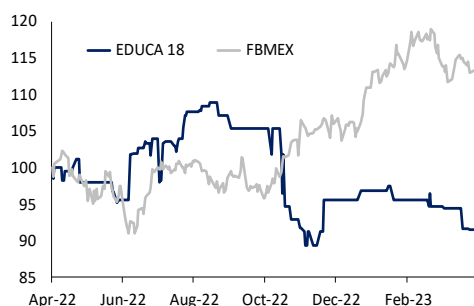


FIBRA EDUCA: Initiation of Coverage

The first and only Mexican Fibra focusing on the education sector

EDUCA 18	BUY
Target Price (MXN\$)	\$ 60.50
Expected Dividend	\$ 2.36
Current Price (MXN\$)	\$ 51.22
Min / Max (L12M - MXN\$)	\$ 49.99 - 61.22
Total Return	22.7%
Mkt Cap (Mn of MXN)	62,871
CBFI's Outstanding (Mn)	1,227.5
Float	31.8%
ADTV (6M - MXN\$ Mn)	0.4



TESIS INVESTMENT

We are initiating coverage on FIBRA EDUCA with a BUY recommendation and MXN\$60.50/CBFI.

Portfolio focused on the education sector. FIBRA EDUCA owns a portfolio of 65 properties with a Gross Leasable Area ("GLA") of more than 538 thousand M2, which is focused primarily on the education sector. The penetration of private education in Mexico is 35%, lower than in similar Latin American countries.

Alliance with Nacer-Global. FIBRA EDUCA's real estate properties are leased to several companies controlled by Nacer-Global, which has an enrollment of more than 250 thousand students and more than 7,000 teachers in all the programs offered through its 14 private educational brands. Nacer Global owns 68.18% of FIBRA EDUCA's CBFI's.

Attractive growth potential. We expect FIBRA EDUCA's revenues, NOI and FFO to increase at average annual rates of 6.6%, 6.6% and 5.9%, respectively, in the 2023-2028 period. We believe there is upside potential in our estimates as we are not including any acquisitions that the Fibra could potentially undertake in the future that could accelerate its growth.

Management. The Technical Committee members and the management team of Fibra Educa Management S.C. have extensive experience of several decades in the real estate sector. The Fibra's lease revenues, NOI and FFO have grown at average annual rates of 29%, 28% and 19%, respectively, in the 2018-2022 period.

April 14th, 2023

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Solid corporate governance. The Fibra is internally managed by Fibra Educa Management S.C., which does not charge any commission. The Technical Committee consists of 5 members of which 80% are independent. In addition, it has four committees with a majority of independent members.

Robust financial structure. Leverage was only 15.3% at the end of 4Q22. FIBRA EDUCA is one of the least leveraged Mexican fibras.

Possible acquisitions. FIBRA EDUCA has carried out several acquisitions of real estate assets in previous years. On March 15th, the Holders Meeting approved a MXN\$20 billion program of long-term domestic bonds (“Cebures”). We believe the Fibra will use such resources to refinance the existing simple credit and make additional acquisitions.

Distributions. FIBRA EDUCA has historically made distributions with a 6.8% yield. We expect the Fibra to continue with such distributions at least with a similar yield in the future.

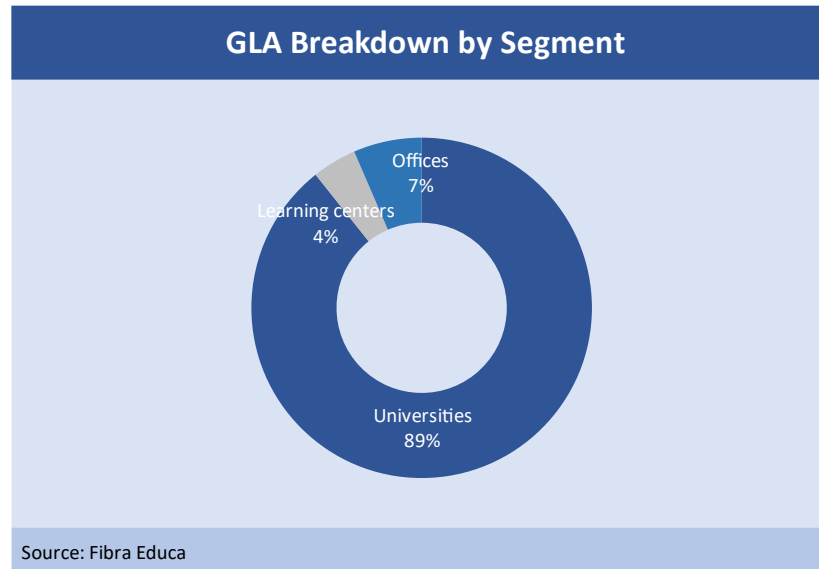
Valuation. FIBRA EDUCA’s CBFIs trade at a 4.7% Cap Rate and at P/NAV of 2.0x, which compare against the averages of 7.4% and 0.74x of the Mexican Fibra sector. We believe that such premiums are more than justified since FIBRA EDUCA has an alliance with Nacer-Global.

Target price. We set our MXN\$60.50/CBFI target price through a DCF model that includes the following variables: i) 11.4% WACC; and, ii) perpetuity growth rate of 7.3% in nominal terms.

The main risks include: i) macroeconomic volatility; ii) changes in the management team; iii) client concentration; and, iv) low liquidity of the CBFIs.

FIBRA EDUCA’s MAIN ADVANTAGES

Attractive real estate portfolio. FIBRA EDUCA owns a real estate portfolio consisting of 65 properties with a GLA of more than 538 thousand M2 at the end of 2022. 89% of the portfolio includes university campuses, followed by offices with 7% and learning centers with the remaining 4%. We believe the portfolio is quite defensive because Nacer-Global universities focus on the mid segment. We do not rule out that FIBRA EDUCA could sell the office portfolio in the future to concentrate on the educational segment.



FIBRA EDUCA’s portfolio is strategically diversified in those regions and states with the largest population and a mid to high purchasing power. The country’s central region, Mexico City and the State of Jalisco combined represent 65% of total GLA.



Business relationship with Nacer-Global. FIBRA EDUCA’s 65 properties are leased through 19 contracts with 6 tenants controlled by Nacer-Global, which has an enrollment of more than 250 thousand students and more than 7,000 teachers in all the programs offered through its 14 private educational brands.

