



## Transcript of the BAFAR Group 4Q25 conference

### **Moderator:**

Good morning everyone. Welcome to Fibra Nova's fourth quarter 2025 earnings conference call. On this occasion, we are joined by Luis Carlos Piñón, Chief Financial Officer and Guillermo Medrano, Chief Executive Officer, who will share the most important strategic, financial and outlook aspects of the quarter.

Before we begin, we remind you that this call will be recorded and available on Fibra Nova's investor relations site in [www.fibra-nova.com](http://www.fibra-nova.com). We also wish to point out that statements regarding future events and projections made during this call are subject to risk and uncertainty and Fibra Nova undertakes no express obligation to update them publicly. Without further ado, I give the floor to the administration. Go ahead, please.

### **Guillermo Medrano, General Director:**

Good afternoon everyone. I am Guillermo Medrano, CEO of Fibra Nova. I appreciate the attention you pay to our presentation, the explanation of the performance of our fiber.

As it is the last quarter of 2025, in my particular case I am going to talk about the conditions that prevailed throughout the year in terms of new contracts, in terms of the market environment and later Luis will accompany us explaining the economic data and the figures that reveal the trend and performance in the company.

Well, starting from the general or the concrete, in the year 2025, that is, during the 12 months of last year, our rented area generating income grew by 123 thousand square meters. This is almost 14 million dollars of new rents, of new rental income for 2026, which will be reflected. And this brings an average cap rate of 11.5 percent, with an investment of approximately 119 million dollars. This investment was spread across seven new projects, all of which are the Build to Suit theme. 75 percent of these new leases were located in Ciudad Juárez, the remaining 25 percent in the City of Chihuahua, and we have tenants from different branches, different industries, which are logistics, aeronautics, printing, automotive and, in general, it is a market that is not being concentrated in a single branch.

In general terms, this growth of 123 thousand meters, is an important figure. However, in 2024 we grew around 117 thousand square meters, that is, it has a relatively stable trend. And this is basically due to the promotional activity, to the fact that we have a brand already



established in the market, and that, therefore, generates confidence so that we are invited to the competitions and projects in which we have finally been able to obtain success with the contracts.

We currently have prospects for both Ciudad Juárez and Chihuahua, the City of Chihuahua, for about another 50 thousand square meters. These are not yet signed, we are simply in bankruptcy proceedings and we have an expectation of being able to close for the first four or five months of this year, to have good news in terms of new tenants. The market has been slow, it already has this, I would say it is the second year.

This has to do, in my view, with a lower demand for cars, for new houses in the United States, the trade policy of the United States. Now there is a new factor, which is the exchange rate of a strong peso, probably uncertainties that will be generated in terms of the new schedules for people who work in companies. There is a combination here of many factors that come together and it is difficult to define which one has the greatest or lesser impact, but we see a market with very little activity, little demand for new space and at this time we only have one speculative building under construction in Juárez and another speculative building in the City of Chihuahua.

In other words, our new construction activity has been very cautious in an environment where there is little demand for new industrial space. We focus, as you know it, on the light manufacturing industry market for export, in which our tenants are foreign companies that come to operate in Mexico to later export. In general terms, despite a slow activity in the market, we have a performance I consider acceptable, reasonable, starting because we are only developers, we do not acquire portfolios, we are not buying buildings. Our goal is profitability, to leave it within our business and not transfer it through a purchase to a third party, a seller. And well, I think we have done a correct job in terms of performance. Right now Luis is going to talk about it in terms of financial performance and I am pleased to say that in these conditions of a slow-moving environment, we have had significant growth. Go ahead, Luis, please.

**Luis Carlos Piñón, Director of Finance:**

Thank you very much Guillermo and I thank you all for your participation in today's conference. I am going to talk to you about the results of the quarter and of these 12 months of 2025.

