PLANI GRUPO

Creando valor

FIRST QUARTER RESULTS 2020

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Stock Quote Code: PLANI

First Quarter Results 2020

PLANIGRUPO Consolidated Results for the First Quarter of 2020

Mexico City, April 28th, 2020 – Planigrupo Latam, S.A.B. de C.V. and subsidiaries (hereinafter "PLANIGRUPO" or the "Company") (Quote Code on the Mexican Stock Exchange: **PLANI**), is a fully integrated developer, operator and owner of shopping centers, with 44 years of experience in the development, design, construction, commercialization and administration of shopping centers in Mexico. Today, PLANIGRUPO published the results related to the first quarter of 2020 (hereinafter "1Q20").

The figures have been prepared in accordance with IFRS (International Financial Reporting Standards), and are expressed in thousands of Mexican pesos.

The financial results of PLANIGRUPO described in this report have not been audited thus the figures mentioned throughout this report could present adjustments in the future.

This document contains financial and operational measurements, which are not calculated in accordance with IFRS or recognized by them, are expressed in millions of Mexican pesos ("Ps" and / or "$") and are defined below:

- **GLA**, means Gross Leasable Area which corresponds to the area that can be leased within a property.
- **EBITDA**, means Earnings Before Interest, Taxes, Depreciation, and Amortization which is defined as the result of the operating income, *minus* other income (expenses), plus depreciation and amortization.
- **FFO**, means Funds from Operations, which we define as: the result of the net income, *plus* depreciation and amortization, *minus* the change in the value of our investment properties, *minus* participation in the results of companies and associated trusts and other permanent investments, plus expenses related to the purchase of assets, plus (*minus*) the valuation effect of financial instruments and plus (*minus*) deferred income taxes. The "FFO" should not be considered as a substitute for the cash from operating activities.
- **Adjusted FFO,** we define it as FFO minus the recurring capital expenditures for maintenance of our investment properties (capital maintenance expenditure).
- **LTV**, means Loan To Value, a financial term used by financial institutions to express the ratio of a loan in relation to the value of an asset acquired. The term is commonly used by banks and mortgage companies to represent the value owned of a property and what is borrowed. This ratio is obtained by dividing the amount of Net Debt by the value of total assets.
- **Net Debt**, refers to the total balance of the debt *minus* cash and cash equivalents.
- **NOI**, means Net Operating Income that we define as revenue from leases, and property management and leasing commission fees, *net* of the allowances for doubtful accounts, *minus* administration maintenance and security expense, as well as salaries and benefits in addition to the operating personal salaries. The "NOI" should not be considered as a substitute for the operating income line shown in the financial statements. The term "NOI Margin" refers to the result expressed as a resulting percentage, of dividing the NOI by the total revenues, net from the allowance for doubtful accounts.

NOI, NOI margin, EBITDA, EBITDA margin, FFO, Adjusted FFO and LTV are financial measures that are not defined under IFRS. A financial measure not defined under IFRS is generally defined as one that seeks to measure historical or future financial performance, financial position or cash flows, but excludes or includes amounts that would not be adjusted to the most comparable measure of IFRS. NOI, EBITDA, FFO, Adjusted FFO and LTV have limitations as analysis tools and such measures should not be considered, either in isolation or as a substitute for other methods of analyzing our reported results in accordance with IFRS. Because not all companies use identical calculations, the presentation of the NOI, EBITDA, FFO, Adjusted FFO and LTV may not be comparable to other similar measures used by other companies.

OPERATION HIGHLIGHTS

- PLANIGRUPO reported a total of 814,000 square meters (m²) of Gross Leasable Area (GLA) composed by 36 properties at the end of 1Q20[1], of which 806,000 m² of GLA are in operation and stabilized.

- Our GLA in 1Q20 remains stable due to the operating and stabilized properties. It is important to mention that our Paseo Hipódromo plaza in the Estado de Mexico has continued its stabilization process.

- At the end of 1Q20, the occupancy rate was 94.0%, which considers the stabilized properties[2] and excludes the 15,000 m2 in remodeling of the Urban Village Ciudadela property (formerly known as Urban Village Patria). Without considering the property mentioned above, the occupancy rate at the end of 1Q20 was 94.5%, compared to 1Q19, which was 94.8%.

- The average lease price per square meter at the end of 1Q20 was Ps. 160.1, which represents an increase of 2.9% compared to 1Q19, which was Ps. 155.6.

- As of March 31, 2020, PLANIGRUPO registered approximately 29 million visitors in managed shopping malls, a decrease of approximately 3% compared to the same period of the previous year, which registered approximately 30 million visitors. The foregoing is a reflection of the first effects of the health emergency caused by the epidemic outbreak COVID-19, since the first measures taken by certain state or municipal governments began to be announced as of the second week of March.

[1] Regarding the GLA, it includes 15,000 m^2 in restructuration of the Urban Village Ciudadela, it also includes the square meters (m^2) of Paseo Hipódromo, which are in stabilization process.
[2] Does not include the mall in stabilization process Paseo Hipodromo

FINANCIAL HIGHLIGHTS

- The consolidated revenues corresponding to 1Q20 of PLANIGRUPO, including the properties in which we have a non-controlling interest which we manage and operate, reached Ps. 416.0 million, which represents an increase of 6.2% compared to 1Q19.
- The consolidated NOI for 1Q20, including the properties in which we have a non-controlling interest, reached Ps. 340.9 million, which represents an increase of 10.0% compared to 1Q19.
- Consolidated EBITDA for 1Q20, including the properties in which we have a non-controlling interest, reached Ps. 273.9 million, which represents an increase of 10.3% compared to 1Q19.
- The consolidated financial debt as of March 31, 2020 was Ps. 6,401.8 million.
- The consolidated financial debt, including the properties in which we have a non-controlling interest as of March 31, 2020, was Ps. 6,677.4 million.

COMMENTS FROM THE CEO

During the first quarter of 2020, PLANIGRUPO continues with a growth trend in its financial and operational indicators.

In the first quarter of 2020, compared to the same quarter of the previous year, total revenues reached Ps. 416.0 million generating an increase of 6.2%. Likewise, the NOI reached Ps. 340.9 million, representing an increase of 10.0%. Additionally, EBITDA reached Ps. 273.9 million, obtaining an increase of 10.3%.

Our occupancy rate in stabilized shopping centers throughout the Republic of Mexico at the end of the first quarter of 2020 was 94.0% without considering the Urban Village Ciudadela property which is under renovation.

On the other hand, the number of visitors from January to March 2020 in our shopping centers was approximately 29 million.

At the end of the first quarter of 2020, the results obtained are consistent with the growth shown in previous quarters and reflects both good operating and financial performance and the consolidated optimization of resources.

Since the announcement of the first cases of COVID-19 in late February in Mexico, PLANIGRUPO began to adopt measures in favor of the well-being of both employees and clients as well as visitors of our shopping centers.

Following the health emergency declared by the Secretary of Health on March 31, 2020, where the immediate suspension of non-essential activities for the public, private and social sectors was decreed, as a strategy to fight the epidemic outbreak caused by the COVID-19 virus, PLANIGRUPO has been implementing actions aimed at allowing the safe operation of essential activities in our shopping centers in order to meet the basic needs in each of the communities where we operate.

Likewise, we are seeking to preserve our long-term relationships with tenants, in order to be able to normalize our operations once we overcome the health emergency.

Sincerely,

Elliott Mark Bross Umann
CEO of PLANIGRUPO

PLANIGRUPO BUSINESS

We are a fully integrated real estate developer, owner and operator with 44 years of experience in the development, design, construction, marketing and administration of shopping centers in Mexico. Since the creation of our first construction company in 1975, our team has participated in the acquisition and development of 70 shopping centers. We have controlling interests in 33 commercial centers and non-controlling interests in 3 commercial centers, located in 18 federal entities in Mexico, 35 of which we currently operate and 1 which is still in process of stabilization. We are one of the largest shopping center owners in Mexico. Our 35 operational and stabilized commercial centers have a total GLA of approximately 806,000 m2 and together with one of our properties in the process of stabilization, we hope to increase our total GLA to approximately 814,000 m2 [3]. Our shopping centers have leading anchor stores in the commercial sector and / or movie theater complexes. At the end of 1Q20 we had approximately 2,000 lease agreements, distributed among more than 1,200 tenants from various sectors. With the aim of improving the customers' shopping experience, most of our shopping centers also offer various entertainment and food options, as well as services designed to complement the trade offer.