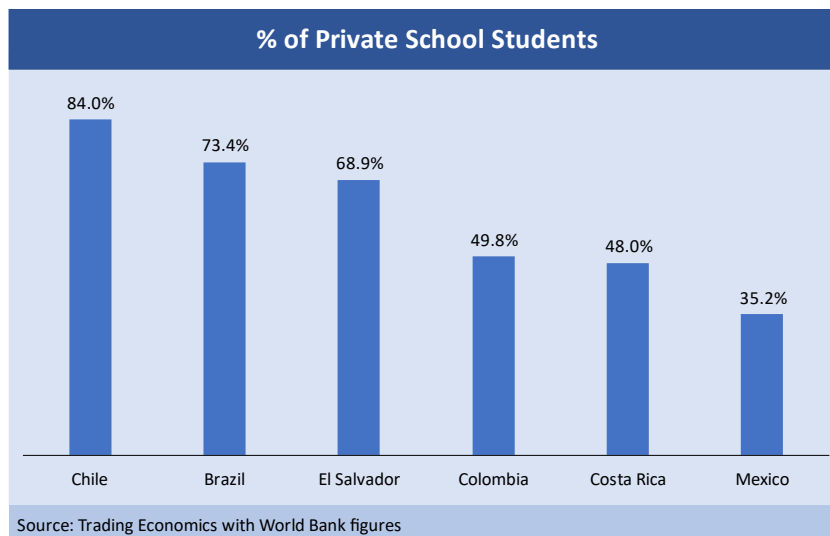
Nacer-Global owns the following private school brands: Universidad ICEL, Universidad UNIDEP, Universidad Lucerna, Universidad UNIVER, Universidad de Ecatepec, Universidad LAMAR, Instituto Patria Mérida, Universidad Corregidora de Querétaro, Universidad Allende, Universidad de Nuevo México, Universidad Victoria, Universidad Americana de Acapulco, Universidad Potosina, Universidad José Vasconcelos, Colegio Morelos and “Quick Learning”. In addition, Nacer-Global owns the "El Economista" newspaper that supports the educational business.

Long-term contracts / Rents in line with inflation. FIBRA EDUCA's 19 contracts with Nacer-Global have a 15-year term with automatic renewal for another 15 years and have rents that increase in line with inflation. The remaining term of the contracts ranges from 10 years with 6 months to 14 years with 7 months, as can be seen in the following table.

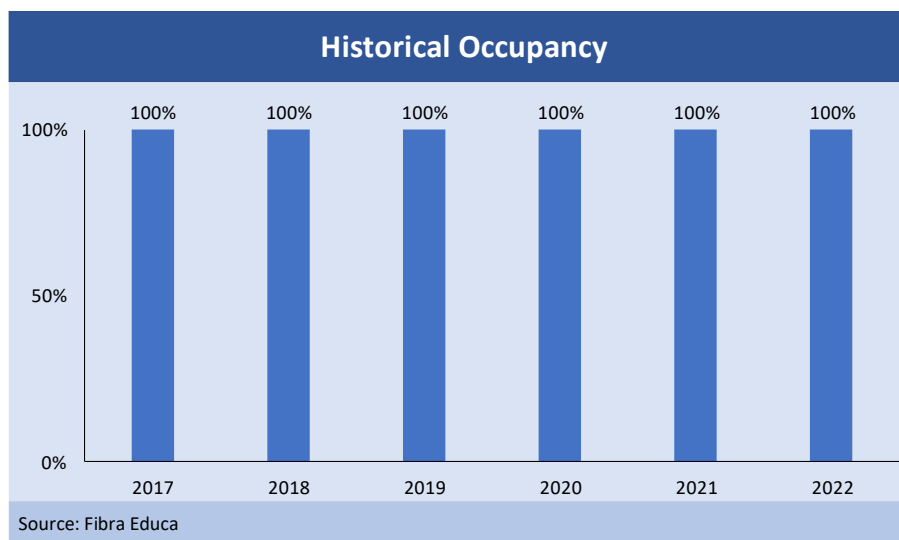
Leasing Contracts Breakdown			
#	Term	Remaining Term	GLA (M2)
1	15 years	10 years, 6 months	66,583
2	15 years	10 years, 6 months	46,802
3	15 years	10 years, 6 months	55,443
4	15 years	10 years, 6 months	46,802
5	15 years	10 years, 6 months	75,707
6	15 years	10 years, 6 months	61,842
7	15 years	11 years, 2 months	4,460
8	15 years	11 years, 3 months	2,932
9	15 years	11 years, 4 months	6,375
10	15 years	11 years, 5 months	41,911
11	15 years	11 years, 10 months	11,186
12	15 years	11 years, 11 months	6,230
13	15 years	11 years, 11 months	22,923
14	15 years	14 years, 1 months	3,336
15	15 years	14 years, 1 months	3,451
16	15 years	14 years, 1 months	6,516
17	15 years	14 years, 1 months	3,260
18	15 years	14 years, 5 months	67,167
19	15 years	14 years, 7 months	5,456
Total			538,382

Source: Fibra Educa

Low penetration of private education in Mexico. Private education in Mexico only accounted for 35% of total education in 2020, according to World Bank data. This figure was lower than that of other similar Latin American countries such as Chile (84%), Brazil (73%), El Salvador (69%), Colombia (50%) and Costa Rica (48%). This means that this sector offers significant growth potential in the future.



High historical occupancy. Since its 2017 IPO, FIBRA EDUCA's portfolio has registered a 100% occupancy, deriving from the business relationship with Nacer-Global. We expect occupancy to remain at a high level for the foreseeable future taking into account existing contracts.



