



2021 INTEGRATED ANNUAL REPORT

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635 properties with 661 operations throughout Mexico

\$21.87 bn in revenues +13.9% vs 2020 +12.2% vs 2019

116.3 million sqft
Gross Leasable Area (GLA)

92.2% total occupancy rate

1ST SUSTAINABLE BOND issued by a FIBRA in Latin America

education of 2 industrial warehouse totaling 633,617.6 sqft in area

\$75.2 million in social support in 2021

1 Operations: a specific use of a property; a single property can have more than one type of operation

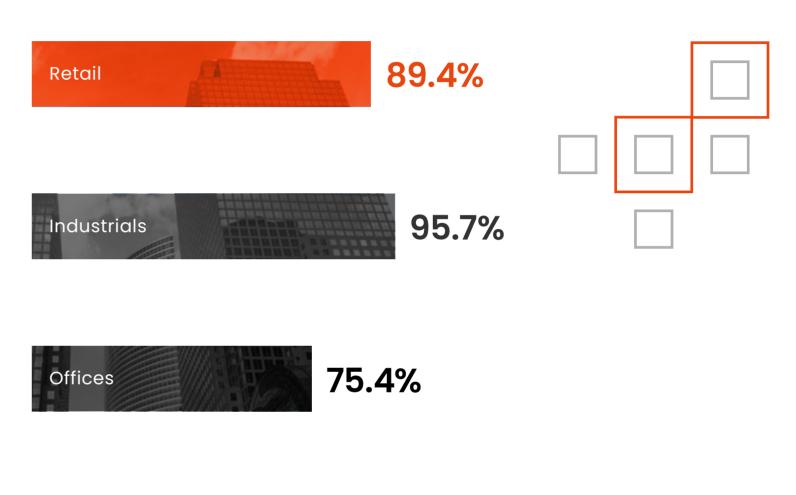
NOI BY SEGMENT

OCCUPANCY BY SEGMENT



34% Industrials

14% Offices







Over the years, Mexico has undergone a transformation, and we are excited and proud of the impact we at FUNO® have on our country's growth, because we can give life to our cities, and that is incredible. As I look back, I am pleased to say that I know the history of each of our properties. Growing alongside our clients has been an enriching experience. We were part of that growth and that's highly satisfying... every story is important to us."

ANDRÉ EL-MANN

Chief Executive Officer





"FUNO® is growing alongside Mexico, with a cutting-edge business model. Of course, we are a world-class company, and we strive to be leaders beyond our borders.

We're not going to stop until we get there, but we are proud to say we got our start in Mexico. We have been a magnet for foreign investment; we are a solid investment with hard assets that generate capital gains and, in addition, cash flows."

GONZALO ROBINA

Deputy Chief Executive Officer

FUNO WE ARE THE FIRST AND LARGEST FIBRA IN MEXICO AND LATIN AMERICA

Parque Industrial CuautiPark, State of Mexico



THROUGHOUT TIME

OUR BEGINNINGS

- FUNO® is founded, Mexico's first FIBRA.
- Our IPO raised USD300mn.
- Our initial portfolio is made up of 13 properties and 7.5 million sqft.
- We become the first real-estate company listed on the Mexican Stock Exchange.

ACQUISITIONS

- Second public offering for USD1,700mn.
- We issue a 10-year bond in public debt.
- We acquire the Apollo, Vermont, Colorado, P8, Torre Diana and G30 portfolios.
- The Apollo acquisition is Mexico's largest real-estate transaction ever, totaling MXN23bn.

STRENGTHENING

- We create HELIOS, the first real-estate development vehicle of its type in Mexico.
- We acquire the Kansas, Utah, Oregon, Buffalo, Alaska and Hotel Vallarta portfolios.
- Debut in the global debt markets, making us the first FIBRA in the world to unsecured, committed, dual-currency revolving credit facility.

BOND ISSUE

- Fourth public offering for USD800mn.
- We acquire the Apollo II, Turbo and Frimax portfolios.

2018

We launch our fourth bond issue locally.

2017

2011 2012 2013 2014

GROWTH

- First follow-on public offering for USD700mn.
- We acquire the Morado, Verde,
 Blanco, Gris and Rojo Portfolios.
- We acquire Torre Mayor.
- First acquisition from a third party: the Azul Portfolio.

POSITIONING

- Third public offering for USD2.5bn, and the fourth largest issuance ever by a Mexican company.
- Debut in the global debt markets, making us the first FIBRA in the world to issue a 30-year bond in its debut issue.
- We incorporate the Apollo operating platform and a latest-generation Oracle system.
- We acquire Samara, Hilton Centro Histórico, La Viga and the California portfolio.

INVESTMENT

- Two bond issues, one in Mexico and another on international markets.
- We acquire Torre Cuarzo, Hospital Puerta de Hierro, El Salto, Midtown Jalisco and Lamar.
- Internal launch of our ESG initiatives.
- We form a joint venture with HELIOS to develop the Mítikah complex in Mexico City.

CERTIFICATION

- Torre Diana earns LEED Gold Building certification.
- We are included in the London Stock Exchange's FTSE4Good index.
- We issue MXN9.2bn in bonds.
- We are included in the DJSI MILA Sustainability Index for the second year in a row.
- We raise our stake in Torre Mayor to 70%.
- We announce the opening of Midtown Jalisco, a mixed-use development in Guadalajara, Jalisco.



