

SECOND QUARTER 2019 EARNINGS REPORT

Mexico City, July 25, 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, announced today its second quarter 2019 (2Q19) earnings results.

The figures in this report have been prepared in accordance with International Financial Reporting Standards (“IFRS”). Figures presented in this report are presented in millions of Mexican pesos and millions of U.S. dollars, unless otherwise stated. Additionally, figures may vary due to rounding. Terrafina’s financial results included in this report are unaudited. As a result, the mentioned figures in this financial report are preliminary figures and could be adjusted in the future.

*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 of future performance.***

Operating and Financial Highlights as of June 30, 2019

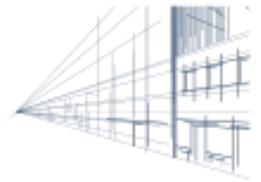
Operating

- **As of June 30, 2019, the occupancy rate was 95.5%, unchanged compared to the second quarter of 2018 (2Q18). Additionally, considering signed letters of intent (LOI), occupancy for 2Q19 was 96.3%.**
- **Annualized average leasing rate per square foot was US\$5.18 in 2Q19, a 2.0% or US\$0.11 increase compared to 2Q18.**
- **Terrafina reported a total of 41.7 million square feet (msf) of Gross Leasable Area (GLA) comprised of 288 properties and 293 tenants.**
- **2Q19 leasing activity totaled 3.2 msf, of which 29.4% corresponded to new leases, 18.8% to lease renewals and 51.9% to early renewals.** Leasing activity was mainly concentrated in the Aguascalientes, San Luis Potosi, Ramos Arizpe, Chihuahua, Monterrey, Silao, Ciudad Juarez, Huehuetoca, Apodaca, Toluca, Cuautitlan Izcalli, Tijuana and Hermosillo markets.

Contacts:

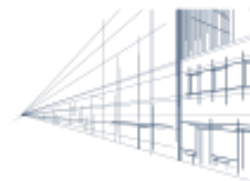
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Financial

- 2Q19 rental revenues reached US\$47.3 million, a 0.5% or US\$0.2 million decrease compared to 2Q18.
- 2Q19 Net Operating Income (NOI) was US\$47.2 million, a 1.4% or US\$0.6 million decrease compared to 2Q18. NOI margin reached 94.1%, a 76 basis point decrease compared to 2Q18.
- 2Q19 EBITDA reached US\$42.2 million, a decrease of 3.1% or US\$1.4 million compared to 2Q18. The EBITDA margin for 2Q19 was 84.2%, a 222 basis point decrease compared to 2Q18.
- 2Q19 adjusted funds for operations (AFFO) reached US\$25.1 million, a decrease of 12.7% or US\$3.7 million compared to 2Q18. The AFFO margin for 2Q19 was 50.2%, a 655 basis point decrease compared to 2Q18.
- 2Q19 distributions totaled US\$25.1 million. As a result, Terrafina will distribute Ps.0.6083 per CBFi (US\$0.0318 per CBFi) for distributions corresponding to the period from April 1 to June 30, 2019.
- The annualized distribution of 2Q19 was US\$0.1271. Considering the average share price for the quarter of US\$1.59 (Ps.30.46), Terrafina's dividend yield for the quarter was 8.0%.



Operating and Financial Highlights

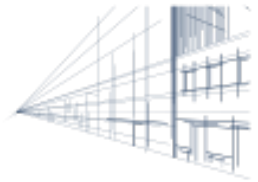
<i>Operating</i>	Jun19	Jun18	Var.			
Number of Developed Properties	288	286	2			
Gross Leasable Area (GLA) (msf) ¹	41.7	40.9	0.8			
Land Reserves (msf)	5.66	6.17	-0.51			
Occupancy Rate ²	95.5%	95.5%	-4 bps			
Avg. Leasing Rent / Square Foot (dollars)	5.18	5.07	0.11			
Weighted Average Remaining Lease Term (years)	3.54	3.46	0.08			
Renewal Rate ³	80.0%	90.4%	-1,036 bps			

<i>Quarterly Financial</i>	2Q19	2Q18	Var.	2Q19	2Q18	Var.
				19.1333	19.3911	
	(millions of pesos unless otherwise stated)			(millions of dollars unless otherwise stated)		
Rental Revenues	905.7	921.8	-1.7%	47.3	47.6	-0.5%
Other Operating Income	53.9	50.9	5.9%	2.8	2.6	6.7%
Net Revenues	982.0	981.1	0.1%	51.3	50.6	1.4%
Net Operating Income (NOI)*	903.4	926.9	-2.5%	47.2	47.9	-1.4%
NOI Margin	94.1%	94.9%	-76 bps	94.1%	94.9%	-76 bps
EBITDA*	807.5	842.0	-4.1%	42.2	43.6	-3.1%
EBITDA Margin	84.2%	86.4%	-222 bps	84.2%	86.4%	-222 bps
Funds from Operations (FFO)*	564.9	604.2	-6.5%	29.5	31.3	-5.7%
FFO Margin	59.4%	62.0%	-261 bps	59.4%	62.0%	-261 bps
Adjusted Funds from Operations (AFFO)*	480.9	555.3	-13.4%	25.1	28.8	-12.7%
AFFO Margin	50.2%	56.7%	-655 bps	50.2%	56.7%	-655 bps
Distributions	480.9	555.3	-13.4%	25.1	28.8	-12.7%
Distributions per CBF1	0.6083	0.7020	-13.4%	0.0318	0.0364	-12.7%

<i>Balance Sheet</i>	Jun19	Mar19	Var.	Jun19	Mar19	Var.
				19.1685	19.3793	
	(millions of pesos unless otherwise stated)			(millions of dollars unless otherwise stated)		
Cash & Cash Equivalents	1,126.8	1,342.2	-16.0%	58.8	69.3	-15.1%
Investment Properties	44,728.3	45,060.9	-0.7%	2,333.4	2,325.2	0.4%
Land Reserves	958.8	962.4	-0.4%	50.0	49.7	0.7%
Total Debt	19,428.1	19,650.4	-1.1%	1,013.5	1,014.0	0.0%
Net Debt	18,301.3	18,308.2	0.0%	954.8	944.7	1.1%

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 of the period, 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 "2Q19 Financial Performance" and "Appendices" section available in this document.

Source: PGIM Real Estate – Asset Management and Fund Accounting



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

During the second quarter of 2019, Terrafina reported positive results with leasing activity reaching a robust 3.2 million square feet. Renewal activity was 2.2 million square feet and new contracts reached 0.9 million square feet. Most of the leasing activity was in the Northern region focused on Chihuahua, Ramos Arizpe, Monterrey and Ciudad Juarez. In the Bajío region, Aguascalientes, San Luis Potosí and Silao were the most active markets while in the Central region, Cuiutlán Izcalli continued its solid performance.

Terrafina's occupancy level for the second quarter of 2019 reached a 95.5%, consistent with the second quarter of 2018 and decreasing 38 basis points quarter on quarter. Including signed letters of intent, the occupancy level for the quarter reached 96.3%. Lastly, occupancy by region increased to 97.9% in the Northern region, slightly decreasing to 87.8% in the Bajío region, where it is expected to recover as a result of the letters of intent that have already been signed for properties located in that region; and finally for the Central region, occupancy increased to 97.5%.

Average annual leasing rent for the second quarter of 2019 was US\$5.18 per square foot, a US\$0.11 increase compared to the first quarter of 2018. Per region, average rents were stable, with US\$5.11 per square foot in the Northern region, US\$5.27 per square foot in the Bajío region and US\$5.36 per square foot in the Central region.

With regard to Terrafina's main achievements for the second quarter of 2019, we announced a 248,000 square foot expansion that is expected to be completed in the next seven months. This expansion is on behalf of a key tenant in the electronics sector that has increased its leased space over the past six years through expansions with Terrafina to approximately one million square feet. These expansions underscore the importance of the development activity of existing clients in driving Terrafina's growth. The total estimated investment in this property (excluding taxes) is US\$11.2 million and is expected to generate a development yield over stabilized net operating income (NOI) of approximately 10%.

Additionally, as part of Terrafina's financing strategy, we completed the tender offer of the 5.250% senior notes due in 2022 with 79.1% of the outstanding notes tendered. This transaction was financed with a new US\$500 million bond issuance at a 4.962% coupon due in 2029. The bond offered was more than 4.5 times oversubscribed, reflecting strong investor appetite for Terrafina's credit.

