

**Fideicomiso Fibra UNO and its
subsidiaries**

Consolidated Financial Statements
for the Years Ended December 31,
2020, 2019 and 2018, and
Independent Auditors' Report
Dated March 9, 2021



Fideicomiso Fibra UNO and its subsidiaries

Independent Auditors' Report and Consolidated Financial Statements for 2020, 2019 and 2018

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Independent Auditors' Report to the Technical Committee and Trustors of Fideicomiso Fibra UNO

Opinion

We have audited the accompanying consolidated financial statements of Fideicomiso Fibra UNO and its subsidiaries (Fibra UNO), which comprise the consolidated statements of financial position as of December 31, 2020, 2019 and 2018, the consolidated statements of operations and other comprehensive income, the consolidated statements of changes in trustors' / beneficiaries' capital and the consolidated statements of cash flows for the years then ended, and notes to consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Fideicomiso Fibra UNO and its subsidiaries as of December 31, 2020, 2019 and 2018, and their consolidated financial performance and their consolidated cash flows, for the years then ended in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audits in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the *Independent Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of Fibra UNO in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professionals Accountants (IESBA Code) and with the Ethics Code issued by the Mexican Institute of Public Accountants, A.C. (IMCP Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and IMCP Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 1d of the accompanying consolidated financial statements, which mentions that as a result of the Coronavirus pandemic (COVID-19), Fibra UNO's Management has assessed the effects of these conditions on its consolidated financial information as of December 31, 2020. The main impacts have been reflected in a decrease in revenue from discounts granted to certain tenants, an increase in the allowance for doubtful accounts receivable, the redefinition of the main assumptions and variables to identify signs of impairment and to determine the values of investment properties and investment in associates and in the financial projections of Fibra UNO to evaluate the going concern assertion. As a result of this evaluation, the assumptions considered by the Fibra UNO's Management in the financial projections of its financial model as of December 31, 2020, do not consider material uncertainty about the Entity's ability to continuing as a going concern for the next twelve months. Our opinion is not modified with respect to this matter.



Key Audit Matters

The Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the 2020 consolidated financial statements and which were selected from the matters reported to Fibra UNO's Management and Audit Committee, but do not represent all matters discussed with them. These matters have been addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not express a separate opinion on these matters. We have determined that the matters described below are the Key Audit Matters to be communicated in our report.

i. *Lease Revenue Recognition, see Notes 4p and 18*

Fibra UNO has leasing contacts with a significant number of tenants, the terms of which vary in certain respects, such as: lease commencement, term, payment currency, variable rent payments, rents charged in advance, grace periods, etc. There may be a risk that the recognition of lease revenue will not correspond to the terms of the contracts and that the revenue is not properly recognized in accordance with the transfer of control to the tenants.

Fibra UNO maintains a database of its rent contracts (Rent Roll) supported by the contracts with each of the tenants, which incorporate the significant variables. This database is used for recording revenue and, consequently, billing on a monthly basis. Subsequently, Management performs an analysis of the invoiced concepts to determine the appropriate amounts of revenue to be accrued in the consolidated statement of income and other comprehensive results.

Also, as a result of the COVID-19 pandemic, Fibra UNO granted discounts to some of its tenants, subject to deadline compliance conditions and one-off payments. Fibra UNO's Management considers that these rebates were covered by the force majeure clauses of its existing contracts, and were not considered to be renegotiations of current contracts. For this reason, these rebates were recognized directly in the consolidated income statement of 2020 under the heading "COVID-19 Relief", instead of deferring them over the remaining periods of the contracts.

How our audit addressed the Key Audit Matter:

Our procedures included, but were not limited to: (1) Review of commercial terms in contracts to determine when control has been transferred to tenants depending on those conditions (contract signing, ownership of the property, etc.); (2) We verified a selection of contracts to determine whether they were properly contained in the Rent Roll of the year; (3) We tested the information contained in the Rent Roll for completeness and accuracy to confirm that there were no improper manipulations of the database; (4) We tested the interface of the information that travels from Rent Roll to accounting using Information Technology specialists to confirm that there are no improper manipulations to revenue; (5) Of the contracts with selected tenants, we identified the performance obligations established, ensuring that revenue and consequently billing had been properly recorded and prepared and that the revenue was recognized only when control was transferred and performance obligations was met; (6) We inquired and corroborated with Fibra UNO's Management the type of commercial terms that have been entered into with the tenants in order to determine when the control has been transferred; (7) We tested the controls and amount of discounts granted to tenants as "COVID-19 Relief" and such amounts with accounting records; (8) We randomly tested new contracts signed in 2020 to verify that such contracts were not conditional or interrelated to the amount of discounts negotiated and; (9) We tested a sample of transactions to determine that the corresponding credit notes had been issued or the corresponding estimates had been recorded where they had not yet been issued.

As a result of our procedures, we did not detect relevant issues that result in adjustments to lease revenue in the attached consolidated financial statements.



ii. *Valuation of Investment Properties, see Notes 4g and 8s*

To determine the fair value of investment properties, Management, with the help of independent experts, chooses the valuation techniques it considers most appropriate, given the particular circumstances of each investment property. Relative assumptions for determining the fair values of investment properties include obtaining, among others, the amount of contractual income, the expectation of future market income, renewal rates, maintenance requirements, discount rates that should reflect current market uncertainties in a COVID-19 pandemic environment, capitalization rates and recent transaction prices, as well as replacement costs.

The independent valuations selected by Fibra UNO, for all its investment property portfolios, are CBRE Mexico, Newmark Knight Frank, Colliers International Valuation & Advisory Services and Avison Young Mexico. These valuation firms have extensive experience in the Mexican real estate market. There may be a risk that, derived from the number of variables for determining the fair value of investment properties, the assumptions and judgments established by independent valuations, accepted by Fibra UNO's Administration, would not be appropriate.

How our audit addressed the Key Audit Matter:

Our procedures were as follows:

- a) We evaluated the capabilities and competencies of external valuation firms, verifying their independence; we discuss the scope of their work; we verified that the selected valuation methodologies were consistent with IFRS; obtained certificates of appraisal (fair value) of all investment properties and; we held meetings with them to validate the key assumptions of their valuations. Based on our work performed, we are satisfied with the independence and competence of valuation firms in carrying out their procedures and the scope of their work.
- b) We met with the independent appraisers and obtained valuation reports for all investment properties. Based on a sample, we observe such reports and confirm that the valuation method for each selected investment property was carried out in accordance with IAS 40 "Investment Properties" and IFRS 13 "Fair Value Measurement". We involve our valuation specialists to compare the valuations of the investment properties selected in the sample against our market value expectation, as well as review and challenge the methodology and valuation assumptions considered by independent appraisers. We use evidence of comparable market transactions and focus in particular on properties where capital value growth was higher or lower, compared to market indices.
- c) From a randomly selected sample of investment properties, we test the information contained for the valuation of investment property, including lease income, acquisitions, and capital expenditures, comparing them against those recorded by Fibra UNO. In turn, this information was validated, verifying that the leases were duly signed and approved, that the revenue was recognized and the corresponding invoices existed.
- d) For investment properties that are in development, we reviewed the costs incurred and recorded at the end of the year included in the progress report against what was confirmed by the evaluator and verified that the costs incurred were similar in other fully completed projects. From the reports submitted by the site supervisor, we obtained a sample of the total costs reported at the review date and verified the supporting documentation of such expenditures.

We consider that the methodology and professional judgment of Fibra UNO's Management for the valuation of investment properties, based on the above assumptions, are reasonable. As a result of our procedures, we did not detect matters of relevance that result in adjustments to the accompanying consolidated financial statements.



- iii. *Tax Compliance to Maintain Real Estate Trust Status (FIBRA), in accordance with the Income Tax Act, see Notes 1 and 17*

To maintain the FIBRA tax regime, Congress through the Tax Administration Service (SAT) has established in articles 187 and 188 of the Income Tax Act in force during 2020, that trusts must distribute at least 95% of their net tax income annually to holders of their Real Estate Stock Certificates (CBFIs), that at least 70% of its Fibra estate is invested in real estate, in rights or credits to collect income from the lease of those assets and the remainder invested in planned investments, in addition to other requirements without such provisions. There is a risk that, in the event of a breach of the provisions of such Articles, Fibra UNO cannot benefit from the tax regime provided for in FIBRAS.

How our audit addressed the Key Audit Matter:

The proof of compliance with these articles was significant for our audit because it is the main foundation of going concern in Fibra UNO. As a result, our audit procedures included, among others, the review of Fibra UNO's annual tax result and the distribution of at least 95% of its net tax result, and the involvement of our tax experts to assess compliance with the main requirements of the legislation in force as of December 31, 2020.

We found no breach by Fibra UNO to these requirements of the Income Tax Act, which could have a material effect on the attached consolidated financial statements.

- iv. *Determination of the allowance for doubtful accounts receivable as of December 31, 2020 - see Notes 1d, 7 and 11*

Derived from the COVID-19 pandemic, there have been significant economic impacts on the economic conditions of various Fibra UNO tenants, with non-essential trade sectors and offices of medium and small enterprises, the hardest hit. In addition to the COVID-19 Relief granted, Fibra UNO reviewed its analysis and calculation procedure to evaluate and determine the amount of the allowance for doubtful accounts considering current and expected economic variables; therefore, the assessment of its sufficiency was significant for our audit. Fibra UNO reassessed the concepts of probability of non-compliance, expected loss and percentage of recovery as of December 31, 2020 to determine the amount of receivables that may not be recoverable. The amount recognized as allowance for doubtful accounts receivable is the best estimate for tenants who could not meet their contractual payment obligations.

How our audit addressed the Key Audit Matter:

Our audit procedures included the following procedures, among others:

- Review of the design and implementation of internal controls related to the information with which the mathematical model is fed and the balance of the estimate is determined;
- Review of the main variables and assumptions of the model used by Fibra UNO, its mathematical accuracy and support in previous experience,
- Recalculations and sensitivity analysis to check the reasonableness of the model;
- Review of the classification of the aging schedule based on non-payment, as well as the recalculation of the amounts to be reserved according to the probability of non-compliance;
- Review of evidence on new operational strategies and proposals to tenants aimed at supporting the recovery of receivables in default or near default; and
- Confirmation that the assumptions used by Fibra UNO's Management, in the calculation and determination of the estimate, reflect business strategies for recover of receivables.



We consider that the methodology and professional judgment of Fibra UNO's Management for the determination of the allowance for accounts, based on the above assumptions, are reasonable. As a result of our procedures, we did not detect matters of relevance that result in adjustments to the accompanying consolidated financial statements.

Other Matter

The accompanying consolidated financial statements have been translated into English for the convenience of readers.

Information other than the Consolidated Financial Statements and the Independent Auditors' Report

Management is responsible for the other information. The other information comprises the information that will be included in the annual report which Fibra UNO is obligated to prepare in accordance with Article 33, Section I, Subsection b) of the Fourth Title, First Chapter of the General Rules Applicable to Securities Issuers and Other Participants of the Mexican Stock Market and the accompanying Manual of those legal provisions (the Legal provisions). The annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility will be to read the annual report when it becomes available and, when doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the Annual Report, we will issue the statement about its reading, required in Article 33, Section I, Subsection b), and number 1.2. of the Legal provisions.

Responsibilities of Fibra UNO's Management and Audit Committee for the Consolidated Financial Statements

Fibra UNO's Management is responsible for the preparation and fair presentation of the accompanying consolidated financial statements in accordance with IFRS, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Management is responsible for assessing Fibra UNO's ability to continue as a going concern, disclosing, as applicable, matters, related to going concern and using the going concern basis of accounting unless Management either intends to liquidate Fibra UNO or to cease operations, or has no realistic alternative but to do so.

Members of Fibra UNO's Audit Committee are responsible for the financial information process and are in charge of supervision of the procedures and controls needed to ensure that Fibra UNO's financial information is reliable, useful and accurate.

Independent Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.



As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Fibra UNO's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the Going Concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Fibra UNO's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Fibra UNO to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We obtained sufficient and appropriate audit evidence regarding the financial information of the entities and business activities within Fibra UNO to express an opinion on the consolidated financial statements. We are responsible for the direction, oversight and execution of the audit. We remain solely responsible for our audit opinion.

We communicate to Fibra UNO's Management and its Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.

We also provide to Fibra UNO's Management and its Audit Committee with a statement that we have complied with the applicable ethics requirements in relation to independence and have communicated to them all relationships and other matters that, may reasonably be expected affect our independence, and where appropriate, the corresponding safeguards.

From the matters communicated with those charged with governance of Fibra UNO, we determine those matters that were of most significance in the audit of the consolidated financial statements as of 2020 and are therefore the Key Audit Matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Galaz, Yamazaki, Ruiz Urquiza, S. C.

Member of Deloitte Touche Tohmatsu Limited
C. P. Carlos M. Pantoja Flores

March 9, 2021



Fideicomiso Fibra UNO and its subsidiaries

Consolidated Statements of Financial Position

As of December 31, 2020, 2019 and 2018

(In thousands of Mexican Pesos)

Assets	Notes	2020	2019	2018
Current assets:				
Cash and cash equivalents	6	\$ 7,746,593	\$ 3,042,914	\$ 4,408,926
Lease receivables and other accounts receivables	7	3,156,823	2,829,858	1,727,237
Due from related parties	14	8,478	41,999	53,367
Recoverable taxes, mainly Value-Added Tax		3,294,006	4,127,887	2,915,441
Prepaid expenses		<u>1,030,474</u>	<u>1,441,820</u>	<u>1,366,757</u>
Total current assets		15,236,374	11,484,478	10,471,728
Non-current assets:				
Investment properties	8	278,253,392	259,485,461	223,515,535
Investments in associates	9	9,510,584	7,657,301	5,420,134
Other accounts receivable	7	1,527,464	1,262,464	1,262,464
Prepaid expenses		840,301	792,432	347,951
Derivative financial instruments	11	1,361,601	30,232	267,245
Other assets	10	<u>1,324,540</u>	<u>1,401,774</u>	<u>1,509,958</u>
Total non-current assets		<u>292,817,882</u>	<u>270,629,664</u>	<u>232,323,287</u>
Total assets		<u>\$ 308,054,256</u>	<u>\$ 282,114,142</u>	<u>\$ 242,795,015</u>

Liabilities and Trustors' / Beneficiaries' Capital

Short-term liabilities:				
Borrowings	12	\$ 2,803,048	\$ 2,064,512	\$ 2,390,561
Trade accounts payable and accrued expenses	13	4,316,335	3,821,965	2,348,590
Accounts payable from acquisition of investment properties		669,636	926,235	435,236
Income collected in advance		336,255	387,735	332,147
Lease rights		92,970	102,793	135,834
Due to related parties	14	<u>274,712</u>	<u>250,568</u>	<u>205,174</u>
Total short-term liabilities		<u>8,492,956</u>	<u>7,553,808</u>	<u>5,847,542</u>
Long-term liabilities:				
Borrowings	12	122,726,810	104,994,126	77,175,549
Due to related parties	14	292,727	292,727	292,727
Deposits from tenants		1,273,029	1,162,532	957,077
Income collected in advance and lease rights		448,726	509,160	416,805
Derivative financial instruments	11	<u>1,424,436</u>	<u>696,921</u>	-
Total long-term liabilities		<u>126,165,728</u>	<u>107,655,466</u>	<u>78,842,158</u>
Total liabilities		<u>134,658,684</u>	<u>115,209,274</u>	<u>84,689,700</u>

(Continues)



	Notes	2020	2019	2018
Trustors' / Beneficiaries' Capital				
Trustors' contributions	16	\$ 106,183,896	\$ 109,935,017	\$ 112,947,866
Retained earnings		61,752,456	50,675,000	38,147,660
CBFIs Repurchase reserve		1,593,366	2,894,230	2,894,230
Valuation of derivative financial instruments in cash flow hedges	11	<u>(996,626)</u>	<u>(611,417)</u>	<u>1,408</u>
Controlling interest		<u>168,533,092</u>	<u>162,892,830</u>	<u>153,991,164</u>
Non-controlling interest		<u>4,862,480</u>	<u>4,012,038</u>	<u>4,114,151</u>
Total Trustors' / Beneficiaries' capital		<u>173,395,572</u>	<u>166,904,868</u>	<u>158,105,315</u>
Total liabilities and Trustors' / Beneficiaries' capital		<u>\$ 308,054,256</u>	<u>\$ 282,114,142</u>	<u>\$ 242,795,015</u>

(Concluded)

See accompanying notes which are comprehensive part of the consolidated financial statements.



Fideicomiso Fibra UNO and its subsidiaries

Consolidated Statements of Operations and Other Comprehensive Income

For the years ended December 31, 2020, 2019 and 2018

(In thousands of Mexican Pesos, except net income per CBFI, which is shown in Mexican Pesos)

	Notes	2020	2019	2018
Revenue from:				
Leases	18	\$ 18,610,346	\$ 16,843,134	\$ 15,247,188
COVID-19 Reliefs		(1,623,274)	-	-
Maintenance		1,926,249	1,824,583	1,589,735
COVID-19 Reliefs		(162,770)	-	-
Dividend on income from fiduciary rights		316,745	351,524	267,584
Administration fee	14	<u>125,939</u>	<u>169,842</u>	<u>100,622</u>
		<u>19,193,235</u>	<u>19,189,083</u>	<u>17,205,129</u>
Expenses from:				
Management fees		(860,787)	(898,508)	(836,498)
Operating expenses		(1,583,795)	(1,228,201)	(1,103,000)
Maintenance expenses		(1,851,136)	(1,939,700)	(1,749,849)
Amortization of administrative platform	10	(102,184)	(108,184)	(198,984)
Executive bonus	15	(73,328)	(602,099)	(563,488)
Property tax		(551,161)	(533,806)	(466,688)
Insurance		<u>(281,209)</u>	<u>(267,771)</u>	<u>(211,950)</u>
		<u>(5,303,600)</u>	<u>(5,578,269)</u>	<u>(5,130,457)</u>
Gain on sale of investment properties		489,680	50,575	223,291
Interest expense		(7,882,981)	(5,690,016)	(4,785,318)
Interest income		306,535	648,127	600,755
Foreign exchange gain (loss), Net		(2,158,947)	1,559,953	(76,141)
Other expenses		(85,225)	(123,799)	-
Acquisition expenses related to investment in associates		-	(150,744)	-
Amortization of bank fees and other assets		(229,070)	(195,341)	(267,580)
Effect of valuation of derivative financial instruments	11	(470,276)	279,664	(948,972)
Equity in income (loss) of investments in associates	9	1,853,283	759,988	(441,895)
Fair value adjustments to investment properties	8	<u>8,246,600</u>	<u>7,401,097</u>	<u>10,891,940</u>
Consolidated net income for the year		<u>\$ 13,959,234</u>	<u>\$ 18,150,318</u>	<u>\$ 17,270,752</u>
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss-				
(Loss) gain in the valuation of financial instruments		<u>(468,243)</u>	<u>(612,825)</u>	<u>21,273</u>
Consolidated comprehensive income for the year		<u>\$ 13,490,991</u>	<u>\$ 17,537,493</u>	<u>\$ 17,292,025</u>

(Continues)



	Notes	2020	2019	2018
Consolidated net income for the year:				
Controlling interest		\$ 12,974,248	\$ 18,000,055	\$ 17,180,277
Non-controlling interest		<u>984,986</u>	<u>150,263</u>	<u>90,475</u>
		<u>\$ 13,959,234</u>	<u>\$ 18,150,318</u>	<u>\$ 17,270,752</u>
Consolidated comprehensive income for the year:				
Controlling interest		\$ 12,589,039	\$ 17,387,230	\$ 17,201,550
Non-controlling interest		<u>901,952</u>	<u>150,263</u>	<u>90,475</u>
		<u>\$ 13,490,991</u>	<u>\$ 17,537,493</u>	<u>\$ 17,292,025</u>
Controlling interest's basic net income per real estate trust certificates (CBFI) (Mexican Pesos)		<u>\$ 3.4838</u>	<u>\$ 4.5736</u>	<u>\$ 4.4066</u>
Controlling interest's diluted net income per CBFI (Mexican Pesos)		<u>\$ 3.2509</u>	<u>\$ 3.3904</u>	<u>\$ 3.2238</u>

(Concluded)

See accompanying notes which are comprehensive part of the consolidated financial statements.



