



INFORMATION SUPPLEMENT

F U N O

2Q20

Conference Call

Fibra Uno invites you to participate in its quarterly Conference call to discuss 2Q20 earnings results.

The conference call will take place next Friday June 24th, 2020.

México / 12 hrs. / +52 55 1168 9973

U.S.A. / 13 hrs. / +1 718 866 4614

United Kingdom / 18 hrs. / +44 203 984 9844

Brazil / 15 hrs. / +55 61 2017 1549

Conference Code: **121095**

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FIBRA UNO DELIVERS POSITIVE FUNDS FROM OPERATIONS (FFO) AND Ps. 13.4 BN IN NET INCOME DESPITE COVID-19

Mexico City, Mexico, July 23rd, 2020 – Fibra Uno (BMV: FUNO11) (“FUNO” o “Fideicomiso Fibra Uno”), the first and largest Real Estate Investment Trust in Mexico announces its results for the second quarter of 2020.

Second Quarter 2020	Compared to Second Quarter 2019
<ul style="list-style-type: none"> • Total revenues decreased 16.8% to Ps. 4,298.3 million. Mainly due to the Ps. 973.2 million in reliefs given to our tenants as support for COVID-19. • NOI decreased 22.0% QoQ to Ps. 3,245.0 million as NOI margin over rents reached a 83.5% level. • Excluding the effect of rent reliefs for our tenants for COVID-19, total revenues and NOI would have increased 1.5% and 1.4% respectively, reaching Ps. 5,248.2 million and Ps 4,218.2 million each. • By the end of the quarter, we closed the acquisition of 5 properties of the group of properties denominated <i>Hercules</i> for Ps. 2,372.4 million. We estimate these properties generate an NOI of Ps. 196.1 million and thus the acquisition implies a <i>Cap Rate</i> of 8.3% • AFFO quarterly payout will be 110%. • We finished the construction of the second office tower of <i>Mitikah's</i> project: <i>Medical Tower</i>. • Portfolio's occupancy closed at 93.8% vs 94.5% in the previous quarter. • GLA grew 1.1% QoQ reaching 10.4 million square meters. • Leasing spreads vs. peso inflation were 5.8% in office, 5.2% in retail and 5.1% in industrial. • NAV/CBFI⁽¹⁾=Ps. 40.97 	<ul style="list-style-type: none"> • Total revenues decreased 9.3% YoY mainly due to the Ps. 973.2 million in reliefs given to our tenants as support for COVID-19. • NOI decreased 13.4% YoY. • NOI margin over rents remained above 80%. • NOI/CBFI⁽¹⁾ decreased 14.2% YoY. • Excluding the effect of rent reliefs for our tenants for COVID-19, total revenues and NOI would have increased 10.8% YoY and 12.6% YoY, respectively. • FUNO's GLA grew 18.6% YoY, reaching 10.4 million square meters. • Rental price per square meter YoY growth in constant properties was 340 bps above the annual weighted average inflation. • In the past 12 months, we completed six properties that were under development: <i>Medical Tower (Mitikah)</i>, <i>Guanajuato</i>, <i>Mariano Escobedo</i>, <i>Torre M (Mitikah)</i>, <i>La Viga</i> and <i>La Isla Cancun II</i>.

CEO Comments

Dear FUNO stakeholders,

I am pleased to be able to share with you, the very solid financial and operating results for the 2Q20 of our Company, and I want to stress my view of the very solid nature of our results. One cannot avoid seeing and discussing the devastating effects the COVID19 induced crisis is having around the whole world. I've seen this crisis defined as one of the worst crises in the history of mankind, and certainly in recent history. However, crises challenge the mind to come up with creative solutions to the problems it presents.

Crises challenge us to rise above the occasion. We must re-invent ourselves and emerge renewed and strengthened from this. We at FUNO have the benefit of having lived through many crises before. Our company's DNA has at its core the knowledge acquired through difficult times. We understand crises happen. We never know when, or what will trigger them, but they happen. We also know that no two crises are alike. We do know one thing that all crises have in common: we always recover from them. This time is not going to be different. We just need to be patient.

Real estate is a long-term business, which is why we must be patient, level headed, cool, and calm when making decisions regarding the direction of our Company. Today we must be patient making the difficult decisions we must take to keep our Company heading in the right direction. I want to stress today, that we stand with you; with our tenants, with our investors, with our suppliers and with our team at FUNO.

I know a lot of our stakeholders are eager to dissect the events of the second quarter, and delve into the nitty gritty of how much support we granted to our tenants, under what conditions, etc. We have improved the disclosure on this matter in our quarterly supplement. We now provide information on the consolidated amount of different types of relief we have negotiated with our tenants in order to allow you to better understand the Company's situation and strategy. We will continue to disclose this so long as the extraordinary conditions we are facing prevail. Once business returns to a more normal state of affairs, we will revert to our standard quarterly supplemental information.

I want to tell you from my many years in this industry and based on the experience I've acquired through time, that we are in a solid position, despite facing extremely challenging times, that as I mentioned above, this too will pass. Therefore, we need to be patient. Again, I want to stress, to our tenants, to our investors, to our suppliers and to our team, we stand with you.

I want to comment on some of the key operating and financial metrics that highlight the resilience, strength, and defensiveness of our company. Our second quarter results are a testament of it given we are in the midst of a sanitary, financial and macroeconomic storm. From an operating point of view, our occupancy decreased by only 70 bps sequentially. We have positive leasing spreads in peso terms across the board as well as positive constant property rent performance, which was our expectation given the dynamics of our industry and the dollarization of the replacement cost and value of real estate in Mexico. Dollar based leasing spreads were negative in office, as expected, retail was positive and industrial remained flat quarter over quarter. With the information and visibility we have today, we believe that the worst part of the crisis is behind, and that from a financial and macroeconomic standpoint we are shifting towards recovery. I am pleased to be able to show such a resilient operating quarter in the midst of this storm.

Summarizing the financial results for the quarter, we are facing a reduction in variable income components, a reduction in rental income (partly due to rent reliefs in the form of rent discounts or deferrals, and partly due to tenant's inability to maintain payments which is unfortunate).

I want to stress that our efforts to provide support to our tenants are based on three main guiding principles. First, do as much as possible to ensure that our tenants are able to come back to business as soon as possible. Second, make sure we minimize the absolute cost of rent relief to our Company. Third, ensure that our accounts receivable remain in check.

In addition, I want to highlight that beyond the rent relief in the form of discounts and deferrals, we have also added a provision for future discounts and deferrals in our P&L that goes beyond what we would have been required to register in our books this quarter. We have done so out of prudence, given we are still navigating choppy waters.

Furthermore, we have reigned in operating expenses, and we are running a larger amount of interest expense through our P&L (as a result of some of our development properties becoming operational from an accounting standards point of view). But despite all of this, we still generated healthy and strong FFO.

I am more convinced than ever before that diversification is one of our core strengths and that we will emerge even stronger once this stress is over. After all the dust from the second quarter settled, we have been able to maintain positive FFO. Again, I believe these results are strong!

It is because of the depth of experience and knowledge that our management team has acquired through past crises that we have been able to show such a strong set of results in the midst of this crisis. But the good news does not stop here. I am also pleased to announce that we have reached an agreement to sell properties for approximately US\$ 100 million at a Price to NAV of approximately 1.44x. Furthermore, from cost of investment to sale, the P/NAV ratio is 1.89x. We continue to work on additional asset recycling opportunities, and note this sale occurred after the close of the quarter so it will be recorded in the 3Q20 results.

On yet another post quarter announcement, we signed a long-term lease for new logistics space to one of the global leaders in e-commerce. The space is located at Fibra Uno's brand-new development, at the *Tepozpark* facility. The lease will cover almost entirely one of the 500,000 sqf modules under development, which represents a significant portion of the GLA in the first phase of development at this park. This highlights that we continue to work on all fronts at our company. It is the consistent hard work of all members of the FUNO team that enable us to deliver such outstanding results in operations, finances, M&A, leasing, development and all aspects of our business.

Furthermore, after the quarter closed, we were able to re-tap our 2030 and 2050 bonds for a total amount of US\$650 million. We will use the entirety of these funds to repay short term debt and further extend our debt maturity profile. The transaction was 3.4x oversubscribed in the midst of what has been described to us as one of the worst crises in the history of mankind, and certainly in recent history.

I am proud of our company's ability to navigate this storm, and I am sure that we will be able to come out of this strengthened. We need to re-invent ourselves and adapt to changing environment to emerge even stronger than before.

Lastly, I would like to comment on the distribution. After careful analysis of the business environment and our Company's results from operations, and very strong liquidity position, we have decided to payout 110% of this quarter's FFO. To fund it, we will be using cash generated in this quarter as well as cash from the retained earnings from 1Q20.

Thank you for supporting our company. We stand with our tenants, with our investors, with our suppliers and with our team. We will continue to work even harder to ensure FUNO delivers the best possible results.