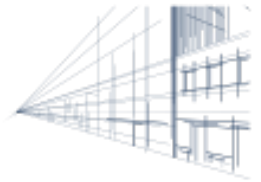
With respect to Terrafina's main financial indicators for the second quarter of 2019, rental revenues reached US\$47.3 million, Net Operating Income reached US\$47.2 million with an NOI Margin of 94.1%, and the company generated US\$25.1 million in Adjusted Funds from Operations. Lastly, Annualized Distributions per CBFÍ were Ps. 2.43, or US\$0.1271, which represented an 8.0% dividend yield, considering the average CBFÍ price for the second quarter of 2019.

Thank you for your interest in Terrafina.

Sincerely,

A handwritten signature in black ink, appearing to read "Alberto Chretin", with a long horizontal flourish extending to the right.

Alberto Chretin
Chief Executive Officer and Chairman of the Board



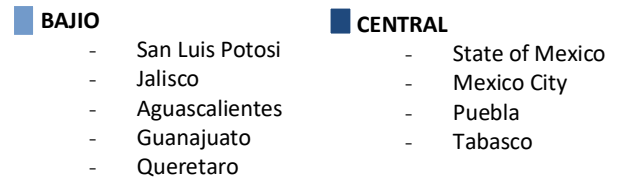
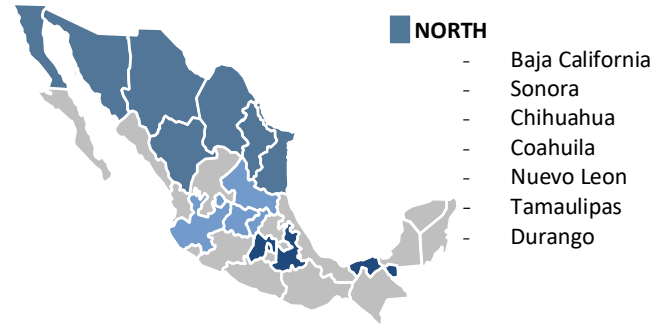
Operating Highlights

Highlights by Region

(as of June 30, 2019)

	North	Bajío	Central	Total
# Buildings	202	56	30	288
# Tenants	197	55	41	293
GLA (msf)	25.9	9.5	6.2	41.7
Land Reserves (msf)	2.7	0.2	2.7	5.7
Occupancy Rate	97.9%	87.8%	97.5%	95.5%
Average Leasing Rent / Square Foot (dollars)	5.11	5.27	5.36	5.18
Annualized Rental Base %	62.8%	21.4%	15.8%	100.0%

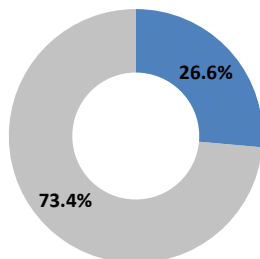
Source: PGIM Real Estate - Asset Management



Terrafina's 2Q19 Operations

Composition by Asset Type as of 2Q19

(as a % of total GLA)

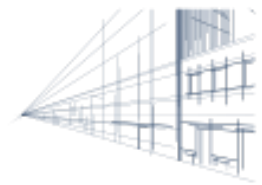


■ Distribution ■ Manufacturing

Leasing Activity

	2Q19	2Q18	Var.
Operating Portfolio (msf):			
Renewals	0.6	0.6	0.0
Early Renewals	1.9	0.6	1.0
New Leases	1.1	0.3	0.7
Total Square Feet of Leases Signed	3.2	1.4	1.8

Source: PGIM Real Estate - Asset Management



Operating Highlights *(continued)*

Occupancy and Rents by Region

<i>(As of June 30, 2019)</i>	Occupancy Rate	Avg. Leasing Rent/ Square Foot <i>(dollars)</i>
North	97.9%	5.11
Baja California	87.1%	4.57
Tijuana	87.1%	4.57
Sonora	88.5%	4.57
Hermosillo	88.5%	4.57
Chihuahua	99.0%	5.09
Chihuahua	98.9%	5.47
Ciudad Juarez	99.0%	4.78
Delicias	100.0%	6.08
Gomez Farias	100.0%	3.34
Casas Grandes	100.0%	4.28
Coahuila	97.1%	5.28
Ciudad Acuña	100.0%	6.23
Monclova	100.0%	5.54
Ramos Arizpe	96.9%	5.17
Saltillo	93.8%	5.47
Derramadero	100.0%	6.91
San Pedro de las Colinas	89.3%	2.10
Torreon	100.0%	4.30
Nuevo Leon	97.2%	5.07
Apodaca	100.0%	5.82
Monterrey	96.2%	4.80
Tamaulipas	100.0%	4.90
Reynosa	100.0%	4.90
Durango	100.0%	4.87
Durango	100.0%	5.03
Gomez Palacio	100.0%	3.18
Bajo	87.8%	5.27
San Luis Potosi	82.9%	4.95
San Luis Potosi	82.9%	4.95
Jalisco	89.1%	6.95
Guadalajara	89.1%	6.95
Aguascalientes	100.0%	4.57
Aguascalientes	100.0%	4.57
Guanajuato	91.5%	4.93
Celaya	100.0%	5.39
Irapuato	93.9%	5.39
Silao	89.5%	4.67
Queretaro	85.8%	5.01
Queretaro	85.8%	5.01
Central	97.5%	5.36
State of Mexico	97.2%	5.54
Cuautitlan Izcalli	100.0%	5.61
Toluca	97.0%	5.37
Ciudad de Mexico	100.0%	9.38
Azacapotzalco	100.0%	9.38
Puebla	100.0%	3.31
Puebla	100.0%	3.31
Tabasco	100.0%	4.33
Villahermosa	100.0%	4.33
Total	95.5%	5.18

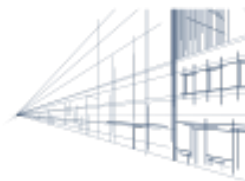
Source: PGIM Real Estate - Asset Management

Maturities and Renewals by Region

<i>(As of June 30, 2019)</i>	Consolidated			
	Maturities <i>(number of contracts)</i>	% of Total Maturities	Renewals <i>(number of contracts)</i>	% of Total Renewals
North	9	60.0%	5	55.6%
Baja California	2	13.3%	1	50.0%
Tijuana	2	13.3%	1	50.0%
Sonora	1	6.7%	1	100.0%
Hermosillo	1	6.7%	1	100.0%
Chihuahua	3	20.0%	2	66.7%
Chihuahua	1	6.7%	0	0.0%
Ciudad Juarez	2	13.3%	2	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	2	13.3%	1	50.0%
Ciudad Acuña	0	0.0%	0	0.0%
Monclova	0	0.0%	0	0.0%
Ramos Arizpe	1	6.7%	1	100.0%
Saltillo	1	6.7%	0	0.0%
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	1	6.7%	0	0.0%
Apodaca	0	0.0%	0	0.0%
Monterrey	1	6.7%	0	0.0%
Tamaulipas	0	0.0%	0	0.0%
Reynosa	0	0.0%	0	0.0%
Durango	0	0.0%	0	0.0%
Durango	0	0.0%	0	0.0%
Gomez Palacio	0	0.0%	0	0.0%
Bajo	5	33.3%	3	60.0%
San Luis Potosi	2	13.3%	1	50.0%
San Luis Potosi	2	13.3%	1	50.0%
Jalisco	1	6.7%	0	0.0%
Guadalajara	1	6.7%	0	0.0%
Aguascalientes	0	0.0%	0	0.0%
Aguascalientes	0	0.0%	0	0.0%
Guanajuato	1	6.7%	1	100.0%
Celaya	0	0.0%	0	0.0%
Irapuato	0	0.0%	0	0.0%
Silao	1	6.7%	1	100.0%
Queretaro	1	6.7%	1	100.0%
Queretaro	1	6.7%	1	100.0%
Central	1	6.7%	1	100.0%
State of Mexico	1	6.7%	1	100.0%
Cuautitlan Izcalli	1	6.7%	1	100.0%
Toluca	0	0.0%	0	0.0%
Ciudad de México	0	0.0%	0	0.0%
Azacapotzalco	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	15	100.0%	9	60.0%

Source: PGIM Real Estate - Asset Management

*Over the number of matured leases in the quarter



2Q19 Operational Performance

Composition by Geographical Diversification

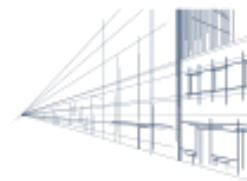
The geographic diversification of Terrafina's properties at 2Q19 (based on GLA per square foot) was as follows: the Northern region of Mexico represented 62.2% of GLA, while the Bajío and Central regions represented 22.8% and 15.0% of GLA, respectively.

