

FOURTH QUARTER AND FULL YEAR 2018 EARNINGS REPORT

Mexico City, February 27, 2019 – Terrafina® (“TERRA” or “the Company”) (BMV: TERRA13), a leading Mexican industrial real estate investment trust (“FIBRA”), externally advised by PGIM Real Estate and dedicated to the acquisition, development, leasing and management of industrial real estate properties in Mexico, today announced its fourth quarter 2018 (4Q18) and full year 2018 (FY2018) earnings results.

The figures in this report have been prepared in accordance with International Financial Report Standards (“IFRS”). Figures presented in this report are presented in millions of Mexican pesos and millions of U.S. dollars, unless stated otherwise. Additionally, figures may vary due to rounding.

Terrafina’s financial statements that are included in this report are internal and have not yet been audited by the external auditors, nor have they been approved at the Ordinary Shareholders’ Meeting. As a result, the mentioned figures in this financial report are preliminary figures and could be adjusted in the future. Once the audited 2018 financial statements are available and have been approved by the Annual Ordinary Shareholders’ Meeting, these will be made available to the market as per applicable law.

*This document may include forward-looking statements that may imply risks and uncertainties. Terms such as “estimate”, “project”, “plan”, “believe”, “expect”, “anticipate”, “intend”, and other similar expressions could be construed as previsions or estimates. Terrafina warns readers that declarations and estimates mentioned in this document, or realized by Terrafina’s management imply risks and uncertainties that could change in function of various factors that are out of Terrafina’s control. Future expectations reflect Terrafina’s judgment at the date of this document. Terrafina reserves the right or obligation to update the information contained in this document or derived from this document. **Past or present performance is not an indicator to anticipate future performance.***

Operating and Financial Highlights as of December 31, 2018

Operating

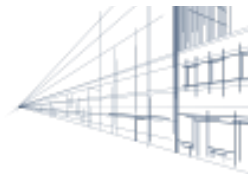
- **As of December 31, 2018, the occupancy rate was 95.3%, a 20 basis point decrease compared to the fourth quarter of 2017 (4Q17). Additionally, considering signed letters of intent (LOI), occupancy for 4Q18 was 96.5%.**
- **Annualized average leasing rate per square foot at the year-end was US\$5.15, a US\$0.11 increase compared to 4Q17.**
- **At the end of 2018, Terrafina reported a total of 41.1 million square feet (msf) of Gross Leasable Area (GLA) comprised of 287 properties and 295 tenants.**
- **2018 leasing activity totaled 9.0 msf, of which 11.7% corresponded to new leases, 46.1% to lease renewals and 42.2% to early renewals.** Leasing activity was mainly concentrated in the Cuautitlan Izcalli, Chihuahua, Ciudad Juarez, San Luis Potosi, Ramos Arizpe, Saltillo, Monterrey, Guadalajara, Silao, Toluca, Irapuato, Reynosa, Queretario, Hermosillo and Tijuana markets.

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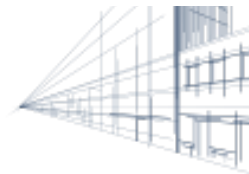
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Financial

- **FY2018 rental revenues reached US\$191.0 million, of which US\$48.0 million were generated during 4Q18, a 9.6% or US\$4.2 million increase compared to 4Q17.**
- **FY2018 NOI was US\$190.0 million, of which US\$48.0 million was generated during 4Q18, a 9.1% or US\$4.0 million increase compared to 4Q17.**
- **The NOI margin reached 92.3% in FY2018 and 93.3% in 4Q18, a 32 basis point increase compared to 4Q17.**
- **FY2018 EBITDA reached US\$170.9 million, of which US\$42.8 million was generated in 4Q18, an increase of 8.0% or US\$3.2 million compared to 4Q17.**
- **The EBITDA margin for FY2018 was 83.1% and 83.1% for 4Q18, a 53 basis point decrease compared to 4Q17.**
- **FY2018 adjusted funds for operations (AFFO) reached US\$111.1 million, of which US\$26.4 million was generated in 4Q18, an increase of 2.9% or US\$0.7 million compared to 4Q17.**
- **The AFFO margin was 54.0% for 2018 and 51.2% in 4Q18, a 287 basis point decrease compared to 4Q17.**
- **Total distribution for FY2018 were US\$111.1 million; distributions per CBFI were US\$0.1407. Considering the average share price for 2018 of US\$1.44 (Ps.27.71), Terrafina's dividend yield for the year was 9.7%.**
- **4Q18 distributions totaled US\$26.4 million. As a result, Terrafina will distribute Ps.0.6611 per CBFI (US\$0.0334 per CBFI) for the October 1 to December 31, 2018 period; considering the average share price of US\$1.28 for 4Q18 (Ps.25.39), Terrafina's dividend yield for the quarter was 10.4%.**



Operating and Financial Highlights

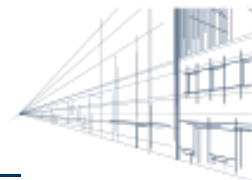
Operating	Mar18	Jun18	Sep18	Dec18	Dec17
Number of Developed Properties	284	286	287	287	284
Gross Leasable Area (GLA) (msf) ¹	40.6	40.9	41.0	41.1	40.6
Land Reserves (msf)	6.17	6.17	6.06	6.06	6.17
Occupancy Rate ²	95.2%	95.5%	95.2%	95.3%	95.5%
Avg. Leasing Rent / Square Foot (dollars)	5.06	5.07	5.13	5.15	5.04
Weighted Average Remaining Lease Term (years)	3.52	3.46	3.42	3.37	3.23
Renewal Rate ³	86.8%	90.4%	95.8%	90.1%	95.0%

Accumulated Financial	Mar18	Jun18	Sep18	Dec18	Dec17	Mar18	Jun18	Sep18	Dec18	Dec17
						fx 18.7759	19.0933	19.0564	19.2420	18.6672
	(millions of pesos unless otherwise stated)					(millions of dollars unless otherwise stated)				
Rental Revenues ⁴	889.8	1,811.6	2,723.6	3,674.9	3,157.7	47.4	95.0	143.0	191.0	166.9
Other Operating Income	101.7	152.7	208.4	295.6	303.3	5.4	8.1	11.0	15.4	15.8
Net Revenues	997.0	1,978.2	2,951.7	3,996.9	3,491.6	53.1	103.8	155.0	207.8	184.4
Net Operating Income (NOI)*	862.7	1,789.6	2,702.9	3,653.6	3,151.1	46.0	93.9	142.0	190.0	166.8
NOI Margin	87.3%	88.5%	89.5%	92.3%	92.0%	87.3%	88.5%	89.5%	92.3%	92.0%
EBITDA ^{5*}	774.4	1,616.3	2,438.4	3,284.7	2,843.3	41.3	84.8	128.1	170.9	150.3
EBITDA Margin	78.4%	79.2%	79.7%	83.1%	83.0%	78.4%	79.2%	79.7%	83.1%	83.0%
Funds from Operations (FFO)*	557.2	1,161.3	1,753.7	2,352.9	1,986.4	29.7	61.0	92.2	122.5	105.0
FFO Margin	56.4%	61.4%	62.2%	60.0%	58.4%	56.4%	61.4%	62.2%	60.0%	58.4%
Adjusted Funds from Operations (AFFO)*	505.2	1,060.5	1,613.6	2,132.6	1,798.2	26.9	55.7	84.9	111.1	95.0
AFFO Margin	50.7%	55.8%	54.6%	54.0%	52.4%	50.7%	55.8%	54.6%	54.0%	52.4%
Distributions	505.2	1,060.5	1,613.6	2,132.6	1,798.2	26.9	55.7	84.9	111.1	95.0
Distributions per CBF ⁶	0.6386	1.3406	2.0399	2.7010	2.4455	0.0340	0.0704	0.1073	0.1407	0.1286

Quarterly Financial	1Q18	2Q18	3Q18	4Q18	4Q17	1Q18	2Q18	3Q18	4Q18	4Q17
						fx 18.7759	19.3911	18.9859	19.7877	18.9259
	(millions of pesos unless otherwise stated)					(millions of dollars unless otherwise stated)				
Rental Revenues ⁴	889.8	921.8	912.0	951.3	828.6	47.4	47.6	48.0	48.0	43.8
Other Operating Income	101.7	50.9	55.8	76.1	70.8	5.4	2.6	2.9	3.9	3.8
Net Revenues	997.0	981.1	973.5	1,034.1	915.0	53.1	50.6	51.3	52.2	48.3
Net Operating Income (NOI)*	862.7	926.9	913.3	950.7	832.9	46.0	47.9	48.1	48.0	44.0
NOI Margin	87.3%	94.9%	94.0%	93.3%	93.0%	87.3%	94.9%	94.0%	93.3%	93.0%
EBITDA ^{5*}	774.4	842.0	822.1	846.4	749.2	41.3	43.6	43.3	42.8	39.6
EBITDA Margin	78.4%	86.4%	84.6%	83.1%	83.6%	78.4%	86.4%	84.6%	83.1%	83.6%
Funds from Operations (FFO)*	557.2	604.2	592.4	598.9	520.5	29.7	31.3	31.2	30.3	27.5
FFO Margin	56.4%	62.0%	61.0%	59.3%	58.6%	56.4%	62.0%	61.0%	59.3%	58.6%
Adjusted Funds from Operations (AFFO)*	505.2	555.3	553.1	522.6	484.9	26.9	28.8	29.1	26.4	25.6
AFFO Margin	50.7%	56.7%	56.6%	51.2%	54.1%	50.7%	56.7%	56.6%	51.2%	54.1%
Distributions	505.2	555.3	553.1	522.6	484.9	26.9	28.8	29.1	26.4	25.6
Distributions per CBF ⁶	0.6386	0.7020	0.6993	0.6611	0.6130	0.0340	0.0364	0.0368	0.0334	0.0324

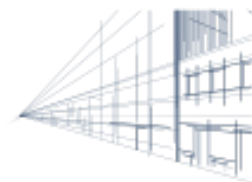
Figures in dollars in the Income Statement were converted into pesos using the average exchange rate for the period. (1) Millions of square feet. (2) Occupancy at the end of the period. (3) Indicates the lease renewal rate of the leases, includes early renewals. (4) Excluding accrued income as it is a non-cash item. (5) Earnings before interest, taxes, depreciation and amortization. (6) Certificados Bursátiles Fiduciarios Inmobiliarios - Real Estate Investment Certificates. (*) Revenues and expenses have been adjusted for the calculation of the above mentioned metrics. Figures in dollars in the Balance Sheet were converted using the closing exchange rate of the period. Please refer to the "2018 Financial Performance" and "Appendices" section available in this document.

Source: PGIM Real Estate – Asset Management and Fund Accounting



Balance Sheet

	Mar18	Jun18	Sep18	Dec18	Dec17		Mar18	Jun18	Sep18	Dec18	Dec17
						fx	18.3445	19.8633	18.8120	19.6829	19.7354
	(millions of pesos unless otherwise stated)						(millions of dollars unless otherwise stated)				
Cash & Cash Equivalents	2,035.7	2,042.4	1,911.2	1,557.7	3,209.0		111.0	102.8	101.6	79.1	162.6
Investment Properties	42,165.3	46,176.3	43,467.5	45,880.2	45,959.6		2,298.5	2,324.7	2,310.6	2,331.0	2,328.8
Land Reserves	950.8	1,032.2	978.2	1,100.2	1,040.3		51.8	52.0	52.0	56.0	52.7
Total Debt	18,623.4	19,826.6	19,115.9	19,544.5	20,900.8		1,015.2	998.2	1,016.2	993.0	1,059.1
Net Debt	16,587.7	17,784.2	17,204.7	17,986.9	17,691.8		904.2	895.3	914.6	913.8	896.5



Comment by Alberto Chretin, Chief Executive Officer and Chairman of the Board

Throughout 2018, Terrafina's operations continued strengthening, as we reached our objectives to execute record-high occupancy and leasing activity. Even under complex macroeconomic conditions, the industrial real estate sector maintained its growth dynamics, due to a solid manufacturing-for-export sector, as well as the strength of the logistics and distribution sector. With total leasing activity of 9.0 million square feet, Terrafina stands out as one of the industry's leaders in supporting the Mexican industrial real estate sector's overall progress. At the end of the year, we reached a strong occupancy level of 96.5% (including letters of intent), driven by the average 2018 renewal rate of 90.7%. Leasing activity for the year was mainly concentrated in the markets of Cuautitlan Izcalli, Chihuahua, Ciudad Juarez, San Luis Potosi, Ramos Arizpe, Saltillo, Monterrey, Guadalajara, Silao, Toluca, Irapuato, Reynosa, Queretaro, Hermosillo and Tijuana. As part of the Company's annual results, renewal activity, reached a total of 8.0 million square feet. These renewals convey a message of confidence and support from our multinational tenants as their manufacturing operations are a key component of their business strategies and enable them to achieve their objectives in terms of superior quality and production costs.

