

# Fibra Danhos

Investor Relations Presentation

January 2020



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# Fibra Danhos Investment Thesis

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- Geographic focus: most of our assets are within the Metropolitan Area of Mexico City.
- Stable occupancy rates: our same property occupancy has been above 97% since our IPO.
- Lowest debt in the sector: 8.5% LTV, 100% fixed rate, peso denominated debt.
- Experienced developer: most assets in our portfolio were developed in-house.
- Selective approach, not in a rush to grow, timing is key.
- High exposure to growing middle class and domestic consumption.
- Our investment strategy is centered around a defensive and long term view towards real estate.
- 9.33% AFFO Yield.\*
- 8.26% Dividend Yield.\*

\* Based on the share price of January 22<sup>nd</sup>, 2020.

# Financial strategy

- Fibra Danhos has a solid Balance Sheet and a conservative leverage policy.
- Our floating rate bond due on December 2019 was paid with proceeds of undistributed cash flow and from the committed credit facility.
- We have a committed, unsecured credit facility of Ps. 2 bn.
- AAA credit rating on a local scale by Fitch Mexico and HR Ratings.
- Share buy backs not a priority in order not to lower trading liquidity.
- Funding if required would prioritize debt over equity.

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	6.77	3,000,000,000
Bonds	Local (DANHOS 17)	MXN	Fixed 8.54	10-Jul-17	28-Jun-27	7.77	2,500,000,000
			<b>Avg. 8.14%</b>			<b>Avg. 7.22</b>	<b>5,500,000,000</b>

# Corporate Governance

- Highest alignment of incentives with minority shareholders. Our Control Trust holds ~40% of the Outstanding CBFIs.
- Our fee structure is among the simplest.
- Corporate governance best practices. We were the first Fibra in Mexico to pay our Advisor’s fees with CBFIs.
- Fibra Danhos has reinvested/distributed ~ Ps. 2,400 mn in cash over the past 5 years with the Advisory Fee payment in CBFIs.
- The annual dilution from fee payments is approximately 1%.
- Experienced independent members represent 27.3% of our Technical Committee.

## Advisory and Leasing Administration Fees

### Advisory Fee

- Externally advised but “synthetically internalized”
- First Fibra to pay Advisor’s Fees with CBFIs at period’s VWAP
- Our Advisor is exclusive to Fibra Danhos
- 1.0% of Investment Properties

### Leasing Adm. Fee

- 2.0% of total invoiced revenues
- Deducted from NOI since it is an operating cost
- Historical occupancy levels above 95% for the past 8 years

## Audit, Practices and Nominations Committees

### Audit

- 3 members
- 100% independent
- Appointed by the Technical Committee

### Practices

- 3 members
- 100% independent
- Appointed by the Technical Committee
- 100% decision making regarding transactions with related parties

### Nominations

- 5 members
- 60% independent
- Holders Assembly

# Leasing progress



Toreo Office (Towers B&C)	As of September 30, 2019		As of June 30, 2019		As of March 31, 2019		As of December 31, 2018	
							sqm of GLA	% of GLA
Executed lease agreements	54,586	84.7%	53,681	83.3%	52,954	82.2%	52,954	82.2%
Lease agreements in the process of being executed	-	0.0%	905	1.4%	-	0.0%	-	0.0%
Letters of intent	10,000	15.5%	1,989	3.1%	2,500	3.9%	2,500	3.9%
<b>Total</b>	<b>64,586</b>	<b>100.2%</b>	<b>56,575</b>	<b>87.8%</b>	<b>55,454</b>	<b>86.1%</b>	<b>55,454</b>	<b>86.1%</b>

