



CREATING...

INTEGRATED
ANNUAL REPORT

2019

...THE S



(102-1, 102-4)

About us



Fibra Danhos is a Mexican trust created primarily for the purpose of developing, owning, leasing, operating and acquiring iconic and premier-quality commercial real estate assets in Mexico. We are the first Mexican REIT focused on development, redevelopment, acquisition and management of premier-quality retail, offices and mixed-use spaces, particularly in the Mexico City Metropolitan Area and in the Puebla City Metropolitan Area.

Our Current Portfolio consists of 15 properties that include retail space, offices and mixed-use projects, all of them iconic, premier-quality properties.

We consider a property to be iconic when it has the unique ability to transform the area around it, is in a prime location, has been developed with the highest standards of construction and design, is leased to high quality tenants and, in the case of shopping centers, reports a high traffic flow of visitors and sales per square meter.

Mission

To create, operate and innovate iconic, premier properties with outstanding identity and quality of life, through our know-how, experience and passion.

KYLINE



(102-16)

Vision

To transform select urban spaces into metropolitan areas through the acquisition or development, renewal and administration of retail, office and mixed-use properties, expanding our portfolio and generating value for all our stakeholders.

Values

- Transparency
- A vocation for service
- Honesty
- Equal treatment
- Respect for free competition

Distinguishing features

- Premier quality portfolio in the MCMA and the PCMA
- Experienced, committed team, with an incomparable business vision
- Strong growth potential
- High visibility, low risk
- Solid alignment with investors
- Best corporate governance practices
- Attractive capital structure
- Sustainability implemented in all areas of the FIBRA
- Alignment with best ESG practices



FIBRA DANHOS OVERVIEW



(102-2, 102-4, 102-6)

RETAIL PORTFOLIO



Parque Las Antenas



Located on the outskirts of the Iztapalapa and Xochimilco delegations of Mexico City, a densely populated zone with no other quality retail or entertainment options.

 108,830 m²  4,351



Parque Puebla



In the suburbs of a city with 3 million inhabitants, the fourth largest in the country.

 71,368 m²  3,404



Parque Delta



The most successful shopping center in the country in terms of visitors and revenues for tenants per square meter.

 70,831 m²  2,999



Parque Durazos

The first lifestyle shopping center in the country.

 16,389 m²  1,002



M² OF LEASABLE
AREA





PARKING
SPACES



Parque Tezontle



Has helped create a service zone that has become a regional sub-center, improving the businesses located around it.

 68,318 m²  3,045



Parque Lindavista

The response to under-served demand for a shopping space with a modern, comfortable ambience.



 41,558 m²  2,254

MIXED-USE PORTFOLIO



Toreo Parque Central



A mixed-use project located in one of the most heavily trafficked areas of the MCMA, which includes a hotel (Fiesta Americana Toreo) and three towers.

 110,003 m²  3,800



Parque Vía Vallejo

The largest shopping center in the MCMA, opened in 2016, with a lifestyle retail component and possibilities for expansion.

 84,619 m²  4,499

FIBRA DANHOS OVERVIEW (continued)



(102-2, 102-4, 102-6)

MIXED USE PORTFOLIO



Parque Alameda



In the heart of historic downtown Mexico City, this property is part of the area's revitalization.

 15,755 m²  308



Reforma 222


A radically different concept in the Paseo de la Reforma corridor: an exclusive shopping center with triple-A offices and spectacular residential buildings.

 44,688 m²  1,726



Parque Tepeyac

A new development to be opened soon, located in the northeast of Mexico City, a densely populated zone with a residential and retail vocation

 70,000 m²*

4 *Fibra Danhos owns 50% of this project.





M² OF LEASABLE
AREA



PARKING
SPACES



OFFICE PORTFOLIO

11



Torre Virreyes

A real-estate benchmark in Mexico City in the Lomas Palmas corridor, bringing together a mix of triple-A corporate and commercial tenants.



 67,878 m²  2,251

12



Urbitec

Offices distributed on six levels, with core services at the center of the buildings, located in Bosques de las Lomas.



 12,912 m²  316

13



Parque Esmeralda

Three independent towers on the first Mexico City office campus on Avenida Insurgentes Sur.



 34,151 m²  1,636

14



Parque Virreyes

25 years after construction, it remains one of the most attractive buildings in this area of Lomas de Chapultepec.

 7,783 m²  251

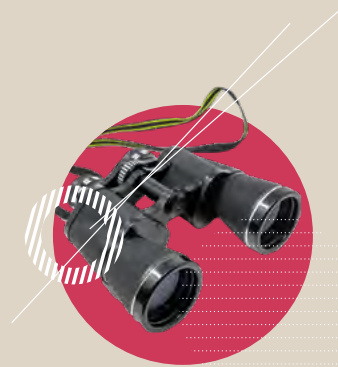
STRATEGY AND BUSINESS MODEL

(102-15, 103-2)



Thanks to our real-estate strategy focused on undertaking complex, high-quality, technically challenging projects, we have developed a portfolio of iconic properties with a sustainable long-term vision, which not only bring a high return on our investment, but also create value in all their areas of influence and grow in value over time.

BUSINESS MODEL



1

Conception
and viability
analysis



2

Land selection,
acquisition,
assembly



3

Master plan /
permits and
licenses



A **MARKET** focused on iconic, premier-quality properties.



TENANTS with attractive, modern business proposals and a sales and marketing team with more than 40 years of experience.



CLOSE COMMUNICATION with and support from our stakeholders, and an investor relations department that promotes a virtuous circle of information and continuous improvement.



High **OPERATIONAL METRICS**: more than 110 million visitors a year and an average occupancy of close to 98.3% in same-property terms, 90.6% in total property terms.



BUILDINGS that transform their zones of influence economically and socially, with a high-quality base of clients and tenants



A **TEAM WITH EXPERIENCE** in building, operating and selling complex, technically exacting projects, and an efficient cost structure.



ESG CRITERIA integrated into the business strategy as guiding principles; our buildings act as agents of positive transformation of the world around them, with no negative impacts on or displacement of communities, and which are distinguished by the rational, efficient use of the natural resources needed to develop and manage them.



4

Budgets and general contracting



5

Construction supervision



6

Marketing and leasing



7

Operation and maintenance

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

(102-14)

To our stakeholders,

2019 was a year of challenges, marked by macroeconomic stability and fiscal discipline but without economic growth. Geopolitical and global tensions around the world, combined with a variety of internal factors, fostered uncertainty, affecting investment levels and causing a slowdown in consumption.

In this climate, we decided to act prudently, seeking to improve our operating efficiency, profitability and growth. We paid off the Danhos 16-2 bond for \$ 1 billion pesos at maturity, further strengthening our cash flow generation and financial structure.

For the year 2019, we reported consolidated revenues and NOI of \$ 5.79 billion and \$4.70 billion pesos, respectively, 12.4% and 13.2% higher than the previous year.

NOI excluding TAP was \$ 4.29 billion, a 13.2% year-over-year growth. For this period, the Technical Committee approved a distribution of \$ 2.47 pesos per Real-Estate Trust Certificate (CBFI), as a result of an AFFO per certificate with economic rights of 2.7558. Accrued revenues totaled

\$ 5.79 billion, a 12.5% year-over-year growth. The NOI margin was 81.1%, growing 56pb over 2018, attributed to economies of scale and strict control over operating expenses.

Our operating retail portfolio was remarkably resilient last year: we were able to renew expiring contacts on 63,494 m², representing approximately 7.0% of our leasable commercial area, and achieved an average lease spread of 7.6%. At Parque Puebla, we successfully opened the Michin Aquarium, enriching this center's entertainment offering and increasing visitor traffic. In our developments, work



consolidated NOI



**Salvador Daniel
Kabbaz Zaga**

Chief Executive Officer
Fibra Danhos

continued on Parque Tepeyac, which is now 21.6% complete overall and sell-in is proceeding very successfully.

For 2020, we will stay the course, strategically speaking, making responsible decisions to achieve the goals we have set, committed not only to growing the assets that make up our portfolio but also to the development of this country and the advancement of our employees. Our social commitment is unshaken, and we will continue to focus on maintaining a solid business model, with internal programs that strengthen us as a team and connect the needs of the business with those of society.

We are working to become a benchmark in environmental management of our buildings, addressing the needs of our various stakeholders. Based on issues identified as material in the areas of environment, society and corporate governance, we will reinforce our existing achievements and address areas of opportunities identified in this study.

We will also seek to be included in sustainability indexes that speak to our

efforts. This year we obtained Green Star recognition from the Global Real Estate Sustainability Benchmark (GRESB), as well as the rating of institutional investors in sustainability issues, in the S&P Robeco Sam index.

I am grateful for the invaluable contributions of our Technical Committee, to our management team for their vision and dedication, which have been fundamental for this group's success; to our employees, for their hard work and commitment to achieving the goals we set; and to our shareholders, for the trust they have placed in us. We are, and we will continue to be, an intelligent, safe investment, seeking out and seizing new opportunities in Mexico, to contribute to the development of our country and shaping the urban skyline of Mexico City.

MESSAGE FROM THE ESG DIRECTOR

(102-29)

We are very pleased to present this integrated 2019 report for Fibra Danhos, in which we demonstrate our responsibility and commitment to being a company that fully complies with the highest environmental, social and corporate governance (ESG) standards.

For two years now we have prepared our report in accordance with GRI indicators, incorporating an increasing a number of aspects so that we can remain profitable as a company, while at the same time evolving to become a socially and environmentally responsible company as well. We are aware of the need to continually expand infrastructure to meet the needs of a growing population and economy. For this reason, and given our area of business, we work to create solutions that can help mitigate our impact, and systems that help us measure it in all the activities we carry out

In environmental aspects, we are particularly attentive to our management of energy, water and waste, the most important components of our operations and those which directly affect the activities of the properties we manage.

Although our consumption of electricity grew slightly over the previous year – in line with the growth of our portfolio – if we look at our consumption in same-development terms, we actually consumed less. And starting next year we expect to reduce this further, as we begin using renewable energy.

Managing water consumption is another key concern for Fibra Danhos. We are constantly monitoring and tracking our water footprint and introducing initiatives to save substantial amounts of this vital resource.

Waste management is also a key element of our approach to environmental care, because it

is one way we can positively influence our value chain. We have a method for responsible separation and disposal of 100% of the waste generated in all our operations.

One tangible sign of our environmental commitment is our implementation of AIM software, which will enable us to comprehensively manage all our properties. By 2020, this software will be fully installed,



**Green Star
Distinction**

**For our High Level
of Sustainability**



Jonathan Cherem Daniel
ESG Director

with the corrections incorporated form its first phase of operation.

In the area of social responsibility, we create positive impacts by being a profitable company and creating jobs, but we also offer our employees a comprehensive compensation and benefits package that exceeds the regulatory minimum, and with this we try to attract and retain the best talent and help improve their quality of life. In addition to competitive salaries, we offer benefits beyond what the law requires, like a savings fund and major medical insurance.

Because one of our priorities is to encourage fluid communication with our employees, every year we conduct an opinion survey to obtain the feedback we need from them to affirm our policies and strategies and thus create a good working environment characterized by well-being, safety and health, and where human rights are fully respected.

Our suppliers are key allies, and involving them in our sustainability strategy is a target

we are constantly working towards. We know how important it is to have an excellent supply chain, so we try to manage it properly and bolster relations with our suppliers in order to reduce potential risks and expand our sphere of influence.

On the matter of corporate governance, we know that this is the framework within all the other elements are managed. Accordingly, at Fibra Danhos we have assigned various human resources the task of incorporating ESG factors into our decision-making. The committee in charge of this area is headed by the Chief Financial Officer, Chief Legal Officer, and head of Investor Relations, as well as an independent advisor.

We have financial, environmental and social targets, as well as various policies that address each of the material aspects of our management. First, the Code of Ethics, which establishes the foundations for the performance of all members of the Fibra Danhos family and everyone with whom we have relations. We also

have specific policies like Diversity and Inclusion; Occupational Safety; Environmental Protection; Anti-Corruption; Sustainable Sourcing; Stakeholder Relations and Sustainability; Recruitment, Selection and Hiring of Personnel; and a Supplier policy.

We invite you to read this report and share with us our progress, our challenges and opportunities, so that we can become increasingly better as a company, for all our stakeholders and for our country.

HIGHLIGHTS OF THE YEAR



- Paid off the Danhos 16-2 bonds totaling \$ 1 billion pesos at maturity, further strengthening our cash flow and financial structure.



- Earned Green Star distinction from GRESB, awarded to real-estate developers who demonstrate a high level of commitment to the Management & Policy and the Implementation & Measurement dimensions, in the area of sustainability.

- Opening of a new amusement park at Parque Las Antenas, with rides and much more, attracting a great number of visitors.



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AT A

- Opening of the Michin Aquarium at Parque Puebla, a significant attraction for the property that substantially increases visitor traffic. In its first month of operation along more than 100,000 people visited the Aquarium.



COMPETITIVE ADVANTAGES IN AN ADVERSE CLIMATE

- Low leverage (8.5% total debt/assets).



- Financial discipline and cautious investment: we have a very healthy balance sheet, and both sales and dividends have been rising since we went public.



\$2 billion pesos

- Bonds rated AAA by Fitch Mexico and HR Ratings de México.



- Concentration in Mexico City, where the economy is much more resilient and less vulnerable to macroeconomic, political and economic events.



in available lines of credit



9

GLANCE

- Solid retail portfolio with a quarterly flow of 35.2 million visitors, 8.4% more than in 2018. All totaled, we welcomed more than 125 million people in 2019, compared to 110 million in 2018.
- High total property occupancy – 92.2% – an increase of 160 basis points. Same-property occupancy was stable at 98%.



+125

million visitors in 2019



2019

AT A GLANCE

KEY ASPECTS OF OUR EMBLEMATIC DEVELOPMENTS

- Parque Las Antenas reported an occupancy rate of 88.3% and high footfall during the year: 184 million visitors and 1.8 million vehicles, increases of 179% and 84% compared to 2018. Gross Leasable Area (GLA) saw an 88.3% advance in sell-in, based on signed contracts, and 96.4% including letters of intent and contracts in the signing process.
- At Parque Puebla the Michin Aquarium opened, complementing the mall's entertainment offering and bringing in substantially more visitors. In the first month of operation, more than 100,000 visitors came to the aquarium.
- Construction of Parque Tepeyac is under way and progressing according to plan: the facility is 21.6% complete to date. The project will have more than 120,000 m² of retail space and is anchored by department stores, retail, supermarket and entertainment chains, and has already successfully begun the sell-in process.
- Progress toward sell-in of the offices at Parque Toreo. Tower A has signed contracts for 66.5% of the leasable area, and towers B and C, 84.7%.



