

SECOND QUARTER 2020 EARNINGS REPORT

Mexico City, July 23rd, 2020 – 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 2020 (2Q20) earnings results.

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

*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 June 30th 2020

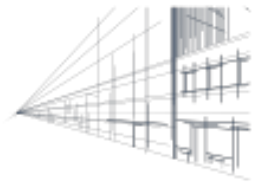
Operating

- As of June 30th, 2020, the occupancy rate was 95.7%, a 15 basis point increase compared to the second quarter of 2019 (2Q19).
- Renewal rate in 2Q20 was 89.0%.
- Annualized average leasing rate per square foot in 2Q20 was US\$5.17, a 0.2% or US\$0.01 decrease compared to 2Q19.
- In 2Q20, Terrafina reported a total of 42.3 million square feet (msf) of Gross Leasable Area (GLA) comprised of 289 properties and 307 tenants.
- 2Q20 leasing activity totaled 1.9 msf, of which 8.1% corresponded to new leases, 84.3% to lease renewals and 7.6% to early renewals. Leasing activity was concentrated in the Guadalajara, Ciudad Juarez, Monterrey, Ramos Arizpe, San Luis Potosi, Tijuana, Chihuahua, Queretaro, Irapuato and Hermosillo markets.

Contacts:

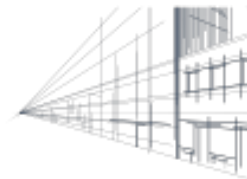
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Financial

- 2Q20 net collections (rental revenue - uncollected revenue from the quarter + revenue collected from the previous quarter) were \$46.5 million, a 5.9% or US\$2.9 million decrease compared to 2Q19.
- 2Q20 rental revenues reached US\$50.3 million, a 6.4% or US\$3.0 million increase compared to 2Q19.
- 2Q20 NOI was US\$44.8 million, a 9.2% or US\$4.5 million decrease compared to 2Q19.
- The NOI margin reached 94.2 %, an 18 basis point decrease compared to 2Q19.
- 2Q20 EBITDA reached US\$39.9 million, a decrease of 10.0% or US\$4.4 million compared to 2Q19.
- The EBITDA margin for 2Q20 was 83.9%, a 93 basis point decrease compared to 2Q19.
- 2Q20 adjusted funds for operations (AFFO) reached US\$23.3 million, a decrease of 14.3% or US\$3.9 million compared to 2Q19.
- The AFFO margin for 2Q20 was 48.7% for 2Q20, a 300 basis point decrease compared to 2Q19.
- 2Q20 distributions totaled US\$19.8 million, on an 85% AFFO payout ratio. As a result, Terrafina will distribute Ps.0.5855 per CBFi (US\$0.0251 per CBFi) for distributions corresponding to the period from April 1st to June 30th, 2020.
- The dividend yield for the quarter was 9.2% considering the average share price for the quarter of US\$1.09 (Ps.25.51).



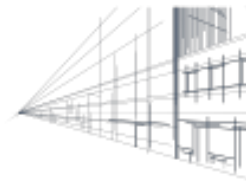
Operating and Financial Highlights

Operating	Jun20	Jun19	Var.			
Number of Developed Properties	289	288	1			
Gross Leasable Area (GLA) (msf) ¹	42.3	41.7	0.6			
Land Reserves (msf)	5.66	5.66	0.00			
Occupancy Rate ²	95.7%	95.5%	15 bps			
Avg. Leasing Rent/ Square Foot (dollars)	5.17	5.18	-0.01			
Weighted Average Remaining Lease Term (years)	3.57	3.54	0.03			
Renewal Rate ³	89.0%	80.0%	903 bps			

Quarterly Financial	2Q20	2Q19	Var.		2Q20	2Q19	Var.
				fx	23.3033	19.1333	
	(millions of pesos unless otherwise stated)				(millions of dollars unless otherwise stated)		
Net Collections ⁴	1,084.9	946.3	14.6%		46.5	49.5	-5.9%
Rental Revenues ⁵	1,175.2	905.7	29.7%		50.3	47.3	6.4%
Other Operating Income	27.3	53.9	-49.3%		1.1	2.8	-59.4%
Cash-basis Revenues ⁶	1,109.8	1,000.6	10.9%		47.6	52.3	-9.0%
Cash-basis Revenues + Tenant Improvement Reimbursements ⁷	1,118.1	1,008.6	10.9%		47.9	52.7	-9.1%
Net Revenues	1,205.2	982.0	22.7%		51.6	51.3	0.6%
Net Operating Income (NOI)*	1,045.2	933.7	11.9%		44.8	49.3	-9.2%
NOI Margin	94.2%	94.3%	-18 bps		94.2%	94.3%	-18 bps
EBITDA ^{8*}	930.2	837.9	11.0%		39.9	44.3	-10.0%
EBITDA Margin	83.9%	84.8%	-93 bps		83.9%	84.8%	-93 bps
Funds from Operations (FFO)*	615.7	595.2	3.4%		26.5	31.6	-16.3%
FFO Margin	55.6%	60.5%	-488 bps		55.6%	60.5%	-488 bps
Adjusted Funds from Operations (AFFO)*	544.6	511.3	6.5%		23.3	27.2	-14.3%
AFFO Margin	48.7%	51.7%	-300 bps		48.7%	51.7%	-300 bps
Distributions	462.9	480.9	-3.7%		19.8	25.1	-20.9%
Distributions per CBF ⁹	0.5855	0.6083	-3.7%		0.0251	0.0318	-21.0%

Balance Sheet	Jun20	Mar20	Var.		Jun20	Mar20	Var.
				fx	22.9715	23.5122	
	(millions of pesos unless otherwise stated)				(millions of dollars unless otherwise stated)		
Cash & Cash Equivalents	3,609.6	1,188.9	203.6%		157.1	50.6	210.8%
Investment Properties	54,436.6	57,330.7	-5.0%		2,369.7	2,438.3	-2.8%
Land Reserves	944.5	1,013.9	-6.8%		41.1	43.1	-4.7%
Total Debt	25,807.1	24,088.1	7.1%		1,123.4	1,024.5	9.7%
Net Debt	22,197.5	22,899.2	-3.1%		966.3	973.9	-0.8%

(1) Millions of square feet. (2) Occupancy at the end of the period. (3) Indicates the lease renewal rate of the leases for the period, includes early renewals. (4) Net collections = rental revenue + uncollected revenue from the quarter + revenue collected from previous quarter. (5) Excluding accrued income as it is a non-cash item. (6) Net collections + reimbursable expenses + profit from JVs. This figure is used as denominator for NOI, EBITDA and FFO margin calculation. (7) Cash-basis revenues (as defined in note 6) + tenant improvement reimbursements is used as denominator for AFFO margin calculation. (8) Earnings before interest, taxes, depreciation and amortization. (9) 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 "2Q20 Financial Performance" and "Appendices" section available in this document.



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

Terrafina's operating and financial results in the second quarter were resilient. The impact of COVID-19 on our operations continues to be moderate; our level of net collections reached an average of 86% in the quarter. Adding to that, the trend in rent relief requests decreased significantly towards the end of the quarter, representing only 13% of the total of 307 Terrafina tenants as of the date of this report. Additionally, most of our tenants are already operating as part of the economic reopening that has been phased in over the past few weeks.

Regarding the deferred rents program, we estimate to recover 70% of this income during the second half of 2020, and the remaining 30% during the first quarter of 2021. We estimate this will translate into a decrease of approximately 3% of our annualized rental income for 2020.

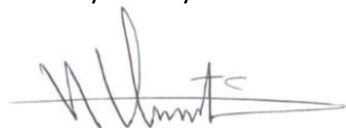
As for our liquidity position, we closed the second quarter with a cash position of US\$157.1 million, having paid US\$45 million of the revolving credit line that we drew down in early April 2020. This decision goes hand in hand with the positive results in our operations. However, we will maintain sufficient liquidity for any future contingency since we believe that the economic impact from the pandemic is still in its initial stages.

Leasing activity in the quarter comprised 1.9 million square feet, of which 1.7 million square feet were renewals (with an 89% retention rate) and 152,000 square feet were new contracts. Our average annualized rent per square foot was US\$5.17. The occupancy rate was 95.7%, remaining stable in the different regions, reaching 98.3% in the North, 86.9% in the Bajío and 98.0% in the Central.

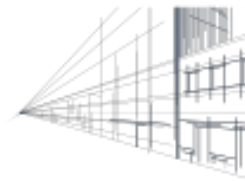
In terms of our financial results, net collection reached US\$46.5 million, rental income was US\$50.3 million, Net Operating Income was US\$44.8 million with a margin of 94.2%, and we distributed US\$19.8 million. The implied dividend yield was 9.2%, taking into account the average price of the CBF1 during the second quarter of 2020.

