



F U N O

PRESENTATION

SEPTEMBER 2019

AS OF 2Q19

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.

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Understanding FUNO's DNA

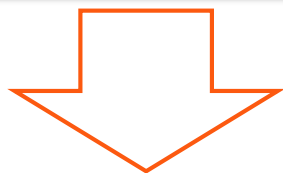
Total Return Focus → Sustainable Shareholder Value Creation Over Time

Dividend
Distributions

High Occupancy
Rent Collections
=
Dividends

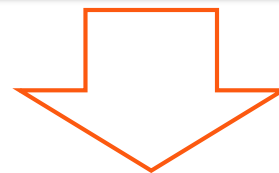
Capital Appreciation through Active Management
of our Assets and Opportunities

- Acquisitions
- Developments
- Re-Developments



30%

Value Weight



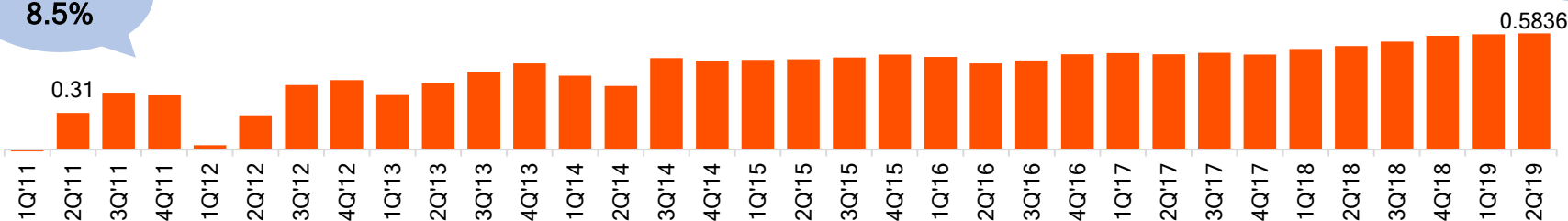
70%

Solid Dividend Distributions and Capital Appreciation

Quarterly Distribution per CBFi

CAGR:
8.5%

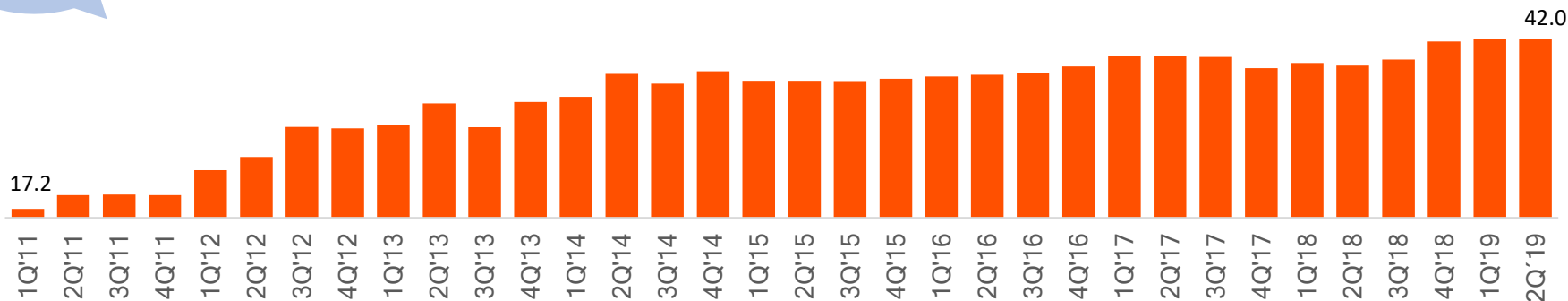
+\$15.34
per CBFi
distributed



