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Company Name: Fibra Mty SAPI de CV
Exchange: Mexican Stock Exchange (BMV)
Ticker: FMTY14.MX
Sector: Industrial REITs
Date: November 8th, 2024

Figure 1: **Valuation Summary**

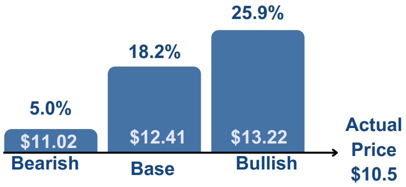
Recommendation: BUY

Target price: MXN $12.41
Current price: MXN $10.50
Upside: 18.19%

Market Cap: MXN $25,595.7 million
Shares Outstanding: 2,437,681,329
52-week High: MXN $12.45
52-week Low: MXN $9.20

Source: Company's reports, Capital IQ & Team Analysis

Figure 2: **Scenario Analysis**



Source: Company's reports & Team Analysis

Figure 3: **Football Field**

Source: Team Analysis

Figure 4: **Range of valuation**

Price per CBFI (MXN)

	Low	Dif.	High	Mid
DCF	10.91	6.03	16.94	13.44
DDM	10.22	2.29	12.52	11.22
FFO	11.07	2.50	13.57	12.16
NAV	11.07	2.66	13.73	12.77
Multiples	10.61	5.30	15.91	13.26
Fair price (MXN)	**10.79**		**14.10**	**12.41**

Source: Team Analysis

Figure 5: **Historical Stock Chart**

Source: Capital IQ

INVESTMENT SUMMARY

We issue a **BUY** recommendation for Fibra Mty, S.A.P.I. de C.V. (the "Company") with a **twelve-month target price of MXN $12.41.** This represents an **upside of 18.19%** to its closing price of MXN $10.50 as of November 8th, 2024 **(Figure 1).**

The FIBRAs' market (the counterpart of REITs, in Mexico) accounts for around **4% of Mexico's GDP**. Fibra Mty, one of the 15 REITs publicly listed in the BMV, has properties in the offices and commercial sector. However, most of its portfolio is focused in the industrial sector. For its part, manufacturing industry's FDI for the first half of 2024 was US $8.5 billion MXN and it employed 21.6 thousand people.

Industrial REITs represent a major change for companies both already stablished in Mexico and foreign ones that look to establish in the country, by relieving the high expenses of relocation and management of properties. If the **REIT is internally administrated,** it creates a **higher value for investors** too, for it provides more transparency to them, it aligns their interests with those of the managers, and increases the amount of distributions by reducing costs. This is the case of Fibra Mty, the first internally administrated REIT in Mexico.

It would seem like the market is hardly perceiving Fibra Mty's ability to be profitable and have a sustainable growth, for the price of its certificate (CBFI) has not risen much since 2019. On the contrary, it dropped in recent months. However, our valuation model shows that **the market is underestimating the potential of the Company**, based on **1) its growth expectations**, **2) its strategy for acquisitions and management of properties**, and **3) the industrial sector expectations.**

Fibra Mty's potential for growth

Fibra Prologis, Fibra Terrafina (recently acquired by Prologis), Fibra Macquire and Vesta, the most important peers of Fibra Mty, have around 3.7 million m² of GLA each. Fibra Mty's GLA is less than half.

Even though from a GLA perspective it does not seem too attractive, we believe it is a sign of the **accelerated growth it still has ahead** to catch up with its competitors. Moreover, as only one third of the total industrial GLA in Mexico is owned by REITs and Vesta, the two thirds remaining represent potential acquisitions from which Fibra Mty can take advantage. Just this year, it increased its GLA by 6% and it has already agreed another acquisition. This has helped the Company move towards its goal of USD $700 in GLA growth by 2026, already achieved by more than 50% **(Figure 28).**

Apart from its GLA, it can also **grow in revenue by increasing its cap rate and occupancy rate**, for both measures remain below the market average **(Figure 19 and 22)**. However, the Company is already talking action to improve its results by divesting from the low performance portfolios and investing in already occupied properties.

Long-term sustainable strategy

In 2023, Fibra Mty made its most important acquisition to date, representing a 101.8% growth in its GLA **(Figure 21)** and worth USD $662.0 million. In spite of this huge operation that doubled its size, at the end of the year its debt level to total assets remained below the 35% threshold **(Figura 26)**. This is an example of the **sustainable acquisition strategy of the Company,** which has allowed it to maintain a conservative capital structure. As a virtuous cycle, this strategy has gained the trust of both financial institutions and institutional investors –mainly, pension funds–, that have shown willing to lend their money and help the Company finance new investments. On the debt hand, Fibra Mty has been cautious enough to **protect against its credits' floating interest rates** through swap-type derivatives, thus fixing the interests payed. On the capital hand, it has created value for the investor by **repurchasing its CBFIs** since their price is believed not to reflect their fair value.

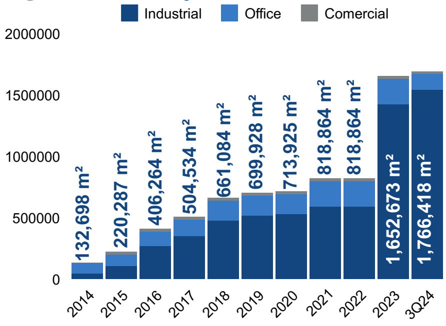
The future of the Industrial sector

Being such an important sector for the national economy, the industry is expected to grow not only in its GLA –9 million m² for the next two years– **(Figure 14)**, but in new tenants, with 198 companies to arrive in 2025. Furthermore, the main activities of the companies arrived in 2023 are manufacturing, automotive and supply chain **(Figure 15)**. In the case of Fibra Mty, it already has leasing agreements with tenants from all these economic activities **(Figure 8)**. The **growth expectancy in the sector in both GLA and tenants represents a great opportunity for the Company to continue with its acquisitions and expansions**, taking advantage of its attractive capital structure to issue more debt and capital.

Recent and expected **changes in climate and environment issues can materially affect companies' operations,** and they have started to realize this in recent years. That is why we have seen a growing tendency among companies to consider ESG factors in their operations. Together with the risk just mentioned, other external factors –e.g., changes in interest rates and exchange rates, as well as new policies from the recently elected Mexico and U.S. governments– represent a very important potential threat to Fibra Mty's performance which, if materialized, would drive CBFI's price down. This, of course, would affect our valuation's objective price. Despite this, Fibra Mty's future looks promising. **Given its organizational structure, growth strategy and conservative capital structure**, and if the necessary mitigating measures are implemented, **we trust that the Company will have a sustainable growth for the years coming.**

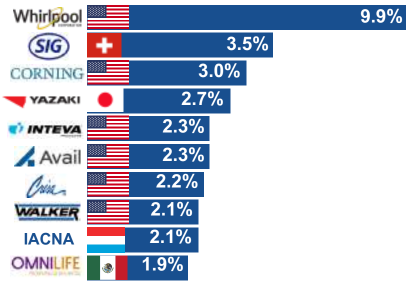
COMPANY OVERVIEW

Figure 6: **Fibra Mty GLA Growth**



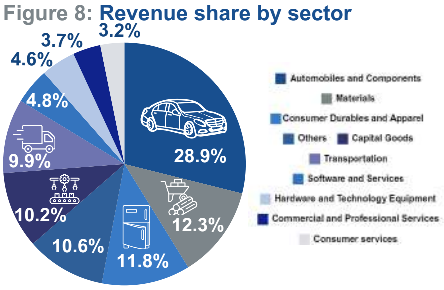
Source: Company's 3Q24 Report

Figure 7: **Main Tenants as % of revenue**



Source: Company's 3Q24 Report

Figure 8: **Revenue share by sector**

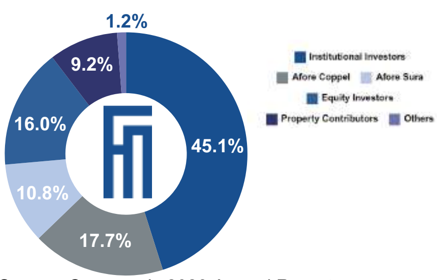


Source: Company's 2023 Annual Report

Figure 9: **Geographical Distribution**

Source: Company's 3Q24 Report

Figure 10: **Shareholder ownership distribution at the end of 2023**



Source: Company's 2023 Annual Report

Fibra Mty is a Mexican company that operates as a Real Estate Investment Trust (REIT). It was established in 2014 and listed in the Mexican stock exchange BMV in the same year. It was the **first REIT in Mexico to be managed and advised internally**, providing benefits to its shareholders by aligning their interests with those of the management. This turns Fibra Mty into an unprecedented investment vehicle for the REITs market in Mexico.

The Company focuses on **acquiring, owning and managing** a portfolio of **corporate properties** in the office, industrial and commercial sectors that produce **stable and projectable cashflows** to be distributed to their investors in a monthly way. All REITs in Mexico are obliged to distribute at least 95.0% of the taxable income annually according to the LISR (Income Tax Law), but the Company distributes the 100% of their AFFO. Because of this, Fibra Mty's **growth is inorganic**, financed through debt and equity issuances. In the latter, Fibra Mty has become the company with the **highest number of equity issuances** in Mexico in the last decade, which underscores its strength and positions it as a key player poised for continued growth in Mexico's real estate market.

Significant Portfolio Growth and Expansion

Its initial portfolio had **9 real estate properties** in the office and industrial segments in Nuevo León and Coahuila. Since then, the portfolio has grown through expansions and acquisitions, such as the acquisition of **Zeus Portfolio** in 2023, representing a **101.8% growth in GLA YoY,** and the recent acquisition of **Aerotech Portfolio** in the current year. Until September 2024, its portfolio grew up to **112 properties**, with a **GLA of 1,766,418 m²** **(Figure 6)** and an **occupancy rate of 96.0%.**

Fibra Mty has a **client portfolio** primarily composed of **international companies across various sectors**, with the automotive sector contributing 28.9% of its revenue **(Figure 7 and 8)**. The properties are distributed along Mexico, especially in the north, west and Bajío regions to take advantage of the nearshoring effect, where Nuevo Leon represents 38.4% of its revenue **(Figure 9).**

Fibra Mty's Four Key Business Pillars

Its performance over the years has been a result of its business model, based on:

a) Aligned corporate governance. Internal administration and non-staggered Board structure, of which 80.0% is independent.

b) High quality portfolio. Its acquisition strategy, based on three key drivers: location, construction quality and status, as well as occupation level and quality of tenants. These key drivers allow them to invest only in stabilized properties, focusing on dollar-denominated leases and prioritizing Triple Net Leases structure for industrial properties, which means that the client incurs in operating expenses, insurance and property tax. This makes them the preferred leases for the Company.

c) Balanced capital structure. Maintenance of a strict capital structure by a self imposed debt level between 25.0% and 35.0% over total assets, as well as a maximum Net Debt to EBITDA ratio of 5.0x. Therefore, most of its funding strategy is based in CBFI's issuance, highly supported by Mexican pension funds (AFOREs) **(Figure 10)**.

d) Orderly growth strategy. Their assessment of any investment's potential: the entity evaluates if the property adds profitability per CBFI or strengthens the portfolio position.

Industrial Growth with Improved Margins

Currently, Fibra Mty is **divesting in its low performance properties**, most of which are offices. This exemplifies the recent **changes** in Fibra Mty's **main line of business**, as in 2014 its focus was the office sector and, at the moment, its **focus** is to **continue acquiring and expanding industrial properties**. As of September 2024, 87 of its properties were industrial warehouses, of which **83.4% of the revenue comes from light manufacturing and 16.6% from supply chain.** It is currently purchasing eight industrial warehouses and reshaping others. In this way, the NOI margin has grown from 87.5% to 90.5% (2015-2023).

Financial Highlights

As of September 2024, Fibra Mty continues negotiating and signing new expansions and acquisitions, in order to reach the goal of **investing USD 700 million** in industrial assets. However, it is important to mention that its **expected growth depends on its ability to obtain funding**. Currently, the Company has a 25.8% debt level, an average debt maturity of 3.8 years, and a weighted average interest rate of 4.9%, and it additionally has access to USD 150 mm in revolving credit lines and close to USD 90 mm available in credit to use for potential acquisitions without compromising a healthy capital structure.

As of September 2024, Fibra Mty **has repurchased around 1.1% of its outstanding CBFIs,** because it considers that the price of certificates on the market is not adequately reflecting the value in relation to their ability to generate cash flow. They will continue to repurchase as long as they consider this discrepancy continues.

INDUSTRY OVERVIEW

The first Mexican REIT, also known as FIBRA, was listed in the Mexican Stock Exchange in 2011. Since then, more FIBRAs have been listed almost every year. In 2024, there are 15 FIBRAs listed, including Fibra Terrafina, recently acquired by Fibra Prologis. The 15 FIBRAs altogether have grown up to more than **800 billion pesos in Total Assets and a GLA of 29.7 million m², from which 65% corresponds to the industrial sector** by 2Q24, according to AMEFIBRA. The sector represents more than 4% of Mexico's GDP, and its market capitalization represents around 5% of the Mexican Stock Exchange total market cap (USD 23 billion). Comparing the second quarter of 2024 with 2023, there has been an increase of 13% in revenues, reaching over MXN 18 billion. As a growing sector with bright future expectancies due to factors like the nearshoring, **it is involved with sectors like industrial, commercial, hotel and offices**, to mention some. On the other hand, **it is also exposed to a number of macroeconomic and market factors** that must be taken into account.

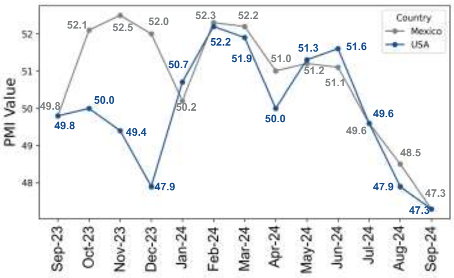
Macroeconomic environment

Figure 11: Macroeconomic Outlook

Indicator	USA	Mexico
GDP growth	2.70% (2024) 1.80% (2025)	1.46% (2024) 1.20% (2025)
Interest rate	4.50% (2024) 3.25% (2025)	10.00% (2024) 8.00% (2025)
Inflation	2.40% (2024) 2.00% (2025)	4.45% (2024) 3.80% (2025)

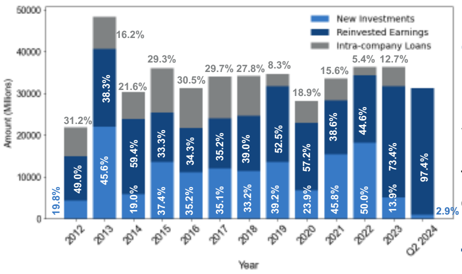
Source: S&P, OECD, Banxico, & Citibanamex

Figure 12: Mexico and US Manufacturing PMI



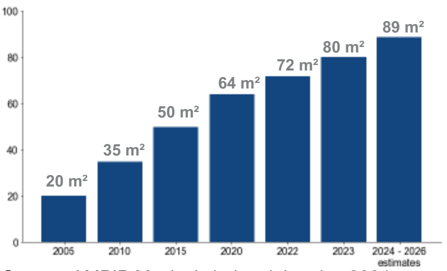
Source: Capital IQ

Figure 13: Foreign Direct Investment in Mexico by Type of Investment (millions of dollars)



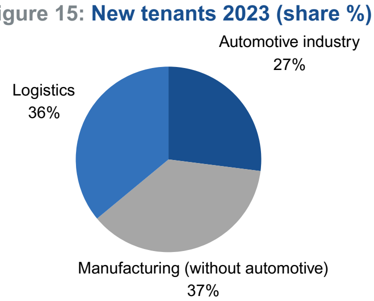
Source: Mexican Government Data

Figure 14: Industrial Warehouses square meters in millions



Source: AMPIP Mexico's industrial parks, 2024 report

Figure 15: New tenants 2023 (share %)



Source: BBVA Research with information from AMPIP.

Mexican REITs, especially those engaged in the **industrial real estate**, are considerably exposed to **macroeconomic variables**, as it is a **growing and cyclical sector**. Since the majority of the leasing arrangements are denominated in dollars, as well as the debt issued, factors like **inflation and interest rates in the US and Mexico**, and, obviously, the **USD/MXN rate** are relevant. Moreover, economic growth from both countries is an indicator of the expected strength in the sector, which helps to estimate the demand of industrial properties.