Average annual leasing rent for 2018 reached US\$5.15 per square foot and by region, average rent remained stable throughout the year, with US\$5.08 per square foot in the Northern region, US\$5.21 per square foot in the Bajio region and a US\$5.34 average rent per square foot in the Central region.

Additionally, one of the highlights of the year was the consolidation process of our acquisitions from 2017 and in the beginning of 2018. These properties contributed to the portfolio with higher cash flows for our investors and operational stability for Terrafina in the medium and long-term. Today, with a total of 41.1 million square feet in industrial properties and 97% dollar-denominated leasing contracts, we are better positioned to take advantage of potential opportunities that could arise in the future. With this business vision, we maintain our objective of preserving solid occupancy levels via close working relationships with our tenants, as we seek to help them satisfy their growth requirements.

Our financial objectives for 2018 were in line with our guidance in terms of NOI generation, reaching US\$190.0 million, as well as surpassed our distribution per CBF target generating US\$0.1407. With regards to the main financial results for 2018, we reached substantial increases compared to 2017. Proof of our success was US\$191.0 million in Rental Revenues, EBITDA of US\$170.9 million with an EBITDA Margin of 83.1% as well as generating US\$111.1 million in Adjusted Funds from Operations and a 9.7% dividend yield, considering the average CBF price for 2018.

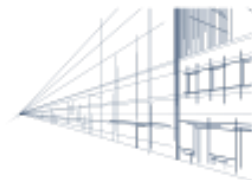
Finally, for 2019, we believe that the performance in terms of both our operations as well as industry dynamics will continue to be positive, given the assurance and confidence that exists in manufacturing-for-export operations in Mexico. This setting represents continued growth opportunities for the industrial sector and specifically for Terrafina as we retain our focus on supporting tenant operations, generating new projects via expansions and built-to-suit properties.

Thank you for your interest in Terrafina.

Sincerely,

A handwritten signature in blue ink, appearing to read "Alberto Chretin", with a stylized flourish at the end.

Alberto Chretin
Chief Executive Officer and Chairman of the Board



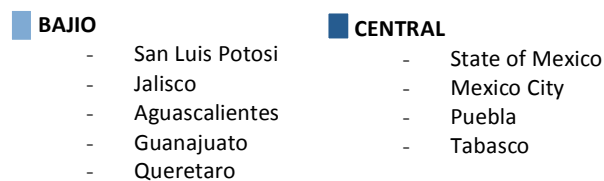
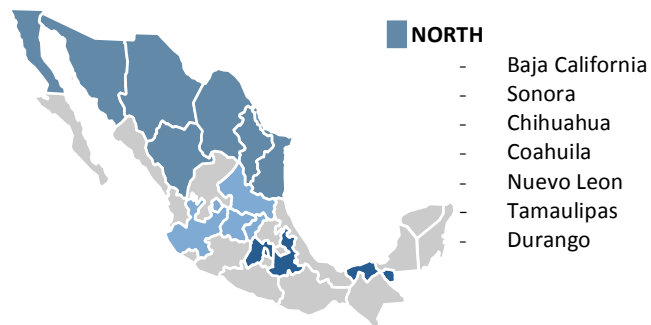
Operating Highlights

Highlights by Region

(as of December 31, 2018)

	North	Bajio	Central	Total
# Buildings	201	56	30	287
# Tenants	200	57	38	295
GLA (msf)	25.6	9.3	6.3	41.1
Land Reserves (msf)	2.6	0.2	3.3	6.1
Occupancy Rate	97.5%	91.5%	91.8%	95.3%
Average Leasing Rent / Square Foot (dollars)	5.08	5.21	5.34	5.15
Annualized Rental Base %	62.8%	21.9%	15.2%	100.0%

Source: PGIM Real Estate - Asset Management

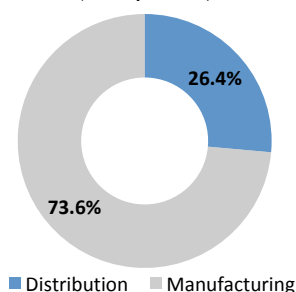


Terrafina's 4Q18 Operations

Composition by Asset Type

as of 4Q18

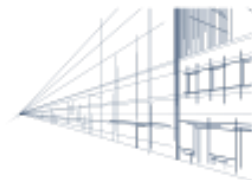
(as a % of total GLA)



Leasing Activity

	4Q18	4Q17	Var.
Operating Portfolio (msf):			
Renewals	0.6	0.9	-0.3
Early Renewals	1.4	0.4	0.9
New Leases	0.3	0.1	0.2
Total Square Feet of Leases Signed	2.2	1.4	0.8

Source: PGIM Real Estate - Asset Management



Operating Highlights *(continued)*

Occupancy and Rents by Region

<i>(As of December 31, 2018)</i>	Occupancy Rate	Avg. Leasing Rent/ Square Foot <i>(dollars)</i>
North	97.5%	5.08
Baja California	89.8%	4.42
Tijuana	89.8%	4.42
Sonora	88.5%	4.57
Hermosillo	88.5%	4.57
Chihuahua	98.8%	5.05
Chihuahua	98.5%	5.44
Ciudad Juarez	99.2%	4.73
Delicias	100.0%	6.03
Gomez Farias	100.0%	3.34
Casas Grandes	100.0%	4.21
Coahuila	96.1%	5.28
Ciudad Acuña	100.0%	6.23
Monclova	100.0%	5.54
Ramos Arizpe	94.4%	5.18
Saltillo	100.0%	5.41
Derramadero	100.0%	6.88
San Pedro de las Colinas	89.3%	2.10
Torreon	100.0%	4.30
Nuevo Leon	96.2%	5.10
Apodaca	100.0%	5.60
Monterrey	94.9%	4.92
Tamaulipas	100.0%	4.67
Reynosa	100.0%	4.67
Durango	100.0%	4.79
Durango	100.0%	4.95
Gomez Palacio	100.0%	3.18
Bajo	91.5%	5.21
San Luis Potosi	89.6%	4.92
San Luis Potosi	89.6%	4.92
Jalisco	100.0%	6.58
Guadalajara	100.0%	6.58
Aguascalientes	100.0%	4.77
Aguascalientes	100.0%	4.77
Guanajuato	89.9%	4.87
Celaya	100.0%	5.29
Irapuato	93.9%	5.33
Silao	87.1%	4.60
Queretaro	85.8%	4.86
Queretaro	85.8%	4.86
Central	91.8%	5.34
State of Mexico	90.5%	5.56
Cuautitlan Izcalli	95.8%	5.59
Toluca	88.8%	5.39
Ciudad de Mexico	100.0%	9.22
Azcapotzalco	100.0%	9.22
Puebla	100.0%	3.23
Puebla	100.0%	3.23
Tabasco	100.0%	4.23
Villahermosa	100.0%	4.23
Total	95.3%	5.15

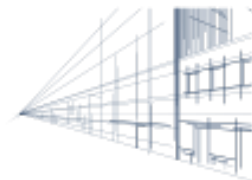
Source: PGIM Real Estate - Asset Management

Maturities and Renewals by Region

<i>(As of December 31, 2018)</i>	Consolidated			
	Maturities <i>(number of contracts)</i>	% of Total Maturities	Renewals <i>(number of contracts)</i>	% of Total Renewals
North	12	75.0%	12	100.0%
Baja California	0	0.0%	0	0.0%
Tijuana	0	0.0%	0	0.0%
Sonora	0	0.0%	0	0.0%
Hermosillo	0	0.0%	0	0.0%
Chihuahua	7	43.8%	7	100.0%
Chihuahua	3	18.8%	3	100.0%
Ciudad Juarez	4	25.0%	4	100.0%
Delicias	0	0.0%	0	0.0%
Gomez Farias	0	0.0%	0	0.0%
Casas Grandes	0	0.0%	0	0.0%
Coahuila	1	6.3%	1	100.0%
Ciudad Acuña	0	0.0%	0	0.0%
Monclova	0	0.0%	0	0.0%
Ramos Arizpe	0	0.0%	0	0.0%
Saltillo	1	6.3%	1	100.0%
Derramadero	0	0.0%	0	0.0%
San Pedro de las Colinas	0	0.0%	0	0.0%
Torreon	0	0.0%	0	0.0%
Nuevo Leon	2	12.5%	2	100.0%
Apodaca	1	6.3%	1	100.0%
Monterrey	1	6.3%	1	100.0%
Tamaulipas	2	12.5%	2	100.0%
Reynosa	2	12.5%	2	100.0%
Durango	0	0.0%	0	0.0%
Durango	0	0.0%	0	0.0%
Gomez Palacio	0	0.0%	0	0.0%
Bajo	2	12.5%	2	100.0%
San Luis Potosi	0	0.0%	0	0.0%
San Luis Potosi	0	0.0%	0	0.0%
Jalisco	1	6.3%	1	100.0%
Guadalajara	1	6.3%	1	6.7%
Aguascalientes	0	0.0%	0	0.0%
Aguascalientes	0	0.0%	0	0.0%
Guanajuato	1	6.3%	1	100.0%
Celaya	0	0.0%	0	0.0%
Irapuato	1	6.3%	1	100.0%
Silao	0	0.0%	0	0.0%
Queretaro	0	0.0%	0	0.0%
Queretaro	0	0.0%	0	0.0%
Central	2	12.5%	1	50.0%
State of Mexico	2	12.5%	1	50.0%
Cuautitlan Izcalli	1	6.3%	0	0.0%
Toluca	1	6.3%	1	100.0%
Ciudad de México	0	0.0%	0	0.0%
Azcapotzalco	0	0.0%	0	0.0%
Puebla	0	0.0%	0	0.0%
Puebla	0	0.0%	0	0.0%
Tabasco	0	0.0%	0	0.0%
Villahermosa	0	0.0%	0	0.0%
Total	16	100.0%	15	93.8%

Source: PGIM Real Estate - Asset Management

*Over the number of matured leases in the quarter



2018 Operational Performance

Composition by Geographical Diversification

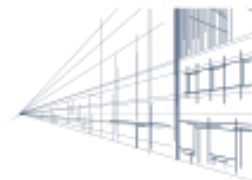
The geographic diversification of Terrafina's properties at the close of 2018 (based on GLA per square foot) was as follows: the Northern region of Mexico represented 62.3% of GLA, while the Bajío and Central regions represented 22.5% and 15.2% of GLA, respectively.