(102-31)

Operating targets

- Full installation of the AIM Software for total management of all our properties. Installation consists of four phases: gathering information, developing workflow within AIM, training, and installation in properties. In 2019 we completed 100% of phases 1, 2 and 3 and 85% of phase 4.



2020

With this software, we will also be able to achieve a 95% scope in environmental indicator reporting.

- Based on a workplace survey, we will focus increasingly on the expectations and needs of our employees in order to improve levels of participation and satisfaction.

Financial targets

- Maintain a stable and growing dividend.
- Maintain a solid capital structure, with low leverage and the flexibility to invest in new projects.

- Grow NOI in two ways: continuing our process of property stabilization to reach new occupancy levels of +95% – the properties currently in stabilization are Las Antenas, Puebla and Toreo – and maintaining strict control over operating expenses.
- Meet capex requirements to be able to successfully complete the Parque Tepeyac project, and shape the new project around high-quality, competitive tenants, with the aim of increasing the flow of leasing rights.
- Evaluation of new projects for eligibility.

Social targets

- Strengthen our relationship with stakeholders based on consultation with local communities and work with nonprofit organizations, among other actions.

TARGETS



- Create plans for trainees and interns, form agreements with universities (ITAM, ITESM, Anáhuac), and create an automated evaluation model for determining suitability for the position. (404-2)



- Develop career and succession plans, a performance evaluation system and a system of incentives and variable compensation, along with an institutional onboarding program. (404-2)
- Develop an institutional health and nutrition program.
- Create a volunteer program for employees; promote educational initiatives and create a program of donations based on a percentage of annual profits, as well as product donations to the community.
- Develop clearer communication content for each stakeholder group.
- Improve the form and media for communications (web and microsite).

Environmental targets

Increasingly improve our control of environmental indicators. In 2019 we were able to report 95% of these indicators, based on better monthly reporting of environmental information for each property, as well consolidated information at the FIBRA level.

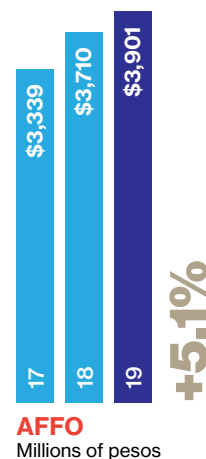
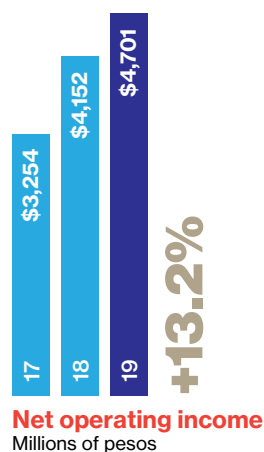
KEY FINANCIAL AND OPERATING FIGURES

(102-7)

Financial indicators	2019	2018	2017	% Chge.
Total revenue	\$5,794,455,671	\$5,152,971,813	\$4,136,664,162	12.4%
Net Operating Income (NOI)	\$4,701,411,419	\$4,152,300,948	\$3,253,648,135	13.2%
EBITDA	\$3,946,758,448	\$3,426,031,863	\$2,681,914,156	15.2%
Net profit	\$4,104,766,090	\$3,891,797,290	\$5,166,261,356	5.5%
FFO	\$3,561,563,983	\$3,170,877,173	\$2,649,533,679	12.3%
AFFO	\$3,900,564,424	\$3,710,327,975	\$3,339,320,043	5.1%
AFFO per CBFI with economic rights	\$2.76	\$2.68	\$2.53	2.8%
Distribution to holders of CBFI	\$3,496,063,839	\$3,322,529,464	\$3,015,422,488	5.2%
CBFIs with economic rights	1,415,410,461	1,384,387,277	1,322,146,046	2.2%
Distribution per CBFI with economic rights	\$2.47	\$2.40	\$2.28	2.9%

FFFO = Flow from Operations
AFFO = Adjusted Flow from Operations

Balance sheet data	2019	2018	2017	% Chge in bp
Cash and cash equivalents and restricted cash	490,355,748	1,808,607,828	3,088,324,660	-72.9%
Recoverable tax, mainly income tax	84,514,506	37,599,750	2,304,907	124.8%
Investment properties	64,364,614,588	62,716,149,554	60,371,665,765	2.6%
Total assets	\$65,447,797,171	\$65,048,955,871	\$63,985,768,434	0.6%
Total debt	5,650,000,000	6,500,000,000	6,500,000,000	-13.1%
Total liabilities	\$7,749,222,496	\$8,840,851,982	\$9,035,500,497	-12.3%
Total stockholders' equity	\$57,698,574,675	\$56,208,103,889	\$54,950,267,937	2.7%
Loan to value	8.6%	10.0%	10.20%	-16.6%



NOI, Fixed rent and overage by property

Properties currently in Operation	NOI				Fixed rent and overage			
	2019	2018	2017	% Chge.	2019	2018	2017	% Chge.
Retail								
1. Parque Delta	697,890,504	666,330,922	625,768,326	4.7%	436,021,841	416,401,796	391,323,220	4.7%
2. Parque Duraznos	91,851,375	86,852,174	82,164,033	5.8%	69,806,465	65,119,939	65,591,717	7.2%
3. Parque Lindavista	371,761,335	359,662,716	331,283,502	3.4%	272,599,034	263,505,123	248,953,453	3.5%
4. Parque Tezontle	494,764,445	505,178,328	454,838,574	-2.1%	380,021,153	364,853,204	328,683,545	4.2%
5. Parque Via Vallejo	265,114,803	240,347,396	212,635,719	10.3%	272,450,732	255,195,780	235,125,601	6.8%
6. Parque Puebla	286,168,794	236,579,993	25,945,659	21.0%	224,488,345	190,600,378	33,700,071	17.8%
7. Parque las Antenas	440,946,523	135,905,268		224.5%	341,538,255	119,607,254		185.5%
Retail Subtotal	2,648,497,779	2,230,856,796	1,732,635,813	18.7%	1,996,925,824	1,675,283,474	1,303,377,607	19.2%
Office								
8. Parque Esmeralda	129,517,856	118,158,782	110,281,153	9.6%	138,328,880	128,933,553	115,743,858	7.3%
9. Urbitec	56,022,298	49,840,413	45,041,934	12.4%	56,199,022	53,789,723	48,730,928	4.5%
10. Parque Virreyes	43,449,296	41,632,979	35,384,001	4.4%	45,621,684	44,383,357	38,302,659	2.8%
11. Torre Virreyes	609,606,707	586,588,137	472,450,038	3.9%	608,522,475	585,401,060	483,792,308	3.9%
Office Subtotal	838,596,157	796,220,311	663,157,126	5.3%	848,672,062	812,507,694	686,569,753	4.5%
Mixed-use								
12. Parque Alameda	47,242,495	42,563,698	37,404,802	11.0%	48,768,073	44,150,840	40,122,607	10.5%
13.1 Reforma 222 (Retail)	175,649,008	160,514,807	141,570,633	9.4%	135,558,130	131,986,032	116,351,721	2.7%
13.2 Reforma 222 (Office)	107,300,915	124,178,664	123,121,050	-13.6%	114,848,174	129,976,365	131,407,742	-11.6%
14.1 Toreo (Retail)	450,472,781	408,463,230	360,229,282	10.3%	385,600,619	355,668,440	314,959,467	8.4%
14.2 Toreo (Tower A)	135,970,953	116,226,773	1,130,087	17.0%	147,913,636	126,296,833	3,115,416	17.1%
14.3 Toreo (Tower B and C)	243,556,698	225,318,590	184,407,596	8.1%	257,544,249	244,145,953	197,394,881	5.5%
14.4 Toreo Hotel	55,797,416	54,370,691	50,022,468	2.6%	56,539,689	55,406,333	50,982,303	2.0%
Mixed-use Subtotal	1,215,990,267	1,131,636,453	897,885,918	7.5%	1,146,772,570	1,087,630,798	854,334,137	5.4%
Total	4,703,084,203	4,158,713,561	3,293,678,857	13.1%	3,992,370,456	3,575,421,966	2,844,281,497	11.7%

Main operating indicators

Operating indicators	2019	2018	2017	% Chge/pb
Gross Leasable Area (000' sqm)	891.7	882.1	771.7	1.1%
Occupancy Rate - Total Properties	92.2%	90.6%	89.0%	160.0
Occupancy Rate - Same Properties	98.2%	98.3%	97.9%	-10.0
Average Monthly Fixed Rent per sqm	\$392	388.5	386.1	1.0%
Occupancy Cost	8.90%	8.7%	8.7%	16.0
Renewal Rate	99.60%	98.1%	95.6%	146.0
Tenant Sales - Total Properties (000')	\$13,041,118,645	\$11,800,196,604	\$10,256,669,048	21.90%
Tenant Sales - Same Properties (000')	\$48,834	\$40,788	\$35,452	21.70%
Flow of Visitors - Total Properties	125,613,133	110,167,072	93,784,020	20.30%
Flow of Visitors - Same Properties	98,642,762	80,865,697	78,107,504	1.00%
Delinquency Rate	0.32%	0.26%	0.53%	6.0
Rent Loss	0.68%	0.63%	0.85%	5.0
Lease Spread	5.90%	5.80%	13.50%	10.0

Properties in Operation

	Year opened	State /Municipality	GLA m ²	% GLA	Occupancy	Parking spaces
Retail						
1. Parque Alameda	2003	Cuauhtémoc, Mexico City	15,755	1.7%	99.2%	308
2. Parque Delta	2005/2016 (expansion)	Benito Juárez, Mexico City	70,831	7.6%	99.8%	2,999
3. Parque Duraznos	2000	Miguel Hidalgo, Mexico City	16,389	1.8%	93.7%	1,002
4. Parque Las Antenas	2018	Iztapalapa, Mexico City	108,830	11.7%	88.3%	4,351
5. Parque Lindavista	2006	Gustavo A. Madero, Mexico City	41,550	4.5%	99.5%	2,254
6.1 Reforma 222 (Retail)	2007	Cuauhtémoc, Mexico City	24,291	2.6%	99.0%	1,438
7.1 Parque Puebla	2017	Puebla, Puebla	71,362	7.7%	78.5%	3,404
8. Parque Tezontle	2007/2015 (expansion)	Iztapalapa, Mexico City	68,318	7.4%	99.0%	3,045
9.1 Toreo Parque Central (Retail)	2014	Naucalpan, Mexico State	92,707	10.0%	98.1%	3,400
10. Vía Vallejo	2016	Iztapalapa, Mexico City	84,619	9.1%	95.5%	4,499
Retail Subtotal			594,652	64.2%	93.9%	26,700
Offices						
6.2 Reforma 222 (Offices)	2007	Cuauhtémoc, Mexico City	20,397	2.2%	95.5%	288
7.2 Puebla (Hotel)	2019	Puebla, Puebla	9,596	1.0%	100.0%	70
9.2 Toreo (Towers B & C)	2016	Naucalpan, Mexico State	64,432	7.0%	84.7%	1,314
9.3 Toreo (Tower A)	2017	Naucalpan, Mexico State	62,605	6.8%	66.5%	1,315
9.4 Toreo (Hotel)	2016	Naucalpan, Mexico State	17,297	1.9%	100.0%	400
11. Parque Esmeralda	2000	Tlalpan, Mexico City	34,151	3.7%	100.0%	1,636
12. Torre Virreyes	2015	Miguel Hidalgo, Mexico City	67,878	7.3%	100.0%	2,251
13. Urbitec	2009	Miguel Hidalgo, Mexico City	12,912	1.4%	87.4%	316
14. Parque Virreyes	1989	Miguel Hidalgo, Mexico City	7,783	0.8%	97.6%	251
Office Subtotal			297,051	32.1%	88.7%	7,841
Total portfolio in current operation			891,703	96.2%	92.2%	34,541
Current development portfolio (retail)						
15. Parque Tepeyac	—	Northeast Mexico City	35,000*	3.8%	NA	2,000
Retail Subtotal			35,000	3.8%	NA	2,000
Total current development portfolio			35,000	3.8%	NA	2,000
Total portfolio			926,703	100.0%	92.2%	36,541

* This development has 70,000 m², but Fibra Danhos owns a 50% stake in the project.



MATERIALITY

For Fibra Danhos, acting sustainably means building our business with a long-term vision in mind, valuing our relations with stakeholders.

Based on a materiality analysis that included economic, social and environmental aspects, we identified eight stakeholders groups with whom we relate directly in our operations and in our value chain: employees, tenants, visitors, suppliers, holders of Real-Estate Investment Trust Certificates (CBFI), communities, members of the Association of Real-Estate Developers (ADI) and authorities.

Learning about the aspects that are material or relevant in terms of their impact on our stakeholders is essential for establishing open and lasting relations with each of these groups. This materiality study is integrated into our short, medium and long-term business strategies, as well as our mission and values.