EXPANSION

- We acquire the Titan portfolio, adding 74 industrial warehouses to our properties and bringing our GLA to 107.6 million sqft.
- We place unsecured bonds on the international market totaling USD1 billion.
- For the second year in a row we are included in the London Stock Exchange's FTSE4Good index.
- We are included in the Dow Jones Emerging Markets Sustainability Index.

2020

- Second year in a row included in the DJSI Index for the Latin American Integrated Market (MILA).
- We take out a sustainability-linked revolving line of credit, the first voluntary sustainable transaction by a real-estate company in Latin America, and the first syndicated transaction to be conducted under Sustainability-Linked Loan Principles in the region.

EVOLUTION

- We acquire the Memorial portfolio.
- We issue 21X and 21-2X Sustainable Bonds for MXN8.1bn pesos, with a record demand for a bond at a domestic market rate of 2.6 times.
- Recognized by S&P in the Worldwide Sustainability Yearbook.

019

A SAMPLE OF OUR SOLIDITY

- We acquire 6 properties in the Hercules portfolio and 1 expansion at Lago III.
- We sell USD98.8 million in properties.
- We buy back 2% of our outstanding CBFIs.
- Debt issue of USD650mn.
- Thanks to our portfolio diversification, we are able to mitigate the economic impact of COVID-19 and preserve our solidity.
- We are founding members of the S&P/BMV Total Mexico ESG Index, the latest member of the S&P/DJI family of global ESG indexes.
- The impact of the worst crisis in the last 80 years was only 3% on FUNO®'s total occupancy.

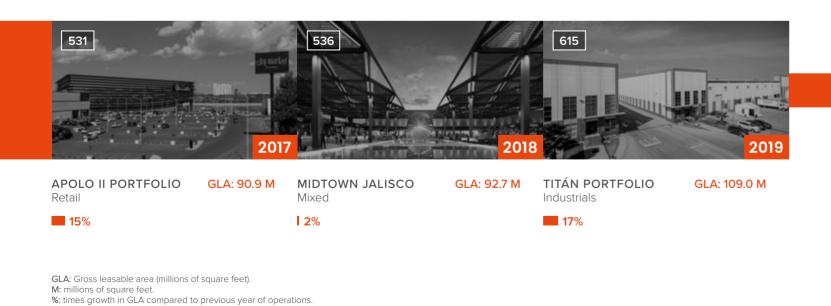


EMBLEMATIC ACQUISITIONS

GROWTH IN GROSS LEASABLE AREA (GLA)