Geographic Distribution by Region and State

	2Q19	as a % of Total GLA 2Q19	2Q18	as a % of Total GLA 2Q18
North	25.91	62.2%	25.55	62.4%
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	14.54	34.9%	14.29	34.9%
Chihuahua	5.83	14.0%	5.83	14.2%
Ciudad Juarez	8.00	19.2%	7.76	19.0%
Delicias	0.52	1.2%	0.52	1.3%
Gomez Farias	0.08	0.2%	0.08	0.2%
Camargo	0.02	0.1%	0.02	0.1%
Casas Grandes	0.09	0.2%	0.09	0.2%
Coahuila	6.84	16.4%	6.84	16.7%
Ciudad Acuña	0.24	0.6%	0.24	0.6%
Monclova	0.35	0.8%	0.35	0.8%
Ramos Arizpe	4.55	10.9%	4.54	11.1%
Saltillo	0.62	1.5%	0.62	1.5%
Derramadero	0.54	1.3%	0.54	1.3%
San Pedro de las Colinas	0.15	0.4%	0.15	0.4%
Torreón	0.39	0.9%	0.39	1.0%
Nuevo Leon	2.05	4.9%	1.94	4.7%
Apodaca	0.52	1.2%	0.50	1.2%
Monterrey	1.53	3.7%	1.44	3.5%
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%	0.07	0.2%
Bajío	9.52	22.8%	9.12	22.3%
San Luis Potosi	3.32	8.0%	3.31	8.1%
San Luis Potosi	3.32	8.0%	3.31	8.1%
Jalisco	1.66	4.0%	1.66	4.0%
Guadalajara	1.66	4.0%	1.66	4.0%
Aguascalientes	1.00	2.4%	0.75	1.8%
Aguascalientes	1.00	2.4%	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	2.4%	0.87	2.1%
Queretaro	1.98	4.8%	1.98	4.8%
Queretaro	1.98	4.8%	1.98	4.8%
Central	6.25	15.0%	6.25	15.3%
State of Mexico	5.39	12.9%	5.40	13.2%
Cuautitlan Izcalli	4.26	10.2%	4.26	10.4%
Toluca	0.90	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	41.68	100.0%	40.92	100.0%

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

Source: PGM Real Estate - Asset Management

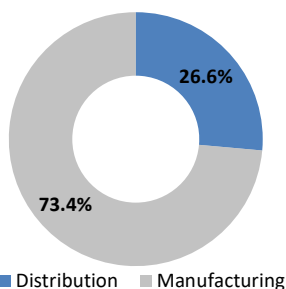


Composition by Asset Type

At the end of 2Q19, 73.4% of Terrafina's portfolio consisted of properties dedicated to manufacturing activities while 26.6% were dedicated to distribution and logistics activities.

Composition by Asset Type as of 2Q19

(as a % of total GLA)



Composition by Asset Type

	2Q19	2Q18	Var.
Distribution	26.6%	26.5%	4 bps
Manufacturing	73.4%	73.5%	-4 bps

Source: PGIM Real Estate - Asset Management

Composition by Sector

As of June 30, 2019, tenant diversification by industrial sector was as follows:

Industrial Sector Diversification

	2Q19	2Q18	Var.
Automotive	34.6%	34.5%	12 bps
Industrial properties	19.6%	19.8%	-18 bps
Consumer goods	14.3%	14.5%	-21 bps
Logistics and Trade	10.1%	9.6%	52 bps
Aviation	9.7%	9.8%	-10 bps
Non-durable consumer goods	3.6%	3.9%	-33 bps
Electronics	8.1%	8.0%	17 bps
Total	100.0%	100.0%	

Source: PGIM Real Estate - Asset Management

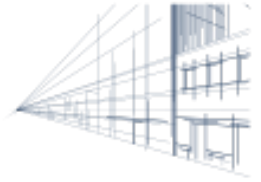
Composition of Top Clients

Terrafina has a widely diversified tenant base that leases industrial properties throughout several of Mexico's main cities. For 2Q19, Terrafina's top client, top 10 clients and top 20 clients, represented 3.3%, 17.5% and 28.5% of total revenues, respectively.

Top Clients

(As of June 30, 2019)	Leased Square Feet (millions)	% Total GLA	% Total Revenues
Top Client	1.24	3.1%	3.3%
Top 10 Clients	7.07	17.8%	17.5%
Top 20 Clients	11.45	28.8%	28.5%

Source: PGIM Real Estate - Asset Management



Occupancy

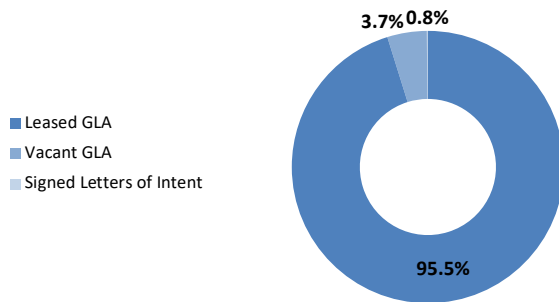
The 2Q19 occupancy rate was 95.5% and including signed LOIs, the occupancy rate reached 96.3%. It is important to note that occupancy rate indicators presented in this report reflect the quarterly closing rate.

For 2Q19, Terrafina's leasing activity reached 3.2 msf, 29.4% of which corresponded to new leasing contracts (including expansions), 18.8% for contract renewals and 51.9% for early renewals.

Leasing activity mainly took place in the de Aguascalientes, San Luis Potosi, Ramos Arizpe, Chihuahua, Monterrey, Silao, Ciudad Juarez, Huehuetoca, Apodaca, Toluca, Cuautitlan Izcalli, Tijuana and Hermosillo markets. In addition to this leasing activity, Terrafina signed LOIs for an additional 318,000 square feet.

Occupancy as of 2Q19

(as % of Total GLA)



	2Q19	2Q18	Var.
Leased GLA	95.5%	95.5%	-4 bps
Vacant GLA	3.7%	3.6%	13 bps
Signed Letters of Intent	0.8%	0.9%	-9 bps
Total	100.0%	100.0%	

Source: PGIM Real Estate - Asset Management

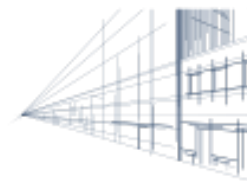
Lease Maturities

Terrafina had 293 tenants under leasing contracts at the end of 2Q19. 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 7% 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	13.2	6.4%	2.66	6.7%
2020	46.4	22.5%	9.08	22.8%
2021	36.9	17.9%	7.19	18.0%
2022	22.5	10.9%	4.34	10.9%
2023	27.0	13.1%	5.30	13.3%
Thereafter	60.1	29.2%	11.24	28.2%

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 expenditure 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 2Q19, Terrafina's investments in tenant improvements and recurring CAPEX was US\$1.5 million. Total CAPEX for 2Q19 is broken down in the following table:

Capital Expenditures		
	2Q19	2Q19
	(millions of pesos)	(millions of dollars)
Tenant Improvements & Recurring Capex	29.1	1.5
Leasing Commissions	48.4	2.5
Development Capex ¹	68.9	3.6
Total Capital Expenditures	146.4	7.6

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

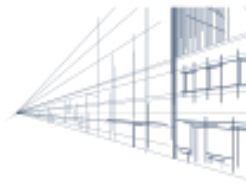
Land Reserves

Terrafina's land reserve as of June 30, 2019 comprised 11 land reserve properties, equivalent to 5.7 msf of potential GLA for the development of future industrial properties.