For both countries, **inflation is expected to keep declining** during 2024 and 2025. The forecasts for the end of 2025 are 2.00% and 3.80% for the U.S. and Mexico, respectively (S&P, Banxico)(**Figure 11**). Since most lease contracts in the industry are inflation-linked, REITs' income is protected against variations in inflation. Interest rate also plays an important role, since **the cost of debt depends on it**, and as inflation decreases, so will the interest rate.

The forecast for the U.S. Federal Funds Target Range at the end of 2025 is 3.00%-3.25%, while for Banxico's Target Rate is 8.00% (S&P, Citibanamex)(**Figure 11**). With a lower rate, it is also expected an increase in consumption, beneficial for REITs' clients, as well as in **industrial property investment and expansions**, beneficial for the REITs themselves.

Economic growth, measured by the GDP, is a key indicator of the overall performance of companies within a country. Therefore, a higher growth in the GDP would indicate a stronger economic activity, particularly in the industrial sector, which could translate in a **higher demand for industrial properties** as businesses expand. However, the forecasts for the U.S. and Mexico at the end of 2025, –1.80% and 1.20% respectively– (S&P, OECD), indicate signs of economic deceleration, which could negatively affect the sector (**Figure 11**).

S&P's PMI indicator shows **adverse conditions in the manufacturing sector** for both the U.S. and México (**Figure 12**). It reports a fall in the outputs and new orders, a decrease in demand, and higher costs of inputs, just like raw materials and higher shipping rates. Both markets are being affected by the uncertainty around the U.S. election; however, participants of the U.S. survey **expect demand to increase after the election and due to lower interest rates.** On the other hand, Mexico's **business confidence has worsened because of insecurity, cost pressures, competition and political concentration.** The volatility in the peso-dollar exchange rate may also affect REITs' operations, since **most of its revenue is in dollars and its expenses are denominated in pesos,** Frequent fluctuations as seen in the last months could result in less predictable performance.

Foreign Direct Investment (FDI) in Mexico can be used as an indicator of the market's sentiment towards future economic development. By 2Q24, FDI amounted for USD 31.1 billion, which represents a **3.2% decrease from the previous year's** second quarter. Most of this investment (USD 30.3 billion) comes from profit reinvestment, with an increase of 18.7%; on the contrary, new investments and inter-company accounts had a decrease (**Figure 13**).

It seems like **foreign investors are more cautious than in previous years, probably due to the mentioned uncertainty.** However, existing investors in Mexico appear to be confident about future opportunities, but somewhat reluctant to make new investments.

Nearshoring

In the recent years, **Mexico has furtherly attracted the interest of U.S. companies and those who want to reach U.S. markets.** This, principally due to external factors. For example, the tariff and sanctions war between the U.S. and China has increased costs and risks for U.S., Chinese and global companies seeking to enter the U.S. market. Also, internal factors such as **nearness, cost reduction in the supply chain and access barriers to its markets make Mexico more attractive**. These conditions are given due to the 13 Free Trade Agreements the country has with 46 different countries. In addition, Mexican labor is relatively cheap and highly qualified. This attracts manufacturing, technological and service sectors of other countries.

Mexico's nearshoring process has been a key factor in development. Aligning supply and demand for industrial spaces is essential to take advantage of this opportunity with a strategic planning. For this reason, the new president Claudia Sheinbaum has presented 100 points of commitment, highlighting **the construction of 10 industrial corridors** seeking to boost the country's growth and **consolidate its strategic position** to benefit from this process of global value chains relocation.

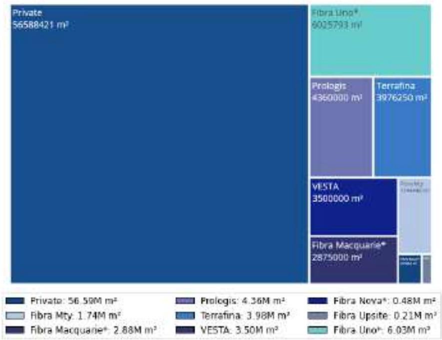
Despite this, **Foreign Direct Investment (FDI) suggests that nearshoring has been relatively small**, given that its growth has been from companies that already had operations in the country by reinvesting their profits (**Figure 13**). The lack of new FDI suggests that **Mexico has not been able to take full advantage of this phenomenon**, which may have several reasons. First, the costs and time related to relocation of foreign companies to Mexico, for it could take a few more months or years to materialize, specially for companies which operations are currently located in Asia. Second, **the arrival of new tenants to Mexico may be limited** by energy shortages, water stress and insecurity. Likewise, it is necessary to improve and create the necessary infrastructure, which could include roads, airports, ports, among others.

Real Estate

The real estate sector's growth is especially driven by the **industrial segment** and is expected to continue growing. Demand for industrial warehouses increased 39.0% from the first half of 2023 to the first half of 2024 (CBRE). Surveys carried out on AMPIP members estimate that the pace of arrival of companies will continue until 2024 and 2025, with around 201 and 198 **new tenants,** respectively. Currently, there are 80 million m² of existing industrial warehouses according with AMPIP, which also estimates that between 2024-2026 this will grow by 9 million m² more (**Figure 14**).

Also, during 2023, AMPIP parks reported that 37% of the new companies that arrived are related to **manufacturing industry** (AMPIP). The manufacturing industry continues to grow

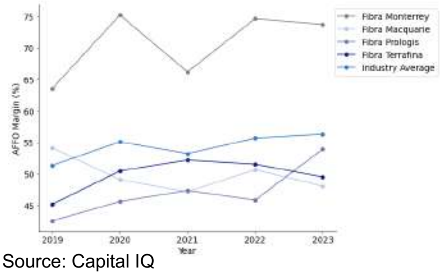
Figure 16: **Distribution of industrial properties (in m²) by owner**



* For REITs with multiple business lines, only the GLA of their industrial portfolio was taken into account.

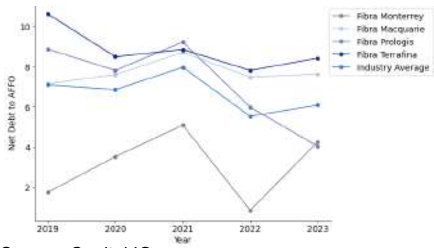
Source: AMPIP Mexico's industrial parks 2024 report and Companies' 2Q24 reports

Figure 17: **AFFO Margin Evolution**



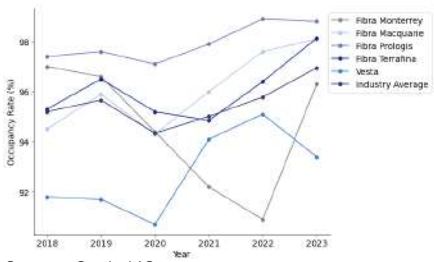
Source: Capital IQ

Figure 18: **Net debt to AFFO**



Source: Capital IQ

Figure 19: **Occupancy Rate**



Source: Capital IQ

in the country as it has proven to be efficient and competitive, and has remained strong despite crises and pandemics. This sector is mainly represented by medical, electronics and aerospace companies.

Additionally, the **automotive industry** (not included in the manufacturing companies previously mentioned) represents another 27% of the new foreign companies that have settled in Mexico (AMPIP), as shown in **Figure 15.** According to the AMIA, these companies continue its movement to Mexico, which is the **7th largest automobile manufacturer** in the world and the **1st one in Latin America.** Also, it is the **4th largest exporter of auto parts** in the world, being the **main supplier of the U.S.**

Moreover, 36% of the newcomers are dedicated to **supply chain activities** (AMPIP). The entry of this sector in Mexico has been mainly due to **E-Commerce.** These corporations account for 10% of the logistics sector's occupancy (AMPIP). They come mainly from Asia and Latin America, and are looking for their distribution centers to be located near cities with strong connections. The area of greatest interest is the center of the country, near Mexico City.

COMPETITIVE POSITIONING

Since the first Mexican REIT was listed in the Mexican Stock Exchange, in 2011, the sector has grown to 15 REITs by 3Q24. Moreover, 8 of them have activities in the industrial sector and share the market with Vesta, a company **dedicated to the industrial properties development, management and leasing.**

Currently, one third (24.4 million m²) of the total industrial GLA (80 million m²) in Mexico already built and stabilized is in hands of institutional owners (REITs and Vesta), while the other two thirds (55.6 million m²) are in private hands. Clearly, there **is still growth potential in this sector for Fibra Mty.** The desire for growth in this market is evident in the recently announced purchase of Terrafina, with a GLA of 3.97 million m².

GLA Growth and Key Competitors

Although Fibra Mty has one of the lowest GLA compared to other Industrial REITs in Mexico, **it has had an exponential growth, going from having 0.82 million m² in 2022 to 1.76 million m² after the acquisitions of the Zeus portfolio and other real estate properties in the current year.** One of its main competitors is Fibra Macquire, which has a GLA of 3.3 million m². Others are Fibra Prologis, Fibra Terrafina (recently acquired by Fibra Prologis) and Vesta. The last one, although not being a REIT, operates in the same Industrial Real Estate sector with a GLA of 3.2 million m² **(Figure 16).**

Significant Growth in 2023 and Competitive AFFO Margins

Thanks to recent acquisitions, Fibra Mty has managed to lead the growth of its revenues, Net Operating Income (NOI) and Adjusted Funds From Operations (AFFO), growing in 2023 43.37%, 46.94% and 41.61% YoY, respectively. In addition, the advantages of maintaining **an internal administration have allowed them to maintain a higher AFFO margin than their competitors**, as shown in **Figure 17**.

Effective Financial Leverage Management

Since 2019 Fibra Mty has **maintained a Net Debt to AFFO Level considerably lower** than its competitors and the industry average, **making its financial leverage one of its most outstanding pillars (Figure 18).** This has reduced its perceived risk, generating confidence and interest in both investors and lenders. These aspects allow them to **access financing with favorable conditions, which can continue to drive its growth in the coming years.**

Occupancy Rate: Challenges and Improvements

One of the main challenges for Fibra Mty compared to its industry competitors is its **occupancy rate,** which over the years has remained **below the industry average.** Nevertheless, **it has shown a growth of 5.4% from 2022 to 2023.** Considering its strategy of acquiring stabilized properties as well as its process of divesting underperforming assets, it is possible that the rate will keep improving, **(Figure 19).**

INVESTMENT RISK

We identify that investing in Fibra Mty entails several significant investment risks to consider, derived from an adverse macroeconomic/geopolitical environment, uncertain government policy framework, as well as the Company's own operations, **(Appendix 14).**

Operational risk

O1. Value of properties and cash flows

Probability: ●○○ **Impact:** ●●●

Fibra Mty's properties are subject to **fluctuations in their value, mainly due to industrial real estate sector factors**, e.g. supply and demand, technological advances, quality of the properties, costs related to maintenance and insurance, changes in clients' needs, and affectations to the construction sector, namely by key resources supply like water and electricity. Social factors like insecurity, violence and organized crime **could harm the attractiveness of the properties and, therefore, affect their value too.** Build-to-suit properties, that especially suit clients' needs, may be more volatile in their value compared to other properties. Properties' value and physical condition can also suffer from environmental issues and the affection could be significant in case properties were not insured, whether because of clients' negligence to properly insure the properties or because of risks one cannot be insured against. **The loss in the value of the properties would cause a decrease in the value of assets,** which could result in an increase of debt level to total assets.

The Company must be able to arrange new leases and renewals at a reasonable tariff, considering the risks mentioned and the changes in properties' attractiveness. **If not, its capacity to generate income and to make distributions to CBFIs' holders would be compromised.**

Mitigation: Preference for properties in high-demand markets and safe locations, with special attention to quality and clients' needs. Preventive and corrective maintenance against prolonged use. Also, making sure the properties are effectively insured against all reasonable risks that could affect them. In order to improve the attractiveness of the properties, the Company can also invest in feasible upgrades.

O2. Clients' business health

Probability: ●●○ **Impact:** ●●●

Most of Fibra Mty's income comes from its leases. Therefore, any deterioration in its clients' financial position could affect their ability to pay for the leases and, therefore, **it would impact Fibra Mty's cash flows.** This risk's impact would be especially major if a main client or a significant number of their clients

suffer the mentioned deterioration, considering that just ten of the principal lessees represent 31.6% of base annualized rent. Also, Fibra Mty may not be able to renew leases at the end of their term.
Apart from the concentration in few clients, the properties are concentrated in the industrial sector, mostly in the north region of the country. Because of this, if any of the sectors or the region suffer from deceleration or contraction, the clients and **the leases' payments would be harmed.** The mentioned risk could increase for tenants in cyclical economies.
The Company has focused on making arrangements with high quality, international clients, that may be resilient; however, according to the S&P's PMI index, the manufacturing sector faces a decrease in demand and an increase in costs, harming the companies' operations.
Mitigation: A higher level of diversification of clients, as well as the continuous evaluation of its financial solvency. Also, diversification among sectors and geography, and the exploration of new markets.

O3. Tougher competition
Probability: ●●○ **Impact:** ●●○
The activity of Fibra Mty's competitors, e. g. their leases' tariffs, their acquisition and demand of new properties, as well as the quality of their buildings, could affect Fibra Mty by forcing them to **establish cheaper tariffs, increasing the cost of new investments, and reducing the value of their properties,** to name some. The Company has a history of investing in good quality properties, which have maintained its value and profitability; however, with the growing number of Mexican REITs, the competition for clients and buildings is increasing.
Mitigation: Maintaining a high-quality portfolio of properties with strategic location, together with strong relationships with high quality clients, to maintain and increase competitive advantage over competitors.

O4. Growth expectations
Probability: ●○○ **Impact:** ●●●
If Fibra Mty decrease in its credit rating or its trustworthiness, as well as an increase in its debt level, could seriously impact Fibra Mty's ability to issue debt or capital, **it may lose good opportunities of investment**, as a result of its disability to pay for them. Given the situations mentioned, **the Company could not achieve its growing targets by 2026** and, thus, harm the credibility of its administration team. The acquisition of new properties could also be hindered if prices increase. This situation in itself would **decrease the profitability of new investments.** In addition, the Company may overestimate the profit potential of acquisitions which, in the case of not being lucrative, **would affect Fibra Mty's results** and CBFIs holders' distributions.
Mitigation: Maintaining a good investment grade credit rating, a conservative debt to assets level of about 25%, and the confidence of Mexican pension funds in its CBFIs, therefore the company could maintain its ability to raise capital. Also, the availability of debt remaining from loans already arranged may be useful in case of economic slowdown. A disciplined acquisition strategy with a profound analysis would increase the likeliness of making successful investment decisions. In the event that an investment proved to be unprofitable, the Company may be forced to divest from it.

Market risks

M1. Exchange rates
Probability: ●●○ **Impact:** ●●●
As of 3Q24, 86.1% of Fibra Mty rental income and all the Company's debt is denominated in USD. Conversely, most of the operating costs (expenses), taxes and 13.9% of the rental income –which covers the whole expenses– is denominated in Mexican pesos. Since the Trust is governed mainly by the Mexican peso –its functional, reporting currency–, significant exchange rate variation in subsequent periods **would affect their income, result and properties' value** (because they are valued in dollars).
Mitigation: To secure any exchange rate for its operations (e.g., acquisitions and CBFIs emissions), the Company can do it through a forward-type derivative

M2. Interest rates
Probability: ●●○ **Impact:** ●●○
As of 2Q24, its debt has a 96.4% fixed rate and 3.6% variable rate. S&P in the United States and Citi in Mexico estimate a decrease in the interest rate for both countries; however, the current uncertainty in the U.S. due to the elections, unemployment rates and inflation persistence may cause vagueness in the interest rate. **If an increase persists, the cost to acquire debt as well as the profit expected by investors from CBFIs could be higher.** On the other hand, in case the Fed achieves its inflation objective, leases linked to the CPI would decelerate its growth, affecting Fibra Mty's income.
Mitigation: By securing the cost of financing through swap-type derivatives, as it has done in the past, Fibra Mty gets certainty of its expenses and hedges against interest rate volatility. Also, maintaining a healthy capital structure and credit rating can reduce the spread payed in loans, reducing their financing costs.

M3. Certificate Illiquidity
Probability: ●●○ **Impact:** ●●●
As the Company itself acknowledged it, its CBFIs has faced significant illiquidity in the Mexican Stock Exchange. This implies various negative outcomes for both Fibra Mty and its investors:

- Small trades in the certificates could cause **major price changes; i.e., it leads to higher volatility.**
- The Company may not be able to issue capital at fair prices, thus **increasing its cost of capital.**
- In case investors look for liquid investments, CBFIs would be less attractive, which would **keep the prices down.**
- Assuming they are not able to raise capital nor debt, Fibra Mty may need to retain more cash to address its obligations. This could **reduce the distributions to CBFIs holders.**

Mitigation: Supporting the price and liquidity of CBFIs by repurchasing certificates and increasing the attractiveness for investors by maintaining a strong financial performance and improving the communication with stakeholders. Thus, enhancing investors' confidence and their trading activity. Also, by dual listing the certificates on foreign stock exchanges.

