



SECOND QUARTER 2019 EARNINGS RELEASE



BUILDING
EXPERIENCES



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GICSA ANNOUNCES CONSOLIDATED RESULTS FOR SECOND QUARTER 2019

Mexico City, June 23, 2019 – GRUPO GICSA, S.A.B. de C.V. ("GICSA" or "the Company") (BMV: GICSA), a Mexican leading company specialized in the development, investment, commercialization and operation of shopping malls, corporate offices, industrial buildings and mixed-use properties, announced today its results for the second quarter ("2Q19") and six-month ("6M19") periods ended in June 30, 2019.

All figures have been prepared in accordance with International Financial Reporting Standards ("IFRS") and are stated in thousands of Mexican pesos (Ps.) GICSA's financial results presented in this report are unaudited; therefore, figures mentioned throughout this report may present adjustments in the future.

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Main Highlights

Corporate

- Beginning in the third quarter of 2018, we were able to see reflected the results of the restructuring of our joint portfolio with a group of investors at the project level; this transaction was announced in a press release dated July 3.

In order to facilitate the understanding and comparability of the financial results, this report presents consolidated and proforma information. Proforma information reflects information as if the transaction had occurred on January 1, 2018, which facilitates the comparability of the information. 2Q19 will be the final quarter that reflects this effect.

Derived from current market conditions, GICSA is evaluating strategic opportunities that include, without limitation, the review of the debt profile, and analyzes refinancing options, and well as strategic alternatives for the portfolio that is under operation and development.

Operational

- GICSA reported a total of 836,458 square meters of Gross Leasable Area (GLA) comprised of 15 properties in operation at the conclusion of 2Q19. GICSA's proportional GLA was 83.4%, equivalent to 697,616 square meters, an increase of 31.8% compared to 2Q18.
- As of 2Q19, the occupancy rate of the stabilized portfolio was 93.2% and including the 5 properties delivered in 2018, the occupancy rate reached 90.7%.
- Average leasing rate per square meter of the stabilized portfolio at the close of 2Q19 was Ps. 384.
- GICSA reached an occupancy cost of 9.8% at the close of 2Q19, and an increase of 5.6% in same-store sales during the same period.



- At the close of 2Q19, GICSA had a total of 18 million visitors throughout the portfolio's shopping, an increase of 3.8% in same properties.

Financial

- Consolidated Net Operating Income (NOI) reached Ps. 851 million in 2Q19, an increase of 16.9% compared to 2Q18. GICSA's proportional NOI reached Ps. 679 million, an increase of 52.1% compared to 2Q18. Considering proforma figures for 2Q18 and 2Q19 the actual increase was 15.6% in the consolidated NOI and 14.0% in the proportional NOI.
- Consolidated EBITDA was Ps. 757 million in 2Q19, a decrease of 57.4% compared to 2Q18, and an increase of 17.0% excluding the extraordinary revenue for the services recognition from the property swap in 3Q18. GICSA's proportional EBITDA reached Ps. 586 million, a decrease of 63.0% compared to 2Q18 and an increase of 28.7% excluding the extraordinary revenue in 3Q18.
- At the close of 2Q19, net income reached Ps. 568 million; while GICSA's proportional net income was Ps. 481 million.
- Consolidated financial debt at the close of 2Q19 was Ps. 24,361 million; while GICSA's proportional debt was Ps. 21,753 million. LTV was 35.6%.
- During this quarter, the Company refinanced the Capital Reforma bank loan with a new maturity at June 2024 and lowering the financing cost by 65 basis points. Furthermore, the Paseo Queretaro bank loan changed from a construction loan, to a simple credit loan, improving the financing cost by 95 basis points from a TIIE plus 420 basis points to a TIIE plus 325 basis points. As of 2Q19, the outstanding balance was Ps. 1,128 million with maturity April 2026.
- As of June 30, 2019, the Company implemented several hedging instruments in order to mitigate interest rate fluctuation. At the close of 2Q19, 100% of the floating consolidated debt was hedged. Moreover, the Company negotiated a fix value for the UDI. At the close of 2Q19, the fixed rate TIIE and LIBOR was 7.84% and 1.58%, respectively.

Pipeline

- During 2Q19, the commercialization of properties under development and in stabilization reached progress of 141 signed contracts representing 21,909 square meters.
- Lomas Altas, Explanada Pachuca and Explanada Culiacán reached construction progress of 96%, 95% and 67%, respectively. We expect that these facilities will open according to schedule.



Comments by the Chief Executive Officer

Dear Investors:

I am pleased to share with you the results for the second quarter of 2019, a quarter in which GICSA was once again able to demonstrate solid operational and financial results, in contrast to the adverse economic environment. In addition to maintaining consistent occupancy rates on our stabilized properties, the projects delivered during 2018 are beginning to generate steady revenues.

Although consumption in the country has declined, our properties reported results that were above both inflation as well as those presented by the National Association of Supermarkets and Department Stores (ANTAD). During this period, same store sales at our properties grew by 5.6%, with a lease spread of 10.1% and a renewal rate of 98%.

The financial indicators experienced significant progress. NOI of the current portfolio was Ps. 850 million and proportional NOI was Ps. 680 million, figures that were above the 41.3% and 79.9%, respectively, versus 2Q18 results. Excluding the extraordinary revenue from the property swap in 2Q18, consolidated EBITDA grew by 17.0% and proportional EBITDA increased 28.7%.

Additionally, I want to mention that we made solid progress in the commercialization of our portfolio under development and stabilization. This quarter we commercialized 21,909 square meters of leasable area equivalent to 141 new contracts in the projects that are currently in stabilization and under construction.

I am also pleased to confirm that we continued to make solid progress on the construction of our new projects: Lomas Altas, Explanada Pachuca and Explanada Culiacán, which reported a progress rate of 96%, 95% and 67%, respectively, and which we expect to deliver according to schedule.

Finally, and derived from current market conditions, we are evaluating strategic opportunities that include, without limitation, the review of the leverage profile, refinancing options, and strategic alternatives for the portfolio under operation and development.

In summary, we are very satisfied with the results for the quarter. 2019 has been and will continue to be a year of important challenges and we are ready to take advantage of opportunities that arise. We believe that our experience places us in a favorable position to reach the goals established in our medium and long term business plan and we are confident in our capacity to continue executing our strategy and consolidating our growth plan, as well as generating value for our shareholders.

I reiterate our appreciation for your continued support and confidence.

Abraham Cababie Daniel

Chief Executive Officer of Grupo GICSA



GICSA's Model

GICSA's business model is focused on capturing value throughout the project cycle for its businesses as well as third-party projects; subsequently generating additional revenue from services to third parties. Our C-Corp structure and business model eliminates fee leakage, consequently maximizing shareholder returns.

The three pillars of our business model are:

1. The portfolio of 15 properties in operation generates a consistent and solid cash stream, with a GLA of 836,458 square meters in which GICSA has an 83.4% stake.
2. The portfolio under development and to be developing, provide the foundation for growth. It is expected that the 6 properties under construction will add a total of saleable area of 89,400 square meters and GLA of 291,552 square meters to the existing portfolio.

The 4 service companies, which cover the full cycle real estate development cycle, provide quality, operating efficiency, as well as eliminate fee leakage. GICSA has a 100% participation in these 4 service companies.