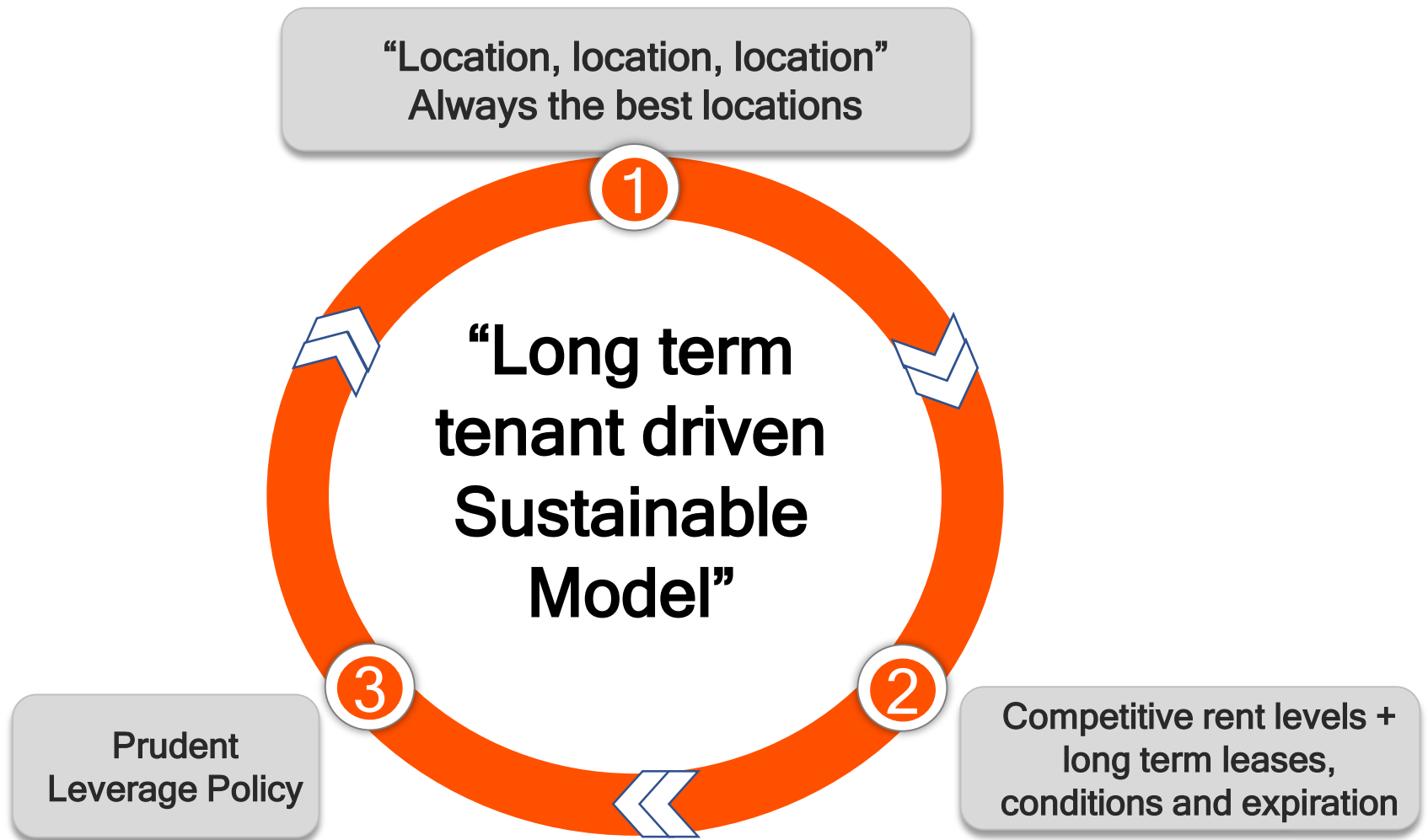
NAV per CBFi

CAGR:
11.0%

\$24.8 per
CBFi
value
created



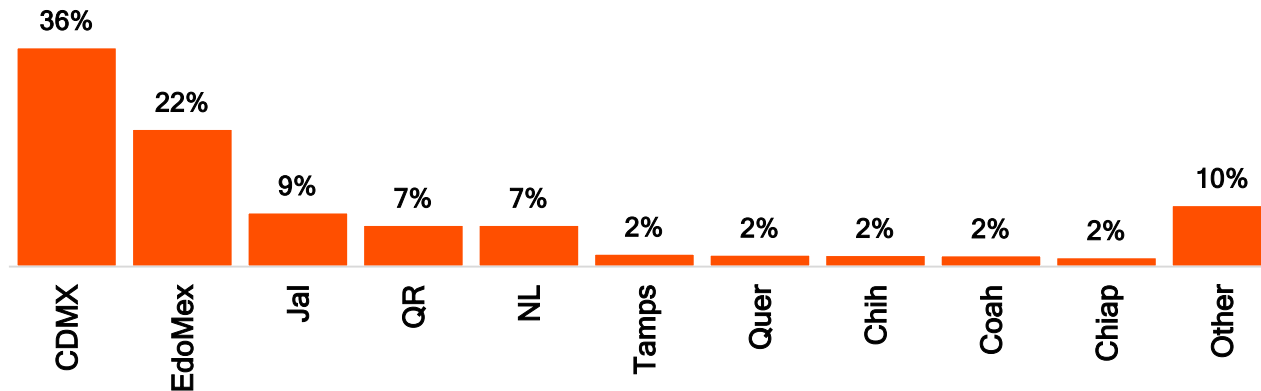
FUNO's Value Creation Pillars



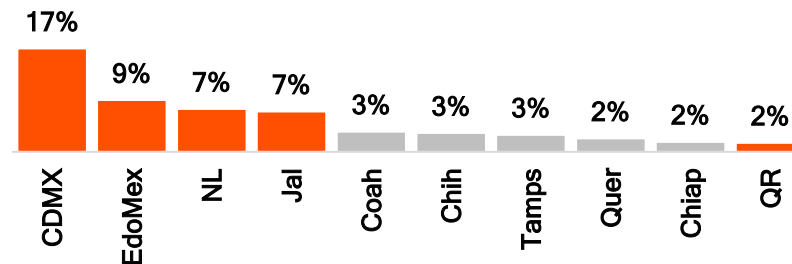
1. Location

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

Our top 5 states generate 81% of our ABR

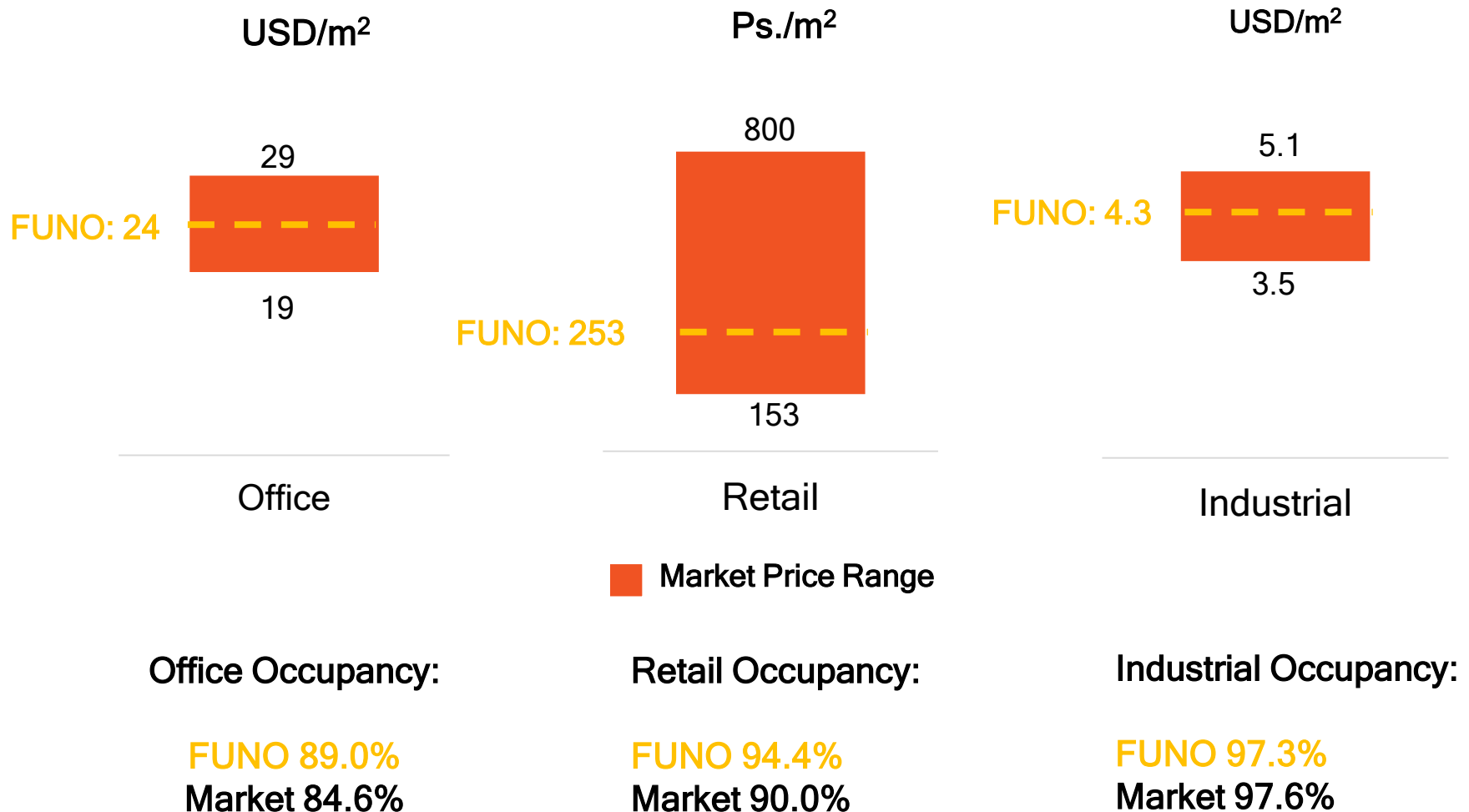


Our top 5 states generate 42% of Mexico's GDP share⁽¹⁾