While the overall Mexican economy has entered a sharp recession, we are confident that the industrial manufacturing sector, to which we are exposed, will recover fairly quickly, in line with the expected improvement in the US. We also believe recent approval of the USMCA, more competitive exchange rate, and ongoing trade tensions with China, will continue to make Mexico an attractive export hub for the USA, benefiting our operations.

Thank you for your interest in Terrafina.

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

Alberto Chretin
Chief Executive Officer and Chairman of the Board



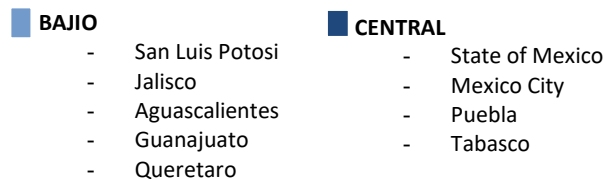
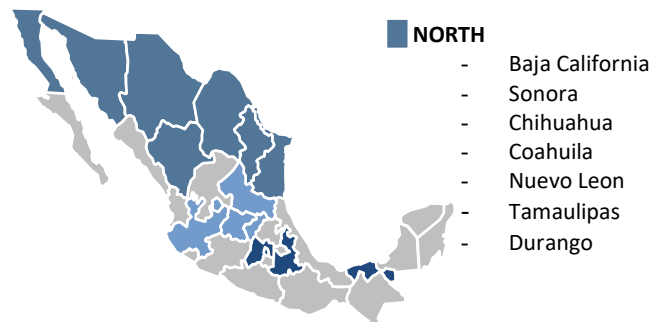
Operating Highlights

Highlights by Region

(as of June 30th, 2020)

	North	Bajío	Central	Total
# Buildings	203	56	30	289
# Tenants	201	63	43	307
GLA (msf)	26.5	9.5	6.2	42.3
Land Reserves (msf)	2.7	0.2	2.7	5.7
Occupancy Rate	98.3%	86.9%	98.0%	95.7%
Average Leasing Rate / Square Foot (dollars)	5.17	5.02	5.39	5.17
Annualized Rental Base %	64.4%	19.8%	15.8%	100.0%

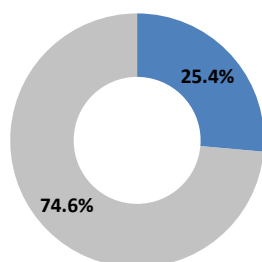
Source: PGIM Real Estate - Asset Management



Terrafina's 2Q20 Operations

Composition by Asset Type

as of 2Q20
(as a % of total GLA)

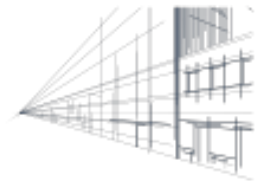


■ Distribution ■ Manufacturing

Leasing Activity

	2Q20	2Q19	Var.
Operating Portfolio (msf):			
Renewals	1.6	0.6	1.0
Early Renewals	0.1	1.7	-1.5
New Leases	0.2	0.9	-0.8
Total Square Feet of Leases Signed	1.9	3.2	-1.3

Source: PGIM Real Estate - Asset Management



Operating Highlights *(continued)*

Occupancy and Rents by Region

<i>(As of June 30th, 2020)</i>	Occupancy Rate	Avg. Leasing Rent/ Square Foot <i>(dollars)</i>
North	98.3%	5.17
Baja California	96.7%	4.87
Tijuana	96.7%	4.87
Sonora	88.5%	4.89
Hermosillo	88.5%	4.89
Chihuahua	99.2%	5.13
Camargo	100.0%	3.00
Casas Grandes	100.0%	4.28
Chihuahua	100.0%	5.41
Ciudad Juarez	98.5%	4.87
Delicias	100.0%	6.13
Gomez Farias	100.0%	3.34
Coahuila	97.1%	5.31
Arteaga	100.0%	4.44
Ciudad Acuña	100.0%	6.35
Monclova	100.0%	5.61
Ramos Arizpe	97.1%	5.21
Saltillo	87.2%	5.25
Derramadero	100.0%	6.77
San Pedro de las Colinas	89.3%	2.10
Torreón	100.0%	4.34
Nuevo Leon	96.7%	5.27
Apodaca	100.0%	6.66
Monterrey	96.1%	5.04
Tamaulipas	100.0%	4.98
Reynosa	100.0%	4.98
Durango	100.0%	4.95
Durango	100.0%	5.12
Gomez Palacio	100.0%	3.23
Bajo	86.9%	5.02
San Luis Potosi	82.7%	4.95
San Luis Potosi	82.7%	4.95
Jalisco	84.5%	5.71
Guadalajara	84.5%	5.71
Aguascalientes	100.0%	4.57
Aguascalientes	100.0%	4.57
Guanajuato	85.7%	5.00
Celaya	100.0%	5.29
Irapuato	87.9%	5.48
Silao	83.2%	4.74
Queretaro	90.2%	4.87
Queretaro	90.2%	4.87
Central	98.0%	5.39
State of Mexico	97.7%	5.69
Cuautitlan Izcalli	100.0%	5.77
Huehuetoca	43.8%	4.26
Toluca	100.0%	5.46
Mexico City	100.0%	9.38
Azcapotzalco	100.0%	9.38
Puebla	100.0%	2.77
Puebla	100.0%	2.77
Tabasco	100.0%	3.61
Villahermosa	100.0%	3.61
Total	95.7%	5.17

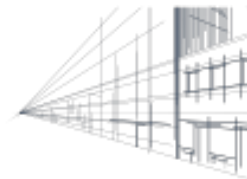
Source: PGIM Real Estate - Asset Management

Maturities and Renewals by Region

<i>(As of June 30th, 2020)</i>	Consolidated			
	Maturities <i>(number of contracts)</i>	% of Total Maturities	Renewals <i>(number of contracts)</i>	% of Total Renewals
North	11	68.8%	11	100.0%
Baja California	1	6.3%	1	100.0%
Tijuana	1	6.3%	1	100.0%
Sonora	1	6.3%	1	100.0%
Hermosillo	1	6.3%	1	100.0%
Chihuahua	5	31.3%	5	100.0%
Camargo	0	0.0%	0	0.0%
Casas Grandes	0	0.0%	0	0.0%
Chihuahua	1	6.3%	1	100.0%
Ciudad Juarez	4	25.0%	4	100.0%
Delicias	0	0.0%	0	0.0%
Gomez Farias	0	0.0%	0	0.0%
Coahuila	3	18.8%	3	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	3	18.8%	3	100.0%
Saltillo	0	0.0%	0	0.0%
Derramadero	0	0.0%	0	0.0%
San Pedro de las Colinas	0	0.0%	0	0.0%
Torreón	0	0.0%	0	0.0%
Nuevo Leon	1	6.3%	1	100.0%
Apodaca	0	0.0%	0	0.0%
Monterrey	1	6.3%	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	31.3%	4	80.0%
San Luis Potosi	2	12.5%	2	100.0%
San Luis Potosi	2	12.5%	2	100.0%
Jalisco	1	6.3%	1	100.0%
Guadalajara	1	6.3%	1	100.0%
Aguascalientes	0	0.0%	0	0.0%
Aguascalientes	0	0.0%	0	0.0%
Guanajuato	1	6.3%	0	0.0%
Celaya	0	0.0%	0	0.0%
Irapuato	0	0.0%	0	0.0%
Silao	1	6.3%	0	0.0%
Queretaro	1	6.3%	1	100.0%
Queretaro	1	6.3%	1	100.0%
Central	0	0.0%	0	0.0%
Estado de Mexico	0	0.0%	0	0.0%
Cuautitlan Izcalli	0	0.0%	0	0.0%
Huehuetoca	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	0	0.0%	0	0.0%
Villahermosa	0	0.0%	0	0.0%
Total	16	100.0%	15	93.8%

Source: PGIM Real Estate - Asset Management

*Over the number of matured leases in the quarter



2Q20 Operational Performance

Composition by Geographical Diversification

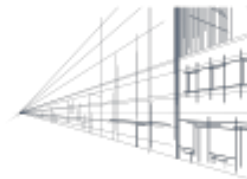
2Q20 geographic diversification of properties (GLA per square foot) was as follows: the Northern region of Mexico represented 62.7% of GLA, while the Bajío and Central regions represented 22.5% and 14.8% of GLA, respectively.

