




SOLIDITY AMID THE CHALLENGES

2020

INTEGRATED
ANNUAL REPORT





Although it was a year of great challenges, we are proud to say that we have stood by our tenants, proving our support and solidarity, which earned us their continuing trust and kept our businesses active. This was clearly also possible because of the deep commitment of our people. We are confident that together we can come out stronger and resume the path of growth we are known for.

CONTENTS

02	About us Vision Values Distinguishing features	20	... we focus on our stakeholders Stakeholders Materiality Our employees
04	Messages from management	34	... and strengthen sustainable growth Commitment to the environment Supply chain Risk management Social responsibility Corporate governance
08	With a privileged position in the real-estate industry... Profile	50	Analysis of results and financial summary
12	... a firm strategy and business model	62	About this report
14	... and solid financial and operating goals 2020 at a glance 2021 targets Key financial and operating data	63	Glossary
		64	GRI Content Index
		69	SASB Index

ABOUT US

(102-1, 102-4, 102-10, 102-12, 102-45)

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.

Values:

- Transparency
- Honesty
- Respect for free competition
- Vocation for service
- Equal treatment

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. During the past year there were no changes in the company's size, structure, or ownership.

MISSION

(102-16)

To create, operate and innovate iconic, premier properties with outstanding identity and quality of life.

We also abide by the principles of the United Nations Global Compact, of which we are signing members, in terms of human rights, labor conditions, the environment and anti-corruption.



15
PROPERTIES

Distinguishing features

- Premier quality portfolio in the MCMA and Puebla
- Experienced, committed team, with an incomparable business vision
 - Strong growth potential
 - Alignment with best ESG practices
 - High visibility, low risk
 - Solid alignment with investors
 - Attractive capital structure

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.

VISION



MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

(102-14)

Our consolidated revenues and NOI totaled \$4.64 billion pesos and \$3.73 million pesos, respectively.



Construction work on our new Parque Tepeyac retail development continued within budget and on time, and is now 58% complete.

Dear investors,

Although 2020 was a year of great challenges, we are looking forward to an encouraging future, mainly because of the vaccination plan that began in January, although we know that the economy will take time to reopen, and it will be a gradual process. Despite this, I am pleased to share that we have been able to renew leasing contracts with our retail partners and to market and bring in new contracts for locales left vacant by the events of the past year.

To deal with the continuing impact of the pandemic on the economy, we designed support plans for our retail tenants, offering them temporary rent discounts, in order to retain as many of these as possible and minimize vacancy levels.

Our consolidated revenues and NOI totaled \$4.64 billion pesos and \$3.73 million pesos, respectively, declines of 19.9% and 20.6% from the previous year. The NOI margin shrank by 72.2 basis points to 80.4%, while AFFO per certificate with economic rights was \$2.07 pesos, 24.7% lower than the year before. For this period, the Technical Committee approved a distribution of \$1.00 pesos per CBFI, which is 48.2% of AFFO.



Construction work on our new Parque Tepeyac retail development continued within budget and on time, and is now 58% complete. We will shortly be signing a strategic alliance with a company specializing in technology, distribution and logistics, with which we plan to connect our physical spaces with the digital world and offer an omnichannel scheme that complements our current retail offering.

We admit that the immediate future is uncertain, but we will be doing everything necessary to temper the impact of the pandemic and keep occupancy at acceptable levels, given the circumstances. Meanwhile, we will be conservative with our cash flow, preserving liquidity and prioritizing our investment and financial commitments and our job sources. We will maintain a conservative long-term vision, accompanied by a solid capital structure and operating discipline, while keeping an eye out for opportunities as they arise.

I am grateful to our work team for their commitment, and for the support of our shareholders and board members, and particularly our tenants, who have repaid our support by helping to keep our businesses active.

Salvador Daniel Kabbaz Zaga
Chief Executive Officer



MESSAGE FROM THE ESG DIRECTOR

(102-29)

The most important thing last year, during the COVID-19 pandemic, was to protect our employees' health and well-being.

We are very pleased to present you this Integrated Annual Report for Fibra Danhos, which describes our performance in areas of environmental, social and governance (ESG) responsibility during 2020.

Clearly, the most important thing last year, during the COVID-19 pandemic, was to protect our employees' health and well-being. We took measures to make it possible for them to work from home, and despite the economic cost of these measures to Fibra Danhos, we kept all their salaries and benefits unchanged.

This reaffirms the priority we place on offering our employees conditions that support their physical and emotional health, and fluid communication that fully demonstrates our commitment to their safety and their human rights.

Furthermore, because we want to make sure our properties are always a source of positive transformation of the environment and contribute to socioeconomic development wherever we operate, we incorporate socio-environmental criteria into all phases of development and operation, along with solutions and systems to measure and mitigate our impact.

In one way or another, this past year affected every type of business that operates in our development, so we are



In 2020 we revised our Code of Ethics to incorporate aspects like quality, respect for human rights, diversity, professional development and training, occupational safety and health, and others, with specific policies for each of these.



reporting much lower consumption of energy and water, and lower waste generation. These are the most material factors of our operations, which directly affect activities in the properties we manage. But we continued to measure them precisely and this report describes how we managed them.

On the matter of corporate governance, because this is the framework within all the other elements are managed, Fibra Danhos incorporates ESG factors into our decision-making. The committee in charge of this area is made up of the Chief Executive Officer, the Chief Investor Relations Officer, Chief Human Capital Officer, Chief Operating Officer and Chief Marketing Officer. One thing worth mentioning is that in 2020 we revised our Code of Ethics to incorporate aspects like quality, respect for human rights, diversity, professional development and training, occupational safety and health, and others, with specific policies for each of these. With this we increasingly align our actions with the highest international ESG standards.

This was the third year in which we prepared our report in accordance with Global Reporting Initiative (GRI) indicators, almost all of which were covered this year, demonstrating our commitment to being a company that is not only profitable but socially and environmentally responsible as well. This is the first

year we are incorporating some indicators of the SASB (Sustainability Accounting Standards Board) relating to the real-estate industry.

As signing members of the United Nations Global Compact since 2019, we support the Sustainable Development Goals and contribute directly to achieving seven of them. This report also serves as our first Communication of Progress (CoP) toward those goals.

These efforts earned us Socially Responsible Enterprise distinction from the Mexican Center for Philanthropy (CEMEFI).

We invite you to read this report on the progress, challenges and opportunities we encountered last year, which serve as the basis for us to continue on the path of becoming an increasingly better company for all our stakeholders and for our country.

Sincerely,

Jonathan Cherm Daniel

WITH A PRIVILEGED POSITION IN THE REAL-ESTATE INDUSTRY...


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

RETAIL PORTFOLIO

1. Parque Las Antenas (2018)

Located on the dividing line between the Iztapalapa and Xochimilco townships of Mexico City, a densely populated zone with no other quality retail or entertainment options.

108,830 m² of leasable area


4,351 parking spaces 



2. Parque Puebla (2017)

A shopping center and hotel in the suburbs of a city with 3 million inhabitants, inaugurated in 2019.

80,956 m² of leasable area

3,474 parking spaces 



3. Parque Delta (2005)

The most successful shopping center in the country in terms of visitors and revenues for tenants per square meter; it was expanded in 2016.

70,825 m² of leasable area


2,999 parking spaces 



4. Parque Duraznos (2000)

The first lifestyle shopping center in the country.

16,389 m² of leasable area

1,002 parking spaces 





Development location map

Our portfolio of premier properties is made up of the developments most widely renowned for their location, design and functionality, not only technically challenging but built with quality of life and a sustainable long-term vision in mind.



5. Parque Tezontle (2007)

Located in a service zone that has become a regional sub-center, improving the businesses located around it; expanded in 2015.

68,317 m² of leasable area
3,045 parking spaces

6. Parque Lindavista (2006)

A shopping space with a modern, comfortable ambience that filled an under-served demand.

41,600 m² of leasable area
2,254 parking spaces



PREMIER
QUALITY



7.

7. Toreo Parque Central (2014)
 Located in one of the most heavily trafficked areas of the MCMA, which includes a hotel (Fiesta Americana Toreo, opened in 2016) and three towers.
 237,037 m² of leasable area
 6,429 parking spaces 🚗

MIXED-USE PORTFOLIO

DESIGN

8. Parque Via Vallejo (2016)
 The largest shopping center in the MCMA, with a lifestyle retail component and possibilities for expansion.
 84,619 m² of leasable area
 4,499 parking spaces 🚗



8.

9. Parque Alameda (2003)
 In the heart of historic downtown Mexico City facing the majestic Palacio de Bellas Artes.
 15,755 m² of leasable area
 308 parking spaces 🚗



9.

10. Reforma 222 (2007)
 A spectacular development with a radically innovative design, in the Paseo de la Reforma corridor: an exclusive shopping center with triple-A offices and residential buildings.
 44,689 m² of leasable area
 1,726 parking spaces 🚗



11.

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.
 35,000 m² of leasable area

UNDER DEVELOPMENT

OFFICE PORTFOLIO



11.

11. Torre Virreyes (2015)

An iconic Mexico City property in the Lomas-Palmas corridor, bringing together a mix of triple-A corporate and commercial tenants.

67,878 m² of leasable area
2,251 parking spaces 🚗

FUNCTIONALITY

12. Urbitec (2009)

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

12,912 m² of leasable area
316 parking spaces 🚗



12.



10.

13. Parque Esmeralda (2000)

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

34,151 m² of leasable area
1,636 parking spaces 🚗



13.

LOCATION



14. Parque Virreyes (1989)

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

7,783 m² of leasable area
251 parking spaces 🚗



14.

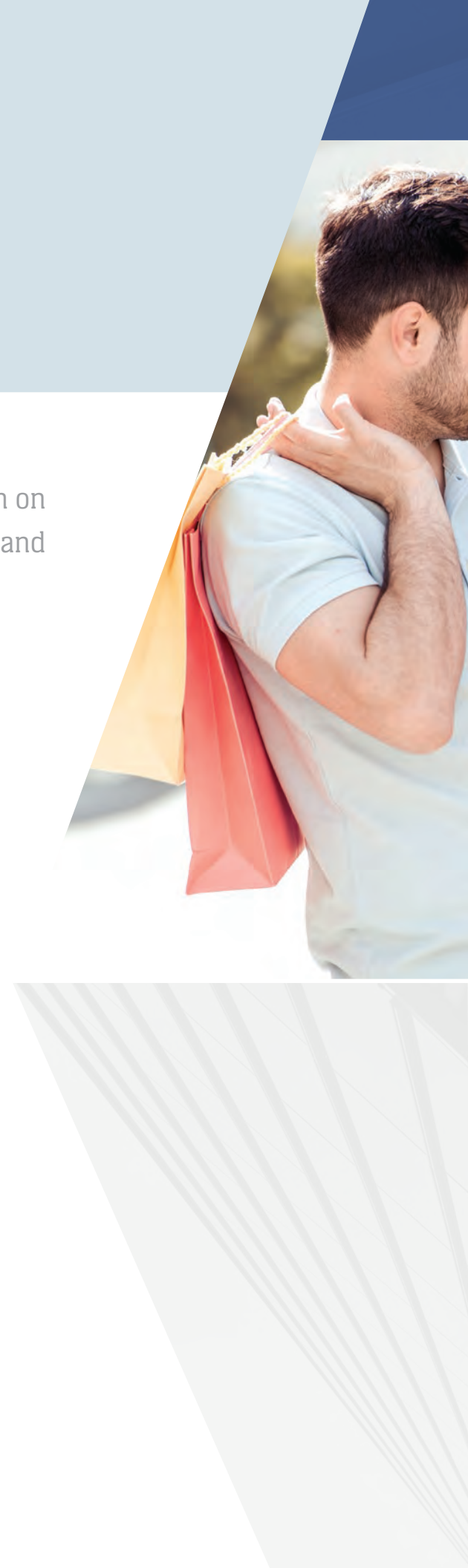
A FIRM STRATEGY AND BUSINESS MODEL...

Focused on the concept of complex, top-quality real-estate projects that not only offer a high level of return on investment but build value in their areas of influence and increase in value over time.

Business model

(102-15, 103-2, 413-2)

- 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 61 million visitors in 2020, 51.2% less than the year before, and an average occupancy of close to 94.6% in same-property terms, 86.5% 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.





11 SUSTAINABLE CITIES AND COMMUNITIES

(304-1, 304-4, 413-1, 413-2)

We want our properties to be agents of positive transformation of the communities around them, to be a part of those communities and contribute to socioeconomic development wherever we operate, raising the quality of life for everyone. That is why we act through social responsibility initiatives, socio-environmental criteria that are incorporated from each project's conceptualization, and dialogue with stakeholders to make them part of our operations.

Furthermore, our rigorous business model ensures that any possible negative impact on society is corrected from the design phase. All of our properties are located and developed in zones with the necessary authorizations and permits, in urban areas where biodiversity is not harmed and no community has been displaced.

Business model



AND SOLID FINANCIAL AND OPERATING GOALS...

With our solid financial position, conservative business model and low debt levels, we did well even in a year marked by events that changed the pace of our operations.

