

FOURTH QUARTER AND FULL YEAR 2019 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, announced today its fourth quarter 2019 (4Q19) and full year 2019 (FY2019) 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 2019 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 as a result 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 results.***

Operating and Financial Highlights as of December 31, 2019

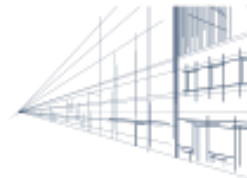
Operating

- Terrafina closed with a 100% renewal rate in the fourth quarter of 2019.
- As of December 31, 2019, the occupancy rate was 96.5%, a 117 basis point increase compared to the fourth quarter of 2018 (4Q18).
- Annualized average leasing rate per square foot at the year-end was US\$5.19, a 1.0% or US\$0.04 increase compared to 4Q18.
- At the end of 2019, Terrafina reported a total of 42.3 million square feet (msf) of Gross Leasable Area (GLA) comprised of 289 properties and 296 tenants.
- 2019 leasing activity reached a new record-high that totaled 10.9 msf, of which 23.3% corresponded to new leases, 38.2% to lease renewals and 38.5% to early renewals. Leasing activity was concentrated in the Chihuahua, Ciudad Juarez, Ramos Arizpe, San Luis Potosi, Aguascalientes, Villahermosa, Cuautitlan Izcalli, Monterrey, Puebla, Queretaro, Guadalajara, Silao, Irapuato, Saltillo, Tijuana, Toluca, Reynosa, Arteaga, Celaya, Apodaca, Huehuetoca, Hermosillo and Camargo markets.

Contacts:

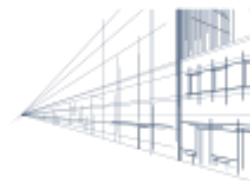
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Financial

- FY2019 rental revenues reached US\$191.1 million, of which US\$48.3 million were generated during 4Q19, a 0.7% or US\$40.3 million increase compared to 4Q18.
- FY2019 NOI was US\$190.2 million, of which US\$48.0 million was generated during 4Q19, the same result compared with 4Q18.
- The NOI margin reached 92.4% in FY2019 and 94.1% in 4Q19, a 78 basis point increase compared to 4Q18.
- FY2019 EBITDA reached US\$169.9 million, of which US\$42.5 million was generated in 4Q19, a decrease of 0.5% or US\$0.2 million compared to 4Q18.
- The EBITDA margin for FY2019 was 82.5% and 83.4% for 4Q19, a 28 basis point increase compared to 4Q18.
- FY2019 adjusted funds for operations (AFFO) reached US\$103.6 million, of which US\$25.8 million was generated in 4Q19, a decrease of 2.0% or US\$0.5 million compared to 4Q18.
- The AFFO margin was 49.8% for 2019 and 50.1% in 4Q19, a 74 basis point decrease compared to 4Q18.
- Total distribution for FY2019 were US\$103.6 million; distributions per CBFI were US\$0.1310. Considering the average share price for 2019 of US\$1.54 (Ps.29.65), Terrafina's dividend yield for the year was 8.5%.
- 4Q19 distributions totaled US\$25.8 million. As a result, Terrafina will distribute Ps.0.6313 per CBFI (US\$0.0328 per CBFI) for the October 1 to December 31, 2019 period; considering the average share price of US\$1.63 for 4Q19 (Ps.31.52), Terrafina's dividend yield for the quarter was 8.0%.



Operating and Financial Highlights

Highlights

| Operating | Mar19 | Jun19 | Sep19 | Dec19 | Dec18 |
|---|-------|-------|-------|--------|-------|
| Number of Developed Properties | 284 | 288 | 289 | 289 | 287 |
| Gross Leasable Area (GLA) (msf) ¹ | 40.6 | 41.7 | 41.8 | 42.3 | 41.1 |
| Land Reserves (msf) | 6.17 | 5.66 | 5.66 | 5.66 | 6.06 |
| Occupancy Rate ² | 95.2% | 95.5% | 96.3% | 96.5% | 95.3% |
| Avg. Leasing Rent / Square Foot (dollars) | 5.06 | 5.18 | 5.18 | 5.19 | 5.15 |
| Weighted Average Remaining Lease Term (years) | 3.52 | 3.54 | 3.48 | 3.85 | 3.37 |
| Renewal Rate ³ | 86.8% | 80.0% | 94.6% | 100.0% | 90.1% |

| Accumulated Financial | Mar19 | Jun19 | Sep19 | Dec19 | Dec18 |
|---|---------|---------|---------|---------|---------|
| (millions of pesos unless otherwise stated) | | | | | |
| Rental Revenues ⁴ | 900.1 | 1,805.8 | 2,751.3 | 3,683.1 | 3,674.9 |
| Other Operating Income | 109.9 | 163.7 | 235.1 | 293.1 | 295.6 |
| Net Revenues | 1,036.0 | 2,018.0 | 3,040.4 | 4,042.5 | 3,996.9 |
| Net Operating Income (NOI)* | 879.8 | 1,783.3 | 2,738.7 | 3,664.5 | 3,653.6 |
| NOI Margin | 87.3% | 88.5% | 89.5% | 92.4% | 92.3% |
| EBITDA ⁵ | 786.3 | 1,594.3 | 2,453.0 | 3,273.0 | 3,284.7 |
| EBITDA Margin | 78.0% | 79.2% | 79.7% | 82.5% | 83.1% |
| Funds from Operations (FFO)* | 546.9 | 1,110.8 | 1,725.2 | 2,310.8 | 2,352.9 |
| FFO Margin | 54.2% | 61.4% | 62.2% | 58.3% | 60.0% |
| Adjusted Funds from Operations (AFFO)* | 465.3 | 945.4 | 1,495.7 | 1,996.1 | 2,132.6 |
| AFFO Margin | 45.7% | 55.8% | 54.6% | 49.8% | 54.0% |
| Distributions | 465.3 | 945.4 | 1,495.7 | 1,996.1 | 2,132.6 |
| Distributions per CBFI ⁶ | 0.5885 | 1.1958 | 1.8918 | 2.5251 | 2.7010 |

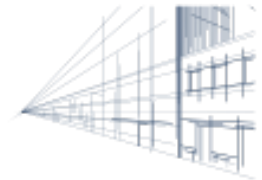
| Quarterly Financial | 1Q19 | 2Q19 | 3Q19 | 4Q19 | 4Q18 |
|---|---------|--------|---------|---------|---------|
| (millions of pesos unless otherwise stated) | | | | | |
| Rental Revenues | 900.1 | 905.7 | 945.8 | 931.5 | 951.3 |
| Other Operating Income | 109.9 | 53.9 | 71.0 | 58.4 | 76.1 |
| Net Revenues | 1,036.0 | 982.0 | 1,022.0 | 1,002.5 | 1,034.1 |
| Net Operating Income (NOI)* | 879.8 | 903.4 | 955.6 | 926.0 | 950.7 |
| NOI Margin | 87.3% | 94.1% | 94.3% | 94.1% | 93.3% |
| EBITDA* | 786.3 | 807.5 | 858.8 | 820.6 | 846.4 |
| EBITDA Margin | 78.0% | 84.2% | 84.8% | 83.4% | 83.1% |
| Funds from Operations (FFO)* | 546.9 | 564.9 | 614.6 | 584.7 | 598.9 |
| FFO Margin | 54.2% | 59.4% | 60.7% | 59.3% | 58.8% |
| Adjusted Funds from Operations (AFFO)* | 465.3 | 480.9 | 551.0 | 499.1 | 522.6 |
| AFFO Margin | 45.7% | 50.2% | 53.9% | 50.1% | 50.8% |
| Distributions | 465.3 | 480.9 | 551.0 | 499.1 | 522.6 |
| Distributions per CBFI | 0.5885 | 0.6083 | 0.6969 | 0.6313 | 0.6611 |

| | Mar19 | Jun19 | Sep19 | Dec19 | Dec18 |
|---|---------|---------|---------|---------|---------|
| fx | 19.2163 | 19.1744 | 19.2612 | 19.2684 | 19.6829 |
| (millions of dollars unless otherwise stated) | | | | | |
| Rental Revenues ⁴ | 46.8 | 94.2 | 142.8 | 191.1 | 191.0 |
| Other Operating Income | 5.7 | 8.5 | 12.2 | 15.2 | 15.4 |
| Net Revenues | 53.9 | 105.2 | 157.8 | 209.8 | 207.8 |
| Net Operating Income (NOI)* | 45.8 | 93.0 | 142.2 | 190.2 | 190.0 |
| NOI Margin | 87.3% | 88.5% | 89.5% | 92.4% | 92.3% |
| EBITDA ⁵ | 40.9 | 83.1 | 127.4 | 169.9 | 170.9 |
| EBITDA Margin | 78.0% | 79.2% | 79.7% | 82.5% | 83.1% |
| Funds from Operations (FFO)* | 28.4 | 57.9 | 89.6 | 119.9 | 122.5 |
| FFO Margin | 54.2% | 61.4% | 62.2% | 58.3% | 60.0% |
| Adjusted Funds from Operations (AFFO)* | 24.2 | 49.3 | 77.7 | 103.6 | 111.1 |
| AFFO Margin | 46.1% | 55.8% | 54.6% | 49.8% | 54.0% |
| Distributions | 24.2 | 49.3 | 77.7 | 103.6 | 111.1 |
| Distributions per CBFI ⁶ | 0.0306 | 0.0624 | 0.0982 | 0.1310 | 0.1407 |

| | 1Q19 | 2Q19 | 3Q19 | 4Q19 | 4Q18 |
|---|---------|---------|---------|---------|---------|
| fx | 19.2163 | 19.1333 | 19.4256 | 19.7877 | 18.9259 |
| (millions of dollars unless otherwise stated) | | | | | |
| Rental Revenues | 46.8 | 47.3 | 48.7 | 48.3 | 48.0 |
| Other Operating Income | 5.7 | 2.8 | 3.7 | 3.0 | 3.9 |
| Net Revenues | 53.9 | 51.3 | 52.6 | 52.0 | 52.2 |
| Net Operating Income (NOI)* | 45.8 | 47.2 | 49.2 | 48.0 | 48.0 |
| NOI Margin | 87.3% | 94.1% | 94.3% | 94.1% | 93.3% |
| EBITDA* | 40.9 | 42.2 | 44.2 | 42.5 | 42.8 |
| EBITDA Margin | 78.0% | 84.2% | 84.8% | 83.4% | 83.1% |
| Funds from Operations (FFO)* | 28.4 | 29.5 | 31.6 | 30.3 | 30.3 |
| FFO Margin | 54.2% | 59.4% | 60.7% | 59.3% | 58.8% |
| Adjusted Funds from Operations (AFFO)* | 24.2 | 25.1 | 28.3 | 25.8 | 26.4 |
| AFFO Margin | 46.1% | 50.2% | 53.9% | 50.1% | 50.8% |
| Distributions | 24.2 | 25.1 | 28.3 | 25.8 | 26.4 |
| Distributions per CBFI | 0.0306 | 0.0318 | 0.0359 | 0.0328 | 0.0334 |

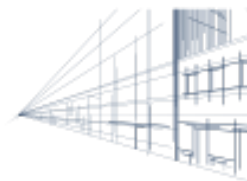
Figures in dollars in the Income Statement were converted into pesos using the average exchange rate for the period. (1) Millions of square feet. (2) Occupancy at the end of the period. (3) Indicates the lease renewal rate of the leases of the period, includes early renewals. (4) Excluding accrued income 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 "2019 Financial Performance" and "Appendices" section available in this document.

Source: PGIM Real Estate – Asset Management and Fund Accounting



Balance Sheet

| | Mar19 | Jun19 | Sep19 | Dec19 | Dec18 | | Mar19 | Jun19 | Sep19 | Dec19 | Dec18 |
|-------------------------|---|----------|----------|----------|----------|----|---|---------|---------|---------|---------|
| | | | | | | fx | 19.3793 | 19.1685 | 19.6363 | 18.8452 | 19.7354 |
| | (millions of pesos unless otherwise stated) | | | | | | (millions of dollars unless otherwise stated) | | | | |
| Cash & Cash Equivalents | 1,342.2 | 1,126.8 | 1,274.2 | 1,266.3 | 1,557.7 | | 69.3 | 58.8 | 64.9 | 67.2 | 79.1 |
| Investment Properties | 45,060.9 | 44,728.3 | 47,598.2 | 45,787.3 | 45,880.2 | | 2,325.2 | 2,333.4 | 2,424.0 | 2,429.7 | 2,331.0 |
| Land Reserves | 962.4 | 958.8 | 986.0 | 812.2 | 1,100.2 | | 49.7 | 50.0 | 50.2 | 43.2 | 56.0 |
| Total Debt | 19,650.4 | 19,428.1 | 20,472.3 | 20,098.8 | 19,544.5 | | 1,014.0 | 1,013.5 | 1,042.6 | 1,066.5 | 993.0 |
| Net Debt | 18,308.2 | 18,301.3 | 19,198.1 | 18,832.5 | 17,986.9 | | 944.7 | 954.8 | 977.7 | 999.3 | 913.8 |



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

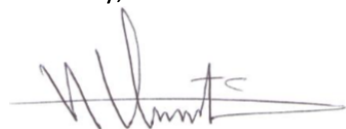
Terrafina continued its position as one of the industrial real estate leaders in 2019. Mexico's manufacturing for export industry maintained strong trends despite the complex trade tensions we saw throughout the year.