To determine the material aspects and their most significant impacts on our value chain, we began with a study prepared by a KPMG team in 2018. We weighed relevant issues in terms of their maturity or risk, in order to design a specific strategy to address them. We identified the relevant issues that may pose a potential risk to Fibra Danhos' reputation, operations and sustainability. These issues were divided up into economic, environmental and social divisions habitually used by institutions like the Global Reporting Initiative (GRI) and the Dow Jones Sustainability Index (DSJI). (102-17)



MATERIALITY



Corporate Governance issues	Environmental issues	Social issues
A Corporate Social Responsibility management	M Environmental management system	T Talent attraction and retention
B Corporate Governance	N Material/product management	U Employee satisfaction
C Risk management	O Energy consumption	V Human capital development
D Ethics and integrity	P Biodiversity	W Labor practices
E Corruption/bribery/transparency	Q Climate change and other atmospheric emissions	X Occupational health and safety
F Brand Management	R Water resource management	Y Human rights
G Financial issues	S Waste/effluent management	Z Community social impact
H Operations		XY Stakeholder relations
I Supply chain management		YZ Supplier standards
J Product/quality responsibility		
K Innovation and development		
L Customer relationship management		

According to their risk factors, the material issues identified for Fibra Danhos were:

- CSR Management
- Corporate governance
- Ethics and integrity
- Brand management
- Operations
- Environmental management system
- Climate change and other atmospheric issues
- Water resource management
- Talent attraction and retention

While the two emerging risks identified as urgent issues are:

- Corruption/bribery/transparency
- Innovation and Development
(102-47, 201-2)



(102-44)

Material issue	GRI Standard Topic
CSR Management	GRI 102: General disclosures. Strategy GRI 102: General disclosures. Organizational profile GRI 102: General disclosures. Governance GRI 419: Socioeconomic compliance
Corporate governance	GRI 102: General disclosures.
Ethics and integrity	GRI 102: General disclosures.
Brand management	GRI 102: General disclosures.
Operations	GRI 102: General disclosures.
Environmental management system	GRI 302: Energy GRI 306: Effluents and waste GRI 307: Environmental compliance
Climate change and other atmospheric issues	GRI 305: Emissions
Water resource management	GRI 303: Water and effluents
Talent attraction and retention	GRI 102: General disclosures GRI 401: Employment GRI 405: Diversity and equal opportunity GRI 406: Non discrimination
Urgent issue	GRI Standard Topic
Corruption / bribery / transparency	GRI 205: Anti-corruption
Innovation and Development	GRI 416: Client Health and Safety



We define our stakeholders as all entities or individuals that are related to the activities, products and services of Fibra Danhos.



STAKEHOLDERS

(102-40)

All entities or individuals that are related to the activities, products and services of Fibra Danhos are stakeholders. Therefore, conveying to them our culture and spirit is an ongoing task, because we consider them an essential component for our activities, and their involvement is essential in the management, offering, management and use of our assets. As mentioned previously, our materiality analysis identified eight types of stakeholders:

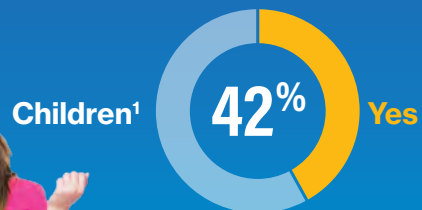
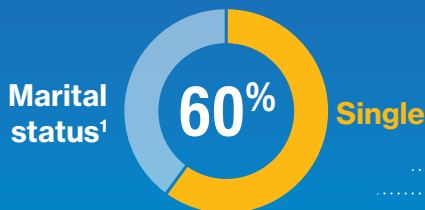
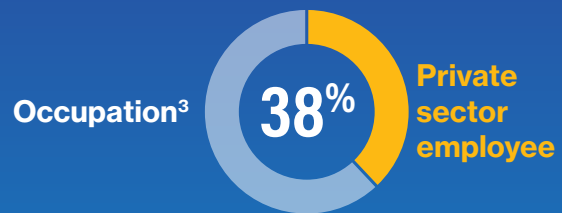
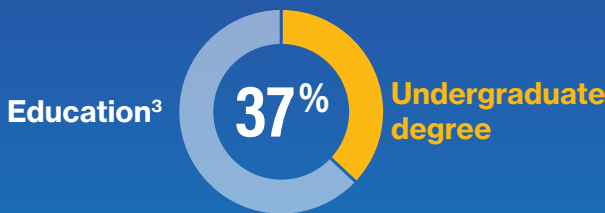
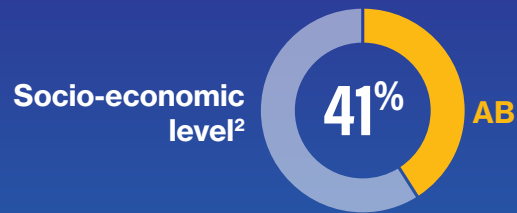
- Employees
- Tenants
- Visitors
- Suppliers
- CBFI holders
- Communities
- ADI members
- Authorities

Dialogue with these groups is part of our day-to-day work, from identifying sites for our real-estate developments to their operation. Each area of the company is responsible for bilateral communication with stakeholders, whose participation is necessary for various concrete actions – in the case of developers, for designing and building our properties – and to identify the needs and expectations of each of these.

In order to learn about these expectations, we apply a questionnaire in every shopping center, asking visitors, among other things, about the part of the city they're visiting us from, mobility and consumption, frequency of visits and favorite stores; perceptions on the location, design, product selection and entertainment; main reason for visiting (proximity to work or school, or variety of stores, for

example), and suggestions to better meet their expectations: cultural events, premieres, musical events, restaurants, department stores, other stores or supermarkets. By learning about the tastes and expectations of the stakeholders that visit our shopping centers we can form a more complete picture of them and respond to these needs.

SOCIODEMOGRAPHIC PROFILE



1. Average in 10 shopping centers
2. Average in 7 shopping centers
3. Average in 9 shopping centers



MOBILITY HABITS

Transportation to shopping center¹



50%
Mass transit
(metro, metro-bus, light rail,
bus, trolleybus)

1. Average of 7 shopping centers

Time to reach shopping center²



49%
10 to 30 minutes

2. Average of 9 shopping centers

CONSUMPTION HABITS IN SHOPPING CENTER



Time of stay

37%
2-4 hours

Average of 7 shopping centers

Day of visit

49%
Saturday

Average of 7 shopping centers



Accompanied by

33%
Friends

Average of 7 shopping centers

Spending

29%
MXN500-MXN1000
on their last visit

Average of 6 shopping centers



Payment method

49%
Cash

Average of 9 shopping centers

Visits to this shopping center

33%



Visit two or more times a week

Average of 7 shopping centers

Perception of shopping center

16%



Mention location as what they like most about it

Average of 9 shopping centers

Main reason for visiting

35%



Mention variety of stores

Average of 6 shopping centers

We also identified the topics that most interested all our stakeholders and committed to work on them and to provide them with transparent, responsible, timely and appropriate information. To do so, we have the following channels for communication and feedback:

Stakeholder group 	 Employees	 Tenants	 Visitors
Communication 	Evaluations and feedback Workplace environment surveys Ethical complaint hotline	For us, client satisfaction is what's most important, so we have a very active relationship with our tenants through our management of properties and their sales reports.	To ensure our visitors have an unforgettable experience in our properties, we actively seek their feedback.
Expectations 	We know that open dialogue with our employees is vital to retention of talent. High-quality work, like the open-doors dynamic of our corporate offices, generates new and better practices regarding workplace environment.	Energy, water, waste management, sales, safety, community impact.	Safety, satisfaction and, above all, a place that can be a lifestyle center for them, with entertainment, services and stores.
Frequency 	Annual Daily (informal)	Daily (property management) Signing and renewal of contracts Regular meetings On request	Surveys Social networks On request



We also have a global Stakeholder Engagement Policy that involves all employees of Fibra Danhos, supporting the connection with and value of each stakeholder for the company (<https://api.fibradanhos.com.mx/static/politicarelaciongruposintereses.pdf>). This policy is complemented by the guidelines of our Code of Ethics (<https://api.fibradanhos.com.mx/static/codigoeticoes.pdf>), as well as our sustainability policy (<https://api.fibradanhos.com.mx/static/politicasostenibilidades.pdf>), which explains the importance of incorporating stakeholder expectations into our value creation.



Suppliers

Supply contracts
Annual reports

Maintain ethical, mutually beneficial relations.

Signing and renewal of contracts
On request



Investors

In addition to quarterly and annual reports and the annual shareholders' meetings, the investor relations team at Fibra Danhos meets with current and prospective investors on request, to answer any questions and to ask them for feedback.

Inform them of our business strategies, financing and use of proceeds; explain financial statements and property statements, as well as our sustainable business vision and model.



Communities and NGOs

Quarterly reports
Annual reports
Investor relations

Have spaces that contribute value to communities by creating jobs and properties that restore zones and inject life, safety and economic resources to communities.

Before the start of the project
During project development
On request



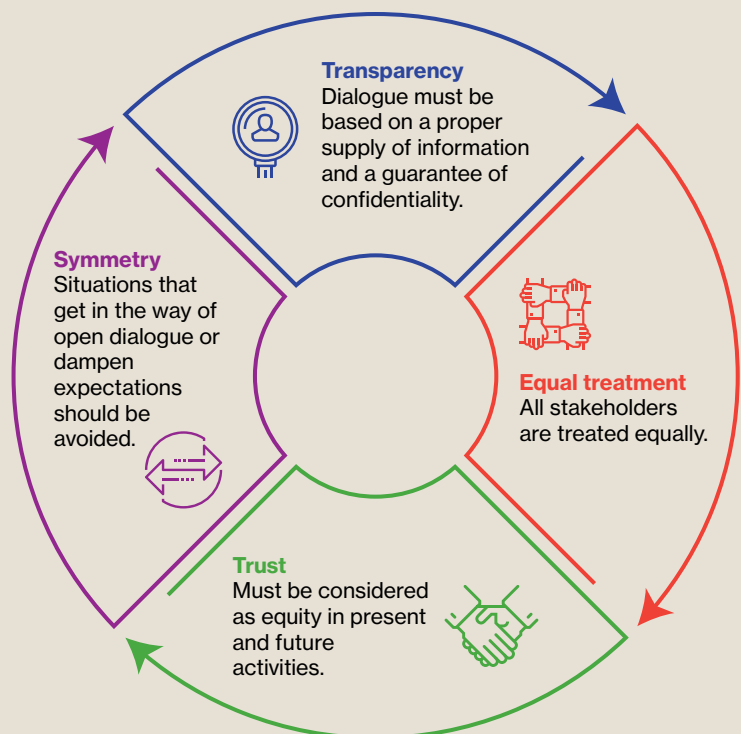
Government and industry relations

Continuous interaction to stay abreast of policies that may affect our properties, business model and investment activities. Through Amefibra (The Mexican FIBRAS Association) we deal with all types of issues that are internal and external to the industry.

Information on corporate governance and new policies.

Regular industry meetings
On request

Successful relations with our stakeholders are sustained by a series of principles and synergies between them; this means that we generate value for everyone, magnifying the positive impacts of the company's activities, securing a financial return and contributing to socioeconomic development. These principles are the following:





We seek to attract and retain the most highly trained, professional employees through daily recognition of their skills.



OUR EMPLOYEES

At Grupo Danhos, we are convinced that a company's success depends on its ability to have people with the skills, competencies and know-how needed. Only with talented people working in line with the business strategy can we continue to meet our goals. For this reason, we seek to attract and retain the most highly trained, professional employees through daily recognition of their skills, and by constant inculcation of the FIBRA's values.

In 2019, we had 2018 employees, all of them full-time and on payroll; we do not have any union members among our employees. (102-7,102-8, 405-1)

Total employees
2019



Employees
by gender

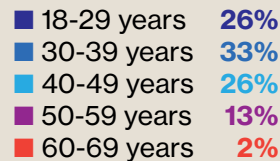
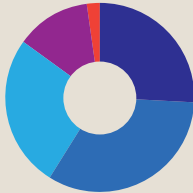
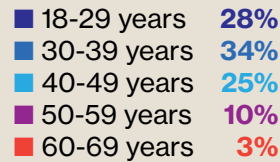
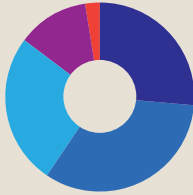


Men



Women

By age group



Ten employees hold management positions, six men and four women.

Talent recruitment and retention

Our Personnel Recruitment, Selection and Hiring Policy establishes the guidelines for these processes, which focus on valuation of the candidates' knowledge and skills, avoiding any type of discrimination.

During the year we provided performance evaluations to 184 employees – 84% of our total – eight of which were promoted, four men and four women. (404-3)

Due to our unwavering commitment to the advancement of all employees, we try to fill vacancies internally, so we conduct evaluations and post job offering, in which we weigh the job qualifications, knowledge and psychometrics of each candidate as well as their performance and career

In 2019 we put out two job postings to fill operating management positions at Parque Toreo and the under-manager of maintenance at Parque Tezontle. 75% of the staff of each area responded to the posing, and two internal employees were selected for these positions. (401-1)

16

Newly created jobs

2

Positions filled by internal candidates

(102-8)

Compensation

We have a comprehensive compensation plan and competitive benefits that exceed regulatory minimums, which we are confident will enable us to retain the best talent and help improve their quality of life. All of our staff is full-time, and their salaries are determined according to the responsibilities and duties of each position.

(405-2)



Senior management level
Men



Senior Management level
Women

Difference in percentages: Women +3%



Managerial level
Men



Managerial level
Women

Difference in percentages: Women +22%



Fibra Danhos Corporate
Men



Fibra Danhos Corporate
Women

Difference in percentages: Men +2%

As you can see, except at the managerial level, where women earn more on average, salaries for the other two levels are virtually equal.

We strive to provide equal conditions for all employees.



Although we have done well in this area in the past, under our Diversity and Inclusion Policy by which we strive to “promote equal conditions for all employees regardless of physical condition, religion, gender, race or sexual preference,” we will continue to work on further narrowing this gap.

(102-35, 201-3, 402-1)

In addition to competitive remuneration, we offer benefits like an employee savings fund, made up of payroll deductions of 10% of each employee’s nominal salary, matched by the company, and major medical insurance.

We also offer life insurance for all employees, covering 12 months of their salary in the event of their death.

Other benefits include maternity and paternity leave and nursing time for mothers, according to the Federal Labor Law. All employees who have school-age children also receive a backpack and school supplies for each of them. We invested \$ 40,950 pesos in this benefit in 2019. *(403-1)*

Human resources management

One of our priorities is to achieve fluid communication with all our employees, because this gives us the feedback we need to strengthen our policies and strategies and to find the best way to convey them through actions that strengthen our people’s commitment to the company.

Accordingly, and to make sure we are offering a pleasant, safe working environment where their human rights are respected, every year we conduct a workplace environment survey.



The survey is distributed by e-mail, and last year 130 employees participated – 60% of the total. Of these, 58% work in our corporate offices and 42% in the different properties. 59% were women and 41% were men. The age ranges of those who responded were: 26 to 32 years, 30%; 33 to 40, 26% and 41 to 50, 23%.

The survey consisted of a number of questions with responses on the five-level Likert scale (ranging from strongly agree to strongly disagree) and the most interesting results were the following:

- Most of those surveyed find Danhos a good place to work, have a strong sense of belonging, are aware of the performance goals of their area, understand how their work fits into the organizational goals, and believe their immediate superior shows interest in the work they do.
- Most respondents also believe they need more training to do their job, that there are not enough career opportunities or room for professional advancement, that employees need to be

appropriately prepared for promotion, and that they do not receive constant feedback from their immediate superiors about the quality of their work.