Sincerely,

André El-Mann

CEO, FUNO

Quarterly Relevant Information

Financial Indicators

						Δ%	Δ%
	2Q20	1Q20	4Q19	3Q19	2Q19	2Q20vs1Q20	2Q20vs2Q19
FINANCIAL INDICATORS							
Total Revenues (Pre- COVID-19 effects)	5,248.2	5,169.2	5,093.1	4,755.9	4,736.9	1.5%	10.8%
COVID-19 Reliefs	-251.0						
COVID-19 Reserves	-699.0						
Total Revenues (post COVID-19 support)	4,298.3	5,169.2	5,093.1	4,755.9	4,736.9	-16.8%	-9.3%
Rental revenues ⁽¹⁾	3,886.2	4,637.9	4,567.7	4,269.8	4,227.6	-16.2%	-8.1%
Net Operating Income (NOI)	3,245.0	4,160.1	4,024.0	3,774.6	3,747.3	-22.0%	-13.4%
NOI Margin over total revenue ⁽²⁾	75.5%	80.5%	79.0%	79.4%	79.1%	-5.0%	-3.6%
NOI Margin over properties' rental revenue ⁽³⁾	83.5%	89.7%	88.1%	88.4%	88.6%	-6.2%	-5.1%
Funds from Operations (FFO)	1,003.4	2,281.8	2,475.6	2,220.7	2,206.2	-56.0%	-54.5%
FFO Margin	22.3%	49.2%	54.2%	52.0%	52.2%	-26.9%	-29.9%
PER CBF I							
NOI ⁽⁴⁾	0.8261	1.0590	1.0244	0.9642	0.9633	-22.0%	-14.2%
FFO ⁽⁴⁾	0.2554	0.5809	0.6302	0.5672	0.5671	-56.0%	-55.0%
AFFO ⁽⁴⁾	0.2554	0.5809	0.6302	0.5699	0.5671	-56.0%	-55.0%
Distribution ⁽⁵⁾	0.2810	0.2904	0.5899	0.5850	0.5836	-3.3%	-51.9%
CBFIs							
Total outstanding average during the period ⁽⁶⁾	3,928.2	3,928.2	3,928.2	3,914.9	3,890.1	0.0%	1.0%
Total outstanding at the end of the period ⁽⁶⁾	3,928.2	3,928.2	3,928.2	3,928.2	3,890.1	0.0%	1.0%
OPERATIONAL INDICATORS							
Total GLA ('000 m ²) ⁽⁷⁾	10,354.4	10,242.9	10,130.4	8,744.6	8,730.0	1.1%	18.6%
Number of operations ⁽⁸⁾	647	643	641	560	560	0.6%	15.5%
Average contract term (years)	4.2	4.2	4.2	4.2	4.2	1.4%	0.2%
Total Occupancy	93.8%	94.5%	94.5%	94.3%	95.2%	-0.7%	-1.4%
GLA under development ('000 sqm) ⁽¹⁰⁾	499.7	499.7	508.5	508.5	508.5	0.0%	-1.7%
JV's under development ('000 sqm) ⁽⁹⁾	191.1	201.1	201.1	263.4	263.4	-5.0%	-27.4%

(1) Includes revenues from Torre Diana, Torre Mayor and Antea Trust's rights

(2) NOI/Total Revenues

(3) NOI/Rental Revenues

(4) Calculated with the average CBFIs of the period.

(5) Calculated with the CBFIs eligible for distribution: 3,928,194,243

(6) Million of CBFIs

(7) Includes total GLA of Torre Mayor, Torre Latino, Torre Diana and Antea. As well as *In service GLA*

(8) Number of operations by segment. Our total number of properties is 620

(9) Includes Mitikah development. Adjusted GLA by area leased to SEP at Centro Bancomer.

(10) Includes *Galerias Valle Oriente*'s expansion

Figures in million pesos

Breakdown of NOI margin over property revenues:

Figures in million pesos

						Δ%	Δ%
	2Q20	1Q20	4Q19	3Q19	2Q19	2Q20vs1Q20	2Q20vs2Q19
Rental Revenues ⁽¹⁾	4,662.2	4,547.5	4,476.2	4,177.2	4,138.7	2.5%	12.6%
COVID-19 Reliefs	-237.5						
COVID-19 Reserve	-606.6						
Rental Revenues ⁽¹⁾ (post- COVID-19 support)	3,818.1	4,547.5	4,476.2	4,177.2	4,138.7	-16.0%	-7.7%
Dividend	91.4	90.4	91.5	92.6	88.9	1.1%	2.8%
COVID-19 JV reliefs	-23.3						
Dividend (post- COVID-19 support)	68.1	90.4	91.5	92.6	88.9	-24.6%	-23.4%
Management fees	34.3	48.0	40.3	43.6	65.8	-28.6%	-47.9%
Total property Income	3,920.5	4,685.9	4,608.1	4,313.4	4,293.4	-16.3%	-8.7%
Administrative Expenses	-426.1	-387.3	-354.3	-298.9	-291.1	10.0%	46.4%
Tenant Reimbursements - operating expenses	63.2	63.5	-10.6	-31.4	-74.0	-0.5%	-185.5%
COVID-19 OPEX reliefs	-13.4						
COVID-19 OPEX reserve	-92.3						
Tenant Reimbursements - operating expenses	-42.5	63.5	-10.6	-31.4	-74.0	-167.0%	-42.5%
Property taxes	-138.4	-133.6	-152.6	-143.0	-116.3	3.6%	19.0%
Insurance	-68.4	-68.4	-66.6	-65.5	-64.8	0.0%	5.6%
Total Operating Expenses	-675.5	-525.8	-584.1	-538.8	-546.1	28.5%	23.7%
NOI (pre-COVID-19 effects)	4,218.2	4,160.1	4,024.0	3,774.6	3,747.3	1.4%	12.6%
NOI (Post COVID-19 support)	3,245.0	4,160.1	4,024.0	3,774.6	3,747.3	-22.0%	-13.4%
NOI margin over Rental revenues (pre-COVID-19 effects)	88.7%	89.7%	88.1%	88.4%	88.6%	-1.0%	0.1%
NOI margin over Rental revenues (Post COVID-19 support)	83.5%	89.7%	88.1%	88.4%	88.6%	-6.2%	-5.1%

(1) NOI margin over property revenues includes dividend over rent related to fiduciary rights

Quarterly MD&A

The results below show the comparison between the second quarter of 2020 and first quarter of 2020 with some year over year highlights:

Revenues

FUNO's total revenues decreased Ps. 871 million to Ps. 4,298.3 million or 16.8% below 1Q20. This is mainly attributed to the combination of:

- i. Rent reliefs granted related to COVID-19 during the quarter for Ps. 251.0 million.
- ii. COVID-19 reserve for future rent reliefs for Ps. 699.0 million.
- iii. Variable rents and kiosks rents decrease.
- iv. A lower occupied gross leasable area.
- v. New additional revenues from new properties such as *Tajuelos II*, *Guadalajara Park* and *La Presa*.
- vi. The effect of rent increases in active contracts as well as renewals at higher rental rates.
- vii. The occupancy rate increase in the *In Service* properties which are in their ramp-up phase.

Occupancy

FUNO's total occupancy at the close of 2Q20 was 93.8%, a decrease of 70 bps compared to the previous quarter.

- i. Retail recorded a 92.2% occupancy rate, 80 bps below 1Q20.
- ii. Industrial recorded a 96.2% occupancy rate, 70 bps below 1Q20.
- iii. Office recorded an 81.8% occupancy rate, 120 bps below 1Q20.
- iv. Others recorded a 99.7% occupancy, stable compared to 1Q20.
- v. "*In Service*" properties occupancy increased from 71.2% to 74.5%, a 330 bps increase due to the recent inclusion of *the Medical Tower* to this category as well as the success in demand of properties recently developed by FUNO.

Operating Expenses, Property Taxes and Insurance

Operating expenses increased by Ps. 0.5 million, or 0.1% from 1Q20, mainly due to a cut in marketing expenses and other non-essential expenses reflected since 1Q20 This as a preventive measure given the effects of the COVID-19 pandemic.

Insurance expenses remained stable at Ps. 68.4 million.

Property taxes increased by Ps. 4.8 million, or 3.6%, mainly due to new acquisitions and properties that recently started operations.

Net Operating Income (NOI)

NOI decreased during 2Q20 by Ps. 915.1 million, or 22.0% from 1Q20, to Ps. 3,245.0 million. NOI margin calculated over property revenues was 83.5%⁽¹⁾ and 75.5% over total revenues. Excluding COVID-19 effects NOI would have increased 1.4% with margins of 88.7% and 80.4% respectively.

Interest Expense and Income

Net interest expense increased by Ps. 376.5 million, or 23.3% compared to 1Q20, mainly due to:

- i. The drawn down of 50% of our committed credit line for Us. 204.6 million and Ps. 6,736.5 million.
- ii. The decrease in Ps. 260.2 million in the interest's capitalization of the period as a consequence of development's completion and acquisitions in previous periods, which dropped from Ps. 453.1 to Ps. 192.9 million.
- iii. The income from cash investments related to the resources from our revolving credit line and the non-distributed cash from 1Q20.
- iv. The decrease in the total dollar-denominated debt due to the exchange rate appreciation as FX went from 24.2853 to 23.1325 pesos per US dollar.

Funds from Operations (FFO)

As a result of the above, the funds from operations controlled by FUNO decreased by Ps. 1,278.4 million, or 56.0% from 1Q20, to Ps. 1,003.4 million.

Adjusted Funds from Operations (AFFO)

FUNO's AFFO decreased by Ps. 1,278.4 million, or 56.0% from 1Q20, totaling Ps. 1,003.4 million.

FFO and AFFO per CBFi

During the second quarter of 2020, Fibra Uno did not repurchase any CBFIs. The FFO and AFFO per average CBFi⁽²⁾ were Ps. 0.2554 in both cases.

Balance Sheet

Accounts Receivable

- i. Accounts receivable in 2Q20 totaled to Ps. 2,289.3 million, increasing by Ps. 331.1 million, or 16.9% from the previous quarter. This mainly due to deferred payment agreements with some clients as well as delayed payments of some tenants as a consequence of COVID-19 pandemic.

Investment properties

The value of our investment properties increased by Ps. 10,555.9 million from 1Q20, including investments in associates, as a result of the following:

- i. Asset revaluation, including investments in associates.
- ii. Acquisition of *Tajuelos II*, *Guadalajara Park* and *La Presa* for Ps. 1,118.1 million.
- iii. Normal progress in the construction of projects under development.

Debt

Net debt in 2Q20 totaled Ps. 122,852.6 million, compared to Ps. 125,067.2 million recorded in the previous quarter. This variation is mainly due to:

- i. Net increase in bilateral credit lines for Ps. 1,000 million for advance acquisitions payments and investment in properties under development.
- ii. Exchange rate appreciation (FX went from 24.2853 to 23.1325 pesos per US dollar).
- iii. The company's LTV for the quarter is 45.1%. However, adjusting for the Us. 204.6 million and Ps. 6,736.5 million resources from the revolving credit facility which are in cash, the LTV would be **42.9%**

Total Equity

Total equity increased by Ps. 11,582.9 million, or 7.8% (including participation of controlling and non-controlling interests) in 2Q20 compared to the previous quarter as a result of:

- i. Net income generated from quarterly results.
- ii. Derivatives valuation.
- iii. Shareholders' distribution related to 1Q20 results.
- iv. Provision for the Executive Compensation Program (ECP).

