



# CORPORATE PRESENTATION

NOVEMBER 2019

# Disclaimer

This supplemental information, together with other statements and information publicly disseminated by us, contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such statements reflect management’s current views with respect to financial results related to future events and are based on assumptions and expectations that may not be realized and are inherently subject to risks and uncertainties, many of which cannot be predicted with accuracy and some of which might not even be anticipated. Future events and actual results, financial or otherwise, may differ from the results discussed in the forward-looking statements. Risk factors and other factors that might cause differences, some of which could be material, include, but are not limited to, the impact of current lending and capital market conditions on our liquidity, ability to finance or refinance projects and repay our debt, the impact of the current economic environment on the ownership, development and management of our commercial real estate portfolio, general real estate investment and development risks, using modular construction as a new construction methodology, vacancies in our properties, further downturns in the real estate market, competition, illiquidity of real estate investments, bankruptcy or defaults of tenants, anchor store consolidations or closings, international activities, the impact of terrorist acts, our debt leverage and the ability to obtain and service debt, the impact of restrictions imposed by our credit lines and senior debt, the level and volatility of interest rates, effects of a downgrade or failure of our insurance carriers, environmental liabilities, conflicts of interest, risks associated with the sale of tax credits, risks associated with developing and managing properties in partnership with others, the ability to maintain effective internal controls, compliance with governmental regulations, increased legislative and regulatory scrutiny of the financial services industry, changes in federal, state or local tax laws, volatility in the market price of our publicly traded securities, inflation risks, litigation risks, cybersecurity risks and cyber incidents, as well as other risks listed from time to time in our reports filed with the Comisión Nacional Bancaria y de Valores. We have no obligation to revise or update any forward-looking statements, other than imposed by law, as a result of future events or new information. Readers are cautioned not to place undue reliance on such forward-looking statements.

# Understanding FUNO's DNA

Long Term Total Return Focus → Sustainable Shareholder Value Creation

Dividend  
Distributions

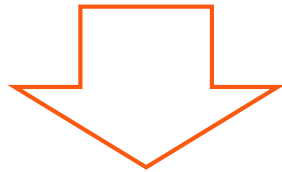
High Occupancy  
Rent Collections

=

Dividends

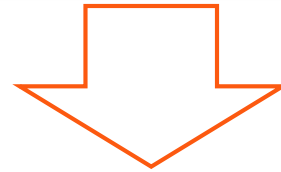
Capital Appreciation through Active Management  
of our Assets and Opportunities