Summary of Key Operational and Financial Indicators

Operating Ratios	2Q19	2Q18	Var. %	2Q18 Proforma	Var. %
Gross Leasable Area ¹ (GLA in square meters)	836,458	831,004	0.7%	670,765	24.7%
GICSA's Gross Leasable Area ¹ (GLA in square meters)	697,616	529,460	31.8%	530,371	31.5%
% of participation in total GLA	83.4%	63.7%	30.9%	79.1%	5.5%
Occupancy Rate	93.17%	93.76%	-0.6%	93.91%	-0.8%
Average duration of contracts (years)	3.17	3.06	3.6%	3.10	2.3%
Average Rent / square meters	Ps. 384	Ps. 373	2.8%	Ps. 373	2.8%
Same store sales	5.59%	5.20%	7.5%	3.94%	42.1%
Occupancy Cost ²	9.78%	7.82%	25.1%	8.74%	11.9%
Renewal Rate	97.63%	96.14%	1.5%	96.30%	1.4%
Lease spread	10.15%	10.07%	0.8%	8.63%	17.6%

¹ Includes Interlomas expansion, Isla Mérida, Explanada Puebla, Paseo Querétaro and Masaryk 169

² Calculation includes total portfolio under operation

Financial Ratios (in millions of Pesos)	2Q19	2Q18	Var. %	6M19	6M18	Var. %	6M18 proforma	Var. %
Revenues from properties ³	Ps. 1,066,479	Ps. 934,528	14.1%	Ps. 2,104,657	Ps. 1,986,180	6.0%	Ps. 1,645,443	27.9%
Proportional Revenues from properties ³	Ps. 855,343	Ps. 577,041	48.2%	Ps. 1,694,506	Ps. 1,228,930	37.9%	Ps. 1,298,746	30.5%
Revenues from properties ³ (excluding key money)	Ps. 992,842	Ps. 896,557	10.7%	Ps. 1,979,945	Ps. 1,864,530	6.2%	Ps. 1,548,410	27.9%
Proportional revenues from properties ³ (excluding key money)	Ps. 795,704	Ps. 546,781	45.5%	Ps. 1,588,816	Ps. 1,137,174	39.7%	Ps. 1,212,523	31.0%
Net Operating Income (NOI)	Ps. 850,570	Ps. 727,420	16.9%	Ps. 1,676,728	Ps. 1,618,259	3.6%	Ps. 1,450,321	15.6%
GICSA's Proportional Net Operating Income (NOI)	Ps. 679,496	Ps. 446,782	52.1%	Ps. 1,344,874	Ps. 997,845	34.8%	Ps. 1,180,182	14.0%
NOI margin over Property Revenues ⁴	79.75%	77.84%	2.5%	79.67%	81.48%	-2.2%	88.14%	-9.6%
NOI margin over Proportional Property Revenues ⁴	79.44%	77.43%	2.6%	79.37%	81.20%	-2.3%	90.87%	-12.7%
Net Operating Income (excluding key money)	Ps. 776,932	Ps. 689,449	12.7%	Ps. 1,551,902	Ps. 1,496,773	3.7%	Ps. 1,239,878	25.2%
GICSA's Proportional Net Operating Income (excluding key money)	Ps. 619,857	Ps. 416,522	48.8%	Ps. 1,239,670	Ps. 906,089	36.8%	Ps. 972,582	27.5%
NOI margin over Property Revenues (excluding key money) ⁴	78.25%	76.90%	1.8%	78.38%	80.28%	-2.4%	80.07%	-2.1%
NOI margin over Proportional Property Revenues (excluding key money) ⁴	77.90%	76.18%	2.3%	78.02%	79.68%	-2.1%	80.21%	-2.7%
EBITDA	Ps. 756,704	Ps. 1,774,755	-57.4%	Ps. 1,537,975	Ps. 2,630,154	-41.5%	Ps. 2,462,217	-37.5%
GICSA's proportional EBITDA	Ps. 585,630	Ps. 1,582,875	-63.0%	Ps. 1,206,121	Ps. 2,176,724	-44.6%	Ps. 2,192,077	-45.0%
EBITDA (excluding extraordinary revenues)	Ps. 756,704	Ps. 646,755	17.0%	Ps. 1,537,975	Ps. 1,502,154	2.4%	Ps. 1,334,217	15.3%
GICSA's proportional EBITDA (excluding extraordinary revenues)	Ps. 585,630	Ps. 454,875	28.7%	Ps. 1,206,121	Ps. 1,048,724	15.0%	Ps. 1,064,077	13.3%
Total Debt	Ps. 24,361,338	Ps. 22,670,849	7.5%	Ps. 24,361,338	Ps. 22,670,849	7.5%	-	-
GICSA's Prop Debt	Ps. 21,788,572	Ps. 17,254,870	26.3%	Ps. 21,788,572	Ps. 17,254,870	26.3%	-	-
LTV	35.56%	35.02%	1.5%	35.56%	35.02%	1.5%	-	-

³ Total revenues from properties of the portfolio under operation, development and divested

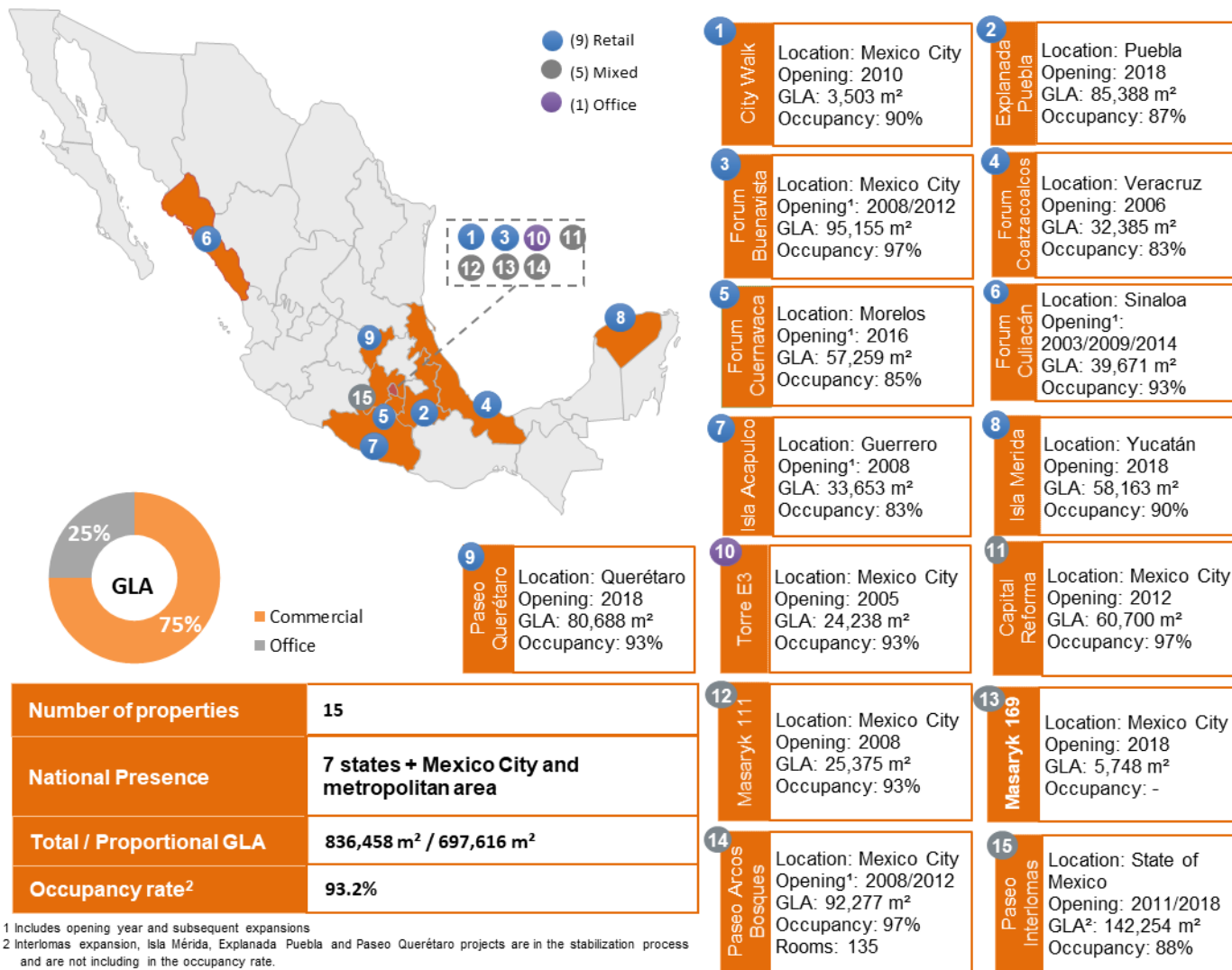
⁴ NOI / Revenues from properties



Portfolio in Operation

Geographical distribution of the portfolio in operation

At the close of June 30, 2019, GICSA is comprised by 15 properties in operation. These properties are located in Mexico City and metropolitan area, Acapulco, Culiacán, Cuernavaca, Puebla, Querétaro, Mérida and Coatzacoalcos. At the close of 2Q19, the average occupancy rate of GICSA's stabilized properties was 93.2%.