As of June 30, 2019, Terrafina's land reserves were distributed as follows:

as of June 30, 2019					
	Square Feet (million)	Land at Cost (million pesos)	Land at Cost (million dollars)	Appraisal Value (million pesos)	Market Value (million dollars)
North	2.7	513.4	26.8	660.3	34.4
Bajío	0.2	13.7	0.7	18.4	1.0
Central	2.7	561.5	29.3	280.1	14.6
Total Land Portfolio	5.7	1,088.6	56.8	958.8	50.0

Source: PGIM Real Estate - Asset Management and Fund Accounting



2Q19 Financial Performance

Financial Results and Calculations

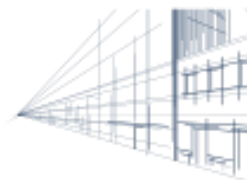
Terrafina's financial results are presented in Mexican pesos and U.S. dollars. Figures on the income statement for each period were converted to dollars using the average exchange rate for 2Q19 (Ps. 19.1333/dollar), while for the balance sheet, the exchange rate at the close of June 30, 2019 (Ps. 19.1685/dollar) 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 2Q19 same-store highlights and consolidated information:

	Same-Store ¹	Consolidated ²		
(as of June 30, 2019)	2Q19	2Q19		
Number of Properties	286.0	288.0		
Occupancy Rate	95.5%	95.5%		
Gross Leasable Area (GLA) (msf)	41.5	41.7		
Avg. Leasing Rent / Square Foot (dollars)	5.17	5.18		
	Same-Store	Consolidated	Same-Store	Consolidated
	2Q19	2Q19	2Q19	2Q19
	<i>(millions of pesos)</i>		<i>(millions of dollars)</i>	
Rental Revenues	895.5	905.7	46.8	47.3
Net Operating Income	893.1	903.4	46.7	47.2
NOI Margin	94.0%	94.1%	94.0%	94.1%
EBITDA	797.9	807.5	41.7	42.2
EBITDA Margin	84.1%	84.2%	84.1%	84.2%
FFO	555.2	564.9	29.0	29.5
FFO Margin	58.5%	59.4%	58.5%	59.4%
Adjusted Funds from Operations	471.3	480.9	24.7	25.1
AFFO Margin	49.3%	50.2%	49.3%	50.2%

(1) Same properties information evaluates the performance of the industrial properties without including acquisitions closed over the last twelve-months. (2) Includes acquisitions closed over the last twelve-months
Source: PGIM Real Estate - Asset Management and Fund Accounting

Rental Revenues

In 2Q19, Terrafina reported rental revenues of US\$47.3 million, a 0.5% or US\$0.2 million decrease compared to 2Q18.

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

Other Operating Income

In 2Q19, other operating income totaled US\$2.8 million, a 6.7% or US\$0.2 million increase compared to 2Q18.

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

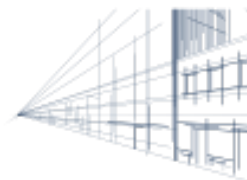
Net revenues reached US\$51.3 million in 2Q19, an increase of US\$0.7 million, or 1.4% compared to 2Q18.

Revenues

	2Q19	2Q18	Var. %	2Q19	2Q18	Var. %
	<i>(millions of pesos)</i>			<i>(millions of dollars)</i>		
Rental Revenue	905.7	921.8	-1.7%	47.3	47.6	-0.5%
Accrued Income ¹	22.4	8.4	165.4%	1.2	0.4	174.2%
Other Operating Revenues	53.9	50.9	5.9%	2.8	2.6	6.7%
Reimbursable Expenses as Revenues ²	44.0	40.7	8.1%	2.3	2.1	8.5%
Reimbursable Tenant Improvements	8.1	5.5	45.7%	0.4	0.3	47.5%
Other non-cash income	1.8	4.7	-61.1%	0.1	0.2	-59.6%
Net Revenue	982.0	981.1	0.1%	51.3	50.6	1.4%

(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 2Q19, real estate expenses totaled US\$7.6 million, an increase of 8.0% or US\$0.6 million compared to 2Q18.

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 2Q19, NOI totaled US\$47.2 million, a 1.4% or US\$0.6 million decrease compared with 2Q18. NOI margin was 94.1%, a decline of 76 basis points when compared to 94.9% in 2Q18.

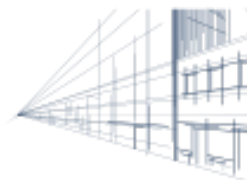
The following table displays the NOI calculation for 2Q19:

Net Operating Income						
	2Q19	2Q18	Var. %	2Q19	2Q18	Var. %
	<i>(millions of pesos unless otherwise stated)</i>			<i>(millions of dollars unless otherwise stated)</i>		
Rental Revenues ¹	905.7	921.8	-1.7%	47.3	47.6	-0.5%
Other Operating income ²	54.3	55.8	-2.8%	2.8	2.9	-1.8%
Net Revenues for NOI Calculation	960.0	977.6	-1.8%	50.2	50.5	-0.6%
Repair and Maintenance	-11.2	-6.0	85.0%	-0.6	-0.3	89.7%
Property Taxes	0.0	0.6	-100.0%	0.0	0.0	-100.0%
Property Management Fees	-18.8	-20.4	-8.1%	-1.0	-1.1	-6.7%
Electricity	-13.0	-13.1	-0.7%	-0.7	-0.7	3.3%
Property Insurance	-2.4	-2.9	-18.4%	-0.1	-0.2	-17.5%
Security	-4.7	-5.0	-6.9%	-0.2	-0.3	-5.7%
Other Operational Expenses	-6.7	-3.9	70.9%	-0.3	-0.2	76.7%
Real Estate Operating Expenses for NOI Calculation	-56.6	-50.7	11.7%	-3.0	-2.6	14.2%
Net Operating Income³	903.4	926.9	-2.5%	47.2	47.9	-1.4%
NOI Margin	94.1%	94.9%	-76 bps	94.1%	94.9%	-76 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 2Q19 totaled US\$5.1 million, a 7.9% or US\$0.4 million increase compared to 2Q18.

The following table breaks down total G&A for 2Q19:

G&A						
	2Q19	2Q18	Var. %	2Q19	2Q18	Var. %
	<i>(millions of pesos unless otherwise stated)</i>			<i>(millions of dollars unless otherwise stated)</i>		
External Advisor Fees ¹	-56.8	-59.2	-4.1%	-2.9	-2.9	0.9%
Professional and Consulting Services	-10.4	-6.1	69.6%	-0.6	-0.4	52.8%
Payroll, Admin. Fees and Other Expenses	-31.6	-45.6	-30.7%	-1.7	-2.3	-28.5%
Total G&A	-98.8	-110.9	-10.9%	-5.1	-5.6	-7.9%

(1) PLA Administradora Industrial, S. de R.L. de C.V., is a Mexican affiliate of PGIM, and Advisor as per the Advisory Contract.
Source: PGIM Real Estate - Fund Accounting

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

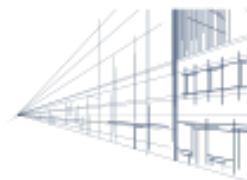
In 2Q19, EBITDA totaled US\$42.2 million, a decrease of US\$1.4 million, or 3.1%, compared to 2Q18. EBITDA margin for 2Q19 was 84.2%, a 222 basis point decrease compared to 2Q18.

The following shows the EBITDA calculation for 2Q19:

EBITDA						
	2Q19	2Q18	Var. %	2Q19	2Q18	Var. %
	<i>(millions of pesos unless otherwise stated)</i>			<i>(millions of dollars unless otherwise stated)</i>		
Rental Revenues ¹	905.7	921.8	-1.7%	47.3	47.6	-0.5%
Other Operating income ²	54.3	55.8	-2.8%	2.8	2.9	-1.8%
Real Estate Expenses for EBITDA Calculation	-60.9	-51.3	18.7%	-3.2	-2.6	21.2%
Real Estate Operating Expenses for NOI Calculation	-56.6	-50.7	11.7%	-3.0	-2.6	14.2%
Advertising	-0.2	-0.5	-	0.0	0.0	-
Admin. Property Insurance Expenses	-0.7	-0.7	0.9%	0.0	0.0	0.0%
Other Admin. Real Estate Expenses	-3.4	0.6	-665.2%	-0.2	0.0	-768.1%
Fees and Admin. Expenses	-91.5	-84.4	8.5%	-4.8	-4.3	12.2%
External Advisor Fees	-56.8	-59.2	-4.1%	-2.9	-2.9	0.9%
Legal, Admin. and Other Professional Fees	-17.7	-15.0	18.4%	-0.9	-0.8	14.6%
Trustee Fees	-2.0	-0.3	500.0%	-0.1	0.0	565.4%
Payroll	-11.3	-6.8	65.5%	-0.6	-0.4	68.3%
Other Expenses	-3.8	-3.0	24.9%	-0.2	-0.2	28.8%
EBITDA³	807.5	842.0	-31.8%	42.2	43.6	-3.1%
EBITDA Margin	84.2%	86.4%	-222 bps	84.2%	86.4%	-222 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

In 2Q19, financing expenses totaled US\$13.1 million, an increase of 3.0% or US\$0.4 million compared to 2Q18.