I start with the quarterly results, telling you that our total revenues reached just over 397 million pesos, that is, almost 22 million dollars. Of this figure, of the 397 million pesos, 379 correspond directly to the leasing operation. This result represents a total increase in



revenue of 14.8% compared to the same period last year. This growth is explained precisely by what Guillermo already mentioned, that is, despite the fact that there is a market that we would like to be faster, but given the type of product we handle we have managed to place it on the market. Thanks to that, during the end of 2024 and the beginning of 2025, we already have rents from which the contracts have already been completed for 12 months. Among them, tenants such as ATI, Break Parts, Regal Rexnord and Veritiv stand out, which we managed to place, as I said, since the end of 2024 and the beginning of 2025, and that these revenues already have a full impact on the fourth quarter of 2025.

For its part, we achieved an EBITDA of 397 million pesos, a growth of 27.6. As you know, and we have talked about it in the previous calls, we also have a couple of years of conjunctural situations where many of our tenants are requesting improvements to properties where these improvements are not indexed in the rental price. However, we are generating extraordinary income from the services we provide in the area of supervision, engineering and as part of the real estate service we provide. That is why in this quarter EBITDA was again a little higher than revenues, but it is explained given this situation.

Additionally, expenses remain at the levels that we historically manage, where historically we have an EBITDA above 90%, however, these revenues that I already mentioned extraordinary make us obtain 397 million pesos. On the other hand, financial expenses for the quarter remained around just over 23 million pesos, in line with the debt strategy that we have been taking in recent months. In addition, we had exchange rate effects, as Guillermo already mentioned, the exchange rate with respect to the peso, because we have an impact on, which we have also seen reflected in the issue of income, due to an unfavorable exchange rate for income in dollars with a stronger peso, and that also generated an exchange effect in the quarter of just over 54 million pesos.

In addition, in the quarter we recognized revaluation of investment properties for just over 602 million pesos, of which, as part of the financial reporting standards, this revaluation of properties was recognized. Therefore, the profit for the quarter reached just over 915 million pesos of net income, showing an increase of 12% compared to the same period last year.

As for the accumulated results, at the end of the year we obtained total revenues for 2025 of just over 1568 million pesos, an increase of 21.7%. This growth, despite a lower exchange rate environment that, as Guillermo already mentioned, we have months of almost three pesos affecting the peso-dollar parity, we managed to have this double-digit growth, accompanied by the placement of our real estate solutions in a calmer market and, however, we managed to obtain this growth that I also consider very good.



On the other hand, we had an EBITDA for the whole year of 1578 million pesos, which is 31%. The growth is also explained by the turnovers that I already mentioned have been consistent in this quarter and in the past of extraordinary income from the services provided to tenants other than leases. So, it allowed us to achieve this 31% growth in EBITDA.

On the other hand, on the issue of expenses, in the year we obtained a decrease in financial expenditure explained by the effects of the capitalization that we received last year, plus the effect of the exchange rate. We have a year-on-year reduction in financial expenditure of 17% to stand at 84 million pesos compared to the 102 million obtained last year. Additionally, the accumulated exchange rate effect in the year was reflected by just over 76 million pesos, which, as I have already mentioned, has everything to do with the exchange rate effect that we suffered throughout the year.

Additionally, during 2025 we recognized a benefit of just over 1,312 million pesos generated by the revaluation of investment properties. As a result of all this, we obtained an accumulated net profit of just over 2,723 million pesos, 28% more than the 2,120 million we obtained last year.

With respect to the financial situation at the end of 2025, we have a cash flow of just over 457 million pesos at the end of the year. Our working capital was very positive. We obtain a balance in accounts receivable of just over 44 million pesos as part of the reimbursements made to us by our tenants for maintenance fees, insurance and other income that tenants reimburse us. It is important to mention that we do not have accounts receivable related to leasing. During 2025 all our tenants, at least by the end of the year, are covering that all networks have been paid.

On the other hand, investment properties and the investments we made throughout the year already stood at the close of the balance of investment properties at just over 23,225 million, of which we have made an investment deployment throughout this year of just over 2,300 million in the parks. as Guillermo already commented, mainly from Ciudad Juárez and Chihuahua. This allowed us to meet our investment goal that we had set since the beginning of the year and that we carried out successfully.