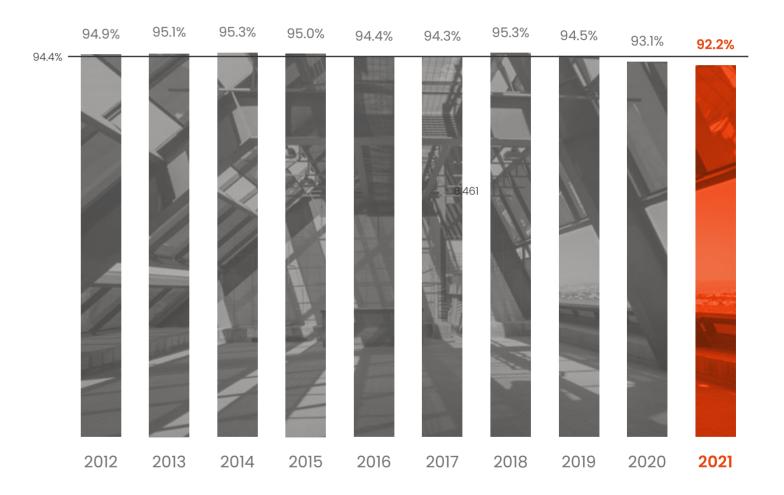




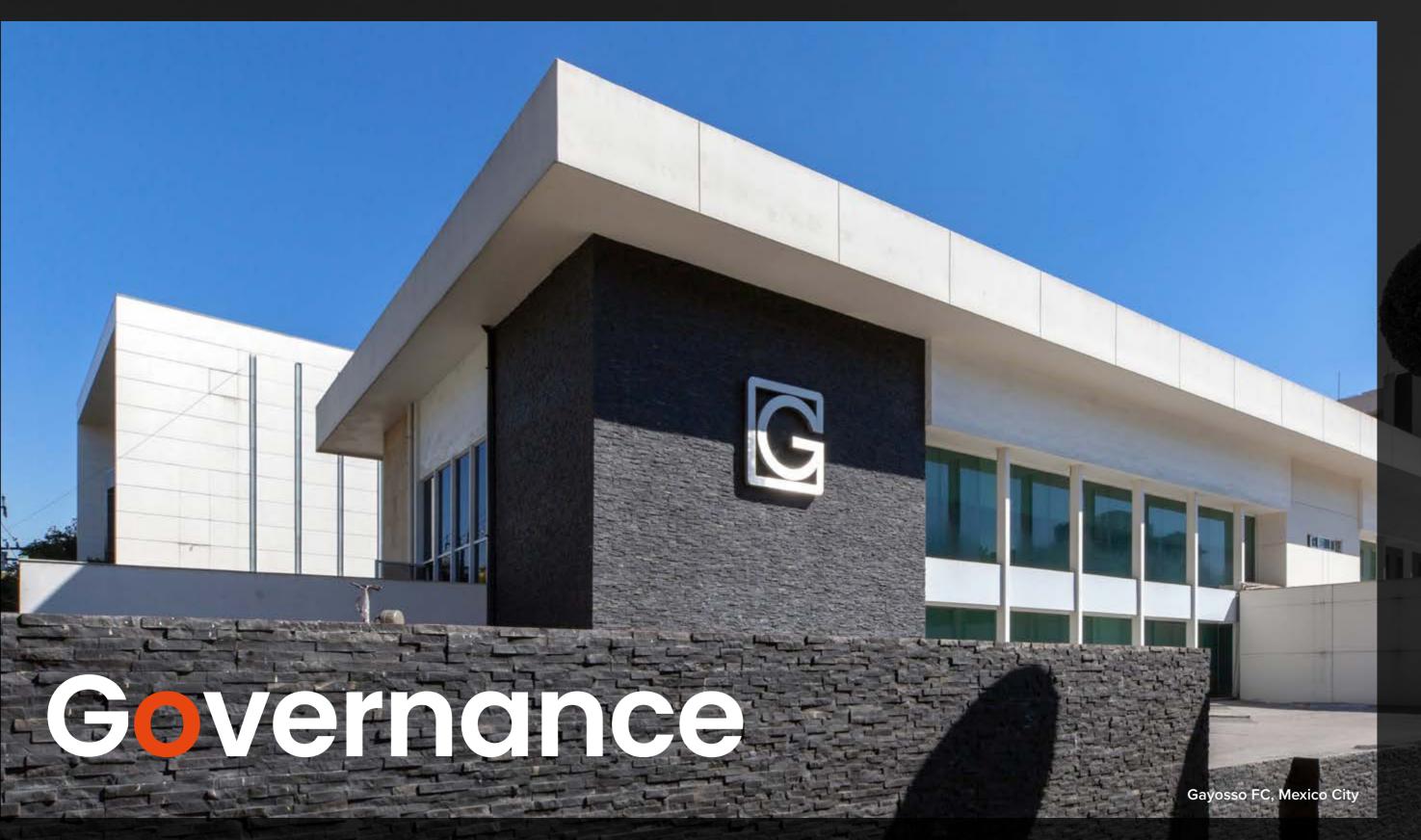
PRESENCE



OCCUPANCY



Average occupancy



ESG RISK MANAGEMENT AND EVALUATION

Since our beginnings, we have held the conviction that sustainability is a means rather than an end. It is the way we do things at FUNO®, a focus that permeates the entire organization and inspires us to adopt best international practices, raising the standard of sustainability practice in Mexico's real-estate industry.

Our sustainability strategy combines the pursuit of economic returns for our investors with the creation of social value for all of the stakeholders we interact with, by addressing risks and identifying opportunities.

S&P included FUNO® in its Sustainability Yearbook, which recognizes companies that are in the world's top 15% in terms of good ESG practices

PRINCIPLES FOR RESPONSIBLE INVESTMENT AND DUE DILIGENCE

We want to help build a sustainable, resilient society by creating economic, social and environmental value in the communities where we operate.

We first signed the United Nations Principles for Responsible Investment in 2020, signaling our commitment to incorporate ESG criteria into our decisions in order to better manage risk and generate sustainable, long-term benefits, as well as to develop and upgrade our properties as much as possible to improve their efficiency.

100% of the new contracts contain cost recovery clauses for resource efficiency, related to capex improvements



SUSTAINABILITY STRATEGY 2020-2030

















Reduce our electricity intensity by 20%



Reduce our water intensity by 30%

WASTE

Zero

waste

Reduce our **GHG** emissions intensity by 20%

Rehabilitate/reforest/ maintain 50 km of green areas



Increase by

1 million our

certified sqm



SAFETY

Zero

accidents



priority group*

20% of our employees belong to a



EQUALITY

Increase the percentage of women on the Board



Provide continuous ESG training to Board members

25

^{*}People with disabilities, single parents, LGBTQ+, indigenous groups, migrants.



WHISTLEBLOWING MECHANISM

Hotline by which employees, tenants, suppliers, guests and interested members of the general public can send suggestions or complains about actions that violate FUNO®'s ethical standards.