MAIN OPERATING AND FINANCIAL INDICATORS

1) Financial Indicators

These metrics and adjustments are not defined by IFRS; therefore, they do not represent a financial analysis of our results in accordance with IFRS, and are shown only to measure the company's operating performance.

The following tables present a summary of our main financial indicators for 1Q20 and 1Q19 of the financial information that includes the results of our positions with controlling and non-controlling interest:

	1Q 2020 [1]	1Q 2019 [1]	Var. %
Total revenues	**415,989**	**391,745**	**6.2%**
Allowance for doubtful accounts	**(3,009)**	**(3,694)**	**(18.5%)**
Total revenues, net	**412,980**	**388,051**	**6.4%**
NOI	**340,892**	**310,030**	**10.0%**
NOI Margin[2]	**82.5%**	**79.9%**	**2.6%**
EBITDA	**273,937**	**248,364**	**10.3%**
EBITDA Margin[2]	**66.3%**	**64.0%**	**2.3%**
FFO	**96,110**	**70,101**	**37.1%**
Adjusted FFO	**94,200**	**63,026**	**49.5%**

[1] The results of positions with controlling and non-controlling participation, which we manage and operate, are included proportionally.
[2] NOI and EBITDA Margins, refer to the result expressed as a resulting percentage resulted from dividing the NOI or EBITDA by the total revenues net of allowance for doubtful accounts.

[3] Includes 15,000 m^2 in remodeling of the Urban Village Ciudadela, it also includes the Paseo Hipódromo, which is in stabilization process.

NOI RECONCILIATION

	1Q 2020 [1]	1Q 2019 [1]	Var. %
NOI			
Revenue from leases	411,602	386,411	6.5%
Property management and leasing commission fees	4,387	5,334	(17.8%)
Allowance for doubtful accounts	(3,009)	(3,694)	(18.5%)
Administration, maintenance and security expenses	(58,667)	(63,713)	(7.9%)
Operating personnel salaries	(13,421)	(14,308)	(6.2%)
NOI	**340,892**	**310,030**	**10.0%**
NOI Margin[2]	**82.5%**	**79.9%**	**2.6%**

[1] The results of positions with controlling and non-controlling participation, which we manage and operate, are included proportionally.
[3] NOI margin refers to the result expressed as the percentage resulted from dividing the NOI by the total revenues net from the allowance of doubtful accounts.

EBITDA RECONCILIATION

	1Q 2020 [1]	1Q 2019 [1]	Var. %
EBITDA			
Total revenues	415,989	391,745	6.2%
Operating costs	(63,864)	(68,575)	(6.9%)
Operating expenses	(88,155)	(79,878)	10.4%
Other (expenses) income, net	(119,385)	286	(41844.3%)
Operating income	144,585	243,578	(40.6%)
Change in the fair value of investment properties	122,500	(1,493)	(8304.5%)
Depreciation and amortization	6,852	6,279	9.1%
EBITDA	**273,937**	**248,364**	**10.3%**
EBITDA Margin[2]	**66.3%**	**64.0%**	**2.3%**

[1] The results of positions with controlling and non-controlling participation, which we manage and operate, are included proportionally.
[2] EBITDA margin refers to the result expressed as the percentage resulting from dividing EBITDA by the total revenues net of the allowance for doubtful accounts.

FFO RECONCILIATION

	1Q 2020 [1]	1Q 2019 [1]	Var. %
FFO			
Net income	(8,681)	40,001	(121.7%)
Change in the fair value of investment properties	122,500	(1,493)	(8304.5%)
Depreciation and amortization	6,852	6,279	9.1%
Valuation of financial instruments	804	27,345	(97.1%)
Deferred income taxes	(25,365)	(2,031)	1148.8%
FFO	**96,110**	**70,101**	**37.1%**

ADJUSTED FFO			
FFO	96,110	70,101	37.1%
Maintenance CAPEX	(1,910)	(7,705)	(75.2%)
Adjusted FFO	**94,200**	**62,396**	**51.0%**

[1] The results of positions with controlling and non-controlling participation, which we manage and operate, are included proportionally.

LTV

	1Q 2020 [*]	1Q 2019 [*]	Var. %
LTV	**39.6%**	**41.9%**	**(2.3%)**

** Includes properties with controlling interest and in proportion to the non-controlling interest.*

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2) Operational Indicators

	March 31 2020 [1]	March 31 2019 [1]	Var. %
Number of properties in operation and stabilized	**35**	**35**	**0%**
Gross Leasable Area (GLA)	**806,000**	**806,000**	**0%**
Occupancy (1)	**94.0%**	**94.3%**	**(0.3)%**
Average Lease Price m²	**160.1**	**155.6**	**2.9%**

[1] It includes stabilized properties, with controlling and non-controlling participation and without considering 15,000 m2 in remodeling of Urban Village Ciudadela.

2.1) *Operating Portfolio*

As of 1Q20, PLANIGRUPO has a portfolio of 35 commercial centers in operation and one in the process of stabilization, through various specific purpose vehicles.

The following table includes a description of each of our shopping centers at the end of 1Q20:

COMMERCIAL CENTERS PROPERTIES IN OPERATION AND STABILIZED [1]

Property	State	Year of construction	Opening year	Acquisition date	GLA m2	% of GLA's portfolio	Occupancy rate
Urban Village Ciudadela[2]	Jalisco	2006	2010	December-2014	51,299	6.5%	93%
Galerías del Valle	Baja California	2008	2008	December-2014	34,400	4.3%	98%
Plaza Real Reynosa	Tamaulipas	2005	2005	May-2013	35,856	4.5%	99%
Paseo Santa Catarina	Nuevo León	2005	2006	November-2012	37,605	4.8%	97%
Plaza Palmira	Campeche	2008	2009	May-2013	29,245	3.7%	74%
Plaza Nogalera	Coahuila	2006	2006	October-2013	41,889	5.3%	97%
Gran Plaza Cancún	Quintana Roo	2004	2006	October-2013	26,847	3.4%	98%
Plaza Bella Anáhuac	Nuevo León	2002	2003	May-2013	27,306	3.4%	100%
Paseo Reforma	Tamaulipas	2007	2008	December-2014	40,975	5.2%	98%
Plaza Real Saltillo	Coahuila	1999	2000	May-2013	16,506	2.1%	93%
Plaza Lincoln	Nuevo León	2006	2007	May-2013	27,796	3.5%	86%
Centro Comercial Lago Real	Nayarit	2008	2008	December-2014	26,186	3.3%	98%
Plaza Monumental	Chihuahua	2007	2008	May-2013	17,204	2.2%	95%
Plaza Universidad	Hidalgo	2005	2006	October-2013	17,298	2.2%	98%
Centro Comercial López Mateos	Chihuahua	1995	1995	December-2014	22,039	2.8%	91%
Plaza Las Haciendas	Estado de México	2005	2006	May-2013	16,480	2.1%	92%
Plaza Bella Mexiquense	Estado de México	2006	2006	May-2013	18,774	2.4%	81%
Macroplaza Oaxaca	Oaxaca	2013	2014	March-2013	26,347	3.3%	100%
Plaza San Juan	Querétaro	2012	2013	December-2014	7,473	0.9%	94%
Plaza Bella Huinalá	Nuevo León	2009	2009	October-2013	15,577	2.0%	82%
Centro Comercial Puerta de Hierro	Hidalgo	2006	2006	December-2014	16,299	2.1%	92%
Walmart San Jose del Cabo	Baja California Sur	2010	2010	July-2014	9,891	1.2%	100%
Walmart Ensenada	Baja California	2012	2012	July-2014	9,939	1.3%	100%
Paseo Puebla	Puebla	2013	2013	March-2013	10,747	1.4%	97%
Plaza Reynosa	Tamaulipas	1991	1995	December-2014	10,745	1.4%	86%
Plaza Bella Ramos Arizpe	Coahuila	2008	2008	September 2016	15,583	2.0%	91%
Paseo Solidaridad	Sonora	2015	2016	March-2015	13,077	1.7%	95%
Paseo Alcalde	Jalisco	2014	2016	August-2014	12,212	1.5%	97%
Macroplaza San Luis	San Luis Potosí	2014	2016	November-2014	19,010	2.4%	94%
Punto San Isidro	Jalisco	2008	2009	November-2017	7,958	1.0%	99%
Punto Oriente	Jalisco	2007	2011	November-2017	18,603	2.4%	100%
Urban Village in Garza Sada	Nuevo León	2015	2017	September-2015	27,961	3.5%	89%
Macroplaza Insurgentes[3]	Baja California	2006	2007	December-2006	54,872	6.9%	100%
Macroplaza Estadio[3]	Michoacán	2011	2011	December-2011	17,511	2.2%	99%
Plaza Bella Frontera[3]	Coahuila	2011	2011	December-2011	9,029	1.1%	84%

[1] Includes in redevelopment properties. It does not include Paseo Hipodromo, which is in the process of stabilization.