We reached an all-time high in leasing activity in 2019, with a total of 10.9 million square feet, a sign of our business model success. The North of Mexico represented 53% of our total leasing activity, showing the relevance of this region. It still is the fastest-growing market for export manufacturing. The Bajio region followed representing 29% of our leases and the central region represented 18%. We closed the year with a portfolio occupancy level of 96.5%, driven by an average renewal rate of 91%. The fourth quarter alone saw a 100% renewal rate, another record high. Early renewals totaled 4.2 million square feet by the end of the year. Of these renewals, 1.9 million were completed during the fourth quarter. This reduced our 2020 lease expirations from 23% of our GLA to 20% of our GLA, allowing us to better distribute our contract maturities. We see early renewals as a key indicator of the confidence level our tenants have, not only in their operations linked to our properties, but also in Mexico offering them stability and a highly competitive market. As for our average rental rate, we closed 2019 at US\$5.19 per square foot. This remained relatively stable throughout the year. Given the high level of employment and income stability in our main markets, and due to the growth of opportunities in the manufacturing for exports industry (primarily in the north of the country), we believe that the positive dynamism will continue throughout 2020.

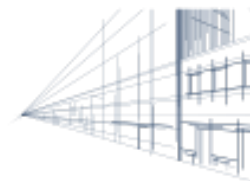
Development was key for Terrafina in 2019. We closed the year with an additional 981,500 square feet of leasable area, generating approximately US\$4.6 million in Net Operating Income (NOI), with an average stabilized return of 10.3%. These new constructions were requested by current tenants in the most relevant sectors for Terrafina, including the aviation, electrical, and automotive sectors. Tenants in these sectors have increased their production lines with long-term contracts, pointing to certainty and growth for export manufacturing in Mexico. We also expect a busy year for new developments in 2020, where our main objective is to strengthen our tenant's business while maintaining the stability of future flows.

Finally, we estimate that our operating and financial results for 2020 will continue their positive trend as the ratification of the USMCA should promote certainty. This presents significant growth opportunities for Terrafina and the industrial sector. Taking into account our high exposure to the manufacturing for export sector and its multinational tenants, we consider that Terrafina is in an advantageous position. We will continue to work on maintaining a profitable business by fostering orderly, value creating growth for our investors.

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



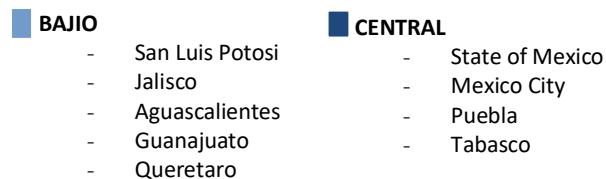
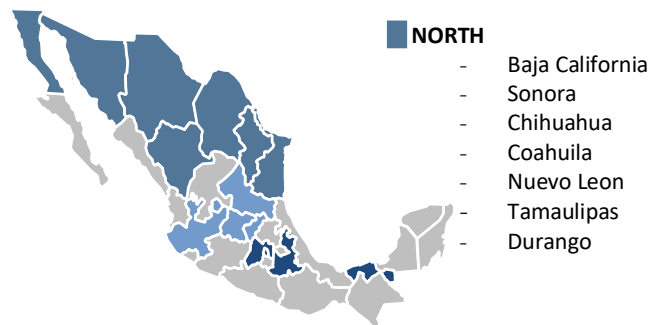
Operating Highlights

Highlights by Region

(as of December 31, 2019)

| | North | Bajío | Central | Total |
|--|-------|-------|---------|--------|
| # Buildings | 203 | 56 | 30 | 289 |
| # Tenants | 199 | 54 | 43 | 296 |
| GLA (msf) | 26.5 | 9.5 | 6.3 | 42.3 |
| Land Reserves (msf) | 2.7 | 0.2 | 2.7 | 5.7 |
| Occupancy Rate | 98.8% | 88.9% | 97.9% | 96.5% |
| Average Leasing Rate / Square Foot (dollars) | 5.12 | 5.29 | 5.37 | 5.19 |
| Annualized Rental Base % | 63.4% | 21.1% | 15.5% | 100.0% |

Source: PGIM Real Estate - Asset Management

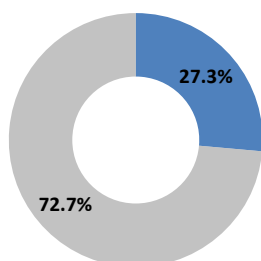


Terrafina's 4Q19 Operations

Composition by Asset Type

as of 4Q19

(as a % of total GLA)

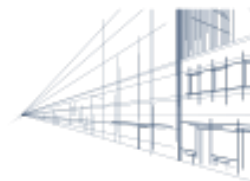


■ Distribution ■ Manufacturing

Leasing Activity

| | 4Q19 | 4Q18 | Var. |
|---|------------|------------|------------|
| Operating Portfolio (msf): | | | |
| Renewals | 1.4 | 0.6 | 0.9 |
| Early Renewals | 1.9 | 1.9 | 0.0 |
| New Leases | 0.6 | 1.1 | -0.5 |
| Total Square Feet of Leases Signed | 3.9 | 2.2 | 1.7 |

Source: PGIM Real Estate - Asset Management



Operating Highlights *(continued)*

Occupancy and Rents by Region

| <i>(As of December 31, 2019)</i> | | |
|----------------------------------|----------------|--|
| | Occupancy Rate | Avg. Leasing Rent/ Square Foot (dollars) |
| North | 98.8% | 5.12 |
| Baja California | 96.7% | 4.73 |
| Tijuana | 96.7% | 4.73 |
| Sonora | 88.5% | 4.86 |
| Hermosillo | 88.5% | 4.86 |
| Chihuahua | 99.3% | 5.08 |
| Camargo | 99.5% | 5.39 |
| Casas Grandes | 99.1% | 4.80 |
| Chihuahua | 100.0% | 6.13 |
| Ciudad Juarez | 100.0% | 3.34 |
| Delicias | 100.0% | 3.00 |
| Gomez Farias | 100.0% | 4.28 |
| Coahuila | 98.0% | 5.28 |
| Arteaga | 100.0% | 4.44 |
| Ciudad Acuña | 100.0% | 6.35 |
| Monclova | 100.0% | 5.61 |
| Ramos Arizpe | 98.5% | 5.19 |
| Saltillo | 91.0% | 5.42 |
| Derramadero | 100.0% | 6.95 |
| San Pedro de las Colinas | 89.3% | 2.10 |
| Torreon | 100.0% | 4.34 |
| Nuevo Leon | 99.9% | 5.17 |
| Apodaca | 100.0% | 5.83 |
| Monterrey | 99.9% | 4.95 |
| Tamaulipas | 100.0% | 4.96 |
| Reynosa | 100.0% | 4.96 |
| Durango | 100.0% | 4.87 |
| Durango | 100.0% | 5.03 |
| Gomez Palacio | 100.0% | 3.18 |
| Bajo | 88.9% | 5.29 |
| San Luis Potosi | 83.9% | 4.96 |
| San Luis Potosi | 83.9% | 4.96 |
| Jalisco | 89.1% | 7.00 |
| Guadalajara | 89.1% | 7.00 |
| Aguascalientes | 100.0% | 4.57 |
| Aguascalientes | 100.0% | 4.57 |
| Guanajuato | 96.0% | 4.95 |
| Celaya | 100.0% | 5.29 |
| Irapuato | 93.9% | 5.45 |
| Silao | 96.5% | 4.69 |
| Queretaro | 85.8% | 5.08 |
| Queretaro | 85.8% | 5.08 |
| Central | 97.9% | 5.37 |
| State of Mexico | 97.6% | 5.55 |
| Cuautitlan Izcalli | 100.0% | 5.62 |
| Toluca | 100.0% | 5.37 |
| Mexico City | 100.0% | 9.38 |
| Azcapotzalco | 100.0% | 9.38 |
| Puebla | 100.0% | 3.37 |
| Puebla | 100.0% | 3.37 |
| Tabasco | 100.0% | 4.32 |
| Villahermosa | 100.0% | 4.32 |
| Total | 96.5% | 5.19 |

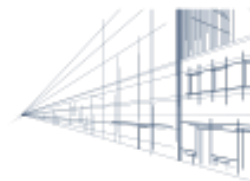
Source: PGIM Real Estate - Asset Management

Maturities and Renewals by Region

| Consolidated | | | | |
|----------------------------------|----------------------------------|-----------------------|--------------------------------|---------------------|
| <i>(As of December 31, 2019)</i> | | | | |
| | Maturities (number of contracts) | % of Total Maturities | Renewals (number of contracts) | % of Total Renewals |
| North | 5 | 38.5% | 5 | 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 | 3 | 23.1% | 3 | 100.0% |
| Camargo | 2 | 15.4% | 2 | 100.0% |
| Casas Grandes | 1 | 7.7% | 1 | 100.0% |
| Chihuahua | 0 | 0.0% | 0 | 0.0% |
| Ciudad Juarez | 0 | 0.0% | 0 | 0.0% |
| Delicias | 0 | 0.0% | 0 | 0.0% |
| Gomez Farias | 0 | 0.0% | 0 | 0.0% |
| Coahuila | 1 | 7.7% | 1 | 100.0% |
| Arteaga | 0 | 0.0% | 0 | 0.0% |
| 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 | 7.7% | 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 | 1 | 7.7% | 1 | 100.0% |
| Apodaca | 0 | 0.0% | 0 | 0.0% |
| Monterrey | 1 | 7.7% | 1 | 100.0% |
| 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 | 38.5% | 5 | 100.0% |
| San Luis Potosi | 3 | 23.1% | 3 | 100.0% |
| San Luis Potosi | 3 | 23.1% | 3 | 100.0% |
| Jalisco | 0 | 0.0% | 0 | 0.0% |
| Guadalajara | 0 | 0.0% | 0 | 0.0% |
| Aguascalientes | 0 | 0.0% | 0 | 0.0% |
| Aguascalientes | 0 | 0.0% | 0 | 0.0% |
| Guanajuato | 2 | 15.4% | 2 | 100.0% |
| Celaya | 0 | 0.0% | 0 | 0.0% |
| Irapuato | 2 | 15.4% | 2 | 100.0% |
| Silao | 0 | 0.0% | 0 | 0.0% |
| Queretaro | 0 | 0.0% | 0 | 0.0% |
| Queretaro | 0 | 0.0% | 0 | 0.0% |
| Central | 3 | 23.1% | 3 | 100.0% |
| State of Mexico | 0 | 0.0% | 0 | 0.0% |
| Cuautitlan Izcalli | 0 | 0.0% | 0 | 0.0% |
| Toluca | 0 | 0.0% | 0 | 0.0% |
| Mexico City | 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 | 3 | 23.1% | 3 | 100.0% |
| Villahermosa | 3 | 23.1% | 3 | 100.0% |
| Total | 13 | 100.0% | 13 | 100.0% |

Source: PGIM Real Estate - Asset Management

*Out of the matured leases in the quarter



2019 Operational Performance

Composition by Geographical Diversification

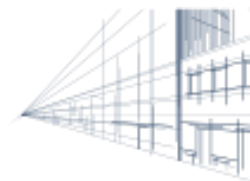
The geographic diversification of properties at the close of 2019 (GLA per square foot) was as follows: the Northern region of Mexico represented 62.7% of GLA, while the Bajío and Central regions represented 22.5% and 14.8% of GLA, respectively.