Geographic Distribution by Region and State

	2Q20	as a % of Total GLA 2Q20	2Q19	as a % of Total GLA 2Q19
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%	14.35	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	16.8%	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	0.44	1.0%	0.62	1.5%
Derramadero	0.73	1.7%	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	2.05	4.9%	1.94	4.7%
Apodaca	0.28	0.7%	0.50	1.2%
Monterrey	1.77	4.2%	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	9.51	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	1.65	3.9%	1.66	4.0%
Guadalajara	1.65	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	12.7%	5.39	13.1%
Cuautitlan Izcalli	4.26	10.1%	4.26	10.4%
Toluca	0.90	0.5%	0.23	0.6%
Huehuetoca	0.22	2.1%	0.90	2.2%
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	42.29	100.0%	41.13	100.0%

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

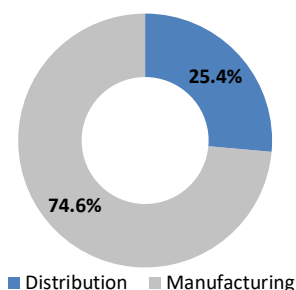
Source: PGIM Real Estate - Asset Management



Composition by Asset Type

At the end of 2Q20, 74.6% of Terrafina's portfolio consisted of properties dedicated to manufacturing activities while 25.4% was dedicated to distribution and logistics activities.

Composition by Asset Type
as of 2Q20
(as a % of total GLA)



Composition by Asset Type

	2Q20	2Q19	Var.
Distribution	25.4%	26.6%	-120 bps
Manufacturing	74.6%	73.4%	120 bps

Source: PGIM Real Estate - Asset Management

Composition by Sector

As of June 30th, 2020, tenant diversification by industrial sector was as follows:

Industrial Sector Diversification

	2Q20	2Q19	Var.
Automotive	34.4%	34.6%	-23 bps
Industrial Goods	19.9%	19.6%	26 bps
Consumer Goods	15.0%	14.3%	72 bps
Logistics and Trade	10.4%	10.1%	30 bps
Aviation	10.3%	9.7%	64 bps
Non-durable Consumer Goods	2.0%	3.6%	-155 bps
Electronics	8.0%	8.1%	-14 bps
Total	100.0%	100.0%	

Source: PGIM Real Estate - Asset Management

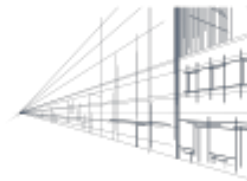
Composition of Top Clients

Terrafina has a widely diversified tenant base that leases industrial properties throughout several of Mexico's main cities. For 2Q20, Terrafina's top client, top 10 clients, and top 20 clients represented 3.7%, 18.9% and 29.2% of total revenues, respectively.

Top Clients

(As of June 30 th , 2020)	Leased Square Feet (millions)	% Total GLA	% Total Revenues
Top Client	1.43	3.5%	3.7%
Top 10 Clients	7.89	19.5%	18.9%
Top 20 Clients	12.12	30.0%	29.2%

Source: PGIM Real Estate - Asset Management



Occupancy

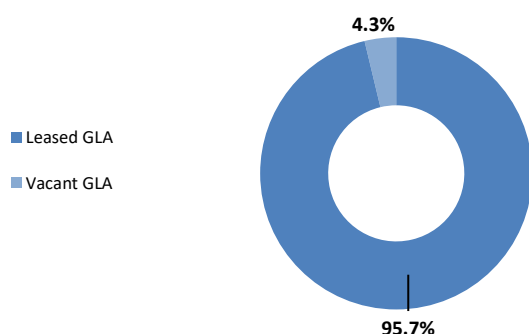
The 2Q20 occupancy rate was 95.7% a 15 basis point increase compared to the 2Q19. (Occupancy rate indicators presented in this report reflect the rate as of quarter end).

For 2Q20, Terrafina's leasing activity reached 1.9 msf, 8.1% of which corresponded to new leasing contracts (including expansions), 84.3% were contract renewals and 7.6% were early renewals.

Leasing activity in 2Q20 mainly took place in the Guadalajara, Ciudad Juarez, Monterrey, Ramos Arizpe, San Luis Potosi, Tijuana, Chihuahua, Queretaro, Irapuato and Hermosillo markets.

Occupancy as of 2T20

(as % of Total GLA)



	2Q20	2Q19	Var.
Leased GLA	95.7%	95.5%	15 bps
Vacant GLA	4.3%	3.7%	61 bps
Signed Letters of Intent	0.0%	0.8%	-77 bps
Total	100.0%	100.0%	

Source: PGIM Real Estate - Asset Management

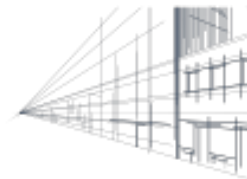
Lease Maturities

Terrafina had 307 tenants under leasing contracts at the end of 2Q20. 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 18% 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	26.8	12.8%	5.30	13.1%
2021	39.3	18.8%	7.62	18.8%
2022	26.4	12.6%	5.28	13.0%
2023	29.8	14.3%	5.79	14.3%
2024	22.1	10.6%	4.15	10.3%
Thereafter	64.7	30.9%	12.31	30.4%

Source: PGIM Real Estate - Asset Management



Capital Deployment

Capital Expenditure (CapEx)

Terrafina's CapEx is classified as recurring expenses that are based on upcoming lease 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 is 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 2Q20, Terrafina's investments in tenant improvements and recurring CapEx was US\$1.6 million. Total CapEx for 2Q20 is broken down in the following table:

Capital Expenditure	2Q20	2Q20
	(millions of pesos)	(millions of dollars)
Tenant Improvements & Recurring CapEx	36.1	1.6
Leasing Commissions	25.1	1.1
Development CapEx ⁽¹⁾	202.4	9.1
Total Capital Expenditures	263.6	11.8

*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*

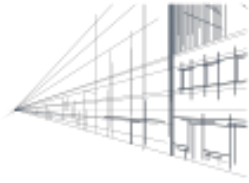
Land Reserves

Terrafina's land reserve as of June 30th, 2020 comprised 11 land reserve properties, equivalent to 5.7 msf of potential GLA for the development of future industrial properties.

As of June 30th, 2020, Terrafina's land reserves were distributed as follows:

	as of June 30 th , 2020				
	Square Feet (million)	Land at Cost (million pesos)	Land at Cost (million dollars)	Appraisal Value (million pesos)	Appraisal Value (million dollars)
North	2.74	624.7	27.2	731.5	31.8
Bajío	0.18	16.4	0.7	18.4	0.8
Central	2.74	672.9	29.3	194.6	8.5
Total Land Portfolio	5.66	1,314.0	57.2	944.5	41.1

Source: PGIM Real Estate - Asset Management and Fund Accounting



2Q20 Financial Performance

Financial Results and Calculations

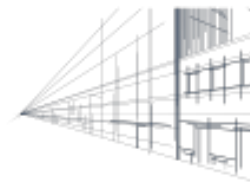
Terrafina's financial results are presented in Mexican pesos and U.S. dollars. Figures on the income statement for each period were converted to dollars using the average exchange rate for 2Q20 Ps. 23.3033/dollar), while for the balance sheet, the exchange rate at the close of June 30th, 2020 (Ps. 22.9715/dollar) 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 Interest, 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 2Q20 same-store highlights and consolidated information:

	Same-Store ¹ 2Q20	Consolidated 2Q20		
Number of Properties	289	289		
Occupancy Rate	95.9%	95.7%		
Gross Leasable Area (GLA) (msf)	41.1	42.3		
Avg. Leasing Rent / Square Foot (dollars)	5.18	5.17		
	Same-Store 2Q20	Consolidated 2Q20	Same-Store 2Q20	Consolidated 2Q20
	<i>(millions of pesos)</i>		<i>(millions of dollars)</i>	
Net Collections	1,069.8	1,084.9	46.0	46.5
Rental Revenues	1,160.1	1,175.2	49.7	50.3
Net Operating Income	1,030.8	1,045.2	44.3	44.8
<i>NOI Margin</i>	<i>94.2%</i>	<i>94.2%</i>	<i>94.2%</i>	<i>94.2%</i>
EBITDA	916.7	930.2	39.4	39.9
<i>EBITDA Margin</i>	<i>83.8%</i>	<i>83.9%</i>	<i>83.8%</i>	<i>83.9%</i>
FFO	602.1	615.7	25.9	26.5
<i>FFO Margin</i>	<i>55.2%</i>	<i>55.6%</i>	<i>55.2%</i>	<i>55.6%</i>
Adjusted Funds from Operations	531.6	544.6	22.9	23.3
<i>AFFO Margin</i>	<i>48.3%</i>	<i>48.7%</i>	<i>48.3%</i>	<i>48.7%</i>
Distributions per CBF ²	0.5715	0.5855	0.0246	0.0251

(1) Same properties information evaluates the performance of the industrial properties without including recent acquisitions closed in a twelve-month period. (2) Expressed in pesos and dollars
Source: PGIM Real Estate - Asset Management and Fund Accounting

Net Collections

In 2Q20, Terrafina reported net collections of US\$46.5 million, a 5.9% or US\$2.9 million decrease compared to 2Q19. With the intention of aligning NOI, EBITDA, FFO and AFFO to Terrafina's cash flow generation the method of calculation for these metrics will be made starting from net collections. This calculation is equal to rental revenue (invoices) minus uncollected revenue from the quarter plus revenue collected from previous quarter.