Fideicomiso Fibra UNO and its subsidiaries

Consolidated Statements of Changes in Trustors' / Beneficiaries' Capital

For the years ended December 31, 2020, 2019 and 2018
(In thousands of Mexican Pesos)

	Notes	Number of CBFIs	Trustors' capital	Retained earnings	CBFIs Repurchase reserve	Other comprehensive income / Valuation of derivative financial instruments	Controlling interest	Non-controlling interest	Total
Balance as of December 31, 2017	16	\$ 3,956,776,551	\$ 113,541,663	\$ 27,642,558	\$ 4,895,099	\$ (19,865)	\$ 146,059,455	\$ 3,817,079	\$ 149,876,534
Cumulative adoption effect IFRS 9		-	-	(161,709)	-	-	(161,709)	-	(161,709)
Trustors' contributions		10,741,648	1,298,824	-	-	-	1,298,824	206,597	1,505,421
Distributions to beneficiaries		-	(1,892,621)	(6,513,466)	-	-	(8,406,087)	-	(8,406,087)
CBFIs Repurchase reserve		(77,403,773)	-	-	(2,000,869)	-	(2,000,869)	-	(2,000,869)
Consolidated comprehensive income for the year		<u>-</u>	<u>-</u>	<u>17,180,277</u>	<u>-</u>	<u>21,273</u>	<u>17,201,550</u>	<u>90,475</u>	<u>17,292,025</u>
Balance as of December 31, 2018	16	3,890,114,426	112,947,866	38,147,660	2,894,230	1,408	153,991,164	4,114,151	158,105,315
Trustors' contributions		38,079,817	602,099	-	-	-	602,099	-	602,099
Distributions to beneficiaries		-	(3,614,948)	(5,472,715)	-	-	(9,087,663)	-	(9,087,663)
Non-controlling interest recognition effect		-	-	-	-	-	-	(252,376)	(252,376)
Consolidated comprehensive income for the year		<u>-</u>	<u>-</u>	<u>18,000,055</u>	<u>-</u>	<u>(612,825)</u>	<u>17,387,230</u>	<u>150,263</u>	<u>17,537,493</u>
Balance as of December 31, 2019	16	3,928,194,243	109,935,017	50,675,000	2,894,230	(611,417)	162,892,830	4,012,038	166,904,868
Trustors' contributions		21,248,766	73,328	-	-	-	73,328	-	73,328
Distributions to beneficiaries		-	(3,824,449)	(1,896,792)	-	-	(5,721,241)	(51,510)	(5,772,751)
CBFIs Repurchase reserve		(77,027,606)	-	-	(1,300,864)	-	(1,300,864)	-	(1,300,864)
Consolidated comprehensive income for the year		<u>-</u>	<u>-</u>	<u>12,974,248</u>	<u>-</u>	<u>(385,209)</u>	<u>12,589,039</u>	<u>901,952</u>	<u>13,490,991</u>
Balance as of December 31, 2020	16	<u>\$ 3,872,415,403</u>	<u>\$ 106,183,896</u>	<u>\$ 61,752,456</u>	<u>\$ 1,593,366</u>	<u>\$ (996,626)</u>	<u>\$ 168,533,092</u>	<u>\$ 4,862,480</u>	<u>\$ 173,395,572</u>

See accompanying notes which are comprehensive part of the consolidated financial statements



Fideicomiso Fibra UNO and its subsidiaries

Consolidated Statements of Cash Flows

For the years ended December 31, 2020, 2019 and 2018
(In thousands of Mexican Pesos)

	2020	2019	2018
Operating activities:			
Net consolidated income for the year	\$ 13,959,234	\$ 18,150,318	\$ 17,270,752
Adjustments for non-cash items:			
Fair value adjustments to investment properties	(8,246,600)	(7,401,097)	(10,891,940)
Equity in (income) loss of investments in associates	(1,853,283)	(759,988)	441,895
Unrealized exchange gain	2,220,436	(760,121)	(280,650)
Gain on sale of investment properties	(489,680)	(50,575)	(223,291)
Amortization of administrative platform and bank fees	331,254	303,525	466,564
Executive bonus	73,328	602,099	563,488
Interest income	(306,535)	(648,127)	(600,755)
Interest expense	7,882,981	5,690,016	4,785,318
Effect of valuation of derivative financial instruments	470,276	(279,664)	948,972
Total	<u>14,041,411</u>	<u>14,846,386</u>	<u>12,480,353</u>
Changes in working capital:			
(Increase) decrease in:			
Lease receivable	(124,138)	(180,075)	140,903
Other accounts receivables	(467,830)	(922,546)	180,670
Due to related parties	33,521	11,368	7,145
Recoverable taxes, mainly value-added tax	833,882	(1,212,446)	402,857
Prepaid expenses and other assets	109,457	(411,360)	(303,287)
Increase (decrease) in:			
Trade accounts payable and accrued expenses	498,661	(830,377)	469,992
Deferred revenues	(121,737)	114,902	403,572
Other accounts payable	-	-	239,450
Deposits from tenants	110,497	205,455	35,660
Due from related parties	<u>24,144</u>	<u>45,394</u>	<u>(4,927)</u>
Net cash flows provided by operating activities	<u>14,937,868</u>	<u>11,666,701</u>	<u>14,052,388</u>
Investing activities:			
Investment in development projects and acquisition expenses	(4,804,286)	(7,401,364)	(8,267,643)
Sale of investment properties	2,243,202	250,575	1,391,101
Acquisition of investment properties	(6,369,655)	(17,013,964)	(2,459,520)
Capitalized borrowing costs on investment properties	(1,069,549)	(2,124,476)	(1,192,000)
Seriousness' deposit for the acquisition of investment properties	-	(601,077)	-
Acquisition of Trustee rights	-	(2,036,500)	(1,121,482)
Acquisition of subsidiary, net of cash acquired	-	(288,825)	-
Interest collected	<u>306,535</u>	<u>621,888</u>	<u>587,724</u>
Net cash flows used in investing activities	<u>(9,693,753)</u>	<u>(28,593,743)</u>	<u>(11,061,820)</u>

(Continues)



	2020	2019	2018
Financing activities:			
Payments on borrowings	\$ (22,860,608)	\$ (19,952,065)	\$ (12,766,726)
Proceeds from borrowings	38,041,843	49,547,710	23,209,299
Trustors' contributions in cash	-	-	675,062
Derivative financial instruments	(759,870)	-	-
Distributions to Trustors / Beneficiaries	(5,772,751)	(9,087,663)	(8,406,087)
CBFIs Repurchase reserve	(1,300,864)	-	(2,000,869)
Interest paid	<u>(7,888,186)</u>	<u>(4,946,952)</u>	<u>(4,926,769)</u>
Net cash flows provided by (used in) financing activities	<u>(540,436)</u>	<u>15,561,030</u>	<u>(4,216,090)</u>
Cash and restricted cash:			
Net increase (decrease) in cash and cash equivalents	4,703,679	(1,366,012)	(1,225,522)
Cash and cash equivalents at the beginning of the period	<u>3,042,914</u>	<u>4,408,926</u>	<u>5,634,448</u>
Cash and cash equivalents at the end of the period	<u>\$ 7,746,593</u>	<u>\$ 3,042,914</u>	<u>\$ 4,408,926</u>
			(Concluded)

See accompanying notes which are comprehensive part of the consolidated financial statements.



Fideicomiso Fibra UNO and its subsidiaries

Notes to Consolidated Financial Statements

For the year ended December 31, 2020, 2019 and 2018

(In thousands of Mexican Pesos)

1. General information, acquisitions and relevant events

a. *General information and activities*

Fideicomiso Fibra UNO (“Fibra UNO”) was established as a real estate investment trust on January 12, 2011 by Fibra Uno Administración, S. A. de C. V. (the “Trustor”) and Deutsche Bank México, S. A., Institución de Banca Múltiple, División Fiduciaria (the “Trustee” or “Deutsche Bank”). On June 29, 2019, Fibra UNO entered into a Trustee substitution agreement with effect from July 1, 2019, appointing Banco Actinver SA, Institución de Banca Múltiple, Grupo Financiero Actinver (“Actinver”) as the new trustee of Fideicomiso Fibra UNO, replacing Deutsche Bank. From that moment, the entity changed its name to Fideicomiso Fibra UNO (“Fibra UNO”). Fibra UNO started operations in March 2011 and was established mainly to acquire and own a variety of real estate properties for the purpose of leasing and developing commercial, industrial and mixed-use properties as well as office buildings and land in the Mexican market.

Fibra UNO, as a real estate investment trust (“FIBRA” for its initials in Spanish), qualifies to be treated as a pass-through entity for Mexican federal income tax purposes. Therefore, all revenue from conducting Fibra UNO’s operations is attributed to the holders (beneficiaries) of its Real Estate Trust Certificates (“CBFIs” for its acronym in Spanish) and Fibra UNO itself is not considered a taxable entity in Mexico according to Mexican Tax Laws and Regulations. In order to maintain FIBRA status, the articles 187 and 188 of the Mexican Income Tax Law have established that FIBRAs must distribute annually at least 95% of its taxable income to the holders of their CBFIs.

Fibra UNO has entered into the following relevant agreements:

- i. An advisory services agreement with Fibra Uno Administración, S.C. (“Fibra Uno Administración” or the “Advisor”, related party) for the advising and to assist Fibra UNO in establishing and implementing its investment and financial strategies.
- ii. A property management agreement with subsidiaries, F1 Management, S.C. (“F1 Management”), Operadora CVC, S.C. (“Operadora CVC”) and F1 Controladora de Activos, S. C. (“F1 Controladora de Activos”) (subsidiary entities).
- iii. A services agreement with F2 Services, S.C. (“F2 Services”, related party) to perform certain, billing and collection services on behalf of Fibra UNO, subject to its oversight and supervision.
- iv. An agreement for advisory and property management services, related to certain properties, signed with Jumbo Administración, S.A.P.I. de C.V. (“Jumbo Administración”, related party) under similar conditions as the aforementioned agreements.
- v. Two management agreement signed with Finsa Holding, S.A. de C.V. to manage the daily operations of the portfolio “Vermont” and “Titán”.
- vi. A property management agreement signed with Hines Interest, S.A. de C.V. to manage the daily operations of the portfolio “Maine”.
- vii. A property management agreement signed with Consultora Centro Histórico, S.A. de C.V. to manage the daily operations of the portfolio “Hotel Centro Histórico”.



- viii. A property management agreement signed with Operadora Galgua, S.A. de C.V. to manage the daily operations of the portfolio “Galerías Guadalajara”.
- ix. A services agreement with F1 Administración, S.C. (“F1 Administración”, subsidiary entity) and Banco Invex, S. A. Institución de Banca Múltiple, Invex Grupo Financiero in its capacity as Trust F/2353 (“Trust F/2353”), to conduct the daily management of the operations of such Trust F/2353; and
- x. A construction services and management agreement with MTK Developers, S.C. (“MTK” indirect subsidiary) for the construction of the “Mitikah” project.

The address of Fibra UNO is Antonio Dovali Jaime Avenue, No. 70, Tower A 11th floor, Zedec Santa Fe, Álvaro Obregon, Mexico City.

Mitikah Project - On June 27, 2017, Trust 2584 agreement was executed, between Fibra UNO as "Trustor A" and Trust Irrevocable No. F/2353 (Banco INVEX, S. A., Institución de Banca Múltiple, INVEX Grupo Financiero ("Helios"), as "Trustor B" and Banco Actinver, S.A. Institución de Banca Múltiple, Grupo Financiero ("Actinver") as Trustee. The purpose of this Trust is to develop the mixed-use project named "Mitikah", through the commitment of Fibra UNO to contribute to the assets of Trust 2584, the "Buffalo" and "Colorado" portfolios (except for the piece of land known as “The Residential Landmark” mentioned in Note 7c), and the commitment of Trust F/2353 to contribute in cash the necessary financial resources for the completion of the project.

The proceeds of this co-investment, whether as income derived from net income, reimbursement, partial or total divestment of the assets, may be distributed by the Trustee in accordance with the schedules fixed by the Administrator.

On December 22, 2017, Fibra UNO contributed to the "Buffalo" portfolio with the assets of Trust 2584 of \$2,398 million Pesos, for the development of the "Mitikah" project.

Fibra UNO maintains control over Trust 2584, so it consolidates the figures of this trust in its consolidated financial statements; therefore, the contribution of the Buffalo portfolio to Trust 2584 is presented as of December 31, 2020, 2019 and 2018 in the investment property section in the accompanying consolidated financial statements.

At December 31, 2020, 2019 and 2018, Fibra UNO owns 62%, 62% and 64.20%, respectively of the assets of Trust 2584, while Trust 2353 owns 38%, 38% and 35.80% respectively.

b. **Acquisitions**

Portfolio	Acquisition date	Acquisition type
Grupo ICEL (i)	December 29, 2020	Investment properties
Uptown Juriquilla (ii) (iii)	December 3, 2020	Investment properties
Hércules (iv)	April 12, 2020	Investment properties
Tepeji del Río (v)	December 9, 2019	Fiduciary rights
Titán (vi)	November 26, 2019	Investment properties
Lago de Guadalupe (vii)	November 9, 2019	Investment properties
Corredor Urbano Querétaro (viii)	March 20, 2019	Investment properties
Antea Querétaro (ix)	March 4, 2019	Investment in associate
Torre Mayor (x)	November 29, 2018	Investment in associate
Land Matamoros (xi)	November 23, 2018	Investment properties
Floor 5 Corporativo Interlomas (xii)	October 19, 2018	Investment properties
Montes Urales 620 (xiii)	April 26, 2018	Investment properties

- i. On December 2020, Fibra UNO granted an advance for the purchase of the properties belonging to the ICEL Group for the amount of \$500 million Pesos registered under the caption of investment properties. The total amount of this property is \$1,500 million Pesos which is expected to be used for the acquisition of a University-Hospital.



- ii. On December 2020, Fibra UNO purchased the property called "Uptown Juriquilla" for the amount of \$1,354 million Pesos consisting of commercial properties in the City of Querétaro.
- iii. In the second quarter of 2020, as part of the acquisitions of the group of entities known as Hercules, Fibra UNO made purchases of the properties called "Tajuelos II", "Guadalajara Park" and "La Presa", amounting to \$1,118 million. As part of this acquisition Fibra UNO assumed a debt of \$138.6 million Pesos which includes an instrument derived from interest rate hedging. As of December 31, 2020, the debt is \$134.4 million Pesos, while the derivative instrument was \$1.8 million Pesos.
- iv. Following up on the acquisitions of the Hercules portfolio, during the third quarter of 2020 the acquisitions of the properties called "San Martín Obispo III" and "Querétaro V (PIQ)" were recorded, amounting to \$3,398 million. As part of this acquisition Fibra UNO assumed a debt of \$514.6 million Pesos which includes an interest rate hedging derivative instrument. As of December 31, 2020, the debt is \$504.2 million Pesos, while the derivative instrument was \$7.1 million Pesos.
- v. On December 9, 2019, Fibra UNO acquired 100% of the Trustee rights of Trust 816, which belongs to the industrial sector, located in Tepeji del Río, Hidalgo, for an amount of \$293.8 million Pesos, which includes a Gross Leasable Area of 47,564.93 square meters (m2). This property is expected to generate a net operating income of \$42 million Pesos by 2020. This acquisition belongs to the group of properties known as Hercules.
- vi. On November 26, 2019, Fibra UNO acquired the Titan portfolio consisting of 74 industrial properties, of which 2 are offices, primarily located in the northern border of the Mexican Republic. The sale price was 822 million US Dollars ("USD") and it is expected that by 2020 the portfolio will generate a net operating income of USD 66.3 million.

The Titan portfolio also includes a land reserve in 6 strategic cities at a cost of USD 19.4 million; of which 2 pieces of land are already producing net operating income from this reserve.
- vii. On November 9, 2019, Fibra UNO concluded the acquisition of 100% of the Trustee rights of Trust 700, which belongs to the industrial sector, located in Lago de Guadalupe, State of Mexico, for an amount of \$559.3 million Pesos. The Trust 700 consists of three phases which together are equivalent to a Gross Leasable Area of 361,747 m2; by 2020 it is expected to generate a net operating income of \$ 377 million Pesos. This acquisition belongs to the group of properties known as Hercules.
- viii. On March 20, 2019, Fibra UNO recorded the acquisition of a piece of land of approximately 100,000 m2, adjacent to the "Antea Querétaro Shopping Center" called "Corredor Urbano Querétaro " in the amount of \$801 million Pesos.
- ix. On March 4, 2019, Fibra UNO acquired 40% of the Trustee rights of the Commercial Center known as "Antea Querétaro", located in the city of Querétaro, for an amount of \$1,477.2 million Pesos without having any control over the entity. For accounting purposes, Fibra UNO does not consolidate its interest in the Trustee rights in Antea Querétaro. Therefore, said investment is presented as of December 31, 2019 in the investment in associates' caption in the consolidated statement of financial position.
- x. On November 29, 2018, Fibra UNO acquired an additional 21% of the Trustee rights of the trusts that form the investment of Torre Mayor from Reichmann International by USD 55 million; therefore as of December 31, 2019, Fibra UNO has a total investment of 70% of the Trustees' rights of Torre Mayor. For accounting purposes, Fibra UNO does not consolidate its net asset value share in the Torre Mayor Trusts due to the fact that all decisions must be taken jointly with Union Investment Real Estate GmbH.



- xi. On November 23, 2018, Fibra UNO acquired the property known as “Land Matamoros” for \$4.8 million Pesos, which was paid in cash.
- xii. On October 19, 2018, Fibra UNO executed the acquisition of the property known as “Floor 5 Corporativo Interlomas” for \$29 million Pesos, which was paid in cash.
- xiii. On April 26, 2018, Fibra UNO acquired the property “Montes Urales 620” for \$1,145.7 million Pesos paid in cash. The building is located at the corner of Montes Urales and Paseo de la Reforma in Mexico City.

c. **Business combination**

- i. As mentioned in Note 1b, Fibra UNO acquired 100% of the Trustee rights of Trust 816, which belongs to the industrial sector, located in Tepeji del Rio, Hidalgo.
- ii. Cash disbursement:

2020	Cash
Trust 816	\$ <u>293,883</u>

- iii. Assets acquired and liabilities assumed at the 2019 acquisition date:

As of December 31, 2019, Fibra UNO completed the identification and measurement of the assets acquired and the liabilities assumed from the 2019 transaction, based on their fair values at the acquisition date. The balances presented in this Note, regarding the 2019 acquisition, are final as follows:

2020	Trust 816
Assets:	
Cash	\$ 5,058
Accounts receivable and others	37,856
Investment properties	595,371
Liabilities:	
Suppliers and other accounts payable	(188,808)
Bank loans and long-term debt	(123,933)
Other non-current liabilities	<u>(37,476)</u>
Total net assets	\$ <u>288,068</u>

- iv. Goodwill from acquisition:

2019	Cash transferred (1)	Net asset value acquired	Goodwill
Trust 816	\$ <u>293,883</u>	\$ <u>288,068</u>	\$ <u>5,815</u>

- (1) The cash disbursement for the acquisition was \$293,883, and on that same date assumed liabilities of \$182,327 were settled.

Goodwill generated from the acquisition results from the fact that the consideration paid for the business combination effectively included amounts in relation to the benefits of the expected synergies, revenue growth and further development of the market. As of December 31, 2019, this benefit was identified as part of the investment properties, since it meets the recognition criteria for an identifiable tangible asset, see Note 8.



- v. Net cash flow from acquisition of subsidiary:

	2020
Cash disbursement	\$ 293,883
Less: cash balances	<u>(5,058)</u>
Net	<u>\$ 288,825</u>

d. **Relevant events**

i. ***Evolution and Impact of the Coronavirus ("COVID-19") -***

During the first quarter of 2020, the spread of COVID-19 increased in number of countries and its effects were perceived with greater severity. In March 2020, the World Health Organization declared COVID-19 a global pandemic. The COVID-19 outbreak has developed rapidly, with significant numbers of people infected. The measures taken to contain the Coronavirus have affected economic activity. Such measures include limiting the movement of people, restricting flights and other forms of travel, temporarily closing businesses and schools, as well as canceling events. This impacts industries such as tourism, transportation, retail, and entertainment. In addition, supply chains and the production of goods around the world are affected by a decrease in demand. Financial institutions, such as banks that provide loans to affected entities, insurers that provide protection to individuals and companies, and funds or other investors that invest in affected entities have also suffered.

In Mexico, the Federal Health Ministry, through the Epidemiological and Sanitary Intelligence Unit (UIES for its Spanish Acronym) of the General Epidemiology Office, has issued the following notices as of the date of issuance of these financial statements:

- i) On February 29, 2020, Mexico entered Phase I according to international protocols; This stage refers to people who were infected outside the country, allowing for the normal continuation of activities.
- ii) On March 11, 2020, COVID-19 by SARS-CoV-2 has been classified as a pandemic by the World Health Organization (Public Health Emergency of International Importance - ESPII).
- iii) On March 17, 2020, an epidemiological advisory was issued for the COVID-19 disease by SARS-CoV-2. On this date, civil society spontaneously organized to suspend classes in some private schools and call for voluntary isolation.
- iv) On March 24, 2020, Mexico went to Phase II, which consists of local transmission, that is, when the virus is transmitted among the inhabitants. In this phase, the general population was called upon to implement social distancing, closing schools in their entirety and closing massive events, among other measures.
- v) On April 21, 2020, Mexico went to Phase III, in which infections were already counted in thousands and are mainly spread through the community. In this phase, calls were made for maintaining social distancing until May 30, the degree of mitigation measures was determined on a regional basis, mobility within Mexican territory was segmented and the protection of vulnerable groups was maintained until after May 30.
- vi) On May 29, 2020, the strategy for the reopening of economic activities referred to in the Agreement of the Ministry of Health was published in the Official Gazette of the Federation, establishing a traffic light of contagions, which would indicate the dates on which activities may be resumed based on the infection rate and hospital occupancy.