Toreo Office Component (Tower A)	As of September 30, 2019		As of June 30, 2019		As of March 31, 2019		As of December 31, 2018	
							sqm of GLA	% of GLA
Executed lease agreements	41,637	66.5%	40,500	64.7%	36,113	57.7%	35,299	56.4%
Lease agreements in the process of being executed	-	0.0%	1,180	1.9%	-	0.0%	-	0.0%
Letters of intent	4,125	6.6%	5,225	8.3%	6,559	10.5%	3,759	6.0%
<b>Total</b>	<b>45,762</b>	<b>73.1%</b>	<b>46,905</b>	<b>74.9%</b>	<b>42,672</b>	<b>68.2%</b>	<b>39,058</b>	<b>62.4%</b>

Parque Puebla (Phase I)	As of September 30, 2019		As of June 30, 2019		As of March 31, 2019		As of December 31, 2018	
							sqm of GLA	% of GLA
Executed lease agreements	56,162	78.7%	55,684	78.0%	55,191	77.3%	55,182	77.3%
Lease agreements in the process of being executed	-	0.0%	634	0.9%	462	0.6%	182	0.3%
Letters of intent	3,416	4.8%	5,728	8.0%	3,469	4.9%	3,866	5.4%
<b>Total</b>	<b>59,578</b>	<b>83.5%</b>	<b>62,046</b>	<b>86.9%</b>	<b>59,122</b>	<b>82.8%</b>	<b>59,230</b>	<b>83.0%</b>

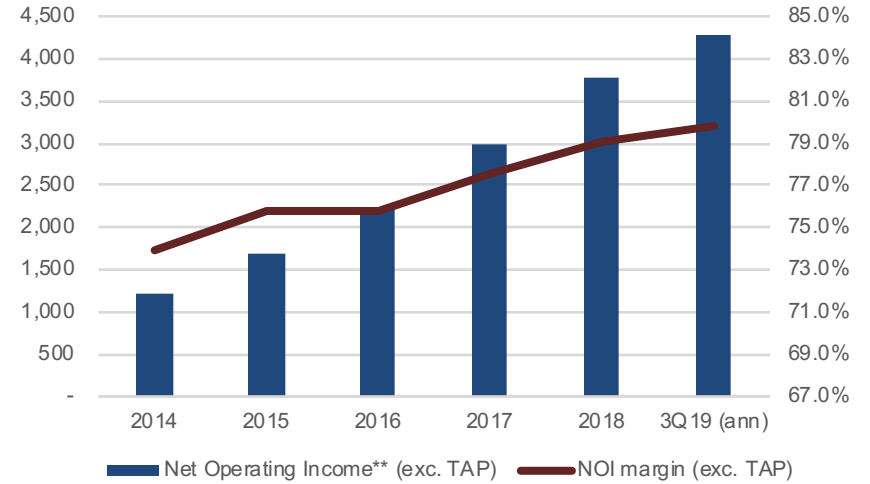
Parque Las Antenas (Phase I)	As of September 30, 2019		As of June 30, 2019		As of March 31, 2019		As of December 31, 2018	
							sqm of GLA	% of GLA
Executed lease agreements	95,822	88.0%	91,533	84.1%	93,034	85.5%	90,244	82.9%
Lease agreements in the process of being executed	609	0.6%	1,769	1.6%	1,426	1.3%	3,468	3.2%
Letters of intent on wait list	7,963	7.3%	9,487	8.7%	7,863	7.2%	7,267	6.7%
<b>Total</b>	<b>104,394</b>	<b>95.9%</b>	<b>102,788</b>	<b>94.4%</b>	<b>102,323</b>	<b>94.0%</b>	<b>100,979</b>	<b>92.8%</b>