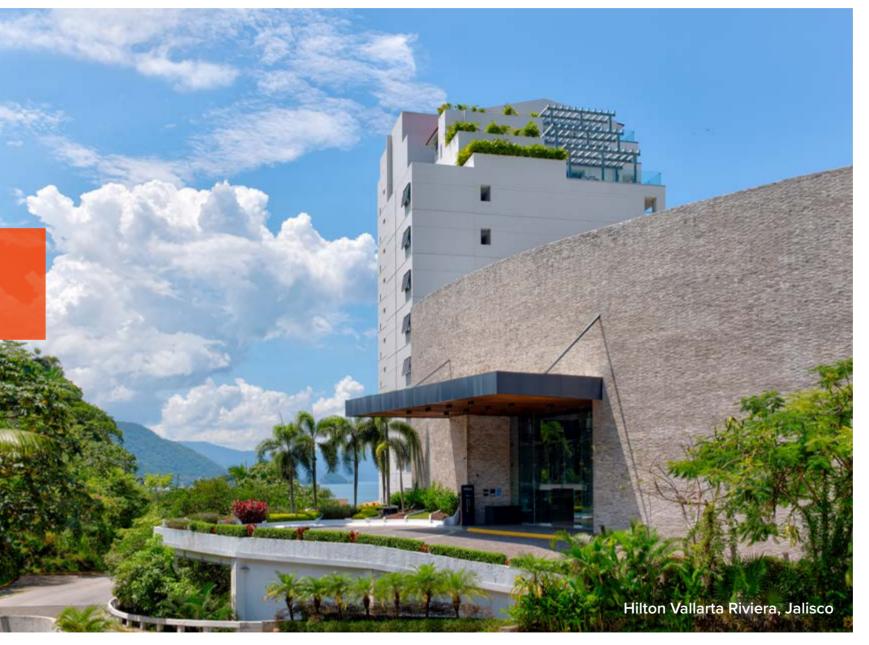
Our whistleblowing mechanism is managed by an outside firm independent of FUNO® and is available 24 hours a day, 365 days a year, through the following channels:

- Phone: 01 800 9100 311
- E-mail: funo@tipsanonimos.com
- Web: www.tipsanonimos.com/funo

59 cases received through the whistleblowing mechanism in 2021

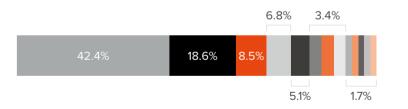
A 9.2% reduction from 2020

Reports received through whistleblowing mechanism are channeled to our Ethics Committee for review and attention, either by the Committee itself or by the area responsible for the issue in question, in order to decide on corrective measures, sanction or response.



COMPLAINT CATEGORIES

- Labor negligence
- Workplace bullying/mobbing
- Unethical dealings with suppliers
- Theft
- Sexual harassment
- Breach of confidence
- Anti-competitive practices
- COVID-19 emergency
- Discrimination
- Fraud/financial irregularities
- Breaches of the law or official regulations
- Money-laundering
- Workplace violence/abuse



100% of cases reported through the whistleblowing mechanism in 2021 were addressed

56% were closed and 44% were still in process at the end of the year

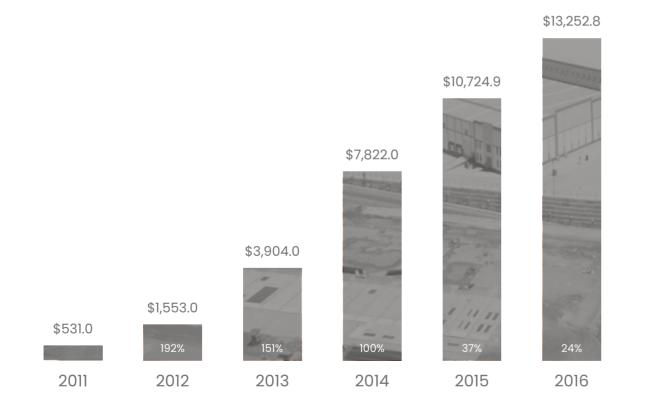
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SUSTAINABLE GROWTH

Since its inception, the counter-cyclical business model applied by FUNO® was designed to create sustainable value over time. Throughout the past ten years it has proven its resilience and continues to bear fruit through our exceptional and diversified portfolio, with the best locations and the most competitive rents on the market.



TOTAL REVENUES



MXNmn: millions of pesos..

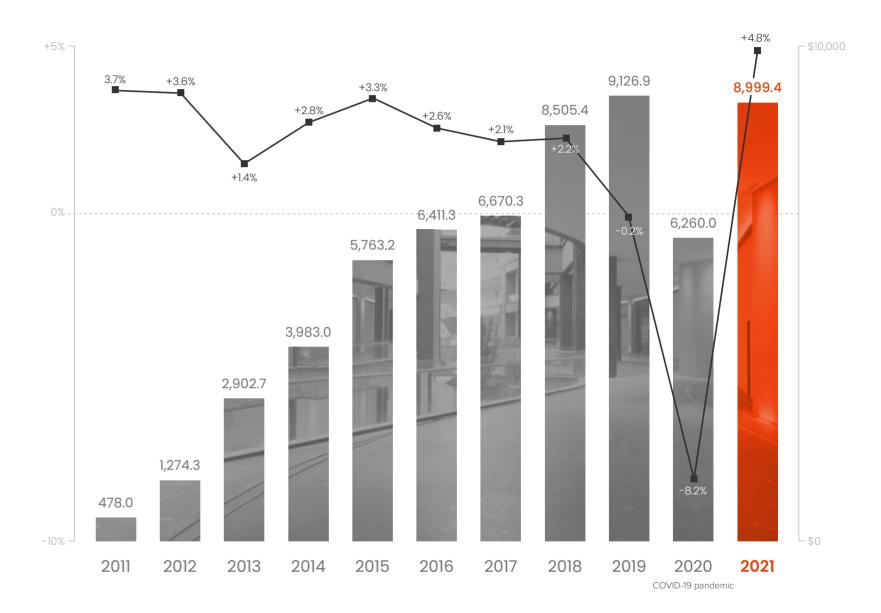
%: times growth in revenues compared to previous year of operations.