- vii) On July 1, 2020, the resumption of activities in shopping centers was authorized in the fifth notice by which the epidemiological traffic light color of Mexico City is released, subject to compliance with the provisions of the new normality (restrictions on working hours, flow of visitors, and installation needs of various sanitary implements); changing from epidemiological traffic light from Red to Orange, which remained that way until December 11, at which time we entered to "Emergency Alert for COVID-19" where basically the same provisions were maintained as in the Orange traffic light, keeping the limit of occupied beds exceeded. by COVID-19 patients in the health facilities of Mexico City.
- viii) On December 18, 2020, the thirty-sixth notice was published in the Official Gazette of Mexico City disclosing the color of the epidemiological traffic light in Mexico City (red) and establishing various urgent health protection measures to reduce the contagion curve, for which non-essential activities were suspended until January 18, 2021, which was lifted until February 15, 2021.

It is worth mentioning that currently there is already a vaccine against this virus which is gradually arriving in our country.

ii. ***Fibra UNO's Operational and Financial Strategies in the face of COVID-19 -***

During this period, Fibra UNO has taken considerable measures to mitigate the risk for communities, employees and commercial operations, such as:

- i) On April 2, 2020, Fibra UNO notified its financial agent of the disposal of 50% of its revolving credit line, equivalent to \$ 6,737,000 plus USD \$ 205 million, to keep it available in cash for the sole purpose of strengthening the liquidity position during the current health contingency. The resources of said provision were received on April 7, 2020 and paid in full on December 17, 2020.
- ii) Keeping 50% of its staff working from home to avoid contagion,
- iii) Reinforcing the cleaning and sanitation measures of its investment properties,
- iv) Supporting social distancing by leaving the proper separation between tables in all areas of food consumption, as well as others that require it,
- v) Providing sanitizing substances to all properties.

iii. ***Summary of the Main Impacts of COVID-19 on the Consolidated Financial Statements-***

Fibra UNO's Management has carefully considered the impact of COVID-19 on the consolidated financial statements as of December 31, 2020. The implications for the financial statements include not only the measurement of assets and liabilities, but also the disclosure and ability to Fibra UNO to continue as a going concern. The implications, including the indirect effects of lower economic activity have been considered by all geographies and properties and not just those in industries and areas most affected. The most important impacts of COVID-19 on Fibra UNO's consolidated financial statements are described below:

- a) A measurable decrease in revenues for the year, mainly caused by Fibra UNO's policy of granting COVID-19 relief, mainly in the non-essential commercial sector and in medium and small business offices. The amount of these relief amounted to \$ 1,786 million in the consolidated income statement for 2020 as "COVID-19 Relief". Fibra UNO's Management considers that its current lease contracts contain clauses of force majeure and contingent income where the pandemic is contemplated, and that the relief for COVID-19 was not made under the renegotiations of the current contracts. For this reason. relief measures were fully recorded in the 2020 results; likewise, the existing negotiations for new contracts for renewals did not consider the one-time relief granted due to the COVID-19 epidemic.



- b) A relevant increase in the estimate of doubtful accounts for an amount of \$ 290 million in the year derived from a review process of expected loss, probability of default and percentages of recovery of receivables, considering the current and future economic conditions of Fibra UNO tenants. The foregoing brought with it the application of new assumptions and variables in the expected loss model prescribed by IFRS 9 and an estimate of doubtful accounts that amounts to \$ 490 million as of December 31, 2020 and that covers 23% of the portfolio to that same date.
 - c) Financial projection models were developed for each asset that were endorsed by the independent appraisers selected by Fibra UNO, who are CBRE Mexico, Newmark Knight Frank, Colliers International Valuation & Advisory Services and Avison Young Mexico. These firms, in conjunction with Fibra UNO's own projections, included a strict valuation of the assumptions, cash flows and vacancy percentages of investment properties. The adjustment to the fair value of investment properties is shown in Note 8 and the statement of income and other comprehensive income.
 - d) An analysis of the going concern assertion, considering Fibra UNO's financial projections in an environment of uncertainty and volatility such as the one that is being faced and weighing the different scenarios that may arise in the various businesses and sectors that Fibra UNO serves. After this analysis, Management has concluded that there are no situations that indicate that Fibra UNO will not be able to continue as a going concern for the next twelve months as of the date of this report.
- iv. ***Impacts of COVID-19 on the Most Relevant Items of the Consolidated Financial Statements-***

Non-financial assets

Impairment of non-financial assets - investments measured using the equity method

Investments in shares of associates recorded in accordance with the equity method are assessed for impairment in accordance with IAS 28 Investments in associates and joint ventures for IFRS. Fibra UNO's Management has considered whether the impact of COVID-19 and the measures taken to control it are an indicator that Fibra UNO's associates are impaired and therefore carry out the impairment test in accordance with IAS 36 Impairment of assets.

For IFRS purposes, it is important to consider that long-term loans that are part of the net investment and similar interests in joint ventures and associates are within the scope of the financial instruments' standard and subject to the expected loss impairment guidelines of said rule.

Fibra UNO's Management has concluded that there is no objective evidence of impairment in accordance with paragraph IAS 28 in its investments in associates due to the COVID-19 pandemic as of December 31, 2020.

Capitalization of interest on investment property

COVID-19 has impacted investment properties which are underused or unused for a period or resulting in the suspension of projects in development, given that for approximately half of the year they were closed mainly in the commercial and office segments by official disposition of the Federal Government.

IAS 23 Borrowing Costs requires that interest capitalization be suspended when development of an asset stops; Fibra UNO did not suspend the application of this standard as it did not have to suspend in its entirety any of its developments.



Financial instruments and leases

Impairment of financial assets

When an entity has any financial instrument that is within the scope of the “expected credit loss” (ECL) model, the impact of COVID-19 should be considered in determining the ECL. The instruments to be considered include loans, account receivables and other accounts receivable, debt instruments not measured at fair value through profit or loss (for example, those financial assets measured at amortized cost), lease accounts receivable, financial guarantees and commitments to loans.

In this analysis, the measures that credit institutions are adopting to support their clients have also been taken into account, whether with grace periods, deferral of principal and interest payments, reduction in commissions or interest rates and / or modifications of the contracts.

Therefore, when evaluating the impact of COVID-19, the effect of the following two considerations has been taken into account:

Updating of the model to estimate the ECL itself. This included the following:

- a) Credit risk, that is, the risk of default. This risk may increase if the debtor's business is adversely affected by COVID-19;
- b) The amount that is at risk if the debtor does not pay, that is, the exposure in case of default. Debtors affected by COVID-19 may draw on unused lines of credit, or stop making discretionary payments or take longer than normal to pay, resulting in a higher amount of risk; and
- c) The estimated loss that may occur as a result of any breach. This may increase if COVID-19 results in a decrease in the fair value of a non-financial asset pledged as collateral.

IFRS 9 requires that forward looking information (including macroeconomic information) be considered both when evaluating whether there has been a significant increase in credit risk, and when measuring expected credit losses. Forward-looking information could include additional negative scenarios related to the spread of COVID-19.

This could be achieved in various ways, either by adding one or more additional scenarios to the Entity's existing scenarios, modifying one or more of the existing scenarios (for example, to reflect a scenario with more severe negative impacts and / or increasing its weighting.), or using an 'overlay' if the impact is not included in Fibra UNO's main expected credit loss model.

Based on the foregoing and as mentioned in Notes 4 and 11, as of December 31, 2020, Fibra UNO has determined an estimate of doubtful collection of \$ 490 million. The impact of this increase amounted to \$ 290 million, which is recorded under administrative expenses in the consolidated statement of income and other comprehensive income.

Other relevant considerations for financial instruments and leases

Lease renegotiation

Both lessors and lessees should consider the requirements of IFRS 16 Leases and whether the concession should be accounted for as a lease modification and extend over the remaining period of the lease.

Fibra UNO has carried out negotiations individually with each of its tenants and prepared a detailed database with the result and amount of each of said negotiations, which is the support of the amount recognized as "COVID-19 Relief", which is reflected in the consolidated statement of operations and other comprehensive income and detailed in Note 4.



Fibra UNO's Management has concluded that the accounting treatment to recognize the relief for COVID-19 in the period must be in accordance with their accrual, since they are considered to be fortuitous event or force majeure events under law applicable to the contract jurisdiction; therefore this relief is not considered to be modifications to the contracts under IFRS 16.

Fair value measurement

Financial instruments

The fair value of an asset or liability at the reporting date must be determined according to the applicable accounting framework in accordance with IFRS 13, *Fair Value Measurement*, for which, Fibra UNO took into consideration the following:

- When the fair value is based on an observable market price, the price quoted on the reporting date must be used. The fair value of an asset reflects a hypothetical exit transaction at the reporting date. Therefore, changes in market prices after the reporting date are not reflected in the asset valuation.
- Price volatility in various markets has increased as a result of the spread of COVID-19. This affects the fair value measurement either directly, if fair value is determined based on market prices, for example, in the case of equity instruments or debt securities traded in an active market, or indirectly, for example, if a valuation technique is based on inputs derived from volatile markets.

The credit risk of the counterparty and the credit spread that is used to determine the fair value could also increase. However, the impact of actions taken by governments to stimulate the economy has lowered risk-free interest rates and this compensates for these increases.

The foregoing has an impact on derivatives, embedded derivatives and hedge accounting, and any other financial instrument that measures fair value through profit or loss or other comprehensive income.

Fibra UNO's Management has valued its derivative instruments as of December 31, 2020 in accordance with IFRS, and has not identified any impact beyond the changes in fair values caused by the pandemic in the valuation of its derivatives contracted, as well as , hedge accounting, and any other financial instrument that measures fair value through profit or loss or other comprehensive income.

Non-financial assets and liabilities

The fair values of Fibra UNO's investment properties have not changed significantly as a result of COVID-19. Based on Fibra UNO's accounting policies, they consider the use of multiple valuation techniques when estimating fair values, see Note 8.

The discount rate used in the discounted cash flow approach included a series of market assumptions including a risk-free rate and the cost of debt. In many countries, such as Mexico, the risk-free rate has dropped significantly in 2020 and, on the other hand, the cost of debt has decreased for some entities and increased for others. This results in a lower weighted cost of capital and therefore affects the discount rate. On the other hand, Fibra UNO's Management has considered that the discount rate should be calibrated with the risks projected in the cash flows, including the impact of the long-term growth rate.

Fibra UNO's Management has considered the aforementioned effects, and concluded that such effects do not have significant impacts on the fair value of its investment properties, as observed in Note 8.



Applicable disclosures for financial and non-financial instruments

A change in the fair value measurement affects the disclosures required by IFRS 13, *Fair Value Measurement*, which requires entities to disclose the valuation techniques of the data used in the fair value measurement, as well as the sensitivity of the valuation to changes in assumptions. This also affects the sensitivity analysis required for recurring fair value measurements classified within level 3 of the fair value hierarchy. As mentioned in Note 8, Fibra UNO did not have significant changes in the fair value measurement of investment properties.

Loans - Fulfillment of obligations to do and not to do

As mentioned in Note 12, Fibra UNO contracted more debt during fiscal year 2020 as part of the measures it took to hedge against any liquidity problems derived from COVID-19. However, this did not lead to non-compliance with the debt agreements contracted as of December 31, 2020.

In accordance with the foregoing, the classification of loans and other financial liabilities has not been affected, and the result of this analysis has not had an effect on Fibra UNO.

Leasing and maintenance revenue

Fibra UNO's rental and maintenance revenue decreased as a result of the reduction in economic activity derived from the measures taken by the government and society to control the spread of COVID-19. In terms of accounting, such decreases in revenue due to the lower contracting of locations and the early termination of some contracts, are reflected in the periods in which the related events occur.

Management has made the decision to recognize all the effects of COVID-19 relief referring to fiscal year 2020 in said fiscal year, through the application of credit notes and a reserve specifically for this purpose, which were recorded based on detailed negotiations with each tenant in each of the segments in which Fibra UNO operates. As of December 31, the COVID-19 Relief amounted to \$ 1,786 million, which was recorded directly in the results of the period.

Employee benefits and share-based payments

Due to current circumstances, Management has considered the assumptions related to share-based payments, revising them as the probabilities that employees will achieve bonus goals and / or the conditions for share-based payments have changed. The amount recorded in results for this concept during 2020, 2019 and 2018 amounted to \$ 73,328, \$ 602,099 and \$ 563,488, respectively.

Going concern

For the year ended December 31, 2020, Fibra UNO Management has considered the implications of COVID-19 when evaluating the entity's ability to continue as a going concern.

As part of the Fibra UNO Management analysis, it has concluded that there is no material uncertainty that the Entity may continue as a going concern for the next 12 months derived from COVID-19. The foregoing considering that, although it is true in Mexico there have been mandates from the Federal, State and Local authorities that require the forced closure of non-essential businesses, most of the properties owned by Fibra UNO, such as shopping centers and offices, have not been closed in their entirety, given that Fibra UNO's tenants are mostly self-service centers, banks and pharmacies, all of which are considered essential businesses. There has been a significant reduction in the influx of investment properties (Shopping Centers and Offices), which was impacted on the liquidity of tenants and forced FUNO to grant relief to its tenants and generated an increase in the reserve of bad debt and the creation of relief for COVID-19, as mentioned above. It is worth mentioning that the industrial parks never closed during 2020, due to activities considered essential.



Based on the foregoing and the assumptions considered by Fibra UNO's Management in the financial projections of its financial model as of December 31, 2020, such as; i) events or conditions that individually or collectively may cast significant doubt on the going concern assumption, ii) financial risks and, iii) operational risks, management does not foresee a material uncertainty that prevents the Entity from continuing as a going concern for the next twelve months.

- v. Sale of investment properties - In December 2020, Fibra UNO closed the sale of four industrial properties located in Reynosa, Ciudad Juárez and Ramos Arizpe, with a combined GLA of 89,945 m2, as well as three properties of 409,525 m2 located in Ciudad Juárez and Reynosa, totaling USD 98.8 million, equal \$1,149 million. Considering the acquisition price and the final sale price, Fibra UNO sold 1.7x above the original acquisition price.
- vi. In December 2020, Fibra UNO decided to repay \$6,750 million and \$205 million for the partial disposition of its committed, sustainability-linked line of revolving credit, which had been arranged in April 2020 with the aim of reinforcing the company's balance sheet and cash position given the high degree of uncertainty perceived at the start of the COVID-19 pandemic.
- vii. In December 2019, Fibra UNO made a \$600 million disbursement as a security deposit related to the acquisition of 6 properties in the industrial segment that are part of the property group called "Hercules"; it is estimated to conclude with that acquisition during 2020. This transaction was endorsed and approved by the Corporate Practices Committee and the Fibra UNO Technical Committee at its October 2019 session. As mentioned above, the acquisition was closed during the second and third quarters of 2020.
- viii. On July 24, 2019, Fibra UNO formalized the first syndicated revolving credit line linked to sustainability in Latin America, where it obtained multi-currency financing equivalent to \$21,350 million (with two tranches, one for up to \$13,500 million Pesos and another of up to USD 410 million), whose yield is linked to Fibra UNO's credit rating and the evolution of a sustainable indicator such as the intensity of electricity consumption of managed assets, expressed in Kwh per m2 used. The transaction was carried out by BBVA Bancomer, S.A. ("BBVA Bancomer") as sole sustainable agent and Banco Santander, S.A. ("Santander") as sole administrative agent, acting as 'joint bookrunners' and 'lead arrangers' in this transaction in which a total of 11 financial institutions participated.
- ix. On June 25, 2019, Fibra UNO successfully carried out the placement of unsecured bonds in the international market for USD 1,000 million. Of the total, USD 600 million were placed with a 30-year term (maturity January 15, 2050) with a coupon at 6.390%, and USD 400 million were placed with a 10-year term (maturity January 15, 2030) with a coupon at 4.869%.
- x. On November 15, 2018 and as part of the Fibra UNO's plan to limit the interest rate risk derived from FUNO's 17-2 Bond, contracted an interest rate SWAP hedging the interest on a notional amount of \$4,000 million Pesos.
- xi. On November 9, 2018, Fibra UNO sold the PH floor of the property located in Reforma 155 for a price of \$117.7 million Pesos, resulting in a gain on sale of investment properties of \$49.1 million Pesos.
- xii. In October 2018, for the development of the Mitikah project, Fibra UNO executed simple credit lines with a mortgage guarantee, in which Santander acts as the Structuring Agent Bank, for a total amount of \$660 million Pesos, which accrue interest at a rate of Mexican Interbank Balance Interest ("TIIE") plus 2.60%.



- xiii. On September 14, 2018, Fibra UNO carried out the issuance of CBFIs in the domestic market for \$9,200 million. Of the total amount, \$3,799.6 million correspond to the reopening of the FUNO 17 Bond with a remaining term of 9.2 years. This reopening was carried out at the fixed rate resulting from adding the 10-year M-bonds plus 190 basis points, that is, 9.20%. The remaining amount of \$5,400 million, corresponds to a new issue with a term of 4.6 years and was placed at a variable TIIE rate plus 83 basis points.
- xiv. On July 19, 2018, Fibra UNO finalized the sale of a piece of land located in the municipality of Apodaca in the state of Nuevo León, for \$196.8 million Pesos, resulting in a gain on the sale of investment properties of \$87.2 million Pesos, which is shown in Note 8.
- xv. On June 12, 2018, Fibra UNO paid the unsecured credit line contracted with Actinver for \$410 million Pesos that accrued interest at TIIE plus 1.80%. Likewise, on that date, Fibra UNO made available \$410 million Pesos of the same line of credit with Actinver to TIIE plus 1.80% with maturity on June 12, 2019.

In May 2018, Fibra UNO had an unsecured credit line, contracted with Santander for \$1,000 million Pesos, which accrued interest at TIIE plus 1.25%, which on June 15, 2018, was paid by Fibra UNO. Likewise, on June 15, 2018, Fibra UNO borrowed \$1,000 million Pesos of the same credit line with Santander at TIIE plus 1.25% maturing on August 14, 2018. In August 2018, Fibra UNO had an unsecured credit line, contracted with Santander for \$1,500 million Pesos, which accrued interest at a TIIE rate plus 1.25%. In September 2018, Fibra UNO paid a total amount of \$2,500 million Pesos of the unsecured credit line, contracted with Santander

- xvi. On April 13, 2018, Fibra UNO carried out the early redemption of the issue of CFBIs with a ticker symbol FUNO 16 for \$883,750, which accrued interest at TIIE plus 0.65%.
- xvii. On April 5, 2018, Fibra UNO issued CBFIs in the domestic market for \$2,000,000. The bond will accrue interest at TIIE + 0.85% maturing on December 5, 2022.
- xviii. On March 8, 2018, the Autonomous University of Guadalajara (“UAG”) executed the purchase option of the property stipulated in the contract known as the “Framework Agreement” dated July 29, 2013, concluded between the UAG and Fibra UNO, which stipulates that at the end of the 49 months of validity of the lease the UAG has the option to purchase the property. Therefore, on March 8, 2018 Fibra UNO obtained an amount for the sale of the property of \$638 million Pesos corresponding to the repurchase value agreed by the purchase option of the property plus the Value Added Tax (“VAT”) generated by this variable in the amount of \$5.5 million Pesos, in addition to \$26.6 million Pesos for reimbursement of expenses and costs of the deeds paid by Fibra UNO on the acquisition date.
- xix. On March 7, 2018, Fibra UNO had an unsecured credit line, contracted with BBVA Bancomer of \$500 million Pesos at TIIE plus 1.25%, maturing on June 5, 2018. On June 4, 2018, Fibra UNO had an unsecured credit line, contracted with BBVA Bancomer of \$500 million Pesos at TIIE plus 1.25%, maturing on November 30, 2019. On June 5, 2018, Fibra UNO paid the unsecured credit line contracted with BBVA Bancomer of \$500 million Pesos that accrued interest at TIIE plus 1.25%. Likewise, on that date, Fibra UNO made available \$500 million Pesos of the same credit line with BBVA Bancomer at TIIE plus 1.25% maturing on November 30, 2018. On June 21, 2019, Fibra UNO had an unsecured credit line, contracted with BBVA Bancomer of \$500 million Pesos at TIIE plus 1.25%, maturing on December 18, 2018. On August 10, 2018, Fibra UNO had the unsecured credit line, contracted with BBVA Bancomer of \$500 million Pesos at TIIE plus 1.25%, maturing on December 18, 2018. On December 18, 2018, Fibra UNO had an unsecured credit line, contracted with BBVA Bancomer, of \$2,000 million Pesos, which accrues interest at TIIE plus 1.25%. This line of credit was liquidated in May 2019.