Financial Expenses

	2Q19	2Q18	Var. %	2Q19	2Q18	Var. %
	<i>(millions of pesos)</i>			<i>(millions of dollars)</i>		
Interest Paid	-244.3	-240.2	1.7%	-12.8	-12.4	3.0%
Borrowing Expenses	-7.1	-8.6	-17.2%	-0.4	-0.4	-4.6%
Recurring	0.0	0.0	-	0.0	0.0	-
Non Recurring	-7.1	-8.6	-17.2%	-0.4	-0.4	-13.3%
Interest Income	1.6	2.4	-33.5%	0.1	0.1	-31.7%
Total	-249.7	-246.4	1.4%	-13.1	-12.7	3.0%

Source: PGIM Real Estate - Fund Accounting

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

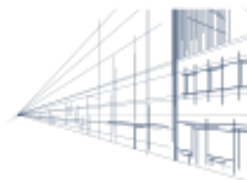
In 2Q19, FFO decreased by US\$1.8 million, or 5.7% compared to 2Q18, reaching US\$29.5 million. FFO Margin was 59.4%, a 261 basis point decrease compared to 2Q18. Additionally, Terrafina reported an AFFO of US\$25.1 million, down US\$3.7 million, or 12.7% compared to 2Q18. AFFO margin was 50.2%, a decrease of 655 basis points versus 2Q18.

Funds from Operations (FFO)

	2Q19	2Q18	Var. %	2Q19	2Q18	Var. %
	<i>(millions of pesos unless otherwise stated)</i>			<i>(millions of dollars unless otherwise stated)</i>		
EBITDA	807.5	842.0	-4.1%	42.2	43.6	-3.1%
Finance Cost ¹	-242.7	-237.8	2.0%	-12.7	-12.3	3.6%
Funds from Operations (FFO)	564.9	604.2	-6.5%	29.5	31.3	-5.7%
<i>FFO Margin</i>	<i>59.4%</i>	<i>62.0%</i>	<i>-261 bps</i>	<i>59.4%</i>	<i>62.0%</i>	<i>-261 bps</i>
Tenant Improvements	-29.1	-25.3	15.3%	-1.5	-1.3	17.4%
Leasing Commissions	-48.4	-20.0	142.7%	-2.5	-1.0	144.7%
Other Non Recurring ²	-6.4	-3.7	75.2%	-0.3	-0.2	77.2%
Adjusted Funds from Operations (AFFO)	480.9	555.3	-13.4%	25.1	28.8	-12.7%
<i>AFFO Margin</i>	<i>50.2%</i>	<i>56.7%</i>	<i>-655 bps</i>	<i>50.2%</i>	<i>56.7%</i>	<i>-655 bps</i>

(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 2Q19 reached a loss of US\$6.9 million, compared to a loss of US\$149.4 million in 2Q18.

The following table presents the calculation of Comprehensive Income for 2Q19:

Comprehensive Income

	2Q19	2Q18	Var. %	2Q19	2Q18	Var. %
	<i>(millions of pesos unless otherwise stated)</i>			<i>(millions of dollars unless otherwise stated)</i>		
Net Revenues	982.0	988.9	-0.7%	51.3	51.0	0.7%
Real Estate Expenses	-146.4	-137.4	6.5%	-7.6	-7.1	7.8%
Fees and Other Expenses	-98.8	-110.9	-10.9%	-5.1	-5.7	-10.0%
Gain (Loss) from Sales of Real Estate Properties	0.0	0.0	-	0.0	0.0	-
Net Income (Loss) from Fair Value Adjustment on Investment Properties	88.2	4.1	-	4.6	0.2	-
Net Income (Loss) from Fair Value Adjustment on Derivative Financial Instruments	-29.7	9.4	-	-1.5	0.5	-
Net Income (Loss) from Fair Value Adjustment on Borrowings	-34.6	246.3	-	-1.8	12.7	-
Realized gain (loss) on derivative financial instruments	5.2	-0.2	-	0.3	0.0	-
Foreign Exchange Gain (loss)	-3.3	-69.0	-95.2%	-0.2	-3.6	-95.1%
Operating Profit	762.6	931.1	-18.1%	39.9	48.0	-16.9%
Financial Income	1.6	2.4	-33.5%	0.1	0.1	-32.5%
Financial Expenses	-251.4	-248.8	1.0%	-13.2	-12.8	2.7%
Net Financial Cost	-249.7	-246.4	1.4%	-13.1	-12.7	3.0%
Share of Profit from Equity Accounted Investments	10.0	7.4	36.0%	0.5	0.4	37.9%
Net Profit (Loss)	522.9	692.1	-24.4%	27.3	35.7	-23.4%
Items Reclassified after Net Profit (Loss) - Currency Translation Adjustments	-299.5	2,205.5	-113.6%	-15.7	113.7	-113.8%
Changes in the fair value adjustment on borrowings at fair value through other comprehensive income	-90.8	-	-	-4.7	-	-
Comprehensive Income	132.7	2,897.6	-95.4%	6.9	149.4	-95.4%

Source: PGIM Real Estate - Fund Accounting

Distributions per CBFIs

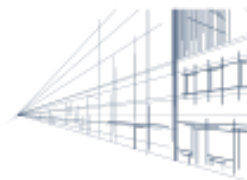
In 2Q19, Terrafina distributed US\$25.1 million, or US\$0.0318 per CBFi.

Distributions

<i>(millions of pesos unless otherwise stated)</i>	2Q18	3Q18	4Q18	1Q19	2Q19	Var. % (2Q19 vs 2Q18)
Total Outstanding CBFIs ¹ (millions of CBFIs)	791.0	791.0	790.6	790.6	790.6	-0.1%
CBFI Price ²	28.46	28.28	25.39	27.23	30.46	7.0%
Distributions	555.3	553.1	522.6	465.3	480.9	-13.4%
Distributions Per CBFi	0.7020	0.6993	0.6611	0.5885	0.6083	-13.4%
FX Rate USD/MXN (average closing period)	19.39	18.99	19.79	19.22	19.13	-1.3%
Distributions (millions of dollars)	28.8	29.1	26.4	24.2	25.1	-12.7%
Distributions Per CBFi (dollars)	0.0364	0.0368	0.0334	0.0306	0.0318	-12.7%
Annualized Distribution Yield ³	9.9%	9.9%	10.4%	8.6%	8.0%	-188 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 June 30, 2019, Terrafina's total debt reached US\$1,013.5 million. The average cost of Terrafina's long-term debt was 5.11%. All of Terrafina's debt is denominated in U.S. dollars.

Outstanding Debt

<i>(As of June 30, 2019)</i>	Currency	Millions of pesos	Millions of dollars	Interest Rate	Terms	Maturity	Extension Option	Derivatives
Long Term Debt								
Citibank ¹	Dollars	1,005.3	52.4	Libor + 2.45%	Interest Only	Jan 2023	-	US\$150M cap ⁴
Metlife	Dollars	2,875.3	150.0	4.75%	Interest Only	Jan 2027	-	-
Banamex ²	Dollars	6,738.2	351.5	Libor + 2.45%	Interest Only	Oct 2022	-	US\$105M swap ⁵
Senior Notes ³	Dollars	8,519.7	444.5	5.25%	Interest Only	Nov 2022	-	-
New York Life	Dollars	289.7	15.1	5.19%	Interest + Principal	Feb 2020	-	-
Total Debt		19,428.1	1,013.5					
Net Cash		1,126.8	58.8					
Net Debt		18,301.3	954.8					

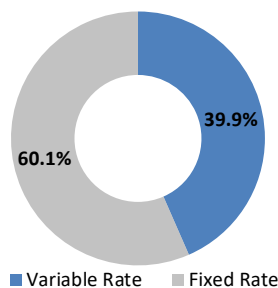
(1) Unsecured syndicated revolving credit facility. (2) Unsecured syndicated term loan facility; interest only for the first three years. (3) Value at Cost: US\$425 million / Ps.8,236 million.