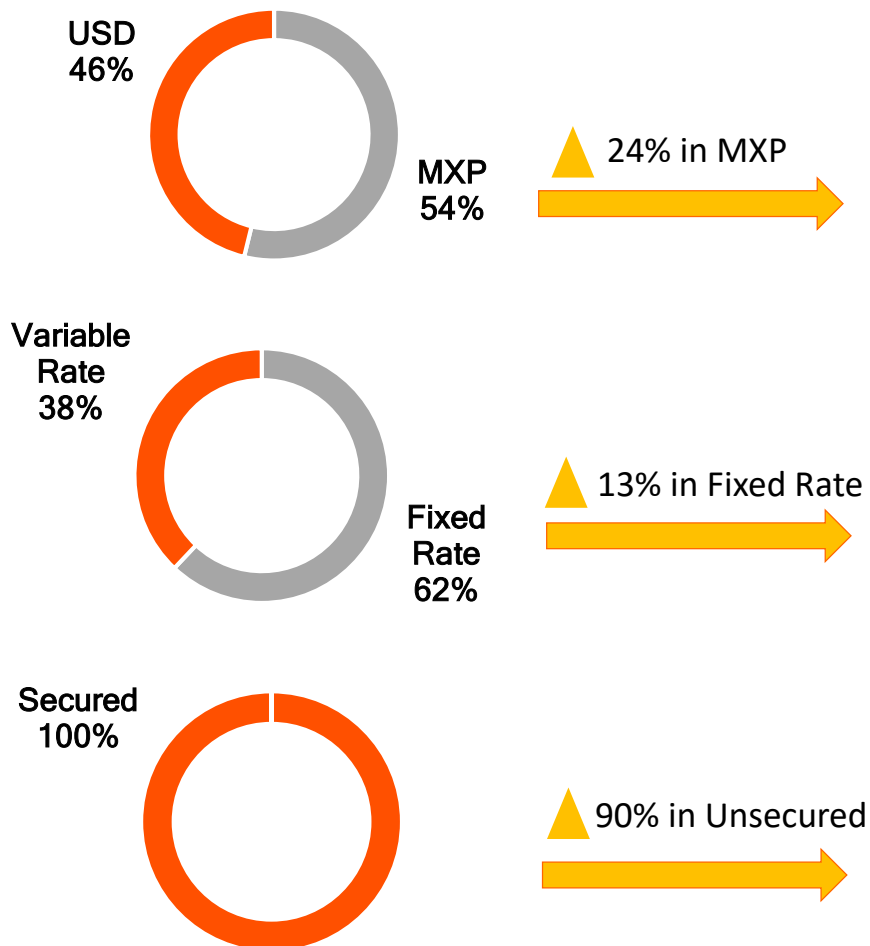
2. Competitive rent levels

Competitive Rent Drives Occupancy & Rent Growth

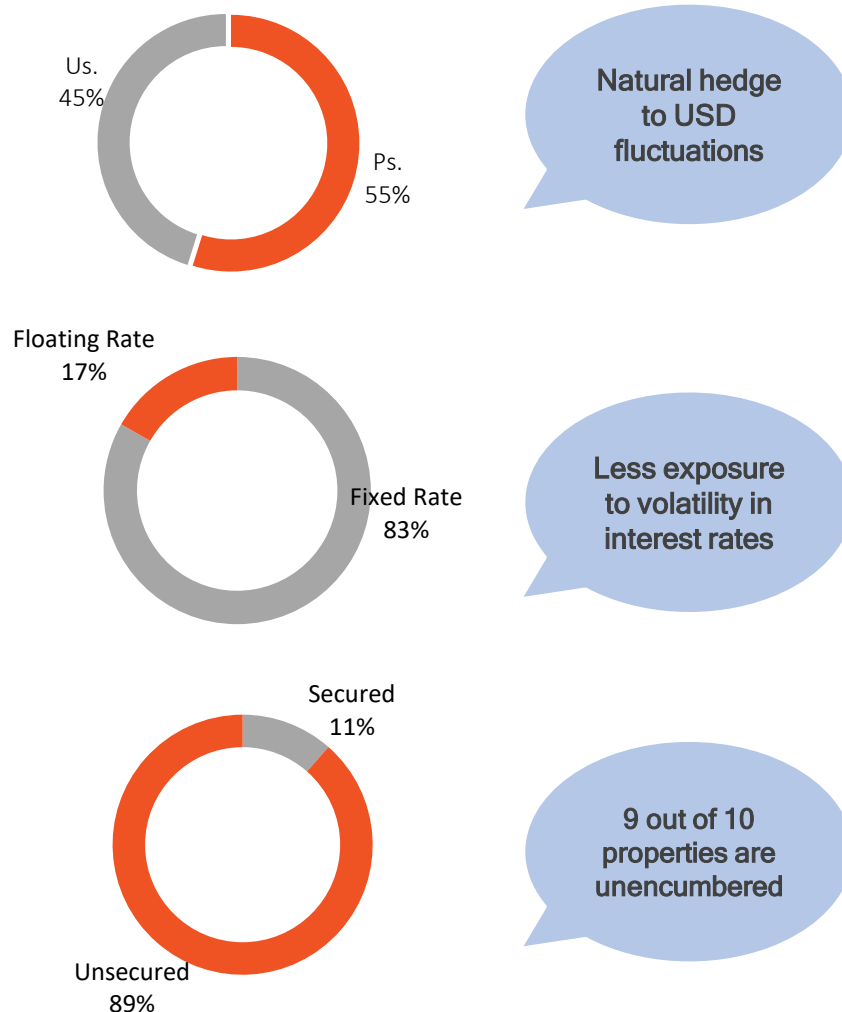


3. Prudent leverage policy

3Q'13 Debt Profile



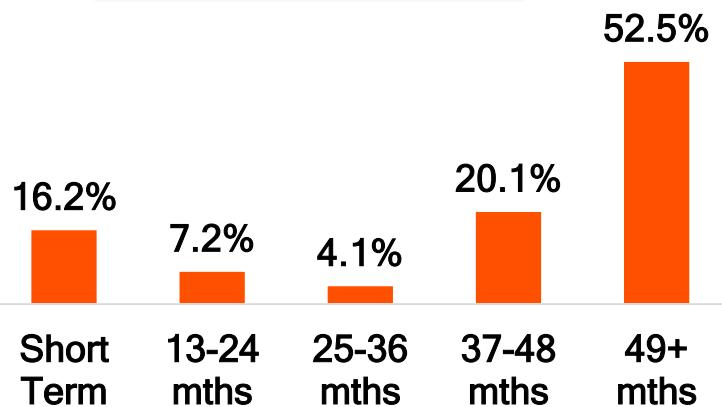
2Q'19 Debt Profile



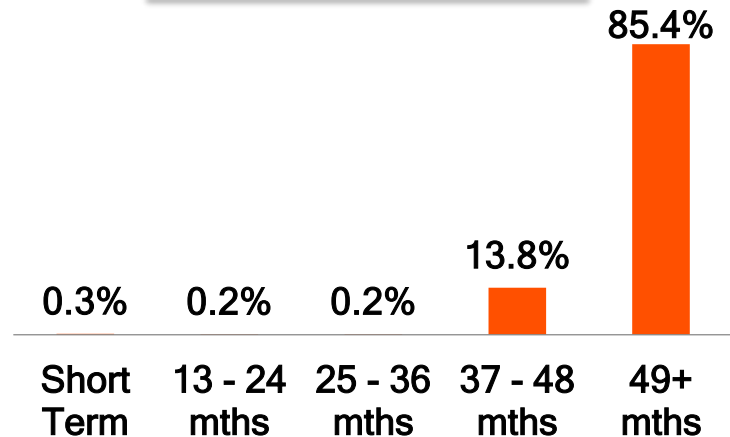
3. Prudent leverage policy

Strategy to mitigate short term refinancing risk.