- xx. On March 5, 2018, Fibra UNO signed a promise of sale agreement with Denso México, S.A. de C.V. for which Fibra UNO has committed to sell a piece of land located in the municipality of Apodaca, Nuevo León state. The sale price was USD 10.4 million which was paid as of December 31, 2018.
- xxi. On February 2, 2018, Fibra UNO paid the unsecured credit line contracted with Banco Nacional de México, S.A. (“Banamex”) of \$1,800 million at TIIE plus 1%. Likewise, on that date, Fibra UNO made available \$1,800 million Pesos of the same credit line with Banamex at TIIE plus 1% maturing on August 2, 2018, and on June 4, 2018, Fibra UNO prepaid the Unsecured credit line contracted with Banamex of \$ 1,800 million Pesos that accrued interest at TIIE plus 1.00% and maturing on August 2, 2018. On June 4, 2018, Fibra UNO had \$1,800 million Pesos of the same credit line with Banamex at TIIE plus 1.00% maturing on December 4, 2018. On September 18, 2018, Fibra UNO paid \$1,800 million Pesos of the unsecured credit line, contracted with Banamex, so as of December 31, 2018, there was no outstanding balance payable to Banamex.
- xxii. Fibra UNO sold to Trust 2585 the “Residential Landmark” from the “Mitikah” complex for the construction of the residential tower. Trust 2585 is in charge of build and sale of a tower of residential units to be built in the Residential Landmark and whose estimated completion date will be June 2021. The final sale price of the Residential Landmark destined for the construction of the residential tower is based on a series of variables at the end of the construction works. As of December 31, 2020, Fibra UNO has assigned an estimated value to said section of land of \$1,527,464, while as of December 31, 2019 and 2018 it was \$1,262,464, which is presented as other long-term accounts receivable in the accompanying consolidated statement of financial position.

2. Basis of presentation

Reclassifications - Certain amounts in the consolidated financial statements as of and for the year ended December 31, 2019 and 2018 have been reclassified to conform to the presentation in 2020.

3. Application of new and revised International Financial Reporting Standards

a. *Application of new and revised International Financing Reporting Standards (“IFRS” or “IAS”) that are mandatorily effective for the current year*

In the current year, Fibra UNO implemented a series of new and modified IFRS, issued by the International Accounting Standards Board (“IASB”) which are mandatory and entered into force as of the years that started on or after January 1, 2020.

Impact of the initial application of Interest Rate Benchmark Reform amendments to IFRS 9 and IFRS 7

In September 2019, the IASB issued Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7). These amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments affected by the current interest rate benchmarks are amended as a result of the on-going interest rate benchmark reforms.

The amendments are relevant to Fibra UNO given that it applies hedge accounting to its benchmark interest rate exposures. The application of the amendments impacts the Fibra UNO’s accounting in the following ways:



- Fibra UNO will retain the cumulative gain or loss in the cash flow hedge reserve for designated cash flow hedges that are subject to interest rate benchmark reforms even though there is uncertainty arising from the interest rate benchmark reform with respect to the timing and amount of the cash flows of the hedged items. Should Fibra UNO consider the hedged future cash flows are no longer expected to occur due to reasons other than interest rate benchmark reform, the cumulative gain or loss will be immediately reclassified to profit or loss.

The amendments also introduce new disclosure requirements to IFRS 7 for hedging relationships that are subject to the exceptions introduced by the amendments to IFRS 9.

Impact of the initial application of other new and amended IFRS Standards that are effective for the current year

In the current year, the Group has applied the below amendments to IFRS Standards and Interpretations issued by the Board that are effective for an annual period that begins on or after 1 January 2020. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to References to the Conceptual Framework in IFRS Standards

Fibra UNO has adopted the amendments included in Amendments to References to the Conceptual Framework in IFRS Standards for the first time in the current year. The amendments include consequential amendments to affected Standards so that they refer to the new Framework. Not all amendments, however, update those pronouncements with regard to references to and quotes from the Framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the Framework they are referencing to (the IASB Framework adopted by the IASB in 2001, the IASB Framework of 2010, or the new revised Framework of 2018) or to indicate that definitions in the Standard have not been updated with the new definitions developed in the revised Conceptual Framework.

The Standards which are amended are IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32.

Amendments to IFRS 3 Definition of a business

Fibra UNO has adopted the amendments to IFRS 3 for the first time in the current year. The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

The amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs. The amendments also introduce additional guidance that helps to determine whether a substantive process has been acquired.

The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets.

The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after 1 January 2020.



<i>Amendments to IAS 1 and IAS 8</i>	Fibra UNO has adopted the amendments to IAS 1 and IAS 8 for the first time in the current year.
<i>Definition of material</i>	<p>The amendments make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.</p> <p>The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'.</p> <p>The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of 'material' or refer to the term 'material' to ensure consistency.</p>

b. ***New and revised IFRS Standards in issue but not yet effective***

At the date of authorization of these financial statements, Fibra UNO has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

IFRS 10 and IAS 28 (amendments)	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>
Amendments to IAS 1	<i>Classification of Liabilities as Current or Non-current</i>
Amendments to IFRS 3	<i>Reference to the Conceptual Framework</i>
Amendments to IAS 37	<i>Onerous Contracts – Cost of Fulfilling a Contract</i>
Annual Improvements to IFRS Standards 2018-2020 Cycle	<i>Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments</i>

Management does not expect that the adoption of the standards listed above will have a material impact on the consolidated financial statements of Fibra UNO in future periods.

4. **Significant accounting policies**

a. ***Statement of compliance***

The consolidated financial statements have been prepared in accordance with IFRS released by IASB.

b. ***Basis of preparation***

The consolidated financial statements have been prepared on the historical cost basis except for the revaluation of certain properties and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below.

i. ***Historical cost***

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

ii. ***Fair value***

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.



c. **Cash and cash equivalents**

Cash and cash equivalents consist mainly of bank deposits in checking accounts. Cash equivalents are short-term investments, highly liquid and easily convertible into cash, maturing within three months as of their acquisition date, which are subject to immaterial value change risks. Cash is stated at nominal value and cash equivalents are measured at fair value.

As of their acquisition, investments in both equity and debt securities are classified according to Fibra UNO's intention into one of the following categories: (1) for trading purposes, when they are equity or debt instruments, and Fibra UNO has the intention of trading them in the short-term and before they mature, these investments are valued at fair value and changes in valuation are recognized in results for the period; (2) held to maturity, when they are debt instruments and Fibra UNO has the intention and financial capacity to hold them throughout their term, they are recognized and held at amortized cost; and (3) available for sale, those which are not classified in one of the previous categories are valued at fair value and the unrealized gains and losses are recorded in comprehensive income (loss) as part of Trusts' NAV, and are applied to results at the time of their sale. Fair value is determined using prices in recognized markets and when the instruments are not listed on a market, it is determined using technical valuation models recognized in the financial community.

Investments in securities classified as held to maturity and available for sale are subject to impairment testing, and when there is solid evidence that they will not be fully recovered, the expected impairment is recognized in the consolidated statement of operations and other comprehensive income.

d. **Basis of consolidation**

The consolidated financial statements incorporate the financial statements of Fibra UNO and its subsidiaries controlled by it. Control is achieved when Fibra UNO has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee, and has the ability to use its power to affect its returns. The participation in the capital of the subsidiaries is as follows:

Entity	Participation			Activity
	2020	2019	2018	
F1 Management	99.99%	99.99%	99.99%	Management services and necessary functions to operate Fibra UNO's business.
F1 Controladora	99.99%	99.99%	99.99%	Administration, coordination and supervision and collection services to Fibra UNO.
Trust F/00181 "Los Cabos, Baja California Sur"	100%	100%	100%	Real estate leasing
Trust F/00186 "Culiacán, Sinaloa"	100%	100%	100%	Real estate leasing
Trust F/00220 "Ayotla, State of Mexico"	100%	100%	100%	Real estate leasing
Trust F/00221 "Parques Polanco, Mexico City"	100%	100%	100%	Real estate leasing
Trust F/00236 "Tepeji del Río, Hidalgo"	100%	100%	100%	Real estate leasing
Trust F/00246 "Ixtapaluca, State of Mexico"	100%	100%	100%	Real estate leasing
Trust F/00257 "Juárez I Panamericana, Chihuahua"	100%	100%	100%	Real estate leasing



Entity	Participation			Activity
	2020	2019	2018	
Trust F/00263 “Coatzacoalcos, Veracruz”	100%	100%	100%	Real estate leasing
Trust F/00276 “Pachuca, Hidalgo”	100%	100%	100%	Real estate leasing
Trust F/00277 “Poza Rica, Veracruz”	100%	100%	100%	Real estate leasing
Trust F/00312 “Juárez II Zaragoza, Chihuahua”	100%	100%	100%	Real estate leasing
Trust F/00468 “Galerías Diana, Acapulco Guerrero”	100%	100%	100%	Real estate leasing
Trust F/231274 “Tulancingo, Hidalgo”	100%	100%	100%	Real estate leasing
Trust F/233218 “Centrika, Monterrey, Nuevo León”	100%	100%	100%	Real estate leasing
Trust F/00493 “Fashion Mall, Chihuahua”	100%	100%	100%	Real estate leasing
Trust F/00478 “Texcoco, State of Mexico”	100%	100%	100%	Real estate leasing
Trust F/00561 “Aguascalientes, Aguascalientes”	100%	100%	100%	Real estate leasing
Trust F/00738 “Huehuetoca, State of Mexico”	100%	100%	100%	Real estate leasing
Trust F/00761 “Santa Fe, Mexico City”	100%	100%	100%	Real estate leasing
Trust F/00781 “Plaza del Lago, Cuautitlán, State of Mexico”	100%	100%	100%	Real estate leasing
Trust F/00740 “Centro Bancomer”	100%	100%	100%	Office real estate leasing
Trust 435/2004	100%	100%	100%	Industrial real estate leasing
Trust 547/2005	100%	100%	100%	Industrial real estate leasing
Trust 631/2005	100%	100%	100%	Industrial real estate leasing
Trust 635/2004	100%	100%	100%	Industrial real estate leasing
Trust 700/2006 “San José Segunda Etapa”	100%	100%	70.62%	Industrial real estate leasing
Trust 721/2006 “Ecatepec”	100%	100%	100%	Industrial real estate leasing
Trust 722/2006	100%	100%	100%	Industrial real estate leasing
Trust 1480/2014 “Parques Cuautitlán”	100%	100%	100%	Shopping center development
Trust 1487/2014 “Querétaro”	100%	100%	100%	Industrial real estate leasing
Trust 1527/2014	100%	100%	100%	Industrial real estate leasing
Operadora CVC	100%	100%	100%	Administrative service for the administration of domestic real estate
F1 Administración	100%	100%	100%	Administrative services for the administration of F/2353



Entity	Participation			Activity
	2020	2019	2018	
MTK	99.99%	99.99%	99.99%	Services for the construction of investment properties
Trust 2584 “Mitikah Shopping Mall”	62.00%	62.00%	64.20%	Development of the Mitikah, project along with Helios
Trust 1127 “Torre Latino”	77.47%	77.47%	77.47%	Office real estate leasing
Trust 2500 “Espacio Tollocan”	100%	100%	100%	Shopping center development
Trust 816 “Tepeji del Río”	100%	100%	-	Industrial real estate leasing
Trust 11 “Parque Industrial Querétaro V”	100%	-	-	Industrial real estate leasing
Fideicomiso 11 “Parque Industrial Querétaro V”	100%	-	-	Industrial real estate leasing

All intercompany balances and transactions have been eliminated

Beginning January 1, 2017 and derived from the second modification agreement to Trust 1127/2010 (Torre Latino) in which Ecocinemas, S.A de C.V. (Ecocinemas) as “Trustor A” and Fibra UNO as “Trustor B”, will have the right to receive 22.53% and 77.47% respectively, of the net proceeds of the rental income and the eventual proceeds of the sale of Torre Latino; Fibra UNO recorded in its consolidated financial statements the non-controlling interest corresponding to the 22.53% that represents the participation that Ecocinemas has over Torre Latino’s Net Asset Value.

e. ***Business combinations***

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by Fibra UNO, less liabilities incurred by Fibra UNO to the former owners of the acquired entity and the net asset value interests issued by Fibra UNO in exchange for control of the acquiree. Acquisition-related costs are generally recognized in the consolidated statement of operations as incurred.

At the acquisition date, all the identifiable acquired assets and all the assumed liabilities are recognized at their fair value.

f. ***Financial instruments***

Financial assets and financial liabilities are recognized initially at fair value. Transaction costs that are directly attributable to the acquisition or issuance of a financial asset or liability (other than financial assets and liabilities that are recognized at fair value through profit or loss) are added to or deducted from the fair value of the financial asset or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the consolidated statement of operations.

Financial assets

All regular acquisitions or sales of financial assets are recognized and written off on the trading date. Regular acquisitions or sales are financial assets acquisitions or sales that require the delivery of assets within the regulated established period or usual market practices.

All recognized financial assets are fully measured subsequently, either at amortized cost or fair value, according to the financial assets classification.



Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortized cost:

- If the financial asset is maintained in a business model whose objective is to maintain financial assets with the objective of obtaining contractual cash flows and;
- The contractual terms of the financial asset give rise, on specific dates, to cash flows that only comprise principal and interest payments on the amount of the principal.

Debt instruments that comply the following conditions are subsequently measured at fair value through other comprehensive results.

- The financial asset is maintained within a business model whose objective is met by obtaining contractual cash flows and selling financial assets, and
- The contractual terms of the financial asset give rise, on specific dates, to cash flows that only comprise principal and interest payments on the outstanding amount of the principal

By default, all other financial assets are subsequently measured at fair value through the consolidated statement of operations and other comprehensive income.

Amortized cost and effective interest method

The effective interest method is a method to calculate the amortized cost of a debt instrument and to allocate the interest income during the relevant period.

For financial assets that were not purchased or originated from financial assets with credit impairment (for example, assets that have credit impairment on initial recognition), the effective interest rate is the rate that accurately discounts future cash inflows expected (including all commissions and points paid or received that are an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding the expected credit losses, over the expected life of the debt instrument or, if applicable, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For credit impaired financial assets with purchased or originated, an effective interest rate adjusted for credit is calculated by discounting the estimated future cash flows, including expected credit losses, at the amortized cost of the debt instrument at initial recognition.

The amortized cost of a financial asset is the amount at which the financial asset is measured in the initial recognition less the repayments of the principal, plus the accumulated amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss. The gross book value of a financial asset is the amortized cost of a financial asset before adjusting any provision for losses.

Interest income is recognized using the effective interest effect for debt instruments subsequently measured at amortized cost and at fair value through other comprehensive income. For financial assets acquired or originated other than financial assets with credit impairment, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently suffered impairment credit. For financial assets that have subsequently impaired credit, interest income is recognized by applying the effective interest rate to the amortized cost of the financial asset. If in subsequent reporting periods the credit risk in the financial instrument with credit impairment improves, so that the financial asset no longer has credit impairment, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset.

For acquired or originated financial assets that have a credit impairment, Fibra UNO recognizes interest income applying the effective interest rate adjusted by credit to the amortized cost of the financial asset as of its initial recognition. The calculation does not return to the gross basis, even if the credit risk of the financial asset subsequently improves, such that the financial asset no longer has credit impairment.



Interest income is recognized the consolidated statement of operations and is included in the interest income caption.

A financial asset is held for trading if:

- It has been obtained with the main objective of selling in the short-term; or
- Initial recognition it is part of a portfolio of identified financial instruments that are managed together and has evidence of a recent pattern of earning in the short-term; or
- Is a derivative (except for derivatives that are contractual financial guarantees or an effective hedging instrument).

Investments in equity instruments at fair value through other comprehensive income are initially measured at fair value plus transaction cost. Subsequently, they are measured at fair value through profit and loss arising from changes in fair value recognized in other comprehensive income and accumulated in the investment revaluation reserve. Accumulated gain or loss cannot be reclassified to profit or loss on the disposition of capital investments, but is transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment.

Financial assets at Fair Value Through Profit or Loss (FVTPL)

- Investments in equity instruments are classified as at FVTPL, unless Fibra UNO designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at Fair Value Through Other Comprehensive Income (FVTOCI) is designated in initial recognition.
- Debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortized cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called ‘accounting mismatch’) that would arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases. Fibra UNO has not designated any debt instruments as at FVTPL.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

Impairment of financial assets

Fibra UNO always recognizes lifetime Expected Credit Loss (ECL) for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on Fibra UNO’s historical credit loss experience, general economic conditions and an assessment of both current direction as well as the forecast conditions at the reporting date, including the time value of money when appropriate. In addition, the current conditions caused by the COVID-19 pandemic have been considered by 2020.

For all other financial instruments, Fibra UNO recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, Fibra UNO measures the loss allowance for that financial instrument in an amount equal to 12-month ECL.



Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected useful life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events in a financial instrument that are possible within 12 months after the reporting date.

i. Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, Fibra UNO compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, Fibra UNO considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which Fibra UNO's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organizations, as well as consideration of various external sources of actual and forecast economic information that relate to Fibra UNO's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition.

- An actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- Significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortized cost;
- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- A current or expected significant deterioration in the operating results of the debtor;
- Significant increases in credit risk on other financial instruments of the same debtor;
- An actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

ii. Definition of default

Fibra UNO considers the following as constituting a default event for internal credit risk management purposes, as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable.

- When the debtor breaches financial covenants;
- Information developed internally or obtained from external sources indicates that it is unlikely that the debtor will pay its creditors, including Fibra UNO, in full (without taking into account any guarantee that Fibra UNO has).

Irrespective of the above analysis, Fibra UNO considers that default has occurred when a financial asset is more than 90 days past due unless Fibra UNO has reasonable and reliable information to demonstrate that a more lagging default criterion is more appropriate.

iii. Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:



- Significant financial difficulty of the issuer or the borrower;
- A breach of contract, such as a default or past due event
- The lender(s) of the borrower, for economic or contractual reason related to the borrower's financial difficulty, grant the debtor a concession that the lenders would not otherwise consider;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- The disappearance of an active market for that financial asset due to financial difficulties.

iv. Write-off policy

Fibra UNO writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under Fibra UNO's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in the consolidated statement of operations.

Valuation and recognition of expected credit losses

Measurement and recognition of expected credit losses. - The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of default probability and default loss is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, Fibra UNO understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

Derecognition of financial assets

Fibra UNO derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If Fibra UNO neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, Fibra UNO recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If Fibra UNO retains substantially all the risks and rewards of ownership of a transferred financial asset, Fibra UNO continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investment's revaluation reserve is reclassified to profit or loss.

On the derecognition of a financial asset that is not in its entirety (for example, when an option is retained to repurchase part of a transferred asset), Fibra UNO distributes the previous carrying amount of the financial asset among the party that continues to recognize under of your continued involvement, and the party that you no longer recognize based on the relative fair values of those parties on the date of the transfer. The difference between the carrying amount attributable to the party that is no longer recognized and the sum of the consideration received by the unrecognized party and any cumulative gain or loss that is allocated to it that has been recognized in other comprehensive income is recognized in profit or loss. The accumulated gain or loss that has been recognized in other comprehensive income will be distributed between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of such parties.



Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) the contingent consideration of an acquirer in a business combination and applies IFRS 3, (ii) held for trading or (iii) it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- It has been acquired principally for the purpose of repurchasing it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that Fibra UNO manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that has not been designated as a hedging instrument and meets the conditions to be effective.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- The performance of a group of financial assets, financial liabilities or both, is managed and evaluated based on its fair value, in accordance with Fibra Uno's a documented investment or risk management strategy, and is provided internally information about that group, based on its fair value; or
- Be part of a contract that contains one or more embedded derivative instruments, and IAS 39 Financial Instruments, *Recognition and measurement* permits the entire combined contract to be designated as FVTPL.

Financial liabilities at FVTPL are recorded at fair value, recognizing any gain or loss arising from the remeasurement in results. The net gain or loss recognized in results includes any dividend or interest paid on the financial liability and is included in other comprehensive income in the consolidated statements of income and other comprehensive income and the fair value is determined as described in Note 11.

Other financial liabilities

Other financial liabilities, (including loans and accounts payable), are subsequently valued at amortized cost using the effective interest rate method.

