DANHOS FIBRA

CONSOLIDATING ICONIC PROPERTIES

2017

Annual Report

We are a Mexican trust constituted primarily to develop, own, lease, operate and acquire iconic and premier quality real estate assets in Mexico. Our Current Portfolio consists of 15 properties that include, retail, offices and mixed-use projects. We consider that a property is iconic if it has the unique ability to transform the surroundings in which it is located, if it is in prime locations, it has been developed with the highest standards of construction and design, it is leased to high quality tenants and, in the case of shopping centers, it reports high traffic flow of visitors. Our strategy focuses mainly on shopping center and office segments. We are the first Fibra in Mexico focused on development, redevelopment, acquisition and management of retail, offices and mixed-use projects of premier quality, particularly in the Metropolitan Area of Mexico City ("CDMX") and in the Metropolitan Area of the City of Puebla.

Why Fibra Danhos?

Identify Strategic Locations → Scarce Market with High Profitability → Quality vs. Quantity → Developers, Not Consolidators → Active Management

- Simple and clear real estate strategy, efficient execution.
- Real estate developer, creating tangible value for shareholders.
- Portfolio of 15 Premier Quality Assets in Mexico City and Puebla.
- Focus on the domestic market / consumption.
- High visibility and low risk.
- Sound Capital Structure, with only 10.5% leverage.
- Best practices in Corporate Governance.
- Implementation of sustainability policies throughout the Fibra.
- Alignment of interests and incentives with the Control group.
- Experienced management team.

Fibra Danhos
At a Glance

We have a portfolio of 15 premier quality properties in the best locations; we focus on quality real estate, not quantity.

- RETAIL
- MIXED-USE
- OFFICE
- UNDER DEVELOPMENT

Annual visits

GLA

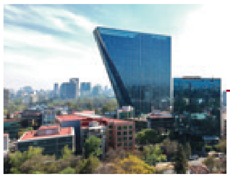
+90

Millions of visitors in 2017

Toreo Parque Central
14,027,129
90,345 sqm

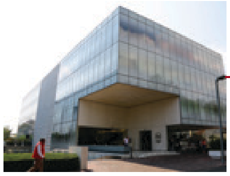
Parque Virreyes
7,937 sqm

Torre Virreyes
67,886 sqm



Parque Duraznos
3,252,222
15,855 sqm

Urbitec
12,912 sqm



Reforma 222
5,404,246
44,454 sqm

Parque Esmeralda
34,057 sqm

Parque Vía Vallejo

10,481,454

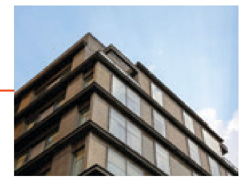
81,788 sqm

Parque Lindavista

12,329,416

42,072 sqm

Parque Tepeyac



Parque Alameda

3,350,201

15,755 sqm

Parque Delta

21,355,516

69,909 sqm

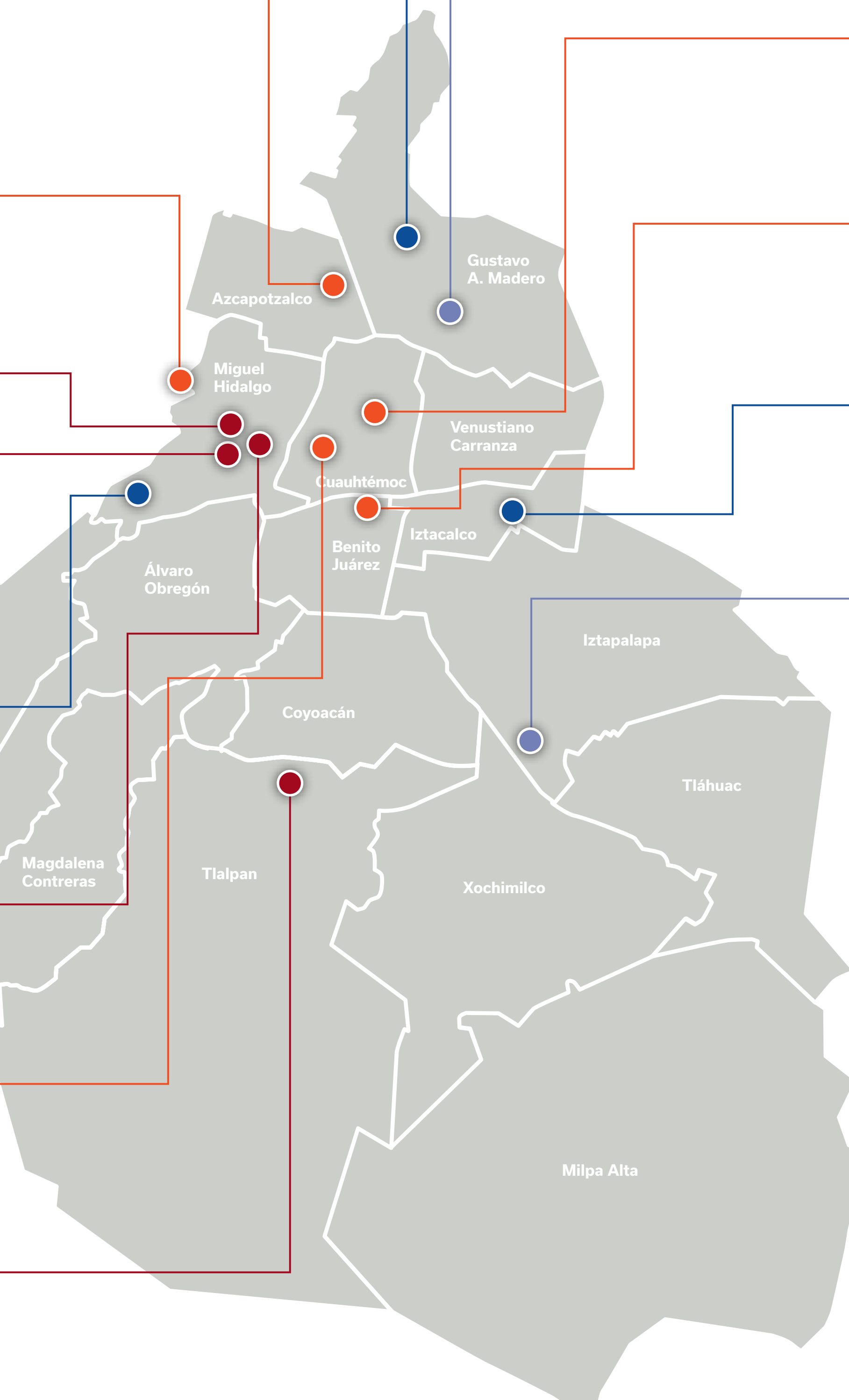
Parque Tezontle

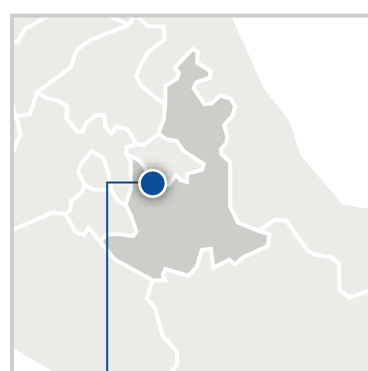
21,934,449

68,995 sqm

Parque Las Antenas

86,500 sqm





Parque Puebla

1,649,387

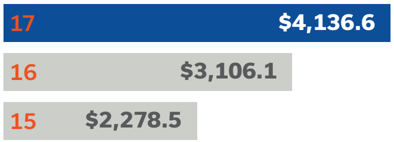
71,337 sqm

Relevant Financial Data

Financial indicators		2017		2016	Change
Total revenue	**$**	**4,136,664,162**	$	3,106,148,666	33.2%
Net Operating Income (NOI)	**$**	**3,253,648,135**	$	2,393,032,968	36.0%
EBITDA	**$**	**2,681,914,156**	$	1,916,061,188	40.0%
Net profit	**$**	**5,166,261,356**	$	5,872,748,276	-12.0%
FFO	**$**	**2,649,533,679**	$	1,983,010,470	33.6%
AFFO	**$**	**3,339,320,043**	$	3,018,855,055	10.6%
AFFO per CBFI with economic rights	**$**	**2.52**	$	2.48	1.5%
Distribution to holders of CBFIs	**$**	**3,015,422,488**	$	2,585,548,025	16.6%
CBFIs with economic rights		**1,322,146,046**		1,213,398,432	9.0%
Distribution per CBFI with economic rights	**$**	**2.28**	$	2.13	7.0%

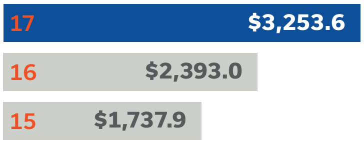
FFO (Flow from Operations)
AFFO (Adjusted Flow from Operations)

Total revenue
Million pesos



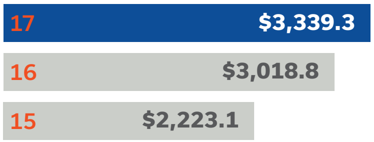
+33.2%

Net Operating Income
Million pesos



+36.0%

AFFO
Million pesos



+10.6%

Letter to Our Shareholders

Our investment thesis relies on finding strategic locations on densely populated urban areas, and on developing mixed-use properties, including working, shopping or entertainment spaces, that provide our visitors a unique experience based on quality standards and innovation.