So in this mix of aspects our employees find positive – which we will continue to strengthen – there were also areas where we were not coming up to their expectations, such as more training, a closer focus on their needs, more promotion opportunities and more feedback about their jobs.

Employee participation in the survey grew 7% over 2018, to 60% of the total. We hope that in 2020 both participation and satisfaction rates will rise, as we focus increasingly on their expectations and needs.

One of the tenets of our Code of Ethics is that “maintaining harmonious and cordial relations is a prerequisite for the formation and productivity of work teams”, so we strive to create and maintain a climate of mutual trust and respect, which permits the free interchange of ideas and supports people in achieving their fullest potential on the job.





We place fundamental importance on creating a climate of well-being, health and safety, where human rights are fully respected.

During the year we hired 54 new employees, involving a total of \$ 139,620 pesos (\$ 85,500 work-hours in cost invested; \$ 24,120 pesos invested in onboarding and \$ 30,000 pesos in recruitment sources).

We also recorded 42 employee departures, 39 of them voluntary resignations and three were dismissed for breach of work contract.

Health, safety and human rights

We know that service excellence depends largely on our ability to offer conditions that permit our employees to deliver impeccable quality in their day-to-day work. That is why we place fundamental importance on creating a climate of well-being, health and safety, where human rights are fully respected. This is the purpose of our Occupational Health and Safety Policy, which is overseen by the ESG Committee.

In all of our properties we have civil defense programs led by internal brigades who are fully trained in first aid, firefighting, evacuation and search and rescue, in the event of contingencies on our premises. Additionally, employee onboarding includes a course on accident prevention, direct reporting of incidents, and emergency contacts. In total, 45 employees received occupational health and safety training.

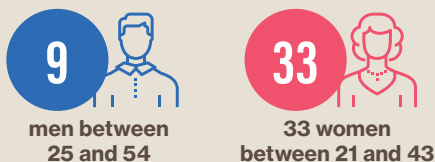
In our corporate offices and in our properties, we have paramedic services available for initial medical attention. Last year we paid special attention to health care and nutrition. Under the guidance of a nutritionist, we began a program in July in which 42 employees participated, 39 continued on to regular tracking, and in this group a total of 152 kilos were lost, a 19% reduction in the percentage of body fat.

Turnover is higher among women employees because we employ more women (151) than men (70). The highest turnover is among people employed as receptionists and in the Sales area. Although these are hierarchically basic levels, they are highly important for Fibra Danhos to function correctly.

54 hirings:



42 departures:



Employees also had 179 consultations with doctors about other issues: high blood pressure, diabetes, glucose, cholesterol or triglycerides, fatty liver, gallstones, anemia, pulmonary embolism, hypothyroidism, gastritis, colitis, and others.

On the matter of safety, given the nature of our business employees are not exposed to a high risk of accident. In 2019 our employees suffered 46 incapacitating accidents on the way to work or home, equivalent to 414 days lost. Unfortunately, there was a slight 6% increase in this type of accident last year, so we will step up training on these issues in order to reduce them; although the accident rate is already low, our goal is zero accidents among our employees.

During the year, 40 employees took disability time (19.72%), translated into 1,167 days of lost work for the following reasons: 520 for general illness; 588 for maternity; 13 for work-related injury and 46 for injuries during the commute to or from work. (403-2)

The total number of working hours in the year was 496,386, and 2,664 hours were lost due to absenteeism – 65 days in corporate offices and 231 in properties. This was a 13% reduction compared to 2018. The reduction indicates that employee commitment and stability has increased, through benefits that promote a sense of belonging and performance. These factors encourage punctuality and the effective use of work time, meeting the

personnel needs of each area and ensuring a more even distribution of the work load.

Training in human rights is another essential part of our employee training, as stipulated in the first section of our Code of Ethics: “The organization considers respect for human rights to be an essential principle of its operation and its relations with stakeholders.” We have a human rights policy specifying how we address this matter, and provide support through our *Línea Ética* hotline for those who feel their human rights have been violated. We avoid any type of discrimination on the basis of race, gender, marital status, age, social position, religion, political or sexual orientation, or any other characteristic not related directly to our operations. We are proud to report that there were no complaints in 2019 relating to job discrimination or human rights violations. (406-1)

The Code is disseminated in our website so that stakeholders can learn about it and apply it, and all Fibra Danhos employees sign in agreement of the code when they join the company. In addition to a focus on respect for others, the Code covers the correct and confidential management of information and strictly ethical conduct, to avoid situations of corruption or conflicts of interest. (102-25)

We make sure our Code of Ethics is respected at all times through a preventive approach, and we provide tools for employees to report any breach of the Code or to air any concerns they might have. Our *Línea Ética* hotline is managed by an independent firm, Global Ethics, which is a world-class company that provides ethical reporting help lines, guaranteeing that situations are dealt with impartially. *Línea Ética* is open not only to employees but to any stakeholder who has a question, complaint or report to make. They can do so through the website <https://danhosteescucha.lineaetica.com.mx>, or by e-mail at danhosteescucha@lineaetica.com.mx.





We work for equality and non-discrimination in all our processes and operations.

During the year, *Línea Ética* received five complaints ranging from poor attitude to workplace harassment. All of them were resolved by measures which ranged, depending on the gravity of the case, from training, reprimand, change of area, and even dismissal. None of the cases was related to corruption.

Training

(404-1)

Having well-prepared and deeply committed employees whose productivity is sustained by a culture of high performance demands appropriate training. That is why we focus our training on giving

employees the tools they need for their professional and personal advancement. We invested a total of \$480,000 pesos in training during the year.

All courses and workshops take into account the promotion of cultural diversity and defense of human rights, and in this way we ensure equality and non-discrimination in all of our processes and operations. During the year, we held eight talks and workshops – three more than in 2018 – on gender equity, human rights, health and safety, and commitment to sustainability. 304 employees attended these workshops, which provided a total of 3,853 work-hours of training – an average of 19 hours per employee.

Course	Duration (hours)	Number of employees	Hours
Our commitment to sustainability	18	161	2,934
Onboarding	12	47	564
Medium voltage, transfer and automation	4	4	16
How to operate a UPS	4	6	24
Metric system course	4	7	28
Low voltage, automation and solar cells	4	8	32
Use of personal protection equipment and filling out TSI	3	45	135
Right to equality and non-discrimination	5	24	120
	54	302	3,853



We work to develop solutions for mitigating our impact, and we have systems that help us to measure this impact in all of our activities.



COMMITMENT TO THE ENVIRONMENT

At Fibra Danhos, we know that population growth and economic development require continual expansion of infrastructure, and this can affect the environment. We work to develop solutions for mitigating our impact, and we have systems that allow us to measure this impact in all of our activities. With this we promote a socio-environmental balance in building infrastructure while improving quality of life for society.

We have an Environmental Policy (<https://www.fibradanhos.com.mx/gobierno-corporativo>) aimed at ensuring our rational, efficient use of natural resources as necessary for the activities of the buildings we manage, and mitigating the impact of our operations on the environment.

The search for sustainability is prominent among the fundamental values that determine our business focus and drive our value generation decisions, because we know that our future success, and our ability to remain an intelligent and safe investment for our stakeholders, depends on it. This is embodied in our Sustainability Policy (<https://api.fibradanhos.com.mx/static/politicassostenibilidades.pdf>), which guides our current performance and our capacity to efficiently manage the resources we use.



We constantly monitor our consumption of energy and water, along with our emissions and waste, in all our properties, in order to measure our impact and establish annual reduction goals. This report is generated individually by each property and then later consolidated to determine the impact of our operations as a whole.

Energy management

(302-1, 302-4)


Since 2017 we have been applying and standardizing a form that all of our properties complete to record their total energy consumption based on bills from the power company (Comisión Federal de Electricidad, or CFE). In 2019, the organization's energy consumption totaled 53.9 million KWh, a 4% increase over 2018, which was due to the startup of restaurant and amusement park operations at Parque Las Antenas, as well as the remodeling, change of food court and skating rink at Parque Via Vallejo, among other factors. The following table shows consumption by shopping center, reflecting minimal increases, or even reductions in some cases, except for the two mentioned above.

2019- 2018 %			
Project	Average rate	Consumption kW/hr	\$
Alameda	3%	-4%	-1%
Antenas	4%	30%	35%
Corporate offices	1%	0%	0%
Delta	13%	1%	14%
Duraznos	10%	-2%	8%
Lindavista	6%	-8%	-3%
Magna	14%	-7%	5%
Puebla	10%	0%	11%
Reforma 222	7%	-4%	2%
Tezontle	8%	-3%	5%
Toreo	7%	7%	14%
Torre Virreyes	7%	1%	8%
Vía Vallejo	5%	22%	28%
Urbitec 1	7%	2%	9%
Urbitec 2 n° 47	8%	-1%	6%
Total operations	7%	4%	12%

Also, to determine our energy performance, in 2019 we measured the organization's overall energy intensity, which was 5.036 kWh/m², calculated based on the energy consumption and gross leasable area of the entire Fibra Danhos portfolio.

We hope to considerably reduce the consumption of electricity in all our properties starting next year, because they will begin using renewable energy with the startup of supply from a wind farm in the Bajío region. We already have a contract with an energy company to acquire 27,223,344 kWh a year, and if supply is approved for the Toreo and Torre Virreyes properties as well, the total will be 37,880,324 kWh.

Four of our buildings – Torre Virreyes and three Toreo corporate towers – have LEED certification. In fact, we have more square meters of LEED-certified space than any other FIBRA in Mexico: 194,916 m², according to a study by Scotiabank Equity Research, on the Mexican Real Estate sector.

 Project	Gasoline (l)	Diesel (l)	Refrigerants (kg)
Alameda		276.2	
Antenas		6,400.0	
Delta		2,071.0	
Duraznos		674.0	
Esmeralda		0.0	
Lindavista		1,000.0	52.0
Magna		0.0	
Reforma 222, retail		0.0	
Reforma 222, offices		0.0	
Puebla		3,000.0	
Tezontle		300.0	
Toreo Retail		5,057.0	
Toreo Offices B and C		7,550.0	
Toreo Offices A		5,000.0	
Torre Virreyes	6,724.0	4,600.0	
Urbitec 1		200.0	
Urbitec 2		200.0	41.0
Vía Vallejo		4,000.0	
Virreyes		200.0	
Total	6,724.0	40,528.2	93.0

Regarding our fuel use, we consumed 40,528 liters of diesel in emergency backup generators, a considerable 9% savings compared to 2018, when it was 44,760 liters. This was because we had stocked our containers as a preventive measure in 2018, and in 2019 we adjusted testing times with maintenance suppliers and had very few instances when these backup generators were needed.

We were also able to considerably reduce our use of air conditioning (HVAC) by using more efficient cooling equipment, zone planning and appropriate controls, from 380 kilos of refrigerants to just 93 kilos.

Also, to measure our carbon footprint we tracked the emissions produced in our activities – mainly LP gas and diesel – which were 125.5 tCO₂e.

The consumption of fuel and electrical energy implies the generation of greenhouse gas. We calculated our GHG emissions as follows: 153.21 tCO₂e from the use of refrigerant gases and 27,215.68 tCO₂e.* from the consumption of electricity.

Water resource management

(303-4)

Managing our water consumption is another highly important issue for Fibra Danhos. And because all of our developments are located in water-stressed areas, we are continually monitoring and tracking our water footprint, and we developing initiatives to save considerably on this vital resource.




* Comparing scope 2 emissions verified in 2019 against the previous report, these were recalculated so that the figures are now 27,250 tCO₂e and 25,129 t CO₂e for 2018 and 2017, respectively.



We follow a strict maintenance schedule for water pumps, and in all our buildings we reduced pressure to save more water, while constantly checking that bathroom fixtures are working properly. Another measure is watering lawns and planted areas during the night. Finally, all of our developments have wastewater treatment plants.


Our water consumption in 2019 totaled 1,084,162 cubic meters, a slight increase over 2018 when we consumed 1,087,540 cubic meters, from the following sources:

 Water consumption (m³) (303-4)	
Municipal supply	493,009
Ground water	232,337
Commercial supply (tanker trucks)	358,816
Total consumption	1,084,162

The difference was due to the following:

- Increased occupancy in the Tower A at Parque Central Toreo.
- Startup of restaurant and amusement park operations at Parque Las Antenas.
- More traffic at Parque Puebla due to the opening of new commercial locales and construction of the Michin Aquarium.

- Increased traffic and sales and relocation of the food court at Parque Via Vallejo.
- More visitors at Urbitec.


 Wastewater treatment plants (m³) (303-5)	
Total treated	395,348
Treated and reused	237,461
Treated and not reused	157,887
% Reused	60%

As we mentioned, all of our properties have wastewater treatment plants, which treated a total of 395,348 m³ of water in 2019, 237,461 m³ of which were reused.

Waste management (306-2)

We consider waste management to be a key element in our contribution to environmental care, because with it we positively affect our value chain. We have a method for separation and responsible disposal of 100% of the waste generated in all our operations.

In 2019 we generated a total of 145,920,903 m³ of trash, and we also generated 1.83 metric tons of recyclable waste in our operations, as shown in the following table.

 Recyclable waste (kg)	
Hangers	42,080
Polimix	9,060
Cardboard	1,741,553
Aluminum	6,038
PET	18,052
Newspaper	1,334
Scrap	9,036
Office paper	709
Total	1,827,861

We also generated 6,297 kg of hazardous waste, all of which appropriately disposed of through specialized companies.

 Hazardous waste	Volume
Contaminated paint thinner	152 l
Used tires	31 pz
Drums	48 kg
LED strips	263
Electronic light fixtures	695
Used light bulbs	388
T5 and T8 lamps	2,420
Cleaning rags	178
Fluorescent lamps	251
Empty containers and buckets	177
Paint buckets	1,578
Used batteries	115
Total	6,297

As can be seen from our materiality matrix, climate change has become a highly important issue, and we are committed to reversing or mitigating the damage caused by our operations, and thus to restore the environmental conditions necessary for the survival of future generations.