Operating results

Leasing spread:

Leasing spread in pesos was 580 bps in the office segment, 520 bps in the retail segment, and 510 bps in the industrial segment (all compared with the peso inflation rate). Contracts denominated in dollars had a leasing spread versus dollar inflation of 180 bps in the retail segment, -10 bps in the industrial segment and of -530 bps for the office segment.

For more detail see page 21.

Constant Properties:

The rental price per square meter increase in constant properties was 340 bps above annual weighted average inflation of 2.72% compared to 2Q19.

For more detail see page 16.

Subsegment:

At the subsegment level, we can see that the total rent per square meter of the company decreased from Ps. 178.6 to Ps. 177.1. This is mainly due to the exchange rate variation which was not offset by a positive leasing spreads above inflation. The total NOI for the quarter decreased 0.8% compared to previous quarter. The variations are mainly due to:

- a) For the Industrial segment, the Logistics and Light Manufacturing subsegments' NOI increased by 13.8% and 17.0% respectively. Mainly due to the acquisition of new properties.
- b) The Office segment's NOI increased by 11.7% due to the stabilization of properties in *ramp-up* phase that are achieving stabilized status as well as some lease cancellation penalty fees.
- c) In the Retail segment, the Stand-alone subsegment's NOI remained stable with an increase of 0.3%. Fashion mall and Regional center subsegments decreased 13.7% and 16.9% respectively, mainly due to COVID-19 related rent reliefs granted to our tenants.
- d) Others segment's NOI dropped 16.2% mainly due to a decrease in variable rents as well as rent reliefs for our tenants related to COVID-19.

For more details see page 24.

NOI and FFO Conciliation

Figures in million pesos

						Δ%	Δ%
	2Q20	1Q20	4Q19 ⁽³⁾	3Q19	2Q19	2Q20vs1Q20	2Q20vs2Q19
Rental revenues	3,886.2	4,637.9	4,567.7	4,269.8	4,227.6	-16.2%	-8.1%
Total Revenues	4,298.3	5,169.2	5,093.1	4,755.9	4,736.9	-16.8%	-9.3%
- Administrative Expenses	-426.1	-387.3	-354.3	-298.9	-291.1	10.0%	46.4%
- Operating Expenses	-420.3	-419.8	-495.6	-473.8	-517.5	0.1%	-18.8%
- Property Taxes	-138.4	-133.6	-152.6	-143.0	-116.3	3.6%	19.0%
- Insurance	-68.4	-68.4	-66.6	-65.5	-64.8	0.0%	5.6%
- +/- Non-Recurring Items	0.0	0.0	0.0	0.0	0.0	0.0%	0.0%
Net Operating Income (NOI)	3,245.0	4,160.1	4,024.0	3,774.6	3,747.3	-22.0%	-13.4%
Margin over Total Revenues	75.5%	80.5%	79.0%	79.4%	79.1%	-5.0%	-3.6%
Margin over Rental Revenues	83.5%	89.7%	88.1%	88.4%	88.6%	-6.2%	-5.1%
FFO and AFFO Reconciliation							
Consolidated Comprehensive Net Income	13,357.8	-15,059.4	6,442.8	1,970.2	5,473.5	-188.7%	144.0%
+/- Fair Value Adjustments	-8,681.9	10.8	-2,163.1	-1,072.3	-3,225.5	-80309.4%	169.2%
+/- Foreign Exchange Variation, Net	-3,344.8	15,389.4	-1,861.4	953.9	-160.6	-121.7%	1983.0%
+/- Valuation Effect on Financial Instruments	-287.8	1,829.1	-205.1	117.3	-108.8	-115.7%	164.5%
+ Banking Commissions Amort.	29.2	83.0	51.3	43.6	58.8	-64.8%	-50.4%
+ Provision for the EPC	-32.4	62.0	142.0	244.8	107.4	-152.2%	-130.1%
+ Administrative Platform Amort.	25.5	25.5	25.5	25.5	25.5	0.0%	0.0%
Participation non-controlling	-62.4	-50.4	-14.8	-51.8	-37.0	23.8%	68.6%
+/- Other(income/expenses)	0.0	-8.4	58.2	0.0	72.8	-100.0%	-100.0%
+/- Gain from sales of investment properties	0.0	0.0	0.0	-10.6	0.0	0.0%	0.0%
FFO	1,003.4	2,281.8	2,475.6	2,220.7	2,206.2	-56.0%	-54.5%
+ Gain from sales of investment properties	0.0	0.0	0.0	10.6	0.0	0.0%	0.0%
AFFO	1,003.4	2,281.8	2,475.6	2,231.3	2,206.2	-56.0%	-54.5%
PER CBFi							
NOI ⁽¹⁾	0.8261	1.0590	1.0244	0.9642	0.9633	-22.0%	-14.2%
FFO ⁽¹⁾	0.2554	0.5809	0.6302	0.5672	0.5671	-56.0%	-55.0%
AFFO ⁽¹⁾	0.2554	0.5809	0.6302	0.5699	0.5671	-56.0%	-55.0%
Distribution ⁽²⁾	0.2554	0.2904	0.5899	0.5850	0.5836	-12.1%	-56.2%

(1) Calculated using the average CBFIs in the period (see page 6).

(2) Distribution/CBFI is calculated based on CBFIs eligible for distribution.

(3) Based on audited financial statements.

NAV Calculation:

NAV is the “net asset value”, including, but not limited to investment properties’ value after liabilities and obligations are deducted. For the valuation of investment properties, the different independent appraisers use three different methodologies: rent capitalization, replacement cost and comparable transactions. It is also worth noting that appraisers do not use an average of these methodologies. Instead, depending on the characteristics of a given property they vary the weight of each methodology as appropriate. Our assets appraisals are done through an independent appraiser once a year, while we conduct an internal estimated adjustment on a quarterly basis.

Properties under development and land are valued at cost.

Following the FUNO’s NAV calculation breakdown for 2Q20:

NAV FUNO	Ps. (000’s)
Total controlling interest	156,851
Non-controlling interest	4,106
Total Net Asset Value	160,958
CBFIs (million)	3,928.2
NAV/CBFI*	\$ 40.97

CAP RATE	Ps. (000’s)
NOI ⁽¹⁾ (last quarter x 4) ⁽¹⁾	16,505
Investment completed	242,505
Investments in associates	8,068
Rights over properties with operating leases	3,034
Total operating properties ⁽²⁾	253,607
CAP RATE	6.5%

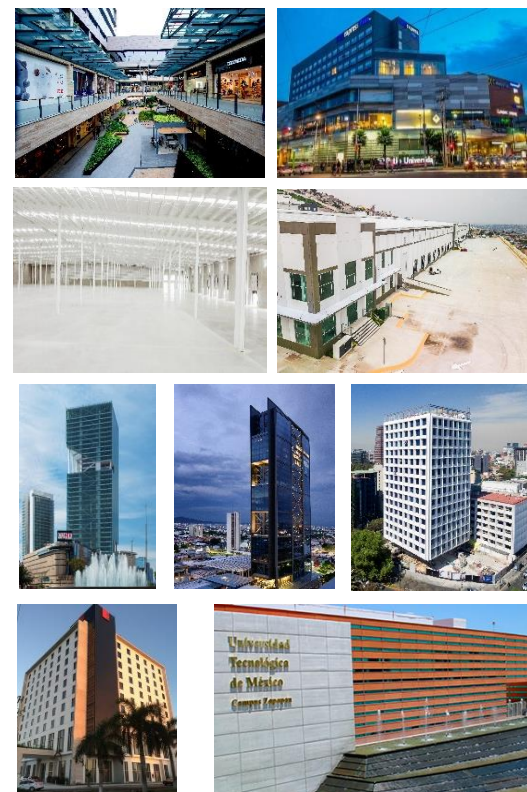
Note: Within the portfolio, there are several properties that are not yet generating their potential stabilized cashflow; adding 100% in value but only partially reflecting their expected cashflow. Among these are: *La Viga*, *La Isla Cancun II*, *Torre M (Mitikah)*, *Mariano Escobedo*, *Midtown Jalisco*, *Torre Cuarzo*, etc. In the same way, the COVID-19 supports granted to our tenants caused a temporal NOI decrease. Considering all of these factors, we believe FUNO’s stabilized Cap Rate should be higher than the one presented here.

(1) NOI at property level (see page 24)

(2) Includes “In service” properties and fair value of Centro Bancomer. Excludes land and properties under development.

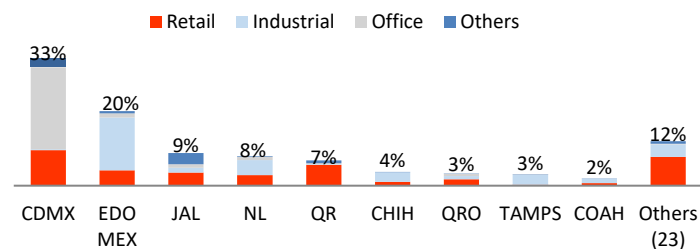
Portfolio Summary

	2Q20	1Q20	4Q19	3Q19	2Q19	Δ% 2Q20vs1Q20	Δ% 2Q20vs2Q19
Retail							
Total GLA ('000 sqm)	2,792.8	2,790.7	2,751.3	3,402.5	3,398.6	0.1%	-17.8%
Number of operations ⁽¹⁾	147	147	146	348	348		
Average contract term (years)	4.3	4.4	4.5	5.4	5.3		
Total Occupancy	92.2%	93.0%	93.3%	94.3%	94.4%	-0.8%	-2.2%
Industrial							
Total GLA ('000 sqm)	5,558.8	5,459.5	5,423.8	4,130.5	4,118.9	1.8%	35.0%
Number of operations ⁽¹⁾	194	191	191	116	116		
Average contract term (years)	3.7	3.7	3.7	3.5	3.5		
Total Occupancy	96.2%	96.9%	96.6%	97.1%	97.3%	-0.7%	-1.1%
Office							
Total GLA ('000 sqm)	1,309.9	1,299.9	1,274.9	1,211.6	1,212.5	0.8%	8.0%
Number of operations ⁽¹⁾	100	99	99	96	96		
Average contract term (years)	4.1	4.4	4.3	3.5	3.4		
Total Occupancy	81.8%	83.0%	83.6%	83.8%	89.0%	-1.2%	-7.2%
Others							
Total GLA ('000 sqm)	692.9	692.9	680.4			0.0%	100.0%
Number of operations ⁽¹⁾	206	206	205				
Average contract term (years)	7.9	6.7	6.8				
Total Occupancy	99.7%	99.7%	99.7%			0.0%	100.0%