# Key Financial Indicators

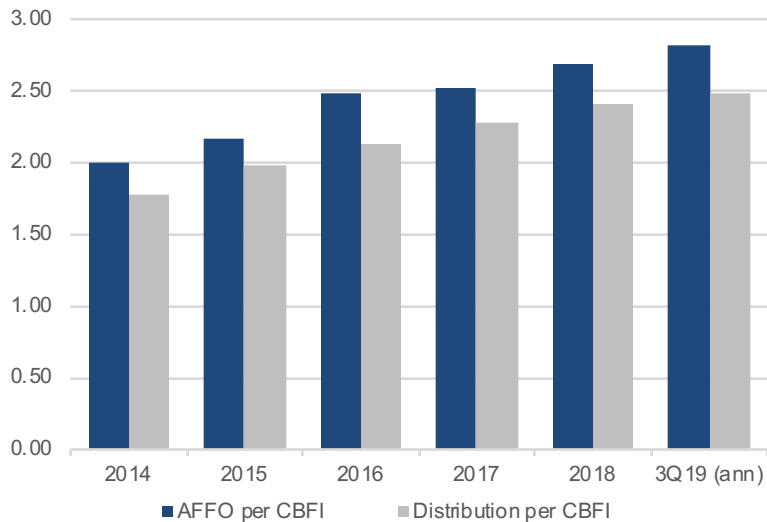
### Total Assets, Investment Properties, Cash & Equivalents