We want our properties to serve as agents of positive transformation of the environment, to integrate into it and contribute to the socioeconomic development of areas where we operate, helping to improve people's quality of life. For this reason, we

have social responsibility initiatives, conceive our business strategies with socio-environmental criteria and involve stakeholders in our operations through dialogue. (413-1)

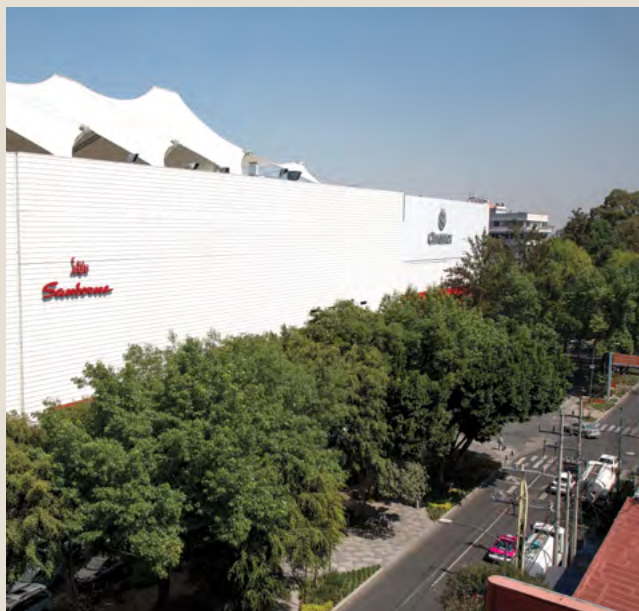
We have a rigorous business model that monitors for any negative externalities that might affect the company, and correct it from early on in the design phase. All our properties are developed and located in zones where they have the necessary permits, and where no community has been displaced. (304-1, 304-4, 413-1)

Our environmental efficiency targets for 2020 include greater energy savings, by changing T5 and T8 lamps for LED strips, and keeping track of automated equipment to adjust their working hours. We will also continue the wind energy project.

Risks of our operations related to climate change (201-2)

There are two basic risks to our operations from climate change:

- Rising temperatures, which obligate us to use more air conditioning and water; and
- Sudden peaks in rainfall, which could cause leaks or flooding in our projects.





SUPPLY C H A I N

(102-9)

Management of our supply chain is a core activity for Fibra Danhos, because it enables us to respond to our properties' needs in terms of cost, service and quality requirements with tools that ensure we are as sustainable as possible.

Our suppliers are key allies in this process, and making them a part of our sustainability strategy is a goal we work on continuously throughout the year. Aware of the strength that comes from having an excellent supply chain, we are constantly looking for ways to manage it, bolstering relations with our suppliers in order to reduce potential risks and expand our sphere of influence.

Fibra Danhos has two instruments for strengthening the links of our supply chain. One of them is internal: the Policy on Sustainable Sourcing (<https://www.fibradanhos.com.mx/gobierno-corporativo>), which guides our employees in their daily work so they can conform to the legal, social and environmental guidelines involved in our sourcing of goods and services. The other instrument is the Supplier Policy, which provides guidelines for our suppliers regarding environmental aspects and observance of ethical human rights and labor practices: these are known, as a group, as environmental, social and governance (ESG) concerns. A work committee made up of the heads of the Purchasing Department and the ESG committee guarantees tracking and compliance with that policy, as well as its distribution.



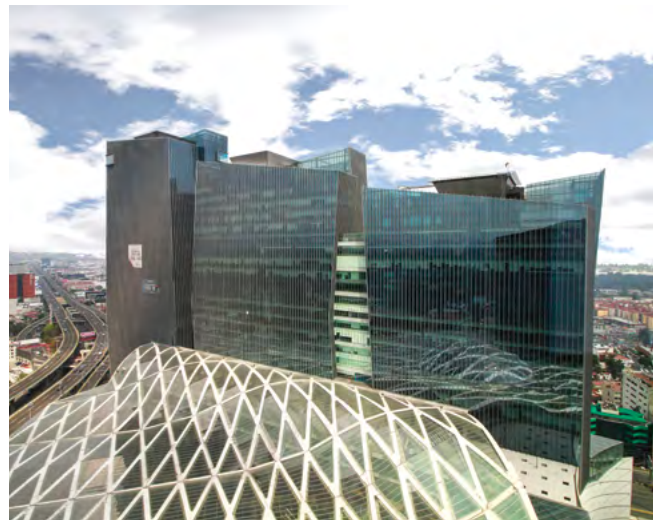
These guidelines are also the basis for supplier selection, which is conducted on the basis of free competition, above-board processes and high quality standards, which help us avoid risks like money-laundering, corruption and fraud, as stipulated in our Anti-Corruption Policy (<https://www.fibradanhos.com.mx/gobierno-corporativo>). This favors our business continuity and enables us to guarantee service excellence for our tenants and visitors.

In 2019, Fibra Danhos had 1,285 suppliers, eleven of which are considered key: a portfolio of committed companies that have served us well for a number of years.

To guarantee compliance with these guidelines and safeguard the integrity of the entire process, we carefully select our suppliers based on a 12-point questionnaire, encompassing issues of ethics (anti-corruption, confidential information, conflict-free sourcing), labor (equal treatment, satisfaction surveys), safety, health & environment (health or environmental risk assessment in operations, medical monitoring program, emissions monitoring) and sustainability. In addition to this questionnaire, suppliers are audited prior to the contract signing. All of this enables us to ensure that their ethical principles are compatible with those of Fibra Danhos. If a supplier fails to comply with these principles at some later date, their contract may be rescinded. (308-1, 414-1)

Supplier	Permanent service	%
1	Security	12.80
	CCTV system maintenance	10.40
2	Security	
	CCTV system maintenance	
3	Elevator & escalator maintenance	3.50
4	Elevator & escalator maintenance	0.93
5	High window cleaning	2.05
6	Janitorial services	4.45
7	Janitorial services	2.95
8	Janitorial services	2.27
9	Janitorial services	2.44
10	Air conditioning equipment maintenance	1.30
11	Trash collection	0.69
Total		43.78

In this way we not only create paths for closer communication with our suppliers, but support the growth of their businesses at the same time.





Good corporate governance requires policies and codes to guide our actions ethically and efficiently.

A photograph of two men in dark suits and ties standing in a modern, brightly lit building with a glass and metal ceiling. They are facing each other and appear to be in conversation. The man on the left is smiling and gesturing with his hands. The man on the right is wearing glasses and has his back partially to the camera.

CORPORATE GOVERNANCE

Good corporate governance requires policies and codes to guide our actions ethically and efficiently, with a culture of respect and success that builds confidence among our investors and strengthens ties with our stakeholders.

The Technical Committee is the highest governing body of Fibra Danhos, while Administradora Fibra Danhos, S.C. is in charge of the management and administration of our daily operations. The Technical Committee can be comprised of up to 21 members and, in accordance with existing laws, 25% of them must be independent. *(102-5, 102-24)*

Members of the Technical Committee are considered to be independent when there is no relation to the Member Trustors of its properties or with parties related to them. Independent members are nominated by the Nominations Committee and their appointment is ratified by a majority vote in the Annual Meeting of CBFH holders.

The process for selecting and nominating Technical Committee members is conducted annually, according to our Code of Ethics and our Diversity Policy, and taking into account each candidate's experience and merits, without regard to gender, race, nationality, culture, beliefs, marital status, ideology or political opinions. Currently, one Technical Committee member is a woman.

The Technical committee had the following members in 2019 (102-22):

Regular members	Member since	Age
David Daniel Kabbaz Chiver	2013	74
Carlos Daniel Kabbaz Chiver	2019	66
Salvador Daniel Kabbaz Zaga	2013	48
Luis Moussali Mizrahi	2013	43
Isaac Becherano Chiprut	2013	50
Alberto Zaga Hop	2013	71
Lino de Prado Sampedro	2013	73
Adolfo Kalach Romano	2013	58
Francisco Gil Díaz*	2013	74
José Antonio Chedraui Obeso*	2013	72
Pilar Aguilar Pariente*	2013	50

David Daniel Kabbaz Chiver is chairman of the Technical Committee but holds no post in company management. (102-23)

* Independent member.

(102-26, 102-27)

David Daniel Kabbaz Chiver
Chairman of the Technical Committee

He is one of the founding partners of Grupo Danhos and has over 40 years of experience in the development and management of iconic, premier-quality real estate assets, as well as in acquisitions and financing of real estate projects. He is a member of the Presidents' Council of the Comunidad Monte Sinaí Judía de México and has been held key positions in several institutions and organizations of the national and international Jewish community, including Governor of the University of Tel Aviv in 1990. He is also a one of the "300 most influential leaders of Mexico", a recognition given by the publication *Líderes Mexicanos*. Mr. Kabbaz studied architecture at the Universidad Nacional Autónoma de México.

Salvador Daniel Kabbaz Zaga
Vice-Chairman of the Technical Committee

He has over 24 years of experience in real estate, including the design, development and administration of shopping centers and premier-quality offices. Before joining Grupo Danhos in 1993, he had developed several architectural projects for office buildings in Mexico City. Once with the company, he participated in the architectural planning of Parque Durazos and one of the buildings of Urbitec, among others. He has also held several positions in the Comunidad Monte Sinaí Judía de México. He has been President of the Association of Real Estate Developers (ADI). Mr. Kabbaz holds a degree in architecture from the Universidad Anáhuac del Norte, and studied for a Master's Degree in Real Estate Management and Construction Companies at the University of Madrid.



Carlos Daniel Kabbaz Chiver
Technical Committee Member

He studied in various schools in Mexico City; participated in Industrial Engineering courses applied to apparel manufacture in Mexico and Canada. He worked in the Festival intimate apparel factory as partner and Director of the Production Department as well as in the Vel-Form shapewear factory in Mexico. He was founding Partner and Director of the Grupo Industrial Antinea lingerie factory, and is currently a partner in various retail boutiques.

Luis Moussali Mizrahi
Technical Committee Member

He is Vice President of the Grupo Vitraccoat, a leading company in the manufacture of industrial coatings in the Americas, with plants in Mexico, North and South America. Mr. Moussali has 15 years of experience as a partner and investor in retail, industrial and office real estate projects. He holds an undergraduate degree in Financial Management from the Instituto Tecnológico y de Estudios Superiores de Monterrey (ITESM).

Isaac Becherano Chiprut
Technical Committee Member

Managing Partner of Grupo Inmobiliario Diana, a real estate company in the retail, office and residential segments; Founding Partner and CEO of Orotec International, a leading company in the manufacture of fine jewelry in Mexico; Managing Partner of Becherano y Asociados, S.C., financial advisory and business planning firm and founding partner and member of the Board of Directors of Sunny Fields, a company dedicated to protected high-tech agroindustry focused on the export market. Mr. Becherano has a degree in public accountancy from the Universidad Anáhuac del Norte.

Alberto Zaga Hop
Technical Committee Member

Founder of Textiles Electrónicos, one of the largest textile companies in Mexico and which he currently owns. Mr. Zaga is treasurer of the Comunidad Monte Sinaí Judía de México, as well as a member of the Mexico City Chamber of Textile Industry. During his business career he has also been a board member of several banking and financial



institutions, such as Multibanco Mercantil de México and BBVA Bancomer. Mr. Zaga studied Business Administration.

Lino de Prado Sampedro
Technical Committee Member

Has participated in the promotion and development of various successful textile projects in Mexico with Grupo Inditex (Zara) and its various brands, and is Chairman of the Board of Directors of Zara México. He is also a partner in Recórcholis, a family entertainment company, and El Bajío, a restaurant chain. Mr. Prado holds a degree in Public Accountancy from the Escuela Bancaria y Comercial.

Adolfo Kalach Romano
Technical Committee Member

For sixteen years Mr. Kalach headed textile production in four companies of Grupo Kaltex, a company engaged in various segments of the textile business; he is Founding Partner of Avante Textil, where he has served as Director of Fabric and



Finishing for 13 years; and he has extensive experience in the real estate sector, where since 1984 he has lead promotion, construction and administration of triple-A distribution centers, with approximately a million square meters built. In 2004 he entered the hotel industry and has participated in construction of properties covering approximately 62,000 square meters. He holds a degree in Public Accountancy from the Universidad Iberoamericana.

Francisco Gil Díaz

Independent Technical Committee Member

President of Telefónica México, a global telecommunications company, and head of Avantel, a Mexican telecommunications company. Mr. Gil Díaz has held several key positions in the Mexican public sector, including Minister of Finance and member of the Board of Governors of Banco de México. In 2005 he was recognized as “Finance Minister of the Year for the Americas” by *The Banker* (a publication of *Financial Times*). He is an independent board member of BBVA, of Bolsa Mexicana de Valores, and also sits on the board of Chrysler de México and SSA, a port administration company with various facilities in Mexico. He has been a lecturer at the Instituto Tecnológico Autónomo de México (ITAM), where he is Professor

Emeritus and was awarded an honorary doctorate; at the Universidad Iberoamericana, Colegio de México, and the Universidad Nacional Autónoma de México. He has spoken at conferences at various universities and international gatherings, and he has published extensively on matters of economy in internationally circulated books and journals. Mr. Gil Díaz holds an undergraduate degree in Economics from ITAM and a Master’s Degree and Doctorate from the University of Chicago.

Antonio Chedraui Obeso

Independent Technical Committee Member

A Mexican businessman who since 1965 has held the position of Managing Director, and since 1988 Chairman of the Board of Directors, of Grupo Comercial Chedraui. He has also been Chairman of the Board of Directors of the National Association of Supermarkets and Department Stores (ANTAD). Over the course of his business career he has been a board member of various banking and financial institutions, including Banamex, Banco BCH, Bancomer, Banca Serfin, Banco de Oriente, Operadora de Bolsa and Grupo Financiero Inbursa. He is currently a board member of some private companies. Mr. Chedraui studied Business Administration of the Instituto Tecnológico y de Estudios Superiores de Monterrey (ITESM), rounding out his business training with various executive development programs, particularly High-Level Management at the Instituto Panamericano de Alta Dirección de Empresas, Liderazgo y Productividad at Colegio de Graduados.

Pilar Aguilar Pariente

Independent Technical Committee Member

She was Chief Executive Officer of Endeavor México, an organization focused on promoting the growth of the Mexican economy through the support of high-impact entrepreneurs, since 2011. Served as Director of Human Capital at Bain and Company in Mexico (2006-2011), Director of Commercial Intelligence at Telefónica Móviles (2006) and Director of Corporate Development at Satmex (1998- 2000). She was consultant to McKinsey & Company in Mexico and Brazil (1991-1998). She holds an undergraduate degree in Chemical Engineering from the Universidad Iberoamericana and a Master’s in Business Administration (MBA) from the University of Texas at Austin.