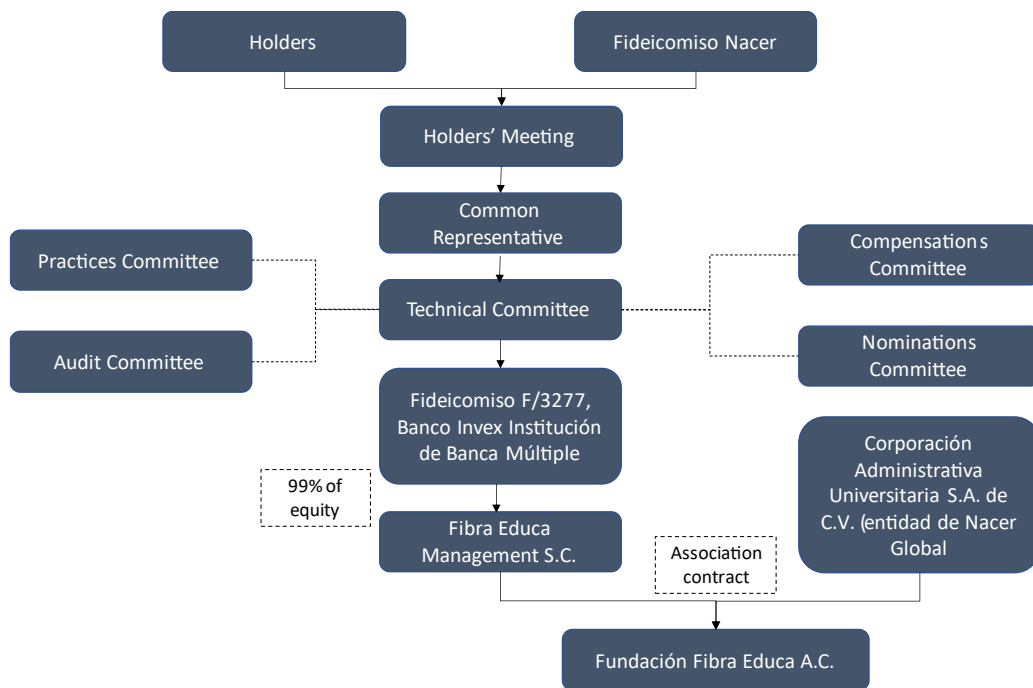
Solid corporate governance. FIBRA EDUCA is internally managed by its subsidiary Fibra Educa Management S.C. which provides administration, advisory, operation, and maintenance services. The Administrator does not charge any commission, as it only receives the expenses that it has incurred in. We believe such structure helps to generate operational savings and economies of scale.

FIBRA EDUCA’s Technical Committee includes 5 directors, of which 4 are independent. In addition, the Fibra has Audit, Practices, and Compensation Committees with 100% of independent members. The Nominations Committee has 75% of independent members.

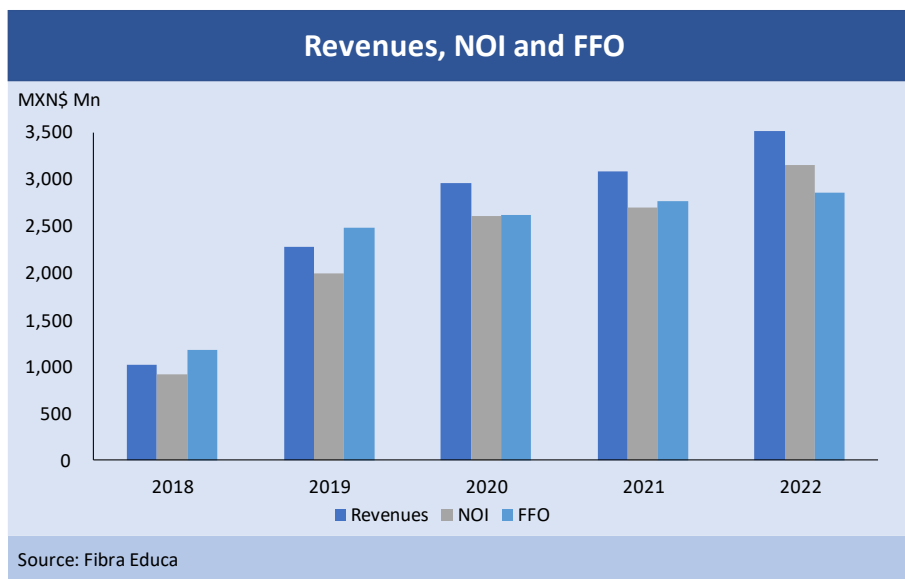
In order to protect the minorities’ rights, the Nacer Trust, which owns 68.18% of outstanding CBFIs, will vote as follows at the Holders’ Assembly: i) if it owns up to 30% of CBFIs, it will exercise its vote according to such percentage; ii) if it owns between 30% and 40% of CBFIs, it will exercise its vote according to 30% of the CBFIs and the remaining voting rights will be exercised in the same way as the majority of minority holders; iii) if it owns more than 40% of CBFIs, it will exercise the voting rights on 40% of CBFIs while the remaining voting rights will be exercised in line with those of retail holders.

Technical Committee	
Name	Position
Jorge Nacer Gobera	President (Patrimonial)
Blanca Patricia Rodríguez Otriz	Independent
José Miguel Fabre Mendoza	Independent
Alejandro Creel Cobián	Independent
Francisco Javier Cárdenas Rioseco	Independent

Source: Fibra Educa



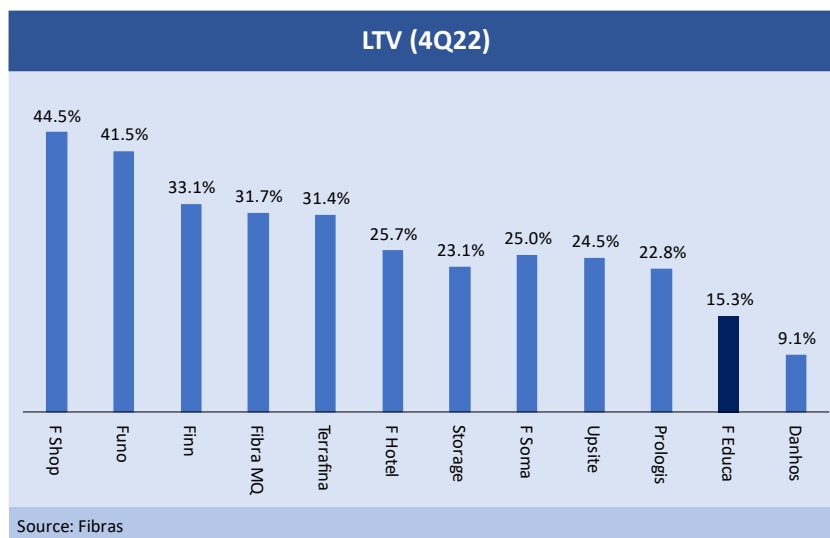
Experienced management team / Attractive historical growth. The Technical Committee members and the management team of Fibra Educa Management S.C. have an extensive experience of several decades in the real estate sector. As a proof of this, revenues, NOI and FFO have grown at average annual rates of 29%, 28% and 19%, respectively, within the 2018-2022 period.