- Acquisitions
- Developments
- Re-Developments



**30%**

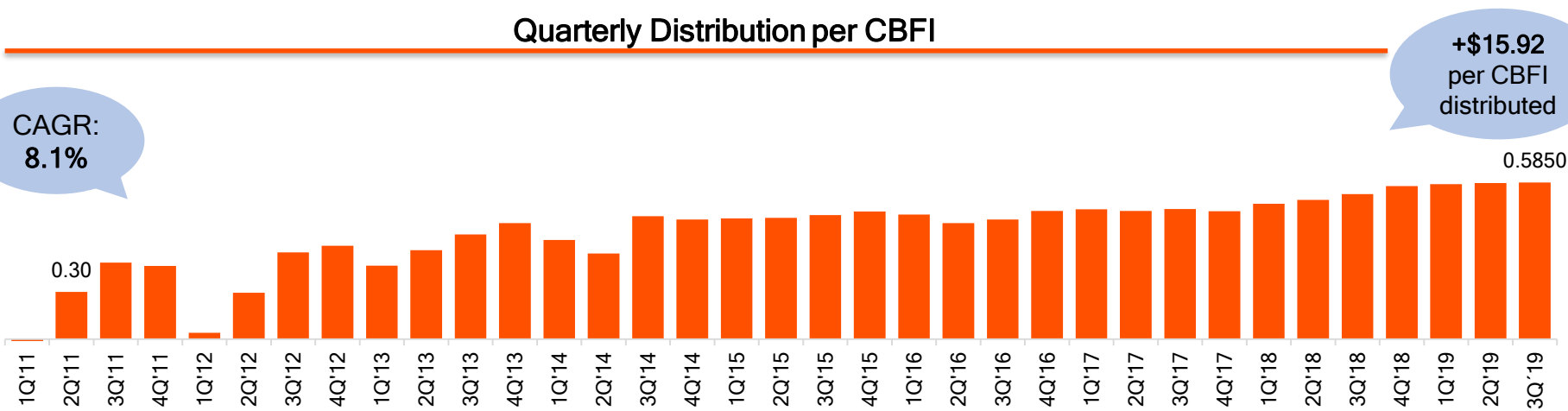
**Value Weight**



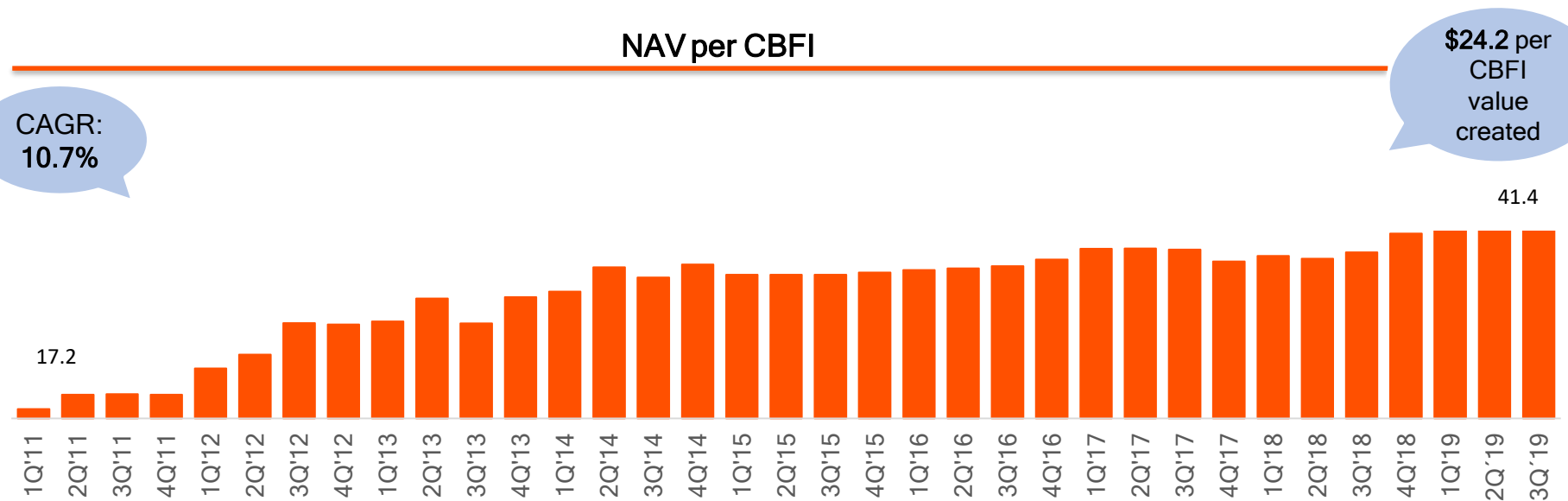
**70%**

# Total Return Focus: Capital appreciation outweighs distributions

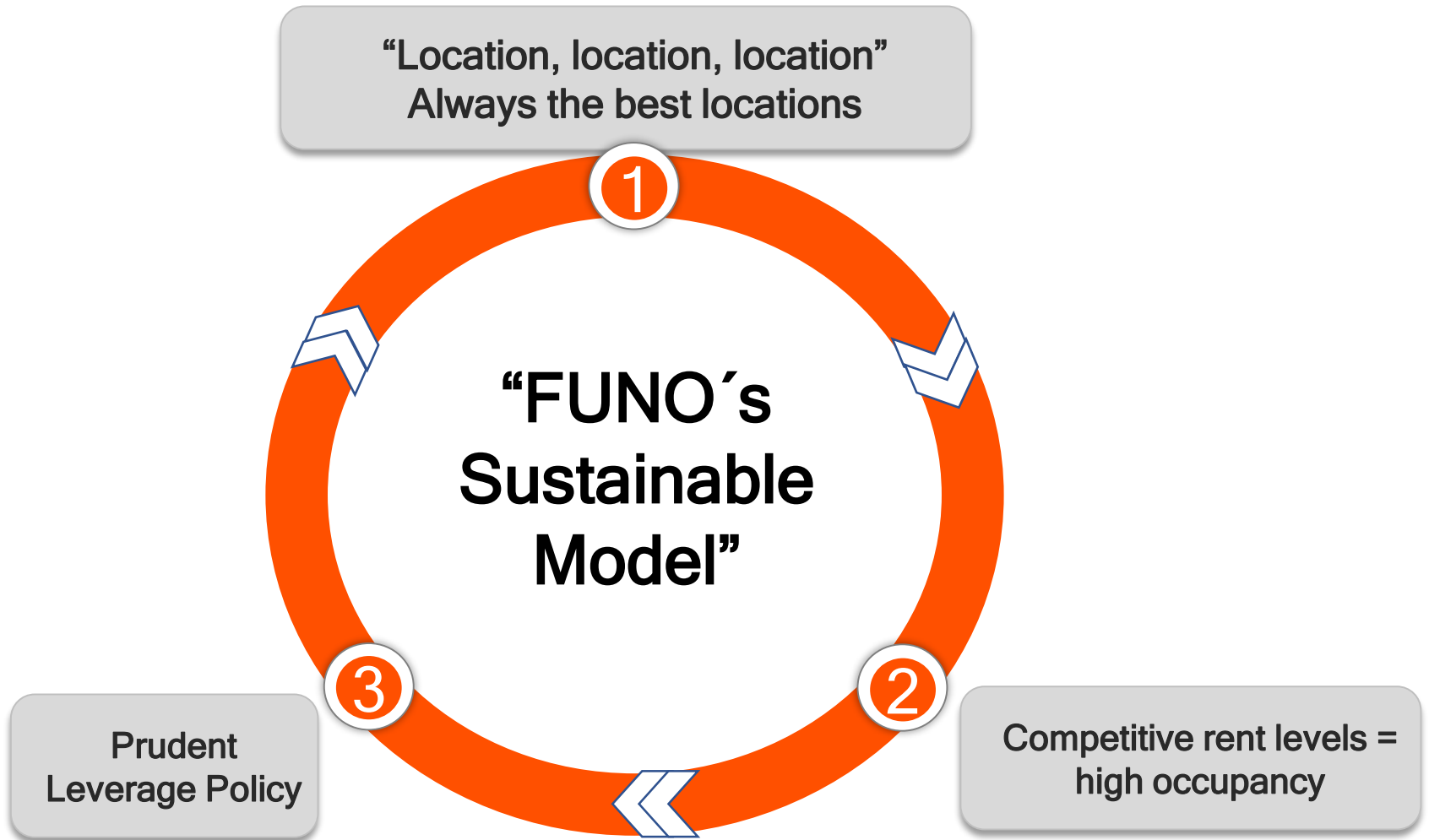
## Quarterly Distribution per CBFI



## NAV per CBFI



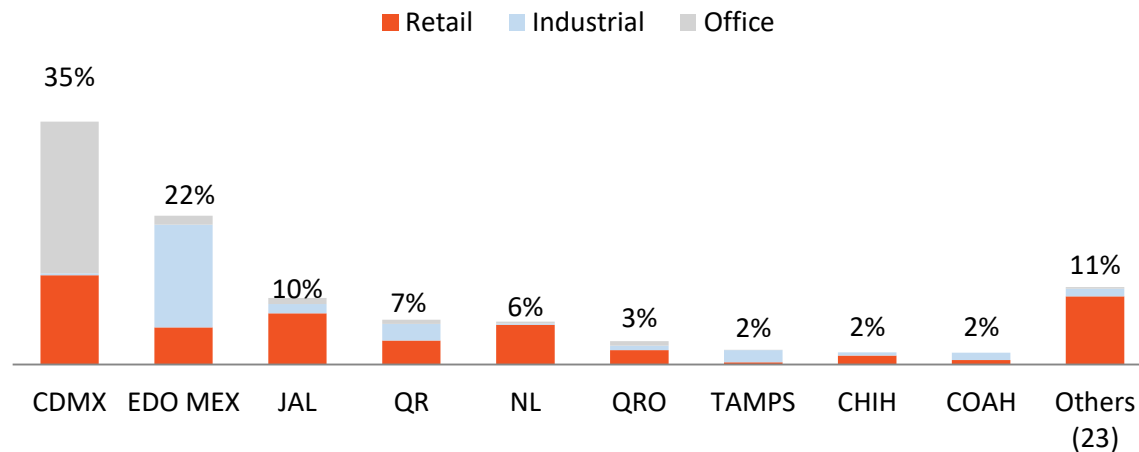