Political risks

P1. US elections
Probability: ●●○ **Impact:** ●●●
U.S. elections could bring with the new government new challenges to the commercial trades and relationships, such as an increase in tariffs. Especially with the review of the T-MEC in 2026, any changes or disputes within the T-MEC framework could impact key industrial sectors in Mexico. Stricter trade policies or political tensions **could negatively affect sectors such as manufacturing, which is a major tenant group for Fibra Mty's industrial properties.** Stricter policies with the U.S. may discourage foreign investment in Mexico, **causing demand for new space to decrease.**
Mitigation: The attraction of tenants from sectors less reliant on international trade and U.S. demand would reduce the impact to operations. Also, strengthening the relationship with current tenants –e.g., through more flexible leases– could ensure long term commitment in spite of the political uncertainty.

P2. Mexican Government
Probability: ●●○ **Impact:** ●●●
The impact of new policies and reforms driven by the new government, like the one of the judiciary, is uncertain; However, it **could harm the investors confidence and the economic stability, both important for the Company's operations.**
Mitigation: Agreements with companies from well-stablished sectors, with low sensitivity to policy changes, would give Fibra Mty more strength. Also, by being flexible and adapting to new potential regulations, it would be less exposed to the risk.

P3. Mexico Infrastructure
Probability: ●●○ **Impact:** ●●●
According to the BBVA Research-AMPIP survey, the arrival of new tenants to Mexico is limited by factors like electrical saturation –due to the lack of investment in transmission and/or distribution lines–, and the authorization for the generation or cogeneration of electric energy. Another limitation is the insecurity outside industrial parks and/or on transport routes. If these issues persist, **a decrease in attractiveness and demand of the Company's properties would be expected.**
Mitigation: Investments in renewable energies and back-up generators, surveillance, police presence, and properties in industrial-support regions would diminish the potential risks.

ESG risks

E1. Climate change and transition risk
Probability: ●●● **Impact:** ●●●
Conforming to analyses made by the Company itself, the properties are exposed to environmental factors that arise due to the climate change. In the short term, the buildings are subject to significant affections from water stress (the Company's most important environmental concern), extreme cold and wildfire. According to AMEFIBRA, 87% of Mexican REITs' water

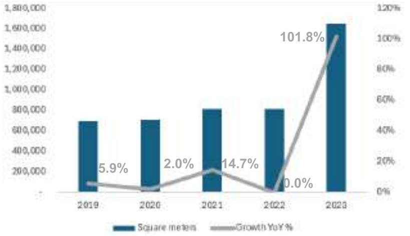
consumption is obtained from water-stressed areas, so if water use is not reduced, this resource may not be preserved for the future. Along with natural disasters and extreme weather events, these risks could result in: physical damage of the properties, reducing its value; the necessity of a higher insurance coverage; the obligation to invest in specialized temperature systems and greener infrastructure, as well as stricter regulations.
This could affect the Company with **higher operating costs, a decrease in properties' value and attractiveness, and fines in the event of not complying with regulations.**

Furthermore, the REIT faces a transition risk. In the event that the Company is unable to improve its properties and adapt them to sustainable regulations, these ones could lose its license to operate. Moreover, these factors could also affect clients' operations and, thus, hinder their capacity to pay for the leases.
Mitigation: Investing in climate resilient properties and infrastructure, water treatment and rainwater harvesting systems, as well as sustainable technologies, in order to comply with regulations and ensure the clients' operations. Also, periodical assessment of their insurance coverage would protect them from major physical damages.

Figure 20: **Key business pillars of Fibra Mty**

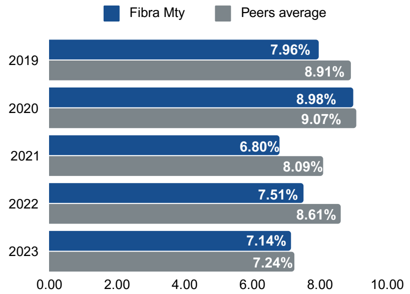
Source: Company's 2023 Sustainability Report

Figure 21: **Gross Leasable Area (GLA)**



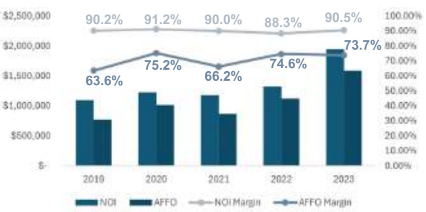
Source: Company's 3Q24 Report

Figure 22: **Cap rate**



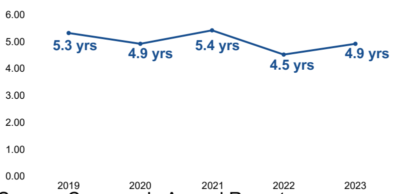
Source: Companies' Annual Reports

Figure 23: **AFFO and NOI margin**



Source: Company's Annual Reports

Figure 24: **Weighted Average Lease Term (WALT)**



Source: Company's Annual Reports

FINANCIAL ANALYSIS

The four key business pillars of Fibra Mty are the ones presented in **Figure 20**, according to the Company itself. To determine whether these pillars are actually present in its operations, one must look at the financial statements and not only focus on the decisions made, but also on the results obtained from them, in terms or growth, ability to raise capital and the way in which they face the challenges along the way.

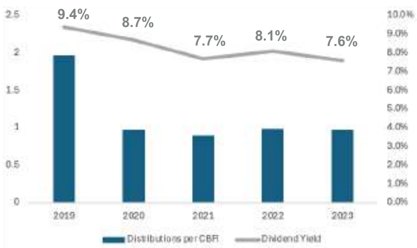
What is the performance of recent years?

Even though Fibra Mty has a **24.0% GLA CAGR** for the years of analysis (2019 to 2023), most of its growth is driven by the acquisition of **Zeus portfolio,** made in 2023, which represents an increase of 101.8% YoY **(Figure 21).** The mentioned acquisition shows the change in the Company's strategy started a few years ago, looking to invest only in high revenue industrial properties (8.4% cap rate for the portfolio referred to). As a result of this, the REIT had an **increase of 46.9% in the Net Operating Income (NOI) for 2023**, YoY. In addition, the REIT purchased Aerotech portfolio and signed binding agreements to purchase Batach portfolio during 2024, both consisting of more industrial warehouses. With this, at the end of the third quarter of 2024, 87.26% of the whole portfolio's GLA corresponds to the industrial sector, with an occupancy rate of 98.7%.
Considering the former figures, it's possible to see the Company's ability to invest in profitable properties. However, it is also clear that a reasonable part of its income is **concentrated in one single portfolio: Zeus**. Also, with an average cap rate of 7.6% for the years analyzed, it remains below the peers' average for the same period **(Figure 22).**
Apart from the acquisitions made in recent years, by looking at the **steady NOI and AFFO margins** of 90.0% and 70.7% in average, respectively **(Figure 23)**, the good administration of properties and management of expenses is evident. Nevertheless, the bright side of the results disappears by focusing on the net income –better said, loss– of 2023. The loss reported for this year is a result of **a major decrease in the properties' relative value,** given the appreciation of the peso against the dollar (this point will be described below).
Even though it is not a factor under the REIT's control, it shows its high exposure to the exchange rate. The high margins just mentioned are also a consequence of its occupancy rate, which has remained above 90% for the years analyzed –but below its main peers' average rate. Together with the Company's WALT**(Figure 24)**, above 4.5 for the mentioned years, both indicators exhibit Fibra Mty's certainty of income for the coming years.

Conservative capital structure: CBFI and Debt issuance

As previously mentioned, the Company must distribute at least 95% of its taxable income, according to the Income Tax Law. Therefore, its **growth** is driven **inorganically**, through acquisitions, and organically through expansions. In order to finance these investments, the REIT must issue capital through the Mexican Stock Exchange, or debt through banks. This, of course, gives Fibra Mty the important responsibility of managing its capital structure while looking for the interests of shareholders.
In recent years the Company has **issued new CBFIs** –its certificates trading in the stock exchange–, due to the investments they made in those years. At the end of 2019, the CBFIs outstanding were 963 million, while at the end of 2023 they were 1.8 billion (a **17.9% CAGR**) **(Figure 25).**
Furthermore, as of September 30, 2024, the CBFIs outstanding were 2.4 billion. Even though the issuance of certificates dilutes the distributions per CBFI, the **AFFO** –which represents the resources available for distribution and, in the case of Fibra Mty is **100% distributed**– has experienced a CAGR of 33.2% in the years of analysis. This growth has allowed the **distributions per CBFI** not to drop, but to **remain stable** around 0.95 per CBFI (excluding 2019).
Regarding its debt issuance, all of Fibra Mty's debt is dollar denominated and it has imposed itself two main constrains: **a total outstanding debt to total assets level between 25% and 35%, and a net debt to EBITDA of 5.0x** maximum **(Figure 26 and 27).** Both objectives have been accomplished over the years analyzed (except its debt to assets level of 23.6% in 2022), and the Company is continuously replacing its bank debt with lower spread, longer term and larger amount credits. In the case of variable-rate loans, it enters into floating-to-fixed interest-rate swaps, complying with its policy of having at least 80% of its long term debt at a fix rate, thus gaining **certainty in its expenses and hedging against interest rate risk.**
Apart from its bank credits, the Company issued corporate bonds (CEBURES) in 2020 and 2021. The interests from the bonds and credits can be easily covered, given that the REIT presents an interest of 3.4x in average for the years of analysis **(Figure 27).** It is also important to mention that Fibra Mty has a global credit score of BBB- by Fitch Ratings and BBB by HR Ratings. It is evident that the Company has developed a healthy capital structure management, which has gained the confidence of financial institutions and institutional investors. However, it is still working to make CBFIs attractive for minority investors.
On the other hand, the **dividend yield –which depends on the distributions and the price of CBFIs– has shown a decrease** over the past, from 9.4% in 2019 to 7.6% in 2023. This is the result of a decrease in distributions per CBFI and an increase in the price of CBFIs at the

Figure 25: **Distributions**



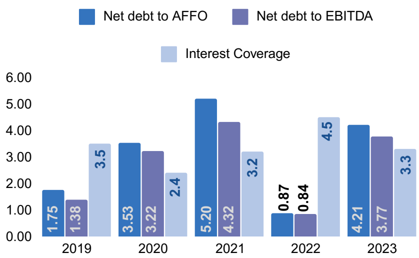
Source: Company's Annual Reports

Figure 26: **Capital Structure**

	2019	2020	2021	2022	2023
Debt/ Assets	27.88%	25.67%	29.26%	23.65%	26.62%

Source: Company's Annual Reports

Figure 27: **Debt Ratios**



Source: Company's Annual Reports

Figure 28: **Fibra Mty's 2022-2026 goals**

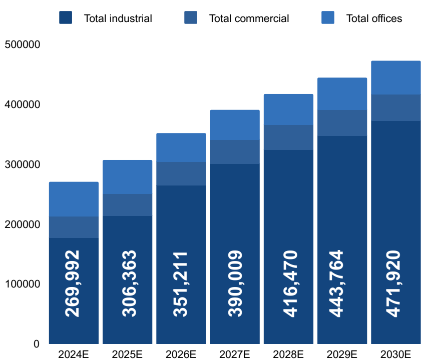
Source: Company's 3Q24 presentation

Figure 29: **Weighted valuation methodologies**

	Price	Weights
DCF	13.44	15%
DDM	11.22	25%
FFO	12.16	20%
NAV	12.77	30%
Multiples	13.26	10%
Fair price (MXN)	**12.41**	

Source: Team Analysis

Figure 30: **Revenue build up (USD 000´s)**



Source: Team Analysis

beginning of the year –which is the price used to calculate the yield. With regard to the CBFI market performance, the Company has experienced two main issues: the low trading volume of its CBFI in the stock exchange and its market price. In past years, CBFIs' price has not shown the performance expected by the REIT; on the contrary, it has experienced significant falls, like the one of 2020, in which from February 21st to April 22nd the price dropped 30%. Due to this situation, Fibra Mty has been repurchasing its CBFIs, thus diminishing the dilution of distributions and preventing the price from falling further. Whether the repurchase continues or not depends on the Company's available capital and the attractiveness of CBFIs' price.

Sensibility to external factors

As any other company, Fibra Mty is exposed to several factors, a lot of them outside its direct control. Most of them are detailed below, in the risks section. However, in regard to the financial performance, the most important **external factors are considered to be interest rate changes, inflation and exchange rate**.

The cost of financing heavily depends on the interest rates both in the U.S. and Mexico. If they rise, new issued debt could have higher interests and the investors may expect a higher return for their capital. Interest rates, of course, are highly sensitive to inflation.

As it was described before, 86.1% of the REIT's income is dollar denominated. Additionally, as the valuation of properties takes the revenue generated from them into account, changes in the dollar-peso exchange rate could affect the value of the properties (just like in the 2023 loss case, mentioned above) and the income generated by the Company, thus affecting distributions to shareholders too. If the value of properties diminishes, therefore reducing total assets, the debt to assets level may be harmed as a side effect.

Fibra Mty's 2026 goals

To continue with its growing tendency, Fibra Mty stablished goals for 2026 as part of their strategy and reached 80% of its growth objective just with the Zeus portfolio acquisition. Therefore, it set **a goal of another 700 million USD in new acquisitions,** as well as to **divest from its low performance portfolio and to increase the liquidity of CBFIs,** among the most important objectives. During 2024, the Company acquired the Aerotech portfolio, signed binding agreements to acquire Batach portfolio, and signed USD 68 million for expansions. Considering these investments and excluding the negotiations not yet agreed, the Company has achieved 52.5% of its properties growth objective (USD 367.4 million) **(Figure 28).** Moreover, the recent acquisitions and expansions mentioned have an aggregate cap rate higher than 8%, in line with the Company's objective of 7.5% to 9% cap rate.

Regarding the underperforming portfolio, during 2023 and until the third quarter of 2024, there have been no divestments. Nevertheless, in 2024 the Company signed binding agreements to divest from an office sector property for USD 15 million and it was authorized to divest in Fortaleza's property, which until 2023 had a GLA of 15,259 m². For the third quarter of 2024, both properties amounted to 680 million pesos and represent around 58% of the underperforming portfolio **(Figure 28).** There are already offers for these assets and the Company expects to divest them before the end of the current year. The REIT expects to use the inflow from these movements as a funding source for **the repurchase of CBFIs or the acquisition of industrial real estate.**

VALUATION

Valuation methodologies

The present valuation of Fibra Mty renders a **BUY** recommendation at a 12-month target price of MXN 12.41 per CBFI, which was approach using a weighted average of four key methodologies for the 2024E-2030E period: **intrinsic value analysis, relative value analysis, an asset-based approach.** The intrinsic value methodologies estimate the fundamental value of the Company by projecting its **future cash flows and discounting them to their present value.** A detailed projection of revenues and other financial items was developed to support this approach, resulting in a three-statement model that reflects its anticipated performance. For the relative value methodology, Fibra Mty's fair price was estimated through an analysis of relevant **multiples** for REITs of a selected set of **public comparable companies.** Given that REITs primarily generate profits through their assets, a **net asset value ("NAV")** approach was applied to calculate the value of the Company based on the fair market value of its assets **(Figure 29).**

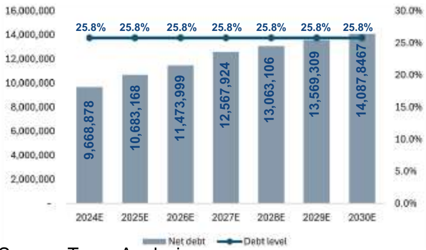
Projections

For the intrinsic value analysis, a thorough evaluation was made of their historical performance and the Company's goals for the years to come. The first step was to construct a revenue build up, divided by the Company's **main revenue-generating segments: industrial, commercial, and offices,** each divided by the different zones they operate in **(Figure 30).** The sum of the **GLA** of each portfolio in each zone was multiplied by its **occupancy rate** and by its **weighted renting price in USD and MXN**, which were grown with the **expected inflation** rate in each country (an example of the revenue build up per zone in the appendix). GLA is projected based on a two-stage growth plan that is further explained in the capital expenditures section. It was especially relevant to project its revenue divided in USD and MXN because **most of its rental revenue is in USD-denominated.** The total revenue has an **10.3% CAGR** (2024E-2030E).