33

NET OPERATING INCOME (NOI) 2011 2012 PROPERTIES: 279 NOI: \$1,245.0 M 2013 PROPERTIES: 400 NOI: \$3,268.0 M 2014 PROPERTIES: 444 NOI: \$6,404.7 M 2015 NOI: \$8,645.6 M PROPERTIES: 488 2016 NOI: \$10,667.1 M PROPERTIES: 497 2017 NOI: \$11,741.3 M PROPERTIES: 531 2018 PROPERTIES: 536 NOI: \$13,673.6 M 2019 NOI: \$15,219.6 M PROPERTIES: 615 2020 NOI: \$14,925.9 M PROPERTIES: 619





FFO: Funds From Operations.

MXNmn: millions of pesos.

NOI: Net Operating Income. MXNmn: millions of pesos.

%: times growth in NOI compared to previous year of operations.

^{— %:} percentage growth of Gross Domestic Product (GDP).



EQUITY

We have succeeded in diversifying our capital sources. In 2021 we successfully placed the first Sustainable Bond offering by a FIBRA in Latin America, totaling MXN8.1bn in a bond offering consisting of two tranches in Mexico.

At the end of 2021, FUNO® has raised a total of MXN\$199bn pesos





FUNO® 10th Anniversary Celebration, BMV



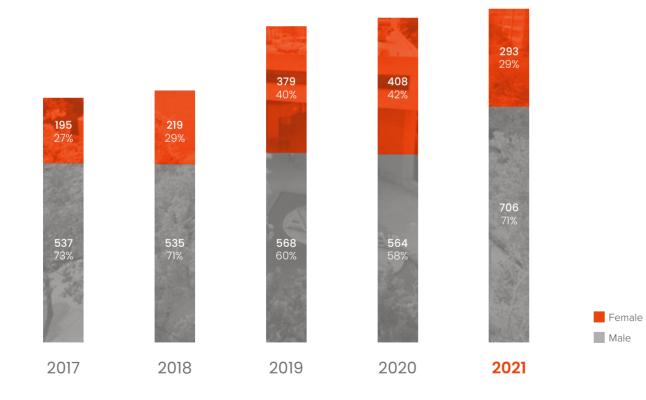
LAIMPERIAL LAIMPERIAL capita 10 YEARS DEVELOPING TALENT FUNO® Corporate Offices, Mexico City

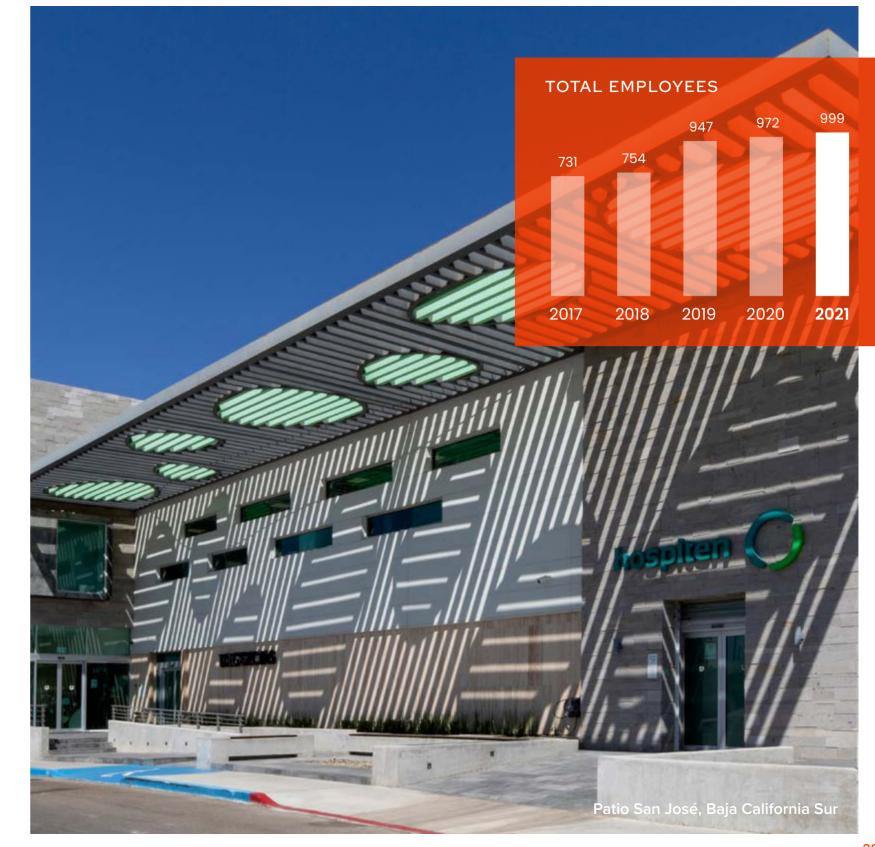
OUR TEAM

Over the past 10 years we have positioned ourselves as the first and largest FIBRA in Mexico and Latin America. This has been made possible by the strength of our team, the cornerstone of FUNO®, and it is to them that we have pledged to improve.