Geographic Distribution by Region and State

	4Q18	as a % of Total GLA 4Q18	4Q17	as a % of Total GLA 4Q17
North	25.61	62.3%	25.21	62.1%
Baja California	0.91	2.2%	0.90	2.2%
Tijuana	0.91	2.2%	0.90	2.2%
Sonora	0.33	0.8%	0.33	0.8%
Hermosillo	0.33	0.8%	0.33	0.8%
Chihuahua	14.34	34.9%	14.29	35.2%
Chihuahua	5.83	14.2%	5.83	14.4%
Ciudad Juarez	7.81	19.0%	7.76	19.1%
Delicias	0.52	1.3%	0.52	1.3%
Gomez Farias	0.08	0.2%	0.08	0.2%
Camargo	0.02	0.1%	0.09	0.2%
Casas Grandes	0.09	0.2%	0.09	0.2%
Coahuila	6.84	16.6%	6.51	16.0%
Ciudad Acuña	0.24	0.6%	0.24	0.6%
Monclova	0.35	0.8%	0.35	0.9%
Ramos Arizpe	4.54	11.0%	4.54	11.2%
Saltillo	0.62	1.5%	0.62	1.5%
Derramadero	0.54	1.3%	0.21	0.5%
San Pedro de las Colinas	0.15	0.4%	0.15	0.4%
Torreón	0.39	0.9%	0.39	1.0%
Nuevo Leon	1.94	4.7%	1.94	4.8%
Apodaca	0.50	1.2%	0.50	1.2%
Monterrey	1.44	3.5%	1.44	3.6%
Tamaulipas	0.47	1.1%	0.47	1.1%
Reynosa	0.47	1.1%	0.47	1.1%
Durango	0.78	1.9%	0.78	1.9%
Durango	0.71	1.7%	0.71	1.7%
Gomez Palacio	0.07	0.2%	0.23	0.6%
Bajío	9.27	22.5%	9.12	22.5%
San Luis Potosi	3.32	8.1%	3.31	8.2%
San Luis Potosi	3.32	8.1%	3.31	8.2%
Jalisco	1.66	4.0%	1.66	4.1%
Guadalajara	1.66	4.0%	1.66	4.1%
Aguascalientes	0.75	1.8%	0.75	1.8%
Aguascalientes	0.75	1.8%	0.75	1.8%
Guanajuato	1.57	3.8%	1.42	3.5%
Celaya	0.12	0.3%	0.12	0.3%
Irapuato	0.44	1.1%	0.44	1.1%
Silao	1.01	2.5%	0.86	2.1%
Queretaro	1.98	4.8%	1.98	4.9%
Queretaro	1.98	4.8%	1.98	4.9%
Central	6.25	15.2%	6.25	15.4%
State of Mexico	5.40	13.1%	5.40	13.3%
Cuautitlan Izcalli	4.26	10.4%	4.26	10.5%
Toluca	0.91	2.2%	0.91	2.2%
Huehuetoca	0.23	0.6%	0.23	0.6%
Ciudad de Mexico	0.02	0.1%	0.02	0.1%
Azcapotzalco	0.02	0.1%	0.02	0.1%
Puebla	0.18	0.4%	0.18	0.5%
Puebla	0.18	0.4%	0.18	0.5%
Tabasco	0.65	1.6%	0.65	1.6%
Villahermosa	0.65	1.6%	0.65	1.6%
Total	41.13	100.0%	40.58	100.0%

Total Gross Leasable Area / million square feet. Potential leasable area of land reserves are not included.

Source: PGIM Real Estate - Asset Management

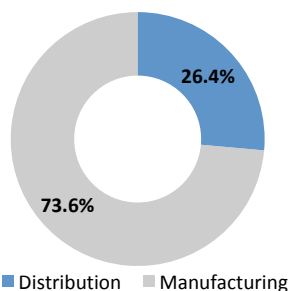


Composition by Asset Type

At the end of 2018, 73.6% of Terrafina's portfolio consisted of properties dedicated to manufacturing activities while 26.4% were dedicated to distribution and logistics activities.

Composition by Asset Type as of 4Q18

(as a % of total GLA)



Composition by Asset Type

	4Q18	4Q17	Var.
Distribution	26.4%	26.9%	-45 bps
Manufacturing	73.6%	73.1%	45 bps

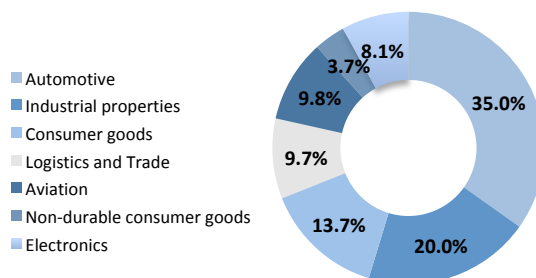
Source: PGIM Real Estate - Asset Management

Composition by Sector

As of December 31, 2018, tenant diversification by industrial sector was as follows:

Diversification by Sector as of 4Q18

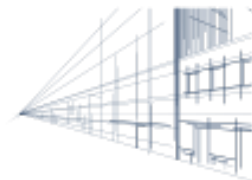
(as a % of leased GLA)



Industrial Sector Diversification

	4Q18	4Q17	Var.
Automotive	35.0%	34.3%	77 bps
Industrial properties	20.0%	19.8%	15 bps
Consumer goods	13.7%	14.4%	-63 bps
Logistics and Trade	9.7%	10.0%	-32 bps
Aviation	9.8%	9.9%	-11 bps
Non-durable consumer goods	3.7%	4.0%	-25 bps
Electronics	8.1%	7.7%	40 bps
Total	100.0%	100.0%	

Source: PGIM Real Estate - Asset Management



Composition of Top Clients

Terrafina has a widely diversified tenant base that leases industrial properties throughout several of Mexico's main cities. At the end of 2018, Terrafina's top client, top 10 clients and top 20 clients, represented 3.3%, 18.0% and 29.2% of total revenues, respectively.

Top Clients

<i>(As of December 31, 2018)</i>	Leased Square Feet (millions)	% Total GLA	% Total Revenues
Top Client	1.24	3.0%	3.3%
Top 10 Clients	7.02	17.1%	18.0%
Top 20 Clients	11.40	27.7%	29.2%

Source: PGIM Real Estate - Asset Management

Occupancy

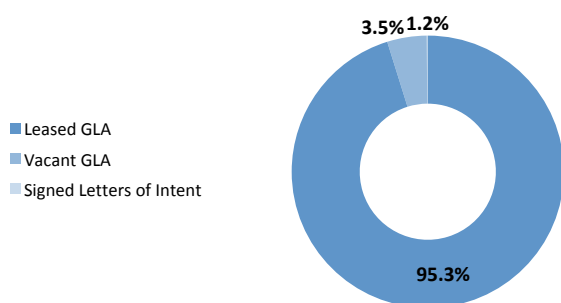
FY2018 occupancy rate was 95.3% and including signed LOIs, the occupancy rate reached 96.5%. It is important to note that occupancy rate indicators presented in this report reflect the quarterly closing rate.

For 4Q18, Terrafina's leasing activity reached 2.2 msf, of which 12.9% corresponded to new leasing contracts (including expansions), 26.0% for contract renewals and 61.1% for early renewals.

Leasing activity mainly took place in the Cuautitlan Izcalli, San Luis Potosi, Ciudad Juarez, Monterrey, Irapuato, Reynosa, Guadalajara, Chihuahua, Saltillo and Toluca markets. In addition to this leasing activity, Terrafina signed LOIs for an additional 512,600 square feet.

Occupancy as of 4Q18

(as % of Total GLA)

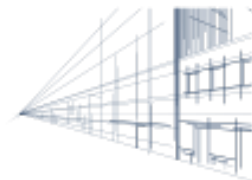


	4Q18	4Q17	Var.
Leased GLA	95.3%	95.5%	-20 bps
Vacant GLA	3.5%	4.4%	-90 bps
Signed Letters of Intent	1.2%	0.2%	100 bps
Total	100.0%	100.0%	

Source: PGIM Real Estate - Asset Management

Lease Maturities

Terrafina had 295 tenants under leasing contracts at the end of 2018. The leasing characteristics of these contracts have an average maturity of three to five years for logistics and distribution properties and of five to seven years for manufacturing properties. Annual average maturities (as a percentage of annual base rents) remain at levels of between 10% to 23% for the next five years.



The following table breaks down Terrafina's leasing maturity schedule for the upcoming years:

	Annual Base Rent (millions of dollars)	% of Total	Occupied Sq. Ft (millions)	% of Total
2019	28.0	13.9%	5.59	14.3%
2020	45.3	22.5%	8.86	22.6%
2021	38.6	19.1%	7.51	19.2%
2022	19.8	9.8%	3.96	10.1%
2023	24.5	12.1%	4.89	12.5%
Thereafter	45.5	22.6%	8.39	21.4%

Source: PGIM Real Estate – Asset Management

Capital Deployment

Capital Expenditures (CAPEX)

Terrafina's CAPEX is classified as recurring expenses that took place based on upcoming leasing maturities and property improvements. The main goal of these expenses is the renewal of leasing contracts as well as the improvement of property conditions taking into account tenant requirements. Terrafina expects to apply CAPEX towards vacant properties as well as towards the development of new GLA by means of expansions and/or new developments.

Additionally, it is important to consider that CAPEX intended for expansions and new developments are not financed with Terrafina's operating cash flow and therefore do not pass through the income statement.

Capital expenditures accounts are comprised as follows:

- 1) Tenant property improvement resources as well as recurring maintenance CAPEX.
- 2) Broker and administrator fees.
- 3) CAPEX for new developments, which due to their nature, are generally capitalized.

In FY2018, Terrafina's investments in tenant improvements and recurring CAPEX was US\$7.1 million. Total CAPEX for 4Q18 and 2018 is broken down in the following table:

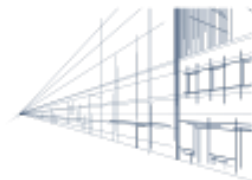
Capital Expenditures

	4Q18	4Q18	2018	2018
	(millions of pesos)	(millions of dollars)	(millions of pesos)	(millions of dollars)
Tenant Improvements & Recurring Capex	48.1	2.4	118.7	6.1
Leasing Commissions	21.0	1.1	77.1	4.0
Development Capex ¹	70.1	3.5	118.7	6.0
Total Capital Expenditures	139.1	7.0	314.5	16.1

Maintenance expenses for vacant properties are included in the Tenant Improvements & Recurring Capex figures.

(1) Capex for expansions/new developments.

Source: PGIM Real Estate - Asset Management



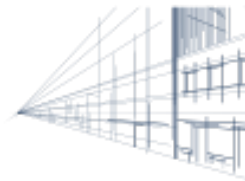
Land Reserves

Terrafina's land reserve as of December 31, 2018 comprised 12 land reserve properties, equivalent to 6.1 msf of potential GLA for the development of future industrial properties.

As of December 31, 2018, Terrafina's land reserves were distributed as follows:

	as of December 31, 2018				
	Square Feet (million)	Land at Cost (million pesos)	Land at Cost (million dollars)	Appraisal Value (million pesos)	Market Value (million dollars)
North	2.6	509.5	25.9	660.5	33.6
Bajío	0.2	14.0	0.7	18.9	1.0
Central	3.3	731.1	37.1	420.8	21.4
Total Land Portfolio	6.1	1,254.6	63.7	1,100.2	56.0

Source: PGIM Real Estate - Asset Management and Fund Accounting



2018 Financial Performance

Financial Results and Calculations

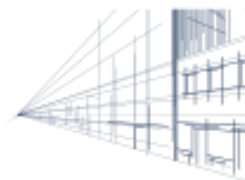
Terrafina's financial results are presented in Mexican pesos and U.S. dollars. Figures on the income statement for each period were converted to dollars using the average exchange rate for 2018, while for the balance sheet, the exchange rate at the close of December 31, 2018 was applied.

Terrafina has in place best accounting practices for measuring the FIBRA's (REIT) performance results by providing relevant metrics to the financial community. Throughout the following financial performance section, additional calculations are available. It is important to note that these metrics must not be considered individually to evaluate Terrafina's results. It is recommended to use them in combination with other International Financial Reporting Standards metrics to measure the Company's performance.