3Q'13 Debt Maturity



2Q'19 Debt Maturity



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	7.61%
Average Life of Debt	13.1 years
Foreign Exchange Rate	19.07 Ps./USD

TIE 28
8.5%

Understanding the cost of sustainability

	<i>Ps. per CBFi</i>	4Q13	2Q19	Growth %	CAGR	
	NOI per CBFi	0.54	0.96	Δ80%	11.3%	} Δ Cost of sustainability
	FFO per CBFi	0.41	0.57	Δ39%	6.2%	
	Interest Expense per CBFi	0.18	0.37	Δ105.6 %	14%	
	LTV	34.3%	37.1%	Δ8.1%	1.4%	} Prudent leverage
} Growth to meet customer's needs.	Total Assets	101,137.7	243,175.7	Δ 140.4%	17.3%	
	Debt average life	3.1 years	13.1 years	Δ 10 years	30%	} 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 m²

of States: 22
GLA: 900,641 m²

Δ 40.2x



2011

2Q'19



of States: 4
GLA: 20,032 m²

of States: 20
GLA: 134,858 m²

Δ 5.7x

Growth to meet Tenant's Needs



2011

2Q'19



of States: 3
GLA: 1,501m²

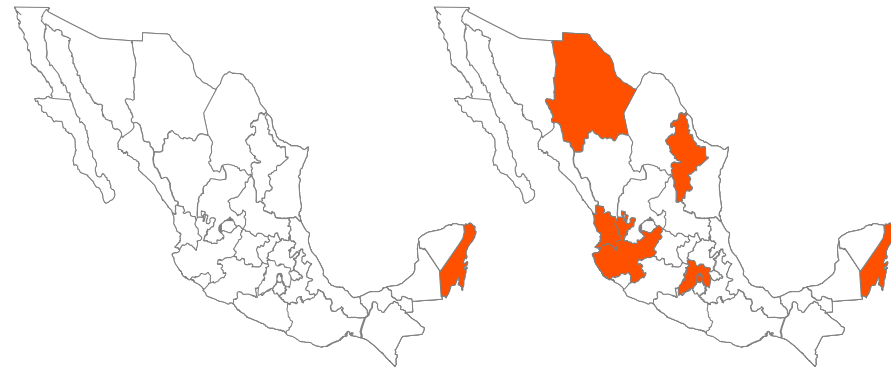
of States: 23
GLA: 125,825m²

Δ 82.8x



2011

2Q'19



of States: 1
GLA: 24,031m²

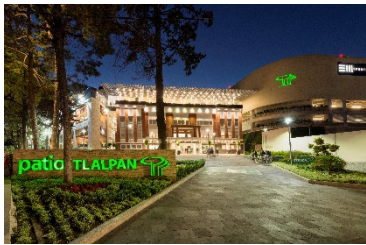
of States: 8
GLA: 118,722m²

Δ 4.0x

Adding Value Through Development - meeting tenant's needs

2016	2017	2018	2Q'19
Development	Development	Development	Development
Torre Latino ✓	La viga	La viga	La viga
Torre Diana ✓	Centrumpark	Centrumpark ✓	Mariano Escobedo ✓
Xochimilco I ✓	Revolución ✓	Mariano Escobedo	Mitikah
La viga	Mariano Escobedo	Mitikah	Guanajuato ✓
Centrumpark	Tlalpan ✓	Torre Cuarzo ✓	Tapachula
Gustavo Baz I ✓	Mitikah	Midtown jalisco ✓	La isla Cancún 2
Revolución	Torre Cuarzo	Guanajuato	Tepozpark (La teja)
Mariano Escobedo	Espacio Tollocan ✓	Tapachula	Satélite
Tlalpan	Midtown jalisco	La isla Cancún 2	
Mitikah	Guanajuato	Escatto ✓	
Torre Cuarzo	Tapachula	Tepozpark (La teja)	
Guanajuato	La isla Cancún 2	Satélite	
Tapachula	Escatto		
	Tepozpark (La teja)		