# TRIED AND TESTED MODEL



# 1. Location

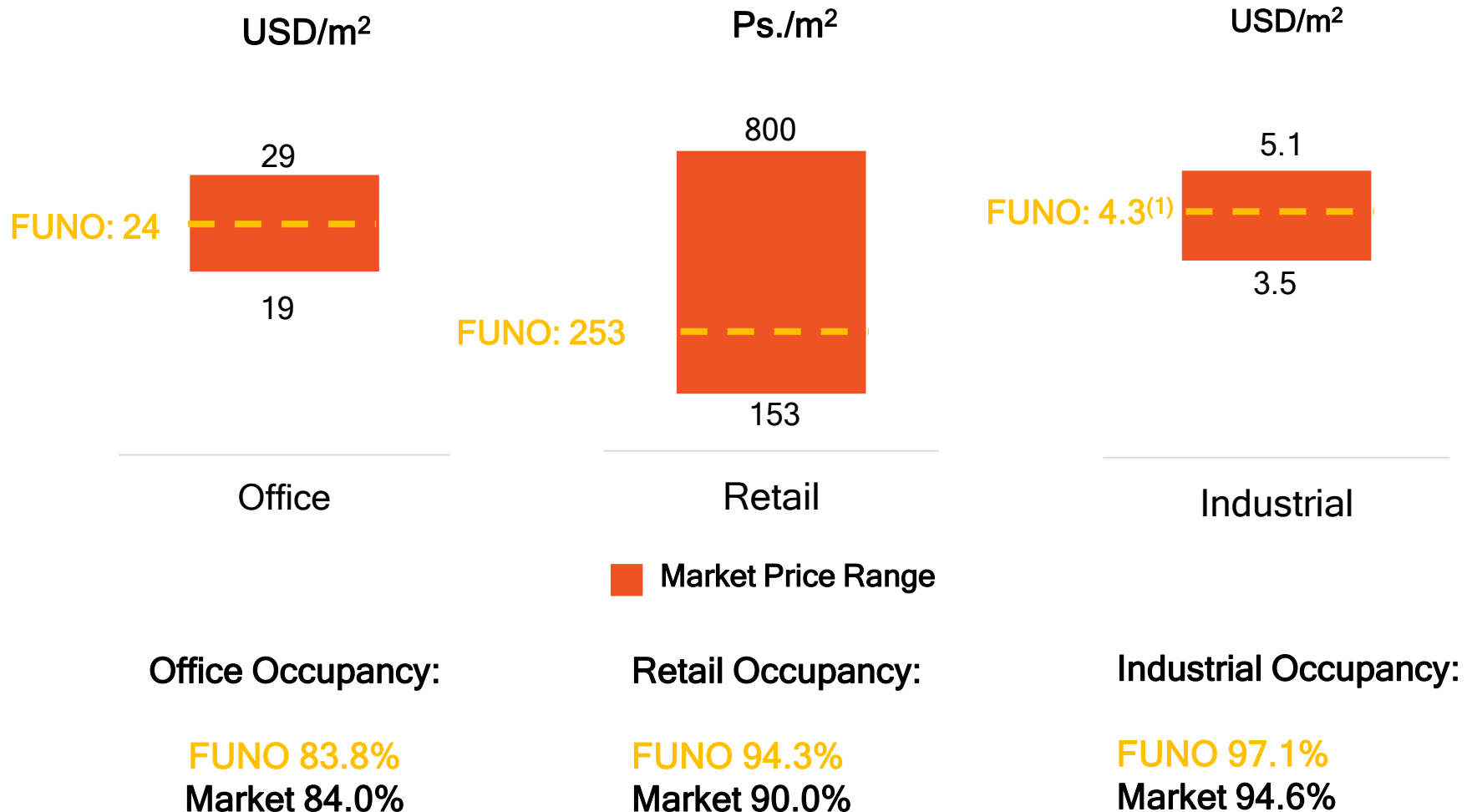
Our portfolio is focused in the largest and most dynamic states of Mexico

- Our top 5 states generate 80% of our ABR



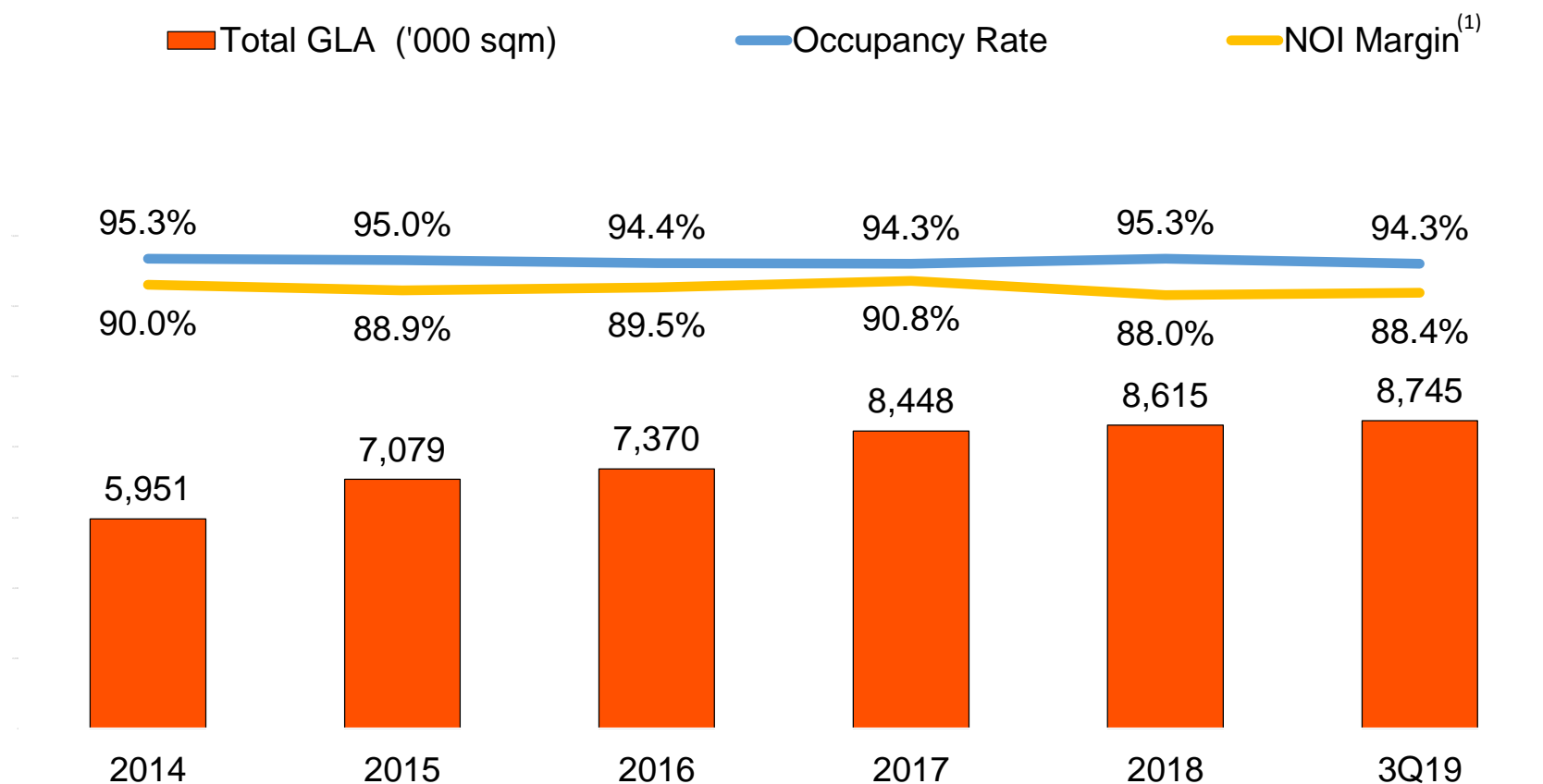
## 2. Competitive rent levels

Competitive Rent Drives Occupancy & Rent Growth



## 2. Competitive rent levels & high occupancy levels

- Constant GLA growth with consistent high occupancy rate.