Terrafina presents in this earnings report additional metrics such as Net Operating Income (NOI), Earnings Before Interests, Taxes, Depreciation and Amortization (EBITDA), Funds from Operations (FFO), and Adjusted Funds from Operations (AFFO). Each breakdown calculation is available in this document.

In addition, Terrafina recommends reviewing the *Appendices* as a reference of the integration of different items of Terrafina's financial statement. This information is available in the last section of this document.

Past performance is not a guarantee or reliable indicator of future results.



Same-Store

The following table shows Terrafina's FY2018 and 4Q18 same-store highlights and consolidated information:

	Same-Store ¹ 4Q18	Consolidated 4Q18								
Number of Properties	284	287								
Occupancy Rate	95.5%	95.3%								
Gross Leasable Area (GLA) (msf)	40.7	41.1								
Avg. Leasing Rent / Square Foot (dollars)	5.14	5.15								
	Same-Store 2018	Consolidated 2018	Same-Store 2018	Consolidated 2018	Same-Store 4Q18	Consolidated 4Q18	Same-Store 4Q18	Consolidated 4Q18		
	(millions of pesos)		(millions of dollars)		(millions of pesos)		(millions of dollars)			
Rental Revenues	3,130.3	3,674.9	162.5	191.0	867.7	951.3	43.8	48.0		
Net Operating Income	3,124.5	3,653.6	162.3	190.0	868.7	950.7	43.9	48.0		
NOI Margin	92.1%	92.3%	92.1%	92.3%	92.8%	93.3%	92.8%	93.3%		
EBITDA	2,802.3	3,284.7	145.6	170.9	773.3	846.4	39.0	42.8		
EBITDA Margin	83.0%	83.1%	83.0%	83.1%	82.6%	83.1%	82.6%	83.1%		
FFO	1,919.1	2,352.9	99.7	122.5	525.8	598.9	26.6	30.3		
FFO Margin	56.9%	60.0%	56.9%	60.0%	56.5%	59.3%	56.5%	59.3%		
Adjusted Funds from Operations	1,686.3	2,132.6	87.8	111.1	431.1	522.6	21.8	26.4		
AFFO Margin	49.8%	54.0%	49.8%	54.0%	46.2%	51.2%	46.2%	51.2%		

(1) Same properties information evaluates the performance of the industrial properties without including recent acquisitions closed in a twelve-month period.

Source: PGIM Real Estate - Asset Management and Fund Accounting

Rental Revenues

During 2018, Terrafina reported rental revenues of US\$191.0 million. In 4Q18, Terrafina reported rental revenues of US\$48.0 million, a 9.6% or US\$4.2 million increase compared to 4Q17.

Rental revenues do not include accrued revenues as these are a non-cash item.

Other Operating Income

For 2018, other operating income totaled US\$15.4 million. In 4Q18, other operating income totaled US\$3.9 million, a 3.3% or US\$0.1 million increase compared to 4Q17.

Other operating income mainly stem from tenant refunds from triple-net leases. Expenses reimbursable to Terrafina mainly included electricity, property taxes, insurance costs and maintenance.

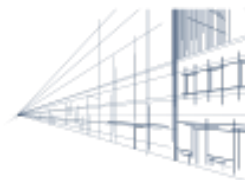
Net revenues reached US\$207.8 million for 2018 and US\$52.2 million in 4Q18, an increase of US\$3.9 million, or 8.0% compared to 4Q17.

Revenues

	2018	2017	Var. %	4Q18	4Q17	Var. %	2018	2017	Var. %	4Q18	4Q17	Var. %
	(millions of pesos)						(millions of dollars)					
Rental Revenue	3,674.9	3,157.7	16.4%	951.3	828.6	14.8%	191.0	166.9	14.4%	48.0	43.8	9.6%
Accrued Income ¹	26.3	30.6	-14.2%	6.7	15.6	-57.4%	1.4	1.7	-18.2%	0.3	0.8	-59.3%
Other Operating Revenues	295.6	303.3	-2.5%	76.1	70.8	7.6%	15.4	15.8	-2.2%	3.9	3.8	3.3%
Reimbursable Expenses as Revenues ²	253.6	247.4	2.5%	60.2	60.4	-0.3%	13.3	12.9	3.0%	3.1	3.2	-4.0%
Reimbursable Tenant Improvements	28.4	31.1	-8.9%	8.3	7.6	8.7%	1.5	1.7	-11.5%	0.4	0.4	4.4%
Other non-cash income	13.6	24.8	-45.0%	7.7	2.8	172.2%	0.7	1.2	-44.1%	0.4	0.1	154.8%
Net Revenue	3,996.9	3,491.6	14.5%	1034.1	915.0	13.0%	207.8	184.4	12.7%	52.2	48.3	8.0%

(1) Straight line rent adjustment; non-cash item. (2) Triple net leases expenses reimbursed to Terrafina from its tenants.

Source: PGIM Real Estate - Fund Accounting



For additional information regarding the revenue breakdown used to calculate additional metrics presented in this earnings report, please refer to **Appendix 1** in the last section of this document.

Real Estate Expenses

In 2018, real estate expenses totaled US\$34.4 million. These expenses mainly corresponded to repair and maintenance, property taxes and insurance.

In 4Q18, real estate expenses totaled US\$10.7 million, an increase of 51.0% or US\$3.6 million compared to 4Q17.

It is important to differentiate between expenses that are directly related to the operation and those that are for the maintenance of the industrial portfolio; the latter are used in the NOI calculation.

The remainder of the accounts included in real estate expenses are considered non-recurring expenses and are used to calculate EBITDA and AFFO.

For additional information regarding the real estate expenses breakdown, please refer to **Appendix 2** in the last section of this document.

Net Operating Income (NOI)

In 2018 Net Operating Income (NOI) totaled US\$190.0 million, with an NOI margin of 92.3%.

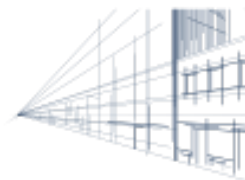
In 4Q18, NOI totaled US\$48.0 million, a 9.1% or US\$4.0 million increase compared with 4Q17. NOI margin increased by 32 basis points reaching 93.3% compared to 93.0% in 4Q17.

The following table displays the NOI calculation for 2018 and 4Q18:

Net Operating Income

	2018	2017	Var. %	4Q18	4Q17	Var. %	2018	2017	Var. %	4Q18	4Q17	Var. %
	(millions of pesos unless otherwise stated)						(millions of dollars unless otherwise stated)					
Rental Revenues ¹	3,674.9	3,157.7	16.4%	951.3	828.6	14.8%	191.0	166.9	14.4%	48.0	43.8	9.6%
Other Operating income ²	282.5	272.4	3.7%	68.5	67.5	1.5%	14.8	14.3	3.5%	3.5	3.6	-2.5%
Net Revenues for NOI Calculation	3,957.4	3,430.1	15.4%	1,019.8	896.1	13.8%	205.7	181.2	13.6%	51.5	47.3	8.7%
Repair and Maintenance	-32.1	-33.1	-3.3%	-9.5	-7.7	22.5%	-1.7	-1.8	-5.6%	-0.5	-0.4	16.5%
Property Taxes	-78.3	-66.4	18.0%	0.0	0.0	1929.5%	-4.1	-3.1	32.9%	0.0	0.0	1783.3%
Property Management Fees	-74.2	-68.5	8.4%	-18.4	-18.5	-0.6%	-3.9	-3.6	6.3%	-0.9	-1.0	-5.0%
Electricity	-58.9	-50.8	15.9%	-15.8	-13.1	20.4%	-3.0	-2.7	10.9%	-0.8	-0.7	13.8%
Property Insurance	-24.4	-25.1	-3.0%	-16.2	-15.0	7.8%	-1.2	-1.3	-7.1%	-0.8	-0.8	1.1%
Security	-18.3	-13.4	36.9%	-4.4	-3.0	45.0%	-1.0	-0.7	34.0%	-0.2	-0.2	39.8%
Other Operational Expenses	-17.7	-21.7	-18.3%	-5.0	-5.8	-14.8%	-0.9	-1.2	-20.9%	-0.2	-0.3	-18.7%
Real Estate Operating Expenses for NOI Calculation	-303.8	-279.0	8.9%	-69.1	-63.2	9.5%	-15.8	-14.4	9.4%	-3.5	-3.3	3.9%
Net Operating Income³	3,653.6	3,151.1	15.9%	950.7	832.9	14.1%	190.0	166.8	13.9%	48.0	44.0	9.1%
NOI Margin	92.3%	92.0%	29 bps	93.3%	93.0%	32 bps	92.3%	92.0%	29 bps	93.3%	93.0%	32 bps

(1) Excludes accrued income from straight line rent adjustments as it is a non-cash item. (2) Excludes tenant improvements reimbursements which are included in 'AFFO'. (3) The income calculation generated by the operation of the property, independent of external factors such as financing and income taxes. NOI is the result of Net Revenues (includes rental income and triple net leases expenses reimbursements) minus Real Estate Operating Expenses (costs incurred during the operation and maintenance of the industrial portfolio).
Source: PGIM Real Estate - Fund Accounting



Fees and Administrative Expenses (G&A)

G&A for FY2018 totaled US\$21.7 million and US\$6.0 million for 4Q18, a 15.0% or US\$0.8 million increase compared to 4Q17.

The following table breaks down total G&A for 2018 and 4Q18:

G&A

	2018	2017	Var. %	4Q18	4Q17	Var. %	2018	2017	Var. %	4Q18	4Q17	Var. %
	(millions of pesos unless otherwise stated)						(millions of dollars unless otherwise stated)					
External Advisor Fees ¹	-228.4	-198.2	15.2%	-59.8	-53.5	11.8%	-11.7	-10.6	9.8%	-3.0	-2.8	5.8%
Professional and Consulting Services	-37.1	-40.1	-7.4%	-9.3	-12.3	-24.6%	-2.0	-2.1	-4.4%	-0.5	-0.7	-22.0%
Payroll, Admin. Fees and Other Expenses	-155.1	-175.7	-11.7%	-49.9	-32.5	53.6%	-8.0	-9.4	-15.0%	-2.5	-1.7	44.5%
Total G&A²	-420.7	-414.0	1.6%	-119.0	-98.3	21.1%	-21.7	-22.1	-2.1%	-6.0	-5.2	15.0%

(1) General and Administrative Expenses (2) PLA Administradora Industrial, S. de R.L. de C.V., is a Mexican affiliate of PGIM Real Estate, and Advisor as per the Advisory Contract.

Source: PGIM Real Estate - Fund Accounting

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)

In 2018, EBITDA reached US\$170.9 million with an EBITDA margin of 83.1%.

In 4Q18, EBITDA totaled US\$42.8 million, an increase of US\$3.2 million, or 8.0%, compared to 4Q17. EBITDA margin for 4Q18 was 83.1%, a 53 basis point decrease compared to 4Q17.