Rental Revenues

In 2Q20, Terrafina reported rental revenues of US\$50.3 million, a 6.4% or US\$3.0 million increase compared to 2Q19.

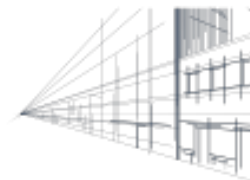
Rental revenues do not include accrued revenues as these are a non-cash item.

Other Operating Income

In 2Q20, other operating income totaled US\$1.1 million, a 59.4% or US\$1.7 million decrease compared to 2Q19.

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 totaled US\$51.6 million, a increase of US\$0.3 million, or 0.6% compared to 2Q19.



Revenues	2Q20			2Q19		
	(millions of pesos)	Var. %	(millions of dollars)	Var. %		
Net Collections ¹	1,084.9	14.6%	46.5	49.5	-5.9%	
Rental Revenue	1,175.2	29.7%	50.3	47.3	6.4%	
Uncollected Revenue from the Quarter	-171.5	174.9%	-7.2	-3.3	120.8%	
Collected Revenue from the Previous Quarter	81.3	-21.1%	3.4	5.4	-36.9%	
Accrued Income ²	2.7	-87.8%	0.1	1.2	-89.4%	
Other Operating Revenues	27.3	-49.3%	1.1	2.8	-59.4%	
Reimbursable Expenses as Revenues ³	17.9	-59.3%	0.7	2.3	-67.8%	
Reimbursable Tenant Improvements	8.3	2.8%	0.4	0.4	-15.7%	
Other non-cash Income	1.1	-38.8%	0.0	0.1	-47.3%	
Net Revenue ⁴	1,205.2	22.7%	51.6	51.3	0.6%	

(1) Net collections = rental revenue - uncollected revenue from the quarter + revenue collected from the previous quarter. (2) Straight line rent adjustment.

(3) Triple net leases expenses reimbursed to Terrafina from its tenants. (4) Rental revenue + accrued income + other operating revenues.

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 2Q20, real estate expenses totaled US\$6.7 million. These expenses mainly corresponded to repair and maintenance, property taxes and insurance. From 2Q20, property tax expenses will be normalized and distributed accordingly to each quarter of the year. These expenses were previously charged to the first quarter of the year.

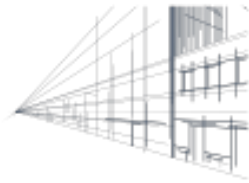
It is also important to differentiate between expenses that are directly related to the operation and those that are for the maintenance of the industrial portfolio; the latter are used in the NOI calculation.

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 2Q20, NOI totaled US\$44.8 million, a 9.2% or US\$4.5 million decrease compared to 2Q19. NOI margin decreased by 18 basis points reaching 94.2% compared to 94.3% in 2Q19. This is the result of the normalization of property taxes throughout the full year.



The following table displays the NOI calculation for 2Q20:

Net Operating Income						
	2Q20	2Q19	Var. %	2Q20	2Q19	Var. %
	<i>(millions of pesos unless otherwise stated)</i>			<i>(millions of dollars unless otherwise stated)</i>		
Net Collections ¹	1,084.9	946.3	14.6%	46.5	49.5	-5.9%
Other Operating income ²	25.0	44.0	-43.3%	1.1	2.8	-62.9%
Net Revenues for NOI Calculation	1,109.8	990.4	12.1%	47.6	52.3	-9.0%
Repair and Maintenance	-4.0	-11.2	-63.7%	-0.2	-0.6	-70.0%
Property Taxes	-25.5	0.0	-	-1.1	0.0	-
Property Management Fees	-21.5	-18.8	14.7%	-0.9	-1.0	-5.9%
Electricity	-1.5	-13.0	-88.1%	-0.1	-0.7	-89.8%
Property Insurance	-6.6	-2.4	177.4%	-0.3	-0.1	127.3%
Security	-3.1	-4.7	-34.3%	-0.1	-0.2	-45.8%
Other Operational Expenses	-2.3	-6.7	-65.9%	-0.1	-0.3	-71.5%
Real Estate Operating Expenses for NOI Calculation	-64.6	-56.6	14.1%	-2.8	-3.0	-6.1%
Net Operating Income ³	1,045.2	933.7	11.9%	44.8	49.3	-9.2%
NOI Margin	94.2%	94.3%	-18 bps	94.2%	94.3%	-18 bps

(1) Net collections = rental revenue - uncollected revenue from the quarter + revenue collected from previous quarter. (2) Excludes reimbursements from tenant improvements which are included in the AFFO calculation. (3) Income generated from the property portfolio, independent of external factors such as financing and income taxes. The NOI is the total of income from rent and the reimbursement of expenses from triple net lease contracts minus Real Estate Operating Expenses (costs incurred from the operation and maintenance of the industrial portfolio).

Source: PGIM Real Estate - Fund Accounting

Fees and Administrative Expenses (G&A)

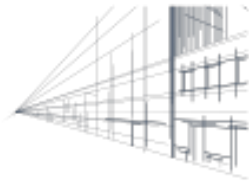
G&A for 2Q20 totaled US\$5.1 million, a 1.9% or US\$0.1 million decrease compared to 2Q19.

The following table breaks down total G&A for 2Q20:

G&A						
	2Q20	2Q19	Var. %	2Q20	2Q19	Var. %
	<i>(millions of pesos unless otherwise stated)</i>			<i>(millions of dollars unless otherwise stated)</i>		
External Advisor Fees ¹	-69.8	-56.8	23.0%	-3.0	-2.9	1.5%
Professional and Consulting Services	-14.5	-10.4	40.0%	-0.6	-0.6	10.5%
Payroll, Admin. Fees and Other Expenses	-34.0	-31.6	7.6%	-1.5	-1.7	-12.0%
Total G&A	-118.4	-98.8	19.8%	-5.1	-5.1	-1.9%

(1) 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 2Q20, EBITDA totaled US\$39.9 million, a decrease of US\$4.4 million, or 10.0%, compared to 2Q19. The EBITDA margin was 83.9%, a 93 basis point decrease compared to 2Q19.

The following shows the EBITDA calculation for the end of 2Q20:

EBITDA						
	2Q20	2Q19	Var. %	2Q20	2Q19	Var. %
	<i>(millions of pesos unless otherwise stated)</i>			<i>(millions of dollars unless otherwise stated)</i>		
Net Collections ¹	1,084.9	946.3	14.6%	46.5	49.5	-5.9%
Other Operating income ²	25.0	44.0	-43.3%	1.1	2.8	-62.9%
Real Estate Expenses for EBITDA Calculation	-71.2	-60.9	16.8%	-3.1	-3.2	-4.0%
Real Estate Operating Expenses for NOI Calculation	-64.6	-56.6	14.1%	-2.8	-3.0	-6.1%
Advertising	-0.1	-0.2	-65.6%	0.0	0.0	-
Admin. Property Insurance Expenses	-1.0	-0.7	29.8%	0.0	0.0	6.4%
Other Admin. Real Estate Expenses	-5.6	-3.4	63.8%	-0.2	-0.2	31.9%
Fees and Admin. Expenses	-108.5	-91.5	18.5%	-4.6	-4.8	-3.1%
External Advisor Fees	-69.8	-56.8	23.0%	-3.0	-2.9	1.5%
Legal, Admin. and Other Professional Fees	-22.7	-17.7	28.1%	-1.0	-0.9	3.0%
Trustee Fees	-2.2	-2.0	9.5%	-0.1	-0.1	-10.0%
Payroll	-11.7	-11.3	3.4%	-0.5	-0.6	-17.3%
Other Expenses	-2.1	-3.8	-44.1%	-0.1	-0.2	-53.4%
EBITDA ³	930.2	837.9	-64.0%	39.9	44.3	-10.0%
EBITDA Margin	83.9%	84.8%	-93 bps	83.9%	84.8%	-93 bps

(1) Net collections = rental revenue + uncollected revenue from the quarter + revenue collected from previous quarter. (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.

