

## **COVID-19 Questions and Answers (Q&A)**

DISCLAIMER: In an effort to provide general information to our investors and other interested parties regarding the effect of the COVID-19, please see the Frequently Asked Questions (FAQs) along with our answers thereto below. Given the dynamic nature of the COVID-19 pandemic and the social and economic disruptions that have arisen therefrom, these answers are both general in nature and speak only as of April 2, 2020. The information below may also contain forward-looking statements. Forward-looking statements are not guarantees of future events and are subject to numerous risks, uncertainties and assumptions, including those resulting from the evolving COVID-19 pandemic, and actual future events may differ materially for those expressed in the forward-looking statements. You should not unduly rely on any forward-looking statement. In addition, World Omni reserves the right to alter any action proposed or described in the FAQs at any time and may take actions in addition to or in place of those described below or may discontinue such actions at any time in World Omni's sole discretion. World Omni will not be under any obligation to update or revise the FAQs or answers thereto in the future, whether as a result of new information, future events or otherwise.

### **Business Operations:**

#### **Q. How has the virus and related shutdowns impacted JM Family's day-to-day business functions?**

- JM Family's Deerfield Beach headquarters is currently closed, although certain functions, including the mail room, security and onsite medical clinic continue to operate on campus. All Deerfield associates who are able to work from home are doing so to ensure business continuity and support to all of our businesses and customers during this time.
- World Omni Financial Corp. ("World Omni"), Southeast Toyota Distributors ("SET"), and JM&A Group ("JM&A") sales and field teams are working primarily over the phone instead of visiting dealerships in person.
- Essentially all of World Omni's consumer loan and lease servicing associates based in Mobile and St. Louis are working from home. Using virtual desktop tools, our associates are performing all customer service and collection activities at a relatively normal pace.
- As of April 2, 2020 all of SET's vehicle processing and parts distribution operations at its Jacksonville, FL and Commerce, GA locations were open and performing business critical tasks. To protect our associates, business partners and customers, we reconfigured work areas and movement patterns to maintain sufficient social distancing, implemented heightened levels of sanitization and segregated work groups to reduce commingling between the groups.

**Q. How has the virus and related shutdowns impacted your access to materials and services needed for processing and distributing vehicles and parts?**

- It is too early to estimate the likely impact on our supply chain. New Toyota vehicles and parts supplied by Toyota Motor North America represent the vast majority of the products we sell. As of April 2, Toyota has temporarily suspended production at all of its automobile plants in North America, including Canada and Mexico for a 4 week period beginning on March 23 and ending on April 17.

**Q. How has the virus and related shutdowns impacted demand for your products and services?**

- While it is too early to estimate the full impact of the virus and shutdowns on new vehicle sales, we anticipate a decrease in the number of vehicles sold. This will result in lower revenue and profit at SET, fewer F&I contracts originated by JM&A and fewer loans and leases originated by World Omni.

**Q. How has the virus and related shutdowns impacted the automotive dealerships to whom you provide products and services?**

- The Toyota dealers in our market have historically been significantly more profitable than Toyota dealers outside of our 5-state area. While they will be adversely impacted by the decline in demand for vehicles, we feel that they are well positioned to weather this storm.

**Loan Originations & Servicing:**

**Q. How has the virus and related shutdowns impacted servicing of World Omni's consumer loan and lease portfolios?**

- Our mirrored customer service centers in St. Louis, Missouri, and Mobile, Alabama provide us with some redundancies and business continuity flexibility. Those plans have been further strengthened with the implementation of work-from-home programs at both sites. Service center associates are fully transitioned to work-from-home in order to better protect against any potential business interruptions. Using virtual desktop tools, our associates are performing all customer service and collection activities at a relatively normal pace.

**Q. Is World Omni implementing any customer-focused servicing changes in response to the impact of the virus and related shutdowns?**

- World Omni has instituted several programs to assist our loan and lease customers and our Toyota dealership partners.
  - Introduced a 90-day payment deferral program for loan financing of new Toyota purchases.
  - Rolled out a “Public Health” extension program (similar to what is offered during Hurricane Disaster Recovery events) where existing customers are offered a 1-2 month extension on their retail or lease contract. This is something we are familiar with, given our past storm experience. If an extension exceeds what is permitted in an ABS trust, World Omni repurchases the contract, making the trust whole.
  - Placed a short-term moratorium on repossession activity (both pre and post charge-off), with limited exceptions.

**Q. How will the virus and related shutdowns impact the ability for a customer to return a leased vehicle at maturity of the lease?**

- Typically, a customer wishing to return a leased vehicle to World Omni at the end of a lease will do so by bringing the vehicle to a Toyota dealer. In cases where the customer is unwilling or unable to bring the vehicle to a Toyota dealer, the customer and World Omni mutually agree on a time and place for the customer to return the vehicle. We do not expect the virus and related shutdowns to materially impact this process.

**Q. How will the virus and related shutdowns impact World Omni’s ability to sell vehicles returned at the end of lease term and vehicles repossessed?**

- We expect sales of lease returns and repossessed vehicles to slow over the near term. This is due to several factors, including the fact that auto auctions are currently conducting only online auctions and retail dealership traffic has decreased which has led to lower consumer demand for used vehicles. We will continue to monitor the remarketing and used car markets closely and feel that we have the capacity to retain vehicles until the market stabilizes and we can liquidate the vehicles under more favorable conditions.

**Q. How will the virus and related shutdowns impact delinquency and loss performance of World Omni's portfolio of consumer loans and leases?**

- We would expect some increases in delinquencies and loss, but this has not been fully quantified yet.
- Payment extensions (such as the Public Health extension program mentioned above) may result in a slow down of principal payments on related ABS bonds.

**Liquidity & Funding Plans:**

**Q. How will the virus and related shutdowns impact your funding plans for the year and your liquidity position?**

- From a liquidity perspective, we are in a very strong position. We recently closed our second ABS transaction of the year (WOART 2020-A), raising nearly \$835 million. Additionally, we negotiated and closed on a significant increase to our corporate revolver in March.
- Our funding plans for the year remain largely the same, but we have the flexibility to delay the timing of deals, if needed.