Credit Rating Agency

*A NRSRO Rating**

Senior Notes

Fibra Uno
Trust F/1401

HR A- (G)

Corporate
March 12, 2020

Ratings

Senior Notes Due 2030	HR A- (G)
Senior Notes Due 2050	HR A- (G)
Outlook	Stable

Contacts

Luis Miranda
Corporates Senior Executive Director / ABS
luis.miranda@hrratings.com

Daniel Barjau
Senior Analyst
daniel.barjau@hrratings.com

José Luis Cano
Corporates Executive Director / ABS
joseluis.cano@hrratings.com

Definition

The long term global rating assigned to Pemex is HR A- (G). This indicates that the issuer or issue with this rating offers acceptable safety for timely payment of debt obligations and maintains low credit risk on a global scale basis. The negative sign means a relative weakness into the assigned rate.

Rule 17g-7 Information Disclosure Form

The Rating Action Commentary (RAC) associated with this disclosure form is an integral part of the form.

1. **Symbol, Number, or Score in the Rating Scale used by HR Ratings as required by Paragraph (a)(1)(ii)(A) of Rule 17g-7:**

Entity/Instrument	Rating Action	Rating Type	Rating Code
Senior Notes Due 2030 issued by Fibra Uno (the Issuer and/or the Trust and/or the Company) for an amount of US$400m	Affirmed	Long Term Rating	HR A- (G) / Stable Outlook
Senior Notes Due 2050 issued by Fibra Uno (the Issuer and/or the Trust and/or the Company) for an amount of US$600m	Affirmed	Long Term Rating	HR A- (G) / Stable Outlook

2. **Version of the Procedure or Methodology used to determine the credit rating as required by Paragraph (a)(1)(ii)(B) of Rule 17g-7:**

The rating assigned by HR Ratings to the entity is based in accordance with the following methodologies established by the rating agency:

- Corporate Debt Credit Risk Evaluation, May 2014
  https://www.hrratings.com/docs/metodologia/Corporate%20Debt%20Credit%20Risk%20Evaluation%20Final.pdf

- General Methodological Criteria, March 2019
  https://www.hrratings.com/docs/metodologia/GMC%20March%202019.pdf

3. **Main assumptions and principles used in constructing the procedures and methodologies to determine the credit rating as required by Paragraph (a)(1)(ii)(C) of Rule 17g-7:**

The methodology is founded upon the analysis performed under a base case and stress case scenario, which are primarily based on the entity's historic, current and projected financial statements. The credit risk analysis reflects our view of the entity's ability and willingness to make interest and principal payments promptly and in full. The ratings do not reflect expected recoveries in the event of default, nor do they incorporate views about non-credit factors that may impact the trading price of the entity's issues.

HR Ratings' methodology for Corporate Debt Credit Risk evaluates relative credit risk across different entities within an asset class.

The rating process consists of two basic components:

a) Determination of the Initial Rating (IR) or Quantitative analysis:

HR Ratings makes a quantitative analysis of annual audited reports and intra-annual financial statements that provides insight of the financial administration of the entity. Taking in consideration the historical analysis and guidance given by the entity, HR Ratings projects for the next three years the financial statements in a base and a stress scenario. In order to validate guidance given by the entity, it is compared with historical data and guidance given in past years. Ideally, this methodology assumes the existence of five years of historical data to serve as the basis for making projections. However, in the absence of such history, the analysis committee will decide whether, within the context of each entity or asset class, the information available is minimally acceptable in order to proceed with a rating.

The base case scenario represents HR Ratings' estimate of the most likely evolution over time of the entity's financial position. It considers guidance provided by the entity's senior management team, but we don´t incorporate that guidance as a given. The stress case scenario assumes a less favorable mix of assumptions compared to those utilized in the base case scenario.

Stress case assumptions are determined in relations to those of the base case and are standardized for the asset class in question. The stress case scenario may also incorporate different assumptions that are unique to a specific entity. For example, the stress case may consider less favorable outcomes of a major acquisition, or a significant increase in debt burden after embarking on a sizeable project that could severely affect an entity's financial position.

The main purpose of this methodology is an evaluation of the credit quality of an entity and its debt whose normal servicing is not given any structured preference relative to other forms of debt. However, the final credit ratings of specific debt obligations may be adjusted based on preferences that it might enjoy in situations of distress. For its part, preferred structure debt will generally be serviced by all or part of a specific revenue stream and will have priority (via a cash waterfall) in the receipt of these funds. To insure the prioritization a trust or special purpose vehicle may be created.