Geographic Distribution by Region and State

| | 4Q19 | as a % of Total GLA 4Q19 | 4Q18 | as a % of Total GLA 4Q18 |
|--------------------------|--------------|-----------------------------|--------------|-----------------------------|
| North | 26.53 | 62.7% | 25.61 | 62.3% |
| Baja California | 0.88 | 2.1% | 0.91 | 2.2% |
| Tijuana | 0.88 | 2.1% | 0.91 | 2.2% |
| Sonora | 0.33 | 0.8% | 0.33 | 0.8% |
| Hermosillo | 0.33 | 0.8% | 0.33 | 0.8% |
| Chihuahua | 14.94 | 35.3% | 14.34 | 34.9% |
| Chihuahua | 6.23 | 14.7% | 5.83 | 14.2% |
| Ciudad Juarez | 8.00 | 18.9% | 7.81 | 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 | 7.09 | 16.7% | 6.84 | 16.6% |
| Arteaga | 0.12 | 0.3% | 0.00 | 0.0% |
| Ciudad Acuña | 0.24 | 0.6% | 0.24 | 0.6% |
| Monclova | 0.35 | 0.8% | 0.35 | 0.8% |
| Ramos Arizpe | 4.67 | 11.0% | 4.54 | 11.0% |
| 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% |
| Torreon | 0.39 | 0.9% | 0.39 | 0.9% |
| Nuevo Leon | 2.06 | 4.9% | 1.94 | 4.7% |
| Apodaca | 0.52 | 1.2% | 0.50 | 1.2% |
| Monterrey | 1.54 | 3.6% | 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 | 1.8% | 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 | 22.5% | 9.27 | 22.5% |
| San Luis Potosi | 3.33 | 7.9% | 3.32 | 8.1% |
| San Luis Potosi | 3.33 | 7.9% | 3.32 | 8.1% |
| Jalisco | 1.66 | 3.9% | 1.66 | 4.0% |
| Guadalajara | 1.66 | 3.9% | 1.66 | 4.0% |
| Aguascalientes | 0.99 | 2.3% | 0.75 | 1.8% |
| Aguascalientes | 0.99 | 2.3% | 0.75 | 1.8% |
| Guanajuato | 1.57 | 3.7% | 1.57 | 3.8% |
| Celaya | 0.12 | 0.3% | 0.12 | 0.3% |
| Irapuato | 0.44 | 1.0% | 0.44 | 1.1% |
| Silao | 1.01 | 2.4% | 1.01 | 2.5% |
| Queretaro | 1.98 | 4.7% | 1.98 | 4.8% |
| Queretaro | 1.98 | 4.7% | 1.98 | 4.8% |
| Central | 6.25 | 14.8% | 6.25 | 15.2% |
| State of Mexico | 5.39 | 12.8% | 5.40 | 13.1% |
| Cuautitlan Izcalli | 4.26 | 10.1% | 4.26 | 10.4% |
| Toluca | 0.90 | 2.1% | 0.91 | 2.2% |
| Huehuetoca | 0.23 | 0.5% | 0.23 | 0.6% |
| Mexico City | 0.02 | 0.1% | 0.02 | 0.1% |
| Azcapotzalco | 0.02 | 0.1% | 0.02 | 0.1% |
| Puebla | 0.18 | 0.4% | 0.18 | 0.4% |
| Puebla | 0.18 | 0.4% | 0.18 | 0.4% |
| Tabasco | 0.65 | 1.5% | 0.65 | 1.6% |
| Villahermosa | 0.65 | 1.5% | 0.65 | 1.6% |
| Total | 42.30 | 100.0% | 41.13 | 100.0% |

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

Source: PGIM Real Estate - Asset Management



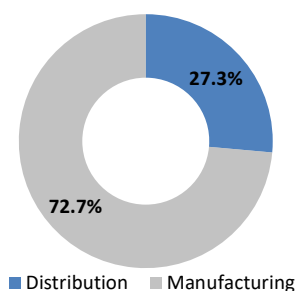
Composition by Asset Type

At the end of 2019, 72.7% of Terrafina's portfolio consisted of properties dedicated to manufacturing activities while 27.3% was dedicated to distribution and logistics activities.

Composition by Asset Type

as of 4Q19

(as a % of total GLA)



Composition by Asset Type

| | 4Q19 | 4Q18 | Var. |
|---------------|-------|-------|---------|
| Distribution | 27.3% | 26.4% | 93 bps |
| Manufacturing | 72.7% | 73.6% | -93 bps |

Source: PGIM Real Estate - Asset Management

Composition by Sector

As of December 31, 2019, tenant diversification by industrial sector was as follows:

Industrial Sector Diversification

| | 4Q19 | 4Q18 | Var. |
|----------------------------|---------------|---------------|----------|
| Automotive | 32.9% | 35.0% | -213 bps |
| Industrial Properties | 20.3% | 20.0% | 29 bps |
| Consumer Goods | 14.9% | 13.7% | 119 bps |
| Logistics and Trade | 10.0% | 9.7% | 30 bps |
| Aviation | 10.0% | 9.8% | 27 bps |
| Non-durable Consumer Goods | 3.5% | 3.7% | -21 bps |
| Electronics | 8.4% | 8.1% | 28 bps |
| Total | 100.0% | 100.0% | |

Source: PGIM Real Estate - Asset Management

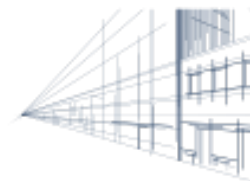
Composition of Top Clients

Terrafina has a widely diversified tenant base that leases industrial properties throughout several of Mexico's main cities. At the end of 2019, Terrafina's top client, top 10 clients and top 20 clients represented 3.5%, 19.4% and 29.7% of total revenues, respectively.

Top Clients

| (As of December 31, 2019) | Leased Square Feet (millions) | % Total GLA | % Total Revenues |
|---------------------------|-------------------------------|-------------|------------------|
| Top Client | 1.43 | 3.5% | 3.5% |
| Top 10 Clients | 8.00 | 19.6% | 19.4% |
| Top 20 Clients | 12.23 | 30.0% | 29.7% |

Source: PGIM Real Estate - Asset Management



Occupancy

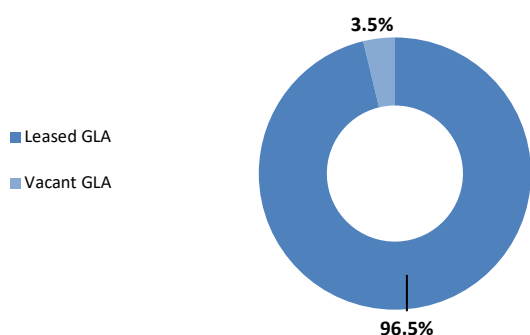
- FY2019 occupancy rate was 96.5% a 117 basis point increase compared to the 4Q18. (Occupancy rate indicators presented in this report reflect the quarterly closing rate).

For 4Q19, Terrafina's leasing activity reached 3.9 msf, 15.1% of which corresponded to new leasing contracts (including expansions), 36.7% were contract renewals and 48.2% were early renewals.

Leasing activity in 4Q19 mainly took place in the Chihuahua, Villahermosa, San Luis Potosi, Ciudad Juarez, Ramos Arizpe, Monterrey, Puebla, Saltillo, Queretaro, Celaya, Irapuato and Tijuana markets.

Occupancy as of 4T19

(as % of Total GLA)



| | 4Q19 | 4Q18 | Var. |
|--------------------------|------------|------------|------------|
| Leased GLA | 1.4 | 0.6 | 0.9 |
| Vacant GLA | 1.9 | 1.9 | 0.0 |
| Signed Letters of Intent | 0.6 | 1.1 | -0.5 |
| Total | 3.9 | 2.2 | 1.7 |

Source: PGIM Real Estate - Asset Management

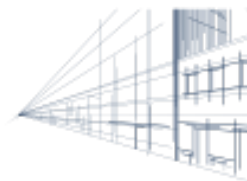
Lease Maturities

Terrafina had 296 tenants under leasing contracts at the end of 2019. 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) will remain at levels of between 10% to 20% 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 |
|------------|---|------------|-------------------------------|------------|
| 2020 | 41.7 | 19.7% | 8.13 | 20.0% |
| 2021 | 34.2 | 16.2% | 6.66 | 16.4% |
| 2022 | 25.2 | 11.9% | 4.92 | 12.1% |
| 2023 | 27.4 | 13.0% | 5.38 | 13.2% |
| 2024 | 21.9 | 10.4% | 4.14 | 10.2% |
| Thereafter | 61.0 | 28.9% | 11.48 | 28.2% |

Source: PGIM Real Estate - Asset Management



Capital Deployment

Capital Expenditures (CAPEX)

Terrafina's CAPEX is classified as recurring expenses that are based on upcoming leasing maturities and property improvements. The main focus of these expenses is on renewals of leasing contracts and improvements in property conditions while 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 does not appear on 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 2019, Terrafina's investments in tenant improvements and recurring CAPEX was US\$9.4 million. Total CAPEX for 4Q19 and 2019 is broken down in the following table:

| Capital Expenditures | | | | |
|---------------------------------------|-----------------------------|-------------------------------|-----------------------------|-------------------------------|
| | 4Q19 (millions of pesos) | 4Q19 (millions of dollars) | 2019 (millions of pesos) | 2019 (millions of dollars) |
| Tenant Improvements & Recurring CAPEX | 65.1 | 3.4 | 180.6 | 9.4 |
| Leasing Commissions | 53.3 | 2.8 | 152.3 | 7.9 |
| Development CAPEX ¹ | 219.4 | 11.4 | 494.8 | 25.6 |
| Total Capital Expenditures | 337.7 | 17.6 | 827.7 | 42.9 |

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

New Developments

In 2019, Terrafina completed 981,500 square feet of new developments. These new developments were distributed as follows: 72.5% in the northern region and 27.5% in the Bajío region.

These new developments will contribute US\$4.6 million to NOI with a 10.3% estimated development yield, considering a total expected investment of US\$45.1 million.

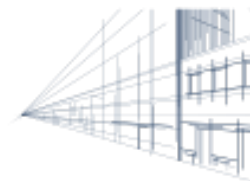
| January - December 2019 | | | | |
|-------------------------|--------------------------|--|--|--------------------------------------|
| | Square Feet (million) | Total Expected Investment (million pesos) | Total Expected Investment (million dollars) | Cost per Square Feet (dollars) |
| North | 0.71 | 610.9 | 32.4 | 45.49 |
| Bajío | 0.27 | 239.1 | 12.7 | 46.99 |
| Central | 0.00 | 0.0 | 0.0 | 0.00 |
| Total | 0.98 | 850.0 | 45.1 | 92.48 |

| | |
|---|--------------|
| Proforma NOI¹ (million dollars) | 4.6 |
| Estimated Stabilized Yield² | 10.3% |

(1) Net Operating Income for the next twelve months

(2) Proforma NOI divided by the total expected investment

Source: PGIM Real Estate - Asset Management



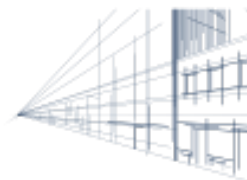
Land Reserves

Terrafina's land reserve as of December 31, 2019 comprised 11 land reserve properties, equivalent to 5.7 msf of potential GLA for the development of future industrial properties.

As of December 31, 2019, Terrafina's land reserves were distributed as follows:

| as of December 31, 2019 | | | | | |
|-------------------------|--------------------------|---------------------------------|-----------------------------------|------------------------------------|--------------------------------------|
| | Square Feet (million) | Land at Cost (million pesos) | Land at Cost (million dollars) | Appraisal Value (million pesos) | Appraisal Value (million dollars) |
| North | 2.7 | 511.3 | 27.1 | 627.3 | 33.3 |
| Bajío | 0.2 | 13.4 | 0.7 | 18.1 | 1.0 |
| Central | 2.7 | 552.0 | 29.3 | 166.8 | 8.9 |
| Total Land Portfolio | 5.7 | 1,076.7 | 57.1 | 812.2 | 43.2 |

Source: PGIM Real Estate - Asset Management and Fund Accounting



2019 Financial Performance

Financial Results and Calculations

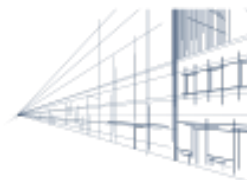
Terrafina's financial results are presented in Mexican pesos and U.S. dollars. Figures on the income statement for each period were converted to dollars using the average exchange rate for 2019 (Ps. 19.2684/dollar) and for 4Q19 (Ps. 19.2896/dollar), while for the balance sheet, the exchange rate at the close of December 31, 2019 (Ps. 18.8452/dollar) was applied.

Terrafina uses 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. These metrics must not be considered individually to evaluate Terrafina's results. The recommendation is to use them in conjunction with other International Financial Reporting Standards metrics to measure the Company's performance.