FIBRA EDUCA's main executives are the following:

- Raúl Patricio Martínez Solares, CEO and Director of Investor Relations. He holds a MBA from ITAM, has studies in econometrics and is a member of the American Economic Association. He has held various positions in the public sector in the Interior Ministry and the Finance and Public Credit Ministry. In the private sector he held various positions in Afore XXI since its foundation. He has also been Commercial Director and CEO of Mexicana de Becas, Fondo de Ahorro Educativo and Fideicomiso de Fomento al Ahorro para la Educación. He was Nacer-Global's CEO. He is a professor at the UNAM's Faculty of Economics, weekly columnist in the "El Economista" newspaper and specialist and lecturer on behavioral economics, finance and demographic and economic changes.
- Juan Galindo Valadez, CFO. He is a Public Accountant from the Escuela Bancaria y Comercial, and obtained a Master's Degree in Finances from the Instituto de Especialización de Ejecutivos. He has 20 years of experience in Nacer-Global. He has participated in various projects of the Educational Group such as the acquisition of Universidad Univer, Colegio Lucerna, Colegio Morelos, Periódico El Economista and Mexicana de Becas, Fondo de Ahorro Educativo.
- José Luis Juárez Olvera, COO. He is an Architect Engineer graduated from the Escuela Superior de Ingeniería y Arquitectura of the Instituto Politécnico Nacional. He has 41 years of experience in the public and private sector nationwide in the development of projects and construction of civil works. In addition, he has experience in the coordination of technical, administrative, logistical and legal aspects of works of different characteristics. He joined Universidad ICEL in 1998 and collaborated as Vice Chancellor of Infrastructure at Nacer-Global, participating in the project, development, construction, supervision, conservation and maintenance of schools and universities, shopping centers and other real estate projects.
- Laura Montes Bracchini, Legal Director. She graduated from UNAM with a Diploma in Business Law from ITAM and attended a Seminar in Real Estate Finance from the same Institution. Participant in the Director's College Mexico 2013 program, of the Rock Center for Corporate Governance of Stanford University. Master in Information and Communication Technology Right with a specialization in Personal Digital Data Protection of the Centro de Investigación e Innovación en Tecnologías de la Información y Comunicación (INFOTEC) and Diploma in Data Privacy, Regulation and Governance from the Law Studies Division of the Centro de Investigación y Docencias Económicas, A.C. (CIDE) in 2019. She graduated from the Executive Corporate Governance Program of the Centro de Excelencia en Gobierno Corporativo en 2020 and Diploma on Strategic management of the Corporate Social Responsibility of Universidad Anáhuac in 2021. For more than 20 years, she has participated as responsible of the operation, control y compliance of public companies before the Mexican Bolsa (BMV) and CNBV.
- Tomás Moctezuma Delgado, Director of Internal Audit. He is a Public Accounting from UNAM. He has two diplomas, one from the Universidad Panamericana, Trusted Business Advisor and another from ITAM in Real Estate Finance. He began his professional career at PriceWaterhouseCoopers, S. C. developing external audit skills for 20 years. During the last 5 years, he has worked in Internal Audit. He is fluent in different accounting regulations such as Mexican Financial Reporting Standards ("NIF"), International Financial Reporting Standards ("IFRS") and the US Generally Accepted Accounting Principles. He has participated in different financial restructurings, IPO's, debt issuances both domestically and international, and due diligence. He conducted audits and special reviews under the guidelines set forth in the Sarbanes Oxley Act.

Solid financial structure. FIBRA EDUCA has historically maintained a solid financial structure with no leverage until last year when it contracted the simple loan. Despite this, its LTV was only 15% at the end of 4Q22. This means that it is one of the least leveraged Mexican Fibras and that it has the financial capacity to carry out new real estate acquisitions.

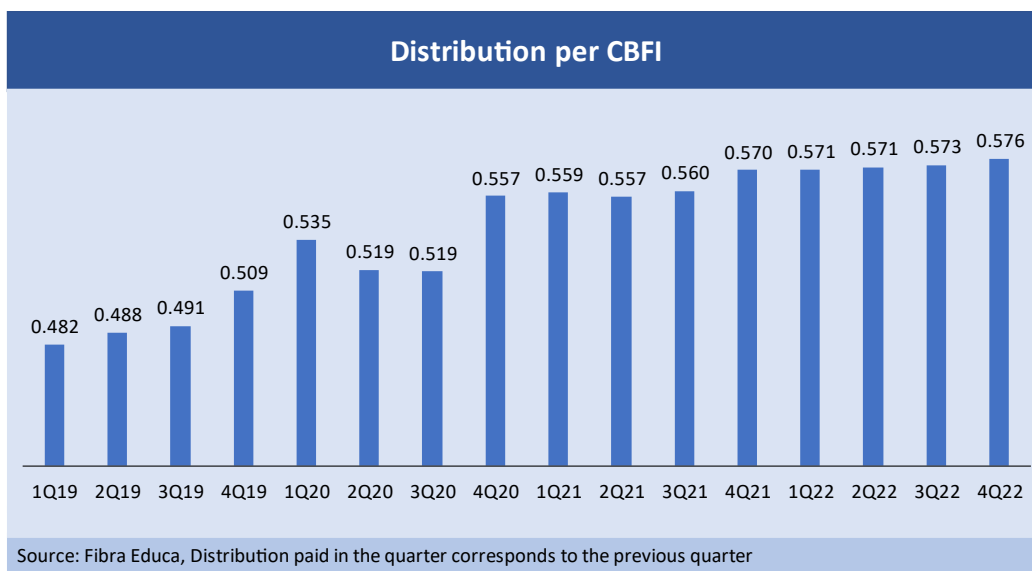


Potential acquisitions. FIBRA EDUCA has made several acquisitions in the past, which included the following:

- In 2019, it bought 7 properties in the education sector with a GLA of 96 thousand M2 for MXN\$6.9 billion.
- In February, June and August 2022, it announced the acquisition of 6 properties in the education sector with a GLA of 89 thousand M2. The average cap rate of such acquisitions was 10.81%.

On March 15th, the Holders Meeting approved a MNX\$20 billion program of long-term domestic bonds (“Cebures”). We believe that the Fibra will use these resources to refinance the simple credit and carry out acquisition of several properties.

Distributions. In 2019, FIBRA EDUCA distributed MXN\$1.969/CBFI (with an 8.8% yield), in 2020 MXN\$2.13/CBFI (7.5% yield), in 2021 MXN\$2.245/CFI (6.7% yield) and in 2022 MXN\$2.2906/CBFI (4.1% yield). Worth mentioning that such distributions are in real terms, since both rents and property values are adjusted according to the inflation rate.



THE MEXICAN FIBRA INDUSTRY

Traditional fibras (immediate dividends)

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

The main advantage of these fibras is that they distribute dividends from the properties acquired immediately. Their long-term revenue growth depends on acquisitions and rent growth, which is usually in line with inflation or exchange rate depreciation. Some of the traditional fibras develop properties internally (Fibra Nova, Funo, Storage) which can accelerate their growth potential.

Non-traditional fibras (surplus value + dividends in the medium term)

The second group includes Fibras that build properties from scratch, rent them out and after a reasonable period 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% in addition to the price of the land + construction) which they share with their holders. They don't pay dividends immediately until the property is finished and stabilized, which can take several years.