The Mexican economy continues to record moderate growth rates, maintaining strength in its public finances. Inflationary pressures have been sought to offset with a pick up of the overnight funding rate reaching a level of 7.50%. Domestic consumption and exports continue to support aggregate demand, although there are some signs of a slowdown and low levels of both public and private investment. Additionally, financial market volatility has peaked before the coming elections process and the uncertainty around the renegotiation of NAFTA.

Current environment strengthens our conviction to always act with caution, selectively planning new projects, and focused on finishing our existing pipeline on time and budget. We have maintained a long-term growth strategy, the same one we have had since our origins, showing conviction and commitment with the development of Mexico. Our investment thesis consists on finding strategic locations on densely populated urban areas, developing mixed-use properties, and offering our visitors quality and innovation in their work, retail, or entertainment experience.

During the fourth quarter we successfully opened Parque Puebla, which immediately became a landmark in the northeast area of the city. After only one quarter in operation, it shows significant progress consolidation process, as it has been incorporating more commercial formats, and it has already started the construction of a business class hotel and unique aquarium in the region. Parque Las Antenas' work progress, reached 91.3%, and its grand opening is scheduled for June 2018. Finally, regarding development, we recently started the construction of Parque Tepeyac, our next project located in the northeast of Mexico City, which is planned to be ready by the first half of 2020. This mixed-use project located in the Gustavo A. Madero borough, consists of 200,000 sqm of construction work and 70,000 sqm of GLA, its and will be anchored with department stores, cinemas, restaurants and an innovative retail and entertainment blend. Investment budget for the project is 1.8 billion pesos for our 50% stake and we will be responsible for the design, development, commercialization and operation of the property.

We had a remarkable lease progress of available office spaces by adding close to 26,000 sqm of executed agreements to our operating portfolio. I am pleased to report the inclusion of new tenants in Toreo Tower A, reaching a total leased area of 78,000 sqm that implies 62% of our office inventory. During the fourth quarter, Liverpool successfully started operations in our shopping center, as evidenced by traffic flow figures, up 18% against last year. Torre Virreyes received its last tenants of offices and commercial spaces in the quarter, and is now fully leased and running, consolidating as the best office building in the country.

During the fourth quarter and throughout the year, our operating portfolio reported satisfactory financial and operating indicators, which exceed those reported a year ago and show the maturity process that our portfolio is going through. With an increase of 15.3% in the number of visitors, revenues and AFFO increased 23.7%, and 9.8% respectively. Our Technical Committee approved the release of economic rights to 31.9 million CBFIs, taking our AFFO per CBFI to Ps. 0.66. It is noteworthy to highlight the lower contribution of TAPs to AFFO, declining from the Ps. 800 million in 2016 to Ps. 436 million in 2017, which means that cash flow from our portfolio is made up more from our recurrent and stable operation, and less from non-recurrent and extraordinary income. NOI excluding TAP per CBFI reached Ps. 0.63 during the quarter, an 18% growth against last year figure, and accumulated Ps. 2.24 during 2017, up 22% compared to that of 2016.

Our Technical Committee also approved a quarterly distribution of Ps. 0.58 per CBFI representing a growth of 7.4% against last year, while we kept Ps. 0.08 per CBFI, equivalent to $ 111.2 million to be reinvested in development pipeline. Annual distribution reached Ps. 2.28 per CBFI, an increase of 7.0% with respect to 2016, posting growth on a real terms basis even considering the release of economic rights to 115.2 million CBFIs.

We concluded 2017 satisfied of delivering good results to our shareholders and aware of the responsibility of achieving the goals set for 2018. We maintain a sound financial position, while having cash resources labeled for the development pipeline. I am certain that discipline and commitment to our strategy will deliver, meanwhile we will keep analyzing and working to unlock value in our portfolio. I appreciate the trust that investors, analysts and market agents have placed on us and I take this opportunity once again to recognize the effort of our great team.

Salvador Daniel Kabbaz Zaga
CEO, Fibra Danhos

We posted a sound financial position while maintaining cash labeled for our development pipeline.

Properties in Operation

Retail	Opening	State / Municipality	GLA	% GLA	% Occupation	Parking spaces
Parque Alameda	2003	Cuauhtémoc, Mexico City	15,755	1.8%	98.5%	308
Parque Delta	2005/2016 (expansion)	Benito Juárez, Mexico City	70,826	8.1%	99.9%	2,969
Parque Duraznos	2000	Miguel Hidalgo, Mexico City	16,325	1.9%	96.2%	968
Parque Lindavista	2006	Gustavo A. Madero, Mexico City	41,558	4.7%	99.6%	2,299
Reforma 222 (Commercial)	2007	Cuauhtémoc, Mexico City	24,273	2.8%	99.0%	690
Parque Puebla	2017	Puebla, Puebla	71,402	8.1%	67.0%	3,496
Parque Tezontle	2007/2015 (expansion)	Iztapalapa, Mexico City	68,309	7.8%	99.0%	2,993
Toreo Parque Central (Commercial)	2014	Naucalpan, State of Mexico	92,703	10.6%	96.0%	3,400
Vía Vallejo	2016	Azcapotzalco, Mexico City	82,294	9.4%	94.8%	4,721
Retail Subtotal			**483,446**	**55.1%**	**93.0%**	**21,844**
Office						
Reforma 222 (Office)	2007	Cuauhtémoc, Mexico City	20,398	2.3%	100.0%	690
Toreo (Towers B &C)	2016	Naucalpan, State of Mexico	65,189	7.4%	80.4%	1,500
Toreo (Tower A)	2017	Naucalpan, State of Mexico	62,605	7.1%	41.5%	1,500
Toreo (Hotel)	2016	Naucalpan, State of Mexico	17,297	2.0%	100.0%	400
Parque Esmeralda	2000	Tlalpan, Mexico City	34,151	3.9%	100.0%	1,636
Torre Virreyes	2015	Miguel Hidalgo, Mexico City	67,879	7.7%	100.0%	2,258
Urbitec	2009	Miguel Hidalgo, Mexico City	12,912	1.5%	86.6%	501
Parque Virreyes	1989	Miguel Hidalgo, Mexico City	7,783	0.9%	95.3%	251
Office Subtotal			**288,214**	**32.8%**	**82.1%**	**8,736**
Total Portfolio in Current Operation			**771,660**	**87.9%**	**89.0%**	**30,580**
Current Development Portfolio						
Parque Las Antenas	2018e	Iztapalapa, Mexico City	76,000	8.7%	NA	3,300
Parque Tepeyac	2019e	Northeast of Mexico City	30,000	3.4%	NA	1,500
Retail Subtotal			106,000	12.1%	NA	4,800
Current Development Portfolio total			**106,000**	**12.1%**	**NA**	**4,800**
Total Portfolio			**877,660**	**100.0%**	**89.0%**	**35,380**

Business Model

Market

Focused on premier quality and iconic real estate market.

Value Proposition

1. Conception and feasibility analysis
2. Land acquisition / assembly
3. Executive project / permits and licenses
4. Budgets and general contracting

Channels

We are recognized for our ability to develop premier quality iconic properties, which subsequently allows us to attract modern and attractive tenants. We have a leasing and marketing team with more than 40 years of experience.