1 Includes opening year and subsequent expansions
 2 Interlomas expansion, Isla Mérida, Explanada Puebla and Paseo Querétaro projects are in the stabilization process and are not including in the occupancy rate.
 Note: All figures represent 100% of properties of 2Q19



Properties of the Portfolio in Operation

As of June 30, 2019, GICSA's portfolio consist of 836,458 square meters of GLA, equivalent to nine shopping malls, five mixed-use developments and one corporate offices building, comprising GICSA's total GLA as follows: 58.1% correspond to commercial properties, 39.0% correspond to mixed-use properties, and 2.9% to office space.

At the close of 2Q19, the portfolio was used by over 18 million visitors and 4 million vehicles. Furthermore, in 2Q19 NOI of the stabilized and under development portfolio reached Ps. 851 million; while Ps. 680 million correspond to GICSA's proportional NOI in 2Q19.

The following table presents a description of the stabilized properties as of June 30, 2019:

Portfolio of properties in operation	Location	Operations starting year	GLA (square meters)	GICSA's stake %	Proportional GLA (square meters)	GLA % total properties	Occupancy rate	Parking spaces
Stabilized properties								
Commercial use								
City Walk	Mexico City	2010	3,503	100%	3,503	0.3%	90%	147
Forum Buenavista	Mexico City	2008	95,155	100%	95,155	8%	97%	2,372
Forum Coatzacoalcos	Coatzacoalcos, Ver.	2006	32,385	50%	16,193	3%	83%	1,674
Forum Cuernavaca	Cuernavaca, Mor.	2016	57,259	100%	57,259	5%	85%	2,974
Forum Culiacán	Culiacán, Sin.	2003	39,671	100%	39,671	4%	93%	2,553
La Isla Acapulco	Acapulco, Gro.	2008	33,653	84%	28,269	3%	83%	1,929
Sub commercial use			261,628	92%	240,050	23%	1	11,649
Office use								
Torre E 3	Mexico City	2005	24,238	100%	24,238	2%	93%	1,617
Subtotal office use			24,238	100%	24,238	2%	1	1,617
Mix use								
Capital Reforma	Mexico City	2012	60,700	100%	60,700	5%	97%	2,065
Masaryk 111	Mexico City	2008	25,375	100%	25,375	2%	93%	710
Paseo Arcos Bosques	Mexico City	2008	92,277	50%	46,138	8%	97%	3,454
Paseo Interlomas	State of Mexico	2011	82,196	50%	41,098	7%	96%	3,982
Subtotal mix use			260,548	67%	173,312	23%	96%	10,211
Total stabilized portfolio			546,413	80%	437,600	48%	93%	23,477
Properties in stabilization								
Commercial use								
Paseo Interloms expansion	State of Mexico	2018	37,345	50%	18,673	3%	91%	1,496
La Isla Mérida	Mérida, Yuc.	2018	58,163	100%	58,163	5%	90%	2,800
Explanada Puebla	Cholula, Pue.	2018	85,388	100%	85,388	8%	87%	2,000
Paseo Querétaro	Querétaro, Qro.	2018	80,688	100%	80,688	7%	93%	3,163
Masaryk 169	Mexico City	2018	1,320	100%	1,320	0%	100%	219
Office use								
Paseo Interlomas expansion	State of Mexico	2018	22,712	50%	11,356	2%	57%	-
Masaryk 169	Mexico City	2018	4,428	100%	4,428	0%	-	-
Total portfolio in stabilization			290,045	90%	260,016	26%	86%	9,678
Total portfolio			836,458	83%	697,616	74%	91%	33,155

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The following table presents the financial results of the stabilized properties as of June 30, 2019:

Portfolio of properties in operation	Occupancy rate		Total Revenue (Ps. Thousands)		NOI (Ps. Thousands)			Proportional NOI (Ps. Thousands)			Average rent by square meter		
	2Q19	2Q19	2Q18	Var. %	2Q19	2Q18	Var. %	2Q19	2Q18	Var. %	2Q19	2Q18	Var. %
Stabilized portfolio													
Commercial Use													
City Walk	90%	4,911	5,453	-10%	3,746	4,418	-15%	3,746	4,418	-15%	424	375	13%
Forum Buenavista	97%	128,069	106,582	20%	99,562	78,436	27%	99,562	78,436	27%	277	254	9%
Forum Coatzacoalcos	83%	32,654	33,186	-2%	22,148	22,678	-2%	11,074	5,670	95%	271	265	2%
Forum Cuernavaca	85%	47,082	41,065	15%	38,378	33,042	16%	38,378	16,521	132%	285	286	-0.4%
Forum Culiacán	93%	60,208	64,470	-7%	56,399	53,505	5%	56,399	26,752	111%	361	349	3%
La Isla Acapulco	83%	26,018	24,290	7%	16,688	14,612	14%	14,018	12,274	14%	202	191	6%
Subtotal Commercial	90%	298,942	275,047	9%	236,919	206,691	15%	223,175	144,071	55%	284	270	5%
Office Use													
Torre E 3	93%	48,368	47,238	2%	38,856	37,235	4%	38,856	27,926	39%	586	607	-4%
Subtotal Office Use	93%	48,368	47,238	2%	38,856	37,235	4%	38,856	27,926	39%	586	607	-4%
Mix Use													
Capital Reforma	97%	103,638	92,763	12%	87,658	77,059	14%	87,658	46,236	90%	492	492	-0.1%
Masaryk 111	93%	44,375	40,160	10%	36,017	32,384	11%	36,017	24,288	48%	531	537	-1%
Paseo Arcos Bosques	97%	203,605	182,435	12%	169,977	145,107	17%	84,988	72,554	17%	575	572	0.5%
Paseo Interlomas and expansion	88%	172,738	115,635	49%	139,734	86,138	62%	69,867	43,069	62%	320	297	8%
Subtotal Mix Use	93%	524,357	430,994	22%	433,386	340,688	27%	278,530	186,146	50%	447	439	2%
Total stabilized portfolio	92%	871,667	753,278	16%	709,161	584,614	21%	540,562	358,143	51%	384	373	3%
Portfolio in process of stabilization													
Commercial Use													
La Isla Mérida	90%	52,608	12,862	309%	31,556	5,578	466%	31,556	5,578	466%	282	311	-9%
Explanada Puebla	87%	43,526	-	100%	31,136	-	100%	31,136	-	100%	213	-	100%
Paseo Querétaro	93%	77,424	-	100%	57,463	-	100%	57,463	-	100%	270	-	100%
Total portfolio in process of stabilization	90%	173,559	12,862	1249%	120,155	5,578	2054%	120,155	5,578	2054%	252	311	-19%
Total projects under development	-	21,253.46	11,897.70	0.79	21,253	11,898	79%	18,779	13,997	34%	-	0	-
Results of actual portfolio	91%	1,066,479	778,037	37%	850,570	602,089	41%	679,496	377,718	80%	349	369	-6%
Total desincorporated properties	-	-	156,491	-100%	-	125,330	-100%	-	69,064	-100%	-	264	-100%
Total portfolio results	91%	1,066,479	934,528	14%	850,570	727,420	17%	679,496	446,782	52%	349	350	-0.4%

Proportional NOI* is the net operating income related to GICSA's direct or indirect stake.

The following table presents the operating income composition:

Composition of total income	2Q19	2Q18
Fixed rent	69.1%	71.7%
Variable rent	2.4%	2.0%
Reward	6.9%	4.3%
Parking lot	4.5%	4.3%
Maintenance and advertising	14.0%	15.2%
Services and others	3.1%	2.5%
Total income	100%	100%

*Calculation based on the properties of the current portfolio



Leasing contract characteristics

GICSA has a solid management track record, which ensures the diversification of high-quality tenants by industry, as we consider that this type of tenant shields the Company from low cycles in the market that may affect particular industries or sectors.