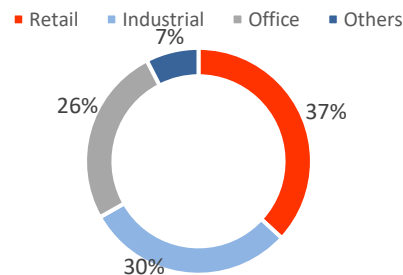
Revenues by Geography

(% ABR, as of 2Q'20)



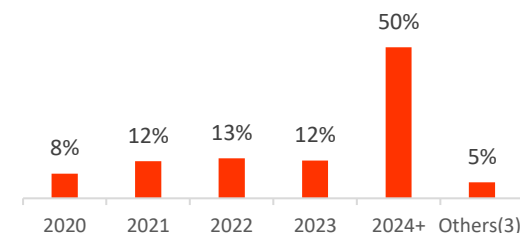
Revenues by Segment⁽²⁾

(% ABR, As of 2Q'20)



Lease Expiration Profile

(% ABR, al 2Q'20)



1) Number of operations by segment. The number of properties is 620. (2) It considers revenues for signed contracts and 100% of the revenues derived from the fiduciary rights of Torre Mayor, Torre Diana and Antea, as well as 100%, of the rents at Torre Latino. (3) Statutory leases.

“In Service” Properties

The following tables show FUNO’s occupancy by segment at the close of 2Q20, excluding “In Service” properties:

SEGMENT	2Q20		IN SERVICE SQM	TOTAL SQM	% OCCUPANCY
	AVAILABLE SQM	OCCUPIED SQM			
RETAIL	213,152	2,521,055	58,630	2,792,836	92.2%
INDUSTRIAL	209,989	5,348,796		5,558,786	96.2%
OFFICE	201,515	904,739	203,643	1,309,896	81.8%
OTHERS	1,916	690,958		692,875	99.7%
TOTAL	626,571	9,465,548	262,273	10,354,393	93.8%

In terms of the “In Service” properties, the occupancy rate at the close of 2Q20 was the following:

SEGMENT	AVAILABLE SQM	OCCUPIED SQM	TOTAL SQM	% OCCUPANCY 2Q20	VS 1Q20
RETAIL	16,980	41,650	58,630	71.0%	0.1%
INDUSTRIAL	0		0	n/a	n/a
OFFICE	49,852	153,791	203,643	75.5%	8.8%
OTHERS	0	0	0	n/a	n/a
TOTAL	66,832	195,442	262,273	74.5%	3.3%

Note: The following properties comprise our *In Service* category: *Torre Cuarzo*, *Midtown Jalisco* (only office’s GLA), *Guanajuato*, *Mariano Escobedo*, *La Viga*, *La Isla Cancun II* (only retail’s GLA), *Torre M* (Mitikah) and recently added *Medical Tower* (Mitikah).

CONSTANT PROPERTY RENTS

ANNUAL REVENUES AT CONSTANT PROPERTIES				
Segment	2Q19 (Ps.) 000's	2Q20 (Ps.) 000's	% Variation	
INDUSTRIAL	\$ 4,071.5	\$ 4,500.5	10.5%	
RETAIL	\$ 9,190.2	\$ 9,421.1	2.5%	
OFFICE	\$ 4,333.7	\$ 4,819.7	11.2%	
Total	\$ 17,595.4	\$ 18,741.3	6.5%	

OCCUPANCY AT CONSTANT PROPERTIES			
Segment	2Q19	2Q20	% Variation
INDUSTRIAL	97.3%	96.7%	-0.6%
RETAIL	94.4%	93.7%	-0.8%
OFFICE	84.3%	82.1%	-2.2%
Total	94.4%	93.5%	-0.9%

TOTAL GLA AT CONSTANT PROPERTIES			
Segment	2Q19	2Q20	% Variation
INDUSTRIAL	4,153,063	4,191,428	0.9%
RETAIL	3,354,871	3,397,485	1.3%
OFFICE	1,207,838	1,214,588	0.6%
Total	8,715,772	8,803,501	1.0%

\$ /SQM AT CONSTANT PROPERTIES					
Segment	2Q19 (Ps.)	2Q20 (Ps.)	% Var. \$ / M2	Spread vs inflation @ 2.7%	
INDUSTRIAL	\$ 84.1	\$ 92.6	10.1%	7.3%	
RETAIL	\$ 241.7	\$ 246.7	2.1%	-0.7%	
OFFICE	\$ 362.0	\$ 404.1	11.6%	8.9%	
Total	\$ 178.8	\$ 189.8	6.2%	3.4%	

During the second quarter of 2020, FUNO recorded an increase in same-store rents of 6.5% compared to the same quarter of last year. The segment with the largest increase in the period was the office segment with 11.2%, followed by industrial with 10.5%, and retail with 2.5%. These increases were mainly impacted by lease renewals at rates above inflation throughout the year as well as leasing activity of the *In Service* properties.

Total occupancy rate for constant properties decreased 90 bps YoY. The office segment decreased 220 bps, the retail segment decreased 80 bps and the industrial segment decreased 60 bps. The drop in occupancy is mainly due to the effects of the COVID-19 pandemic as well as the newly added sqm from *In Service* properties which are still in ramp-up phase.

Total gross leasable area (GLA) increased 1.0% YoY. The retail segment recorded the highest growth at 1.3%, followed by the industrial segment with a growth of 0.9% and office segment with 0.6%. The overall growth is related to the inclusion of *In Service* Properties that have at least one year operating, as well as constant expansions made to meet tenants' needs.

In terms of rents per square meter, the segment with the highest annual growth rate was office with 8.9%, followed by the industrial segment with a growth rate of 7.3% and the retail segment with a decrease of 0.7%.

The global growth in price per square meter for constant properties compared with the annual weighted average inflation rate was 3.4%.

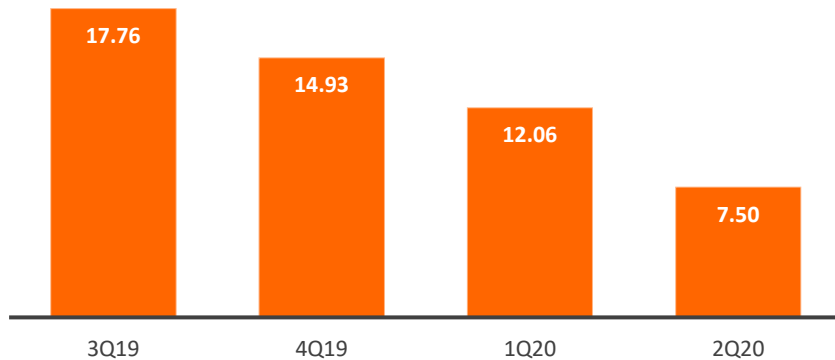
ESG Performance

Sustainability at FUNO® goes hand in hand with our financial performance and we see it as one encompassing corporate strategy where the results of one, directly impacts the results of the other.

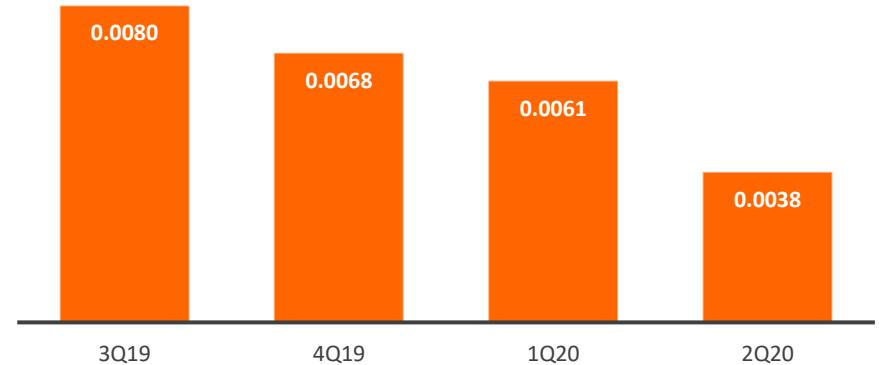
Hence, since our 1Q20 report, we started reporting-on our quarterly progress on 11 material indicators related to environment and social issues. We selected these indicators not only based on our materiality analysis, but also based on where we can rely on the timely reporting from suppliers and other involved stakeholders. Hence, even though water and waste are material to our operations, we cannot assure data will be made available each quarter on time, in order to be reported.

Environmental Data

Energy intensity ⁽¹⁾⁽²⁾⁽⁴⁾
[TonCO₂e/occupied sqm]



Emissions intensity ⁽¹⁾⁽²⁾⁽³⁾
[TonCO₂e/occupied sqm]



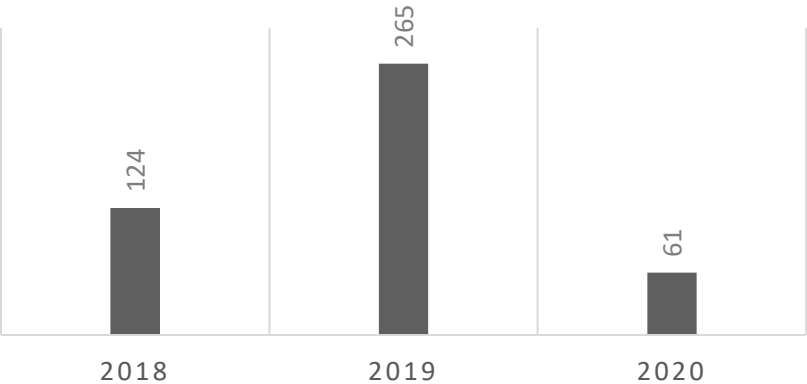
Energy intensity: measures the efficiency of Kilowatt hour consumed per occupied square meter

Emissions intensity: measures the efficiency in equivalent CO₂ tonnes emitted per occupied square meter

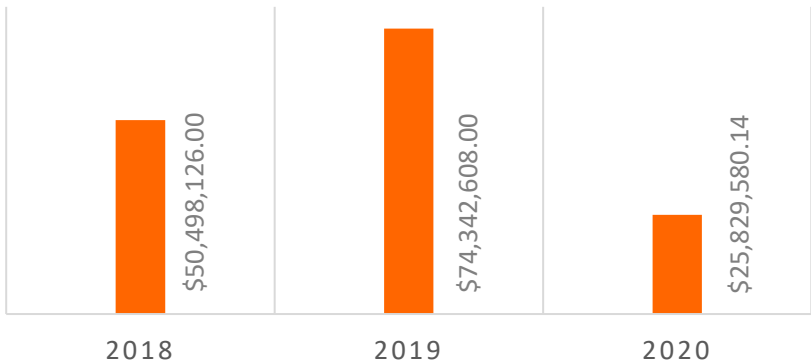
Intensity measures are a Real Estate best practices, and a productivity measure, since it helps determine the amount of resources required by FUNO®, in order to operate and provide services to its tenants.