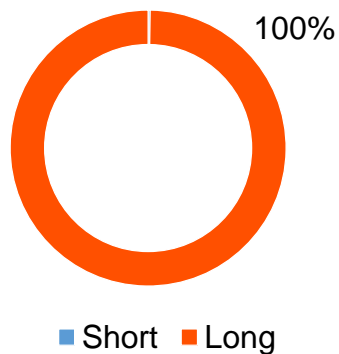
(1) NOI margin over rental income



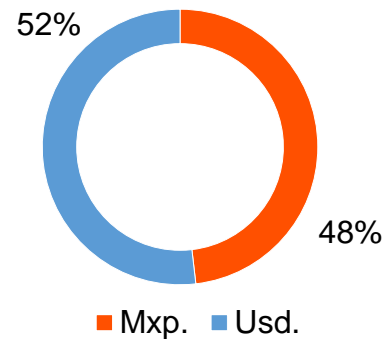
### 3. Prudent leverage policy

#### Debt Profile<sup>(1)</sup>

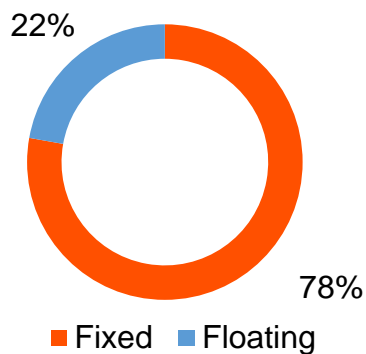
Short vs Long Term



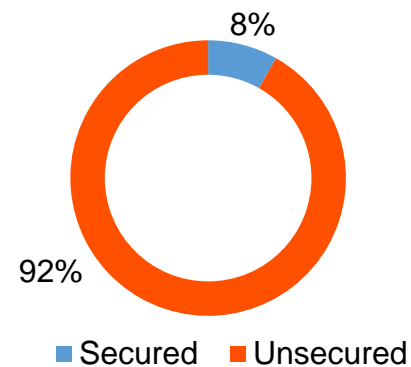
Currency Distribution



Fixed vs Floating



Secured vs Unsecured

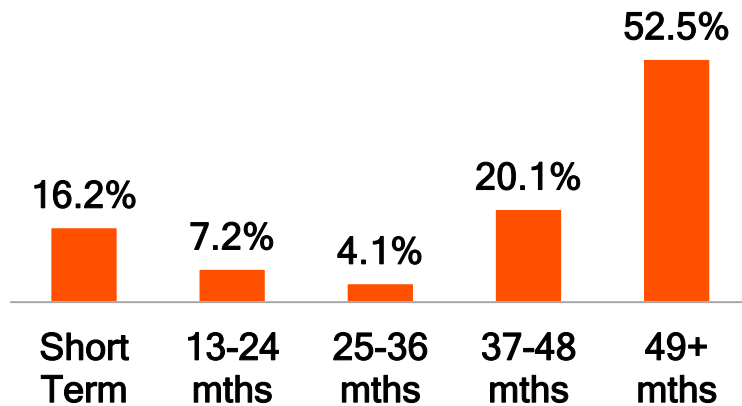


(1) After "Titan" Acquisition

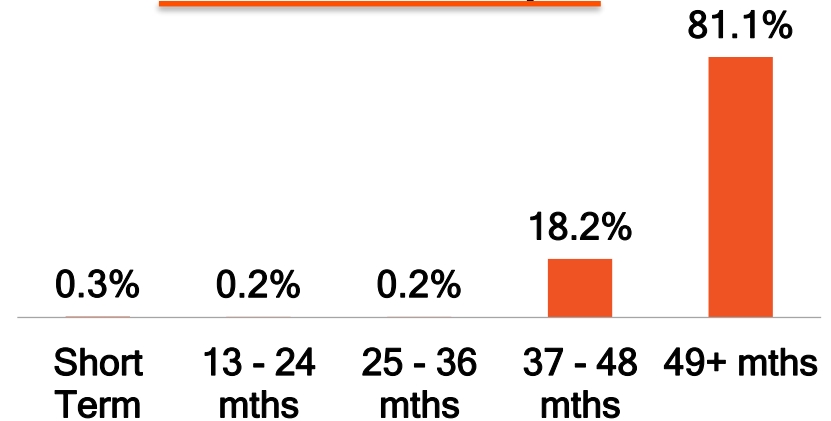
### 3. Prudent leverage policy

Strategy to mitigate short term refinancing risk.

3Q'13 Debt Maturity



3Q'19 Debt Maturity<sup>(1)</sup>



Average Cost of Debt	5.43%
Average Life of Debt	3.1 years
Foreign Exchange Rate	12.2 Ps./USD

TIE 28  
4.0%

Average Cost of Debt	7.13%
Average Life of Debt	12.4 years
Foreign Exchange Rate	19.68 Ps./USD

TIE 28  
7.78%

# Understanding the cost of sustainability

	<i>Ps. per CBFi</i>	4Q13	3Q19	Growth %	CAGR	
	NOI per CBFi	0.54	0.96 <sup>1</sup>	Δ80%	9.5%	} Δ Cost of sustainability
	FFO per CBFi	0.41	0.57 <sup>1</sup>	Δ39%	5.9%	
	Interest Expense per CBFi	0.18	0.39 <sup>1</sup>	Δ105.6 %	14.4%	
	LTV	34.3%	37.9% <sup>2</sup>	Δ3.6%	1.8%	} Prudent leverage
} Growth to meet customer's needs.	Total Assets	101,137.7	263,260.4 <sup>2</sup>	Δ 160.3%	18.1%	
	Debt average life	3.1 years	12.4 years <sup>2</sup>	Δ 9.3 years	27.3%	} Counter-cyclical liability Management