2020 at a glance

(102-6)

In solidarity with our stakeholders, when commercial premises were closed by the authorities to protect human lives and health, and to preserve the best financial situation possible in the circumstances, we responded by taking the following actions last year:



To the extent possible, we kept our properties up and running, while abiding by strict public health regulations.

We met various financial, operating, social and environmental targets we had set for the year.



We continued to invest in Capex. Construction of the Parque Tepeyac development continued according to budget and is now approximately 59.2% complete. The groundwork is now completely laid and structural work has begun.

We prioritized job sources, maintaining full salaries and benefits for all our employees.



We embarked on a major operating and maintenance expense reduction program, which helped us meet our goal of preserving liquidity and maintaining our financial strength without issuing debt, keeping our leverage low.

We supported tenants by offering them rent discounts or deferrals. This enabled us to keep our lease portfolio stable and strengthened long-term relations with our tenants.



We completed implementation of AIM software for comprehensively managing our properties, which will also enable us to report on 95% of our environmental indicators.

We also reported environmental indicators through improved environmental data on each property, and at the consolidated level as a REIT.



2021 Targets

(102-31)

Inspired by the solidity we achieved through the adjustments we made during the past year, our targets for 2021 are as follows:



Financial targets

Maintain and increase occupancy levels.

Recover income from base rent, overage and maintenance revenues.

Maintain a solid capital structure, with low leverage.

Turn our revolving line of credit into a “green line,” for which we are now negotiating an energy KPI that will be formalized in 2021.



Environmental targets



Improve our control of environmental indicators, using our 2019 level of 95% as a baseline.

Continue reducing our consumption of water and energy by 3% against 2019 levels (consumption was lower in 2020 due to the closure of many of the establishments in our shopping centers).

Maintain operating and efficiency standards for our LEED properties: Torre Virreyes and Parque Toreo.

Apply the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).



Social targets

Continue strengthening our relationship with stakeholders, learning about their expectations and needs based on questionnaires applied in shopping centers, and through daily monitoring of social media.

Develop career and succession plans, a performance evaluation system and a system of incentives and variable compensation, along with an institutional onboarding program.

Have 70% women in our workforce by 2023.

Have 50% women in management positions by 2025.

50% women in senior management positions by 2025.

50% women in junior management positions by 2023.

35% women in income-generating management positions by 2023.



Resume the institutional health and nutrition programs that we began in 2019 and had to suspend in 2020.

Create a volunteer program for employees; promote educational initiatives and create a program of donations.

Key financial and operating data (102-7)

Fibra Danhos	For the twelve months ended		
	Dec. 31, 2020	Dec. 31, 2019	Variation
Financial indicators			
Total revenues (before discounts)	5,403,177,509	5,794,455,671	-6.8%
Non collectible billed COVID-19	(459,207,060)	-	NA
Non collectible reserve COFID-19	(302,258,642)	-	NA
Total revenues (after discounts)	4,641,711,807	5,794,455,671	-19.9%
Net operating income	3,732,620,141	4,701,411,419	-20.6%
EBITDA	2,966,818,528	3,946,758,448	-24.8%
Net income	2,644,003,685	4,104,766,090	-35.6%
FFO	2,627,642,848	3,561,563,983	-26.2%
AFFO	2,992,306,736	3,900,564,424	-23.3%
FFO AMEFIBRA	3,279,210,721	4,201,265,408	-21.9%
Payout to CBFI holders	1,453,363,919	3,496,063,839	-58.4%
CBFIs with Economic Rights (ER)	1,453,363,919	1,415,410,461	2.7%
AFFO per CBFI with ER	2.0743	2.7558	-24.7%
One-time consideration (flow) per CBFI with ER	2.3064	3.0294	-23.9%
Payout per CBFI with ER	0.0524	0.1202	-56.4%
Distribution per CBFI with ER	1.0000	2.4700	-59.5%
Retained AFFO per CBFI with ER	1.0743	0.2858	275.9%
Percentage AFFO payout	48.2%	89.6%	-46.2%

In the second half of 2020 we paid off withdrawals against our revolving line of credit in advance, and in early July we made a scheduled debt service payment of \$226.2 million pesos on time. Our liquidity needs are covered by a committed line of credit totaling \$2 billion pesos.

Also in the second half of last year, Fitch ratings ratified its AAA rating with a stable outlook for the Danhos16 and Danhos17 issues, citing our solid balance sheet structure, low leverage and portfolio of high-quality and lien-free properties.



Fibra Danhos Portfolio	Year opened	State / Municipality	GLA m ²	% GLA	Occupancy	Parking spaces
Properties in Operation						
Retail						
1. Parque Alameda	2003	Cuauhtémoc, Mexico City	15,755	1.7%	99.4%	308
2. Parque Delta	2005/2016 (expansion)	Benito Juárez, Mexico City	70,825	7.6%	99.4%	2,999
3. Parque Duraznos	2000	Miguel Hidalgo, Mexico City	16,389	1.8%	89.8%	1,002
4. Parque Las Antenas	2018	Iztapalapa, Mexico City	108,830	11.7%	85.7%	4,351
5. Parque Lindavista	2006	Gustavo A. Madero, Mexico City	41,600	4.5%	97.8%	2,254
6.1 Reforma 222 (Retail)	2007	Cuauhtémoc, Mexico City	24,291	2.6%	90.8%	1,438
7.1 Parque Puebla	2017	Puebla, Puebla	71,360	7.7%	73.9%	3,404
7.2 Parque Puebla (Hotel)	2019	Puebla, Puebla	9,596	1.0%	100.0%	70
8. Parque Tezontle	2007/2015 (expansion)	Iztapalapa, Mexico City	68,317	7.4%	96.6%	3,045
9.1 Toreo Parque Central (Retail)	2014	Naucalpan, Mexico State	92,703	10.0%	94.9%	3,400
9.2 Toreo (Hotel)	2016	Naucalpan, Mexico State	17,297	1.9%	100.0%	400
10. Vía Vallejo	2016	Azcapotzalco, Mexico City	84,619	9.1%	94.5%	4,499
Retail Subtotal			621,582	67.1%	91.8%	27,170
Offices						
6.2 Reforma 222	(Offices) 2007	Cuauhtémoc, Mexico City	20,398	2.2%	76.0%	288
9.3 Toreo (Towers B & C)	2016	Naucalpan, Mexico State	64,432	7.0%	82.3%	1,314
9.4 Toreo (Tower A)	2017	Naucalpan, Mexico State	62,605	6.8%	31.3%	1,315
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%	98.5%	2,251
13. Urbitec	2009	Miguel Hidalgo, Mexico City	12,912	1.4%	38.8%	316
14. Parque Virreyes	1989	Miguel Hidalgo, Mexico City	7,783	0.8%	90.7%	251
Office Subtotal			270,159	29.2%	74.5%	7,371
Total portfolio in current operation			891,741	96.2%	86.5%	34,541

Current development portfolio**Retail**

15. Parque Tepeyac	2020-2021e	Gustavo A. Madero, 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			926,741	100.0%	86.7%	36,541
Subtotal/wtd. avge. retail			656,582	70.8%	91.8%	29,170
Subtotal/wtd. avge. offices			270,159	29.2%	74.5%	7,371

WE FOCUS ON OUR STAKEHOLDERS...

Conveying our culture and spirit to our stakeholders is an ongoing task, because we consider them an essential part of our activities.



Stakeholders

(102-21, 102-40, 102-42)

Never before has a year like 2020 given us the opportunity to prove our interest in the health and safety of our stakeholders, which we did with actions targeted to each specific group. Stakeholder dialogue has always been a part of our daily activities, from identifying locations for our real-estate developments to operating them.

- Employees
- Visitors
- Communities
- ADI members
- Tenants
- Suppliers
- CBF1 holders
- Authorities

To protect our **employees** we introduced a work-from-home scheme, to which they responded with a deep sense of commitment and responsibility.

For our **tenants**, aware that the mandatory closure of non-essential establishments during the COVID-19 pandemic had a significant impact on their revenues, we designed support programs that included discounts and deferrals, with the hope of minimizing vacancy levels.

Obviously, even though our shopping centers remained open, footfall was sharply lower (51.2%), because only certain essential businesses were allowed to operate—clothing, supermarkets, banks, telephone and internet—and these had to follow all the safety measures imposed by the authorities, like maintaining safe distances, offering sanitizing gel and taking the temperature of each **visitor**. But the businesses that habitually attract more visitors—restaurants and entertainment—were fully closed for a considerable amount of time.

We stayed in touch with our **suppliers and communities** primarily by e-mail, phone and videoconferencing. With the authorities, we complied with every one of the guidelines issued and kept them informed through weekly meetings with the Digital Agency for Public Innovation at the Ministry of Economic Development.

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.





CONSTANT
DIALOGUE

INTEREST IN
HEALTH AND
SAFETY



In order to collect information on our stakeholders and stay abreast of their expectations, we continue to apply a questionnaire in all of our properties every two weeks. We also provided them transparent, responsible, timely and appropriate information through the following channels for communication and feedback:

(102-43, 413-1)

 Stakeholder group	 Communication	 Expectations	 Frequency
Employees	Daily virtual meetings, company communiqués, institutional e-mail.	Knowing that the company is concerned about them, particularly in a year as complex as this one.	Daily
Tenants	Property management. Contract signing and renewal.	Solidarity in this difficult year. Sustainable management of operations where they rent their locale.	Daily (property management). Contract signing and renewal. Regular meetings on request.
Visitors	To ensure our visitors have an unforgettable experience in our properties, we actively seek their feedback in various ways.	Safety, satisfaction and a safe place to enjoy their visit.	Daily monitoring of social media, surveys every two weeks.
Suppliers	Supply contracts. Annual reports.	Maintain ethical, mutually beneficial relations.	Signing and renewal of contracts.
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; maintaining our sustainable business vision and model even in crisis conditions.	Quarterly and annual information. Constant contact by e-mail.
Communities and NGOs	Quarterly reports. Annual reports. Investor relations dept.	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.

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/politica_relacion_grupos_interes_en.pdf). This policy is complemented by the guidelines of our **Code of Ethics** (https://api.fibradanhos.com.mx/static/codigo_etico_en.pdf), as well as our **Sustainability Policy** (https://api.fibradanhos.com.mx/static/politica_sostenibilidad_en.pdf), which explains the importance of incorporating stakeholder expectations into our value creation.



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:



Transparency

Dialogue must be based on a proper supply of information and a guarantee of confidentiality.



Equal treatment

All stakeholders are treated equally.



Trust

Must be considered as equity in present and future activities.



Symmetry

Situations that get in the way of open dialogue or dampen expectations should be avoided.

Materiality

(102-17, 102-44, 102-47, 103-1, 201-2)

For Fibra Danhos, acting sustainably means building our business with a long-term vision in mind, valuing our relations with stakeholders. In this regard, and in order to stay up to date with their perspectives and global trends in our industry, in November 2020 we updated our materiality matrix.

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.

The study, conducted by Deloitte was based on the following methodology:



For more details on this exercise, visit the following link https://api.fibradanhos.com.mx/static/politica_materialidad_en.pdf

Materiality matrix



The study resulted in the identification of 26 material issues, which were classified as follows:

Management

- A. CSR Management
- B. Stakeholder engagement
- C. Operations
- D. Product/quality responsibility
- E. Brand management

Social

- F. Diversity and inclusion
- G. Community engagement
- H. Employee well-being

I. Talent

- J. Human rights
- K. Health and safety
- L. Sustainable spaces
- M. Supply chain
- N. Labor practices

Governance

- O. Corporate governance
- P. Risk and crisis management
- Q. Ethics and regulatory compliance

R. Anti-corruption

- S. Data security

Environment

- T. Energy
- U. Emissions
- V. Water
- W. Climate change
- X. Waste
- Y. Biodiversity
- Z. Construction materials

The matrix shows that the ten issues with the highest scores—meaning the priority issues—were:

- **Energy**
- **Corporate governance**
- **Emissions**
- **Diversity and inclusion**
- **Climate change**
- **Risk and crisis management**
- **Ethics and regulatory compliance**
- **Water**
- **Waste**
- **Biodiversity**

We will be focusing on these issues and reporting on our progress as we strive to steadily improve our results and expand our scope to address other issues detected.

Based on the results of Deloitte’s study, we will also focus on some of the issues that the Sustainability Accounting Standards Board (SASB) identified as pertinent to the real-estate industry to which we belong.

Furthermore, we will work toward the Global Compact Sustainable Development Goals that apply to Fibra Danhos.



Good health and Well-being



Affordable and Clean Energy (energy, water, emissions, waste, biodiversity, climate change)



Decent Work and Economic Growth (diversity and inclusion)



Reduced Inequality (diversity and inclusion)



Sustainable Cities and Communities



Responsible Consumption and Production (energy, waste)



Peace and Justice Strong Institutions (corporate governance, ethics and regulatory compliance)



Our employees

(102-7, 102-8, 405-1)

Despite the adversities the pandemic brought to our work last year, Grupo Danhos remains convinced that this company's success depends on its ability to have talented people working in line with the business strategy and values.