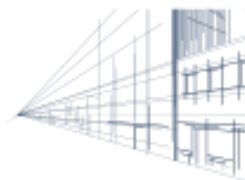
The following shows the EBITDA calculation for 2018 and 4Q18:

EBITDA

	2018	2017	Var. %	4Q18	4Q17	Var. %	2018	2017	Var. %	4Q18	4Q17	Var. %
	(millions of pesos unless otherwise stated)						(millions of dollars unless otherwise stated)					
Rental Revenues ¹	3,674.9	3,157.7	16.4%	951.3	828.6	14.8%	191.0	166.9	14.4%	48.0	43.8	9.6%
Other Operating income ²	282.5	272.4	3.7%	68.5	67.5	1.5%	14.8	14.3	3.5%	3.5	3.6	-2.5%
Real Estate Expenses for EBITDA Calculation	-324.5	-295.1	10.0%	-78.8	-68.7	14.7%	-16.9	-15.3	10.4%	-3.9	-3.6	8.8%
Real Estate Operating Expenses for NOI Calculation	-303.8	-279.0	8.9%	-69.1	-63.2	9.5%	-15.8	-14.4	9.4%	-3.5	-3.3	3.9%
Advertising	-1.3	-0.5	143.7%	-0.2	0.0	-	-0.1	0.0	-	0.0	0.0	-
Admin. Property Insurance Expenses	-3.0	-3.2	-7.4%	-0.8	-0.7	7.1%	-0.2	-0.2	0.0%	0.0	0.0	0.0%
Other Admin. Real Estate Expenses	-16.3	-12.4	32.3%	-8.7	-4.8	80.7%	-0.8	-0.7	29.3%	-0.4	-0.3	70.8%
Fees and Admin. Expenses	-348.2	-291.7	19.4%	-94.7	-78.2	21.0%	-18.0	-15.6	15.4%	-4.8	-4.1	15.3%
External Advisor Fees	-228.4	-198.2	15.2%	-59.8	-53.5	11.8%	-11.7	-10.6	9.8%	-3.0	-2.8	5.8%
Legal, Admin. and Other Professional Fees	-75.9	-52.1	45.7%	-23.1	-14.0	65.3%	-4.0	-2.7	47.2%	-1.2	-0.8	60.7%
Trustee Fees	-4.7	-10.1	-53.7%	-1.3	-1.9	-32.2%	-0.2	-0.5	-55.1%	-0.1	-0.1	-40.7%
Payroll	-26.3	-23.1	13.8%	-6.1	-6.3	-3.1%	-1.4	-1.2	11.2%	-0.3	-0.3	-9.9%
Other Expenses	-12.9	-8.2	56.5%	-4.4	-2.6	70.8%	-0.7	-0.4	51.0%	-0.2	-0.1	63.6%
EBITDA³	3,284.7	2,843.3	-9.2%	846.4	749.2	-19.4%	170.9	150.3	-7.9%	42.8	39.6	8.0%
EBITDA Margin	83.1%	83.0%	9 bps	83.1%	83.6%	-53 bps	83.1%	83.0%	9 bps	83.1%	83.6%	-53 bps

(1) Excludes accrued income from straight line rent adjustments as it is a non-cash item. (2) Excludes tenant improvements reimbursements which is included in AFFO calculation. (3) Earnings before interest, taxes, depreciation and amortization.

Source: PGIM Real Estate - Fund Accounting



For additional information regarding the commissions and administrative expenses breakdown used for the calculation of EBITDA and AFFO, please refer to **Appendix 3** located in the last section of this document.

Financing Expenses

During 2018, Terrafina registered financing costs of US\$52.2 million.

In 4Q18, financing expenses totaled US\$12.8 million, a decrease of 14.3% or US\$2.1 million compared to 4Q17.

Financial Expenses

	2018	2017	Var. %	4Q18	4Q17	Var. %	2018	2017	Var. %	4Q18	4Q17	Var. %
	(millions of pesos)						(millions of dollars)					
Interest Paid	-945.4	-861.7	9.7%	-249.2	-229.1	8.8%	-49.1	-45.6	7.7%	-12.6	-12.1	3.8%
Borrowing Expenses	-72.9	-105.6	-31.0%	-8.1	-56.5	-85.7%	-3.8	-5.5	-30.7%	-0.4	-3.0	-86.5%
Recurring	-0.7	-3.8	-81.8%	-0.7	-1.4	-51.2%	0.0	-0.2	-81.6%	0.0	-0.1	-51.4%
Non Recurring	-72.2	-101.8	-29.1%	-7.4	-55.1	-86.6%	-3.7	-5.3	-28.8%	-0.4	-2.9	-87.4%
Interest Income	14.3	8.7	64.0%	2.4	1.8	31.2%	0.7	0.5	58.1%	0.1	0.1	24.2%
Total	-1,004.1	-958.6	4.7%	-254.8	-283.8	-10.2%	-52.2	-50.6	3.1%	-12.8	-15.0	-14.3%

Source: PGIM Real Estate - Fund Accounting

Funds from Operations (FFO) / Adjusted Funds from Operations (AFFO)

For the full year 2018, Terrafina's FFO reached US\$122.5 million and a 60.0% FFO margin. Terrafina's AFFO reached US\$111.1 million, with a 54.0% AFFO margin.

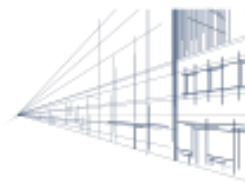
In 4Q18, FFO decreased by US\$2.8 million, or 10.1% compared to 4Q17, reaching US\$30.3 million. FFO Margin was 59.3%, a 75 basis point increase compared to 4Q17. Additionally, Terrafina reported an AFFO of US\$26.4 million, an increase of US\$0.7 million, or 24.0% compared to 4Q17. AFFO margin was 51.2%, a decrease of 287 basis points versus 4Q17.

Funds from Operations (FFO)

	2018	2017	Var. %	4Q18	4Q17	Var. %	2018	2017	Var. %	4Q18	4Q17	Var. %
	(millions of pesos unless otherwise stated)						(millions of dollars unless otherwise stated)					
EBITDA	3,284.7	2,843.3	15.5%	846.4	749.2	13.0%	170.9	150.3	13.7%	42.8	39.6	8.0%
Finance Cost ¹	-931.9	-856.8	8.8%	-247.5	-228.7	8.2%	-48.4	-45.3	6.8%	-12.5	-12.1	3.3%
Funds from Operations (FFO)	2,352.9	1,986.4	18.4%	598.9	520.5	15.1%	122.5	105.0	16.7%	30.3	27.5	10.1%
FFO Margin	60.0%	58.4%	157 bps	59.3%	58.6%	75 bps	60.0%	58.4%	157 bps	59.3%	58.6%	75 bps
Tenant Improvements	-118.8	-105.3	12.8%	-48.2	-22.8	111.4%	-6.1	-5.5	10.0%	-2.4	-1.2	98.8%
Leasing Commissions	-77.1	-66.0	16.8%	-21.0	-10.9	92.7%	-4.0	-3.5	15.2%	-1.1	-0.6	85.1%
Other Non Recurring ²	-24.4	-16.8	44.9%	-7.1	-1.9	270.6%	-1.3	-0.9	39.8%	-0.4	-0.1	246.8%
Adjusted Funds from Operations (AFFO)	2,132.6	1,798.2	18.6%	522.6	484.9	45.2%	111.1	95.0	1.4%	26.4	25.6	24.0%
AFFO Margin	54.0%	52.4%	162 bps	51.2%	54.1%	-287 bps	54.0%	52.4%	162 bps	51.2%	54.1%	-287 bps

(1) Net Operational Interest Expenses comprised by interest paid, recurring borrowing expenses and other interest income. (2) Related to acquisitions, dispositions, legal expenses and others.

Source: PGIM Real Estate - Fund Accounting



Comprehensive Income

Comprehensive Income for FY2018 reached US\$90.1 million. For 4Q18, this figure reached a gain of US\$114.6 million, compared to a gain of US\$144.0 million in 4Q17.

The following table presents the calculation of Comprehensive Income for 2018 and 4Q18:

Comprehensive Income

	2018	2017	Var. %	4Q18	4Q17	Var. %	2018	2017	Var. %	4Q18	4Q17	Var. %
	(millions of pesos unless otherwise stated)						(millions of dollars unless otherwise stated)					
Net Revenues	3,996.9	3,491.6	14.5%	1,034.1	915.0	13.0%	207.8	184.4	12.7%	52.2	48.3	8.0%
Real Estate Expenses	-666.0	-575.4	15.7%	-213.7	-134.0	59.5%	-34.4	-30.0	14.6%	-10.7	-7.1	51.0%
Fees and Other Expenses	-420.7	-414.0	1.6%	-119.0	-98.3	21.1%	-21.7	-22.1	-2.1%	-6.0	-5.2	15.0%
Gain (Loss) from Sales of Real Estate Properties	-20.7	-54.9	-62.3%	-2.9	-52.5	-94.5%	-1.1	-2.9	-63.0%	-0.1	-2.8	-94.8%
Net Income (Loss) from Fair Value Adjustment on Investment Properties	-682.9	62.6	-	168.5	72.3	133.1%	-35.5	3.3	-	8.5	3.8	122.9%
Net Income (Loss) from Fair Value Adjustment on Derivative Financial Instruments	19.2	28.5	-32.8%	-39.9	19.4	-	1.0	1.5	-33.9%	-2.0	1.0	-
Net Income (Loss) from Fair Value Adjustment on Borrowings	109.7	-589.0	-	-51.7	58.4	-	5.7	-31.1	-	-2.6	3.1	-
Realized gain (loss) on derivative financial instruments	5.6	-	-	2.9	-	-	0.3	-	-	0.1	-	-
Foreign Exchange Gain (loss)	5.4	89.2	-94.0%	-13.3	-45.2	-70.5%	0.3	4.7	-94.1%	-0.7	-2.4	-71.8%
Operating Profit	2,346.4	2,038.5	15.1%	765.0	735.1	4.1%	122.4	107.7	13.7%	38.7	38.8	-0.2%
Financial Income	14.3	8.7	64.0%	2.4	1.8	31.2%	0.7	0.5	58.1%	0.1	0.1	24.2%
Financial Expenses	-1,018.3	-967.3	5.3%	-257.2	-285.6	-10.0%	-52.9	-51.1	3.6%	-13.0	-15.1	-14.0%
Net Financial Cost	-1,004.1	-958.6	4.7%	-254.8	-283.8	-10.2%	-52.2	-50.6	3.1%	-12.8	-15.0	-14.3%
Share of Profit from Equity Accounted Investments	129.9	18.8	590.7%	109.5	7.1	1431.8%	6.8	1.0	579.1%	5.5	0.4	1365.1%
Net Profit (Loss)	1,472.3	1,098.7	34.0%	619.6	458.5	35.2%	77.0	58.1	32.5%	31.4	24.2	29.7%
Items Reclassified after Net Profit (Loss) - Currency Translation Adjustments	-134.8	-493.9	-72.7%	1,252.0	2,265.4	-44.7%	-7.0	-26.1	-73.2%	65.1	119.7	-45.7%
Changes in the fair value adjustment on borrowings at fair value through other comprehensive income	396.4	-	-	396.4	-	-	20.6	-	-	20.6	-	-
Comprehensive Income	1,733.9	604.8	186.7%	2,268.0	2,723.8	-16.7%	90.1	32.0	181.7%	114.6	144.0	-20.4%

Source: PGIM Real Estate - Fund Accounting

Distributions per CBFIs

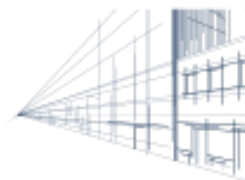
In 2018, Terrafina distributed US\$111.1 million, or US\$0.1407 per CBFI. For 4Q18, US\$26.4 million were distributed, or US\$0.0334 per CBFI.

Distributions

(millions of pesos unless otherwise stated)	1Q18	2Q18	3Q18	4Q18	2018 (average)	2017 (average)	Var. %
Total Outstanding CBFIs ¹ (millions of CBFIs)	791.0	791.0	791.0	790.6	790.9	745.1	6.1%
CBFI Price ²	28.68	28.46	28.28	25.39	27.71	30.65	-9.6%
Distributions	505.2	555.3	553.1	522.6	2,132.6	1,798.2	18.6%
Distributions Per CBFI	0.6386	0.7020	0.6993	0.6611	2.7010	2.4455	10.4%
FX Rate USD/MXN (average closing period)	18.78	19.39	18.99	19.79	19.24	18.92	1.7%
Distributions (millions of dollars)	26.9	28.8	29.1	26.4	111.1	95.0	16.9%
Distributions Per CBFI (dollars)	0.0340	0.0364	0.0368	0.0334	0.1407	0.1286	9.4%
Annualized Distribution Yield ³	8.9%	9.9%	9.9%	10.4%	9.7%	8.0%	177 bps

(1) Number of CBFIs at the end of each period (2) Average closing price for the period. (3) Annualized distribution per share divided by the average CBFI price of the quarter.

