1,581,129**
Deferred PTU	**(6,607,749)**
Time differences	**63,577,992**
Rate	**30%**
Deferred income tax	**$ 19,073,398**

17. Administrative expenses

	Overhead 2023	2022
Salaries and related expenses payroll	**12,221,077**	$ 11,128,237
Sales relationship services	**10,917,646**	33,675,564
Administrative Services	**17,387,199**	15,277,495
Advisory and consulting services	**20,195,177**	4,946,698
Promotion and advertising	**13,103,090**	6,398,041
Office rental	**3,162,279**	2,581,533
Office maintenance	**3,826,603**	2,277,863
Systems and technologies	**8,878,486**	7,928,386
Stationery and office supplies	**2,182,322**	2,845,336
Banking services	**2,216,824**	2,312,155
Training	**144,998**	1,233,410
Duties and other taxes	**91,637**	860,070
Collection services	**11,800**	352,110
Depreciation	**430,501**	461,662
Other expenses	**799,744**	11,242,324
Total	**$ 95,569,383**	$ 103,520,884

18. Contingencies

a) Pursuant to the Income Tax Law in effect, the Company is subject to examination by the tax authorities for up to five years prior to the last annual tax return filed. Therefore, the Company is contingent to any presumptive assessment of taxes payable determined by the authority, plus applicable accessories.

b) Companies that carry out transactions with related parties in Mexico or abroad are subject to tax requirements in the determination of the agreed prices. These prices must be equivalent to those of third parties in comparable transactions. Any review of the prices handled by the Company with its related parties by the tax authority may result in the determination of omitted taxes and accessories, which may reach up to the amount of the omitted tax established by the authority.

19. Subsequent events

At the date of issuance of the accompanying financial statements, the economy is still experiencing significant downturns given the war in Ukraine and the Middle East affecting exchange rates, inflation and supply chains. However, there are no significant events that pervasively affect the year-end financial information or require disclosure.