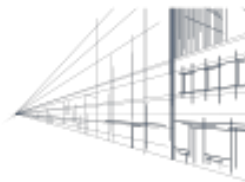
Financing Expenses

In 2Q20, financing expenses totaled US\$13.5 million, an increase of 3.4% or US\$0.4 million compared to 2Q19.

Financial Expenses

	2Q20	2Q19	Var. %	2Q20	2Q19	Var. %
	<i>(millions of pesos)</i>			<i>(millions of dollars)</i>		
Interest Paid	-315.2	-244.3	29.0%	-13.5	-12.8	5.6%
Borrowing Expenses	-1.6	-7.1	-77.1%	-0.1	-0.4	-82.0%
Recurring	0.0	0.0	-	0.0	0.0	-
Non-recurring	-1.6	-7.1	-77.1%	-0.1	-0.4	-80.3%
Interest Income	0.7	1.6	-58.3%	0.0	0.1	-65.7%
Total	-316.2	-249.7	26.6%	-13.5	-13.1	3.4%

Source: PGIM Real Estate - Fund Accounting



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

In 2Q20, FFO decreased by US\$5.2 million or 16.3% compared to 2Q19, reaching US\$26.5 million. The FFO margin was 55.6%, a 488 basis point decrease compared to 2Q19. Additionally, Terrafina reported an AFFO for 2Q20 of US\$23.3 million, a decrease of US\$3.9 million, or 14.3% compared to 2Q19. The AFFO margin was 48.7%, an decrease of 300 basis points versus 2Q19.

Funds from Operations (FFO)

	2Q20	2Q19	Var. %	2Q20	2Q19	Var. %
	<i>(millions of pesos unless otherwise stated)</i>			<i>(millions of dollars unless otherwise stated)</i>		
EBITDA	930.2	837.9	11.0%	39.9	44.3	-10.0%
Finance Cost ¹	-314.5	-242.7	29.6%	-13.5	-12.7	5.8%
Funds from Operations (FFO)	615.7	595.2	3.4%	26.5	31.6	-16.3%
<i>FFO Margin</i>	<i>55.6%</i>	<i>60.5%</i>	<i>-488 bps</i>	<i>55.6%</i>	<i>60.5%</i>	<i>-488 bps</i>
Tenant Improvements	-36.1	-29.1	24.1%	-1.6	-1.5	5.0%
Leasing Commissions	-25.1	-48.4	-48.3%	-1.1	-2.5	-56.7%
Other Non Recurring ²	-9.9	-6.4	54.1%	-0.4	-0.3	27.6%
Adjusted Funds from Operations (AFFO)	544.6	511.3	6.5%	23.3	27.2	-14.3%
<i>AFFO Margin</i>	<i>48.7%</i>	<i>51.7%</i>	<i>-300 bps</i>	<i>48.7%</i>	<i>51.7%</i>	<i>-300 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 other expenses.

Source: PGIM Real Estate - Fund Accounting

Comprehensive Income

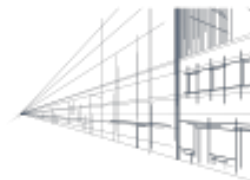
Comprehensive loss for 2Q20 was US\$43.0 million, compared to a gain of US\$6.9 million in 2Q19.

The following table presents Comprehensive Income calculations for the end of 2Q20:

Comprehensive Income

	2Q20	2Q19	Var. %	2Q20	2Q19	Var. %
	<i>(millions of pesos unless otherwise stated)</i>			<i>(millions of dollars unless otherwise stated)</i>		
Net Revenues	1,197.5	982.0	21.9%	51.4	51.3	0.1%
Real Estate Expenses	-156.4	-146.4	6.8%	-6.7	-7.6	-11.2%
Fees and Other Expenses	-118.4	-98.8	19.8%	-5.1	-5.1	-0.9%
Gain (Loss) from Sales of Real Estate Properties	-13.1	0.0	-	-0.6	0.0	-
Net Income (Loss) from Fair Value Adjustment on Investment Properties	-1,726.6	88.2	-	-77.7	4.6	-
Net Income (Loss) from Fair Value Adjustment on Financial Derivative Instruments	-2.9	-29.7	-90.4%	-0.1	-1.5	-91.7%
Net Income (Loss) from Fair Value Adjustment on Borrowings	-28.0	-34.6	-19.0%	-1.3	-1.8	-30.2%
Realized gain (loss) on Financial Derivative Instruments	0.4	5.2	-92.1%	0.0	0.3	-93.8%
Foreign Exchange Gain (loss)	-16.0	-3.3	384.1%	-0.8	-0.2	347.1%
Operating Profit	-863.4	762.7	-	-40.9	39.9	-
Financial Income	0.7	1.6	-58.3%	0.0	0.1	-65.7%
Financial Expenses	-316.8	-251.4	26.0%	-13.6	-13.2	2.9%
Net Financial Cost	-316.2	-249.7	26.6%	-13.5	-13.1	3.4%
Share of Profit from Equity Accounted Investments	-13.2	10.0	-231.6%	-0.6	0.5	-213.4%
Net Profit (Loss)	-1,192.8	522.9	-328.1%	-55.0	27.3	-
Items Reclassified after Net Profit (Loss) - Foreign Exchange Adjustments	-889.8	-299.5	197.1%	0.0	-15.7	-
Changes in the Fair Value Adjustment on Loans through Other Comprehensive Income	275.0	-90.8	-	12.0	-4.7	-
Comprehensive Income	-1,807.6	132.7	-	-43.0	6.9	-

Source: PGIM Real Estate - Fund Accounting



Distributions per CBFIs

In 2Q20, Terrafina distributed US\$19.8 million, or US\$0.0251 per CBFi. 85% of the AFFO generated in the quarter corresponds to the paid distributions.

Distributions

<i>(millions of pesos unless otherwise stated)</i>	2Q19	3Q19	4Q19	1Q20	2Q20	Var.%
Total Outstanding CBFIs ¹ (millions of CBFIs)	790.6	790.6	790.6	790.6	790.6	0.0%
CBFI Price ²	30.46	29.34	31.52	29.50	25.51	-16.3%
Distributions	480.9	551.0	499.1	437.4	462.9	-3.7%
Distributions Per CBFi	0.6083	0.6969	0.6313	0.5532	0.5855	-3.7%
FX Rate USD/MXN (average closing period)	19.13	19.43	19.29	19.86	23.30	21.8%
Distributions (millions of dollars)	25.1	28.3	25.8	22.5	19.8	-21.0%
Distributions Per CBFi (dollars)	0.0318	0.0359	0.0328	0.0284	0.0251	-21.0%
Annualized Distribution Yield ³	8.0%	9.5%	8.0%	7.5%	9.2%	119 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 30th, 2020, Terrafina's total debt reached US\$1.1 billion. The average cost of Terrafina's long-term debt was 4.45%. All of Terrafina's debt is denominated in U.S. dollars.

Outstanding Debt

<i>(As of June 30th, 2020)</i>	Currency	Millions of pesos	Millions of dollars	Interest Rate	Terms	Maturity	Extension Option	Derivatives
Long Term Debt								
Citibank ¹	Dollars	4,851.0	211.2	Libor + 2.45%	Interest Only	Jan 2023	-	US\$150M cap ⁵
Metlife	Dollars	3,445.7	150.0	4.75%	Interest Only	Jan 2027	-	-
Banamex ²	Dollars	4,274.7	186.1	Libor + 2.45%	Interest Only	Oct 2022	-	US\$105M swap ⁶
Senior Notes (2022) ³	Dollars	2,042.4	88.9	5.25%	Interest Only	Nov 2022	-	-
Senior Notes (2029) ⁴	Dollars	11,193.4	487.3	4.962%	Interest Only	Jul 2029	-	-
Total Debt		25,807.1	1,123.4					
Net Cash		3,609.6	157.1					
Net Debt		22,197.5	966.3					

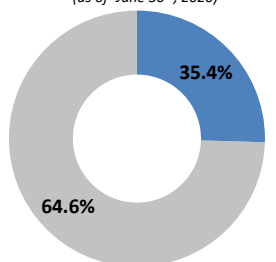
(1) Unsecured syndicated revolving credit facility. (2) Unsecured syndicated term loan facility; interest only for the first three years. (3) Value at Cost: US\$425 million / Ps.8,388 million.

