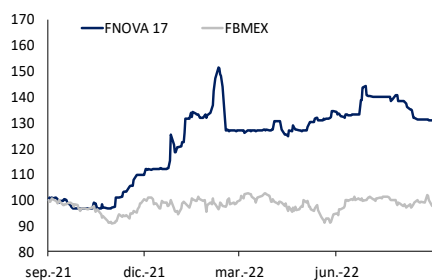


FNOVA: Initiation of Coverage

High-growth industrial REIT

FNOVA 17	HOLD
Target Price (MXN\$)	\$ 34.00
Expected Dividend	\$ 2.21
Current Price (MXN\$)	\$ 29.76
Min / Max (L12M - MXN\$)	21.97 - 34.47
Total Return	21.7%
Mkt Cap (Mn of MXN)	9,992
CBFI's Outstanding (Mn)	335.7
Float	25.3%



INVESTMENT THESIS

We are initiating coverage on FIBRA NOVA ("FNOVA") with a HOLD recommendation and target price of MXN\$34.0/CBFI.

Attractive portfolio. FNOVA's real estate portfolio includes 110 properties with more than 527 thousand M2 of Gross Leasable Area ("GLA"), mainly in the industrial segment, with long-term contracts, large clients and a 100% occupancy. In addition, the Fibra has another 111 thousand M2 under construction and owns an 812 thousand M2 land reserve for the development of new projects.

Corporate governance/administration. FNOVA's Technical Committee consists of 7 members of which 4 are independent. The Fibra is internally managed by Administradora Fibra Norte S.C. which does not charge any commissions. The executive team has more than 20 years of experience in the real estate sector and has grown the GLA, revenue, and NOI at an average annual rate of 19.1%, 44.1%, and 44.1%, respectively, during the 2017-2022 period.

High growth potential. We expect revenues, NOI and FFO to increase at an average annual rate of 15.9%, 15.9% and 17.4%, respectively, in the 2022-2027 period, which includes an expansion in the GLA to more than 628 thousand M2 with an occupancy of 100%.

High distributions. FNOVA has historically distributed dividends with an 8.6% yield. We expect Fibra to continue making distributions with at least a similar rate in the future.

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September 27th, 2022

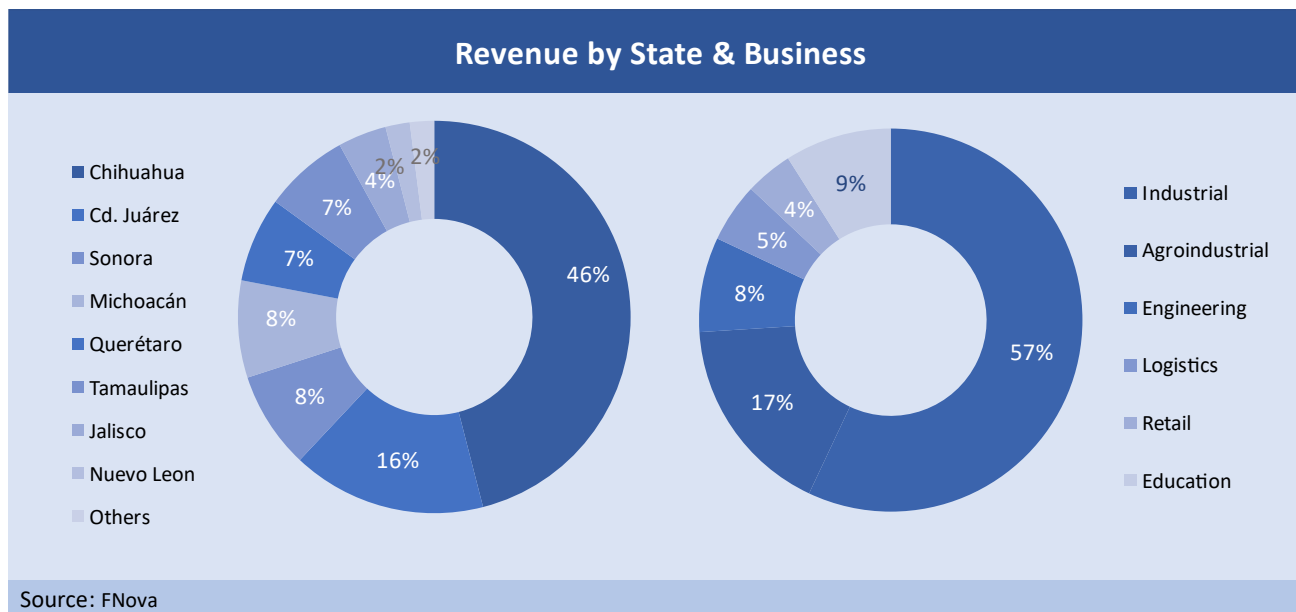
Valuation. We believe that FNOVA’s certificates are fairly valued at current levels as they currently trade at an implicit Cap Rate of 5.5% and at Net Price/Assets (P/NAV) of 1.34 times, which compares against the averages of 7.8% and 0.68x of the Mexican Fibra sector.

Target price. We established a MXN\$34.00/CBFI target price through a DCF model that includes the following variables: i) a 10.9% WACC; and, ii) a 4.0% growth rate in perpetuity in nominal terms. We used a Beta of 1.26 against the FBMEEX that we calculated from the average Beta of the Mexican Fibra sector (deleveraged and re-leveraged with the financial structure of FNOVA). This Beta is more conservative than the Fibra’s original Beta of 0.054 and reflects our expectation that FNOVA's CBFI's will have a similar performance than the FBMEEX index in the future.

The main risks include: i) macroeconomic volatility; ii) changes in the management team; (iii) concentration of major customers; and, iv) low liquidity of the CBFI's.

FNOVA’S MAIN ADVANTAGES

Attractive real estate portfolio. FNOVA has a portfolio of 110 properties with a GLA of more than 527 thousand M2 at the end of 2Q22. This portfolio is strategically located in northern and central states, which have a high growth potential.



Attractive portfolio/Geographical diversification. FNOVA's portfolio is well diversified in different regions. Chihuahua is the state with the highest contribution representing 62% of revenues. Michoacán and Sonora represent 8% each, Querétaro and Tamaulipas 7% each, Jalisco 4% and Nuevo León 2%. In addition, 57% of FNOVA's revenues come from the industrial segment, which offers a high growth potential due to the Mexico's proximity to the U.S. and the "Nearshoring" effect (bringing production plants closer to the final market).

