



# UNDERSTANDING THE INTERNALIZATION



# UNDERSTANDING FUNO'S INTERNALIZATION

## What is internalization?

A transaction designed to further align the interest of minority the shareholders controlling Group.

## How is it done?

In the REIT industry via the “acquisition” of the external advisor or manager by the REIT. Usually, the REIT pays for the advisor using a combination of equity and/or cash.

# FUNO'S INTERNALIZATION

## How will FUNO pay for the acquisition of the Advisor?

- FUNO **will not** issue Equity since its CBFIs are trading at 0.5x NAV.
- FUNO **will not** use cash since interest rates remain high, and it does not want to increase leverage.
- FUNO **will pay** using real estate assets at 1.0x NAV.
  - 60% from office sector
  - 34% from retail sector
  - 6% from hotel sector

# INTERNALIZATION BY THE NUMBERS

*Figures in million pesos*

| ASSET             | GROSS ASSET VALUE | DEBT           | NAV             | 2025E NOI    | IMPLIED CAP RATE |
|-------------------|-------------------|----------------|-----------------|--------------|------------------|
| SAMARA            | 5,538.5           | 1,890.7        | 3,647.8         | 358.1        | 6.5%             |
| MIDTOWN JALISCO   | 5,646.3           | 0.0            | 5,646.3         | 448.0        | 7.9%             |
| MONTES URALES 620 | 1,173.8           | 0.0            | 1,173.8         | 96.1         | 8.2%             |
| <b>TOTAL</b>      | <b>12,358.7</b>   | <b>1,890.7</b> | <b>10,467.9</b> | <b>902.2</b> | <b>7.3%</b>      |

| Property          | GLA (sqm)      |
|-------------------|----------------|
| MONTES URALES 620 | 17,173         |
| SAMARA            | 133,387        |
| MIDTOWN JALISCO   | 109,377        |
| <b>Total</b>      | <b>259,936</b> |

# INTERNALIZATION BY THE NUMBERS

*Figures in million pesos*

| Fees paid to the advisor | 2025E <sup>(1)</sup> |
|--------------------------|----------------------|
| 50 bps NAV               | 929.9                |
| 2.0% Rent Collection     | 536.1                |
| 3.0% M&A                 | 0                    |
| <b>TOTAL</b>             | <b>1,466.0</b>       |

## TOTAL SAVINGS

|                      |                |
|----------------------|----------------|
| Savings From fees    | 1,466.0        |
| Interest Savings     | 219.1          |
| <b>Total Savings</b> | <b>1,685.1</b> |

| Samara's Debt        | As of 1Q25 |
|----------------------|------------|
| HSBC                 | 1,431.7    |
| Sabadell             | 468.5      |
| Total Debt           | 1,900.1    |
| Cost (TIIE + 2.75%)  | 11.5%      |
| Annual interest cost | 219.1      |

|                      |                 |
|----------------------|-----------------|
| Properties NOI       | -902.2          |
| SG&A at FUNO         | -360.0          |
| <b>Total cost</b>    | <b>-1,262.2</b> |
| <b>Net Accretion</b> | <b>422.9</b>    |

(1) Annualized 1Q25.

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