We aim to help our human capital grow and develop alongside FUNO®, so we seek out new initiatives that can empower the advancement and the well-being of employees and their families.

WORKFORCE BY GENDER

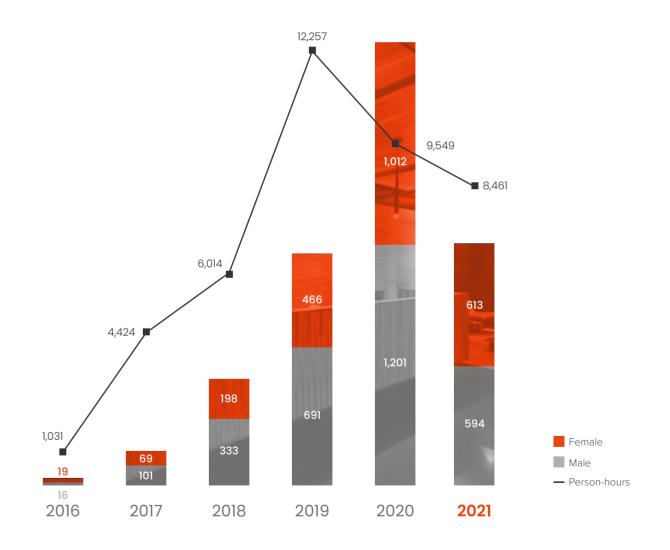


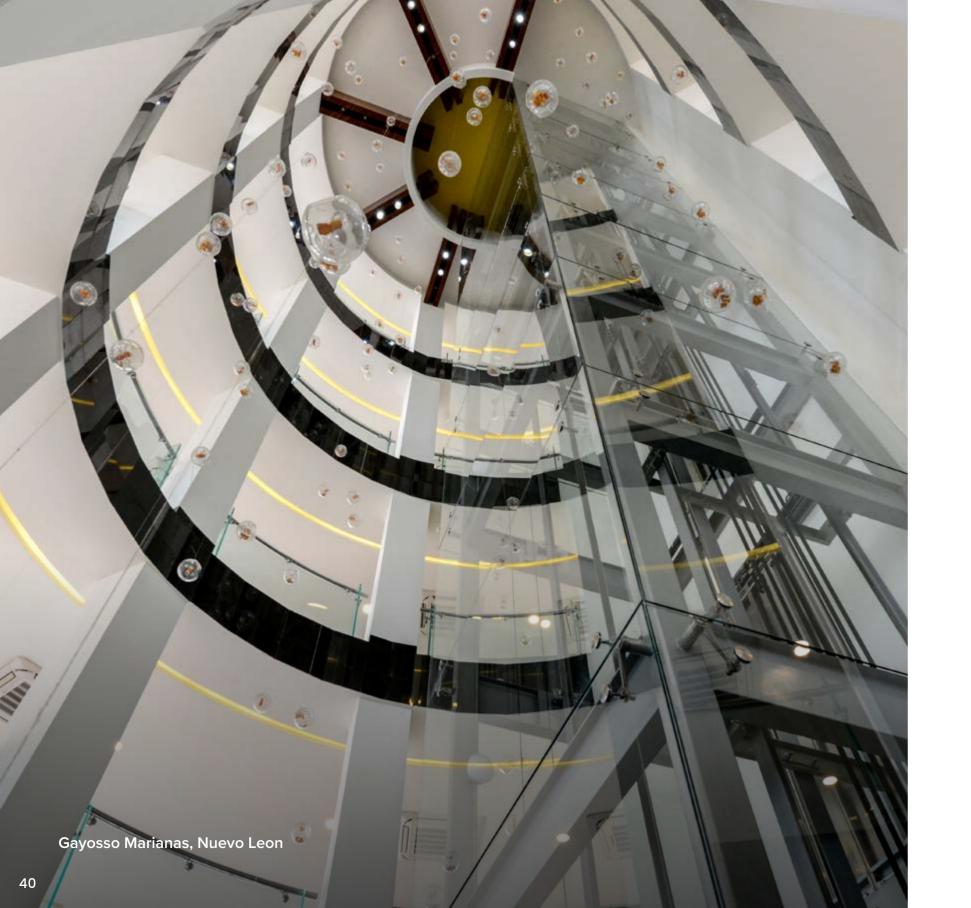






41,736 hours of training since 2016







COMPENSATIONS

We try to offer competitive pay and benefits. All of our salaries are above the minimum wage established by Mexican law. During the COVID-19 pandemic, we maintained 100% of our employees, their salaries and the totality of benefits we offer.

SALARY RATIO OF WOMEN VS MEN

Managerial 77% Operational 97%

100% of FUNO®'s employees receive benefits beyond what the law requires²



- 2 After a probational period. 3 Pursuant to current law (March 2020).
- 4 Subject to payment terms and conditions of the plan and current policies.



do equivalent to 15 days' salary, or proportional to the time worked when less than one year, paid on or before December 20.

Retirement plan up to 6% of

the annual salary, matching the

amount saved by the employee.



Life insurance, equivalent to 36 months of salary.



with coverage of direct beneficiaries (including same-sex marriages). Benefits include unlimited phone consultation about general medicine, psychology and pediatrics, 100% subsidized by FUNO®.