Customer Relationships

We establish and maintain an efficient two-way communication relationship with all our tenants, as well as an investor relations department, which allows us to have a virtuous cycle of information and continuous improvement.

Operating Flows

We have more than 100 million visitors per year and an average occupancy rate of 98.2% in same properties and 89% in total properties, which provides high and constant operating flows.

Key Resources

Iconic properties of premier quality assets capable of transforming economic and social dynamics within its influence area, strong client base and high quality tenants, experienced team in construction, management, operation and leasing capabilities.

Key Activities

Experienced technical skills for development of complex and demanding projects that provide entry barriers for competitors. Always at the forefront in the use of technology that allows us to efficiently manage and maximize the potential of our properties.

Administrative Team and Key Partners

Management team at Fibra Danhos has an accumulated average experience of more than 24 years in the real estate sector. Additionally, they rely and report to a Technical Committee, integrated by highly recognized members with an average age of 60 years. This expertise is reflected in the good performance of our portfolio, including high occupancy levels.

6

Marketing and leasing

Construction supervision

5

Operation and maintenance

7

Cost Structure

Most of our operating costs target the achievement of performance and satisfaction of our customers. Our constant growth translates in economies of scale and more bargaining power with suppliers, and resources in general.

PARQUE PUEBLA

Our first premier quality development outside the metro area of Mexico City provides diversification in geographical terms, and presence in the fourth largest city in the country and an important economic center with a population of around 3 million people.

71,337 sqm
GLA

3,496
Parking spaces

Our shopping center of more than 200,00 sqm of construction work was completed in a record period of 13 months, and has immediately become a landmark in the northeast of Puebla, incorporating an efficient blend of commercial and entertainment formats and services. We have started the construction of a business class hotel and an aquarium in the region. This new concept of educational entertainment will occupy an exhibition area of around 10,000 sqm and will offer our visitors a unique concept in the area.

PARQUE DELTA

Recognized as one of the most profitable shopping centers per square meter in the country.
Since its opening, Parque Delta has been one of the most successful shopping center per square meter in the country in terms of visitors and income. It is anchored by a department store, a self-service store, a cinema and more than 160 retail establishments with restaurants and shops. The expansion of Parque Delta concluded in 2016 and has been very successful, incorporating renovated spaces and new retail components.

GLA*: 69,909 sqm
Parking spaces: 3,213
*Includes expansion.

Parque Duraznos, the first lifestyle shopping center in the country.

The opening of Parque Duraznos restored the corporate interest to move to the Duraznos-Ciruelos corridor in the west of Mexico City. Constructed with high quality standards, our shopping center received the CEMEX Award for design in 2009.

GLA: 15,855 sqm
Parking spaces: 969

PARQUE DURAZNOS

Until 2016, it was the highest private investment in Iztapalapa borough. The local authorities for this outstanding development acknowledged Fibra Danhos. With 231 retail spaces, it contributed to consolidate an area that has become a regional sub-center that detonates economic activity. An expansion was carried out in 2015 that refreshed its image, renovated spaces and incorporated new commercial formats.

GLA: 68,995 sqm
Parking spaces: 2,742

PARQUE TEZONTLE

PARQUE LINDAVISTA

Located in a middle class, well-consolidated neighborhood in the north of Mexico City, it immediately filled an unattended demand to shop within a modern and comfortable environment. Parque Lindavista won the ADI Award for the best commercial development in 2006. It is anchored by a department store with 4 levels, cinemas, sports gym and more than 160 retail stores.

GLA: 42,072 sqm
Parking spaces: 2,306

Mixed-Use Portfolio

TOREO PARQUE CENTRAL

Toreo Parque Central is a mixed-use project located on the land plots of the old "Toreo de Cuatro Caminos" on the border between Mexico City and the State of Mexico; one of the busiest crossings in the metropolitan area. Its convenient location right next to Periferico, one of the main highways of Mexico City, is only 35 minutes away from the International Airport, and only five minutes from Torre Virreyes.

90,345 sqm
GLA

3,400
Parking spaces

Toreo Parque Central is the most important private real estate investment in the State of Mexico, and one of the most important real estate developments in the country. We recently complemented its already successful retail offer with the incorporation of a 25,000 sqm Liverpool department store that immediately improved traffic flow. In 2014, it received the "Obras" award for the best mixed-use development in the country, and the ADI prize for the best real estate development.

TOREO HOTEL

Toreo hotel began operations in October 2016. It is operated by Grupo Posadas under the Fiesta Americana brand (5 stars). It has 252 luxury rooms, restaurants, business center, meeting rooms and other amenities.

GLA: 17,297 sqm
Parking spaces: 400

Parque Vía Vallejo is the largest shopping center in the Metropolitan Area of Mexico City; it opened in 2016 and includes a “lifestyle” retail component, as well as the possibility of developing additional retail, office or housing components. The project contributes to the urban regeneration of the Vallejo industrial zone, with efficient transportation connectivity that allows access to jobs and services in a highly populated region. The area offers a favorable perspective of economic and demographic growth.

GLA: 81,788 sqm
Parking spaces: 4,725

PARQUE VÍA VALLEJO

PARQUE ALAMEDA

Paseo Alameda was part of a major effort to revitalize the Historic Downtown of Mexico City. Parque Alameda is a mixed-use development that includes a shopping center and a hotel that has been very successful. The architectonic project recreates the traditional commercial passages of the Historical Downtown, while connecting two avenues of great affluence.

GLA: 15,755 sqm
Parking spaces: 308

Reforma 222 radically changed the design and dynamics of Paseo de la Reforma corridor, as it was the first major development built in the area in more than half a century. Reforma 222 project includes an exclusive shopping center, AAA rated offices and one of the most spectacular residential buildings in Mexico City.

GLA: 44,454 sqm
Parking spaces: 1,380

REFORMA 222

TOREO TOWERS B & C

We are precursors of the development of this office corridor in the north of Mexico City, located just five minutes away from Lomas de Chapultepec. Office spaces in Toreo Parque Central have been widely accepted in the market due to its convenient location, access and advantages offered by a mixed-use complex.

We have signed leases that represent 85% of its GLA. Our tenants include AT&T, Bancomer, IOS Offices, GfK Mexico, Merck, Nielsen, OHL, Old Navy and Grupo Axo.

65,305 sqm
GLA

1,500
Parking spaces

With a lease progress of more than 40% of its GLA, Tower A, not only marks the conclusion of Toreo Parque Central, but also the fulfillment of 100% of the development commitments announced in our IPO. Our office inventory of Tower A allows us to continue serving a potential market of AAA tenants that show interest in the property and the area.

GLA: 60,000 sqm
Parking spaces: 1,500

TOREO TOWER A

TORRE VIRREYES

Torre Virreyes is 100% leased at levels that exceeded our initial expectations and the average Lomas Palmas corridor. It brings together a mix of corporate and retail AAA tenants, becoming a benchmark in Mexico City, offering a level of excellence in facilities and services, complemented by very generous public spaces.

GLA: 67,886 sqm
Parking spaces: 2,300

URBITEC

Urbitec development consists of three office properties, located in Bosques de las Lomas, considered to be one of the best neighborhoods in Mexico City.

GLA: 12,912 sqm
Parking spaces: 501

PARQUE ESMERALDA

Parque Esmeralda was conceived as the first office campus in Mexico City. The corporate building consists of 3 towers with 10 levels each. Each tower is independent, since it has a central core of services, which gives autonomy to each block.

GLA: 34,057 sqm
Parking spaces: 1,636

PARQUE VIRREYES

Office tower built in 1989, which has remained as one of the most attractive buildings in the lower part of Las Lomas de Chapultepec. In the 25 years since its opening, the area and its surroundings have consolidated as one of the most important conglomeration of offices in Mexico City.

GLA: 7,937 sqm
Parking spaces: 251

The project is located in the limits of the Iztapalapa and Xochimilco boroughs, where there is a high population density, as well as a lack of quality retail and entertainment options, opening a great opportunity to capture the demand of the area. Parque Las Antenas combines a great mix of tenants such as Liverpool and Sears, cinemas, restaurants, boutiques, a supermarket and services such as banks and telephone service centers, as well as a unique amusement park on the roof of the shopping center. Its opening is scheduled for the first semester of 2018.