That is why our prime concern last year was to protect the health and safety of our 215 employees and fully support them in this critical time.

During the time when our employees were assigned to work from home, we created a work system that required the rental of computer equipment, deploying a virtual private network to work securely, and providing safe transport in Uber for people who had to go to the office from time to time, always in keeping with this strictest sanitary measures. These measures cost the company a total of \$1,748,067 pesos.

Total employees 2020: **215**

Employees by gender



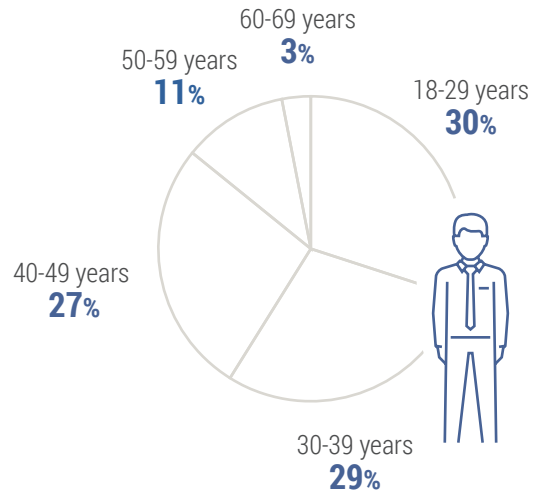
Men: **70**



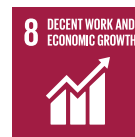
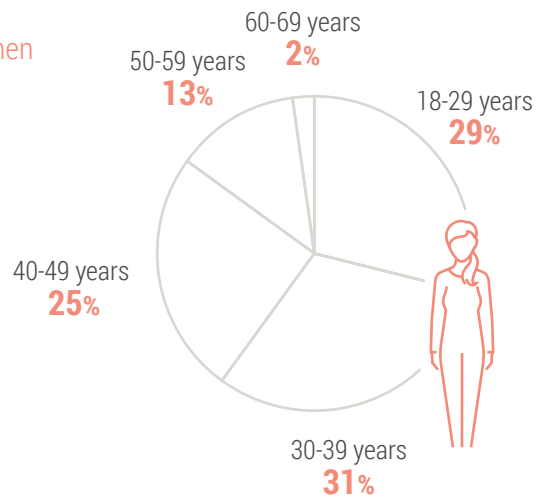
Women: **145**

By age group:

Men



Women



10
TEN EMPLOYEES HOLD
MANAGEMENT POSITIONS

Talent recruitment and retention

(401-1)

Our **Personnel Recruitment, Selection and Hiring Policy** (https://api.fibradanhos.com.mx/static/reclutamiento_seleccion_integracion_personal_en.pdf) establishes the guidelines for these processes, which focus on valuation of the candidates' knowledge and skills and prohibit any type of discrimination.

Due to our unwavering commitment to the advancement of all employees, we try to fill vacancies internally, giving them a stronger sense of recognition and belonging. We usually conduct evaluations and post job offerings, in which we weigh the job qualifications, knowledge and psychometrics of each candidate as well as their performance and career.

In 2020 there was a freeze on new jobs and hiring between March and October, so there were no changes in these indicators.

We have an **Occupational Safety Policy** (https://api.fibradanhos.com.mx/static/prevencion_riesgos_laborales_calidad_ambiente_en.pdf) that guarantees compliance with health and safety laws and regulations, ensuring that our employees have healthy, safe workplaces and that we minimize the risks associated with the daily activities of each of them.

(404-3)

Because of the situation last year, performance evaluations were carried out using the Activity Watch application, a software for monitoring activities and frequency



of network use and remote connection, which measures employees' time online.

This app showed us that our employees kept up their performance levels and commitment in the home office setting.

Salary and benefits

(102-35, 102-36, 102-41, 103-2, 103-3, 201-1, 201-3)

We have a comprehensive compensation plan and competitive benefits that exceed the regulatory minimum, which we are confident will enable us to retain the best talent and help improve their quality of life. We link raises and promotions to the individual capacity, performance and merits of each employee and we guarantee our employees safe, healthy and sustainable workplaces. All of our staff is full-time, and their salaries are determined according to the responsibilities and duties of each position.

SIX MEN AND
FOUR WOMEN



(405-2)

	Men	Women	Salary difference
Senior management level	6	4	Women +3%
Managerial level	19	9	Women +22%
Fibra Danhos Corporate	46	132	Men +2%

At present we have our own internal salary table, but we are working with AMEFIBRA on a common table for the industry, based on a survey that will be conducted in 2021.

As you can see, except at the managerial level, where women earn considerably more on average, salaries for the other two levels are virtually equal. The differences are due to the type of position and professional experience of employees.

Note that despite the difficulties of the past year our employees' salaries and benefits remained the same. Also during the year, we designed a **Labor Diversity, Inclusion, Equality and Non-Discrimination Policy** (https://api.fibradanhos.com.mx/static/diversidad_inclusion_igualdad_no_discriminacion_en.pdf), which will serve as the basis for a study to reduce wage gaps in 2021.

(401-2)

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

covering \$40 million pesos per event. In 2020, the total premium for this benefit was \$3,405,713.44. We also offer life insurance for all employees, covering 12 months of their salary in the event of their death, and double indemnity for accidental death and dismemberment. All of this is stipulated in our **Compensation Policy** (https://api.fibradanhos.com.mx/static/politica_compensaciones_en.pdf)

Another benefit, which we provided on a discretionary basis in 2020, is complementary profit-sharing: if the employees' salary exceeds their corresponding share of the profits, we complement that amount so that it is equivalent to at least one month of their salary. All of these benefits and remuneration were maintained despite the financial difficulties of the past year.

(401-3)

We also offer maternity and paternity leave and nursing time for mothers, according to the Federal Labor Law. In 2020, three employees took maternity leave and five took paternity leave. All of these employees returned to work after their leave. During the year, operating personnel expense totaled \$31,276,321 pesos, and the corporate payroll totaled \$105,893,117 pesos, a grand total of \$137,169,498 pesos.

Human resource 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.



Note that despite the difficulties of the past year our employees' salaries and benefits remained the same.

Last year the role of our employees was particularly vital for our results. Despite working in unprecedented conditions, they all showed remarkable reciprocity and a sense of belonging.

(102-43)

Because we could not conduct our annual workplace environment survey last year, the 2019 results remained in effect, with 130 employees participating—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).

Although most of those surveyed in 2019 found Danhos a good place to work, had a strong sense of belonging, were aware of the performance goals of their area, understood how their work fits into the organizational goals, and believed their immediate superior showed interest in the work they do, most respondents also believed they needed more training to do their job, that there were not enough career opportunities or room for professional advancement, and that employees needed to be appropriately prepared for promotion.

On this basis, and because our Code of Ethics establishes that we should “maintain harmonious and cordial relations for the training and productivity of work teams,” in 2021 we will be addressing these matters, seeking to preserve the climate of trust and mutual respect and

permit the free exchange of ideas so that all employees can achieve their fullest potential. To this end, we have a **Workforce Planning Policy** (https://api.fibradanhos.com.mx/static/planeamiento_fuerza_laboral_en.pdf)

(401-1)

During the year, 26 employees left the company (18 men and 8 women), all of them voluntarily, a turnover index of 12.08%. No replacements were hired, however, as our aim was to take advantage of natural attrition in leaving these vacancies open between March and October.

The absenteeism rate was 3.05%, based on 447,480 work hours during the year.





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

Health, safety and human rights

(403-1, 403-2, 403-3, 410-1, 416-1)

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** (https://api.fibradanhos.com.mx/static/prevencion_riesgos_laborales_calidad_ambiente_en.pdf), 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, 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, all of our employees received occupational health and safety training. Although we do not have a human rights committee, employee training covers business ethics, quality of life and community engagement, led by the Social Responsibility, Business Ethics, Quality of Life and Community Engagement Committees. This is stipulated in our **Occupational Risk Environment and Quality Policy** (https://api.fibradanhos.com.mx/static/prevencion_riesgos_laborales_calidad_ambiente_en.pdf)

In our corporate offices and in our properties we have paramedic services available for initial medical attention. Due to the pandemic, we could not continue our regular programs on prevention of obesity, high blood pressure, diabetes, glucose, cholesterol and triglycerides, fatty liver, gallstones, anemia, pulmonary embolism, hyperthyroidism, gastritis and colitis, among others, although we plan to resume these in the medium term.

Nevertheless, we took various measures to mitigate and prevent the pandemic in our offices, and publicized them among our stakeholders.

Hygiene measures:



Retrofitting of office spaces and work stations to ensure minimum safe distance between employees.



Entrance checkpoints, supervision, daily monitoring and tracking of employees. **Isolation** of high-risk and vulnerable individuals.



Introduction of **staggered work hours** for personnel, guaranteeing observance of all the prevention measures indicated by the IMSS and our internal protocols.



Communication campaigns on social media, our webpage, radio and television.

IN ALL OF OUR PROPERTIES WE HAVE CIVIL DEFENSE PROGRAMS.



The following table shows disability leave during the year for work-related risk (WR), general illness (GI) and maternity (MAT). Although by the nature of our business our employees are not exposed to a high risk of accident, there were 11 incapacitating injuries during the year, recorded during travel to and from work, equivalent to 27 days lost, a considerable reduction from the 414 days recorded in 2019, clearly attributable to the reduction in travel during the pandemic.

Nevertheless, the incidence of general illness was fairly high, particularly between September and December, all relating to COVID-19. All of these employees received appropriate medical attention, either through the IMSS or private medical facilities through the insurance that Fibra Danhos offers. Fortunately, we recorded no loss of life due to COVID-19.

Disabilities during the year

Month	AFD					
	WR	Days	GI	Days	MAT	Days
January	0	0	11	53	0	0
February	1	7	14	72	0	0
March	3	5	6	28	0	0
April	4	6	3	20	0	0
May	0	0	2	14	1	84
June	0	0	10	75	0	0
July	0	0	1	5	0	0
August	0	0	7	39	1	84
September	2	7	11	80	0	0
October	1	2	12	84	0	0
November	0	0	25	160	1	84
December	0	0	26	162	0	0
Total	11	27	128	792	3	252

Between December 2020 and March 2021, we introduced a testing program to detect cases of COVID-19 among our employees, taken every 15-20 days. 164 tests were taken and only two were positive.

Training

(404-1, 404-2, 404-3)

Having well-prepared and deeply committed employees whose productivity is sustained by a culture of high performance demands appropriate training. That is why we have a **Training, Education and Development Policy** (https://api.fibradanhos.com.mx/static/formacion_capacitacion_desarrollo_en.pdf), focused on giving employees the tools they need for their professional and personal advancement.

This year we incorporated a new **Policy on Prevention of Psycho-Social Risk Factors** (https://api.fibradanhos.com.mx/static/politica_nom_en.pdf) based on Mexican standard NOM-035 STPS-2018. All of our employees received training on this new policy. At the same time, we launched a new Human Capital blog, where all of the Danhos family could find information about COVID-19 related events and everyone was encouraged to contribute content and ideas.

The Employee Attention program is another tool available to all of us who might need help in dealing with complicated family and work-related issues that affect our quality of life. It offers holistic wellness benefits through counseling and coaching in areas like family psychology, job benefits, nutrition and wellness.

All employees were required to take a course on "Recommendations for a safe return to work with COVID-19," which was made available on an online platform called CLIMSS, created by the Mexican Social Security Institute (IMSS).

The following courses were given in 2020:



Emotional health for ourselves and our work teams in times of COVID-19

Work burnout syndrome

Disruptive humanist leadership: a step toward the new business normal

Autonomy vs. guilt

Initiative vs. guilt

Identity and confusion: intimacy and isolation

Forgiveness



2,022 hours of training at a total cost of \$ 520,500 pesos: \$360,000 in conference cycles and \$142,500 in NOM 035 related topics. This is equivalent to \$2,273 pesos for each of the 229 employees that attended.





Code of Ethics

(102-17, 102-25, 406-1, 419-1)

A fundamental tool for operations at Fibra Danhos is our Code of Ethics, which applies to all of our stakeholders and is available to them on our webpage. Both suppliers and employees of Fibra Danhos sign in agreement of the code when they begin their relationship with the company. In 2020, the Code was updated, and starting this year every employee must re-certify their commitment to it on an annual basis.

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.

The adjustments to the Code include the incorporation of quality goals, respect for human rights, diversity, professional advancement and training, occupational safety and health, eradication of child labor and slavery, freedom of association, conduct toward clients, tenants, shareholders and employees, and measures to avoid money laundering, terrorism financing, corruption, bribery and influence-peddling. The Code is complemented by **Anti-Corruption and Conflict of Interest Codes**. (https://api.fibradanhos.com.mx/static/politica_anticorrupcion_en.pdf and https://api.fibradanhos.com.mx/static/conflicto_intereses_en.pdf)

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 also developed a **Workplace Sexual Harassment Protocol** (https://api.fibradanhos.com.mx/static/protocolo_acoso_sexual_en.pdf) to address this type of situation. In 2020 there were no incidents relating to any type of ethical violation nor do we have any pending lawsuits regarding corruption. We received no sanctions or fines for violation of socioeconomic laws and regulations.