1. 2Q19, 3Q19 and 4Q19, we have considered the properties under operational control from January to December 2019.
2. Less occupancy, does not necessarily means less consumption, since there are basic services required for the operation and for the general comfort regardless of the number of tenants or visitors; however this reflects less productivity.
3. Reflects emissions for scope 2, using the emission factor officially published by Mexican Authorities ; available at: <https://www.gob.mx/cms/uploads/attachment/file/537538/2019.pdf>
4. The shown indicator were calculated based on the information available from CFE, any subsequent adjustment made by the supplier will be reflected in the annual indicator at the end of 2020..

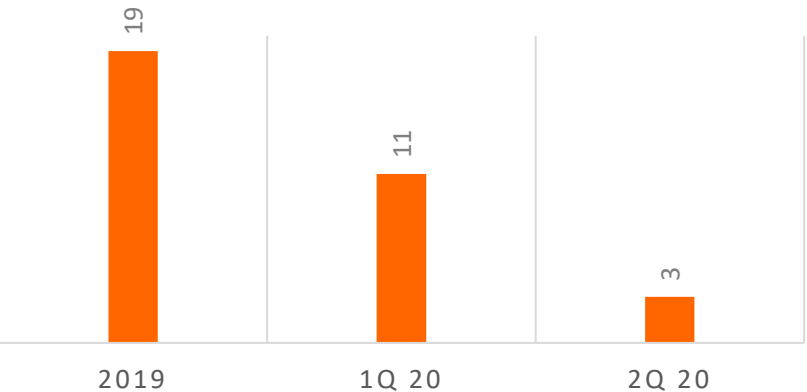
SOCIAL INITIATIVES



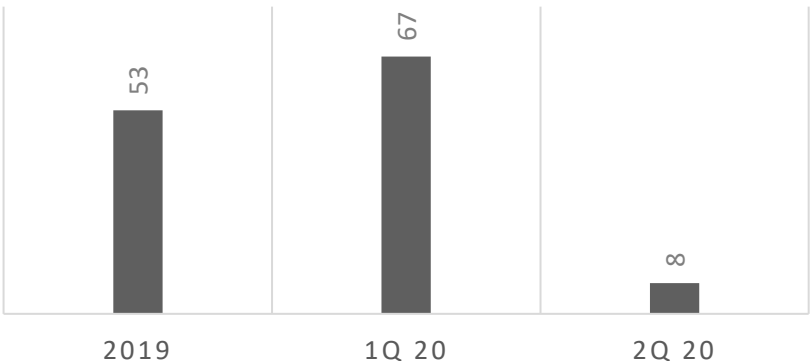
FINANCIAL DONATIONS



IN-KIND DONATIONS



SUPPORTED ORGANIZATIONS



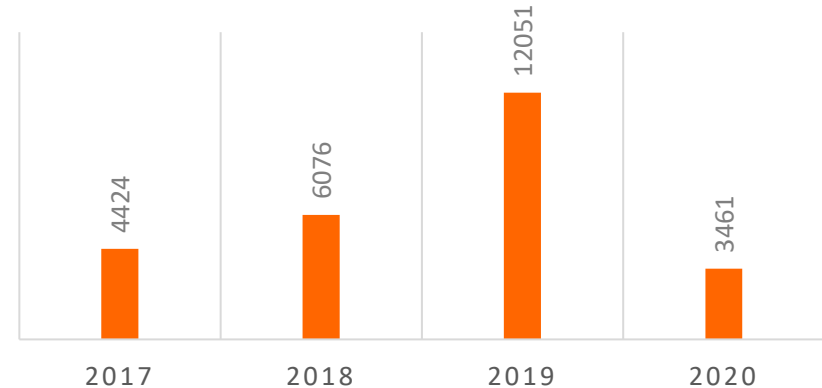
1. Social activities on-site aiming at promoting, health, education, environmental conservation, social inclusion, etc.
2. Considers financial contributions from FUNO® or its subsidiaries, directed at Civil Organizations, NGOs, Foundations or Civil Associations.
3. Considers in-kind goods or spaces donated to Civil Organizations, NGOs, Foundations or Civil Associations.
4. Total number of institutions benefited by any or all three of the above mentioned support programs.

Resultados ASG

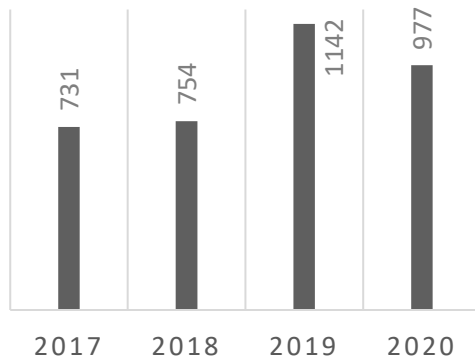
Social Performance

	1Q	2Q
Fatalities	0	0
Work related H&S incidents	13	7
Injury lost-days	137	121
FUNO employee turnover rate		1.42%
Subcontracted employees turnover		21.5%

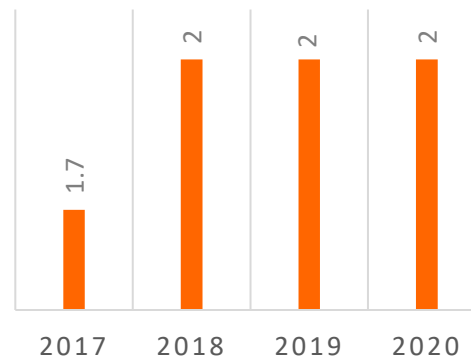
TOTAL TRAINING HOURS



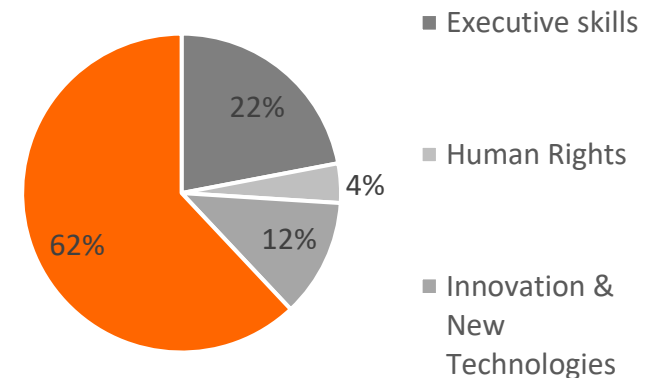
WORK FORCE



ABSENTEE RATE⁽¹⁾



TRAINING BY TOPIC



1. Absentee rate calculation: $\left[\frac{\text{Number of absentee days in the accounting period}}{\text{Total days scheduled to be worked in the accounting period}} \right] \times 100$

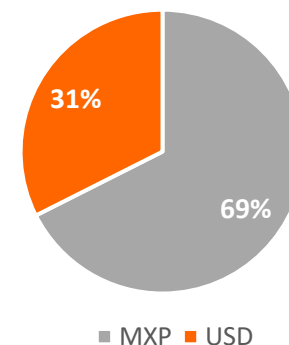
2. 2020 data has been calculated from January 1st – June 30th, 2020

Additional Information

Revenues by segment⁽³⁾

Segment	Revenues 1Q20	Revenues 2Q20	% Variation
Retail	2,402,129	1,962,939	-18.3%
Industrial	1,342,998	1,560,792	16.2%
Office	802,352	900,947	12.3%
COVID-19- reserve		-606,611	100.0%
TOTAL	4,547,480	3,818,067	-16.0%

Leases breakdown by currency



Acquisitions Pipeline

Segment	Investment (Ps. mm)	Stabilized NOI (Ps. mm)
Industrial	3,400 ⁽¹⁾	255.0
Retail	1,355	106.0
Office	0	0.0
Others	0	0.0
	4,755	361.0

Note: Refers to possible future acquisitions.

Asset Recycling Pipeline

Segment	Divestment ⁽²⁾ (Us. million)	Estimated closing date
Industrial	2,026	3Q20
Land	259	3Q20
Total	2,285	

(1) Down payment for Ps. \$650 million. (2) Transaction in USD. Exchange rate: 23.1325 (3) Included in segment revenues is the effect of variable income loss as well as COVID-19 relief negotiated with our tenants.

Leasing Spread Indicators by segment

Leasing Spread considers contracts that underwent changes compared to the same contracts from the previous year:

Currency	Segment	# cases	LEASE SPREAD 2Q20						
			Annualized revenues (000's)	2020 SQM	\$ / SQM 2019 (000's)	\$/SQM 2020 (000's)	% Var \$ / SQM 2020 vs 2019	Average inflation 12 months	% Variation vs Inflation
MXP	Retail	991	622,978	166,338	\$ 288.2	\$ 312.1	8.3%	3.1%	5.2%
	Industrial	74	484,362	508,379	\$ 73.4	\$ 79.4	8.2%	3.1%	5.1%
	Office	58	348,579	107,730	\$ 247.5	\$ 269.6	8.9%	3.1%	5.8%
USD	Retail	82	3,576	5,056	\$ 56.9	\$ 58.9	3.5%	1.7%	1.8%
	Industrial	22	11,179	180,514	\$ 5.1	\$ 5.2	1.6%	1.7%	-0.1%
	Office	16	3,756	18,483	\$ 17.6	\$ 16.9	-3.6%	1.7%	-5.3%

During the second quarter of 2020, the leasing spread above inflation in pesos (INPC), was 5.8% for the office segment, 5.2% for the retail segment and 5.1% for the industrial segment.