GLA: 86,500 sqm
Parking spaces: 3,000

PARQUE LAS ANTENAS

PARQUE TEPEYAC

This new mixed-use development is located in the northeastern part of Mexico City on Gustavo A. Madero borough; a traditional, densely populated neighborhood with high disposable income. Estimated total retail area of the project is approximately 108,000 sqm, and the estimated net investment of Fibra Danhos will be approximately 1,800 million pesos, including land. Fibra Danhos will have a 50% stake on the project, and will be in charge of the design, construction, commercialization, management, and operation of the project. We have signed an investment agreement with Liverpool to participate as an anchor shop in the shopping center.

We have also started pre-leasing negotiations with cinemas, sub-anchors and other retail formats for their incorporation into the project, together with an interesting entertainment concept. We started the pre-construction stage in February 2018 and expect to open during the first half of 2020.

GLA: 70,000 sqm
Parking spaces: NA

Sustainability

Sustainability issues are key on Fibra Danhos' investment thesis and core strategy. We maintain cutting-edge trends and standards in our real estate portfolio, since sustainability has become part of our business model, as well as well as a requirement for our tenants.

A true commitment to sustainability issues requires an effort across all areas of the company. For this reason we have started a certification process and evaluation of sustainability practices specific to the real estate industry, focusing on economic, environmental and social factors.

- Torre Virreyes and Toreo have Leed certifications (Platinum and Gold respectively), an international recognition for sustainable buildings created by the United States Sustainable Building Council (U.S. Green Building Council).
- All our buildings have environmental certificates and licenses issued by the governmental authorities. We have implemented processes throughout our real estate portfolio to reduce our carbon footprint.
- We contribute to the rescue and maintenance of green areas and public spaces, such as the park in front of Torre Virreyes, known as a meeting point for the community.
- We constantly work on implementing technology and certified procedures for the preservation of the environment, including programs that address issues with water, energy and solid waste.

Human Capital

Our workplace of approximately 1,200 sqm of open areas include top of the line technology in voice, data and video designed to ensure both professional and personal development of our employees.

Fibra Danhos promotes a sense of belonging and loyalty between its employees and the organization. This mutual commitment includes the incorporation of employee benefits, in addition to those enforced by law, such as medical expenses insurance and life insurance.

Additionally, in 2018, we will implement a savings fund to preserve and protect our collaborators' heritage, an increase their purchasing power. We also promote family values, offering support to the children of our employees with a voucher for school supplies.

a. Work Environment

Day by day we seek to foster a favorable working environment. Through surveys we understand our collaborators needs and expectations. We have implemented training programs and integration events to form highly qualified work teams.

b. Training and Career Plan

We constantly promote technical training programs for corporate personnel, providing almost 200 hours of face-to-face workshops. We incentivize calls that offer vacancies and through different evaluation methods we select the most qualified collaborator to promote.

As a result, employees are granted greater responsibilities, as well as salary increases.

c. Civil protection

We have a highly effective civil protection program in all our properties, which allows us to act in case of any eventuality. It should be mentioned that as a result of the unfortunate earthquakes of 2017, none of our properties suffered structural damage and that structural safety records were updated in a timely manner.

d. Social responsibility

Fibra Danhos has supported public and private institutions, including the Foundation Board of the "Instituto Nacional de Pediatría", in its program of palliative care for children with oncological diseases.

Analysis of Results

Total operating revenue:
During 2017, the total operating revenue amounted to $4,136.7 million pesos, which represents an increase of 33.2% with respect to 2016. This increase in total revenues was mainly driven by sound figures in both base rent and overage in the operating portfolio and to the consolidation of some of our properties, including Toreo Parque Central in its retail, office and hotel components. Torre Virreyes is fully occupied and operating at a 100% capacity, as well as the incorporation of Parque Puebla to our current Operating Portfolio. Fibra Danhos' total operating revenue is composed by, Base Rent (62.9%), Overage, (5.8%) Tenant admission payments, (6.9%), Parking Revenues, (8.9%), and Maintenance, operation advertising and other revenue (15.5%.)

Base rent:
Amounted to $2,603.6 million pesos during 2017, which represents an annual increase of 30.9% with respect to 2016. This increase is primarily due to the consolidation of some of our properties, including Toreo Parque Central in its retail, office and hotel components, Torre Virreyes is fully occupied and operating at a 100% capacity, also the incorporation of Parque Puebla into our Current Operating Portfolio.

Overage:
Amounted to $240.7 million pesos during 2017, which represents an annual increase of 54.3% with respect to 2016. Primarily due to an increase in sales from our tenants in Parque Delta and Parque Tezontle, as well as an increase in hotel revenues and the incorporation of the Liverpool store in Toreo Parque Central.

The organic growth (same properties) in Base Rent and Overage during the year was 10.3%.

Tenant admission payments:
Accounting revenue from Tenant Admission Payments totaled $ 285.2 million pesos during 2017, which represents an annual increase of 76.8% with respect to 2016. Cash inflow from Tenant Admission Payments totaled $ 436.6 million pesos, this figure is significantly lower than the $ 799.7 million earned during 2016. Growth trend in NOI combined

with lower cash flow via tenant admission payment is observed throughout the year, and means a more stable and predictable cash flow generation from our Operating Portfolio, derived from a decrease of projects under development and an increase of consolidated projects.

Parking revenue:
Amounted to $367.3 million pesos in 2017, which represents an annual increase of 22.0% with respect to 2016. This performance is primarily due to the annual increase in parking rates in some of our shopping malls as well as an increase in traffic flow in our properties, including Parque Delta, Torre Virreyes, Toreo Parque Central and Vía Vallejo.

Maintenance, operation advertising and other revenue:
Amounted to $639.8 million pesos in 2017, which represents an annual increase of 28.3% with respect to 2016. This increase can be attributed to the increase in maintenance, operation and advertising fees primarily caused by the consolidation of some of our properties, including Toreo Parque Central, Torre Virreyes, Vía Vallejo and Parque Puebla.

Expenses

Operating Expenses:
Amounted to $1,454.8 million pesos during 2017, which represents an increase of 22.2% with respect to 2016. This increase is mainly due to the addition of new projects to the operating portfolio. Of the total operating expenses, operating, maintenance and advertising expenses represented 44%, Advisory fees accounted for 38%, leasing administration fees accounted for 5.8%, third parties expenses and others 1.3%, property tax 8.8% and insurance expenses accounted for 2.1%.

Operating, Maintenance and Advertising Expenses:
Amounted to $639.9 million pesos in 2017, which represents an annual increase of 24.4% with respect to 2016. This increase was caused by the addition of Parque Puebla's operating expense to the Operating Portfolio, as well as the consolidation of some of our properties during 2017, including Toreo Parque Central, Torre Virreyes, Vía Vallejo and Parque Puebla.

Advisory Fees and Leasing Administration fees:
Amounted to $552.5 million pesos and $ 84.7 million pesos, respectively, which represents variations of 19.1% and 3.3% with respect to 2016. The increase in the Advisory fees is primarily caused by an increase in Investment Properties value, which serve as the basis for the fee payment, as well as an increase in the calculation percentage which had a variation from 0.8750% to 0.9375% with respect to 2016, as established in the Initial Public Offering. The increase in the Leasing Administration fees is mainly due to the increase in revenues that serve as a basis for the calculation.

Third party expenses and others:
This expense, including fees paid to our accounting, legal, tax advisors and independent appraisers, totaled $ 19.3 million pesos in the year 2017.

Property Tax and Insurance:
Amounted to $128.2 million pesos and $ 30.2 million pesos in 2017, wich represents variations of 44% and 9% respectively with respect to 2016. These increases are mainly due to the addition of Toreo's Parque Central "Torre A" and Parque Puebla to our Current Operating Portfolio. Additionally, in the case of insurance we observed an increase derived from the exchange rate fluctuation since the premiums in our policies are US dollar based.

Other Income (Expenses)

Financial income, financial expenses and foreign exchange gain (net):
Amounted to $ 113.3 million pesos in 2017 mainly derived from the investment of the cash balance in fixed income securities. In the same period, financial expenses totaled $ 130.4 million pesos, while the

exchange gain was $ 18.4 million pesos, derived mainly from the appreciation of the dollar with respect to the Mexican peso due to dollar denominated revenues.