As part of the credit risk evaluation process, the analysis committee may distinguish among preferred, nonpreferred and subordinated sub-categories. The committee may also give different ratings to specific debt that is strengthened by credit enhancement mechanisms such as guarantees from financial institutions and development banks. The credit rating process of an entity also takes into consideration related group obligations. This refers to the impact on an entity's debt obligations of credit events on the debt of related parties. In these instances, the ratings may be negatively affected by the relationship to the debt of related parties with lower credit ratings. This extends to other liabilities that might be activated by credit events occurring in related entities.

In measuring the amount of debt, this methodology requires analysts to endeavor to adopt a relatively broad definition such as relevant off-balance sheet obligations or liabilities that may trigger a default. Where appropriate, the Methodology Committee will create more precise definitions tailored to a specific asset class.

Once projections are made, our model calculates the Free Cash Flow (FCF), which is the core concept in order to calculate the four metrics that determine the initial rating. These four metrics are: i) Debt Service Coverage Ratio ("DSCR"), ii) DSCR with cash, iii) Years of Payment of Net Debt and iv) Marketable Assets to Liability Coverage Ratio ("MALC"). The model calculates a weighted average between these metrics and between years in both base and stress scenarios. The weighted sum of the normalized metric values for the two scenarios will determine the IR as converted to a letter grade using HR Ratings' credit risk scale.

The committee also evaluates the trend in the evolution of the key metrics used in the quantitative component of the rating process. Furthermore, a sharp increase in debt amortizations following the conclusion of the forecast period might be viewed as negative and in certain circumstances could justify a decision on the part of the analysis committee to extend the time horizon of the forecast period and recalibrate the relative weights for each year in the measurement of the metrics.

b) Determination of the Initial Rating (IR) or Quantitative analysis:

Once the IR is determined, the methodology then evaluates the adjustments that might be needed based on the incorporation of a variety of additional qualitative factors. The final adjustment may be multi-notch, either raising or lowering the IR. It is not possible to give a predetermined individual relative weight to any qualitative factor. The analysis committee will determine each factor's impact as neutral, positive or negative. Also, the qualitative component takes into consideration the quality of the information provided and the penalization, if any, of a limited period of historical data.

Among the main qualitative factors that are likely to be highly relevant to all entities are:

i. **Corporate Governance:** This includes factors such as the presence of independent members on the Board of Directors and procedures to provide adequate compliance with locally appropriate regulations regarding internal operations.
ii. **Liquidity and Credit Lines:** Although an entity may be structurally solvent, it could also have liquidity issues not entirely reflected in the DSCR measures. Alternatively, an entity could have access to credit lines that would provide it with liquidity. In evaluating credit lines, it is important to incorporate the degree of commitment that a lending institution has to extend the credit even in times of financial stress.
iii. **Industry Risk:** This includes factors such as the industry's future prospects, the pace of technological change, barriers to entry and cyclicality.
iv. **Company Market Position:** Here we consider whether an entity is a strong or weak participant within the industry, whether or not that position is changing or at risk of changing (e.g., technology, loss of patents), and whether or not a company depends upon a limited number of customers.

v. Regulatory Risk: This includes such factors as whether the industry is highly regulated such that participants might face sanctions, and whether the regulation is subject to change such that it could harm or benefit the entity being rated. Political and labour relations risks are also considered here.

vi. Accounting Risk: Although this methodology generally assumes the accuracy of information audited by reputable accounting firms, the analysis committee has the prerogative to penalize a rating if it believes that the quality of the information is low, but enough to evaluate the financial evolution of the entity.

vii. Project and Financial Risk: Under this factor we review if the company is currently engaged in a new venture or acquisition and if it is it exposed to exchange rate volatility.

viii. Group Risk: This refers to factors apart from those included in the debt covenants. An entity might be linked to a powerful group of shareholders that can provide it with financial resources in times of stress. Or, it might be linked to businesses that are weakening and shareholders might decide to transfer resources (via dividends or inter-company loans) from the entity being rated to weaker elements of the group.

ix. Property enhancements: Debt may be backed by liens on assets held by the entity. The existence of such enhancements may have a positive impact on the final rating depending upon the legal nature of the lien, the valuation of the property and the prospects of monetizing the asset.