Savings fund, matching employee contributions and paid out twice yearly.



Fixed amount in digital vouchers

to supplement employees' household grocery budget.



· Maternity leave: 84 days³

- · Nursing break: two 30-minutes periods a day to be agreed upon, within working hours, for 6 months.
- · Adoption leave: 6 weeks for women and 5 days for men.
- · Paternity leave: 5 days.



10 days of vacation after the first full year of employment; +25% vacation bonus.



according to performance during the year⁴ and linked to ESG goals.



Social security contributions according to the employee's full salary, as required by law.

michelle 10 YEARS CREATING SOCIAL VALUE

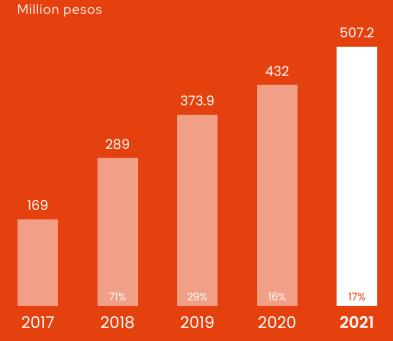
Ámbar Fashion Mall Tuxtla, Chiapas



OUR COMMUNITIES

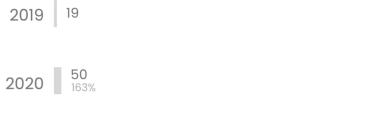
Our purpose is to contribute to the development of communities where we operate. We aim to ensure the basic conditions for communities to achieve their optimum development, through sustainable and high-quality infrastructure. We want to be a force for positive transformation in the environment and in the lives of hundreds of families.

ACCRUED FINANCIAL DONATIONS



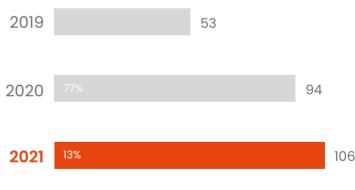


IN-KIND DONATIONS





ORGANIZATIONS SUPPORTED



%: percentage growth compared to the immediately preceding year of operations.

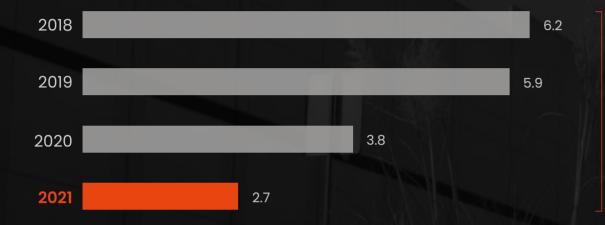


10 YEARS EVOLVING
THE BUSINESS MODEL

Parque Industrial Monterrey Guadalupe, Nuevo Leon

ENERGY

GLOBAL ENERGY INTENSITY kWh/sqft occupied



CARBON FOOTPRINT

EMISSIONS INTENSITY metric tons of CO₂eq/sqft occupied



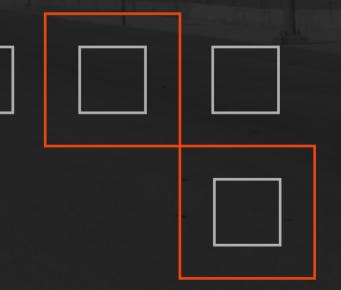
WATER

WATER INTENSITY m³/sqft occupied



↓59.2%

↓56.7%





INDUSTRIAL CAPITAL

10 YEARS BUILDING SUSTAINABLE CITIES

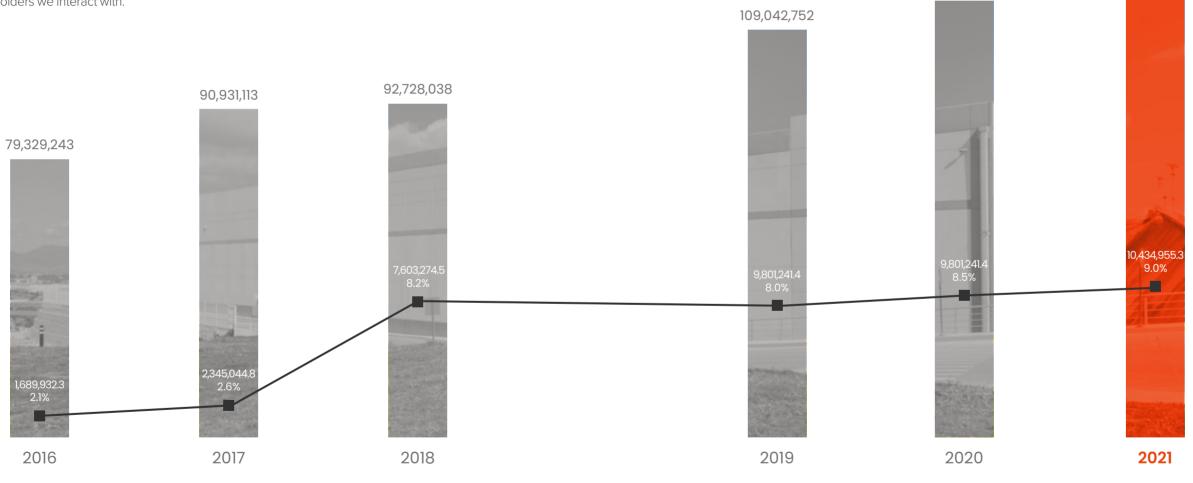
CERTIFIED PORTFOLIO

Sustainable infrastructure is part of our business model, as is focusing on the creation of long-term value for the communities where we operate, benefiting all the stakeholders we interact with.