In this earnings report, Terrafina presents 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 to 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 Results

The following table shows Terrafina's FY2019 and 4Q19 same-store highlights and consolidated information:

| | Same-Store 1 4Q19 | Consolidated 4Q19 |
|--|----------------------|----------------------|
| Number of Properties | 288 | 289 |
| Occupancy Rate | 96.0% | 96.5% |
| Gross Leasable Area (GLA) (msf) | 41.3 | 42.3 |
| Avg. Leasing Rent / Square Foot (dollars) | 5.18 | 5.19 |

| | Same-Store 2019 | Consolidated 2019 | Same-Store 2019 | Consolidated 2019 | Same-Store 4Q19 | Consolidated 4Q19 | Same-Store 4Q19 | Consolidated 4Q19 |
|--------------------------------|---------------------|----------------------|-----------------------|----------------------|---------------------|----------------------|-----------------------|----------------------|
| | (millions of pesos) | | (millions of dollars) | | (millions of pesos) | | (millions of dollars) | |
| Rental Revenues | 3,668.6 | 3,683.1 | 162.5 | 191.1 | 922.2 | 931.5 | 47.8 | 48.3 |
| Net Operating Income | 3,650.2 | 3,664.5 | 189.4 | 190.2 | 916.9 | 926.0 | 47.5 | 48.0 |
| NOI Margin | 92.2% | 92.4% | 92.2% | 92.4% | 94.0% | 94.1% | 94.0% | 94.1% |
| EBITDA | 3,260.1 | 3,273.0 | 169.2 | 169.9 | 812.4 | 820.6 | 42.1 | 42.5 |
| EBITDA Margin | 82.3% | 82.5% | 82.3% | 82.5% | 83.2% | 83.4% | 83.2% | 83.4% |
| FFO | 2,297.9 | 2,310.8 | 119.3 | 119.9 | 576.4 | 584.7 | 29.9 | 30.3 |
| FFO Margin | 58.2% | 58.3% | 58.2% | 58.3% | 59.1% | 59.3% | 59.1% | 59.3% |
| Adjusted Funds from Operations | 1,944.7 | 1,996.3 | 100.9 | 103.6 | 457.7 | 499.3 | 23.7 | 25.8 |
| AFFO Margin | 49.2% | 49.8% | 49.2% | 49.8% | 49.9% | 50.1% | 49.9% | 50.1% |
| Distributions per CBFI | 2.4598 | 2.5253 | 0.1276 | 0.1310 | 0.5789 | 0.6316 | 0.0300 | 0.0328 |

(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 2019, Terrafina reported rental revenues of US\$191.0 million. In 4Q19, Terrafina reported rental revenues of US\$48.3 million, a 0.7% or US\$0.3 million increase compared to 4Q18.

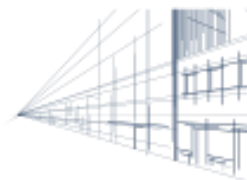
Rental revenues do not include accrued revenues as these are a non-cash item.

Other Operating Income

For FY2019, other operating income totaled US\$15.2 million. In 4Q19, other operating income totaled US\$3.0 million, a 22.2% or US\$0.9 million decrease compared to 4Q18.

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

Net revenues reached US\$209.8 million for FY2019 and US\$52.0 million in 4Q19, a decrease of US\$0.2 million, or 0.4% compared to 4Q18.



Revenues

| | 2019 | 2018 | Var. % | 4Q19 | 4Q18 | Var. % | 2019 | 2018 | Var. % | 4Q19 | 4Q18 | Var. % |
|--|----------------|----------------|--------------|----------------|----------------|---------------|--------------|--------------|--------------|-------------|-------------|---------------|
| Rental Revenue | 3,683.1 | 3,674.9 | 0.2% | 931.5 | 951.3 | -2.1% | 191.1 | 191.0 | 0.1% | 48.3 | 48.0 | 0.7% |
| Accrued Income ¹ | 66.3 | 26.3 | 152.1% | 12.7 | 6.7 | 90.2% | 3.5 | 1.4 | 155.8% | 0.7 | 0.3 | 95.8% |
| Other Operating Revenues | 293.1 | 295.6 | -0.8% | 58.4 | 76.1 | -23.3% | 15.2 | 15.4 | -1.3% | 3.0 | 3.9 | -22.2% |
| Reimbursable Expenses as Revenues ² | 247.0 | 253.6 | -2.6% | 46.1 | 60.2 | -23.4% | 12.9 | 13.3 | -3.3% | 2.4 | 3.1 | -22.6% |
| Reimbursable Tenant Improvements | 37.3 | 28.4 | 31.5% | 10.8 | 8.3 | 30.4% | 1.9 | 1.5 | 31.0% | 0.6 | 0.4 | 33.0% |
| Other non-cash Income | 8.9 | 13.6 | -35.0% | 1.5 | 7.7 | -80.9% | 0.5 | 0.7 | -33.1% | 0.1 | 0.4 | -79.9% |
| Net Revenue | 4,042.5 | 3,996.9 | 1.1% | 1,002.5 | 1,034.1 | -3.1% | 209.8 | 207.8 | 1.0% | 52.0 | 52.2 | -0.4% |

(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 2019, real estate expenses totaled US\$39.7 million. These expenses mainly corresponded to repair and maintenance, property taxes and insurance.

In 4Q19, real estate expenses totaled US\$10.8 million, an increase of 1.0% or US\$0.1 million compared to 4Q18.

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.

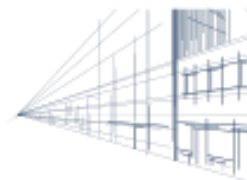
For additional information regarding the real estate expenses breakdown, please refer to *Appendix 2* in the last section of this document.

Net Operating Income (NOI)

In 2019 Net Operating Income (NOI) totaled US\$190.2 million, with an NOI margin of 92.4%.

In 4Q19, NOI totaled US\$48.0 million, unchanged compared with 4Q18. NOI margin increased by 78 basis points reaching 94.1% compared to 93.3% in 4Q18.

The following table displays the NOI calculation for 2019 and 4Q19:



Net Operating Income

| | 2019 | 2018 | Var. % | 4Q19 | 4Q18 | Var. % | 2019 | 2018 | Var. % | 4Q19 | 4Q18 | Var. % |
|---|---|----------------|--------------|--------------|----------------|---------------|---|--------------|--------------|--------------|--------------|---------------|
| | (millions of pesos unless otherwise stated) | | | | | | (millions of dollars unless otherwise stated) | | | | | |
| Rental Revenues ¹ | 3,683.1 | 3,674.9 | 0.2% | 931.5 | 951.3 | -2.1% | 191.1 | 191.0 | 0.1% | 48.3 | 48.0 | 0.7% |
| Other Operating income ² | 282.4 | 282.5 | 0.0% | 52.9 | 68.5 | -22.8% | 14.7 | 14.8 | -0.5% | 2.7 | 3.5 | -21.7% |
| Net Revenues for NOI Calculation | 3,965.5 | 3,957.4 | 0.2% | 984.4 | 1,019.8 | -3.5% | 205.8 | 205.7 | 0.0% | 51.0 | 51.5 | -0.8% |
| Repair and Maintenance | -45.5 | -32.1 | 41.9% | -14.7 | -9.5 | 55.4% | -2.4 | -1.7 | 42.4% | -0.8 | -0.5 | 61.0% |
| Property Taxes | -77.7 | -78.3 | -0.7% | 0.0 | 0.0 | 250.6% | -4.0 | -4.1 | -2.1% | 0.0 | 0.0 | 265.8% |
| Property Management Fees | -73.8 | -74.2 | -0.4% | -18.8 | -18.4 | 2.3% | -3.8 | -3.9 | -0.6% | -1.0 | -0.9 | 5.1% |
| Electricity | -46.3 | -58.9 | -21.4% | -10.5 | -15.8 | -33.5% | -2.4 | -3.0 | -21.0% | -0.5 | -0.8 | -30.2% |
| Property Insurance | -11.6 | -24.4 | -52.6% | -4.4 | -16.2 | -72.5% | -0.6 | -1.2 | -51.3% | -0.2 | -0.8 | -71.2% |
| Security | -18.6 | -18.3 | 1.5% | -4.6 | -4.4 | 4.8% | -1.0 | -1.0 | 1.0% | -0.2 | -0.2 | 7.2% |
| Other Operational Expenses | -27.4 | -17.7 | 54.7% | -5.3 | -5.0 | 6.4% | -1.4 | -0.9 | 55.1% | -0.3 | -0.2 | 10.1% |
| Real Estate Operating Expenses for NOI Calculation | -301.0 | -303.8 | -0.9% | -58.4 | -69.1 | -15.6% | -15.6 | -15.8 | -1.0% | -3.0 | -3.5 | -12.3% |
| Net Operating Income³ | 3,664.5 | 3,653.6 | 0.3% | 926.0 | 950.7 | -2.6% | 190.2 | 190.0 | 0.1% | 48.0 | 48.0 | 0.0% |
| NOI Margin | 92.4% | 92.3% | 8 bps | 94.1% | 93.3% | 78 bps | 92.4% | 92.3% | 8 bps | 94.1% | 93.3% | 78 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 FY2019 totaled US\$22.5 million and US\$5.7 million for 4Q19, a 5.4% or US\$0.3 million decrease compared to 4Q18.

The following table breaks down total G&A for 2019 and 4Q19:

G&A

| | 2019 | 2018 | Var. % | 4Q19 | 4Q18 | Var. % | 2019 | 2018 | Var. % | 4Q19 | 4Q18 | Var. % |
|---|---|---------------|-------------|---------------|---------------|--------------|---|--------------|-------------|-------------|-------------|--------------|
| | (millions of pesos unless otherwise stated) | | | | | | (millions of dollars unless otherwise stated) | | | | | |
| External Advisor Fees ¹ | -232.8 | -228.4 | 1.9% | -59.5 | -59.8 | -0.5% | -12.0 | -11.7 | 3.0% | -3.1 | -3.0 | 4.6% |
| Professional and Consulting Services | -40.3 | -37.1 | 8.7% | -8.5 | -9.3 | -8.4% | -2.1 | -2.0 | 3.7% | -0.4 | -0.5 | -18.9% |
| Payroll, Admin. Fees and Other Expenses | -161.1 | -155.1 | 3.8% | -41.2 | -49.9 | -17.5% | -8.3 | -8.0 | 4.8% | -2.1 | -2.5 | -14.6% |
| Total G&A² | -434.3 | -420.7 | 3.2% | -109.2 | -119.0 | -8.3% | -22.5 | -21.7 | 3.7% | -5.7 | -6.0 | -5.4% |

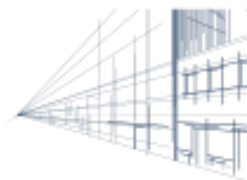
(1) General and Administrative Expenses (2) PLA Administradora Industrial, S. de R.L. de C.V., is a Mexican affiliate of PREI, and Advisor as per the Advisory Contract.

Source: PGIM Real Estate - Fund Accounting

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

In 2019, EBITDA reached US\$169.9 million with an EBITDA margin of 82.5%.

In 4Q19, EBITDA totaled US\$42.5 million, a decrease of US\$0.2 million, or 0.5%, compared to 4Q18. The EBITDA margin for 4Q19 was 83.4%, a 28 basis point increase compared to 4Q18.