[2] Does not include approximately 15,000 m2 in UVC redevelopment.

[3] Properties in which we have non-controlling interest.

2.2) Gross Leasable Area and Geographic Distribution

At the end of 1Q20, the 35 commercial centers in operation and stabilized, totaled approximately 806,000 m2 of GLA[4]. Our commercial centers in operation and stabilized, are in 18 Federal Entities in Mexico.

States where Planigrupo manages at least one property.

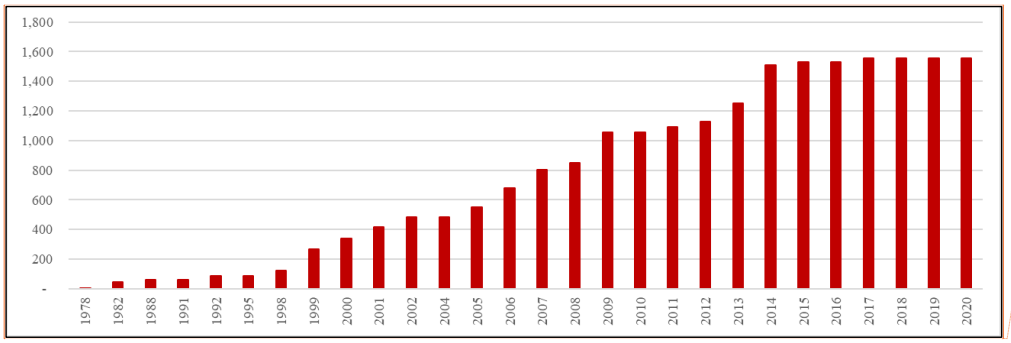
[4] Does not include Mall Paseo Hipódromo which is in stabilization process.

2.3) Occupation

In 1Q20, the occupancy rate was 94.0%, which considers the stabilized properties [5] and excludes the 15,000 m2 in redevelopment of the Urban Village Ciudadela property (formerly known as Urban Village Patria). Without considering the shopping center mentioned above, the occupancy rate would be 94.5%.

The following graphs show the annual evolution of the GLA of the portfolio in a cumulative manner of our commercial centers in operation and stabilized, as well as the percentage of occupancy by place.

GLA of the portfolio in a cumulative manner



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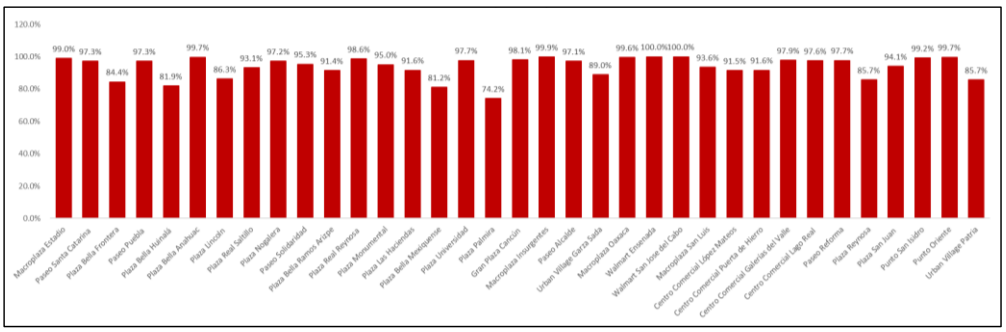
% Occupation at property level



[5] Does not include Mall Paseo Hipódromo which is in stabilization process.

2.4) Characteristics of Lease Agreements [6]

As of March 31, 2020, we had approximately 2,000 lease agreements distributed among more than 1,200 tenants, of which none represents more than 10.0%, except for Grupo Walmart which with its different store layouts represents 23.8% and 16.4% of our GLA and income, respectively. Out of the 35 commercial centers in operation and stabilized, we currently have 23 shopping centers anchored by some Walmart Group layout, 6 shopping centers anchored by some HEB store layout and 5 shopping centers anchored by Home Depot. On the other hand, we have Cinemex complexes in 14 shopping centers and Cinépolis complexes in 10 shopping centers. Our tenants of anchor stores or their parent companies are usually tenants with high credit quality.

Some of the characteristics of our lease agreements are: (i) the initial term for most of the lease agreements with our anchor stores is 5 to 10 years forced for both parties, extendable for at least an additional period of the same duration (depending on the maximum period allowed by local legislation), at the choice of the tenant. Additionally, the term for the majority of our lease agreements with non-anchor stores is 2 to 5 years. As of 1Q20, the average lease term remaining (weighted by GLA) for our agreements with non-anchor stores is 3.4 years and with our anchor stores is 8.1 years. The following table details our portfolio of consolidated shopping centers with controlling participation in 1Q20.

Property	State	Year of construction	Opening year	Acquisition date	Revenues from leases 1Q20 (Ps.)[2]	Percentage of revenues from leases	NOI
							1Q20 (Ps.)
Urban Village Ciudadela (before Urban Village Patria)	Jalisco	2006	2010	dec-14	23,745,937	6.32%	19,093,620
Macroplaza del Valle	Baja California	2008	2008	dec-14	26,908,273	7.16%	21,707,068
Plaza Real Reynosa	Tamaulipas	2005	2005	may-13	22,488,388	5.98%	18,043,329
Paseo Santa Catarina	Nuevo León	2005	2006	nov-12	20,172,709	5.37%	17,422,041
Plaza Palmira	Campeche	2008	2009	may-13	9,702,662	2.58%	5,269,439
Plaza Nogalera	Coahuila	2006	2006	oct-13	17,329,060	4.61%	14,244,511
Gran Plaza Cancún	Quintana Roo	2004	2006	oct-13	20,179,512	5.37%	15,402,735
Plaza Bella Anáhuac	Nuevo León	2002	2003	may-13	19,011,385	5.06%	16,262,755
Centro Comercial Paseo Reforma	Tamaulipas	2007	2008	dec-14	24,235,827	6.45%	20,524,923
Plaza Real Saltillo	Coahuila	1999	2000	may-13	13,673,446	3.64%	11,192,198
Mall Plaza Lincoln	Nuevo León	2006	2007	may-13	11,449,392	3.05%	8,553,018
Centro Comercial Lago Real	Nayarit	2008	2008	dec-14	13,455,719	3.58%	10,584,296
Plaza Monumental	Chihuahua	2007	2008	may-13	11,067,975	2.94%	8,948,134
Plaza Universidad	Hidalgo	2005	2006	oct-13	9,973,269	2.65%	7,585,524
Plaza López Mateos	Chihuahua	1995	1995	dec-14	7,831,613	2.08%	5,692,916

[6] Figures based on the stabilized properties.