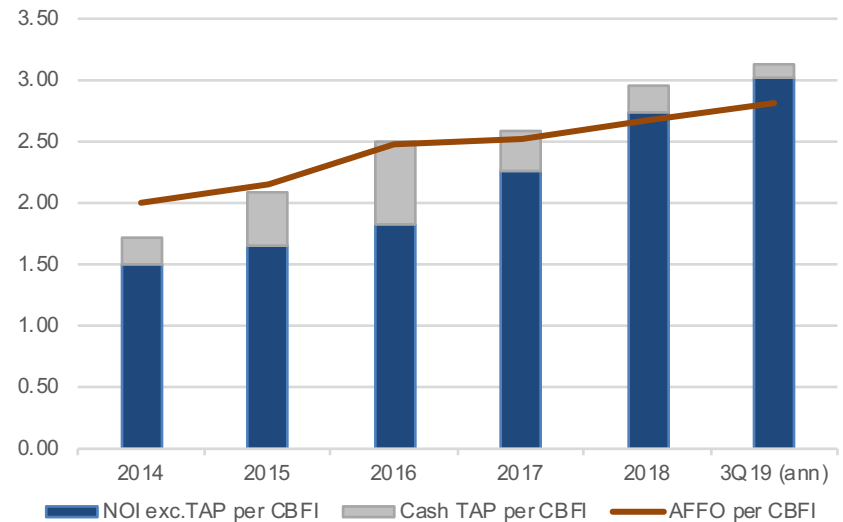
### NOI Margins



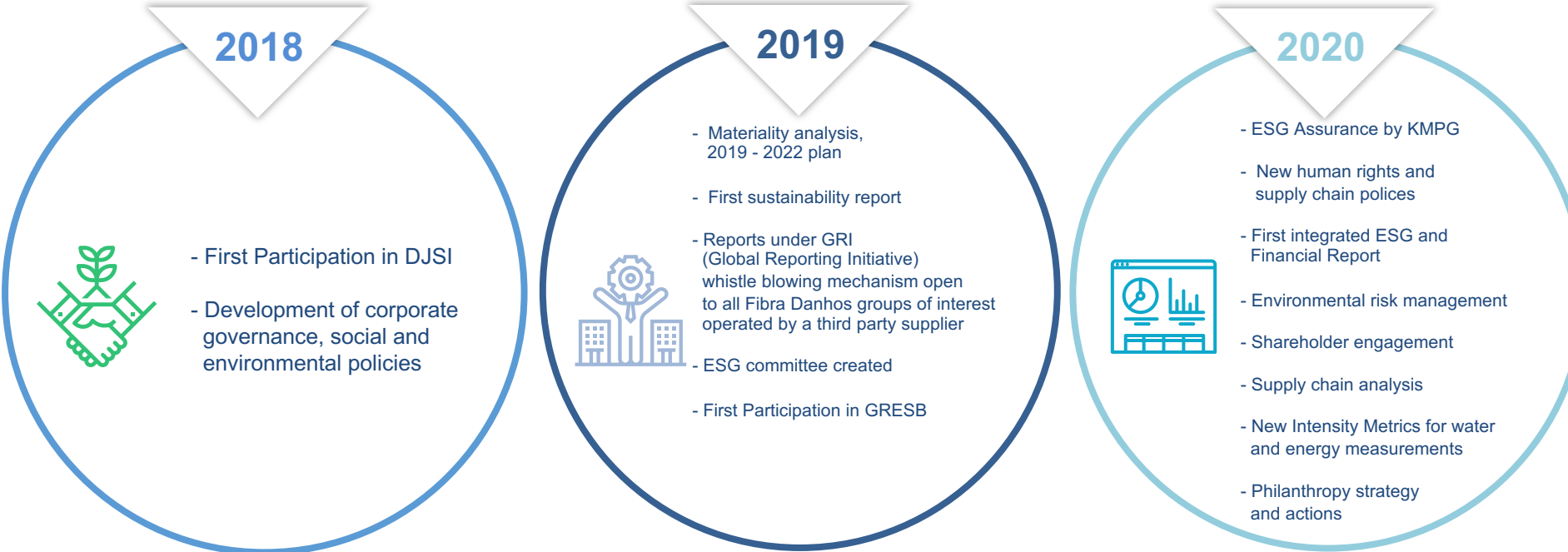
### AFFO & Distribution per share



### AFFO, NOI exc. TAP & Cash TAPs per CBFi



# ESG Development



## ACHIEVEMENTS

- Green Star recognition in GRESB



# Fibra Danhos Portfolio



Fibra Danhos Portfolio	Opening Year	State / Municipality	GLA	% of GLA	Occupancy	Parking Spaces
<b>Current Operating Portfolio</b>						
<i>Retail</i>						
1. Parque Alameda	2003	Cuauhtémoc, Ciudad de México	15,755	1.7%	97.9%	308
2. Parque Delta	2005/2016 (expansion)	Benito Juárez, Ciudad de México	70,825	7.6%	99.8%	2,999
3. Parque Duraznos	2000	Miguel Hidalgo, Ciudad de México	16,389	1.8%	95.1%	1,002
4. Parque Las Antenas	2018	Iztapalapa, Ciudad de México	109,160	11.8%	87.9%	4,351
5. Parque Lindavista	2006	Gustavo A. Madero, Ciudad de México	41,550	4.5%	99.4%	2,254
6.1 Reforma 222 (Retail)	2007	Cuauhtémoc, Ciudad de México	24,291	2.6%	99.0%	1,438
7.1 Parque Puebla	2017	Puebla, Puebla	71,362	7.7%	78.8%	3,404
8. Parque Tezontle	2007/2015 (expansion)	Iztapalapa, Ciudad de México	68,318	7.4%	99.5%	3,045
9.1 Toreo Parque Central (Retail)	2014	Naucalpan, Estado de México	92,707	10.0%	98.0%	3,400
10. Vía Vallejo	2016	Iztapalapa, Ciudad de México	84,619	9.1%	95.5%	4,499
<b>Sub total Retail</b>			<b>594,976</b>	<b>64.2%</b>	<b>93.9%</b>	<b>26,700</b>
<i>Office</i>						
6.2 Reforma 222 (Office)	2007	Cuauhtémoc, Ciudad de México	20,398	2.2%	85.4%	288
9.2 Toreo (Towers B&C)	2016	Naucalpan, Estado de México	64,432	7.0%	84.7%	1,314
9.3 Toreo (Tower A)	2017	Naucalpan, Estado de México	62,605	6.8%	66.5%	1,315
9.4 Toreo (Hotel)	2016	Naucalpan, Estado de México	17,297	1.9%	100.0%	400
11. Parque Esmeralda	2000	Tlalpan, Ciudad de México	34,151	3.7%	100.0%	1,636
12. Torre Virreyes	2015	Miguel Hidalgo, Ciudad de México	67,878	7.3%	100.0%	2,251
13. Urbitec	2009	Miguel Hidalgo, Ciudad de México	12,912	1.4%	88.6%	316
14. Parque Virreyes	1989	Miguel Hidalgo, Ciudad de México	7,783	0.8%	100.0%	251
<b>Sub total Office</b>			<b>297,052</b>	<b>32.0%</b>	<b>88.1%</b>	<b>7,841</b>
<b>Total Current Operating Portfolio</b>			<b>892,028</b>	<b>96.2%</b>	<b>92.0%</b>	<b>34,541</b>
<b>Current Development Portfolio</b>						
<i>Retail</i>						
15. Parque Tepeyac	2021e	Gustavo A. Madero, Ciudad de México	35,000	3.8%	NA	2,000
<b>Sub total Retail</b>			<b>35,000</b>	<b>3.8%</b>	<b>NA</b>	<b>2,000</b>
<b>Total Current Development Portfolio</b>			<b>35,000</b>	<b>3.8%</b>	<b>NA</b>	<b>2,000</b>
<b>Total Portfolio</b>			<b>927,028</b>	<b>100.0%</b>	<b>92.0%</b>	<b>36,541</b>
<i>Sub total/ Weighted Avg. Retail</i>			629,976	68.0%	93.9%	28,700
<i>Sub total/ Weighted Avg. Office</i>			297,052	32.0%	88.1%	7,841