Operating costs were projected as a percentage of total revenue, while expenses were projected at an average historical growth rate. The working capital was projected with the "days" methodology to reflect the average number of days it takes Fibra Mty to convert its current assets and liabilities into cash. Its historical performance shows a healthy working capital; however, the Company relies more on debt and equity rather than working capital to finance its operations.

As Fibra Mty's does not have a clear trend in the quantity of its investments in capital expenditures ("Capex") over the years (as it is natural for a REIT – it invests depending on

Figure 31: **Debt build up**



Source: Team Analysis

Figure 32: **WACC**

WACC (US)	
Cost of Equity	
Risk-free rate	3.81%
Equity risk premium	4.60%
Country risk	2.33%
Risk premium	6.93%
Beta	0.89
	6.18%
Ke	9.99%
Cost of debt	
Risk free rate	3.81%
Credit spread	1.75%
Tax rate	0.00%
After tax	5.56%
Kd	5.56%
Weights	
Debt	27%
Capital	73%
WACC	**8.79%**

Source: Team Analysis

Figure 33: **Intrinsic valuation**

	DCF	DDM	FFO
Discount rate	**WACC: 9.99%**	**Ke: 8.79%**	**Ke: 8.79%**
Price per CBFI (MXN)	**13.44**	**11.22**	**12.16**

Source: Team Analysis

Figure 34: **Relative valuation**

Multiples 2023	Price/AFFO	Price/FFO
Fibra Monterrey	12.4x	13.2x
Fibra Macquarie	12.3x	10.0x
Fibra Prologis	31.8x	24.6x
Fibra Terrafina	13.3x	11.2x
Vesta	NA	36.3x
Percentil 25	12.3x	10.3x
Median	**13.3x**	**17.9x**
Percentil 75	31.8x	33.4x
Average	19.1x	20.5x
Price per CBFI	**15.85**	**11.53**

Source: Team Analysis

Figure 35: **Asset-based approach**

Net Asset Value	LTM
Last 12-months real estate NOI	2,321,163
Next 12 months growth in NOI	13.01%
Estimated next 12 months cash NOI	2,623,169
Cap rate	**8%**
Estimated value of operating real estate	32,789,609
Cash and equivalents	7,539,723
Land held for future development	567,000
Other Assets	2,302,277
Estimated gross asset value	43,198,609
Total debt	(11,305,699)
Other liabilities	(755,154)
Net asset value	**31,137,756**
Shares outstanding	2,437,681
NAV per share	**12.77**

Source: Team Analysis

the markets' conditions and opportunities), it was decided to follow the Company's outline for acquisitions in the years to come adapted to a **two-stage growth plan** that seemed more appropriate. The Company's goal is to invest USD 700 mm, out of which it has invested 58% as of the valuation date, additionally it has certain acquisitions "under-valuation". In the **first stage** (2024E-2027E) the remanent of its investment goal (42%), was projected in the form of **acquisitions in the Northeast and Bajio industrial segments** in 2025E and 2026E, and half of its "under-valuation" acquisitions amounting to USD 338 mm were projected in 2027E. The **second stage** of the growth plan contemplates **more stabilized investments,** maintaining its expansion Capex but dividing the second half of its "under-valuation" acquisitions in 2028E, 2029E, and 2030E. An **expansion Capex, maintenance Capex and a divestment of underperforming properties** were also considered. The maintenance Capex was projected with a 20% growth rate from 2025E onwards to adapt its properties **to comply with sustainability requirements,** in line with the Company's transition risk plan. These investments were reflected in the projected GLA per region in accordance with a historical cost of acquisition, while the divestments sale was accounted for with each property's fair value.

Moreover, Fibra Mty follows the **IFRS**, which means that it does not report a normal depreciation, but rather a gain or loss in the fair value of the properties due to mostly external factors such as interest rates, exchange rates, and others. Estimating such a fluctuating item could render inaccurate projections. For that reason, a **depreciation** of current properties and projected Capex was made for the **20 years of useful life of buildings by an assumed 10% of the portfolio's fair value**, to exclude land and other non-depreciated items, which translates to an annual depreciation rate of 0.5%.

As previously mentioned, Fibra Mty **finances its operations through debt and equity,** maintaining a debt to total assets threshold of 25%-35%. In line with its threshold and in order to maintain the projected Capex in the years to come, its **long-term bank loans were projected with a 25.8% debt level** (3Q reported level) **(Figure 31)** and subtracting its repayment schedule for current debt to obtain yearly issuance of debt. Common equity in the form of **CBFIs issuance was also projected as a set goal of equity to total assets** to obtain each year's equity issuance. One of the things that make REITs so particular is that they are obliged to distribute most of its adjusted funds from operations (AFFO) to its shareholders. To project it, all non-cash expenses were deducted from its net income to obtain its funds from operations (FFO), and maintenance Capex was deducted to get AFFO. Historically, Fibra Mty has **distributed close to 96% of its AFFO, which was used to project future dividends distributions to its shareholders.** Even though the Company has correctly stated that it distributes 100% of the AFFO, the AFFO from the fourth quarter of each year is distributed until the following year. This has historically decreased the proportion of AFFO distributed on a strictly annual basis.

Discount rate and intrinsic valuations

The weighted average cost of capital (**WACC**) was selected as a proper discount rate for the discounted cash flows analysis (**DCF**), while the **cost of equity** was used to discount the dividend discount model **(DDM) and FFO**. According to the capital asset pricing model (CAPM) methodology, the US 10 year treasury bond was used as the **risk free rate**, while the risk premium was established as the US **equity risk premium** together with Mexico's **country risk premium** (based on A. Damodaran), and the REIT's **industry beta re-levered with the Company's capital structure** as of the valuation date. These calculations resulted in a **cost of equity of 9.99%.** The **cost of debt** was calculated as the US risk free rate together with the Company's credit spread (given the nature of REITs, no change for taxes was made), **(Figure 32 and 33).**

All intrinsic value approaches' (DCF, DDM & FFO) future cash flows are **adjusted in 2024E to account only for the remaining of the year** from the valuation date. Moreover, these approaches use the **mid-year convention to discount future cash flows** as if these were generated at the middle of the period, and so, avoid over- or under-estimating them. The terminal value was determined with a perpetuity growth rate following the **Gordon growth method at 2.5%**, to reflect the US expected inflation at perpetuity. The Capex for the TV is equal to the depreciation plus the maintenance Capex that accounts for the **ESG requirements** needed to preserve the buildings. The discounted DDM and FFO were divided by a projected number of CBFIs required to maintain the projected equity level at the valuation date's CBFI price.

Relative value approach

Fibra Mty's **public comparable companies** were selected according to the percentage of **industrial GLA** reported by each REIT to reflect the Company's main sector. The peers that best adjusted to the Company were **Fibra Macquarie, Fibra Prologis, Fibra Terrafina, and Vesta**. According to their **2023 Price/FFO and Price/AFFO ratios** the Company is just below the median in both multiples **(Figure 35)**.

The equity value was calculated with the median multiples and the Fibra Mty's LTM FFO and AFFO, to obtain the Company's fair price per CBFI relative to its peers. However, given that Prologis' AFFO/price ratio does not reflect the market properly, it was underweighted for the multiples valuation (40%).

Asset-based approach

The net asset value (**NAV**) approach was used to assess the **fair market value of the Company's assets.** The estimated **net operating income (NOI) for the next twelve months** was projected by segment and zone (total NOI has an implicit **13.01% growth rate** YoY), divided by its reported **capitalization rate of 8.0%**, adding tangible assets and subtracting liabilities to obtain a net asset value of the Company. This methodology reflects the value of the underlying real estate holdings relative to market conditions **(Figure 35).**

Scenarios

	Bearish	Base	Bullish
Occupancy rate	15% decrease in all segments in 2024E	Flat projection from 3Q 2024	15% increase in all segments (when possible) in 2024E
Capex	10% decrease from Base Scenario each year	Two-stage projection	10% increase from Base Scenario each year
Depreciation	Double annual depreciation to 1.00%	Annual depreciation of 0.50%	Half annual depreciation to 0.25%
Exchange rate	MXN appreciation up to 18.50 in 2030E	Actual projected FX by Banxico	MXN depreciation up to 22.00 in 2030E
Gordon growth perpetuity rate	2.0%	2.5%	3.0%
Price per CBFI	**11.02**	**12.41**	**13.22**

ESG

One of Fibra Mty's objectives is to be a **reference in terms of ESG issues in Mexico**. Therefore, in order to align with sustainability-related regulations, its sustainability report follows GRI standards, GRI Construction and Real Estate Sector Supplement (CRESS), Real State Standard of Sustainability Accounting Standards Board, and Task Force on Climate-Related Financial Disclosures (TCFD).
The Company's **S&P Global ESG score in 2023 was 42 points** out of 100, being the lowest score compared to its peers (Appendix 22). In the **Governance aspect, it had a score of 59 points** out of 100, just below Vesta, which had a score of 67. This matches the fact that Fibra Mty considers itself with a strong governance. Still, **its environmental and social aspects have the lowest scores** compared to their peers.
One of the recognitions Fibra Mty has gained is the **Green Star level** by the Global Real Estate Sustainability Benchmark (GRESB) for reaching a **rating of 59 points** out of 100 in its first year of participation. They are still far from GRESB average (75 points), but are **above the average of their peers** (54 points). According to the GRESB, the REIT still needs to improve in aspects like building certificactions, management of waste, water, and risk assessment and management.
Furthermore, the REIT also has the **Socially Responsible Company Badge** (ESR) of Mexican Philanthropy Center (CEMEFI). Of its peers, only FUNO has this certification.
Additionally, Fibra Mty is developing its due diligence procedure and checklist according to **Principles for Responsible Investment**. For now, the REIT is only PRI's signatory. These principles help to align and cover the **UN Sustainable Development Goals (SDGs)**, except for objectives number 2 (zero hunger) and 14 (life below water) (Figure 36). Furthermore, it is needed to improve in governance policies and strategies, and in confidence building measures, to reach the median rating of PRI modules.
In Mexico, the **S&P/BMV Total Mexico ESG Index** includes those Mexican enterprises that fulfill ESG criteria. However, until 2022's rebalance of the index, **Fibra Mty did not appear in it,** while some of its peers (Fibra Prologis, Funo, Terrafina, and Vesta) did so. Being listed in the index can help Fibra Mty to attract investors who are interested in sustainability and ESG issues, as well as to enhance its reputation.

Environmental

Another recognition Fibra Mty has obtained is the **Leadership in Energy and Environmental Design (LEED) Certification of 263,061 m^2**, granted by the US Green Building Council, which globally is the most widely used green buildings rating system. From 2022 to 2023, the certified floor area grew 91.94% (Figure 37). This shows that the certified green buildings are efficient.
As the Company's portfolio has grown, its relative **CO^2 emissions have also increased**. The **mitigation plan** that was designed is focused on scope 2. However it **should also be focused on scope 3**, given the intensity of GHG emissions per square meter has increased especially in the latter, since the main emissions come from its tenants.
Fibra Mty has implemented the use of **S&P Global Trucost and the Physical Climate Risk Exposure module of the Measurable Platform** to understand the impacts its buildings can suffer. The Platform is also used for monitoring and reducing energy consumption and Greenhouse Gas emissions. The used scenarios are **Representative Concentration Pathways**, which help to consider emissions of pollutants.
The REIT has also achieved the **Gold Level of Green Lease Leader** from Institute for Market Transformation and the Better Buildings Alliance of the United States Department of Energy. This, thanks to including arrangements on environmental management, energy efficiency and sustainability in its clauses of lease agreements. Additionally, Fibra Mty is **encouraging tenants to adopt practices related to energy efficiency and resource-conserving practices**. It seeks to achieve the Platinum level by 2025.
In spite of the achievements, **more advanced water-saving measures are needed**; e.g., encouraging tenants to adopt water-efficient practices, especially for those in high water stress regions. Additionally, **more collaborations with organizations and the Government could be undertaken** to protect and restore ecosystems near the REIT's properties.

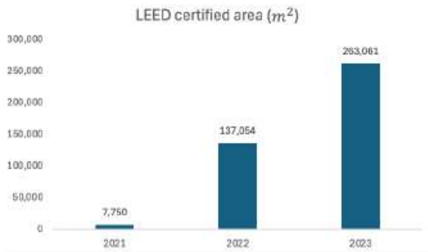
Social

Fibra Mty has created a **positive work environment,** fostering employees' well-being, diversity, and community engagement. Because of this, it has achieved the Great Place to Work Certification (Figure 38). Moreover, the REIT has created a safe and healthy working environment, recognizing itself as a **zero accidents workplace** in 2023.

Figure 36: **Covered SDGs**

Source: Company's 2023 Sustainability Report

Figure 37: **LEED Certified floor area**



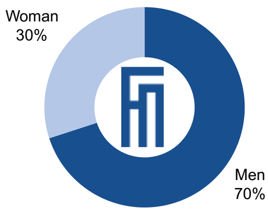
Source: Company's 2023 Sustainability Report

Figure 38: **Great Place to Work Rankings**

Great Place to Work Certification 2024	
Ranking	**Category**
28	Best places to work in Mexico
3	Best places to work in the construction sector in Mexico
9	Best places to work in the Northeast region of Mexico

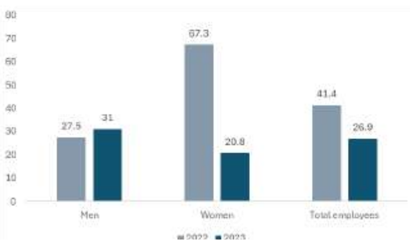
Source: Great Place to Work's Website

Figure 39: **Women in Technical Committee**



Source: Company's 2023 Sustainability Report

Figure 40: **Average hours of training per employee**



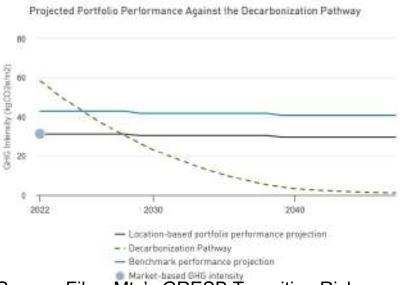
Source: Company's 2023 Sustainability Report

Figure 41: Technical Committees Subcommittees

Support Committees	Main duties
Audit Committee	Oversee Fibra Mty's financial reporting, internal controls, compliance, and auditing practices
Corporate Practices Committee	Supervise and evaluate transactions with related parties, budget approvals, and the performance of the Manager
Investment Committee	Provide recommendations on significant expenditures and the terms and conditions for investments and divestments
Nominations Committee	Propose candidates for the Technical Committee, including identifying Independent Members, and considering diversity criteria from Diversity Policy
Indebtedness Committee	Ensure that all debt assumed by the Trust complies with regulations and to inform the Technical Committee of any non-compliance.

Source: Company's 2023 Sustainability Report

Figure 42: Projected Portfolio Performance Against the Decarbonization Pathway

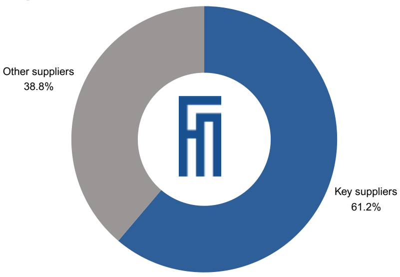


Source: Fibra Mty's GRESB Transition Risk Report

Figure 43: Code of ethics' guidelines

Source: Company's 2023 Sustainability Report

Figure 44: 2023's suppliers



Source: Company's 2023 Sustainability Report

Furthermore, the **40.80% of their employees are women** and the target of **30% of women in management positions** has been achieved **(Figure 39)**. For this, the REIT has been recognized by Women on Boards and Women Corporate Directors, being one of the Mexican REITs with **highest representation of independent women members in its Technical Committee.**

Regarding the training that Fibra Mty provides to its employees, it offers courses to ensure the necessary performance they in their positions, and programs that represent curricular accreditations. However, in 2023, **fewer hours have been dedicated to employee training**. This decline is more noticeable among **female staff**, given that in 2022 they spent an average of 67.3 hours on their training, while in 2023 only an **average of 20.8 hours were spent (Figure 40).** If this continues, the employees' performance could be affected.

Fibra Mty also has **Corporate Social Responsibility (CSR) programs that benefited 5.9 million people** in 2023. In addition, it made partnerships with eight NGO's to support social, environmental and economic development in zones they operate.