The effective interest rate method is a method of calculating the amortized cost of a financial liability and allocating financial expense over the relevant period. The effective interest rate is the rate that accurately discounts the estimated cash flows over the expected life of the financial liability or (when appropriate) in a shorter period with the net carrying amount of the financial liability at initial recognition.

Derecognition of financial liabilities

Fibra UNO derecognizes a financial liability when its obligations are discharged, canceled or expired. The difference between the carrying amount of the derecognized financial liability and the consideration paid and payable is recognized in the consolidated statement of operations.

g. Investment properties

Stabilized investment properties are measured at fair value. Revaluations of investment properties take place at least once a year, so that the book value does not differ materially from what would have been calculated using fair values at the end of the reporting period.



Properties that are under construction for leasing purposes are recorded at cost less any recognized impairment losses. The cost includes professional fees and, in the case of qualifying assets, the costs for loans capitalized in accordance with Fibra UNO's accounting policy (see Note 4l). Such properties are classified to the appropriate categories of investment properties when complete for their intended use.

Fibra UNO determines the category of its construction investment properties to be stabilized when the first occurs between; set an occupation of 80% of the investment property or 12 months from the first rent collected, 12 months from the contractor's delivery date or a period of 12 months without material payments related to the project.

An item of property is derecognized when it is sold or when no future economic benefits are expected to result from continued use of the asset. The profit or loss arising from the sale or withdrawal of an item of property is calculated as the difference between the proceeds received from the sale and the carrying amount of the asset and is recognized in the consolidated statement of operations.

Fibra UNO's Management uses its judgment to determine whether the acquisition of an investment property or an investment property portfolio constitutes a business combination or acquisition of an asset. In particular, the following criteria are used:

- (i) The number of land and building properties purchased.
- (ii) The extent to which relevant processes have been acquired and, in particular, the scope of complementary services provided by the acquired entity (including strategic management of processes, operational processes and resource management processes, including, but not limited to activities such as financial management in relation to ownership, significant management of capital investments associated with buildings, management of the type of contracts entered into and composition of tenants, acquisition of new leases).
- (iii) The extent to which the acquired entity has incorporated its own personnel to manage the properties and / or to implement processes (including any administrative system as in the case of billing, collection, generation of information for the owners in relation to the administration or regarding tenants).

h. ***Investments in associates***

An associate is an entity over which the Trust has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Given the nature of certain of its investments in associates, Fibra UNO has designated those as under the equity method, see Notes 1b and 9.

i. ***Other assets***

1. ***Intangible assets acquired in a business combination***

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately. The administrative platform, Fibra UNO's most significant intangible asset acquired in a business combination.

2. ***Derecognition of intangible assets***

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in profit or loss when the asset is derecognized.



j. ***Impairment of tangible and intangible assets***

At the end of each reporting period, Fibra UNO reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, Fibra UNO estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

k. ***Borrowing Costs***

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. The income obtained by the temporary investment of fund from specific loans pending use in qualifying assets is deducted from the cost of the investment properties to be capitalized. All other borrowing cost are recognized in income during the period in which they are incurred.

l. ***CBFIs based payment***

Transactions with payments based on Fibra UNO CBFIs

Transactions with payments based on CBFIs that can be settled through net asset value instruments to Fibra UNO employees are valued at the fair value of the net asset value instruments on the date they are granted. Details related to determining the fair value of payment transactions based on CBFIs settled through net asset value instruments are presented in Note 15.

The fair value determined at the grant date of the equity-settled CBFIS-based payments is expensed on a straight-line basis over the vesting period, based on Fibra UNO's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, Fibra UNO revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity settled employee benefits reserve.

Equity-settled CBFIs-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date Fibra UNO obtains the goods or the counterparty renders the service.

For cash-settled CBFIs-based payments, a liability is recognized for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognized in profit or loss for the year.



m. ***Employee benefits***

Employee benefits for termination and retirement

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return of the assets plan (excluding interest), are immediately reflected in the consolidated statement of financial position with a charge or credit recognized in the other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period of the obligation to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements),
- Net interest expense or income, and
- Remeasurement.

The retirement benefit obligation recognized in the consolidated statement of financial position represents the actual deficit or surplus in Fibra UNO's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognized at the earlier of when Fibra UNO can no longer withdraw the offer of the termination benefit and when Fibra UNO recognizes any related restructuring costs.

Short-term employee benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Statutory employee profit sharing ("PTU")

As result of the PTU is recorded in the results of the year in which it is incurred and is presented in the operating expenses line item in the consolidated statement of operations.

As of fiscal year, 2014, the PTU is determined based on taxable income in accordance with section I of Article 9 of the Income Tax Law.

n. ***Provisions***

Provisions are recognized when Fibra UNO has a present obligation (whether legal or assumed) as a result of a past event, it is probable that Fibra UNO will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.



o. ***Deposits from tenants***

Fibra UNO obtains refundable deposits from certain tenants, mainly denominated in Mexican Pesos, as guarantee for the lease payments for a certain period. These deposits are accounted for as a financial liability and are initially recognized at their fair value. If there is a difference between the initial fair value and the nominal value of the deposit, it is considered as an additional payment of rent and, as a result, it is amortized over the term of the lease. The deposit is subsequently valued at its amortized cost.

p. ***Lease revenue***

Leases are classified as finance leases when the terms of the lease substantially transfer inherent control of ownership to the lessees. All other leases are classified as operating leases. Properties operated under operating leases are included in investment property in the accompanying consolidated statements of financial position.

Accounting recognized operating lease income is substantially equal to that determined by reducing the incentives granted, such as grace periods, are recognized on a straight-line basis over the lease term, except for contingent rents (such as variable income), which are recognized when they earned. The lease term is the non-cancellable period of the contract, including additional terms for which the lessee has the option to extend, when at lease inception, Management has a reasonable certainty that the lessee will exercise the option.

Revenues also include reimbursements of operating expenses, maintenance and publicity, and others, which are recognized in the period in which services are rendered.

q. ***Interest income***

Interest income is recognized as accrued and there is a probability that the economic benefits will flow to Fibra UNO and the amount of income can be reliably valued.

Interest income is recorded on a periodic basis, with reference to principal and the applicable effective interest rate.

r. ***Income taxes***

As mentioned in Note 1a, Fibra UNO has the tax treatment of a FIBRA since it complies with the requirements for income tax purposes, therefore, it does not recognize a provision for income taxes.

s. ***Foreign currency***

Foreign currency transactions are recognized at the public spot rates of exchange prevailing at the dates of their execution. Monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences are recognized in profit or loss. Exchange differences are recognized in profit or loss, however, as mentioned in Note 4I, Fibra UNO capitalizes borrowing cost on its investment property under development, so that the fluctuation change of the debt for the development of the properties was capitalized on investment properties.

t. ***Statement of cash flows***

Fibra UNO presents its consolidated statements of cash flows using the indirect method. Interest received is classified as investing cash flow, while interest paid is classified as financing cash flow.



u. ***Derivative financial instruments***

Fibra UNO's enters into a variety of derivative financial instruments to manage its exposure to the risk of volatility in interest rate and foreign exchange rate, including foreign exchange forward contracts, interest rate swaps and cross currency swaps. Further details of derivative financial instruments are disclosed in Note 11.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

Embedded derivatives

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the contracts are not measured at FVTPL.

5. Critical accounting judgments and key sources of estimation uncertainty

In the application of Fibra UNO's accounting policies, which are described in Note 4, Management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Modifications to accounting estimates are recognized in the period in which the estimate is revised if the modification affects only that period, or in the period of the modification and future periods if the modification affects both current and future periods.

a. ***Critical judgments in applying accounting policies***

The following are the critical judgments, apart from those involving estimates, that Management has made in the process of applying Fibra UNO's accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements.

Lease classification

Leases are classified based on the extent to which the inherent control of ownership of the property under the contract rests with Fibra UNO or the tenant, depending on the substance of the transaction, rather than the form of the contracts. Fibra UNO has determined, based on an evaluation of the terms and conditions of the agreements, that it substantially maintains the inherent control of the ownership of these assets and, therefore, classifies them as operating leases.

Business combinations

Management applies its judgment when determining whether an acquisition of an investment property or a portfolio of investment properties is a business combination or an asset acquisition. In Particular, the following criteria are considered:

- i. The number of properties (land and buildings) acquired.
- ii. The extent to which significant processes are acquired and in particular the extent of ancillary services provided by the acquire (e.g., maintenance, cleaning, security, bookkeeping, other property services, etc.)



- iii. Whether the acquire has allocated its own staff to manage the property and/or to deploy any processes (including all relevant administration such as invoicing, cash collection, provision of management information to the entity's owners and tenant information).

This determination can have significant impact in the accounting for the initial and subsequent recognition of assets and liabilities acquired. The transactions which occurred during the periods presented in the accompanying consolidated financial statements were accounted for as asset acquisitions, except by the acquisition of Trust 816 as mention on Note 1c.

COVID-19 Relief recorded in the year

Fibra UNO has conducted individual negotiations with each of its tenants and developed a detailed database with the result and amount of each of these negotiations, which is the support of the amount recorded as "COVID-19 Relief", which is reflected in the consolidated statement of results and other comprehensive and detailed results in Note 4.

Fibra UNO's Management has concluded that accounting treatment to recognize COVID-19 Relief in the period must be in accordance with your accrual, as they are considered as a fortuitous event and/or force majeure under the jurisdiction and applicable law of the contract. Accordingly, these discounts are not considered modifications to contracts under IFRS 16.

Fibra UNO Assessment of going concern

Business disruption resulting from the COVID-19 pandemic has caused business disruption in Fibra UNO tenants, and consequently discounts have been granted and the allowance for doubtful accounts has been increased. Management must assess whether Fibra UNO can continue as a going concern for a period of at least 12 months.

b. *Key sources of uncertainty in the estimates*

The following are the key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period and that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Valuation of investment properties

In order to estimate the fair value of the investment properties, Management, with the assistance of an independent appraiser, selects the appropriate valuation techniques given the particular circumstances of each property and valuation. Critical assumptions relating to the estimates of fair values of investment properties include the receipt of contractual rents, expected future market rents, renewal rates, and maintenance requirements, discount rates that reflect current market uncertainties, capitalization rates and recent investment property prices. If there is any change in these assumptions or in regional, national or international economic conditions, the fair value of property investments may change materially.

There have been no changes to valuation techniques during 2020, 2019 and 2018. Fibra UNO's Management considers that valuation techniques and critical assumptions used are appropriate to determine the fair values of its investment properties.

Allowance for doubtful accounts

Estimates are used to determine the reserves of doubtful collection accounts considering mainly arrears in collection and particular conditions of sectors and tenants of Fibra UNO. The allowance for doubtful accounts is determined based on expected losses, non-compliance percentages, and recovery based on past experiences.



6. Cash and cash equivalents

The integration of cash and its equivalents is presented below:

	2020	2019	2018
Cash in banks	\$ 6,996,548	\$ 1,756,741	\$ 853,991
Restricted cash:			
Restricted cash and reserve fund for bank loans (1)	219,188	161,543	236,144
Investment	<u>530,857</u>	<u>1,124,630</u>	<u>3,318,791</u>
Total cash and restricted cash	<u>\$ 7,746,593</u>	<u>\$ 3,042,914</u>	<u>\$ 4,408,926</u>

- (1) Restricted cash consist of cash in custody in various trusts and its partial use is restricted for the payment of debt service plus interest contracted with Banorte, Actinver, HSBC and Banamex, and with Banco Nacional de Comercio Exterior (Bancomext). Once the debt service has been settled, the remaining funds contained in these accounts will be released and may be used for Fibra UNO's.

7. Lease receivables and other accounts receivables

The integration of accounts receivable is presented below:

	2020	2019	2018
Lease receivables	\$ 3,046,635	\$ 1,688,749	\$ 1,488,225
COVID-19 Relief (1)	(943,910)	-	-
Allowance for doubtful accounts	<u>(490,355)</u>	<u>(200,517)</u>	<u>(180,068)</u>
	1,612,370	1,488,232	1,308,157
Account receivable from construction in progress (2)	838,034	686,462	-
Other accounts receivable	<u>706,419</u>	<u>655,164</u>	<u>419,080</u>
	<u>\$ 3,156,823</u>	<u>\$ 2,829,858</u>	<u>\$ 1,727,237</u>

- (1) Corresponds to the COVID-19 Relief for which the credit notes for the 2020 financial year have not been issued, but were negotiated and accepted by the tenants and Fibra UNO.
- (2) Corresponds to the account receivable that MTK has with Trust 2585 for the certification of the construction in progress of the Mitikah project.

a. Lease receivables and credit risk management

At the inception of lease contracts, Fibra UNO requests a refundable security deposit from its customers to guarantee timely payment of rents on the commercial property leases, generally denominated in Mexican Pesos, consisting, in most of the cases, of two months of rent, which is presented under the caption Deposit from tenants in the accompanying consolidated statements of financial position. In addition, depending on the characteristics of the commercial property, Fibra UNO may request a non-refundable deposit. Alternatively, Fibra UNO requests bonds and other guarantees from its customers. For anchor customers and other high credit quality customers the above guarantees may be waived.

On a combined basis, and considering only the figures during 2020, 2019 and 2018, Wal Mart, Universidad ICEL and Santander Bank represent 13.84%, 12.59%, y 13.26% of lease revenue, respectively.



Additionally, the individual properties comprising the combined properties, may be subject to concentrations of credit risk.

Fibra UNO estimates an allowance for doubtful accounts to provide for unrecoverable amounts receivable in accordance with IFRS 9 *Financial Instruments*. The estimate consists of 100% of accounts that are greater than 360 days past due and a percentage of expected loss calculated by Management, for all accounts receivable less than 360 days past due. The estimate for doubtful accounts is reviewed periodically.

b. *Aging of receivables*

Currently, Fibra UNO holds monthly collection levels practically equal to its monthly billing period; Commercial and trading practices allow Fibra UNO to maintain its accounts receivable with average aging of approximately 44, 29 and 27 days as of December 31, 2020, 2019 and 2018, respectively.

c. *Other long-term receivables*

As mentioned in Note 1d, Fibra UNO transmitted to the Trust 2585 a section of land from the "Mitikah" complex (Residential Landmark) for the construction of the residential tower. Trust 2585 is in charge of the build and transfer of a tower of housing units that will be built in that portion of Mitikah destined for the residential tower and whose estimated completion date will be June 2021. As of December 31, 2020, Fibra UNO estimated the value of the residential land share at \$1,527,464, while as of December 31, 2019 and 2018, it was \$1,262,464, which is presented as other long-term accounts receivable in the accompanying consolidated statements of financial position.

8. Investment properties

Fair value	2020	2019	2018
Investment properties for leasing	\$ 259,124,074	\$ 231,182,223	\$ 202,795,624
Investment properties under development	14,361,100	22,930,865	17,256,175
Seriousness' deposit for the acquisition of investment properties		601,077	-
Territorial reserves	1,577,818	1,738,496	793,736
Investment properties developed on third party rights	<u>3,190,400</u>	<u>3,032,800</u>	<u>2,670,000</u>
	<u>\$ 278,253,392</u>	<u>\$ 259,485,461</u>	<u>\$ 223,515,535</u>

- (1) The investment properties developed on the rights of third parties correspond to constructions erected by Fibra UNO on Federal lands for which an amount is paid for the concession that typically ranges from 50 to 100 years. These lands cannot be sold according to the laws of the Mexican Republic as they are in federal protected areas.

	Type	Number of properties	2020	2019	2018
Balance at the beginning of the period			\$ 259,485,461	\$ 223,515,535	\$ 203,064,242
Acquisitions:					
Grupo ICEL	Retail	1	500,000	-	-
Hércules	Industrial	5	4,515,655	-	-
Uptown Juriquilla	Retail	1	1,354,573	-	-
Tepeji del Río	Industrial	1	-	601,186	-
Lago de Guadalupe	Industrial	1	-	559,269	-
Titán	Land	108	-	5,515,039	-
Titán	Industrial	74	-	10,986,781	-
Corredor Urbano Querétaro	Land	1	-	801,000	-
Montes Urales 620	Office	1	-	-	1,145,760
Floor 5 Corporativo Interlomas	Office	1	-	-	29,016
Land Matamoros	Land	1	-	-	4,872



	Type	Number of properties	2020	2019	2018
Disposals:			-		
Portafolio Titán	Land	4	(262,808)	-	-
Portafolio Titán	Industrial	2	(342,180)	-	-
California Parque Santa María	Industrial	1	(1,148,534)	-	-
Sale of portion of Corredor Urbano Querétaro	Land	1	-	(200,000)	-
Sale of Land Kansas	Land	1	-	-	-
Sale of UAG	Retail	1	-	-	(638,000)
Sale of Land Apodaca	Land	1	-	-	(109,586)
Sell of floors 2, 4 and PH Reforma 155	Offices	1	-	-	(280,000)
Construction in progress, improvements, advances and capitalizable from loans to investment properties			5,904,625	9,704,477	9,407,291
Seriousness deposit for the acquisition of investment properties			-	601,077	-
Fair value adjustments to investment properties			<u>8,246,600</u>	<u>7,401,097</u>	<u>10,891,940</u>
Balance at the end of the period			<u>\$ 278,253,392</u>	<u>\$ 259,485,461</u>	<u>\$ 223,515,535</u>

The fair value of the properties was obtained mainly through the application of the Methodology of Discounted Cash Flows and Historical Cost of Investment applied based on the Fibra UNO valuation policy. In this sense, the Cost Method was used for all those properties that were in development as of December 31, 2020, 2019 and 2018, as well as those unstabilized properties and territorial reserves.

For its part, for the other properties (which also represent a percentage greater than 95% of the total value of Fibra UNO) the Discounted Cash Flows method was applied. For the application of this methodology Fibra UNO used different assumptions taking into account occupancy, location, type of property, segment, term of remaining lease, quality of tenants, open and competitive market prices with similar properties in terms of use and type, revenue in dollars or pesos (or a combination of both), country risk, inflation, among others.

The revenue approach suggests that it is possible to quantify expected future benefits, specifically in the form of free cash flows. Generally speaking, this approach considers two steps. The first is to define an estimate of the free cash flows, which is expected to be generated as a result of owning a property or group of properties. The second step is to discount these flows at an appropriate discount rate to estimate their present value.

It should be mentioned that the discount rate used should reflect not only the value of the money over time, but also the risk associated with the particular property.

In general, the main assumptions used in the application of Discounted Cash Flows methodology are described below, considering the effects of COVID-19 in 2020:

- a. Operational Assumptions - Fibra UNO carried out the projection of its flows for a period of 10 years in which it considered the current situation of each property with respect to the contracts in force at the end of the fourth quarter 2020 and its probability of renewal at maturity, the square meters available and its future marketing, as well as the reimbursement of maintenance costs of each of its tenants. To estimate operating expenses, Fibra UNO takes into account expenses related to the maintenance of each of the properties, as well as expenses not related to the daily operation such as the payment of the property tax and insurance. Finally, based on the needs of each property, an estimate of capitalized expenses is made which correspond to significant improvements that can be depreciated over time.
- b. Discount Rate - To determine the Fibra UNO discount rate uses the Weighted Average Capital Cost (WACC) methodology which aims to reflect the cost of different Sources of Fibra UNO financing. To determine the cost of debt, the weighted cost of debt was taken into account in both dollars and pesos that currently has Fibra UNO. To determine the cost of capital, the Financial Asset Valuation Model (better known in the English language as "CAPM" - Capital Asset Pricing Model) is used for which market variables were used and adjusted with specific risks identified for each of the properties. Finally, Fibra UNO took into account its capital structure at the end of 2020 to determine the proportion of the debt/capital cost. It is important to mention that an increase in the discount rate would result in lower fair value of Fibra UNO's investment properties, while a decrease would have the opposite effect.



- c. Perpetuity / Capitalization Rate - To determine the exit value at the end of the 10 years of projection mentioned above, Fibra UNO uses a methodology commonly accepted in the financial field in the valuation of real estate. This methodology corresponds to the capitalization method which estimates the value of a property based on the application of a Market Capitalization Rate applied to the Net Operating Income (net income of costs and operating expenses) of the last year of projection. Capitalization rates (Cap. Rates) are determined by property and vary according to the reality of each property according to its geographical location, type of property, occupancy, demand observed by the lease of the spaces, quality of the tenants, current situation of the local economy, functional currency of the leases (dollars, pesos or a combination of both), as well as the Cap. Rates observed in the private market for transactions of similar properties.