For dollar-denominated leases, the retail segment increased 1.8%, the industrial segment decreased 0.1%, and the office segment decreased 5.3%. All compared to US CPI inflation. The exchange rate which went from 24.2853 to 23.1325 (+ 4.7 %) pesos per US dollar was the main obstacle to achieve a USD positive leasing spread.

In general, all three segments continued to record stable growth in terms of the price per square meter for renewed contracts.

The leasing spread considers solely fixed rents. That is, if variable rents were to be included the spread could be higher.

Occupancy Rate by Portfolio

Portfolio	Properties ⁽¹⁾	Total GLA ⁽²⁾	Occupied GLA ⁽²⁾	Occupancy ⁽³⁾
INICIAL	17	718,293	671,552	93%
GRIS	1	78,643	78,643	100%
BLANCO	1	44,473	42,797	96%
AZUL	23	125,175	118,558	95%
ROJO	219	173,884	143,260	82%
SENDERO VILLAHERMOSA	1	23,877	20,972	88%
VERDE	1	117,786	117,786	100%
MORADO	16	546,214	485,547	89%
TORRE MAYOR	1	83,971	83,924	100%
PACE	2	43,593	43,593	100%
G30	32	2,031,151	1,931,009	96%
IND. INDUSTRIALES	2	77,604	76,195	98%
INDIVIDUALES	9	233,343	156,220	95%
VERMONT	34	529,871	483,001	91%
APOLO	47	930,622	894,634	96%
P12	10	91,464	72,366	79%
MAINE	6	160,261	152,765	95%

Portfolio	Properties ⁽¹⁾	Total GLA ⁽²⁾	Occupied GLA ⁽²⁾	Occupancy ⁽³⁾
CALIFORNIA	30	398,653	342,386	86%
ESPACIO AGS	1	22,531	22,082	98%
LA VIGA	1	73,314	33,237	65%
R15	5	335,708	248,916	91%
SAN MATEO	1	5,440	5,440	100%
HOTEL C. HISTORICO	1	40,000	39,544	99%
SAMARA	1	133,139	122,581	92%
KANSAS	12	369,200	331,783	90%
INDIANA	17	256,161	256,161	100%
OREGON	3	34,031	32,217	95%
ALASKA	6	124,036	114,890	93%
TURBO	18	488,102	431,464	93%
APOLO II	16	236,865	231,070	98%
FRIMAX	3	263,759	263,759	100%
TITAN	76	1,262,457	1,191,627	94%
IND. HERCULES	4	122,082	119,526	98%
MITIKAH	3	178,690	106,041	100%
Total	620	10,354,392	9,465,548	93.8%



(1) Number of properties, (2) Excludes GLA under development and includes total GLA of Torre Mayor, Torre Diana and Antea. (3) Excludes the 262,273 sqm of *In Service* properties for occupancy calculation.

Portfolio Occupancy by Geography

STATE	OCCUPIED GLA ⁽¹⁾			
	RETAIL	INDUSTRIAL	OFFICE	OTHERS
AGUASCALIENTES	32,237	43,423	1,248	11,910
BAJA CALIFORNIA	-	184,514	4,054	9,025
BAJA CALIF. SUR	26,159	-	-	773
CAMPECHE	-	-	-	951
CHIAPAS	104,866	15,585	-	5,832
CHIHUAHUA	97,621	443,892	-	11,686
MEXICO CITY	497,955	44,934	709,224	196,115
COAHUILA	47,914	141,699	-	6,669
COLIMA	13,191	-	381	719
DURANGO	-	23,185	-	1,163
STATE OF MEXICO	445,816	2,671,469	74,665	64,988
GUANAJUATO	31,464	28,317	-	2,226
GUERRERO	57,060	-	-	4,838
HIDALGO	58,553	51,565	-	1,473
JALISCO	205,139	253,244	14,225	258,260
MICHOACAN	-	-	-	1,061

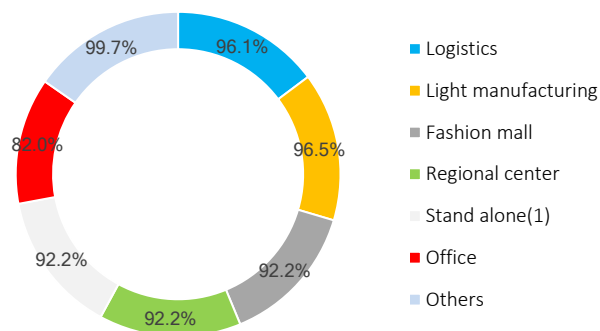
(1) Excludes GLA *In Service* and under development

STATE	OCCUPIED GLA ⁽¹⁾			
	RETAIL	INDUSTRIAL	OFFICE	OTHERS
MORELOS	13,393	4,627	-	23,221
NAYARIT	43,210	-	-	320
NUEVO LEON	201,283	637,337	39,442	15,349
OAXACA	27,242	-	-	6,197
PUEBLA	-	100,994	655	1,050
QUERETARO	82,691	187,728	27,484	2,244
QUINTANA ROO	213,513	28,732	14,316	23,711
SAN LUIS POTOSI	7,142	27,747	-	2,137
SINALOA	17,141	-	820	1,996
SONORA	71,278	15,959	5,711	10,187
TABASCO	20,972	-	-	300
TAMAULIPAS	20,849	413,045	3,528	6,660
TLAXCALA	35,362	-	-	-
VERACRUZ	79,026	-	5,014	8,191
YUCATAN	62,969	-	3,973	11,707
ZACATECAS	7,008	30,798	-	-
	2,521,055	5,348,796	904,739	690,958

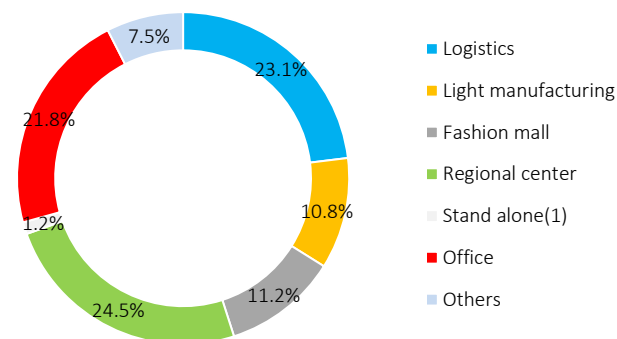
Summary by Subsegment

Subsegment ⁽³⁾	Total GLA ⁽⁵⁾ (000 m)	Occupied GLA ⁽⁵⁾ (000 m)	% Occupancy ⁽⁵⁾	\$/sqm/month (Ps.)	NOI ⁽⁴⁾ 2Q20 (Ps. 000)
Logistics	4,010.5	3,855.1	96.1%	87.1	951,221.3
Light manufacturing	1,539.0	1,484.5	96.5%	111.9	447,150.0
Fashion mall	613.2	565.5	92.2%	369.3	460,118.9
Regional center	1,934.9	1,784.2	92.2%	235.8	1,011,698.4
Stand alone ⁽¹⁾	174.6	161.0	92.2%	117.0	47,870.5
Office	1,126.9	924.4	82.0%	409.5	899,248.5
Others	692.9	691.0	99.7%	214.1	309,042.5
Total	10,092.1	9,465.5	93.8%	177.1	4,126,350.0

Occupancy by Subsegment
(% GLA) 2Q20



NOI by Subsegment
(% NOI) 2Q20



(1) Properties from the Red Portfolio are classified as *Others*, with the exception of Office buildings (2) Office NOI includes 100% of Centro Bancomer as we consolidate Mitikah; however, only 62% corresponds to FUNO. (3) Classification different from segment classification. (4) NOI at property level. (5) It does not consider *In Service SQM*.

Portfolio Under Development

Figures in million pesos

Greenfield Developments

Portfolio	Project	Segment	Final GLA (sqm)	CapEx to Date	Pending CapEx	Annualized Revenue Base (A)	Additional Estimated Revenues (B)	Annual- Total Estimated Revenues (A+B) ⁽¹⁾	Delivery Date
Frimax	Tepozpark	Industrial	352,340.5	1,078.2	3,121.8	0	362.9	362.9	1Q'21 ⁽²⁾
Turbo	Tapachula	Retail	32,248.0	498.0	392.5	0	100	100	TBD
Apolo II	Satelite	Retail/Office	60,400.0	341.6	1,473.5	0	209.4	209.4	TBD
Total			444,988.5	1,917.8	4,987.8	0.00	672.3	672.3	

Expansions/Re-developments⁽³⁾

Portfolio	Project	Segment	Final GLA (sqm)	CapEx to Date	Pending CapEx	Annualized Revenue Base (A)	Additional Estimated Revenues (B)	Annual- Total Estimated Revenues (A+B) ⁽¹⁾	Delivery Date
Kansas	Galerias Valle Oriente	Retail/Office/ Others	54,671	778.5	721.5	0	185	185	4Q'21

Helios Co-investment

Portfolio	Project	Segment	Final GLA (sqm)	CapEx to Date	Pending CapEx	Annualized Revenue Base (A)	Additional Estimated Revenues (B)	Annual- Total Estimated Revenues (A+B) ⁽¹⁾	Delivery Date
Mitikah	Mitikah ⁽⁴⁾	Retail/Office	265,104	5,455.6	3,671.4	0	1,767	1,767	2Q'24

(1) Assumes revenues from properties completely stabilized.

(2) Starting date for deliveries.

(3) The table under development only includes the most relevant projects.

(4) The mixed-uses project under development Mitikah, includes the portfolios of Colorado and Buffalo. The value of land is excluded.

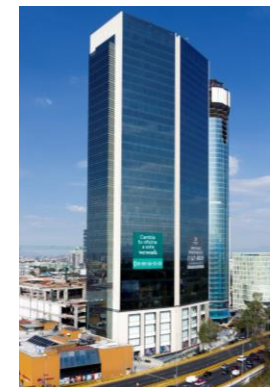
Helios Co-Investment

- Helios has committed a total of Ps. 3,800 million.
- A total of Ps. 5,455.6 million have been invested in the project, in addition to the reinvestment of condos' pre-sales proceeds and key money from retail spaces.
- Mitikah will have an approximate GLA of 337,410 m2 to be developed in two stages that are expected to be completed by 2024.