4. Potential limitations of the credit rating as required by Paragraph (a)(1)(ii)(D) of Rule 17g-7

- HR Ratings does not validate, guarantee or certify the accuracy, correctness or completeness of any information and is not responsible for any errors or omissions or for results obtained from the use of such information.
- Ratings and/or opinions assigned by HR Ratings are based on an analysis of the of the creditworthiness of an entity, issue or issuer, and do not necessarily imply a statistical likelihood of default.
- The credit ratings do not opine on the liquidity of the issuer’s securities or stock.
- The credit ratings do not consider the possible loss severity on an obligation default.
- The credit ratings are not an opinion of the market value of any issuer’s securities or stock, or the possibility that this value suffer a deterioration.

5. Information on the uncertainty of the credit rating as required by Paragraph (a)(1)(ii)(E) of Rule 17g-7

The Analysis Committee noted no material limitations on the reliability, accuracy and quality on the data relied on in determining the credit rating.

The Analysis Committee noted no material limitations on the scope of historical data or on the accessibility to certain documents or other information that would have better informed any credit rating listed in this disclosure form. It should be noted that a Technical Note was incorporated for the Issuer’s rating, regarding the Free Cash Flow calculation, which includes the obligation to distribute 95.0% of their Net Taxable Income to the CBFI holders by regulation, to keep their FIBRA status.

The ratings and/or opinions assigned are issued on behalf of HR Ratings, not of its management or technical staff, and do not constitute an investment recommendation to buy, sell, or hold any instrument nor to perform any business, investment or other operation. The assigned ratings and/or opinions issued may be subject to updates at any time, in accordance with HR Ratings’ methodologies.

6. Use of third party due diligence services as required by Paragraph (a)(1)(ii)(F) of Rule 17g-7

HR Ratings did not use third party due diligence services for its rating actions.

7. Use of servicer or remittance reports to conduct surveillance of the credit rating as required by Paragraph (a)(1)(ii)(G) of Rule 17g-7

HR Ratings does not use Servicer or Remittance Reports to conduct surveillance of its rating actions.

8. Description of types of data about any obligor, issue, security or money market instrument relied upon for determining credit rating as required by Paragraph (a)(1)(ii)(H) of Rule 17g-7

Among the main information used for the rating is:

- Annual Audited reports obtained from public record, regulatory filings and from Fibra Uno.

- Inter-annual financial statements and operational results.
- Projections, budget and guidelines provided by the Trust.
- Presentations provided by the Trust.

9. Overall assessment of quality of information available and considered in determining credit rating as required by Paragraph (a)(1)(ii)(I) of Rule 17g-7

The quality of the information provided by the entity is considered consistent with the quality observed within the asset class.

10. Information relating to conflicts of interest as required by Paragraph (a)(1)(ii)(J) of Rule 17g-7

The rating was solicited by the entity or issuer, or on its behalf, and therefore, HR Ratings has received the corresponding fees for the rating services provided. The following information can be found on our website at www.hrratings.com: (i) The internal procedures for the monitoring and surveillance of our ratings and the periodicity with which they are formally updated, (ii) the criteria used by HR Ratings for the withdrawal or suspension of the maintenance of a rating, and (iii) the procedure and process of voting on our Analysis Committee. The Analysis has been performed with complete independence from the received fees or any other business relation with the entity and in absolute concordance with the applicable methodologies.

The ratings and/or opinions assigned are issued on behalf of HR Ratings, not of its management or technical staff, and do not constitute an investment recommendation to buy, sell, or hold any instrument nor to perform any business, investment or other operation. The assigned ratings and/or opinions issued may be subject to updates at any time, in accordance with HR Ratings' methodologies.

11. Explanation or measure of potential volatility to the credit rating as required by Paragraph (a)(1)(ii)(K) of Rule17g-7

The main factors that could lead to the volatility of the rating are:

- **Higher indebtedness.** FUNO's rating could be affected if the Trust increases its investments in developing projects with long construction periods through a greater leverage, surpassing an LTV of 42.0% and a net debt / FLE indicator above 8.0 years.
- **Change in amortization profile.** A change in the debt structure with a bigger proportion in the short term could lead to a reduction in the DSCR levels below 2.0x in a sustained manner, producing a negative impact on the rating.
- **Constant payment of distributions greater than the Flow from Operations.** The payment of the debt servicing would be compromised if the Trust were to distribute amounts above the cash flow generated from the operations of the portfolio.