Adjustment to the fair value of Investment Properties (net):

Adjustments to the fair value of the Investment Properties as of December 31, 2017 and 2016 were for 2,520.1 million pesos and $ 3,789.4 million pesos, respectively. These adjustments are derived from the appraisals made by independent experts that determine the market value based on annual appraisals of our Investment Properties with quarterly adjustments.

NOI, EBITDA, Net Profit, FFO and AFFO

Net Operating Income:

Amounted to $ 3,253.6 million pesos in 2017, which represents an annual increase of 36.0% with respect to 2016. Same Properties growth during the year was 11.4%. Net operating margin, excluding income from tenant admission payments, was 77.1% for 2017, slightly higher than the margin reported in 2016 of 75.8%

EBITDA:

Amounted to $2,681.9 million pesos in 2017, which represents an annual increase of 40.0% with respect to 2016. EBITDA margin was 64.8%, higher than the 61.7% reported in 2016.

Net Income, FFO and AFFO:

Amounted to $5,166.3 million pesos, $2,649.5 million pesos, and $3,339.3 million pesos, respectively. These figures represent variations of -12.0%, 33.6% and 10.6%, respectively, with respect to the results obtained in 2016.

Mexican Pesos	2017	2016
Net Income	5,166,261,357	5,872,748,276
Exchange rate gain-Net	(3,406,365)	100,357,942
Adjustment to the fair value of investment properties - Net	2,520,134,043	3,789,379,865
FFO	**$ 2,649,533,679**	**$ 1,983,010,469**
Capital expenditures	—	(5,074,040)
Net Tenant admission payments	151,388,627	638,385,232
Net anticipated rents	(5,116,639)	(1,466,465)
Net straight-line effect	(16,166,996)	(29,343,012)
Net property tax and insurance unaccrued	(701,893)	(3,648,803)
Net Advisory and Leasing admin fees	560,383,265	436,991,674
AFFO	**$ 3,339,320,043**	**$ 3,018,855,055**

Cash distributions:
Due to the solid performance of our operating revenues during 2017, Fibra Danhos reached an AFFO of $3,339.3 million pesos, which represent an AFFO per CBFI with economic rights of $ 2.53 pesos. Our Technical Committee determined a distribution of $ 2.28 pesos per CBFI, which represents a growth of 7% with respect to the distribution of $ 2.13 pesos per CBFI during 2016; we kept the equivalent of $ 0.25 pesos per CBFI in cash for diverse corporate expenses.

1. **DANHOS 16:** 3,000,000,000.00 (three billion 00/100 Mexican pesos) with a fixed nominal rate issued for a 10-year period with a 7.80% coupon rate (Mexican 10-year bond yield + 185 basis points).
2. **DANHOS 16-2:** 1,000,000,000.00 (one billion 00/100 Mexican pesos) with a floating rate issued for a 3.5-year period with a TIIE28 + 65 basis points coupon rate.
3. **DANHOS 17:** 2,500,000,000.00 (two thousand five hundred million 00/100 Mexican pesos) with a fixed nominal rate issued for a 10-year period with an 8.54% coupon rate (Mexican 10-year bond yield + 169 basis points).

Debt	Institution/ Issuance	Currency	Interest rate		Issuance	Maturity	Tenor (years)	Balance
Bonds	Local (DANHOS 16)	MXN	Fixed	7.80%	11-jul-16	29-jun-26	8.52	$3,000,000,000
Bonds	Local (DANHOS 16-2)	MXN	Variable	TIIE + 0.65%	11-jul-16	23-dec-19	2.01	$1,000,000,000
Bonds	Local (DANHOS 17)	MXN	Fixed	8.54%	10-jul-17	28-jun-27	9.52	$2,500,000,000
			Avg.	**0.00%**		**Avg.**	**7.90**	**$6,500,000,000**

Including our third issuance, our outstanding debt is 85% fixed and 15% floating. All debt was issued in pesos, the average weighted maturity of the debt is 7.90 years and our average cost of debt was 8.16% as of December 31, 2017.

Covenants as of 4T17	Fibra Danhos	Limit	Status
Loan to value (total debt/total assets)	10.5%	50%	OK
Secured debt Limit	0%	40%	OK
Debt Service coverage ratio (AFFO)	6.8x	1.5 x min	OK
Unencumbered assets to unsecured debt	**967%%**	**150%**	**OK**

Current Development Portfolio and Growth Plan
We have fulfilled 100% of the development commitments made during the IPO. We continue working on the development of Parque Las Antenas, whose opening is scheduled for next June and we have started pre-construction work in Parque Tepeyac. We have multiplied our Portfolio's Initial GLA 3.3 times and have added more than 500,000 square meters of premier quality to our portfolio since October 2013.

As of December 31, 2017, Fibra Danhos' Current Operating Portfolio consisted of thirteen properties, with a GLA of 771,660 square meters and a occupancy rate of 97.9% in same properties and 89.0% in total properties. Parque Las Antenas and Parque Tepeyac are under development with tentative opening dates for June 7, 2018 (Parque Las Antenas) and the first half of 2020 (Parque Tepeyac).

Flow of Visitors

Our retail portfolio registered an annual flow of visitors of 93.2 million people, an increase of 20.3% with respect to 2016. Same properties and Total Properties occupancy registered stable levels of 97.6% and 89.0%, respectively. Total Properties had an increase of 3.2% with respect to 2016.

Occupancy cost

In the case of those retail tenants who are the most significant in terms of GLA and Fixed Rent, cost incurred associated to occupying a premise, which consists of Base Rent, Overage Rent and common area maintenance and advertising fees, expressed as a percentage of the corresponding Tenant Sales, was 8.5% in 2017, slightly higher that of 2016 which was 8.1%. In the same period, the Renewal Rate (Result of dividing the gross leasable area of premises that were renewed, by the total gross leasable area of the portfolio) was slightly lower, from 99.55% in 2016 to 99.38% in 2017.

Delinquency rate

The delinquency rate (Rental payment delayed beyond 60 days) was 0.53% in 2017 and represents an annual increase of 0.24% with respect to 2016. Rent Loss (past due portfolio greater than 180 days as a percentage of annualized Fixed Income for the respective period) was 0.85% in 2017, increasing 61 basis points with respect to 2016.

Technical Committee

David Daniel Kabbaz Chiver
Chairman of the Technical Committee
Related Member · Age 71
He is one of the founding partners of Grupo Danhos and has over 40 years of experience in the development and management of iconic and premier quality real estate assets, as well as in acquisitions and financing of real estate projects. Mr. David Daniel is part of the Council of Presidents of the Monte Sinaí Jewish community of Mexico and has been at key positions in several institutions and organizations of the national and international Jewish community, including a position as Governor of the University of Tel Aviv in 1990. He is also a member of the "300 most influential leaders of Mexico", a recognition given by the publication "Mexican Leaders". Mr. David Daniel studied architecture at the National Autonomous University of Mexico.

Salvador Daniel Kabbaz Zaga
Vice-Chairman of the Technical Committee and CEO
Related Member · Age 44
He has over 25 years of experience in real estate including the design, development and administration of shopping centers and premier quality offices. Prior to joining Grupo Danhos in 1993, Mr. Salvador Daniel developed several architectural projects for office buildings in Mexico City. Already in Grupo Danhos, he participated in the elaboration of the architectural project of Parque Duraznos and one of the buildings of Urbitec, among others. He has also served several positions in the Monte Sinaí Jewish community of Mexico. He is currently President of the Association of Real Estate Developers (ADI). Mr. Salvador Daniel has a degree in architecture from the Anáhuac del Norte University, and studied Master's Degree in Real Estate Management and Construction Companies at the University of Madrid.

Jose Daniel Kabbaz Chiver
Vice Chairman of the Technical Committee
Related member · Age 60
Founding partner of Grupo Danhos, with more than 40 years of experience in the development and management of iconic real estate assets, as well as acquisitions and financing of projects. He was president of the Association of Real Estate Developers (ADI) from 1995 to 1999. He completed his Bachelor of Architecture and holds a Master's Degree in Real Estate Development from Universidad Anáhuac.