Corporate governance / Internalization of administration

There are two very important factors in the operation of all Fibras, their corporate governance and their administration. 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 respect to management,

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

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

	Fibra Educa	Fibra Nova	Fibra Inn	Terrafina	Fibra Prologis
Administration / Advisory	Internal	Internal	Internal	Internal	External
Technical Committee Members	5	7	9	8	8
Independent Members	80%	57%	56%	75%	63%
% Women in the Technical Committee	20%	0%	11%	13%	25%
Property Administration Commission	Administrator's Expenses	Administrator's Expenses	NO	0.5% of real estate gross value	0.75% of appraisal value 3% of revenues
Acquisition Commission	NO	NO	NO	NO	NO
Leasing Commission	NO	NO	NO	NO	5% of leasing value
Construction / Development Commission	NO	NO	NO	NO	4% of construction cost
Performance / Incentive Commission	NO	NO	NO	10% of change in capitalization value	10% above a 9.0% return

	Fibra UNO	Fibra Storage	Fibra Danhos	Fibra Macquarie	Fibra MTY
Administration / Advisory	Internal	Internal	Internal	External	Internal
Technical Committee Members	12	8	11	8	9
Independent Members	42%	50%	27%	88%	78%
% Women in the Technical Committee		0%	18%	13%	33%
Property Administration Commission	0.5% of non-depreciated book value of assets minus debt + IVA	0.35% of property value	Administrator expenses + P\$84,419 per month	1% of market capitalization + 100% of expenses	Administrator's Expenses
Acquisition Commission	NO	NO	NO	NO	NO
Leasing Commission	1% of collected revenues + VAT	NO	NO	NO	NO
Construction / Development Commission	NO	NO	NO	NO	NO
Performance / Incentive Commission	Based on the CBF's performance and other metrics	NO	NO	Based on return	0.75% of market capitalization

	Fibra Shop	Fibra Upsite	Fibra Soma	Fibra Hotel	Fibra Plus
Administration / Advisory	Internal	Internal	Internal	Internal	Internal
Technical Committee Members	10	7	12	10	12
Independent Members	40%	57%	25%	90%	42%
% Women in the Technical Committee	20%	29%	17%	10%	8%
Property Administration Commission	Net expenses + 3.2% margin NOI * 4.5%	NO	Administrator's Expenses	1.0% of book value net of debt	Administrator's Expenses
Acquisition Commission	NO	NO	NO	NO	NO
Leasing Commission	NO	NO	NO	NO	Business manager: 4.5% of NOI
Construction / Development Commission	NO	NO	NO	NO	8% of project value
Performance / Incentive Commission	NO	YES	NO	NO	NO

Source: Fibras

FIBRA EDUCA’S FAVORABLE PROSPECTS

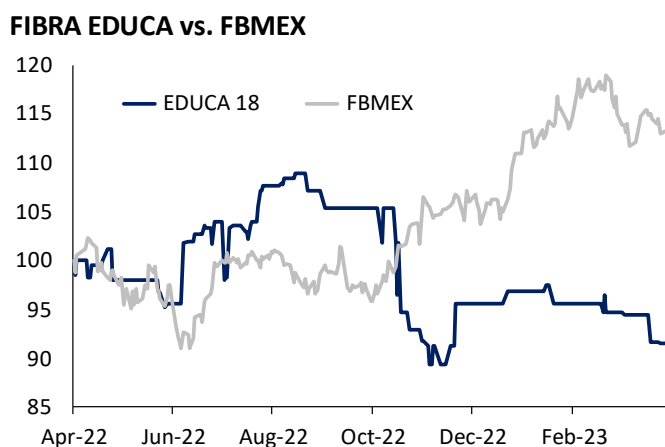
We consider that FIBRA EDUCA's prospects are favorable as we expect revenues, NOI and FFO to grow at average annual rates of 6.6%, 6.6% and 5.9%, respectively, during the 2023-2028 period. Our projections are based on the following assumptions:

- FIBRA EDUCA closed 2022 with a GLA of more than 538 thousand M2, which we conservatively anticipate will remain at the same level for the foreseeable future. We believe there is upside potential in the GLA as Fibra is analyzing several acquisitions at this time. We have not included such potential acquisitions in our model;
- We expect occupancy to remain at 100% due to the alliance with Nacer-Global. In addition, we anticipate that average monthly rent will rise in line with inflation, which we estimate at around 5% for the coming years;
- We conservatively anticipate that the NOI margin will remain at around 87% over the next few years;
- The FFO margin will decrease to 72.8% in 2023 due to the simple credit. However, this indicator will gradually improve to 75.6% in 2028 due to economies of scale;
- We project that leverage will remain at 15% over the next few years. This means that the Fibra has the right financial structure in place to carry out debt-financed acquisitions in the future;
- Based on these assumptions, we estimate the AFFO/CBFI to be MXN\$2.3604 in 2023 (4.6% yield) and that it will reach MXN\$3.1413/CBFI (6.1% yield) in 2028. We expect that it will be fully distributed by the Fibra.

VALUATION

Performance vs. FBMEEX

FIBRA EDUCA’s CBFIs have underperformed the FBMEEX index during the last twelve months. However, we expect them to outperform in the future due to Fibra’s excellent prospects.



Source: Bloomberg

Valuation - Mexican fibras

FIBRA EDUCA's CBFIs trade at a 4.7% Cap Rate and 2.0x P/NAV, which compare against the averages of 7.4% and 0.74x of the Mexican fibra sector. We believe that such premium is justified due to FIBRA EDUCA's alliance with Nacer-Global and its acquisitive potential.