The financial information is summarized below:

Assets	30/06/2020	\$1,479,556
Investment properties		\$10,097,500
Current liabilities		\$2,919,098
Shareholders' equity attributed to Fibra UNO		\$5,367,934
Non-controlling participation		\$3,290,024
30/06/2020		
Annual Net Income		\$236,476
Annual Net income attributed to the non-controlling participation		\$89,861

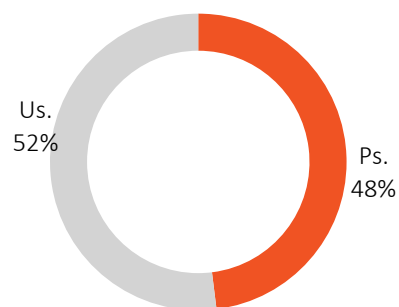


Credit Profile

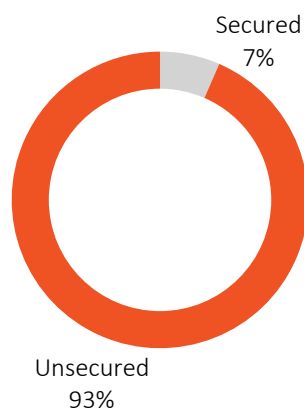
At the close of the quarter, FUNO was in full compliance with its public-debt covenants:

Metric	FUNO	Limit	Status
Loan-to-Value (LTV) ⁽¹⁾	45.1% ⁽³⁾	Lesser or equal to 60%	Compliant ✓
Secured debt limit	2.9%	Lesser or equal to 40%	Compliant ✓
Debt service coverage ratio	1.73x	Greater or equal to 1.5x	Compliant ✓
Unencumbered assets to unencumbered debt	213.8%	Greater or equal to 150%	Compliant ✓

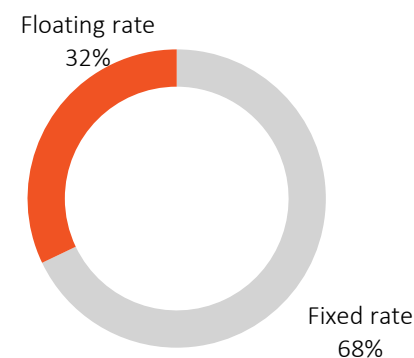
P.s. vs U.s.⁽²⁾



Secured vs Unsecured⁽²⁾



Fixed Rate vs Floating Rate⁽²⁾



(1) Considers the value of total assets excluding account receivable and intangibles

(2) Includes hedging effect of interest and foreign exchange rates

(3) Adjusting for resources from the revolving credit facility which are in cash, the LTV would be **42.9%**

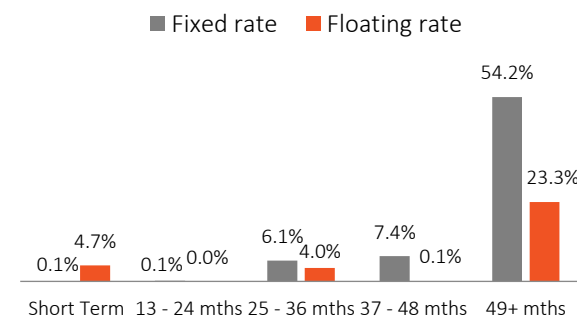
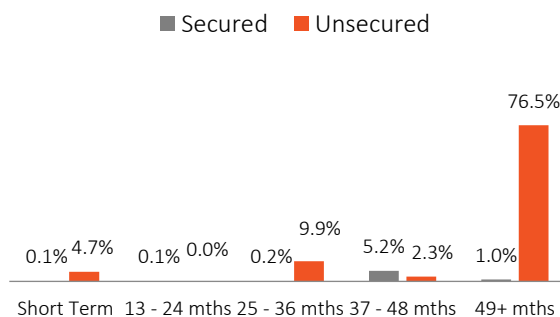
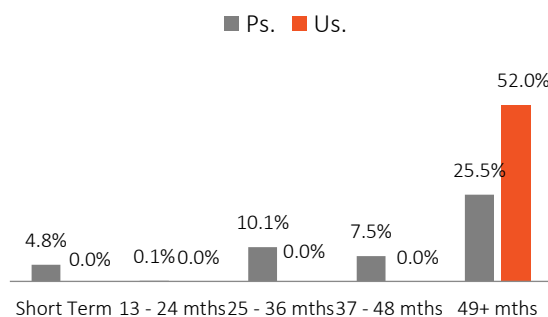
Compliance with CNBV Regulation (CNBV)

Metric *Figures in million pesos*

Liquid Assets ⁽²⁾	18,267.9
Operating income after distributions	16,471.6
Lines of Credit	13,825.1
Subtotal	48,564.6
Debt service	19,336.6
CapEx	6,112.8
Subtotal	25,449.4



	FUNO	Limite	Status	
Loan-to-Value (LTV)	44.5%	Lesser or equal to 50%	Compliant	✓
Debt coverage service ratio ⁽¹⁾	1.9x	Greater or equal to 1.0x	Compliant	✓



(1) Liquid assets + Operating income + lines of credit / Debt service + Estimated Capex for the following 18 months

(2) Includes cash and cash equivalents, refundable VAT and excludes restricted cash and reserve funds for bank loans

(3) Graphs include the hedging effect of interest and foreign exchange rates

All figures are in million pesos.

Quarterly distribution

- Following FUNO's commitment to constantly create value for its CBFi's holders, the Technical Committee approved a quarterly distribution of Ps. 1,103.7 million corresponding to the period starting April 1st, 2020 and ending June 30th, 2020. This equals Ps. 0.2810 per CBFi⁽¹⁾.
- Under the Mexican Law, FUNO is obliged to pay at least 95% of its taxable income at least once a year.
- Below is the detail of historic distribution payments:

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
1Q	0.0343	0.196	0.37	0.4366	0.4921	0.502	0.5154	0.5297	0.5806	0.2904
2Q	0.3022	0.3	0.41	0.4014	0.4934	0.4801	0.5115	0.5401	0.5836	0.2810
3Q	0.3779	0.4045	0.4504	0.4976	0.5005	0.4894	0.5166	0.555	0.5850	
4Q	0.3689	0.4216	0.48	0.489	0.5097	0.5116	0.5107	0.5755	0.5899	

(1) Distribution/CBFi is calculated based on CBFIs eligible for distribution: 3,928,194,243.

Financial Information

Balance Sheet

Figures in thousand pesos

Assets	Notes	30/06/2020	31/12/2019
Currents assets:			
Cash and restricted cash	3.	\$ 14,857,313	\$ 3,042,914
Lease receivables from tenants, net	4.	2,289,301	1,488,232
Other accounts receivable	5.	1,557,570	1,341,626
Accounts Receivable - Related Parties	13.	19,569	41,999
Refundable tax, mainly VAT		3,553,594	4,127,887
Short term pre-paid expenses		1,641,089	1,441,820
Total current assets		23,918,436	11,484,478
Non-current assets:			
Investment properties	6.	271,940,056	259,485,461
Investments in affiliates	7.	8,067,570	7,657,301
Other accounts receivable		1,262,464	1,262,464
Long term pre-paid expenses		745,560	792,432
Derivative Financial Instruments	10.	1,974,419	30,232
Other assets, net	8.	1,370,882	1,401,774
Total non-current assets		285,360,951	270,629,664
Total assets		309,279,387	282,114,142

Financial Information

Balance Sheet

Figures in thousand pesos

Liabilities and trustors' Net Asset Value	Notes	30/06/2020	31/12/2019
Short-term liabilities:			
Borrowings	9.	6,573,320	2,064,512
Accounts payable and accrued expenses	11.	4,523,920	3,821,965
Accounts payable due to acquisition of Investment Properties		926,236	926,235
Deferred revenues from Leases		255,516	387,735
Payables to related parties	13.	310,811	250,568
Total short-term liabilities		12,589,803	7,451,015
Long-term liabilities:			
Borrowings	9.	133,045,919	104,994,126
Payable to related parties		292,727	292,727
Deposits from tenants		1,318,775	1,162,532
Deferred revenues from Leases		622,964	611,953
Derivative Financial Instruments	10.	451,587	696,921
Total long-term liabilities		135,731,972	107,758,259
Total liabilities		148,321,775	115,209,274
Net Asset Value			
Beneficiaries' capital	14.	107,717,001	109,935,017
Retained earnings		47,554,204	50,675,000
Valuation of derivative financial instruments on cash flow hedging		(1,314,272)	(611,417)
Trust certificates repurchase reserve		2,894,230	2,894,230
Total Controlling interest		156,851,163	162,892,830
Non-controlling interest		4,106,449	4,012,038
Total Net Asset Value		160,957,612	166,904,868
Total liabilities and Net Asset Value		\$ 309,279,387	\$ 282,114,142