As a result of the estimation of the fair value of Fibra UNO's investment properties, the value per leasable m2 is obtained dividing the GLA by the book value in Pesos at the end of 2020, 2019 and 2018 are as follows;

	2020	2019	2018
GLA (m2)	10,931,402	10,130,414	8,614,800
Investment Properties Value	<u>\$ 278,253,392</u>	<u>\$ 259,485,461</u>	<u>\$ 223,515,535</u>
Average price per m2 of Investment Property	<u>\$ 25,455</u>	<u>\$ 25,614</u>	<u>\$ 25,946</u>

The fluctuation of fair value in investment properties in the period is recognized in the consolidated statement of operations under the caption "Adjustments at fair value of investment properties".

All the investment properties of Fibra UNO are maintained under absolute control.

Fibra UNO's Management relies on valuations carried out by independent experts with relevant qualifications and experience in the locations and categories of the investment properties it maintains.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, in this case investment properties, which constitute assets that require a substantial period until they are ready for use, are added to the cost of those assets during that time until they are ready for use. The income obtained by the temporary investment of funds from specific loans pending to be used in qualifying assets, is deducted from the cost of the investment properties to be capitalized. All other borrowing costs are recognized in income during the period in which they are incurred. As of December 31, 2020, 2019 and 2018 the amount of capitalized interest amounted to \$1,070 million \$2,124 million and \$1,192 million, respectively, and the annual capitalization rate determined in accordance with *IAS 23 Borrowing costs* was 10.86%, 9.96%, and 7.40%, respectively.

9. Investment in associates

	Participation % as of December 31, 2019	2020	2019	2018
Torre Mayor	70%	\$ 5,073,428	\$ 3,944,304	\$ 3,632,624
Torre Diana	50%	2,465,047	1,935,544	1,787,510
Antea Querétaro	40%	<u>1,972,109</u>	<u>1,777,453</u>	<u>-</u>
		<u>\$ 9,510,584</u>	<u>\$ 7,657,301</u>	<u>\$ 5,420,134</u>

Fibra UNO decided to record its investment in associate under the equity method, as established by IFRS, given the nature of the investment.



10. Other assets

	2020	2019	2018
Administrative platform (1)	\$ 2,043,674	\$ 2,043,674	\$ 2,043,674
Implementation fees	440,800	440,800	440,800
Others (2)	30,000	30,000	30,000
Accumulated amortization (2)	<u>(1,189,934)</u>	<u>(1,112,700)</u>	<u>(1,004,516)</u>
	<u>\$ 1,324,540</u>	<u>\$ 1,401,774</u>	<u>\$ 1,509,958</u>

- (1) The administrative platform acquired includes personnel, technology and processes; and the annual amortization as of December 31, 2020, 2019 and 2018 amounts to \$102,184; \$108,184 and \$194,984, respectively.
- (2) Accumulated amortization is comprised of the amortization of the administrative platform and the amortization of other expenses. The presentation in the consolidated statements of cash flows is reflected individually for the amortization of the administrative platform.

11. Financial instruments

Categories of financial instruments

	2020	2019	2018
Financial assets:			
Cash and restricted cash	\$ 7,796,229	\$ 3,042,914	\$ 4,408,926
Lease receivables and other recoverable accounts	3,753,437	2,143,396	1,727,237
Due from related parties	8,478	41,999	53,367
Advance payments	1,870,775	2,234,252	1,714,708
Trading derivative financial instruments	-	-	-
Derivative financial instruments designated as hedges	1,361,601	30,232	267,245
Financial liabilities:			
At amortized cost:			
Trade accounts payable	\$ 4,678,641	\$ 3,865,883	\$ 1,840,925
Due to related parties	274,712	250,568	205,174
Borrowings	125,579,877	107,077,865	79,363,068
Deposit from tenants	1,273,029	1,162,532	957,077
Derivative financial instruments designated as hedges	1,424,436	696,921	-

In accordance with IFRS 9, the following categories were established for the active financial assets mentioned in the previous table:

- Cash and restricted cash: Amortized cost. Establishing a business model to maintain the assets to obtain the contractual cash flows.
- Investments in securities: Amortized cost. Establishing a business model to maintain the assets to obtain the contractual cash flows.
- Revenue receivable and other accounts receivable: Amortized cost. Establishing a business model to maintain assets to obtain the contractual cash flow.
- Accounts receivable from related parties: Amortized cost. Establishing a business model of maintain the assets to obtain contractual cash flows.
- Advance payments: Amortized cost. Establishing a business model to maintain the assets to obtain contractual cash flows.



- Trading derivative financial instruments: Others
- Derivative financial instruments designated as hedges. Depending on the type of hedge, the changes in the fair value of the derivative are recognized to other comprehensive income or to operations.

Trustors' and Trustees' capital

Fibra UNO manages its equity to ensure that it will be able to continue as a going concern while maximizing the return to partners through the optimization of the debt and equity balances.

Fibra UNO's equity consists of debt and Trustors' contributions. Fibra UNO's objectives in managing equity are to ensure adequate operating funds are available to maintain consistent and sustainable distributions, to fund leasing costs and net asset value expenditure requirements, and to provide for resources needed to acquire new properties.

Management uses certain financial ratios related to debt, net asset value and earnings distributions to ensure capital adequacy and monitor capital requirements. The primary ratios used for assessing capital management are the Loan to Value ("LTV"), calculated as the unpaid balance of the debt between the estimated value of the property in question, and the Debt Service Coverage ratios ("DSCR"), calculated as the operating profit between the debt service. These indicators assist Fibra UNO in assessing that the debt level maintained is sufficient to provide adequate cash flows for unit holder distributions and capital expenditures, and for evaluating the need to raise funds for further expansion.

Fibra UNO's policy and to comply with the regulation of FIBRAs issued by the National Securities and Banking Commission establishes additional restrictions and approvals for financing that exceed the maximum and minimum amount resulting between 50% of LTV and 1.0 of DSCR respectively. For the years ended December 31, 2020, 2019 and 2018, the LTV and DSCR ratios of Fibra UNO were 45.13%, 38.6% and 33.1% and 5.15, 1.92 and 2.01 times, respectively.

Financial risk management objective

The objective of financial risk management is to meet financial expectations, results of operations and cash flows that will maximize the listing price of CBFIs, to ensure the ability to make distributions to holders of CBFIs and to satisfy any future debt service obligations.

Fibra UNO's Technical Committee function, among others, is to provide services to the business, coordinate access to domestic financial markets and monitor and manage the financial risks related to the operations of Fibra UNO through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

Fibra UNO seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by Fibra UNO's policies approved by the Technical Committee and Trustors, which provide written principles on exchange rate risk, interest rate risk, credit risk, the use of derivative and non-derivative financial instruments and the investment of excess liquidity. Internal auditors periodically review compliance with policies and exposure limits. Fibra UNO does not subscribe or trade financial instruments, including derivative financial instruments, for speculative purposes.

Market risk management

The activities of Fibra UNO expose it primarily to interest rate risk and foreign currency exchange rate risk. The Trust obtains financing with different conditions, either from third or related parties, usually at variable interest rates exposing it to changes in market rates. Financing negotiated in USD expose Fibra UNO to fluctuations in the exchange rate between such currency and its functional currency, the Mexican Peso. Notwithstanding the foregoing, Fibra UNO has a natural hedge for financing denominated in USD from the lease contracts that are denominated in such currency, since cash flows provided by those leases are used to settle the aforementioned debts.



Fibra UNO enters into derivative financial instruments to manage its exposure to Exchange rate risk and interest rates, including

- Foreign currency swap contracts to cover Exchange rate risk arising from the issuance of foreign currency debt in USD.
- Interest rate swap contracts to cover the rate arises from bank liabilities held at variable TIEE rate.

Market risk exposures are evaluated through sensitivity analysis. Even though there have been changes in Fibra UNO's exposure to market risks, Management believes that they do not affect the way these risks are managed and valued.

Interest rate risk management

Fibra UNO maintains financing at mixed and variable rates, mainly, the 28-day TIEE and London Inter Bank Offered Rate ("Libor"). The decision to acquire debt at variable rates is based upon market conditions when contracted. The Trust prepares a sensitivity analysis of future projected cash flows to establish the maximum change in financing and maintain profitable projects.

Interest rate sensitivity analysis

The sensitivity analysis shown below have been determined based on the exposure to interest rates at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 100-basis point increase or decrease is used when reporting interest rate risk internally to key Management personnel and represents Management's assessment of the reasonably possible change in interest rates.

If the interest rates had been 100 basis points higher/lower and all other variables were held constant, Fibra UNO for the periods ended December 31, 2020 would have a decrease/increase, of its variable rate liabilities, of approximately \$51 million.

Likewise, if the interest rate had a change of 100 basis points up or down and all other variables remained constant as of December 31, 2020, it would have a (decrease) increase of approximately \$(478) million Pesos and \$482 million Pesos in results for foreign currency swaps contracts. In the case of interest rate SWAP contracts (IRS), if the interest rate had a change of 100 basis points up or down and all other variables remained constant as of December 31, 2020, it would have an increase (decrease) of approximately \$434 million Pesos and \$(448) million Pesos.

Foreign currency risk management

Fibra UNO conducts transactions denominated in USD; therefore, it is exposed to changes in exchange rates between the Mexican peso and the USD.

- a. The foreign currency monetary position as of December 31, is as follows:

	2020	2019	2018
USD (thousands):			
Monetary assets	339,256	618,979	473,882
Monetary liabilities	<u>(4,061,364)</u>	<u>(3,418,889)</u>	<u>(1,943,629)</u>
Short position	<u>(3,722,108)</u>	<u>(2,799,910)</u>	<u>(1,469,747)</u>
Equivalent in thousands of Mexican pesos	<u>\$ (74,200,967)</u>	<u>\$ (52,841,861)</u>	<u>\$ (28,890,230)</u>



- b. The exchange rates, in pesos, in force at the date of the consolidated financial statements and at the date of issue are as follows:

	December 31, 2020	December 31, 2019	December 31, 2018	March 8, 2020
Mexican Pesos per US Dollar	\$ <u>19.9352</u>	\$ <u>18.8727</u>	\$ <u>19.6566</u>	\$ <u>20.6903</u>

Foreign currency sensitivity analysis

In the opinion of Management, there is no real exchange risk based on the fact that debt service on dollar denominated debt is partially covered by income denominated in that currency.

If the exchange rates had a change of 1 peso per US Dollar or UDI up or down and all other variables remain constant, the net income of the year of Fibra UNO for the period ended December 31, 2020 would increase or decrease, for its liabilities in foreign currency, by approximately \$2,800 million Pesos.

Also, if the exchange rates had a change of 1 peso per U.S. Dollar or UDI up or down and all other variables remain constant, Fibra UNO's net for the year ended December 31, 2019 would decrease or increase, for its foreign currency swaps, by approximately \$(544) and \$544 million Pesos.

Derivative financial instrument

Foreign currency swap contracts

During the current year, Fibra UNO entered into new foreign currency *swap* contracts. Currently, there are 9 foreign currency *swaps*, seven of which cover principal and interest being designated as fair value hedging, and two remaining foreign currency swaps cover only principal being designated as cash flow.

The following table details the foreign currency swap contracts in force at the end of the reporting period:

No.	Counterpart	Notional USD (thousands)	Notional MXN (thousands)	Maturity	Active rate	Passive rate	Fair value	Type of coverage
1	BBVA Bancomer	60,000	\$ 1,113,000	30-jan-2026	5.25%	THIE 28 +3.34%	\$ 226,781	FV
2	BBVA Bancomer	50,000	944,750	30-jan-2026	5.25%	THIE 28 +3.34%	175,427	FV
3	BBVA Bancomer	40,000	739,000	30-jan-2026	5.25%	THIE 28 +3.59%	151,279	FV
4	BBVA Bancomer	50,000	944,750	30-jan-2026	0.00%	THIE 28 -2.77%	154,584	CF
5	Santander	50,000	958,000	30-jan-2026	5.25%	THIE 28 +3.51%	152,615	FV
6	Santander	50,000	958,000	30-jan-2026	0.00%	THIE 28 -2.6%	135,495	CF
7	Santander	50,000	980,000	30-jan-2026	5.25%	THIE 28 +2.8%	159,027	FV
8	Santander	25,000	508,661	30-jan-2026	5.25%	THIE 28 +3.09%	51,599	FV
9	HSBC	<u>75,000</u>	<u>1,527,751</u>	30-jan-2026	5.25%	THIE 28 +3.06%	<u>154,794</u>	FV
Total		<u>450,000</u>	\$ <u>8,673,912</u>				\$ <u>1,361,601</u>	

During the period, both cash flow and fair value hedges were highly effective in hedging the exchange rate exposure. As a result of this hedge, the book value of the loan in dollars was adjusted by \$1,072 as of December 31, 2020, which was recognized in the results together with the fair value of the designated CCS fair value hedge. For the cash flow hedges, the changes associated with the exchange rate were reclassified from OCI to results.



Fibra UNO also has interest rate swaps to hedge its exposure at a variable rate generated by peso liabilities. These derivatives have been designated as cash flow hedges.

No.	Counterpart	Notional USD (thousands)	Due date	Active rate	Passive rate	Fair Value	Hedging Type
10	HSBC	\$ 221,873	30-aug-2024	7.85 %	TIIE 28 + 0%	\$ (35,779)	CF
11	HSBC	222,493	30-aug-2024	7.85 %	TIIE 28 + 0%	(31,799)	CF
12	Santander	222,493	30-aug-2024	7.85 %	TIIE 28 + 0%	(31,799)	CF
13	Santander	221,873	30-aug-2024	7.85 %	TIIE 28 + 0%	(35,779)	CF
14	BBVA Bancomer	221,873	30-aug-2024	8.40%	TIIE 28 + 0%	(41,653)	CF
15	BBVA Bancomer	222,493	30-aug-2024	7.85 %	TIIE 28 + 0%	(31,799)	CF
16	HSBC	221,873	30-aug-2024	8.40%	TIIE 28 + 0%	(41,653)	CF
17	Santander	222,493	30-aug-2024	8.38%	TIIE 28 + 0%	(36,809)	CF
18	BBVA Bancomer	221,873	30-aug-2024	7.85 %	TIIE 28 + 0%	(35,779)	CF
19	BBVA Bancomer	222,493	30-aug-2024	8.38%	TIIE 28 + 0%	(36,867)	CF
20	HSBC	222,493	30-aug-2024	8.38%	TIIE 28 + 0%	(36,804)	CF
21	Santander	221,873	30-aug-2024	8.40 %	TIIE 28 + 0%	(41,644)	CF
22	HSBC	2,092,013	31-may-2024	7.81 %	TIIE 28 + 0%	(216,136)	CF
23	HSBC	2,092,013	31-may-2024	7.58%	TIIE 28 + 0%	(201,081)	CF
24	HSBC	736,472	15-sep-2023	7.73%	TIIE 28 + 0%	(59,450)	CF
25	HSBC	1,680,671	15-sep-2023	7.73%	TIIE 28 + 0%	(135,669)	CF
26	Santander	4,100,000	5-dec-2022	7.75%	TIIE 28 + 0%	(271,617)	CF
27	Santander	4,000,000	21-jun-2021	8.77%	TIIE 28 + 0%	(93,339)	CF
28	HSBC	<u>638,666</u>	21-feb-2024	4.995%	TIIE 28 + 0%	<u>(8,980)</u>	CF
Total		\$ <u>18,006,031</u>				\$ <u>(1,424,436)</u>	

Credit risk management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss for Fibra UNO. Substantially all Fibra UNO income is derived from lease income from commercial properties. As a result, its performance depends on its ability to collect rent from its tenants and its tenants' ability to make rental payments. Income and funds available for distribution would be negatively affected if a significant number of tenants, or any major tenants fail to make rental payments when due or close their businesses or declare bankruptcy.

As of December 31, 2020, 2019 and 2018, the 10 most significant tenants occupied to approximately, 21.33%, 22.1% and 26.6% of the total area for income generated, respectively, and represent approximately 25.69%, 23.5% and 25.4%, respectively from the income base attributable to the portfolio.

In addition, a single tenant occupies 943,990 m2 of 10,931,402 m2 of the leasable area of the Fibra UNO's leasable, which represents approximately 8.73% of the total profitable surface and approximately 7.7% of lease revenue as of December 31, 2020; as of December 31, 2019, a single tenant occupies 877,766 m2 of 10,130,414 m2 of the profitable area of the Fibra UNO's leasable, which represents approximately 8.7% of the total leasable surface and approximately 6.8% of lease revenue; as of December 31, 2018, a single tenant occupies 900,641 m2 of 8,614,800 m2 of the leasable area of the Fibra UNO leasable, which represents approximately 11.4% of the total leasable area and approximately 9.5% of lease revenue.

Fibra UNO has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

Credit risk arises from balances of cash and cash equivalents, accounts receivable, and amounts due from related parties and derivative financial instruments. The maximum exposure to credit risk is shown in the statement of financial position.



Regarding the derivative financial instruments held as of December 31, 2020, an adjustment for credit risk was determined for the counterparties with which such instruments have been contracted for \$16.6 million, which were recognized in the result of the year of Fibra UNO for the period ended December 31, 2020.

Financial assets value impairment

Credit risk is the risk that one of the counterparties of the financial instrument causes a financial loss to the other company for breaching an obligation. The Company is subject to credit risk mainly due to financial instruments related to cash and temporary investments, loans, accounts receivable and derivative financial instruments. In order to minimize the credit risk in cash, temporary investments and derivative financial instruments, the Company only engages with creditworthy parties with a recognized reputation and high credit quality.

In order to manage the credit risk, in the case of loans and accounts receivable with consumers, the Company considers that the risk is limited. Fibra UNO provides an allowance for doubtful accounts under the expected loss model in compliance with IFRS 9.

IFRS 9 replaces the "incurred loss" model of IAS 39 with a model of "expected credit loss" ECL. The new impairment model applies to financial assets measured at amortized cost, contract assets and debt investments to fair value with changes through ORI, but not to investments in equity instruments.

Under IFRS 9, provisions for losses will be measured using one of the following bases:

General Model - It is recognized in three stages that reflect the potential variation in the credit quality of the asset, taking into account the significant increase in credit risk, as well as the objective evidence of impairment.

Simplified Model - The expected loss for the entire life of the instrument is recognized if it contains a significant financial component, instead of the three stages.

The measurement of the ECL during the lifetime applies if the credit risk of a financial asset at the reporting date has increased significantly since the initial recognition and the measurement of the expected credit losses of 12 months applies if this risk has not increased. Fibra UNO may determine that the credit risk of a financial asset has not increased significantly if the asset has a low credit risk at the reporting date. However, the measurement of expected credit losses over the life time is always applicable for trade accounts receivable and contract assets without a significant financing component; the Trust has chosen to apply this policy to trade accounts receivable and contract assets with a significant financing component.

Fibra UNO measures the estimates of losses for commercial accounts receivable and contract assets always for an amount equal to the expected credit losses during the life time. Additionally, Fibra UNO considers reasonable and sustainable information that is relevant and available without undue cost or effort. This includes quantitative and qualitative information and analysis, based on Fibra UNO's historical experience and an informed credit assessment, including that related to the future.

Measurement of expected credit losses

The expected credit losses are not discounted using the effective interest rate of the financial asset, since accounts receivable are generally short-term and do not charge interest. It should be mentioned that the maximum period considered when estimating the expected credit losses is the maximum contractual period during which Fibra UNO is exposed to credit risk.

Financial assets with credit deterioration

Fibra UNO considers as evidence that a financial asset has credit deterioration when it includes the following observable data:

- Significant financial difficulties observed in the portfolio arrears groups;



- Various default periods and identifiable default for more than 360 days;
- The restructuring of accounts or advances by the client in terms that the client would not consider otherwise;
- It is becoming probable that a segment of the portfolio will go bankrupt or in another form of financial reorganization.

Presentation of the estimate for expected credit losses in the statement of financial position.

The loss estimates for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. While, in the case of debt instruments at fair value with changes in other comprehensive income, the loss estimate is charged to income and recognized in other comprehensive income.

Write offs

The gross carrying amount of a financial asset is written off (partially or completely) to the extent that there is no realistic possibility of recovery. This is generally the case when the Trust determines that the debtor has no assets or sources of income that could generate sufficient cash flows to pay the amounts subject to the penalty. However, the financial assets that are punished may be subject to legal action in order to comply with the Trusts' procedures for the recovery of the amounts owed.

Impairment (financial assets and contract assets) - IFRS 9

As of December 31, 2020, the maximum exposure to credit risk for trade debtors and other accounts receivable for concept and/or subsidiaries was as follows:

The following is a summary of Fibra UNO's exposure to credit risk from accounts receivable subject to impairment:

Consolidated portfolio In thousands of pesos	Book value		
	December 31, 2020	December 31, 2019	December 31, 2018
Total	\$ 1,560,418	\$ 1,241,552	\$ 1,494,991

The following is a summary of Fibra UNO's exposure to the credit risk of trade debtors and contract assets.