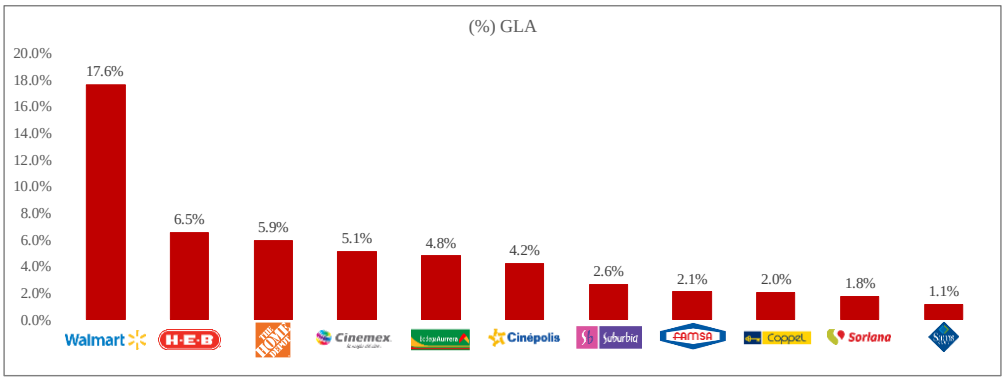
Property	State	Year of construction	Opening year	Acquisition date	Revenues from leases 1Q20 (Ps.)[2]	Percentage of revenues from leases	NOI 1Q20 (Ps.)
Super Plaza Las Haciendas	Estado de México	2005	2006	may-13	7,566,539	2.01%	6,331,590
Plaza Bella Mexiquense	Estado de México	2006	2007	may-13	6,908,417	1.84%	5,395,688
Macroplaza Oaxaca	Oaxaca	2013	2014	mar-13	19,526,398	5.20%	16,016,768
Paseo San Juan	Querétaro	2012	2013	dec-14	3,655,996	0.97%	2,416,469
Plaza Bella Huinalá	Nuevo León	2009	2009	oct-13	4,306,918	1.15%	3,001,470
Centro Comercial Puerta de Hierro	Hidalgo	2006	2006	dec-14	3,708,255	0.99%	3,132,472
Walmart San Jose del Cabo	Baja California Sur	2010	2010	jul-14	5,111,616	1.36%	4,866,447
Walmart Ensenada	Baja California	2012	2012	jul-14	2,687,304	0.72%	2,562,961
Paseo Puebla	Puebla	2013	2013	mar-13	5,942,227	1.58%	4,847,205
Plaza Reynosa	Tamaulipas	1991	1995	dec-14	2,162,238	0.58%	1,644,318
Paseo Solidaridad	Sonora	2015	2016	mar-15	6,475,977	1.72%	4,810,563
Plaza Bella Ramos Arizpe	Coahuila	2008	2008	sep-16	6,270,860	1.67%	5,040,905
Macroplaza San Luis	San Luis Potosí	2014	2016	nov-14	9,461,025	2.52%	7,436,253
Paseo Alcalde	Jalisco	2014	2016	ago-14	6,751,377	1.80%	5,677,590
Punto San Isidro	Jalisco	2008	2009	nov-17	4,092,411	1.09%	3,451,774
Punto Oriente	Jalisco	2007	2011	nov-17	6,607,519	1.76%	5,578,804
Paseo Hipódromo[1]	Estado de México	2014	2017	nov-14	5,733,127	1.53%	3,500,281
Urban Village	Nuevo León	2015	2017	sep-15	17,635,582	4.69%	13,858,916
TOTAL CONTROLLED [3]					**375,828,953**	**100%**	**300,096,981**

[1] Property in the process of stabilization.
[2] Income obtained by the Parking Operator is not included.
[3] The total revenues from leases and NOI may not coincide with the amounts reflected in the consolidated financial indicators, since these indicators include the results of our positions with controlling and non-controlling participation, and also consider certain eliminations between related parties.

The following table details our portfolio of shopping centers in which we have a non-controlling interest as of March 31, 2020; the amounts are shown at our participation proportion (Macroplaza Insurgentes 40%, Macroplaza Estadio Morelia and Plaza Bella Frontera 5%):

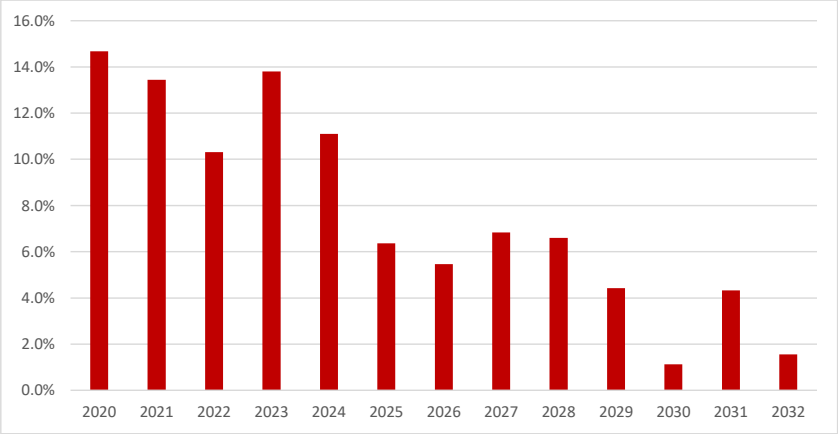
Properties with non-controlling interest	State	Year of construction	Opening year	Acquisition date	Revenues from leases 1Q20 (Ps.)[2]	Percentage of revenues from leases	NOI 1Q20 (Ps.)
Macroplaza Insurgentes	Baja California	2006	2007	jul-00	21,913,024	97.48%	23,655,525
Macroplaza Estadio Morelia	Michoacan	2011	2011	jul-05	418,957	1.86%	352,419
Plaza Bella Frontera	Coahuila	2011	2011	jul-05	147,838	0.66%	105,804
TOTAL NON-CONTROLLED INTEREST					**22,479,819**	**100%**	**24,113,748**

The following graph shows the distribution of the main lease agreements by tenant category, as a proportion of the total profitable area of the portfolio in operation.



The following table shows the maturity percentages of lease agreements of our commercial centers in operation as of 1Q20:

Lease agreement maturity as a percentage of our GLA



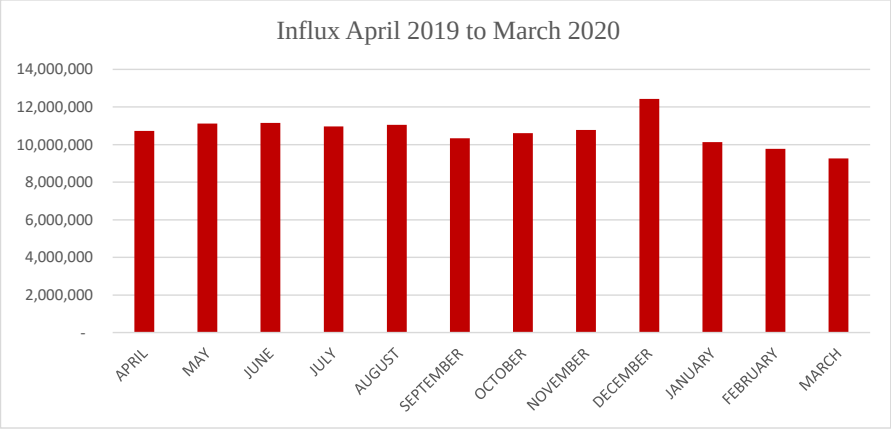
2.5) Revenues from fixed leases

During 1Q20, revenues from leases related to the controlling share amounted to Ps. 391.1 million. Our revenues from leases including the properties in which we have a controlling and non-controlling interest amounted to Ps. 411.6 million.

2.6) Number of visitors graph

During 1Q20, the influx at operating and stabilized shopping centers reached approximately 29 million visitors.

Influx



2.7) Property in the process of stabilization

a) Paseo Hipódromo

Paseo Hipódromo is a three-level shopping center located in the Municipality of Naucalpan de Juárez, in the State of Mexico. It has approximately 4,700 m2 of land and approximately 7,500 m2 of GLA. We plan to include different entertainment and food options. We have entered into lease agreements with a Cinemex movie theater complex, as well as with other lessees, equivalent to 86% of its GLA. The mall began operations in December 2017 and is therefore in the final stabilization stage.

Property	State	GLA	Land	GLA leased	% Occupancy (1Q20)	% Occupancy (1Q19)	Work in progress [1]
Paseo Hipódromo	State of Mexico	7,478	4,700	6,328	85%	86%	98%

[1] The Work in progress refers to the investment progress, not to the physical construction progress.