Mexican Fibra Sector Valuation Table

	Price	Change (P\$)		Mkt Cap	EV	Cap Rate	Dividend	Price /	Price /	Price /	NOI	
	13-abr.-23	5D	YTD	(Million)	(Million)	(NOI/ EV)*	Yield**	NAV	AFFO	BV	Margin	LTV
Fibra Educa	\$ 51.22	-0.1%	-3.8%	62,873	67,305	4.7%	4.5%	2.02x	22.4x	2.0x	86.8%	15.3%
Funo11	\$ 25.11	-0.7%	9.4%	96,217	228,769	8.2%	9.0%	0.48x	9.4x	0.5x	78.2%	41.5%
Fibra Prologis	\$ 66.49	4.7%	19.1%	67,944	83,140	5.8%	3.1%	1.12x	26.8x	1.1x	86.6%	22.8%
Fibra Danhos	\$ 24.10	-1.3%	4.0%	37,078	42,847	10.1%	9.8%	0.58x	9.7x	0.6x	75.3%	8.7%
Fibra Soma	\$ 50.00	0.0%	0.0%	36,145	47,063	n.a.	n.a.	0.91x	54.3x	0.9x	70.1%	25.0%
Terrafina	\$ 34.64	3.9%	23.9%	26,759	43,229	8.8%	5.6%	0.71x	12.7x	0.7x	92.0%	31.4%
FibraMQ	\$ 29.30	0.4%	6.1%	22,306	37,763	9.9%	6.7%	0.62x	10.8x	0.6x	90.1%	31.7%
Fibra Nova	\$ 32.10	1.9%	9.9%	10,771	16,949	5.8%	7.0%	1.46x	13.3x	1.5x	91.7%	46.3%
Fibra Hotel	\$ 11.90	-0.4%	28.2%	9,351	13,349	12.2%	n.a.	0.72x	13.9x	0.8x	36.0%	25.7%
Fibra Shop	\$ 6.17	2.8%	-1.0%	3,031	14,586	8.9%	1.6%	0.20x	n.a.	0.2x	77.6%	44.5%
Fibra Inn	\$ 5.86	-1.5%	0.4%	2,951	6,488	9.7%	0.7%	0.35x	52.0x	0.4x	34.6%	33.1%
Fibra Storage	\$ 17.65	-0.8%	2.3%	3,940	4,911	6.7%	2.1%	0.78x	22.8x	0.8x	74.3%	23.1%
Fibra Upsite	\$ 31.30	0.3%	-0.6%	1,761	2,291	4.2%	n.a.	0.56x	n.a.	0.6x	68.0%	24.5%
Total / Average				407,585	639,945	7.4%	5.4%	0.74x	15.1x	0.8x	75.2%	31.8%

Source: Fibras; n.a.= not available

Discounted Flows Model

We set a MXN\$60.50/share target price using a DCF model that includes the following variables: i) 11.4% WACC; and, ii) 7.3% perpetuity growth rate in nominal terms. The potential return is 22.7% against current levels, which includes a 4.6% dividend yield.

Discounted Cash Flow Model

(Figures in Millions of Pesos)	2024E	2025E	2026E	2027E	2028E	Perp.
FFO	3,222	3,411	3,608	3,814	4,031	4,325
Capex Reserve	- 95	- 95	- 95	- 95	- 95	102
ESG Initiative Expenses	56	64	72	80	80	86
AFFO	3,071	3,252	3,441	3,639	3,856	4,137
Interests Expenses	701	701	701	701	701	753
FFCE	3,773	3,953	4,142	4,341	4,557	4,890
Perpetuity Growth Rate						7.3%
PV of Explicit Period (2024 - 2028E)						15,060
Perpetuity Value						120,710
PV of Perpetuity						63,312
Enterprise Value						78,372
Net Debt						4,362
Market Value						74,010
Recoverable VAT						254
Adjusted Market Value						74,264
Outstanding CBFIs						1,227
Target Price						P\$ 60.50
Current Market Price						P\$ 51.22
Potential Return w/Dividends						22.7%
Average Cost of Debt						12.5%
Cost of Equity						11.2%
Market Risk Premium						6.0%
Risk-Free Rate						9.2%
Beta						0.32
% Total Debt						15%
% Equity						85%
WACC						11.4%

Source: Miranda Global Research

Sensitivity Analysis

We developed a sensitivity analysis based on different levels of cap rate, dividend yield and P/AFFO. Our target price implies that FIBRA EDUCA's CBFIs will trade at a 4.8% Cap Rate, a P/AFFO of 24.2x and a 4.1% dividend yield by the end of this year.

Sensitivity Analysis (Cap Rate vs. Total NOI)

	-10%	-5%	<i>Projected</i>	+5%	+10%
Total NOI	3,431.7	3,622.4	3,813.0	4,003.7	4,194.4
Cap Rate					
3.3%	79.91	84.55	89.19	93.82	98.46
3.8%	69.07	73.11	77.14	81.18	85.21
4.3%	60.72	64.29	67.87	71.44	75.01
4.8%	54.10	57.30	60.50	63.71	66.91
5.3%	48.71	51.61	54.52	57.42	60.32
5.8%	44.24	46.90	49.55	52.21	54.86

Sensitivity Analysis (Dividend Yield vs. AFFO)

	-10%	-5%	<i>Projected</i>	+5%	+10%
AFFO	2,764	2,918	3,071	3,225	3,379
Div. Yield					
2.6%	85.44	90.19	94.93	99.68	104.43
3.1%	71.82	75.81	79.80	83.79	87.78
3.6%	61.94	65.38	68.82	72.26	75.70
4.1%	54.45	57.48	60.50	63.53	66.55
4.6%	48.58	51.28	53.98	56.68	59.37
5.1%	43.85	46.29	48.72	51.16	53.59

Sensitivity Analysis (P/AFFO vs. AFFO)

	-10%	-5%	<i>Projected</i>	+5%	+10%
AFFO	2,764	2,918	3,071	3,225	3,379
P/AFFO					
22.7x	51.07	53.91	56.75	59.59	62.42
23.2x	52.20	55.10	58.00	60.90	63.80
23.7x	53.33	56.29	59.25	62.21	65.18
24.2x	54.45	57.48	60.50	63.53	66.55
24.7x	55.58	58.67	61.75	64.84	67.93
25.2x	56.70	59.85	63.00	66.15	69.31

Source: Miranda Global Research

DESCRIPTION

FIBRA EDUCA is a Real Estate Investment Trust (Fibra) listed on the BMV since 2018. It is the first and only Mexican Fibra focused on the education sector. It has 65 properties around the country with a GLA of more than 538 thousand M2.

4Q22 Results

The GLA exceeded 538 thousand M2 at the end of 2022, with a 14.1% annual growth. This performance was mainly due to the 6 acquisitions that the Fibra carried out in February, June and August of that year. These properties contributed with an area of more than 89 thousand M2. The occupation rate remained at 100% due to the alliance with Nacer-Global. We estimate that the average monthly rent was MXN\$622.6/M2, up 11.2% YoY, slightly above the inflation of the period. These factors resulted in a 26.2% YoY rise in lease revenues, which exceeded the MXN\$1 billion mark for the second consecutive quarter, reaching a record in the Fibra's history.

Operating expenses accounted for 11.8% of lease revenues, virtually unchanged from the prior year. However, administrative expenses decreased to 1.5% of revenue, from 1.7% of the previous year. As a result, NOI grew 26.7% YoY to MXN\$873.1 million, while the NOI margin remained practically unchanged at 86.8%. The FFO only rose 2.3% YoY due to the interests paid on the simple credit that the Fibra raised in May 2022. The FFO margin contracted to 71.9%, from 89.1%. The AFFO was lower due to a decrease in the distribution of surplus cash.