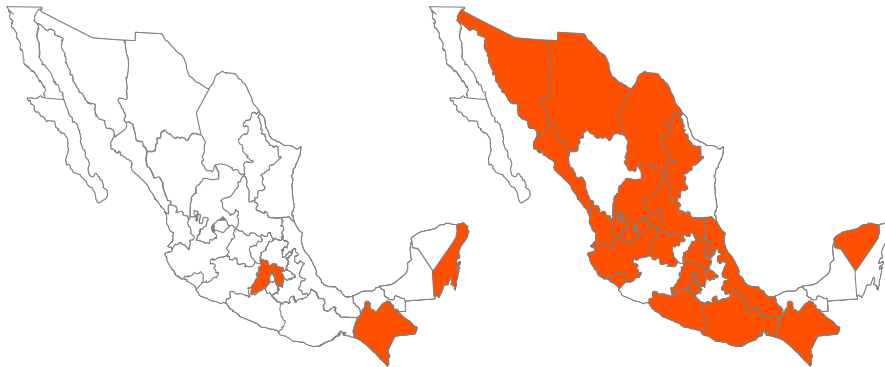
# Growth to meet Tenant's Needs

Since our inception, we've been growing alongside our tenants



2011

2Q'19



# of States: 3  
GLA: 21,849 m<sup>2</sup>

# of States: 22  
GLA: 900,641 m<sup>2</sup>

Δ 40.2x



2011

2Q'19



# of States: 4  
GLA: 20,032 m<sup>2</sup>

# of States: 20  
GLA: 134,858 m<sup>2</sup>

Δ 5.7x

# Growth to meet Tenant's Needs



2011

2Q'19



# of States: 3  
GLA: 1,501m<sup>2</sup>

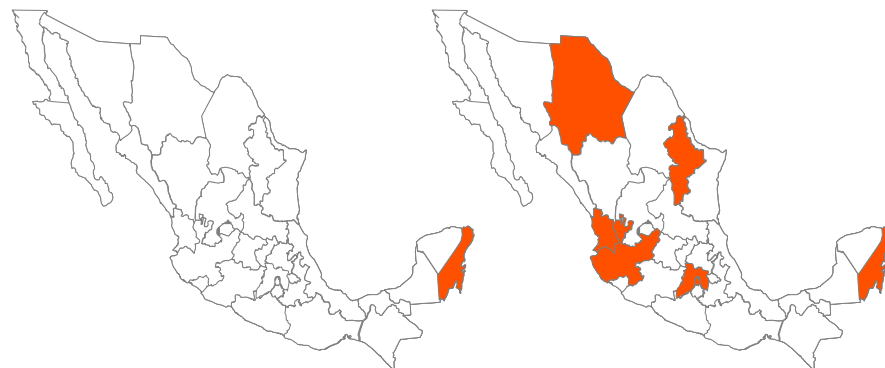
# of States: 23  
GLA: 125,825m<sup>2</sup>

Δ 82.8x



2011

2Q'19



# of States: 1  
GLA: 24,031m<sup>2</sup>

# of States: 8  
GLA: 118,722m<sup>2</sup>

Δ 4.0x

# Adding Value Through Development

## Retail

- 7 properties
- 166,932 sqm
- 5 states



## Office

- 4 properties
- 228,106 sqm
- 2 states



## Industrial

- 7 properties
- 711,912 sqm
- 1 state



## Mixed Use

- 1 property
- 115,324 sqm
- 1 state



FUNO has developed **19 properties** for more than **1.2 million** sqm of our current GLA.