AND STRENGTHEN SUSTAINABLE GROWTH.

Commitment to the environment

(306-1, 306-2, 307-1)

At Fibra Danhos, we know that population growth and economic development require a 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.

To offset our own part in this impact, we promote a socio-environmental balance that enables us to continue building infrastructure while improving quality of life for society. We have an **Environmental Policy** (https://api.fibradanhos.com.mx/static/politica_ambiental_en.pdf) aimed at ensuring a rational, efficient use of natural resources necessary for the activities of the buildings we manage, and mitigating the impact of our operations on the environment. We comply fully with all Mexican environmental laws and regulations.

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/politica_sostenibilidad_en.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

(302-1, 302-4, 302-5, 130a.1, 130a.2)

Since 2017 we have been applying and standardizing a form that must be filled out for all of our properties to record their total energy consumption based on bills from the power company (Comisión Federal de Electricidad, or CFE). In 2020, the organization's energy consumption totaled 39 million kWh, a considerable reduction from the previous year's reading of 54.7 million kWh, undoubtedly because of the closure of our facilities.

At the moment, all of our electrical energy sources are non-renewable, but in 2021 we plan to begin integrating renewable energy with the startup of supply from a wind farm. We already have a contract with an energy company to acquire 27,223,344 kWh a year when this farm begins operating. While this legal issue is being resolved, we receive the difference from the savings that would have been obtained through this supply contract.

According to the factor published in the National Emissions Registry for April 2021, our emissions from the consumption of electrical energy were equivalent to 19,086.28 tCO₂e, down from 27,215.68 tCO₂e in 2019. This means direct emissions totaled 0.02 tCO₂e per square meter of gross leasable area.



SUSTAINABILITY

Four of our buildings—Torre Virreyes and three Tereo 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.

Regarding our fuel use, we consumed 11,455 liters of diesel in emergency backup generators, compared to 40,528 in 2019, because we had few incidents where these generators were necessary. This generated direct emissions of 32.63 tCO₂e; that is, 0.01 tCO₂e per square meter of total leasable area. In turn, the direct emissions caused by the 14.0 kilograms of R-22 refrigerant gases we used generated 24.64 tCO₂e of direct emissions. This means that our total direct emissions were 57.27 tCO₂e, that is, 0.00006 tCO₂e p 1 tCO₂e for every 15,570.82 m² of total leasable area.

Energy consumption

	Total consumption	Emissions generated tCO ₂ e	Emissions per m ² of leasable area tCO ₂ e
Electricity	38.0 million kWh	19,086.28	0.02
Diesel	11,455 l	32.63	0.01
Total		57.27	0.00006

We have more square meters of LEED-certified space than any other FIBRA in Mexico.

130a.4

Furthermore, for the second year in a row, this report contains information on our operations according to Global Real Estate Sustainability Benchmark (GRESB) standards, regarding our performance in the Management & Policy and Implementation & Measurement dimensions.

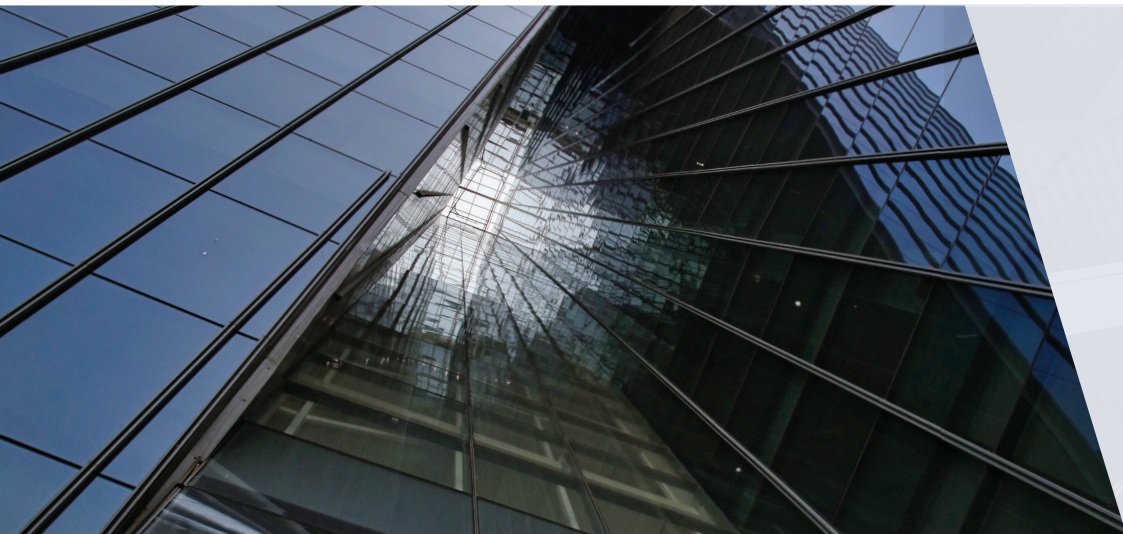
In 2020, we improved our 2019 grade of 50 points, reaching 52 (out of 61), so we maintained our Green Star distinction, which indicates a high rating in absolute performance.



Water

(303-1, 303-4, 303-5, 140a.1, 410a.2)

Managing our water consumption is another important issue for Fibra Danhos. Most of our developments are located in the Mexico City metropolitan area, which is a water-stressed region. Because of this we are constantly monitoring and tracking our impact and taking initiatives to save as much of this resource as possible, watering only at night rather than in the day, regular maintenance of our water pumps, reducing water pressure in our properties and ensuring all bathroom facilities are in perfect working order.



In 2020 we consumed a total of 559,262 cubic meters, compared to 1,093,658 cubic meters in 2019, a consumption of 0.63 m³/m² of leasable area. In the months of May, June and July there was no water consumption at all. This is because although the shopping centers remained open during the pandemic, restaurants, which were the tenants who used most water, remained closed.

Water consumption during the year came from the following sources:

Water (m³)

	2019	2020
Public water supply (SACMEX)	493,009	278,452
Well water	232,337	104,896
Tanker trucks	358,816	175,915
Bimonthly water bill	515,068	101,882
Total consumption	1,084,162	559,262

Of the total amount of water consumed, the wastewater treatment plants in our buildings treated the following amounts:

Wastewater treatment

	Total treated m ³	Treated and reused m ³	Treated and not reused m ³	% reused
2019	395,348	237,461	157,887	60%
2020	313,908	183,146	130,762	58%



The water we obtain from the Mexico City water supply, water tankers and wells goes to supply potable water to our shopping centers. We use treated water for watering, sanitary facilities, the air conditioning cooling tower, and car washing.

This year for the first time, we are reporting the SASB indicator on the percentage of our tenants that are separately metered for water withdrawals. This is covered in our leasing contracts, clause twelve of which stipulates that "billing for public water service, including, when applicable, installation of the outlet for the locale, must be paid on time by the Lessee. If the Lessor has already paid these amounts, the Lessee must reimburse the amount corresponding to the locale within 10 (ten) days of the date the respective payment has been requested."

THIS YEAR FOR THE FIRST TIME, WE ARE REPORTING THE SASB INDICATOR ON THE PERCENTAGE OF OUR TENANTS THAT ARE SEPARATELY METERED FOR WATER WITHDRAWALS.

Water consumption vs. recovery

2020	Actual water use billed (\$)	Consumption recovered (\$)	Charge to actual bill (\$)	Percentage recovered
Parque Delta	2,889,457.75	2,621,796.04	267,661.71	90.74%
Parque Tezontle	2,929,144.30	2,336,150.00	592,994.30	79.76%
Toreo Parque Central	3,363,546.97	4,474,680.00	-1,111,133.03	133.03%
Parque Alameda*	1,259,183.00	596,903.26	662,279.74	47.40%
Parque Vallejo	3,422,921.00	3,446,760.19	-23,839.19	100.70%
Parque Duraznos	1,786,652.00	999,456.36	787,195.64	55.94%
Parque Lindavista	5,824,004.00	5,666,571.22	157,432.78	97.30%
Parque Puebla	5,688,530.18	4,382,908.79	1,305,621.40	77.05%
Parque Antenas	3,917,283.60	3,963,037.84	-45,754.24	101.17%
Reforma 222	2,231,950.99	1,098,903.65	1,133,047.34	49.24%
Total	33,312,673.80	29,587,167.35	3,725,506.45	88.82%

* Recovery only from the hotel; the remainder is recovered via maintenance on a pro indiviso basis.

With this, we encourage our tenants to more responsibly manage their water consumption for the benefit of the environment because, as mentioned above, Mexico City is considered a water-stressed region.



Waste

(306-1, 306-2)

Waste management is another key element in our contribution to environmental protection, because we have a positive impact on our value chain. We have methods for separation and responsible disposal of 100% of the waste generated in our operations.

In 2020 we generated a total of 110,801,440 m³ of trash, compared to 145,920,903 m³ in 2019, equivalent to 124.25 m³ of trash per square meter. We also generated 1.06 metric tons of recyclable waste in our operations, as shown in the following table.

We have methods for separation and responsible disposal of 100% of the waste generated in our operations.

Controlled/recyclable waste	2019	2020
Container capacity vol. (m ³)	25,356	25,378
Number of trips (month)	5,755	4,366
Total volume (m ³)	145,920,903	110,801,440
Total hangers (kg)	42,080	13,994
Total polimix (kg)	9,060	2,882
Total cardboard (kg)	1,741,553	1,054,704
Total aluminum (kg)	6,038	1,676
Total PET (kg)	18,052	14,941
Total newspaper (kg)	1,334	1,962
Total scrap (kg)	9,036	2,554
Total office paper (kg)	709	2,721
Total recycled	\$1,949,862	\$1,297,196
Total weight recycled (kg)	1,827,861	1,065,552

We also generated 4,612 kg of hazardous waste, all of which was appropriately disposed of through specialized companies.

Hazardous waste (kg)	2019	2020
Drums	48	2
LED strips	263	164
Electronic light fixtures	695	575
Used light bulbs	388	141
T5 and T8 lamps	2,420	1,624
Cleaning rags	178	161
Fluorescent lamps	251	657
Empty containers and buckets	177	228
Paint buckets	1,578	875
Used batteries	115	188
Total	6,297	4,612

We also generated 92 liters of contaminated paint thinner, down from 152 liters in 2019.



Supply chain

(102-9, 204-1, 308-1, 412-3, 414-1)

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://api.fibradanhos.com.mx/static/politica_compras_en.pdf), 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** (https://api.fibradanhos.com.mx/static/politica_compras_en.pdf), which provides guidelines for our suppliers regarding environmental aspects and observance of human rights and ethical 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 monitoring 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://api.fibradanhos.com.mx/static/politica_anti-corrupcion_en.pdf). This favors our business continuity and enables us to guarantee service excellence for our tenants and visitors.

In 2020, Fibra Danhos had 1,353 suppliers, eleven of which can be considered key: a portfolio of committed companies that have served us well for a number of years.

No.	Supplier	Fixed service	%
1	Omega 2011 S.A. de C.V.	Security	12.80
		Maint. Cctv system	
2	Protech 360 Mexico S.A. de C.V.	Security	10.40
		Maint. Cctv system	
3	Elevadores Schindler S.A. de C.V.	Maint. Escalators & elevators	3.50
4	Elevadores Otis S. de R.I. de C.V.	Maint. Escalators & elevators	0.93
5	Protectogard S.A. de C.V.	High window cleaning	2.05
6	Goxi Chemical de México S.A. de C.V.	Janitorial services	4.45
7	Servicios Profesionales Para Inmuebles Mexdiez S.A. de C.V.	Janitorial services	2.95
8	Servicios Profesionales Suro S.A. de C.V.	Janitorial services	2.27
9	Limpieza Val S.A. de C.V.	Janitorial services	2.44
10	Climas Moctezuma Servicios S.A. de C.V.	Maint. Air conditioning equip.	1.30
11	Movilcontainer S.A. de C.V.	Trash collection	0.69
			43.78

The company spent 36% of its total annual operations budget on these services (\$594,271,714 pesos, out of a total of \$1,674,893,275).

To guarantee compliance with these guidelines and safeguard the integrity of the entire process, we carefully select our suppliers, which must not only certify that they are aware of our **Third Party Due Diligence Policy** (https://api.fibradanhos.com.mx/static/diligencia_debida_terceras_partes_en.pdf), but must respond to 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. To date we have not incorporated ESG clauses into our leasing contracts, but we plan to do so as each contract is renewed. 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.

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.





The materiality study we conducted in 2020 has been the primary means for identifying the most relevant risks for our company and for our stakeholder, so that we can manage them appropriately.

Risk management

(102-11, 102-15, 102-30, 103-2, 103-3, 201-2, 205-1, 205-2, 205-3)

The growing complexity and dynamics of the current situation has increased the level of risks companies face. Managing risk has become increasingly important, and obviously 2020 was a year of important lessons in this respect.

For Fibra Danhos, the materiality study we conducted in 2020 has been the primary means for identifying the most relevant risks for our company and for our stakeholder, so that we can manage them appropriately.