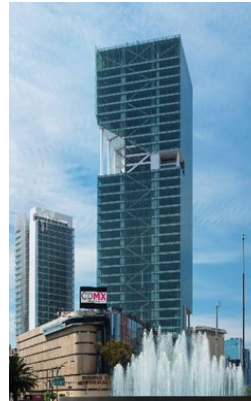
Development Pipeline Delivered



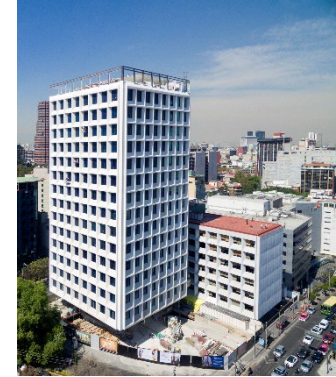
Talpan



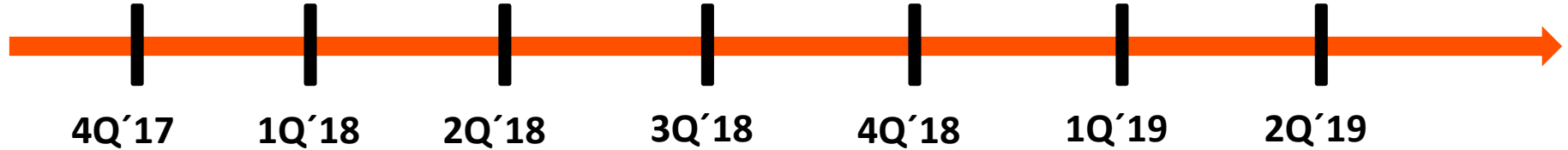
Centrupark



Torre Cuarzo



Mariano Escobedo



Tollocan



Escatto



Midtown Jalisco



Guanajuato

Current portfolio under development

5

Properties

508,541.5

Sqm of additional GLA

Ps. 1.1 bn

Expected additional revenue

Ps. 5.6 bn

Pending CapEx

12%

Expected yield-on-cost

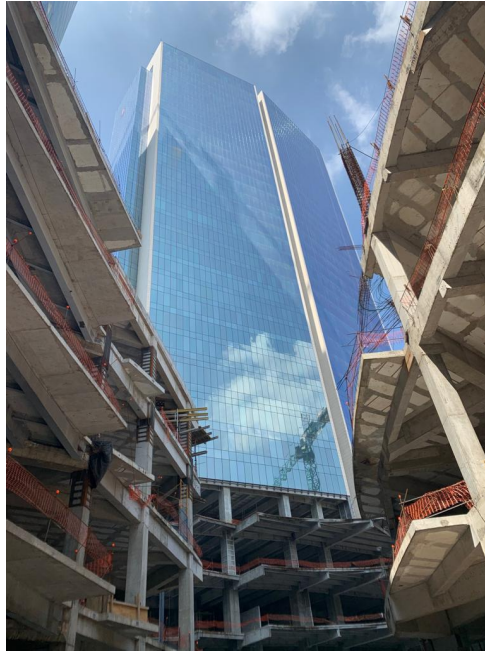
La isla cancún 2



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



Mitkah



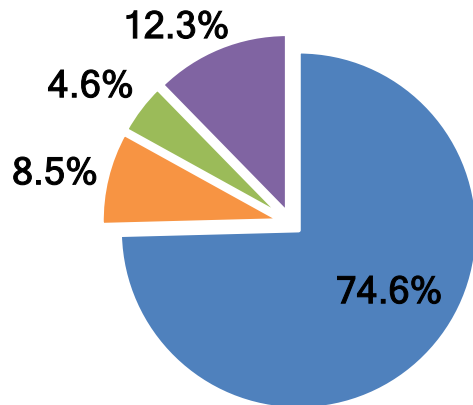
Development contribution

Approx. 25.4% of our NOI is generated by properties that have been developed, re-developed or expanded

2018E

Stabilized Portfolio

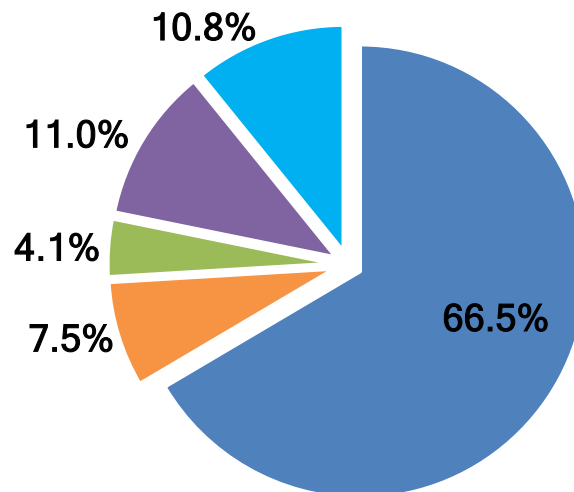
Ps.13.8 bn



Pro-Forma 2021

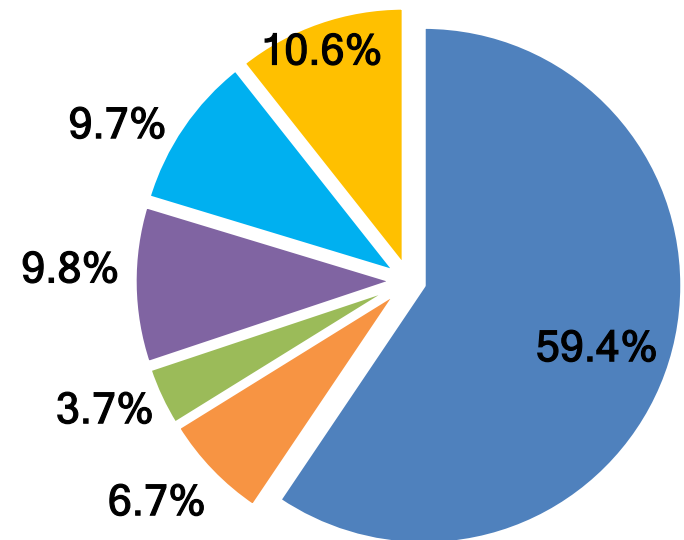
Current Development + Acq.

Ps.18.6 bn



Pro-Forma 2023

+ Mitikah
Ps. 19.8 bn⁽²⁾



Stabilized properties⁽¹⁾

Property growth/expansion

Re-developed

Developed

Under development

Mitikah (JV Helios)

Development contribution per CBFi

Properties	Sqm	Stabilized annual NOI (million)
In Service	313,651	1,010
Under Development	508,542	907
Helios/Mitikah	337,410	1,785
Total	1,159,602	3,703

CBFIs⁽¹⁾ 3,890.1

Development contribution per CBFi 0.9518

Mitikah Project Update

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

	Retail	Office	Residential ³	Total
Expected GLA / GSA (sqm)	115,710	247,876	83,068	446,654
Estimated NOI¹ (MXN\$mm)	662	1,123	n.a.	1,785
Estimated Residential Revenue (MXN\$mm)	n.a.	n.a.	5,597	5,597
Avg. Rent Price² / sqm (MXN\$)	574	455	–	–
Expected Sale Price / sqm (MXN\$)	–	–	70,000	–
Pre-Leased / Units Sold⁴	67%	58%	80%	



¹ Estimated annual net operating income based on the base case scenario.

² Est. MXN\$/sqm based on the base case scenario.

³ The residential project is being developed exclusively by the partner of FUNO on the JV project.

⁴ Occupancy of Mitikah's Phase I.