Source: PGIM Real Estate - Fund Accounting



Debt

As of December 31, 2018, Terrafina's total debt reached US\$993.0 million. The average cost of Terrafina's long-term debt was 5.02%. All of Terrafina's debt is denominated in U.S. dollars.

Outstanding Debt

<i>(As of December 31, 2018)</i>	Currency	Millions of pesos	Millions of dollars	Interest Rate	Terms	Maturity	Extension Option	Derivatives
Long Term Debt								
Citibank ¹	Dollars	1,035.4	52.6	Libor + 2.45%	Interest Only	Jan 2023	-	US\$150M cap ⁴
Metlife	Dollars	2,952.4	150.0	4.75%	Interest Only	Jan 2027	-	-
Banamex ²	Dollars	6,940.0	352.6	Libor + 2.45%	Interest Only	Oct 2022	-	US\$105M swap ⁵
Senior Notes ³	Dollars	8,313.3	422.4	5.25%	Interest Only	Nov 2022	-	-
New York Life	Dollars	303.4	15.4	5.19%	Interest + Principal	Feb 2020	-	-
Total Debt		19,544.5	993.0					
Net Cash		1,557.7	79.1					
Net Debt		17,986.9	913.8					

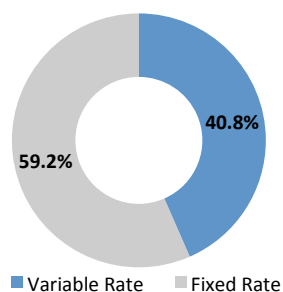
(1) Unsecured syndicated revolving credit facility. (2) Unsecured syndicated term loan facility; interest only for the first three years. (3) Value at Cost: US\$425 million / Ps.8,069 million.

(4) Interest rate Cap: 2.75%. (5) Interest rate Swap fixed rate: 1.768%

Source: PGIM Real Estate - Fund Accounting and Capital Markets

Interest Rate Breakdown

(as of December 31, 2018)



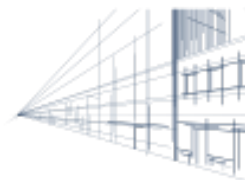
The following tables show leverage and debt service coverage as of December 31, 2018 as well as Terrafina's projections for the following six quarters:

Loan-to-Value (LTV)

<i>(as of December 31, 2018)</i>	<i>(millions of pesos)</i>	<i>(millions of dollars)</i>
Total Assets	48,726.4	2,475.6
Total Debt	19,544.5	993.0
Loan-to-Value (LTV)¹		40.1%

(1) Total Debt divided by Total Assets as defined by the National Securities and Banking Commission (CNBV)

Source: PGIM Real Estate - Fund Accounting and Capital Markets



Debt Service Coverage Ratio (DSCR)

	period	(millions of pesos)	(millions of dollars)
Cash & Cash Equivalents	December 31, 2018	1,557.7	79.1
Recoverable Taxes	Σ next 6 quarters	165.7	8.4
EBIT ¹ after distributions	Σ next 6 quarters	2,063.4	104.8
Available Credit Line	December 31, 2018	4,891.2	248.5

	period	(millions of pesos)	(millions of dollars)
Interest Payments	Σ next 6 quarters	1,850.6	94.0
Principal Payments	Σ next 6 quarters	304.9	15.5
Recurring CAPEX	Σ next 6 quarters	197.9	10.1
Development Expenses	Σ next 6 quarters	384.3	19.5

Debt Service Coverage Ratio (DSCR)²			3.2x
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(1) Earnings Before Interest and Taxes

(2) (Cash & Cash Equivalents + Recoverable Taxes + EBIT After Distributions + Available Credit Line) / (Interest Payments + Principal Payments + Recurring CAPEX + Development Expenses)

Source: PGIM Real Estate - Fund Accounting and Capital Markets

Moreover, as of December 31, 2018, Terrafina was in full compliance with its debt covenants related to the US\$425 million bond issuance (November 2015), as follows:

Unsecured Bond Covenants

(as of December 31, 2018)	Terrafina	Bond Covenants
Loan-to-Value (LTV) ¹	40.1%	≤ 60%
Debt Service Coverage Ratio (DSCR) ²	3.5x	≥ 1.5x
Secured Debt to Gross Assets Limitation	6.7%	≤ 40%
Unencumbered Assets to Unsecured Debt Limitation	239%	≥ 150%

(1) Total Debt divided by Total Assets.

(2) (Net Income/Loss + Interest on Debt + Unrealized Gain /Loss of fair value changes)/ (all interest and principal payments on Debt)

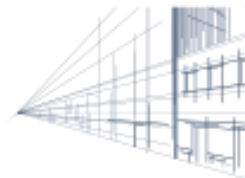
Source: PGIM Real Estate - Transactions

CBFI Buyback Activity

Terrafina bought 411,832 CBFI during the 4Q18 at an average weighted price of Ps. 24.41 to close the quarter with a total of 790,602,803 outstanding CBFI.

CBFI Buyback Activity

	4Q18
Total outstanding CBFI at the beginning of the quarter	791,014,635
Buyback activity during the quarter	411,832
Total outstanding CBFI at the end of the quarter	790,602,803
Weighted average repurchase price (pesos)	24.41



Guidance

Terrafina expects to reach the following full-year (same-store) results as part of its 2019 guidance:

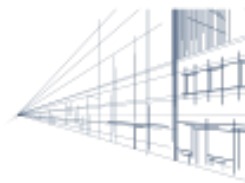
2019 Guidance

	2019
Year end occupancy	95% - 96%
Annual distribution per CBFi	\$0.13 US cents - \$0.14 US cents
CAPEX per square foot (Total GLA)	\$0.20 US cents - \$0.25 US cents

Analyst Coverage

The following is a list of banks and institutions that regularly publish research reports on Terrafina:

- Barclays
- BBVA Bancomer
- Bradesco
- BofA ML
- BTG Pactual
- BX+
- Citi Banamex
- Credit Suisse
- GBM
- HSBC
- Interacciones
- Invex
- Itaú BBA
- JPMorgan
- Monex
- Morgan Stanley
- NAU Securities
- Scotiabank
- Santander
- UBS



About Terrafina

Terrafina (BMV:TERRA13) is a Mexican real estate investment trust formed primarily to acquire, develop, lease and manage industrial real estate properties in Mexico. Terrafina's portfolio consists of attractive, strategically located warehouses and other light manufacturing properties throughout the Central, Bajio and Northern regions of Mexico. It is internally managed by highly-qualified industry specialists and externally advised by PGIM Real Estate.

Terrafina owns 299 real estate properties, including 287 developed industrial facilities with a collective GLA of approximately 41.1 million square feet and 12 land reserve parcels, designed to preserve the organic growth capability of the portfolio.

Terrafina's objective is to provide attractive risk-adjusted returns for the holders of its certificates through stable distributions and capital appreciations. Terrafina aims to achieve this objective through a successful performance of its industrial real estate and complementary properties, strategic acquisitions, access to a high level of institutional support, and to its management and corporate governance structure. For more information, please visit www.terrafinamx

PGIM Real Estate

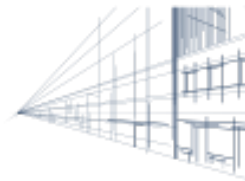
PGIM Real Estate is the real estate investment business of PGIM Inc., the global investment management business of Prudential Financial, Inc. (NYSE: PRU). Redefining the real estate investing landscape since 1970, PGIM Real Estate has professionals in 18 cities in the Americas, Europe and Asia Pacific with deep local knowledge and expertise, and gross assets under management of US\$72.7 billion (US\$50.8 billion net) as of December 31, 2018. PGIM Real Estate's tenured team offers to its global client base a broad range of real estate equity, debt and securities investment strategies that span the risk/return spectrum. For more information, visit www.pgimrealestate.com

About Prudential Financial, Inc.

Prudential Financial, Inc. (NYSE:PRU), a financial services leader with more than US\$1.4 trillion of assets under management as of December 31, 2018, has operations in the United States, Asia, Europe, and Latin America. Prudential's diverse and talented employees are committed to helping individual and institutional customers grow and protect their wealth through a variety of products and services, including life insurance, annuities, retirement-related services, mutual funds and investment management. In the U.S., Prudential's iconic Rock symbol has stood for strength, stability, expertise and innovation for more than a century. For more information, please visit www.news.prudential.com

Forward Looking Statements

This document may include forward-looking statements that may imply risks and uncertainties. Terms such as "estimate", "project", "plan", "believe", "expect", "anticipate", "intend", and other similar expressions could be construed as previsions or estimates. Terrafina warns readers that declarations and estimates mentioned in this document, or realized by Terrafina's management imply risks and uncertainties that could change in function of various factors that are out of Terrafina's control. Future expectations reflect Terrafina's judgment at the date of this document. Terrafina reserves the right or obligation to update the information contained in this document or derived from this document. Past or present performance is not an indicator to anticipate future performance.



Conference Call

Terrafina (BMV: TERRA13)

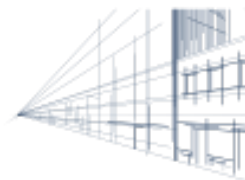
Cordially invites you to participate in its
Fourth Quarter 2018 Results

Thursday, February 28, 2019
11:00 a.m. Eastern Time
10:00 a.m. Central Time

To access the call, please dial:
from within the U.S. 1-877-830-2576
from outside the U.S. 1-785-424-1726
Conference ID Number: Terrafina

Audio Webcast Link: <https://webcasts.eqs.com/terrafina20190228>

Conference Replay
U.S. 1-844-488-7474
International (outside the US) 1-862-902-0129
Passcode: 71941678



Appendix

Appendix 1 – Revenues

Terrafina's revenues are mainly classified as rental revenues and other operating reimbursable revenues.

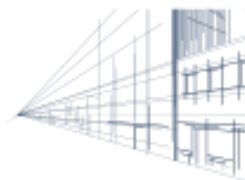
Additionally, there are accounting revenues that must be registered according with IFRS; however, these are considered as non-cash items and therefore are excluded in some calculations.

Reimbursable tenant improvements are included in the tenant improvement expenses for the AFFO calculation.

Revenues		2018	2017	4Q18	4Q17	2018	2017	4Q18	4Q17
		(millions of pesos)				(millions of dollars)			
NOI calculation	Rental Revenue	3,674.9	3,157.7	951.3	828.6	191.0	166.9	48.0	43.8
Non Cash	Accrued Income ¹	26.3	30.6	6.7	15.6	1.4	1.7	0.3	0.8
	Other Operating Revenues	295.6	303.3	76.1	70.8	15.4	15.8	3.9	3.8
NOI calculation	Reimbursable Expenses as Revenues ²	253.6	247.4	60.2	60.4	13.3	12.9	3.1	3.2
AFFO calculation	Reimbursable Tenant Improvements	28.4	31.1	8.3	7.6	1.5	1.7	0.4	0.4
Non Cash	Other non-cash income	13.6	24.8	7.7	2.8	0.7	1.2	0.4	0.1
	Net Revenue	3,996.9	3,491.6	1,034.1	915.0	207.8	184.4	52.2	48.3
NOI calculation	Share of Profit from Equity Accounted Investments ²	28.8	25.0	8.3	7.1	1.5	1.4	0.4	0.4

(1) Straight line rent adjustment. (2) Triple net leases expenses reimbursed to Terrafina from its tenants. (2) Profit from joint-venture developments.