Exposure In thousands of Pesos	December 31, 2020		December 31, 2019		December 31, 2018	
	Without Impairment	With Impairment	Without Impairment	With Impairment	Without Impairment	With Impairment
Accounts receivable	\$ 1,246,418	\$ 314,331	\$ 1,143,555	\$ 97,997	\$ 1,345,548	\$ 149,442
Total	\$ -	\$ 1,560,418	\$ -	\$ 1,241,552	\$ -	\$ 1,241,552
Allowance	\$ -	\$ 370,856	\$ -	\$ 200,517	\$ -	\$ 200,517

Comparative information of the year

An analysis of the credit quality of the trade receivables that were neither past due nor impaired and the age of the trade receivables past due, but not impaired as of December 31, 2020, 2019 and 2018 is presented below.

In thousands of Pesos	December 31, 2020	December 31, 2019	December 31, 2018
Current and Past-due 0 and 30 days	\$ 396,872	\$ 327,133	\$ 797,876
Past-due between 31 and 60 days	268,976	371,599	121,432



In thousands of Pesos	December 31, 2020	December 31, 2019	December 31, 2018
Past-due between 61 and 90 days	245,353	107,922	111,354
Past-due between 91 and 120 days	89,457	55,131	85,109
Past-due between 121 and 150 days	-	50,960	39,962
Past-due between 151 and 180 days	-	72,771	36,296
Past-due between 181 and 210 days	-	(50,113)	41,266
Past-due between 211 and 240 days	-	41,639	22,397
Past-due between 241 and 270 days	-	71,346	29,305
Past-due between 271 and 300 days	95,533	22,102	11,007
Past-due between 301 and 330 days	61,737	28,827	20,975
Past-due between 331 and 360 days	81,911	28,840	28,569
Past-due between 361 and 390 days	<u>6,248</u>	<u>15,398</u>	<u>-</u>
Total trade receivables without impairment	\$ <u>1,246,087</u>	\$ <u>1,143,555</u>	\$ <u>1,345,548</u>

PCE evaluation for corporate clients as of December 31, 2020 and 2019

Fibra UNO estimates the different factors to apply an expected loss model. The probability of default is estimated using the Roll Rates (RR) or matrix methodology, which analyzes the historical information of the portfolio and calculates the percentage of clients or amounts that moved from a state of delay to another state of delay in a time determined. First, the probabilities of movements from a recent lag stage to the next stage are determined, then the probability that the balance observed in a stage or lag ends in the stage defined as EOD is determined. For this, the observed probabilities are multiplied in each lag after the observed one. Finally, the average of each stage or lag is determined based on the calculated estimates and these would be the probabilities to be used in the model for each stage.

Bucket	December 31, 2020	December 31, 2019	December 31, 2018
Current and Past-due 0 and 30 days	6.269%	5.050%	3.968%
Past-due between 31 and 60 days	14.045%	13.030%	11.579%
Past-due between 61 and 90 days	19.904%	18.785%	16.564%
Past-due between 91 and 120 days	26.360%	25.450%	22.928%
Past-due between 121 and 150 days	33.600%	32.687%	30.266%
Past-due between 151 and 180 days	40.302%	39.712%	37.275%
Past-due between 181 and 210 days	48.733%	48.039%	46.299%
Past-due between 211 and 240 days	55.074%	54.192%	52.832%
Past-due between 241 and 270 days	61.228%	60.463%	59.006%
Past-due between 271 and 300 days	69.683%	69.302%	67.594%
Past-due between 301 and 330 days	79.262%	78.373%	76.927%
Past-due between 331 and 360 days	87.632%	87.191%	86.145%
Past-due between 361 and 390 days	95.757%	95.601%	95.230%
Past-due more than 390 days	100.000%	100.000%	100.000%

A review was made of each of the clients with a balance greater than +390 days after the EOD and their situation one year later. According to its status, the level of recovery obtained on the balance was determined and the severity of the historical loss was determined. The severity of the historical loss at the end of December 2020 amounts to 55%.

Under IFRS 9, it is presumed that a financial asset with more than 90 days of non-payment must be considered in default, however, Fibra UNO has decided to use as EOD the overdue balances greater than +390 days.



Bucket	Balance as of December, 31 2020	PI	SP	Reserve as of December 31, 2020
0-30	\$ 396,872	6.269%	55%	\$ 13,793
31-60	268,976	14.045%	55%	20,942
61-90	245,353	19.904%	55%	27,071
91-120	89,457	26.360%	55%	13,072
121-150	-	33.600%	55%	-
151-180	-	40.302%	55%	-
181-210	-	48.733%	55%	-
211-240	-	55.074%	55%	-
241-270	-	61.228%	55%	-
271-300	95,533	69.683%	55%	36,902
301-330	61,737	79.262%	55%	27,124
331-360	81,911	87.632%	55%	39,790
361-390	6,248	95.757%	55%	3,317
+390	<u>314,331</u>	100.000%	55%	<u>188,845</u>
Total	\$ <u>1,560,418</u>		Total	\$ <u>370,856</u>

Bucket	Balance as of December, 31 2019	PI	SP	Reserve as of December 31, 2019
0-30	\$ 327,133	5.050%	52%	\$ 8,575
31-60	371,599	13.030%	52%	25,135
61-90	107,922	18.785%	52%	10,524
91-120	55,131	25.450%	52%	7,283
121-150	50,960	32.687%	52%	8,646
151-180	72,771	39.712%	52%	15,001
181-210	(50,113)	48.039%	52%	-
211-240	41,639	54.192%	52%	11,713
241-270	71,346	60.463%	52%	22,393
271-300	22,102	69.302%	52%	7,951
301-330	28,827	78.373%	52%	11,728
331-360	28,840	87.191%	52%	13,053
361-390	15,398	95.601%	52%	7,639
+390	<u>97,997</u>	100.000%	52%	<u>50,876</u>
Total	\$ <u>1,241,552</u>		Total	\$ <u>200,517</u>

Bucket	Balance as of December, 31 2018	PI	SP	Reserve as of December 31, 2018
0-30	\$ 797,877	3.96%	51%	\$ 16,189
31-60	121,433	11.579%	51%	7,190
61-90	111,354	16.564%	51%	9,432
91-120	85,110	22.928%	51%	9,979
121-150	39,963	30.266%	51%	6,185
151-180	36,296	37.275%	51%	6,918
181-210	41,267	46.299%	51%	9,770
211-240	22,398	52.832%	51%	6,051
241-270	29,305	59.006%	51%	8,842
271-300	11,007	67.594%	51%	3,805
301-330	20,975	76.927%	51%	8,251
331-360	28,564	86.145%	51%	12,584
361-390	-	95.230%	51%	-
+390	<u>149,442</u>	100.000%	51%	<u>74,872</u>
Total	\$ <u>1,494,991</u>		Total	\$ <u>180,068</u>



Changes in the estimate for impairment related to receivables for sales and assets under contract (accounts receivable)

The movement in the estimate for impairment related to trade receivables and other accounts receivable during the year was as follows:

	Amount
Balance as of January 1, 2018 Standard	\$ 370,607
Initial application adjustment of IFRS 9	<u>(190,539)</u>
Balance as of December 31, 2018	180,068
Amounts written off, net	20,449
Amounts written off	<u>-</u>
Balance as of December 31, 2019	200,517
Adjustment for the year	170,339
Amounts written off	<u>-</u>
Balance as of December 31, 2020	<u><u>\$ 370,856</u></u>

Liquidity risk management

Liquidity risk represents the risk that Fibra UNO will encounter difficulty in meeting its obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Ultimate responsibility for liquidity risk management rests within Fibra UNO's Technical Committee, which has established an appropriate liquidity risk management framework for the management of Fibra UNO's short-, medium- and long-term funding and liquidity management requirements. Fibra UNO manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of forecasted rental cash flows and liabilities. The Treasury department monitors the maturity of liabilities to program payments.

The following tables detail Fibra UNO's remaining contractual maturity for its non-derivative financial liabilities according to the payment periods.

	Up to 1 year	1 to 5 years	More than 5 years	Total
December 31, 2020				
Trade accounts payable	\$ 5,322,226	\$ 541,696	\$ -	\$ 5,863,922
Due to related parties	274,712	292,727	-	567,439
Borrowing in pesos	2,803,048	33,193,331	4,799,600	40,795,979
Deposits from tenants	<u>-</u>	<u>1,273,029</u>	<u>-</u>	<u>1,273,029</u>
In thousands of Mexican pesos	<u><u>\$ 8,399,986</u></u>	<u><u>\$ 35,300,783</u></u>	<u><u>\$ 4,799,600</u></u>	<u><u>\$ 48,500,369</u></u>
Borrowings in USD	<u><u>\$ -</u></u>	<u><u>\$ 31,896,320</u></u>	<u><u>\$ 46,648,368</u></u>	<u><u>\$ 78,544,688</u></u>
Borrowings in UDIS	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 5,836,563</u></u>	<u><u>\$ 5,836,563</u></u>



The UDI value as of December 31, 2020 was \$6.605597 pesos per UDI.

	Up to 1 year	1 to 5 years	More than 5 years	Total
December 31, 2019				
Trade accounts payable	\$ 5,135,935	\$ 611,953	\$ -	\$ 5,747,888
Due to related parties	250,568	292,727	-	543,295
Borrowing in pesos	2,064,512	25,426,123	12,299,600	39,790,235
Deposits from tenants	<u>-</u>	<u>1,162,532</u>	<u>-</u>	<u>1,162,532</u>
In thousands of Mexican pesos	<u>\$ 7,451,015</u>	<u>\$ 27,493,335</u>	<u>\$ 12,299,600</u>	<u>\$ 47,243,950</u>
Borrowings in USD	<u>\$ -</u>	<u>\$ 11,323,620</u>	<u>\$ 50,956,290</u>	<u>\$ 62,279,910</u>
Borrowings in UDIS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,654,033</u>	<u>\$ 5,654,033</u>

The UDI value as of December 31, 2019 was \$6.399018 pesos per UDI.

	Up to 1 year	1 to 5 years	More than 5 years	Total
December 31, 2018				
Trade accounts payable	\$ 2,783,826	\$ 292,727	\$ -	\$ 3,076,553
Due to related parties	205,174	-	-	205,174
Borrowing in pesos	2,153,461	10,084,318	59,978,787	72,216,566
Deposits from tenants	<u>-</u>	<u>957,077</u>	<u>-</u>	<u>957,077</u>
In thousands of Mexican pesos	<u>\$ 5,142,461</u>	<u>\$ 11,334,122</u>	<u>\$ 59,978,787</u>	<u>\$ 76,455,370</u>
Borrowings in USD	<u>\$ 43,205</u>	<u>\$ 172,821</u>	<u>\$ 1,067,781</u>	<u>\$ 1,283,807</u>
Borrowings in UDIS	<u>\$ 5,613,788</u>	<u>\$ 31,328,700</u>	<u>\$ 15,949,434</u>	<u>\$ 52,891,922</u>

The UDI value as of December 31, 2018 was \$6.226631 pesos per UDI.

As of December 31, 2020, 2019 and 2018 the interest payable in future periods, based on the terms of the outstanding loan contracts, amounts to slightly \$83,214 million, \$54,971 million, and \$53,419, respectively and should be considered in addition to the amounts indicated in the table of maturities

Fair value of financial instruments

Fair value of financial instruments valued at FVTPL on a recurring basis:

Financial assets/ Financial liabilities	Fair value as of			Fair value hierarchy	Valuation technique(s) and key input(s)
	31/12/20	31/12/19	31/12/18		
1) Investments in Government securities and investments on demand (see Note 6)	<u>\$ 530,857</u>	<u>\$ 1,124,630</u>	<u>\$ 3,318,791</u>	Level 2	Market value. The fair value of these investments is measured with quoted prices (unadjusted) in active markets for identical instruments.
2) Foreign currency swaps	<u>\$ 1,361,601</u>	<u>\$ 30,232</u>	<u>\$ 194,326</u>	Level 2	Discounted cash flow. Future cash flows are estimated on the basis of forward interest rates (from observable yield curves at the end of the reporting period) and contractual interest rates discounted at a rate that reflects credit risk from several counterparties.
3) Interest rate swaps (designated hedges)	<u>\$ (1,424,436)</u>	<u>\$ (696,921)</u>	<u>\$ 72,919</u>	Level 2	Discounted cash flow. Future cash flows are estimated on the basis of forward interest rates (from observable yield curves at the end of the reporting period) and contractual interest rates discounted at a rate that reflects credit risk from several counterparties

Fair value of financial instruments carried at amortized cost.



The carrying amounts of accounts receivable, accounts payable and other financial assets and liabilities (including due to/from related parties and prepayments) are of a short-term nature and, in some cases, bear interest at rates tied to market indicators. Accordingly, Fibra UNO believes that their carrying amounts approximate their fair value. Further, deposits from tenants approximate their fair value since the discount rate used to estimate their fair value upon initial recognition has not changed significantly.

The following table presents the amortized costs and fair values of borrowings:

	December 31, 2020		December 31, 2019		December 31, 2018	
	Amortized cost	Fair value	Amortized cost	Fair value	Amortized cost	Fair value
Senior notes	\$ 34,757,462	\$ 36,183,767	\$ 34,574,933	\$ 35,814,531	\$ 35,381,881	\$ 40,142,782
Long-term CBFI's	69,043,920	79,800,217	52,843,560	81,090,974	34,422,616	32,657,125
Santander	1,320,000	1,362,124	1,320,000	1,451,738	660,000	685,431
HSBC	2,417,143	2,421,130	2,554,286	2,672,284	2,691,428	2,685,038
Metlife	765,264	798,837	773,124	768,419	780,547	703,992
Actinver	100,000	101,223	100,000	101,282	-	-
Santander	-	-	1,800,000	1,802,715	-	-
Vermont	4,198,425	4,189,737	4,198,425	4,446,980	-	-
Titan	9,436,350	11,034,883	9,436,350	10,722,642	-	-
HSBC	-	-	123,500	129,549	-	-
Bancomext	-	-	-	-	1,264,803	1,297,221
Banco Mercantil del Norte	-	-	-	-	2,548,661	2,631,212
BBVA Bancomer	-	-	-	-	2,000,000	1,998,641
Actinver	-	-	-	-	100,000	100,397
PIQ	504,210	506,916	-	-	-	-
LA PRESA	134,456	135,178	-	-	-	-
Santander	500,000	502,916	-	-	-	-
Actinver	500,000	502,934	-	-	-	-
ScotiaBank	500,000	502,050	-	-	-	-
Actinver	500,000	502,505	-	-	-	-
ScotiaBank	500,000	501,595	-	-	-	-
	<u>\$ 125,177,230</u>	<u>\$ 139,046,012</u>	<u>\$ 107,724,178</u>	<u>\$ 139,001,114</u>	<u>\$ 79,849,936</u>	<u>\$ 82,901,839</u>

As of December 31 2020, 2019 and 2018, the amounts of the transaction costs were \$719,617, \$684,767, and \$486,868, respectively (see Note 12).

Valuation techniques and assumptions applied for the purpose of measuring fair value

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices (includes listed redeemable notes, bills of exchange, debentures and perpetual notes), which are considered Level 2.
- The fair values of other financial assets and financial liabilities (excluding those described above) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using actual transaction prices from observable markets and quotes for similar instruments. In particular, the fair value of long-term debt, which is considered a Level 2 measurement as per below, was determined using a discounted cash flow model using estimates of current market rates based on observable TIE curves and an estimated credit spread using observable credits in similar entities, which is adjusted as necessary.

Financial instruments that are measured subsequent to initial recognition at fair value are grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;



- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices), and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

12. Borrowings

Summary of borrowings as of December 31, 2020						
Type	Institution	Currency	Rate	Maturity	MXN Balance	USD Balance
Bond	Nacional (FUNO 18)	MXN	8.95%	abr-23	\$ 5,350,381	-
Bond	Internacional	USD	6.39%	ene-50	-	872,000
Bond	Internacional	USD	4.87%	ene-30	-	768,000
Mortgage	HSBC	MXN	TIE+2.15%	jun-24	4,184,025	-
Mortgage	Santander	MXN	TIE+2.60%	nov-25	1,320,000	-
Unsecured	Santander	MXN	TIE+1.75%	mar-21	500,000	-
Unsecured	Actinver	MXN	TIE+2.65%	jun-21	100,000	-
Bond	Nacional (FUNO 17-2)	MXN	TIE+0.85%	dic-22	8,100,000	-
Bond	Nacional (FUNO 17)	MXN	9.20%	nov-27	4,799,600	-
Mortgage	HSBC	MXN	TIE+2.00%	sep-23	2,417,143	-
Mortgage	Metlife, México	MXN	7.92%	dic-23	248,829	-
Bond	Nacional (FUNO 16U)	UDIS	4.60%	abr-27	3,024,560	-
Bond	Internacional	USD	5.25%	ene-26	-	500,000
Mortgage	Metlife, México	MXN	7.92%	dic-23	516,435	-
Bond	Nacional (FUNO 15)	MXN	6.99%	jul-25	7,500,000	-
Bond	Internacional	USD	5.25%	dic-24	-	600,000
Bond	Internacional	USD	6.95%	ene-44	-	700,000
Bond	Nacional (FUNO 13-2)	MXN	8.40%	dic-23	3,120,900	-
Bond	Nacional (FUNO 13U)	UDIS	5.09%	dic-28	2,812,003	-
Unsecured	BBVA Bancomer	USD	LIBOR + 1.85%	nov-23	-	500,000
Unsecured	Bnamex	MXN	TIE+1.50%	abr-21	500,000	-
Unsecured	Bnamex	MXN	TIE+1.50%	abr-21	500,000	-
Unsecured	Scotiabank	MXN	TIE+0.95%	jun-21	500,000	-
Unsecured	Scotiabank	MXN	TIE+0.95%	jun-21	500,000	-
Mortgage	Monex - PIQ	MXN	TIE+2.25%	feb-24	504,210	-
Mortgage	Monex -La Presa	MXN	TIE+2.25%	feb-24	134,456	-
December 31, 2020					\$ 46,632,542	3,940,000
Exchange rate as of December 31, 2020 (pesos per dollar)						19.9352
Balance of Dollars in Pesos						\$ 78,544,688
Unpaid balances as of December 31, 2020 in pesos						125,177,230
Short-term loans						(2,803,048)
Total long-term loans						122,374,182
Transaction costs						(719,617)
Valuation of the fair value of the debt for derivative hedge accounting						1,072,245
Long-term loans						\$ 122,726,810



Summary of borrowings as of December 31, 2019						
Type	Institution	Currency	Rate	Maturity	MXN Balance	USD Balance
Bonds	National (FUNO 18)	MXN	8.95%	apr-23	\$ 5,400,400	-
Bonds	International	USD	6.39%	jan-50	-	600,000
Bonds	International	USD	4.87%	jan-30	-	400,000
Unsecured	HSBC	MXN	TIE+2.15%	jun-24	4,198,425	-
Mortgage	Santander	MXN	TIE+2.60%	nov-25	1,320,000	-
Unsecured	Santander	MXN	TIE+1.25%	feb-20	1,800,000	-
Unsecured	Actinver	MXN	TIE+1.80%	jun-20	100,000	-
Bonds	National (FUNO 17-2)	MXN	TIE+0.85%	dec-22	8,100,000	-
Bonds	National (FUNO 17)	MXN	9.20%	nov-27	4,799,600	-
Mortgage	HSBC	MXN	TIE+2.00%	sep-23	2,554,286	-
Mortgage	Metlife, México	MXN	7.92%	dec-23	251,318	-
Bonds	National (FUNO 16U)	UDIS	4.60%	apr-27	2,929,971	-
Bonds	International	USD	5.25%	jan-26	-	500,000
Mortgage	Metlife, México	MXN	7.92%	dec-23	521,806	-
Bonds	Nacional (FUNO 15)	MXN	6.99%	jul-25	7,500,000	-
Bonds	International	USD	5.25%	dec-24	-	600,000
Bonds	International	USD	6.95%	jan-44	-	700,000
Bonds	National (FUNO 13-2)	MXN	8.40%	dec-23	3,120,900	-
Bonds	National (FUNO 13U)	UDIS	5.09%	dec-28	2,724,062	-
Unsecured	BBVA Bancomer	USD	LIBOR + 1.85%	nov-23	-	500,000
Mortgage	HSBC	MXN	TIE+2.20%	sep-23	123,500	-
December 31, 2019					<u>\$ 45,444,268</u>	<u>3,300,000</u>

Exchange rate as of December 31, 2019 (pesos per dollar)	<u>18.8727</u>
Balance of Dollars in Pesos	<u>\$ 62,279,910</u>
Unpaid balances as of December 31, 2019 in pesos	<u>107,724,178</u>
Short-term loans	<u>(2,064,512)</u>
Total long-term loans	<u>105,659,666</u>
Transaction costs	<u>(684,767)</u>
Valuation of the fair value of the debt for derivative hedge accounting	<u>19,227</u>
Long-term loans	<u>\$ 104,994,126</u>