We found **10** priority issues in this materiality study, which can be grouped into the following categories:

Environmental:

- climate change
- energy
- emissions
- water
- waste
- biodiversity

- Rising temperatures mean we use more energy and water and generate more emissions.
- Greater environmental impacts, like earthquakes or heavy rainfall, which seriously impact our properties.
- Water shortage in Mexico City and problems relating to climate change.

Governance:

- corporate governance
- diversity and inclusion
- risk and crisis management
- ethics and regulatory compliance

- Proper management of e-commerce in order to offer users a lifestyle and level of entertainment increasingly aligned with their expectations.
- Laws and regulations that might affect ownership of our developments.
- Possible events that violate ethical standards, like corruption or bribery, committed by one of our employees.
- Unexpected events that affect health or the financial climate.
- Rising crime rates in Mexico City, which necessitates additional private security services in our shopping centers, to protect our users.

In the event of situations under our control, we have policies for addressing each of them, which apply to all of our employees and stakeholders. The short-term challenge is identifying those most likely to

occur, and whose impact on our company could be significant. To this end, company directors undergo biyearly training in the various environmental and governance risks the FIBRA faces.

Social responsibility

Aware of our responsibility for building a better Mexico, we traditionally support a variety of causes, primarily in support of institutions concerned about children, because we know these are the future of our country.

This past year was somewhat different: because of restrictions relating to the COVID-19 pandemic, we focused our activities on protecting the safety and health of our stakeholders.

- We set up COVID-19 testing modules in our shopping centers at Antenas, Vallejo and Tezontle, where anyone could be tested from Tuesday to Sunday, 11 a.m. to 4 p.m. This activity began in February and remains in effect. The effort required the purchase of tents and chairs, hazardous waste bins, gel, gloves, face masks, sanitizing carpets and plastic bags. A total of 3,000 tests have been applied, at a cost of \$626,400.
- We also offered our facilities at Parque Delta and Parque Via Vallejo to the IMSS to serve as vaccination centers from February 22 to 26.

We are proud to announce that for the first time this year we earned Socially Responsible Enterprise distinction from the Mexican Center for Philanthropy (CEMEFI).

Participation in organizations and associations

(102-13)

Fibra Danhos participates actively in trade associations by which we negotiate and lobby with government and other organizations.

We belong to the following associations:

Amefibra – The Mexican Association of Real-Estate Investment Trusts

ADI – The Real-Estate Developers' Association

(201-4)

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 do not receive any government assistance whatsoever.



Corporate governance

(102-5, 102-17, 102-18, 102-24, 102-26)

Corporate governance at Fibra Danhos is conducted with the highest standards of compliance, which sustain our actions ethically and efficiently, with a culture of respect and success that builds confidence among our investors and strengthens ties with our stakeholders.

This governance is mindful of the company's purpose, values and mission statement, and on this basis defines strategies, policies and goals for the organization.

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.

Classification of a Technical Committee member as independent is based, among other criteria, on their relationship to Member Trustors of the properties contributed or parties related to them. Notwithstanding the foregoing, a person is not eligible to serve as an independent member if they are:

- (i) A board member or employee of this company, our Advisor, the Representation Services Company of our Trustor, our Administrator or any Member Trustor, or of any company that belongs to their respective business groups, including their statutory auditors or any other individual or corporation, who has held such a position in the 12 (twelve) preceding months.
- (ii) Any person who has significant influence or decision-making power over us, our Advisor, the Representation Services Company of our Trustor, our Administrator or any Member Trustor.
- (iii) Any shareholder who is part of a group of parties who have control over us, our Advisor, the Representation Services Company of our Trustor, our Administrator or any Member Trustor.

COMPLIANCE



- (iv) A client, service provider, vendor, debtor, creditor, partner, legal counsel or employee of a company that is also a client, service provider, vendor, debtor or creditor of this company, our Advisor, the Representation Services Company of our Trustor, our Administrator or any Member Trustor, if: (A) if client, service provider or vendor, the total sales of that client, service provider or vendor to us, our Advisor, the Representation Services Company of our Trustor, our Administrator or any Member Trustor, account for more than 10% (ten percent) of that client's total sales during the preceding 12 (twelve) months; (B) if debtor, the amount owed to us, our Advisor, the Representation Services Company of our Trustor, or our Administrator represents more than 15% (fifteen percent) the assets of this company, our Advisor, the Representation Services Company of our Trustor, or our Administrator or some other debtor; or (C) if creditor, the amount of that credit extended to us our Advisor, the Representation Services Company of our Trustor, or our



Administrator is equivalent to more than 15% (fifteen percent) of the assets of our Advisor, the Representation Services Company of our Trustor, or our Administrator or of that creditor.

(v) A director or employee of any tenant in any of our properties who accounts for 10% (ten percent) or more of our annual base rent, who has held that position during the preceding 12 (twelve) months.

(vi) Any independent auditor of this company, our Advisor or the Representation Services Company, our Administrator or any Member Trustor, who has held that position during the preceding 12 (twelve) months (pursuant to article 24 of the Securities Market Act).

(vii) Any person related by blood, marriage, or adoption up to the fourth degree, and by marriage up to the fourth degree, including their domestic partners or spouses.

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 CBFi holders.

The process for selecting and nominating Technical Committee members is conducted annually, according to the following criteria:

Pursuant to our Deed of Trust and the Adhesion Agreements, members of the Daniel family, members of the Moussali family, and Esther Monique Guindi Hemsani, provided that they own, individually or as a group, at least 3% of the outstanding CBFi, shall be referred to as Lead Member Trustors.

Pursuant to our Deed of Trust and the Adhesion Agreements, Esther Monique Guindi Hemsani, members of the Daniel family and members of the Moussali family agreed that as long as they remain in the capacity of Lead Member Trustors and the Control Trust holds at least 15% of the outstanding CBFi, they grant to the company a preferred right: (i) to acquire any future real-estate investment opportunity relating to any of them, provided that opportunity meets our criteria for eligibility which, among others, require that properties be premier-quality retail, office or mixed-use spaces, or, if they are vacant land, that they be part of a viable development project; and (ii) to acquire any property under development or redevelopment of which they are at present or in the future will become owners of the majority of the property rights, whether collectively or individually, and which does not meet our eligibility criteria, if in the future that property comes to fulfill the eligibility criteria, at an appraised price determined by an independent expert, payable in CBFis or in cash, at our own discretion.

If we do not exercise that preferred right to acquire a property under development or redevelopment owned by the Lead Member Trustors and that property meets our eligibility criteria, the Lead Member Trustors will grant us the right of first refusal if in the future, once the property is developed or redeveloped, and provided it meets eligibility criteria, it is offered for sale by the Lead Member Trustors.

This right of first refusal will not be granted to us if we have not exercised our preferred right to acquire an already developed property which meets our eligibility criteria. For a more detailed description of these preferred rights, see the section entitled “Certain relationships and transactions with related parties.” We believe this unique access to future investment opportunities in properties relating to the Lead Member Trustors and to certain properties under development of which the Lead Member Trustors own the majority of the property rights, and the solid relationship that our advisors’ team of officers and key personnel has established with key tenants and the local community of real estate agents and investors, will provide a constant source of attractive investment opportunities through which we can grow our business.

As provided for in our Deed of Trust, CI Banco, previously The Bank of New York Mellon S.A., Institución de Banca Múltiple—or any institution that may be designated to succeed it—will act as Common Representative of our CBFH holders, and attend, but not participate, in meetings of the Technical Committee.

Technical Committee

(102-18, 102-22, 102-27)

Technical Committee members are selected 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.

In 2020, the Technical Committee was made up of the following individuals:

Committee members	Members since	Age
David Daniel Kabbaz Chiver	2013	75
Carlos Daniel Kabbaz Chiver	2019	68
Salvador Daniel Kabbaz Zaga	2013	49
Luis Moussali Mizrahi	2013	45
Isaac Becherano Chiprut	2013	52
Alberto Zaga Hop	2013	81
Lino de Prado Sampedro	2013	75
Adolfo Kalach Romano	2013	61
Francisco Gil Díaz*	2013	77
José Antonio Chedraui Obeso*	2013	75
Pilar Aguilar Pariente*	2013	52

*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 43 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 28 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 Duraznos 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 17 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.

Members of the Technical Committee are selected in accordance with our Code of Ethics and Diversity Policy.

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

Pilar Aguilar Pariente is independent board member and investor in high-growth companies. She sits on the board as an independent member of other public and private firms in Mexico. In the venture capital field she has been angel investor and members of various investment committees. She began her career in consulting, working at McKinsey & Company as project partner for the Mexican and Brazilian energy and transportation industries, and for Bain and Company as Talent Development Director. Between 2011 and 2016 she directed Endeavor México, an organization focused on promoting the growth of the Mexican economy through the support of high-impact entrepreneurs. She has co-authored four books on entrepreneurs, The new face of Mexico, and worked with IPADE on a book entitled "Doing well and doing good." She has been a speaker and panelist at the Women's Forum Global Meeting and TEDx, among others. Since 2018 she has been a member of the jury for the EY Entrepreneur of the Year Award in Mexico.

Ms. Aguilar 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.

(102-23)

David Daniel Kabbaz Chiver is chairman of the Technical Committee but holds no post in company management.

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 CBFH 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.



Committees

Audit Committee	Nominations Committee	Practices 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: Francisco Gil Díaz, Pilar Aguilar Pariente and Antonio Chedraui Obeso.	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: Salvador Daniel Kabbaz Zaga, David Daniel Kabbaz Chiver, Pilar Ma. Aguilar Pariente (Independent), José Antonio Chedraui Obeso (Independiente) and Francisco Gil Díaz (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: José Antonio Chedraui Obeso, Francisco Gil Díaz and Pilar Aguilar Pariente.
100% independent	60% independent	100% independent

Innovation Committee	ESG Committee (102-19, 102-20)
Recently created, its aim is to establish greater communication with our investors regarding innovation and development issues. It has four members: Salvador Daniel Kabbaz Zaga, Jorge Serrano Esponda, Jonathan Cherem Daniel and Elías Mizrahi Daniel.	The Committee is in charge of managing environmental and social risk. It is made up of the following members: Blanca Estela Canela Talancón, Jonathan Cherem Daniel, Roberto Hernández Murillo, Fernando de Corcuera, Miriam A. García Rodríguez and David Goldberg (Independent).
	16% independent

(102-28)

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.

(102-35, 102-36, 102-37, 102-38, 102-39)

By policy, compensation for the three independent board members is determined on the basis of their experience and knowledge. On this basis, each of these three board members receives compensation of \$400,000 pesos per year, plus \$100,000 pesos for every one of the annual meetings they attend.

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 average weighted price) of the corresponding period. The control group holds 38% of the CBFi, which is a high percentage on the market and encourages an alignment of interests and decision-making.

No government institution owns more than 5% of the CBFi with voting rights.

Compensation for the Administrative Director of Fibra Danhos is \$551,550 pesos per month, and for each independent member of the Technical Committee it is \$400,000 pesos per month.



ANALYSIS OF RESULTS AND FINANCIAL SUMMARY

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.

Income

Total Operating Income: In 2020, Total Operating Income was \$4.64 billion pesos, a 19.9% decrease from 2019. The decline is attributed primarily to the effects of the COVID-19 pandemic, which caused the partial closure of our shopping centers upon instructions of the local and federal authorities, as part of the national safe-distancing lockdown program. Base rent accounted for about 68.3% of the total operating income of Fibra Danhos, while Overage accounted for around 1.6%, income from Tenant Admission Payments, or key money, contributed 8.2%, parking fees approximately 4.4%, and revenues from maintenance, operation, advertising and others accounted for approximately 17.5%.

Discounts offered to tenants in fiscal year 2020 totaled approximately \$761 million pesos, and deferral agreements totaled another \$73 million pesos, most of which established payments dates in the second half of 2020 and the first half of 2021; these deferrals remained under continuous review as of the date of these financial statements.

Base Rent: Fibra Danhos reports revenues from Base Rent totaling \$3.16 billion pesos in 2020, a decline of 15.0% over 2019. This reduction was due mainly to discounts offered to our tenants to support them during the time pandemic-related orders kept our shopping centers partially closed.

Overage: Income from Overage totaled \$73.28 billion pesos in 2020, a year-over-year decline of 72.3%. The decrease was chiefly due to a reduction in our tenants' sales due to sanitary measures that restricted shopper traffic to 30% of capacity to limit contagion, and restricted opening hours for 11:00 a.m. to 5:00 p.m. for non-essential activities.

The organic decline (in same-property terms) in Base Rent and Overage was 20.7% compared to 2019.

Tenant admission payments: Key money (for accounting purposes) totaled \$380.5 million pesos in 2020, a year-to-year reduction of 8% compared to 2019. Key money (in cash flow terms) totaled \$76.2 million, down from \$170.2 million in 2019. The trend was due to the reduced number of projects under development and the increase in stabilized projects now in operation.