Committees				
Audit Committee	Nominations Committee	Practices Committee	Innovation Committee	ESG Committee
Our Technical Committee is in charge of appointing the Chairman and members of the Audit Committee. The Audit Committee consists of three independent members.	Among the responsibilities of the Nominations Committee are seeking, analyzing and assessing candidates for election or appointment as independent members of our Technical Committee. The Nominations Committee has five members, three of them independent.	Our Technical Committee is in charge of appointing the Chairman and members of the Practices Committee; it is also responsible for adopting resolutions by majority vote. In compliance with regulations, the committee consists of three Independent members.	Recently created, its aim is to establish greater communication with our investors regarding innovation and development issues. It has eight members.	The Committee is in charge of managing environmental and social risk. It has four members; one of them Independent.
100% independent	60% independent	100% independent		25% independent

The Technical Committee met four times during the year, with an attendance rate of 90%. During these meetings, members learned about sustainability challenges and progress at Fibra Danhos, and decided on the strategies needed to bolster our capacities for stable development, selective acquisition and cash distribution, all toward the goal of providing attractive long-term yields to our CBFi holders.

The Technical committee is supported by five sub-committees: Audit, Nominations, Corporate Practices, Innovation, and ESG, all which contribute to the strategic management of Fibra Danhos. Their extensive understanding and broad knowledge of

the industry enable our company to grow and operate a portfolio of iconic, premier-quality buildings located primarily in the Mexico City and Puebla metropolitan areas.

The highest governance body for evaluating the Fibra's performance is its Technical Committee, supported by the Audit Committee. The CBFi holders' Meeting may request information of the Committee when necessary to make decisions. This process is buttressed by an evaluation by the Fibra's external advisors, who identify strengths and areas of opportunity to ensure our operations are carried out under optimum conditions.



The annual compensation of our CEO, who also serves as a partner in its external advisory firm, is established in a Consulting and Strategic Planning agreement. The advisory fee is set at 1% of the book value of the Fibra's properties and paid on a quarterly basis, a portion of it in CBFIs, using the VWAP (Volume Weighted Average Price) of the corresponding period, and the other portion in cash. The control group holds 42% of the CBFIs, which is the highest percentage in the market, and ensures an alignment of interests and decision-making.

Compensation for each independent member of the Technical Committee amounts to \$ 400,000 pesos a year.

Risk management

(102-30, 102-33)

The materiality study we conducted in 2018 was the starting point for focusing our risk management efforts on the issues of greatest concern for the company and its stakeholders.

According to the ESG mapping process, we identified two priority emerging risks:

- Corruption/bribery/transparency. We did not have a policy in place for any of these three important aspects, so our first area of opportunity was to create anti-corruption audits to verify and evaluate our processes.
- Research, innovation and development, so we can be on top of the latest technological trends that might be of benefit to Fibra Danhos.

Our ESG committee is made up of the following:
(102-20):

Chairman:

Jorge Serrano Esponda, Chief Financial Officer

Members:

Susana Cann Llamosa, Legal Director
Jonathan Cherem Daniel, Investor Relations/ESG
David Goldberg, Independent Advisor



As we mentioned earlier, Fibra Danhos has a clear mission, vision and values. We also have a Code of Ethics with various policies to guide our performance and address priority emerging risks.

One fundamental tool for our operations is our Code of Ethics, which is available on our website for stakeholders to learn about and apply it. Both employees and suppliers sign a statement of agreement and adherence to the Code. In 2019, two years after it was last published, the Code was reviewed and updated.

(102-12)

We also abide by the principles of the United Nations Global Compact, of which we are signing members, and its stipulations on human rights, labor conditions, environment and anti-corruption. In upholding the Compact's ten principles, we also commit to presenting an annual Communication of Progress (CoP).

Last year we submitted information on our company to the Global Real Estate Sustainability Benchmark (GRESB) for the first time. After examining our performance in the Management & Policy and Implementation & Measurement dimensions, we were given a grade of more than 50 points in each of these aspects, earning us Green Star distinction, which indicates a high rating in absolute performance.



We have also been evaluated under RobecoSAM parameters and identified certain areas of opportunity – for example risk governance, customer relationship management, human rights training, corporate citizenship and philanthropy – which we immediately began addressing.



SOCIAL RESPONSIBILITY

Aware of our responsibility for building a better Mexico, we support a variety of causes, primarily in support of institutions concerned about children, because we know these are the future of our country. Although we do not have a formal institutional program for philanthropic activity, we did support a number of causes last year:

- Donation of \$ 300,000 pesos to the National Pediatrics Institute.
- Donation of objects forgotten in our buildings – from cell phones to bicycles – to orphanages and shelters – a total of 200 objects in all.
- Social engagement activities like distributing candy to children at the annual lighting of the Christmas tree, and Day of the Dead cakes for people visiting our properties to celebrate that day.
- Conservation and maintenance of Parque de la Luz.

The total amount devoted to these activities was \$ 345,884.41 pesos.

(201-1)



Instituto
Nacional
de Pediatría



Our target is to create an institutional philanthropy program within Fibra Danhos, which we will start up in 2020.

We also support the federal government's "Youth Building the Future" program by welcoming nine interns into Grupo Danhos. We are confident that this training program can have a positive effect on our society and our country.

We aim to create an institutional philanthropy program within Fibra Danhos, which we will start up in 2020.

Participation in organizations and associations

Fibra Danhos does not support political causes either by cash or in-kind donations, nor does it participate in any type of political campaign. Nevertheless, we respect our employees' right to political participation, provided they do not do it during working hours or with the use of company assets.

We also participate actively in trade associations by which we negotiate and lobby with government and other organizations.

(102-13)

We belong to the following associations:

- The Mexican Association of Real-Estate Investment Trusts (AMEFIBRA)
- The Real-Estate Developers' Association (ADI)





ANALYSIS OF RESULTS

This section of management's discussion and analysis of the results of our operations should be read together with the financial statements and the accompanying note attached to this Annual Report.

Revenues

Total Operating Income: In 2019, Total Operating Income was \$ 5.79 billion pesos, a 12.4% increase over 2018. This increase was due primarily to the consolidation and maturation of some of our properties, including the retail, office and hotel components of Toreo Parque Central, and the operation and economic occupancy of 100% of Torre Virreyes, Via Vallejo and Parque Puebla, as well as the incorporation of Parque Las Antenas into our Current Operating Portfolio. Base rent accounted for about 64.3% of the total operating income of Fibra Danhos, while Overage accounted for around 4.6%, income from Tenant Admission Payments, or key money, contributed 7.1%, parking fees approximately 8.2%, and revenues from maintenance, operation, advertising and others accounted for approximately 15.8%.

Base Rent: Fibra Danhos reports revenues from Base Rent totaling \$ 3.73 billion pesos in 2019, an increase of 11.4% over 2018, This increase was due primarily to the consolidation and maturation of some of our properties, including the retail, office and hotel components of Toreo Parque Central, and the operation and economic occupancy of 100% of Torre Virreyes, Via Vallejo and Parque Puebla, as well as the incorporation of Parque Las Antenas into our Current Operating Portfolio.

Overage: Income from Overage totaled \$ 264.3 million pesos in 2019, a year-over-year growth of 15.4%. This increase was driven primarily by a conversion of Overage to Base Rent by some of our tenants at Parque Delta and Parque Tezontle.

Organic growth (same-property terms) in Base Rent and Overage was 4.4% compared to 2018.

Tenant admission payments: Key money (for accounting purposes) totaled \$ 413.5 million pesos in 2019, an annual growth of 13% compared to 2018. Key money (in cash flow terms) totaled \$170.2 million, down from \$305.1 million in 2018. The trend of rising Net Operating Income (NOI) combined with lower cash flow from key money was evident throughout the year, and signaled a more stable and predictable generation of cash flow from our Operating Portfolio, due to the reduced number of projects under development and the increase in stabilized projects now in operation.

Parking: Revenues from parking facilities totaled \$ 473.2 million pesos in 2019, a year-over-year advance of 12.3%, attributed to the annual increase in parking rates in some of our retail components and a higher flow of vehicles in some of our properties, like Parque Puebla, as well as the incorporation of Parque Las Antenas into our Current Operating Portfolio.

Maintenance, Operation, Advertising and Others: Revenues from Maintenance, operation, Advertising and Others reached \$ 915.1 million pesos in 2019, which is 15.8% higher than in 2018. The increase was the result of maintenance, operation and advertising rates resulting from the consolidation and maturation of some of our properties, including Toreo Parque Central, Via Vallejo and Parque Puebla, as well as the incorporation of Parque Las Antenas into our Current Operating Portfolio.

Expenses

Total Operating Expense: Total Operating Expense for Fibra Danhos in 2019 totaled \$ 1.09 billion pesos, a 9.2% increase over 2018, primarily due to the recognition of operating expenses from projects incorporated to the Operating Portfolio as well from projects in the process of maturation in 2019. Operating, maintenance, advertising and other expenses accounted for approximately 44.1% of total operating expenses, Consulting Fees 34.29%, Representation Service Fees 5.88%, Administrative Expense 6.55%, property tax 7.23% and insurance 1.94%.

Operating, Maintenance, Advertising and Other Expenses: Operating, Maintenance, Advertising and Other Expenses totaled \$ 814.7 million pesos in 2019, rising 10.1% over 2018. The increase was primarily the result of the recognition of operating expenses from projects incorporated to the Operating Portfolio as well from projects in the process of maturation in 2019, including Parque Puebla and Parque Las Antenas.

Advisory Fees and Representation Service expense: Advisory and Representation Service Fees totaled expenses of \$ 633.6 million and \$ 108.7 million pesos, respectively, increases of 4.0% and 8.4% over 2018.

The main reason for the rise in Advisory Fees was an increase in Investment Properties, which serve as the basis for calculating these fees.

Representation Service Fees rose mainly because of an increase in revenues billed and collected, which serve as the basis for calculating these fees.

Administrative Expenses: For Fibra Danhos, Administrative Expenses consist primarily of fees paid to our accounting, legal and tax consultants, as well as independent appraisers, a total of \$ 121 million pesos in 2019.

Property tax and insurance expense: Fibra Danhos reports \$ 133.7 million pesos in property tax and \$ 35.9 million in insurance payments in 2019. The increase property tax was due to adjustment to works at our properties and the annual increase.

The increase in insurance expense is attributed primarily to fire insurance policies for some of our properties.

Other Income (Expenses)

Interest income, interest expense, and foreign-exchange gain (net): Interest income for Fibra Danhos totaled \$ 71 million pesos in fiscal year 2019, resulting primarily from the investment of its cash balance in fixed-income securities. In the same period, interest expense (in accounting terms) totaled \$ 448.1 million pesos, and foreign-exchange gain was positive by \$ 22.4 million, due primarily to the appreciation of the U.S. dollar against the Mexican pesos and its impact on Fibra's collections in dollars.

Subsidiary income tax: Subsidiary income tax is paid by the Administrator, which is a legal entity that declares and pays taxes. In fiscal year 2019, subsidiary income taxes totaled \$ 5.59 million pesos.

Adjustments to the Reasonable Value of Investment Properties (net): Adjustments to the reasonable value of Investment Properties as of December 31, 2019 and 2018, totaled \$ 563 million and \$ 727.7 million pesos, respectively, the result of market value appraisals by independent experts who conducted annual assessments of our Investment Properties, with quarterly adjustments.

NOI, EBITDA, Net Income, FFO and AFFO

Net Operating Income: For fiscal year 2019, Fibra Danhos reports Net Operating Income (NOI) of \$ 4.70 billion pesos, a year-over-year growth of 13.2% compared to 2018. Organic growth (growth in same property terms) was 5.1% for the year. The net operating margin, excluding Tenant Admission Payments, was 79.7% for 2019, slightly higher than the 79.1% reported in 2018.

EBITDA: Fibra Danhos earned \$ 3.95 billion pesos in EBITDA in 2019, 15.2% higher than in 2018. The EBITDA margin was 68.1%, up from 66.5% in 2018.

Net income, FFO and AFFO: Net income, FFO and AFFO in 2019 totaled \$ 4.10 billion, \$ 3.5 billion and \$ 3.90 billion pesos, improvements of 5.5%, 12.3%, and 5.1%, respectively, compared to those of 2018.

Mexican pesos	2019	2018
Net income	4,104,766,090	3,891,797,290
Net foreign-exchange gain	-19,863,641	-6,827,971
Adjustment to reasonable value of properties - Net	563,065,748	727,748,087
FFO	\$ 3,561,563,983	\$ 3,170,877,173
Capital expenditure	—	—
Tenant Admission payments - Net	-243,344,475	-60,845,507
Upfront rents - Net	-6,705,348	3,189,217
Straight-line rent - Net	-4,836,983	-15,217,792
Unaccrued property tax and insurance	-5,163,475	-6,120,788
Advisory and Representation Fees -Net	599,050,722	618,445,671
AFFO	\$ 3,900,564,424	\$ 3,710,327,975

Cash Distributions

Cash distributions: Thanks to a solid generation of cash flow from our Operating Portfolio in 2019, Fibra Danhos reported an AFFO of \$ 3.90 billion pesos, which is an AFFO per CBFI with economic rights of \$ 2.76 pesos. On this basis, our Technical Committee decided on a distribution to CBFI holders corresponding to the 2019 results, of \$ 2.47 per CBFI, which is 2.8% more than the \$ 2.9 pesos per CBFI paid out against the 2018 results in 2019; Fibra Danhos maintained the equivalent of \$ 0.29 pesos per CBFI in cash for various corporate purposes.

Financing

DANHOS 16: 3,000,000,000.00 (three billion Mexican pesos 00/100) at 10 years, at a fixed nominal coupon rate of 7.80% (Mbono 2026 + 185 bp).

DANHOS 16-2: 1,000,000,000.00 (one billion Mexican pesos 00/100) at a floating rate of 65 bp over the TIIE 28. This issue was fully paid off at expiration on December 23, 2019.

DANHOS 17: 2,500,000,000.00 (two billion five hundred million Mexican pesos 00/100) at 10 years, at a fixed nominal coupon rate of 8.54% (Mbono 2027 + 169 bp).