3. Stabilized properties

Property	State	Opening year	GLA m2	Influx 1Q20	Anchors
Urban Village Ciudadela[1]	Jalisco	2010	51,299	915,521	Walmart, Cinépolis and Best Buy
Galerías del Valle	Baja California	2008	34,400	1,302,501	Walmart and Cinépolis
Plaza Real Reynosa	Tamaulipas	2005	35,856	1,222,205	HEB, Cinemex and Home Depot
Paseo Santa Catarina	Nuevo León	2006	37,605	2,732,761	Walmart, Suburbia and Cinemex
Plaza Palmira	Campeche	2009	29,245	644,856	Chedraui, Cinemex
Plaza Nogalera	Coahuila	2006	41,889	1,188,391	HEB, Cinépolis and Home Depot
Gran Plaza Cancún	Quintana Roo	2006	26,643	1,621,466	Suburbia, Cinépolis and Walmart*
Plaza Bella Anáhuac	Nuevo León	2003	27,306	1,204,472	HEB and Cinemex
Paseo Reforma	Tamaulipas	2008	40,975	1,496,066	Walmart, Home Depot, and Cinépolis
Plaza Real Saltillo	Coahuila	2000	16,506	1,209,864	HEB and Cinemex

Property	State	Opening year	GLA m2	Influx 1Q20	Anchors
Plaza Lincoln	Nuevo León	2007	28,421	1,036,638	HEB, Suburbia, and Cinemex
Centro Comercial Lago Real	Nayarit	2008	26,186	1,084,438	Walmart and Cinépolis
Plaza Monumental	Chihuahua	2008	17,204	646,913	Walmart and Cinépolis
Plaza Universidad	Hidalgo	2006	17,298	1,277,360	Bodega Aurrerá
Centro Comercial López Mateos	Chihuahua	1995	22,039	639,736	Soriana
Plaza Las Haciendas	Estado de México	2006	16,480	761,963	Bodega Aurrerá
Plaza Bella Mexiquense	Estado de México	2006	18,774	871,947	Bodega Aurrerá and Cinemex
Macroplaza Oaxaca	Oaxaca	2014	26,347	1,331,400	Walmart, Suburbia and Cinemex
Plaza San Juan	Querétaro	2013	7,473	NA[4]	Cinépolis, Bodega Aurrerá*, and Home Depot*
Plaza Bella Huinalá	Nuevo León	2009	15,577	515,547	Mi Tienda del Ahorro (HEB)
Centro Comercial Puerta de Hierro	Hidalgo	2006	16,299	NA[4]	Home Depot and Office Max
Walmart San Jose del Cabo	Baja California Sur	2010	9,891	NA[4]	Walmart
Walmart Ensenada	Baja California	2012	9,939	NA[4]	Walmart
Paseo Puebla	Puebla	2013	10,747	430,586	Walmart
Plaza Reynosa	Tamaulipas	1995	10,745	NA[4]	Bodega Aurrerá
Plaza Bella Ramos Arizpe[2]	Coahuila	2008	15,583	638,350	Bodega Aurrerá and Cinemex
Paseo Solidaridad	Sonora	2016	13,077	355,328	Tienda Ley and Cinemex
Paseo Alcalde	Jalisco	2016	12,212	500,329	Walmart and Cinemex
Macroplaza San Luis	San Luis Potosí	2016	19,010	661,949	Walmart, Suburbia and Cinépolis
Punto San Isidro	Jalisco	2009	7,958	NA[4]	Superama
Punto Oriente	Jalisco	2011	18,603	NA[4]	Home Depot and Cinépolis
Urban Village in Garza Sada	Nuevo León	2017	27,961	798,785	HEB
Macroplaza Insurgentes[3]	Baja California	2007	54,872	3,063,570	Walmart, Sam's and Cinemex
Macroplaza Estadio[3]	Michoacán	2011	17,511	683,574	Walmart and Cinemex
Plaza Bella Frontera[3]	Coahuila	2011	9,029	339,207	Bodega Aurrerá

** Benefit attributable to the influx of visitors*

[1] Includes redevelopment properties. Does not include approximately 15,000 m2 in UVC redevelopment.

[2] In September 2016, it ceased to be a non-controlling interest.

[3] Properties in which we have non-controlling interest.

[4] Not available (NA) given the configuration of the shopping center entrances.

RELEVANT EVENTS FOR 1Q20

PLANI Announces Results for the fourth Quarter of 2019 (February 24, 2019)

Mexico City, February 24, 2020 - Planigrupo Latam, S.A.B. de C.V. and subsidiaries (hereinafter "PLANIGRUPO" or the "Company") (Quote Code on the Mexican Stock Exchange: PLANI), is a fully integrated developer, operator and owner of shopping centers, with 44 years of experience in the development, design, construction, commercialization and administration of shopping centers in Mexico. Today, PLANIGRUPO published the results for the fourth quarter of 2019 (hereinafter "4Q19") and for the twelve-month period ended December 31, 2019 (hereinafter "2019").

NATURE OF THE BUSINESS

We are a fully integrated real estate developer, owner and holder with 44 years of experience in the development, design, construction, marketing, administration of shopping centers in Mexico. Since the creation of our first construction company in 1975, our team has participated in the acquisition and development of 70 shopping centers. With controlling interests in 33 commercial centers (of which 1 is in the process of stabilization) and non-controlling interests in 3 commercial centers, located in 18 federal entities in Mexico, 35 of which we currently operate and one of which we also own, is in operation and is still in the process of stabilization.

We are one of the largest owners of shopping centers in Mexico. Our 35 stabilized commercial centers in operation have a Total GLA of approximately 806,000 m2 and together with our property in the process of stabilization we expect to increase our Total GLA to approximately 814,000 m2 [8], the Total GLA exceeds the GLA represented solely by our participation. Our shopping centers have leading anchor stores in the commercial sector and / or movie theater complexes. In order to improve the customers' shopping experience, most of our shopping centers also offer various entertainment and food options, as well as various designs to complement the commercial offer. We believe that our shopping centers are recognized as references to acquire goods and services and as an entertainment option in the different regions in which we operate.

TOP MANAGEMENT OBJECTIVES

Our goal is to become the leading integrator, developer and administrator of flagship shopping centers in Mexico. We hope to continue improving our existing portfolio through high quality properties that are identified and marketed by us, developed in conjunction with some of our key tenants, or incorporated through acquisitions. We hope to capitalize on opportunities that may arise in the short or medium term. This creates an opportunity to increase penetration in high quality commercial properties as demographic trends continue to improve. We strive to become the partner of choice for our tenants and we hope to continue strengthening our relationship by delivering the best in products and services in their class.

[8] Includes approximately 15,000 m2 in Urban Village Ciudadela redevelopment. It also includes the m2 of Paseo Hipódromo, which is in the process of stabilization.

TOP MANAGEMENT STRATEGIES

PLANIGRUPO is a company with a fully internalized business model, which captures value throughout the business development cycle of projects in shopping centers and generates additional income, such as advertising and other services by third parties. Our corporate nature (stock exchange company) and business model eliminates leakage of commissions, so that the economic benefits to the shareholders are maximized.

Our portfoio of 35 commercial centers stabilized and in operation, have a consolidated occupation of 94.0% [9], as well as our malls in operation and in process of stabilization, generated a consolidated NOI of Ps. 331.9 million during 1Q20 from our commercial spaces leasing, which includes the malls in which we have a non-controlling interest.

RISK FACTOR'S

PLANIGRUPO is exposed to the following risks due to the use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Capital risk

Risk Management Framework

The financial risks managed are regulated by the policies approved by the Company's Administration and certain approvals of the Board of Directors and Shareholders that guarantee in writing principles on the use and administration of investments and the investment of excess liquidity. The Investment Committee reviews compliance with the policies and exposure limits on an ongoing basis.