Finally, it is necessary to **improve the oversight in supply chain workers' human rights**. Its human rights **due diligence process could be more extensive**, too. Additionally, there could be an expansion in stakeholder engagement, a **reinforcement in communication channels** with them, as well as frequent meetings with key stakeholders.

Governance

Regarding its **Technical Committee**, none of its members **(Appendix 19)** has an executive level, **80% of them are independent, and 30% are women**. Also, the Committees Chairman is not executive officer in the REIT. With this and the independent members, Fibra Mty considers it ensures transparency, accountability, and that decisions are taken in the best interests of its stakeholders.

However, independence is a complicated thing to assess. The length of time a member has been on the board can erode his or her independence. Given that half of the board has been on the board for nine years, their **independence could be questioned (Appendix 19).**

Also, its materiality analysis (explained below) emphasizes that **aspects such as energy, water and climate change are of relevance** to both the REIT and its stakeholders. However, Eugenio Santiago Clariond Reyes is the technical committee member with the most experience in these topics, while the **other members have little or no experience** in them **(Appendix 19).** As there may be no questioning from the other committee members, there could be a bias in how these issues are being addressed or that they are not being addressed in the right way.

According to most corporate governance codes, **a board should have 3 basic committees**: Audit, nomination and remuneration. Fibra Mty has the first two and some others **(Figure 41).** Even though it **does not count with a Remuneration Committee**, part of remuneration to board members is decided by The General Meeting of CBFI Holders. Still, the board could consider the creation of a committee focused solely on remuneration.

The REIT executes a **materiality analysis** at least every two years to identify relevant topics for the stakeholders and The Company. 2023's materiality matrix can be seen in **Appendix 20**, being the **most important topics energy, water, business ethics, corporate governance, and talent management**.

For Fibra Mty it is also important to determine the probability of material issues affecting the company and its influence to the outside. In view of this, it has developed a **double materiality matrix** too **(Appendix 21).** The highest probability of impact from Fibra Mty to the outside and vice versa are topics of **climate change, energy, water, business ethics, GHG emissions, and emergency preparedness and response**.

Moreover, The Company issues a **transition risk report**, in which it is specified that its **predominant transition risk is the policy one.** It consists in the possibility of losing operating licenses if environmental regulatory requirements are not met. Because of this, their study is focused on the comparison of the projected portfolio's performance and its decarbonization pathway **(Figure 42).** Although the projection is limited to regions and properties that have a projected decarbonization pathway (which, in this case, **excludes Fibra Mty's industrial properties**, those that emit the most greenhouse gases), the Transition Risk Report shows key asset-level metrics that highlight the fact that transition risk could increase in the future, especially for its industrial portfolio.

About Fibra Mty's **Code of Ethics**, it includes the guidelines presented in **Figure 43**. The enterprise argues that the **100% of the employees adhere to the Code.** The latter has an **Ethics Committee** that is integrated by a chairwoman, a secretary, and a member **(Figure 43).**

The Company also counts with a **WhistleBlowing Mechanism**. It is operated by EthicsGlobal and is available 24 hours the 365 days of the year. Anyone who is interested in the REIT and that detects a violation to the standards can report it anonymously through the website or by phone. Then, the complaint is investigated by the Ethics Committee, which determines the sanctions if it is considered necessary.

With respect to the **suppliers**, the REIT has divided the key ones into four categories: For real estate operations, for real estate acquisition/selling, consulting and formalities, and trust services. In this order, in 2023 its **key suppliers were 61.19% of the total suppliers (Figure 44).** It is important to highlight that **key suppliers' number increased from 27 to 164** between 2022 and 2023. Thus, Fibra Mty established actions and behaviors suppliers should follow in the **Supplier Code of Conduct**. Nevertheless, suppliers do not meet 100% of the standards of the Code. It is also necessary to include ESG criteria in suppliers' contracts.

Moreover, Fibra Mty has zero-tolerance for conducts like corruption, bribery, and fraud. Principles for this have been settled in **The Anti-Corruption and Anti-Bribery Policy**. Also, 2023 was the third consecutive year in which **no data was lost due to cyberattacks.**

The REIT argues that its corporate governance is one of its strongest aspects. This is confirmed with the points previously discussed and the fact that it has the second highest Governance score among its peers, according to S&P. Nevertheless, this aspect and the environmental and social ones still have important opportunity areas (previously commented in each topic).

APPENDIX MAP

Financial Performance	Valuation Details	Miscellaneous
1. Revenue Build Up	8. Valuation support	14. Risk Matrix
2. Consolidated Income Statement	9. DCF Valuation	15. Pestel analysis
3. Consolidated Balance Sheet	10. DDM Valuation	16. Swot analysis
4. Consolidated Cash Flow Statement	11. FFO Valuation	17. Porter's five forces
5. Competitors' Comparison	12. NAV Valuation	18. Organizational structure
6. Acquisitions & Expansions	13. Multiples Valuation	19. Technical Committee
7. Debt & Equity		20. Materiality Matrix
		21. Double Materiality Matrix
		22. S&P ESG Scores
		23. References

1. REVENUE BUILD UP (MXN 000'S)

Revenue build up assumptions	2024E	2025E	2026E	2027E	2028E	2029E	2030E
Exchange rate	19.80	20.00	20.53	20.77	20.95	21.14	21.32
Inflation US	2.4%	2.0%	2.5%	2.5%	2.8%	2.8%	2.8%
Inflation Mexico	4.4%	3.8%	3.7%	3.7%	3.7%	3.7%	3.7%
Industrial: Northeast							
GLA	727,829	1,032,469	1,120,690	1,210,704	1,252,015	1,291,358	1,328,828
Occupancy rate	99.0%	99.0%	99.0%	99.0%	99.0%	99.0%	99.0%
Revenue generating GLA	**720,454**	**1,022,006**	**1,109,333**	**1,198,435**	**1,239,327**	**1,278,272**	**1,315,363**
Price USD	5.80	5.92	6.06	6.22	6.39	6.57	6.75
% revenue in USD	94.2%	94.2%	94.2%	94.2%	94.2%	94.2%	94.2%
Price MXN	97.40	101.10	104.86	108.74	112.77	116.94	121.26
% revenue in MXN	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%
Revenue industrial northeast	**984,098**	**1,356,127**	**1,642,080**	**1,839,609**	**1,972,767**	**2,110,046**	**2,251,608**
Industrial: Bajio							
GLA	492,755	579,321	678,428	780,488	825,623	868,609	909,547
Occupancy rate	99.3%	99.3%	99.3%	99.3%	99.3%	99.3%	99.3%
Revenue generating GLA	**489,306**	**575,265**	**673,679**	**775,025**	**819,844**	**862,528**	**903,180**
Price USD	6.50	6.63	6.80	6.97	7.16	7.36	7.57
% revenue in USD	94.2%	94.2%	94.2%	94.2%	94.2%	94.2%	94.2%
Price MXN	90.40	93.84	97.33	100.93	104.66	108.53	112.55
% revenue in MXN	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%
Revenue industrial bajio	**742,640**	**798,997**	**1,108,092**	**1,321,956**	**1,450,144**	**1,582,094**	**1,717,956**
Industrial: Other markets							
GLA	160,923	160,923	160,923	160,923	160,923	160,923	160,923
Occupancy rate	93.5%	93.5%	93.5%	93.5%	93.5%	93.5%	93.5%
Revenue generating GLA	**150,383**	**150,383**	**150,383**	**150,383**	**150,383**	**150,383**	**150,383**
Price USD	5.10	5.20	5.33	5.47	5.62	5.78	5.94
% revenue in USD	94.2%	94.2%	94.2%	94.2%	94.2%	94.2%	94.2%
Price MXN	74.30	77.12	79.99	82.95	86.02	89.20	92.50
% revenue in MXN	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%
Revenue industrial other markets	**179,435**	**184,932**	**194,458**	**201,653**	**209,114**	**216,851**	**224,875**
Industrial: Northwest							
GLA	106,782	106,782	106,782	106,782	106,782	106,782	106,782
Occupancy rate	93.5%	93.5%	93.5%	93.5%	93.5%	93.5%	93.5%
Revenue generating GLA	**99,788**	**99,788**	**99,788**	**99,788**	**99,788**	**99,788**	**99,788**
Price USD	5.60	5.71	5.85	6.00	6.17	6.34	6.52
% revenue in USD	94.2%	94.2%	94.2%	94.2%	94.2%	94.2%	94.2%
Price MXN	162.70	168.88	175.17	181.65	188.37	195.34	202.56
% revenue in MXN	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%
Revenue industrial northwest	**136,373**	**140,592**	**147,750**	**153,217**	**158,886**	**164,765**	**170,861**
Industrial: Guadalajara							
GLA	59,401	59,401	59,401	59,401	59,401	59,401	59,401
Occupancy rate	93.5%	93.5%	93.5%	93.5%	93.5%	93.5%	93.5%
Revenue generating GLA	**55,510**	**55,510**	**55,510**	**55,510**	**55,510**	**55,510**	**55,510**
Price USD	5.60	5.71	5.85	6.00	6.17	6.34	6.52
% revenue in USD	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Revenue industrial guadalajara	**73,860**	**76,098**	**80,067**	**83,030**	**86,102**	**89,288**	**92,591**
Revenue industrial total	**2,116,406**	**2,556,746**	**3,172,447**	**3,599,465**	**3,877,013**	**4,163,043**	**4,457,891**

	2024E	2025E	2026E	2027E	2028E	2029E	2030E
Corporate offices: Guadalajara							
GLA	61,449	61,449	61,449	61,449	61,449	61,449	61,449
Occupancy rate	92.3%	92.3%	92.3%	92.3%	92.3%	92.3%	92.3%
Revenue generating GLA	**56,702**	**56,702**	**56,702**	**56,702**	**56,702**	**56,702**	**56,702**
Price USD	21.00	21.42	21.96	22.50	23.13	23.78	24.45
% revenue in USD	62.4%	62.4%	62.4%	62.4%	62.4%	62.4%	62.4%
Price MXN	352.50	365.90	379.51	393.55	408.11	423.21	438.87
% revenue in MXN	37.6%	37.6%	37.6%	37.6%	37.6%	37.6%	37.6%
Revenue offices guadalajara	**116,882**	**275,503**	**288,473**	**299,146**	**310,215**	**321,693**	**333,595**
Corporate offices: Monterrey							
GLA	53,768	40,831	17,016	17,016	17,016	17,016	17,016
Occupancy rate	68.5%	68.5%	68.5%	68.5%	68.5%	68.5%	68.5%
Revenue generating GLA	**36,822**	**27,962**	**11,653**	**11,653**	**11,653**	**11,653**	**11,653**
Price USD	21.00	21.42	21.96	22.50	23.13	23.78	24.45
% revenue in USD	62.4%	62.4%	62.4%	62.4%	62.4%	62.4%	62.4%
Price MXN	353.01	366.42	380.05	394.11	408.70	423.82	439.50
% revenue in MXN	37.6%	37.6%	37.6%	37.6%	37.6%	37.6%	37.6%
Revenue offices monterrey	**173,295**	**135,930**	**59,314**	**61,509**	**63,785**	**66,145**	**68,592**
Corporate offices: ZMCDMX							
GLA	15,259	15,259	-	-	-	-	-
Occupancy rate	54.9%	54.9%					
Revenue generating GLA	**8,377**	**8,377**	**-**	**-**	**-**	**-**	**-**
Price USD	21.09	21.52	-	-	-	-	-
% revenue in USD	62.4%	62.4%					
Price MXN	353.01	366.42	-	-	-	-	-
% revenue in MXN	37.6%	37.6%					
Revenue offices ZMCDMX	**39,543**	**40,844**	**-**	**-**	**-**	**-**	**-**
Operative offices: Multiple							
GLA	75,302	75,302	75,302	75,302	75,302	75,302	75,302
Occupancy rate	75.9%	75.9%	75.9%	75.9%	75.9%	75.9%	75.9%
Revenue generating GLA	**57,154**	**57,154**	**57,154**	**57,154**	**57,154**	**57,154**	**57,154**
Price USD	16.40	16.73	17.15	17.57	18.07	18.57	19.09
% revenue in USD	62.4%	62.4%	62.4%	62.4%	62.4%	62.4%	62.4%
Price MXN	282.20	292.92	303.82	315.06	326.72	338.81	351.34
% revenue in MXN	37.6%	37.6%	37.6%	37.6%	37.6%	37.6%	37.6%
Revenue offices multiple	**211,744**	**218,721**	**229,000**	**237,473**	**246,259**	**255,371**	**264,820**
Revenue offices total	**541,464**	**670,997**	**576,787**	**598,128**	**620,259**	**643,208**	**667,007**
Commercial: Multiple							
GLA	19,350	19,350	19,350	19,350	19,350	19,351	19,352
Occupancy rate	99.3%	99.3%	99.3%	99.3%	99.3%	99.3%	99.3%
Revenue generating GLA	**19,215**	**19,215**	**19,215**	**19,215**	**19,215**	**19,216**	**19,217**
Price MXN	156.20	162.14	168.17	174.39	180.84	187.53	194.47
% revenue in MXN	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Revenue industrial other marke	**36,016**	**37,384**	**38,775**	**40,210**	**41,697**	**43,243**	**44,845**
Total Revenue	**2,693,885**	**3,265,127**	**3,788,009**	**4,237,803**	**4,538,969**	**4,849,494**	**5,169,743**

- In accordance with what is listed in your reports, we assumed that monthly rental prices would increase in line with the inflation of the currency in which they are denominated.

2. CONSOLIDATED INCOME STATEMENT (MXN 000´S)

						Stage 1: High growth				Stage 2: Stabilized investments		
Income Statement	**2019**	**2020**	**2021**	**2022**	**2023**	**2024E**	**2025E**	**2026E**	**2027E**	**2028E**	**2029E**	**2030E**
Total revenue	**1,211,637**	**1,346,962**	**1,311,622**	**1,501,193**	**2,152,230**	**2,693,885**	**3,265,127**	**3,788,009**	**4,237,803**	**4,538,969**	**4,849,494**	**5,169,743**
Maintenance	(92,971)	(90,992)	(102,705)	(147,604)	(150,282)	(210,522)	(255,163)	(296,025)	(331,176)	(354,711)	(378,978)	(404,005)
Property management fees	(12,223)	(11,578)	(10,939)	(15,367)	(24,397)	(31,716)	(41,231)	(53,600)	(69,680)	(74,906)	(80,524)	(86,564)
Property tax	(11,880)	(15,377)	(16,509)	(18,364)	(21,176)	(30,107)	(36,491)	(42,335)	(47,361)	(50,727)	(54,198)	(57,777)
Insurance	(4,301)	(4,241)	(4,513)	(5,320)	(8,923)	(9,606)	(11,643)	(13,507)	(15,111)	(16,185)	(17,292)	(18,434)
SG&A	(73,448)	(79,182)	(83,393)	(95,672)	(106,370)	(116,749)	(128,142)	(140,645)	(154,369)	(169,432)	(185,965)	(204,111)
Fiduciary services and general expense	(38,706)	(37,237)	(48,066)	(49,906)	(70,769)	(83,316)	(98,088)	(115,478)	(135,952)	(160,056)	(188,434)	(221,842)
EBITDA	**978,108**	**1,108,355**	**1,045,497**	**1,168,960**	**1,770,313**	**2,211,869**	**2,694,370**	**3,126,418**	**3,484,153**	**3,712,951**	**3,944,103**	**4,177,010**
Executive CBFI plan	(30,918)	(40,913)	(38,097)	(44,004)	(55,560)	(64,896)	(75,800)	(88,536)	(103,413)	(120,789)	(141,085)	(164,791)
Gain/loss in fair value of properties	(375,791)	(270,532)	982,998	146,181	(2,998,548)	5,179,785	(182,948)	(203,188)	(225,415)	(236,124)	(236,124)	(236,124)
Gan/loss in long-term assets	151	32	845	(150)	24	24	24	24	24	24	24	24
EBIT	**571,550**	**796,942**	**1,991,243**	**1,270,987**	**(1,283,771)**	**7,326,783**	**2,435,646**	**2,834,718**	**3,155,349**	**3,356,062**	**3,566,918**	**3,776,119**
Financial income	105,025	186,589	59,553	177,996	342,189	159,370	190,651	207,561	225,217	240,103	249,484	259,083
Financial expense	(279,406)	(464,326)	(331,618)	(259,180)	(537,593)	(416,814)	(498,625)	(531,772)	(577,006)	(679,222)	(705,759)	(732,915)
Gain/loss in exchange rate volatility	179,774	(361,141)	(114,102)	320,172	573,819	-	-	-	-	-	-	-
Gain/loss before tax	**576,943**	**158,064**	**1,605,076**	**1,509,975**	**(905,356)**	**7,069,339**	**2,127,673**	**2,510,507**	**2,803,560**	**2,916,943**	**3,110,643**	**3,302,288**
Taxes	(2,662)	(2,343)	(2,684)	(1,913)	(7,109)	(6,425)	(6,180)	(7,293)	(8,144)	(8,473)	(9,036)	(9,593)
Net income (consolidated)	**574,281**	**155,721**	**1,602,392**	**1,508,062**	**(912,465)**	**7,062,914**	**2,121,492**	**2,503,214**	**2,795,416**	**2,908,470**	**3,101,607**	**3,292,695**