Geographical breakdown of revenues							
Portfolio	Properties	GLA (m2)	Anualized Rent	Revenue %	Anualized Rent in USD	Occupancy	Expiration Contract
Chihuahua	28	149,274	321	29%	15	100%	13.6
Cd. Juárez	18	143,120	174	16%	8	100%	6.7
Michoacán	1	42,596	94	9%	4	100%	5.3
Sonora	14	54,333	86	8%	4	100%	9.1
Querétaro	5	23,174	75	7%	4	100%	6.9
Tamaulipas	6	49,439	74	7%	3	100%	8.2
Jalisco	3	26,630	42	4%	2	100%	5.8
Nuevo León	3	17,680	26	2%	1	100%	4.4
Others	30	21,458	29	3%	1	100%	5
Total	108	527,704	921	83%	44	100%	6.5
Chihuahua Agro	2	1,653	185	16%	9	100%	13.9
Total	110		1,106	99%	52	100%	7.7

(Figures in millions)

Source: FNova

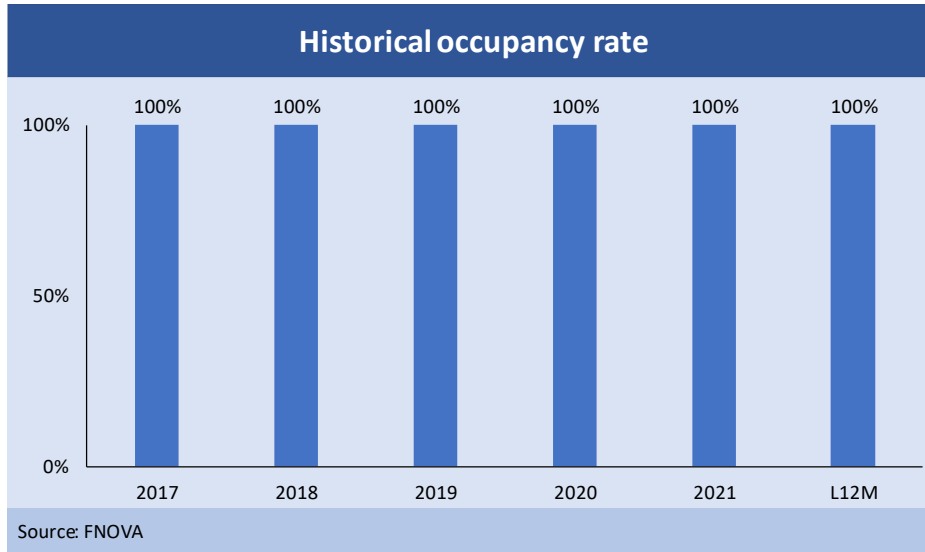
Relevant clients/Long-term contracts. FNOVA's most important clients include BAFAR, Laureate, Visteon, Black & Decker, Essilor, Masterbrand, Lear, and BWI, among others. FNOVA contracts are long-term and have an average duration of 7.8 years.

Revenue breakdown by customers									
Portfolio	Properties	GLA (m2)	Anualized Rent MXN	Revenue %	Anualized Rent in USD	Occupancy	Expiration Contract		
Grupo Bafar - Food	74	114,939	231.58	20%	11.30	100%	5.2		
Grupo Bafar - Agroindustrial	2	16,533,500	185.42	16%	9.04	100%	13.9		
Grupo Bafar - Other Business	2	7,053	55.45	5%	2.70	100%	5.8		
Laureate	3	43,082	105.16	10%	5.13	100%	5.5		
Visteon	6	51,388	102.50	10%	5.00	100%	7.1		
Black&Decker	1	46,392	75.85	7%	3.70	100%	9.6		
Essilor	1	24,048	40.91	4%	2.00	100%	10.5		
BWI	2	16,950	26.62	2%	1.30	100%	9.6		
Masterbrand	1	26,174	39.00	3%	1.90	100%	10.2		
Lear	1	22,584	33.93	3%	1.66	100%	9.3		
Electrolux	1	17,826	25.57	2%	1.25	100%	13.5		
Legget & Platt	1	31,311	29.57	3%	1.44	100%	5.1		
RR Donnelly	1	15,055	18.90	2%	0.92	100%	4.7		
Tecma	1	15,176	19.01	2%	0.93	100%	6.5		
FireFox	1	12,211	17.47	2%	0.85	100%	2.6		
Veritiv	1	15,157	14.70	1%	0.72	100%	2.6		
Others	11	68,357	85.18	8%	4.15	100%	4.1		
Total	110	17,061,204	1,106.80	100%	53.98	100%	7.8		

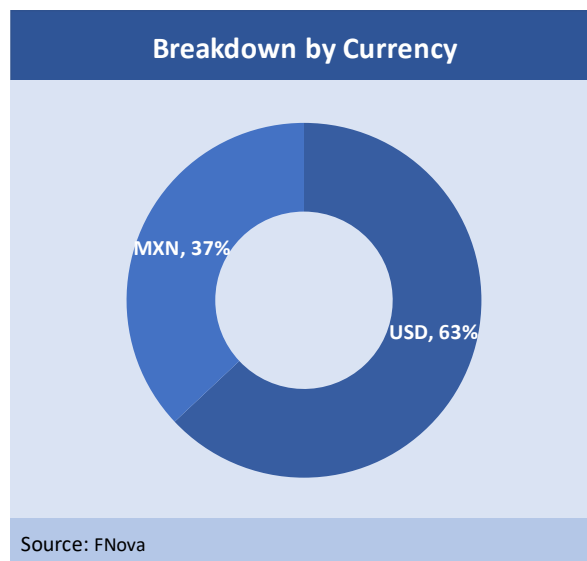
(Figures in millions)
Source: FNOVA



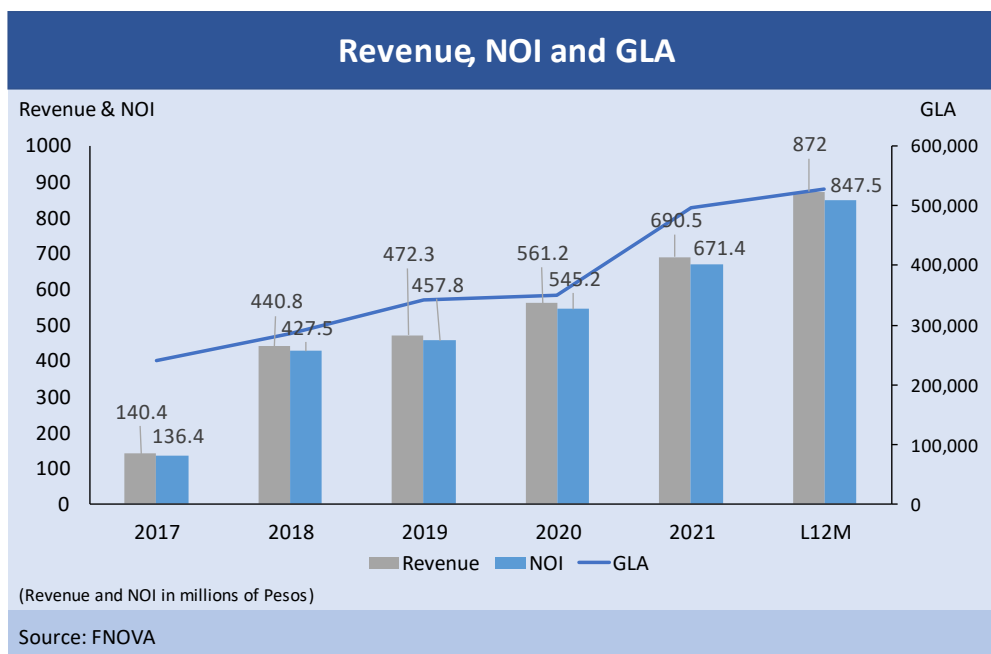
High historical occupancy levels. Since the 2017 IPO, FNOVA's portfolio has registered a 100% occupancy. We expect this indicator to remain at a high level for the foreseeable future taking into account existing contracts.