Luis Moussali Mizrahi
Related member · Age 42
He is Vice President of the Vitracoat Group, a leading company in the manufacture of industrial coatings. He has 17 years of experience as a partner and investor in retail, industrial and office real estate projects.

Isaac Becherano Chiprut

Related member · Age 49

Managing Partner of Grupo Inmobiliario Diana, a real estate company in the retail, office and residential segments; Founding Partner and General Director of Orotec International, a leading company in the manufacture of jewelry in Mexico; Managing Partner of Becherano y Asociados, S.C., financial advisory and business planning firm and founding partner and member of the Board of Directors of Sunny Fields, a company dedicated to agroindustry.

Salomón Zaga Hop

Related member · Age 78

He is the owner of Electronic Textiles and Counselor of the Chamber of the Textile Industry in Mexico. During his business career he has also acted as an advisor to various banking and financial institutions.

Lino de Prado Sampedro

Related member ·Age 72

Public Accountant from Escuela Bancaria Comercial, being distinguished alumni. Commendation to the civil merit granted by His Majesty the King Juan Carlos I; Commendation of number of Isabel La Católica granted by His Majesty King Felipe VI. He has participated in the promotion and development of Mexico in successful projects in different key sectors of the economy: Chairman of the Board of Directors of Zara and all its associated brands, actively participating in its expansion since its inception; Board Member of the Bajío restaurant chain; Board member of Grupo Redegal, a software development and marketing company online with presence in Spain, Mexico and Colombia.

Adolfo Kalach Romano

Related member · Age 57

Founding Partner of Avante Textil, a textile company, where he has served as Director of Fabric and Finishing for 13 years; He has extensive experience in the real estate sector, since 1984 he has leaded promotion, construction and administration of AAA distribution centers, with approximately 1,000,000 sqm built and has since 2004 entered the hotel sector with the construction of 2 resorts with 850 rooms, 14 restaurants, convention halls, in an area of 130,000 sqm. He is a Public Accountant graduated from Universidad Iberoamericana.

Miguel Sánchez Navarro Madero

Related member · Age 41

Founding partner of Inmobiliaria Península de la Baja, a company that develops shopping centers with presence in the State of Mexico. He is also a partner and director of an automotive distribution network including Honda, Toyota, BMW / Mini and Hyundai brands. Participates as Regional Director of BBVA Bancomer and Banorte. He holds a Bachelor of Law degree from Universidad Anáhuac, and a Master's Degree from the Instituto de Empresa at Madrid. He was a participant in the specialty program in Real Estate by Harvard Business School (HBS).

Francisco Gil Díaz

Independent member · Age 73

President of Telefónica México and Chairman of the Board of Directors of Avanzia. He has held several key positions in the Mexican public sector, including that of Secretario de Hacienda and member of the Board of Governors at the Banco de Mexico. He also participates as an independent board member in Bancomer, in the Mexican Stock Exchange and is also a member of the advisory board of Chrysler de México and Exi. He is also a member of the governing body of Universidad Iberoamericana, the Anderson School of Business of the University of California at Los Angeles and the Board of the PhD program of the Rand Corporation in Santa Monica, California.

José Antonio Chedraui Obeso

Independent member · Age 71

He is a Mexican businessman that since 1965 has held the position of Managing Director, and since 1988 he serves as Chairman of the Board of Directors of Grupo Comercial Chedraui. He has also been Chairman of the Board of Directors of ANTAD (National Association of Supermarkets and Department Stores).

Pilar Aguilar Pariente

Independent member · Age 49

She is a counselor and investor for high growth companies in the venture stage. She was General Director of Endeavor México (2011-2016), an organization focused on promoting the growth of the Mexican economy through the support of high impact entrepreneurs. She was Director of Human Capital at Bain and Company in Mexico (2006-2011), Director of Commercial Intelligence at Telefónica Móviles (2006) and served as Director of Corporate Development at Satmex (1998-2000). She is currently a member of the Board of Directors of Zurich Vida, Zurich Seguros México and Kubo Financiero. She also belongs to the board of directors of Special Olympics Mexico and the board of Laureles Foundation.

Independent Auditors' Report

Deloitte.

Galaz, Yamazaki,
Ruiz Urquiza, S.C.
Paseo de la Reforma 505
Piso 28
Colonia Cuauhtémoc
06500 México,
Ciudad de México
México

Tel: +52 (55) 5080 6000
www.deloitte.com/mx

To the Technical Committee and Trustors of Fideicomiso Irrevocable Nº F/17416-3 (Banco Nacional de México, S.A., integrante del Grupo Financiero Banamex, División Fiduciaria) and Subsidiaries

Opinion

We have audited the consolidated financial statements of Fideicomiso Irrevocable No. F/17416-3 (Banco Nacional de Mexico, S.A., integrante del Grupo Financiero Banamex, División Fiduciaria) and Subsidiaries (the "Entity" or the "Trust"), which comprise the consolidated statements of financial position as of December 31, 2017, 2016 and 2015, and the consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in trustors' capital and consolidated statements of cash flows for the years then ended, and notes to the 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 Irrevocable No. F/17416-3 (Banco Nacional de México, S.A., integrante del Grupo Financiero Banamex, División Fiduciaria) and Subsidiaries as of December 31, 2017, 2016 and 2015, and their consolidated financial performance and their consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. ("IASB").

Basis for opinion

We conducted our audits in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor´s Responsibilities for the Audit of Consolidated Financial Statements section of our report. We are independent of the trust with the International Ethics Standards Board for Accountants' Code of Ethics for professional Accountants (IESBA Code) and with the Ethics Code issued by the Mexican Institute of Public Accountants (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.

Key audit matters

The key audit matters are those matters which, in our professional judgment, have been of the greatest significance in our audit of the consolidated financial statements of the current period. These matters have been addressed in the context of our audit of the consolidated financial statements taken as a whole, and in the formation of our opinion thereon, and we do not express a separate opinion on those matters. We have determined that the matters described below are the key audit matters which should be communicated in our report.

Valuation of Investment Properties

As explained in Note 7 to the accompanying consolidated financial statements, to estimate the fair value of the investment properties, with the support of an independent expert, management selects the valuation techniques it considers most appropriate under the specific circumstances of each investment property. The assumptions related to the estimates of the fair values of the investment properties include, among others, the procurement of the contractual rentals, the expectation of future market rentals, renewal rates, maintenance requirements, discount rates which reflect the uncertainties of current markets, capitalization rates and recent transaction prices.

Based on a sample of properties selected randomly, we tested the information contained in the valuation of the investment property, including the lease revenues, acquisitions and capital expenses, comparing them with that recorded by the Trust. Such information was then tested and substantiated against the lease agreements that were duly signed and approved, and we reviewed the respective support documentation. For the properties in development, we made random selections and reviewed the cost recorded as of this date and recorded in accounting and ascertained that the costs incurred are similar in other fully completed projects. Based on the reports presented by the construction supervisor, we obtained a sample of the total cost reported at the review date and verified the support documentation of such expenses.

We met with the independent appraisers and obtained the valuation reports of all the properties. We analyzed such reports and confirmed that the valuation method of each property was applied in conformity with International Accounting Standard 40 "Investment Properties" and that the use in the determination of the book value was appropriate for financial statement purposes. Furthermore, we involved our internal valuation specialists to compare the valuations of each property against our market value expectation, and also reviewed and challenged the valuation methodology and assumptions considered by the independent appraiser. For this purpose we used evidence of comparable market operations and focused specifically on properties where the growth in capital values was higher or lower compared to market indexes.

We questioned the methodology and reasoning of the Trust's management for the valuation of the investment properties, based on the above assumptions, and concluded that the values are fair.

Recognition of lease revenues

Once the Trust has established that it has a contract from which revenues are generated, it should assess which are commitments assumed and which represent obligations to the lessees. It will also have to determine the time at which the benefits and obligations have been transferred to the lessee with regard to the use of the spaces, which, together with other factors, will determine the initial recognition of the respective revenue.

The revenues associated with operating leases are recognized systematically for accounting purposes over the lease term, taking into account the incentives granted, such as grace periods, as well as the minimum payments which include considerations received at the beginning of the leases. Contingent rentals (such as variable rentals) are recognized when they are generated. The lease term is the noncancelable period of the contract, including additional periods for which the lessee has a renewal option, when at the beginning of the lease, management has a reasonable assurance that the lessee will exercise such option.