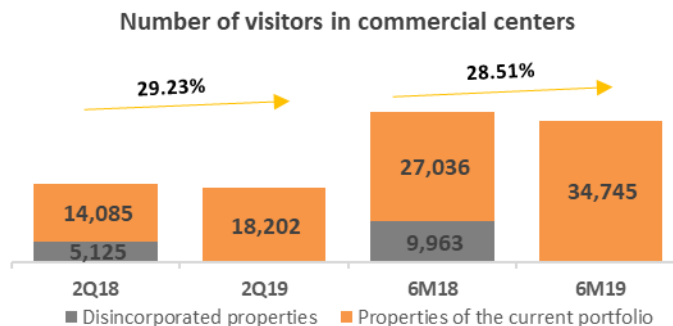
At the close of 2Q19, GICSA's portfolio has 1,725 leasing contracts with tenants with high credit ratings, diversified in terms of industry and geographical location, assuring a mix in the revenue stream.

The following graph shows the distribution of lease contracts per tenant by category as a percentage of fixed income:

Participation of GLA and average fixed rents	% of GLA	% of fixed rents
Entertainment and sports	31.18%	17.96%
Women and men apparel	15.97%	20.40%
Department stores	15.03%	6.79%
Restaurants	10.93%	14.96%
Others	4.72%	6.12%
Sport apparel and footwear	4.20%	5.88%
Home and decoration	3.51%	4.66%
Autoservice store	3.51%	1.01%
Health & beauty	3.37%	7.22%
Fast food	2.64%	5.78%
Women and men footwear	2.16%	4.08%
Cellphone companies and communications	1.55%	2.85%
Services	1.24%	2.28%
Total	100%	100%

Number of visitors

During 2Q19, the number of visitors in the portfolio's shopping malls reached approximately 18 million, an increase of 3.8% same properties and 29.2% compared to the number of visitors in the current portfolio's properties during 2Q18. This reflects how well-accepted the properties of our portfolio have being by visitors.



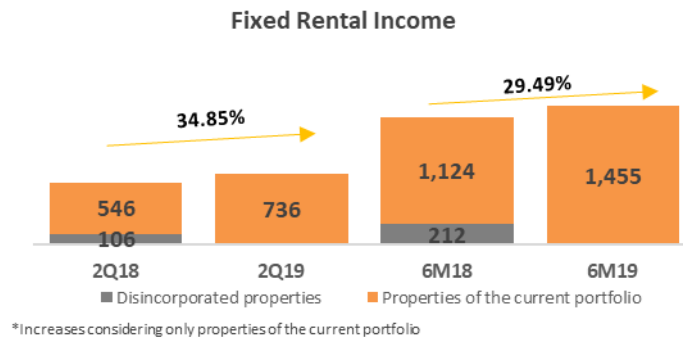
*Increases considering only properties of the current portfolio



Fixed rental revenues

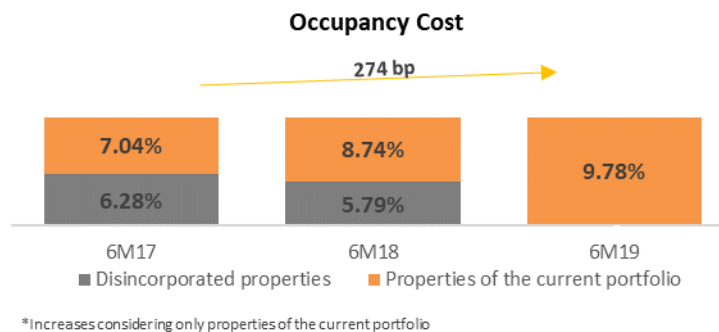
Average monthly fixed rent per square meter of the stabilized portfolio was Ps. 384 in 2Q19, a 2.8% increase compared to Ps. 373 per square meter in 2Q18.

During 2Q19, fixed rental revenues of the stabilized portfolio reached Ps. 736 million, a 14.3% increase in same-store properties and 34.9% of the current portfolio compared to 2Q18. Revenues of fixed rent as a percentage were 67.9% in Mexican Pesos and 32.1% in U.S. dollars.



Occupancy cost

Occupancy cost represents the costs incurred related to the occupancy of a commercial space, which consists of rents, maintenance charges and advertising expenses, expressed as a percentage of sales from these tenants. The average occupancy cost for the most significant commercial tenants in terms of GLA and fixed rents for 2Q19 was 9.8%. This was due to a 5.6% increase in same-store-sales, and an increase of 34.9% in fixed rent of the portfolio.





Contract renewals

At the close of 2Q19, GICSA renewed 104,290 square meters of GLA of the stabilized properties, generating a renewal rate of 97.6%.

Maturity contract

The following graph shows some information related to maturity contract of the properties in operation as of 2Q19:

Year	Number of leases	GLA of maturity contract	% the GLA that expire
2019	259	62,595 m ²	8.27%
2020	384	113,021 m ²	14.94%
2021	411	118,430 m ²	15.65%
2022	249	118,531 m ²	15.67%
2023	273	115,426 m ²	15.26%
+ 2023	149	228,613 m ²	30.22%

As per the above table, 2019 concentrated maturity contracts proportional to 8.3% of the GLA of the portfolio in operation. As of June 30, 2019, none of our tenants individually represented more than 4.1% of our stabilized portfolio's GLA. It is important to highlight that the totality of contracts maturing in due 2019 are already under negotiations.

Lease spread

Lease spread, defined as the variation in levels of fixed rent based on expired leases to the new level of rental revenues for new leases or renewed leases. The 2Q19 calculation was based on 67,114 square meters of the contracts in shopping malls that hold these characteristics.

At the close of 2Q19, the lease spread for shopping malls in stabilized properties was 10.2%, 620 bps higher than the inflation rate for the period. This performance was explained by an increase of fixed rent in renewals and new contracts in the shopping malls of the stabilized portfolio.



Projects under development

Projects under construction

Currently, GICSA has 6 projects under construction with solid progress in terms of construction and commercialization. Likewise, GICSA continues analyzing investment opportunities throughout Mexico to strengthen its portfolio and increase its presence in the country, including acquisition opportunities, developments, the consolidation of existing projects, as well as opportunities for third-party services.

The following table shows some information related to work progress of the properties under construction:

Project	GLA	Estimated total investment ¹	Investment Capex ¹ as of 2Q19	Capex pending investments at 2Q19 ¹	Work progress	Estimated opening date
Lomas Altas	26,345 m ²	Ps. 883,338	Ps. 815,852	Ps. 67,486	96%	Second half of 2019
Explanada Pachuca	77,310 m ²	Ps. 1,893,766	Ps. 1,668,181	Ps. 225,586	95%	Second half of 2019
Explanada Culiacán	74,912 m ²	Ps. 1,858,314	Ps. 1,045,723	Ps. 812,591	67%	First half of 2020
Galerías Metepec (antes Paseo N)	55,220 m ²	Ps. 2,884,507	Ps. 2,124,888	Ps. 759,619	48%	Second half of 2020
Grand Outlet Riviera Maya	57,765 m ²	Ps. 2,343,164	Ps. 176,468	Ps. 2,166,696	1%	First half of 2021
Total	291,552 m²	Ps. 9,863,089	Ps. 5,831,112	Ps. 4,031,977	61%	
Cero5Cien*	89,400 m ²	Ps. 5,322,220	Ps. 2,956,338	Ps. 2,365,881	5%	Second half of 2020
Grand total	380,952 m²	Ps. 15,185,309	Ps. 8,787,450	Ps. 6,397,859	52%	

¹ Figures are expressed in thousands of Mexican pesos (Ps.)

*Salable square meters

Status of the commercialization of the projects under development

The following table shows the commercialization progress of the projects under development:

As of the date of this report, the commercialization of properties in stabilization process and under development registered a progress of 382,247 square meters of GLA under contract, representing 69.4% of total space in the projects currently under commercialization.

Project	Total Leasable Area (m ²)	Total area under contract	
		(m ²)	%
Commercial Use			
Masaryk 169	1,320 m ²	1,320 m ²	100%
Paseo Querétaro ¹	80,688 m ²	74,857 m ²	93%
Paseo Interlomas expansion CC ¹	37,345 m ²	34,159 m ²	91%
Isla Mérida ¹	58,163 m ²	52,222 m ²	90%
Explanada Puebla ¹	85,388 m ²	75,311 m ²	88%
Explanada Pachuca	77,310 m ²	53,893 m ²	70%
Paseo Interlomas expansion Office ¹	22,712 m ²	12,958 m ²	57%
Explanada Culiacán	74,912 m ²	36,509 m ²	49%
Paseo Metepec	55,220 m ²	28,146 m ²	51%
Grand Outlet Riviera Maya	57,765 m ²	21,237 m ²	37%
Total	550,824 m²	390,612 m²	71%

¹ In stabilization

The following section provides information for every project under construction and development based on estimates and expectations. This information provides a general overview of GICSA's developments. The information included in this section may change or be modified in the future due to external factors; therefore, these amounts must be regarded as estimates, and not as final figures.



