

Alpha Latam Management, LLC and its Colombian Affiliates File Chapter 11 to Facilitate Sale of Colombian Assets

Colombian Operations Continue During Sale Process

Mexican Operating Entities Excluded From Filing

MIAMI, August 1, 2021 – Alpha Latam Management, LLC ("ALM") and certain of its affiliates that operate its Colombian business (the "Debtors") filed voluntary petitions for relief under chapter 11 of the U.S. Bankruptcy Code in the Bankruptcy Court for the District of Delaware. The Debtors are a technology-enabled financial services company that have historically provided consumer lending products in Colombia.

The Debtors' affiliates operating in Mexico, including Alpha Holding, S.A. de C.V. ("Alpha Holding" and such affiliates, collectively with the Debtors, the "Company") are not included in the chapter 11 filing.

Alpha Holding announced on April 20, 2021, that it would restate its financial statements for the years ended December 31, 2018, and 2019 (the "Prior Period Financial Statements") to correct an error in Alpha Holding's accounting for its derivative positions. Alpha Holding also identified additional accounting errors that it anticipates will result in a restatement of other assets and other accounts receivable in its financial statements for previous years, including the Prior Period Financial Statements, or a current write-down of other assets and other accounts receivable. The accounting errors ultimately resulted in several defaults and events of default under the Company's funded debt obligations. Though the Company endeavored to negotiate forbearance and waiver agreements with several of its lenders, such efforts were unsuccessful. Given these events, the Company no longer had access to the new financing necessary to continue originating new loans, and accordingly has ceased its on-balance sheet origination activities. Today's actions became necessary despite the Company's best efforts to streamline the business by implementing significant cost-cutting measures.

To fund working capital needs, the Debtors have obtained, subject to Bankruptcy Court approval, debtor-in-possession financing for a senior secured facility of \$45 million. The Debtors expect access to the debtor-in-possession financing, together with its incoming cash from collections, will provide them with sufficient liquidity to consummate a value-maximizing sale transaction of their Colombian loan portfolio.

The Debtors have requested Bankruptcy Court permission to continue operating the Colombian business without interruption to ensure that collections of all outstanding loans continue in the ordinary course. The Debtors intend to continue to act in accordance with Colombian governmental regulations, including with respect to employee benefits and severance payments associated with recent work force reductions.

Court filings and claims information are available at <http://cases.primeclerk.com/alphalatom>.

About AlphaCredit®

AlphaCredit® is a technology-enabled, financial services company in Latin America that provides consumer loans to individuals and financial solutions for SMEs in Mexico and Colombia.

Forward-looking statements

This release includes "forward-looking statements." Forward-looking statements are not statements of historical fact and reflect the Company's current views about future events. The words "believe," "estimate," "expect," "anticipate," "project," "will," "intend," "seek," "could," "should," "may," "potential" and similar expressions are intended to identify forward-looking statements. However, the absence of these words does not mean that the statements are not forward-looking. Although the Company believes that its expectations reflected in forward-looking statements are reasonable and are based on reasonable assumptions, certain risks and uncertainties could cause actual results to differ materially from the projections, anticipated results or other expectations expressed in this release. These risks and uncertainties include, without limitation, Bankruptcy Court approval, risks associated with our ongoing creditor discussions, including our ability to negotiate agreements with our creditors on commercially favorable terms or at all, limitations on the availability of capital, volatility in the Company's business, and the Company's ability to comply with its financial and other covenants and metrics in its financing agreements. Any forward-looking statement speaks only as of the date on which such statement is made, and the Company assumes no obligation to update or revise any forward-looking statements made herein or any other forward-looking statements made by the Company, whether as a result of new information, future events, or otherwise. This communication shall not constitute an offer to sell or the solicitation of an offer to buy securities.

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