Parking: Revenues from parking facilities totaled \$205.7 million pesos in 2020, a year-over-year decrease of 56.5%, attributed to the impact of mobility restrictions, particularly the closure of non-essential business in the first half of the year because of "Red Light" lockdowns and the restriction of shopper traffic to 30% under "Orange Light" regulations, due to the COVID-19 pandemic.

Maintenance, Operation, Advertising and Others: Revenues from Maintenance, Operation, Advertising and Others reached \$913.7 million pesos in 2020, which is 11.1% lower than in 2019. The change was the result of the elimination of advertising charges due to the reduction in commercial activity and temporary closure of our shopping centers beginning in 1Q20.

Expenses

Total Operating Expense: Total Operating Expense for Fibra Danhos in 2020 totaled \$909.1 million pesos, a 16.8% decline compared to 2019, primarily due to the reduction in expenses because of temporary closure of our shopping centers, discount agreements with suppliers and a reduction in service consumption. Operating, maintenance, advertising and other expenses accounted for approximately 35.7% of total operating expenses, Advisory Fees 38.1%, Representation Service Fee 5.0%, Administrative Expense 7.6%, property tax 11.1% and insurance 2.4%.

Operating, Maintenance, Advertising and Other Expenses: Operating, Maintenance, Advertising and Other Expenses totaled \$598.6 million pesos in 2020, declining 26.5% from 2019. The drop was the result of savings on services and discounts negotiated with suppliers due to the temporary closure of shopping malls.

Advisory Fees and Representation Service Expense: The Advisory and Representation Service Fees totaled expenses of \$637.8 million and \$83.5 million pesos, respectively, an increase of 0.7% and a reduction of 23.2%, respectively, compared to 2019.

The main reason for the rise in Advisory Fees was a marginal increase in Investment Properties, which serve as the basis for calculating these fees, as established in the planning advisory agreement.

Representation Service Fees declined mainly because of an reduction 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 \$128 million pesos in 2020.

Property tax and insurance expense: Fibra Danhos reports \$186.6 million pesos in property tax and \$40.4 million in insurance payments in 2020. The increase in property tax was due to adjustment to works at our properties and the annual increase.

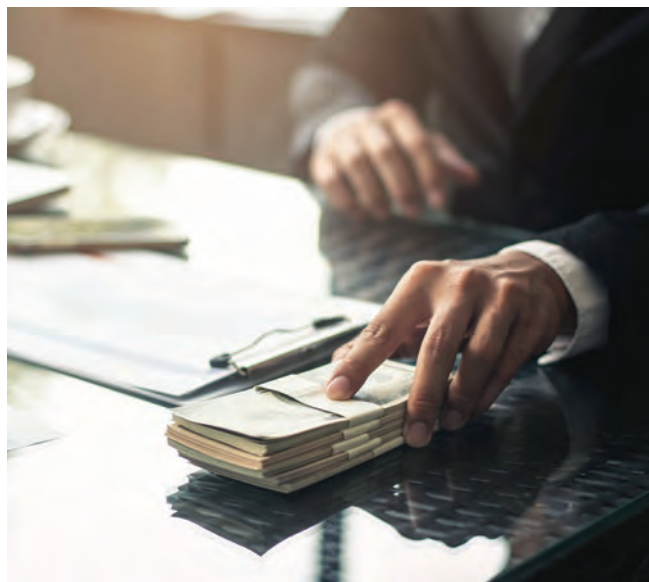
The increase in insurance expense is attributed primarily to exchange-rate fluctuations which affected policies in US dollars, and the usual annual increase.

Other Income (Expenses)

Interest income, interest expense, and foreign-exchange gain (net): Interest income for Fibra Danhos totaled \$20 million pesos in fiscal year 2020, resulting primarily from the investment of its cash balance in fixed-income securities. In the same period, interest expense (in accounting terms) totaled \$345.9 million pesos, and foreign-exchange gain was positive by \$31.2 million pesos, 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 2020, subsidiary income taxes totaled \$2.06 million pesos.

Adjustments to the Reasonable Value of Investment Properties (net): Adjustments to the reasonable value of Investment Properties as of December 31, 2020 and 2019, totaled \$36.0 million and \$563.0 million pesos, respectively, the result of market value appraisals by independent experts who conducted annual assessments of our Investment Properties, with quarterly adjustments. The COVID-19 pandemic created an atypical situation in the real-estate market which prevented reappraisal of property values. Because of this, the reasonable value of investment properties as of December 31, 2020 showed a marginal growth compared to that of December 31, 2019, which was due mainly to investment in the Parque Tepeyac development.



NOI, EBITDA, Net Income, FFO and AFFO

Net Operating Income: For fiscal year 2020, Fibra Danhos reports Net Operating Income (NOI) of \$3.73 billion pesos, a year-over-year reduction of 20.6% compared to 2019. The organic decline (in same property terms) was 24.8% for the year. The net operating margin, excluding Tenant Admission Payments, was 78.7% for 2020, slightly lower than the 79.7% reported in 2019.

EBITDA: Fibra Danhos earned \$2.97 billion pesos in EBITDA in 2020, 24.8% lower than in 2019. The EBITDA margin was 63.9%, down from 68.1% in 2019.

Net income, FFO and AFFO: Net income, FFO and AFFO in 2020 totaled \$2.64 billion, \$2.63 billion and \$2.99 billion pesos, which represent changes of -35.6%, -26.2% and -23.3%, respectively, compared to those of 2019.

Mexican pesos	2020	2019
Net income	2,644,003,685	4,104,766,090
Net foreign-exchange gain	-19,672,853	-19,863,641
Adjustment to reasonable value of properties - Net	36,033,690	563,065,748
FFO	\$2,627,642,848	\$3,561,563,983
Capital expenditure	-	-
Tenant Admission payments - Net	(304,369,801)	(243,344,475)
Upfront rents - Net	55,016,020	(6,705,348)
Straight-line rent - Net	24,410,990	(4,836,983)
Unaccrued property tax and insurance	483,135	(5,163,475)
Advisory and Representation Fees -Net	590,089,814	599,050,722
AFFO	\$2,992,306,736	\$3,900,564,424

Cash Distributions

Thanks to a solid generation of cash flow from our Operating Portfolio in 2020, Fibra Danhos reported an AFFO of \$2.99 billion pesos, which is an AFFO per CBFI with economic rights of \$2.07 pesos. On this basis, our Technical Committee decided on a distribution to CBFI holders corresponding to the 2020 results, of \$1.00 per CBFI, which is 59.5% less than the \$2.47 pesos per CBFI paid out against the 2019 results. Fibra Danhos maintained the equivalent of \$107 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 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 130,000,000.00 (One hundred thirty million Mexican pesos 00/100 pesos) at a variable rate of 1.35 bp over the TIIE 28, at 2 years.



Debt	Institution/Issue	Currency	Type	Rate	Issue	Exp. date	Remaining term (yrs)	Outstanding balance
Securities Certificates	Local (DANHOS 16)	MXN	Fixed	7.80%	11-jul-16	29-jun-26	5.51	3,000,000,000
(Current) Securities Certificates	Local (DANHOS 17)	MXN	Fixed	8.54%	10-jul.-17	28-jun-27	6.51	2,500,000,000
(Current) Bank	BBVA BANCOMER	MXN	Floating	TIIE +1.35%	17-nov-20	20-dec-22	1.98	130,000,000
			Average	8.08%		Average	5.87	5,630,000,000

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

Out of our total financing, 98% is at fixed rates and 2% floating. All of our debt is denominated in Mexican pesos, the weighted average remaining term of the debt is 5.87 years and the average cost of our debt as of December 31, 2020 was 8.08%.

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)	8.4%	50%	OK
Secured debt	00%	40%	OK
Debt service coverage (AFFO)	7.23x	1.5 x min	OK
Total unencumbered assets	1176%	150%	OK

Performance of our properties in our current operating portfolio

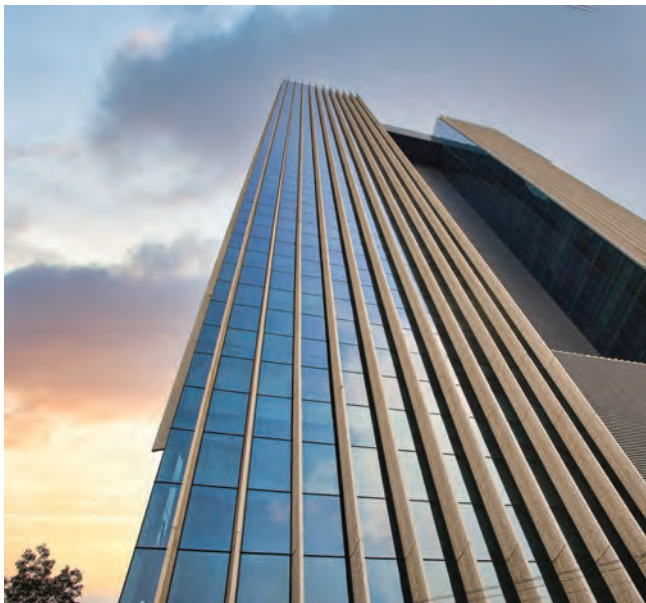
We have met 100% of the development commitments we made during our IPO. We continue to work on development of Parque Tepeyac, which is scheduled for opening in 2022. We have multiplied the GLA of our Initial Operating Portfolio by 3.4 times and added more than 656,320 square meters of premier quality to our portfolio since October 2013.

As of December 31, 2020, the Current Operating Portfolio of Fibra Danhos consisted of fourteen properties, with a combined GLA of 891,741 square meters, a same-property occupancy rate of 94.6%, and a total property occupancy rate of 86.5%. Parque Tepeyac remains under development with tentative opening planned for 2022.

Visitor Traffic: Our retail portfolio recorded an annual footfall of 60.5 million visitors in 2020, a 51.2% decrease over 2019. Same-property occupancy was stable at 94.6%, while total property occupancy was 86.5%, changes of -360.8 and -567.9 basis points, respectively, compared to 2019.

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 not calculated for this fiscal year due to the closure of shopping centers during the pandemic, which meant tenants had no sales starting in March 2020. 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 lower, 96.8% in 2020 compared to 99.6% in 2019.

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 2.57% in 2020, up from 0.32% in 2019. Rent Write-offs (accounts more than 180 days past due in proportion to base rent income annualized for the respective period) amounted to 4.76% of the total in 2020, a 408 bp increase over 2019 due to the negative effect of the COVID-19 pandemic on our tenants' income.



RESULTS

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of December 31, 2020, 2019 and 2018
(In Mexican pesos)

Assets	Notes	2020	2019	2018
Current assets:				
Cash, cash equivalents and restricted cash	4	\$ 864,292,307	\$ 490,355,748	\$ 1,808,607,828
Lease receivables and others	5	598,639,259	428,140,691	402,240,593
Accounts receivable from related parties	13	-	153,246	793,288
Recoverable taxes, (as of December 31, 2020, 2019 and 2018, includes \$199,548,850, \$79,763,281 and \$37,122,358 of VAT to be recovered		206,127,579	84,514,506	37,599,750
Prepaid expenses, mainly insurance to amortize and deposits in guarantee		31,419,927	26,467,213	27,156,963
Total current assets		1,700,479,072	1,029,631,404	2,276,398,422
Non-current assets:				
Investment properties	6	65,335,059,747	64,364,614,588	62,716,149,554
Acquisition of technological platform		1,465,666	7,527,702	13,287,101
Right-of-use assets	12	39,162,601	-	-
Other assets		4,198,543	6,329,927	10,000,000
Machinery and equipment		25,218,500	27,663,200	22,911,806
Deferred income tax of subsidiary		12,579,656	12,030,350	10,208,988
Total non-current assets		65,417,684,713	64,418,165,767	62,772,557,449
Total assets		\$ 67,118,163,785	\$ 65,447,797,171	\$ 65,048,955,871
Liabilities and trustors' capital				
Current liabilities:				
Short-term financial liability	11	\$ -	\$ -	\$ 1,000,000,000
Interest payable of financial liabilities		221,920,196	220,206,566	217,875,405
Deferred lease revenue		265,541,347	347,541,836	360,136,899
Trade accounts payable and accumulated expenses	10	88,416,431	67,556,735	56,230,830
Rent collected in advance		26,933,061	35,050,189	39,174,502
Accounts payable to related parties	13	196,448,554	204,593,443	190,416,516
Tax payable		36,903,186	50,231,969	69,533,984
Short-term lease liability	12	6,723,117	-	-
Total current liabilities		842,885,892	925,180,738	1,933,368,136
Non-current liabilities:				
Long-term financial liability	11	5,601,838,767	5,617,169,802	5,462,500,832
Deferred lease revenue		573,845,006	781,168,056	1,034,433,630
Guarantee deposits from tenants		407,843,970	408,431,794	397,290,015
Employee benefits	8	18,774,050	17,272,106	13,259,369
Long-term lease liability	12	33,703,919	-	-
Total liabilities		6,636,005,712	6,824,041,758	6,907,483,846
Total liabilities		7,478,891,604	7,749,222,496	8,840,851,982
Trustors' capital:				
Trustors' capital	14	42,167,547,323	41,871,466,618	42,383,005,320
Retained earnings		16,496,702,995	15,040,867,303	13,072,255,847
Repurchase of certificates		(168,090,485)	-	-
Other comprehensive results		(2,780,161)	(3,500,059)	(2,154,136)
Controlling interest		58,493,379,672	56,908,833,862	55,453,107,031
Non-controlling interest		1,145,892,509	789,740,813	754,996,858
Total trustors' capital		59,639,272,181	57,698,574,675	56,208,103,889
Total liabilities and trustors' capital		\$ 67,118,163,785	\$ 65,447,797,171	\$ 65,048,955,871