Dollarized revenues. 63% of FNOVA's revenues are dollarized, which could potentially represent a benefit should the Mexican peso weaken.



Experienced management team/Attractive historical growth. FNOVA's executive team has more than 20 years of combined experience in the real estate industry. A clear evidence of this is that the GLA, revenues, and NOI have grown at an average annual rate of 19.4%, 44.1% and 44.1%, respectively, in the 2017-2Q22 period.



Solid Corporate Governance / Technical Committee

FNOVA is internally managed by Administradora Fibra Norte S.C. which does not charge any commissions. The Technical Committee includes 7 members, of which 4 are independent. In addition, the Fibra has Audit and a Corporate Practices Committees that in both cases include 3 independent directors.

Technical Committee		
Name	Position	Alternant
Oscar Eugenio Baeza Fares	President	Luis Eduardo Ramírez harrera
Guillermo Enrique Baeza Fares	Member	José María Muzquiz barrera
Herminio Padruno Santos	Independent Member	Ana Elisa Pumarejo Hinojosa
Ricardo Dávila Quiñones	Independent Member	Armando Antonio Janzen hermandez
Luis Enrique Terrazas Seyffet	Member	Aaron Abdiel Grijalva Molinar
Carlos Ignacio Enriquez Terrazas	Independent Member	Rosa Isela Morales Fong
Jacob Burroughs	Independent Member	Erika Horn Miranda

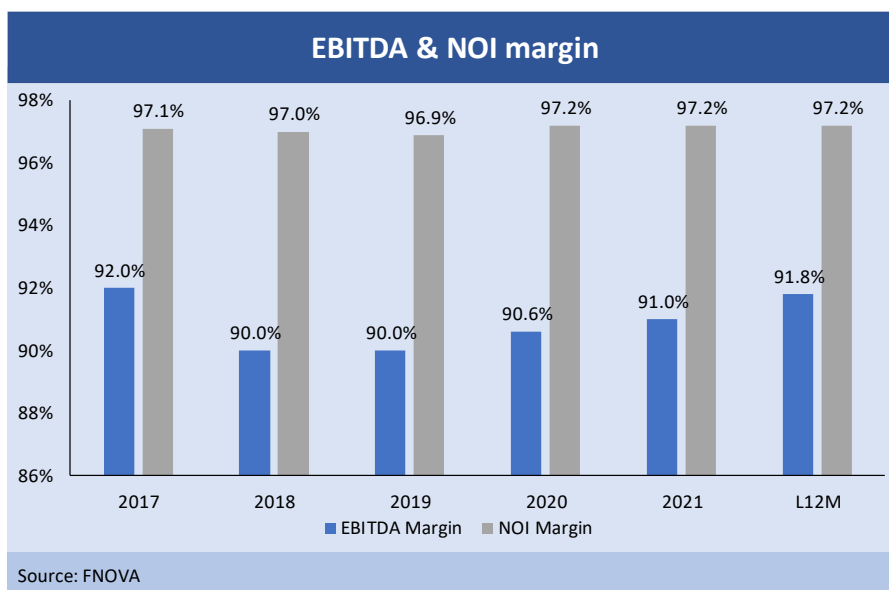
Source: FNOVA

FNOVA's main officials are as follows:

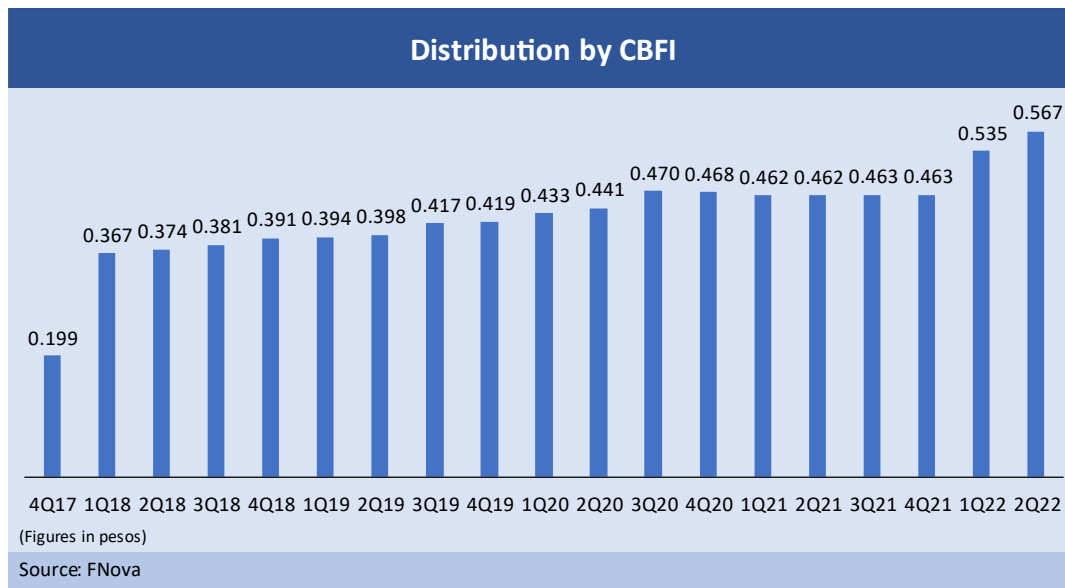
- Guillermo de Jesús Medrano Aralejo, CEO. He is a Public Accountant from the Instituto Tecnológico y Estudios Superiores de Monterrey (ITESM) with a Master's Degree in Business Administration and Senior Management studies from IPADE. He has more than 16 years of experience in the real estate sector and 10 in the industrial sector. He was the CEO of Grupo Intermex Parques Industriales and held important positions in Grupo Chihuahua.

- Lorena Martínez Molina, Director of Structuring and Operations. Public Accountant from the Chihuahua Autonomous University and has a master's degree in Taxation. She has more than 15 years of experience in the real estate sector, holding various positions as Finance Director at Grupo Intermex Parques Industriales. She was the Director of Operations of Grupo Bafar’s real estate division.
- Gilberto Delgado López, Real Estate Director. Degree in Financial Administration from the Instituto Tecnológico y Estudios Superiores de Monterrey (ITESM), with a master's degree in Finances from Chihuahua’s Autonomous University. He has more than 15 years of experience in the real estate sector, serving as Asset Manager at Intermex Parques Industriales.
- Luis Carlos Piñón Reza, CFO. Public Accountant with a master's degree in Taxes and currently pursuing a doctorate in administration. He has more than 13 years of experience in management and senior management positions in administration and finance.

High Margins. FNOVA has recorded high EBITDA and NOI margins since its 2017 IPO. The EBITDA margin has been over 90% and the NOI margin has averaged 97%.



Dividend payments. FNOVA has historically paid dividends with an 8.6% yield. We expect the Fibra to continue paying dividends at least with a similar rate. The last distribution that the Fibra carried out amounted to MXN\$190.6 million (MXN\$0.568 per CBF) on May 5th, 2022.