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

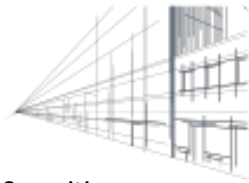
Source: PGIM Real Estate - Fund Accounting and Transactions

Interest Rate Breakdown

(as of June 30th, 2020)



■ Variable Rate ■ Fixed Rate



The following tables show leverage and debt service coverage as requested by the Mexican Banking and Securities Exchange Commission (CNBV) as of June 30th, 2020 as well as Terrafina's projections for the following six quarters:

Loan-to-Value (LTV)

(as of June 30 th , 2020)	(millions of pesos)	(millions of dollars)
Total Assets	59,772.3	2,602.0
Total Debt	25,807.1	1,123.4
Loan-to-Value (LTV)¹		43.2%

(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 th , 2020	3,609.6	157.1
Recoverable Taxes	Σ next 6 quarters	113.7	4.9
EBIT ¹ After Distributions	Σ next 6 quarters	2,829.2	121.4
Available Credit Line	June 30 th , 2020	2,065.1	89.9
	period	(millions of pesos)	(millions of dollars)
Interest Payments	Σ next 6 quarters	1,615.8	70.3
Principal Payments	Σ next 6 quarters	323.4	14.1
Recurring CapEx	Σ next 6 quarters	235.2	10.2
Development Expenses	Σ next 6 quarters	389.4	17.0
Debt Service Coverage Ratio (DSCR)²			3.4x

(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

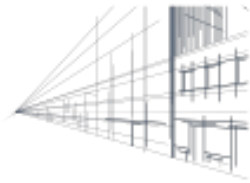
Additionally, as of June 30th, 2020, Terrafina was in full compliance with its debt covenants related to the bond issuances maturing in 2022 and 2029 as follows:

Unsecured Bond Covenants

	Terrafina	Bond Covenants
(as of June 30 th , 2020)		
Loan-to-Value (LTV) ¹	43.5%	≤ 60%
Debt Service Coverage Ratio (DSCR) ²	3.4x	≥ 1.5x
Secured Debt to Gross Assets Limitation	5.8%	≤ 40%
Unencumbered Assets to Unsecured Debt Limitation	230.0%	≥ 150%

(1) Total Debt divided by Total Assets (without accounts receivable). (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 - Capital Markets



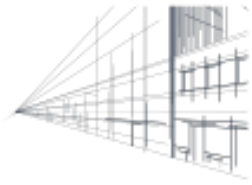
Guidance

Terrafina reiterates its full year guidance for 2020 as follows:

2020 Guidance

Year end occupancy	95% - 96%
Distribution payout ratio ¹	85%
Annual distribution per CBF1	\$0.1150 US cents - \$0.1170 US cents
CapEx per square foot (Total GLA)	\$0.26 US cents - \$0.29 US cents

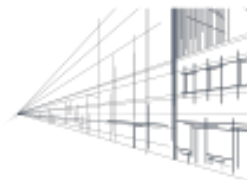
(1) Relative to 2020 Adjusted Funds from Operations (AFFO)



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



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

Terrafina owns 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 an effective management and corporate governance structure. For more information, please visit www.terrafinamx.com

About PGIM Real Estate

As one of the largest real estate managers in the world with \$179.4 billion in gross assets under management and administration¹, PGIM Real Estate strives to deliver exceptional outcomes for investors and borrowers through a range of real estate equity and debt solutions across the risk-return spectrum. PGIM Real Estate is a business of PGIM, the \$1.5 trillion global asset management business of Prudential Financial, Inc. (NYSE: PRU).

PGIM Real Estate's rigorous risk management, seamless execution, and extensive industry insights are backed by a 50-year legacy of investing in commercial real estate, a 140-year history of real estate financing², and the deep local expertise of professionals in 31 cities globally. Through its investment, financing, asset management, and talent management approach, PGIM Real Estate engages in practices that ignite positive environmental and social impact, while pursuing activities that strengthen communities around the world. For more information visit www.pgimrealestate.com.

¹As of March 31, 2020. Includes US\$37.9 billion in AUA.

²Includes legacy lending through PGIM's parent company, PFI.

About PGIM and Prudential Financial, Inc.

PGIM, the global asset management business of Prudential Financial, Inc. (NYSE: PRU), ranks among the top 10 largest asset managers in the world¹ with more than \$1.5 trillion in assets under management as of March 31, 2020. With offices in 16 countries, PGIM's businesses offer a range of investment solutions for retail and institutional investors around the world across a broad range of asset classes, including public fixed income, private fixed income, fundamental equity, quantitative equity, real estate and alternatives. For more information about PGIM, visit pgim.com.

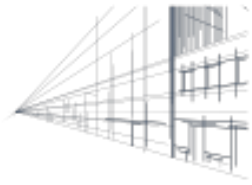
Prudential's additional businesses offer a variety of products and services, including life insurance, annuities and retirement-related services. For more information about Prudential, please visit news.prudential.com.

Prudential Financial, Inc. of the United States is not affiliated in any manner with Prudential plc, incorporated in the United Kingdom or with Prudential Assurance Company, a subsidiary of M&G plc, incorporated in the United Kingdom.

¹As ranked in Pensions & Investments' Top Money Managers list, 27 May 2019; based on PFI total worldwide institutional assets under management as of 31 Dec. 2018. Assets under management (AUM) are based on company estimates and are subject to change.

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)

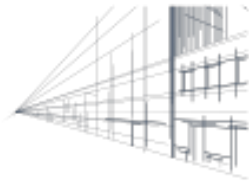
Cordially invites you to participate in its
Second Quarter 2020 Conference Call

Friday, July 24, 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/2133/35548>

To access the conference replay please dial:
U.S. +1-877-481-4010
International (outside the US) +1-919-882-2331
Passcode: 35548



Appendix

Appendix 1 – Revenues

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

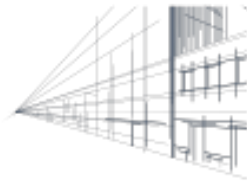
Additionally, there are accounting revenues that must be registered according to IFRS; however, these are considered non-cash items and therefore are excluded from the principal calculations.

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

Revenues		2Q20	2Q19	2Q20	2Q19
		<i>(millions of pesos)</i>		<i>(millions of dollars)</i>	
<i>NOI calculation</i>	Net Collections ¹	1,084.9	946.3	46.5	49.5
<i>NOI calculation</i>	Rental Revenue	1,175.2	905.7	50.3	47.3
<i>NOI calculation</i>	Uncollected Revenue from the Quarter	-171.5	-62.4	-7.2	-3.3
<i>NOI calculation</i>	Collected Revenue from the Previous Quarter	81.3	103.0	3.4	5.4
<i>Non-cash</i>	Accrued Income ²	2.7	22.4	0.1	1.2
	Other Operating Revenues	27.3	53.9	1.1	2.8
<i>NOI calculation</i>	Reimbursable Expenses as Revenues ³	17.9	44.0	0.7	2.3
<i>AFFO calculation</i>	Reimbursable Tenant Improvements	8.3	8.1	0.4	0.4
<i>Non-cash</i>	Other non-cash income	1.1	1.8	0.0	0.1
	Net Revenue	1,205.2	982.0	51.6	51.3
<i>NOI calculation</i>	Share of Profit from Equity Accounted Investments ⁴	7.0	10.2	0.3	0.5

(1) Net collections = rental revenue - uncollected revenue from the quarter + revenue collected from the previous quarter. (2) Straight line rent adjustment. (3) Triple net leases expenses reimbursed to Terrafina from its tenants. (4) Profit from Joint-venture developments.

Source: PGIM Real Estate - Fund Accounting



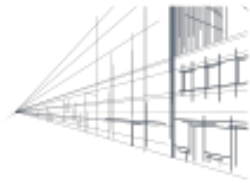
Appendix 2 – Real Estate Expenses

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 Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA), Funds from Operations (FFO), and 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				
		2Q20	2Q19	2Q20	2Q19	
		<i>(million of pesos)</i>		<i>(million of dollars)</i>		
		Repair and Maintenance	-48.5	-48.3	-2.1	-2.5
NOI calculation AFFO calculation		Recurring	-4.0	-11.2	-0.2	-0.6
		Non-recurring	-44.4	-37.2	-1.9	-1.9
		Property Taxes	-27.1	-13.8	-1.2	-0.7
NOI calculation		Operating	-25.5	0.0	-1.1	0.0
Non-cash		Non-operating	-1.5	-13.8	-0.1	-0.7
NOI calculation		Property Management Fees	-21.5	-18.8	-0.9	-1.0
NOI calculation AFFO calculation		Electricity	-1.5	-13.0	-0.1	-0.7
		Brokers Fees	-25.1	-48.4	-1.1	-2.5
		Property Insurance	-7.5	-3.1	-0.3	-0.2
NOI calculation EBITDA calculation		Operating	-6.6	-2.4	-0.3	-0.1
		Administrative	-1.0	-0.7	0.0	0.0
NOI calculation EBITDA calculation		Security	-3.1	-4.7	-0.1	-0.2
		Advertising	-0.1	-0.2	0.0	0.0
		Other Expenses	-13.8	-10.1	-0.6	-0.5
NOI calculation		Operational-related	-2.3	-6.7	-0.1	-0.3
Non-cash EBITDA calculation		Non-operational Related	-6.0	0.0	-0.3	0.0
		Administrative	-5.6	-3.4	-0.2	-0.2
Non-cash		Bad Debt Expense	-8.3	13.9	-0.3	0.7
		Total Real Estate Expenses	-156.4	-146.4	-6.7	-7.6

Source: PGIM Real Estate - Fund Accounting



Appendix 3 – Fees and Administrative Expenses

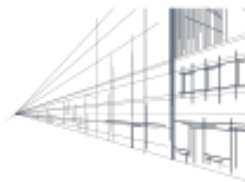
Fees and administrative expenses include figures used for the calculation of metrics such as Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA), Funds from Operations (FFO), Adjusted Funds from Operations (AFFO).