BBVA Bancomer: A line of credit totaling 150,000,000.00 (One hundred fifty million Mexican pesos 00/100 pesos) at a variable rate of 1.35 bp over the TIIE 28, at 3 years.

Debt	Institution / Issue	Currency	Rate	Issue	Remaining term (yrs)	Outstanding balance
Securities Certificates (Current)	Local (DANHOS 16)	MXN	Fixed 7.80%	29-06-26	6.52	3,000,000,000
Securities Certificates (Current)	Local (DANHOS 17)	MXN	Fixed 8.54%	28-06-27	7.52	2,500,000,000
Bank	BBVA BANCOMER	MXN	Floating TIIE + 1.35%	20-12-22	2.98	150,000,000
			Average \$8.16	Average	6.87	\$5,650,000,000

*Excluding the 16-2 Issue, which has been fully paid off.

Out of our total financing, 97% is at fixed rates and 3% floating. All of our debt is denominated in Mexican pesos, the weighted average remaining term of the debt is 6.87 years and the average cost of our debt as of December 31, 2009 was 8.16%.

The following table shows the status of Fibra Danhos' compliance with its financial debt covenants:

Compliance with covenants as of 4Q19	Fibra Danhos	Limit	Status
Loan to value (total debt/total assets)	8.6%	50%	OK
Secured debt	0.0%	40%	OK
Debt service coverage (AFFO)	9.41x	1.5 x min	OK
Total unencumbered assets	1148%	150%	OK

Performance of our properties in our current operating portfolio

We have met 100% of the development commitments we made during our IPO. We continue to work on development of Parque Tepeyac, which is slated for opening in 2021. We have multiplied the GLA of our Initial Operating Portfolio by 3.3 times and added more than 615,143 square meters of premier quality to our portfolio since October 2013.

As of December 31, 2019, the Current Operating Portfolio of Fibra Danhos consisted of fourteen properties, with a combined GLA of 891,703 square meters, a same-property occupancy rate of 98.2%, and a total property occupancy rate of 92.2%. Parque Tepeyac remains under development with tentative opening planned for 2021.

Visitor Traffic: Our retail portfolio recorded an annual footfall of 126 million visitors in 2019, a 14.3% increase over 2018. Same-property occupancy was stable at 98.2%, while total property occupancy was 92.2%, changes of -0.1% and 1.8%, respectively, compared to 2018.

Occupancy Cost: The Occupancy Cost of our most significant institutional retail tenants in terms of GLA and Base Rents (the costs associated with occupancy of a locale, which include Base Rent, Overage, maintenance fees for common areas and advertising, expressed as a percentage of the sales of those tenants) was 8.9% in 2019, up slightly from the 8.76% calculated for 2018. In the same period, the Renewal Rate (gross leasable area of locales that renewed their lease contracts in a given period, as a percentage of the gross leasable area of the entire portfolio) was slightly higher, 99.6% in 2019 compared to 98.1% in 2018.

Delinquency Rate: Past-due accounts (rent paid more than 60 days late, as a percentage of base rent income annualized for the respective period) in the properties of our Initial Operating Portfolio was 0.32% in 2019, up from 0.26% in 2018. Rent Write-offs (accounts more than 180 days past due in proportion to base rent income annualized for the respective period) amounted to 0.68% of the total in 2019, a 5 bp increase over 2018.

Consolidated Statements of Financial Position

As of December 31, 2019, 2018 and 2017
(In Mexican pesos)

Assets	2019	2018	2017
Current assets:			
Cash, cash equivalents and restricted cash	\$ 490,355,748	\$ 1,808,607,828	\$ 3,088,324,660
Lease receivables and other receivables	428,140,691	402,240,593	448,387,766
Accounts receivable from related parties	153,246	793,288	5,389,558
Recoverable taxes, mainly Income Taxes	84,514,506	37,599,750	2,304,907
Prepaid expenses, mainly commissions to be amortized and others	26,467,213	27,156,963	24,197,582
Total current assets	1,029,631,404	2,276,398,422	3,568,604,473
Non-current assets:			
Investment properties	64,364,614,588	62,716,149,554	60,371,665,765
Acquisition of technological platform	7,527,702	13,287,101	14,016,090
Other assets	6,329,927	10,000,000	10,000,000
Machinery and equipment	27,663,200	22,911,806	14,465,805
Deferred income tax of subsidiary	12,030,350	10,208,988	7,016,301
Total non-current assets	64,418,165,767	62,772,557,449	60,417,163,961
Total assets	\$ 65,447,797,171	\$ 65,048,955,871	\$ 63,985,768,434
Liabilities and trustors' capital			
Current liabilities:			
Short-term financial liabilities	\$ -	\$ 1,000,000,000	\$ -
Interest payable on financial liabilities	220,206,566	217,875,405	218,913,060
Deferred lease revenue	347,541,836	360,136,899	310,499,229
Trade accounts payable	67,556,735	56,230,830	192,928,447
Prepaid lease	35,050,189	39,174,502	39,108,432
Accounts payable to related parties	204,593,443	190,416,516	184,942,223
Tax payable	50,231,969	69,533,984	57,585,850
Total current liabilities	925,180,738	1,933,368,136	1,003,977,241
Non-current liabilities:			
Long-term financial liabilities	5,617,169,802	5,462,500,832	6,452,720,449
Deferred lease revenue	781,168,056	1,034,433,630	1,202,608,816
Deposits of tenants	408,431,794	397,290,015	366,234,292
Employee benefits	17,272,106	13,259,369	9,959,699
	6,824,041,758	6,907,483,846	8,031,523,256
Total liabilities	7,749,222,496	8,840,851,982	9,035,500,497
Trustors' capital:			
Trustors' capital	41,871,466,618	42,383,005,320	43,610,750,525
Retained earnings	15,040,867,303	13,072,255,847	10,878,899,354
Other comprehensive loss for the year	(3,500,059)	(2,154,136)	(1,075,211)
Controlling interest	56,908,833,862	55,453,107,031	54,488,574,668
Non-controlling interest	789,740,813	754,996,858	461,693,269
Total trustors' capital:	57,698,574,675	56,208,103,889	54,950,267,937
Total liabilities and trustors' capital	\$ 65,447,797,171	\$ 65,048,955,871	\$ 63,985,768,434

Consolidated Statements of Profit or Loss and Other Comprehensive Income

For the years ended December 31, 2019, 2018 and 2017
(In Mexican pesos)

	2019	2018	2017
Fixed rental revenues	\$ 3,728,308,048	\$ 3,346,441,358	\$ 2,603,591,802
Variable rental revenues	264,342,408	228,967,634	240,689,801
Deferred lease revenue	413,521,331	365,925,798	285,231,182
Parking revenues	473,167,193	421,461,742	367,305,390
Maintenance and advertising revenues	915,116,691	790,175,281	639,845,987
	5,794,455,671	5,152,971,813	4,136,664,162
Advisory fees	633,639,389	609,094,198	552,475,415
Representation fees	108,707,379	100,285,549	84,697,987
Administration expenses	121,013,582	117,174,886	91,025,549
Operation and maintenance expenses	814,747,034	739,690,898	568,152,754
Property tax	133,673,275	127,108,282	128,171,406
Insurance	35,916,564	33,586,136	30,226,896
Interest income	(71,060,221)	(80,173,400)	(113,293,979)
Interest expense	448,158,512	332,969,621	130,441,513
Foreign exchange gain – Net	22,370,393	6,560,786	18,406,362
Adjustments to fair value of investment property	(563,065,748)	(727,748,087)	(2,520,134,043)
Income tax expense of subsidiary	5,589,422	2,625,654	232,946
Profit for the year	\$ 4,104,766,090	\$ 3,891,797,290	\$ 5,166,261,356
Profit for the year attributable to:			
Owners of the Entity	\$ 4,091,268,558	\$ 3,889,865,680	\$ 5,166,261,356
Non-controlling interests	13,497,532	1,931,610	-
	4,104,766,090	3,891,797,290	5,166,261,356
Actuarial (losses) gains of employee benefits	(1,345,923)	(1,078,925)	18,619
Total consolidated comprehensive income for the year	\$ 4,103,420,167	\$ 3,890,718,365	\$ 5,166,279,975
Basic comprehensive income per CBFi (pesos)	\$ 2.8219	\$ 2.7221	\$ 3.6590
Diluted comprehensive income per CBFi (pesos)	\$ 2.7647	\$ 2.5854	\$ 3.4016

Consolidated Statements of Changes in Trustors' Capital

For the years ended December 31, 2019, 2018 and 2017

(In Mexican pesos)

	Trustors' capital	Retained earnings
Balance as of January 1, 2017	\$ 44,608,464,372	\$ 7,126,970,274
Increase in equity due to capitalization of advisory fees	486,341,093	-
Capital reimbursements	(1,484,054,940)	-
Dividends paid	-	(1,414,332,276)
Comprehensive income:		
Consolidated net income for the year	-	5,166,261,356
Actuarial profit for employee benefits	-	-
	-	5,166,261,356
Non controlling interest	-	-
Balance as of December 31, 2017	43,610,750,525	10,878,899,354
Increase in equity due to capitalization of advisory fees	580,061,236	-
Capital reimbursements	(1,567,037,927)	-
Dividends paid	-	(1,696,509,187)
Cancellation of CBFi's Via Vallejo	(240,768,514)	-
Contribution to non controlling interest	-	-
Comprehensive income:		
Consolidated net income for the year	-	3,889,865,680
Actuarial loss for employee benefits	-	-
	-	3,889,865,680
Balance as of December 31, 2018	42,383,005,320	13,072,255,847
Increase in equity due to capitalization of advisory fees	578,108,176	-
Capital reimbursements	(1,327,367,790)	-
Dividends paid	-	(2,122,657,102)
Issue of CBFi's Torre Virreyes	426,737,116	-
Cancellation of CBFi's Tereo (Comercial)	(189,016,204)	-
Decrease to non controlling interest	-	-
Contribution to non controlling interest	-	-
Comprehensive income:		
Consolidated net income for the year	-	4,091,268,558
Actuarial loss for employee benefits	-	-
	-	4,091,268,558
Balance as of December 31, 2019	\$ 41,871,466,618	\$ 15,040,867,303

	Other items of comprehensive income		Controlling interest		Non-controlling interest		Total
\$	(1,093,830)	\$	51,734,340,816	\$	-	\$	51,734,340,816
	-		486,341,093		-		486,341,093
	-		(1,484,054,940)		-		(1,484,054,940)
	-		(1,414,332,276)		-		(1,414,332,276)
	-		5,166,261,356		-		5,166,261,356
	18,619		18,619		-		18,619
	18,619		5,166,279,975		-		5,166,279,975
	-		-		461,693,269		461,693,269
	(1,075,211)		54,488,574,668		461,693,269		54,950,267,937
	-		580,061,236		-		580,061,236
	-		(1,567,037,927)		-		(1,567,037,927)
	-		(1,696,509,187)		-		(1,696,509,187)
	-		(240,768,514)		-		(240,768,514)
	-		-		291,371,979		291,371,979
	-		3,889,865,680		1,931,610		3,891,797,290
	(1,078,925)		(1,078,925)		-		(1,078,925)
	(1,078,925)		3,888,786,755		1,931,610		3,890,718,365
	(2,154,136)		55,453,107,031		754,996,858		56,208,103,889
	-		578,108,176		-		578,108,176
	-		(1,327,367,790)		-		(1,327,367,790)
	-		(2,122,657,102)		-		(2,122,657,102)
	-		426,737,116		-		426,737,116
	-		(189,016,204)		-		(189,016,204)
	-		-		(72,922,956)		(72,922,956)
	-		-		94,169,379		94,169,379
	-		4,091,268,558		13,497,532		4,104,766,090
	(1,345,923)		(1,345,923)		-		(1,345,923)
	(1,345,923)		4,089,922,635		13,497,532		4,103,420,167
\$	(3,500,059)	\$	56,908,833,862	\$	789,740,813	\$	57,698,574,675

Consolidated Statements of Cash Flows

For the years ended December 31, 2019, 2018 and 2017

(In Mexican pesos)

	2019	2018	2017
Cash flows from operating activities:			
Consolidated net income	\$ 4,104,766,090	\$ 3,891,797,290	\$ 5,166,261,356
Adjustments to net income:			
(Benefits) income tax from subsidiary	5,589,422	2,625,654	232,946
Adjustments to fair value of investment property	(563,065,748)	(727,748,087)	(2,520,134,043)
Advisory fee liquidated by equity instruments	578,108,176	580,061,236	486,341,092
Employee benefits	2,099,033	1,758,347	1,537,498
Depreciation of machinery and equipment	5,704,747	2,909,347	706,508
Amortization of technological platform	6,062,036	5,986,376	4,672,030
Interest income	(71,060,221)	(80,173,400)	(113,293,979)
Interest expense	448,158,512	332,969,621	130,441,513
Profit from derecognition of fixed assets	(4,516,448)	-	-
Total	4,511,845,599	4,010,186,384	3,156,764,921
Changes in working capital:			
(Increase) decrease in:			
Lease receivable and other receivables	(2,203,680)	43,187,791	72,615,999
Accounts receivable from related parties	640,042	4,596,270	59,339,958
Recoverable taxes, mainly Income Taxes	(46,914,756)	(35,294,843)	118,748,271
Increase (decrease) in:			
Trade accounts payable and accrued expenses	(15,381,542)	(135,956,300)	101,422,327
Prepaid lease	(4,124,313)	66,070	(21,610,741)
Deferred lease revenue	(265,860,637)	(118,537,516)	73,543,533
Deposits of tenants	11,141,779	31,055,723	50,910,358
Income tax paid	(26,712,798)	5,355,945	51,781,595
Accounts payable to related parties	14,176,927	5,474,293	(333,297,410)
Net cash generated in operating activities	\$ 4,176,606,621	\$ 3,810,133,817	\$ 3,330,218,811
Cash flows from investing activities			
Acquisitions of investment properties	(820,505,715)	(1,641,815,898)	(2,112,519,857)
Acquisition of technological platform	(302,637)	(5,257,387)	(4,744,578)
Acquisitions of machinery and equipment	(10,456,141)	(11,355,349)	(9,051,971)
Sale of land	11,293,333	-	62,953,798
Interest received	71,060,221	80,173,400	113,293,979
Net cash used in investing activities	\$ (748,910,939)	\$ (1,578,255,234)	\$ (1,950,068,629)
Cash flows from financing activities:			
Loans obtained by third parties	150,000,000	-	-
Debt Payment	(1,000,000,000)	-	-
Loans obtained (financial liability)	-	-	2,500,000,000
Expenses paid on the issuance of financial liabilities	-	-	(20,928,176)
Debt commissions	3,670,073	-	(2,500,000)
Capital reimbursements	(1,327,367,790)	(1,567,037,927)	(1,484,054,940)
Dividends paid	(2,122,657,102)	(1,696,509,187)	(1,414,332,276)
Capital contributions to Fideicomiso Invex 3381 (Parque Tepeyac)	94,169,379	291,371,976	-
Interest paid	(543,762,322)	(539,420,277)	(315,666,538)
Net cash used in financing activities	\$ (4,745,947,762)	\$ (3,511,595,415)	\$ (737,481,930)
Cash, cash equivalents and restricted cash:			
Net (decrease) increase in cash, cash equivalents and restricted cash	(1,318,252,080)	(1,279,716,832)	642,668,252
Cash, cash equivalents and restricted cash at the beginning of period	1,808,607,828	3,088,324,660	2,445,656,408
Cash, cash equivalents and restricted cash at the end of period	\$ 490,355,748	\$ 1,808,607,828	\$ 3,088,324,660
Items that do not generate cash flow:			
Advisory fee liquidated by equity instruments (see Note 13)	578,108,176	580,061,236	486,341,092
Cancellation of CBF's Via Vallejo (see Note 1 "relevant events")	-	(240,768,514)	-
Cancellation of CBF's Toreo (Comercial) (see Note 1 y 7 "Relevant events" and "Investment properties, respectively)	(189,016,204)	-	-
Issue of CBF's Torre Virreyes (see Note 1 y 7 "Relevant events" and "Investment properties, respectively)	426,737,116	-	-
Total items that do not generate cash flow	\$ 815,829,088	\$ 339,292,722	\$ 486,341,092