12. Historical performance and expected probability of default and expected loss in event of default as required by Paragraph (a)(1)(ii)(L) of Rule 17g-7

For historical performance of each rating listed in the disclosure form, click on the link in the ratings table presented on the first page.

Our credit ratings need to be understood as rankings of the relative creditworthiness of different entities or credits. Creditworthiness takes into consideration both the ability and willingness to meet debt obligations in the manner prescribed in the relevant documentation. Default refers to the noncompliance of previously agreed obligations.

As our ratings measure relative creditworthiness, they do not necessarily reflect any specific statistical probability of default. In order to make more valid rankings of creditworthiness our different methodologies Will apply stress case scenarios to complement our base case analysis.

13. Assumptions made by HR Ratings in determining announced credit ratings and examples of how assumptions impact the rating as required by Paragraph (a)(1)(ii)(M) of Rule 17g-7

- **FCF according to our estimates.** The FCF was in line with our projections of the previous year (P$13,267m vs. P $ 13,254m in the baseline scenario). This was the result of an Adjusted EBITDA 4.8% higher than the baseline scenario (P $ 14,408m vs. P $ 13,753m in base scenario), produced by a 17.1% increase in the GLA due to the Titan portfolio acquisition, and partially offset by an extraordinary growth of 72.0 % in VAT to be recovered, and of 86.3% in advances and other accounts receivable for the purchase of the portfolio.

- **Higher indebtedness.** In 4Q19, the net debt increased 38.4% to P$104,016m (vs. P$75,157m in 4Q18 and P $ 75,131m in the baseline scenario). This was mainly due to the acquisition of two new portfolios, increasing the ratio of Net Debt to FLE by 2.3 years (7.8 years vs. 5.5 and 5.7 years in 2018 and baseline scenario).
- **Committed credit lines.** Fibra Uno has a committed credit lines for an approximate amount of P$21,350m which expires on July 2024, with a first portion for up to P$13,500m and the other portion for US$410m. This is considered as an alternative source of financing, even in a stress scenario.
- **Diversified portfolio.** The 4Q19 portfolio ended up with 615 operations of a mixed portfolio (offices, retail, industrial and others) with clients in different economic sectors and with presence in the 32 states of the Mexican Republic, which makes the portfolio more defensive against macroeconomic and geographical risks.

14. Representations, warranties and enforcement mechanisms available to investors as required by Paragraph (a)(1)(ii)(N) of Rule 17g-7

The reporting of representations, warranties, and enforcement mechanisms does not apply to the credit rating listed in the disclosure form as it is not assigned to an asset-backed security.

15. Attestation as required by Paragraph (a)(1)(iii) of Rule 17g-7 (Page 4)

Credit Rating Attestation

I, José Luis Cano Mendoza, Executive Director Corporates / ABS have the responsibility for this rating action and, to the best of my knowledge:

- No part of the credit rating was influenced by any other business activities;
- The credit rating was based solely upon the merits of the obligor, security, or money market instrument being rated; and
- The credit rating was an independent evaluation of the credit risk of the obligor, security, or money market instrument

Mexico City, March 12, 2020

/s/ José Luis Cano Mendoza /
Executive Director Corporates / ABS
HR Ratings de México, S.A. de C.V.