The following shows the EBITDA calculation for 2019 and 4Q19:

EBITDA

| | 2019 | 2018 | Var. % | 4Q19 | 4Q18 | Var. % | 2019 | 2018 | Var. % | 4Q19 | 4Q18 | Var. % |
|--|---|----------------|----------------|--------------|--------------|---------------|---|--------------|----------------|--------------|--------------|---------------|
| | (millions of pesos unless otherwise stated) | | | | | | (millions of dollars unless otherwise stated) | | | | | |
| Rental Revenues ¹ | 3,683.1 | 3,674.9 | 0.2% | 931.5 | 951.3 | -2.1% | 191.1 | 191.0 | 0.1% | 48.3 | 48.0 | 0.7% |
| Other Operating income ² | 282.4 | 282.5 | 0.0% | 52.9 | 68.5 | -22.8% | 14.7 | 14.8 | -0.5% | 2.7 | 3.5 | -21.7% |
| Real Estate Expenses for EBITDA Calculation | -319.9 | -324.5 | -1.4% | -63.8 | -78.8 | -19.0% | -16.6 | -16.9 | -1.5% | -3.3 | -3.9 | -15.8% |
| Real Estate Operating Expenses for NOI Calculation | -301.0 | -303.8 | -0.9% | -58.4 | -69.1 | -15.6% | -15.6 | -15.8 | -1.0% | -3.0 | -3.5 | -12.3% |
| Advertising | -1.8 | -1.3 | 38.1% | -0.4 | -0.2 | - | -0.1 | -0.1 | - | 0.0 | 0.0 | - |
| Admin. Property Insurance Expenses | -3.1 | -3.0 | 4.9% | -0.8 | -0.8 | 1.1% | -0.2 | -0.2 | -4.4% | 0.0 | 0.0 | 0.0% |
| Other Admin. Real Estate Expenses | -13.9 | -16.3 | -14.8% | -4.2 | -8.7 | -51.7% | -0.7 | -0.8 | -14.4% | -0.2 | -0.4 | -49.3% |
| Fees and Admin. Expenses | -372.6 | -348.2 | 7.0% | -99.9 | -94.7 | 5.5% | -19.3 | -18.0 | 7.3% | -5.2 | -4.8 | 8.5% |
| External Advisor Fees | -232.8 | -228.4 | 1.9% | -59.5 | -59.8 | -0.5% | -12.0 | -11.7 | 3.0% | -3.1 | -3.0 | 4.6% |
| Legal, Admin. and Other Professional Fees | -79.8 | -75.9 | 5.1% | -23.3 | -23.1 | 0.9% | -4.2 | -4.0 | 2.8% | -1.2 | -1.2 | -2.2% |
| Trustee Fees | -12.1 | -4.7 | 160.4% | -4.9 | -1.3 | 273.7% | -0.6 | -0.2 | 160.3% | -0.3 | -0.1 | 331.8% |
| Payroll | -32.9 | -26.3 | 24.9% | -6.6 | -6.1 | 7.3% | -1.7 | -1.4 | 24.9% | -0.3 | -0.3 | 0.0% |
| Other Expenses | -15.0 | -12.9 | 16.7% | -5.7 | -4.4 | 31.1% | -0.8 | -0.7 | 17.9% | -0.3 | -0.2 | 35.9% |
| EBITDA³ | 3,273.0 | 3,284.7 | -5.4% | 820.6 | 846.4 | -11.4% | 169.9 | 170.9 | -6.2% | 42.5 | 42.8 | -0.5% |
| EBITDA Margin | 82.5% | 83.1% | -51 bps | 83.4% | 83.1% | 28 bps | 82.5% | 83.1% | -51 bps | 83.4% | 83.1% | 28 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.

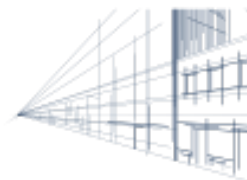
Financing Expenses

During 2019, Terrafina registered financing costs of US\$72.2 million. In 4Q19, financing expenses totaled US\$12.6 million, a decrease of 1.7% or US\$0.2 million compared to 4Q18.

Financial Expenses

| | 2019 | 2018 | Var. % | 4Q19 | 4Q18 | Var. % | 2019 | 2018 | Var. % | 4Q19 | 4Q18 | Var. % |
|--------------------|---------------------|----------------|--------------|---------------|---------------|--------------|-----------------------|--------------|--------------|--------------|--------------|--------------|
| | (millions of pesos) | | | | | | (millions of dollars) | | | | | |
| Interest Paid | -969.9 | -945.4 | 2.6% | -238.3 | -249.2 | -4.4% | -50.3 | -49.1 | 2.5% | -12.4 | -12.6 | -1.6% |
| Borrowing Expenses | -436.6 | -72.9 | 499.1% | -6.8 | -8.1 | -15.9% | -22.8 | -3.8 | 502.6% | -0.4 | -0.4 | -2.9% |
| Recurring | 0.0 | -0.7 | - | 0.0 | -0.7 | - | 0.0 | 0.0 | - | 0.0 | 0.0 | - |
| Non-recurring | -436.6 | -72.2 | 504.9% | -6.8 | -7.4 | -7.9% | -22.8 | -3.7 | 507.5% | -0.4 | -0.4 | -3.2% |
| Interest Income | 7.7 | 14.3 | -46.1% | 2.3 | 2.4 | -2.7% | 0.4 | 0.7 | -46.1% | 0.1 | 0.1 | 0.7% |
| Total | -1,398.8 | -1004.1 | 39.3% | -242.7 | -254.8 | -4.7% | -72.7 | -52.2 | 39.3% | -12.6 | -12.8 | -1.7% |

Source: PGIM Real Estate - Fund Accounting



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

For the full year 2019, Terrafina's FFO reached US\$119.9 million, with a margin of 58.3%. Terrafina's AFFO reached US\$103.6 million, with a 49.8% AFFO margin.

In 4Q19, FFO remained the same compared with 4Q18, reaching US\$30.3 million. FFO Margin was 59.3%, a 48 basis point increase compared to 4Q18. Additionally, Terrafina reported an AFFO of US\$25.8 million, a decrease of US\$0.5 million, or 2.0% compared to 4Q18. AFFO margin was 50.1%, a decrease of 74 basis points versus 4Q18.

Funds from Operations (FFO)

| | 2019 | 2018 | Var. % | 4Q19 | 4Q18 | Var. % | 2019 | 2018 | Var. % | 4Q19 | 4Q18 | Var. % |
|--|---|----------------|-----------------|--------------|--------------|----------------|---|--------------|-----------------|--------------|--------------|----------------|
| | (millions of pesos unless otherwise stated) | | | | | | (millions of dollars unless otherwise stated) | | | | | |
| EBITDA | 3,273.0 | 3,284.7 | -0.4% | 820.6 | 846.4 | -3.0% | 169.9 | 170.9 | -0.6% | 42.5 | 42.8 | -0.5% |
| Finance Cost ¹ | -962.2 | -931.9 | 3.3% | -236.0 | -247.5 | -4.7% | -50.0 | -48.4 | 3.2% | -12.3 | -12.5 | -1.7% |
| Funds from Operations (FFO) | 2,310.8 | 2,352.9 | -1.8% | 584.7 | 598.9 | -2.4% | 119.9 | 122.5 | -2.1% | 30.3 | 30.3 | 0.0% |
| FFO Margin | 58.3% | 60.0% | -169 bps | 59.3% | 58.8% | 48 bps | 58.3% | 60.0% | -169 bps | 59.3% | 58.8% | 48 bps |
| Tenant Improvements | -180.6 | -118.8 | 52.1% | -65.1 | -48.2 | 35.1% | -9.4 | -6.1 | 54.0% | -3.4 | -2.4 | 41.0% |
| Leasing Commissions | -152.3 | -77.1 | 97.4% | -53.3 | -21.0 | 153.6% | -7.9 | -4.0 | 97.3% | -2.8 | -1.1 | 159.1% |
| Other Non Recurring ² | 18.2 | -24.4 | -174.6% | 32.8 | -7.1 | -562.3% | 1.0 | -1.3 | -175.1% | 1.7 | -0.4 | -582.7% |
| Adjusted Funds from Operations (AFFO) | 1,996.1 | 2,132.6 | -6.4% | 499.1 | 522.6 | 45.2% | 103.6 | 111.1 | 1.4% | 25.8 | 26.4 | -2.0% |
| AFFO Margin | 49.8% | 54.0% | -414 bps | 50.1% | 50.8% | -74 bps | 49.8% | 54.0% | -414 bps | 50.1% | 50.8% | -74 bps |

(1) Net Operational Interest Expenses comprised by interest paid, recurring borrowing expenses and other interest income. (3) Related to acquisitions, dispositions, legal expenses and others.
Source: PGIM Real Estate - Fund Accounting

Comprehensive Income

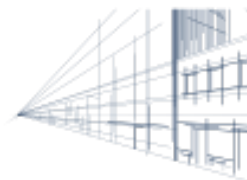
Comprehensive Income for FY2019 reached US\$67.4 million. For 4Q19, this amounted to a loss of US\$47.1million, compared to a gain of US\$114.6 million in 4Q18.

The following table presents Comprehensive Income calculations for 2019 and 4Q19:

Comprehensive Income

| | 2019 | 2018 | Var. % | 4Q19 | 4Q18 | Var. % | 2019 | 2018 | Var. % | 4Q19 | 4Q18 | Var. % |
|--|---|----------------|---------------|---------------|----------------|--------------|---|--------------|---------------|--------------|--------------|--------------|
| | (millions of pesos unless otherwise stated) | | | | | | (millions of dollars unless otherwise stated) | | | | | |
| Net Revenues | 4,042.5 | 3,996.9 | 1.1% | 1,002.5 | 1,034.1 | -3.1% | 209.8 | 207.8 | 1.0% | 52.0 | 52.2 | -0.4% |
| Real Estate Expenses | -764.6 | -666.0 | 14.8% | -207.7 | -213.7 | -2.8% | -39.7 | -34.4 | 15.5% | -10.8 | -10.7 | 1.0% |
| Fees and Other Expenses | -434.3 | -420.7 | 3.2% | -109.2 | -119.0 | -8.3% | -22.5 | -21.7 | 3.7% | -5.7 | -6.0 | -5.4% |
| Gain (Loss) from Sales of Real Estate Properties | 69.0 | -20.7 | - | 10.4 | -2.9 | - | 3.6 | -1.1 | - | 0.5 | -0.1 | - |
| Net Income (Loss) from Fair Value Adjustment on Investment Properties | 1,582.4 | -682.9 | - | -87.6 | 168.5 | - | 82.2 | -35.5 | - | -4.5 | 8.5 | - |
| Net Income (Loss) from Fair Value Adjustment on Financial Derivative Instruments | -54.0 | 19.2 | -382.1% | 1.2 | -39.9 | - | -2.8 | 1.0 | - | 0.1 | -2.0 | - |
| Net Income (Loss) from Fair Value Adjustment on Borrowings | -187.1 | 109.7 | - | 337.6 | -51.7 | - | -9.7 | 5.7 | - | 17.5 | -2.6 | - |
| Realized gain (loss) on Financial Derivative Instruments | 15.7 | 5.6 | 178.4% | 2.8 | 2.9 | -3.7% | 0.8 | 0.3 | 178.4% | 0.1 | 0.1 | -1.2% |
| Foreign Exchange Gain (loss) | -11.5 | 5.4 | - | 2.5 | -13.3 | - | -0.6 | 0.3 | - | 0.1 | -0.7 | - |
| Operating Profit | 4,258.0 | 2,346.4 | 81.5% | 952.5 | 765.0 | 24.5% | 221.2 | 122.4 | 80.7% | 49.4 | 38.7 | 27.4% |
| Financial Income | 7.7 | 14.3 | -46.1% | 2.3 | 2.4 | -2.7% | 0.4 | 0.7 | -46.1% | 0.1 | 0.1 | 0.7% |
| Financial Expenses | -1,406.5 | -1,018.3 | 38.1% | -245.1 | -257.2 | -4.7% | -73.2 | -52.9 | 38.3% | -12.7 | -13.0 | -1.7% |
| Net Financial Cost | -1,398.8 | -1,004.1 | 39.3% | -242.7 | -254.8 | -4.7% | -72.8 | -52.2 | 39.5% | -12.6 | -12.8 | -1.7% |
| Share of Profit from Equity Accounted Investments | 35.4 | 129.9 | -72.8% | 6.8 | 109.5 | -93.8% | 1.8 | 6.8 | -72.9% | 0.4 | 5.5 | -93.6% |
| Net Profit (Loss) | 2,894.6 | 1,472.3 | 96.6% | 716.5 | 619.6 | 15.6% | 150.2 | 77.0 | 95.1% | 37.1 | 31.4 | 18.0% |
| Items Reclassified after Net Profit (Loss) - Foreign Exchange Adjustments | -1,250.9 | -134.8 | 828.2% | -1,176.7 | 1,252.0 | - | -65.0 | -7.0 | 828.2% | -61.2 | 65.1 | - |
| Changes in the Fair Value Adjustment on Loans through Other Comprehensive Income | -346.8 | 396.4 | - | -449.3 | 396.4 | - | -18.0 | 20.6 | - | -23.3 | 20.6 | - |
| Comprehensive Income | 1,296.9 | 1,733.9 | -25.2% | -909.5 | 2,268.0 | - | 67.4 | 90.1 | -25.2% | -47.1 | 114.6 | - |

Source: PGIM Real Estate - Fund Accounting



Distributions per CBFIs

In 2019, Terrafina distributed US\$103.6 million, or US\$0.1310 per CBFi. For 4Q19, US\$25.8 million was distributed, or US\$0.0328 per CBFi.