GRI CONTENT INDEX

About this report

(102-46, 102-50, 102-51, 102-52, 102-53, 102-54, 102-55)

With this first Integrated Annual Report, which covers the period from January 1 to December 31, 2019, we invite all our stakeholders to learn about Grupo Danhos' performance as a socially responsible company in economic, environmental, social and corporate governance terms.

In the years prior to this report, which has been verified by KPMG, in 2018 we presented both an Annual Report and a Sustainability Report. The latter was prepared in accordance with the content and quality principles established by the Global Reporting Initiative (GRI) in its 2016-2018 standards, core option. These reports were issued on an annual basis.

The relevant economic, environmental and social aspects to be discussed in this report were selected on the basis of a materiality analysis that took into account the current internal and external sustainability context, key issues in the company, and the opinion of our stakeholders.

Both this report and our previous reports can be viewed on our website at:

<https://www.fibradanhos.com.mx>

GRI Content Index

GRI Standard Content	Description	Page
GRI 102 General disclosures		
1. Organizational profile		
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102-3	Location of headquarters	Inside back cover
102-4	Location of operations	Inside cover
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102-10	Significant changes to the organization and its supply chain	-
102-11	Precautionary Principle or approach	-
102-12	External initiatives	51
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2. Strategy		
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102-16	Values, principles, standards and norms of behavior	1
102-17	Mechanisms for advice and concerns about ethics	19
4. Governance		
102-18	Governance structure	In the decision-making process, every share (CBFI) is equal to one vote.
102-19	Delegating authority	46
102-20	Executive-level responsibility for economic, environmental, and social topics	51
102-21	Consulting stakeholders on economic, environmental, and social topics	24-25
102-22	Composition of the highest governance body and its committees	46
102-23	Chair of the highest governance body	46
102-24	Nominating and selecting the highest governance body	46
102-25	Conflicts of interest	34
102-26	Role of highest governance body in setting purpose, values, and strategy	46-49
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102-28	Evaluating the highest governance body's performance	45
102-29	Identifying and managing economic, environmental, and social impacts	10-11
102-30	Effectiveness of risk management processes	50
102-31	Review of economic, environmental, and social topics	14-15
102-32	Highest governance body's role in sustainability reporting	-
102-33	Communicating critical concerns	50
102-34	Nature and total number of critical concerns	-
102-35	Remuneration policies	31
102-36	Process for determining remuneration	-
102-37	Stakeholders' involvement in remuneration	Fibra Danhos does not rely on external stakeholders for management of compensation policies.
102-38	Annual total compensation ratio	30
102-39	Percentage increase in annual total compensation ratio	Information not available. Fibra Danhos is working to obtain this estimate in order to report it in the medium term.
5. Stakeholder engagement		
102-40	List of stakeholder groups	22-27
102-41	Collective bargaining agreements	-
102-42	Identifying and selecting stakeholders	24-25
102-43	Approach to stakeholder engagement	26-27
102-44	Key topics and concerns raised	21
6. Reporting practices		
102-45	Entities included in the consolidated financial statements	-
102-46	Defining report content and topic boundaries	63
102-47	List of material topics	21
102-48	Restatements of information	39
102-49	Changes in reporting	For the same reason, in this first Integrated Annual Report, there is no significant change in reporting from previous editions.
102-50	Reporting period	63
102-51	Date of most recent report	63

GRI Standard Content	Description	Page
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102-56	External assurance	69
103-1	Explanation of the material topic and its boundaries	20
103-2	The management approach and its components	6-7
103-3	Evaluation of the management approach	Information not available. As this is an emerging risk, it has not yet been assessed. We are committed to preparing this information in the medium term.
GRI 200: Economic standards		
GRI 201 Economic performance		
201-1	Direct economic value generated and distributed	33, 52
201-2	Financial implications and other risks and opportunities due to climate change	20-21, 41
201-3	Defined benefit plan obligations and other retirement plans	31
201-4	Financial assistance received from government	We receive no financial assistance from the government.
GRI 204 Procurement practices		
204-1	Proportion of spending on local suppliers	-
GRI 205 Anti-Corruption		
205-1	Operations assessed for risks related to corruption	Information not available. As this is an emerging risk, it has not yet been assessed. We are committed to preparing this information in the medium term.
205-2	Communication and training about anti-corruption policies and procedures	Anti-corruption policy
205-3	Confirmed incidents of corruption and actions taken	In the period covered there were no corruption cases reported
GRI 300: Environmental Standards		
GRI 302 Energy		
302-1	Energy consumption within the organization	38-39
302-2	Energy intensity	38
302-4	Reduction of energy requirements of products and services	38
GRI 303 Water		
303-1	Water withdrawal by source	40
303-4	Water sources significantly affected by withdrawal of water	40
303-5	Total volume of water recycled and reused	40
GRI 304 Biodiversity		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	41
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	41
GRI 305 Emissions		
305-1	Direct (Scope 1) GHG emissions	39
305-2	Energy indirect (Scope 2) GHG emissions	39

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GRI 306 Effluents and waste		
306-2	Waste by type and disposal method	40-41
GRI 307 Environmental compliance		
307-1	Non-compliance with environmental laws and regulations	No breach of environmental laws and regulations was reported. We also have an Environmental Policy.
GRI 308 Environmental evaluation of suppliers		
308-1	New suppliers that were screened using environmental criteria	43
GRI 400: Social Standards		
GRI 401 Employment		
401-1	New employee hires and employee turnover	30
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	31
401-3	Parental leave	31
GRI 403 Occupational Health and Safety		
403-1	Workers representation in formal joint management worker health and safety committees	We do not have health and safety committees, but we do have civil defense courses and our onboarding process includes safety information.
403-2	Types of injury and rates of accidents, occupational diseases, lost days, absenteeism, and number of work-related fatalities	34
403-3	Workers with high incidence or high risk of diseases related to their occupation	There are no occupational illness risks relating to FD activities. Nevertheless, we offer paramedic service in all our buildings, and we offer health and nutrition programs to employees
GRI 404 Training and Education		
404-1	Average hours of training per year per employee	35
404-2	Programs for upgrading employee skills and transition assistance programs	15
404-3	Percentage of employees receiving regular performance and career development reviews	30
GRI 405 Diversity and equal opportunity		
405-1	Diversity of governance bodies and employees	29, 30 6 women in senior management positions Diversity and Inclusion Policy
405-2	Ratio of basic salary and remuneration of women to men	30

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GRI 406 Non discrimination		
406-1	Incidents of discrimination and corrective actions taken	34
		No cases of discrimination were reported.
		We have an ethics hotline for complaints or reports
		Diversity and Inclusion Policy
		Occupational Safety Policy
GRI 410 Security practices		
410-1	Security personnel trained in human rights policies or procedures	-
GRI 412 Human Rights Evaluation		
412-2	Employee training on human rights policies or procedures	-
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	-
GRI 413 Local communities		
413-1	Operations with local community engagement, impact assessments, and development programs	27, 41
		Stakeholder Relations Policy
413-2	Operations with significant actual and potential negative impacts on local communities	41
		Quite the contrary: we seek for our properties to be agents of positive transformation in the environment and to contribute to the socioeconomic development of the zones where we operate
GRI 414 Supplier social evaluation		
414-1	New suppliers that were screened using social criteria	43
GRI 416 Customer Health and Safety		
416-1	Assessment of the health and safety impacts of product and service categories	We main high standards of safety in terms of civil defense in our buildings
GRI 417 Marketing and Labeling		
417-3	Incidents of non-compliance concerning marketing communications	-
GRI 419 Socioeconomic compliance		
419-1	Non-compliance with laws and regulations in the social and economic area	No breach of socioeconomic regulations by FD was reported in this period



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Independent Limited Assurance Report on Indicators of Sustainability Performance (Non-Financial Information)

To the Sustainability Committee of Fideicomiso Fibra Danhos,

We were engaged by the Administration of Fideicomiso Fibra Danhos (hereinafter “Danhos”), to report on the Indicators of Sustainability Performance (Non-Financial Information) prepared and presented by the Danhos ESG Director, contained in the Integrated Report 2019, for the period from January 1 to December 31, 2019 (“the Report”), which are detailed in Appendix A attached to this report (the “Contents”), in the form of an independent conclusion of limited assurance about whether, based on our work performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Contents are not prepared, in all material aspects, in accordance with the Global Reporting Initiative (GRI) Standards (the “Criteria”).

Management’s responsibilities

Danhos Sustainability Committee, through its ESG Director, is responsible for the preparation of the information subject to our review, free from material misstatement, in accordance with the Criteria.

Danhos Sustainability Committee, through its ESG Director, is also responsible for preventing and detecting fraud and for identifying and ensuring that Danhos complies with the laws and regulations applicable to its activities.

Danhos Sustainability Committee, through its ESG Director, is responsible for ensuring that: staff involved in the preparation and presentation of the Contents are properly trained, information systems are properly updated and that any change in the presentation of data and/or in the form of reporting, encompass all significant reporting units.

Our responsibilities

Our responsibility is to review the information related to the Contents included in the Integrated Report and to express an independent conclusion of limited assurance based on the evidence obtained. We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board (IAASB). The Standard requires that we plan and perform our procedures to obtain limited assurance about whether, based on our work performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Contents included in the Report for the period from January 1st to December 31st, 2019 are not prepared, in all material aspects, in accordance with the Global Reporting Initiative (GRI) Standards.

KPMG Cárdenas Dosal, S.C. (the “Firm”) applies the International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The procedures performed depend on our judgement and experience on the Contents presented in the Report and other circumstances of the work, and our consideration of the areas in which material misstatements are likely to arise.

By obtaining an understanding of the Contents included in the Report and other circumstances of the work, we have considered the process used to prepare the Contents, with the purpose of designing assurance procedures that are adequate in the circumstances, but not for the purpose of expressing a conclusion as to the effectiveness of Danhos internal control over the preparation of the Contents presented in the Report.

Our engagement also includes assessing the appropriateness of the main matter, the suitability of the criteria used by Danhos in the preparation of the Contents, by assessing the appropriateness of the methods, policies and procedures, and models used.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement, and consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained in the case of performing a reasonable assurance work.

Criteria

The criteria on which the preparation of the Contents has been assessed, refers to the requirements established accordance with the Global Reporting Initiative (GRI) Standards.

Conclusion

Our conclusion has been formed on the basis of, and subject to, the matters outlined in this report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusions.

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Contents detailed in Appendix A attached to this assurance report, prepared by Danhos ESG Director, and included in Danhos Integrated Report for the period from January 1st to December 31st, 2019, are not prepared, in all material aspects, in accordance with the Global Reporting Initiative (GRI) Standards (the “Criteria”).

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Restriction of use of our report

Our report should not be considered as suitable to be used or relied on by any party wishing to acquire rights against us other than Danhos Sustainability Committee, for any purpose or in any other context. Any party other than Danhos Sustainability Committee and by the ESG Director who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume any responsibility and deny any liability to any party other than Danhos for our work, for this independent limited assurance report, or for the conclusions we have reached.

Our report is released to Danhos, on the basis that it shall not be copied, referred to or disclosed, in whole or in part, without our prior written consent.

KPMG, Cárdenas Dosal, S.C.

Juan Carlos Reséndiz Muñiz

Partner

Mexico City, July 31th, 2020

Appendix A

Description of the Contents of the limited assurance engagement:

GRI Standard	Contents	Description
General Contents	102-17	Mechanisms for advice and concerns about ethics
Environmental footprint		
Energy		
GRI 302 Energy	302-1	Energy consumption within the organization Electricity consumption of the local network (kWh) Diesel and liquefied petroleum gas (liters)
	302-3	Energy intensity per m ² occupied (kWh/m ²)
Water		
GRI 303 Water	303-1	Water withdrawal from different sources (m ³)
	303-3	Total volume of water recycled (m ³)
Emissions		
GRI 305 Emissions	305-1	Direct (Scope 1) GHG emissions
	305-2	Energy indirect (Scope 2) GHG emissions
Social		
GRI 403 Occupational health and safety	403-2	Number of labor incidents.
		Number of days lost due to labor incidents.
GRI 404 Training and education	404-1	Average hours of training per year per employee
		- Course "Our commitment to sustainability"
GRI 413 Local Communities	413-1	Operations with local community engagement
		- Maintenance and repair of public spaces ("Parque de la Luz")
		- Noncash charitable donations to religious centers



(102-3, 102-53)

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