

Blue like an Orange Sustainable Capital Fund announces \$10 million in financing Mexican Challenger Bank kubo.financiero, to promote access to affordable financial services to the emerging middle class and low-income borrowers.

- *Financing provided by Blue like an Orange Sustainable Capital aims to support kubo's efforts to deliver superior and affordable services to the segment of the Mexican population who either do not have access to financial services or cannot afford them*
- *The transaction will support improved technology-based credit assessment, which is expected to allow the company to expand credit provision to low income borrowers by as much as five-times*
- *Funding will contribute to the achievement of several United Nations Sustainable Development Goals, particularly those focused on inclusive growth, gender equality, and poverty reduction*

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Blue like an Orange Sustainable Capital is pleased to announce its structured financing to Mexican Challenger Bank kubo (Ku-bo Financiero S.A. de C.V., S.F.P. or "the Company")—a regulated digital finance company in Mexico which offers, among other products, savings accounts, consumer loans and term deposits to the underserved population in Mexico. The Company, which started with a saving and lending business model, facilitating accessible and affordable loans to borrowers in Mexico, obtained a (SOFIPO) license in 2013 from the Comisión Nacional Bancaria y de Valores ("CNBV"), which allowed kubo to increase the product offering and shift its business to a multiproduct digital bank.

Financial inclusion remains a focus for Mexican fintech startups. Data from the most recent national survey on financial inclusion, released in 2018, indicate that while the financially included adult population has increased by 37% between 2012 and 2018, there is still a large percentage of the Mexican population without access to financial products with terms such as the ones that kubo offers. kubo's lean customer-centered business model based on technology, allows the Company to reduce operating costs and pass the benefits to the borrowers (i.e. loans with lower rates), and to investors (i.e. deposits with higher returns).

The financing from Blue like an Orange will allow kubo to improve technology-based credit assessment tools, so that they can consider several parameters other than borrowers' income to assess credit risk of potential borrowers. This will allow the Company to reach approximately 40,000 low income borrowers (those earning less than MXN 20,000 per month)- - a five-fold increase from current levels. Additionally, the financing will allow Kubo to increase its lending activity more broadly, expanding access to credit to all segments of the Mexican population. Notably, approximately half of all loans are expected to be provided to women and to women-owned small-to-medium scale enterprises (SMEs).

"We are happy to have executed this transaction. Having Blue like an Orange as one of our investors will give us the opportunity to strengthen our business and social goals, and allow us to benefit from their global reach and extensive network", said Vicente Fenoll, CEO of kubo.

“We are very pleased to partner with kubo and its shareholders, and to support their efforts to efficiently provide financial services to the underserved population in Mexico”, said Rashad Kaldany, Founding Partner and CIO of Blue like an Orange Sustainable Capital.

Specifically, the expected development outcome supports several United Nations Sustainable Development Goals, including but not limited to: SDG 1 (End poverty in all its forms everywhere), SDG 5 (Achieve gender equality and empower all women and girls), SDG 8 (Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all), and SDG 9 (Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation).

The investment is the sixth transaction announced by Blue like an Orange Sustainable Capital, and its first investment in Mexico.

About Blue like an Orange Sustainable Capital

Blue like an Orange Sustainable Capital seeks opportunities to lend to companies and projects that deliver both strong risk-adjusted returns and positive social impact in support of the UN's Sustainable Development Goals. Blue like an Orange Sustainable Capital focuses primarily on sustainable infrastructure & Technology Enabled Services, Social Infrastructure & Agriculture, and access to finance. The Company strives for sustainable development outcomes to foster inclusive and sustainable growth without a trade-off with respect to market level rates of financial returns. Blue like an Orange Sustainable Capital's founding partners are Bertrand Badré, Amer Baig, Suprotik Basu, Rashad Kaldany and Emmanuelle Yannakis.

For more information, please visit <http://www.bluelikeanorangecapital.com>.

About kubo

kubo.financiero is a 100%-digital regulated finance company in Mexico. It offers savings accounts, personal loans and term deposits to its clients. kubo's lean model allows for lower interest rates for borrowers and higher return rates for depositors and investors. Its innovative model and strategic approach aim to encourage a “multiplier effect” to generate and strengthen Mexico's emerging middle class through customer-centered financial services. It was founded in 2012, and is supervised by the Comisión Nacional Bancaria y de Valores (CNBV), as well as by the CONDUSEF.

For more information, please visit <http://www.kubofinanciero.com>

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