THE MEXICAN FIBRA INDUSTRY

Traditional Fibras (immediate dividends)

In Mexico there are two types of fibras, traditional and non-traditional. Traditional Fibras normally acquire fully finished and stabilized properties (shopping centers, office buildings, industrial buildings or hotels, among others) in order to distribute dividends immediately to the CBFi’s holders. Most of the Mexican Fibras (such as FNOVA, Funo, Fibra Prologis, Terrafina, Fibra MacQuarie, Fibra Danhos, FMTY, Fibra Inn, Fibra Storage) are within this group.

These Fibras’ main advantage is that they distribute dividends immediately from the acquired properties. The long-term growth potential of their revenues depends on rising rents, which are usually in line with inflation or the exchange rate depreciation, and potential acquisitions. Some of the traditional Fibras develop properties internally (FNOVA, Funo, Storage) which can accelerate their growth potential.

Non-traditional Fibras (capital gain + dividends in the medium term)

The second group includes those Fibras that build properties from scratch, rent them out and after a reasonable period they distribute dividends to their holders. They can also sell these properties at a significant profit. Fibra Upsite and Fibra Plus are part of this group. Their main advantage is that they generate a surplus value that can be very interesting (+25-30% of the land + construction cost) which they share with their holders. They do not distribute dividends immediately, until the property is fully finished and stabilized, which can take between 1.0-1.5 years.

Corporate Governance / Management internalization

There are two very important factors in the operation of all Fibras: their corporate governance and their management. Corporate governance includes the structure of the Technical Committee (mainly the number of independent members that are part of it), as well as the different committees. With regard to

administration, most of the Fibras, such as FNOVA, have an internal administration that reduces administrative expenses. Commissions should be as low as possible, so that the Fibras can distribute the largest amount of dividends to their holders.

In the following table we can see the main operational characteristics of the Fibras:

	Fibra Nova	Fibra Inn	Terrafina	Fibra Prologis	Fibra Hotel
Administration / Advisory	Internal	Internal	Internal	External	Internal
Technical Committee Members	7	9	8	8	10
Independent Members	57%	56%	75%	63%	40%
% Women in the Technical Committee	0%	11%	14%	25%	10%
Property Administration Commission	Net expenses	NO	0.5% of real estate gross value	0.75% of appraisal value 3% of revenues	1.0% of book value net of debt
Acquisition Commission	NO	NO	NO	NO	NO
Leasing Commission	NO	NO	NO	5% of leasing value	NO
Construction / Development Commission	NO	NO	NO	4% of construction cost	NO
Performance / Incentive Commission	NO	NO	10% of change in capitalization value	10% above a 9.0% return	NO

	Fibra Danhos	Fibra Macquarie	Fibra MTY	Fibra Plus	Fibra Shop
Administration / Advisory	Internal / External	External	Internal	Internal	Internal
Technical Committee Members	11	7	9	12	10
Independent Members	27%	86%	78%	33%	40%
% Women in the Technical Committee	18%	14%	33%	0%	20%
Property Administration Commission	Administrator expenses + PS\$4,419 per month	1% of market capitalization + 100% of expenses	Net expenses	Net expenses	Net expenses + 3.2% margin NOI * 4.5%
Acquisition Commission	NO	NO	NO	NO	NO
Leasing Commission	NO	NO	NO	Business manager: 4.5% of NOI	NO
Construction / Development Commission	NO	NO	NO	8% of project value	NO
Performance / Incentive Commission	NO	Based on return	0.75% of market capitalization	NO	NO

	Fibra UNO	Fibra Storage	Fibra Upsite	Fibra Soma
Administration / Advisory	External	Internal	Internal	Internal
Technical Committee Members	12	9	7	12
Independent Members	33%	33%	57%	25%
% Women in the Technical Committee		0%	29%	17%
Property Administration Commission	0.5% of non-depreciated book value of assets minus debt + IVA	0.35% of property value	NO	Net expenses
Acquisition Commission	NO	NO	NO	NO
Leasing Commission	1% of collected revenues + VAT	NO	NO	NO
Construction / Development Commission	NO	NO	NO	NO
Performance / Incentive Commission	Based on the CBFI's performance and other metrics	NO	YES	NO

Source: Fibras

FNOVA'S FAVORABLE OUTLOOK

We believe FNOVA's prospects are favorable. The Fibra had a GLA of more than 527 thousand M2 at the end of 2Q22 with a 100% occupancy. In addition, it is building another 111 thousand M2 which will likely boost the GLA to around 627 thousand M2 at the end of 2023. Subsequently, we project that GLA will remain at this level. In our model we are not including any acquisition that the Fibra could eventually undertake in the future.

We believe that the occupancy will remain around 100% for the next few years. FNOVA recently announced an extension of the lease with Estra Automotive for 5 years and a new 10-year lease with Essilor.

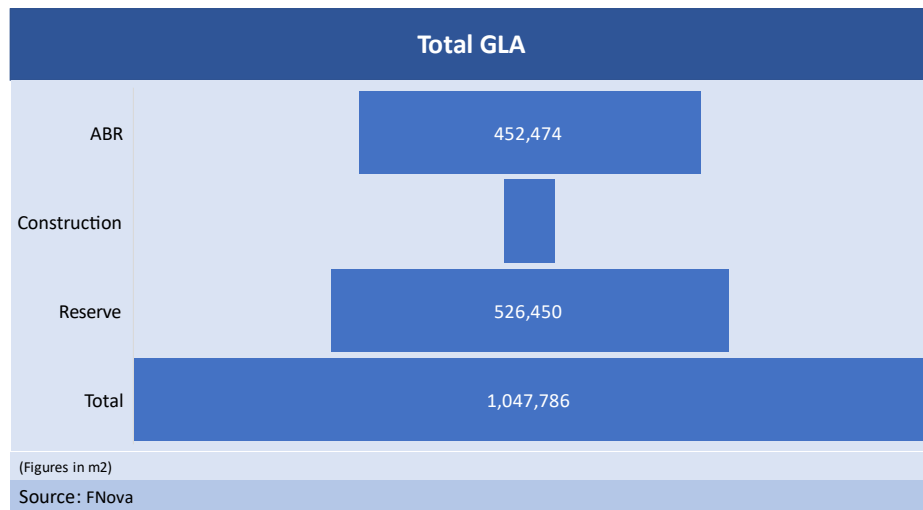
We expect the monthly rate to rise slightly above inflation. As a result of these factors, we project that revenues will grow at an average annual rate of 15.9%.

We forecast that operating expenses will increase due to the expansion of the Fibras' operations, from MXN\$19 million in 2021 to MXN\$42 million in 2027. However, they will remain below 3% of total revenues, given operational efficiencies.

We project that EBITDA will grow at an average annual rate of 16.8% with a margin of around 95%. We expect the NOI to rise at an average annual rate of 15.9% with a margin around 97-98% and the FFO to increase at an average annual rate of 17.4% with a margin that will gradually improve to 88% in 2027 as a result of economies of scale.

With regard to the financial structure, we estimate that the LTV will gradually rise from the current level of 42% to a peak of 45% in 2027.

Finally, we project that the Fibras' distributions will rise at an average annual rate of 13.9%. Keeping the same number of CBFIs outstanding, we estimate that the distribution by CBFIs will reach MXN\$3.92 by 2027.