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

1,148⁽¹⁾

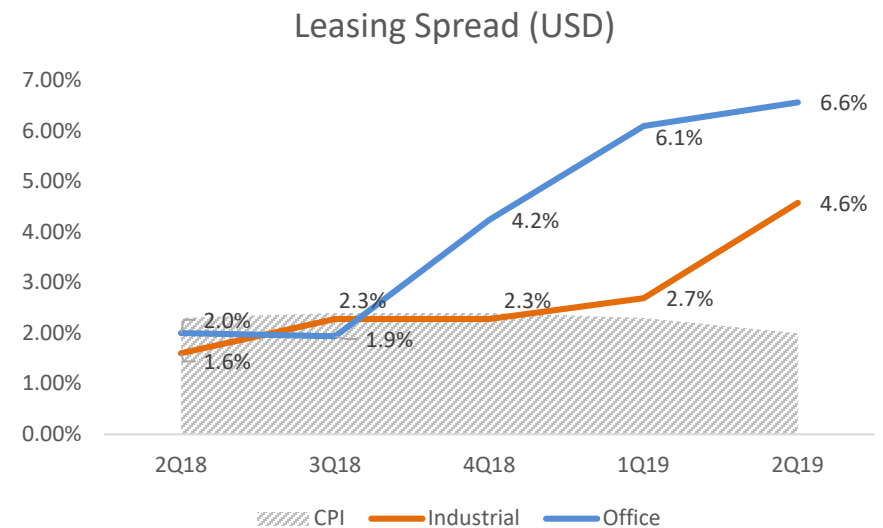
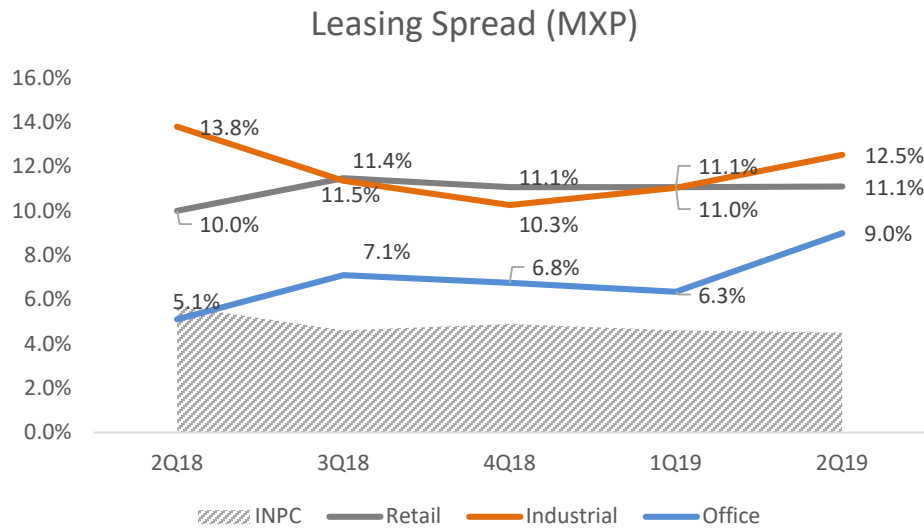
YOC

47.4%

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

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

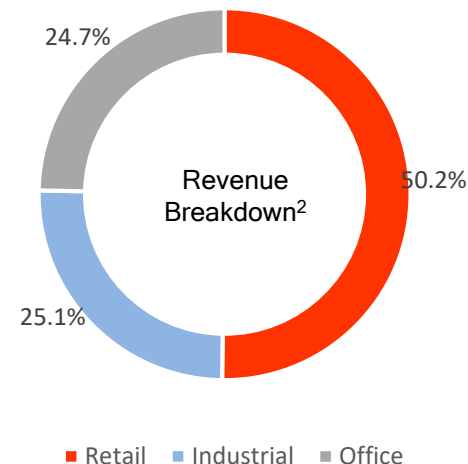
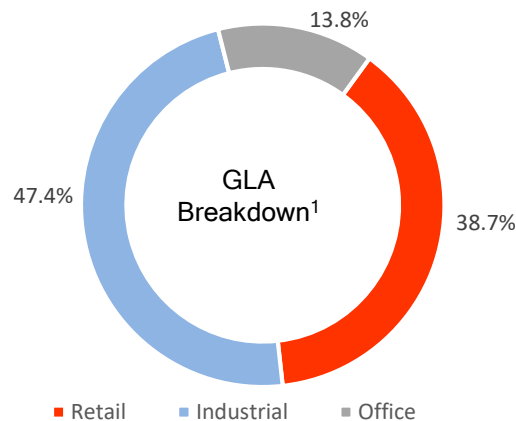
GLA: 8,729,996 sqm

537 properties

560 operating units

95.2% occupancy

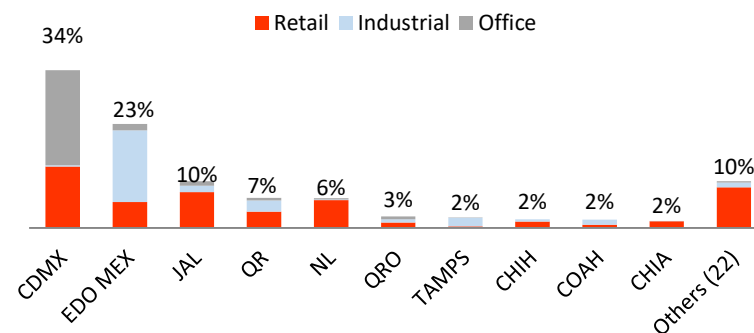
4.2 years (avg. Term)



... with broad diversification across segments, geographies, sectors and tenants...