Properties under construction



Explanada Pachuca

The project is part of the new concept developed by GICSA. The pillars of this project are: a mixed commercial offer, entertainment and community, allocating approximately one third of the GLA to entertainment. Explanada Pachuca is expected to have a GLA of approximately 77,310 square meters, which include an entertainment center, hot air balloon, a fair, a hotel, an ice rink, among others.

Construction began during the first half of 2017; the project is expected to be delivered during the second half of 2019. As the conclusion of 2Q19, 70% of the GLA was under contract with prestigious brands such as: Cinemex, Forever 21, Promoda, Arena, Tuzos World and Coppel.



Location	Pachuca, Pachuca
GLA	77,310 m ²
Estimated Total Investment ¹	Ps. 1,893,766
Capex to date ¹	Ps. 1,668,181
Expected delivery date	Second half of 2019

¹ Figures are expressed in thousands of Mexican pesos (Ps.)

	Contribution to work as a percentage	At March 31, 2019	At June 30, 2019
		Excavation and Foundation	8%
Civil Work	63%	90%	99%
Installations and Equipment	16%	57%	87%
Finishes and Facade	13%	49%	81%
Work Progress	100%	80%	95%

Video link: <http://www.gicsa.com.mx/en/portfolio/project-detail/explanada-pachuca>



Lomas Altas (previously Zentro Lomas)

This project is for corporate office use and will have a GLA of 26,345 square meters. Lomas Altas will be located next to Lomas de Chapultepec, on Constituyentes Avenue, one of the most transited and longest avenues in Mexico City. It is expected to be delivered during the second half of 2019.



Location	Mexico City
GLA	26,345 m ²
Estimated Total Investment ¹	Ps. 883,338
Capex to date ¹	Ps. 815,852
Expected delivery date	Second half of 2019

¹ Figures are expressed in thousands of Mexican pesos (Ps.)

	Contribution to work as a percentage	Contribution to work	
		At March 31, 2019	At June 30, 2019
Excavation and Foundation	27%	100%	100%
Civil Work	50%	91%	99%
Installations and Equipment	13%	25%	90%
Finishes and Facade	10%	50%	80%
Work Progress	100%	81%	96%



Explanada Culiacán

This project is part of the new concept “Mallertainment” developed by the Company, which consists of a shopping mall center located in the city of Culiacán. This project combines the concepts of mixed commercial use, entertainment and community concepts. In addition, its one-level design, which is surrounded by parking spaces and has four entrances, ensures a steady flow of vehicles.

It is estimated that the project will have an average GLA of 79,912 square meters. Construction began during first half of 2018 and the opening date is estimated to take place during the first half of 2020. At the end of 2Q19, 49% of the leasable area was under contract with important brands such as: Forever 21, Arena, Flex Zone, Cinemex and Grupo Axo.



Location	Culiacán, Sinaloa
GLA	74,912 m ²
Estimated Total Investment ¹	Ps. 1,858,314
Capex to date ¹	Ps. 1,045,723
Expected delivery date	First half of 2020

¹ Figures are expressed in thousands of Mexican pesos (Ps.)

	Contribution to work as a percentage	At March 31, 2019		At June 30, 2019	
Excavation and Foundation	8%	85%	100%		
Civil Work	63%	70%	82%		
Installations and Equipment	16%	18%	35%		
Finishes and Facade	13%	0%	9%		
Work Progress	100%	54%	67%		

Video link: <http://www.gicsa.com.mx/es/portafolio/detalle-proyecto/explanada-culiacan>



Grand Outlet Riviera Maya

With over 33 million visitors and a population of nearly 1 million inhabitants, Riviera Maya is the ideal place for the world's largest Outlet "Mallertainment", a place where international visitors could enjoy unlimited shopping, international cuisine and the best entertainment options.

It will be located in Riviera Maya, Quintana Roo, a wealthy area that is conveniently near the beach and the Cancun International Airport. This innovative project will be part of GICSA's new concept "Mallertainment" which is revolutionizing the shopping mall industry in Mexico.

This development will have a GLA of approximately 57,765 square meters to be developed by GICSA and approximately 90,000 square meters, including the development of our business partner who contributes the land. At 2Q19, 37% of leasable area was under contract with important brands, such as: Coach, Katsuya, Rapsodia, Brooks Brothers, Tommy Hilfiguer, Calvin Klein and BCBG.



Location	Riviera Maya, Quintana Roo
GLA	57,765 m ²
Estimated Total Investment ¹	Ps. 2,343,164
Capex to date ¹	Ps. 176,468
Expected delivery date	First half of 2021

¹ Figures are expressed in thousands of Mexican pesos (Ps.)

	Contribution to work as a percentage	At March 31, 2019	At June 30, 2019
Excavation and Foundation	18%	1%	7%
Civil Work	41%	0%	0%
Installations and Equipment	24%	0%	0%
Finishes and Facade	17%	0%	0%
Work Progress	100%	0.2%	1.3%

Video link: <http://www.gicsa.com.mx/es/portafolio/detalle-proyecto/grand-outlet-mallertainment-riviera-maya>



Galerías Metepec (previously Paseo Metepec)

This project will be located in the commercial area of Metepec in the State of Mexico, which has one of the highest GDP per capita municipalities in Mexico. This project will be one of the first mixed-use developments in the area and will include brands arriving to this area for the first time.

The complex will be used for commercial purposes, with a GLA of approximately 55,220 square meters. The main tenants will be department stores, retail stores, restaurants, movie theaters, gyms and as well as offices for local businesses or personal use.



Location	Metepec, State of Mexico
GLA	55,220 m ²
Estimated Total Investment ¹	Ps. 2,884,507
Capex to date ¹	Ps. 2,124,888
Expected delivery date	Second half of 2020

¹ Figures are expressed in thousands of mexican pesos (Ps.)

	Contribution to work as a percentage	At March 31, 2019	At June 30, 2019
Excavation and Foundation	19%	90%	90%
Civil Work	41%	73%	73%
Installations and Equipment	23%	4%	4%
Finishes and Facade	17%	0%	0%
Work Progress	100%	48%	48%

Video link: <http://www.gicsa.com.mx/en/portfolio/project-detail/paseo-metepec>



CERO5CIEN RESIDENCIAL

The project will be located in Lomas de Vista Hermosa, one of the most exclusive residential areas in Mexico, with high demand for spaces focused on the ultra-high-acquisition level segment.

The philosophy behind the project is to create a residential development in which residents live each day in their own personal paradise, with extraordinary amenities, and in a privileged location. The project will be developed in a 55,000 square meter lot, of which only 35% will be constructed upon and the remainder will be used for amenities, green areas and lakes.

Cero5Cien will have 118 units; as of June 30, 2019, 53 units had been pre-sold representing 45%. The delivery of the project is estimated to take place during 2020.



Location	Mexico City
Saleable area	89,400 m ²
Estimated Total Investment ¹	Ps. 5,322,220
Capex to date ¹	Ps. 2,956,338
Expected delivery date	Second half of 2020

¹ Figures are expressed in thousands of Mexican pesos (Ps.)

	Contribution to work as a percentage	At March 31, 2019	At June 30, 2019
		Excavation and Foundation	10%
Civil Work	34%	6.8%	9.6%
Installations and Equipment	16%	0.7%	0.8%
Finishes and Facade	40%	0.6%	1.9%
Work Progress	100%	3.2%	4.7%

For more information: <http://www.gicsa.com.mx/es/portafolio/detalle-proyecto/cero5cien>



Statement of Financial Position

Statement of Financial Position compared to as December 31, 2018 vs. June 30, 2019.