On the other hand, in terms of debt, at the end of the quarter we had a total debt of 6,546 million pesos, an average cost close to or above 5% of average cost, while our debt indicators are still considered to be very healthy, since loan to value stood at just over 27%. our debt service coverage ratio at just over 18 times and leverage measured in times divided by 1.4 times.



For its part, during this quarter we reported a benefit to our investors as part of the dividends that we granted with the capital redemption mechanism for just over 360 million pesos, which represented just over 60 cents per certificate, which were distributed in the month of November 2025.

Finally, tell you how we see our guide for 2026. We are seeing growth above 10%, strongly impacted by the exchange rate. Although we have an expectation of continuing to rent new warehouses in our industrial parks in Chihuahua and Juárez, however, the effect of the exchange rate if maintained in the current conditions would generate this impact on revenues. However, we see an EBITDA margin similar to what we have historically had, above 94%, a margin to distribute to our investors above 81% and investments above 2,400 million pesos. We see that we continue to continue with renovations of our tenants. We see that these stabilized rents from the contracts that we have been signing in the last months of 2025 generate significant stability in income for 2026 and that the developments we are doing mainly in Juárez and Chihuahua will allow us to continue growing in our gross profitable area. With this I conclude, I return the floor to the operator in case any of you have any questions.

### **Q&A Session**

#### **Moderator:**

Ladies and gentlemen, to ask a question in favor of using the raise hand feature of your zoom tool. Our first question comes from Martín Lara of Miranda Research. Go ahead, Martín, please.

#### **Martín Lara, Miranda Global Research:**

Thank you, good afternoon, congratulations on the results. I have several questions. How are you seeing the growth of the ABR and rents per square foot in 2026? The second is, what can you tell us about the situation of First Brand Group? And the third is, that 30% of the total debt is short-term? Do you have plans to refinance this portion of debt and send it to the long term?

#### **Guillermo Medrano:**

Thank you, look, this is Guillermo. I am going to answer the first two. Rents have a tendency to stabilize at levels of what has happened since 2024. We are talking about the contraction in demand and the abundance of space available by our competitors, which definitely put pressure on prices. So I don't see that rents per square foot are going to



increase significantly, even if there is inflation, but the issue is that there is a significant supply of product available.

And with respect to First Brand, look, we have as a tenant a division of them that is not in chapter 11, it is not bankrupt. This company, this company that is our tenant, continues to operate normally. In fact, they are installing a new production line and they have no plans to close, they have no plans to move from Mexico. And this division that manufactures air filters for cars has a different financial condition from the rest of the corporate that has economic problems. Those two questions, if you want, I'll come back or we'll move on to the third one for Luis.

**Luis Carlos Piñón:**

Yes, look, well, with respect to the issue of the ABR, we are estimating a growth of close to 8% in the ABR, if our growth plan and the deployment of the warehouses that we are developing right now occur, assuming that we will be able to rent them during 2026.

As for the issue of debt, yes, look, we have been observing the issue of rate cuts. Although long-term rates are not falling at the rate we would like, we have been waiting for the right moment to get rates and re-set them on long-term issues. We have been using our revolving lines in recent months, but we do expect to have a refinancing or a restructuring of our long-term debt, fixed rates, which we will be concluding, surely at the beginning of the second quarter we will be refinancing part of our debt and we will bring a second refinancing tranche also for the beginning of the third quarter. So, basically it has been a strategy of trying to be able to set the rate with the best conditions. That is why we have decided to take on short-term debt at this time, but as you know, our strategy is, therefore, first and foremost profitability.

**Martín Lara:**

Perfect, thank you very much and greetings.

**Moderator:**

Greetings. Our next question comes from Carlos Alcaraz of Apalache Research. Go ahead, Carlos, please.