Pursuant to the foregoing, our procedures included, among others, the review of the commercial terms of the contracts to determine the appropriate moment to begin recognition of the revenues. We analyzed the rights and obligations established in the contracts and assured ourselves that all these elements were contemplated and accounted for correctly, and we inquired about and corroborated the elements used by management to determine the contingent revenues, among other procedures.

Tax compliance to maintain the status as a FIBRA in accordance with the Income Tax Law.

As discussed in Note 1 to the consolidated financial statements, to maintain its status as a FIBRA, the Mexican Tax Administration Service ("SAT") has established, in articles 187 and 188 of the Income Tax Law, that the Trust must annually distribute at least 95% of its net tax result to the holders of its CBFIs, apart from other requirements. The test of compliance with such articles was significant for our audit because it is the fundamental going concern principle of the Trust. As a result, our audit procedures included the review of the annual tax result of the Trust and the involvement of tax experts to evaluate compliance with the principal requirements contained in such articles under the laws in effect as of December 31, 2017. Given the importance of the aforementioned matter, a change in the entity's status based on the Income Tax Law may have a material effect on the consolidated financial statements. The results of our audit procedures were reasonable.

Other information included in the document containing the consolidated financial statements

Management of the Trust is responsible for the other information. The other information will include the information that will be incorporated into the Annual Report which the Entity is required to prepare in conformity with article 33, section I, subsection b) of Title Fourth, Chapter First of the General Provisions Applicable to Issuers and Other Stock Market Participants in Mexico, and the Instructions which accompany those provisions ("the Provisions"). The Annual Report is expected to be available for reading after the date of this audit report.

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

In relation with our audit of the consolidated financial statements, our responsibility will be to read the Annual Report, when it is available, and when we do so, to consider whether the other information contained therein is materially inconsistent with the consolidated financial statements or our knowledge obtained during the audit or appears to contain a material misstatement. When we read the Annual Report, we will issue the legend on the reading of the annual report, as required in Article 33, Section I, subsection b) numeral 1.2 of the Provisions.

Responsibilities of Management for the Consolidated Financial Statements

Management of the Trust is responsible for the preparation and fair presentation of the accompanying consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management of the Trust 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 the Trust´s ability to continue as a going concern, disclosing, as applicable, matters, related with the Trust to going concern and using the going concern basis of accounting unless management either intends to liquidate the Trusty or to cease operations, or has no realistic alternative but to do so.

The Trust´s management is responsible for overseeing the Trust´s financial reporting process.

Independent Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objective 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 auditor´s 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 ISAs 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 these consolidated financial statements.

As part of an audit in accordance with ISA's, we exercise professional judgement 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 the Trust'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 the Trust'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 consolidated 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 the Trust 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 adequate evidence about the financial information of the entities or business activities within the Trust in order to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the Trust. We remain solely responsible for our audit opinion.

We communicate with the Trust's management about, among other matters, the scope and the timing of the performance of the planned audit and the significant audit findings, as well as any material internal control deficiency that we identify during the course of the audit.

We also provide to the Trust's management a statement that we have complied with applicable ethical requirements in relation to independence and communicated with them about all the relationships and other matters which might be reasonably expected to have an effect on our independence and, as the case may be, the related safeguards.

From the matters communicated with those charged of Trust's management, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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.
Miembro de Deloitte Touche Tohmatsu Limited

C. P. C. Miguel Ángel del Barrio Burgos
Mexico City
March 14, 2018

Consolidated Statements of Financial Position

As of December 31, 2017, 2016 and 2015 (In Mexican pesos)

	Notes	2017	2016	2015
Assets				
Current assets:				
Cash, cash equivalents and restricted cash	5	$ 3,088,324,660	$ 2,445,656,408	$ 2,254,171,381
Lease receivables and other receivables	6	448,387,766	533,609,317	274,759,604
Accounts receivable from related parties	13	5,389,558	64,729,516	3,838,261
Recoverable taxes, mainly Income Taxes		2,304,907	121,053,178	124,145,182
Prepaid expenses, mainly commissions to be amortized and others		24,197,582	11,592,029	5,977,264
Total current assets		3,568,604,473	3,176,640,448	2,662,891,692
Non-current assets:				
Investment properties	7	60,371,665,765	55,044,271,556	46,521,679,058
Acquisition of technological platform		14,016,090	13,943,542	–
Other assets		10,000,000	7,500,000	–
Machinery and equipment		14,465,805	6,120,342	1,496,028
Deferred income tax of subsidiary		7,016,301	5,674,000	4,100,125
Total non-current assets		60,417,163,961	55,077,509,440	46,527,275,211
Total assets		$ 63,985,768,434	$ 58,254,149,888	$ 49,190,166,903
Liabilities and trustors' capital				
Current liabilities:				
Interest payable on financial liabilities	$	218,913,060	$ 114,038,889	$ –
Deferred lease revenue		310,499,229	190,326,018	161,290,584
Trade accounts payable and accrued expenses	11	192,928,447	90,155,840	41,671,873
Prepaid lease		39,108,432	60,719,173	48,857,762
Accounts payable to related parties	13	184,942,223	518,239,633	173,313,820
Tax payable		57,585,850	5,571,309	5,281,902
Total current liabilities		1,003,977,241	979,050,862	430,415,941
Non-current liabilities:				
Long-term financial liabilities	12	6,452,720,449	3,967,746,985	–
Deferred lease revenue		1,202,608,816	1,249,238,492	537,625,153
Deposits of tenants		366,234,292	315,323,934	211,838,714
Employee benefits	9	9,959,699	8,448,799	6,401,838
Total liabilities		9,035,500,497	6,519,809,072	1,186,281,646
Trustors' capital:				
Trustors' capital	14	43,610,750,525	44,608,464,372	45,122,110,236
Retained earnings		10,878,899,354	7,126,970,274	2,882,288,246
Other comprehensive loss for the year		(1,075,211)	(1,093,830)	(513,225)
Controlling interest		54,488,574,668	51,734,340,816	48,003,885,257
Non-controlling interest		461,693,269	–	–
Total trustors' capital:		54,950,267,937	51,734,340,816	48,003,885,257
Total liabilities and trustors' capital	$	63,985,768,434 $	58,254,149,888 $	49,190,166,903

The accompanying notes are an integral part of these cosolidated financial statements.

Consolidated Statements of Profit or Loss and Other Comprehensive Income

As of December 31, 2017, 2016 and 2015 (In Mexican pesos)

	Notes	2017	2016	2015
Fixed rental revenues		$ 2,603,591,802	$ 1,989,336,678	$ 1,440,378,588
Variable rental revenues		240,689,801	155,967,064	121,190,914
Deferred lease revenue		285,231,182	161,290,583	38,279,124
Parking revenues		367,305,390	300,990,879	259,993,470
Maintenance and advertising revenues		639,845,987	498,563,463	418,732,899
		4,136,664,162	3,106,148,667	2,278,574,995
Advisory fees		552,475,415	463,892,046	354,765,337
Representation fees		84,697,987	81,956,062	59,793,338
Professional fees		19,258,564	13,079,734	14,162,417
Operation and maintenance expenses		639,919,739	514,475,811	394,586,615
Property tax		128,171,406	88,936,994	67,291,472
Insurance		30,226,896	27,746,831	18,988,273
Interest income		(113,293,979)	(80,614,944)	(84,447,112)
Interest expense		130,441,513	21,526,292	350,272
Foreign exchange gain – Net		18,406,362	(110,340,363)	(43,985,662)
Income tax expense (gain) of subsidiary		232,946	2,121,793	(1,968,613)
Adjustments to fair value of investment property	7	(2,520,134,043)	(3,789,379,865)	(1,200,888,689)
Profit for the year		$ 5,166,261,356	$ 5,872,748,276	$ 2,699,927,347
Other comprehensive income results not recyclable:				
Actuarial (losses) gains of employee benefits		18,619	(580,605)	(798,456)
Total consolidated comprehensive income for the year		$ 5,166,279,975	$ 5,872,167,671	$ 2,699,128,891
Total comprehensive income attributable to controlling interest		$ 5,166,279,975	$ 5,872,167,671	$ 2,699,128,891
Basic comprehensive income per CBFI (pesos)		$ 3,6590	$ 4,1670	$ 2,6643
Diluted comprehensive income per CBFI (pesos)		$ 3,4016	$ 3,8198	$ 1,797

The accompanying notes are an integral part of these cosolidated financial statements.