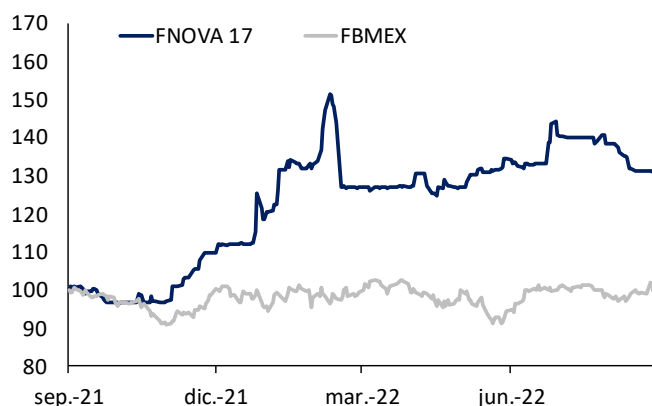


VALUATION

Performance vs. FBMEEX

FNOVA's CBFIs have outperformed the FBMEEX index over the past twelve months, we believe due to the Fibras' favorable outlook. However, we expect them to perform in line with such index in the future as we believe they are fairly valued at current levels.

FNOVA 17 vs. FBMEEX



Source: Bloomberg

Valuation - Mexican Fibras

FNOVA's CBFIs trade at a 5.5% implicit Cap Rate and a P/NAV of 1.34x, which compare against the averages of 7.8% and 0.68x of the Mexican Fibras sector.

Mexican Fibras Valuation Table

	Price	Change (P\$)		Mkt Cap	EV	Implicit	Dividend	Price /	Price /	Price /	NOI	
	26-sep.-22	5D	YTD	(Million)	(Million)	Cap Rate	Yield**	NAV	AFFO	BV	Margin	LTV
Fibra Nova	\$ 29.76	-0.5%	23.1%	9,992	15,363	5.5%	n.d.	1.34x	n.d.	1.4x	94.7%	42.1%
Funo11	\$ 20.95	-2.6%	-3.2%	79,639	213,201	8.5%	9.9%	0.43x	8.0x	0.5x	78.4%	43.0%
FibraMQ	\$ 24.43	-2.4%	-6.9%	18,598	34,390	10.7%	8.2%	0.53x	9.1x	0.5x	87.7%	32.1%
Terrafina	\$ 26.27	-0.5%	-6.9%	20,333	37,110	10.1%	7.5%	0.55x	9.3x	0.6x	93.4%	32.1%
Fibra Prologis	\$ 51.57	-2.6%	-9.0%	44,166	66,738	7.0%	4.6%	0.80x	18.7x	0.8x	86.9%	29.7%
Fibra Danhos	\$ 24.00	1.6%	7.6%	36,084	41,608	10.2%	10.0%	0.57x	9.2x	0.6x	79.0%	8.6%
FMTY	\$ 12.20	-0.2%	2.8%	11,862	16,129	8.3%	8.3%	0.87x	12.1x	0.9x	89.0%	28.2%
Fibra Shop	\$ 6.30	3.3%	-1.9%	3,136	12,546	9.4%	n.d.	0.25x	n.d.	0.3x	71.7%	43.7%
Fibra Hotel	\$ 8.19	-0.2%	43.7%	6,436	10,806	15.5%	n.d.	0.53x	8.7x	0.6x	34.8%	28.4%
Fibra Inn	\$ 3.50	-0.8%	11.5%	1,763	5,428	12.0%	n.d.	0.23x	22.1x	0.2x	33.4%	34.3%
Fibra Plus	\$ 7.70	-2.3%	-16.0%	4,816	8,147	n.d.	n.d.	0.45x	n.d.	0.4x	84.7%	28.7%
Fibra Upsite	\$ 31.90	0.0%	-10.1%	1,795	1,978	n.d.	n.d.	0.59x	n.d.	0.6x	84.3%	22.0%
Fibra Storage	\$ 15.79	0.0%	-1.0%	3,520	4,285	7.6%	n.d.	0.76x	n.d.	0.8x	75.0%	24.2%
Fibra Educa	\$ 59.00	0.0%	7.2%	72,421	76,844	n.d.	n.d.	2.43x	n.d.	2.4x	86.7%	16.0%
Fibra Soma	\$ 50.00	0.0%	0.0%	36,145	44,335	n.d.	n.d.	0.91x	n.d.	0.9x	66.7%	24.1%
Total / Average				350,705	588,908	7.8%	6.0%	0.68x	13.7x	0.7x	76.4%	33.2%

Source: Fibras; n.a.= not available

* Annualized NOI / EV; ** Annualized dividend vs. current price; *** Price / annualized AFFO

DCF Model

We established a MXN\$34.00/share target price through a DCF model that includes the following variables: i) a 10.8% WACC; and ii) a 3.9% growth rate in perpetuity in nominal terms. We used a Beta of 1.26 against the FBMEEX that we calculated from the average Beta of the Mexican Fibras sector (deleveraged and re-leveraged with the financial structure of FNOVA). This Beta is more conservative than the Fibras's original Beta of 0.054 and reflects our expectation that FNOVA's CBFIs will perform more in line with the FBMEEX in the future.

Discounted Flow Model

MXN\$ Mn	2023E	2024E	2025E	2026E	2027E	Perp.
Net profit	1,146	1,236	1,327	1,410	1,501	1,561
Adjustments	(107)	(83)	(69)	(55)	(39)	(40)
FFO	1,039	1,153	1,258	1,355	1,462	1,520
Interest Expenses	132	138	145	156	162	168
FFO Before Interest Expenses	1,172	1,291	1,404	1,512	1,624	1,689
Perpetuity Growth Rate						4.0%
PV of Explicit Period (2023 -2027E)						5,101
Perpetuity Value						21,912
PV of Perpetuity Value						11,767
Enterprise Value						16,868
Net Debt						5,452
Market Value						11,416
Outstanding CBFIs						336
Target Price						P\$ 34.00
Current Price						P\$ 29.76
Potential Return incl/ Div.						21.7%
Target Multiples						
Cap Rate						5.8%
Dividend Yield						6.5%
P/ FFO						13.6x
Average Cost of Debt						4.1%
Cost of Capital						16.0%
Market Risk Premium						6.0%
Risk Free Rate						8.5%
Beta						1.26
% of Debt						43%
% of Capital						57%
WACC						10.9%

Source: Miranda Global Research

Sensitivity Analysis

We developed a sensitivity analysis based on different levels of cap rates, dividend yields and P/FFO. Our price target implies that FNOVA's CBFIs will trade at a Cap Rate of 5.8% and at a P/FFO of 13.6x and that they will offer a 6.5% dividend yield by the end of this year, more in line with their international counterparts.