# Current portfolio under development

**5**

Properties

**508,541.5**

Sqm of additional GLA

**Ps. 1.1 bn**

Expected additional revenue

**Ps. 5.3 bn**

Pending CapEx

**12%**

Expected yield-on-cost

## La isla cancún 2



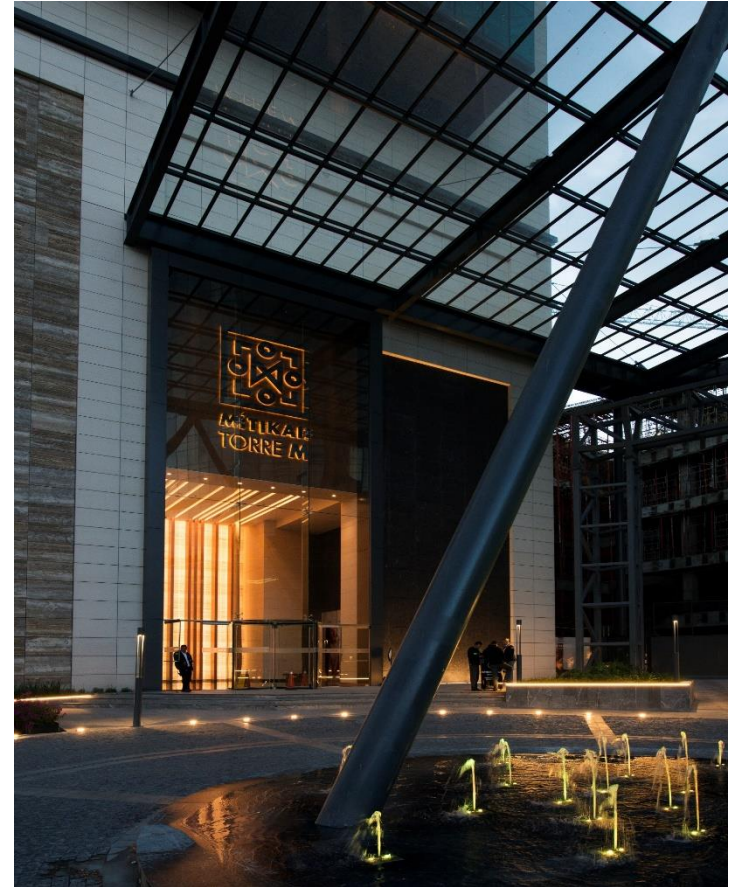


## Tepozpark / Frimax - First Phase out of 350,000 sqm

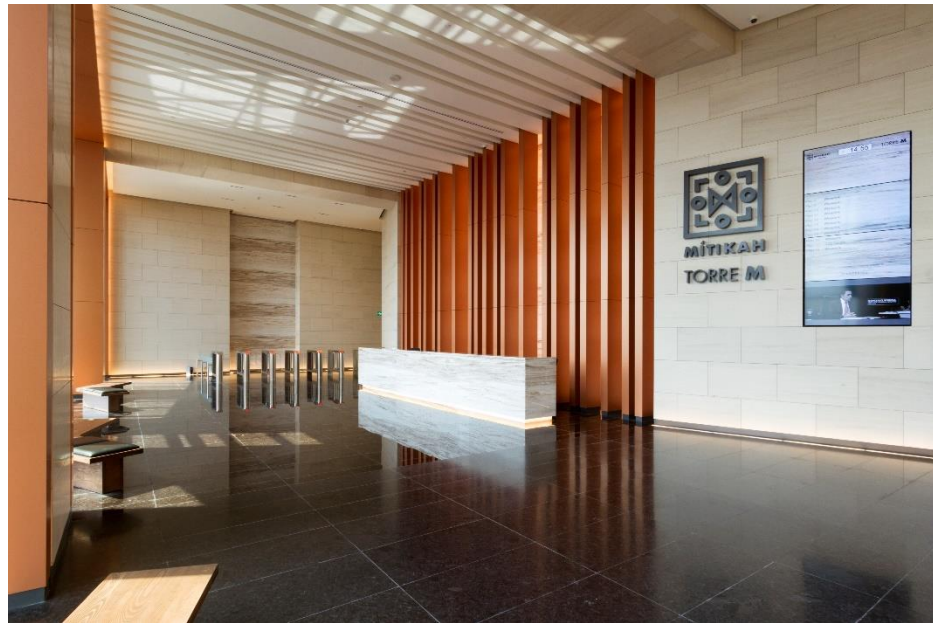




# Mitikah - Torre M

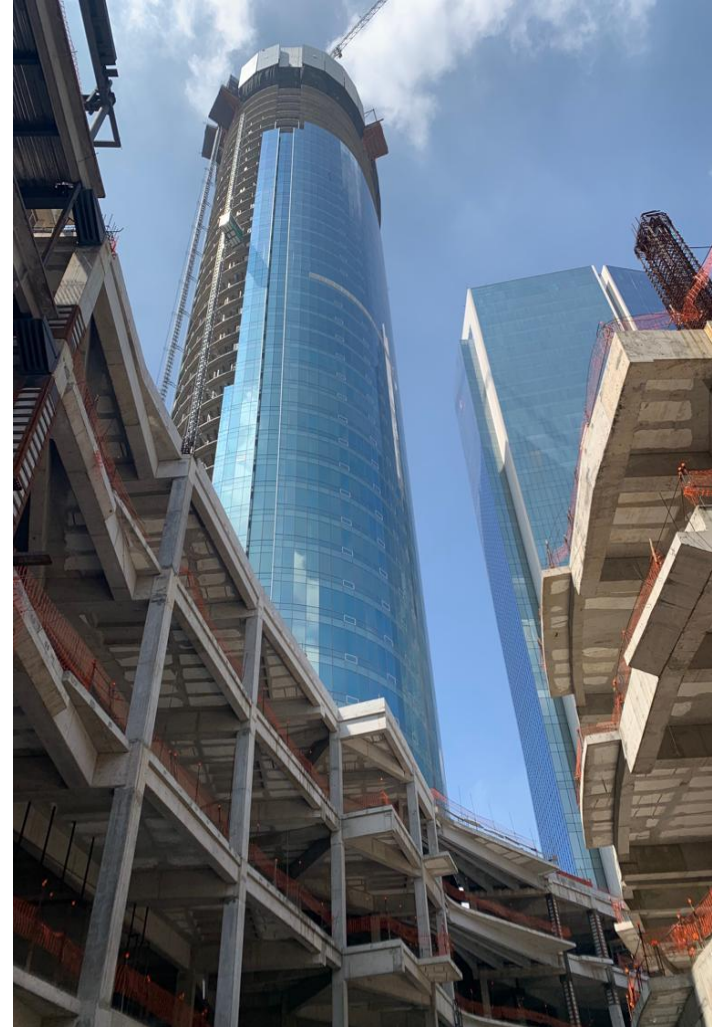


# Mitikah - Torre M





## Mitikah - Condo Tower



## Mitikah - Retail Area



# Mitikah Update

- Mitikah is ahead of schedule on units sold as well as pre-leasing

## Residential

~85% units sold

## Retail

~88% Leased

## Office Space

~79% Leased<sup>(1)</sup>

1 million sqm GBA

Total Stabilized GLA: 337,410 sqm



# Ability to create value - Mitikah Investment Cost

Figures in Ps. mm

## FUNO's Investment

Land Acquisition Price

Rents Collected (Colorado Portfolio)

Total Cost

## Cost

4,400

-600

3,800

## Helios Fee Structure

Fund Management Fee

1.25% on Ps. 6,000 mm

750

Development Fee

3% on Ps. 21,000 mm

630

Total Fee Income

1,380

Total Asset Cost (Net of Fees)

2,420

## COST

2,420

## MITIKAH's NOI

1,240<sup>(1)</sup>

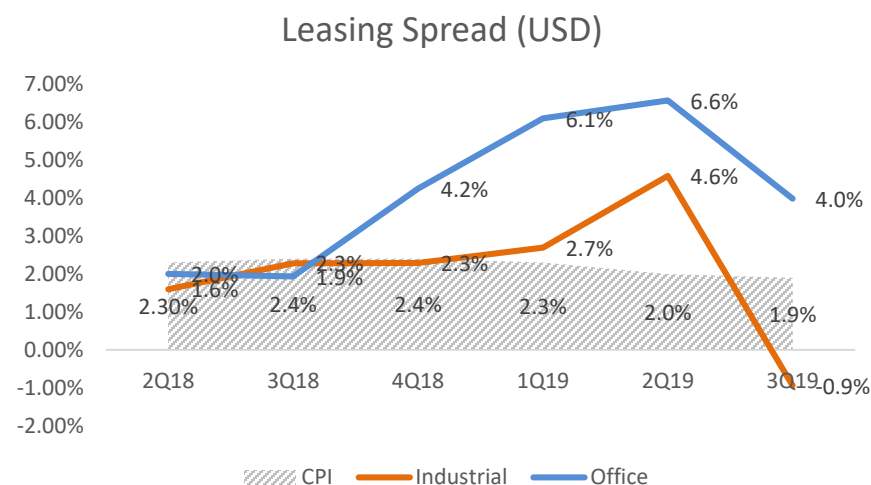
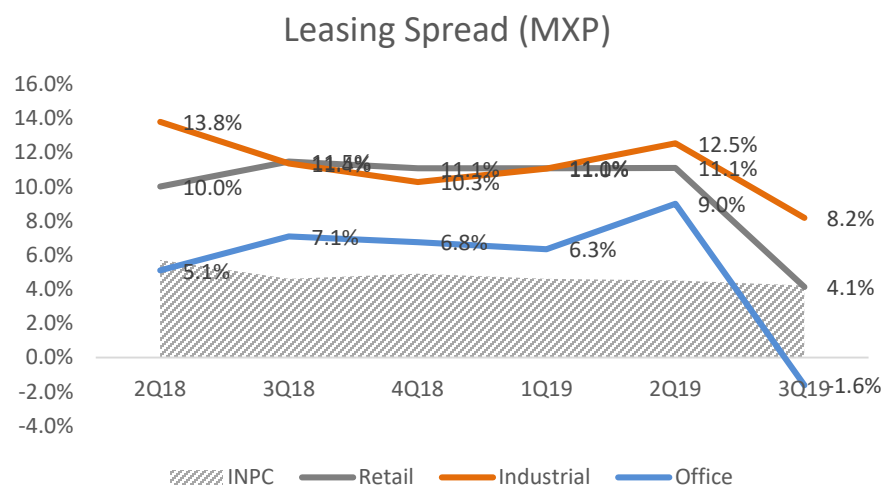
## YOC

51.2%

FUNO's 62% ownership

# Leasing Spread

Leasing Spread is the change in rent price per sqm of our different segments. It considers contracts that suffered changes compared to the same contracts in the previous year.



Note: As Retail USD leases are not representative, they're not included in the USD leasing spread.

# FUNO at a Glance<sup>(1)</sup>

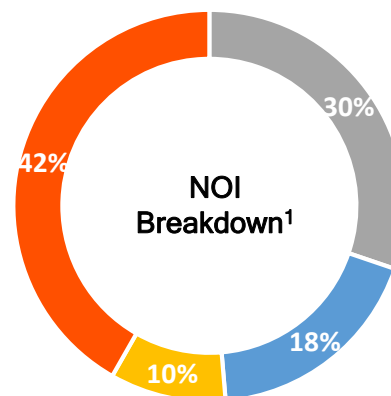
The absolute best property portfolio in Mexico and LatAm, impossible to replicate...