Distributions

| (millions of pesos unless otherwise stated) | 1Q19 | 2Q19 | 3Q19 | 4Q19 | 2019 | 2018 | Var.% |
|---|---------------|---------------|---------------|---------------|---------------|---------------|--------------|
| Total Outstanding CBFIs ¹ (millions of CBFIs) | 790.6 | 790.6 | 790.6 | 790.6 | 790.6 | 790.9 | 0.0% |
| CBFI Price ² | 27.23 | 30.46 | 29.34 | 31.52 | 29.65 | 27.71 | 7.0% |
| Distributions | 465.3 | 480.9 | 551.0 | 499.1 | 1,996.1 | 2,132.6 | -6.4% |
| Distributions Per CBFi | 0.5885 | 0.6083 | 0.6969 | 0.6313 | 2.5251 | 2.7010 | -6.5% |
| FX Rate USD/MXN (average closing period) | 19.22 | 19.13 | 19.43 | 19.29 | 19.27 | 19.24 | 0.1% |
| Distributions (millions of dollars) | 24.2 | 25.1 | 28.3 | 25.8 | 103.6 | 111.1 | -6.8% |
| Distributions Per CBFi (dollars) | 0.0306 | 0.0318 | 0.0359 | 0.0328 | 0.1310 | 0.1407 | -6.9% |
| Annualized Distribution Yield ³ | 8.6% | 8.0% | 9.5% | 8.0% | 8.5% | 9.7% | -123 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, 2019, Terrafina's total debt reached US\$1.1 billion. The average cost of Terrafina's long-term debt was 4.83%. All of Terrafina's debt is denominated in U.S. dollars.

Outstanding Debt

| | Currency | Millions of pesos | Millions of dollars | Interest Rate | Terms | Maturity | Extension Option | Derivatives |
|----------------------------------|----------|-------------------|---------------------|---------------|----------------------|----------|------------------|----------------------------|
| (as of December 31, 2019) | | | | | | | | |
| Long Term Debt | | | | | | | | |
| Citibank ¹ | Dollars | 1,721.7 | 91.4 | Libor + 2.45% | Interest Only | Jan 2023 | - | US\$150M cap ⁵ |
| Metlife | Dollars | 2,826.8 | 150.0 | 4.75% | Interest Only | Jan 2027 | - | - |
| Banamex ² | Dollars | 3,522.0 | 186.9 | Libor + 2.45% | Interest Only | Oct 2022 | - | US\$105M swap ⁶ |
| Senior Notes (2022) ³ | Dollars | 1,786.1 | 94.8 | 5.25% | Interest Only | Nov 2022 | - | - |
| Senior Notes (2029) ⁴ | Dollars | 9,963.1 | 528.7 | 4.962% | Interest Only | Jul 2029 | - | - |
| New York Life | Dollars | 279.1 | 14.8 | 5.19% | Interest + Principal | Feb 2020 | - | - |
| Total Debt | | 20,098.8 | 1,066.5 | | | | | |
| Net Cash | | 1,266.3 | 67.2 | | | | | |
| Net Debt | | 18,832.5 | 999.3 | | | | | |

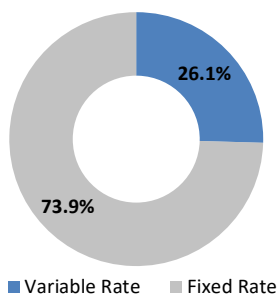
(1) Unsecured syndicated revolving credit facility. (2) Unsecured syndicated term loan facility; interest only for the first three years. (3) Value at Cost: US\$425 million / Ps.8,388 million.

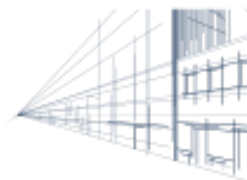
(4) Value at Cost: US\$500 million / Ps.9,818 million (5) Interest rate Cap: 2.75%. (6) Interest rate Swap fixed rate: 1.768%

Source: PGIM Real Estate - Fund Accounting and Transactions

Interest Rate Breakdown

(as of December 31, 2019)





The following tables show leverage and debt service coverage as of December 31, 2019 as well as Terrafina's projections for the following six quarters:

Loan-to-Value (LTV)

| (as of December 31, 2019) | (millions of pesos) | (millions of dollars) |
|--|---------------------|-----------------------|
| Total Assets | 48,420.1 | 2,569.4 |
| Total Debt | 20,098.8 | 1,066.5 |
| Loan-to-Value (LTV)¹ | | 41.5% |

(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, 2019 | 1,266.3 | 67.2 |
| Recoverable Taxes | Σ next 6 quarters | 106.2 | 5.6 |
| EBIT ¹ After Distributions | Σ next 6 quarters | 2,299.1 | 122.0 |
| Available Credit Line | December 31, 2019 | 3,955.6 | 209.9 |

| | period | (millions of pesos) | (millions of dollars) |
|----------------------|-------------------|---------------------|-----------------------|
| Interest Payments | Σ next 6 quarters | 1,358.8 | 72.1 |
| Principal Payments | Σ next 6 quarters | 410.5 | 21.8 |
| Recurring CAPEX | Σ next 6 quarters | 235.0 | 12.5 |
| Development Expenses | Σ next 6 quarters | 376.9 | 20.0 |

Debt Service Coverage Ratio (DSCR)²

3.2x

(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, 2019, Terrafina was in full compliance with its debt covenants related to the US\$425 million (November 2015) and US\$500 million (July 2019) bond issuances as follows:

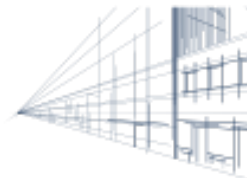
Unsecured Bond Covenants

| (as of December 31, 2019) | Terrafina | Bond Covenants |
|--|-----------|----------------|
| Loan-to-Value (LTV) ¹ | 41.5% | ≤ 60% |
| Debt Service Coverage Ratio (DSCR) ² | 3.4x | ≥ 1.5x |
| Secured Debt to Gross Assets Limitation | 6.4% | ≤ 40% |
| Unencumbered Assets to Unsecured Debt Limitation | 242% | ≥ 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 4Q19, Terrafina maintained its CBFI buyback balance unchanged compared to the fourth quarter of 2018.

CBFIs Buyback Activity

| | 4Q19 |
|---|-------------|
| 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 |

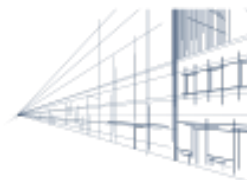
Guidance

Terrafina expects to reach the following full-year (same-store) results as part of its 2020 guidance:

2020 Guidance

| | 2019 |
|--|--------------------------------------|
| Year End Occupancy | 95% - 96% |
| Distribution payout ratio ¹ | 85% |
| Annual distribution per CBFI | \$0.1150 dollars \$0.1170 dollars |
| CAPEX per square foot (Total GLA) | \$0.26 dollars \$0.29 dollars |

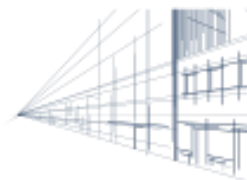
(1) Relative to 2020 Adjusted Funds from Operations (AFFO)



Analyst Coverage

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

- Barclays
- BBVA Bancomer
- Bradesco
- BofA
- 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 300 real estate properties, including 289 developed industrial facilities with a collective GLA of approximately 42.3 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

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 \$US175.9 billion¹ in gross real estate assets under management and administration, as of 30 September 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.

(1) AUA equals \$US36.0 billion.

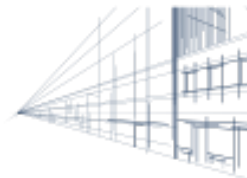
(2) Includes legacy lending through PGIM's parent company, Prudential Financial, Inc.

About Prudential Financial, Inc.

Prudential Financial, Inc. (NYSE:PRU), a financial services leader with more than US\$1.6 trillion of assets under management as of December 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 of future results.



Conference Call

Terrafina
(BMV: TERRA13)

Cordially invites you to participate in its
Fourth Quarter 2019 Conference Call

Friday, February 28, 2020
11:00 a.m. Eastern Time
10:00 a.m. Central Time

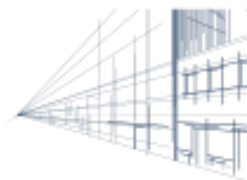
To access the call, please dial:

from within the U.S. +1-877-407-8031
from outside the U.S. +1-201-689-8031
from Mexico (toll free) 01-800-522-0034

Audio Webcast Link: <https://www.webcaster4.com/Webcast/Page/2133/32818>

To access the conference replay please dial:

U.S. +1-877-481-4010
International (outside the US) +1-919-882-2331
Passcode: 53757



Appendix

Appendix 1 – Revenues

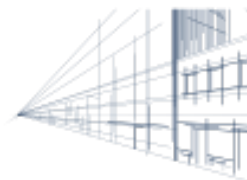
Terrafina's revenues are mainly classified as rental revenues and other operating reimbursable revenues.

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

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

| Revenues | | 2019 | 2018 | 4Q19 | 4Q18 | 2019 | 2018 | 4Q19 | 4Q18 |
|------------------|--|---------------------|----------------|----------------|----------------|-----------------------|--------------|-------------|-------------|
| | | (millions of pesos) | | | | (millions of dollars) | | | |
| NOI calculation | Rental Revenue | 3,683.1 | 3,674.9 | 931.5 | 951.3 | 191.1 | 191.0 | 48.3 | 48.0 |
| Non Cash | Accrued Income ¹ | 66.3 | 26.3 | 12.7 | 6.7 | 3.5 | 1.4 | 0.7 | 0.3 |
| | Other Operating Revenues | 293.1 | 295.6 | 58.4 | 76.1 | 15.2 | 15.4 | 3.0 | 3.9 |
| NOI calculation | Reimbursable Expenses as Revenues ² | 247.0 | 253.6 | 46.1 | 60.2 | 12.9 | 13.3 | 2.4 | 3.1 |
| AFFO calculation | Reimbursable Tenant Improvements | 37.3 | 28.4 | 10.8 | 8.3 | 1.9 | 1.5 | 0.6 | 0.4 |
| Non Cash | Other non-cash income | 8.9 | 13.6 | 1.5 | 7.7 | 0.5 | 0.7 | 0.1 | 0.4 |
| | Net Revenue | 4,042.5 | 3,996.9 | 1,002.5 | 1,034.1 | 209.8 | 207.8 | 52.0 | 52.2 |
| NOI calculation | Share of Profit from Equity Accounted Investments ² | 35.4 | 28.8 | 6.8 | 8.3 | 1.8 | 1.5 | 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



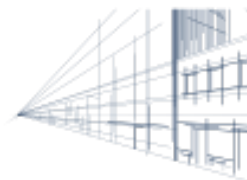
Appendix 2 – Real Estate Expenses

Real estate expenses are comprised of recurring figures related to operations (used for the Net Operating Profit calculation) as well as non-recurring figures used for the calculation of metrics such as Profit Before Expenses, 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 | | 2019 | 2018 | 4Q19 | 4Q18 | 2019 | 2018 | 4Q19 | 4Q18 |
|-----------------------------------|--------------------------|--------------------|---------------|---------------|---------------|----------------------|--------------|--------------|--------------|
| | | (million of pesos) | | | | (million of dollars) | | | |
| | Repair and Maintenance | -263.4 | -179.2 | -90.6 | -65.9 | -13.7 | -9.2 | -4.7 | -3.3 |
| NOI calculation | Recurring | -45.5 | -32.1 | -14.7 | -9.5 | -2.4 | -1.7 | -0.8 | -0.5 |
| AFFO calculation | Non-recurring | -217.9 | -147.1 | -75.8 | -56.4 | -11.3 | -7.6 | -3.9 | -2.8 |
| | Property Taxes | -89.4 | -88.5 | -1.5 | -1.1 | -4.7 | -4.7 | -0.1 | -0.1 |
| NOI calculation | Operating | -77.7 | -78.3 | 0.0 | 0.0 | -4.0 | -4.1 | 0.0 | 0.0 |
| Non-cash | Non-operating | -11.7 | -10.3 | -1.5 | -1.1 | -0.6 | -0.5 | -0.1 | -0.1 |
| NOI calculation | Property Management Fees | -73.8 | -74.2 | -18.8 | -18.4 | -3.8 | -3.9 | -1.0 | -0.9 |
| NOI calculation | Electricity | -46.3 | -58.9 | -10.5 | -15.8 | -2.4 | -3.0 | -0.5 | -0.8 |
| AFFO calculation | Brokers Fees | -152.3 | -77.1 | -53.3 | -21.0 | -7.9 | -4.0 | -2.8 | -1.1 |
| | Property Insurance | -14.7 | -27.4 | -5.2 | -16.9 | -0.8 | -1.4 | -0.3 | -0.8 |
| NOI calculation | Operating | -11.6 | -24.4 | -4.4 | -16.2 | -0.6 | -1.2 | -0.2 | -0.8 |
| EBITDA calculation | Administrative | -3.1 | -3.0 | -0.8 | -0.8 | -0.2 | -0.2 | 0.0 | 0.0 |
| NOI calculation | Security | -18.6 | -18.3 | -4.6 | -4.4 | -1.0 | -1.0 | -0.2 | -0.2 |
| EBITDA calculation | Advertising | -1.8 | -1.3 | -0.4 | -0.2 | -0.1 | -0.1 | 0.0 | 0.0 |
| | Other Expenses | -85.4 | -86.0 | -12.4 | -47.2 | -4.4 | -4.3 | -0.6 | -2.3 |
| NOI calculation | Operational-related | -27.4 | -17.7 | -5.3 | -5.0 | -1.4 | -0.9 | -0.3 | -0.2 |
| Non-cash | Non-operational Related | -44.1 | -51.9 | -3.0 | -33.6 | -2.3 | -2.5 | -0.2 | -1.7 |
| EBITDA calculation | Administrative | -13.9 | -16.3 | -4.2 | -8.7 | -0.7 | -0.8 | -0.2 | -0.4 |
| Non-cash | Bad Debt Expense | -18.8 | -55.1 | -10.4 | -22.8 | -1.0 | -2.9 | -0.5 | -1.1 |
| Total Real Estate Expenses | | -764.6 | -666.0 | -207.7 | -213.7 | -39.7 | -34.4 | -10.8 | -10.7 |