**Carlos Alcaraz, Apalache Research:**

Hello, how are you? Good afternoon, thank you very much for the space for questions and congratulations on the results. A couple of them, the first in follow-up to the last one you



mentioned, Luis, with 35% of the variable-rate debt and given the imminent refinancing, will this tranche be transferred to a fixed rate in its entirety and will they be refinancing in the short term? And the second related to this CAPEX that they propose to us regarding 2026. Are you considering this CAPEX under a somewhat more optimistic scenario?

**Guillermo Medrano:**

Hello, Guillermo, look, on the subject of CAPEX, we now have a pipeline. That list of prospects based on meetings we have had throughout the past year and the constant contact with these companies, we believe that under the current market conditions, these companies would demand that amount of investment. That is our budget with the best information on the prospect market that we have right now negotiating. That is the basis of the 2 billion that Luis mentioned.

**Luis Carlos Piñón:**

Yes, correct and additional and complementing what Guillermo says, by reminding them that we have enough land bank in both Chihuahua and Ciudad Juárez so that if the market were to behave in a positive way, Fibra Nova has enough land reserves.

And with respect to the issue of refinancing, yes, Carlos, correct, we are estimating to be able to refinance 100% of what we bring now in revolving in the short term at a fixed rate. Our expectation is that yes, however, the market has been moving from rates, in recent days we saw that fortunately there was a downturn, so the expectation is that we can close at fixed rates with an attractive spread.

**Carlos Alcaraz:**

Ok, perfect. And one more follow-up question, if you will allow me, on what Guillermo said at the beginning, related above all to the built to suit spaces of Emerson and VistaPrint, to know if they have received any information from them as to whether they are interested in accelerating the development process of their industrial warehouses or not.

**Guillermo Medrano:**

Look, Emerson has already made the substantial delivery of the ship. They begin the payment of rents on March 1 of this year. I already have, we have a receipt certificate, so it means that they received the product to their satisfaction. I understand that what they are doing is concentrating operations that they have scattered in this new ship. And in the case of Vista, they already started paying rent on February 15. They bring an ambitious project.



My expectation is that we will have a favorable year in terms of this type or this profile of operations.

**Carlos Alcaraz:**

Ok, perfect. Excellent. Noted, thank you very much and congratulations again.

**Moderator:**

Once again we remind you that if you would like to ask a question, please use the raise hand function of your Zoom tool. Our next question comes from Ernst Anton Mordenkotter from GBM. Go ahead, Ernst, please.

**Ernst Anton Mordenkotter, GBM:**

You don't hear yourself, Anton. I don't know if you're... you hear me, do you? Yes, that's it. Yes, how are you, how are you? Thank you very much for the call. I wanted to ask you about these as "Overspecs" or improvements that you've been making in some quarters that have taken the margin above 100%. Do you think we should expect to maybe see a couple more over the next few quarters?

**Guillermo Medrano:**

Look, what do the services consist of? The tenants, apart from what the rent has been, they make investments on their own. These additional investments to our properties are not our property and they request our services to help them coordinate and make these new or improvements a reality. They are not recurrent and have to do with the fact that the companies we have served have highly technical operations. But I can't say that this is going to be repeated over time. It has to do with very specific cases, but it is definitely not part of our income, it is not an investment that we are making, but we do charge for doing these services.

**Luis Carlos Piñón:**

No, and complementing what Guillermo says, we remember that everything is developed within the structure of Fibra Nova and that is why all the value generation we have stays inside. That is why they are very transparent in revealing where it comes from, and that at the end of the day translates into a greater capacity to generate flow.

**Ernst Anton Mordenkotter:**

Of course, thank you very much.



**Moderator:**

As there are no further questions, I would like to return the call to the administration for the close of this conference.

**Luis Carlos Piñón:**

Well, thank you all for your time for joining us again one more quarter for the results of Fibra Nova, we hope that in the following conferences you will continue to accompany us so that you know everything we are doing and invite you to join our social networks, thank you and see you later.

**Moderator:**

With that we end our call today, you can disconnect.