Source: Company's report & Team Analysis

3. CONSOLIDATED BALANCE SHEET (MXN 000´S)

Balance Sheet	2019	2020	2021	2022	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E
Assets												
Current assets												
Cash and cash equivalents	3,743,548	707,798	1,059,608	4,277,140	1,038,859	2,879,408	3,157,090	3,380,333	3,665,359	3,802,862	3,943,656	4,088,069
Financial investments	-	1,660,000	-	-	-	-	-	-	-	-	-	-
Accounts receivable, net	13,616	44,947	30,282	19,930	37,025	52,894	64,110	74,376	83,208	89,121	95,218	101,506
Accounts receivable from sale of PP&E	-	-	76,474	41,504	-	46,309	56,129	65,118	72,850	78,027	83,365	88,870
Recoverable taxes	65,551	1,019	158,178	25,051	48,764	48,764	48,764	48,764	48,764	48,764	48,764	48,764
Derivative financial instruments	4,619	-	-	-	-	-	-	-	-	-	-	-
Other current assets	9,286	13,564	16,020	69,196	30,298	30,298	30,298	30,298	30,298	30,298	30,298	30,298
Available-for-sale assets	-	-	-	-	289,908	-	-	-	-	-	-	-
Total current assets	**3,836,620**	**2,427,328**	**1,340,562**	**4,432,821**	**1,444,854**	**3,057,673**	**3,356,391**	**3,598,889**	**3,900,478**	**4,049,072**	**4,201,302**	**4,357,508**
Investment properties	13,734,998	13,666,591	17,352,991	17,639,279	27,265,219	36,997,704	40,903,986	43,946,136	48,166,104	50,071,836	52,019,797	54,015,053
Advances for the acquisition of PP&E	727	1,040	-	8,034	1,226	3,244	3,743	4,334	5,038	5,659	6,366	7,172
Accounts receivable from sale of PP&E	-	-	41,247	-	-	16,684	20,222	23,460	26,246	28,111	30,035	32,018
Right-of-use asset, net	9,755	8,254	6,754	5,253	85,720	85,720	85,720	85,720	85,720	85,720	85,720	85,720
Office furniture and equipment, net	3,279	2,907	6,460	8,108	7,859	7,859	7,859	7,859	7,859	7,859	7,859	7,859
Intangible assets, net	15,923	14,247	12,297	9,456	8,681	8,681	8,681	8,681	8,681	8,681	8,681	8,681
Derivative financial instruments	-	-	-	56,083	66,386	66,386	66,386	66,386	66,386	66,386	66,386	66,386
Other non-current assets	95,381	60,774	47,954	56,815	111,730	111,730	111,730	111,730	111,730	111,730	111,730	111,730
Total non-current assets	**13,860,063**	**13,753,813**	**17,467,703**	**17,783,028**	**27,546,821**	**37,298,008**	**41,208,327**	**44,254,307**	**48,477,764**	**50,385,982**	**52,336,574**	**54,334,619**
Total assets	**17,696,683**	**16,181,141**	**18,808,265**	**22,215,849**	**28,991,675**	**40,355,681**	**44,564,718**	**47,853,196**	**52,378,243**	**54,435,054**	**56,537,875**	**58,692,127**
Liabilities and equity												
Current liabilities												
Short-term maturity of long-term liabilities	169,842	53,165	-	-	-	-	-	-	-	-	-	-
Short-term bank loans	-	-	-	-	253,403	-	-	-	-	-	-	-
Interest payable	7,694	18,777	33,963	34,840	44,280	44,280	44,280	44,280	44,280	44,280	44,280	44,280
Accounts payable	49,426	122,857	42,709	47,323	76,276	87,109	105,580	122,488	137,032	146,771	156,812	167,167
Employee benefits	-	-	16,122	17,673	21,952	21,952	21,952	21,952	21,952	21,952	21,952	21,952
Accounts payable for acquisition of PP&E	-	-	401,823	233,452	68,448	137,115	166,190	192,804	215,698	231,026	246,832	263,132
Taxes payable	22,417	33,633	27,794	28,121	39,869	39,869	39,869	39,869	39,869	39,869	39,869	39,869
Derivative financial instruments	288	-	-	44,083	-	-	-	-	-	-	-	-
Lease liabilities	1,327	1,398	1,472	1,551	3,738	3,738	3,738	3,738	3,738	3,738	3,738	3,738
Deferred lease liability	-	-	20,043	26,287	23,395	23,395	23,395	23,395	23,395	23,395	23,395	23,395
Provisions	10,890	10,239	9,955	5,404	5,560	5,560	5,560	5,560	5,560	5,560	5,560	5,560
Tenant deposits	23,146	23,474	24,482	26,814	26,735	26,735	26,735	26,735	26,735	26,735	26,735	26,735
Total current liabilities	**285,030**	**263,543**	**578,363**	**465,548**	**563,656**	**389,752**	**437,299**	**480,821**	**518,259**	**543,326**	**569,172**	**595,828**
Long-term bank and stock market loans	4,756,794	4,082,194	5,470,088	5,158,977	7,343,936	9,668,878	10,683,168	11,473,999	12,567,924	13,063,106	13,569,309	14,087,847
Accounts payable for acquisition of PP&E	-	-	24,676	-	-	9,981	12,098	14,035	15,702	16,818	17,968	19,155
Deferred income taxes	454	794	570	837	1,653	1,653	1,653	1,653	1,653	1,653	1,653	1,653
Employee retirement benefits	-	-	-	677	1,014	1,014	1,014	1,014	1,014	1,014	1,014	1,014
Derivative financial instruments	154,129	136,382	-	-	-	-	-	-	-	-	-	-
Long-term lease liabilities	8,669	7,272	5,800	4,249	77,148	77,148	77,148	77,148	77,148	77,148	77,148	77,148
Deferred lease liability	-	-	46,288	33,063	19,838	19,838	19,838	19,838	19,838	19,838	19,838	19,838
Long-term provisions	944	997	1,026	968	-	-	-	-	-	-	-	-
Tenant deposits	93,880	88,034	108,830	103,160	206,398	206,398	206,398	206,398	206,398	206,398	206,398	206,398
Total non-current liabilities	**5,014,870**	**4,315,673**	**5,657,278**	**5,301,931**	**7,649,987**	**9,984,911**	**11,001,317**	**11,794,085**	**12,889,677**	**13,385,974**	**13,893,328**	**14,413,053**
Total liabilities	**5,299,900**	**4,579,216**	**6,235,641**	**5,767,479**	**8,213,643**	**10,374,663**	**11,438,616**	**12,274,905**	**13,407,936**	**13,929,300**	**14,462,500**	**15,008,881**
Equity of settlors												
Contributed equity	11,479,436	11,532,645	11,557,732	14,949,511	21,636,177	25,826,261	29,355,058	32,213,806	36,046,112	38,108,295	40,209,123	42,351,702
Accumulated results	1,067,145	205,662	1,014,892	1,486,859	(924,531)	4,088,371	3,704,658	3,298,099	2,857,809	2,331,073	1,799,866	1,265,158
Other components of comprehensive income	(149,798)	(136,382)	-	12,000	66,386	66,386	66,386	66,386	66,386	66,386	66,386	66,386
Total settlor's equity	**12,396,783**	**11,601,925**	**12,572,624**	**16,448,370**	**20,778,032**	**29,981,018**	**33,126,102**	**35,578,290**	**38,970,307**	**40,505,754**	**42,075,375**	**43,683,246**
Total liabilities and settlor's equity	**17,696,683**	**16,181,141**	**18,808,265**	**22,215,849**	**28,991,675**	**40,355,681**	**44,564,718**	**47,853,196**	**52,378,243**	**54,435,054**	**56,537,875**	**58,692,127**

Source: Company's report & Team Analysis

4. CONSOLIDATED CASH FLOW STATEMENT (MXN 000´S)

Cash Flow Statement	2024E	2025E	2026E	2027E	2028E	2029E	2030E
Operating cash flows							
Net income	7,062,914	2,121,492	2,503,214	2,795,416	2,908,470	3,101,607	3,292,695
- D&A	(5,179,785)	182,948	203,188	225,415	236,124	236,124	236,124
	-						
WK assets	(80,879)	(25,073)	(23,085)	(20,053)	(13,577)	(14,065)	(14,583)
WK liabilities	89,480	49,663	45,459	39,105	26,183	26,997	27,842
Other operating assets	289,908	-	-	-	-	-	-
Other operating liabilities	-	-	-	-	-	-	-
Net operating cash flow	**2,181,638**	**2,329,030**	**2,728,776**	**3,039,882**	**3,157,200**	**3,350,663**	**3,542,079**
Investing cash flow							
Capex	(4,552,700)	(4,089,230)	(3,245,338)	(4,445,383)	(2,141,856)	(2,184,085)	(2,231,380)
Other investing assets	-	-	-	-	-	-	-
Other investing liabilites	-	-	-	-	-	-	-
Net investing cash flow	**(4,552,700)**	**(4,089,230)**	**(3,245,338)**	**(4,445,383)**	**(2,141,856)**	**(2,184,085)**	**(2,231,380)**
Financing cash flow							
Long term debt	2,324,942	1,014,290	790,831	1,093,925	495,182	506,203	518,538
Other financing liabilities	(253,403)	-	-	-	-	-	-
Other equity	-	-	-	-	-	-	-
Dividends	(2,050,012)	(2,505,205)	(2,909,773)	(3,235,705)	(3,435,206)	(3,632,814)	(3,827,403)
Equity emission	4,190,084	3,528,797	2,858,747	3,832,306	2,062,183	2,100,829	2,142,578
Net financing cash flow	**4,211,611**	**2,037,882**	**739,805**	**1,690,526**	**(877,841)**	**(1,025,783)**	**(1,166,286)**
Net cash flows	**1,840,549**	**277,682**	**223,243**	**285,026**	**137,503**	**140,794**	**144,413**
BoP cash	1,038,859	2,879,408	3,157,090	3,380,333	3,665,359	3,802,862	3,943,656
EoP cash	**2,879,408**	**3,157,090**	**3,380,333**	**3,665,359**	**3,802,862**	**3,943,656**	**4,088,069**

Source: Company's report & Team Analysis

5. COMPETITORS' COMPARISON

	2019	2020	2021	2022	2023
Revenue growth					
Fibra Mty	28.12%	11.14%	-2.60%	14.41%	43.37%
Fibra Macquarie	2.58%	10.11%	-4.47%	5.95%	0.32%
Fibra Prologis	4.14%	21.88%	5.23%	12.98%	1.14%
Fibra Terrafina	-1.73%	10.87%	-8.73%	2.77%	-5.63%
Vesta	8.86%	15.69%	1.43%	9.85%	5.75%
Sector Average	8.39%	13.94%	-1.83%	9.19%	8.99%
NOI Margin					
Fibra Mty	90.18%	91.17%	89.94%	88.27%	90.47%
Fibra Macquarie	93.06%	91.68%	92.07%	92.05%	91.42%
Fibra Prologis	86.30%	87.04%	86.91%	87.01%	85.68%
Fibra Terrafina	88.95%	92.72%	92.88%	92.93%	92.84%
Vesta	95.00%	94.24%	94.72%	95.00%	93.42%
Sector Average	90.70%	91.37%	91.30%	91.05%	90.77%
Ocupancy Rate					
Fibra Mty	96.60%	94.40%	92.20%	90.90%	96.30%
Fibra Macquarie	95.90%	94.30%	96.00%	97.60%	98.10%
Fibra Prologis	97.60%	97.10%	97.90%	98.90%	98.80%
Fibra Terrafina	96.50%	95.20%	94.85%	96.40%	98.13%
Vesta	91.70%	90.70%	94.10%	95.10%	93.40%
Sector Average	95.66%	94.34%	95.01%	95.78%	96.95%

	2019	2020	2021	2022	2023
AFFO Margin					
Fibra Mty	63.53%	75.20%	66.16%	74.62%	73.70%
Fibra Macquarie	54.13%	49.06%	47.14%	50.65%	48.02%
Fibra Prologis	42.51%	45.58%	47.33%	45.81%	53.91%
Fibra Terrafina	45.14%	50.45%	52.18%	51.51%	49.49%
Sector Average	51.33%	55.07%	53.20%	55.65%	56.28%
Net debt to AFFO					
Fibra Mty	1.75	3.53	5.09	0.85	4.26
Fibra Macquarie	7.16	7.6	8.71	7.48	7.63
Fibra Prologis	8.87	7.82	9.23	5.99	4.04
Fibra Terrafina	10.62	8.5	8.86	7.82	8.42
Sector Average	7.10	6.86	7.97	5.54	6.09
Cap rate					
Fibra Mty	7.96%	8.99%	6.80%	7.51%	7.14%
Fibra Macquarie	10.78%	10.52%	9.88%	10.50%	9.20%
Fibra Prologis	8.52%	8.39%	7.58%	7.17%	5.57%
Fibra Terrafina	8.25%	8.64%	7.88%	9.34%	8.26%
Vesta	9.06%	8.80%	8.31%	8.53%	6.03%
Sector Average	8.91%	9.07%	8.09%	8.61%	7.24%
D/A %					
Fibra Mty	27.94%	25.73%	29.12%	22.85%	26.48%
Fibra Macquarie	34.77%	35.36%	32.25%	31.69%	29.21%
Fibra Prologis	32.32%	29.30%	29.95%	22.64%	17.60%
Fibra Terrafina	41.51%	40.51%	37.12%	31.43%	30.88%
Vesta	34.18%	37.29%	33.87%	31.56%	24.16%
Sector Average	34.14%	33.64%	32.46%	28.03%	25.67%

Source: Company's reports, Capital IQ & Team Analysis

6. ACQUISITIONS & EXPANSIONS

Growth Target 2022-2026		
Investment Target	USD	700,000
Progress up to Q3 2024		
Development Expansions	USD	68,000
Expansions in Final Negotiation Phase	USD	9,100
Expansions in Initial Stage	USD	54,200
Aerotech	USD	83,300
Batach	USD	194,300
Total	USD	408,900
Progress Percentage		58%
Remaining Amount	**USD**	**291,100**

Q3 2024 Pipeline		
	Cost	GLA
Batach	USD 194,300	186,105.00
Under negotiation	USD 165,300	157,935.17
Identified, under valuation	USD 464,000	418,063.68
Total	**823,600**	**762,104**

Assumptions

- The remaining USD 291.1 million, 50% will be allocated for acquiring industrial properties in the Northeast, and the other 50% for the Bajío region. This allocation is based on the high-growth potential of these areas in the industrial sector.
- This investment will be deployed over 2025E and 2026E.
- The acquisition price per square meter is based on the amounts paid for the Batach and Aerotech portfolios, located in these regions, with an annual indexed increase of 5%.
- All planned expansions are expected to be completed successfully (63.3 mm).
- 25% of the expansions are projected to be delivered in 2025E, with the remaining 75% in 2026E.
- Expansion costs will consider the average current cost per square meter, with an additional annual increase of 5%.
- A complete divestment will be made from the CEN portfolio due to its low performance. Since no offers have been received, it is assumed these properties will be sold at their current fair value.
- The divestment process for the Fortaleza property, which has already been approved, will be finalized in the last quarter of 2025.
- From 2027E to 2030E, it is assumed that 100% of the acquisition pipeline reported in the latest quarterly report will be achieved.
- Additionally, USD 40 million per year will be allocated to expansion CapEx, distributed equally between the Northeast and Bajío regions.