Source: PGIM Real Estate - Fund Accounting



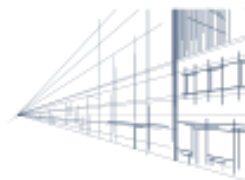
Appendix 2 – Real Estate Expenses

Real estate expenses are comprised of recurring figures related with the operation (used for the Net Operating Profit calculation) as well as non-recurring figures used for metric calculations such as Earnings Before Interests, Taxes, Depreciation and Amortization (EBITDA), Funds from Operations (FFO), Adjusted Funds from Operations (AFFO).

The following table presents the real estate expenses breakdown, which are used for the calculation of several metrics.

		Real Estate Expenses							
		2018	2017	4Q18	4Q17	2018	2017	4Q18	4Q17
		(millions of pesos)				(millions of dollars)			
NOI calculation	Repair and Maintenance	-179.2	-169.6	-65.9	-38.1	-9.2	-9.0	-3.3	-2.0
	Recurring	-32.1	-33.1	-9.5	-7.7	-1.7	-1.8	-0.5	-0.4
	Non Recurring	-147.1	-136.4	-56.4	-30.4	-7.6	-7.2	-2.8	-1.6
AFFO calculation	Property Taxes	-88.5	-76.1	-1.1	-5.4	-4.7	-3.6	-0.1	-0.3
NOI calculation	Operating	-78.3	-66.4	0.0	0.0	-4.1	-3.1	0.0	0.0
Non Cash	Non Operating	-10.3	-9.7	-1.1	-5.4	-0.5	-0.5	-0.1	-0.3
NOI calculation	Property Management Fees	-74.2	-68.5	-18.4	-18.5	-3.9	-3.6	-0.9	-1.0
NOI calculation	Electricity	-58.9	-50.8	-15.8	-13.1	-3.0	-2.7	-0.8	-0.7
AFFO calculation	Brokers Fees	-77.1	-66.0	-21.0	-10.9	-4.0	-3.5	-1.1	-0.6
	Property Insurance	-27.4	-28.3	-16.9	-15.7	-1.4	-1.5	-0.8	-0.8
NOI calculation	Operating	-24.4	-25.1	-16.2	-15.0	-1.2	-1.3	-0.8	-0.8
EBITDA calculation	Administrative	-3.0	-3.2	-0.8	-0.7	-0.2	-0.2	0.0	0.0
NOI calculation	Security	-18.3	-13.4	-4.4	-3.0	-1.0	-0.7	-0.2	-0.2
EBITDA calculation	Advertising	-1.3	-0.5	-0.2	0.0	-0.1	0.0	0.0	0.0
	Other Expenses	-86.0	-80.4	-47.2	-27.8	-4.3	-4.2	-2.3	-1.5
NOI calculation	Operational Related	-17.7	-21.7	-5.0	-5.8	-0.9	-1.2	-0.2	-0.3
Non Cash	Non Operational Related	-51.9	-46.3	-33.6	-17.2	-2.5	-2.4	-1.7	-0.9
EBITDA calculation	Administrative	-16.3	-12.4	-8.7	-4.8	-0.8	-0.7	-0.4	-0.3
Non Cash	Bad Debt Expense	-55.1	-21.8	-22.8	-1.4	-2.9	-1.1	-1.1	-0.1
	Total Real Estate Expenses	-666.0	-575.4	-213.7	-134.0	-34.4	-30.0	-10.7	-7.1

Source: PGIM Real Estate - Fund Accounting



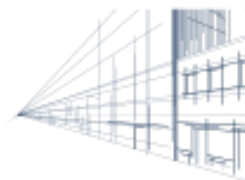
Appendix 3 – Fees and Administrative Expenses

Fees and administrative expenses include figures used for metric calculations such as Earnings before Interests, Taxes, Depreciation and Amortization (EBITDA), Funds from Operations (FFO), Adjusted Funds from Operations (AFFO).

Terrafina's fees and administrative expenses breakdown is available in the following table and indicates the figures used for the calculation of these metrics:

Fees and Administrative Expenses		2018	2017	4Q18	4Q17	2018	2017	4Q18	4Q17
		(millions of pesos)				(millions of dollars)			
EBITDA calculation	External Advisor Fees	-228.4	-198.2	-59.8	-53.5	-11.7	-10.6	-3.0	-2.8
	Legal Fees	-17.3	-19.6	-4.6	-7.6	-0.9	-1.1	-0.2	-0.4
EBITDA calculation	Recurring	-1.6	-1.0	0.0	-0.1	-0.1	-0.1	0.0	0.0
AFFO calculation	Non Recurring	-15.7	-18.6	-4.6	-7.5	-0.8	-1.0	-0.2	-0.4
EBITDA calculation	Other Professional Fees	-19.8	-20.5	-4.6	-4.7	-1.1	-1.1	-0.3	-0.3
	Recurring	-11.1	-13.1	-2.2	-3.0	-0.7	-0.7	-0.2	-0.2
AFFO calculation	Non Recurring	-8.7	-7.4	-2.5	-1.7	-0.5	-0.4	-0.1	-0.1
EBITDA calculation	Administrative Fees	-111.3	-134.3	-38.1	-21.7	-5.7	-7.2	-1.9	-1.1
	Recurring	-63.2	-37.9	-20.9	-10.8	-3.3	-2.0	-1.0	-0.6
Non Operational related	Non Recurring ¹	-48.1	-96.3	-17.3	-10.9	-2.4	-5.2	-0.9	-0.6
EBITDA calculation	Payroll	-26.3	-23.1	-6.1	-6.3	-1.4	-1.2	-0.3	-0.3
EBITDA calculation	Trustee Fees	-4.7	-10.1	-1.3	-1.9	-0.2	-0.5	-0.1	-0.1
EBITDA calculation	Other Expenses	-12.9	-8.2	-4.4	-2.6	-0.7	-0.4	-0.2	-0.1
Total Fees and Admin. Expenses		-420.7	-414.0	-119.0	-98.3	-21.7	-22.1	-6.0	-5.2

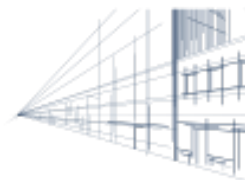
(1) Non operational related administrative fees.
Source: PGIM Real Estate - Fund Accounting



Appendix 4 – Reconciliation

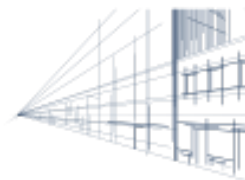
Reconciliation of Net Profit (Loss) to FFO, EBITDA and NOI

	2018 (millions of pesos)	4Q18	2018 (millions of dollars)	4Q18
Comprehensive Income (Loss)	1,733.9	2,268.0	90.1	114.6
<i>Add (deduct) Currency Translation Adjustment:</i>				
Currency Translation Adjustment	134.8	-1,252.0	7.0	-63.3
Changes in the fair value adjustment on borrowings through other comprehensive income	-396.4	-396.4	-20.6	-20.0
<i>Add (deduct) Cost of Financing Adjustment:</i>				
Non Recurring Borrowing Expenses	72.2	7.4	3.8	0.4
<i>Add (deduct) Non-Cash Adjustment:</i>				
Foreign Exchange Adjustments	-5.4	13.3	-0.3	0.7
Realized gain (loss) on derivative financial instruments	-5.6	-2.9	-0.3	-0.1
Fair Value Adjustment on Borrowings	-109.7	51.7	-5.7	2.6
Fair Value Adjustment on Derivative Financial Instruments	-19.2	39.9	-1.0	2.0
Fair Value Adjustment on Investment Properties	682.9	-168.5	35.5	-8.5
Gain (Loss) from Sales of Real Estate Properties / Equity Accounted Investments	-109.8	-101.1	-5.7	-5.1
Gain (Loss) from Sales of Real Estate Properties	20.7	2.9	1.1	0.1
<i>Add (deduct) Expenses Adjustment:</i>				
Non Recurring Repair and Maintenance	147.1	56.4	7.6	2.9
Non Operating Property Taxes	10.3	1.1	0.5	0.1
Brokers Fees	77.1	21.0	4.0	1.1
Bad Debt Expense	55.1	22.8	2.9	1.2
Other Expenses Non Operational Related	51.9	33.6	2.7	1.7
Non Recurring Legal Fees	15.7	4.6	0.8	0.2
Non Recurring Other Professional Fees	8.7	2.5	0.5	0.1
<i>Add (deduct) Revenues Adjustment:</i>				
Accrued Income	-26.3	-6.7	-1.4	-0.3
Other Non-Cash Income	-13.6	-7.7	-0.7	-0.4
Reimbursable Tenant Improvements	-28.4	-8.3	-1.5	-0.4
<i>Add (deduct) Non Operational Administrative Fees</i>				
Non Operational Administrative Fees	56.8	17.3	3.0	0.9
FFO	2,352.9	598.9	122.5	30.3
<i>Add (deduct) Cost of Financing Adjustment:</i>				
Interest Paid	945.4	249.1	49.1	12.5
Recurring Borrowing Expenses	0.7	0.7	0.0	0.1
Interest Income	-14.3	-2.4	-0.7	-0.2
EBITDA	3,284.8	846.2	170.9	42.8
<i>Add (deduct) Expenses Adjustment:</i>				
External Advisor Fees	228.4	59.8	11.9	3.0
Recurring Legal Fees	1.6	0.0	0.1	0.0
Recurring Other Professional Fees	11.1	2.2	0.6	0.1
Administrative Fees	63.2	20.9	3.3	1.1
Payroll	26.3	6.1	1.4	0.3
Trustee Fees	4.7	1.3	0.2	0.1
Other Expenses	12.9	4.4	0.7	0.2
Advertising	1.3	0.2	0.1	0.0
Administrative Property insurance	3.0	0.8	0.1	0.0
Other Administrative Expenses	16.3	8.7	0.8	0.4
NOI	3,653.6	950.7	190.0	48.0
<i>Add (deduct) Expenses Adjustment:</i>				
Recurring Repair and Maintenance	32.1	9.5	1.7	0.5
Operating Property Taxes	78.3	0.0	4.1	0.0
Property Management Fees	74.2	18.4	3.9	0.9
Electricity	58.9	15.8	3.1	0.8
Operating Property Insurance	24.4	16.2	1.3	0.8
Security	18.3	4.4	1.0	0.2
Other Operational Expenses	17.7	5.0	0.9	0.3
<i>Add (deduct) Revenues Adjustment:</i>				
Other Non-Cash Income	13.6	7.7	0.7	0.4
Accrued Income	26.3	6.7	1.3	0.3
Reimbursable Tenant Improvements	28.4	8.3	1.4	0.4
Share of Profit from Equity Accounted Investments	-28.8	-8.3	-1.5	-0.4
Net Revenue	3,996.9	1,034.1	207.8	52.2



Reconciliation of Net Profit (Loss) to AFFO

	2018 (millions of pesos)	4Q18 (millions of pesos)	2018 (millions of dollars)	4Q18 (millions of dollars)
Comprehensive Income (Loss)	1,733.9	2,268.0	90.1	114.6
<i>Add (deduct) Cost of Financing Adjustment:</i>				
Non Recurring Borrowing Expenses	134.8	-	7.0	-63.3
Changes in the fair value adjustment on borrowings through other comprehensive income	-396.4	1,252.0	-20.6	-20.0
<i>Add (deduct) Cost of Financing Adjustment:</i>				
Non Recurring Borrowing Expenses	72.2	7.4	3.8	0.4
<i>Add (deduct) Non-Cash Adjustment:</i>				
Foreign Exchange Adjustments	-5.4	13.3	-0.3	0.7
Realized gain (loss) on derivative financial instruments	-5.6	-2.9	-0.3	-0.1
Fair Value Adjustment on Borrowings	-109.7	51.7	-5.7	2.6
Fair Value Adjustment on Derivative Financial Instruments	-19.2	39.9	-1.0	2.1
Fair Value Adjustment on Investment Properties	682.9	-168.5	35.5	-8.5
Gain (Loss) from Sales of Real Estate Properties / Equity Accounted Investments	-109.8	-101.1	-5.7	-5.1
Gain (Loss) from Sales of Real Estate Properties	20.7	2.9	1.1	0.1
<i>Add (deduct) Expenses Adjustment:</i>				
Non Operating Property Taxes	10.3	1.1	0.6	0.1
Bad Debt Expense	55.1	22.8	2.9	1.2
Other Expenses Non Operational Related	51.9	33.6	2.7	1.7
<i>Add (deduct) Revenues Adjustment:</i>				
Accrued Income	-26.3	-6.7	-1.3	-0.3
Other Non-Cash Income	-13.6	-7.7	-0.7	-0.4
<i>Add (deduct) Non Operational Administrative Fees</i>				
Non Administrative Fees	56.8	17.3	3.0	0.9
AFFO	2,132.6	522.6	111.1	26.4



Appendix 5 - Cap Rate Calculation

Terrafina subtracts cash and land reserves for the cap rate calculation.