Source: PGIM Real Estate - Fund Accounting



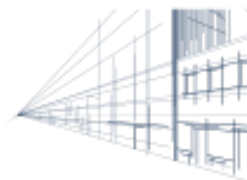
Appendix 3 – Fees and Administrative Expenses

Fees and administrative expenses include figures used for the calculation of metrics such as Profit before Expenses, 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 | | 2019 | 2018 | 4Q19 | 4Q18 | 2019 | 2018 | 4Q19 | 4Q18 |
|---------------------------------------|----------------------------|--------------------|---------------|---------------|---------------|----------------------|--------------|-------------|-------------|
| | | (million of pesos) | | | | (million of dollars) | | | |
| EBITDA calculation | External Advisor Fees | -232.8 | -228.4 | -59.5 | -59.8 | -12.0 | -12.0 | -3.1 | -3.0 |
| | Legal Fees | -11.2 | -17.3 | -2.5 | -4.6 | -0.6 | -0.9 | -0.1 | -0.2 |
| EBITDA calculation | Recurring | -1.2 | -1.6 | -0.2 | 0.0 | -0.1 | -0.1 | 0.0 | 0.0 |
| AFFO calculation | Non-recurring | -9.9 | -15.7 | -2.4 | -4.6 | -0.5 | -0.8 | -0.1 | -0.2 |
| EBITDA calculation | Other Professional Fees | -29.2 | -19.8 | -6.0 | -4.6 | -1.5 | -1.1 | -0.3 | -0.3 |
| | Recurring | -19.9 | -11.1 | -3.7 | -2.2 | -1.1 | -0.7 | -0.2 | -0.2 |
| AFFO calculation | Non Recurring | -9.2 | -8.7 | -2.3 | -2.5 | -0.5 | -0.5 | -0.1 | -0.1 |
| EBITDA calculation | Administrative Fees | -101.0 | -111.3 | -24.1 | -38.1 | -5.2 | -5.7 | -1.2 | -1.9 |
| | Recurring | -58.6 | -63.2 | -19.4 | -20.9 | -3.0 | -3.3 | -1.0 | -1.0 |
| Non Operational related | Non-recurring ¹ | -42.4 | -48.1 | -4.6 | -17.3 | -2.2 | -2.4 | -0.2 | -0.9 |
| EBITDA calculation | Payroll | -32.9 | -26.3 | -6.6 | -6.1 | -1.7 | -1.4 | -0.3 | -0.3 |
| EBITDA calculation | Trustee Fees | -12.1 | -4.7 | -4.9 | -1.3 | -0.6 | -0.2 | -0.3 | -0.1 |
| EBITDA calculation | Other Expenses | -15.0 | -12.9 | -5.7 | -4.4 | -0.8 | -0.7 | -0.3 | -0.2 |
| Total Fees and Admin. Expenses | | -434.3 | -420.7 | -109.2 | -119.0 | -22.5 | -21.7 | -5.7 | -6.0 |

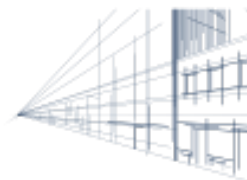
(1) Non operational related administrative fees.
Source: PGIM Real Estate - Fund Accounting



Appendix 4 – Reconciliation

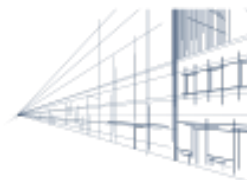
Reconciliation of Net Profit (Loss) to FFO, EBITDA and NOI

| | 2018 (millions of pesos) | 4Q18 | 2018 (millions of dollars) | 4Q18 |
|--|-----------------------------|----------------|-------------------------------|--------------|
| Comprehensive Income (Loss) | 1,296.9 | -909.5 | 67.4 | -47.1 |
| <i>Add (deduct) Currency Translation Adjustment:</i> | | | | |
| Currency Translation Adjustment | 1,250.9 | 1176.7 | 64.9 | 61.0 |
| Changes in the Fair Value Adjustment on Loans through Other Comprehensive Income | 346.8 | 449.3 | 18.0 | 23.3 |
| <i>Add (deduct) Cost of Financing Adjustment:</i> | | | | |
| Non-recurring Borrowing Expenses | 436.6 | 6.8 | 22.7 | 0.4 |
| <i>Add (deduct) Non-Cash Adjustment:</i> | | | | |
| Foreign Exchange Adjustments | 11.5 | -2.5 | 0.6 | -0.1 |
| Realized gain (loss) on Financial Derivative Instruments | -15.7 | -2.8 | -0.8 | -0.1 |
| Fair Value Adjustment on Borrowings | 187.1 | -337.6 | 9.7 | -17.5 |
| Fair Value Adjustment on Financial Derivative Instruments | 54.0 | -1.2 | 2.8 | -0.1 |
| Fair Value Adjustment on Investment Properties | -1,582.4 | 87.6 | -82.1 | 4.5 |
| Gain (Loss) from Sales of Real Estate Properties | -69.0 | -10.4 | -3.6 | -0.5 |
| <i>Add (deduct) Expenses Adjustment:</i> | | | | |
| Non-recurring Repair and Maintenance | 217.9 | 75.8 | 11.3 | 3.9 |
| Non-operating Property Taxes | 11.7 | 1.5 | 0.6 | 0.1 |
| Brokers Fees | 152.3 | 53.3 | 7.9 | 2.8 |
| Bad Debt Expense | 18.8 | 10.4 | 0.9 | 0.5 |
| Other Non-operational Related Expenses | 44.1 | 3.0 | 2.3 | 0.2 |
| Non Recurring Legal Fees | 9.9 | 2.4 | 0.5 | 0.1 |
| Non-recurring Other Professional Fees | 9.2 | 2.3 | 0.5 | 0.1 |
| <i>Add (deduct) Revenues Adjustment:</i> | | | | |
| Accrued Income | -66.3 | -12.7 | -3.4 | -0.7 |
| Other Non-cash Income | -8.9 | -1.5 | -0.5 | -0.1 |
| Reimbursable Tenant Improvements | -37.3 | -10.8 | -2.0 | -0.6 |
| <i>Add (deduct) Non-operational Administrative Fees</i> | | | | |
| Non-operational Administrative Fees | 42.4 | 4.6 | 2.2 | 0.2 |
| FFO | 2,310.8 | 584.7 | 119.9 | 30.3 |
| <i>Add (deduct) Cost of Financing Adjustment:</i> | | | | |
| Interest Paid | 969.9 | 238.3 | 50.3 | 12.4 |
| Recurring Borrowing Expenses | 0.0 | 0.0 | 0.0 | 0.0 |
| Interest Income | -7.7 | -2.3 | -0.4 | -0.1 |
| EBITDA | 3,273.0 | 820.6 | 169.9 | 42.5 |
| <i>Add (deduct) Expenses Adjustment:</i> | | | | |
| External Advisor Fees | 232.8 | 59.5 | 12.1 | 3.1 |
| Recurring Legal Fees | 1.2 | 0.2 | 0.1 | 0.0 |
| Other Recurring Professional Fees | 19.9 | 3.7 | 1.0 | 0.2 |
| Administrative Fees | 58.6 | 19.4 | 3.0 | 1.0 |
| Payroll | 32.9 | 6.6 | 1.7 | 0.3 |
| Trustee Fees | 12.1 | 4.9 | 0.6 | 0.3 |
| Other Expenses | 15.0 | 5.7 | 0.8 | 0.3 |
| Advertising | 1.8 | 0.4 | 0.1 | 0.0 |
| Administrative Property insurance | 3.1 | 0.8 | 0.1 | 0.0 |
| Other Administrative Expenses | 13.9 | 4.2 | 0.7 | 0.2 |
| NOI | 3,664.5 | 926.0 | 190.1 | 48.0 |
| <i>Add (deduct) Expenses Adjustment:</i> | | | | |
| Recurring Repair and Maintenance | 45.5 | 14.7 | 2.4 | 0.8 |
| Operating Property Taxes | 77.7 | 0.0 | 4.0 | 0.0 |
| Property Management Fees | 73.8 | 18.8 | 3.8 | 1.0 |
| Electricity | 46.3 | 10.5 | 2.4 | 0.5 |
| Property Operating Insurance | 11.6 | 4.4 | 0.6 | 0.2 |
| Security | 18.6 | 4.6 | 1.0 | 0.2 |
| Other Operational Expenses | 27.4 | 5.3 | 1.4 | 0.3 |
| <i>Add (deduct) Revenues Adjustment:</i> | | | | |
| Other Non-Cash Income | 8.9 | 1.5 | 0.5 | 0.1 |
| Accrued Income | 66.3 | 12.7 | 3.4 | 0.7 |
| Reimbursable Tenant Improvements | 37.3 | 10.8 | 1.9 | 0.6 |
| Share of Profit from Equity Accounted Investments | -35.4 | -6.8 | -1.8 | -0.4 |
| Net Revenue | 4,042.5 | 1,002.5 | 209.6 | 52.0 |



Reconciliation of Net Profit (Loss) to AFFO

| | 2019 (millions of pesos) | 4Q19 (millions of pesos) | 2019 (millions of dollars) | 4Q19 (millions of dollars) |
|---|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Comprehensive Income (Loss) | 1,296.9 | -909.5 | 67.4 | -47.1 |
| <i>Add (deduct) Cost of Financing Adjustment:</i> | | | | |
| Exchange Rate Adjustments | 1250.9 | 1,176.7 | 64.9 | 61.0 |
| Changes in the Fair Value Adjustment on Loans from Other Comprehensive Income Results | 346.8 | 449.3 | 18.0 | 23.3 |
| <i>Add (deduct) Cost of Financing Adjustment:</i> | | | | |
| Non-recurring Borrowing Expenses | 436.6 | 6.8 | 22.7 | 0.4 |
| <i>Add (deduct) Non-cash Adjustment:</i> | | | | |
| Foreign Exchange Adjustments | 11.5 | -2.5 | 0.6 | -0.1 |
| Realized gain (loss) on Financial Derivative Instruments | -15.7 | -2.8 | -0.8 | -0.1 |
| Fair Value Adjustment on Borrowings | 187.1 | -337.6 | 9.7 | -17.5 |
| Fair Value Adjustment on Financial Derivative Instruments | 54.0 | -1.2 | 2.8 | -0.1 |
| Fair Value Adjustment on Investment Properties | - | 87.6 | -82.1 | 4.5 |
| Gain (Loss) from Real Estate Sales | -31.4 | 27.2 | -1.6 | 1.4 |
| <i>Add (deduct) Expenses Adjustment:</i> | | | | |
| Non-operating Property Taxes | 11.7 | 1.5 | 0.6 | 0.1 |
| Bad Debt Expense | 18.8 | 10.4 | 1.0 | 0.5 |
| Other Non-operational Expenses | 44.1 | 3.0 | 2.2 | 0.2 |
| <i>Add (deduct) Revenues Adjustment:</i> | | | | |
| Accrued Income | -66.3 | -12.7 | -3.5 | -0.7 |
| Other Non-cash Income | -8.9 | -1.5 | -0.5 | -0.1 |
| <i>Add (deduct) Non-operational Administrative Fees</i> | | | | |
| Non-administrative Fees | 42.4 | 4.6 | 2.2 | 0.2 |
| AFFO | 1,996.3 | 499.3 | 103.6 | 25.8 |



Appendix 5 – Implied Capitalization Rate Calculation

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

Implied Cap Rate

| | |
|---|----------------|
| 4Q19 Average Price (dollars) ¹ | 1.63 |
| (x) CBFIs (million shares) | 790.6 |
| (=) Market Capitalization | 1,291.9 |
| (+) Total Liabilities | 1,066.5 |
| (-) Cash | 67.2 |
| (=) Enterprise Value | 2,291.2 |
| (-) Landbank | 43.2 |
| (=) Implied Operating Real Estate Value | 2,248.0 |
| Net Operating Income (NOI) 2019e | 194.0 |
| Implied Cap Rate | 8.6% |

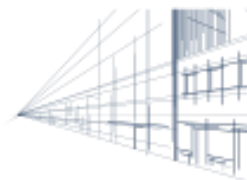
Figures expressed in millions of dollars unless otherwise stated.