Sensitivity Analysis (Cap Rate vs. NOI)

	-10%	-5%	Projected	+5%	+10%
Total NOI	889	936	986	1,035	1,087
Cap Rate					
4.8%	38.47	41.35	44.38	47.41	50.59
5.3%	33.35	35.96	38.71	41.45	44.34
5.8%	29.11	31.49	34.00	36.52	39.15
6.3%	25.53	27.73	30.04	32.36	34.79
6.8%	22.48	24.52	26.66	28.81	31.06

Sensitivity Analysis (Dividend Yield vs. Distributions)

	-10%	-5%	Projected	+5%	+10%
Distribution	669	705	742	779	818
Div. Yield					
5.5%	36.27	38.18	40.19	42.20	44.31
6.0%	33.25	35.00	36.84	38.68	40.61
6.5%	30.69	32.30	34.00	35.70	37.49
7.0%	28.50	30.00	31.57	33.15	34.81
7.5%	26.59	27.99	29.47	30.94	32.49

Sensitivity Analysis (P/FFO vs. FFO)

	-10%	-5%	Projected	+5%	+10%
FFO	755	795	837	879	923
P/FFO					
12.6x	28.44	29.93	31.51	33.09	34.74
13.1x	29.56	31.12	32.76	34.39	36.11
13.6x	30.69	32.30	34.00	35.70	37.49
14.1x	31.81	33.49	35.25	37.01	38.86
14.6x	32.94	34.67	36.50	38.32	40.24

Source: Miranda Global Research

DESCRIPTION

FNOVA is a Real Estate Investment Trust (Fibra) which was listed on the BMV in 2017. The Fibra aims to acquire, manage and develop a portfolio of real estate assets for leasing. It has 110 properties across Mexico and more than 527 thousand M2 of GLA.

Breakdown of Properties - FNOVA

Tenant	Headquarters	Industry	Location	Surface	Type of Building
Vertiv	United States	Paper and pulp	Ciudad Juárez, Mexico	15,157 m2	Manufacturing
Lear	United States	Automobile Industry	Ciudad Juárez, Mexico	22,584 m2	Manufacturing
Vehicles stability Technology	United States	Automobile Industry	Chihuahua, Mexico	5,746 2	Manufacturing
Bafar / Grupo Bafar SAB	Mexico	Agroindustrial	Chihuahua, Mexico	16,535,500 m2	Agroindustrial
UNITEC / Laureate International	Mexico	Education	Querétaro, Mexico	7,554 m2	BTS / Office
UNITEC / Laureate International	Mexico	Education	Guadalajara, Mexico	13,342 m2	BTS / Office
UNITEC / Laureate International	Mexico	Education	Chihuahua, Mexico	11,000 m2	BTS / Office
Truper	Mexico	Construction	Guadalajara, Mexico	7,500 m2	BTS / Warehouse
Bafar / Grupo Bafar SAB	Mexico	Food	Others	18,700 m2	BTS / Warehouse
Truper	Mexico	Construction	Chihuahua, Mexico	4,300 m2	BTS / Warehouse
Electrolux	Sweden	Appliances	Ciudad Juárez, Mexico	17,826 m2	Manufacturing
Legget & Platt Inc.	United States	Domestic Appliances	Ciudad Juárez, Mexico	23,876 m2	Manufacturing
Avant Manufactura	United States	Electrical	Reynosa, Mexico	11,799 m2	Manufacturing
ATL Technologies B.V	Netherlands	Automobile Industry	Chihuahua, Mexico	5,750 m2	Manufacturing
Shelf Company	United States	Furniture	Ciudad Juárez, Mexico	12,211 m2	Manufacturing
BRP México	Canada	Recreational Vehicle	Ciudad Juárez, Mexico	8,013 m2	Manufacturing
Bafar / Grupo Bafar SAB	Mexico	Food	La Piedad, Mexico	31,200 m2	BTS / Manufacturing & Warehouse
Weiss - Aug / Weiss-Aug Co.	United States	Healthcare	Monterrey, Mexico	2,640 m2	BTS / Manufacturing & Warehouse
Erae	Korea	Automobile Industry	Monterrey, Mexico	4,700 m2	BTS/ Manufacturing & Office
Hakkai / Hakkai Inc.	Japan	Automobile Industry	Monterrey, Mexico	5,000 m2	BTS/ Manufacturing & Office
Beckers Industrial / Aktiebolager	Sweden	Chemistry	Monterrey, Mexico	5,000 m2	BTS/ Manufacturing & Office
RR Donnelly / Banta Europe BV	Netherlands	Electrical	Ciudad Juárez, Mexico	15,000 m2	BTS / Manufacturing & Warehouse
Altec / Visteon Corporation	United States	Automobile Industry	Chihuahua, Mexico	3,200 m2	BTS / Manufacturing & Warehouse
Bafar / Grupo Bafar SAB	Mexico	Food	Chihuahua, Mexico	37,000 m2	BTS / Manufacturing & Warehouse
Altec / Visteon Corporation	United States	Automobile Industry	Chihuahua, Mexico	25,000 m2	BTS/ Manufacturing & Office
Visteon Corp	United States	Automobile Industry	Querétaro, Mexico	22,770 m2	Offices
Cemex	Mexico	Office	Querétaro, Mexico	1,000 m2	BTS / Office
Bafar / Grupo Bafar SAB	Mexico	Retail	Others	19,300 m2	BTS / Office
Bafar / Grupo Bafar SAB	Mexico	Office	Chihuahua, Mexico	7,360 m2	BTS / Office

Source: FNOVA

2Q22 Results

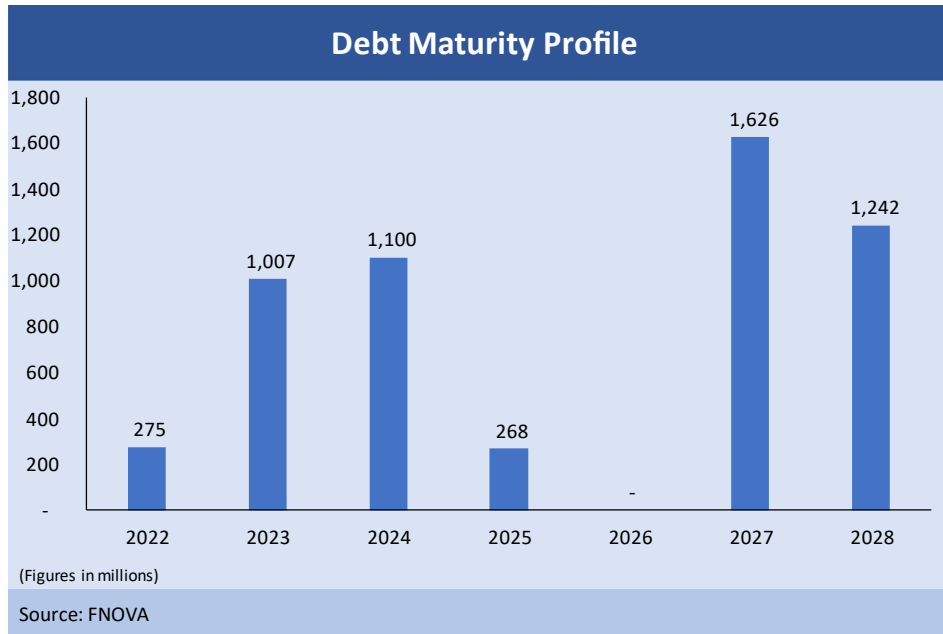
FNOVA closed the quarter with 110 properties with a GLA of more than 527 thousand M2, up 35.1% YoY. In addition, it owns 2 agro-industrial properties with a total area of 1,653 hectares. This performance was mainly attributed to the lease of the Lear industrial warehouse, the Visteon engineering center in Chihuahua, the Black Decker industrial warehouses in Hermosillo and Tecma in Ciudad Juárez and the incorporation of the agro-industrial portfolio from 4Q21. In addition, the Fibra signed an agreement with Estra Automotive to extend the lease for 5 years, signed a 10-year lease of a 258,000-square-foot industrial warehouse with Essilor, and managed to extend the maturities with some of the tenants. The average contract term is 7.8 years and the nearest maturity is until 2024. Occupancy remained at 100% despite significant portfolio growth.