LIMITATION OF LIABILITY

This report may contain certain forward-looking statements that may involve some risk and uncertainty. Terms such as "we estimate", "we plan", "we expect", "probably" and other similar expressions could be interpreted as estimates. PLANIGRUPO warns readers that the statements and estimates contained in this document, or made by the PLANIGRUPO management team, involve risks and uncertainty that could change depending on several factors that are outside the control of PLANIGRUPO. Any future expectations reflect the value judgments of PLANIGRUPO as of the date of this document. PLANIGRUPO reserves the right or obligation to update the information contained in or derived from the report. Past or present performance is not an indicator of future performance.

We warn that a significant number of factors could cause current results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in this report. In none event PLANIGRUPO, nor any of its subsidiaries, affiliates, directors, executives, agents or employees could be liable to third parties (including investors) for any investment, decision or action taken in relation to the information provided in this document or for any consequential special or similar damage.

FINANCIAL POSITION AND RESULTS OF OPERATIONS

The following items make up our consolidated statements of income:

[9] Does not include approximately 15,000 m2 in UVC remodeling. It does not include the Paseo Hipódromo that is undergoing a stabilization process.

- ***Revenues.*** The principal source of revenues comes from the leases that our tenants pay us under operating leases. The income and costs of the lease agreements are recognized during the term of those agreements as the services are provided. We also earn revenues derived from the properties management and leasing commission fees and from properties performance. The properties management fees revenues consist of income derived from the administration of shopping centers, which were recognized in our annual results at the markups agreed for the provision of our services (from 2.0% to 4.0% over the leases actually collected in each of the properties we manage). Lease fees consist of income derived from the negotiation of new leases or their renewal for a period of 3 to 10 years, said commissions range between 3.0% and 8.5% of the total agreed income; 80.0% of the leasing commission fee is recognized at the execution of the lease agreements and the remaining 20.0% is recognized when the first rent is paid. Revenue from properties performance consists of commissions paid by certain property owners under the development agreements, we have entered into with them for the construction and development of their properties. Such commissions are paid when the developed properties reach a certain level of return or profitability, which is typically achieved after some years of efficient operation entrusted to us or as a consequence of the sale of the properties.

- ***Cost and operating expense.*** Operating costs and expenses consist of administration, maintenance and security expenses, allowance for doubtful accounts, salaries and fringe benefits, depreciation and amortization and general expenses.

- ***Other net income (expense).*** Other net income (expenses), consists of increases and decreases in the fair value of our investment properties (which correspond to our shopping centers), accounts receivable from previous periods collection, profit or loss on the sale of furniture and equipment, among others.

- ***Financial profits (costs).*** Financial profits (costs) are composed by interest expenses, interest income, changes on valuation of financial instruments and exchange net profit (loss).

- ***Changes in the fair value of investments in non-consolidated project trusts and other permanent investments.*** It consists of increases and decreases in the fair value of our investment in those non-consolidated Project Trusts (that is, our non-controlling interest in certain shopping centers), as well as increases and decreases in our investment in associated companies.

- ***Income taxes***. Income taxes include the tax caused on a legal basis and the deferred income taxes.

Unaudited consolidated statements of profit or loss
Three-month periods ended March 31,2020 and March 31, 2019
(In thousands of Mexican Pesos)

		March 31, 2020	March 31, 2019	Var. %
Revenues				
Leases	$	391,085	366,028	6.8%
Property management and leasing commission fees		6,536	5,615	16.4%
Total revenues		**397,621**	**371,643**	**7.0%**
Costs and operating expenses:				
Administrative, maintenance and security expenses		(60,474)	(62,857)	(3.8%)
Allowance for doubtful accounts		(3,009)	(3,694)	(18.5%)
Asset management expenses		(5,197)	(4,862)	6.9%
Salaries and fringe benefits		(53,667)	(50,904)	5.4%
Depreciation and amortization		(6,852)	(6,279)	9.1%
General expenses		(24,529)	(18,947)	29.5%
Total costs and operating expenses:		**(153,728)**	**(147,543)**	**4.2%**
Other income (expenses):				
Increase (decrease) in fair value of investment properties		(118,200)	(50,502)	134.1%
Other income (expenses), net		3,055	(3,098)	(198.6%)
Total other income (expenses), net		**(115,145)**	**(53,600)**	**114.8%**
Operating income		**128,748**	**170,500**	**(24.5%)**
Finance (cost) income:				
Interest expense		(157,631)	(162,275)	(2.9%)
Interest expense from leasing		(1,564)	(1,671)	(6.4%)
Interest income		7,121	3,681	93.5%
Effect on valuation of financial instruments		(804)	(27,345)	(97.1%)
Foreign currency exchange gain (loss), net		191	(128)	(249.2%)
Finance cost, net		**(152,687)**	**(187,738)**	**(18.7%)**
Increase in fair value of trust certificates from non-consolidated properties		12,516	68,521	(81.7%)
(Loss) income before taxes		**(11,423)**	**51,283**	**(122.3%)**
Income taxes:				
Current income tax		(22,623)	(13,313)	69.9%
Deferred income tax		25,365	2,031	1148.9%
Total income taxes:		**2,742**	**(11,282)**	**(124.3%)**
Consolidated net (loss) income for the period	**$**	**(8,681)**	**40,001**	**(121.7%)**
Consolidated net income (loss) of:				
Controlling interest		(8,348)	38,492	(121.7%)
Increase in net assets attributable to holders and settlors		805	805	0.0%
Non-controlling interest		(1,138)	704	(261.6%)
Consolidated net (loss) income for the period	**$**	**(8,681)**	**40,001**	**(121.7%)**
Other comprehensive income		(257)	-	100.0%
Consolidated comprehensive (loss) income for the period	**$**	**(8,938)**	**40,001**	**(122.3%)**

OPERATING RESULTS

Results from operations for the three-month periods ended March 31, 2020 and March 31, 2019
Revenues

Total revenues for the three-month period ended March 31, 2020, were $ 397.6 million compared to $ 371.6 million for the three-month period ended March 31, 2019, representing a 7.0% increase. This increase was mainly attributed to a $25.1 million increase in revenues during 1Q20.

Costs and operating expenses

Total operating costs and expenses were $153.7 million for the three-month period ended March 31, 2020, compared to the $147.5 million corresponding to the same period of the previous year, which represents an increase of $6.2 million or 4.2 %.

This variation was mainly attributed to an increase of $ 2.8 million in salaries and fringe as well as an increase in general expenses of $ 5.6 million, whose increases were partially offset by a decrease in administration, maintenance and security expenses of $ 2.4 million and a decrease of the estimate for the allowance of doubtful accounts for $ 0.7 million or 18.5% with respect to the same period last year.

Other net income (expenses)

Total other net income (expense) for the three-month period ended March 31, 2020, summed up to $115.1 million compared to $53.6 million income from the same period last year. The variation in other expenses obtained was mainly attributed to the fair value of investment properties, derived from appraisals made by independent third parties.

Financial cost, net

The financial costs net amounted to $152.7 million for the three-month period ended March 31, 2020, compared to $187.7 million in the same period of the previous year, which represented a decrease of $35.1 million or 18.7%.

Consolidated net loss income for the period

The consolidated net loss for the three-month period ended March 31, 2020 was $8.7 million, compared to the consolidated net profit of $ 40.0 million relative to the same period of the previous year, which represents a decrease of 121.7%. This is attributed to the combination of increases and decreases in the interim consolidated statements of profit or loss line items described above.