GLA: 10,007,079 sqm

611 properties

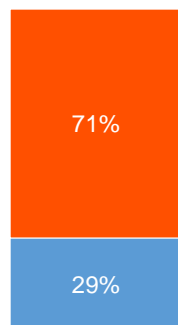
94.4% occupancy

4.3 years (avg. Term)



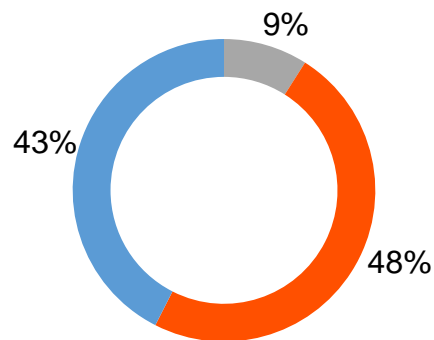
■ Industrial ■ Office ■ Others ■ Retail

## Leases by currency



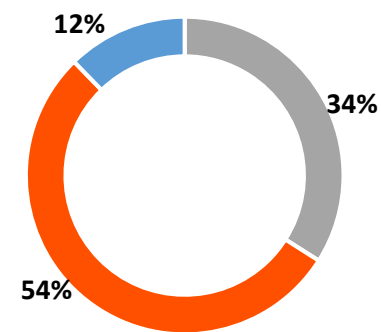
■ Usd. ■ Mxp.

## USD Leases by Segment



■ Retail ■ Industrial ■ Office

## GLA Breakdown



■ Retail ■ Industrial ■ Office



# Prime Locations and High-Quality Assets - Industrial<sup>(1)</sup>

FUNO strives to own and develop high-quality real estate assets in prime locations across high-ranking cities in Mexico...

## Industrial

Newly developed, high-tech Industrial parks located on key logistics and manufacturing corridors

- Logistics: 85% of industrial GLA
- Light manufacturing: 15% of industrial GLA
- Strong footprint in Mexico City and its Metropolitan Area
- Super-prime locations across the most important logistics corridors and export markets
- Proximity to main highways, roads and connection points to the whole country
- State-of-the-art buildings
- One of the youngest portfolios in the country, average building age: less than 6 years
- Segment occupancy: 97.1%

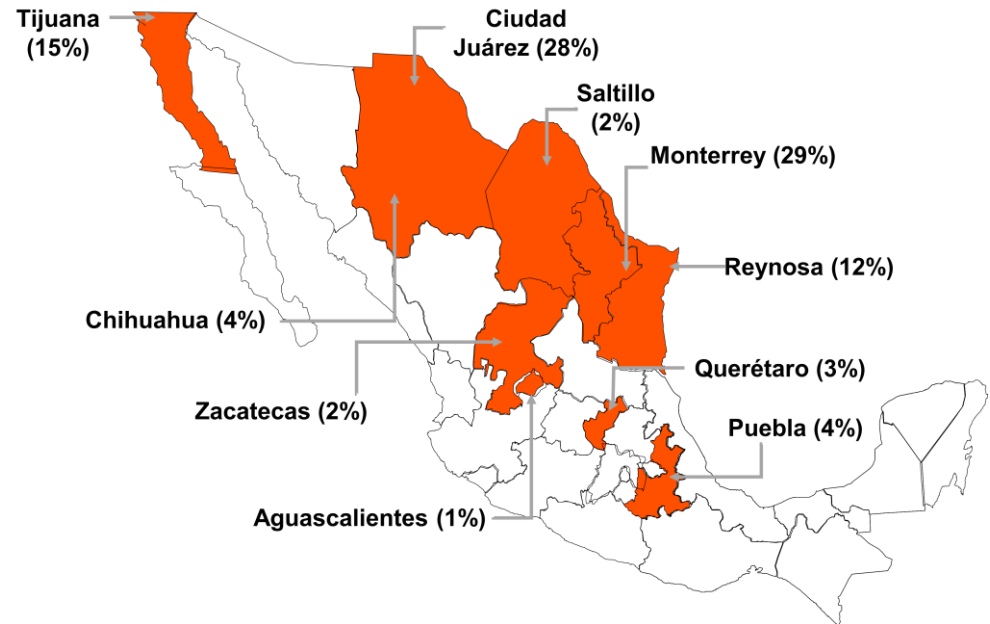


# TITAN Portfolio - General Features

**74 Properties**

**1,262,457 GLA**

**Located in 10 Cities**



**Occupancy**

**95.1%**

**Average lease term**

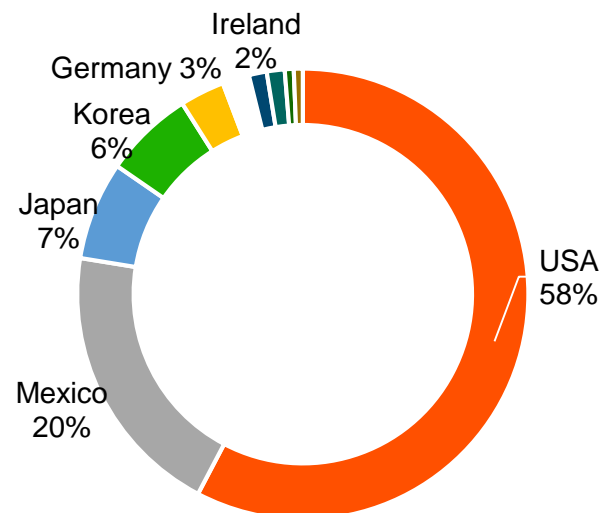
**4.5 Years**

**Monthly rent per sqm**

**USD 4.6**

# Titan Portfolio

## Top tenants by Country



## Income distribution

Logistics

10%

Light Manufacturing

84%

Office

6%

USD 89%

MXP 11%

# TITAN Acquisition Numbers

Purchase price: **USD 822.0 M**

Total Debt: **USD 500.0 M**

Total NOI 2020: **USD 66.3 M**

Cost of debt: **Libor 3 months + 185 bps**

Entry Cap Rate: **8.1%**

LTV: **59.4 %**

## Accretion Analysis

NOI: **USD 66.3 M**

Debt Service: **USD (19.3) M**

FFO Impact: **USD 47.0 M**

Fx: **19.25**

**FFO Impact: MXP 905.7 M**

# Prime Locations and High-Quality Assets - Retail

... and to have high-quality assets on those locations with below-market rent prices...