(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 June 30, 2019)



The following tables show leverage and debt service coverage as of June 30, 2019 as well as Terrafina's projections for the following six quarters:

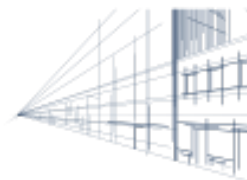
Loan-to-Value (LTV)

<i>(as of June 30, 2019)</i>	<i>(millions of pesos)</i>	<i>(millions of dollars)</i>
Total Assets	47,239.6	2,464.4
Total Debt	19,428.1	1,013.5

Loan-to-Value (LTV)¹ 41.1%

(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	June 30, 2019	1,126.8	58.8
Recoverable Taxes	Σ next 6 quarters	172.0	9.0
EBIT ¹ after distributions	Σ next 6 quarters	1,928.4	100.6
Available Credit Line	June 30, 2019	4,763.4	248.5

	period	(millions of pesos)	(millions of dollars)
Interest Payments	Σ next 6 quarters	1,332.5	69.5
Principal Payments	Σ next 6 quarters	288.5	15.0
Recurring CAPEX	Σ next 6 quarters	245.4	12.8
Development Expenses	Σ next 6 quarters	383.4	20.0

Debt Service Coverage Ratio (DSCR)² 3.6x

(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 June 30, 2019, 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 June 30, 2019)	Terrafina	Bond Covenants
Loan-to-Value (LTV) ¹	41.1%	≤ 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	239.7%	≥ 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)

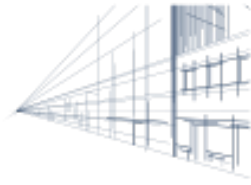
Source: PGIM Real Estate - Transactions

CBFI Buyback Activity

In 2Q19, Terrafina maintained its CBFI buyback balance unchanged compared to the first quarter of 2019.

CBFIs Buyback Activity

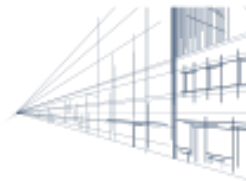
	2Q19
Total outstanding CBFIs at the beginning of the quarter	790,602,803
Buyback activity during the quarter	-
Total outstanding CBFIs at the end of the quarter	790,602,803



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



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, Bajío 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 288 developed industrial facilities with a collective GLA of approximately 41.7 million square feet and 11 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.com

About PGIM Real Estate

PGIM, the global investment management business of Prudential Financial, Inc. (NYSE: PRU), is one of the largest real estate investment managers in the world, with more than \$US171.2 billion¹ in gross real estate assets under management and administration, as of 31 March 2019. Through its PGIM Real Estate and PGIM Real Estate Finance businesses, PGIM leverages a 140-year history of real estate lending on behalf of institutional and middle-market borrowers², a 49-year legacy of investing in commercial real estate on behalf of institutional investors, and the deep local knowledge and expertise of professionals in 31 cities around the world.

PGIM Real Estate, the real estate investment management business of PGIM, has been redefining the real estate investing landscape since 1970. Combining insights into macroeconomic trends and global real estate markets with excellence of execution and risk management, PGIM Real Estate's tenured team offers to its global clients a broad range of real estate equity, debt, and securities investment strategies that span the risk-return spectrum and geographies. For more information, visit pgimrealestate.com.

¹AUA equals \$US33.7 billion.

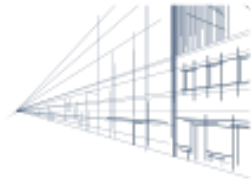
²Includes legacy lending through PGIM's parent company, Prudential Financial, Inc.

About Prudential Financial, Inc.

Prudential Financial, Inc. (NYSE:PRU), a financial services leader with more than US\$1.5 trillion of assets under management as of March 31, 2019, 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

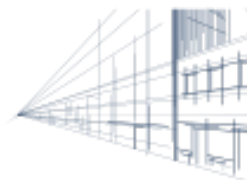
Terrafina
(BMV: TERRA13)
Cordially invites you to participate in its
Second Quarter 2019 Results

Friday, July 26, 2019
11:00 a.m. Eastern Time
10:00 a.m. Central Time

To access the call, please dial:
from within the U.S. +1-877-407-3982
from outside the U.S. +1-201-493-6780
from Mexico (toll free) 01-800-522-0034
Conference ID Number: 13692012

Audio Webcast Link: <http://public.viavid.com/index.php?id=135048>

Conference Replay
U.S. +1-844-512-2921
International (outside the US) +1-412-317-6671
Passcode: 13692012



Appendix

Appendix 1 – Revenues

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

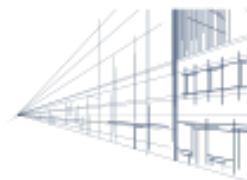
Additionally, there are accounting revenues that must be registered according to IFRS; however, these are considered non-cash items and therefore are excluded in some calculations.

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

		Revenues			
		2Q19	2Q18	2Q19	2Q18
		<i>(million of pesos)</i>		<i>(million of dollars)</i>	
<i>NOI calculation</i>	Rental Revenue	905.7	921.8	47.3	47.6
<i>Non Cash</i>	Accrued Income ¹	22.4	8.4	1.2	0.4
	Other Operating Revenues	53.9	50.9	2.8	2.6
<i>NOI calculation</i>	Reimbursable Expenses as Revenues ²	44.0	40.7	2.3	2.1
<i>AFFO calculation</i>	Reimbursable Tenant Improvements	8.1	5.5	0.4	0.3
<i>Non Cash</i>	Other non-cash income	1.8	4.7	0.1	0.2
	Net Revenue	982.0	981.1	51.3	50.6
<i>NOI calculation</i>	Share of Profit from Equity Accounted Investments ²	10.2	15.1	0.5	0.8

(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



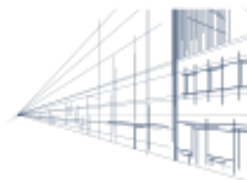
Appendix 2 – Real Estate Expenses

Real estate expenses are comprised of recurring figures related to 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 breakdown of real estate expenses, which are used for the calculation of several metrics.

		Real Estate Expenses				
		2Q19	2Q18	2Q19	2Q18	
		<i>(million of pesos)</i>		<i>(million of dollars)</i>		
		Repair and Maintenance	-48.3	-36.8	-2.5	-1.9
<i>NOI calculation</i>		Recurring	-11.2	-6.0	-0.6	-0.3
<i>AFFO calculation</i>		Non Recurring	-37.2	-30.8	-1.9	-1.6
		Property Taxes	-13.8	-4.8	-0.7	-0.3
<i>NOI calculation</i>		Operating	0.0	0.6	0.0	0.0
<i>Non Cash</i>		Non Operating	-13.8	-5.4	-0.7	-0.3
<i>NOI calculation</i>		Property Management Fees	-18.8	-20.4	-1.0	-1.1
<i>NOI calculation</i>		Electricity	-13.0	-13.1	-0.7	-0.7
<i>AFFO calculation</i>		Brokers Fees	-48.4	-20.0	-2.5	-1.0
		Property Insurance	-3.1	-3.6	-0.2	-0.2
<i>NOI calculation</i>		Operating	-2.4	-2.9	-0.1	-0.2
<i>EBITDA calculation</i>		Administrative	-0.7	-0.7	0.0	0.0
<i>NOI calculation</i>		Security	-4.7	-5.0	-0.2	-0.3
<i>EBITDA calculation</i>		Advertising	-0.2	-0.5	0.0	0.0
		Other Expenses	-10.1	-18.6	-0.5	-0.9
<i>NOI calculation</i>		Operational Related	-6.7	-3.9	-0.3	-0.2
<i>Non Cash</i>		Non Operational Related	0.0	-15.3	0.0	-0.8
<i>EBITDA calculation</i>		Administrative	-3.4	0.6	-0.2	0.0
<i>Non Cash</i>		Bad Debt Expense	13.9	-14.6	0.7	-0.8
		Total Real Estate Expenses	-146.4	-137.4	-7.6	-7.1

Source: PGIM Real Estate - Fund Accounting



Appendix 3 – Fees and Administrative Expenses

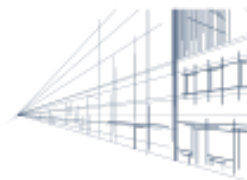
Fees and administrative expenses include figures used for metric calculations such as Earnings before Interests, Taxes, Depreciation and Amortization (EBITDA), Funds from Operations (FFO), Adjusted Funds from Operations (AFFO).