Unaudited consolidated statements of financial position
As of March 31,2020 and December 31,2019
(In thousands of Mexican Pesos)

		March 31, 2020	December 31,2020	Var. %
ASSETS				
Current assets:				
Cash and cash equivalents	$	433,680	404,468	7.2%
Trade receivables, net		18,987	6,547	190.0%
Refundable taxes and other receivables, net		286,783	265,260	8.1%
Prepaid expenses		144,348	106,928	35.0%
Leasing rights		6,628	6,997	(5.3%)
Total current assets		**890,426**	**790,200**	**12.7%**
Non-current assets:				
Investment properties		12,744,928	12,846,518	(0.8%)
Furniture, equipment and leasehold improvements, net		46,325	53,915	(14.1%)
Leasing rights - Long term		440	2,118	(79.2%)
Leasing rights of furniture and equipment		9,239	6,992	32.1%
Investment in Trusts' certificates of project vehicles		664,567	661,096	0.5%
Deferred income taxes		89,210	92,160	(3.2%)
Derivative financial instruments		1,660	2,721	(39.0%)
Other non-current assets, net		48,670	48,644	0.1%
Prepaid expenses - Long term		18,112	18,112	0.0%
Restricted cash		114,729	116,533	(1.5%)
Total non-current assets		**13,737,880**	**13,848,809**	**(0.8%)**
Total assets	**$**	**14,628,306**	**14,639,009**	**(0.1%)**
LIABILITIES AND EQUITY				
Current liabilities:				
Current installments of long-term debt	$	86,842	85,302	1.8%
Accounts payable and other liabilities		57,330	77,801	(26.3%)
Taxes payable and accruals		152,873	63,932	139.1%
Statutory employee profit sharing payable		2,359	316	646.5%
Collected rents in advance		48,129	48,632	(1.0%)
Income tax payable		22,599	72,009	(68.6%)
Leases payable		7,527	8,132	(7.4%)
Short-term accruals		-	12,636	(100.0%)
Total current liabilities		**377,659**	**368,760**	**2.4%**
Non-current liabilities:				
Long-term debt, excluding current installments		6,314,928	6,328,184	(0.2%)
Real Estate performance fee payable		235,478	235,478	0.0%
Deferred income taxes		640,286	521,064	22.9%
Deferred revenues		51,364	33,340	54.1%
Security deposits		92,780	92,358	0.5%
Employee benefits		560	603	(7.1%)
Leases payable		2,145	3,538	(39.4%)
Net assets attributable to holders and settlors		900,843	1,034,483	(12.9%)
Total non-current liabilities		**8,238,384**	**8,249,048**	**(0.1%)**
Total liabilities		**8,616,043**	**8,617,808**	**(0.0%)**
Equity:				
Capital stock		4,254,423	4,254,423	0.0%
Additional paid-in capital		50,549	50,549	0.0%
Retained earnings		1,195,747	747,181	60.0%
Net income for the year		(8,348)	448,566	(101.9%)
Other comprehensive income		245	502	(51.2%)
Net equity attributable to controlling interest		**5,492,616**	**5,501,221**	**(0.2%)**
Non-controlling interest		**519,647**	**519,980**	**(0.1%)**
Total stockholders' equity		**6,012,263**	**6,021,201**	**(0.1%)**
Total liabilities and stockholders' equity	**$**	**14,628,306**	**14,639,009**	**(0.1%)**

FINANCIAL POSITION

Cash and cash equivalents

Cash and cash equivalents as of March 31, 2020 amounted to $ 433.7 million, an increase of $ 29.2 million or 7.2% compared to the balance as of December 31, 2019 of $ 404.5 million. The increase in cash is mainly due to accounts receivable, as well as the expenses incurred in administration costs of our positions, payments of liabilities for working capital and payments of capital and interest on financing.

Refundable taxes and other receivables

Refundable taxes and other receivables as of March 31, 2020 amounted to $286.8 million, an increase of $21.5 million or 8.1% with respect to the balance as of December 31, 2019 for $265.3 million. The increase in this line item corresponds mainly to an increase in provisional payments of income tax, as well as income tax and VAT receivable balances.

Investment properties

Investment properties include 36 shopping centers that PLANIGRUPO operates through its consolidated subsidiaries. As of March 31, 2020, the balance of investment properties amounted to $12,744.9 million, a decrease of $ 101.6 million or 0.8% compared to the balance at December 31, 2019 of $12,846.5 million. The variation in this line item balance is mainly due to the effect of the decrease in the valuation of the properties of $118.2 million, capex additions and construction costs of $16.6 million. The decrease in the fair value of investment properties relates to the conclusion of the weighting effect of the calculated fair values, the properties are valued under the income approach considering the discounted cash flow method.

Furniture, equipment and leasehold improvements

Furniture, equipment and leasehold improvements as of March 31, 2020 amounted to $46.3 million, a decrease of $7.6 million or 14.1% with respect to $53.9 million of the balance as of December 31, 2019, which corresponds to the depreciation of assets recognized in this period, net from the additions of furniture and equipment incurred in the period.

Investment in Trusts' certificates of project vehicles

Other permanent investments as of March 31, 2020 amounted to $664.6 million, an increase of $3.5 million or 0.5% compared to $661.1 million of the balance as of December 31, 2019. The increase in this line item corresponds to the recognition of the equity method of the F / 00979 Trust, which maintains an investment over the F / 1002 Trust ("Tijuana" or "Macroplaza Insurgentes"), in which maintains a 40% stake.

Derivative financial instruments

The fair value of derivative financial instruments as of March 31, 2020 is $1.7 million, a decrease of $1.1 million compared to $2.7 million of the balance as of December 31, 2019. The variation in this item corresponds to the net effect of additions in the period, net of the charges to results for valuation of instruments until August 31, 2019. As of September 2, 2019, Planigrupo adopted hedge accounting under the new pronouncements of IFRS 9, changing the accounting treatment of its derivative financial instruments that were used to be accountingly characterized as trading instruments.

Current Liabilities

Current liabilities as of March 31, 2020 amounted to $377.7 million, which represent an increase of $8.9 million compared to $368.8 million of the balance as of December 31, 2019. The main increases corresponded to deferred income, as well as income taxes, offset by a decrease in outstanding liabilities as of December 31, 2019, including accounts payable to suppliers and other accrued liabilities.

Long-term debt and current installments

The long-term debt line item and current installments as of March 31, 2020 amounted to $6,314.9 and $86.8 million, respectively, having a decrease of $ 13.3 or 0.2% and an increase of $1.5 million or 1.8%, respectively, with respect to the balance at December 31, 2019 for $ 6,328.2 and 85.3 million of said accounts. The decrease in the balances of these items is mainly due to the interest payable recognized at the end of the period.

Capital Stock

The balance of the capital stock as of March 31, 2020 had no movements compared to the balance reflected as of December 31, 2019.

In the case of retained earnings and non-controlling interest, the variation presented is due to the income of the period ended March 31, 2020.

Unaudited Interim consolidated statements of cash flows
As of March 31,2020 and March 31, 2019
(In thousands of Mexican Pesos)

		March 31, 2020	March 31, 2020	Var. %
Operating activities				
Consolidated net income (loss) fore the period	$	(8,681)	40,001	(121.7%)
Adjustments:				
(Increase) decrease in fair value of investment properties		118,200	50,502	134.1%
Depreciation and amortization		4,128	4,170	(1.0%)
Amortization of leasing rights		2,724	2,109	29.2%
Share based payments		-	4,965	(100.0%)
Income taxes		122,172	11,282	982.9%
(Increase) decrease in fair value of other permanent investments		(12,516)	(68,521)	(81.7%)
Interest income		(7,121)	(3,681)	93.5%
Valuation of financial instruments		804	27,345	(97.1%)
Valuation of financial instruments - OCI		(257)	-	100.0%
Interest expense		159,195	163,946	(2.9%)
Subtotal		**378,648**	**232,118**	146,530
Changes in:				
Trade receivables, net		(12,440)	(1,796)	592.7%
Refundable taxes and other receivables, net		(21,523)	(4,100)	425.0%
Prepaid expenses		(37,420)	(22,118)	69.2%
Warranty deposits		422	334	26.3%
Other non-current assets, net		13,335	6,726	98.3%
Accounts payable and accruals		(20,471)	(13,629)	50.2%
Leases paid		503	(13,197)	(103.8%)
Taxes payable and accrued expenses		88,941	14,350	519.8%
Paid income taxes		(49,120)	(14,143)	247.3%
Other non-current liabilities		(138,425)	(9,812)	1310.8%
Net cash flows generated (used in) operating activities		**202,450**	**174,733**	**27,717**
Investing activities:				
Investments in trust certificates and other permanent investments		9,045	15,365	(41.1%)
Acquisition of furniture, equipment and leasehold improvements		3,478	(2,620)	(232.8%)
Capital expenditures in investment properties		(16,610)	(9,673)	71.7%
Interest collected		7,122	3,681	93.5%
Net cash flows generated (used in) investing activities		**3,035**	**6,753**	**(3,718)**
Financing activities:				
Leasing Payments		(3,561)		100.0%
Distributions to trustees and holders		(3,058)	-	100.0%
Obtained loans			135,000	(100.0%)
Payments of principal from loans		(12,263)	(166,036)	(92.6%)
Interest paid		(159,195)	(121,261)	31.3%
Derivative financial instruments		-	(1,647)	(100.0%)
Restricted cash		1,804	(2,089)	(186.4%)
Net cash (used in) generated from financing activities		**(176,273)**	**(156,033)**	**13.0%**
Net increase (decrease) in cash and cash equivalents		**29,212**	**25,453**	**14.8%**
Cash and cash equivalents at beginning of period		**404,468**	**273,862**	**47.7%**
Cash and cash equivalents at end of period	**$**	**433,680**	**299,315**	**44.9%**

Our main source of short-term liquidity is the cash flow generated from our operations. The generated resources are mainly applied to pay operating expenses and other expenses directly associated with our properties, including maintenance expenses and capital investments in recurring improvements to our properties.