Implied cap rate and under NAV (Net Asset Value) calculation are shown in the following tables:

Implied Cap Rate

2018 Average Price (dollars) ¹	1.44
(x) CBFIs (million shares)	790.6
(=) Market Capitalization	1,138.5
(+) Total Liabilities	993.0
(-) Cash	79.1
(=) Enterprise Value	2,052.3
(-) Landbank	56.0
(=) Implied Operating Real Estate Value	1,996.3
Net Operating Income (NOI) 2019e	192.0
Implied Cap Rate	9.6%

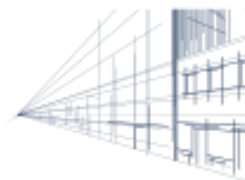
Figures expressed in millions of dollars unless otherwise stated.

(1) Average share price of Ps.27.71; and average exchange rate of Ps. 19.2403

Cap Rate Calculation with NAV

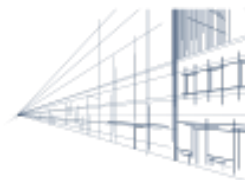
(+) Investment Properties (excluding landbank)	2,331.0
(+) Land	56.0
(+) Cash	79.1
(-) Total Liabilities	993.0
(=) NAV ¹	1,473.1
(/) CBFIs (million shares)	790.6
(=) NAV per CBFI (dollars)	1.9

CBFI Price (NAV calculation)	1.9
(x) CBFIs (million shares)	790.6
(=) Market Cap	1,473.1
(+) Total Debt and Liabilities	993.0
(-) Cash	79.1
(=) Enterprise Value	2,387.0
(-) Landbank	56.0
(=) Implied Operating Real Estate Value	2,331.0
Net Operating Income (NOI) 2019e	192.0
Implied Cap Rate	8.2%



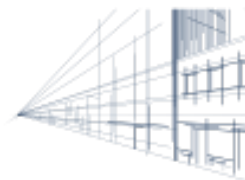
Financial Statements

Income Statement	4Q18	2018	4Q18	2018
	(thousands of pesos)		(thousands of dollars)	
Rental revenues	\$ 957,959	\$ 3,701,230	\$ 48,412	\$ 192,352
Other operating income	76,137	295,639	3,848	15,364
Real estate operating expenses	(213,700)	(665,996)	(10,800)	(34,612)
Fees and other expenses	(119,013)	(420,661)	(6,014)	(21,862)
Realized gain (loss) from disposal of investment properties	(2,860)	(20,696)	(145)	(1,076)
Net gain (loss) from fair value adjustment on investment properties	168,522	(682,896)	8,517	(35,490)
Net gain (loss) from fair value adjustment on borrowings	(51,722)	109,669	(2,614)	5,699
Net gain (loss) unrealized from fair value on derivative financial instruments	(39,936)	19,153	(2,018)	995
Realized gain (loss) on derivative financial instruments	2,894	5,630	146	293
Foreign exchange (loss) gain	(13,326)	5,359	(673)	279
Operating profit	764,955	2,346,431	38,658	121,943
Finance income	2,395	14,279	121	742
Finance cost	(257,219)	(1,018,336)	(12,999)	(52,923)
Finance cost - net	(254,824)	(1,004,057)	(12,878)	(52,181)
Share of profit from equity accounted investments	109,495	129,895	5,533	6,751
Net Profit for the period	619,626	1,472,269	31,314	76,513
Translation gain (loss) from functional to reporting currency	1,251,970	(134,775)	63,270	(7,004)
Changes in the fair value adjustment on borrowings at fair value through other comprehensive income	396,357	396,357	20,030	20,599
Total Comprehensive income for the period	2,267,953	1,733,851	114,614	90,108



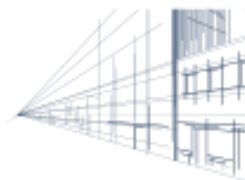
Financial Statements

Balance Sheet	Dec-31-18	Sep-30-18	Dec-31-18	Sep-30-18
<i>(thousands of pesos)</i>	<i>(thousands of pesos)</i>	<i>(thousands of pesos)</i>	<i>(thousands of dollars)</i>	<i>(thousands of dollars)</i>
Assets				
Non-current assets				
Investment properties (Cost: 31/12/2018 - Ps. 45,437,152, US\$2,308,458; 30/09/2018 - Ps. 43,208,147, US\$2,275,802)	\$ 45,880,211	\$ 43,467,507	\$ 2,330,968	\$ 2,310,627
Investments accounted using equity method	547,708	427,862	27,827	22,744
Derivative financial instruments	52,074	87,003	2,646	4,625
Deferred charges and accrued income	203,915	188,416	10,360	10,016
Loan receivable (Cost: 31/12/2018 - Ps. 36,841, US\$1,872; 30/09/2018 - Ps. 35,529, US\$1,871)	36,841	35,529	1,872	1,889
Restricted cash	36,599	34,979	1,859	1,859
Current assets				
Other assets	59,612	57,749	3,029	3,070
Loan receivable (Cost: 31/12/2018 - Ps. 1,421, US\$72; 30/09/2018 - Ps. 1,345, US\$71)	1,421	1,345	72	71
Recoverable taxes	165,677	306,083	8,417	16,271
Prepaid expenses	10,227	3,785	520	201
Deferred charges and accrued income	19,624	19,624	997	1,043
Accounts receivable (Net of allowance for doubtful accounts: 31/12/2018 - Ps. 84,059, US\$4,271; 30/09/2018 - Ps. 60,595, US\$3,192)	154,849	142,592	7,867	7,580
Cash and cash equivalents	1,557,651	1,911,178	79,137	101,594
Total assets	48,726,409	46,683,652	2,475,571	2,481,589
Net assets attributable to Investors				
Contributions, net	19,189,138	19,199,208	974,914	1,020,583
Retained earnings	301,783	-	15,332	-
Currency translation adjustment	9,054,713	7,782,663	460,029	413,707
Total net assets (Net Equity)	28,545,634	26,981,871	1,450,276	1,434,290
Liabilities				
Non-current liabilities				
Borrowings (Cost: 31/12/2018 - Ps. 19,509,581, US\$991,194; 0/09/2018 - Ps. 18,649,219, US\$982,267)	19,395,814	18,871,083	985,414	1,003,141
Tenant deposits	296,723	288,825	15,075	15,353
Accounts payable	4,921	4,756	250	253
Current liabilities				
Trade and other payables	234,603	195,751	11,919	10,406
Borrowings (Cost: 31/12/2018 - Ps. 148,698, US\$7,555; 30/09/2018 - Ps. 1244,771, US\$12,892)	148,698	244,771	7,555	13,011
Tenant deposits	100,016	96,595	5,081	5,135
Total liabilities (excluding net assets attributable to the Investors)	20,180,775	19,701,781	1,025,295	1,047,299
Total net assets and liabilities	48,726,409	46,683,652	2,475,571	2,481,589



Financial Statements

Cash Flow Statement	Dec-18	Dec-18
	(thousands of pesos)	(thousands of dollars)
Cash flows from operating activities		
(Loss) profit for the period	\$ 1,472,269	\$ 74,799
Adjustments:		
Net loss (gain) unrealized from fair value adjustment on investment properties	682,896	34,695
Net loss (gain) unrealized from fair value adjustment on borrowings	(109,669)	(5,572)
Net loss (gain) unrealized from fair value adjustment on derivative financial instruments	(19,153)	(973)
Realized gain from disposal of investment properties	20,696	1,051
Bad debt expense	61,981	3,149
Interest expense	945,449	48,034
Interest income on bank accounts	(12,160)	(618)
Share of profit from equity accounted investments	(129,895)	(6,599)
Decrease (increase) deferred rents receivable	(25,361)	(1,288)
Decrease (increase) in accounts receivable	(158,192)	(8,037)
Decrease (increase) in recoverable taxes	1,127,388	57,278
Decrease (increase) in reimbursed value added tax	(609,530)	(30,967)
Decrease (increase) in prepaid expenses	1,545	78
Decrease (increase) in other assets	(33,780)	(1,716)
Decrease (increase) in tenant deposits	7,970	405
(Decrease) in accounts payable	27,687	1,407
Net cash (used in) generated from operating activities	3,250,141	165,125
Cash flows from investing activities		
Acquisitions of investment properties	(714,626)	(36,307)
Improvements of investment properties	(118,790)	(6,035)
Proceeds from dispositions of investment properties	59,217	3,001
Acquisition prepayment	-	-
Interest income on bank accounts	12,160	618
Investments in joint venture	10,694	543
Loans receivable payment	1,211	62
Net cash (used in) generated from investing activities	(750,134)	(38,111)
Cash flows from financing activities		
Proceeds from borrowings	-	-
Principal payments on borrowings	(885,193)	(44,973)
Interest expense	(933,182)	(47,411)
Distributions to investors	(2,239,707)	(113,789)
Restricted cash	61	3
Repurchase of capital	(10,070)	(512)
Net cash (used in) generated from financing activities	(4,068,091)	(206,681)
Net (decrease) in cash and cash equivalents	(1,568,084)	(79,667)
Cash and cash equivalents at the beginning of the period	3,209,041	163,037
Exchange effects on cash and cash equivalents	(83,306)	(4,232)
Cash and cash equivalents at the end of the period	\$ 1,557,651	\$ 79,137



Financial Statements

Statement of Changes in Equity	Attributable to Investors			
	Net contributions	Currency translation adjustment	Retained earnings	Net assets
<i>(thousands of pesos)</i>				
Balance as of January 1, 2018	\$ 19,844,088	\$ 9,189,488	\$ 27,984	\$ 29,061,560
Capital Contribution, Net of Issuing Costs	(644,880)	-	-	(2,239,707)
Distributions to Investors	(10,070)	-	(1,594,827)	(10,070)
Comprehensive Income				
Net loss of the period	-	-	1,472,269	1,472,269
Other Comprehensive Income				
Currency Translation	-	(134,775)	-	(134,775)
Change from fair value adjustment on borrowings	-	-	396,357	396,357
Total Comprehensive (loss) income	-	(134,775)	1,868,626	1,733,851
Net Assets as of December 31, 2018	\$ 19,189,138	\$ 9,054,713	\$ 301,783	\$ 28,545,634
<i>(thousands of dollars)</i>				
Balance as of January 1, 2018	\$ 1,002,850	\$ 464,404	\$ 1,414	\$ 1,468,668
Capital Contribution, Net of Issuing Costs	(32,590)	-	-	(113,187)
Distributions to Investors	(509)	-	(80,597)	(509)
Comprehensive Income				
Net loss of the period	-	-	74,403	74,403
Other Comprehensive Income				
Currency Translation	-	(6,811)	-	(6,811)
Total Comprehensive (loss) income	-	(6,811)	94,434	87,623
Net Assets as of December 31, 2018	\$ 969,751	\$ 457,593	\$ 15,251	\$ 1,442,595