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the years ended December 31, 2020, 2019 and 2018
(In Mexican pesos)

	Notes	2020	2019	2018
Fixed rental revenues		\$ 3,168,497,521	\$ 3,728,308,048	\$ 3,346,441,358
Variable rental revenues		73,283,010	264,342,408	228,967,634
Deferred lease revenue		380,527,324	413,521,331	365,925,798
Parking revenues		205,677,523	473,167,193	421,461,742
Maintenance and advertising revenues		813,726,429	915,116,691	790,175,281
		4,641,711,807	5,794,455,671	5,152,971,813
Advisory fees	13	637,807,701	633,639,389	609,094,198
Representation fees	13	83,512,004	108,707,379	100,285,549
Administration expenses		127,993,912	121,013,582	117,174,886
Operation and maintenance expenses		598,579,941	814,747,034	739,690,898
Property tax		186,601,411	133,673,275	127,108,282
Insurance		40,398,310	35,916,564	33,586,136
Interest income		(20,290,135)	(71,060,221)	(80,173,400)
Interest expense		345,893,049	448,158,512	332,969,621
Foreign exchange gain - Net		31,183,685	22,370,393	6,560,786
Adjustments to fair value of investment property	6	(36,033,690)	(563,065,748)	(727,748,087)
Income tax expense of subsidiary		2,061,933	5,589,422	2,625,654
Consolidated profit for the year		\$ 2,644,003,686	\$ 4,104,766,090	\$ 3,891,797,290
Profit attributable to:				
Controlling interest		\$ 2,644,138,765	\$ 4,091,268,558	\$ 3,889,865,680
Non-controlling interests		(135,079)	13,497,532	1,931,610
Consolidated profit for the year		2,644,003,686	4,104,766,090	3,891,797,290
Actuarial (losses) gains of employee benefits, net of taxes		719,898	(1,345,923)	(1,078,925)
Consolidated comprehensive income for the year		\$ 2,644,723,584	\$ 4,103,420,167	\$ 3,890,718,365
Basic comprehensive income per CBFI (pesos)		\$ 1.7846	\$ 2.8219	\$ 2.7221
Diluted comprehensive income per CBFI (pesos)		\$ 1.6961	\$ 2.7647	\$ 2.5854

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN TRUSTORS' CAPITAL

For the years ended December 31, 2020, 2019 and 2018
(In Mexican pesos)

	Trustors' capital	Retained earnings	Re-purchase of CBFIs
Balance as of January 1, 2018	\$ 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 CBFIs Via Vallejo	(240,768,514)	-	-
Contribution of 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)	-
Issuance of CBFIs Torre Virreyes	426,737,116	-	-
Cancellation of CBFIs Toreo (Comercial)	(189,016,204)	-	-
Decrease of non-controlling interest	-	-	-
Contribution of 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 January 31, 2019	41,871,466,618	15,040,867,303	-
Increase in equity due to capitalization of advisory fees	586,886,696	-	-
Capital reimbursements	(290,805,991)	-	-
Dividends paid	-	(1,188,303,073)	-
Re-purchase of CBFIs	-	-	(168,090,485)
Contribution of non-controlling interest	-	-	-
Comprehensive income:			
Consolidated net income for the year	-	2,644,138,765	-
Actuarial gain for employee benefits	-	-	-
	-	2,644,138,765	-
Balance as of December 31, 2020	\$ 42,167,547,323	\$ 16,496,702,995	\$ (168,090,485)

	Other items of comprehensive (loss) income	Controlling interest	Non-controlling interest	Total
	\$ (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
	-	586,886,696	-	586,886,696
	-	(290,805,991)	-	(290,805,991)
	-	(1,188,303,073)	-	(1,188,303,073)
	-	(168,090,485)	-	(168,090,485)
	-	-	356,286,775	356,286,775
	-	2,644,138,765	(135,079)	2,644,003,686
	719,898	719,898	-	719,898
	719,898	2,644,858,663	(135,079)	2,644,723,584
	\$ (2,780,161)	\$ 58,493,379,672	\$ 1,145,892,509	\$ 59,639,272,181

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended December 31, 2020, 2019 and 2018
(In Mexican pesos)

	2020	2019	2018
Cash flows from operating activities:			
Consolidated profit for the year	\$ 2,644,003,686	\$ 4,104,766,090	\$ 3,891,797,290
Adjustments to net profit:			
Income tax expense from subsidiary	2,061,933	5,589,422	2,625,654
Adjustments to fair value of investment properties	(36,033,690)	(563,065,748)	(727,748,087)
Advisory fee liquidated by equity instruments	586,886,696	578,108,176	580,061,236
Employee benefits	2,642,966	2,099,033	1,758,347
Depreciation of machinery and equipment	8,359,371	5,704,747	2,909,347
Lease depreciation right of use	6,025,016	-	-
Amortization of technological platform	6,062,035	6,062,036	5,986,376
Debt commissions	2,131,386	3,670,073	-
Interest income	(20,290,135)	(71,060,221)	(80,173,400)
Interest expense - Net	345,893,049	448,158,512	332,969,621
Profit from derecognition of fixed asset	-	(4,516,448)	-
Total	3,547,742,313	4,515,515,672	4,010,186,384
Changes in working capital:			
(Increase) decrease in:			
Leases receivables and others	(175,451,282)	(2,203,680)	43,187,791
Accounts receivable from related parties	153,246	640,042	4,596,270
Recoverable taxes , mainly value added taxes	(121,613,073)	(46,914,756)	(35,294,843)
Increase (decrease) in:			
Trade accounts payable and accrued expenses	12,400,886	(15,381,542)	(135,956,300)
Prepaid lease	(8,117,128)	(4,124,313)	66,070
Deferred lease revenue	(289,323,539)	(265,860,637)	(118,537,516)
Deposits of tenants	(587,824)	11,141,779	31,055,723
Income tax paid	(15,940,022)	(26,712,798)	5,355,945
Accounts payable to related parties	(8,144,889)	14,176,927	5,474,293
Net cash generated in operating activities	2,941,118,688	4,180,276,694	3,810,133,817
Cash flows from investing activities			
Acquisitions of investment properties	(804,176,468)	(820,505,715)	(1,641,815,898)
Acquisition of technological platform	-	(302,637)	(5,257,387)
Acquisitions of machinery and equipment	(5,914,672)	(10,456,141)	(11,355,349)
Proceeds from sale of land	-	11,293,333	-
Interest received	20,290,135	71,060,221	80,173,400
Net cash used in investing activities	(789,801,005)	(748,910,939)	(1,578,255,234)

	2020	2019	2018
Cash flows from financing activities:			
Loans obtained by third parties	130,000,000	150,000,000	-
Loan Payments	(150,000,000)	(1,000,000,000)	-
Capital reimbursements	(290,805,991)	(1,327,367,790)	(1,567,037,927)
Re-purchase of CBFIs	(168,090,485)	-	-
Lease payments	(4,368,444)	-	-
Interest paid for lease liability	(429,999)	-	-
Dividends paid	(1,188,303,073)	(2,122,657,102)	(1,696,509,187)
Capital contributions to Fideicomiso Inxev 3381 (Parque Tepeyac)	356,286,775	94,169,379	291,371,976
Interest paid	(461,669,907)	(543,762,322)	(539,420,277)
Net cash used in financing activities	\$ (1,777,381,124)	\$ (4,749,617,835)	\$ (3,511,595,415)
Cash, cash equivalents and restricted cash:			
Net (decrease) increase in cash, cash equivalents and restricted cash	373,936,559	(1,318,252,080)	(1,279,716,832)
Cash, cash equivalents and restricted cash at the beginning of period	490,355,748	1,808,607,828	3,088,324,660
Cash, cash equivalents and restricted cash at the end of period	\$ 864,292,307	\$ 490,355,748	\$ 1,808,607,828
Items that do not generate cash flow:			
Advisory fee liquidated by equity instruments (see Note 13)	586,886,696	578,108,176	580,061,236
Cancellation of CBFIs Via Vallejo (see Note 1 "relevant events")	-	-	(240,768,514)
Cancellation of CBFIs Toreo (Comercial) (see Note 1 and 7 "Relevant events" and "Investment properties, respectively")	-	(189,016,204)	-
Issuance of Torre Virreyes CBFIs (see Note 1 and 7 "Relevant events" and "Investment properties, respectively")	-	426,737,116	-
Total items that do not require cash flow	\$ 586,886,696	\$ 815,829,088	\$ 339,292,722

See accompanying notes to the consolidated financial statements.

ABOUT THIS REPORT

(102-45, 102-46, 102-48, 102-49, 102-50, 102-51, 102-52, 102-53, 102-54)

This second Integrated Annual Report covers the period from January 1 to December 31, 2020. Our previous report covers the same dates in 2019. In this report, we invite all our stakeholders to learn about our more relevant actions during the year and our performance as a socially responsible company. This report reflects no significant change in the scope, coverage or valuation methods applied with respect for previous reports, nor has any information been restated.

This Integrated Annual Report was prepared in accordance with GRI standards (2016-2020), core option, and the table referencing these contents is found on pages 62-66, with external assurance supplied by Deloitte.

Both this report and our previous report can be viewed on our website at: <https://www.fibradanhos.com.mx/inversionistas-financiera>

We also took into consideration the requirements of the Sustainability Accounting Standards Board (SASB) for the real-estate industry.

As signing members of the United Nations Global Compact and its ten principles, this report also serves as our first Communication of Progress (CoP).



GLOSSARY

AFFO:	Adjusted Flow from Operations
Amefibra:	The Mexican REIT Association (Asociación Mexicana de Fibras Inmobiliarias)
GRESB:	Global Real Estate Sustainability Benchmark
GRI:	Global Reporting Initiative
NOI:	Net Operating Income
SDG:	United Nations Sustainable Development Goals
SASB:	Sustainability Accounting Standards Board
tCO₂e:	Metric tons of carbon dioxide equivalent (measured in metric tons of carbon dioxide generated by all greenhouse gas emissions)
VWAP:	Volume weighted average price

GRI CONTENT INDEX

(102-55)

GRI Standard Content	Page	Description	2020 Statement
GRI 102 General disclosures			
Organizational profile 2016			
102-1	2	Name of the organization	Profile
102-2	8	Activities, brands, products, and services	Profile
102-3	Inside back cover	Location of headquarters	Contact
102-4	2, 8	Location of operations	Profile
102-5	43	Ownership and legal form	Corporate governance
102-6	8, 14	Markets served	Profile, Highlights of the year
102-7	18, 26	Scale of the organization	Key financial data and transactions, Our employees
102-8	26	Information on employees and other workers	Our employees
102-9	39	Supply chain	Supply chain
102-10	2	Significant changes to the organization and its supply chain	About us
102-11	41	Precautionary Principle or approach	Risk management
102-12	2	External initiatives	Profile
102-13	42	Membership in associations	Membership in Associations
Strategy 2016			
102-14	4	Statement from senior decision-makers	Message from the CEO
102-15	12, 41	Key impacts, risks, and opportunities	Business model, Risk management
Ethics and integrity 2016			
102-16	2	Values, principles, standards and norms of behavior	Profile
102-17	23, 33, 43	Mechanisms for advice and concerns about ethics	Code of Ethics
Corporate Governance 2016			
102-18	43, 45	Governance structure	Corporate governance
102-19	48	Delegating authority	ESG Committee
102-20	48	Executive-level responsibility for economic, environmental, and social topics	ESG Committee

102-21	20	Consulting stakeholders on economic, environmental, and social topics	Stakeholders, Materiality
102-22	44	Composition of the highest governance body and its committees	Technical Committee
102-23	48	Chair of the highest governance body	Technical Committee
102-24	45	Nominating and selecting the highest governance body	Technical Committee
102-25	33	Conflicts of interest	Code of Ethics, which covers issues of human rights, honesty, conflicts of interest, anti-corruption practices, information confidentiality, information handling, use of organizational assets and services, workplace environment and ethical principles
102-26	43, 45	Role of highest governance body in setting purpose, values, and strategy	Corporate governance
102-27	44, 45	Collective knowledge of highest governance body	Technical Committee
102-28	49	Evaluating the highest governance body's performance	Technical Committee
102-29	6	Identifying and managing economic, environmental, and social impacts	Message from the ESG Director
102-30	41	Effectiveness of risk management processes	Risk management
102-31	16	Review of economic, environmental, and social topics	2021 Goals
102-35	27, 49	Remuneration policies	Technical Committee
102-36	27, 49	Process for determining remuneration	Technical Committee
102-37	49	Stakeholders' involvement in remuneration	Technical Committee
102-38	48	Annual total compensation ratio	Technical Committee
102-39	48	Percentage increase in annual total compensation ratio	Technical Committee
Stakeholder engagement 2016			
102-40	20	List of stakeholder groups	Stakeholders
102-41	27	Collective bargaining agreements	Talent attraction and retention
102-42	20	Identifying and selecting stakeholders	Stakeholders
102-43	22, 29	Approach to stakeholder engagement	Stakeholder communication table
102-44	23	Key topics and concerns raised	Materiality
Reporting practices 2016			
102-45	2, 60	Entities included in the consolidated financial statements	About us
102-46	62	Defining report content and topic boundaries	About this report
102-47	23	List of material topics	Materiality matrix
102-48	62	Restatements of information	About this report
102-49	62	Changes in reporting	About this report
102-50	62	Reporting period	About this report
102-51	62	Date of most recent report	About this report
102-52	62	Reporting cycle	About this report