We intend to continue covering our short-term liquidity requirements through the cash generated by our operations. We believe that our revenues from leases after operating expenses, will generally give us sufficient cash flow inflows to meet general, administrative expenses and to fund distributions.

Our long-term liquidity requirements primarily consist of funds aimed to pay for the development or redevelopment of projects, renovations, extensions, property acquisitions and other non-recurring capital expenditures that must be made periodically. Our future intention is to cover our long-term liquidity requirements through various sources of resources, including financing through debt and, where appropriate, capital offers. We expect that any loan we obtain, will imply usual obligations, including provisions that may limit our ability to incur additional debt, limitations on the granting of other mortgages or guarantees or limitations to transfer certain assets, buy or acquire additional real estate, change the conduct of our business or granting loans or giving down payments, to celebrate any merger, consolidation with, or acquire the business, assets or capital of any third party.

We have not established restrictions with our subsidiaries to transfer resources to us nor are we aware of any known trend, commitment or event that may or will significantly affect our liquidity, results of operations or financial condition.

Exposure, risks and contingencies

Occasionally we enter into derivative financial instruments in order to hedge the risk exposure from fluctuations in interest rates derived from the floating rate loans that we have entered into. These derivative financial instruments, although contracted for hedging purposes from an economic perspective, have been designated as trading instrument for accounting purposes until August 31, 2019 since they do not fulfill all the requirements stated in the accounting framework.

As of September 2, 2019, Planigrupo adopted hedge accounting under the new pronouncements of IFRS 9, changing the accounting treatment of its derivative financial instruments that were characterized as trading instruments. Therefore, market fluctuating in our derivative instruments will not affect our Profit & Losses and the effect will be reflected in Equity.

We cannot assure you that we will be adequately protected by our hedging operations or that such hedging operations will not result in losses that affect our business, financial condition and results of operations.

As of March 31, 2020, 99.9% of floating rate debt is hedged with derivative financial instruments. The derivative financial instruments entered into by PLANIGRUPO are recorded as an asset at a fair value of Ps. 1.7 million, which is equivalent to 0.01% of our liabilities.

Financial position, liquidity and capital resources

Our main source of short-term liquidity is the cash flow generated by our operations. The generated resources are mainly applied to pay operating expenses and other expenses directly associated with our properties, including maintenance expenses and capital investments in recurring improvements to our properties.

As of March 31, 2020, our liquidity was Ps. 890.4 million and was made up of the total current assets (cash and cash equivalents, accounts receivable, taxes receivable and other accounts receivable, as well as prepayments) representing 6.1% of our total assets.

Operations outside the Statement of Financial Position

At the date of the report we do not have operations that are not registered in our statement of financial position as of March 31, 2020.

Indebtedness

As of March 31, 2020, our total outstanding debt for the controlling interest was Ps. 6,401.8 million. Out of the total amount of the debt, as of March 31, 2020, Ps. 86.9 million were short-term debt and Ps. 6,314.9 million long-term debt.

The LTV of PLANIGRUPO in 1Q20 was 40.8%, including our properties with non-controlling interest.

The LTV in 1Q20, including our properties with non-controlling interest, was 39.6%.

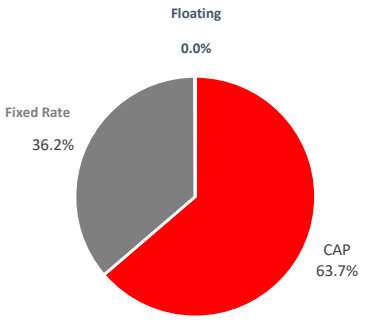
Property-level debt agreements have a mortgage guarantee.

As of March 31, 2020, 36.5% of our debt accrued interests at a fixed rate and 63.5% at a floating rate.

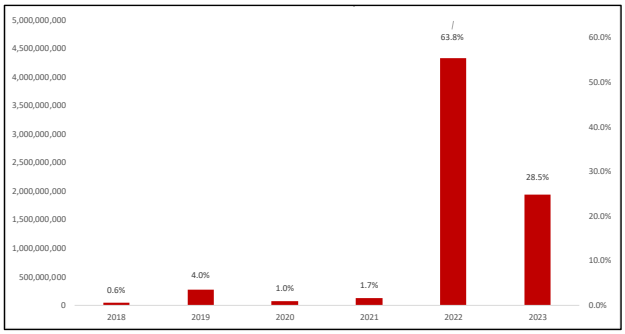
Derived from the recent refinancing of our loans, as of March 31, 2020, our total debt, including the positions in which we have a controlling and non-controlling interest, was Ps. 6,738.0 million of which 0.1% corresponded to a floating interest rate, 63.7% to a floating interest rate with current interest coverage and 36.2% fixed interest rate.

The consolidated weighted average rate is 8.8%, on outstanding balances as of March 31, 2020.

Debt Structure



Amounts amortized per year



Capital investments

For the period ended March 31, 2020, we incurred in capital investments of Ps. 16.6 million, which mainly consisted of maintenance investments and the redevelopment of one of our properties.

Quantitative and Qualitative Disclosures on Market Risks

Risk Management

In the ordinary course of business, we are exposed to various market risks that are beyond our control, including fluctuations in interest rates and currency exchange rates, which could have an adverse effect on the value of our assets and regarding our financial liabilities, future cash flows and profits. As a result of these market risks, we could suffer losses due to adverse changes in interest rates or currency exchange rates.

Our risk management policy seeks to assess the possibilities of experiencing losses and their consolidated impact and hedge our exposure to fluctuations in interest rates and currency exchange rates.

Interest rate risk

We have exposure to market risk due to changes in interest rates. Fluctuations in interest rates mainly impact loans, changing either their fair value, or their future cash flows. Management does not have a formal policy to determine how much of the exposure of PLANIGRUPO should be at a fixed or floating rate. However, at the time of obtaining new loans, our management uses its judgment to decide whether it deems that a fixed or floating rate would be more favorable for us during the planned term, until its maturity.

In order to protect itself from the risks arising from fluctuations in interest rates, PLANIGRUPO has acquired upon derivative financial instruments. These derivative financial instruments, although contracted for hedging purposes from an economic perspective, did not comply with all the requirements required by the regulations. Therefore, for accounting purposes, were designated as trading until August 31, 2019.

As of September 2, 2019, Planigrupo adopted hedge accounting under the new pronouncements of IFRS 9, changing the accounting treatment of its derivative financial instruments that used to be accountingly characterized as trading instruments.

Currency Exchange Rate Risk

As of March 31, 2020, the monetary position of assets and liabilities in dollars was non relevant, representing less than 1.0% of our total operating income, while practically all of our income, costs and operating expenses are denominated in Pesos.

PHONE CONFERENCE

PLANIGRUPO LATAM, S.A.B. de C.V.

Telephone Conference of First Quarter Results 2020.

Date: Wednesday April 29, 2020

Time: 9:00 A.M. (Central Time, Mexico City) / 10:00 A.M. (Eastern Time, N.Y.)

Presented by:

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Conrado Alba Brunet – Chief Financial Officer

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