	2024E	2025E	2026E	2027E	2028E	2029E	2030E
FX peso/dollar	19.80	20.00	20.53	20.77	20.95	21.14	21.32
Acquisition							
Acquisition of Batach and Aerotech (USD 000s)	204,200.00	73,400.00					
New Acquisitions (USD 000s)		145,550.00	145,550.00	169,100.00	56,366.67	56,366.67	56,366.67
Total Acquisitions (MXN 000s)	4,043,160.00	4,379,000.00	2,988,141.50	3,512,266.39	1,181,005.27	1,191,344.81	1,201,774.87
Expansion							
Expansion (USD 000s)	22,300.00	15,825.00	47,475.00	40,000.00	40,000.00	40,000.00	40,000.00
Total Expansions (MXN 000s)	441,540.00	316,500.00	974,661.75	830,814.05	838,087.71	845,425.06	852,826.64
Recurring capex (MXN 000´s)	68,000.00	76,160.00	85,299.20	102,359.04	122,830.85	147,397.02	176,876.42
Growth		12.00%	12.00%	20.00%	20.00%	20.00%	20.00%
Total CapEx	**4,552,700**	**4,771,660**	**4,048,102**	**4,445,439**	**2,141,924**	**2,184,167**	**2,231,478**
BoP	27,265,219.00	36,997,704.00	40,904,007.11	43,946,204.15	48,166,228.02	50,072,026.63	52,020,068.29
Divestments	-	(682,409.00)	(802,717.00)	-	-	-	-
CAPEX	4,552,700.00	4,771,660.00	4,048,102.45	4,445,439.48	2,141,923.83	2,184,166.88	2,231,477.93
Depreciation	5,179,785.00	(182,947.90)	(203,188.41)	(225,415.60)	(236,125.22)	(236,125.22)	(236,125.22)
EoP Investment Properties	36,997,704.00	40,904,007.11	43,946,204.15	48,166,228.02	50,072,026.63	52,020,068.29	54,015,420.99

7. DEBT & EQUITY

Debt	2024E	2025E	2026E	2027E	2028E	2029E	2030E
FX peso/dollar	19.80	20.00	20.53	20.77	20.95	21.14	21.32
Debt/assets goal	25.8%	25.8%	25.8%	25.8%	25.8%	25.8%	25.8%
Debt goal	9,668,878	10,683,173	11,474,016	12,567,956	13,063,155	13,569,379	14,087,942
Long-term debt issuance (MXN 000s)	2,522,942	2,014,295	790,843	5,559,565	495,199	506,224	518,563
Long-term debt repayment (USD 000s)	10,000	50,000	-	215,000	-	-	-
Long-term debt repayment (MXN 000s)	198,000	1,000,000	-	4,465,626	-	-	-
Cost of debt	4.9%	4.9%	4.8%	4.8%	5.3%	5.3%	5.3%
Financial expense	(416,814)	(498,625)	(531,773)	(577,007)	(679,224)	(705,762)	(732,919)
BoP Long-term debt							
BoP	7,343,936	9,668,878	10,683,173	11,474,016	12,567,956	13,063,155	13,569,379
Issuance	2,522,942	2,014,295	790,843	5,559,565	495,199	506,224	518,563
Repayments	(198,000)	(1,000,000)	-	(4,465,626)	-	-	-
Long-term bank and stock market loans	**9,668,878**	**10,683,173**	**11,474,016**	**12,567,956**	**13,063,155**	**13,569,379**	**14,087,942**

Equity	2024E	2025E	2026E	2027E	2028E	2029E	2030E
FX peso/dollar	19.80	20.00	20.53	20.77	20.95	21.14	21.32
Equity/assets (excluding cash) goal	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%
Equity goal	29,981,018	33,126,119	35,578,345	38,970,406	40,505,907	42,075,592	43,683,541
Contributed equity issuance (MXN 000s)	4,190,084	3,528,794	2,858,740	3,832,298	2,062,174	2,100,818	2,142,566
BoP Contributed equity							
BoP	21,636,177	25,826,261	29,355,055	32,213,795	36,046,093	38,108,267	40,209,085
Equity issuance	4,190,084	3,528,794	2,858,740	3,832,298	2,062,174	2,100,818	2,142,566
Contributed equity	**25,826,261**	**29,355,055**	**32,213,795**	**36,046,093**	**38,108,267**	**40,209,085**	**42,351,651**
AFFO	2,137,444	2,612,030	3,033,826	3,373,650	3,581,647	3,787,670	3,990,541
distribution %	95.9%	95.9%	95.9%	95.9%	95.9%	95.9%	95.9%
Dividends	2,050,012	2,505,185	2,909,728	3,235,651	3,435,140	3,632,736	3,827,309
Return per CBFI	8.3%	8.3%	8.3%	8.3%	8.3%	8.3%	8.3%
Price per CBFI	10.6	10.6	10.6	10.6	10.6	10.6	10.6
Dividends	2,050,012,462	2,505,184,769	2,909,728,101	3,235,651,092	3,435,140,383	3,632,736,177	3,827,308,762
Average number of CBFIs	2,330,089,182	2,847,448,021	3,307,260,856	3,677,712,084	3,904,455,993	4,129,047,712	4,350,203,184
BoP Accumulated results							
BoP	(924,531)	4,088,371	3,704,678	3,298,163	2,857,927	2,331,254	1,800,122
Net income	7,062,914	2,121,492	2,503,214	2,795,414	2,908,467	3,101,604	3,292,691
Dividends	(2,050,012)	(2,505,185)	(2,909,728)	(3,235,651)	(3,435,140)	(3,632,736)	(3,827,309)
BoP	**4,088,371**	**3,704,678**	**3,298,163**	**2,857,927**	**2,331,254**	**1,800,122**	**1,265,504**

8. VALUATION SUPPORT

FFO/AFFO Calculations	2024E	2025E	2026E	2027E	2028E	2029E	2030E
Net income (consolidated)	7,062,914	2,121,492	2,503,214	2,795,414	2,908,467	3,101,604	3,292,691
Executive CBFI plan	64,896	75,800	88,536	103,413	120,789	141,085	164,791
Gain/loss in fair value of properties	(5,179,785)	182,948	203,188	225,416	236,125	236,125	236,125
Gan/loss in long-term assets	(24)	(24)	(24)	(24)	(24)	(24)	(24)
Financial income	(159,370)	(190,651)	(207,561)	(225,217)	(240,104)	(249,485)	(259,085)
Financial expense	416,814	498,625	531,773	577,007	679,224	705,762	732,919
Gain/loss in exchange rate volatility	-	-	-	-	-	-	-
FFO	**2,205,444**	**2,688,190**	**3,119,126**	**3,476,009**	**3,704,478**	**3,935,067**	**4,167,418**
Maintenance Capex	(68,000)	(76,160)	(85,299)	(102,359)	(122,831)	(147,397)	(176,876)
AFFO	**2,137,444**	**2,612,030**	**3,033,826**	**3,373,650**	**3,581,647**	**3,787,670**	**3,990,541**

DISCOUNT RATE

WACC (US)		
Cost of Equity		**Comments**
Risk-free rate	3.81%	US 10 year Treasury
Equity risk premium	4.60%	US ERP based on A. Damodaran
Country risk	2.33%	Mexico CRP based on A. Damodaran
Risk premium	6.93%	
Beta	0.89	Re-levered beta from the REIT indsutry (A. Damodaran)
	6.18%	
Ke	9.99%	
Cost of debt		
Risk free rate	3.81%	US 10 year Treasury
Credit spread	1.75%	Fibra Mty's credit spread
Tax rate	0.00%	
After tax	5.56%	
Kd	5.56%	
Weights		
Debt	27%	Total equity (3Q 2024)
Capital	73%	Total liabilities (3Q 2024)
WACC	**8.79%**	

GLA EVOLUTION

GLA por Segmento		2023A	2024E	2025E	2026E	2027E	2028E	2029E	2030E
Industrial									
Northeast			727,829	1,032,469	1,120,690	1,210,704	1,252,015	1,291,358	1,328,828
Bajio			492,755	579,321	678,428	780,488	825,623	868,609	909,547
Others			160,923	160,923	160,923	160,923	160,923	160,923	160,923
Nortwest			106,782	106,782	106,782	106,782	106,782	106,782	106,782
Guadalajara			59,401	59,401	59,401	59,401	59,401	59,401	59,401
Total		1,425,795	1,547,690	1,938,896	2,126,224	2,318,298	2,404,744	2,487,073	2,565,481
	% Change		8.55%	25.28%	9.66%	9.03%	3.73%	3.42%	3.15%
Corporate offices									
Guadalajara			61,449	61,449	61,449	61,449	61,449	61,449	61,449
Monterrey			53,768	40,831	17,016	17,016	17,016	17,016	17,016
ZMCDMX			15,259						
Operative offices									
Multiple			75,302	75,302	75,302	75,302	75,302	75,302	75,302
Total		207,528	205,778	177,582	153,767	153,767	153,767	153,767	153,767
	% Change		-0.84%	-13.70%	-13.41%	0.00%	0.00%	0.00%	0.00%
Commercial: Multiple									
Multiple		19,350	19,350	19,350	19,350	19,350	19,350	19,351	19,352
Total		**1,652,673**	**1,772,818**	**2,135,828**	**2,299,341**	**2,491,415**	**2,577,861**	**2,660,191**	**2,738,600**
	% Change		7.27%	20.48%	7.66%	8.35%	3.47%	3.19%	2.95%

Source: Company's report & Team Analysis

9. DCF VALUATION

	2024E	2025E	2026E	2027E	2028E	2029E	2030E	TV
Year remaining	*25%*	*100%*	*100%*	*100%*	*100%*	*100%*	*100%*	
EBIT	92,510	121,782	138,077	151,916	160,177	168,763	177,111	181,539
(+) D&A	(65,401)	9,147	9,897	10,853	11,270	11,172	11,075	11,352
(-) Capex	(57,484)	(204,461)	(158,078)	(214,025)	(102,226)	(103,337)	(104,658)	(12,673)
(+/-) Change in WK	109	1,230	1,090	917	602	612	622	740
(-) Tax	-	-	-	-	-	-	-	-
Free cash flows	(30,266)	(72,302)	(9,014)	(50,339)	69,823	77,210	84,149	2,949,184
Discount rate	*0.13*	*0.75*	*1.75*	*2.75*	*3.75*	*4.75*	*5.75*	*5.75*
Discounted cash flows	**(29,942)**	**(67,860)**	**(7,777)**	**(39,920)**	**50,898**	**51,736**	**51,830**	**1,816,482**

PV free cash flows	8,964
PV TV	1,816,482
Enterprise value (USD 000s)	**1,825,446**
Debt	570,995
Cash	380,794
Net debt	190,201
Equity value (USD 000s)	**1,635,245**
CBFIs en circulación (000s)	2,437,681
Price per CBFI (USD)	0.67
Price per CBFI (MXN)	**13.44**

	WACC					
		9.8%	**9.3%**	**8.8%**	**8.3%**	**7.8%**
	1.5%	9.01	10.00	11.14	12.46	13.99
	2.0%	9.80	10.91	12.21	13.71	15.49
Growth	**2.5%**	10.69	11.96	**13.44**	15.19	17.28
	3.0%	11.72	13.17	14.89	16.94	19.43
	3.5%	12.91	14.60	16.61	19.06	22.09

Source: Company's report & Team Analysis

10. DDM VALUATION

	2024E	2025E	2026E	2027E	2028E	2029E	2030E	TV
Year remaining	*25%*	*100%*	*100%*	*100%*	*100%*	*100%*	*100%*	
Dividends	25,884	125,260	141,733	155,785	163,954	171,881	179,516	2,456,214
Discount rate	*0.13*	*0.75*	*1.75*	*2.75*	*3.75*	*4.75*	*5.75*	*5.75*
Discounted dividends	**25,571**	**116,595**	**119,944**	**119,860**	**114,687**	**109,310**	**103,795**	**1,420,167**
CBFI	582,522	2,847,471	3,307,312	3,677,774	3,904,530	4,129,137	4,350,310	4,350,310
Price per CBFI (USD)	**0.044**	**0.041**	**0.036**	**0.033**	**0.029**	**0.026**	**0.024**	**0.326**

Price per CBFI (USD)	0.560
Price per CBFI (MXN)	**11.22**

	Cost of equity					
		11.0%	**10.5%**	**10.0%**	**9.5%**	**9.0%**
	1.5%	9.43	9.88	10.39	10.96	11.61
	2.0%	9.72	10.22	10.78	11.41	12.13
Growth	**2.5%**	10.05	10.60	**11.22**	11.92	12.74
	3.0%	10.43	11.03	11.72	12.52	13.44
	3.5%	10.85	11.52	12.30	13.21	14.28

Source: Company's Annual Reports & Team Analysis

11. FFO VALUATION

	2024E	2025E	2026E	2027E	2028E	2029E	2030E	TV
Year remaining	*25%*	*100%*	*100%*	*100%*	*100%*	*100%*	*100%*	
FFO	27,847	134,409	151,930	167,354	176,806	186,182	195,464	2,674,417
Discount rate	*0.13*	*0.75*	*1.75*	*2.75*	*3.75*	*4.75*	*5.75*	*5.75*
Discounted cash flows	**27,510**	**125,111**	**128,574**	**128,761**	**123,677**	**118,405**	**113,016**	**1,546,330**
CBFI	582,522	2,847,471	3,307,312	3,677,774	3,904,530	4,129,137	4,350,310	4,350,310
Price per CBFI (USD)	**0.047**	**0.044**	**0.039**	**0.035**	**0.032**	**0.029**	**0.026**	**0.355**

Price per CBFI (USD)	0.607
Price per CBFI (MXN)	**12.16**

	Cost of equity					
		11.0%	**10.5%**	**10.0%**	**9.5%**	**9.0%**
	1.5%	10.21	10.71	11.26	11.88	12.58
	2.0%	10.53	11.07	11.68	12.37	13.15
Growth	**2.5%**	10.89	11.49	**12.16**	12.93	13.81
	3.0%	11.30	11.95	12.71	13.57	14.58
	3.5%	11.76	12.49	13.34	14.32	15.49

12. NAV VALUATION

Net Asset Value

	LTM
Last 12-months real estate NOI	2,321,163
Next 12 months growth in NOI	13.01%
Estimated next 12 months cash NOI	2,623,169
Cap rate	**8%**
Estimated value of operating real estate	32,789,609
Cash and equivalents	7,539,723
Land held for future development	567,000
Other Assets	2,302,277
Estimated gross asset value	43,198,609
Total debt	(11,305,699)
Other liabilities	(755,154)
Net asset value	**31,137,756**
Shares outstanding	2,437,681
NAV per share	**12.77**

	2023	2024				2025			
	Q3 A	Q1 A	Q2 A	Q3 A	Q4 E	Q1 E	Q2 E	Q3 E	Q4 E
Total revenue	607,505	605,007	626,443	726,288	736,147	745,608	745,608	747,699	807,490
Operating expenses	(55,628)	(53,579)	(64,813)	(70,060)	(93,498)	(86,132)	(86,132)	(86,132)	(86,132)
NOI	**551,877**	**551,428**	**561,630**	**656,228**	**642,649**	**659,476**	**659,476**	**661,567**	**721,359**
			LTM NOI	**2,321,163**			**NTM NOI**	**2,623,169**	

Next 12 months growth in NOI 13.01%

- The cap rate was taken from the last two acquisitions of Fibra Mty (Batach and Aerotech) which was 8%.
- The value obtained is quite similar to the 12.72 book value per CBFI reported during Q3 of 2024.