(In thousands of Pesos)

Statements of Financial Position	June 2019	December 2018	Variation
Assets			
Current assets			
Cash and cash equivalents	1,221,840	3,205,410	-62%
Restricted cash	594,951	561,655	6%
Accounts and notes receivable- net	1,037,927	1,307,615	-21%
Real Estate Inventory	3,393,626	3,147,759	8%
Tax credits	1,354,411	1,164,722	16%
Advances for project developments	592,613	487,380	22%
Related parties	963,798	815,814	18%
Total current assets	9,159,166	10,690,355	-14%
Non-current assets			
Investment properties	53,744,848	49,522,906	9%
Property, furniture and equipment – net	753,130	666,943	13%
Investment in associates and in joint ventures	852,334	842,849	1%
Derivative Financial Instruments	15,771	178,855	-91%
Deferred income taxes provision	1,875,081	2,076,439	-10%
Assets by right of use	1,754,567	0	100%
Guarantee deposits and prepayments	346,848	237,473	46%
Total non-current assets	59,342,579	53,525,465	11%
Total assets	68,501,745	64,215,820	7%
Liabilities and stockholders' equity			
Current liabilities			
Suppliers	640,601	765,867	-16%
Current portion of long-term local bank loans	1,048,672	884,419	19%
Current portion of long-term local bonds	71,378	2,589,546	-97%
Rent, security deposit and key money	3,646	7,336	-50%
Related parties	232,339	611,648	-62%
Income tax payable	155,408	165,372	-6%
Total current liabilities	2,152,044	5,024,188	-57%
Non-current liabilities			
Long-term bank loans	15,104,573	14,958,858	1%
Stock Certificates	8,152,486	6,451,704	26%
Labor liabilities	36,376	51,969	-30%
Lease contract creditors	1,754,567	0	100%
Tenant deposits, rent and key money	2,148,362	1,781,450	21%
Long-term income tax payable	564,495	564,495	0%
Deferred income tax provision	9,337,585	8,546,883	9%
Total non-current liabilities	37,098,444	32,355,359	15%
Total liabilities	39,250,488	37,379,547	5%
Capital stock	636,605	636,605	0%
Stock repurchase	(275,187)	-271,645	1%
Premium in capital	15,106,907	13,264,791	14%
Retained earnings	9,595,667	9,595,667	0%
Controlling interest	25,063,992	23,225,418	8%
Non- controlling interest	4,187,265	3,610,855	16%
Total stockholders' equity	29,251,257	26,836,273	9%
Total liabilities and stockholders' equity	68,501,745	64,215,820	7%

Starting in 2019, the valuation of the investment properties will be accounted under the discounted cash flow method and using as a contrast the multiples method previously used.



Consolidated Statement of Comprehensive Income

For period ended on June 30, 2019 compared to June 30, 2018.

(In thousands of Pesos)

Consolidated Statement of Comprehensive Income	2Q19	2Q18	Variation 2Q19 vs 2Q18	6M19	6M18	Variation 6M19 vs 6M18
Revenues						
Rental income and key money	854,706	727,250	18%	1,686,131	1,564,202	8%
Maintenance and advertising income	143,862	135,797	6%	285,799	257,475	11%
Parking income and operating services	101,679	83,193	22%	209,519	155,746	35%
Revenues from real estate services	54,044	1,169,008	-95%	86,041	1,204,416	-93%
Total operating revenue	1,154,291	2,115,247	-45%	2,267,490	3,181,839	-29%
Revenues from administration of properties	2,794	85,919	-97%	59,240	169,455	-65%
Revenues from construction services executed for third parties	12,464	78,369	-84%	70,479	130,207	-46%
Revenues from the sale of real estate inventories	0	47,854	-100%	0	71,203	-100%
Total Other Operating Revenue	15,258	212,142	-93%	129,719	370,865	-65%
Total revenue	1,169,549	2,327,389	-50%	2,397,209	3,552,704	-33%
Cost of execution of work for third party	(29,541)	(59,647)	-50%	(76,275)	(106,106)	-28%
Cost for sale of real estate inventories	0	(62,606)	-100%	0	(75,096)	-100%
Cost for sale	0	(54,924)	-100%	0	(54,924)	-100%
Total Costs	(29,541)	(177,177)	-83%	(76,275)	(236,126)	-68%
Expenses for third party property management	5,442	(85,483)	-106%	(68,010)	(159,994)	-57%
Operating expenses from owned properties	(273,490)	(245,487)	11%	(515,589)	(444,990)	16%
Administrative expenses	(145,809)	(117,683)	24%	(260,823)	(196,191)	33%
Amortization and depreciation	(41,172)	(25,941)	59%	(66,999)	(50,312)	33%
Total Expenses	(455,030)	(474,595)	-4%	(911,421)	(851,488)	7%
Total costs and expenses	(484,571)	(651,771)	-26%	(987,696)	(1,087,614)	-9%
Operating income before valuation effects	684,978	1,675,617	-59%	1,409,513	2,465,090	-43%
Fair value adjustments to investment properties	370,871	3,952,467	-109%	1,919,537	4,052,441	-147%
Other expenses (income) net	(10,952)	(66,796)	100%	3,686	(58,459)	100%
Results of associates and joint venture	6,948	6,745	3%	12,554	9,752	29%
Operating profit	1,051,845	5,568,033	-81%	3,345,290	6,468,824	-48%
Finance income	45,559	147,924	-69%	155,488	225,811	-31%
Finance costs	(321,136)	(163,321)	97%	(905,175)	(424,935)	113%
Foreign exchange gains - Net	65,855	(342,885)	-119%	141,388	5,290	2,573%
Finance (costs) income - Net	(209,722)	(358,282)	-41%	(608,299)	(193,834)	214%
Income before income tax	842,123	5,209,752	-84%	2,736,991	6,274,990	-56%
Deferred Income Taxes	(274,388)	(2,083,900)	-87%	(738,987)	(2,509,995)	-71%
Consolidated net profit	567,735	3,125,851	-82%	1,998,004	3,764,995	-47%
Consolidated net profit attributable to						
Controlling interest	481,302	2,091,945	-77%	1,771,594	2,501,893	-29%
Non-controlling interest	86,433	1,033,906	-92%	226,410	1,263,101	-82%
	567,735	3,125,851	-82%	1,998,004	3,764,994	-47%



Consolidated Statement of Comprehensive Income proforma

In order to facilitate the analysis of the information, during this quarter we present proforma comparative information, which exclude divested properties derived from the agreement (Forum Tlaquepaque, Outlet Lerma, La Isla Vallarta and Reforma 156) and adjust the stake in the remaining properties, as if such transaction had been carried out on January 1, 2018 for the purposes of proforma consolidated income statements.

(In thousands of Pesos)

Consolidated Statement of Comprehensive Income	6M19	6M18 proforma	Variation 6M19 vs 6M18 proforma
Revenues			
Rental income and key money	1,686,131	1,291,637	31%
Maintenance and advertising income	285,799	221,448	29%
Parking income and operating services	209,519	152,450	37%
Revenues from real estate services	86,041	1,204,416	-93%
Total operating revenue	2,267,490	2,869,951	-21%
Revenues from administration of properties	59,240	169,455	-65%
Revenues from construction services executed for third parties	70,479	130,207	-46%
Revenues from the sale of real estate inventories	0	71,203	0%
Total Other Operating Revenue	129,719	370,865	-65%
Total revenue	2,397,209	3,240,816	-26%
Cost of execution of work for third party	(76,275)	(106,106)	-28%
Cost for sale of real estate inventories	0	(75,096)	-100%
Cost for sale	0	(54,924)	-100%
Total Costs	(76,275)	(236,126)	-68%
Expenses for third party property management	(68,010.5)	(159,994)	-57.5%
Operating expenses from owned properties	(515,589)	(364,656)	41%
Administrative expenses	(260,823)	(211,575)	23%
Amortization and depreciation	(66,999)	(49,843)	34%
Total Expenses	(911,421)	(786,068)	16%
Total costs and expenses	(987,696)	(1,022,194)	-3%
Operating income before valuation effects	1,409,513	2,218,622	-36.5%
Fair value adjustments to investment properties	1,919,537	3,794,125	-151%
Other expenses (income) net	3,686	(75,667)	100%
Results of associates and joint venture	12,554	19,913	-37%
Operating profit	3,345,290	5,956,993	-43.8%
Finance income	155,488	83,586	86%
Finance costs	(905,175)	(274,375)	230%
Foreign exchange gains - Net	141,388	10,118	1,297%
Finance (costs) income - Net	(608,299)	(180,671)	237%
Income before income tax	2,736,991	5,776,322	-52.6%
Income taxes	(738,987)	(2,329,807)	-68%
Consolidated net profit	1,998,004	3,446,515	-42%
Consolidated net profit attributable to			
Controlling interest	1,771,594	2,156,975	-182%
Non-controlling interest	226,410	1,289,540	-82%
	1,998,004	3,446,515	-42%