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			
		2Q19	2Q18	2Q19	2Q18
		<i>(million of pesos)</i>		<i>(million of dollars)</i>	
<i>EBITDA calculation</i>	External Advisor Fees	-56.8	-59.2	-2.9	-2.9
	Legal Fees	-3.3	-1.4	-0.2	-0.1
<i>EBITDA calculation</i>	Recurring	-0.1	0.0	0.0	0.0
<i>AFFO calculation</i>	Non Recurring	-3.1	-1.3	-0.2	-0.1
	Other Professional Fees	-7.1	-4.8	-0.4	-0.3
<i>EBITDA calculation</i>	Recurring	-3.8	-2.4	-0.2	-0.2
<i>AFFO calculation</i>	Non Recurring	-3.3	-2.3	-0.2	-0.1
	Administrative Fees	-14.6	-35.4	-0.8	-1.8
<i>EBITDA calculation</i>	Recurring	-13.8	-12.5	-0.7	-0.6
<i>Non Operational related</i>	Non Recurring ¹	-0.8	-22.9	0.0	-1.1
<i>EBITDA calculation</i>	Payroll	-11.3	-6.8	-0.6	-0.4
<i>EBITDA calculation</i>	Trustee Fees	-2.0	-0.3	-0.1	0.0
<i>EBITDA calculation</i>	Other Expenses	-3.8	-3.0	-0.2	-0.2
	Total Fees and Admin. Expenses	-98.8	-110.9	-5.1	-5.6

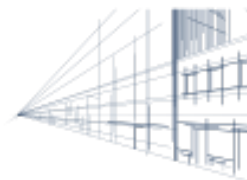
(1) Non operational related administrative fees.

Source: PGIM Real Estate - Fund Accounting



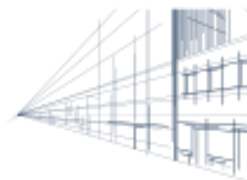
Appendix 4 – Reconciliation

Reconciliation of Net Profit (Loss) to FFO, EBITDA and NOI	2Q19	2Q18	2Q19	2Q18
	<i>(millions of pesos)</i>		<i>(millions of dollars)</i>	
Comprehensive Income (Loss)	132.7	2,897.6	6.9	149.4
<i>Add (deduct) Currency Translation Adjustment:</i>				
Currency Translation Adjustment	299.5	-2205.5	15.7	-113.7
Changes in the fair value adjustment on borrowings through other comprehensive income	90.8	-	4.7	-
<i>Add (deduct) Cost of Financing Adjustment:</i>				0.0
Non Recurring Borrowing Expenses	7.1	8.6	0.4	0.4
<i>Add (deduct) Non-Cash Adjustment:</i>				0.0
Foreign Exchange Adjustments	3.3	69.0	0.2	3.6
Realized gain (loss) on derivative financial instruments	-5.2	0.2	-0.3	0.0
Fair Value Adjustment on Borrowings	34.6	-246.3	1.8	-12.7
Fair Value Adjustment on Derivative Financial Instruments	29.7	-9.4	1.6	-0.5
Fair Value Adjustment on Investment Properties	-88.2	-4.1	-4.6	-0.2
Gain (Loss) from Sales of Real Estate Properties	0.0	0.0	0.0	0.0
<i>Add (deduct) Expenses Adjustment:</i>				
Non Recurring Repair and Maintenance	37.2	30.8	1.9	1.6
Non Operating Property Taxes	13.8	5.4	0.7	0.3
Brokers Fees	48.4	20.0	2.5	1.0
Bad Debt Expense	-13.9	14.6	-0.7	0.8
Other Expenses Non Operational Related	0.0	15.3	0.0	0.8
Non Recurring Legal Fees	3.1	1.3	0.2	0.1
Non Recurring Other Professional Fees	3.3	2.3	0.2	0.1
<i>Add (deduct) Revenues Adjustment:</i>				
Accrued Income	-22.4	-8.4	-1.2	-0.4
Other Non-Cash Income	-1.8	-4.7	-0.1	-0.2
Reimbursable Tenant Improvements	-8.1	-5.5	-0.4	-0.3
<i>Add (deduct) Non Operational Administrative Fees</i>				
Non Operational Administrative Fees	0.8	22.9	0.0	1.2
FFO	564.6	604.2	29.5	31.3
<i>Add (deduct) Cost of Financing Adjustment:</i>				
Interest Paid	244.3	240.2	12.8	12.4
Recurring Borrowing Expenses	0.0	0.0	0.0	0.0
Interest Income	-1.6	-2.4	-0.1	-0.1
EBITDA	807.3	842.0	42.2	43.6
<i>Add (deduct) Expenses Adjustment:</i>				
External Advisor Fees	56.8	59.2	3.0	3.1
Recurring Legal Fees	0.1	0.0	0.0	0.0
Recurring Other Professional Fees	3.8	2.4	0.2	0.1
Administrative Fees	13.8	12.5	0.7	0.6
Payroll	11.3	6.8	0.6	0.4
Trustee Fees	2.0	0.3	0.1	0.0
Other Expenses	3.8	3.0	0.2	0.2
Advertising	0.2	0.5	0.0	0.0
Administrative Property insurance	0.7	0.7	0.0	0.0
Other Administrative Expenses	3.4	-0.6	0.2	0.0
NOI	903.1	926.9	47.2	47.9
<i>Add (deduct) Expenses Adjustment:</i>				
Recurring Repair and Maintenance	11.2	6.0	0.6	0.3
Operating Property Taxes	0.0	-0.6	0.0	0.0
Property Management Fees	18.8	20.4	1.0	1.1
Electricity	13.0	13.1	0.7	0.7
Operating Property Insurance	2.4	2.9	0.1	0.2
Security	4.7	5.0	0.2	0.3
Other Operational Expenses	6.7	3.9	0.4	0.2
<i>Add (deduct) Revenues Adjustment:</i>				
Other Non-Cash Income	1.9	4.7	0.1	0.2
Accrued Income	22.4	8.4	1.2	0.4
Reimbursable Tenant Improvements	8.1	5.5	0.4	0.3
Share of Profit from Equity Accounted Investments	-10.2	-15.1	-0.5	-0.8
Net Revenue	982.0	981.0	51.3	50.6



Reconciliation of Net Profit (Loss) to AFFO

	2Q19 <i>(millions of pesos)</i>	2Q18 <i>(millions of pesos)</i>	2Q19 <i>(millions of dollars)</i>	2Q18 <i>(millions of dollars)</i>
Comprehensive Income (Loss)	132.7	2,897.6	6.9	149.4
<i>Add (deduct) Cost of Financing Adjustment:</i>				
Non Recurring Borrowing Expenses	299.5	-2,205.5	15.7	-113.7
Changes in the fair value adjustment on borrowings through other comprehensive income	90.8	-	4.7	-
<i>Add (deduct) Cost of Financing Adjustment:</i>				
Non Recurring Borrowing Expenses	7.1	8.6	0.4	0.4
<i>Add (deduct) Non-Cash Adjustment:</i>				
Foreign Exchange Adjustments	3.3	69.0	0.2	3.6
Realized gain (loss) on derivative financial instruments	-5.2	0.2	-0.3	0.0
Fair Value Adjustment on Borrowings	34.6	-246.3	1.8	-12.7
Fair Value Adjustment on Derivative Financial Instruments	29.7	-9.4	1.6	-0.5
Fair Value Adjustment on Investment Properties	-88.2	-4.1	-4.6	-0.2
Gain (Loss) from Sales of Real Estate Properties	0.0	0.0	0.0	0.0
<i>Add (deduct) Expenses Adjustment:</i>				
Non Operating Property Taxes	13.8	5.4	0.7	0.3
Bad Debt Expense	-13.9	14.6	-0.7	0.8
Other Expenses Non Operational Related	0.0	15.3	0.0	0.8
<i>Add (deduct) Revenues Adjustment:</i>				
Accrued Income	-22.4	-8.4	-1.2	-0.4
Other Non-Cash Income	-1.8	-4.7	-0.1	-0.2
<i>Add (deduct) Non Operational Administrative Fees</i>				
Non Administrative Fees	0.8	22.9	0.0	1.2
AFFO	480.7	555.3	25.1	28.8



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

2Q19 Average Price (dollars) ¹	1.59
(x) CBFIs (million shares)	790.6
(=) Market Capitalization	1,258.7
(+) Total Liabilities	1,013.5
(-) Cash	58.8
(=) Enterprise Value	2,213.5
(-) Landbank	50.0
(=) Implied Operating Real Estate Value	2,163.5
Net Operating Income (NOI) 2019e	192.0
Implied Cap Rate	8.9%

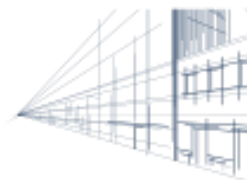
Figures expressed in millions of dollars unless otherwise stated.