102-53	Inside back cover	Contact point for questions regarding the report	Contact
102-54	62	Claims of reporting in accordance with the GRI Standards	About this report
102-55	64	GRI content index	GRI content index
102-56	70	External assurance	Assurance letter
GRI 103 Management approach 2016			
103-1	23	Explanation of the material topic and its boundaries	Materiality
103-2	12, 27, 41	The management approach and its components	Risk management
103-3	27, 41	Evaluation of the management approach	Risk management
GRI 200: Economic standards			
GRI 201 Economic performance			
201-1	27	Direct economic value generated and distributed	Salaries and benefits, Proportion of spending on local suppliers, Social responsibility
201-2	23, 41	Financial implications and other risks and opportunities due to climate change	Materiality, Risk management
201-3	27	Defined benefit plan obligations and other retirement plans	Salaries and benefits
201-4	42	Financial assistance received from government	We receive no government assistance
GRI 204 Procurement practices 2016			
204-1	39	Proportion of spending on local suppliers	Supply chain
GRI 205 Anti-Corruption 2016			
205-1	41	Operations assessed for risks related to corruption	Risk management, Anti-corruption policy
205-2	41	Communication and training about anti-corruption policies and procedures	Risk management, Anti-corruption policy
205-3	41	Confirmed incidents of corruption and actions taken	Risk management
GRI 300: Environmental Standards			
GRI 302 Energy 2016			
302-1	35	Energy consumption within the organization	Energy
302-4	35	Reduction of energy consumption	Energy
302-5	35	Reductions in energy requirements of products and services	Energy
GRI 303 Water 2018			
303-1	36	Water withdrawal by source	Water
303-4	36	Water consumption	Water
303-5	36	Total volume of water recycled and reused	Water
GRI 304 Biodiversity 2016			
304-1	13	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Business model
304-4	13	IUCN Red List species and national conservation list of species with habitats in areas affected by operations	Business model

GRI 305 Emissions 2016			
305-1	35	Direct GHG emissions (scope 1)	Energy
305-2	35	Indirect GHG emissions from energy generation (scope 2)	Energy
305-4	35	GHG emission intensity	Energy
GRI 306 Waste 2020			
306-1	34, 38	Waste generation and significant impacts relating to waste	Environmental commitment
306-2	34, 38	Waste generated	Environmental commitment
GRI 307 Environmental compliance 2016			
307-1	34	Non-compliance with environmental laws and regulations	Environmental commitment, Environmental Policy
GRI 308 Environmental evaluation of suppliers 2016			
308-1	39	New suppliers that were screened using environmental criteria	Supply chain
GRI 400: Social Standards			
GRI 401 Employment 2016			
401-1	27, 29	New employee hires and employee turnover	Talent attraction and retention, Recruitment and Hiring Policy
401-2	28	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Salaries and benefits, Diversity and Inclusion Policy
401-3	28	Parental leave	Salaries and benefits
GRI 403 Occupational Health and Safety 2018			
403-1	30	Occupational health and safety management system	Health, safety and human rights
403-2	30	Hazard identification, risk assessment, and incident investigation	Health, safety and human rights
403-3	30	Occupational health services	Health, safety and human rights
GRI 404 Training and Education 2016			
404-1	32	Average hours of training per year per employee	Training
404-2	32	Programs for upgrading employee skills and transition assistance programs	Health, safety and human rights
404-3	27, 32	Percentage of employees receiving regular performance and career development reviews	Our employees
GRI 405 Diversity and equal opportunity 2016			
405-1	26	Diversity of governance bodies and employees	Our employees, Diversity and Inclusion Policy
405-2	28	Ratio of basic salary and remuneration of women to men	Our employees
GRI 406 Non discrimination 2016			
406-1	33	Incidents of discrimination and corrective actions taken	Code of Ethics, Línea Ética, Diversity and Inclusion Policy and Occupational Safety Policy
GRI 410 Security practices 2016			
410-1	30	Security personnel trained in human rights policies or procedures	Health, safety and human rights

GRI 412 Human Rights Evaluation 2016			
412-2	28	Employee training on human rights policies or procedures	Health, safety and human rights
412-3	39	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Supply chain
GRI 413 Local communities 2016			
413-1	13, 22	Operations with local community engagement, impact assessments, and development programs	Stakeholder communication table, Stakeholder engagement policy
413-2	12, 13	Operations with significant actual and potential negative impacts on local communities	Business model
GRI 414 Supplier social evaluation 2016			
414-1	39	New suppliers that were screened using social criteria	Supply chain
GRI 416 Customer Health and Safety 2016			
416-1	30	Assessment of the health and safety impacts of product and service categories	Health, safety and human rights
GRI 419 Socioeconomic compliance 2016			
419-1	33	Non-compliance with laws and regulations in the social and economic area	Code of Ethics

SASB INDICATORS

The Sustainability Accounting Standards Board (SASB) has identified a minimum set of sustainability issues that are most likely to affect the operating or financial performance of a typical company in a given industry, regardless of its location.

For the first time, this report incorporates some SASB Sustainability standards for the Real-Estate industry, version 2018-10.

Description	Indicator	Page
Energy management		
Energy consumption data coverage as a percentage of total floor area, by property subsector	IF-RE-130a.1	35
(1) Total energy consumed by portfolio area; (3) percentage renewable	IF-RE-130a.2	35
Percentage of eligible portfolio that (1) has an energy rating	IF-RE-130a.4	36
Water management		
Water withdrawal data coverage as a percentage of total leasable area	IF-RE-140a.1	36
Management of Tenant Sustainability Impacts		
Percentage of tenants that are separately metered or submetered for grid electricity consumption and water withdrawals	IF-RE-410a.2	36

ASSURANCE LETTER

(102-56)

Deloitte.

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Independent assurance report on the 2020 Sustainability Report to Administradora Fibra Danhos, S.C., (Fibra Danhos) to the Management of Fibra Danhos.

Responsibilities of Fibra Danhos and independent reviewer

The Management of Fibra Danhos is responsible for the elaboration of the 2020 Sustainability Report (SR) for the period from January 1st to December 31st, 2020, as well as ensuring its content, definition, adaptation and maintenance of the management systems and internal control from which the information is obtained, and which is also free of material misstatement due to fraud or error. Our responsibility is to issue an independent report based on the procedures applied during our review.

This report has been prepared exclusively in the interest of Fibra Danhos in accordance with the terms of our agreement letter dated January 19th, 2021, therefore we do not assume any responsibility to third parties and is not intended to be nor should it be used by someone other than the Management of Fibra Danhos.

Scope of our work

The scope of our assurance was limited which is substantially lower than a reasonable assurance scope, therefore the assurance provided is also lower. This report in no case can be understood as an audit report.

We conducted the 2020 SR review under the following conditions and/or criteria:

- a) The adaptation on the 2020 SR disclosures to the Sustainability Reporting Standards Guidelines of the Global Reporting Initiative (GRI) and according to the materiality study provided by Fibra Danhos.
- b) The review of the GRI Standards disclosures in accordance with the reporting requirements as specified in the GRI Content Index of the 2020 SR.
- c) The data consistency between the information included in the 2020 SR with supporting evidence provided by the Management.

We have complied with the independence and ethics requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA Code) based on integrity, objectivity, professional competence and due care, confidentiality and professional behavior principles.

Assurance standards and procedures

We have performed our work in accordance with the International Auditing Standard ISAE 3000 Revised Assurance Engagements other than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Boards (IAASB) del International Federation of Accountants (IFAC).

Our review work included the formulation of questions to the Management as well as various departments of Fibra Danhos that have participated in the elaboration of the 2020 SR and the application of certain analytical and sample screening tests procedures that are described below:

- a) Meetings with staff of Fibra Danhos to learn the principles, systems and applied management approaches.
- b) Analysis of the process to collect, validate and consolidate the data presented in the 2020 SR.
- c) Analysis of scope, relevance and integrity of the information included in the 2020 SR in terms of the understanding of Fibra Danhos and of the requirements that stakeholders have identified as material topics.
- d) Selected sample review from the evidence that supports the information included on the 2020 SR.
- e) Quality assurance by an independent partner of the project that verifies consistency between this report and the proposal, as well as work process quality and deliverables.

The following table details the revised contents according with the GRI Standards Guide

102-16	102-17	302-1	302-3	303-1	303-3
305-1	305-2	306-2	403-2	413-1	

These contents were selected for the independent review in accordance with the following criteria:

- a) Materiality of Fibra Danhos referred in the 2020 SR.
- b) Information provided during the meetings with the interviewed staff.
- c) Review of the evidence provided by Fibra Danhos staff of this project.

Conclusions

Based on our work described in this report, the performed procedures and the evidence obtained, nothing comes to our attention that could make us believe that the contents and disclosures reviewed in the 2020 SR contain significant errors or have not been prepared in accordance with the reporting requirements established in the GRI Standards. For those GRI Standards disclosures where Fibra Danhos did not report in quantitative terms (numeric) the independent reviewer only reviewed the qualitative information, which includes procedures, policies, evidence of the activities performed, among others.

Action alternatives

Deloitte has provided Fibra Danhos a report with the most significant action alternatives for future reporting, which do not modify the conclusions expressed in this independent review report.

Deloitte Asesoría en Riesgos, S.C.

Deloitte Touche Tohmatsu Limited affiliated Firm


 Rocío Canal Garrido
 Partner of Deloitte Asesoría en Riesgos, S.C.
 July 1, 2021

30 de junio de 2021

Rocío Canal Garrido
Socia de Sustentabilidad
Deloitte Asesoría en Riesgos, S.C.
Afiliada de Firma Deloitte Touche Tohmatsu Limited
PRESENTE

Esta carta de manifestación se proporciona en relación con su auditoría al Informe de Sustentabilidad 2020 (IS 2020) de la entidad Administradora Fibra Danhos, S.C. correspondiente al ejercicio terminado el 31 de diciembre de 2020, a efectos de expresar una opinión sobre si el citado informe ha sido preparado de acuerdo a las directrices de conformidad esencial establecidas en la guía para la elaboración de Memorias de Sostenibilidad del *Global Reporting Initiative* (GRI) versión Standards (GRI Standards).

Somos responsables de la preparación y contenido del IS 2020, así como de definir, adaptar y mantener los sistemas de gestión y control interno de los que se obtiene la información.

Confirmamos que según nuestro leal saber y entender, tras haber realizado las indagaciones que hemos considerado necesarias a los efectos de informarnos adecuadamente, que sobre:

El Informe de Sustentabilidad 2020

- Hemos cumplido nuestras responsabilidades, con respecto a la preparación del IS 2020 de conformidad con el GRI Standards.
- Los cálculos realizados son razonables de acuerdo con los protocolos internacionales aplicables.
- Los efectos de los errores no corregidos son inateriales, tanto individualmente como de forma agregada, para el IS 2020.

Información proporcionada

- Les hemos proporcionado:
 - Acceso a toda la información de la que tenemos conocimiento y que es relevante para la preparación del IS 2020, tal como registros, documentación y otro material.
 - Información adicional que nos han solicitado para los fines de la revisión.
 - Acceso a las personas de la entidad de las cuales ustedes consideraron necesario obtener evidencia.
- Les hemos revelado toda la información relativa a indicios de errores, deficiencias en el diseño y operaciones de los controles, que afectan el IS 2020.
- Les hemos revelado todos los casos conocidos de incumplimiento o sospecha de incumplimiento de las disposiciones legales y reglamentarias cuyos efectos deberían considerarse para realizar el IS 2020.

ATENTAMENTE



Jonathan Cherem Daniel

Administradora Fibra Danhos, S.C.



July 1, 2021

To whom it may concern,

During fiscal year 2020, Fibra Danhos did not report incidents related to any ethical violation, nor were there any pending legal actions related to corruption cases. We also do not receive fines or penalties for non-compliance with socio-economic regulations.

Sincerely,

Jorge Serrano
CFO Fibra Danhos



July 1, 2021

To whom it may concern,

During fiscal year 2020, Fibra Danhos did not generate any type of contribution to political parties, whether in kind or monetary.

Sincerely,

Jorge Serrano
CFO Fibra Danhos

CONTACT

(102-3, 102-53)

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