Cap rate

NOI growth	9.0%	8.5%	8.0%	7.5%	7.0%
12.0%	11.17	11.87	12.65	13.54	14.56
12.5%	11.23	11.93	12.71	13.61	14.63
13.0%	11.28	11.98	12.77	13.67	14.70
13.5%	11.33	12.04	12.83	13.73	14.76
14.0%	11.38	12.09	12.89	13.80	14.83

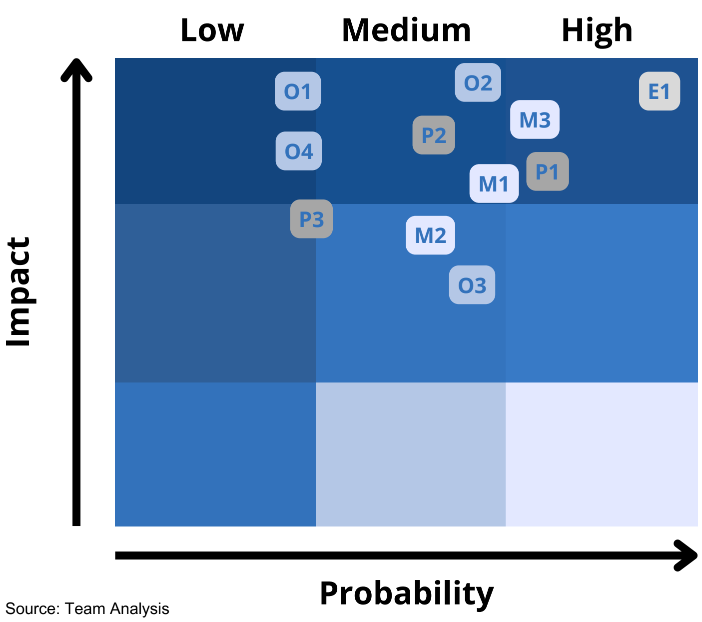
13. MULTIPLES VALUATION

Fibra Mty	Q4 2023	Q1 2024	Q2 2024	Q3 2024	LTM
FFO (MXN mm)	421.52	447.15	602.65	682.49	**2,153.80**
AFFO (MXN mm)	408.30	459.81	585.65	665.49	**2,119.24**

Multiples 2023

	Cap rate	Occupancy rate	NOI (MXN mm)	Price/AFFO	Price/FFO
Fibra Monterrey	7.1%	96.3%	1,947	12.4x	13.2x
Fibra Macquarie	9.2%	98.1%	3,739	12.3x	10.0x
Fibra Prologis	5.6%	98.8%	4,803	31.8x	24.6x
Fibra Terrafina	8.3%	98.1%	3,579	13.3x	11.2x
Vesta	6.0%	93.4%	3,538	NA	36.3x
Percentil 25	5.7%	94.6%	3,548	12.3x	10.3x
Median	**7.1%**	**98.1%**	**3,659**	**13.3x**	**17.9x**
Percentil 75	9.0%	98.6%	4,537	31.8x	33.4x
Average	7.3%	97.1%	3,915	19.1x	20.5x
Price per CBFI (MXN)				**15.85**	**11.53**

14. RISK MATRIX



Probability:
Low
Medium
High

Impact:
Low
Medium
High

O1. Value of properties and cash flows
O2. Clients' business health
O3. Tougher competition
O4. Growth expectations

M1. Exchange rates
M2. Interest rates
M3. Certificate Illiquidity

P1. US elections
P2. Mexican Government
P3. Mexico Infrastructure

E1. Climate change and transition risk

Source: Team Analysis

15. PESTEL ANALYSIS

Political	• **Mexico's trade relations** have a significant impact on the demand for industrial space due to the growth of manufacturing and international trade. Trade policies with the US and Canada, the revision of the T-MEC may affect the growth of Fibra Mty. • Mexican industrial warehouses are exposed to regulatory changes because of their tax treatment. • The legal uncertainty in Mexico derived from the political party in charge of the country is causing a reduction in investment by foreign companies.
Economic	• The **political uncertainty between Mexico and the US** has generated greater volatility in the MX/US exchange rate, since Fibra Mty has a large part of its leasing contracts in dollars. The recent **appreciation of the dollar has favored the company in terms of income and portfolio valuation.** • **Industrial REITs are favored by nearshoring,** which has caused growth in the manufacturing and logistics industry in Mexico.
Social	• **Changes in tenant preferences** could cause them to no longer find the properties they use or were interested in attractive. • **Tenants and investors increasingly value sustainability issues applied to their properties.** Failure to address these issues may cause them to feel less interested in those properties.
Tecnological	• **The adoption of automation technologies in production and logistics processes** can transform the demand for industrial spaces and generate new investment opportunities for industrial warehouses. • **Digitization of real estate processes** can improve operational efficiency and reduce costs for industrial property lessors. • The availability and quality of **technological infrastructure (Internet, electricity, etc.)** are critical factors in attracting companies to industrial parks.
Environmental	• Natural disasters or other events caused by **climate change** may physically damage REITs' properties. • As more environmental awareness is generated, **environmental regulations are becoming stricter.** As a result, there is an increasing demand for sustainable real estate, being an opportunity for differentiation for industrial lessors.
Legal	• REITs in Mexico must comply with tax and income distribution regulations in accordance with the Mexican Income Tax Law. They are therefore required to **distribute at least 95% of net income to their investors and maintain a certain percentage of assets in real estate.** • **REITs in Mexico, is subject to regulations by authorities such as the SHCP (Secretaría de Hacienda y Crédito Público).**

Source: Team Analysis

16. SWOT ANALYSIS

STRENGTHS

S

- Fibra Mty has an internal management team which allows for greater efficiency and transparency as well as lower administration costs.
- It has an investment grade credit rating, allowing it to obtain debt at very competitive rates.
- Fibra Mty has managed to significantly increase its gross leasable area (GLA) over the years, diversifying into the industrial sector.
- Most of its income is in dollars, having a lower exchange rate risk.
- Most of its leases are linked to inflation indices, protecting its profitability.
- They have a relatively strong occupancy rate (96.0% as of 3Q24).

WEAKNESS

W

- If any of its main tenants does not fulfill obligations or does not renew the contract.
- They have assets with low occupancy rates, which affects overall profitability. Although there is a plan to divest these assets, they remain a challenge.

OPPORTUNITIES

O

- Nearshoring has boosted demand for industrial space, especially in areas where Fibra Mty has a presence, such as the north and Bajío.
- Fibra Mty has an acquisition pipeline with more than $700 million dollars in industrial properties under evaluation or in the process of purchase, increasing its GLA and diversifying its portfolio/income and increasing its market share.
- Have been investing in operational and energy efficiency improvements, which will not only reduce operating costs but also improve their ESG profile, which may attract more investors interested in sustainability.

THREATS

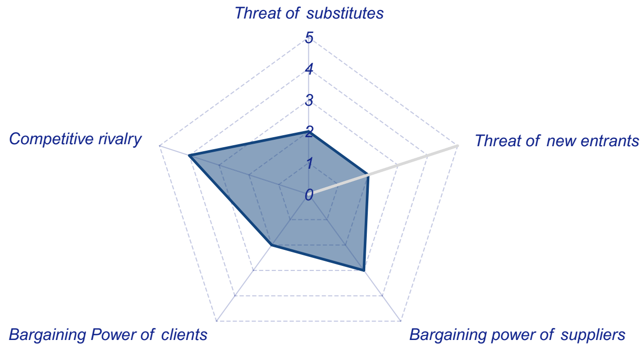
T

- Fibra Mty has a favorable debt structure in the short term; a sustained increase in global interest rates could make future financing more expensive and reduce margins on future acquisitions or expansions.
- Uncertainty in trade policies between the U.S. and Mexico, especially with the U.S. presidential election, could result in the imposition of new tariffs or trade barriers that impact Fibra Mty tenants, affecting their ability to fulfill lease agreements.
- Competition with other FIBRAs in Mexico could lead to increased pressure on occupancy rates and rental prices in the future.
- Any changes in demand for industrial space due to technological advances, automation or supply chain disruptions could impact your property occupancy and revenue in the long term.

Source: Team Analysis

THREAT OF NEW ENTRANTS

- REITs require a **significant initial investment**, which acts as a barrier to new entrants.
- Successfully managing and leasing properties at a large scale **requires deep industry knowledge and a robust network** to attract high-quality tenants.
- **Major competitors, including Fibra Mty, benefit from economies of scale** that allow them to operate more profitably and have a competitive pricing structure, discouraging new competitors from entering the market who have difficulty matching these efficiencies.



BARGAINING POWER OF SUPPLIERS

- If **construction materials become more expensive**, this could increase development and maintenance costs for all REITS in Mexico.

BARGAINING POWER OF CLIENTS

- For tenants, **transitioning operations from one industrial park to another involves significant switching costs**, and Fibra Mty benefits from this rigidity, offering built-to-suit properties.
- **Major tenants can negotiate favorable terms due to their size and importance**, Fibra Mty's portfolio is increasingly diversified so that if a tenant decides to leave or experiences operational problems, the impact on revenue is minimized.

Source: Team Analysis

THREAT OF SUBSTITUTES

- **Clients may consider developing their own buildings** rather than leasing them; however, the high CAPEX cost for such projects and the management complexities involved deter most companies, finding leasing with Fibra MTY more attractive.
- **Fibra Mty focuses on the quality of its rental**s by providing quality service and privileged locations, managing to retain tenants who would otherwise consider alternatives.

COMPETITIVE RIVALRY

- It´s a **very competitive sector** and each of these competitors seeks to attract large corporate tenants and **maintain high occupancy levels,** which intensifies competition.In addition, **acquisitions are very competitive** as we saw with the acquisition of Terrafina by Prologis.
- Fibra Mty and its peers **constantly seek to differentiate their market share** through pricing, strategic locations and additional services.

18. ORGANIZATIONAL STRUCTURE

Name	Age	Position	Experience	Education
Jorge Ávalos Carpinteyro	56	Chief Executive Officer	+30 years in the finance sector	MBA (Dallas University)
Javier Llaca García	59	Operations and Acquisitions Director	+30 years in real estate sector	Bachelor's in Engineering (ITESM)
Jaime Martínez Trigueros	60	Administration and Finance Director	+30 years in the stock market	Bachelor's in Economics (ITAM)
Eduardo Elizondo Santos	48	Legal Director	+23 years in corporate law	Master's in Law (Southampton University)
Victor Manuel Treviño Herrera	58	Treasury Director	+35 years in corporate	MBA (ITESM)
Verónica Barajas Treviño	44	Controller Director	+15 years in financial reporting	Bachelor's in Accounting (UANL)
Luis Alberto Delgado de la Fuenta	53	Acquisitions Director	+9 years as Acquisitions Director in Fibra Mty	Bachelor's in Accounting (Monterrey University)
André de Sousa Ramalho	45	Operations Director	+20 years in construction sector	MBA (North Carolina University)
César Guillermo Rubalcava Plascencia	31	Investor Relations Director	+10 years in investor relations	Bachelor's in Financial Administration (ITESM), CFA & CAIA

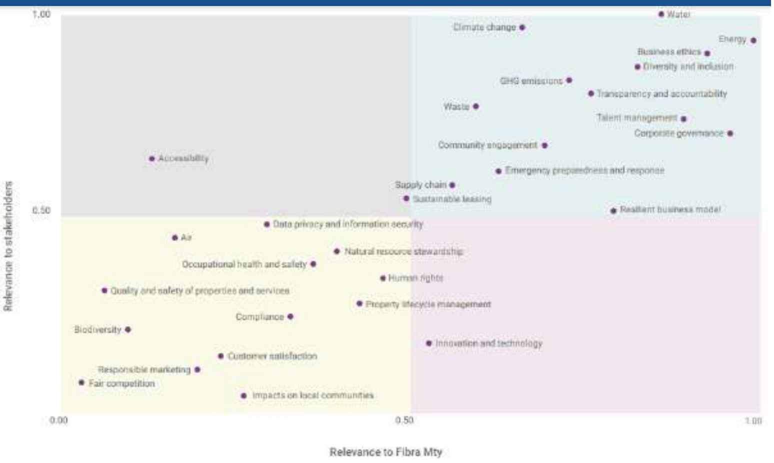
Source: Company's 2023 Annual Report

19. TECHNICAL COMMITTEE

Name	Tenure (Years)	Gender	Title	Competence in ESG topics - Years of expereience
Federico Garza Santos	9	Man	Chairman, proprietary member	Risk management - 30 Talent and human capital management - 30 Community engagement, philantrophy and community support - 30
Guillermo Enrique Babatz Torres	9	Man	Proprietary Member	-
Eugenio Santiago Clariond Reyes	9	Man	Proprietary Independent Member	Business ethics, regulatory compliance, anti-corruption, anti-bribery, money laundering prevention - 50 Water management and conservation, water discharge, and waste water treatment - 35 Energy management, including energy from renewable sources - 30 Corporate governance management - 30 Talent and human capital management - 30 Climate change risk management - 30 Community engagement, philanthropy and community support - 30 Waste management, reuse, recycling and circular economy - 30 Supply chain management - 30 Promoting sustainable practices with tenants - 30
Juan Carlos Calderón Guzmán	9	Man	Proprietary Independent Member	Risk management - 29 Talent and human capital management - 14 Promotion of diversity and inclusion, gender equity, equal opportunities, reduction of the salary gap, etc. - 14
Alberto Federico Terrazas Seyffer	9	Man	Proprietary Independent Member	Community engagement, philanthropy and community support - 20 Business ethics, regulatory compliance, anti-corruption, anti-bribery, money laundering prevention - 10 Corporate governance management - 10 Talent and human capital management - 10
Andrés Ochoa Bünsow	6	Man	Proprietary Independent Member	Community engagement, philanthropy and community support - 40 Risk management - 35 Business ethics, regulatory compliance, anti-corruption, anti-bribery, money laundering prevention - 35 Corporate governance management - 35 Talent and human capital management - 35
Luz Adriana Ramírez Chávez	4	Woman	Proprietary Independent Member	Business ethics, regulatory compliance, anti-corruption, anti-bribery, money laundering prevention - 29 Promotion of diversity and inclusion, gender equity, equal opportunities, reduction of the salary gap, etc. - 29 Community engagement, philanthropy and community support - 29 Talent and human capital management - 25
Silvia Lucía Dávila Kreimerman	3	Woman	Proprietary Independent Member	Talent and human capital management - 30 Promotion of diversity and inclusion, gender equity, equal opportunities, reduction of the salary gap, etc.- 20 Community engagement, philanthropy and community support - 20
Carmen Eugenia Garza T Junco	2	Woman	Proprietary Independent Member	Community engagement, philanthropy and community support - 19 Corporate governance management - 12
Jorge Silberstein Tenenbaum	1	Man	Proprietary Independent Member	Risk management - 25 Business ethics, regulatory compliance, anti-corruption, anti-bribery, money laundering prevention - 25 Corporate governance management - 25 Talent an human capital management - 25 Promotion of diversity and inclusion, gender equity, equal opportunities, reduction of the salary gap, etc. - 25 Management of environmental, social and economic performance indicators and reporting - 25 Community engagement, philanthropy and community support - 25 Mitigation and business adaptation to social, environmental or political changes - 25

Source: Company’s 2023 Sustainability Report

20. MATERIALITY MATRIX

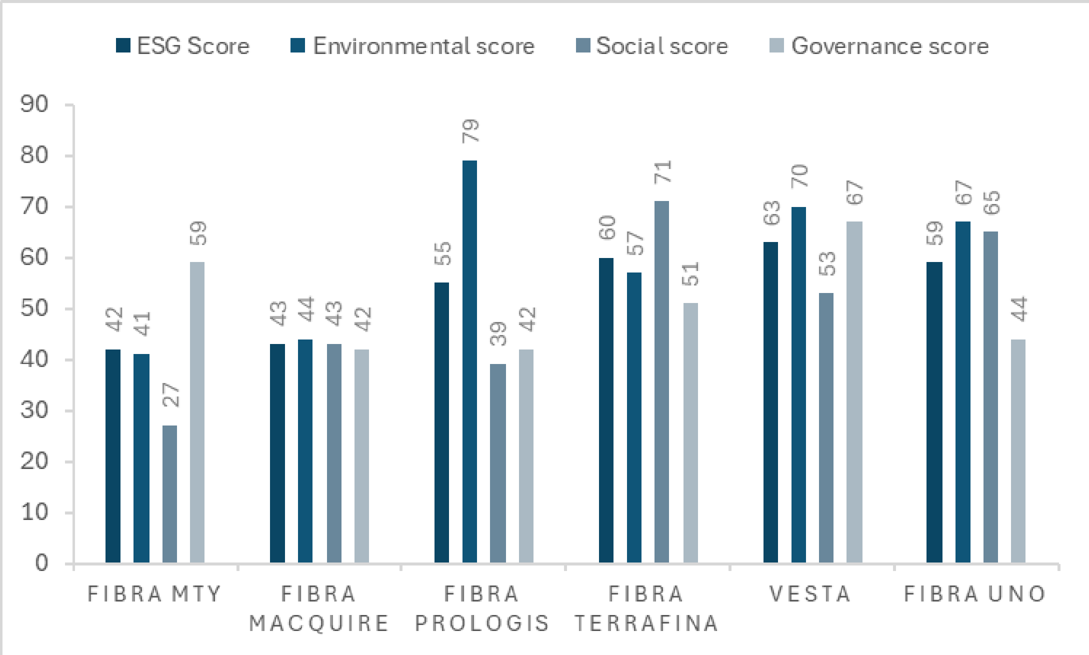


Source: Company’s 2023 Sustainability Report

21. DOUBLE MATERIALITY MATRIX

Source: Company’s 2023 Sustainability Report

22. S&P ESG Scores



Source: Capital IQ

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