Financial Information

Income Statement

Figures in thousand pesos

Note	6 months as of 30/06/2020	3 months as of 30/06/2020	3 months as of 31/03/2020	6 months as of 30/06/2019	3 months as of 30/06/2019	3 months as of 31/03/2019
Investment property income	\$ 8,972,158	\$ 4,424,678	\$ 4,547,480	\$ 8,189,723	\$ 4,138,701	\$ 4,051,022
Reserve for Covid relieves	(606,611)	(606,611)	-	-	-	-
Maintenance revenues	953,454	470,126	483,328	897,118	443,499	453,619
Reserve for Covid relieves	(92,340)	(92,340)	-	-	-	-
Dividends of fiduciary rights' leases	158,570	68,146	90,424	167,403	88,922	78,481
Mangement fees, income	<u>82,277</u>	<u>34,272</u>	<u>48,005</u>	<u>85,883</u>	<u>65,814</u>	<u>20,069</u>
	<u>9,467,508</u>	<u>4,298,271</u>	<u>5,169,237</u>	<u>9,340,127</u>	<u>4,736,936</u>	<u>4,603,191</u>
Management fees, expenses	(403,965)	(189,373)	(214,592)	(443,179)	(220,256)	(222,923)
Administrative expenses	(813,417)	(426,131)	(387,286)	(580,972)	(291,060)	(289,912)
Operating expenses	(840,128)	(420,315)	(419,813)	(970,265)	(517,450)	(452,815)
Property taxes	(271,999)	(138,380)	(133,619)	(238,211)	(116,263)	(121,948)
Insurance	<u>(136,868)</u>	<u>(68,434)</u>	<u>(68,434)</u>	<u>(135,682)</u>	<u>(64,821)</u>	<u>(70,861)</u>
	<u>(2,466,377)</u>	<u>(1,242,633)</u>	<u>(1,223,744)</u>	<u>(2,368,309)</u>	<u>(1,209,850)</u>	<u>(1,158,459)</u>
Operating income	<u>7,001,131</u>	<u>3,055,638</u>	<u>3,945,493</u>	<u>6,971,818</u>	<u>3,527,086</u>	<u>3,444,732</u>
Interest expense	(3,756,912)	(2,112,454)	(1,644,458)	(2,770,103)	(1,433,846)	(1,336,257)
Interest revenue	<u>153,684</u>	<u>122,566</u>	<u>31,118</u>	<u>308,658</u>	<u>149,931</u>	<u>158,727</u>
Income after financial expenses	<u>3,397,903</u>	<u>1,065,750</u>	<u>2,332,153</u>	<u>4,510,373</u>	<u>2,243,171</u>	<u>2,267,202</u>

Financial Information

Income Statement

Figures in thousand pesos

	Note	6 months as of 30/06/2020	3 months as of 30/06/2020	3 months as of 31/03/2020	6 months as of 30/06/2019	3 months as of 30/06/2019	3 months as of 31/03/2019
Gain on sale of investment properties		-	-	-	40,000	-	40,000
Foreign exchange (loss) gain, Net		(12,044,603)	3,344,795	(15,389,398)	652,410	160,572	491,838
Valuation effect on financial instruments	11.	(1,541,352)	287,789	(1,829,141)	191,875	108,798	83,077
Fair value adjustment to investment properties and affiliates		8,671,037	8,681,861	(10,824)	4,925,773	3,225,542	1,700,231
Administrative platform amortization		(51,092)	(25,546)	(25,546)	(51,092)	(25,546)	(25,546)
Amortization of bank and other financial charges		(112,206)	(29,189)	(83,017)	(100,405)	(58,814)	(41,591)
Expenses related to acquisition of investment in associates		-	-	-	(150,744)	(21,471)	(129,273)
Investment properties sales taxes		-	-	-	(14,200)	-	(14,200)
Other expenses		8,352	-	8,352	(51,370)	(51,370)	-
Executive bonus	13.	(29,624)	32,376	(62,000)	(215,326)	(107,426)	(107,900)
Net Consolidated (loss) income		\$ (1,701,585)	\$ 13,357,836	\$ (15,059,421)	\$ 9,737,294	\$ 5,473,456	\$ 4,263,838
Other comprehensive results:							
Items that will be subsequently reclassified to results - loss on valuation of financial instruments		794,811	604,764	190,047	324,587	186,307	138,280
Consolidated comprehensive (loss) income		\$ (2,496,396)	12,753,072	(15,249,468)	\$ 9,412,707	5,287,149	4,125,558
Net Consolidated (loss) income:							
Controlling interest		(1,909,916)	13,297,801	(15,207,717)	9,652,846	5,436,463	4,216,383
Non-controlling interest		208,331	60,035	148,296	84,448	36,993	47,455
		\$ (1,701,585)	\$ 13,357,836	\$ (15,059,421)	\$ 9,737,294	\$ 5,473,456	\$ 4,263,838
Consolidated comprehensive (loss) income:							
Controlling interest		(2,612,770)	12,784,994	(15,397,764)	9,328,259	5,250,156	4,078,103
Non-controlling interest		116,374	- 31,922	148,296	84,448	36,993	47,455
		\$ (2,496,396)	\$ 12,753,072	\$ (15,249,468)	\$ 9,412,707	\$ 5,287,149	\$ 4,125,558

Financial Information

Cash Flow

Figures in thousand pesos

Operating activities:

	30/06/2020	30/06/2019
Net Consolidated income of the period	\$ (1,701,585)	\$ 9,737,294
Adjustments to non-cash items:		
Fair Value Adjustment to investment properties and investment in affiliates	(8,260,767)	(4,925,773)
Equity in (income) loss of investments in associates	(410,270)	-
Unrealized exchange effect	12,690,128	351,476
Gain on sale of investment properties	-	(40,000)
Administrative platform and bank fees	163,298	151,497
Executive Bonus	29,624	215,326
Interest income	(153,684)	(308,658)
Interest expense	3,756,912	2,770,103
Effect of valuation on derivative financial instruments	1,541,352	(191,875)
Total	7,655,008	7,759,390
Working capital changes:		
(increase) Decrease on:		
Lease receivable	(801,069)	(420,533)
Other accounts receivables	(215,942)	(279,106)
Due to related parties	22,430	46,299
Recoverable taxes, mainly VAT	574,293	220,370
Prepaid expenses and other assets	(284,803)	(781,465)
Increase (decrease) on:		
Trade accounts payable and accrued expenses	672,333	(84,616)
Deferred revenues	(121,209)	89,194
Other long term payables	-	-
Deposits from tenants	156,242	20,132
Due from related parties	60,243	98,186
Net cashflow provided by operating activities	7,717,526	6,667,851

Financial Information

Cash Flow

Figures in thousand pesos

	30/06/2020	30/06/2019
Investment Activities		
Investment in development projects and acquisition expenses	(1,196,418)	(4,055,601)
Seriousness' deposits for the acquisition of investment properties	(1,233,329)	-
Investment properties acquisitions	(1,118,155)	(400,000)
Investment properties sales	(645,926)	
Investment in securities		
Trustee rights purchase, (investment) and returns on affiliated	-	(1,434,916)
Payables due to investment properties acquisitions		
Interest collected	153,684	308,276
Net cashflow used in investing activities	(4,040,144)	(5,582,241)
Financing Activities		
Payments on borrowings	(5,280,342)	(10,464,266)
Proceeds from borrowings	21,169,178	31,128,264
Derivative financial instruments	(409,480)	
Trustor's contributions in cash	29,624	-
Distributions to Trustors / Beneficiaries	(3,458,521)	(4,497,174)
Trust certificates repurchase		
Interest paid	(3,913,442)	(3,509,026)
Net cashflow provided by (used in) financing activities	8,137,017	12,657,798
Cash and cash equivalents:		
Net increase (Decrease) in cash and cash equivalents	11,814,399	13,743,408
Cash and Cash equivalents at the beginning of the period	3,042,914	4,408,926
Cash and cash equivalents at the end of the period	\$ 14,857,313	\$ 18,152,334

Upcoming Results

Report

Third quarter 2020

Fourth quarter 2020

First quarter 2021

Second quarter 2021

Date

Tentatively, October 27th, 2020

Tentatively, February 27th, 2021

Tentatively, April 29th, 2021

Tentatively, July 27th, 2021

Glossary:

NOI:

The net operating income is calculated by subtracting from total income, operating expenses, maintenance expenses, property tax, insurance and non-recurring expenses; excluding financial revenues/expenses and the management fee.

FFO:

Funds from operations are calculated by eliminating the effects of items that do not require cash, adding/ subtracting to the net consolidated income of the following: 1) Fair value adjustment; 2) foreign exchange rate variation; 3) valuation effect of financial instruments; 4) banking commissions amortization; 5) provision for executive bonus; 6) amortization of the administrative platform; 7) non-controlling participation; and 8) non-recurring items.

AFFO:

AFFO is obtained by adjusting the FFO adding/ subtracting 1) the gain in the sale of investment properties and subtracting 2) maintenance CAPEX.

Net Asset Value (NAV):

“Fair Market value” of all assets in the company. Including, but not limited to all properties after liabilities and obligations are subtracted. For the valuation of Investment Properties we use rent capitalization, replacement cost and comparable transactions. In addition, properties under development and land reserves are valued at cost.

Fair Value of Investment Properties:

Determined once a year by an independent appraiser. Said study considers three main methodologies in the valuation process: 1) property replacement cost; 2) value of comparable transactions; and 3) rent capitalization. Each category has its own weighted average depending on the specific condition of each of the properties, they are not equally weighted.

Fair value adjustment:

The result on the variation of the fair value of investment properties during the period.

Interest Capitalization:

The allocation of the of interest of the period that corresponds to the part of debt used for development.

Available funds for distribution:

For FUNO available funds for distribution equals AFFO of the period, even though the legal requirement equals to 95% of the fiscal exercise.

Glossary:

Developments:

Projects under construction.

Properties in Operation:

Refers to properties that are party of the operating portfolio. Including the properties in the “*In Service*” category.

Number of operations:

Defines the different uses in a single property based on the business segment. The company has mixed-use properties and for convenience is necessary to use different operators. Samara is a good example, in which there is a corporate office operator and another for the shopping center and hotel.

Leasing Spreads:

Considers the change in rent per square meter of contracts that were modified, due to a contract renewal; changing the conditions of the agreement and considering only fix rent.

Constant Properties:

Compares the revenue performance, price per square meter, GLA and constant occupancy over time. In terms of revenues and price per square meter, they are considered fixed + variable rents.

Properties *In Service* or transition:

With the goal of adding more transparency to the disclosure of occupancy at the properties, we have incorporated a new classification.

Properties will be considered *In Service* if they meet the following criteria:

1. Properties under development that were completed during the quarter being reported.
2. Properties in operation that saw their occupancy interrupted, affecting said occupancy at a rate greater than 75% due to renovations to be completed in a period greater than a year.
3. Acquired properties during the quarter with occupancy levels below 25%.

Note: Properties under development with construction completion dates that have *pre-leasing* equal or greater than 90% (i.e. Build to suit) will be accounted directly as properties in operation.

The stabilization period per segment is the following:

- Industrial: 12 months
- Retail: 18 months
- Office: 24 months

After the above-mentioned period, properties will be automatically considered properties in operation.