Worth mentioning that FNOVA is developing around 111 thousand M2 at the moment, and that it also owns 812 thousand M2 of land reserves, with which its potential GLA is more than 1.38 million M2. We expect the construction of the portfolio under development to be completed during the remainder of 2022 and 2023.

As a result of significant portfolio growth and rising monthly tariffs, total revenues increased 59.1% to MXN\$243.5 million. Operating expenses rose 64.5% YoY due to the new leased properties. For these reasons, the NOI grew 58.9% to MXN\$236.4 million, which translated into a 97.1% margin, slightly lower than the 97.2% in 2Q21. The Fibra posted a MXN\$201.1 million FFO, up 65.1%, due to the solid performance of lease revenues.

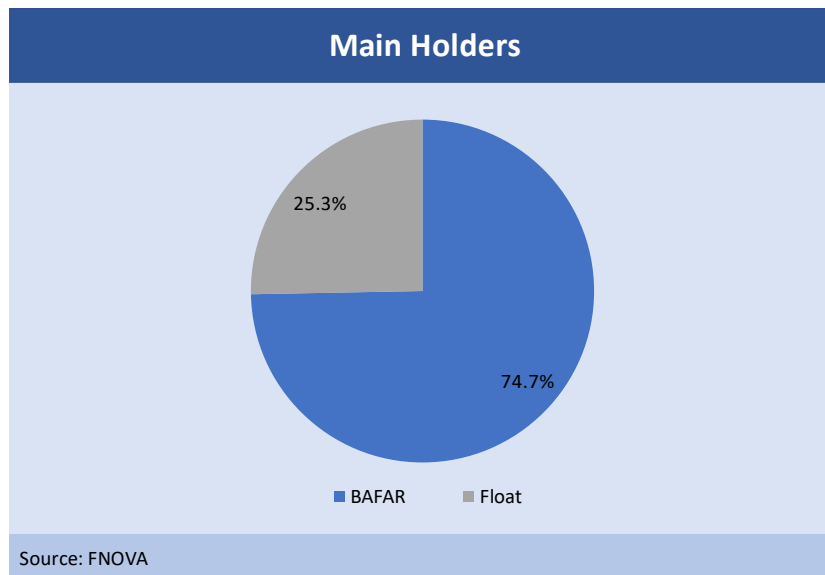
Financial structure

LTV reached 42.1% in 2Q22, from 30.1% in 2Q21, but below the 50% maximum regulatory threshold. Total debt amounted to MXN\$5,447.1 million, of which 100% was denominated in dollars. FNOVA has a comfortable maturity profile since only 5% of the debt matures in 2022 and 18% in 2023. The cash was MXN\$76 million, and the Fibra recorded a recoverable VAT of MXN\$57 million.



Information on the CBFI's

FNOVA has been listed on the Mexican Stock Exchange since 2017 when it carried out an IPO of 241.9 million stock certificates that represented 74.7% of its capital. Currently, the Fibra has 335.7 million CBFI's outstanding, of which 25.3% are floating. We consider FNOVA's CBFI's to be of low liquidity with an average daily traded value of MXN\$0.7 million during the last six months.



ASG

Over the next few months, FNOVA will present its final sustainability report which will include the ESG strategy. This report will be in accordance with GRI standards.

Fundación Grupo Bafar supports the Mexican society through the Socio-Sports Schools program in partnership with the Real Madrid Foundation, and the food bank. During 2021, it contributed 78,801 pantries and 1,884,869 full meals, benefiting 98,562 families. The Foundation also works on ANSPAC programs to support women in vulnerable situations and to provide lenses in conjunction with the Devlyn Foundation.

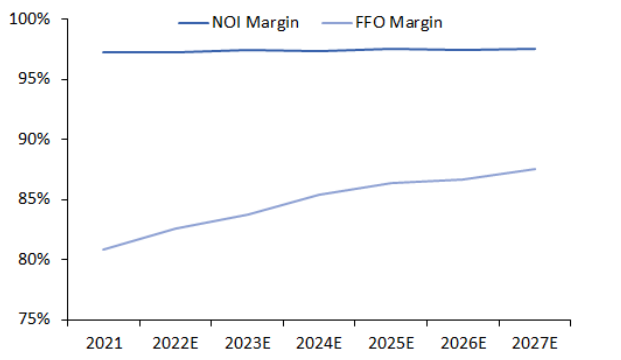
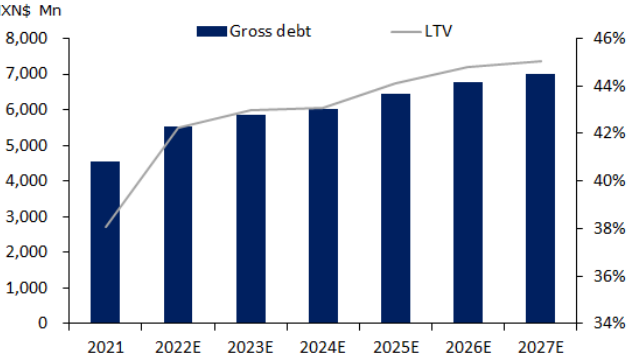
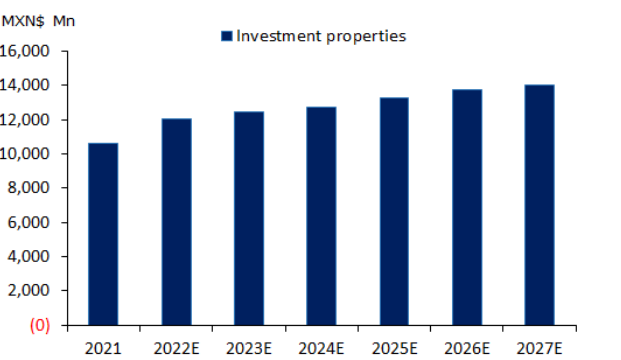
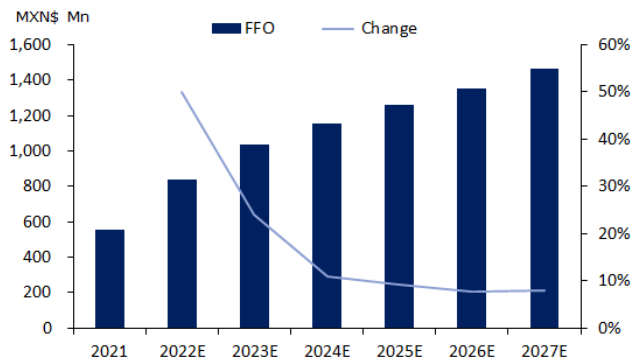
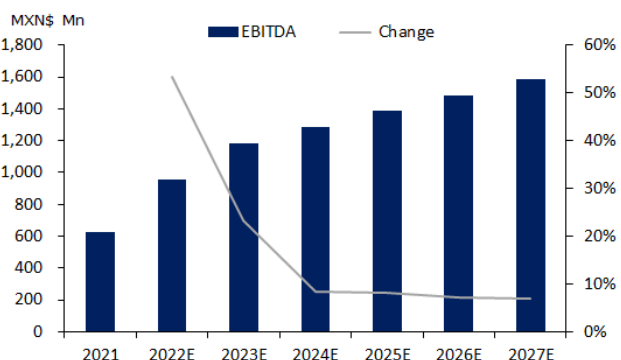
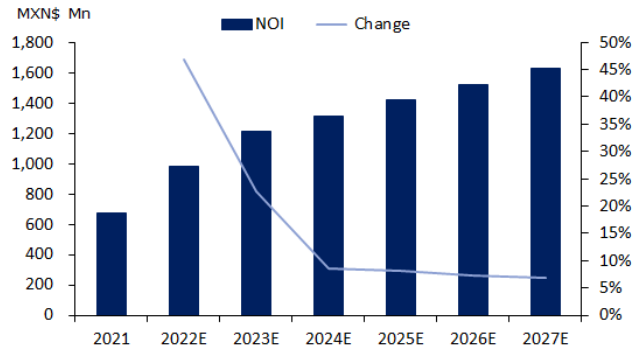
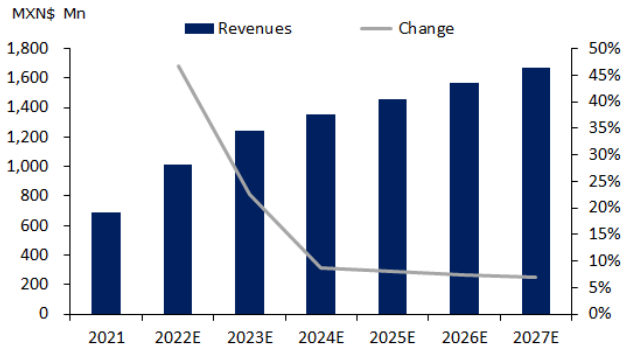
MAIN RISKS