The members of the Technical Committee approved a MXN\$690.95 million equity reimbursement on March 6th this year, which corresponds to 4Q22 results. It was equivalent to 100% of the reported AFFO of the period.

Financial structure

FIBRA EDUCA recorded a MXN\$1,371 million gain in the quarter related to the adjustment in the value of investment properties, which amounted to MXN\$35,246 million.

On May 18th, 2022, FIBRA EDUCA announced that it raised a MXN\$5,785 million simple loan with a 2-year terms and an interest rate of 28-day TIE plus a 260 bps spread. The Fibra mortgaged some of its properties to obtain such financing. On August 5th, it prepaid MXN\$90 million, so the remaining amount at the end of 4Q22 was MXN\$5,618 million.

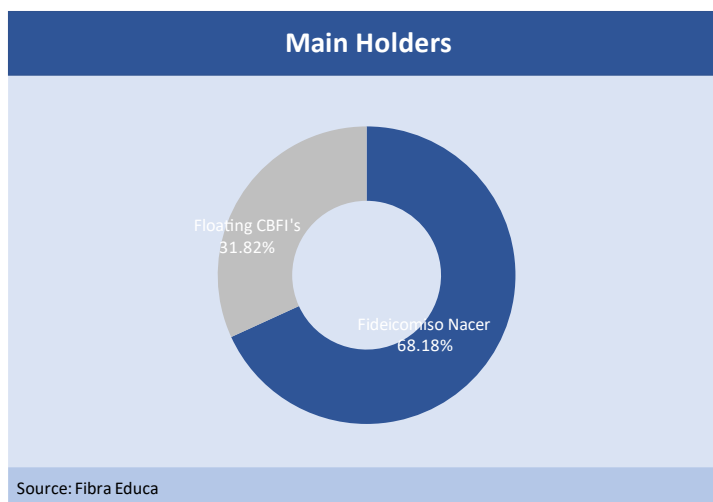
The LTV was 15% at the close of 4Q22, well below the 50% internal maximum limit established by the Holders Assembly. In addition to this loan, the Fibra has leases amounting to MXN\$3.7 million and accounts payable of MXN\$15 million.

CBFI's data

FIBRA EDUCA conducted its IPO on June 27th, 2018 on the Mexican Stock Exchange. As part of the formation process, it exchanged 764 million CBFI's at a price of MXN\$20.0/CBFI for the initial portfolio, which included 47 properties in the education sector with a GLA of 317 thousand M2. In addition, the Fibra placed 410 million CBFI's at the same price of MXN\$20.0/CBFI in the stock market. On July 17th, 2018, the over-allotment option of 53.1 million CBFI's was exercised.

At the end of 4Q22, FIBRA EDUCA had 1,277,478.470 CBFI's outstanding, of which 68.18% are owned by the Nacer Trust. Thus, floating CBFI's represent 31.82% of total, of which we estimate that around 29.0% is owned by Afores.

The Nacer Trust may not sell its CBFI's in accordance to the following conditions: i) from the 3rd year until the 5th year of the IPO, up to 50% of the CBFI's may be withdrawn from the Trust; and, ii) from the 5th year of the IPO, all of the CBFI's can be withdrawn.



ESG

On April 30th, 2021, FIBRA EDUCA published its First Sustainability Report for 2020. On June 2nd, 2022, it issued the Second Sustainability Report in accordance with GRI standards. Currently, the Fibra is reinforcing its Governance policies, also in line with GRI standards.

FIBRA EDUCA's Corporate Governance was rated within the "Top Ten" of the North American market by one of the rating agencies specialized in this matter.

In environmental terms, the Trust's goal is to decrease the consumption of energy, water and carbon emissions of its investment properties. As of December 31st, 2022, the Trust has obtained "EDGE Avanced" certifications on 3 of its properties and an "EDGE" certification on another property.

In 4Q22, the simple credit obtained a sustainability label. The ESG objectives for 2030 were updated: i) commitment to obtain environmental certifications on 20% of GLA as of 2Q22; ii) the resources that the Trust had approved to be donated until the end of fiscal year 2022 by its Holders of up to 1.35% of the rental revenues to be allocated to the Educational Scholarship Program by the Foundation. As of December 31st, 2022, 822 students were enrolled in this Scholarship Program.

MAIN RISKS

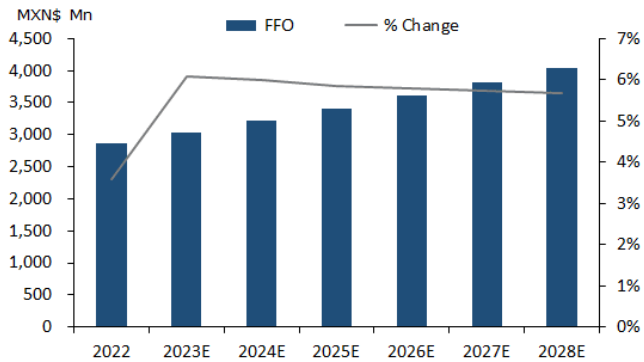
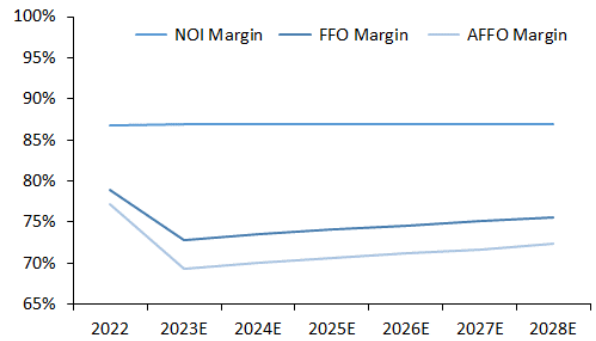
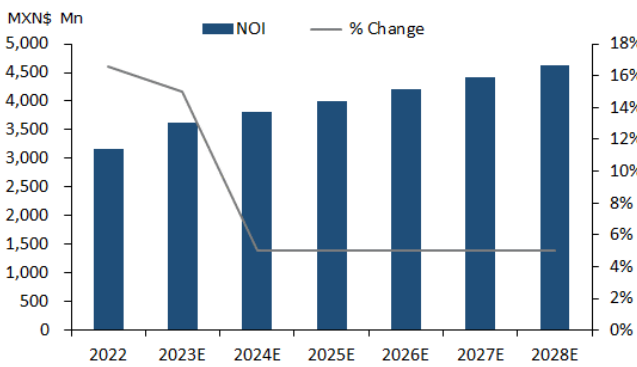
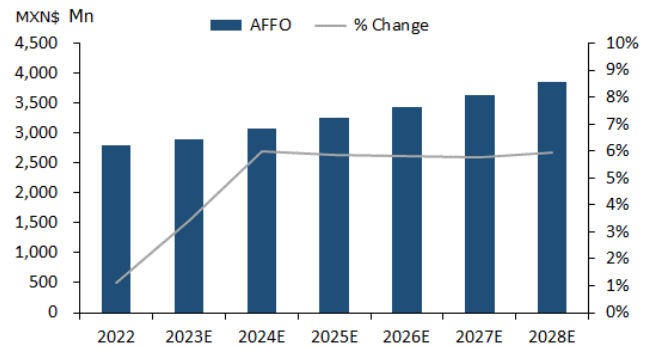
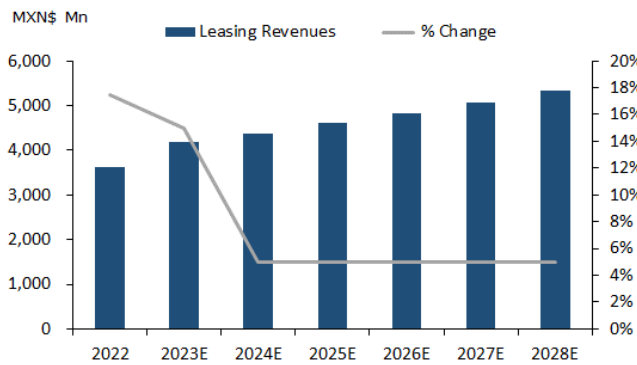
Macroeconomic volatility. A macroeconomic recession could affect FIBRA EDUCA's operating performance and/or that of its main customers. However, we consider that demand for space in Fibra real estate properties to be defensive in a challenging environment.