## Goals for following quarters

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- Maximize AFFO per CBF1 while maintaining a stable distribution per CBF1 trend.
- Consolidate and stabilize operation of Parque Las Antenas, Parque Puebla and Tereo Office Towers.
- Conservation and maintenance program for our Operating Portfolio.
- Continue with the development at Parque Tepeyac.
- Implement renewable energy program and optimize consumption.
- ESG development.
- Innovation committee.
- Cautiously analyze potential investment opportunities to unlock value in our portfolio.

# Parque Puebla: Michín Aquarium

- The opening of the Michín Aquarium was held on December 13th, 2019.
- During its first month of operation we received more than 100,000 visitors.



# Development Portfolio: Parque Tepeyac

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- In the Technical Committee session held on July 21, 2016, Fibra Danhos' participation in a new mixed-use development in the northeast area of Mexico City was approved.
- The area is heavily populated and with residential and commercial vocation. On December 21, 2017, we executed a binding partnership agreement with unrelated third parties to participate in the development of a shopping and entertainment center in the north-east of Mexico City called Parque Tepeyac. The participation of Fibra Danhos in the project is 50%.
- The project will be developed in several plots of land with a total combined area of approximately 51,700 sqm. Fibra Danhos will be in charge of the design, construction, marketing and operation of the project.
- We executed an investment agreement with the Liverpool department store in order for it to join the project as an anchor store.
- Construction work program is set for 24 months.
- The estimated total commercial area of the project will be approximately 108,000 sqm, including anchor stores and the gross leasable area of Fibra Danhos (50%) will be approximately 35,000 sqm.
- The estimated net investment of Fibra Danhos will be approximately 1.8 billion pesos, including land. To date, we have invested close to 800 million pesos.

# Development Portfolio: Parque Tepeyac

- Land Area: 51,578 sqm
- Expected Built Area: 265,000 sqm



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|------------------------------|-----------------------------|
| 1. Deportivo 18 de marzo     | 5. UNAM High School # 3     |
| 2. Basílica de Guadalupe     | 6. Plaza Oriente (a 1.6 km) |
| 3. G.A.M Mayorship           | 7. Plaza Tepeyac (a 3.2 km) |
| 4. La Villa General Hospital |                             |

# Development Portfolio: Parque Tepeyac