NOI – EBITDA Reconciliation

The following table shows the reconciliation of NOI and EBITDA with the income statement, as of June 30, 2019 and June 30, 2018:

Reconciliation between NOI and EBITDA (thousands of pesos)	2Q19	2Q18	Var. %	6M19	6M18	Var. %
Operating income before valuation effects/Total revenues minus costs and expenses	684,978	1,675,617	-59%	1,409,513	2,465,090	-43%
Minus						
Revenues from property management to third parties ⁽¹⁾	2,794	85,919	-97%	59,240	169,455	-65%
Revenues from construction work services to third parties ⁽¹⁾	12,464	78,369	-84%	70,479	130,207	-46%
Revenues from sale of real estate inventories ⁽²⁾	0	47,854	-100%	0	71,203	-100%
Revenues from Forum Coatzacoalcos ⁽³⁾	10,505	10,508	0%	20,528	19,896	3%
Plus						
Expenses for third party property management	(5,442)	85,483	-106%	68,010	159,994	-57%
Cost of execution of work for third party	29,541	59,647	-50%	76,275	106,106	-28%
Cost of sale for real estate inventories ⁽²⁾	0	62,606	-100%	0	75,096	-100%
Cost of sale	0	54,924	-100%	0	54,924	-100%
Amortization and depreciation	41,172	25,941	59%	66,999	50,312	33%
Other revenues	0	0	100%	0	41,000	-100%
Forum Coatzacoalcos costs ⁽³⁾	32,216	33,186	-3%	67,423	68,393	-1%
EBITDA	756,704	1,774,755	-57%	1,537,973	2,630,154	-42%
Minus						
Operating costs	(93,867)	1,047,335	-109%	(138,754)	1,011,895	-114%
NOI	850,571	727,420	17%	1,676,728	1,618,259	4%
Minus						
Adjusted NOI attributable to non-controlling participation	171,074	280,638	-39%	331,854	620,684	-47%
Adjusted proportional NOI	679,497	446,782	52%	1,344,874	997,575	35%
Plus						
Corporate expenses	(93,867)	1,136,093	-108%	(138,754)	1,179,149	-112%
Adjusted proportional EBITDA	585,630	1,582,875	-63%	1,206,120	2,176,724	-45%

1. We incur costs and expenses related to real estate for our development projects and projects to develop provided to third parties, which are registered as income for our state Comprehensive income for services, maintenance and advertising items.
2. Proceeds from sale of non-recurring real estate inventories.
3. Records the results of GICSA Forum Coatzacoalcos under the equity method. These settings correspond to a consolidation of 100% of the results for purposes of presentation of pro-forma adjusted EBITDA.



NOI – EBITDA Reconciliation proforma

In order to facilitate the analysis of the information, during this quarter we present proforma comparative information, which exclude divested properties derived from the agreement. (Forum Tlaquepaque, Outlet Lerma, La Isla Vallarta and Reforma 156) and adjust the stake in the remaining properties, as if such transaction had been carried out on January 01, 2018 for the purposes of proforma consolidated income statements.

Reconciliation between NOI and EBITDA (thousands of pesos)	6M19	6M18 proforma	Var. %
Operating income before valuation effects/Total revenues minus costs and expenses	1,409,513	2,218,622	-36%
Minus			
Revenues from property management to third parties ⁽¹⁾	59,240	169,455	-65%
Revenues from construction work services to third parties ⁽¹⁾	70,479	130,207	-46%
Revenues from sale of real estate inventories ⁽²⁾	0	71,203	-100%
Revenues from Forum Coatzacoalcos ⁽³⁾	20,528	19,896	3%
Plus			
Expenses for third party property management	68,010	159,994	-57%
Cost of execution of work for third party	76,275	106,106	-28%
Cost of sale for real estate inventories ⁽²⁾	0	75,096	-100%
Cost of sale	0	54,924	-100%
Amortization and depreciation	66,999	49,843	34%
Other revenues	0	120,000	-100%
Forum Coatzacoalcos costs ⁽³⁾	67,423	68,393	-1%
EBITDA	1,537,973	2,462,217	-38%
Minus			
Revenues from services to third parties	(138,754)	1,011,895	-114%
NOI	1,676,728	1,450,321	16%
Minus			
Adjusted NOI attributable to non-controlling participation	331,854	270,139	23%
Adjusted proportional NOI	1,344,874	1,180,182	14%
Plus			
Revenues from services to third parties	(138,754)	1,011,895	-114%
Adjusted proportional EBITDA	1,206,120	2,192,077	-45%

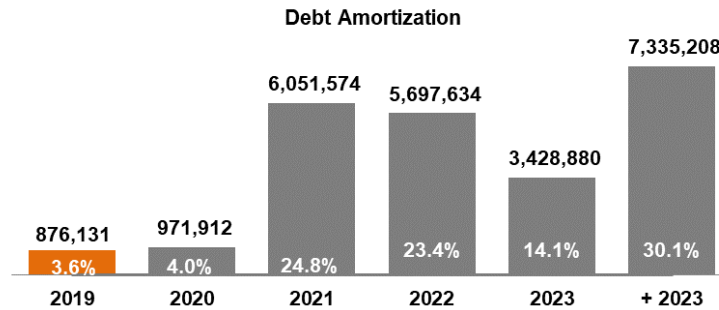
1. We incur costs and expenses related to real estate for our development projects and projects to develop provided to third parties, which are registered as income for our state Comprehensive income for services, maintenance and advertising items.

2. Proceeds from sale of non-recurring real estate inventories.

3. Records the results of GICSA Forum Coatzacoalcos under the equity method. These settings correspond to a consolidation of 100% of the results for purposes of presentation of pro-forma adjusted EBITDA.



Debt Position Breakdown



Debt Analysis	2Q19	1Q19	Var. %
GICSA's pro-form debt	24,361,338	23,738,291	3%
GICSA's proportional debt	21,788,572	21,165,856	3%
Loan-Value ratio ⁽¹⁾	35.56%	35.37%	-
% Local Currency (Ps.)	74.02%	76.26%	-
% Foreign currency (DlIs)	25.98%	23.74%	-

¹ Thousands of pesos

² Value calculated by taking the total Debt dividing the value of the Company's assets at the close.