(1) Average share price of Ps.30.46; and average exchange rate of Ps. 19.13

Cap Rate Calculation with NAV

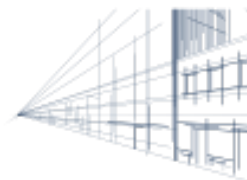
(+) Investment Properties (excluding landbank)	2,333.4
(+) Land	50.0
(+) Cash	58.8
(-) Total Liabilities	1,013.5
(=) NAV ¹	1,428.7
(/) CBFIs (million shares)	790.6
(=) NAV per CBFI (dollars)	1.8

CBFI Price (NAV calculation)	1.8
(x) CBFIs (million shares)	790.6
(=) Market Cap	1,428.7
(+) Total Debt and Liabilities	1,013.5
(-) Cash	58.8
(=) Enterprise Value	2,383.4
(-) Landbank	50.0
(=) Implied Operating Real Estate Value	2,333.4
Net Operating Income (NOI) 2019e	192.0
Implied Cap Rate	8.2%



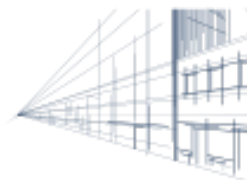
Financial Statements

Income Statement	2Q19	2Q19
	<i>(thousands of pesos)</i>	<i>(thousands of dollars)</i>
Rental revenues	\$928,079	\$48,506
Other operating income	53,911	2,818
Real estate operating expenses	-146,403	-7,652
Fees and other expenses	-98,779	-5,163
Realized gain (loss) from disposal of investment properties	0	0
Net gain (loss) from fair value adjustment on investment properties	88,169	4,608
Net gain (loss) from fair value adjustment on borrowings	-34,618	-1,809
Net gain (loss) unrealized from fair value on derivative financial instruments	-29,651	-1,550
Realized gain (loss) on derivative financial instruments	5,244	274
Foreign exchange (loss) gain	-3,314	-173
Operating profit	762,638	39,859
Finance income	1,611	84
Finance cost	-251,355	-13,137
Finance cost - net	-249,744	-13,053
Share of profit from equity accounted investments	10,037	525
Net Profit for the period	522,931	27,331
Translation gain (loss) from functional to reporting currency	-299,451	-15,651
Changes in the fair value adjustment on borrowings at fair value through other comprehensive income	-90,805	-4,746
Total Comprehensive income for the period	132,675	6,934



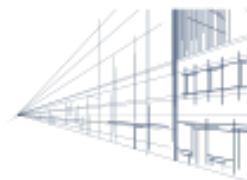
Financial Statements

Balance Sheet	Jun-30-19	Jun-30-19
<i>(thousands of pesos)</i>	<i>(thousands of pesos)</i>	<i>(thousands of dollars)</i>
Assets		
Non-current assets		
Investment properties	\$44,728,263	\$2,333,425
<small>(Cost: 30/06/2019 - Ps. 44,235,791, US\$2,307,733; 31/03/2019 - Ps. 44,651,571, US\$2,304,086)</small>		
Investments accounted using equity method	538,415	28,089
Derivative financial instruments	2,490	130
Deferred charges and accrued income	217,703	11,357
Other assets	135,221	7,054
Loan receivable	35,322	1,843
<small>(Cost: 30/06/2019 - Ps. 35,322, US\$1,843; 31/03/2019 - Ps. 36,045, US\$1,860)</small>		
Restricted cash	30,131	1,572
Current assets		
Other assets	65,160	3,399
Loan receivable	1,308	68
<small>(Cost: 30/06/2019 - Ps. 1,308, US\$68; 31/03/2019 - Ps. 1,304, US\$67)</small>		
Recoverable taxes	171,955	8,971
Prepaid expenses	5,835	304
Acquisition prepayment	149	8
Deferred charges and accrued income	47,306	2,468
Accounts receivable	127,995	6,677
<small>(Net of allowance for doubtful accounts: 30/06/2019 - Ps. 79,201, US\$4,132; 31/03/2019 - Ps. 95,192, US\$4,912)</small>		
Cash and cash equivalents	1,126,844	58,786
Restricted cash	5,512	288
Total assets	47,239,609	2,464,440
Net assets attributable to Investors		
Contributions, net	18,701,218	975,622
Retained earnings	-666,673	-34,780
Currency translation adjustment	8,300,333	433,019
Own credit risk reserve	803,579	41,922
Total net assets (Net Equity)	27,138,457	1,415,784
Liabilities		
Non-current liabilities		
Borrowings	19,031,848	992,871
<small>(Cost: 30/06/2019 - Ps. 18,718,040, US\$976,500; 31/03/2019 - Ps. 18,923,886, US\$976,500)</small>		
Tenant deposits	278,127	14,510
Accounts payable	5,138	268
Current liabilities		
Borrowings	396,285	20,674
<small>(Cost: 30/06/2019 - Ps. 396,285, US\$20,674; 31/03/2019 - Ps. 535,850, US\$27,651)</small>		
Tenant deposits	115,265	6,013
Trade and other payables	274,489	14,320
Total liabilities (excluding net assets attributable to the Investors)	20,101,152	1,048,655
Total net assets and liabilities	47,239,609	2,464,440



Financial Statements

Cash Flow Statement	Jun-19 <i>(thousands of pesos)</i>	Jun-19 <i>(thousands of dollars)</i>
Cash flows from operating activities		
(Loss) profit for the period	\$782,023	\$40,797
Adjustments:		
Net loss (gain) unrealized from fair value adjustment on investment properties	-40,647	-2,121
Net loss (gain) unrealized from fair value adjustment on borrowings	214,205	11,175
Net loss (gain) unrealized from fair value adjustment on derivative financial instruments	48,473	2,529
Realized gain from disposal of investment properties	-58,599	-3,057
Bad debt expense	-1,654	-86
Interest expense	486,077	25,358
Interest income on bank accounts	-3,018	-157
Share of profit from equity accounted investments	-18,185	-949
Decrease (increase) deferred rents receivable	-41,470	-2,163
Decrease (increase) in accounts receivable	28,508	1,487
Decrease (increase) in recoverable taxes	-6,278	-328
Decrease (increase) in prepaid expenses	4,392	229
Decrease (increase) in other assets	-140,769	-7,344
Decrease (increase) in tenant deposits	-3,347	-175
(Decrease) in accounts payable	40,103	2,092
Net cash (used in) generated from operating activities	1,289,814	67,288
Cash flows from investing activities		
Improvements of investment properties	-136,631	-7,128
Proceeds from dispositions of investment properties	189,015	9,861
Acquisition prepayment	-149	-8
Interest income on bank accounts	3,018	157
Investments in joint venture	14,179	740
Collections on loan receivable	632	33
Net cash (used in) generated from investing activities	70,064	3,655
Cash flows from financing activities		
Principal payments on borrowings	-5,761	-301
Interest expense	-514,111	-26,821
Restricted cash	956	50
Distributions to investors	-1,242,293	-64,809
Net cash (used in) generated from financing activities	-1,761,209	-91,880
Net (decrease) in cash and cash equivalents	-401,331	-20,937
Cash and cash equivalents at the beginning of the period	1,557,651	81,261
Exchange effects on cash and cash equivalents	-29,476	-1,538
Cash and cash equivalents at the end of the period	1,126,844	58,786



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 at January 1, 2018	\$18,701,218	\$9,034,634	\$1,016,185	-\$206,403	\$28,545,634
Capital Contribution, Net of Issuing Costs	0	0	0	0	0
Distributions to Investors	0	0	0	-1,242,293	-1,242,293
Comprehensive Income					
Net loss of the period	0	0	0	782,023	782,023
Other Comprehensive Income					
Currency Translation	0	-734,301	0	0	-734,301
Change from fair value adjustment on borrowings	0	0	-212,606	0	-212,606
Total Comprehensive (loss) income	0	-734,301	-212,606	782,023	-164,884
Net Assets as of December 31, 20178	\$18,701,218	\$8,300,333	\$803,579	-\$666,673	\$27,138,457
<i>(thousands of dollars)</i>					
				0	
Balance at January 1, 2018	\$975,622.40	\$471,327	\$53,013	-\$10,768	\$1,489,195
Capital Contribution, Net of Issuing Costs	0	0	0	0	0
Distributions to Investors	0	0	0	-64,809	-64,809
Comprehensive Income					
Net loss of the period	0	0	0	40,797	40,797
Other Comprehensive Income					
Currency Translation	0	-38,308	0	0	-38,308
Total Comprehensive (loss) income	0	-38,308	-11,091	40,797	-8,602
Net Assets as of December 31, 2018	\$975,622	\$433,019	\$41,922	-\$34,780	\$1,415,784