<u>Top 10 clients by Revenue</u>	<u>% of ABR</u>
WAL-MART	8.04%
ICEL	3.72%
SANTANDER	2.72%
SEP	2.39%
ALSEA	1.87%
CINEPOLIS	1.77%
WEWORK	1.58%
COPEMSA	1.30%
GRUPO-POSADAS	1.29%
HILTON	1.02%
	25.71%

ABR Distribution by Geography



Prime Locations and High-Quality Assets - Industrial

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: 97.3%



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:

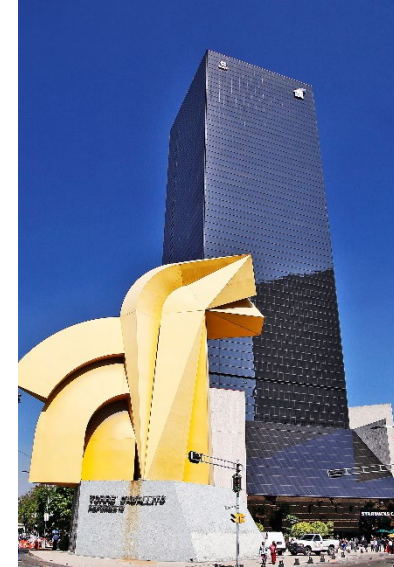
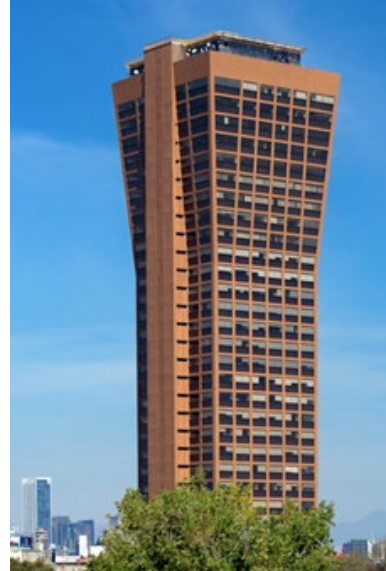
- 7 iconic, irreplaceable buildings on prime locations
- 319,106.5 sqm of office GLA
- 29.3% of market share

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:

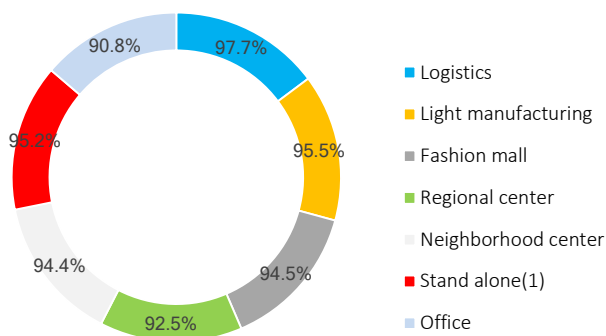
- More than 121,000 sqm of office GLA
- 13 buildings across the corridor
- 17.5% market share in the corridor
- Largest avenue in Mexico and FUNO's buildings scattered across several neighborhoods



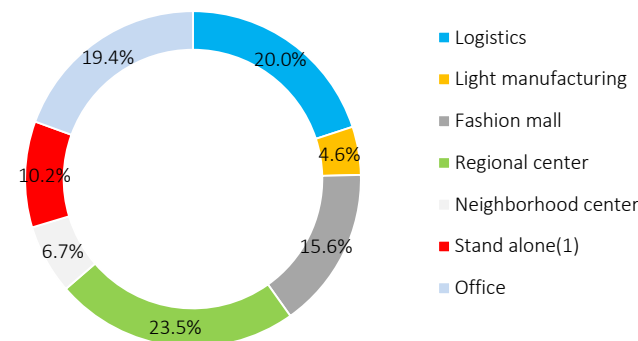
Subsegment Breakdown

Subsegment ⁽³⁾	Total GLA (000 m ²)	Occupied GLA (000 m ²)	% Occupancy ⁽⁵⁾	\$/sqm/month (Ps.)	NOI ⁽⁴⁾ 2Q19 (Ps. 000)
Logistics	3,481.3	3,399.7	97.7%	80.2	740,911.8
Light manufacturing	628.4	599.9	95.5%	103.8	172,333.7
Fashion mall	587.9	555.4	94.5%	352.5	577,235.8
Regional center	1,478.3	1,367.8	92.5%	227.4	872,316.9
Neighborhood center	476.7	449.9	94.4%	231.3	248,347.2
Stand alone ⁽¹⁾	804.5	766.1	95.2%	188.3	378,894.5
Office ⁽²⁾	959.1	870.6	90.8%	367.4	721,449.6
Total	8,416.3	8,009.4	95.2%	176.1	3,711,489.6

Occupancy by Subsegment
(% GLA) 2Q19



NOI by Subsegment
(% NOI) 2Q19



World-Class Sustainability Strategy

FUNO's scale and footprint comes with an even larger commitment towards sustainability

2016

- ✓ FUNO joined the United Nations' Global Compact
 - ✓ Best international practice (Human Rights, Labor Practices and Environment)
- ✓ Eco-efficient properties and developments
 - ✓ Reduce our overall building energy intensity
 - ✓ Efficient water consumption
 - ✓ Monitoring waste and emissions
- ✓ FUNO reports under the Global Reporting Initiative
 - ✓ Best international practices
- ✓ Code of Ethics & whistleblowing mechanism
 - ✓ Operated by a third party



Overall improvement and positive impact on people, communities and cities

World-Class Sustainability Strategy

2017

- ✓ Fundación FUNO started operations
 - ✓ Committed to aid in the construction of more than 2,000 houses in the areas affected by the recent earthquakes
- ✓ FUNO is member of the Dow Jones Sustainability MILA Pacific Alliance Index
 - ✓ One of only three real estate companies in the index
 - ✓ Assessed by Robeco SAM



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

2018

- ✓ FUNO is member of the FTSE4Good Index Series; designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices.
 - ✓ Assessed by FTSE Russell.



FTSE4Good

2019

- ✓ FUNO and Latam's first Sustainable syndicated committed revolving credit line.
 - ✓ Sustainability rating company: Vigeo Eirirs.

Overall improvement and positive impact on people, communities and cities