Macroeconomic volatility. A macroeconomic downturn could affect FNOVA's operating performance and/or that of its major clients.

Changes to the administrative team. We believe that a change in key officials, primarily the Chief Executive Officer and/or the Chief Financial Officer, could have a negative effect on FNOVA's share price and certificates due to their extensive knowledge of the real estate sector, as well as its strong track record of creating shareholder value.

Concentration of customers. FNOVA's top 10 clients account for 79% of total revenue.

Low liquidity of CBFi's. We consider that the liquidity of FNOVA's CBFi's is low with an average daily traded amount of MXN\$0.7 million.



FINANCIAL PROJECTIONS

(Figures in Millions of Pesos)

Total GLA (M2)	2021	2022E	2023E	2024E	2025E	2026E	2027E
Industrial	369,219	433,554	493,554	493,554	493,554	493,554	493,554
Education	43,082	43,082	43,082	43,082	43,082	43,082	43,082
Retail	23,431	23,431	23,431	23,431	23,431	23,431	23,431
Logistics	36,346	42,713	42,713	42,713	42,713	42,713	42,713
Engineering Centers	24,924	24,924	24,924	24,924	24,924	24,924	24,924
Total Real Estate	497,001	567,704	627,704	627,704	627,704	627,704	627,704
Agroindustrial	1,653	1,653	1,653	1,653	1,653	1,653	1,653
Total	17,027,001	17,097,704	17,157,704	17,157,704	17,157,704	17,157,704	17,157,704
Occupancy	2021	2022E	2023E	2024E	2025E	2026E	2027E
Industrial	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Education	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Retail	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Logistics	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Engineering Centers	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Agroindustrial	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Monthly revenues per M2	2021	2022E	2023E	2024E	2025E	2026E	2027E
Monthly revenues per M2		4.83	5.90	6.40	6.90	7.40	7.90
INCOME STATEMENT	2021	2022E	2023E	2024E	2025E	2026E	2027E
Total Revenues	691	1,014	1,241	1,350	1,457	1,564	1,671
Leasing Revenues	667	989	1,213	1,318	1,421	1,524	1,627
Other Revenues	23	24	28	32	36	40	44
Operating Expenses	19	28	32	36	36	40	42
NOI	672	986	1,209	1,314	1,421	1,524	1,629
<i>NOI Margin</i>	<i>97%</i>	<i>97%</i>	<i>97%</i>	<i>97%</i>	<i>98%</i>	<i>97%</i>	<i>97%</i>
Net Profit	823	1,163	1,146	1,236	1,327	1,410	1,501
Outstanding CBFi's	336	336	336	336	336	336	336
EBITDA	625	959	1,183	1,284	1,387	1,486	1,586
<i>EBITDA Margin</i>	<i>91%</i>	<i>95%</i>	<i>95%</i>	<i>95%</i>	<i>95%</i>	<i>95%</i>	<i>95%</i>
FFO	558	837	1,039	1,153	1,258	1,355	1,462
<i>FFO Margin</i>	<i>81%</i>	<i>83%</i>	<i>84%</i>	<i>85%</i>	<i>86%</i>	<i>87%</i>	<i>88%</i>
FFO/CBFI	\$ 1.80	\$ 2.49	\$ 3.10	\$ 3.43	\$ 3.75	\$ 4.04	\$ 4.35
Distribution	602	742	935	1,038	1,132	1,220	1,316
<i>Distribution / FFO</i>	<i>87%</i>	<i>73%</i>	<i>75%</i>	<i>77%</i>	<i>78%</i>	<i>78%</i>	<i>79%</i>
Distribution/CBFI	\$ 1.92	\$ 2.21	\$ 2.79	\$ 3.09	\$ 3.37	\$ 3.63	\$ 3.92
BALANCE SHEET	2021	2022E	2023E	2024E	2025E	2026E	2027E
Total Assets	11,909	13,083	13,614	13,987	14,593	15,126	15,523
Short-Term Assets	200	145	149	153	157	161	165
Long-Term Assets	11,709	12,938	13,465	13,833	14,436	14,965	15,358
Investment Properties	10,626	12,019	12,466	12,754	13,277	13,726	14,039
Total Liabilities	4,689	5,680	6,000	6,175	6,587	6,930	7,142
ST Liabilities	984	479	799	974	1,386	1,729	1,941
Long-Term Liabilities	3,705	5,201	5,201	5,201	5,201	5,201	5,201
Gross Debt	4,537	5,530	5,850	6,025	6,437	6,780	6,992
Net Debt	4,398	5,452	5,768	5,939	6,347	6,686	6,894
LTV	38%	42%	43%	43%	44%	45%	45%
Trust's Equity	7,220	7,403	7,614	7,812	8,006	8,197	8,382

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