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			
		2Q20	2Q19	2Q20	2Q19
		<i>(million of pesos)</i>		<i>(million of dollars)</i>	
<i>EBITDA calculation</i>	External Advisor Fees	-69.8	-56.8	-3.0	-2.9
	Legal Fees	-8.0	-3.3	-0.3	-0.2
<i>EBITDA calculation</i>	Recurring	0.0	-0.1	0.0	0.0
<i>AFFO calculation</i>	Non Recurring	-8.0	-3.1	-0.3	-0.2
	Other Professional Fees	-6.5	-7.1	-0.3	-0.4
<i>EBITDA calculation</i>	Recurring	-4.7	-3.8	-0.2	-0.2
<i>AFFO calculation</i>	Non Recurring	-1.9	-3.3	-0.1	-0.2
	Administrative Fees	-18.1	-14.6	-0.8	-0.8
<i>EBITDA calculation</i>	Recurring	-18.1	-13.8	-0.8	-0.7
<i>Non operational related</i>	Non recurring ¹	0.0	-0.8	0.0	0.0
<i>EBITDA calculation</i>	Payroll	-11.7	-11.3	-0.5	-0.6
<i>EBITDA calculation</i>	Trustee Fees	-2.2	-2.0	-0.1	-0.1
<i>EBITDA calculation</i>	Other Expenses	-2.1	-3.8	-0.1	-0.2
	Total Fees and Admin. Expenses	-118.4	-98.8	-5.1	-5.1

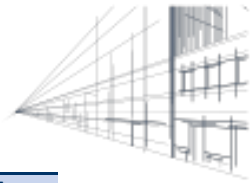
(1) Non operational related administrative fees.

Source: PGIM Real Estate - Fund Accounting



Appendix 4 – Reconciliation

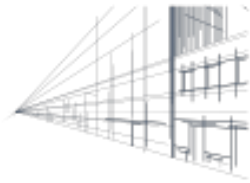
	2Q20	2Q20
	<i>(millions of pesos)</i>	<i>(millions of dollars)</i>
Reconciliation of Net Profit (Loss) to FFO, EBITDA and NOI		
Comprehensive Income (Loss)	-1,807.6	-43.1
<i>Add (deduct) Currency Translation Adjustment:</i>		
Currency Translation Adjustment	889.8	0.0
Changes in the Fair Value Adjustment on Loans through Other Comprehensive Income	-275.0	-12.0
<i>Add (deduct) Cost of Financing Adjustment:</i>		
Non-recurring Borrowing Expenses	1.6	0.1
<i>Add (deduct) Non-Cash Adjustment:</i>		
Foreign Exchange Adjustments	16.0	0.8
Realized gain (loss) on Financial Derivative Instruments	-0.4	0.0
Fair Value Adjustment on Borrowings	28.0	1.3
Fair Value Adjustment on Financial Derivative Instruments	2.9	0.1
Fair Value Adjustment on Investment Properties	1,726.6	77.7
Gain (Loss) from Sales of Real Estate Properties	13.1	0.6
<i>Add (deduct) Expenses Adjustment:</i>		
Non-recurring Repair and Maintenance	44.4	2.3
Non-operating Property Taxes	1.5	0.0
Brokers Fees	25.1	1.3
Bad Debt Expense	8.3	0.4
Other Non-operational Related Expenses	6.0	0.3
Non Recurring Legal Fees	8.0	0.4
Non-recurring Other Professional Fees	1.9	0.1
<i>Add (deduct) Revenues Adjustment:</i>		
Uncollected Revenue from the Quarter	-171.5	-7.4
Collected Revenue from the Previous Quarter	81.3	3.5
Fair Value on Investment Properties JVs		
Accrued Income	-2.7	-0.1
Other Non-cash Income	-1.1	-0.1
Reimbursable Tenant Improvements	-8.3	-0.4
Add (deduct) Non-operational Administrative Fees		
<i>Non-administrative Fees</i>	0.0	0.0
FFO	615.7	26.5
Add (deduct) Cost of Financing Adjustment:		
<i>Interest Paid</i>	315.2	13.5
Recurring Borrowing Expenses	0.0	0.0
Interest Income	-0.7	0.0
EBITDA	930.2	39.9
Add (deduct) Expenses Adjustment:		
<i>External Advisor Fees</i>	69.8	3.0
Recurring Legal Fees	0.0	0.0
Other Recurring Professional Fees	4.7	0.2
Administrative Fees	18.1	0.8
Payroll	11.7	0.5
Trustee Fees	2.2	0.1
Other Expenses	2.1	0.1
Advertising	0.1	0.0
Administrative Property insurance	1.0	0.0
Other Administrative Expenses	5.6	0.2
NOI	1045.2	44.8
Add (deduct) Expenses Adjustment:		
<i>Recurring Repair and Maintenance</i>	4.0	0.2
Operating Property Taxes	25.5	1.1
Property Management Fees	21.5	0.9
Electricity	1.5	0.1
Property Operating Insurance	6.6	0.3
Security	3.1	0.1
Other Operational Expenses	2.3	0.1
<i>Add (deduct) Revenues Adjustment:</i>		
<i>Other Non-Cash Income</i>	1.1	0.0
Accrued Income	2.7	0.1
Uncollected Revenue from the Quarter	171.5	7.4
Collected Revenue from the Previous Quarter	-81.3	-3.5
Reimbursable Tenant Improvements	8.3	0.4
Share of Profit from Equity Accounted Investments	-7.0	-0.3



Net Revenue	1,205.2	51.7
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Reconciliation of Net Profit (Loss) to AFFO

	2Q20	2Q20
	<i>(millions of pesos)</i>	<i>(millions of dollars)</i>
Comprehensive Income (Loss)	-1,807.6	-43.1
<i>Add (deduct) Cost of Financing Adjustment:</i>		
Exchange Rate Adjustments	889.8	0.0
Changes in the Fair Value Adjustment on Loans from Other Comprehensive Income Results	-275.0	-12.0
<i>Add (deduct) Cost of Financing Adjustment:</i>		
Non-recurring Borrowing Expenses	1.6	0.1
<i>Add (deduct) Non-cash Adjustment:</i>		
Foreign Exchange Adjustments	16.0	0.8
Realized gain (loss) on Financial Derivative Instruments	-0.4	0.0
Fair Value Adjustment on Borrowings	28.0	1.3
Fair Value Adjustment on Financial Derivative Instruments	2.9	0.1
Fair Value Adjustment on Investment Properties	1,726.6	77.7
Gain (Loss) from Real Estate Sales	13.1	0.6
<i>Add (deduct) Expenses Adjustment:</i>		
Non-operating Property Taxes	1.5	0.1
Bad Debt Expense	8.3	0.4
Other Non-operational Expenses	6.0	0.3
<i>Add (deduct) Revenues Adjustment:</i>		
Uncollected Revenue from the Quarter	-171.5	-7.4
Collected Revenue from the Previous Quarter	81.3	3.5
Fair Value on Investment Properties JVs	27.9	1.2
Accrued Income	-2.7	-0.1
Other Non-cash Income	-1.1	0.0
<i>Add (deduct) Non-operational Administrative Fees</i>		
Non-administrative Fees	0.0	0.0
AFFO	544.6	23.3



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

2Q20 Average Price (dollars) ¹	1.09
(x) CBFIs (million certificates)	790.6
(=) Market Capitalization	865.5
(+) Total Debt	1,123.4
(-) Cash	157.1
(=) Enterprise Value	1,831.8
(-) Landbank	43.2
(=) Implied Operating Real Estate Value	1,788.6
Net Operating Income (NOI) 2020e	192.0
Implied Cap Rate	10.7%