CERTIFIED PORTFOLIO VS PORTFOLIO EVOLUTION

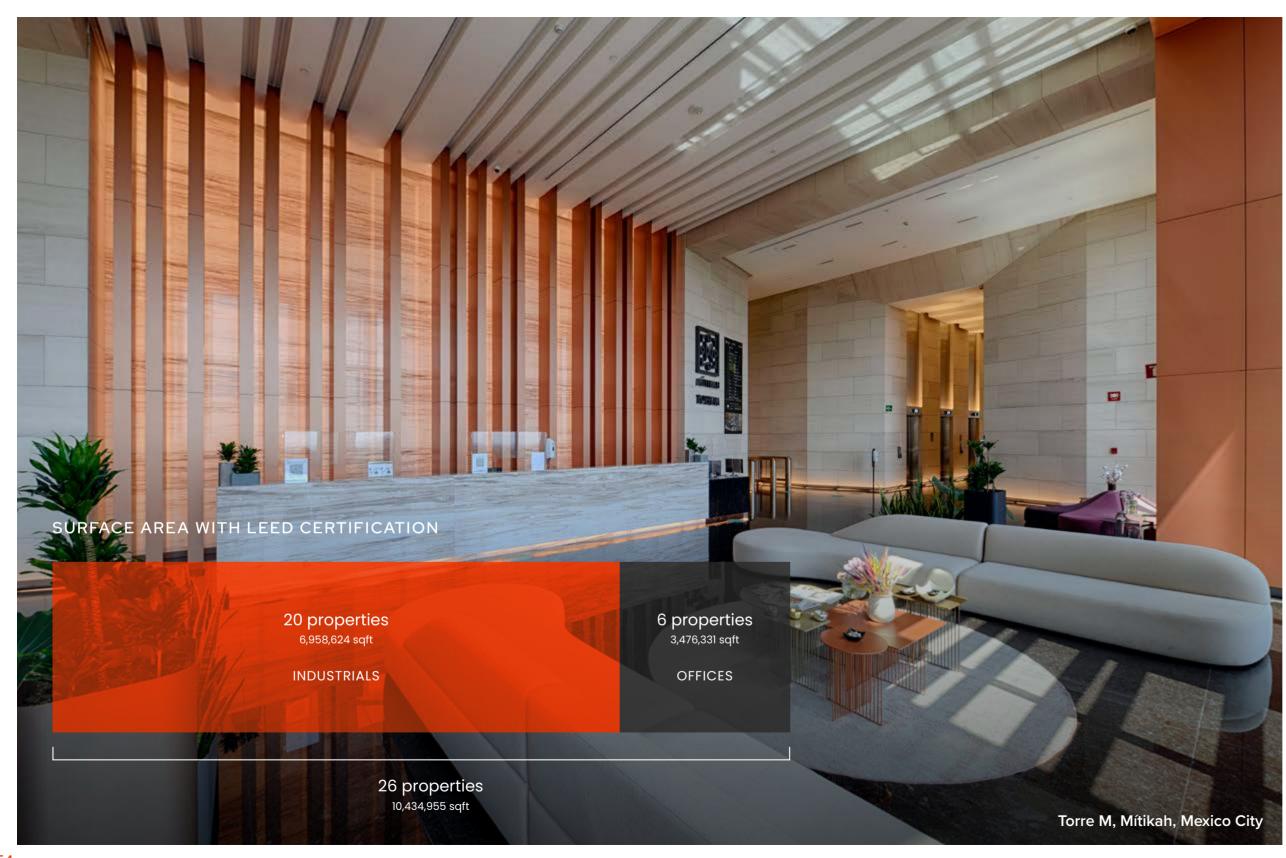
116,282,584

115,399,750



GLA (sqft) — Certified portfolio





In order to leverage the value of our buildings and move quickly toward our public commitment of certifying 10.8 million sqft in surface area by 2030, we decided to pursue a combination of LEED and EDGE certifications. Late in 2021 we began the process of certifying more than a million square meters in the industrial portfolio under the EDGE scheme, a certification awarded by Green Business Certification Inc. (GBCI) and the International Finance Corporation (IFC). EDGE certification is given to properties that include efficiencies of at least 20% in energy, water and materials. EDGE Advanced certification is available for properties that achieve efficiencies of at least 40% in these same areas.

The size of the portfolio to be certified makes FUNO® an EDGE Champion, because this surface area alone accounts for 10% of the certified surface area in Latin America, a total of 106.6 million sqft.

The certification of our portfolio alone will double the area of EDGE-certified property in Mexico, currently at 6,609,034.6 sqft. Of this amount, only 423,893.2 sqft are industrial properties.

runo has more square meters of certified space than any FIBRA in Latin America, a total of 10,434,955.3 sqft. The IFC has recognized us as an EDGE Champion based on our commitment to doubling this amount



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INFORMATION ON SUSTAINABILITY

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