



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%
TOTAL	12,358.7	1,890.7	10,467.9	902.2	7.3%

Property	GLA (sqm)
MONTES URALES 620	17,173
SAMARA	133,387
MIDTOWN JALISCO	109,377
Total	259,936

INTERNALIZATION BY THE NUMBERS

Figures in million pesos

Fees paid to the advisor	2025E ⁽¹⁾
50 bps NAV	929.9
2.0% Rent Collection	536.1
3.0% M&A	0
TOTAL	1,466.0

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

(1) Annualized 1Q25.

TOTAL SAVINGS

Savings From fees	1,466.0
Interest Savings	219.1
Total Savings	1,685.1

Properties NOI	-902.2
SG&A at FUNO	-360.0
Total cost	-1,262.2

Net Accretion 422.9

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