HR Ratings Management Contacts

Management

Chairman of the Board of Directors

Alberto I. Ramos +52 55 1500 3130
alberto.ramos@hrratings.com

Chief Executive Officer

Fernando Montes de Oca +52 55 1500 3130
fernando.montesdeoca@hrratings.com

Vice President of the Board of Directors

Aníbal Habeica +52 55 1500 3130
anibal.habeica@hrratings.com

Analysis

Chief Credit Officer

Felix Boni +52 55 1500 3133
felix.boni@hrratings.com

Deputy Chief Credit Officer

Pedro Latapí +52 55 8647 3845
pedro.latapi@hrratings.com

Unsecured Public Finance / Sovereigns

Ricardo Gallegos +52 55 1500 3139
ricardo.gallegos@hrratings.com

Álvaro Rodríguez +52 55 1500 3147
alvaro.rodriguez@hrratings.com

Secured Public Finance / Infrastructure

Roberto Ballinez +52 55 1500 3143
roberto.ballinez@hrratings.com

Roberto Soto +52 55 1500 3148
roberto.soto@hrratings.com

Financial Institutions / ABS

Angel García +52 55 1253 6549
angel.garcia@hrratings.com

Methodologies

Alfonso Sales +52 55 1253 3140
alfonso.sales@hrratings.com

Corporates / ABS

Luis Miranda +52 55 1500 3146
luis.miranda@hrratings.com

José Luis Cano +52 55 1500 0763
joseluis.cano@hrratings.com

Regulation

Chief Risk Officer

Rogelio Argüelles +52 181 8187 9309
rogelio.arguelles@hrratings.com

Head Compliance Officer

Alejandra Medina +52 55 1500 0761
alejandra.medina@hrratings.com

Business Development

Business Development

Francisco Valle +52 55 1500 3134
francisco.valle@hrratings.com

Mexico: Avenida Prolongación Paseo de la Reforma #1015 torre A, piso 3, Col. Santa Fe, México, D.F., CP 01210, Tel 52 (55) 1500 3130.
United States: One World Trade Center, Suite 8500, New York, New York, ZIP Code 10007, Tel +1 (212) 220 5735.

****HR Ratings, LLC (HR Ratings), is a Credit Rating Agency registered by the Securities and Exchange Commission (SEC) as a Nationally Recognized Statistical Rating Organization (NRSRO) for the assets of public finance, corporates and financial institutions as described in section 3 (a) (62) (A) and (B) subsection (i), (iii) and (v) of the US Securities Exchange Act of 1934.***

The rating was solicited by the entity or issuer, or on its behalf, and therefore, HR Ratings has received the corresponding fees for the rating services provided. The following information can be found on our website at www.hrratings.com: (i) The internal procedures for the monitoring and surveillance of our ratings and the periodicity with which they are formally updated, (ii) the criteria used by HR Ratings for the withdrawal or suspension of the maintenance of a rating, and (iii) the procedure and process of voting on our Analysis Committee.

HR Ratings ratings and/or opinions are opinions of credit quality and/or regarding the ability of management to administer assets; or opinions regarding the efficacy of activities to meet the nature or purpose of the business on the part of issuers, other entities or sectors, and are based exclusively on the characteristics of the entity, issuer or operation, independent of any activity or business that exists between HR Ratings and the entity or issuer. The ratings and/or opinions assigned are issued on behalf of HR Ratings, not of its management or technical staff, and do not constitute an investment recommendation to buy, sell, or hold any instrument nor to perform any business, investment or other operation. The assigned ratings and/or opinions issued may be subject to updates at any time, in accordance with HR Ratings' methodologies.

HR Ratings bases its ratings and/or opinions on information obtained from sources that are believed to be accurate and reliable. HR Ratings, however, does not validate, guarantee or certify the accuracy, correctness or completeness of any information and is not responsible for any errors or omissions or for results obtained from the use of such information. Most issuers of debt securities rated by HR Ratings have paid a fee for the credit rating based on the amount and type of debt issued. The degree of creditworthiness of an issue or issuer, opinions regarding asset manager quality or ratings related to an entity's performance of its business purpose are subject to change, which can produce a rating upgrade or downgrade, without implying any responsibility for HR Ratings. The ratings issued by HR Ratings are assigned in an ethical manner, in accordance with healthy market practices and in compliance with applicable regulations found on the www.hrratings.com rating agency webpage. There Code of Conduct, HR Ratings' rating methodologies, rating criteria and current ratings can also be found on the website.

Ratings and/or opinions assigned by HR Ratings are based on an analysis of the creditworthiness of an entity, issue or issuer, and do not necessarily imply a statistical likelihood of default, HR Ratings defines as the inability or unwillingness to satisfy the contractually stipulated payment terms of an obligation, such that creditors and/or bondholders are forced to take action in order to recover their investment or to restructure the debt due to a situation of stress faced by the debtor. Without disregard to the aforementioned point, in order to validate our ratings, our methodologies consider stress scenarios as a complement to the analysis derived from a base case scenario. The rating fee that HR Ratings receives from issuers generally ranges from US$1,000 to US$1,000,000 (or the foreign currency equivalent) per issue. In some instances, HR Ratings will rate all or some of the issues of a particular issuer for an annual fee. It is estimated that the annual fees range from US$5,000 to US$2,000,00 (or the foreign currency equivalent).