Consolidated Statements of Changes in Trustors' Capital

As of December 31, 2017, 2016 and 2015 (In Mexican pesos)

	Trustors' capital	Retained earnings
Balance as of January 1, 2015	$ 42,748,107,495	$ 1,168,556,280
Contribution of investment properties	1,328,907,820	-
Increase in equity by contributions in kind	1,465,540,409	-
Increase in equity due to capitalization of advisory fees	426,809,711	-
Capital reimbursements	(847,255,198)	-
Dividends paid	-	(986,195,382)
Comprehensive income:		
Consolidated net income for the year	-	2,699,927,347
Actuarial loss for employee benefits	-	-
	-	2,699,927,347
Balance as of December 31, 2015	45,122,110,237	2,882,288,245
Contribution of investment properties	1,053,291,737	-
Increase in equity due to capitalization of advisory fees	483,417,795	-
Capital reimbursements	(2,050,355,397)	-
Dividends paid	-	(1,628,066,247)
Comprehensive income:		
Consolidated net income for the year	-	5,872,748,276
Actuarial loss for employee benefits	-	-
	-	5,872,748,276
Balance as of December 31, 2016	44,608,464,372	7,126,970,274
Contribution of investment properties	-	-
Increase in equity due to capitalization of advisory fees	486,341,093	-
Capital reimbursements	(1,484,054,940)	-
Dividends paid	-	(1,414,332,276)
Comprehensive income:		
Consolidated net income for the year	-	5,166,261,356
Actuarial loss for employee benefits	-	-
	-	5,166,261,356
Non controlling interest	-	-
Balance as of December 31, 2017	**$ 43,610,750,525**	**$ 10,878,899,354**

The accompanying notes are an integral part of these cosolidated financial statements.

	Other items of comprehensive income	Controlling interest	Non-controlling interest	Total
	$ 285,231	$ 43,916,949,006	$ -	$ 43,916,949,006
	-	1,328,907,820	-	1,328,907,820
	-	1,465,540,409	-	1,465,540,409
	-	426,809,711	-	426,809,711
	-	(847,255,198)	-	(847,255,198)
	-	(986,195,382)	-	(986,195,382)
	-	2,699,927,347	-	2,699,927,347
	(798,456)	(798,456)	-	(798,456)
	(798,456)	2,699,128,891	-	2,699,128,891
	(513,225)	48,003,885,257	-	48,003,885,257
	-	1,053,291,737	-	1,053,291,737
	-	483,417,795	-	483,417,795
	-	(2,050,355,397)	-	(2,050,355,397)
	-	(1,628,066,247)	-	(1,628,066,247)
	-	5,872,748,276	-	5,872,748,276
	(580,605)	(580,605)	-	(580,605)
	(580,605)	5,872,167,671	-	5,872,167,671
	(1,093,830)	51,734,340,816	-	51,734,340,816
	-	-	-	-
	-	486,341,093	-	486,341,093
	-	(1,484,054,940)	-	(1,484,054,940)
	-	(1,414,332,276)	-	(1,414,332,276)
	-	5,166,261,356	-	5,166,261,356
	18,619	18,619	-	18,619
	18,619	5,166,279,975	-	5,166,279,975
	-	-	461,693,269	461,693,269
	$ (1,075,211)	$ 54,488,574,668	$ 461,693,269	$ 54,950,267,937

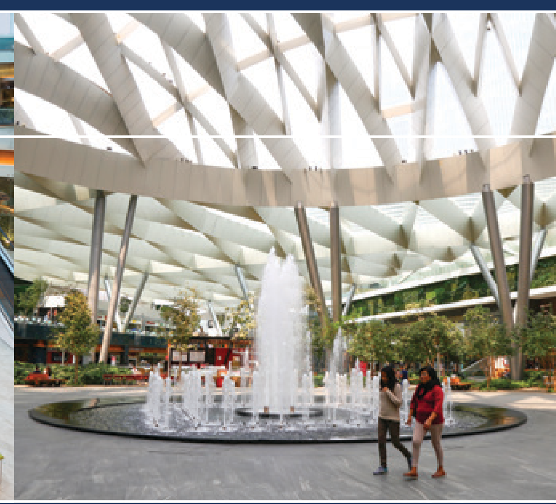
Consolidated Statements of Cash Flows

As of December 31, 2017, 2016 and 2015 (In Mexican pesos)

	2017	2016	2015
Cash flows from operating activities:			
Consolidated net income	$ 5,166,261,356	$ 5,872,748,276	$ 2,699,927,347
Adjustments to net income:			
(Benefits) income tax from subsidiary	232,946	2,121,793	(1,968,613)
Adjustments to fair value of investment property	(2,520,134,043)	(3,789,379,865)	(1,200,888,689)
Advisory fee liquidated by equity instruments	486,341,092	344,146,181	259,382,648
Employee benefits	1,537,498	1,217,525	728,926
Depreciation of machinery and equipment	706,508	478,570	193,430
Amortization of technological platform	4,672,030	–	–
Interest income	(113,293,979)	(80,614,944)	(84,447,112)
Interest expense	130,441,514	21,526,292	350,272
Total	3,156,764,922	2,372,243,828	1,673,278,209
Changes in working capital:			
(Increase) decrease in:			
Lease receivable and other receivables	72,615,999	(264,464,477)	(116,380,888)
Accounts receivable from related parties	59,339,958	(60,891,255)	(3,838,261)
Recoverable taxes , mainly Income Taxes	118,748,271	3,092,004	46,933,147
Increase (decrease) in:			
Trade accounts payable and accrued expenses	101,422,326	49,044,963	1,862,285
Prepaid lease	(21,610,741)	11,861,411	12,558,064
Deferred lease revenue	73,543,533	740,648,773	510,918,458
Deposits of tenants	50,910,358	103,485,220	192,401,222
Income tax paid	51,781,595	(2,393,382)	–
Accounts payable to related parties	(333,297,410)	131,407,817	84,621,004
Net cash generated in operating activities	3,330,218,811	3,084,034,902	2,402,353,240
Cash flows from investing activities			
Acquisitions of investment properties	(2,112,519,857)	(3,303,716,359)	(1,884,904,085)
Acquisition of technological platform	(4,744,578)	(13,943,542)	–
Acquisitions of machinery and equipment	(9,051,971)	(5,102,884)	(83,519)
Sale of land	62,953,798	74,394,746	–
Interest received	113,293,979	80,614,944	84,447,112
Net cash used in investing activities	(1,950,068,629)	(3,167,753,095)	(1,800,540,492)
Cash flows from financing activities:			
Loans obtained (financial liability)	2,500,000,000	4,000,000,000	–
Expenses paid on the issuance of financial liabilities	(20,928,176)	(41,848,695)	–
Debt comissions	(2,500,000)	–	–
Capital reimbursements	(1,484,054,940)	(2,050,355,397)	(847,255,198)
Dividends paid	(1,414,332,276)	(1,628,066,247)	(986,195,382)
Interest paid	(315,666,538)	(4,526,441)	(350,272)
Net cash used in financing activities	(737,481,930)	275,203,220	(1,833,800,852)
Cash, cash equivalents and restricted cash:			
Net (decrease) increase in cash, cash equivalents and restricted cash	642,668,252	191,485,027	(1,231,988,104)
Cash, cash equivalents and restricted cash at the beginning of period	2,445,656,408	2,254,171,381	3,486,159,485
Cash, cash equivalents and restricted cash at the end of period	$ 3,088,324,660	$ 2,445,656,408	$ 2,254,171,381
Investment items that did not generate cash flow:			
Contribution of investment properties (see Note7)	$ –	$ 1,053,291,737	$ 1,328,907,820

The accompanying notes are an integral part of these cosolidated financial statements.

Monte Pelvoux 220
Floor 7, Lomas de Chapultepec,
Del. Miguel Hidalgo
Mexico City
C.P. 11000
Phone: (52 55) 52 84 00 30

investor@fibradanhos.com.mx

www.fibradanhos.com.mx