## Retail

The best options for shopping in different formats and on several cities across the country

- Diversified portfolio across all the subsegments of retail
- Prime locations in primary and secondary cities with high-traffic
- Significant footprint in Mexico City and its Metropolitan Area
- Strong exposure to large retailers and significant components of entertainment options
- The only shopping centers in Chetumal, Celaya, Taxco, Tuxtla Gutiérrez, Downtown Cancun, Cozumel Tepic, Aguascalientes
- The largest fashion mall in Guadalajara, Chihuahua, Cancun, Monterrey, Saltillo, Iguala and Chilpancingo
- Several stand-alones with enormous re-conversión potential
- **450,000,000 pers's./year: consolidated FUNO's shopping mall's traffic.**





# Prime Locations and High-Quality Assets - Offices

... ensuring high occupancies throughout the cycle and guaranteeing stable cash flows

## Office

Iconic and irreplaceable office buildings  
on the most important corporate  
corridors in Mexico City

FUNO in the Reforma Corridor:

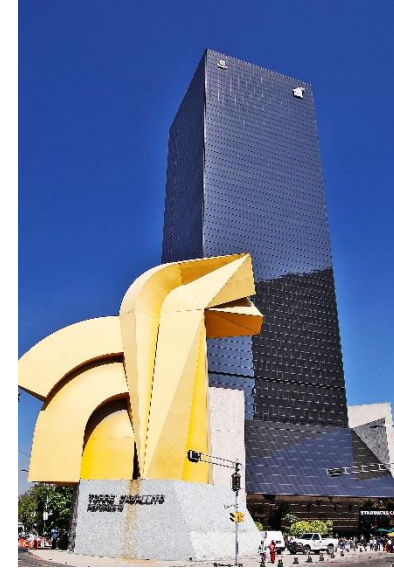
- 7 iconic, irreplaceable buildings on prime locations
- 319,106.5 sqm of office GLA
- 29.3% of market share

FUNO in the Santa Fe Corridor

- 3 iconic, irreplaceable buildings on prime locations
- More than 128,000 sqm of office GLA
- 11.2% of corridor market share
- 96.3% occupancy rate

FUNO in the Insurgentes Corridor:

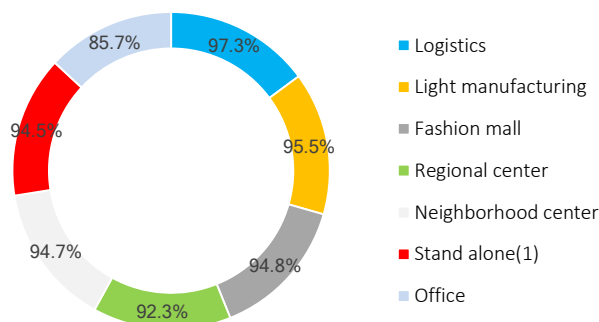
- More than 121,000 sqm of office GLA
- 13 buildings across the corridor
- 17.5% market share in the corridor
- Largest avenue in Mexico and FUNO's buildings scattered across several neighborhoods



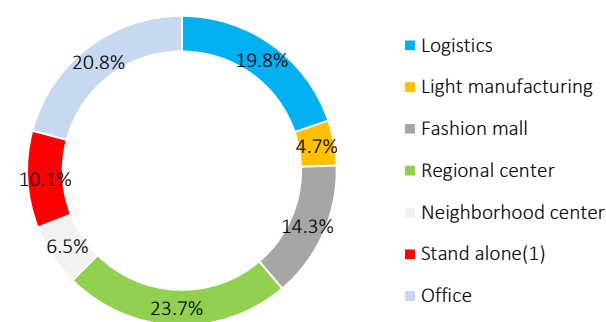
# Subsegment Breakdown

Subsegment <sup>(3)</sup>	Total GLA (000 m <sup>2</sup> )	Occupied GLA (000 m <sup>2</sup> )	% Occupancy <sup>(5)</sup>	\$/sqm/month (Ps.)	NOI <sup>(4)</sup> 3Q19 (Ps. 000)
Logistics	3,492.9	3,400.2	97.3%	81.4	746,111.9
Light manufacturing	628.4	599.9	95.5%	106.2	178,064.3
Fashion mall	589.5	558.9	94.8%	355.4	539,519.7
Regional center	1,479.6	1,365.6	92.3%	231.5	895,013.9
Neighborhood center	476.7	451.5	94.7%	225.0	246,734.0
Stand alone <sup>(1)</sup>	804.5	760.3	94.5%	189.2	383,007.8
Office	1,058.1	907.1	85.7%	388.9	786,590.1
<b>Total</b>	<b>8,529.7</b>	<b>8,043.5</b>	<b>94.3%</b>	<b>180.7</b>	<b>3,775,041.7</b>

**Occupancy by Subsegment**  
(% GLA) 3Q19



**NOI by Subsegment**  
(% NOI) 3Q19



# ESG Achievements



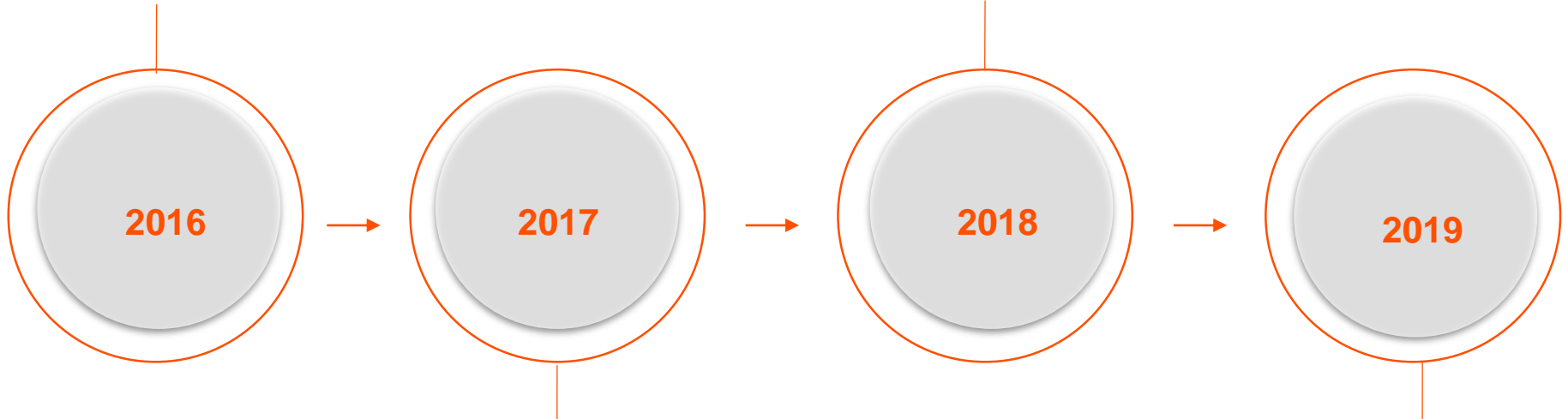
- Materiality Analysis → 2016-2020 Plan
- United Nations' Global Compact
- Reports under *Global Reporting Initiative*



FTSE4Good



- Member of the *FTSE4Good Index Series*
- Disclosure of our carbon footprint to the *Carbon Disclosure Project*



- *Fundación FUNO* started operations
- Member of the *Dow Jones Sustainability MILA Index*  
External and independent whistleblowing mechanism open to all employees and suppliers

- Sustainability Committee
- Green credit line
- Confirmed as member of the *Dow Jones Sustainability MILA Index + Emerging Markets*

MEMBER OF  
**Dow Jones Sustainability Indices**  
In Collaboration with RobecoSAM