Acredited / Property	Expiration Due Date	Current Balance		Base Rate	Margin	GICSA's Participation	Proportional Debt Balance	
		MXN	USD				MXN	USD
Masaryk 111	01-apr-21	-	47,426,994	Libor 1M	2.5	100%	-	47,426,994
Forum Culiacán	01-aug-21	1,289,015,561	-	TIIE 28 days	2.00	100%	1,289,015,561.35	-
Torre E3	01-aug-21	-	46,906,100	Libor 1M	2.55	100%	-	46,906,100
Paseo Interlomas	15-aug-21	1,334,716,162	-	TIIE 28 days	2.00	50%	667,358,080.99	-
Paseo Arcos Bosques	01-nov-22	-	121,181,236	Libor 1M	2.75	50%	-	60,590,618
Paseo Arcos Bosques	01-nov-22	578,873,969	-	TIIE 28 days	2.50	50%	289,436,984.45	-
Capital Reforma	31-may-24	-	114,416,008	Libor 1M	2.35	100%	-	114,416,008
Forum Cuernavaca	21-feb-26	966,018,741	-	TIIE 28 days	2.75	100%	966,018,740.80	-
Sub total allocated credit		4,168,624,433	329,930,338				3,211,829,368	269,339,720
Explanada Culiacán	20-oct-23	487,531,030	-	TIIE 28 days	3.50	100%	487,531,030	-
Paseo Interlomas Expansion	15-mar-24	909,078,582	-	TIIE 28 days	3.00	50%	454,539,291	-
Explanada Pachuca	31-may-24	495,649,770	-	TIIE 28 days	3.40	100%	495,649,770	-
Lomas Altas	09-jun-24	396,028,517	-	TIIE 28 days	3.50	100%	396,028,517	-
Explanada Puebla	09-nov-24	970,190,183	-	TIIE 1M	2.50	100%	970,190,183	-
Paseo Querétaro	22-dic-26	1,128,891,459	-	TIIE 28 days	4.20	100%	1,128,891,459	-
La Isla Mérida	13-dic-27	1,001,906,728	-	TIIE 28 days	3.20	100%	1,001,906,728	-
Sub total of Credit for Properties Under Construction		5,389,276,268	-				4,934,736,977	-
Grupo Gicsa	07-aug-2019	50,000,000	-	10.0000%	-	100%	50,000,000	-
Descuento de pagaré	10-nov-19	203,833,555	-	TIIE 28 days	3.0	100%	203,833,555	-
GICSA 17	02-apr-21	989,905,681	-	TIIE 28 days	2.85	100%	989,905,681	-
GICSA 19	24-mar-22	1,733,782,649	-	TIIE 1M	3.05	100%	1,733,782,649	-
GICSA 15	01-dic-22	502,815,342	-	9.0800%	-	100%	502,815,342	-
GICSA 16U	16-oct-23	3,075,530,350	-	6.9500%	-	100%	3,075,530,350	-
GICSA 18U	13-nov-25	1,887,542,546	-	8.9800%	-	100%	1,887,542,546	-
Sub total of Unallocated Credit		8,443,410,122	-				8,443,410,122	-
Total		18,033,287,827	330,127,557				16,621,953,471	269,536,939

GICSA concluded 2Q19 with a total indebtedness level of Ps. 24,361 million and total assets of Ps. 68,502 million, corresponding to a 35.6% debt level. The funding mix is comprised of 77% floating and 23% fixed. However, 100% of the floating debt is hedged. The debt is comprised 74% in Mexican Pesos and 26% in U.S. dollars, which allow a natural hedge due to the fact that the Company's revenues are integrated in a similar proportion.

As of June 30, 2019, the Company has implemented several financial instruments to hedge the interest rate variations that could affect the market. At the close of 2Q19, 100% of the debt with floating rate was hedged; additionally a fixed investment unit (UDI) value was agreed. At the end of 2Q19 the fixed rates for TIIE and LIBOR were 7.84% and 1.58%, respectively.



Statement of Financial Position

Main Assets

Cash and cash equivalents.

Cash and cash equivalents at the end of 2Q19 was Ps. 1,222 million, a decrease of 62% compared to the Ps. 3,205 million at the close of 2018. This was mainly due to investments in the projects under development, and the investment in local notes of the issuance GICSA 19.

Accounts and notes receivable - net

At the end of 2Q19, accounts and notes receivable were of Ps. 1,038 million, a decrease of 21% compared with Ps. 3,205 in 2018 due to the collection of accounted services in transactions with some of our partners at project level.

Tax credits

At the end of 2Q19 was of Ps. 1,354 million, which represents an increase of 16% compared to Ps. 1,165 million at the end of 2018, due to VAT for projects under development.

Advances for projects developments

At the close of 2Q19, the advances for projects developments were Ps. 593 million, which representing an increase of 22% versus the Ps. 487 million at the end of 2018, mainly due to advances to suppliers of the projects under development.

Investment Properties

Investment Properties increased from Ps. 49,523 million at the close of 2018 to Ps. 53,745 million at the end of 2Q19, mainly due to the effects of the investment properties valuations and the ongoing constructions of under development projects.

Assets by right of use

At the close of 2Q19, the right-of-use asset was Ps. 1,755 million, mainly due to the recognition of land leasing contracts as a result of the application of IFRS16 (leases) starting on January 1, 2019. This norm recognizes as "own assets" the leased assets under contract.

Guarantee deposits and prepayments.

Guarantee deposits and prepayments were Ps. 374 million in 2Q19, an increase of 46% compared to the Ps. 237 million at the close of 2018, mainly due to annual property taxes subject to amortizations and guarantee deposits.

Main Liabilities

Total Debt.

In 2Q19, Total debt was Ps. 24,361 million, a 4% decrease compared to the Ps. 24,705 million reported at the close of 2018, mainly due to debt amortization.



Lease Contract Creditors

The total amount at the close of 2Q19 was Ps. 1,755 million, corresponding mainly explained by the recognition of assets of land leasing contracts as a result of the application of IFRS16 (leases),

Consolidated statement of comprehensive income

Total operating revenue

Total operating revenue for 2Q19 reached Ps. 1,154 million, a 45% decrease, compared to the Ps. 2,115 million reported in 2Q18, mainly due to the recognition of extraordinary revenue from services reported in 2Q18. Excluding this extraordinary effect, total operating revenue would increase 2%.

Total costs and expenses

Cost decreased by 83%, from Ps. 177 million generated in 2Q18 to Ps. 30 million in 2Q19, mainly due to a decrease of sales costs for real estate inventory and cost of execution of work for third party. Expenses decreased from Ps. 475 million in 2Q18 to Ps. 455 million in 2Q19 due to the divestment of properties that the Company had with investors at a project level.

Operating income before valuation effects

Operating income before valuation effects decreased by 59%, mainly due to the recognition of extraordinary services in 2Q18. Excluding this effect, the increase would have been of 25%.

Consolidated Net Profit

In 2Q19, the consolidated net profit decreased 82%, mainly due to the valuation of invested properties, which in 2Q18 included Capital Reforma and Forum Cuernavaca.

NOI-Net Operating Income

Consolidated Net Operating Income (NOI) reached Ps. 851 million, an increase of 16.9% versus 2Q18. GICSA's Proportional NOI reached Ps. 679 million, an increase of 52.1% compared to the same period of last year. On a proforma basis for 2Q18 and 2Q19 the actual increase was 15.6% in consolidated NOI, and 14% in proportional NOI.

Consolidated EBITDA

Consolidated EBITDA reached Ps. 757 million in 2Q19, a decrease of 57.4% compared with 2Q18 and an increase of 17.0% without the extraordinary income of the services recognition from the properties transaction in 3Q18. GICSA's proportional EBITDA was Ps. 586 million, a decrease of 63.0% compared to 2Q18 and an increase of 28.7% not including the extraordinary income for 3Q18.



Conference call

***GICSA cordially invites you to its
Second Quarter Conference call***

Wednesday, July 24, 2019
12:00 PM Eastern time
11:00 AM Mexico City Time

Presenting for GICSA:

Diódoro Batalla, Chief Financial Officer
Avril Carezzo – Treasury and Investor Relation Officer

To access the call, please dial:
1 (877) 830 2576 U.S. participants
1 (785) 424 1726 International participants

Passcode: 44272

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About the Company

GICSA is a leading company in the development, investment, commercialization and operation of shopping malls, corporate offices and industrial warehouses well known for their high-quality standards, which transform and create new development spaces, lifestyles and employment in Mexico, in accordance to its history and executed projects. As of June 30, 2019, the Company owned 15 income-generating properties, consisting of nine shopping malls, five mixed use projects (which include five shopping malls, five corporate offices and one hotel), and one corporate office building, representing a total Gross Leasable Area (GLA) 836,458 square meters, and a Proportional GLA of 697,616 square meters. Since June 2015, GICSA is listed on the Mexican Stock Exchange under the ticker (BMV: GICSA B).

Forward-Looking Statements

This press release may contain forward-looking statements and involve risk and uncertainty. The words “estimates”, “anticipates”, “projects”, “plans”, “believes”, “expects”, “seeks” and similar expressions, are intended to identify forward-looking statements. Grupo GICSA warns readers that declarations and/or estimates mentioned in this document, or stated by Grupo GICSA’s management team, are subject to a number of risks and uncertainties that could be in function of various factors that are out of Grupo GICSA’s control. Future expectations reflect Grupo GICSA’s judgement at the date of this document. Grupo GICSA reserves the right or obligation to update information contained in the report or derived from it. Past or present performance is not an indicator of future performance.

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