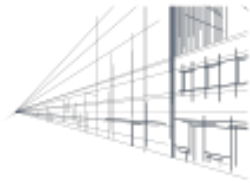
2Q20 Average Price (dollars)¹

(1) Average share price of Ps.25.51; and average exchange rate of Ps. 23.30

Cap Rate Calculation with NAV

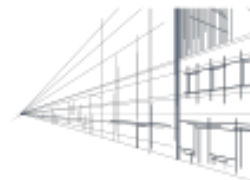
(+) Investment Properties (excluding landbank)	2,369.7
(+) Land	43.2
(+) Cash	157.1
(-) Total Liabilities	1,123.4
(=) NAV¹	1,446.6
(/) CBFIs (million certificates)	790.6
(=) NAV per CBFi (dollars)	1.8

CBFI Price (NAV calculation)	1.8
(x) CBFIs (million certificates)	790.6
(=) Market Cap	1,446.6
(+) Total Debt and Liabilities	1,123.4
(-) Cash	157.1
(=) Enterprise Value	2,412.9
(-) Landbank	43.2
(=) Implied Operating Real Estate Value	2,369.7
Net Operating Income (NOI) 2019e	192.0
Implied Cap Rate	8.1%



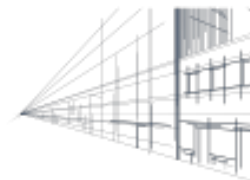
Financial Statements

Income Statement	2Q20	2Q20
	(thousands of pesos)	(thousands of dollars)
Rental revenues	1,177,876	50,470
Other operating income	19,667	899
Real estate operating expenses	-156,412	-6,844
Fees and other expenses	-118,365	-5,052
Realized gain (loss) from disposal of investment properties	-13,130	-591
Net gain (loss) from fair value adjustment on investment properties	-1,726,554	-77,703
Net gain (loss) from fair value adjustment on borrowings	-28,042	-1,262
Net gain (loss) unrealized from fair value on financial derivate instruments	-2,856	-129
Realized gain (loss) on financial derivate instruments	412	17
Foreign exchange gain (loss)	-16,042	-774
Operating profit	-863,446	-40,971
Finance income	671	29
Finance cost	-316,822	-13,561
Net Finance cost	-316,151	-13,532
Share of profit from equity accounted investments	-13,213	-595
Net profit for the period	-1,192,810	-55,097
Exchange rate gain (loss) from functional to reporting currency	-889,779	0
Changes in the fair value adjustment on loans at fair value through other comprehensive income	274,959	11,970
Total comprehensive income for the period	-1,807,630	-43,127



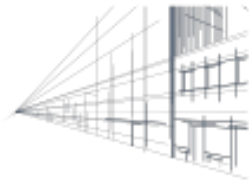
Financial Statements

Balance Sheet	Jun-30-20	Jun-30-20
<i>(thousands of pesos)</i>	<i>(thousands of pesos)</i>	<i>(thousands of dollars)</i>
Assets		
Non-current assets		
Investment properties	54,436,643	2,369,747
<small>(Cost: 30/06/2020 - 30/06/2020 - Ps.44,207,154, US\$2,342,332; 31/03/2020 - Ps.43,994,806, US\$2,333,219)</small>		
Investments in joint venture	764,347	33,274
Deferred rents receivable	291,796	12,702
Other accounts receivable	51,839	2,257
Restricted cash	36,109	1,572
Current assets		
Other accounts receivable	156,455	6,811
Recoverable taxes	113,705	4,950
Prepaid expenses	61,181	2,663
Deferred charges receivable	63,448	2,762
Accounts receivable	187,172	8,148
<small>(Net of allowance for doubtful accounts: 30/06/2020 - 30/06/2020 - Ps.125,083, US\$5,445; 31/03/2020 - Ps.92,982, US\$5,296)</small>		
Cash and cash equivalents	3,609,611	157,134
Total assets	59,772,306	2,602,020
Net assets attributable to Investors		
Net contributions	18,701,218	1,556,093
Retained earnings	-2,349,013	-249,754
Currency translation adjustment	13,691,977	-
Own credit risk reserve	2,978,544	131,214
Total net assets (Net Equity)	33,022,726	1,437,553
Liabilities		
Non-current liabilities		
Loans	25,347,119	1,103,416
<small>(Cost: 30/06/2020 - Ps.25,917,793, US\$1,128,259; 31/03/2020 - Ps.24,134,763, US\$1,026,478)</small>		
Financial derivative instruments	48,517	2,112
Tenant deposits	333,635	14,524
Accounts payable	7,266	316
Current liabilities		
Trade and other payables	391,495	17,043
Loans	460,017	20,026
<small>(Cost: 30/06/2020 - Ps.460,017, US\$20,026 ;31/03/2020 - Ps.285,725, US\$12,152)</small>		
Tenant deposits	161,530	7,032
Total liabilities (excluding net assets attributable to the Investors)	26,749,579	1,164,468
Total net assets and liabilities	59,772,305	2,602,021



Financial Statements

Cash Flow Statement	Jun-20 <i>(thousands of pesos)</i>	Jun-20 <i>(thousands of dollars)</i>
Cash flows from operating activities		
Profit (loss) for the period	-1,826,714	-55,097
Adjustments:		
Net loss (gain) unrealized from fair value adjustment on investment properties	1,708,969	77,703
Net loss (gain) realized from fair value adjustment on loans	43,092	129
Net loss (gain) unrealized from fair value adjustment on financial derivative instruments	1,126,493	1,262
Net loss (gain) unrealized from fair value adjustment on financial derivative instruments	0	0
Gain realized from disposal of investment properties	13,130	591
Bad debt expenses	12,947	336
Interest expenses on loans	551,477	13,488
Interest income on bank accounts	-1,540	-29
Share of profit from equity accounted investments	11,694	595
Decrease (increase) deferred rents receivable	-77,203	-124
Decrease (increase) in accounts receivable	-118,908	-2,517
Decrease (increase) in recoverable taxes	7,332	496
Decrease (increase) in recoverable value added tax	-14,859	-522
Decrease (increase) in prepaid expenses	-40,154	1,451
Decrease (increase) in other assets	13,339	2,023
Decrease (increase) in tenant deposits	113,353	-757
(Decrease) in accounts payable	30,664	-257
Net cash (used in) generated from operating activities	1,553,112	38,771
Cash flows from investing activities		
Improvements of investment properties	-386,557	-9,112
Proceeds from dispositions of investment properties	-	-
Interest income on bank accounts	1,540	29
Investments in joint venture	-	-
Collections on loan receivable	-27,997	13
Net cash (used in) generated from investing activities	-413,014	-9,071
Cash flows from financing activities		
Received loans	3,928,031	150,300
Principal payments on loans	-1,304,631	-45,000
Interest payments on loans	-518,842	-9,134
Restricted cash	-	-
Distributions to investors	-936,485	-19,297
Net cash (used in) generated from financing activities	1,168,073	76,869
Net (decrease) in cash and cash equivalents	2,308,171	106,570
Cash and cash equivalents at the beginning of the period	1,266,322	50,565
Exchange effects on cash and cash equivalents	35,118	-
Cash and cash equivalents at the end of the period	3,609,611	157,135



Financial Statements

Statement of Changes in Equity	Attributable to Investors				
	Net contributions	Currency conversion adjustment	Personal credit risk reserve	Retained earnings	Total net assets
<i>(thousands of pesos)</i>					
Balance at January 1 st , 2019	18,701,218	7,783,691	669,393	414,187	27,568,489
Capital Contribution, Net of Issuing Costs	-	-	-	-	-
Distributions to Investors	-	-	-	-936,485	-936,485
Comprehensive Income					
Net income (loss) of the period	-	-	-	-1,826,715	-1,826,715
Other Comprehensive Income					
Currency conversion adjustments	-	5,908,286	-	-	5,908,286
Fair value loan adjustments	-	-	2,309,151	-	2,309,151
Total Comprehensive income (loss)	-	5,908,286	2,309,151	-1,826,715	6,390,722
Net Assets as of June 30th, 2020	18,701,218	13,691,977	2,978,544	-2,349,013	33,022,726
<i>(thousands of dollars)</i>					
Balance at January 1 st , 2019	814,105	338,841	29,140	18,030	1,200,117
Capital Contribution, Net of Issuing Costs	-	-	-	-	-
Distributions to Investors	-	-	-	-40,767	-40,767
Comprehensive Income					
Net income (loss) of the period	-	-	-	-79,521	-79,521
Other Comprehensive Income					
Currency conversion adjustments	-	257,201	-	-	257,201
Fair value loan adjustments	-	-	100,522	-	100,522
Total Comprehensive income (loss)	-	257,201	100,522	-120,288	237,435
Net Assets (Net Worth) as of June 30th, 2020	814,105	596,042	129,663	-102,258	1,437,552