Changes in the management team. We believe that a change in the main executives, mainly the CEO and/or the CFO, could have a negative effect on the price of FIBRA EDUCA's certificates due to their extensive knowledge of the real estate sector.

Competition from virtual schools or universities. The digital education segment (Edutech) has experienced significant growth financed in part by large institutional investors. However, competition from this type of service is still low in Mexico since it depends on internet penetration.

Environmental laws. FIBRA EDUCA properties are subject to federal, state and municipal environmental laws.

Low liquidity of CBFIs. We consider that the liquidity of FIBRA EDUCA's CBFIs is low with an average daily traded amount of MXN\$0.4 million.



Source: Fibra Educa, Miranda Global Research

FINANCIAL PROJECTIONS

(Figures in Millions of Pesos)

OPERATING INDICATORS	2022	2023E	2024E	2025E	2026E	2027E	2028E
Total GLA (M2)	538,382	538,382	538,382	538,382	538,382	538,382	538,382
GLA Universities	480,768	480,768	480,768	480,768	480,768	480,768	480,768
GLA Learning Centers	22,707	22,707	22,707	22,707	22,707	22,707	22,707
GLA Offices	34,907	34,907	34,907	34,907	34,907	34,907	34,907
Occupancy Rate	100%	100%	100%	100%	100%	100%	100%
Average Revenue / M2 (MXN\$)	\$ 599.3	\$ 646.4	\$ 678.7	\$ 712.6	\$ 748.3	\$ 785.7	\$ 825.0
INCOME STATEMENT	2022	2023E	2024E	2025E	2026E	2027E	2028E
Leasing Revenues	3,632.9	4,176.0	4,384.8	4,604.0	4,834.2	5,075.9	5,329.7
Operating Expenses	408.5	467.7	491.1	515.7	541.4	568.5	596.9
Administrative Expenses	68.8	79.3	83.3	87.5	91.9	96.4	101.3
Total Expenses	477.3	547.1	574.4	603.1	633.3	664.9	698.2
Gain on Fair Value Adjustment	1,371.0	250.0	300.0	350.0	400.0	400.0	400.0
ESG Initiative Expenses	43.0	48.0	56.0	64.0	72.0	80.0	80.0
Operating Profit	4,483.6	3,830.9	4,054.4	4,286.9	4,528.9	4,731.0	4,951.5
Financing Result	328.9	650.7	650.1	652.4	655.3	658.8	662.8
Net Profit	4,154.7	3,180.2	3,404.3	3,634.5	3,873.6	4,072.2	4,288.7
NOI	3,158.3	3,631.6	3,813.0	4,003.6	4,203.6	4,413.7	4,634.2
NOI Margin	86.9%	87.0%	87.0%	87.0%	87.0%	87.0%	87.0%
FFO	2,865.8	3,040.3	3,222.4	3,410.6	3,607.7	3,814.3	4,030.8
FFO Margin	78.9%	72.8%	73.5%	74.1%	74.6%	75.1%	75.6%
AFFO	2,802.1	2,897.3	3,071.4	3,251.6	3,440.7	3,639.3	3,855.8
AFFO Margin	77.1%	69.4%	70.0%	70.6%	71.2%	71.7%	72.3%
AFFO per CBF1	\$ 2.2605	\$ 2.3604	\$ 2.5023	\$ 2.6490	\$ 2.8031	\$ 2.9649	\$ 3.1413
BALANCE SHEET	2022	2023E	2024E	2025E	2026E	2027E	2028E
TOTAL ASSETS	36,732.6	37,015.5	37,348.4	37,731.3	38,164.2	38,597.1	39,029.9
Total Current Assets	1,454.1	1,547.9	1,524.2	1,494.9	1,459.6	1,417.6	1,368.5
Total Non-Current Assets	35,278.5	35,467.6	35,824.2	36,236.4	36,704.6	37,179.4	37,661.4
Investment Properties	35,246.0	35,435.1	35,791.7	36,203.9	36,672.1	37,146.9	37,628.9
TOTAL LIABILITIES	5,671.7	5,671.7	5,671.7	5,671.7	5,671.7	5,671.7	5,671.7
Total Current Liabilities	21.9	21.9	21.9	21.9	21.9	21.9	21.9
Total Non-Current Liabilities	5,649.8	5,649.8	5,649.8	5,649.8	5,649.8	5,649.8	5,649.8
TOTAL EQUITY	31,060.9	31,343.8	31,676.7	32,059.5	32,492.4	32,925.3	33,358.2
Total Debt	5,618.0	5,618.0	5,618.0	5,618.0	5,618.0	5,618.0	5,618.0
Net Debt	4,432.0	4,338.2	4,361.9	4,391.2	4,426.6	4,468.5	4,517.6
LTV	15%	15%	15%	15%	15%	15%	14%

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