(1) Average share price of Ps.31.52; and average exchange rate of Ps. 19.29

Cap Rate Calculation with NAV

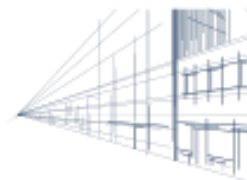
| | |
|--|----------------|
| (+) Investment Properties (excluding landbank) | 2,429.7 |
| (+) Land | 43.2 |
| (+) Cash | 67.2 |
| (-) Total Liabilities | 1,066.5 |
| (=) NAV ¹ | 1,473.5 |
| (/) CBFIs (million shares) | 790.6 |
| (=) NAV per CBFI (dollars) | 1.9 |

| | |
|---|----------------|
| CBFI Price (NAV calculation) | 1.9 |
| (x) CBFIs (million shares) | 790.6 |
| (=) Market Cap | 1,473.5 |
| (+) Total Debt and Liabilities | 1,066.5 |
| (-) Cash | 67.2 |
| (=) Enterprise Value | 2,472.9 |
| (-) Landbank | 43.2 |
| (=) Implied Operating Real Estate Value | 2,429.7 |
| Net Operating Income (NOI) 2019e | 194.0 |
| Implied Cap Rate | 8.0% |



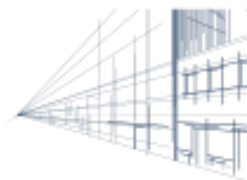
Financial Statements

| Income Statement | 4Q19 | 2019 | 4Q19 | 2019 |
|--|----------------------|-------------------|------------------------|----------------|
| | (thousands of pesos) | | (thousands of dollars) | |
| Rental revenues | 944,168 | 3,749,395 | 45,231 | 194,600 |
| Other operating income | 58,358 | 293,134 | 11,183 | 15,223 |
| Real estate operating expenses | -207,661 | -764,630 | -15,223 | -39,700 |
| Fees and other expenses | -109,192 | -434,255 | -5,665 | -22,504 |
| Realized gain (loss) from disposal of investment properties | 10,356 | 68,955 | 540 | 3,586 |
| Net gain (loss) from fair value adjustment on investment properties | -87,589 | 1,582,369 | -4,566 | 80,560 |
| Net gain (loss) from fair value adjustment on borrowings | 337,598 | -187,058 | 17,604 | -9,345 |
| Net gain (loss) unrealized from fair value on financial derivate instruments | 1,192 | -54,032 | 62 | -2,798 |
| Realized gain (loss) on financial derivate instruments | 2,786 | 15,674 | 144 | 819 |
| Foreign exchange (loss) gain | 2,507 | -11,504 | 129 | -586 |
| Operating profit | 952,523 | 4,258,048 | 49,438 | 219,855 |
| Finance income | 2,329 | 7,703 | 121 | 400 |
| Finance cost | -245,059 | -1,406,527 | -12,710 | -73,116 |
| Net Finance cost | -242,730 | -1,398,824 | -12,590 | -72,716 |
| Share of profit from equity accounted investments | 6,751 | 35,370 | 352 | 1,828 |
| Net Profit for the period | 716,544 | 2,894,594 | 37,201 | 148,967 |
| Exchange rate gain (loss) from functional to reporting currency | -1,176,719 | -1,250,943 | - | - |
| Changes in the fair value adjustment on loans at fair value through other comprehensive income | -449,279 | -346,792 | -23,840 | -18,816 |
| Total Comprehensive income for the period | -909,454 | 1,296,859 | 13,360 | 130,151 |



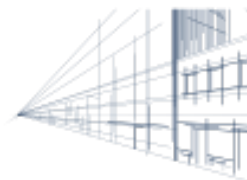
Financial Statements

| Balance Sheet | Dec-31-19 | Sep-30-19 | Dec-31-19 | Sep-30-19 |
|---|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <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 | 45,787,261 | 47,598,182 | 2,429,651 | 2,423,989 |
| <small>(Cost: 31/12/2019 - Ps.43,820,597, US\$2,325,292; 31/12/2019 - Ps.43,820,597, US\$2,325,292; 30/09/2019- Ps.45,455,665, US\$2,314,879)</small> | | | | |
| Investments accounted using equity method | 610,233 | 554,648 | 32,381 | 28,246 |
| Financial derivative instruments | - | 27 | - | 1 |
| Deferred charges receivable | 214,025 | 217,156 | 11,357 | 11,059 |
| Loan receivable | 80,920 | 102,385 | 4,294 | 8,874 |
| <small>(Cost: 31/12/2018 - Ps.36,841, US\$1,872;30/09/2018 - Ps.35,529, US\$1,871)</small> | | | | |
| Restricted cash | 29,623 | 30,867 | 1,572 | 1,572 |
| Current assets | | | | |
| Other assets | 140,712 | 114,026 | 7,467 | 2,147 |
| Loan receivable | - | - | - | - |
| <small>(Cost: 31/12/2019 - Ps.-, US\$-; 30/09/2019 - Ps.-, US\$-)</small> | | | | |
| Recoverable taxes | 106,177 | 103,688 | 5,634 | 5,280 |
| Prepaid expenses | 21,027 | 5,045 | 1,116 | 257 |
| Deferred charges receivable | 64,015 | 59,701 | 3,397 | 3,040 |
| Accounts receivable | 94,341 | 154,171 | 5,006 | 7,851 |
| <small>(Net of allowance for doubtful accounts: 31/12/2019 - Ps.92,982, US\$4,934; 30/09/2019 - Ps.91,303, US\$4,650)</small> | | | | |
| Cash and cash equivalents | 1,266,322 | 1,274,241 | 67,196 | 64,892 |
| Restricted cash | 5,418 | 5,645 | 288 | 287 |
| Total assets | 48,420,074 | 50,219,782 | 2,569,358 | 2,557,497 |
| Net assets attributable to Investors | | | | |
| Net contributions | 18,701,218 | 18,701,218 | 1,556,093 | 1,556,093 |
| Retained earnings | 414,187 | 248,630 | -125,929 | -134,331 |
| Currency translation adjustment | 7,783,691 | 8,960,410 | - | - |
| Own credit risk reserve | 669,393 | 1,118,672 | 32,728 | 56,568 |
| Total net assets (Net Equity) | 27,568,489 | 29,028,930 | 1,462,892 | 1,478,330 |
| Liabilities | | | | |
| Non-current liabilities | | | | |
| Loans | 19,555,269 | 19,998,439 | 1,037,679 | 1,018,442 |
| <small>(Cost: 31/12/2019 - Ps.19,133,494, US\$1,015,298; 30/09/2019 - Ps.19,681,424, US\$1,002,298)</small> | | | | |
| Financial derivative instruments | 2,864 | 4,232 | 152 | 216 |
| Tenant deposits | 282,480 | 281,045 | 14,989 | 14,313 |
| Accounts payable | 5,585 | 5,441 | 296 | 277 |
| Current liabilities | | | | |
| Trade and other payables | 362,509 | 473,854 | 19,236 | 24,132 |
| Loans | 543,545 | 121,987 | 28,843 | 6,212 |
| <small>(Cost: 31/12/2019 - Ps.543,545, US\$28,843;30/09/2019 - Ps.473,854, US\$24,132)</small> | | | | |
| Tenant deposits | 99,333 | 305,854 | 5,271 | 15,576 |
| Total liabilities (excluding net assets attributable to the Investors) | 20,851,585 | 21,190,852 | 1,106,467 | 1,079,167 |
| Total net assets and liabilities | 48,420,074 | 50,219,782 | 2,569,358 | 2,557,498 |



Financial Statements

| Cash Flow Statement | Dec-19 <i>(thousands of pesos)</i> | Dec-19 <i>(thousands of dollars)</i> |
|---|--|--|
| Cash flows from operating activities | | |
| Profit (loss) for the period | 2,894,594 | 148,967 |
| Adjustments: | | |
| Net loss (gain) unrealized from fair value adjustment on investment properties | -1,582,369 | -80,560 |
| Net loss (gain) unrealized from fair value adjustment on loans | 187,058 | 9,345 |
| Net loss (gain) unrealized from fair value adjustment on financial derivative instruments | 54,032 | 2,798 |
| Gain realized from disposal of investment properties | -68,955 | -3,586 |
| Bad debt expenses | 18,839 | 967 |
| Interest expenses on loans | 969,885 | 50,346 |
| Interest income on bank accounts | -6,457 | -335 |
| Share of profit from equity accounted investments | -35,370 | -1,828 |
| Decrease (increase) deferred rents receivable | -54,501 | -3,396 |
| Decrease (increase) in accounts receivable | 41,669 | 1,894 |
| Decrease (increase) in recoverable taxes | 179,203 | 8,896 |
| Decrease (increase) in recoverable value added tax | -119,703 | -6,113 |
| Decrease (increase) in prepaid expenses | -10,800 | -596 |
| Decrease (increase) in other assets | -162,020 | -8,732 |
| Decrease (increase) in tenant deposits | -14,926 | 104 |
| (Decrease) in accounts payable | 128,570 | 7,363 |
| Net cash (used in) generated from operating activities | 2,418,749 | 125,534 |
| Cash flows from investing activities | | |
| Improvements of investment properties | -494,809 | -25,710 |
| Proceeds from dispositions of investment properties | 222,371 | 11,173 |
| Interest income on bank accounts | 6,457 | 335 |
| Investments in joint venture | -52,058 | -2,727 |
| Collections on loan receivable | 38,906 | 1,944 |
| Net cash (used in) generated from investing activities | -279,133 | -14,985 |
| Cash flows from financing activities | | |
| Received loans | 10,424,947 | 538,600 |
| Principal payments on loans | -9,528,439 | -500,404 |
| Interest payments on loans | -840,067 | -43,151 |
| Restricted cash | 1,558 | 0 |
| Distributions to investors | -2,274,004 | -117,535 |
| Net cash (used in) generated from financing activities | -2,216,005 | -122,490 |
| Net (decrease) in cash and cash equivalents | -76,389 | -11,941 |
| Cash and cash equivalents at the beginning of the period | 1,557,651 | 79,137 |
| Exchange effects on cash and cash equivalents | -214,940 | - |
| Cash and cash equivalents at the end of the period | 1,266,322 | 67,197 |



Financial Statements

Statement of Changes in Equity

Attributable to Investors

| | Net contributions | Exchange rate adjustment | Own credit risk reserve | Retained earnings | Total net assets |
|--|----------------------|--------------------------------|----------------------------|----------------------|---------------------|
| <i>(thousands of pesos)</i> | | | | | |
| Balance at January 1, 2019 | 18,701,218 | 9,034,634 | 1,016,185 | -206,403 | 28,545,634 |
| Capital Contribution, Net of Issuing Costs | - | - | - | - | - |
| Distributions to Investors | - | - | - | -2,274,004 | -2,274,004 |
| Comprehensive Income | | | | | |
| Net loss for the period | - | - | - | 2,894,594 | 2,894,594 |
| Other Comprehensive Income | | | | | |
| Currency conversion adjustments | - | -1,250,943 | - | - | -1,250,943 |
| Fair value loan adjustments | - | 0 | -346,792 | - | -346,792 |
| Total Comprehensive (loss) income | - | -1,250,943 | -346,792 | 2,894,594 | 1,296,859 |
| Net Assets as of December 31, 2019 | 18,701,218 | 7,783,691 | 669,393 | 414,187 | 27,568,489 |
| <i>(thousands of dollars)</i> | | | | | |
| Balance at January 1, 2019 | 952,380 | 460,099 | 51,750 | -10,511 | 1,453,718 |
| Capital Contribution, Net of Issuing Costs | - | - | - | - | 0 |
| Distributions to Investors | - | - | - | -115,806 | -115,806 |
| Comprehensive Income | | | | | |
| Net loss of the period | - | - | - | 147,410 | 147,410 |
| Other Comprehensive Income | | | | | |
| Currency conversion adjustments | - | -63,706 | - | - | -63,706 |
| Fair value loan adjustments | - | - | -17,661 | - | -17,661 |
| Total Comprehensive (loss) income | - | -63,706 | -17,661 | 147,410 | 66,044 |
| Net Assets as of December 31, 2019 | 952,380 | 396,393 | 34,090 | 21,093 | 1,403,955 |