Summary of borrowings as of December 31, 2018						
Type	Institution	Currency	Rate	Maturity	MXN Balance	USD Balance
Unsecured	BBVA	MXN	TIE+1.25%	jun-19	\$ 2,000,000	\$ -
Bonds	National (FUNO 18)	MXN	8.95%	apr-23	5,400,400	-
Mortgage	Santander	MXN	TIE+2.60%	nov-25	660,000	-
Unsecured	Actinver	MXN	TIE+1.8%	jun-19	100,000	-
Mortgage	Banorte	MXN	TIE+1.95%	jun-38	2,548,661	-
Bonds	National (FUNO 17-2)	MXN	TIE+0.85%	dec-22	8,100,000	-
Bonds	National (FUNO 17)	MXN	9.20%	nov-27	4,799,600	-
Mortgage	HSBC	MXN	TIE+2.00%	sep-23	2,691,428	-
Mortgage	Metlife, México	MXN	7.92%	dec-23	253,670	-
Bonds	National (FUNO 16U)	UDIS	4.60%	apr-27	2,851,039	-
Bonds	International	USD	5.25%	jan-26	-	500,000
Mortgage	Metlife, México	MXN	7.92%	dec-23	526,877	-
Bonds	National (FUNO 15)	MXN	6.99%	jul-25	7,500,000	-
Bonds	International	USD	5.25%	dec-24	-	600,000
Bonds	International	USD	6.95%	jan-44	-	700,000
Bonds	National (FUNO 13-2)	MXN	8.40%	dec-23	3,120,900	-
Bonds	National (FUNO 13U)	UDIS	5.09%	dec-28	2,650,677	-
Mortgage	Bancomext	USD	4.89%	nov-20	-	64,345
December 31, 2018					<u>\$ 43,203,252</u>	<u>\$ 1,864,345</u>



Type	Institution	Summary of borrowings as of December 31, 2018				
		Currency	Rate	Maturity	MXN Balance	USD Balance
		Exchange rate as of December 31, 2018 (pesos per dollar)				\$ 19.6566
		Balance of dollars in pesos				36,646,684
		Unpaid balances as of December 31, 2018 in pesos				79,849,936
		Short-term loans				(2,390,561)
		Total long-term loans				77,459,375
		Transaction costs				(486,868)
		Valuation of the fair value of the debt for derivative hedge accounting				203,042
		Long-term loans				\$ 77,175,549

Fibra UNO's loan agreements contain various affirmative and negative covenants, for which Fibra UNO was in compliance as of the date of issuance of the accompanying consolidated financial statements. The most significant covenants are described below:

- Fibra UNO is required to pay, on or before on the due date, all property and other related taxes due with respect to its operations.
- Maintain in good standing all properties and assets necessary for the proper operation of the Trust's business, outside of normal use, wear and tear of the properties.
- Maintain insurance on assets, with reputable agents, for amounts to cover risks associated with and sufficient to replace or repair damage to the properties.
- Debt service ratio (Net Operating Income (NOI) divided by and Debt Service, as those terms are defined in the indenture) major than 1.5.

The maturities of long-term portion of long-term debt at December 31, 2020 are:

Year	Amounts
2022	\$ 8,322,898
2023	11,463,701
2024	17,867,851
2025	7,500,000
2026 and thereafter	77,219,732
	<u>\$ 122,374,182</u>

13. Trade accounts payable and accrued expenses

	2020	2019	2018
Interest payable	\$ 2,019,351	\$ 1,643,878	\$ 1,040,790
Accrued expenses	571,449	882,318	942,901
Creditors for work progress	706,802	809,053	-
Suppliers	<u>1,018,733</u>	<u>486,716</u>	<u>364,899</u>
	<u>\$ 4,316,335</u>	<u>\$ 3,821,965</u>	<u>\$ 2,348,590</u>



14. Balance and transactions with related parties

Balances and transaction between Fibra UNO and its subsidiaries, which are related parties of Fibra UNO, have been eliminated in consolidation and are not disclosed within this note.

a. *Transactions with related parties:*

	2020	2019	2018
Income:			
F1 Management:			
Administration Fees 1.25% (1)	\$ 108,574	\$ 146,216	\$ 100,622
Lease Fee (5)	\$ 7,393	\$ 10,930	\$ -
Expenses:			
Fibra Uno Administración:			
Capitalized acquisition fees3% (2)	\$ -	\$ 508,032	\$ 243,948
Management fees 0.5% (2)	\$ 749,629	\$ 817,763	\$ 730,835
Coordinadora de Inmuebles Industriales, S.A. de C.V.			
Capitalized received services (6)	\$ 1,080,417	\$ 1,388,920	\$ 1,220,872
Jumbo Administración:			
Real Estate management services (4)	\$ -	\$ 153,723	\$ 419,246
F2 Services:			
Administrative services (3)	\$ 346,625	\$ 368,706	\$ 336,546
Parks Mantenimiento, S.C. (7)	\$ 55,064	\$ 293,259	\$ 186,836

- (1) Fibra UNO charges a commission per administration of 1.25% of the amount.
- (2) Fibra UNO pays annual fee in an amount equal to 0.5% of the trustors' capital and a 3 % of the total value of acquired properties or contributed by other third parties, plus any applicable value-added taxes in exchange for advisory services.
- (3) Fibra UNO pays a monthly fee in an amount equal to 2% of the lease payments received, plus any applicable value-added taxes in exchange for administrative services.
- (4) Fibra UNO pays for real estate management services at an amount equivalent to 3% of monthly revenues collected related to rent, uses of spaces (kiosks or islands), management and maintenance fees, advertising and income from parking from the Morado portfolio.
- (5) F1 Management charges the Trust 2584 a lease fee equivalent to 4% of the amount of the contracts of said concept.
- (6) Fibra UNO pays a fee for brokerage services, which is calculated as a percentage of the total income that the signed contract represents.
- (7) Fibra UNO pays for maintenance activities so that its properties continue in the same conditions of use as the day they were put into operation.

The contracts with the aforementioned parties have terms of five years, renewable for additional periods.



b. *Balance with related parties are as follows:*

	2020	2019	2018
Due from related parties:			
Parks Operadora Hotelera, S. de R.L. de C.V.	\$ -	\$ 30	\$ 47,514
Other	<u>8,478</u>	<u>41,969</u>	<u>5,853</u>
	<u>\$ 8,478</u>	<u>\$ 41,999</u>	<u>\$ 53,367</u>
Due to related parties:			
Fibra Uno Administración, S.C.	\$ 165,384	\$ 111,644	\$ 124,752
Coordinadora de Inmuebles Industriales, S.A. de C.V.	20,963	9,627	5,633
Jumbo Administración	35,272	35,272	22,242
Operadora Jumbo, S.A. de C.V	9,662	-	-
Parks Concentradora	11,358	40,395	29,044
Parks Desarrolladora	-	19,238	19,238
Parks Mantenimiento, S.C.	21,151	24,568	3,774
Other	<u>10,922</u>	<u>9,824</u>	<u>491</u>
	<u>\$ 274,712</u>	<u>\$ 250,568</u>	<u>\$ 205,174</u>
Long-term payable:			
Trust 2585 (1)	<u>\$ 292,727</u>	<u>\$ 292,727</u>	<u>\$ 292,727</u>

- (1) Deposit received for perpetuity rights for the use of the Mitikah parking lot, which will be applied once the project is completed.

15. CBFIs- based payments

At the annual Trustors' Committee Meeting held on April 4, 2014, the Trustors approved a long-term executive compensation plan (LTI) payable through a grant of 162,950,664 CBFIs payable in 10 years and granting no more than 10% per year, except in the case that in previous years a 10% had not been granted, then it will be able to grant up to 20% per year.

Fibra UNO records as expense on a straight-line basis during the vesting period, an estimate of the CBFIs that eventually will be vested. At the end of the year, Fibra UNO revises and adjusts the estimate of the number and amount of CBFIs that expects will be awarded, by the support of valuations made by independent qualified appraisers.

The compensation costs of this plan for the years ended December 31, 2020, 2019 and 2018 were \$73,328, \$602,099, and \$563,488 respectively. During 2020, 2019 and 2018, 21,248,766; 25,800,746; and 3,259,013 CBFIs, respectively, were placed into circulation as a result of this program.

16. Trustors'/ Beneficiaries' Capital

Contributions

- a. Fibra UNO was established by an initial contribution from the trustors of one thousand Mexican Pesos plus the resources obtained from issuance of CBFIs.



- b. As of December 31, 2020, 2019 and 2018 the outstanding CBFIs are:

Number of CBFIs	2020	2019	2018
In circulation	<u>3,872,415,403</u>	<u>3,928,194,243</u>	<u>3,890,114,426</u>
In treasury	<u>1,420,058,926</u>	<u>1,351,031,320</u>	<u>1,456,514,910</u>

- c. On August 2, 2019, Fibra UNO released 6,227,668 CBFIs for the G-30 portfolio acquired in June 2013.
- d. On February 21, 2018, the Technical Committee of Fibra UNO approved the capital contribution for the acquisition of the "Torre Cuarzo" property, which was covered with the payment of CBFIs for a total amount of \$266.9 million.
- e. During August and July of 2018, Fibra UNO received cash contributions from Trust F/2353 and Trust F/2354 for \$675 million for the commercial development of the Mitikah project.

Distributions

Fibra UNO's Technical Committee has approved and paid distributions out of tax revenue accounts to CBFi beneficiaries as follows:

Distribution date 2020	Distributions Amount
November 10	\$ 1,158,998
August 10	1,103,722
May 11	1,140,887
February 11	<u>2,317,634</u>
Total as of December 31, 2020	<u>\$ 5,721,241</u>
Distribution date 2019	Distributions Amount
November 8	\$ 2,297,994
August 9	2,292,494
May 9	2,258,414
February 8	<u>2,238,761</u>
Total as of December 31, 2019	<u>\$ 9,087,663</u>
Distribution date 2018	Distributions Amount
November 9	\$ 2,164,503
August 9	2,127,113
May 9	2,093,789
February 9	<u>2,020,682</u>
Total as of December 31, 2018	<u>\$ 8,406,087</u>

Net income per basic CBFi was calculated by dividing the net income for the period between the weighted average number of CBFIs with economic rights outstanding amounting to 3,315,476,432, 3,905,972,322, and 3,898,759,194 CBFIs for 2020, 2019 and 2018, respectively. Diluted net income per CBFi considered dilutive shares, as if the shares have been outstanding as of the date they were issued. Weighted average CBFIs considering dilutive CBFIs amounts to a 5,192,197,957; 5,269,225,563, and 5,329,188,984 CBFIs, respectively.



CBFIs issued as of December 31, 2019 and 2018 for the acquisition of investment properties:

Acquired properties	CBFIs issued
G-30	6,227,668
Escatto	<u>6,051,403</u>
As of December 31, 2019	<u>12,279,071</u>
Torre Cuarzo	<u>7,482,635</u>
As of December 31, 2018	<u>7,482,635</u>

During 2020, Fibra UNO did not issue CBFIs for the acquisition of investment properties.

Repurchase of CBFIs

In the Trustors' Committee Meeting held on October 16, 2015, the creation of the stock repurchase reserve was approved for an amount of \$4,895,099. As of December 31, 2020, 2019, and 2018 the total number of CBFIs repurchased amounts to 77,027,606, 0, and 77,403,773 CBFIs equivalent to \$1,300,864, \$0, \$2,000,869, respectively..

The transactions were executed in the following way:

- During the fourth quarter of 2018, Fibra UNO repurchased 35,240,534 CBFIs in the domestic market for a total amount equivalent to \$844,259.
- During the third quarter of 2018, Fibra UNO repurchased 12,949,817 CBFIs in the domestic market for a total amount equivalent to \$318,353.
- During the second quarter of 2018, Fibra UNO repurchased 29,030,615 CBFIs in the domestic market for a total amount equivalent to \$833,267.
- During the first quarter of 2018, Fibra UNO repurchased 182,807 CBFIs in the national market for a total amount equivalent to \$4,990.
- During the third quarter of 2020, Fibra UNO repurchase 30,230,635 CBFIs on the domestic market for a total amount equivalent to \$911,429
- During the fourth quarter of 2020, Fibra UNO repurchase 46,796,971 CBFIs on the domestic market for a total amount equivalent to \$389,435.

During 2019, Fibra UNO canceled 67,403,773 CBFIs that it acquired through the CBFIs repurchase fund that were in the repurchase fund.

During 2020, Fibra UNO canceled 10,000,000 CBFIs that it acquired through the CBFIs repurchase fund authorized by assembly of holders who were in the repurchase fund.

17. Income taxes

In order to maintain FIBRA status, the Mexican tax authority "SAT" has established, per articles 187 and 188 of the Mexican Income Tax Law, that FIBRAS must annually distribute at least 95% of their taxable income to the holders of their CBFIs. There are permanent and temporary differences between the comprehensive income displayed in the accompanying consolidated financial statements, and the fiscal result that serves as base to make distributions to the holders of the CBFIs. Accordingly, Fibra UNO's Management runs reconciliation between the two bases to determine the amount to be distributed. Most relevant differences are: (i) the fair value adjustment to properties investment, (ii) the inflationary adjustment, and (iii) the tax depreciation.

As of December 31, 2020, 2019 and 2018 Fibra UNO has distributed \$5,721,241, \$9,087,663, and \$8,406,087 respectively, of which \$1,962,640, \$5,472,715, and \$6,513,466 are part of the Fiscal Result, with this at the end of the 2020, 2019 and 2018 fiscal years, Fibra UNO's Management has distributed more than 95% of the Fiscal Result to the holders of its CBFIs.



As mentioned in Note 16, on November 10, 2020, Fibre ONE paid CBFIs holders, the distribution for the third quarter of 2020, for an amount of \$1,158.9 million or \$0.3009 per CBFI, of which \$134.0 million corresponds to net tax income (199.8 million gross tax result minus 65.8 million ISR paid on guests' 20) and \$1,024.9 million correspond to return on equity. Taxes were accounted for under Other income statement expenses and other comprehensive results.

18. Lease revenues

As of December 31, 2020, the aggregate annual future minimum lease payments to be received under existing operating leases are as follows:

Period	Retail	Industrial	Offices	Total
Up to 1 year	\$ 7,517,082	\$ 5,476,053	\$ 3,036,104	\$ 16,029,239
1 to 5 years	21,934,171	13,973,926	8,534,274	44,442,371
More than 5 years	<u>10,531,405</u>	<u>3,972,729</u>	<u>4,964,631</u>	<u>19,468,765</u>
	<u>\$ 39,982,658</u>	<u>\$ 23,422,708</u>	<u>\$ 16,535,009</u>	<u>\$ 79,940,375</u>

The lease contracts have remaining terms ranging from one to twenty years.

The following information presents the Trust's revenues based on geographical area, industry and significant tenants.

a. Revenues by geographical region

Revenues by geographical region are as follows:

State	Revenues		
	2020	2019	2018
Mexico City	\$ 6,462,146	\$ 5,300,340	\$ 4,766,585
State of Mexico	3,746,800	3,702,939	3,433,263
Jalisco	1,500,729	1,681,093	1,431,677
Quintana Roo	1,050,895	1,163,804	1,111,943
Nuevo León	1,561,105	1,265,255	1,109,208
Chiapas	228,682	280,839	362,421
Tamaulipas	582,688	389,847	347,209
Chihuahua	748,311	400,594	340,200
Querétaro	367,838	431,565	310,254
Coahuila	325,423	302,796	283,976
Guanajuato	172,059	233,476	219,715
Yucatán	160,065	194,532	190,624
Veracruz	162,459	192,502	175,562
Sonora	146,959	160,706	152,206
Guerrero	135,615	158,831	148,112
Hidalgo	185,165	165,038	147,994
Nayarit	96,988	117,897	112,347
Aguascalientes	136,214	128,934	105,591
Tlaxcala	68,758	73,086	74,601
Morelos	41,275	69,022	67,099
Baja California Sur	59,187	70,513	65,222
Puebla	134,121	70,476	55,842
Tabasco	43,380	50,100	49,751
Oaxaca	35,536	38,927	37,099
Durango	39,591	35,204	34,225
San Luis Potosí	37,483	33,459	33,780
Sinaloa	26,973	27,063	25,982



State	Revenues		
	2020	2019	2018
Colima	23,438	22,831	21,918
Baja California	264,284	60,670	19,766
Zacatecas	62,604	17,027	9,684
Michoacán	1,915	2,018	1,784
Campeche	1,660	1,750	1,548
COVID-19 Relief	(1,623,274)	-	-
	<u>\$ 16,987,072</u>	<u>\$ 16,843,134</u>	<u>\$ 15,247,188</u>

b. **Revenues by industry**

Retail

As of December 31, 2020, the portfolio is composed of 353 investment properties with stabilized tenants.

Industrial

As of December 31, 2020, the portfolio is composed of 194 investment properties with stabilized tenants.

Office

As of December 31, 2020, the portfolio is composed of 100 investment properties with stabilized tenants.

Use of property	2020		
	Value of investment properties	Gross Leasable Area (GLA)	Revenue
Retail	\$ 143,724,924	3,620,222	\$ 9,174,227
Industrial	81,805,007	5,788,743	5,952,526
Office	52,723,461	1,312,033	3,483,593
COVID-19 Relief	-	-	(1,623,274)
	<u>\$ 278,253,392</u>	<u>\$ 10,720,998</u>	<u>\$ 16,987,072</u>

Use of property	2019		
	Value of investment properties	Gross Leasable Area (GLA)	Revenue
Retail	\$ 136,657,143	3,431,700	\$ 9,462,080
Industrial	73,913,416	5,423,807	4,251,235
Office	48,914,902	1,274,907	3,129,819
	<u>\$ 259,485,461</u>	<u>10,130,414</u>	<u>\$ 16,843,134</u>

Use of property	2018		
	Value of investment properties	Gross Leasable Area (GLA)	Revenue
Retail	\$ 124,948,704	\$ 3,294,700	\$ 8,686,200
Industrial	51,306,056	4,117,700	3,740,203
Office	47,260,775	1,202,400	2,820,785
	<u>\$ 223,515,535</u>	<u>8,614,800</u>	<u>\$ 15,247,188</u>



19. Commitments and contingencies

- a. Except as noted otherwise, neither Fibra UNO nor its assets are subject to any type of legal action, other than those stemming from its routine operations and activity.
- b. Fibra UNO transmitted to the Trust 2585 a section of land from the "Mitikah" complex (Residential Landmark) for the construction of the residential tower. Trust 2585 is in charge of the build and transfer of a tower of housing units that will be built in that portion of Mitikah destined for the residential tower and whose estimated completion date will be June 2021. The final sale price of the aforementioned land share for residential purposes is based on a number of variables at the end of the work. As of December 31, 2020, Fibra UNO has given that section of land an estimated value of \$1,527,464, while as of December 31, 2019 and 2018 it was \$1,262,464, presented as other long-term receivables in the attached consolidated statements of financial position.
- c. As mentioned in Note 14, Fibra UNO received a seriousness' deposit from Trust 2585 corresponding to the perpetuity rights for the use of the Mitikah parking lot, which will be applied when the project ends.
- d. During 2020, five out of six properties were acquired in the industrial segment that are part of the "Hercules" property group, estimated to complete the acquisition 100 percent during 2021.
- e. On December 2020, Fibra UNO recorded an advance for the purchase of the property belonging to the ICEL Group in the amount of \$500 million Pesos.

20. Transactions that did not affect cash flows

The main transactions that did not require cash flows and that were disclosed in other notes correspond to the acquisition of investment properties through the issuance of CBFIs, and to the assignment of CBFI to employees of Fibra UNO under the executive bonus program (LTI).

21. Subsequent events

- a. On February 9, 2021, the Fibra UNO Technical Committee approved, with prior authorization of all of its independent members, advance payment for the distributions of Fiscal Result of 2020 and reimbursement of equity for \$ 1,201.4 million.
- b. On January 28, 2021, Fibra UNO acquired the portfolio known as "Memorial" which consists of 16 properties located over several states of the Mexican Republic, amounting to \$2,192,000.

22. Approval of consolidated financial statements

The accompanying consolidated financial statements as of December 31, 2020 were authorized for issuance on March 8, 2021, by the Audit Committee of Fibra UNO; consequently, these do not reflect the events that occurred after that date, and are subject to the approval of the Fibra UNO CBFIs Holders, who may decide to amend the accompanying consolidated financial statements.

The consolidated financial statements as of December 31, 2019 and 2018 were approved by the Audit Committee of Fibra UNO on April 3, 2020 and April 10, 2019, respectively, and approved by the Holders' Meeting on April 30, 2020 and April 29, 2019, respectively.

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